



November 18, 2024

Ms. Kari French
Assistant Executive Director, Division Director-Oversight and Safety Division
Railroad Commission of Texas
1701 North Congress Ave., 9th Floor
Austin, Texas 78701

Re: Case No. 00019196 – Statement of Intent Filed by Atmos Energy Corp. to Change
Gas Utility Rates within the Unincorporated Areas of the Mid-Tex Division

Dear Ms. French:

Enclosed for filing are ten copies of Atmos Energy Corporation's ("Atmos Energy") Statement of Intent to Change Gas Utility Rates within the Unincorporated Areas of the Mid-Tex Division, including supporting exhibits and a flash drive that contains the electronic files.¹ The electronic files have been uploaded to RRC CASES for filing. Atmos Energy proposes that the requested rates become effective on December 23, 2024, which is 35 days from the date of filing as required under Tex. Util. Code § 104.102. Please refer to the undersigned and Ms. Ann Coffin as the primary contacts for Atmos Energy regarding all matters and correspondence in this proceeding.

Thank you for your attention to this matter. Please do not hesitate to contact me if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Felan", written in a cursive style.

Christopher Felan
Vice President, Rates & Regulatory Affairs
Atmos Energy Corporation, Mid-Tex Division

cc: Mr. Mark Evarts, Railroad Commission of Texas
Ms. Sarah Montoya-Foglesong, Railroad Commission of Texas
Ms. Ann Coffin, Coffin Renner LLP

¹ Five copies of the confidential material will be provided upon receipt of the proposed Protective Order certification included as Exhibit D of the Rate Filing Package.

CASE NO. 00019196

STATEMENT OF INTENT FILED BY	§	
ATMOS ENERGY CORP. TO CHANGE	§	RAILROAD COMMISSION
GAS UTILITY RATES WITHIN THE	§	
UNINCORPORATED AREAS OF THE	§	OF TEXAS
MID-TEX DIVISION	§	

**ATMOS ENERGY CORPORATION'S
STATEMENT OF INTENT TO CHANGE GAS UTILITY RATES WITHIN THE
UNINCORPORATED AREAS OF THE MID-TEX DIVISION**

Atmos Energy Corporation (“Atmos Energy” or the “Company”) on behalf of its Mid-Tex Division (“Mid-Tex Division”) respectfully files this Statement of Intent to change gas utility rates within the unincorporated areas of the Mid-Tex Division under the provisions of Subchapter C of Section 104 of the Texas Utilities Code (“Tex. Util. Code”) and the rules of the Railroad Commission of Texas (“Commission”). The Company requests that the revised rate schedules, which are included as **Exhibit A** to this Statement of Intent and incorporated herein by reference, become effective on December 23, 2024, which is 35 days from the date of this filing. In support thereof, the Company respectfully shows the Commission as follows:

I. JURISDICTION

The Mid-Tex Division is a gas utility under Tex. Util. Code § 101.003(7), and the Commission has exclusive original jurisdiction to set the rates requested for residential and other general sales service customers within the unincorporated areas of the Mid-Tex Division under Tex. Util. Code § 102.001(a). Pursuant to 16 Texas Administrative Code (“TAC”) § 7.115(33), the proposed rates in the unincorporated areas are not specifically keyed to the rates charged in any incorporated area.

II. ORGANIZATION OF THE FILING

Exhibit A – Proposed Rate Schedules and Riders

Definitions

Rate R – Residential Sales

Rate C – Commercial Sales

Rate I – Industrial Sales

Rate T – Transportation

Rider WNA – Weather Normalization Adjustment

Rider GCR – Gas Cost Recovery

Rider CT – Competitive Transportation

Rider SUR – Surcharges

Rider RA – Retention Adjustment

Quality of Service Rules

Rider TAX – Tax Adjustment

Rider SSI – System Safety and Integrity

Exhibit B – Proposed Notice

Exhibit C – Testimony

Exhibit D – Proposed Protective Order

Exhibit E – Cost of Service & Class Cost of Service Studies

III. SUMMARY OF RATE FILING, PROPOSED CHANGES, EXPECTED REVENUE CHANGE, AND RELIEF REQUESTED

The timing of this rate filing was dictated by the requirements of Tex. Util. Code § 104.301. Section 104.301 is commonly referred to as the “GRIP Statute.” The GRIP Statute requires a utility to file a general rate case within five and a half years of implementing its initial Interim Rate Adjustment (“IRA”), which for the unincorporated areas of the Mid-Tex Division occurred on June 4, 2019.¹ Therefore, Atmos Energy was required to file this Statement of Intent by December 1, 2024.

¹ The first IRA filing for the Mid-Tex system was made by the Mid-Tex Division following its most recent rate case in *Statement of Intent Filed by Atmos Energy Corp. to Change Gas Utility Rates Within the Unincorporated Areas Served by its Mid-Tex Division*, GUD No. 10742, Final Order (Dec. 11, 2018). This IRA filing was docketed as *Application of Atmos Energy, Mid-Tex Division for Test Year 2018 Annual Interim Rate Adjustment for the Unincorporated Areas*, GUD No. 10822, IRA Order (Jun. 4, 2019) and the IRA became effective on June 6, 2019.

Atmos Energy has calculated the revenue requirement for this filing using the system-wide cost of providing service to all customers within the Company's Mid-Tex Division; however, the Company only seeks, in this case, to change rates in the unincorporated areas of the Mid-Tex Division. For the twelve (12)-month period ending June 30, 2024, the adjusted gas sales and transportation revenues from the unincorporated areas served by the Mid-Tex Division totaled approximately \$124.0 million. If approved, the proposed rates will increase the annual revenues received from the unincorporated areas served by the Mid-Tex Division by approximately \$10.8 million, which is a change of 8.69% including gas costs and 14.03% excluding gas costs. If system-wide revenues received from the entire Mid-Tex Division (including incorporated and unincorporated areas) were included, the total revenue requirement would be \$2.9 billion and the approximate change in system-wide revenues would be \$207.6 million. Because the proposed changes will increase the Company's total aggregate revenue within the unincorporated areas of the Mid-Tex Division by more than 2.5%, the proposed changes, if approved, constitute a "major change" in rates as that term is defined by Tex. Util. Code § 104.101. The proposed rates do not, however, exceed 115% of the average of all rates for similar services within all municipalities served by the Company within the same counties. *See* Tex. Util. Code § 104.006.

The rate schedules, attached hereto as **Exhibit A** to the Statement of Intent and made a part hereof, evidence the rate changes proposed by the Company. The proposed rates will allow Atmos Energy to recover additional revenue to eliminate the existing earnings deficiency and allow it the opportunity to earn a fair return on its investment. The Company's filed cost of service data demonstrates that its total net, system-wide revenue deficiency for service provided under the cost of service rate schedules, after adjustments for known and measurable changes, and based on a requested overall rate of return of 8.23%, which reflects Atmos Energy's actual capital structure

at September 30, 2024, is approximately \$207.6 million on an annual basis. In addition to establishing new rates, the Company seeks to:

- Obtain a prudence determination from the Commission on the capital investment made between January 1, 2018 and September 30, 2024;
- Obtain a Commission determination that the Mid-Tex Division has correctly reflected changes to utility rates to account for all the impacts of the lowered federal corporate income tax rate consistent with the Accounting Order issued in Gas Utilities Docket (“GUD”) No. 10695;
- Establish new depreciation rates for the Mid-Tex Division’s plant assets, as well as the plant assets held by Atmos Energy’s Shared Services Unit (“SSU”);
- Obtain approval to record Cloud Computing costs as a capital investment recoverable through its annual IRA filings made pursuant to Tex. Util. Code § 104.301;
- Increase the lodging limitations to levels that have been approved as reasonable by the Commission in recent rate proceedings;
- Adopt a new System Safety & Integrity Rider (“Rider SSI”) that will, based on a benchmark established in this case, allow the Company to recover or refund to customers, third-party expenses incurred for: (1) inspection activities to confirm that there is no existing cross-bore damage on facilities installed prior to 2016; (2) specific damage prevention activities necessary to install technology to make unlocatable facilities electronically locatable; (3) incremental leak surveying and detection activities conducted by third-party contractors; (4) supervisory activities related to third-party excavation near Atmos Energy facilities; and (5) hydrostatic testing activities on transmission assets to reconfirm maximum allowed operating pressure (“MAOP”) to comply with Mega Rule Part 1, codified as 49 C.F.R. § 192.624;
- Adopt a new Rider SUR – Surcharges (“Rider SUR”), which will provide for: (1) the recovery of the outstanding interest expense balance related to Winter Storm Uri; (2) the recovery of authorized rate case expenses; (3) the refund/collection of the residual unprotected EDIT amortization balance to customers within the unincorporated areas; and 4) the refund of uncertain tax provisions related to FASB ASC 740-10 (“FIN 48”). The Company further proposes to recover Rider SSI amounts under the Rider SUR, if the tariff is approved;
- Adopt updated tariffs reflective of the Mid-Tex Division’s current operations, actual cost of providing service, align operating division nomenclature, update its line extension policy, and clarify the responsibilities of the utility and its customers. The requested tariff changes are summarized in Section IV of this Statement of Intent;

- Identify the specific annual amount of Pension and Other Postemployment Benefits as provided for in Tex. Util. Code § 104.059; and,
- Recover all of its reasonable rate case expenses, as well as any expenses the Commission orders to be reimbursed to other parties for their participation in this case through a surcharge to rates. The exact amount will not be known until the case is complete.

IV. DETAILS OF PROPOSED CHANGES

This Statement of Intent is being filed pursuant to the requirements of Tex. Util. Code § 104.102. With respect to the cost of service, the Company's filing demonstrates that the need for a rate increase is primarily driven by the continuing investment that is being made to enhance the safety and reliability of the Company's Mid-Tex distribution system, necessary increases in operating expenses that have occurred over the six years since the filing of the Mid-Tex Division's last general rate case, changes in depreciation rates, and a required adjustment to overall rate of return to enable the Company to compete against similarly situated companies for access to the capital necessary to continue to operate a safe and reliable system.

A. Test Year

The Company's proposed cost of service for the Mid-Tex Division as set forth in this Statement of Intent and Rate Filing Package is based on the twelve-month period ending June 30, 2024. The Company has updated the test year information for known changes and conditions that are measurable with reasonable accuracy, including used and useful capital investment and capital structure through September 30, 2024.

B. Class and Number of Customers Affected

The following table shows the approximate number of customers by class within the unincorporated areas of the Mid-Tex Division. Only residential customers will be affected by the proposed changes:

Unincorporated Areas Customer Classes	Number of Customers
Residential	103,674
Commercial	2,102
Industrial and Transportation	44

The proposed change to revenues received from the residential class within the unincorporated areas totals \$10,777,649.

C. Proposed Rate Changes

As mentioned above, in developing the proposed rates, the Company has used the system-wide cost of providing service to the entire Mid-Tex Division, though it is only seeking to change rates in the unincorporated areas as part of this filing. The proposed changes to rates within the unincorporated areas are set out below:

RATE R - RESIDENTIAL SALES			
Charge	Current	Proposed	Difference
Customer Charge	\$46.06	\$46.06	\$0.00
Consumption Charge per Ccf	\$0.18653	\$0.41708	\$0.23055

The Company is proposing no change to existing Commercial, Industrial, and Transportation rates, which currently include a customer charge comprised of the base rate customer charge approved in GUD No. 10742, plus the annual IRA adjustments made pursuant to Tex. Util. Code § 104.301, which were approved by the Commission in GUD Nos. 10822, 10944,

Case Nos. 00005921, 00008887, 00012759, 00016391, and consumption charge(s).² If approved, the existing components of the commercial, industrial, and transportation customer charge(s) will combined be into a single base rate customer charge.

The effect of the proposed change to an average bill for the residential class of customers for the unincorporated areas is shown below:

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Average Volumes	Current Rates	Proposed Rates	Current Average Bill	Proposed Average Bill	Amount Change	Percent Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	<u>Rate R at 35.1 Ccf</u>							
2	Base Rates:							
3	Customer Charge		\$ 46.06	\$ 46.06	\$ 46.06	\$ 46.06	\$ -	
4	Consumption Charge (Ccf)	35.1	\$ 0.18653	\$ 0.41708	6.55	14.64	8.09	
5	Total Base Rates				<u>\$ 52.61</u>	<u>\$ 60.70</u>	<u>\$ 8.09</u>	15.38%
6								
7	Gas Cost:							
8	Rider GCR Part A (Ccf)	35.1	\$ 0.25792	\$ 0.25792	\$ 9.05	\$ 9.05	\$ -	
9	Rider GCR Part B (Ccf)	35.1	\$ 0.53756	\$ 0.53756	18.87	18.87	-	
10	Total Gas Cost				<u>\$ 27.92</u>	<u>\$ 27.92</u>	<u>\$ -</u>	0.00%
11								
12	Total Base with Gas Cost				\$ 80.53	\$ 88.62	\$ 8.09	
13	Rider FF and Rider TAX		0.06788	0.06788	5.47	6.02	0.55	10.05%
14								
15	Total Residential Average Bill				<u>\$ 86.00</u>	<u>\$ 94.64</u>	<u>\$ 8.64</u>	10.05%

For the unincorporated areas served by the Mid-Tex Division, residential customers will see a 15.38% increase under the proposed rates, excluding gas cost, and a 10.05% increase, including gas cost. Commercial, Industrial, and Transportation customers will see no change in their existing rates under the Company's proposal and thus, there is no proposed impact on the average bill for these customer classes.

Exhibit E, attached, provides the Cost of Service and Class Cost of Service Studies supporting the Company's request. The Company has updated the Class Cost of Service Study and Billing Determinants Analysis with current test period information.

² For the Commercial customer class, the current customer charge is \$133.15 and the consumption charge is \$0.10494; For the Industrial and Transportation customer classes, the current customer charge is \$2,491.47 and the consumption charges are \$0.3701 for the first 1,500 MMBtu, \$0.2712 for the next 3,500 MMBtu, and \$0.0582 for anything over 5,000 MMBtu.

D. Prudence Determination, Depreciation Rates, and New IRA Factors

The Company seeks a prudence determination from the Commission that the capital investments made and reported in its IRA filings for the Mid-Tex Division since its last rate case in GUD No. 10742, as well as Mid-Tex Division and SSU-allocated capital investment that has been placed into service between January 1, 2024 and September 30, 2024, are used and useful and were prudently incurred. This includes investments made pursuant to 16 TAC § 8.209 which relate to Distribution Facilities Replacements, as well as other capital projects.³ The information contained in the Rate Filing Package demonstrates the prudence and reasonableness of this capital investment.

The Company also seeks to establish new depreciation rates for Mid-Tex Division plant assets, as well as the plant assets held by Atmos Energy's SSU. The SSU depreciation rates were recently approved by the Commission for use by Atmos Pipeline – Texas in Docket No. OS-23-00013758.⁴ This case will establish new baselines for future IRA filings.

E. Proposed Tariff Changes

In addition to the proposed Rider SSI and Rider SUR discussed above, the Company proposes the following tariff changes:

1. Tariffs

As reflected in **Exhibit A**, the Company proposes to revise its Mid-Tex Division Residential, Commercial, Industrial, and Transportation rate schedules to reflect the proposed rates and to provide additional clarity regarding the applicability of state and local taxes. The Company also proposes to revise its Transportation tariff to revise and/or emphasize certain terms of service.

³ Company witness Jeffrey Knights supports the prudence of the capital investment made by the Company.

⁴ *Statement of Intent Filed by Atmos Pipeline - Texas, a Division of Atmos Energy Corporation, to Change the Rate CGS and Rate PT Rates of Atmos Pipeline – Texas*, Docket No. OS-23-00013758 consol., Final Order at Finding of Fact No. 34 and Attachment 2 (Dec. 13, 2023).

2. Rider TAX – Tax Adjustment

The Company proposes to revise the Rider TAX - Tax Adjustment tariff to clarify the applicability of the Rider and address: (1) the proposed refund of amounts related to the Company's FASB 740-10 ("FIN 48") Uncertain Tax Positions; and (2) timing issues created by tax rate changes that may be made to local, state, and federal level, as well as the implementation of the Corporate Alternative Minimum Tax, which was signed into law in August 2022.

3. Definitions Tariff Section and Quality of Service Rules

The revisions proposed by the Company in this case are intended to modernize the tariff language to reflect current operations, clarify the responsibilities of the utility and its customers, and correct any inadvertent errors or inconsistencies in the language. In particular, the proposed Quality of Service tariff revisions include a more detailed construction section and clarify Atmos Energy's line extension policy, as well as the Company's right to access customer premises for operational purposes, including the installation of necessary equipment, as well as what customers' responsibilities are if Company facilities are damaged. The Company has also included language to further clarify billing adjustments. Lastly, the changes describe in more detail the responsibilities of customers for their facilities and equipment and the limitations of responsibility of the Company for loss or damages.

4. Rider WNA – Weather Normalization Adjustment

The Company proposes to update the heat load and base load factors reflected in its Rider WNA tariff. The Company requests these changes in order to synchronize these factors with proposed rates and the updated billing determinant calculations used to develop the proposed rates.

5. Rider RA – Retention Adjustment and Rider CT – Competitive Transport

Proposed changes are being made to remove incorrect references to tariffs that are not used by the Mid-Tex Division. Specifically, the Company proposes to remove references to Rate CGS

and Rate PT in Rider – RA. The Company also proposes to remove references to Rate PT in the Rider – CT. Finally, the Company is lowering the retention adjustment percentage found in Rider – RA.

6. Rider GCR

Proposed changes are designed to eliminate the need to update Commission-approved allocation factors on a case-by-case basis and clarify that overpull fees are not limited to curtailment events.

F. Effective Date

The Company requests that the Commission order the proposed rates to be effective for bills rendered on or after December 23, 2024, which is 35 days after the filing date.

V. SUPPORTING WITNESS TESTIMONY

Attached to this Statement of Intent as **Exhibit C** is the pre-filed testimony of the following witnesses:

- Christopher Felan, Vice President of Rates and Regulatory Affairs for Mid-Tex Division, describes the Company's operations, provides an overview of the filing and the Mid-Tex Division's rate request. Mr. Felan supports the various tariff changes being sought, including the proposed revisions to the Company's Quality of Service rules. Mr. Felan also supports the Company's request to capitalize all of its Cloud Computing costs and the Company's planned treatment of future rate adjustments under Tex. Util. Code § 104.301, if the proposed rate design is approved in this case. Finally, Mr. Felan supports the Company's request for rate case expenses.
- Ms. Barbara W. Myers, SSU Manager of Rates and Regulatory Affairs, sponsors the Company's books and records, supports the Company's Cost Allocation Manual, which describes the methodology for cost allocation within the Company, and explains Atmos Energy's corporate structure. Ms. Myers also sponsors the ratemaking adjustments and SSU cost allocations proposed by the Company in this docket. Ms. Myers testifies in support of the overall rate base to be used in this proceeding and provides testimony concerning the regulatory assets related to the Company's Rule § 8.209 investment spending, Pension and Other Postemployment Benefits, and SSI regulatory asset balance. Ms. Myers sponsors the affidavit of Derek W. Boyd, Atmos Energy's Director of Security and Risk Management, which demonstrates that the services and related costs associated with Blue Flame Insurance Services, Ltd. comply with the requirements of Tex. Util. Code § 104.055(b). Ms. Myers explains and supports the requested capitalization of

Cloud Computing costs. Finally, Ms. Myers co-sponsors the proposed calculation of the Rider SSI and amounts to be recovered or refunded under Rider SUR.

- Mr. Jeffrey Knights, Director of Enterprise Systems and Integrity for the Company's SSU Safety & Enterprise Services group, testifies concerning the reasonableness and necessity of the capital investment included in this filing. This capital investment includes investments made for the benefit of the Mid-Tex Division between January 1, 2018 and September 30, 2024. Mr. Knights also testifies concerning the reasonableness and necessity of the requested Mid-Tex Division's operating and maintenance ("O&M") expense included in this filing, as well as the requested recovery of SSU O&M expenses. Mr. Knights also explains and supports the need for the proposed Rider SSI.
- Mr. Joel Multer, Vice President of Tax for Atmos Energy, supports the proposed revisions to its Rider TAX – Tax Adjustment tariff. Mr. Multer also addresses the treatment of the Company's uncertain tax positions, which are commonly known as "FIN 48".
- Ms. Shelly Mullins, Director of Compliance & Talent Acquisition, Atmos Energy, attests to the reasonableness of the Company's compensation program, including base salaries, wages, and incentive compensation, and the Mid-Tex Division's compliance with Tex. Util. Code § 104.060, which entitles the Mid-Tex Division to the presumption that these expenses are reasonable and necessary.
- Ms. Shele Boles, Director of Benefits, Atmos Energy, attests to the reasonableness of the employee benefits offered by Atmos Energy and supports a determination that the benefits and related costs included in the Mid-Tex Division cost of service satisfy the requirements of Tex. Util. Code § 104.060.
- Mr. Daniel S. Dane, Executive Vice President, Concentric Energy Advisors, testifies to the appropriate level of cash working capital for the Mid-Tex Division to be used in this proceeding.
- Mr. Dylan D'Ascendis, Partner of ScottMadden, Inc., testifies concerning the appropriate cost of equity, capital structure, and overall rate of return to be used in this proceeding.
- Mr. Dane Watson, Partner, Alliance Consulting, sponsors and supports the depreciation studies conducted for the Mid-Tex Division and the Company's SSU assets, as well as the resulting depreciation rate changes proposed for adoption.
- Mr. Paul H. Raab, President of Paul H. Raab Economic Consulting, Inc., provides testimony concerning class cost allocation and rate design. Mr. Raab also sponsors the billing determinate analysis.

VI. RATE CASE EXPENSES

Pursuant to Tex. Util. Code § 104.051 and 16 TAC § 7.5530, the Company requests recovery of all rate case expenses determined by the Commission to be reasonable. The Company further requests to sever the evaluation of the reasonableness of rate case expenses and authorization of their recovery to a separate docket. If the Commission declines to sever the rate case expense issues to a separate docket, the Company requests to recover rate case expenses as a surcharge to the final approved rates in this proceeding as authorized under Tex. Util. Code § 104.051 and 16 TAC § 7.5530.

VII. PUBLIC NOTICE

Notice of this rate filing will be made pursuant to the provisions of Tex. Util. Code § 104.103 and other applicable requirements. A copy of the proposed public notice is attached as **Exhibit B** to the Statement of Intent. Atmos Energy requests that the assigned Administrative Law Judge (“ALJ”) review and approve this form of notice so that notice to customers can commence. The Company will submit proof of notice to the Commission promptly upon completion thereof.

VIII. REQUEST FOR APPROVAL OF PROTECTIVE ORDER AND PROCEDURAL PROCESSING

The Mid-Tex Division’s Rate Filing Package includes certain confidential and highly sensitive protected materials. In addition, the scope of discovery in this case may require the production of additional protected material. Accordingly, the Company has included a proposed Protective Order as **Exhibit D** to this Rate Filing Package and respectfully requests that the assigned ALJ issue an order approving the Protective Order. The Company will provide protected material to parties upon execution of a protective order certification, which is included as Exhibit A to the proposed Protective Order.

The Company further requests that this rate filing be processed consistent with the requirements set forth in Commission 16 TAC §§ 1.56 and 1.57.

IX. COMPANY REPRESENTATIVES FOR NOTIFICATION

The Mid-Tex Division's authorized representative are:

Shelly M. Bass
Associate General Counsel
Atmos Energy Corp.
5420 LBJ Freeway, Suite 1800
Dallas, Texas 75240
972-855-3756 (phone)
Shelly.bass@atmosenergy.com

Christopher Felan
Vice President, Rates and Regulatory Affairs
Atmos Energy Corp., Mid-Tex Division
5420 LBJ Freeway, Suite 1800
Dallas, Texas 75240
214-206-2568 (phone)
Christopher.Felan@atmosenergy.com

and

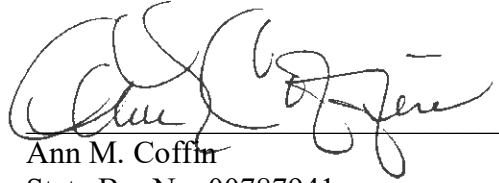
Ann M. Coffin
Coffin Renner LLP
1011 W. 31st Street
Austin, Texas 78705
512-879-0900 (phone)
Ann.coffin@crtxlaw.com

All pleadings, motions, orders, and other documents filed in this proceeding should be served on the Company's authorized representatives at the above-stated addresses.

X. CONCLUSION

WHEREFORE, PREMISES CONSIDERED, the Company requests that the Commission grant it the authority to charge the proposed new rates to customers within the unincorporated areas served by the Mid-Tex Division as set forth herein, with such rates to become effective for bills rendered on or after December 23, 2024. The Company further requests that the Commission approve the other relief requested as set forth in the Company's rate filing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ann M. Coffin", is written over a horizontal line.

Ann M. Coffin

State Bar No. 00787941

Coffin Renner LLP

1101 W. 31st Street

Austin, TX 78705

Telephone: (512) 879-0900

Facsimile: (512) 879-0912

ann.coffin@crtxlaw.com

**ATTORNEY FOR ATMOS ENERGY
CORPORATION, MID-TEX DIVISION**

DISCLAIMER

This site contains the content of the Company's tariffs. The official tariffs are on file with the relevant state regulatory commissions. While every effort has been made to ensure that the tariffs on this site are accurate and are updated on a timely basis, Atmos does not warrant that they are identical in every respect to the official tariffs on file with the relevant regulatory agencies and expressly disclaims any responsibility or liability for any differences.

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THIS DOCUMENT LAST UPDATED July 1, 2024

Tariff for Gas Service

Mid-Tex Division

Atmos Energy Corporation
5420 LBJ Freeway, Suite 1557
Dallas, Texas 75240

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

SECTION:	I. – UTILITY OPERATIONS	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:	07/01/2012	PAGE: 1

Atmos Energy Corp., Mid-Tex Division owns and operates a natural gas distribution system that provides natural gas service in 111 counties in Texas.

The following will respond to inquiries regarding provisions of this Tariff for Gas Service:

Mr. Christopher Felan
Vice President, Rates & Regulatory Affairs
Atmos Energy Corporation
5420 LBJ Freeway, Suite 1862
Dallas, Texas 75240
Telephone: (214) 206-2568
Email Address: christopher.felan@atmosenergy.com

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

SECTION:	II. – CITIES AND COUNTIES SERVED	
APPLICABLE TO:	Entire System	
EFFECTIVE DATE:	10/01/2023	PAGE: 2

CITIES SERVED BY ATMOS ENERGY CORP., MID-TEX DIVISION

Abbott	Blossom
Abilene	Blue Mound
Addison	Blue Ridge
Alba	Blum
Albany	Bogata
Allen	Bonham
Alma	Bowie
Alvarado	Boyd
Alvord	Brazos Bend
Angus	Bremond
Anna	Bridgeport
Annona	Bronte
Anson	Brownsboro
Archer City	Brownwood
Argyle	Bruceville-Eddy
Arlington	Bryan
Athens	Buckholts
Aubrey	Buffalo
Aurora	Buffalo Gap
Austin	Burkburnett
Avery	Burleson
Azle	Burnet
Baird	Byers
Balch Springs	Caddo Mills
Ballinger	Caldwell
Bandera	Calvert
Bangs	Cameron
Bardwell	Campbell
Barry	Canton
Bartlett	Carbon
Bartonville	Carrollton
Bedford	Cashion Community
Bellevue	Cedar Hill
Bellmead	Cedar Park
Bells	Celeste
Belton	Celina
Benbrook	Centerville
Benjamin	Chandler
Bertram	Chico
Beverly Hills	Childress
Blackwell	Chillicothe
Blanket	Cisco
Blooming Grove	Clarksville

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

SECTION:	II. – CITIES AND COUNTIES SERVED	
APPLICABLE TO:	Entire System	
EFFECTIVE DATE:	10/01/2023	PAGE: 3

Cleburne	Electra
Clifton	Emhouse
Clyde	Emory
Cockrell Hill	Ennis
Coleman	Euless
College Station	Eustace
Colleyville	Evant
Collinsville	Everman
Colorado City	Fairfield
Comanche	Fairview
Commerce	Farmers Branch
Como	Farmersville
Coolidge	Fate
Cooper	Ferris
Coppell	Flower Mound
Copper Canyon	Forest Hill
Copperas Cove	Forney
Corinth	Fort Worth
Corsicana	Franklin
Covington	Frankston
Coyote Flats	Fredericksburg
Crandall	Frisco
Crawford	Frost
Cross Roads	Gainesville
Crowley	Garland
Cumby	Garrett
Dallas	Gatesville
Dalworthington Gardens	Georgetown
Dawson	Glen Rose
Decatur	Glenn Heights
Deleon	Godley
Denison	Goldthwaite
Denton	Goodlow
Deport	Gordon
Desoto	Goree
Detroit	Gorman
Dodd City	Granbury
Double Oak	Grand Prairie
Draper	Grandview
Dublin	Granger
Duncanville	Grapevine
Early	Greenville
Eastland	Groesbeck
Ector	Gunter
Edgecliff Village	Gustine
Edom	Haltom City

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

SECTION:	II. – CITIES AND COUNTIES SERVED	
APPLICABLE TO:	Entire System	
EFFECTIVE DATE:	10/01/2023	PAGE: 4

Hamilton	Kurten
Hamlin	Lacy-Lakeview
Harker Heights	Ladonia
Haskell	Lake Dallas
Haslet	Lake Worth
Hawley	Lakeport
Hearne	Lakeside
Heath	Lampasas
Hebron	Lancaster
Henrietta	Lavon
Hewitt	Lawn
Hickory Creek	Leander
Hico	Leona
Highland Park	Leonard
Highland Village	Lewisville
Hillsboro	Lexington
Holland	Liberty Hill
Holliday	Lindsay
Honey Grove	Lipan
Howe	Little Elm
Hubbard	Little River Academy
Hurst	Llano
Hutchins	Lometa
Hutto	Lone Oak
Impact	Longview
Iowa Park	Loraine
Iredell	Lorena
Irving	Lott
Italy	Lucas
Itasca	Lueders
Jewett	Mabank
Josephine	Madisonville
Joshua	Malakoff
Justin	Malone
Kaufman	Manor
Keene	Mansfield
Keller	Marble Falls
Kemp	Marlin
Kennedale	Mart
Kerens	Maypearl
Kerrville	Mcgregor
Killeen	Mckinney
Knollwood	Mclendon-Chisholm
Knox City	Megargel
Kosse	Melissa
Krum	Meridian
	Merkel

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

SECTION:	II. – CITIES AND COUNTIES SERVED	
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Mesquite	Pleasant Valley
	Point
Mexia	Ponder
Midlothian	Post Oak Bend
Midway	Pottsboro
Miles	Powell
Milford	Poynor
Millsap	Princeton
Mobile City	Prosper
Moody	Putnam
Moran	Quanah
Morgan	Quinlan
Muenster	Quitman
Munday	Ranger
Murchison	Ravenna
Murphy	Red Oak
Nevada	Reno (Lamar County)
New Chapel Hill	Reno (Parker County)
Newark	Retreat
Newcastle	Rhome
Nocona	Rice
Nolanville	Richardson
Normangee	Richland
North Richland Hills	Richland Hills
Northlake	Riesel
Novice	Rio Vista
Oak Leaf	River Oaks
Oak Point	Roanoke
Oakwood	Robert Lee
O'Brien	Robinson
Oglesby	Roby
Olney	Rochester
Ovilla	Rockdale
Palestine	Rockwall
Palmer	Rogers
Pantego	Roscoe
Paradise	Rosebud
Paris	Ross
Parker	Rotan
Pecan Gap	Round Rock
Pecan Hill	Rowlett
Penelope	Roxton
Petrolia	Royse City
Pflugerville	Rule
Pilot Point	Runaway Bay
Plano	Sachse

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

SECTION:	II. – CITIES AND COUNTIES SERVED	
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Sadler	Toco
Saginaw	Tom Bean
Saint Jo	Trent
San Angelo	Trenton
San Saba	Trinidad
Sanctuary	Trophy Club
Sanger	Troy
Sansom Park	Tuscola
Santa Anna	Tye
Savoy	Tyler
Scurry	University Park
Seagoville	Valley Mills
Seymour	Valley View
Shady Shores	Van Alstyne
Sherman	Venus
Snyder	Vernon
Somerville	Waco
South Mountain	Walnut Springs
Southlake	Watauga
Southmayd	Waxahachie
Springtown	Weinert
Stamford	West
Star Harbor	Weston
Stephenville	Westlake
Strawn	Westover Hills
Streetman	Westworth Village
Sulphur Springs	White Settlement
Sun Valley	Whitehouse
Sunnyvale	Whitesboro
Sweetwater	Whitewright
Talty	Whitney
Taylor	Wichita Falls
Teague	Wilmer
Tehuacana	Windom
Temple	Winters
Terrell	Wixon Valley
The Colony	Wolfe City
Thorndale	Woodway
Thornton	Wortham
Thrall	Wylie
Throckmorton	Yantis
Tioga	

**ATMOS ENERGY CORPORATION
MID-TEX DIVISION**

REVISION NO: 0

SECTION:	II. – CITIES AND COUNTIES SERVED	
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COUNTIES SERVED BY ATMOS ENERGY CORP., MID-TEX DIVISION:

Anderson	Knox
Archer	Lamar
Bandera	Lampasas
Baylor	Lee
Bell	Leon
Bosque	Limestone
Brazos	Llano
Brown	Madison
Burleson	McLennan
Burnet	Milam
Callahan	Mills
Cherokee	Mitchell
Childress	Montague
Clay	Navarro
Coke	Nolan
Coleman	Palo Pinto
Collin	Parker
Comanche	Rains
Cooke	Red River
Coryell	Robertson
Dallas	Rockwall
Delta	Runnels
Denton	Rusk
Eastland	San Saba
Ellis	Scurry
Erath	Shackelford
Falls	Smith
Fannin	Somervell
Fisher	Stephens
Foard	Tarrant
Freestone	Taylor
Gillespie	Throckmorton
Grayson	Tom Green
Gregg	Travis
Grimes	Van Zandt
Hamilton	Wichita
Hardeman	Wilbarger
Harrison	Williamson
Haskell	Wise
Henderson	Wood
Hill	Young
Hood	
Hopkins	
Hunt	
Johnson	
Jones	
Kaufman	
Kendall	
Kerr	

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

SECTION:	III. – DEFINITIONS	
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AGREEMENT FOR GAS SERVICE. A written contract between Company and Customer under which Company provides Gas Service.

APARTMENT HOUSE. A building or buildings containing more than four Dwelling Units all of which are rented primarily for non-transient use, with rental paid at intervals of one week or longer. Apartment House includes residential condominiums, whether rented or owner occupied.

APPLICANT. A person or entity who requests Gas Service from Company. The inauguration of Gas Service to an Applicant by Company does not indicate that Company has inspected Customer's gas piping or appliances or determined the piping and appliances to be safe or adequate.

CODES. Codes governing gas installations.

COMMERCIAL CUSTOMER. A customer who has a North American Industry Classification System Code beginning with 11, 22 (other than electric generation), 23, 41-46, 48, 49, 51-56, 61, 62, 71, 72, 81, or 91-93 or any other end-use customer to which no other rate schedule applies. A customer classified as a commercial customer under this definition may be considered eligible to contract for interruptible service under Rate Schedule T - Transportation, at the discretion of Atmos Energy, only if the customer 1) has standby equipment for the use of other fuel with a capacity at least equal to that normally required by the customer, 2) has fuel in storage in an amount adequate to fulfill the customer's fuel requirements during periods of interruption or discontinuance of gas service, and 3) certifies annually by October 1 that the standby equipment is in full working order and fuel storage has been procured for the upcoming 12-month period. Independent School Districts or private primary and secondary schools that use gas in buildings used to provide educational instruction to students will be classified as commercial customers for such purposes and will receive service at such buildings under the Commercial Rate.

COMMISSION. The Railroad Commission of Texas.

COMPANY OR UTILITY. Atmos Energy Corporation, Mid-Tex Division, its successors, and its assigns.

CONSUMER OR CUSTOMER. These terms are used interchangeably to mean an individual, partnership, association, joint venture, corporation, governmental agency, or any other organization or entity who is receiving, who is receiving the benefit of, or who is utilizing in any way Gas Service at a specified Point of Delivery.

CURTAILMENT EVENT. When Company determines that its ability to deliver gas may become inadequate to support continuous service to firm customers on its system and it reduces deliveries to one or more firm customers. An interruption of delivery or service to interruptible gas customers does not constitute a curtailment event. Prior to reducing deliveries to one or more firm customers, Company interrupts deliveries to interruptible customers pursuant to mutually agreed upon contracts and/or tariffs.

CUSTOMER'S/CONSUMER'S EQUIPMENT: All appliances, piping, vents, connectors, valves, fittings or any other gas utilization or distribution equipment including but not limited to methane detectors and carbon monoxide detectors at or on the Customer's/Consumer's side of the Point of Delivery.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

SECTION:	III. – DEFINITIONS	
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CUSTOMER'S GAS INSTALLATION/CUSTOMER'S PIPING. All pipes, equipment, apparatuses, devices, or facilities of any kind on Customer's side of the Point of Delivery, except Company's metering equipment, used by Customer in any manner in connection with the provision of Gas Service.

DISTRIBUTION SYSTEM. That portion of Company's gas system that is comprised of distribution pipelines, Gas Main Lines, and Gas Service Lines that are located on the load side of city gates.

DWELLING UNIT. A room or rooms suitable for occupancy as a residence.

GAS DAY. The period beginning at 9:00 a.m. on one calendar day and ending at 9:00 a.m. on the following calendar day.

GAS MAIN LINES. Company's distribution pipelines that receive natural gas from city gate stations and transport such natural gas to Service Lines.

GAS SERVICE. The transportation to and provision of natural gas, including, but not limited to, the designing, installing, maintaining, operating, and/or monitoring of gas by the Company up to and at the Point of Delivery .

GAS SERVICE LINES. Company's distribution pipelines that receive natural gas from Gas Main Lines and transport such natural gas to the Points of Delivery.

INDUSTRIAL CUSTOMER. A customer who has a North American Industry Classification System Code beginning with 21, 22 (electric generation only), 31, 32, or 33.

INTERRUPTION EVENT. The interruption of natural gas deliveries to interruptible customers pursuant to mutually agreed upon contracts or tariffs.

LOCAL DISTRIBUTION COMPANY. An entity that operates a retail gas distribution system other than Atmos Energy Corp., Mid-Tex Division.

MAKE-UP VOLUMES. The quantity of gas specifically and separately nominated by customer and confirmed by Company to resolve, either in whole or in part, any imbalance under Rate T.

METER. A device, or devices, together with any required auxiliary equipment, for measuring Gas Service.

PIPELINE SYSTEM. That portion of Company's gas system that provides pipeline transmission. The Pipeline System is upstream from city gates and feeds into the Distribution System.

POINT OF DELIVERY. The point of connection at which the gas supplied by the Company leaves the outlet side of Company's meter and enters Customer's Piping. At Company's option, locations where the gas installation has multiple connections to Company's facilities may be considered one point of delivery for billing purposes.

RATE SCHEDULE. A statement of the method of determining charges for Gas Service, including the conditions under which such method applies.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

SECTION:	III. – DEFINITIONS	
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RECEIPT NOMINATION. The daily quantity of gas requested by a shipper to be delivered into the Pipeline System by the shipper as specified in the associated Transportation Agreement between the shipper and Atmos Energy Corp., Mid-Tex Division.

REGULATORY AUTHORITY. An incorporated city or town, or an agency of the county, state, or federal government.

RESIDENTIAL CUSTOMER. Unless otherwise specified in the rate schedule, a customer whose service is separately and individually metered in an individual private Dwelling Unit or in an individually metered apartment and who uses natural gas primarily for Residential End Uses and occupies the building.

RESIDENTIAL END USES. Heating, space heating, cooking, water heating, and any other purpose for which gas supplied by the Company is used by the Customer.

RESIDENTIAL SALES SERVICE. Gas service provided to any customer whose service is separately and individually metered and who uses natural gas primarily for Residential End Uses and occupies the building.

STATE AGENCY. (A) a department, commission, board, office, or other agency that:

- (i) is in the executive branch of state government;
- (ii) has authority that is not limited to a geographical portion of the state; and
- (iii) was created by the Texas Constitution or a statute of this state;

(B) a university system or institution of higher education as defined by Section 61.003, Education Code, other than a public junior college; or

(C) a river authority created under the Texas Constitution or a statute of this state.

TEMPORARY GAS SERVICE. Gas Service provided to Customer for a single, continuous period of time, which is less than twelve consecutive months, except that Gas Service provided during construction activities, even though provided for a continuous period of time in excess of twelve months, is considered to be Temporary Gas Service.

TRANSPORTATION SERVICE CUSTOMER. Customers who procure their own gas supplies and for whom the Company provides delivery service on Company's system.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

SECTION:	IV. – GAS SERVICE RATES & RIDERS	
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**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	UNINCORPORATED AREAS	
EFFECTIVE DATE:		

Application

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

Type of Service

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

Monthly Rate

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

Charge	Amount
Customer Charge per Bill	\$ 46.06 per month
Rider CEE Surcharge	\$ 0.05 per month ¹
Interim Rate Adjustment ("IRA")	\$ 0.00 per month ²
Total Customer Charge	\$ 46.11 per month
Commodity Charge – All Ccf	\$ 0.41708 per Ccf

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

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

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

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

Agreement

An Agreement for Gas Service may be required.

Notice

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

¹ Reference Rider CEE – Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2024.

² This footnote will be used to document the annual IRA adjustments.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	UNINCORPORATED AREAS	
EFFECTIVE DATE:		

Application

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

Type of Service

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

Monthly Rate

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

Charge	Amount
Customer Charge per Bill	\$ 133.15 per month
Rider CEE Surcharge	\$ 0.00 per month ¹
Interim Rate Adjustment ("IRA")	\$ 0.00 per month ²
Total Customer Charge	\$ 133.15 per month
Commodity Charge - All Ccf	\$ 0.10494 per Ccf

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

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

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

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

Agreement

An Agreement for Gas Service may be required.

Notice

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

Presumption of Plant Protection Level

For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx-div-plantprotection@atmosenergy.com.

¹ Reference Rider CEE – Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2024.

² This footnote will be used to document the annual IRA adjustments.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	UNINCORPORATED AREAS	
EFFECTIVE DATE:		

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 200 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 200 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service

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

Monthly Rate

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

Charge	Amount
Customer Charge per Meter	\$ 2,491.47 per month
Interim Rate Adjustment ("IRA")	\$ 0.00 per month ¹
Total Customer Charge	\$ 2,491.47 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.3701 per MMBtu
Next 3,500 MMBtu	\$ 0.2712 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0582 per MMBtu

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

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

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

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.

¹ This footnote will be used to document the annual IRA adjustments.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	UNINCORPORATED AREAS	
EFFECTIVE DATE:		

Agreement

An Agreement for Gas Service may be required.

Notice

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

Special Conditions

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

Presumption of Plant Protection Level

For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx-div-plantprotection@atmosenergy.com.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	UNINCORPORATED AREAS	
EFFECTIVE DATE:		

Application

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

This tariff is not available to customers with a maximum daily demand of 1,000 MMBtu or greater and a daily/annual load factor of 10% or less. Load factor is calculated as follows: annual usage / (maximum daily connected demand X 365). Load factors will be recalculated once each year to determine appropriate eligibility for Rate T.

Type of Service

Company's receipt and delivery of all gas quantities under the applicable Transportation Agreement will be on a wholly interruptible basis subject to the Terms and Conditions incorporated in the Transportation Agreement. If Customer is an Industrial Customer, then Customer may elect, at the reasonable discretion of Company, to contract for Plant Protection transportation quantities defined as the minimum natural gas required to prevent physical harm and/or protect critical safety to the plant facilities, plant personnel, or the public when such protection cannot be achieved through the use of an alternate fuel. Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

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

Charge	Amount
Customer Charge per Meter	\$ 2,491.47 per month
Interim Rate Adjustment ("IRA")	\$ 0.00 per month ¹
Total Customer Charge	\$ 2,491.47 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.3701 per MMBtu
Next 3,500 MMBtu	\$ 0.2712 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0582 per MMBtu

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

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

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

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

¹ This footnote will be used to document the annual IRA adjustments.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	UNINCORPORATED AREAS	
EFFECTIVE DATE:		

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.

Overpull Fee

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

Replacement Index

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

Agreement

A transportation agreement is required.

Notice

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

Special Conditions

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

¹ This footnote will be used to document the annual IRA adjustments.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	UNINCORPORATED AREAS	
EFFECTIVE DATE:		

Provisions for Adjustment

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

Computation of Weather Normalization Adjustment

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

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

Where

i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification

$WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf

R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.

HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class

NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.

ADD = billing cycle actual heating degree days.

BL_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

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

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

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

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	UNINCORPORATED AREAS	
EFFECTIVE DATE:		

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	10.95	.1565	137.08	1.0502
Austin	10.61	.1607	172.07	1.1421
Dallas	10.45	.1628	103.98	1.1747
Waco	9.41	.1359	111.98	1.0577
Wichita Falls	10.11	.1464	109.07	1.1063

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at atmosenergy.com/utility-operationsrates/tariffs-mid-tex/ in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and a Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	RESERVED FOR FUTURE USE	
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**MID-TEX DIVISION
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**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	GCR – GAS COST RECOVERY	
APPLICABLE TO:	ENTIRE DIVISION	
EFFECTIVE DATE:		

Applicable to Rate R, Rate C, and Rate I for all gas sales made by Company, and applicable to Rate R, Rate C, Rate I, and Rate T for recovery of Pipeline System costs. The total gas cost recovery amount due is determined by adding the gas cost calculated in Section (a) below and the pipeline cost calculated in Section (b) below.

The amount due for gas cost (Section (a)) is determined by multiplying the Gas Cost Recovery Factor (GCRF) by the Customer's monthly volume. For Customers receiving service under Rate R and Rate C, monthly volume will be calculated on a Ccf basis (to calculate on a Mcf basis divide the monthly volume by 10). For Customers receiving service under Rate I, monthly volume will be calculated on an MMBtu basis and the quantities will be adjusted as necessary to recover actual gas costs.

The amount due for pipeline cost (Section (b)) is determined by multiplying the Pipeline Cost Factor (PCF) by the Customer's monthly volume. For Customers receiving service under Rate R and Rate C, monthly volume will be calculated on a Ccf basis. For Customers receiving service under Rate I and Rate T, monthly volume will be calculated on an MMBtu basis and the quantities will be adjusted as necessary to recover actual gas costs.

(a) Gas Cost

Method of Calculation

The monthly gas cost adjustment is calculated by the application of a Gas Cost Recovery Factor (GCRF), as determined with the following formula:

$$\text{GCRF} = \text{Estimated Gas Cost Factor (EGCF)} + \text{Reconciliation Factor (RF)} + \text{Taxes (TXS)} + \text{Customer Rate Relief Charge (CRR)}$$

EGCF = Estimated cost of gas, including lost and unaccounted for gas attributed to residential, commercial, and industrial sales, and any reconciliation balance of unrecovered gas costs, divided by the estimated total residential, commercial, and industrial sales. Lost and unaccounted for gas is limited to 5%.

RF = Calculated by dividing the difference between the Actual Gas Cost Incurred, inclusive of interest over the preceding twelve-month period ended June 30 and the Actual Gas Cost Billed over that same twelve-month period by the estimated total residential, commercial, and industrial sales for the succeeding October through June billing months. The interest rate to be used is the annual interest rate on overcharges and under charges by a utility as published by the Public Utility Commission each December.

Actual Gas Cost Incurred = The sum of the costs booked in Atmos Energy Corp., Mid-Tex Division account numbers 800 through 813 and 858 of the FERC Uniform System of Accounts, including the net impact of injecting and withdrawing gas from storage. Also includes a credit or debit for any out-of-period adjustments or unusual or nonrecurring costs typically considered gas costs and a credit for amounts received as Imbalance Fees or Overpull Fees.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	GCR – GAS COST RECOVERY	
APPLICABLE TO:	ENTIRE DIVISION	
EFFECTIVE DATE:		

Actual Gas Cost Billed = EGCF multiplied by the monthly volumes billed to Residential, Commercial and Industrial Sales customers, less the total amount of gas cost determined to have been uncollectible and written off which remain unpaid for each month of the reconciliation period.

Any amount remaining in the reconciliation balance after the conclusion of the period of amortization will be maintained in the reconciliation balance and included in the collection of the next RF.

Atmos Energy shall file annual reports with the Commission, providing by month the following amounts: Gas Cost Written Off, Margin Written Off, Tax and Other Written Off, Total Written Off, Gas Cost Collected and Margin Collected, and the amount of gas cost attributable to the Customer Rate Relief Charge.

TXS = Any statutorily imposed assessments or taxes applicable to the purchase of gas divided by the estimated total residential, commercial, and industrial sales. The Customer Rate Relief Charge is exempt from state and local sales and use taxes and utility gross receipts taxes and assessments and is excluded from revenue for purposes of franchise tax under Tex. Tax Code § 171.1011.

ADJ = Any surcharge or refund ordered by a regulatory authority, inclusive of interest, divided by the estimated total residential, commercial, and industrial sales is to be included as a separate line item surcharge.

CRR = A nonbypassable charge as defined in Texas Utilities Code § 104.362(7) and the Mid-Tex Division Customer Rate Relief Rate Schedule.

(b) Pipeline Cost

Method of Calculation

Each month, a Pipeline Cost Factor (PCF) is calculated separately for each Pipeline Cost Rate Class listed below. The formula for the PCF is:

$PCF = PP / S$, where:

$PP = (P - A) \times D$, where:

P = Estimated annual cost of pipeline service calculated pursuant to Rate CGS

D = Pipeline service allocation factor for the rate class as approved in the Company's most recent rate case.

A = Adjustment applied in the current month to correct for the difference between the actual and estimated pipeline cost revenue balance, inclusive of interest, for the most recent 12 months ending June 30, calculated by the formula:

$A = R - (C - A2)$, where:

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	GCR – GAS COST RECOVERY	
APPLICABLE TO:	ENTIRE DIVISION	
EFFECTIVE DATE:		

R = Actual revenue received from the application of the PP component for the most recent 12 months ending June 30.

C = Actual pipeline costs for the most recent 12 months ending June 30.

A2 = The adjustment (A) applied to the PP component for balances from the preceding 12 months ending June 30.

S = Estimated annual Ccf or MMBtu for the rate class for the current and ensuing billing months ending June 30.

The PCF is calculated to the nearest 0.0001 cent.

The Pipeline Cost to be billed is determined by multiplying the Ccf or MMBtu used by the appropriate PCF. The Pipeline Cost is determined to the nearest whole cent.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	CT – COMPETITIVE TRANSPORTATION	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:		PAGE:

Application

Applicable at Company's sole discretion to any Customer that otherwise qualifies for service under Rate T and that in Company's sole judgement would not be served by Company but for the pricing provided pursuant to this Rider.

Applicable only to Points of Delivery that meet the requirements of the previous paragraph.

Monthly Rate

At Company's sole discretion, a discount to the otherwise applicable monthly rate may be offered to any qualifying Customer subject to the special conditions set forth herein.

The discounted rate applicable to transportation service under this provision shall be specified in the associated transportation agreement.

Customer must furnish Company a notarized affidavit and supporting information confirming to the satisfaction of the Company that Customer qualifies for discounted service pursuant to TUC 104.003(b).

Agreement

A transportation agreement is required.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	SUR – SURCHARGES	
APPLICABLE TO:	Unincorporated Areas	
EFFECTIVE DATE:	Bills Rendered on or after	

Application

This Rider is applicable to customer classes as authorized by the state or any governmental entity, a municipality, or a regulatory authority pursuant to any statute, ordinance, order, rule, contract, or agreement. This Rider is subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Monthly Calculation

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

1. Docket No. (to be determined) – Securitization Interest Expense Recovery

The following surcharge as authorized in Docket No. (to be determined) shall be recovered from the Rate Schedules R – Residential, C – Commercial, and I – Industrial by adding the surcharge rate to each customer's monthly consumption charges as noted in the table below each month for approximately a 12-month period until all approved amounts are collected.

Rate Schedules	Basis	Rate
Rate R – Residential Sales	Ccf	\$ 0.01843
Rate C – Commercial Sales	Ccf	\$ 0.01843
Rate I – Industrial Sales	MMBtu	\$ 0.01800

2. Docket No. 00006913 – Unprotected Excess Deferred Income Tax Amortization

The reconciliation and completion of the refund of the unprotected portion of the Excess Deferred Income Taxes ("EDIT") was approved in Docket No. (to be determined) as follows. The balance of the Unprotected portion of the EDIT was approved in Case No. 00006913 to be applied monthly in each of thirty-six (36) months commencing with Mid-Tex Division's bills rendered on or after September 1, 2021. The Rider SUR for EDIT for the unincorporated areas was withdrawn for bills rendered on or after April 1, 2024. The over and under recovery amount for each customer class will be collected or (refunded) in one (1) month period to reconcile and complete the refund. The surcharge rate by customer class for a one (1) month period is shown in the table below:

Rate Schedules	Unincorporated Areas
R – Residential Sales	\$ 0.48
C – Commercial Sales	\$ (59.08)
I – Industrial Sales	\$(2,689.94)
T - Transportation	\$(2,689.94)

3. Docket No. (to be determined) – FASB ASC 740-10 (Fin48) Refund

The following refund as authorized in Docket No. (to be determined) shall be refunded to Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation to customer's monthly in each month for a 12-month period. The refund amount by month by Rate Schedule is shown in the table below:

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	SUR – SURCHARGES	
APPLICABLE TO:	Unincorporated Areas	
EFFECTIVE DATE:	Bills Rendered on or after	

Rate Schedules	Rate
Rate R – Residential Sales	\$ (0.13)
Rate C – Commercial Sales	\$ (0.35)
Rate I – Industrial Sales	\$ (6.75)
Rate T – Transportation	\$ (6.75)

4. Docket No. (to be determined) – Rate Case Expense Recovery

The Rate Case Expense Surcharge (“RCE”) rate as authorized in Docket No. (to be determined). This monthly rate shall apply to Rate Schedules R - Residential, C - Commercial, I - Industrial and T - Transportation rate classes of Atmos Energy Corporation’s Mid-Tex Division unincorporated area customers in the amounts shown below. The fixed-price surcharge rate will be in effect for approximately 12 months until all approved and expended rate case expenses are recovered from the applicable customer classes as documented in the Final Order in Docket No. (to be determined).

Monthly Surcharge:

Surcharges will be the fixed-price rate shown in the table below:

Rate Schedules	Unincorporated Areas
R – Residential Sales	\$ xx.xx
C – Commercial Sales	\$ xx.xx
I – Industrial Sales	\$ xx.xx
T - Transportation	\$ xx.xx

The Company shall file an annual rate case expense reconciliation report on or before June 1st commencing in 2026, until and including the calendar year end in which the rate case expenses are fully recovered. The Company shall file the report with the Commission addressed to the Director of Oversight and Safety Division and referencing Docket No. (to be determined). The report shall detail the monthly collections for RCE surcharge by customer class and show the outstanding balance. Reports for the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address:

Compliance Filing
Director of Oversight and Safety Division
Gas Services Dept.
Railroad Commission of Texas
P. O. Box 12967
Austin, TX 78711-2967

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	M – MISCELLANEOUS CHARGES	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:	1/1/2013	PAGE: 79

Application

The service charges on this tariff will be applied in accordance with Atmos Energy's Quality of Service Rules and Commission Rule 7.45.

The service charges listed below are in addition to any other charges made under Company's Tariff for Gas Service and will be applied for the condition described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the Company's cost plus appropriate adders. Business hours are Monday- Friday 8:00 a.m.- 5:00 p.m. and apply to services initiated during these time periods; After hours are Monday-Friday 5:00 p.m.- 8:00 a.m. and all day Saturday and Sunday. The Company may charge an after hours rate in accordance with service charges defined below for services initiated during these time periods.

Applicable Charges:

Charge No.	Name and Description						
1	Connection Charge The following connection charges apply: <table> <tr> <td><u>Schedule</u></td><td><u>Charge</u></td></tr> <tr> <td>business hours</td><td>\$ 65.00</td></tr> <tr> <td>after hours</td><td>\$ 97.00</td></tr> </table> For each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions: (a) For a builder who uses gas temporarily during construction or for display purposes. Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or (c) For any reason deemed necessary for Company operations.	<u>Schedule</u>	<u>Charge</u>	business hours	\$ 65.00	after hours	\$ 97.00
<u>Schedule</u>	<u>Charge</u>						
business hours	\$ 65.00						
after hours	\$ 97.00						
2	Field Read of Meter A read for change charge of \$19.00 is made when it is necessary for the Company to read the meter at a currently served location because of a change in the billable party.						
3	Returned Check Charges A returned check handling charge of \$20.00 is made for each check returned to Company for any reason.						

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	M – MISCELLANEOUS CHARGES	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:	1/1/2013	PAGE: 80

Charge No.	Name and Description
4	Charge for Installing and Maintaining an Excess Flow Valve A customer may request the installation of an excess flow valve provided that the service line will serve a single residence and operate continuously throughout the year at a pressure of not less than 10 psig. The customer will pay the actual cost incurred to install the excess flow valve. That cost will include the cost of the excess flow valve, the labor cost required to install the excess flow valve, and other associated costs. The estimated total cost to install an excess flow valve is \$50.00. This cost is based on installing the excess flow valve at the same time a service line is installed or replaced. The excess flow valve will be installed on the service line upstream of the customer's meter and as near as practical to the main. A customer requiring maintenance, repair, or replacement of an excess flow valve will be required to pay the actual cost of locating and repairing or replacing the excess flow valve. The cost to perform this service will normally range from \$200.00 to \$2,000.00, depending on the amount of work required. This cost will be determined on an individual project basis. This tariff is being filed in accordance with the U.S. Department of Transportation rule requiring the installation of an excess flow valve, if requested by a customer, on new or replaced service lines that operate continuously throughout the year at a pressure of not less than 10 psig and that serve a single residence. The rule further states that the customer will bear all costs of installing and maintaining the excess flow valve.
5	Recovery of Connection Costs Associated with Certain Stand-By Gas Generators Commercial customers installing stand-by gas generators to provide service in the event of an interruption in electric service in facilities where gas service is not otherwise provided will reimburse the Company for the actual cost of acquiring and installing the regulator, service line, and meter required to provide gas service for the stand-by generators. Gas service provided for the stand-by generators will be billed at the applicable commercial rate.
6	Charge for Temporary Discontinuance of Service - Residential Whenever service under this rate schedule has been temporarily disconnected at the request of the customer, a charge of \$65.00 plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address.
7	Charge for Temporary Discontinuance of Service - Non-Residential

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	M – MISCELLANEOUS CHARGES	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:	1/1/2013	PAGE: 81

Charge No.	Name and Description
	Whenever service under this rate schedule has been temporarily disconnected at the request of the customer, a charge of \$107.00 plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address.
8	Charge for Meter Testing The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such a test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge a fee of \$15.00. The customer must be properly informed of the result of any test on a meter that serves him.
9	Charge for Service Calls A Service Call Charge is made for responding to a service call that is determined to be a customer related problem rather than a Company or Company facilities problem. \$26.00 business hours \$40.00 after hours
10	Tampering Charge No Company Meters, equipment, or other property, whether on Customer's premises or elsewhere, are to be tampered with or interfered with for any reason. A Tampering Charge is made for unauthorized reconnection or other tampering with Company metering facilities, or a theft of gas service by a person on the customer's premises or evidence by whomsoever at customer's premises. An additional cost for the cost of repairs and/or replacement of damaged facilities and the installation of protective facilities or relocation of meter are made at cost plus appropriate charges as detailed in Company's Service Rules and Regulations. \$125.00

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	RA – RETENTION ADJUSTMENT	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:		PAGE:

Application

The Retention Adjustment, as determined from time to time, is applicable to Customers taking service under Rate T.

Monthly Rate

Retention percentage for Rate T is 3.36% (applied to gas received into Atmos Energy Corp., Mid-Tex Division System).

**ATMOS ENERGY CORPORATION
MID-TEX DIVISION**

RATE SCHEDULE:	CEE - CONSERVATION AND ENERGY EFFICIENCY	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION	
EFFECTIVE DATE:	Bills Rendered on and after 1/1/2013	PAGE: 84

I. Purpose

Atmos Energy Corporation's Mid-Tex Division provides a Conservation and Energy Efficiency program which offers assistance to residential and commercial customers to encourage reductions in energy consumption and lower energy utility bills. The proposal is one where Atmos Energy shareholders will fund a half of the allowable expenses incurred annually, with a customer rate component providing the remainder of the funding. The programs offered under Rate Schedule CEE will be consistent with similar conservation and energy efficiency programs offered by other gas utilities and may include, but not limited to residential and commercial customer rebates for high efficiency appliances and equipment, as well as a low income customer weatherization assistance program.

II. Application

Applicable to Rate R Sales Service and Rate C Commercial Sales Service customers only.

The Customer Charges under Rate Schedule R-Residential Sales and Rate Schedule C-Commercial Sales, shall be increased or decreased annually beginning July 1, 2013 by the CEE Cost Recovery Component (CEE) at a rate per bill in accordance with the following formula:

$$CEE = CRC + BA$$

Where:

CRC = Cost Recovery-Current. The CRC shall include all expected costs attributable to the Company's CEE program for the twelve month period ending June 30th of each year, including, but not limited to rebates paid, material costs, the costs associated with installation and removal of replaced materials and/or equipment, the cost of educational and customer awareness materials related to conservation/efficiency and the planning, development, implementation and administration of the CEE program. CRC will be calculated in a manner that results in non-recurring cost being recovered only once. Direct program costs will be identified by class and common administrative costs will be allocated to each class pro-rata based upon the proportion of direct costs. Administrative costs shall not exceed 15% of total CEE program costs.

BA = Balance Adjustment. The BA shall compute differences between Rider CRC collections by class and expenditures by class, including the pro-rata share of common administrative costs for each class for the twelve month period ending the prior December 31 and collect the over/under recovery during the 12 month period beginning July 1 of the following year.

Class = Rate R Sales Service customer and Rate C Sales Service customers.

III. Administration

ATMOS ENERGY CORPORATION
MID-TEX DIVISION

RATE SCHEDULE:	CEE - CONSERVATION AND ENERGY EFFICIENCY	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION	
EFFECTIVE DATE:	Bills Rendered on and after 1/1/2013	PAGE: 85

A third-party administrator (Program Administrator) may coordinate general program administration. Program administration expenses will be funded from the annual budget.

IV. Program Selection

Program selection will be determined on annual basis and a summary of programs selected for the upcoming twelve-month period will be provided to interested parties on or before March 1st of each calendar year. The portfolio of program offerings will be designed to be impactful and cost effective based on Atmos' knowledge of its customer base and experience administering various conservation and energy efficiency program initiatives. The regulators and Company shall agree prospectively of any changes to the program.

V. Report

The Company will file an annual report with the Director of the Gas Services Division of the Railroad Commission on or before March 1 of each calendar year. The annual report shall also be made available on the Company's website. The annual report will identify the portfolio of program offerings the Company will provide during the twelve-month period commencing July 1 of each year. This annual filing shall include detailed calculations of the CRC and the Balancing Adjustments, as well as data on the total cost of the CEE Program and by each individual rebate program. Detailed tracking and reporting of program administration costs is also required.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

	PIPELINE SAFETY FEE	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:	11/11/2013	PAGE: 86

Title 16 Economic Regulation
Part 1 Railroad Commission Of Texas
Chapter 8 Pipeline Safety Regulations
Subchapter C Requirements For Natural Gas Pipelines Only

Rule §8.201 Pipeline Safety Program Fees

(a) Application of fees. Pursuant to Texas Utilities Code, §121.211, the Commission establishes a pipeline safety and regulatory program fee, to be assessed annually against operators of natural gas distribution pipelines and pipeline facilities and natural gas master metered pipelines and pipeline facilities subject to the Commission's jurisdiction under Texas Utilities Code, Title 3. The total amount of revenue estimated to be collected under this section does not exceed the amount the Commission estimates to be necessary to recover the costs of administering the pipeline safety and regulatory programs under Texas Utilities Code, Title 3, excluding costs that are fully funded by federal sources for any fiscal year.

(b) Natural gas distribution systems. The Commission hereby assesses each operator of a natural gas distribution system an annual pipeline safety and regulatory program fee of \$1.00 for each service (service line) in service at the end of each calendar year as reported by each system operator on the U.S. Department of Transportation (DOT) Gas Distribution Annual Report, Form PHMSA F7100.1-1 due on March 15 of each year.

(1) Each operator of a natural gas distribution system shall calculate the annual pipeline safety and regulatory program total to be paid to the Commission by multiplying the \$1.00 fee by the number of services listed in Part B, Section 3, of Form PHMSA F7100.1-1, due on March 15 of each year.

(2) Each operator of a natural gas distribution system shall remit to the Commission on March 15 of each year the amount calculated under paragraph (1) of this subsection.

(3) Each operator of a natural gas distribution system shall recover, by a surcharge to its existing rates, the amount the operator paid to the Commission under paragraph (1) of this subsection. The surcharge:

(A) shall be a flat rate, one-time surcharge;

(B) shall not be billed before the operator remits the pipeline safety and regulatory program fee to the Commission;

(C) shall be applied in the billing cycle or cycles immediately following the date on which the operator paid the Commission;

(D) shall not exceed \$1.00 per service or service line; and

(E) shall not be billed to a state agency, as that term is defined in Texas Utilities Code, §101.003.

(4) No later than 90 days after the last billing cycle in which the pipeline safety and regulatory program fee surcharge is billed to customers, each operator of a natural gas distribution system shall file with the Commission's Gas Services Division and the Pipeline Safety Division a report showing:

(A) the pipeline safety and regulatory program fee amount paid to the Commission;

(B) the unit rate and total amount of the surcharge billed to each customer;

(C) the date or dates on which the surcharge was billed to customers; and

(D) the total amount collected from customers from the surcharge.

(5) Each operator of a natural gas distribution system that is a utility subject to the jurisdiction of the Commission pursuant to Texas Utilities Code, Chapters 101 - 105, shall file a generally applicable tariff for its surcharge in conformance with the requirements of §7.315 of this title, relating to Filing of Tariffs.

(6) Amounts recovered from customers under this subsection by an investor-owned natural gas distribution system or a cooperatively owned natural gas distribution system shall not be included in the revenue or gross receipts of the system for the purpose of calculating municipal franchise fees or any tax imposed under Subchapter B, Chapter 182, Tax Code, or under Chapter 122, nor shall such amounts be subject to a sales and use tax imposed by Chapter 151, Tax Code, or Subtitle C, Title 3, Tax Code.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

	PIPELINE SAFETY FEE	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:	11/11/2013	PAGE: 87

(c) Natural gas master meter systems. The Commission hereby assesses each natural gas master meter system an annual pipeline safety and regulatory program fee of \$100 per master meter system.

(1) Each operator of a natural gas master meter system shall remit to the Commission the annual pipeline safety and regulatory program fee of \$100 per master meter system no later than June 30 of each year.

(2) The Commission shall send an invoice to each affected natural gas master meter system operator no later than April 30 of each year as a courtesy reminder. The failure of a natural gas master meter system operator to receive an invoice shall not exempt the natural gas master meter system operator from its obligation to remit to the Commission the annual pipeline safety and regulatory program fee on June 30 each year.

(3) Each operator of a natural gas master meter system shall recover as a surcharge to its existing rates the amounts paid to the Commission under paragraph (1) of this subsection.

(4) No later than 90 days after the last billing cycle in which the pipeline safety and regulatory program fee surcharge is billed to customers, each natural gas master meter system operator shall file with the Commission's Gas Services Division and the Pipeline Safety Division a report showing:

- (A) the pipeline safety and regulatory program fee amount paid to the Commission;
- (B) the unit rate and total amount of the surcharge billed to each customer;
- (C) the date or dates on which the surcharge was billed to customers; and
- (D) the total amount collected from customers from the surcharge.

(d) Late payment penalty. If the operator of a natural gas distribution system or a natural gas master meter system does not remit payment of the annual pipeline safety and regulatory program fee to the Commission within 30 days of the due date, the Commission shall assess a late payment penalty of 10 percent of the total assessment due under subsection (b) or (c) of this section, as applicable, and shall notify the operator of the total amount due to the Commission.

Source Note: The provisions of this §8.201 adopted to be effective September 8, 2003, 28 TexReg 7682; amended to be effective November 24, 2004, 29 TexReg 10733; amended to be effective May 15, 2005, 30 TexReg 2849; amended to be effective December 19, 2005, 30 TexReg 8428; amended to be effective April 18, 2007, 32 TexReg 2136; amended to be effective November 12, 2007, 32 TexReg 8121; amended to be effective September 21, 2009, 34 TexReg 6446; amended to be effective August 30, 2010, 35 TexReg 7743; amended to be effective November 14, 2011, 36 TexReg 7663; amended to be effective November 11, 2013, 38 TexReg 7947

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	CRR – CUSTOMER RATE RELIEF RATE	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION	
EFFECTIVE DATE:	10/01/2024	PAGE: 95

Applicable to all Sales Customers for the purpose of collecting and remitting customer rate relief charges as authorized by the Railroad Commission of Texas (Commission) in accordance with Chapter 104, Subchapter I of the Texas Utilities Code and the Commission Financing Order issued in Case No. OS-21-00007061.

A. ABBREVIATIONS AND DEFINITIONS

- 1) Authority - The Texas Public Finance Authority, together with any successor to its duties and functions.
- 2) Bonds or Customer Rate Relief (“CRR”) Bonds - The “Texas Natural Gas Securitization Finance Corporation Customer Rate Relief Bonds, Series 2023” and any additional or different designation or title by which each series of Bonds shall be known as determined by the Issuer Entity.
- 3) Ccf and Mcf - For Ccf, one hundred (100) standard cubic feet of gas, where one (1) standard cubic foot of gas is the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen point sixty-five (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit; and, for Mcf, 1,000 standard cubic feet of gas.
- 4) Central Servicer - The entity engaged in accordance with the terms of the Financing Order to, amongst other things, engage the Participating Gas Utilities as collection agents for the purposes of facilitating collection and remittance of CRR Charges by Participating Gas Utilities, and perform the other services required of it under the Servicing Agreement (as defined in the Financing Order).
- 5) Commission - The Railroad Commission of Texas, including its staff or delegate.
- 6) CRR Charge True-Up Adjustment - A True-Up Adjustment (as defined in the Financing Order).
- 7) CRR Charge True-Up Charge Adjustment Letter - A true-up adjustment letter substantially in the form of Exhibit 3 to the Financing Order.
- 8) CRR Scheduled Adjustment Date – January 1 and July 1 of each applicable year, provided that the CRR Scheduled Adjustment Date and any other deadlines or target dates related thereto, shall be subject to modification prior to the date the Bonds so as to reflect the terms of the Servicing Agreement.
- 9) Customer Rate Relief (“CRR”) Charge - A nonbypassable charge as defined in Tex. Util. Code § 104.362(7).
- 10) Financing Order - The order adopted under Tex. Util. Code § 104.366 approving the issuance of CRR Bonds and the creation of Customer Rate Relief Property and associated CRR Charges for the recovery of regulatory assets, including extraordinary costs, related financing costs, and other costs authorized by the Financing Order.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	CRR – CUSTOMER RATE RELIEF RATE	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION	
EFFECTIVE DATE:	10/01/2024	PAGE: 96

- 11) Gas Utility – Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division and its successors and assignees, an operator of natural gas distribution pipelines that delivers and sells natural gas to the public and that is subject to the Commission's jurisdiction under Tex. Util. Code § 102.001, or an operator that transmits, transports, delivers, or sells natural gas or synthetic natural gas to operators of natural gas distribution pipelines and whose rates for those services are established by the Commission in a rate proceeding filed under Chapter 104 of the Utilities Code, within the service area.
- 12) Irrevocable - The Financing Order, together with the Customer Rate Relief Property as defined by Tex. Util. Code § 104.362(8) and the CRR Charges authorized by the Financing Order, are irrevocable and not subject to reduction, impairment, or adjustment by further action of the Commission, except in connection with true-ups authorized by the Financing Order.
- 13) Issuer Entity - Texas Natural Gas Securitization Finance Corporation, a Texas nonprofit public corporation established by the Authority, or any successor created pursuant to Tex. Gov't Code § 1232.1072.
- 14) Large Participating Gas Utility - Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division; CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas; Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the West Texas Service Area; and any Participating Gas Utility or Successor Utility (as defined in the Financing Order) each of whose Normalized Sales Volumes exceed 2.0% of the total aggregate Normalized Sales Volumes among all Participating Gas Utilities. Any calculation performed in connection with the preceding sentence shall be made on the basis of the most recently reported Normalized Sales Volumes and such calculation shall be performed by the Central Servicer annually no later than one (1) month after Normalized Sales Volumes are reported as regularly scheduled under Paragraph H hereof; provided that the Commission and/or Central Servicer may perform such calculation without any limitation in order to give effect to any merger, acquisition, disposition, divestiture, spin-off or other transaction that would impact a Participating Gas Utility's share of the total aggregate Normalized Sales Volumes. The Commission or the Central Servicer shall promptly thereafter provide written notice to a Participating Gas Utility that subsequently becomes a Large Participating Gas Utility, which change shall take effective beginning on January 1 of the following calendar year.
- 15) Nonbypassable - CRR Charges must be paid by all existing or future customers receiving service from a Participating Gas Utility or such gas utility's successors or assigns.
- 16) Normalized Sales Volumes –
 - a) For Large Participating Gas Utilities: All natural gas volumes projected to be billed for the upcoming twelve (12) month period in conjunction with the operation of a Participating Gas Utility's Purchased Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs. For the avoidance of doubt, only the Normalized Sales Volumes of Large Participating Gas Utilities shall be aggregated to calculate the CRR Charges.
 - b) For other Participating Gas Utilities: All natural gas volumes billed in the preceding calendar

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year in conjunction with the operation of a Participating Gas Utility's Purchased Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs and normalized according to the methodology utilized in each Participating Gas Utility's application filed in Docket No. OS-21- 00007061, *Consolidated Applications For Customer Rate Relief and Related Regulatory Asset Determinations In Connection With The February 2021 Winter Storm*. For the avoidance of doubt, only the Normalized Sales Volumes of Large Participating Gas Utilities shall be aggregated in order to calculate the CRR Charges.

17) Participating Gas Utilities - Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division; Rockin' M Gas LLC d/b/a Bluebonnet Natural Gas LLC; CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas; Corix Utilities (Texas) Inc.; EPCOR Gas Texas Inc.; SiEnergy, LP; Summit Utilities Arkansas, Inc.¹; Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the West Texas Service Area; and Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. or any Successor Utility (as defined in the Financing Order).

18) Sales Customer(s) - All active customers taking service under a Participating Gas Utility's Purchased Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs.

B. APPLICABILITY

This rate schedule sets out the rate, terms and conditions under which the CRR Charge shall be billed and collected from all Sales Customers served by Atmos Energy Corporation's Mid-Tex Division under the terms of the Financing Order. Each individual Sales Customer is responsible for paying the CRR Charge billed to it in accordance with the terms of this rate schedule. Payment is to be made by an individual Sales Customer to the Participating Gas Utility of which it is a customer. The Participating Gas Utility is obligated to apply amounts collected from customers to pay any outstanding CRR Charges prior to applying such amounts for any other purpose. The Participating Gas Utility, as collection agent, shall remit collections of the CRR Charges to the Indenture Trustee in accordance with the terms of the Financing Order and any servicing or other similar agreement that is contemplated by the Financing Order.

C. TERM

This rate schedule shall remain in effect until the CRR Charges have been collected and remitted to the Indenture Trustee in an amount sufficient to satisfy all obligations in regard to paying principal and interest on the CRR Bonds together with all other financing costs, bond administrative expenses and other costs as provided in the Financing Order. This rate schedule and the CRR Charge are irrevocable and nonbypassable.

¹ Summit Utilities Arkansas, Inc. is the Successor Utility of CenterPoint Energy Arkla as of January 10, 2022.

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D. SALES CUSTOMERS

For the purposes of billing the CRR Charges, all Atmos Energy Corporation, Mid-Tex Division Sales Customers shall be assessed the uniform volumetric charge identified below.

E. CRR CHARGE

The CRR Charge will be a monthly volumetric rate of \$0.118/Ccf. The CRR Charge is calculated in accordance with and subject to the provisions set forth in the Financing Order and will be adjusted at least annually based upon the CRR Charge true- up adjustment procedure. The CRR Charge shall be included in all Participating Gas Utilities' Purchased Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs. Participating Gas Utilities may reflect the CRR Charge according to the delivery pressures defined in Participating Gas Utilities' applicable tariffs. Such delivery pressure specific charges shall be equivalent to the CRR Charge as determined below at 14.65 per square inch, as defined above.

F. DETERMINATION OF CUSTOMER RATE RELIEF CHARGE

The CRR Charge will be adjusted no less frequently than annually, in accordance with the terms of the Servicing Agreement (as defined in the Financing Order), to ensure that the expected collection of CRR Charges is adequate to pay when due, pursuant to the expected amortization schedule, principal and interest on the CRR Bonds and together with all other financing costs, bond administrative expenses and other costs, as provided in the Financing Order, on a timely basis. The CRR Charge shall be computed according to the formula described below.

Step 1: Determination of Normalized Sales Volumes
(A) Total Large Participating Gas Utility Normalized Sales Volumes (Mcf)
(B) Assumed % of uncollectible sales
(C) Total Normalized Sales Volumes Billed and Collected: (A * (1 – B))

For the avoidance of doubt, Normalized Sales Volumes are assumed to be calculated without giving effect to volumes anticipated from Participating Gas Utilities making up less than two percent (2.0%) of the total Normalized Sales Volumes of all Participating Gas Utilities.

Step 2: Determination of CRR Charge
(D) Total CRR Charge Rate Revenue Requirement for Applicable Period
(E) CRR Charge per Normalized Sales Volumes (Mcf): (D / C)
<i>Thereof: CRR Charge for Sales Customers</i>

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G. CRR CHARGE TRUE-UP

Changes to the CRR Charge will be effected through the filing of CRR Charge True-Up Adjustment Letters by the Central Servicer to the Commission as authorized by the Financing Order and in accordance with the Servicing Agreement. Not less than fifteen (15) days prior to each CRR Scheduled Adjustment Date and more frequently as required by the Central Servicer, the Central Servicer will submit the CRR Charge True-Up Adjustment Letter in the form of Exhibit 3 to the Financing Order to ensure that CRR Charge collections are sufficient to make all scheduled payments of CRR Bond principal and interest and meet other Ongoing Financing Costs (as defined in the Financing Order) on a timely basis during the payment period.

In addition to the foregoing, the Central Servicer shall be authorized to file CRR Charge True-Up Adjustment Letters with the Commission that adjust the CRR Charge more frequently (but not more often than quarterly) as required under the provisions of the Servicing Agreement (as defined in the Financing Order).

H. CRR CHARGE TRUE-UP PROCEDURE

Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division shall annually file with the Commission and the Central Servicer by June 1 of each year its Normalized Sales Volumes; each Large Participating Gas Utility shall include projected volumes for each of the future twelve (12) months beginning July 1, and each other Participating Gas Utility shall include its Normalized Sales Volumes for the prior calendar year. Such filing and/or reporting may be more frequent to the extent required under the Servicing Agreement and applicable Collection and Reporting Arrangements. If Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division is a Large Participating Gas Utility, the Participating Gas Utility shall, upon the request of the Central Servicer, provide the Commission and the Central Servicer updated Normalized Sales Volumes for the succeeding twelve (12) month period no later than the fifteenth (15th) day following such request to allow the Central Servicer to make Interim True-Up Adjustments. Each Participating Gas Utility shall have the right to provide the foregoing information to the Central Servicer on a confidential basis if reasonably necessary to ensure compliance with applicable securities laws (subject to any (i) legal requirements necessitating the disclosure of such information, including compliance with (A) applicable securities laws and (B) other generally applicable laws and (ii) certain customary restrictions and exceptions to be agreed). The Central Servicer shall submit to the Commission and the Participating Gas Utilities, not less than fifteen (15) days prior to the CRR Scheduled Adjustment Date, a CRR Charge True-Up Adjustment Letter applying the CRR Charge True-Up Adjustment based on Normalized Sales Volumes and other mathematical factors and requesting administrative approval from the Commission as provided for in the Servicing Agreement. The Commission's review and approval of the True-Up Adjustment Letter shall be as set forth in the Servicing Agreement (it being understood such review is limited to determining if any mathematical or clerical errors are present in the application of the CRR Charge True-Up Adjustment relating to the appropriate amount of any over- collection or under-collection of CRR Charges and the amount of an adjustment).

If any CRR Charge True-Up Adjustment that is an Interim True-Up Adjustment is necessary, (i) the Central Servicer may request and the Large Participating Gas Utilities shall provide revised Normalized Sales Volumes for each of the immediately succeeding twelve (12) months and related data and (ii) within fifteen (15) days of receipt of such data, the Central Servicer shall file a revision to the CRR Rate Schedule in a True-Up Charge Adjustment Letter setting forth the adjusted CRR Charge to be effective for the upcoming period, in accordance with the Servicing Agreement. Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division shall have the right to provide

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such information on a confidential basis if reasonably necessary to ensure compliance with applicable securities laws (subject to any (i) legal requirements necessitating the disclosure of such information, including compliance with (A) applicable securities laws and (B) other generally applicable laws and (ii) certain customary restrictions and exceptions to be agreed). A CRR Charge resulting from a true-up adjustment will become effective on the first (1st) billing cycle that is not less than fifteen (15) days following the making of the CRR Charge True-Up Adjustment filing.

I. TAXABILITY

The receipt of CRR Charges by a Participating Gas Utility is exempt from state and local sales and use taxes and utility gross receipts taxes and assessments and is excluded from revenue for purposes of franchise tax under Tex. Tax Code § 171.1011.

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For Gas Service to residential, commercial and industrial sales customers, the following minimum service standards shall be applicable in unincorporated areas served by the Company. For the purposes of this rate schedule, Company may be referred to as the “utility.” In addition, these minimum service standards shall be applicable to residential, commercial and industrial sales customers within incorporated areas served by the utility, but only to the extent that said minimum service standards do not conflict with, supersede, or replace a provision of quality of service standards lawfully established currently or in the future within a particular municipality for a gas distribution utility. The utility shall file service rules incorporating said minimum service standards with the Railroad Commission and with the municipalities in the manner prescribed by law.

(1) Continuity of service.

(A) Service interruptions.

- (i) The utility shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the utility shall reestablish service within the shortest possible time consistent with prudent operating principles so that the smallest number of customers are affected.
- (ii) The utility shall make reasonable provisions to meet emergencies resulting from failure of service, and the utility shall issue instructions to its employees covering procedures to be followed in the event of an emergency in order to prevent or mitigate interruption or impairment of service.
- (iii) In the event of national emergency or local disaster resulting in disruption of normal service, the utility may, in the public interest, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.
- (iv) Curtailment of gas service will be done in accordance with Texas Administrative Code Title 16, Part 1, Chapter 7, Subchapter D, Rule §7.455 Curtailment Standards. When notified by the utility, the customer will curtail gas service. In the event of any curtailment, utility personnel may physically turn off or restrict gas deliveries and only utility personnel will thereafter be permitted to restore gas service. Customer assumes any and all risk and will indemnify the utility against all damages, losses and expenses resulting from a curtailment of gas service under the utility’s authorized curtailment program, except to the extent such damages, losses and/or expenses result from the gross negligence of the utility.

(B) Record of interruption. Except for momentary interruptions which do not cause a major disruption of service, the utility shall keep a complete record of all interruptions, both emergency and scheduled. This record shall show the cause of interruptions, date, time duration, location, approximate number of customers affected, and, in cases of emergency interruptions, the remedy and steps taken to prevent recurrence.

(C) Report to the Commission. The Commission shall be notified in writing within 48 hours of interruptions in service affecting the entire system or any major division thereof lasting more than four hours. The notice shall also state the cause of such interruptions. If any service interruption is reported to the Commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this paragraph.

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(2) Customer relations.

(A) Information to Customers. The utility shall:

- (i) maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information which will accurately describe the utility's facilities. These maps, or such other maps as may be required by the regulatory authority, shall be kept by the utility in a central location and will be available for inspection by the regulatory authority during normal working hours. Each business office or service center shall have available up-to-date maps, plans, or records of its immediate area, with such other information as may be necessary to enable the utility to advise applicants and others entitled to the information as to the facilities available for serving that locality;
- (ii) assist Customer or Applicant in selecting the most economical rate schedule;
- (iii) in compliance with applicable law or regulations, notify Customers affected by a change in rates or schedule or classification;
- (iv) post a notice in a conspicuous place in each business office of Atmos Energy, Mid-Tex Division where applications for service are received, and on the utility's website for areas in which there is no such business office, informing the public that copies of the rate schedules and rules relating to the service of the utility as filed with the Commission are available for inspection;
- (v) upon request, inform Customers as to the method of reading meters;
- (vi) provide to new Customers, at the time service is initiated or as an insert in the first billing, a pamphlet or information packet containing the following information. This information shall be provided in English and Spanish as necessary to adequately inform Customers; provided, however, the regulatory authority upon application and a showing of good cause may exempt the utility from the requirement that the information be provided in Spanish:
 - (I) Customer's right to information concerning rates and services and Customer's right to inspect or obtain at reproduction cost a copy of the applicable tariffs and service rules;
 - (II) Customer's right to have his or her meter checked without charge under paragraph (7) of this section, if applicable;
 - (III) the time allowed to pay outstanding bills;
 - (IV) grounds for termination of service;
 - (V) the steps the utility must take before terminating service;
 - (VI) how Customer can resolve billing disputes with the utility and how disputes and health emergencies may affect termination of service;
 - (VII) information on alternative payment plans offered by the utility;
 - (VIII) the steps necessary to have service reconnected after involuntary termination;
 - (IX) the appropriate regulatory authority with whom to register a complaint and how to contact such authority;
 - (X) the hours, addresses, and telephone numbers of utility offices where bills may be paid and information may be obtained and a toll-free number and website where such information may be obtained for areas in which there are no such utility offices; and (XI) Customer's right to be instructed by the utility how to read his or her meter;

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(vii) at least once each calendar year, notify Customers that information is available upon request, at no charge to the customer, concerning the items listed in clause (vi)(I) - (XI) of this subparagraph. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself.

(B) Customer complaints. Upon complaint to the utility by residential, commercial or industrial sales customers either at its office, by letter, or by telephone, the utility shall promptly make a suitable investigation and advise the complainant of the results thereof. The utility shall keep a record of all complaints which shall show the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition thereof for a period of one year subsequent to the final disposition of the complaint.

(C) Utility response. Upon receipt of a complaint, either by letter or by telephone, from the regulatory authority on behalf of a Customer, the utility shall make a suitable investigation and advise the regulatory authority and complainant of the results thereof. An initial response will be made by the next working day. The utility must make a final and complete response within 15 days from the date of receipt by Company of the complaint, unless additional time is granted within the 15-day period. The Commission encourages all Customer complaints to be made in writing to assist the regulatory authority in maintaining records of the quality of service of each utility; however, telephone communications will be acceptable.

(D) Deferred payment plan. The utility is encouraged to offer a deferred payment plan for delinquent residential accounts. If such a plan is offered, it shall conform to the following guidelines:

(i) Every deferred payment plan entered into due to the Customer's inability to pay the outstanding bill in full must provide that service will not be discontinued if the Customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.

(ii) For purposes of determining reasonableness under these rules, the following shall be considered: size of delinquent account; Customer's ability to pay; Customer's payment history; time that the debt has been outstanding; reasons why debt has been outstanding; and other relevant factors concerning the circumstances of the Customer.

(iii) A deferred payment plan, if reduced to writing, offered by a utility shall state, immediately preceding the space provided for the Customer's signature and in bold-face print at least two sizes larger than any other used, that: "If you are not satisfied with this agreement, do not sign. If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the utility's failure or refusal to comply with the terms of this agreement."

(iv) A deferred payment plan may include a one-time 5.0% penalty for late payment on the original amount of the outstanding bill with no prompt payment discount allowed except in cases where the outstanding bill is unusually high as a result of the utility's error (such as an inaccurately estimated bill or an incorrectly read meter). A deferred payment plan shall not include a finance charge.

(v) If a Customer for utility service has not fulfilled terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, the utility shall have the right to disconnect pursuant to disconnection rules herein and, under such circumstances, it shall not be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.

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(vi) Any utility which institutes a deferred payment plan shall not refuse Customer participation in such a program on the basis of race, color, creed, sex, marital status, age, or any other form of discrimination prohibited by law.

(E) Delayed payment of bills by elderly persons to residential accounts.

(i) Applicability. This subparagraph applies only to:

(I) a utility that assesses late payment charges to residential customers and that suspends service before the 26th day after the date of the bill for which collection action is taken;

(II) utility bills issued on or after August 30, 1993; and

(III) an elderly person, as defined in clause (ii) of this subparagraph, who is a residential customer and who occupies the entire premises for which a delay is requested.

(ii) Definitions.

(I) Elderly person--A person who is 60 years of age or older.

(II) Utility--A gas utility or municipally owned utility, as defined in Texas Utilities Code, Sections 101.003(7), 101.003(8), and 121.001 - 121.006.

(iii) An elderly person may request that the utility implement the delay for either the most recent utility bill or for the most recent utility bill and each subsequent utility bill.

(iv) On request of an elderly person, a utility shall delay without penalty the payment date of a bill for providing utility services to that person until the 25th day after the date on which the bill is issued.

(v) The utility may require the requesting person to present reasonable proof that the person is 60 years of age or older.

(vi) Every utility shall notify its customers of this delayed payment option no less often than yearly. A utility may include this notice with other information provided pursuant to subparagraph (A) of this paragraph.

(F) Budget Billing – The utility offers an optional budget billing plan to moderate seasonal differences in customer bills. The details of the plan are published on the utility's website.

(3) Refusal of service.

(A) Compliance by Applicant. Any utility may decline to serve an Applicant for whom service is available from previously installed facilities until such Applicant has complied with the state and municipal regulations and approved rules and regulations of the utility on file with the Commission governing the service applied for or for the following reasons.

(i) Applicant's facilities inadequate. If the Applicant's installation or equipment is known to be, is found to be, or exists in a state that indicates it may be hazardous, unsafe, or of such character that satisfactory service cannot be given.

(ii) For indebtedness. If the Applicant is indebted to any utility for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the Applicant for service is in dispute, the Applicant shall be served upon complying with the applicable deposit requirement.

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(iii) Refusal to make deposit. For refusal to make a deposit if Applicant is required to make a deposit under these rules.

(iv) Violation of utility's rules. Any violation of utility's rules, including any use of natural gas in violation of such.

(v) Access Refused. If Company's representatives are refused access to Applicant's premises for any lawful purpose.

(vi) Misuse of Company property. In the event any of Company's property on the premises is tampered with, damaged or destroyed.

(vii) Refusal of service shall be in addition to, and not in lieu of, any other rights, remedies, or limitation of liability available to the utility.

(B) Applicant's recourse. In the event that the utility shall refuse to serve an Applicant under the provisions of these rules, the utility must inform the Applicant of the basis of its refusal and that the Applicant may file a complaint with the municipal regulatory authority or commission, whichever is appropriate.

(C) Insufficient grounds for refusal to serve. The following shall not constitute sufficient cause for refusal of service to a present Customer or Applicant:

- (i) delinquency in payment for service by a previous occupant of the premises to be served;
- (ii) failure to pay for merchandise or charges for nonutility service purchased from the utility;
- (iii) failure to pay a bill to correct previous underbilling due to misapplication of rates more than six months prior to the date of application;
- (iv) violation of the utility's rules pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with the service of others unless the customer has first been notified and been afforded reasonable opportunity to comply with these rules;
- (v) failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the utility as a condition precedent to service; and
- (vi) failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

(4) Discontinuance of service.

(A) The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

(B) A utility may offer an inducement for prompt payment of bills to residential and commercial customers by allowing a discount in the amount of 5.0% for payment of bills within 10 days after their issuance. This provision shall not apply where it conflicts with existing orders or ordinances of the appropriate regulatory authority.

(C) A Customer's utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to paragraph (2)(D) of this section has not been entered into within five (5) working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit in the United States mail, postage prepaid, or hand delivery to the customer at least five (5) working days prior to the stated date of disconnection, with the words "Termination Notice" or similar

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language prominently displayed on the notice. The notice will be provided in English and Spanish as necessary to adequately inform the Customer, and shall include the date of termination, the hours, address, and telephone number where payment may be made, and a statement that if a health or other emergency exists, the utility may be contacted concerning the nature of the emergency and the relief available, if any, to meet such emergency.

(D) Utility service may be disconnected for any of the following reasons:

- (i) failure to pay a delinquent account or failure to comply with the terms of a deferred payment plan for installment payment of a delinquent account;
- (ii) violation of the utility's rules pertaining to the use of service in any manner, including but not limited to conduct that interferes with the service provided to the Customer, or the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the Customer and the Customer is provided a reasonable opportunity to remedy the situation;
- (iii) failure to comply with deposit or guarantee arrangements where required by paragraph (5) of this section;
- (iv) without notice where a known dangerous condition exists for as long as the condition exists;
- (v) tampering with, damaging, or destroying the Company's property on the premises including Company's meter or equipment, or bypassing the same;
- (vi) Use of gas in violation of Company's rules or terms of service, or any applicable law, ordinance, or regulation;
- (vii) Company representatives are refused access to Customer's premises or property for any lawful purpose including, but not limited to, the inspection, maintenance, monitoring, or repair of Company's facilities;
- (viii) The premises are vacated;
- (ix) Fraudulent conduct or misrepresentation in relation to the consumption of gas, account information, or any other fraud practiced by Customer or anyone acting on behalf of Customer regarding the gas service provided by the Company;
- (x) Actions or conduct by Customer or anyone acting on behalf of Customer that, in the sole discretion of Company, create a needless or unreasonable safety condition for Customer or other, including, but not limited to, the Company's employees or representatives (including contractors), and/or Company's system.

Discontinuance of service shall be in addition to, and not in lieu of, any other rights, liability limitations, or remedies available to the utility.

(E) Utility service may not be disconnected for any of the following reasons:

- (i) delinquency in payment for service by a previous occupant of the premises;
- (ii) failure to pay for merchandise or charges for nonutility service by the utility;
- (iii) failure to pay for a different type or class of utility service unless the fee for such service is included on the same bill;

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(iv) failure to pay the account of another customer as guarantor thereof, unless the utility has in writing the guarantee as a condition precedent to service;

(v) failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six months prior to the current billings;

(vi) failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due;

(vii) failure to pay an estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the utility is unable to read the meter due to circumstances beyond its control.

(F) Unless a dangerous condition exists, or unless Customer requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the utility are not available to the public for the purpose of making collections and reconnecting service.

(G) No utility may abandon a residential or commercial customer without written approval from the regulatory authority.

(H) No utility may discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that Customer establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if the service is discontinued. Any Customer seeking to avoid termination of service under this section must make a written request supported by a written statement from a licensed physician. Both the request and the statement must be received by the utility not more than five (5) working days after the date of delinquency of the bill. The prohibition against service termination provided by this section shall last twenty (20) days from the date of receipt by the utility of the request and statement or such lesser period as may be agreed upon by the utility and the Customer. The Customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

(I) Suspension of Gas Utility Service Disconnection during an Extreme Weather Emergency

(A) Applicability and scope. This rule applies to gas utilities, as defined in Texas Utilities Code, §101.003(7) and §121.001, and to owners, operators, and managers of mobile home parks or apartment houses who purchase natural gas through a master meter for delivery to a dwelling unit in a mobile home park or apartment house, pursuant to Texas Utilities Code, §§124.001-124.002, within the jurisdiction of the Railroad Commission pursuant to Texas Utilities Code, §102.001. For purposes of this section, all such gas utilities and owners, operators and managers of master meter systems shall be referred to as "providers." Providers shall comply with the following service standards. A gas distribution utility shall file amended service rules incorporating these standards with the Railroad Commission in the manner prescribed by law.

(B) Disconnection prohibited. Except where there is a known dangerous condition or a use of natural gas service in a manner that is dangerous or unreasonably interferes with service to others, a provider shall not disconnect natural gas service to:

(1) a delinquent residential customer during an extreme weather emergency. An extreme weather emergency means a day when the previous day's highest temperature did not exceed 32 degrees Fahrenheit and the temperature is predicted to remain at or below that

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level for the next 24 hours according to the nearest National Weather Station for the county where the customer takes service.

(2) a delinquent residential customer for a billing period in which the provider receives a written pledge, letter of intent, purchase order, or other written notification from an energy assistance provider that it is forwarding sufficient payment to continue service; or

(3) a delinquent residential customer on a weekend day, unless personnel or agents of the provider are available for the purpose of receiving payment or making collections and reconnecting service.

(C) Payment plans. Providers shall defer collection of the full payment of bills that are due during an extreme weather emergency until after the emergency is over, and shall work with customers to establish a payment schedule for deferred bills as set forth in paragraph (2)(D) of §7.45 of this title, relating to Quality of Service.

(D) Notice. Beginning in the September or October billing periods utilities and owners, operators, or managers of master metered systems shall give notice as follows:

(1) Each utility shall provide a copy of this rule to the social services agencies that distribute funds from the Low Income Home Energy Assistance Program within the utility's service area.

(2) Each utility shall provide a copy of this rule to any other social service agency of which the provider is aware that provides financial assistance to low income customers in the utility's service area.

(3) Each utility shall provide a copy of this rule to all residential customers of the utility and customers who are owners, operators, or managers of master metered systems.

(4) Owners, operators, or managers of master metered systems shall provide a copy of this rule to all of their customers.

(E) In addition to the minimum standards specified in this section, providers may adopt additional or alternative requirements if the provider files a tariff with the Commission pursuant to §7.315 of this title (relating to Filing of Tariffs). The Commission shall review the tariff to ensure that at least the minimum standards of this section are met.

(5) Applicant deposit.

(A) Establishment of credit for residential applicants. The utility may require a residential applicant for service to satisfactorily establish credit but such establishment of credit shall not relieve the customer from complying with rules for prompt payment of bills. Subject to these rules, a residential applicant shall not be required to pay a deposit:

(i) if the residential applicant has been a customer of any utility for the same kind of service within the last two years and is not delinquent in payment of any such utility service account and during the last 12 consecutive months of service did not have more than one occasion in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment;

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(ii) if the residential applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required; or

(iii) if the residential applicant furnishes in writing a satisfactory credit rating by appropriate means, including, but not limited to, the production of valid, generally acceptable credit cards, letters of credit reference, the names of credit references which may be quickly and inexpensively contacted by the utility, or ownership of substantial equity.

(B) Reestablishment of credit. Every applicant who has previously been a customer of the utility and whose service has been discontinued for nonpayment of bills shall be required before service is rendered to pay a connect charge plus all his or her amounts due the utility or execute a written deferred payment agreement, if offered, and reestablish credit as provided in subparagraph (A) of this paragraph.

(C) Amount of deposit and interest for residential service, and exemption from deposit.

(i) The utility shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, Section 71.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its website.

(ii) The required deposit shall not exceed an amount equivalent to one-sixth of the estimated annual billings. If actual use is at least twice the amount of the estimated billings, a new deposit requirement may be calculated and an additional deposit may be required within two days. If such additional deposit is not made, the utility may disconnect service under the standard disconnection procedure for failure to comply with deposit requirements. In the absence of billing history, the default deposit amount is \$90.00.

(iii) All applicants for residential service who are 65 years of age or older will be considered as having established credit if such applicant does not have an outstanding account balance with the utility or another utility for the same utility service which accrued within the last two years. No cash deposit shall be required of such applicant under these conditions.

(iv) Each utility which requires deposits to be made by its customers shall pay a minimum interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

(I) Payment of interest to the customer shall be annually or at the time the deposit is returned or credited to the customer's account.

(II) The deposit shall cease to draw interest on the date it is returned or credited to the customer's account.

(D) Deposits for temporary or seasonal service and for weekend or seasonal residences. The utility may require a deposit from a commercial or industrial customer sufficient to reasonably protect it against the assumed risk, provided such a policy is applied in a uniform and nondiscriminatory manner.

(E) Records of deposits.

(i) The utility shall keep records to show:

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- (I) the name and address of each depositor;
- (II) the amount and date of the deposit; and
- (III) each transaction concerning the deposit.

(ii) The utility shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

(iii) A record of each unclaimed deposit must be maintained for at least four years, during which time the utility shall make a reasonable effort to return the deposit.

(F) Refund of deposit.

(i) If service is not connected or after disconnection of service, the utility shall promptly and automatically refund the customer's deposit plus accrued interest on the balance, if any, in excess of the unpaid bills for service furnished. The transfer of service from one premise to another within the service area of the utility shall not be deemed a disconnection within the meaning of these rules, and no additional deposit may be demanded unless permitted by these rules.

(ii) When the customer has paid bills for service for 12 consecutive residential bills without having service disconnected for nonpayment of bill and without having more than two occasions in which a bill was delinquent and when the customer is not delinquent in the payment of the current bills, the utility shall promptly and automatically refund the deposit plus accrued interest to the customer in the form of cash or credit to a customer's account.

(G) Upon sale or transfer of utility or company. Upon the sale or transfer of any public utility or operating units thereof, the seller shall file with the Commission under oath, in addition to other information, a list showing the names and addresses of all customers served by such utility or unit who have to their credit a deposit, the date such deposit was made, the amount thereof, and the unpaid interest thereon.

(H) Complaint by applicant or customer. The utility shall direct its personnel engaged in initial contact with an applicant or customer for service seeking to establish or reestablish credit under the provisions of these rules to inform the customer, if dissatisfaction is expressed with the utility's decision, of the customer's right to file a complaint with the regulatory authority thereon.

(6) Billing.

(A) Bills for gas service shall be rendered monthly, unless otherwise authorized or unless service is rendered for a period less than a month. Bills shall be rendered as promptly as possible following the reading of meters.

(B) The customer's bill must show all the following information. The information must be arranged and displayed in such a manner as to allow the customer to compute his or her bill with the applicable rate schedule. The applicable rate schedule must be mailed to the customer on request of the customer. A utility may exhaust its present stock of nonconforming bill forms before compliance is required by this section:

- (i) if the meter is read by the utility, the date and reading of the meter at the beginning and end of the period for which rendered;
- (ii) the number and kind of units billed;
- (iii) the applicable rate schedule title or code;

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- (iv) the total base bill;
- (v) the total of any adjustments to the base bill and the amount of adjustments per billing unit;
- (vi) the date by which the customer must pay the bill to get prompt payment discount, if applicable;
- (vii) the total amount due before and after any discount for prompt payment, if applicable, within a designated period;
- (viii) a distinct marking to identify an estimated bill.

(C) Where there is good reason for doing so, estimated bills may be submitted, provided that an actual meter reading is taken at least every six months. For the second consecutive month in which the meter reader is unable to gain access to the premises to read the meter on regular meter reading trips, or in months where meters are not read otherwise, the utility must provide the customer with a postcard, or allow the submission of a digital photo, and request that the customer read the meter and return the card or digital photo to the utility if the meter is of a type that can be read by the customer without significant inconvenience or special tools or equipment. If such a postcard or digital photo is not received by the utility in time for billing, the utility may estimate the meter reading and render the bill accordingly.

(D) Disputed bills.

- (i) In the event of a dispute between the customer and the utility regarding the bill, the utility must forthwith make such investigation as is required by the particular case and report the results thereof to the customer. If the customer wishes to obtain the benefits of clause (ii) of this subparagraph, notification of the dispute must be given to the utility prior to the date the bill becomes delinquent. In the event the dispute is not resolved, the utility shall inform the customer of the complaint procedures of the appropriate regulatory authority.
- (ii) Notwithstanding any other subsection of this section, the customer shall not be required to pay the disputed portion of the bill which exceeds the amount of that customer's average usage for the billing period at current rates until the earlier of the following: resolution of the dispute or the expiration of the 60-day period beginning on the day the disputed bill is issued. For purposes of this section only, the customer's average usage for the billing period shall be the average of the customer's usage for the same billing period during the preceding two years. Where no previous usage history exists, the average usage shall be estimated on the basis of usage levels of similar customers and under similar conditions.

(7) Meters and Facilities.

(A) Meter requirements.

- (i) Use of meter. All gas sold by a utility must be charged for by meter measurements, except where otherwise provided for by applicable law, regulation of the regulatory authority, or tariff.
- (ii) Installation by utility. Unless otherwise authorized by the regulatory authority, the utility must provide and install and will continue to own and maintain all meters necessary for measurement of gas delivered to its residential and commercial customers. The Company has the right to install any meter or meters it deems in its sole discretion to be necessary or prudent, including without limitation, a digital, automated meter reading, automated metering infrastructure, or advanced metering systems meter or meters.

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(iii) Standard type. No utility may furnish, set up, or put in use any meter which is not reliable and of a standard type which meets generally accepted industry standards; provided, however, special meters not necessarily conforming to such standard types may be used for investigation, testing, or experimental purposes.

(iv) Access to premises and access to Company-owned meters, service lines, equipment, and all necessary property rights to install, operate, monitor, and maintain such equipment which may be necessary or convenient for the installation and/or provision of Gas Service by Company to Customer. Atmos Energy, Mid-Tex Division and any authorized Company representatives shall have the right at all reasonable hours to enter upon the premises and property of a Customer or any adjacent property owned by Customer to read a Company meter, to remove, to inspect, or to make necessary repairs and adjustments to, replacements of, or additions to service lines, meter loop, and any current or future property, equipment, facilities, or systems of Company located thereon, and for any other purpose connected with Company's operation and supply of natural gas. The Atmos Energy, Mid-Tex Division representative shall have the right at all times to enter upon the premises and property of Customer in emergencies pertaining to Company's service, operation, or any other activity. All animals which might hinder the performance of such operations on the customer's property shall be kept away from such operations by the customer upon notice by Atmos Energy, Mid-Tex Division' representatives of their intention to enter upon customer's premises.

(B) Meter records. The utility must keep the following records:

(i) Meter equipment records. The utility must keep a record of all its meters, showing the customer's address and date of the last test.

(ii) Records of meter tests. All meter tests must be properly referenced to the meter record provided for therein. The record of each test made on request of a customer must show the identifying number and constants of the meter, the standard meter and other measuring devices used, the date and kind of test made, by whom made, the error (or percentage of accuracy) at each load tested, and sufficient data to permit verification of all calculations.

(iii) Meter readings--meter unit location. In general, each meter must indicate clearly the units of service for which charge is made to the customer.

(iv) Meter tests on request of customer.

(I) The utility must, upon request of a customer, make a test of the accuracy of the meter serving that customer. The utility must inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four years for the same customer at the same location, the test is to be performed without charge. If such a test has been performed for the same customer at the same location within the previous four years, the utility is entitled to charge a fee for the test not to exceed \$15 or such other fee for the testing of meters as may be set forth in the utility's tariff properly on file with the regulatory authority. The customer must be properly informed of the result of any test on a meter that serves him or her.

(II) Notwithstanding subclause (I) of this clause, if the meter is found to be more than nominally defective, to either the customer's or the utility's disadvantage, any fee charged for

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a meter test must be refunded to the customer. More than nominally defective means a deviation of more than 2.0% from accurate registration for residential and commercial customers and 1% for industrial customers.

(v) Bill adjustments due to meter or systematic errors.

(I) If any meter test reveals a meter to be more than nominally defective, the utility must correct previous readings consistent with the inaccuracy found in the meter or within the billing system for the period of either:

(-a-) the last six months; or

(-b-) the last test of the meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills, unless service is terminated, in which event a monetary adjustment is to be made. This requirement for a correction may be foregone by the utility if the error is to the utility's disadvantage.

(II) If a meter is found not to register for any period of time, the utility may make a charge for units used but not metered for a period not to exceed three months previous to the time the meter is found not to be registering. The determination of amounts used but not metered is to be based on consumption during other like periods by the same customer at the same location, when available, and on consumption under similar conditions at the same location or of other similarly situated customers, when not available.

(8) New construction.

(A) Standards of construction. The utility is to construct, install, operate, and maintain its plant, structures, equipment, and lines in accordance with the provisions of such codes and standards as are generally accepted by the industry, as modified by rule or regulation of the regulatory authority or otherwise by law, and in such manner to best accommodate the public and to prevent interference with service furnished by other public utilities insofar as practical.

(B) Line extension and construction charge policy. In the absence of a line extension policy specific to a city franchise agreement, the following policy shall apply:

The utility shall be required to extend distribution mains in any Public Rights-of-Way up to seventy-five feet (75') to provide new or additional service requested by any one residential or commercial customer so long as such extension is operationally feasible. To the extent that the gas main extension would exceed seventy-five feet (75'), it shall be made only upon execution of a special agreement providing for reimbursement to Company for the cost of the necessary gas main extension. For industrial customers, gas main extensions of any length shall only be made upon execution of a special agreement providing for agreed upon reimbursement to Company for cost of the necessary gas main extension.

The applicable provisions of city franchise agreements, which set forth line extension and construction charge policies that differ from the above policy are on file with the applicable municipality.

The utility reserves the sole discretion to designate routes of all new extensions and the construction materials and manner of fabrication and installation. The utility, on a consistent and non-discriminatory basis, may provide refunds, credits, or security releases based upon facts such as additional customers subsequently attaching, the level of sales experiences through the new facility, or other criteria chosen by the utility. The utility may apply similar cost responsibility and arrangements to a customer requesting an increase in the capacity of existing facilities to

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accommodate an increase in the customer's service requirements. In no event will contribution in aid of construction be required of any customer unless provided for in this extension policy.

(C) Response to request for service. Every gas utility must serve each qualified applicant for residential or commercial service within its service area as rapidly as practical. As a general policy, those applications not involving line extensions or new facilities should be filled within seven working days. Those applications for individual residential or commercial service requiring line extensions should be filled within 90 days unless unavailability of materials or other causes beyond the control of the utility result in unavoidable delays. In the event that residential or commercial service is delayed in excess of 90 days after an applicant has met credit requirements and made satisfactory arrangements for payment of any required construction charges, a report must be made to the regulatory authority listing the name of the applicant, location, and cause for delay. Unless such delays are due to causes which are reasonably beyond the control of the utility, a delay in excess of 90 days may be found to constitute a refusal to serve.

(9) Non-Liability

(A) Furnishing of Gas. The Company shall not be liable for any loss or damage caused by variation in gas pressure, defects in pipes, connections and appliances, escape or leakage of gas, sticking of valves or regulators, or for any other loss or damage not caused by the Company's negligence arising out of or incident to the furnishing of gas to any Consumer or Customer.

(B) After Point of Delivery. Company shall not be liable for any damage or injury resulting from gas or its use after such gas leaves the Point of Delivery other than damage caused by the fault of the Company in the manner of installation of its Gas Service Lines, in the manner in which such Gas Service Lines are repaired by the Company, and in the negligence of the Company in maintaining its meter loop. All other risks after the gas left the Point of Delivery shall be assumed by the Customer, Consumer, and their agents, servants, employees, or other persons. Customer, Consumer, and their agents, servants, employees, or any other persons assume all responsibility for all facilities and all Customer's Gas Installation, Customer's Piping, and Customer's Equipment and their installation, maintenance, operation, functionality, testing, condition, and all other risks on Customer's side of the Point of Delivery.

(C) Customer's Piping and Equipment. Customer shall be solely responsible for the selection, installation, maintenance, repair, and inspection of Customer's Piping and Equipment, and the Company shall have no duty or responsibility for the design, selection, installation, operation, maintenance, or repair of said Customer's Piping Equipment, including no responsibility or duty for (1) determining whether or not Customer has complied with all applicable safety codes and regulations; (2) inspecting or maintaining Consumer's Piping or Equipment; (3) or in any way establishing or enforcing any piping, equipment, device, or facility specifications. The Company shall have no duty, obligation, or responsibility for notifying Consumer of technology or technological advances associated with Customer's Piping or Equipment nor shall the Company have any duty, obligation, or responsibility for determining whether Customer's Piping and/or Equipment complies with NFPA 54, NFPA 715 and/or any applicable fuel gas or other relevant code. The Company shall have no duty, obligation, or responsibility for inspecting the performance of, location of, or maintenance of Consumer's methane detectors and/or carbon monoxide detectors. The Company shall have no duty or obligation to warn or notify Customer

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regarding the installation of, use of, performance of, and/or maintenance of Customer's Piping or Equipment, including methane detectors and/or carbon monoxide detectors. The Consumer shall be responsible, at all times, for all Customer Piping and Equipment beyond the Point of Delivery.

- (D) Escaping Gas. Immediate notice must be given to Company by Customer or Consumer of any escaping gas on Customer's premises. No flame shall be taken near the point where gas is escaping. Company shall not be liable for any damage or loss caused by the escape of gas from Customer's Piping or Equipment or Customer's or Consumer's appliances, devices, or facilities.
- (E) Company is not liable to a Customer or Consumer, and any Customer shall indemnify, hold harmless, and defend the Company and its employees, agents, and representatives from any and all claims or allegations of liability for personal injury, damage to property, or any incidental, consequential, business interruption, or other economic damages or losses in any manner directly or indirectly connected to, arising from, or caused by acts or omissions of any person or party on the Customer's side of the Point of Delivery.
- (F) In no event shall the Company or its employees be liable for incidental, consequential, business interruption, or other economic damages or losses of Customer, Consumer, or third parties in any manner, directly or indirectly, arising from, caused by, or growing out of the interruption or termination of gas utility service.
- (G) Reasonable Diligence. The Company agrees to use reasonable diligence in rendering continuous gas service to all Customers/Consumers, but the Company does not guarantee such service and shall not be liable for damages resulting from any interruption to such service.
- (H) Force Majeure. Company shall not be liable for any damage or loss caused by stoppage or curtailment of the gas supply pursuant to order of a governmental agency having jurisdiction over Company or Company's suppliers, or caused by an event of force majeure. The term "force majeure" as employed herein means acts of God; strikes, lockouts, or other industrial disturbances; acts of the public enemy; wars; blockades; insurrections; riots; epidemics; pandemics; landslides; lightning; earthquakes; fires; storms; floods; washouts; arrests and restraints of the government, either federal or state, civil or military; civil disturbances; explosions; breakage or accident to machinery or lines of pipe; freezing of wells or lines of pipe; shortage of gas supply, whether resulting from inability or failure of a supplier to deliver gas; partial or entire failure of natural gas wells or gas supply; depletion of gas reserves; and any other causes, whether of the kind herein enumerated or otherwise.

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Application

Applicable to Customers taking service under Rate R, Rate C, Rate I, and Rate T, , except for exempt State Agency Customers, to the extent of state gross receipts taxes only.

Entire Division except for Unincorporated Areas

Each monthly bill shall be adjusted for Miscellaneous state gross receipts taxes imposed by Sections 182-021 - 182-025 of the Texas Tax Code.

Entire Division

Each monthly bill shall also be adjusted by an amount equivalent to the amount of all applicable taxes and any other governmental impositions, rentals, fees, or charges (except state, county, city, and special district ad valorem taxes and taxes on net income) levied, assessed, or imposed upon or allocated to the Company with respect to the Gas Service provided to Customer by Company, and any associated facilities involved in the performance of such Gas Service. Each monthly bill shall also be adjusted by an amount equivalent to the proportionate part of any increase or decrease of any tax and any other governmental imposition, rental, fee, or charge (except state, county, city, and special district ad valorem taxes and taxes on net income) levied, assessed, or imposed subsequent to the effective date of this tariff, upon or allocated to Company's operations, by any new or amended law, ordinance, or contract.

Public Law 117-169, 136 STAT. 1818 of August 16, 2022 ("Tax Act 2022"):

Applicability – Unincorporated Areas

Applicable to Customers taking service under Rate R - Residential, Rate C - Commercial, Rate I - Industrial and Rate T - Transportation.

The rates associated with the effects of the Tax Act 2022 and certain other tax-related costs that will change from the amounts included in the base revenue requirement in Docket No. (to be determined) will be calculated in accordance as follows.

The adjustment calculated in this tariff for the Tax Act 2022 shall appear as a line item on the bill entitled "Tax Act 2022".

Purpose

The purpose of this rider is to capture the effects of the Tax Act 2022 and certain other tax-related costs that will change from the amounts included in the base revenue requirement in Docket No. (to be determined). These effects include the return on the Corporate Alternative Minimum Tax ("CAMT") deferred tax asset ("DTA") resulting from the Tax Act 2022, and income tax credits resulting from the Tax Act 2022 included in rate base and in the base revenue requirement in Docket No. (to be determined).

Calculation

The amount shall be calculated as the product of the Company's grossed-up rate of return authorized in the Company's most recent base rate case proceeding times the CAMT deferred tax asset ("CAMT DTA") estimated at September 30 of the fiscal year or applicable quarter-end within a fiscal year prior to the

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annual change in the rates pursuant to this tariff, less the income tax credits received in accordance with IRC requirements applicable to the Tax Act 2022 grossed-up for income taxes to a revenue equivalent.

The estimated CAMT DTA and the related effects on the rider revenue requirements shall be trued up to the actual effects in the following year and the over/under recovery amortized over the twelve months that each year's recalculated tariff rates are in effect. The over/under recovery shall include a grossed-up rate of return as authorized in the Company's most recent base rate case proceeding.

The methodology for computing the Company's CAMT is as follows:

1. Confirm when Atmos Energy Corporation and its affiliates are subject to CAMT as an "applicable corporation" as defined the Tax Act 2022, then there will be Company's CAMT DTA in the tariff.
2. Calculate Company's contribution to Adjusted Financial Statement Income ("AFSI") on a stand-alone basis. Company's AFSI is calculated by adjusting Company's applicable financial statement income by adjustments to depreciation, pension costs and federal income tax to arrive at AFSI. AFSI is intended to be computed consistent with applicable IRC requirements.
3. Compare Company's CAMT stand-alone amount with Company's regular stand-alone tax liability. If the stand alone CAMT is in excess of the stand-alone regular tax, the CAMT DTA is recorded to the Company.

If the Internal Revenue Service issues new guidance related to the Tax Act 2022, the Company shall have the right to make additional filings to recognize such adjustments.

Filing Procedures

On or before May 1 of each year, starting in 2026, the Company shall file with the Railroad Commission (Commission) or applicable regulatory authority the Tax Act 2022 calculation along with supporting schedules and workpapers. Rates will become effective for bills calculated on or after October 1 of the year following, starting in 2026. The regulatory authority may request additional clarification or information regarding the calculations, or any component thereof on or before July 1.

The filing to the Commission shall include all supporting documentation and be addressed to the Director of Oversight and Safety Division referencing Docket No. (to be determined). Reports to the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address:

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

The filing to the individual cities shall include all supporting documentation and be addressed to the city official at the address of record with the Company. No action on the part of the regulatory authority is required for the resulting rates to take effect.

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Orders issued pursuant to this mechanism are ratemaking orders and shall be subject to appeal under Sections 102.001(b) and 103.021, et seq., of the Texas Utilities Code (Vernon 2007). Rate changes subject to CAMT provisions of this tariff may be implemented upon the filing of an appeal to the relevant authority.

Other Federal or State Tax Rate Changes:

Applicability – Unincorporated Areas

Applicable to Customers taking service under Rate R - Residential, Rate C - Commercial, Rate I - Industrial and Rate T - Transportation.

To ensure that gas utility customers receive the benefits or costs associated with the changes in tax rates at a federal or state or local level, Company shall establish and accrue on its books and records, as of the effective date of the federal, state or local tax rate change: 1) regulatory liabilities to reflect the impact of a decrease in federal corporate income tax rates or state/local margin or property tax rates; or, 2) regulatory assets to reflect the impact of an increase in federal corporate income tax rates or state/local margin or property tax rates.

The increase or decrease shall be calculated as follows:

- a. A portion of the gas utility's revenue representing the difference between: 1) the cost of service as approved by the Commission or the applicable regulatory authority in the gas utility's most recent statement of intent or other rate proceeding, and 2) the cost of service that would have resulted had the rates been based on the new federal income tax rate (increase or decrease) or state/local margin/property taxes (increase or decrease), as of the effective date of the change;
- b. If applicable, the portion of the gas utility's revenue representing the difference between: 1) each Interim Rate Adjustment surcharge approved by the regulatory authority since the gas utility's most recent statement of intent or other rate proceeding, and 2) each Interim Rate Adjustment surcharge that would have resulted had the surcharges been based on the new federal income tax rate (increase or decrease) or state/local margin/property taxes (increase or decrease), as of the effective date of the change; and
- c. The excess or deficient deferred tax reserve, including any associated gross up in taxes, caused by the reduction or increase in the federal corporate income tax rate or state/local related tax increases, as of the effective date of the change.

The gas utility shall separately refund to customers based on a decrease in federal or state/local tax rates or separately collect from customers based on an increase in federal or state/local tax rates within twelve (12) months or, pursuant to applicable IRC rules and regulations, as follows:

- d. The amount collected/refunded by the gas utility that reflects the difference in base rates between: 1) the cost of service approved by the regulatory authority in the gas utility's most recent statement of intent rate proceeding, and 2) the cost of service that would have resulted had the rates been based upon the new federal or state/local tax rates, between the effective date of this order and the effective date of the changes.
- e. If applicable, the amount collected/refunded by the gas utility that reflects the difference between: 1) each Interim Rate Adjustment surcharge approved by the Commission or the regulatory authority since the gas utility's most recent statement of intent rate proceeding, and 2) each Interim Rate Adjustment surcharge that would have resulted had the rates been based upon the new federal or state/local tax rates, between the effective date of this order and the effective date of the changes.

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- f. The amount collected/refunded by the gas utility that reflects the difference in the excess or deficient deferred tax reserve included in base rates between: 1) the cost of service approved by the Commission or the regulatory authority in the gas utility's most recent statement of intent rate proceeding, and 2) the cost of service that would have resulted had the rates been based upon the new federal or state/local tax rates, between the effective date of this order and the effective date of the changes. These amounts shall be refunded or collected from customers based upon IRC rules and regulations if applicable.

Any Commission filing made to give effect to Other Federal, State or Local Tax Rate Changes shall be filed within 12-months following the enactment of a tax rate change with the Commission's Oversight and Safety Division or as part of a Statement of Intent.

Any city filing made to give effect to Other Federal, State or Local Tax Rate Changes shall be filed within 12-months following the enactment of a tax rate change and addressed to the city official at the address of record with Company.

No action on the part of the regulatory authority is required to give effect to the amount to be refunded or collected from customers. However, any amount refunded or collected from customers shall be fully subject to review for reasonableness and accuracy in the gas utility's next statement of intent proceeding, and if applicable, the gas utility shall be required to reconcile any discrepancies.

FASB ASC 740-10 FIN 48 ("FIN48") REGULATORY LIABILITY:

Applicability – Unincorporated Areas

Applicable to Customers taking service under Rate R - Residential, Rate C - Commercial, Rate I - Industrial and Rate T – Transportation.

To ensure that gas utility customers receive the benefit associated with the changes in the Company's Uncertain Tax Positions ("UTPs") arising from recognition of Texas Margin Tax returns.

The decrease shall be calculated as follows:

Beginning with implementation of rates from Docket No. (to be determined), and annually thereafter, the portion of UTP liabilities identified in Schedule FIN48-4.1 for the prior fiscal year shall be allocated based on the final class allocations of Docket No. (to be determined), divided by the annual bill count to derive rates to be refunded through Rider SUR in the subsequent fiscal year. Each year's calculation will include a true-up (+ or -) due to account for over/under collections. Amounts identified in Schedule FIN48-4.1 shall be adjusted to reflect any audit adjustments received from the Texas Comptroller of Public Accounts.

No action on the part of the regulatory authority is required to give effect to the amount to be refunded to customers. However, any amount refunded to customers shall be fully subject to review for reasonableness and accuracy in the gas utility's next statement of intent proceeding with the Texas Railroad Commission, and if applicable, the gas utility shall be required to reconcile any discrepancies.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	FF – FRANCHISE FEE ADJUSTMENT	
APPLICABLE TO:	Entire Division except Unincorporated Areas	
EFFECTIVE DATE:	12/11/2018	PAGE: 77

Application

Applicable to Customers inside the corporate limits of an incorporated municipality that imposes a municipal franchise fee upon Company for the Gas Service provided to Customer.

Monthly Adjustment

Company will adjust Customer's bill each month in an amount equal to the municipal franchise fees payable for the Gas Service provided to Customer by Company. Municipal franchise fees are determined by each municipality's franchise ordinance. Each municipality's franchise ordinance will specify the percentage and applicability of franchise fees.

From time to time, Company will make further adjustments to Customer's bill to account for any over- or under-recovery of municipal franchise fees by Company.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	SSI – SYSTEM SAFETY AND INTEGRITY	
APPLICABLE TO:	RATE R, RATE C, RATE I, AND RATE T CUSTOMERS IN THE UNINCORPORATED AREAS OF THE MID-TEX DIVISION	
EFFECTIVE DATE:		

PURPOSE

The purpose of this System Safety and Integrity (“SSI”) Rider is to promote the public interest in pipeline safety by enabling the Company to recover: (1) inspection activities to confirm that there is no existing cross-bore damage on facilities installed prior to 2016; (2) specific damage preventions activities necessary to install technology to make unlocatable facilities electronically locatable; (3) incremental leak surveying and detection activities conducted by third-party contractors; (4) supervisory activities related to third-party excavation near Atmos Energy facilities; and (5) hydrostatic testing activities on transmission assets to reconfirm maximum allowed operating pressure (“MAOP”) to comply with Mega Rule Part 1, codified as 49 C.F.R. § 192.624.

These expenses shall be recovered through a separate charge (the “SSI Surcharge”) that shall be shown as a separate line item on the monthly bill of the customer classes described below.

APPLICABILITY

This Rider shall be applied to all Rate R – Residential Sales, Rate C – Commercial Sales, Rate I – Industrial Sales and Rate T - Transportation customers within the unincorporated areas served by the Company.

QUALIFYING ACTIVITIES AND EXPENSES

The SSI Rider applies only to “SSI Expenses”, which include: (1) inspection activities to confirm that there is no existing cross-bore damage on facilities installed prior to 2016; (2) specific damage preventions activities necessary to install technology to make unlocatable facilities electronically locatable; (3) incremental leak surveying and detection activities conducted by third-party contractors; (4) supervisory activities related to third-party excavation near Atmos Energy facilities; and (5) hydrostatic testing activities on transmission assets to reconfirm maximum allowed operating pressure (“MAOP”) to comply with Mega Rule Part 1, codified as 49 C.F.R. § 192.624.

The third-party O&M expense items related to these safety and compliance activities that qualify for recovery under this Rider shall include contractor costs associated with the above referenced activities, which result from safety and integrity regulations adopted by the Railroad Commission of Texas (“Commission”) and/or the Pipeline and Hazardous Materials Safety Administration (“PHMSA”). Applicable state and federal statutes or regulatory agency rules and regulations include those in 49 C.F.R. Part 192; the rules and regulations of the Commission and PHMSA; other PHMSA rules or advisories regarding programs or activities related to compliance with 49 C.F.R. Part 192; Standards and Recommended Practices issued by PHMSA and recognized standard developing organizations; and other state and federal statutes, rules, or regulations regarding natural gas pipeline safety and integrity management.

Neither capital expenditures by the Company, nor the labor cost of Atmos Energy employees, shall be recovered under this Rider. Capital expenditures associated with system safety and integrity activities

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	SSI – SYSTEM SAFETY AND INTEGRITY	
APPLICABLE TO:	RATE R, RATE C, RATE I, AND RATE T CUSTOMERS IN THE UNINCORPORATED AREAS OF THE MID-TEX DIVISION	
EFFECTIVE DATE:		

shall continue to be recovered through base rates and any interim rate adjustments implemented pursuant to Section 104.301 of the Gas Utility Regulatory Act.

CALCULATION OF SSI SURCHARGE

Qualifying Activities above or below the SSI Expense Benchmark established in Docket No. (to be determined) shall be deferred into a regulatory asset account (“SSI Regulatory Asset Account”). On an annual basis, the SSI Regulatory Asset Account shall be used to establish the SSI Surcharge under this SSI Rider to recover the Total SSI Expense incurred and deferred in the prior year for qualified activities. The SSI Surcharge will be calculated as follows:

SSI Surcharge:

Step 1: Total Systemwide Qualifying Activities SSI Expense less SSI Expense Benchmark = Systemwide Over/Under (“SSI Amount”) Collection/Refund Amount

Step 2: Jurisdictional Customer Count divided by Systemwide Customer Count* = Jurisdictional Customer Allocation Factor as a percentage of Total System Customer Count*

Step 3: Multiply the Systemwide SSI Amount times the Jurisdiction Allocation Factor = Total Jurisdictional SSI Amount for Collection/Refund

Step 4: Total Jurisdictional SSI Amount times the allocation factor by rate class** = Total Jurisdictional SSI Adjustment Amount by Rate Class

Step 5: Jurisdictional SSI Amount by Rate Class divided by the Jurisdictional Annual Service Area Customer/Bill Count by Rate Class*** = Jurisdictional Monthly Customer Charge/(Refund) Adjustment by Customer Class

*The Jurisdictional Customer Count and the Systemwide Customer Count are those approved in Docket No. (to be determined).

**The allocation factors by rate class are those approved in Docket No. (to be determined).

***Year end number of customers/bills times 12 for each rate class.

Based upon customer data for the period ended June and any other relevant factors, the Monthly SSI Charge Adjustment will be revised annually to account for changes in the customers and the resulting revised SSI Surcharge shall be applied to each applicable customer class for the ensuing 12-month recovery period.

ANNUAL RECONCILIATION

On or before September 15th, beginning in 2025, the Company shall calculate the SSI Surcharge based on the period July 1, 2024 through June 30, 2025 by FERC Account. The initial SSI Surcharge filing shall be filed with the Commission and the Commission shall complete its review so that the Company can implement the SSI Surcharge effective February 1st. In subsequent years, the SSI

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	SSI – SYSTEM SAFETY AND INTEGRITY	
APPLICABLE TO:	RATE R, RATE C, RATE I, AND RATE T CUSTOMERS IN THE UNINCORPORATED AREAS OF THE MID-TEX DIVISION	
EFFECTIVE DATE:		

Surcharge shall be updated and included with the reconciliation of the previous year's over/under collections.

The Company shall provide a copy of the SSI Surcharge filing to the parties in Railroad Commission of Texas Docket No. (to be determined) ("Parties") on the same date as the date of the filing with the Commission. Parties have the right to review the filing, submit discovery requests, and provide recommendations to Staff regarding any adjustments to the proposed SSI Surcharge calculation on or before December 1st of each year.

On or before September 15th, beginning in 2025, the Company shall calculate the SSI Surcharge based on the period July 1st of the prior year through June 30 of the current year by FERC Account.

On or before September 15th, beginning in 2027, after completion of each annual recovery period, the total revenues collected under this SSI Rider for that year shall be reconciled against the revenues previously calculated to be collected for that year, and the SSI Surcharge for the Rate R, C, I and T customer classes shall be adjusted upward or downward so that the Company recovers any under-recoveries or refunds any over-recoveries that may have accrued under the SSI Rider, plus monthly interest on those under-recoveries or over-recoveries at the cost of long-term debt approved in the Company's most recent general rate case in which rates were set for customers.

The reconciliation shall be filed with the Commission on or before September 15th of each year, and the Commission shall complete its review of the reconciliation on or before January 15th of the next year, so that the Company can implement the reconciled SSI Surcharge effective February 1st of each succeeding year.

DEFERRED ACCOUNTING

The Company is authorized and directed to defer, as a regulatory asset, all SSI Expenses above or below the SSI Expense Benchmark that are incurred after June 30, 2024, and all revenues specifically collected under this Rider shall be applied to the deferred expense account. The Company shall not earn a return on any regulatory asset created under this provision, and no such regulatory asset shall be included in the Company's invested capital (rate base) for ratemaking purposes.

ANNUAL REPORT

On or before September 15th after each twelve-month period ending June 30th, the Company shall file a report with the Commission showing all SSI Expenses incurred during the previous reporting period and verifying the prior year's collections and any under recoveries or over recoveries accruing to date under this Rider. The report shall separately identify and list such expenses by account number and project number. Prior to the effective date of this Rider and on or before September 15th of each succeeding year while this Rider is in effect, the Company shall also file an Addendum to this Rider with the Commission (a) identifying the SSI Surcharges that will be applied during the ensuing 12-

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	SSI – SYSTEM SAFETY AND INTEGRITY	
APPLICABLE TO:	RATE R, RATE C, RATE I, AND RATE T CUSTOMERS IN THE UNINCORPORATED AREAS OF THE MID-TEX DIVISION	
EFFECTIVE DATE:		

month recovery period from February 1st through January 31st in the subsequent year, and (b) providing the underlying data and calculations on which each SSI Surcharge for that period is based.

NOTICE TO AFFECTED CUSTOMERS

In addition to the annual report and Addendum to this Rider required above, the Company shall provide, within 45 days of filing the SSI reconciliation and annual report, written notice to each affected customer of (a) the SSI Surcharge that will be applied during the ensuing 12-month period from February 1st through January 31st in the subsequent year, and (b) the effect the SSI Surcharge is expected to have on the average monthly bill for each affected customer class. The written notice may be provided either by separate mailing or by insert included with the Company's monthly billing statements, including electronic billing statements. The Company shall also electronically file an affidavit annually with the Commission certifying that notice has been provided to customers in this manner. The notice shall be presumed to be complete three calendar days after the date the separate mailing or billing statement is deposited in a postage-paid, properly addressed wrapper in a post office or official depository under care of the United States Postal Service. The initial notice shall be filed with, reviewed, and approved by the Commission, and each subsequent notice shall follow the same format as that of the approved initial notice.

REPORTS TO THE COMMISSION:

The Company shall file all reports, including the notice to affected customers and addendum to this rider, electronically in the Railroad Commission of Texas Case Administration Service Electronic System (CASES) Portal and with the Commission addressed to the Director of Oversight and Safety Division referencing Docket No. (to be determined).

Reports to the Commission should also be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address:

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

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

SECTION:	III. – DEFINITIONS	
APPLICABLE TO:	Entire System	
EFFECTIVE DATE:	05/25/2004	PAGE: 8

AGREEMENT FOR GAS SERVICE. A written contract between Company and Customer under which Company provides Gas Service.

APARTMENT HOUSE. A building or buildings containing more than four Dwelling Units all of which are rented primarily for non-transient use, with rental paid at intervals of one week or longer. Apartment House includes residential condominiums, whether rented or owner occupied.

APPLICANT. A person or entity who requests Gas Service from Company. The inauguration of Gas Service to an Applicant by Company does not indicate that Company has inspected Customer's gas piping or appliances or determined the piping and appliances to be safe or adequate.

~~**CITY GATE CUSTOMER.** A customer who purchases City Gate Service under Rate CGS.~~

CODES. Codes governing gas installations.

COMMERCIAL CUSTOMER. A customer who has a North American Industry Classification System Code beginning with 11, 22 (other than electric generation), 23, 41-46, 48, 49, 51-56, 61, 62, 71, 72, 81, or 91-93 or any other end-use customer to which no other rate schedule applies. A customer classified as a commercial customer under this definition may be considered eligible to contract for interruptible service under Rate Schedule T - Transportation, at the discretion of Atmos Energy, only if the customer 1) has standby equipment for the use of other fuel with a capacity at least equal to that normally required by the customer, 2) has fuel in storage in an amount adequate to fulfill the customer's fuel requirements during periods of interruption or discontinuance of gas service, and 3) certifies annually by October 1 that the standby equipment is in full working order and fuel storage has been procured for the upcoming 12-month period. Independent School Districts or private primary and secondary schools that use gas in buildings used to provide educational instruction to students will be classified as commercial customers for such purposes and will receive service at such buildings under the Commercial Rate.

COMMISSION. The Railroad Commission of Texas.

COMPANY OR UTILITY. Atmos Energy Corporation, Mid-Tex Division, its successors, and its assigns.

CONSUMER OR CUSTOMER. These terms are used interchangeably to mean an individual, partnership, association, joint venture, corporation, governmental agency, or any other organization or entity who is receiving, who is receiving the benefit of, or who is utilizing in any way Gas Service at a specified Point of Delivery.

CURTAILMENT EVENT. When Company determines that its ability to deliver gas may become inadequate to support continuous service to firm customers on its system and it reduces deliveries to one or more firm customers. An interruption of delivery or service to interruptible gas customers does not constitute a curtailment event. Prior to reducing deliveries to one or more firm customers, Company interrupts deliveries to interruptible customers pursuant to mutually agreed upon contracts and/or tariffs.

CUSTOMER'S/CONSUMER'S EQUIPMENT: All appliances, piping, vents, connectors, valves, fittings or any other gas utilization or distribution equipment including but not limited to methane detectors and carbon monoxide detectors at or on the Customer's/Consumer's side of the Point of Delivery.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

SECTION:	III. – DEFINITIONS	
APPLICABLE TO:	Entire System	
EFFECTIVE DATE:	05/25/2004	PAGE: 9

CUSTOMER. ~~An individual, partnership, association, joint venture, corporation, etc., or governmental agency who is receiving or who is receiving the benefit of gas service at a specified point of delivery.~~

CUSTOMER'S GAS INSTALLATION/CUSTOMER'S PIPING. All pipes, equipment, apparatuses, devices, or facilities of any kind on Customer's side of the Point of Delivery, except Company's metering equipment, used by Customer in taking any manner in connection with the provision of Gas Service.

DISTRIBUTION SYSTEM. That portion of ~~the Atmos Energy Corp. Company's G~~gas ~~S~~system that is comprised of distribution pipelines, Gas Main Lines, and Gas Service Lines that are located on the load side of city gates.

DWELLING UNIT. A room or rooms suitable for occupancy as a residence ~~containing kitchen and bathroom facilities.~~

GAS DAY. The period beginning at 9:00 a.m. on one calendar day and ending at 9:00 a.m. on the following calendar day.

GAS MAIN LINES. Company's distribution pipelines that receive natural gas from city gate stations and transport such natural gas to SService Lines.

GAS SERVICE. The transportation to and provision of natural gas, including, but not limited made available by Company at the Point of Delivery to, the designing, installing, maintaining, operating, and/or monitoring of gas by the Company up to and at the Point of Delivery.

GAS SERVICE LINES. Company's distribution pipelines that receive natural gas from Gas Main Lines and transport such natural gas to the Points of Delivery.

INDUSTRIAL CUSTOMER. A customer who has a North American Industry Classification System Code beginning with 21, 22 (electric generation only), 31, 32, or 33.

INTERRUPTION EVENT. The interruption of natural gas deliveries to interruptible customers pursuant to mutually agreed upon contracts or tariffs.

LOCAL DISTRIBUTION COMPANY. An entity that operates a retail gas distribution system other than Atmos Energy Corp., Mid-Tex Division.

MAKE-UP VOLUMES. The quantity of gas specifically and separately nominated by customer and confirmed by Company to resolve, either in whole or in part, any imbalance under ~~Rate CGS, Rate PT, or~~ Rate T.

METER. A device, or devices, together with any required auxiliary equipment, for measuring Gas Service.

PIPELINE SYSTEM. That portion of ~~the Atmos Energy Corp. Company's G~~gas ~~s~~System that provides pipeline transmission. The Pipeline System is upstream from city gates and feeds into the Distribution System.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

SECTION:	III. – DEFINITIONS	
APPLICABLE TO:	Entire System	
EFFECTIVE DATE:	05/25/2004	PAGE: 40

POINT OF DELIVERY. The point of connection at which the gas supplied by the Company leaves the outlet side of Company's meter and enters Customer's Piping. At Company's option, locations where the gas installation has multiple connections to Company's facilities may be considered one point of delivery for billing purposes.

RATE SCHEDULE. A statement of the method of determining charges for Gas Service, including the conditions under which such method applies.

RECEIPT NOMINATION. The daily quantity of gas requested by a shipper to be delivered into the Pipeline System by the shipper as specified in the associated Transportation Agreement between the shipper and Atmos Energy Corp., Mid-Tex Division.

REGULATORY AUTHORITY. An incorporated city or town, or an agency of the county, state, or federal government.

RESIDENTIAL CUSTOMER. Unless otherwise specified in the rate schedule, a customer whose service is separately and individually metered in an individual private Dwelling Unit or in an individually metered apartment and who uses natural gas primarily for Residential End Uses and occupies the building.

RESIDENTIAL END USES. Heating, space heating, cooking, water heating, and any other purpose for which gas supplied by the Company is used by the Customer. ~~other similar type uses in a building or dwelling.~~

RESIDENTIAL SALES SERVICE. Gas service provided to any customer whose service is separately and individually metered and who uses natural gas primarily for Residential End Uses and occupies the building.

STATE AGENCY. (A) a department, commission, board, office, or other agency that:
 (i) is in the executive branch of state government;
 (ii) has authority that is not limited to a geographical portion of the state; and
 (iii) was created by the Texas Constitution or a statute of this state;
 (B) a university system or institution of higher education as defined by Section 61.003, Education Code, other than a public junior college; or
 (C) a river authority created under the Texas Constitution or a statute of this state.

TEMPORARY GAS SERVICE. Gas Service provided to Customer for a single, continuous period of time, which is less than twelve consecutive months, except that Gas Service provided during construction activities, even though provided for a continuous period of time in excess of twelve months, is considered to be Temporary Gas Service.

TRANSPORTATION SERVICE CUSTOMER. Customers who procure their own gas supplies and for whom the Company provides delivery service on ~~the Atmos Energy Corp. Company's~~ System.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC-Tariff No: 29849

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	UNINCORPORATED AREAS	
EFFECTIVE DATE:	~~Bills Rendered on or after 07/01/2024~~	PAGE: 46

Application

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

Type of Service

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

Monthly Rate

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

Charge	Amount
~~GUD 10742~~ -Customer Charge per Bill	\$ ~~17.00~~ <u>46.06</u> per month
Rider CEE Surcharge	<u>\$ 0.05</u> per month ¹
Interim Rate Adjustment ("IRA")	<u>\$ ~~29.06~~<u>0.00</u></u> per month ²
Total Customer Charge	<u>\$ 46.11</u> per month
Commodity Charge – All Ccf	\$ ~~0.18653~~ <u>417068</u> per Ccf

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

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

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

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

Agreement

An Agreement for Gas Service may be required.

Notice

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

¹ Reference Rider CEE – Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2024.

² ~~2018 IRA – \$2.84, 2019 IRA – \$4.71, 2020 IRA – \$4.54, 2021 IRA – \$5.15, 2022 IRA – 5.09, 2023 IRA – \$6.73~~This footnote will be used to document the annual IRA adjustments.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION****Tariff No: 29850**

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	UNINCORPORATED AREAS	
EFFECTIVE DATE:	~~Bills Rendered on or after 07/01/2024~~	Page: 47

Application

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

Type of Service

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

Monthly Rate

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

Charge	Amount
~~GUD 10742~~ -Customer Charge per Bill	~~_____~~ \$ ~~40.00~~ <u>133.15</u> per month
Rider CEE Surcharge	\$ <u>0.00</u> per month ¹
Interim Rate Adjustment ("IRA")	\$ ~~93.45~~ <u>0.00</u> per month ²
Total Customer Charge	\$ 133.15 per month
Commodity Charge - All Ccf	\$ 0.10494 per Ccf

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

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

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

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

Agreement

An Agreement for Gas Service may be required.

Notice

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

Presumption of Plant Protection Level

For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at

¹ Reference Rider CEE – Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2024.

² ~~2018 IRA – \$8.74, 2019 IRA – \$14.54, 2020 IRA – \$14.48, 2021 IRA – \$16.47, 2022 IRA – \$16.63, 2023 IRA – \$22.29~~This footnote will be used to document the annual IRA adjustments.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

~~Tariff No: 29850~~

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	UNINCORPORATED AREAS	
EFFECTIVE DATE:	~~Bills Rendered on or after 07/01/2024~~	~~Page: 47~~

mdtx-div-plantprotection@atmosenergy.com.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC-Tariff No: 29851

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	UNINCORPORATED AREAS	
EFFECTIVE DATE:	~~Bills Rendered on or after 06/01/2024~~	PAGE: 48

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 200 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 200 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service

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

Monthly Rate

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

Charge	Amount
~~GUD 10742~~ Customer Charge per Meter	\$ ~~784.00~~ <u>2,491.47</u> per month
Interim Rate Adjustment ("IRA")	\$ <u>1,707.470.00</u> per month ¹
Total Customer Charge	\$ 2,491.47 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.3701 per MMBtu
Next 3,500 MMBtu	\$ 0.2712 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0582 per MMBtu

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

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

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

~~Curtailment~~ Overpull Fee

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

Replacement Index

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

¹ ~~2018 IRA \$155.84, 2019 IRA \$261.86, 2020 IRA 261.77, 2021 IRA 309.07, 2022 IRA 306.86, 2023 IRA \$412.07~~ This footnote will be used to document the annual IRA adjustments.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC-Tariff No: 29851

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	UNINCORPORATED AREAS	
EFFECTIVE DATE:	~~Bills Rendered on or after 06/01/2024~~	PAGE: 49

Agreement

An Agreement for Gas Service may be required.

Notice

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

Special Conditions

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

Presumption of Plant Protection Level

For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at

mdtx-div-plantprotection@atmosenergy.com.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC-Tariff No: 29852

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	UNINCORPORATED AREAS	
EFFECTIVE DATE:	~~Bills Rendered on or after 06/01/2024~~	PAGE: 51

Application

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

This tariff is not available to customers with a maximum daily demand of 1,000 MMBtu or greater and a daily/annual load factor of 10% or less. Load factor is calculated as follows: annual usage / (maximum daily connected demand X 365). Load factors will be recalculated once each year to determine appropriate eligibility for Rate I&T.

Type of Service

Company's receipt and delivery of all gas quantities under the applicable Transportation Agreement will be on a wholly interruptible basis subject to the Terms and Conditions incorporated in the Transportation Agreement. If Customer is an Industrial Customer, then Customer may elect, at the reasonable discretion of Company, to contract for Plant Protection transportation quantities defined as the minimum natural gas required to prevent physical harm and/or protect critical safety to the plant facilities, plant personnel, or the public when such protection cannot be achieved through the use of an alternate fuel. Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

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

Charge	Amount
~~GUD-10742~~ -Customer Charge per Meter	~~_____ \$ 7842,491.00-47~~ per month
Interim Rate Adjustment ("IRA")	~~_____ \$- 1,707.47 0.00~~ per month ¹
Total Customer Charge	\$ 2,491.47 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.3701 per MMBtu
Next 3,500 MMBtu	\$ 0.2712 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0582 per MMBtu

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

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

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

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

¹ ~~2018 IRA – \$155.84, 2019 IRA – \$261.86, 2020 IRA – \$261.77, 2021 IRA – \$309.07, 2022 IRA – 306.86, 2023 IRA – \$412.07~~This footnote will be used to document the annual IRA adjustments.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC-Tariff No: 29852

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	UNINCORPORATED AREAS	
EFFECTIVE DATE:	~~Bills Rendered on or after 06/01/2024~~	~~PAGE: 51~~

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

Special Conditions

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

¹ ~~2018 IRA – \$155.84, 2019 IRA – \$261.86, 2020 IRA – \$261.77, 2021 IRA – \$309.07, 2022 IRA – 306.86, 2023 IRA – \$412.07~~ This footnote will be used to document the annual IRA adjustments.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	UNINCORPORATED AREAS	
EFFECTIVE DATE:	~~Bills Rendered on or after 12/11/2018~~	~~PAGE: 52~~

Provisions for Adjustment

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

Computation of Weather Normalization Adjustment

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

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

Where

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

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

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

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

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	UNINCORPORATED AREAS	
EFFECTIVE DATE:	~~Bills Rendered on or after 12/11/2018~~	~~PAGE: 53~~

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	~~11.27~~ <u>10.95</u>	~~0.1324~~ <u>.1565</u>	~~135.40~~ <u>137.08</u>	~~1.5905~~ <u>1.0502</u>
Austin	~~11.51~~ <u>10.61</u>	~~0.1658~~ <u>.1607</u>	~~170.24~~ <u>172.07</u>	~~0.9314~~ <u>1.1421</u>
Dallas	~~13.47~~ <u>10.45</u>	~~0.1887~~ <u>.1628</u>	~~123.81~~ <u>103.98</u>	~~0.9850~~ <u>1.1747</u>
Waco	~~9.24~~ <u>9.41</u>	~~0.1362~~ <u>.1359</u>	~~93.86~~ <u>111.98</u>	~~1.0142~~ <u>1.0577</u>
Wichita Falls	~~11.24~~ <u>10.11</u>	~~0.1264~~ <u>.1464</u>	~~110.38~~ <u>109.07</u>	~~0.9253~~ <u>1.1063</u>

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at [atmosenergy.com/utility-operationsrates/tariffs-mid-tex/atmosenergy.com/mtx-wna](https://www.atmosenergy.com/utility-operationsrates/tariffs-mid-tex/atmosenergy.com/mtx-wna), in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and a Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	GCR – GAS COST RECOVERY	
APPLICABLE TO:	~~ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS CUSTOMERS~~ ENTIRE DIVISION	
EFFECTIVE DATE:	10/01/2023	PAGE: 56

Applicable to Rate R, Rate C, and Rate I for all gas sales made by Company, and applicable to Rate R, Rate C, Rate I, and Rate T for recovery of Pipeline System costs. The total gas cost recovery amount due is determined by adding the gas cost calculated in Section (a) below and the pipeline cost calculated in Section (b) below.

The amount due for gas cost (Section (a)) is determined by multiplying the Gas Cost Recovery Factor (GCRF) by the Customer's monthly volume. For Customers receiving service under Rate R and Rate C, monthly volume will be calculated on a Ccf basis (to calculate on a Mcf basis divide the monthly volume by 10). For Customers receiving service under Rate I, monthly volume will be calculated on an MMBtu basis and the quantities will be adjusted as necessary to recover actual gas costs.

The amount due for pipeline cost (Section (b)) is determined by multiplying the Pipeline Cost Factor (PCF) by the Customer's monthly volume. For Customers receiving service under Rate R and Rate C, monthly volume will be calculated on a Ccf basis. For Customers receiving service under Rate I and Rate T, monthly volume will be calculated on an MMBtu basis and the quantities will be adjusted as necessary to recover actual gas costs.

(a) Gas Cost

Method of Calculation

The monthly gas cost adjustment is calculated by the application of a Gas Cost Recovery Factor (GCRF), as determined with the following formula:

$$\text{GCRF} = \text{Estimated Gas Cost Factor (EGCF)} + \text{Reconciliation Factor (RF)} + \text{Taxes (TXS)} + \text{Customer Rate Relief Charge (CRR)}$$

EGCF = Estimated cost of gas, including lost and unaccounted for gas attributed to residential, commercial, and industrial sales, and any reconciliation balance of unrecovered gas costs, divided by the estimated total residential, commercial, and industrial sales. Lost and unaccounted for gas is limited to 5%.

RF = Calculated by dividing the difference between the Actual Gas Cost Incurred, inclusive of interest over the preceding twelve-month period ended June 30 and the Actual Gas Cost Billed over that same twelve-month period by the estimated total residential, commercial, and industrial sales for the succeeding October through June billing months. The interest rate to be used is the annual interest rate on overcharges and under charges by a utility as published by the Public Utility Commission each December.

Actual Gas Cost Incurred = The sum of the costs booked in Atmos Energy Corp., Mid-Tex Division account numbers 800 through 813 and 858 of the FERC Uniform System of Accounts, including the net impact of injecting and —withdrawing gas from storage. Also includes a credit or debit for any out-of-period adjustments or unusual or nonrecurring costs typically considered gas costs and a credit for amounts received as Imbalance Fees or ~~Curtailment~~ Overpull Fees.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	GCR – GAS COST RECOVERY	
APPLICABLE TO:	~~ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS CUSTOMERS~~ ENTIRE DIVISION	
EFFECTIVE DATE:	10/01/2023	PAGE: 57

Actual Gas Cost Billed = EGCF multiplied by the monthly volumes billed to Residential, Commercial and Industrial Sales customers, less the total amount of gas cost determined to have been uncollectible and written off which remain unpaid for each month of the reconciliation period.

Any amount remaining in the reconciliation balance after the conclusion of the period of amortization will be maintained in the reconciliation balance and included in the collection of the next RF.

Atmos Energy shall file annual reports with the Commission, providing by month the following amounts: Gas Cost Written Off, Margin Written Off, Tax and Other Written Off, Total Written Off, Gas Cost Collected and Margin Collected, and the amount of gas cost attributable to the Customer Rate Relief Charge.

TXS = Any statutorily imposed assessments or taxes applicable to the purchase of gas divided by the estimated total residential, commercial, and industrial sales. The Customer Rate Relief Charge is exempt from state and local sales and use taxes and utility gross receipts taxes and assessments and is excluded from revenue for purposes of franchise tax under Tex. Tax Code § 171.1011.

ADJ = Any surcharge or refund ordered by a regulatory authority, inclusive of interest, divided by the estimated total residential, commercial, and industrial sales is to be included as a separate line item surcharge.

CRR = A nonbypassable charge as defined in Texas Utilities Code § 104.362(7) and the Mid-Tex Division Customer Rate Relief Rate Schedule.

(b) Pipeline Cost

Method of Calculation

Each month, a Pipeline Cost Factor (PCF) is calculated separately for each Pipeline Cost Rate Class listed below. The formula for the PCF is:

$PCF = PP / S$, where:

$PP = (P - A) \times D$, where:

P = Estimated annual cost of pipeline service calculated pursuant to Rate CGS

D = Pipeline service allocation factor for the rate class as approved in the Company's most recent rate case, ~~as follows:~~

Pipeline Cost Rate Class	Allocation Factor (D)
~~Rate R – Residential Service~~	~~.643027~~
~~Rate C – Commercial Service~~	~~.305476~~
~~Rate I – Industrial Service and Rate T – Transportation Service~~	~~.051497~~

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	GCR – GAS COST RECOVERY	
APPLICABLE TO:	~~ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS CUSTOMERS~~ ENTIRE DIVISION	
EFFECTIVE DATE:	10/01/2023	PAGE: 58

A = Adjustment applied in the current month to correct for the difference between the actual and estimated pipeline cost revenue balance, inclusive of interest, for the most recent 12 months ending June 30, calculated by the formula:

$A = R - (C - A2)$, where:

R = Actual revenue received from the application of the PP component for the most recent 12 months ending June 30.

C = Actual pipeline costs for the most recent 12 months ending June 30.

A2 = The adjustment (A) applied to the PP component for balances from the preceding 12 months ending June 30.

S = Estimated annual Ccf or MMBtu for the rate class for the current and ensuing billing months ending June 30.

The PCF is calculated to the nearest 0.0001 cent.

The Pipeline Cost to be billed is determined by multiplying the Ccf or MMBtu used by the appropriate PCF. The Pipeline Cost is determined to the nearest whole cent.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	CT – COMPETITIVE TRANSPORTATION	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:	05/24/2006	PAGE: 76

Application

Applicable at Company's sole discretion to any Customer that otherwise qualifies for service under Rate ~~PT or Rate~~-T and that in Company's sole judgement would not be served by Company but for the pricing provided pursuant to this Rider.

Applicable only to Points of Delivery that meet the requirements of the previous paragraph.

Monthly Rate

At Company's sole discretion, a discount to the otherwise applicable monthly rate may be offered to any qualifying Customer subject to the special conditions set forth herein.

The discounted rate applicable to transportation service under this provision shall be specified in the associated transportation agreement.

Customer must furnish Company a notarized affidavit and supporting information confirming to the satisfaction of the Company that Customer qualifies for discounted service pursuant to TUC 104.003(b).

Agreement

A transportation agreement is required.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	SUR – SURCHARGES	
APPLICABLE TO:	~~Entire Division~~ <u>Unincorporated Areas</u>	
EFFECTIVE DATE:	~~12-11-2018~~ <u>Bills Rendered on or after</u>	PAGE: 78

Application

This Rider is applicable to customer classes as authorized by the state or any governmental entity, a municipality, or a regulatory authority pursuant to any statute, ordinance, order, rule, contract, or agreement. This Rider is subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Monthly Calculation

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

1. Docket No. (to be determined) – Securitization Interest Expense Recovery

The following surcharge as authorized in Docket No. (to be determined) shall be recovered from the Rate Schedules R – Residential, C – Commercial, and I – Industrial by adding the surcharge rate to each customer's monthly consumption charges as noted in the table below each month for approximately a 12-month period until all approved amounts are collected.

<u>Rate Schedules</u>	<u>Basis</u>	<u>Rate</u>
<u>Rate R – Residential Sales</u>	<u>Ccf</u>	<u>\$ 0.01843</u>
<u>Rate C – Commercial Sales</u>	<u>Ccf</u>	<u>\$ 0.01843</u>
<u>Rate I – Industrial Sales</u>	<u>MMBtu</u>	<u>\$ 0.01800</u>

2. Docket No. 00006913 – Unprotected Excess Deferred Income Tax Amortization

The reconciliation and completion of the refund of the unprotected portion of the Excess Deferred Income Taxes ("EDIT") was approved in Docket No. (to be determined) as follows. The balance of the Unprotected portion of the EDIT was approved in Case No. 00006913 to be applied monthly in each of thirty-six (36) months commencing with Mid-Tex Division's bills rendered on or after September 1, 2021. The Rider SUR for EDIT for the unincorporated areas was withdrawn for bills rendered on or after April 1, 2024. The over and under recovery amount for each customer class will be collected or (refunded) in one (1) month period to reconcile and complete the refund. The surcharge rate by customer class for a one (1) month period is shown in the table below:

<u>Rate Schedules</u>	<u>Unincorporated Areas</u>
<u>R – Residential Sales</u>	<u>\$ 0.48</u>
<u>C – Commercial Sales</u>	<u>\$ (59.08)</u>
<u>I – Industrial Sales</u>	<u>\$(2,689.94)</u>
<u>T - Transportation</u>	<u>\$(2,689.94)</u>

3. Docket No. (to be determined) – FASB ASC 740-10 (Fin48) Refund

The following refund as authorized in Docket No. (to be determined) shall be refunded to Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation to customer's monthly in each month for a 12-month period. The refund amount by month by Rate Schedule is shown in the table below:

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	SUR – SURCHARGES	
APPLICABLE TO:	~~Entire Division~~ <u>Unincorporated Areas</u>	
EFFECTIVE DATE:	~~12-11-2018~~ <u>Bills Rendered on or after</u>	PAGE: 78

<u>Rate Schedules</u>	<u>Rate</u>
<u>Rate R – Residential Sales</u>	<u>\$ (0.13)</u>
<u>Rate C – Commercial Sales</u>	<u>\$ (0.35)</u>
<u>Rate I – Industrial Sales</u>	<u>\$ (6.75)</u>
<u>Rate T – Transportation</u>	<u>\$ (6.75)</u>

4. Docket No. (to be determined) – Rate Case Expense Recovery

The Rate Case Expense Surcharge (“RCE”) rate as authorized in Docket No. (to be determined). This monthly rate shall apply to Rate Schedules R - Residential, C - Commercial, I - Industrial and T - Transportation rate classes of Atmos Energy Corporation’s Mid-Tex Division unincorporated area customers in the amounts shown below. The fixed-price surcharge rate will be in effect for approximately 12 months until all approved and expended rate case expenses are recovered from the applicable customer classes as documented in the Final Order in Docket No. (to be determined).

Monthly Surcharge:

Surcharges will be the fixed-price rate shown in the table below:

<u>Rate Schedules</u>	<u>Unincorporated Areas</u>
<u>R – Residential Sales</u>	<u>\$ xx.xx</u>
<u>C – Commercial Sales</u>	<u>\$ xx.xx</u>
<u>I – Industrial Sales</u>	<u>\$ xx.xx</u>
<u>T - Transportation</u>	<u>\$ xx.xx</u>

The Company shall file an annual rate case expense reconciliation report on or before June 1st commencing in 2026, until and including the calendar year end in which the rate case expenses are fully recovered. The Company shall file the report with the Commission addressed to the Director of Oversight and Safety Division and referencing Docket No. (to be determined). The report shall detail the monthly collections for RCE surcharge by customer class and show the outstanding balance. Reports for the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address:

Compliance Filing

Director of Oversight and Safety Division

Gas Services Dept.

Railroad Commission of Texas

P. O. Box 12967

Austin, TX 78711-2967

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	RA – RETENTION ADJUSTMENT	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:	05/24/2005	PAGE: 82

Application

The Retention Adjustment, as determined from time to time, is applicable to Customers taking service under ~~Rate CGS, Rate PT, and~~ Rate T.

Monthly Rate

~~Retention percentage for Rate CGS and Rate PT is 1.00% (applied to gas received into Atmos Pipeline–Texas System.)~~

Retention percentage for Rate T is 3.563.36% (applied to gas received into Atmos Energy Corp., Mid-Tex Division System).

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

	V. – QUALITY OF SERVICE	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:	09/01/2022	PAGE: 402

For ~~gas utility~~ service to residential, commercial and industrial sales customers, the following minimum service standards shall be applicable in unincorporated areas served by the Company. For the purposes of this rate schedule, ~~the Company~~ may be referred to as the ~~“utility”~~ “utility.” In addition, these minimum service standards shall be applicable to residential, commercial and industrial sales customers within incorporated areas served by the utility, but only to the extent that said minimum service standards do not conflict with, supersede, or replace a provision of quality of service standards lawfully established currently or in the future within a particular municipality for a gas distribution utility. The utility shall file service rules incorporating said minimum service standards with the Railroad Commission and with the municipalities in the manner prescribed by law.

(1) Continuity of service.

(A) Service interruptions.

- (i) The utility shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the utility shall reestablish service within the shortest possible time consistent with prudent operating principles so that the smallest number of customers are affected.
- (ii) The utility shall make reasonable provisions to meet emergencies resulting from failure of service, and the utility shall issue instructions to its employees covering procedures to be followed in the event of an emergency in order to prevent or mitigate interruption or impairment of service.
- (iii) In the event of national emergency or local disaster resulting in disruption of normal service, the utility may, in the public interest, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.
- (iv) Curtailment of gas service will be done in accordance with Texas Administrative Code Title 16, Part 1, Chapter 7, Subchapter D, Rule §7.455 Curtailment Standards. When notified by the utility, the customer will curtail gas service. In the event of any curtailment, utility personnel may physically turn off or restrict gas deliveries and only utility personnel will thereafter be permitted to restore gas service. ~~The~~ Customer assumes any and all risk and will indemnify the utility against all damages, losses and expenses resulting from a curtailment of gas service under the utility's authorized curtailment program, except to the extent such damages, losses and or expenses result from the gross negligence of the utility.

(B) Record of interruption. Except for momentary interruptions which do not cause a major disruption of service, the utility shall keep a complete record of all interruptions, both emergency and scheduled. This record shall show the cause of interruptions, date, time duration, location, approximate number of customers affected, and, in cases of emergency interruptions, the remedy and steps taken to prevent recurrence.

(C) Report to the Commission. The Commission shall be notified in writing within 48 hours of interruptions in service affecting the entire system or any major division thereof lasting more than four hours. The notice shall also state the cause of such interruptions. If any service interruption is reported to the Commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this paragraph.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

	V. – QUALITY OF SERVICE	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:	09/01/2022	PAGE: 403

(2) Customer relations.

(A) Information to ~~e~~Ccustomers. The utility shall:

(i) maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information which will accurately describe the utility's facilities. These maps, or such other maps as may be required by the regulatory authority, shall be kept by the utility in a central location and will be available for inspection by the regulatory authority during normal working hours. Each business office or service center shall have available up-to-date maps, plans, or records of its immediate area, with such other information as may be necessary to enable the utility to advise applicants and others entitled to the information as to the facilities available for serving that locality;

(ii) assist ~~the e~~Ccustomer or aApplicant in selecting the most economical rate schedule;

(iii) in compliance with applicable law or regulations, notify ~~C~~eustomers affected by a change in rates or schedule or classification;

(iv) post a notice in a conspicuous place in each business office of Atmos Energy, Mid-Tex Division where applications for service are received, and on the utility's website for areas in which there is no such business office, informing the public that copies of the rate schedules and rules relating to the service of the utility as filed with the Commission are available for inspection;

(v) upon request, inform ~~its e~~Ccustomers as to the method of reading meters;

(vi) provide to new ~~e~~Ccustomers, at the time service is initiated or as an insert in the first billing, a pamphlet or information packet containing the following information. This information shall be provided in English and Spanish as necessary to adequately inform ~~the C~~eustomers; provided, however, the regulatory authority upon application and a showing of good cause may exempt the utility from the requirement that the information be provided in Spanish:

(I) ~~the e~~Ccustomer's right to information concerning rates and services and ~~the e~~Ccustomer's right to inspect or obtain at reproduction cost a copy of the applicable tariffs and service rules;

(II) ~~the e~~Ccustomer's right to have his or her meter checked without charge under paragraph (7) of this section, if applicable;

(III) the time allowed to pay outstanding bills;

(IV) grounds for termination of service;

(V) the steps the utility must take before terminating service;

(VI) how ~~the e~~Ccustomer can resolve billing disputes with the utility and how disputes and health emergencies may affect termination of service;

(VII) information on alternative payment plans offered by the utility;

(VIII) the steps necessary to have service reconnected after involuntary termination;

(IX) the appropriate regulatory authority with whom to register a complaint and how to contact such authority;

(X) the hours, addresses, and telephone numbers of utility offices where bills may be paid and information may be obtained and a toll-free number and website where such information

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

	V. – QUALITY OF SERVICE	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:	09/01/2022	PAGE: 404

may be obtained for areas in which there are no such utility offices; and(XI) ~~the~~
~~e~~Customer's right to be instructed by the utility how to read his or her meter;

(vii) at least once each calendar year, notify ~~C~~customers that information is available upon request, at no charge to the customer, concerning the items listed in clause (vi)(I) - (XI) of this subparagraph. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself.

(B) Customer complaints. Upon complaint to the utility by residential, commercial or industrial sales customers either at its office, by letter, or by telephone, the utility shall promptly make a suitable investigation and advise the complainant of the results thereof. The utility shall keep a record of all complaints which shall show the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition thereof for a period of one year subsequent to the final disposition of the complaint.

(C) Utility response. Upon receipt of a complaint, either by letter or by telephone, from the regulatory authority on behalf of a ~~C~~customer, the utility shall make a suitable investigation and advise the regulatory authority and complainant of the results thereof. An initial response will be made by the next working day. The utility must make a final and complete response within 15 days from the date of receipt by Company of the complaint, unless additional time is granted within the 15-day period. The ~~e~~Commission encourages all ~~e~~Customer complaints to be made in writing to assist the regulatory authority in maintaining records of the quality of service of each utility; however, telephone communications will be acceptable.

(D) Deferred payment plan. The utility is encouraged to offer a deferred payment plan for delinquent residential accounts. If such a plan is offered, it shall conform to the following guidelines:

(i) Every deferred payment plan entered into due to the ~~e~~Customer's inability to pay the outstanding bill in full must provide that service will not be discontinued if the ~~C~~customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.

(ii) For purposes of determining reasonableness under these rules, the following shall be considered: size of delinquent account; ~~C~~customer's ability to pay; ~~C~~customer's payment history; time that the debt has been outstanding; reasons why debt has been outstanding; and other relevant factors concerning the circumstances of the ~~e~~Customer.

(iii) A deferred payment plan, if reduced to writing, offered by a utility shall state, immediately preceding the space provided for the ~~C~~customer's signature and in bold-face print at least two sizes larger than any other used, that: "If you are not satisfied with this agreement, do not sign. If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the utility's failure or refusal to comply with the terms of this agreement."

(iv) A deferred payment plan may include a one-time 5.0% penalty for late payment on the original amount of the outstanding bill with no prompt payment discount allowed except in cases where the ~~understanding-outstanding~~ bill is unusually high as a result of the utility's error (such as an inaccurately estimated bill or an incorrectly read meter). A deferred payment plan shall not include a finance charge.

(v) If a ~~e~~Customer for utility service has not fulfilled terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, the utility shall have the right to disconnect pursuant to disconnection rules herein and, under such circumstances, it shall not

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

	V. – QUALITY OF SERVICE	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:	09/01/2022	PAGE: 405

be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.

(vi) Any utility which institutes a deferred payment plan shall not refuse ~~a~~~~C~~customer participation in such a program on the basis of race, color, creed, sex, marital status, age, or any other form of discrimination prohibited by law.

(E) Delayed payment of bills by elderly persons to residential accounts.

(i) Applicability. This subparagraph applies only to:

(I) a utility that assesses late payment charges to residential customers and that suspends service before the 26th day after the date of the bill for which collection action is taken;

(II) utility bills issued on or after August 30, 1993; and

(III) an elderly person, as defined in clause (ii) of this subparagraph, who is a residential customer and who occupies the entire premises for which a delay is requested.

(ii) Definitions.

(I) Elderly person--A person who is 60 years of age or older.

(II) Utility--A gas utility or municipally owned utility, as defined in Texas Utilities Code, Sections 101.003(7), 101.003(8), and 121.001 - 121.006.

(iii) An elderly person may request that the utility implement the delay for either the most recent utility bill or for the most recent utility bill and each subsequent utility bill.

(iv) On request of an elderly person, a utility shall delay without penalty the payment date of a bill for providing utility services to that person until the 25th day after the date on which the bill is issued.

(v) The utility may require the requesting person to present reasonable proof that the person is 60 years of age or older.

(vi) Every utility shall notify its customers of this delayed payment option no less often than yearly. A utility may include this notice with other information provided pursuant to subparagraph (A) of this paragraph.

(F) Budget Billing – The utility offers an optional budget billing plan to moderate seasonal differences in customer bills. The details of the plan are published on the utility's website.

(3) Refusal of service.

(A) Compliance by ~~a~~~~A~~Applicant. Any utility may decline to serve an ~~a~~~~A~~Applicant for whom service is available from previously installed facilities until such ~~a~~~~A~~Applicant has complied with the state and municipal regulations and approved rules and regulations of the utility on file with the ~~C~~~~e~~commission governing the service applied for or for the following reasons.

(i) Applicant's facilities inadequate. If the ~~A~~Applicant's installation or equipment is known to be, is found to be, or exists in a state that indicates it may be hazardous, unsafe, or of such character that satisfactory service cannot be given.

(ii) For indebtedness. If the ~~a~~~~A~~Applicant is indebted to any utility for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the ~~A~~Applicant for

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service is in dispute, the ~~A~~applicant shall be served upon complying with the applicable deposit requirement.

(iii) Refusal to make deposit. For refusal to make a deposit if ~~A~~applicant is required to make a deposit under these rules.

(iv) Violation of utility's rules. Any violation of utility's rules, including any use of natural gas in violation of such.

(v) Access Refused. If Company's representatives are refused access to Applicant's premises for any lawful purpose.

(vi) Misuse of Company property. In the event any of Company's property on the premises is tampered with, damaged or destroyed.

(vii) Refusal of service shall be in addition to, and not in lieu of, any other rights, remedies, or limitation of liability available to the utility.

(B) Applicant's recourse. In the event that the utility shall refuse to serve an ~~A~~applicant under the provisions of these rules, the utility must inform the ~~A~~applicant of the basis of its refusal and that the ~~a~~Applicant may file a complaint with the municipal regulatory authority or commission, whichever is appropriate.

(C) Insufficient grounds for refusal to serve. The following shall not constitute sufficient cause for refusal of service to a present ~~e~~Customer or ~~a~~Applicant:

- (i) delinquency in payment for service by a previous occupant of the premises to be served;
- (ii) failure to pay for merchandise or charges for nonutility service purchased from the utility;
- (iii) failure to pay a bill to correct previous underbilling due to misapplication of rates more than six months prior to the date of application;
- (iv) violation of the utility's rules pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with the service of others unless the customer has first been notified and been afforded reasonable opportunity to comply with these rules;
- (iv) failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the utility as a condition precedent to service; and
- (v) failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

(4) Discontinuance of service.

(A) The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

(B) A utility may offer an inducement for prompt payment of bills to residential and commercial customers by allowing a discount in the amount of 5.0% for payment of bills within 10 days after their issuance. This provision shall not apply where it conflicts with existing orders or ordinances of the appropriate regulatory authority.

(C) A ~~C~~eustomer's utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to paragraph (2)(D) of this section has not been entered into within five (5) working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a

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deposit in the United States mail, postage prepaid, or hand delivery to the customer at least five (5) working days prior to the stated date of disconnection, with the words “Termination Notice” or similar language prominently displayed on the notice. The notice will be provided in English and Spanish as necessary to adequately inform the Customer, and shall include the date of termination, the hours, address, and telephone number where payment may be made, and a statement that if a health or other emergency exists, the utility may be contacted concerning the nature of the emergency and the relief available, if any, to meet such emergency.

(D) Utility service may be disconnected for any of the following reasons:

- (i) failure to pay a delinquent account or failure to comply with the terms of a deferred payment plan for installment payment of a delinquent account;
- (ii) violation of the utility’s rules pertaining to the use of service in any manner, including but not limited to conduct that ~~which~~ interferes with the service provided to the Customer, or the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the eCustomer and the Ccustomer is provided with a reasonable opportunity to remedy the situation;
- (iii) failure to comply with deposit or guarantee arrangements where required by paragraph (5) of this section;
- (iv) without notice where a known dangerous condition exists for as long as the condition exists;
- (v) tampering with, damaging, or destroying the ~~utility e~~Company’s property on the premises including Company’s meter or equipment, or bypassing the same;
- (vi) Use of gas in violation of Company’s rules or terms of service, or any applicable law, ordinance, or regulation;
- (vii) Company representatives are refused access to Customer’s premises or property for any lawful purpose including, but not limited to, the inspection, maintenance, monitoring, or repair of Company’s facilities;
- (viii) The premises are vacated;
- (ix) Fraudulent conduct or misrepresentation in relation to the consumption of gas, account information, or any other fraud practiced by Customer or anyone acting on behalf of Customer regarding the gas service provided by the Company;
- (x) Actions or conduct by Customer or anyone acting on behalf of Customer that, in the sole discretion of Company, create (1) a needless or unreasonable safety condition for Customer or other, including, but not limited to, the Company’s employees or representatives (including contractors), and/or Company’s system,; or (2) an unreasonable increase in cost.

Discontinuance of service shall be in addition to, and not in lieu of, any other rights, liability limitations, or remedies available to the utility.

(E) Utility service may not be disconnected for any of the following reasons:

- (i) delinquency in payment for service by a previous occupant of the premises;

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(ii) failure to pay for merchandise or charges for nonutility service by the utility;

(iii) failure to pay for a different type or class of utility service unless the fee for such service is included on the same bill;

(iv) failure to pay the account of another customer as guarantor thereof, unless the utility has in writing the guarantee as a condition precedent to service;

(v) failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six months prior to the current billings;

(vi) failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due;

(vii) failure to pay an estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the utility is unable to read the meter due to circumstances beyond its control.

(F) Unless a dangerous condition exists, or unless ~~the e~~Customer requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the utility are not available to the public for the purpose of making collections and reconnecting service.

(G) No utility may abandon a residential or commercial customer without written approval from the regulatory authority.

(H) No utility may discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that ~~C~~ustomer establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if the service is discontinued. Any ~~C~~ustomer seeking to avoid termination of service under this section must make a written request supported by a written statement from a licensed physician. Both the request and the statement must be received by the utility not more than five ~~(5)~~ working days after the date of delinquency of the bill. The prohibition against service termination provided by this section shall last ~~twenty (20)~~ days from the date of receipt by the utility of the request and statement or such lesser period as may be agreed upon by the utility and the ~~C~~ustomer. The ~~e~~Customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

(I) Suspension of Gas Utility Service Disconnection during an Extreme Weather Emergency

(A) Applicability and scope. This rule applies to gas utilities, as defined in Texas Utilities Code, §101.003(7) and §121.001, and to owners, operators, and managers of mobile home parks or apartment houses who purchase natural gas through a master meter for delivery to a dwelling unit in a mobile home park or apartment house, pursuant to Texas Utilities Code, §§124.001-124.002, within the jurisdiction of the Railroad Commission pursuant to Texas Utilities Code, §102.001. For purposes of this section, all such gas utilities and owners, operators and managers of master meter systems shall be referred to as "providers." Providers shall comply with the following service standards. A gas distribution utility shall file amended service rules incorporating these standards with the Railroad Commission in the manner prescribed by law.

(B) Disconnection prohibited. Except where there is a known dangerous condition or a use of natural gas service in a manner that is dangerous or unreasonably interferes with service to others, a provider shall not disconnect natural gas service to:

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(1) a delinquent residential customer during an extreme weather emergency. An extreme weather emergency means a day when the previous day's highest temperature did not exceed 32 degrees Fahrenheit and the temperature is predicted to remain at or below that level for the next 24 hours according to the nearest National Weather Station for the county where the customer takes service.

(2) a delinquent residential customer for a billing period in which the provider receives a written pledge, letter of intent, purchase order, or other written notification from an energy assistance provider that it is forwarding sufficient payment to continue service; or

(3) a delinquent residential customer on a weekend day, unless personnel or agents of the provider are available for the purpose of receiving payment or making collections and reconnecting service.

(C) Payment plans. Providers shall defer collection of the full payment of bills that are due during an extreme weather emergency until after the emergency is over, and shall work with customers to establish a payment schedule for deferred bills as set forth in paragraph (2)(D) of §7.45 of this title, relating to Quality of Service.

(D) Notice. Beginning in the September or October billing periods utilities and owners, operators, or managers of master metered systems shall give notice as follows:

(1) Each utility shall provide a copy of this rule to the social services agencies that distribute funds from the Low Income Home Energy Assistance Program within the utility's service area.

(2) Each utility shall provide a copy of this rule to any other social service agency of which the provider is aware that provides financial assistance to low income customers in the utility's service area.

(3) Each utility shall provide a copy of this rule to all residential customers of the utility and customers who are owners, operators, or managers of master metered systems.

(4) Owners, operators, or managers of master metered systems shall provide a copy of this rule to all of their customers.

(E) In addition to the minimum standards specified in this section, providers may adopt additional or alternative requirements if the provider files a tariff with the Commission pursuant to §7.315 of this title (relating to Filing of Tariffs). The Commission shall review the tariff to ensure that at least the minimum standards of this section are met.

(5) Applicant deposit.

(A) Establishment of credit for residential applicants. The utility may require a residential applicant for service to satisfactorily establish credit but such establishment of credit shall not relieve the customer from complying with rules for prompt payment of bills. Subject to these rules, a residential applicant shall not be required to pay a deposit:

(i) if the residential applicant has been a customer of any utility for the same kind of service within the last two years and is not delinquent in payment of any such utility service account and

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during the last 12 consecutive months of service did not have more than one occasion in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment;

(ii) if the residential applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required; or

(iii) if the residential applicant furnishes in writing a satisfactory credit rating by appropriate means, including, but not limited to, the production of valid, generally acceptable credit cards, letters of credit reference, the names of credit references which may be quickly and inexpensively contacted by the utility, or ownership of substantial equity.

(B) Reestablishment of credit. Every applicant who has previously been a customer of the utility and whose service has been discontinued for nonpayment of bills shall be required before service is rendered to pay a connect charge plus all his or her amounts due the utility or execute a written deferred payment agreement, if offered, and reestablish credit as provided in subparagraph (A) of this paragraph.

(C) Amount of deposit and interest for residential service, and exemption from deposit.

(i) The utility shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, Section 71.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web-site.

(ii) The required deposit shall not exceed an amount equivalent to one-sixth of the estimated annual billings. If actual use is at least twice the amount of the estimated billings, a new deposit requirement may be calculated and an additional deposit may be required within two days. If such additional deposit is not made, the utility may disconnect service under the standard disconnection procedure for failure to comply with deposit requirements. In the absence of billing history, the default deposit amount is \$90.00.

(iii) All applicants for residential service who are 65 years of age or older will be considered as having established credit if such applicant does not have an outstanding account balance with the utility or another utility for the same utility service which accrued within the last two years. No cash deposit shall be required of such applicant under these conditions.

(iv) Each utility which requires deposits to be made by its customers shall pay a minimum interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

(I) Payment of interest to the customer shall be annually or at the time the deposit is returned or credited to the customer's account.

(II) The deposit shall cease to draw interest on the date it is returned or credited to the customer's account.

(D) Deposits for temporary or seasonal service and for weekend or seasonal residences. The utility may require a deposit from a commercial or industrial customer sufficient to reasonably protect it

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against the assumed risk, provided such a policy is applied in a uniform and nondiscriminatory manner.

(E) Records of deposits.

(i) The utility shall keep records to show:

- (I) the name and address of each depositor;
- (II) the amount and date of the deposit; and
- (III) each transaction concerning the deposit.

(ii) The utility shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

(iii) A record of each unclaimed deposit must be maintained for at least four years, during which time the utility shall make a reasonable effort to return the deposit.

(F) Refund of deposit.

(i) If service is not connected or after disconnection of service, the utility shall promptly and automatically refund the customer's deposit plus accrued interest on the balance, if any, in excess of the unpaid bills for service furnished. The transfer of service from one premise to another within the service area of the utility shall not be deemed a disconnection within the meaning of these rules, and no additional deposit may be demanded unless permitted by these rules.

(ii) When the customer has paid bills for service for 12 consecutive residential bills without having service disconnected for nonpayment of bill and without having more than two occasions in which a bill was delinquent and when the customer is not delinquent in the payment of the current bills, the utility shall promptly and automatically refund the deposit plus accrued interest to the customer in the form of cash or credit to a customer's account.

(G) Upon sale or transfer of utility or company. Upon the sale or transfer of any public utility or operating units thereof, the seller shall file with the Ceommission under oath, in addition to other information, a list showing the names and addresses of all customers served by such utility or unit who have to their credit a deposit, the date such deposit was made, the amount thereof, and the unpaid interest thereon.

(H) Complaint by applicant or customer. The utility shall direct its personnel engaged in initial contact with an applicant or customer for service seeking to establish or reestablish credit under the provisions of these rules to inform the customer, if dissatisfaction is expressed with the utility's decision, of the customer's right to file a complaint with the regulatory authority thereon.

(6) Billing.

(A) Bills for gas service shall be rendered monthly, unless otherwise authorized or unless service is rendered for a period less than a month. Bills shall be rendered as promptly as possible following the reading of meters.

(B) The customer's bill must show all the following information. The information must be arranged and displayed in such a manner as to allow the customer to compute his or her bill with the applicable rate schedule. The applicable rate schedule must be mailed to the customer on request of the customer. A utility may exhaust its present stock of nonconforming bill forms before compliance is required by this section:

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- (i) if the meter is read by the utility, the date and reading of the meter at the beginning and end of the period for which rendered;
- (ii) the number and kind of units billed;
- (iii) the applicable rate schedule title or code;
- (iv) the total base bill;
- (v) the total of any adjustments to the base bill and the amount of adjustments per billing unit;
- (vi) the date by which the customer must pay the bill to get prompt payment discount, if applicable;
- (vii) the total amount due before and after any discount for prompt payment, if applicable, within a designated period;
- (viii) a distinct marking to identify an estimated bill.

(C) Where there is good reason for doing so, estimated bills may be submitted, provided that an actual meter reading is taken at least every six months. For the second consecutive month in which the meter reader is unable to gain access to the premises to read the meter on regular meter reading trips, or in months where meters are not read otherwise, the utility must provide the customer with a postcard or allow the submission of a digital photo, and request that the customer read the meter and return the card or digital photo to the utility if the meter is of a type that can be read by the customer without significant inconvenience or special tools or equipment. If such a postcard or digital photo is not received by the utility in time for billing, the utility may estimate the meter reading and render the bill accordingly.

(D) Disputed bills.

- (i) In the event of a dispute between the customer and the utility regarding the bill, the utility must forthwith make such investigation as is required by the particular case and report the results thereof to the customer. If the customer wishes to obtain the benefits of clause (ii) of this subparagraph, notification of the dispute must be given to the utility prior to the date the bill becomes delinquent. In the event the dispute is not resolved, the utility shall inform the customer of the complaint procedures of the appropriate regulatory authority.
- (ii) Notwithstanding any other subsection of this section, the customer shall not be required to pay the disputed portion of the bill which exceeds the amount of that customer's average usage for the billing period at current rates until the earlier of the following: resolution of the dispute or the expiration of the 60-day period beginning on the day the disputed bill is issued. For purposes of this section only, the customer's average usage for the billing period shall be the average of the customer's usage for the same billing period during the preceding two years. Where no previous usage history exists, the average usage shall be estimated on the basis of usage levels of similar customers and under similar conditions.

(7) Meters and Facilities.

(A) Meter requirements.

- (i) Use of meter. All gas sold by a utility must be charged for by meter measurements, except where otherwise provided for by applicable law, regulation of the regulatory authority, or tariff.
- (ii) Installation by utility. Unless otherwise authorized by the regulatory authority, the utility must provide and install and will continue to own and maintain all meters

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necessary for measurement of gas delivered to its residential and commercial customers. The Company has the right to install any meter or meters it deems in its sole discretion to be necessary or prudent, including without limitation, a digital, automated meter reading, automated metering infrastructure, or advanced metering systems meter or meters.

- (iii) Standard type. No utility may furnish, set up, or put in use any meter which is not reliable and of a standard type which meets generally accepted industry standards; provided, however, special meters not necessarily conforming to such standard types may be used for investigation, testing, or experimental purposes.
- (iv) Access to premises and access to Company-owned meters, and service lines, equipment, and all necessary property rights to install, operate, monitor, and maintain such equipment which may be necessary or convenient for the installation and/or provision of Gas Service by Company to Customer. Atmos Energy, Mid-Tex Division and any authorized Company Division representatives shall have the right at all reasonable hours to enter upon the premises and property of a Customer or any adjacent property owned by Customer to read a Company meter, to remove, to inspect, or to make necessary repairs and adjustments to, or replacements of, or additions to service lines, meter loop, and any current or future property, equipment, facilities, or systems of Company-the utility located thereon, and for any other purpose connected with the utility's Company's operation and supply of natural gas. The Atmos Energy, Mid-Tex Division representative shall have the right at all times to enter upon the premises and property of the Customer in emergencies pertaining to the Company's service, operation, or any other activity. All animals which might hinder the performance of such operations on the customer's property shall be kept away from such operations by the customer upon notice by Atmos Energy, Mid-Tex Division' representatives of their intention to enter upon customer's premises.

(B) Meter records. The utility must keep the following records:

- (i) Meter equipment records. The utility must keep a record of all its meters, showing the customer's address and date of the last test.
- (ii) Records of meter tests. All meter tests must be properly referenced to the meter record provided for therein. The record of each test made on request of a customer must show the identifying number and constants of the meter, the standard meter and other measuring devices used, the date and kind of test made, by whom made, the error (or percentage of accuracy) at each load tested, and sufficient data to permit verification of all calculations.
- (iii) Meter readings--meter unit location. In general, each meter must indicate clearly the units of service for which charge is made to the customer.
- (iv) Meter tests on request of customer.
 - (I) The utility must, upon request of a customer, make a test of the accuracy of the meter serving that customer. The utility must inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four years for the same customer at the same location, the test is to be performed without charge. If such a test has been performed for the same customer at the same location within the previous four years, the utility is entitled to charge a fee for the test not to exceed \$15 or such other fee for the testing of meters as may be set forth in the utility's tariff properly on file with the regulatory

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authority. The customer must be properly informed of the result of any test on a meter that serves him or her.

(II) Notwithstanding subclause (I) of this clause, if the meter is found to be more than nominally defective, to either the customer's or the utility's disadvantage, any fee charged for a meter test must be refunded to the customer. More than nominally defective means a deviation of more than 2.0% from accurate registration for residential and commercial customers and 1% for industrial customers.

(v) Bill adjustments due to meter or systematic errors.

(I) If any meter test reveals a meter to be more than nominally defective, the utility must correct previous readings consistent with the inaccuracy found in the meter or within the billing system for the period of either:

(-a-) the last six months; or

(-b-) the last test of the meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills, unless service is terminated, in which event a monetary adjustment is to be made. This requirement for a correction may be foregone by the utility if the error is to the utility's disadvantage.

(II) If a meter is found not to register for any period of time, the utility may make a charge for units used but not metered for a period not to exceed three months previous to the time the meter is found not to be registering. The determination of amounts used but not metered is to be based on consumption during other like periods by the same customer at the same location, when available, and on consumption under similar conditions at the same location or of other similarly situated customers, when not available.

(8) New construction.

(A) Standards of construction. The utility is to construct, install, operate, and maintain its plant, structures, equipment, and lines in accordance with the provisions of such codes and standards as are generally accepted by the industry, as modified by rule or regulation of the regulatory authority or otherwise by law, and in such manner to best accommodate the public and to prevent interference with service furnished by other public utilities insofar as practical.

(B) Line extension and construction charge policy. In the absence of a line extension policy specific to a city franchise agreement, the following policy shall apply:

~~Atmos Energy~~The utility shall be required to extend distribution mains in any Public Rights-of-Way up to seventy-five feet (75') to provide new or additional service requested by any one residential or commercial customer so long as such extension is operationally feasible. for any one residential customer, only if such customer, at a minimum, uses gas for unsupplemented unsupplemented space heating and water heating. The utility may require, on a consistent and non-discriminatory basis, pre-payment, reimbursement, or adequate security for all costs (including, but not limited to, materials, labor, allocated overhead, permit costs and right of way acquisition costs) of extending its existing pipeline system to serve a new customer. To the extent that the gas main extension would exceed seventy-five feet (75'), it shall be made only upon execution of a special agreement providing for reimbursement to Company for the cost of the necessary gas main extension. For industrial customers, gas main extensions of any length shall only be made upon execution of a special agreement providing for agreed upon reimbursement to Company for cost of the necessary gas main extension.

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The applicable provisions of city franchise agreements, which set forth line extension and construction charge policies that differ from the above policy are on file with the applicable municipality ~~and the Railroad Commission of Texas.~~

The utility reserves the sole discretion to designate routes of all new extensions and the construction materials and manner of fabrication and installation. The utility, on a consistent and non-discriminatory basis, may provide refunds, credits, or security releases based upon facts such as additional customers subsequently attaching, the level of sales experiences through the new facility, or other criteria chosen by the utility. The utility may apply similar cost responsibility and arrangements to a customer requesting an increase in the capacity of existing facilities to accommodate an increase in the customer's service requirements. In no event will contribution in aid of construction be required of any ~~residential~~ customer unless provided for in this extension policy.

(C) Response to request for service. Every gas utility must serve each qualified applicant for residential or commercial service within its service area as rapidly as practical. As a general policy, those applications not involving line extensions or new facilities should be filled within seven working days. Those applications for individual residential or commercial service requiring line extensions should be filled within 90 days unless unavailability of materials or other causes beyond the control of the utility result in unavoidable delays. In the event that residential or commercial service is delayed in excess of 90 days after an applicant has met credit requirements and made satisfactory arrangements for payment of any required construction charges, a report must be made to the regulatory authority listing the name of the applicant, location, and cause for delay. Unless such delays are due to causes which are reasonably beyond the control of the utility, a delay in excess of 90 days may be found to constitute a refusal to serve.

(9) Non-Liability

~~(A) (A)~~ Furnishing of Gas. The Company shall not be liable for any loss or damage caused by variation in gas pressure, defects in pipes, connections and appliances, escape or leakage of gas, sticking of valves or regulators, or for any other loss or damage not caused by the Company's negligence arising out of or incident to the furnishing of gas to any Consumer or Customer.

(B) After Point of Delivery. Company shall not be liable for any damage or injury resulting from gas or its use after such gas leaves the Point of Delivery other than damage caused by the fault of the Company in the manner of installation of its Gas Service Lines, in the manner in which such Gas Service Lines are repaired by the Company, and in the negligence of the Company in maintaining its meter loop. All other risks after the gas left the Point of Delivery shall be assumed by the Customer, Consumer, and their agents, servants, employees, or other persons. Customer, Consumer, and their agents, servants, employees, or any other persons assume all responsibility for all facilities and all Customer's Gas Installation, Customer's Piping, and Customer's Equipment and their installation, maintenance, operation, functionality, testing, condition, and all other risks on Customer's side of the Point of Delivery.

(C) Customer's Piping and Equipment. Customer shall be solely responsible for the selection, installation, maintenance, repair, and inspection of Customer's Piping and Equipment, and the Company shall have no duty or responsibility for the design, selection, installation, operation,

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maintenance, or repair of said Customer's Piping Equipment, including no responsibility or duty for (1) determining whether or not Customer has complied with all applicable safety codes and regulations; (2) inspecting or maintaining Consumer's Piping or Equipment; (3) or in any way establishing or enforcing any piping, equipment, device, or facility specifications. The Company shall have no duty, obligation, or responsibility for notifying Consumer of technology or technological advances associated with Customer's Piping or Equipment nor shall the Company have any duty, obligation, or responsibility for determining whether Customer's Piping and/or Equipment complies with NFPA 54, NFPA 715 and/or any applicable fuel gas or other relevant code. The Company shall have no duty, obligation, or responsibility for inspecting the performance of, location of, or maintenance of Consumer's methane detectors and/or carbon monoxide detectors. The Company shall have no duty or obligation to warn or notify Customer regarding the installation of, use of, performance of, and/or maintenance of Customer's Piping or Equipment, including methane detectors and/or carbon monoxide detectors. The Consumer shall be responsible, at all times, for all Customer Piping and Equipment beyond the Point of Delivery.

(D) Escaping Gas. Immediate notice must be given to Company by Customer or Consumer of any escaping gas on Customer's premises. No flame shall be taken near the point where gas is escaping. Company shall not be liable for any damage or loss caused by the escape of gas from Customer's Piping or Equipment or Customer's or Consumer's appliances, devices, or facilities.

(A)- Company is not liable to a Customer or Consumer, and any Customer shall indemnify, hold harmless, and defend the Company and its employees, agents, and representatives from any and all claims or allegations of liability for personal injury, damage to property, or any incidental, consequential, business interruption, or other economic damages or losses in any manner directly or indirectly connected to, arising from, or caused by acts or omissions of any person or party on the Customer's side of the Point of Delivery.

(E)

(F) In no event shall the Company or its employees be liable for incidental, consequential, business interruption, or other economic damages or losses of Customer, Consumer, or third parties in any manner, directly or indirectly, arising from, caused by, or growing out of the interruption or termination of gas utility service.

(G) -Reasonable Diligence. The Company agrees to use reasonable diligence in rendering continuous gas service to all Customers/Consumers, but the Company does not guarantee such service and shall not be liable for damages resulting from any interruption to such service.

(H) Force Majeure. Company shall not be liable for any damage or loss caused by stoppage or curtailment of the gas supply pursuant to order of a governmental agency having jurisdiction over Company or Company's suppliers, or caused by an event of force majeure. The term "force majeure" as employed herein means acts of God; strikes, lockouts, or other industrial disturbances; acts of the public enemy; wars; blockades; insurrections; riots;

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

	V. – QUALITY OF SERVICE	
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epidemics; pandemics; landslides; lightning; earthquakes; fires; storms; floods; washouts; arrests and restraints of the government, either federal or state, civil or military; civil disturbances; explosions; breakage or accident to machinery or lines of pipe; freezing of wells or lines of pipe; shortage of gas supply, whether resulting from inability or failure of a supplier to deliver gas; partial or entire failure of natural gas wells or gas supply; depletion of gas reserves; and any other causes, whether of the kind herein enumerated or otherwise.

~~(B) After Point of Delivery. Company shall not be liable for any damage or injury resulting from gas or its use after such gas leaves the point of delivery other than damage caused by the fault of the Company in the manner of installation of the service lines, in the manner in which such service lines are repaired by the Company, and in the negligence of the Company in maintaining its meter loop. All other risks after the gas left the point of delivery shall be assumed by the Consumer, his agents, servants, employees, or other persons.~~

~~(C) Reasonable Diligence. The Company agrees to use reasonable diligence in rendering continuous gas service to all Consumers, but the Company does not guarantee such service and shall not be liable for damages resulting from any interruption to such service.~~

~~(D) Force Majeure. Company shall not be liable for any damage or loss caused by stoppage or curtailment of the gas supply pursuant to order of a governmental agency having jurisdiction over Company or Company's suppliers, or caused by an event of force majeure. The term "force majeure" as employed herein means acts of God; strikes, lockouts, or other industrial disturbances; acts of the public enemy; wars; blockades; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; storms; floods; washouts; arrests and restraints of the government, either federal or state, civil or military; civil disturbances; explosions; breakage or accident to machinery or lines of pipe; freezing of wells or lines of pipe; shortage of gas supply, whether resulting from inability or failure of a supplier to deliver gas; partial or entire failure of natural gas wells or gas supply; depletion of gas reserves; and any other causes, whether of the kind herein enumerated or otherwise.~~

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	TAX – TAX ADJUSTMENT	
APPLICABLE TO:	Entire Division ~~except Unincorporated Areas~~ <u>Set Forth Below</u>	
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Application

Applicable to Customers taking service under Rate R, Rate C, Rate I, and Rate T, ~~Rate CGS, and Rate PT~~, except for exempt State Agency Customers, to the extent of state gross receipts taxes only.

Entire Division except for Unincorporated Areas

Each monthly bill shall be adjusted for ~~M~~miscellaneous state gross receipts taxes imposed by Sections 182-021 - 182-025 of the Texas Tax Code.

Entire Division

Each monthly bill shall also be adjusted by an amount equivalent to the amount of all applicable taxes and any other governmental impositions, rentals, fees, or charges (except state, county, city, and special district ad valorem taxes and taxes on net income) levied, assessed, or imposed upon or allocated to the Company with respect to the Gas Service provided to Customer by ~~the~~ Company, and any associated facilities involved in the performance of such Gas Service. Each monthly bill shall also be adjusted by an amount equivalent to the proportionate part of any increase or decrease of any tax and any other governmental imposition, rental, fee, or charge (except state, county, city, and special district ad valorem taxes and taxes on net income) levied, assessed, or imposed subsequent to the effective date of this tariff, upon or allocated to ~~the~~ Company's operations, by any new or amended law, ordinance, or contract.

Public Law 117-169, 136 STAT. 1818 of August 16, 2022 ("Tax Act 2022"):

Applicability – Unincorporated Areas

Applicable to Customers taking service under Rate R - Residential, Rate C - Commercial, Rate I - Industrial and Rate T - Transportation.

The rates associated with the effects of the Tax Act 2022 and certain other tax-related costs that will change from the amounts included in the base revenue requirement in Docket No. (to be determined) will be calculated in accordance as follows.

The adjustment calculated in this tariff for the Tax Act 2022 shall appear as a line item on the bill entitled "Tax Act 2022".

Purpose

The purpose of this rider is to capture the effects of the Tax Act 2022 and certain other tax-related costs that will change from the amounts included in the base revenue requirement in Docket No. (to be determined). These effects include the return on the Corporate Alternative Minimum Tax ("CAMT") deferred tax asset ("DTA") resulting from the Tax Act 2022, and income tax credits resulting from the Tax Act 2022 included in rate base and in the base revenue requirement in Docket No. (to be determined).

Calculation

The amount shall be calculated as the product of the Company's grossed-up rate of return authorized in the Company's most recent base rate case proceeding times the CAMT deferred tax asset ("CAMT DTA") estimated at September 30 of the fiscal year or applicable quarter-end within a fiscal year prior to the

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annual change in the rates pursuant to this tariff, less the income tax credits received in accordance with IRC requirements applicable to the Tax Act 2022 grossed-up for income taxes to a revenue equivalent.

The estimated CAMT DTA and the related effects on the rider revenue requirements shall be trued up to the actual effects in the following year and the over/under recovery amortized over the twelve months that each year's recalculated tariff rates are in effect. The over/under recovery shall include a grossed-up rate of return as authorized in the Company's most recent base rate case proceeding.

The methodology for computing the Company's CAMT is as follows:

1. Confirm when Atmos Energy Corporation and its affiliates are subject to CAMT as an "applicable corporation" as defined the Tax Act 2022, then there will be Company's CAMT DTA in the tariff.
2. Calculate Company's contribution to Adjusted Financial Statement Income ("AFSI") on a stand-alone basis. Company's AFSI is calculated by adjusting Company's applicable financial statement income by adjustments to depreciation, pension costs and federal income tax to arrive at AFSI. AFSI is intended to be computed consistent with applicable IRC requirements.
3. Compare Company's CAMT stand-alone amount with Company's regular stand-alone tax liability. If the stand alone CAMT is in excess of the stand-alone regular tax, the CAMT DTA is recorded to the Company.

If the Internal Revenue Service issues new guidance related to the Tax Act 2022, the Company shall have the right to make additional filings to recognize such adjustments.

Filing Procedures

On or before May 1 of each year, starting in 2026, the Company shall file with the Railroad Commission (Commission) or applicable regulatory authority the Tax Act 2022 calculation along with supporting schedules and workpapers. Rates will become effective for bills calculated on or after October 1 of the year following, starting in 2026. The regulatory authority may request additional clarification or information regarding the calculations, or any component thereof on or before July 1.

The filing to the Commission shall include all supporting documentation and be addressed to the Director of Oversight and Safety Division referencing Docket No. (to be determined). Reports to the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address:

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

The filing to the individual cities shall include all supporting documentation and be addressed to the city official at the address of record with the Company. No action on the part of the regulatory authority is required for the resulting rates to take effect.

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ATMOS ENERGY CORPORATION**

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Orders issued pursuant to this mechanism are ratemaking orders and shall be subject to appeal under Sections 102.001(b) and 103.021, et seq., of the Texas Utilities Code (Vernon 2007). Rate changes subject to CAMT provisions of this tariff may be implemented upon the filing of an appeal to the relevant authority.

Other Federal or State Tax Rate Changes:

Applicability – Unincorporated Areas

Applicable to Customers taking service under Rate R - Residential, Rate C - Commercial, Rate I - Industrial and Rate T - Transportation.

To ensure that gas utility customers receive the benefits or costs associated with the changes in tax rates at a federal or state or local level, Company shall establish and accrue on its books and records, as of the effective date of the federal, state or local tax rate change: 1) regulatory liabilities to reflect the impact of a decrease in federal corporate income tax rates or state/local margin or property tax rates; or, 2) regulatory assets to reflect the impact of an increase in federal corporate income tax rates or state/local margin or property tax rates.

The increase or decrease shall be calculated as follows:

- a. A portion of the gas utility's revenue representing the difference between: 1) the cost of service as approved by the Commission or the applicable regulatory authority in the gas utility's most recent statement of intent or other rate proceeding, and 2) the cost of service that would have resulted had the rates been based on the new federal income tax rate (increase or decrease) or state/local margin/property taxes (increase or decrease), as of the effective date of the change;
- b. If applicable, the portion of the gas utility's revenue representing the difference between: 1) each Interim Rate Adjustment surcharge approved by the regulatory authority since the gas utility's most recent statement of intent or other rate proceeding, and 2) each Interim Rate Adjustment surcharge that would have resulted had the surcharges been based on the new federal income tax rate (increase or decrease) or state/local margin/property taxes (increase or decrease), as of the effective date of the change; and
- c. The excess or deficient deferred tax reserve, including any associated gross up in taxes, caused by the reduction or increase in the federal corporate income tax rate or state/local related tax increases, as of the effective date of the change.

The gas utility shall separately refund to customers based on a decrease in federal or state/local tax rates or separately collect from customers based on an increase in federal or state/local tax rates within twelve (12) months or, pursuant to applicable IRC rules and regulations, as follows:

- d. The amount collected/refunded by the gas utility that reflects the difference in base rates between: 1) the cost of service approved by the regulatory authority in the gas utility's most recent statement of intent rate proceeding, and 2) the cost of service that would have resulted had the rates been based upon the new federal or state/local tax rates, between the effective date of this order and the effective date of the changes.
- e. If applicable, the amount collected/refunded by the gas utility that reflects the difference between: 1) each Interim Rate Adjustment surcharge approved by the Commission or the regulatory authority since the gas utility's most recent statement of intent rate proceeding, and 2) each Interim Rate Adjustment surcharge that would have resulted had the rates been based upon the new federal or state/local tax rates, between the effective date of this order and the effective date of the changes.

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RIDER:	TAX – TAX ADJUSTMENT	
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f. The amount collected/refunded by the gas utility that reflects the difference in the excess or deficient deferred tax reserve included in base rates between: 1) the cost of service approved by the Commission or the regulatory authority in the gas utility's most recent statement of intent rate proceeding, and 2) the cost of service that would have resulted had the rates been based upon the new federal or state/local tax rates, between the effective date of this order and the effective date of the changes. These amounts shall be refunded or collected from customers based upon IRC rules and regulations if applicable.

Any Commission filing made to give effect to Other Federal, State or Local Tax Rate Changes shall be filed within 12-months following the enactment of a tax rate change with the Commission's Oversight and Safety Division or as part of a Statement of Intent.

Any city filing made to give effect to Other Federal, State or Local Tax Rate Changes shall be filed within 12-months following the enactment of a tax rate change and addressed to the city official at the address of record with Company.

No action on the part of the regulatory authority is required to give effect to the amount to be refunded or collected from customers. However, any amount refunded or collected from customers shall be fully subject to review for reasonableness and accuracy in the gas utility's next statement of intent proceeding, and if applicable, the gas utility shall be required to reconcile any discrepancies.

FASB ASC 740-10 FIN 48 ("FIN48") REGULATORY LIABILITY:

Applicability – Unincorporated Areas

Applicable to Customers taking service under Rate R - Residential, Rate C - Commercial, Rate I - Industrial and Rate T — Transportation.

To ensure that gas utility customers receive the benefit associated with the changes in the Company's Uncertain Tax Positions ("UTPs") arising from recognition of Texas Margin Tax returns.

The decrease shall be calculated as follows:

Beginning with implementation of rates from Docket No. (to be determined), and annually thereafter, the portion of UTP liabilities identified in Schedule FIN48-4.1 for the prior fiscal year shall be allocated based on the final class allocations of Docket No. (to be determined), divided by the annual bill count to derive rates to be refunded through Rider SUR in the subsequent fiscal year. Each year's calculation will include a true-up (+ or -) due to account for over/under collections. Amounts identified in Schedule FIN48-4.1 shall be adjusted to reflect any audit adjustments received from the Texas Comptroller of Public Accounts.

No action on the part of the regulatory authority is required to give effect to the amount to be refunded to customers. However, any amount refunded to customers shall be fully subject to review for reasonableness and accuracy in the gas utility's next statement of intent proceeding with the Texas Railroad Commission, and if applicable, the gas utility shall be required to reconcile any discrepancies.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	<u>SSI – SYSTEM SAFETY AND INTEGRITY</u>	
APPLICABLE TO:	<u>RATE R, RATE C, RATE I, AND RATE T CUSTOMERS IN THE UNINCORPORATED AREAS OF THE MID-TEX DIVISION</u>	
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PURPOSE

The purpose of this System Safety and Integrity (“SSI”) Rider is to promote the public interest in pipeline safety by enabling the Company to recover: (1) inspection activities to confirm that there is no existing cross-bore damage on facilities installed prior to 2016; (2) specific damage preventions activities necessary to install technology to make unlocatable facilities electronically locatable; (3) incremental leak surveying and detection activities conducted by third-party contractors; (4) supervisory activities related to third-party excavation near Atmos Energy facilities; and (5) hydrostatic testing activities on transmission assets to reconfirm maximum allowed operating pressure (“MAOP”) to comply with Mega Rule Part 1, codified as 49 C.F.R. § 192.624.

These expenses shall be recovered through a separate charge (the “SSI Surcharge”) that shall be shown as a separate line item on the monthly bill of the customer classes described below.

APPLICABILITY

This Rider shall be applied to all Rate R – Residential Sales, Rate C – Commercial Sales, Rate I – Industrial Sales and Rate T - Transportation customers within the unincorporated areas served by the Company.

QUALIFYING ACTIVITIES AND EXPENSES

The SSI Rider applies only to “SSI Expenses”, which include: (1) inspection activities to confirm that there is no existing cross-bore damage on facilities installed prior to 2016; (2) specific damage preventions activities necessary to install technology to make unlocatable facilities electronically locatable; (3) incremental leak surveying and detection activities conducted by third-party contractors; (4) supervisory activities related to third-party excavation near Atmos Energy facilities; and (5) hydrostatic testing activities on transmission assets to reconfirm maximum allowed operating pressure (“MAOP”) to comply with Mega Rule Part 1, codified as 49 C.F.R. § 192.624.

The third-party O&M expense items related to these safety and compliance activities that qualify for recovery under this Rider shall include contractor costs associated with the above referenced activities, which result from safety and integrity regulations adopted by the Railroad Commission of Texas (“Commission”) and/or the Pipeline and Hazardous Materials Safety Administration (“PHMSA”). Applicable state and federal statutes or regulatory agency rules and regulations include those in 49 C.F.R. Part 192; the rules and regulations of the Commission and PHMSA; other PHMSA rules or advisories regarding programs or activities related to compliance with 49 C.F.R. Part 192; Standards and Recommended Practices issued by PHMSA and recognized standard developing organizations; and other state and federal statutes, rules, or regulations regarding natural gas pipeline safety and integrity management.

Neither capital expenditures by the Company, nor the labor cost of Atmos Energy employees, shall be recovered under this Rider. Capital expenditures associated with system safety and integrity activities

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shall continue to be recovered through base rates and any interim rate adjustments implemented pursuant to Section 104.301 of the Gas Utility Regulatory Act.

CALCULATION OF SSI SURCHARGE

Qualifying Activities above or below the SSI Expense Benchmark established in Docket No. (to be determined) shall be deferred into a regulatory asset account (“SSI Regulatory Asset Account”). On an annual basis, the SSI Regulatory Asset Account shall be used to establish the SSI Surcharge under this SSI Rider to recover the Total SSI Expense incurred and deferred in the prior year for qualified activities. The SSI Surcharge will be calculated as follows:

SSI Surcharge:

Step 1: Total Systemwide Qualifying Activities SSI Expense less SSI Expense Benchmark = Systemwide Over/Under (“SSI Amount”) Collection/Refund Amount

Step 2: Jurisdictional Customer Count divided by Systemwide Customer Count* = Jurisdictional Customer Allocation Factor as a percentage of Total System Customer Count*

Step 3: Multiply the Systemwide SSI Amount times the Jurisdiction Allocation Factor = Total Jurisdictional SSI Amount for Collection/Refund

Step 4: Total Jurisdictional SSI Amount times the allocation factor by rate class** = Total Jurisdictional SSI Adjustment Amount by Rate Class

Step 5: Jurisdictional SSI Amount by Rate Class divided by the Jurisdictional Annual Service Area Customer/Bill Count by Rate Class*** = Jurisdictional Monthly Customer Charge/(Refund) Adjustment by Customer Class

*The Jurisdictional Customer Count and the Systemwide Customer Count are those approved in Docket No. (to be determined).

**The allocation factors by rate class are those approved in Docket No. (to be determined).

***Year end number of customers/bills times 12 for each rate class.

Based upon customer data for the period ended June and any other relevant factors, the Monthly SSI Charge Adjustment will be revised annually to account for changes in the customers and the resulting revised SSI Surcharge shall be applied to each applicable customer class for the ensuing 12-month recovery period.

ANNUAL RECONCILIATION

On or before September 15th, beginning in 2025, the Company shall calculate the SSI Surcharge based on the period July 1, 2024 through June 30, 2025 by FERC Account. The initial SSI Surcharge filing shall be filed with the Commission and the Commission shall complete its review so that the Company can implement the SSI Surcharge effective February 1st. In subsequent years, the SSI

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Surcharge shall be updated and included with the reconciliation of the previous year's over/under collections.

The Company shall provide a copy of the SSI Surcharge filing to the parties in Railroad Commission of Texas Docket No. (to be determined) ("Parties") on the same date as the date of the filing with the Commission. Parties have the right to review the filing, submit discovery requests, and provide recommendations to Staff regarding any adjustments to the proposed SSI Surcharge calculation on or before December 1st of each year.

On or before September 15th, beginning in 2025, the Company shall calculate the SSI Surcharge based on the period July 1st of the prior year through June 30 of the current year by FERC Account.

On or before September 15th, beginning in 2027, after completion of each annual recovery period, the total revenues collected under this SSI Rider for that year shall be reconciled against the revenues previously calculated to be collected for that year, and the SSI Surcharge for the Rate R, C, I and T customer classes shall be adjusted upward or downward so that the Company recovers any under-recoveries or refunds any over-recoveries that may have accrued under the SSI Rider, plus monthly interest on those under-recoveries or over-recoveries at the cost of long-term debt approved in the Company's most recent general rate case in which rates were set for customers.

The reconciliation shall be filed with the Commission on or before September 15th of each year, and the Commission shall complete its review of the reconciliation on or before January 15th of the next year, so that the Company can implement the reconciled SSI Surcharge effective February 1st of each succeeding year.

DEFERRED ACCOUNTING

The Company is authorized and directed to defer, as a regulatory asset, all SSI Expenses above or below the SSI Expense Benchmark that are incurred after June 30, 2024, and all revenues specifically collected under this Rider shall be applied to the deferred expense account. The Company shall not earn a return on any regulatory asset created under this provision, and no such regulatory asset shall be included in the Company's invested capital (rate base) for ratemaking purposes.

ANNUAL REPORT

On or before September 15th after each twelve-month period ending June 30th, the Company shall file a report with the Commission showing all SSI Expenses incurred during the previous reporting period and verifying the prior year's collections and any under recoveries or over recoveries accruing to date under this Rider. The report shall separately identify and list such expenses by account number and project number. Prior to the effective date of this Rider and on or before September 15th of each succeeding year while this Rider is in effect, the Company shall also file an Addendum to this Rider with the Commission (a) identifying the SSI Surcharges that will be applied during the ensuing 12-

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month recovery period from February 1st through January 31st in the subsequent year, and (b) providing the underlying data and calculations on which each SSI Surcharge for that period is based.

NOTICE TO AFFECTED CUSTOMERS

In addition to the annual report and Addendum to this Rider required above, the Company shall provide, within 45 days of filing the SSI reconciliation and annual report, written notice to each affected customer of (a) the SSI Surcharge that will be applied during the ensuing 12-month period from February 1st through January 31st in the subsequent year, and (b) the effect the SSI Surcharge is expected to have on the average monthly bill for each affected customer class. The written notice may be provided either by separate mailing or by insert included with the Company's monthly billing statements, including electronic billing statements. The Company shall also electronically file an affidavit annually with the Commission certifying that notice has been provided to customers in this manner. The notice shall be presumed to be complete three calendar days after the date the separate mailing or billing statement is deposited in a postage-paid, properly addressed wrapper in a post office or official depository under care of the United States Postal Service. The initial notice shall be filed with, reviewed, and approved by the Commission, and each subsequent notice shall follow the same format as that of the approved initial notice.

REPORTS TO THE COMMISSION:

The Company shall file all reports, including the notice to affected customers and addendum to this rider, electronically in the Railroad Commission of Texas Case Administration Service Electronic System (CASES) Portal and with the Commission addressed to the Director of Oversight and Safety Division referencing Docket No. (to be determined).

Reports to the Commission should also be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address:

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

**PUBLIC NOTICE OF PROPOSED RATE CHANGE
NATURAL GAS UTILITY RATES WITHIN THE UNINCORPORATED AREAS OF
ATMOS ENERGY CORPORATION'S MID-TEX DIVISION**

**AVISO PÚBLICO DE CAMBIO DE TARIFA PROPUESTO TARIFAS DE SERVICIOS
PÚBLICOS DE GAS NATURAL DENTRO DE LAS ÁREAS NO INCORPORADAS DE
LA DIVISIÓN MID-TEX DE ATMOS ENERGY CORPORATION**

On November 18, 2024, Atmos Energy Corporation's ("Atmos Energy" or "the Company") Mid-Tex Division ("Mid-Tex") filed a proposed systemwide cost of service and accompanying Statement of Intent with the Railroad Commission of Texas ("Commission"). The Statement of Intent seeks to change the gas utility rates charged by the Company to customers within the unincorporated areas served by the Mid-Tex Division.

The proposed change in rates will affect residential customers within all unincorporated areas served by the Mid-Tex Division. If the Company's Statement of Intent is approved as filed, there will be no change to commercial, industrial, or transportation customer rates. Commercial, industrial, and transportation customer rates currently include a customer charge comprised of the base rate customer charge approved in Gas Utilities Docket ("GUD") No. 10742, plus the annual IRA adjustments made pursuant to Texas Utilities Code ("Tex. Util. Code") § 104.301, which were approved by the Commission in GUD Nos. 10822, 10944, Case Nos. 00005921, 00008887, 00012759, 00016391, and consumption charge(s). If approved, the existing components of the commercial, industrial, and transportation customer charge(s) will be combined into a single base rate customer charge. The proposed effective date of the requested rate change is December 23, 2024.

If approved, the proposed rates will increase the annual revenues received from the unincorporated areas served by the Mid-Tex Division by approximately \$10.78 million, which is a change of 8.69% including gas costs and 14.03% excluding gas costs. Because the proposed changes will increase the Company's total aggregate revenue from the unincorporated areas by more than 2.5%, the proposed changes, if approved, constitute a "major change" in rates as that term is defined by Tex. Util. Code § 104.101. The proposed rates do not, however, exceed 115% of the average of all rates for similar services within all municipalities served by the Company within the same counties, pursuant to Tex. Util. Code § 104.006.

The Company proposes to implement the rates included in Tables below:

TABLE 1 – Proposed Rate Changes for Unincorporated Areas Customers

Customer Class	Number of Customers Affected	Current Customer Charge	Proposed Customer Charge	Current Consumption Charge	Proposed Consumption Charge
Residential	103,674	\$46.06	\$46.06	\$0.18653 per Ccf	\$0.41708 per Ccf
Commercial	2,102	\$133.15	\$133.15	\$0.10494 per Ccf	\$0.10494 per Ccf
Industrial	18	\$2,491.47	\$2,491.47		
First 1,500 MMBtu				\$0.3701 per MMBtu	\$0.3701 per MMBtu
Next 3,500 MMBtu				\$0.2712 per MMBtu	\$0.2712 per MMBtu
Over 5,000 MMBtu				\$0.0582 per MMBtu	\$0.0582 per MMBtu
Transportation	26	\$2,491.47	\$2,491.47		
First 1,500 MMBtu				\$0.3701 per MMBtu	\$0.3701 per MMBtu
Next 3,500 MMBtu				\$0.2712 per MMBtu	\$0.2712 per MMBtu
Over 5,000 MMBtu				\$0.0582 per MMBtu	\$0.0582 per MMBtu

TABLE 2 – Impact on Average Bill for Unincorporated Areas Customers

Customer Class (Average Monthly Usage Ccf)	Current Average Monthly Bill with Gas Cost	Proposed Average Monthly Bill with Gas Cost	Proposed Monthly Change	Percentage Change with Gas Cost	Percentage Change without Gas Cost
Residential (35.1)	\$ 86.00	\$ 94.64	\$8.64	10.05%	15.38%
Commercial (314.5)	\$ 399.27	\$ 399.27	\$0.00	0.00%	0.00%
Industrial (2,712 MMBtu)	\$13,663.87	\$13,663.87	\$0.00	0.00%	0.00%
Transportation (7,445 MMBtu)	\$11,630.35	\$11,630.35	\$0.00	0.00%	0.00%

The above calculations in Table 2 are based on a \$0.79548 per Ccf cost of gas for Residential, \$0.66057 per Ccf cost of gas for Commercial customers, \$3.47333 per MMBtu cost of gas for Industrial customers, and \$0.90699 per MMBtu cost of gas for Transportation customers. A Conservation and Energy Efficiency Surcharge, in the amount of \$0.05 for Residential Customers and \$0.00 for Commercial Customers, is not included in the amounts reflected above.

If the Company's proposed rates are approved, there will be no impact on the average monthly bill for Commercial, Industrial, and Transportation customers.

In addition to the proposed change in rates, the Company seeks to:

- Obtain a prudence determination on the capital investment made between January 1, 2018 and September 30, 2024;
- Obtain a Commission determination that the Mid-Tex Division has correctly reflected changes to utility rates to account for all the impacts of the lowered federal corporate income tax rate consistent with the Accounting Order issued in GUD No. 10695;
- Establish new depreciation rates for the Mid-Tex Division's plant assets, as well as the plant assets held by Atmos Energy's Shared Services Unit;
- Obtain approval to record Cloud Computing costs as a capital investment recoverable through its annual interim rate adjustment filings made pursuant to Tex. Util. Code § 104.301;
- Increase the lodging limitations to levels that have been approved as reasonable by the Commission in recent rate proceedings;
- Adopt a new System Safety & Integrity Rider ("Rider SSI") that will, based on a benchmark established as part of this request, allow the Company to recover or refund to customers, third-party expenses incurred for: (1) inspection activities to confirm that there is no existing cross-bore damage on facilities installed prior to 2016; (2) specific damage prevention activities necessary to install technology to make unlocatable facilities electronically locatable; (3) incremental leak surveying and detection activities conducted by third-party contractors; (4) supervisory activities related to third-party excavation near Atmos Energy facilities; and (5) hydrostatic testing activities on transmission assets to reconfirm maximum allowed operating pressure ("MAOP") to comply with Mega Rule Part 1, codified as 49 C.F.R. § 192.624;
- Adopt a new Rider SUR – Surcharges ("Rider SUR"), which will provide for: (1) the recovery of the outstanding interest expense balance related to Winter Storm Uri; (2) the recovery of authorized rate case expenses; (3) the refund/collection of the residual unprotected EDIT amortization balance to customers within the unincorporated areas; and 4) the refund of uncertain tax provisions related to FASB ASC 740-10 ("FIN 48"). The Company further proposes to recover Rider SSI amounts under the Rider SUR, if the tariff is approved;
- Adopt updated tariffs reflective of the Mid-Tex Division's current operations, actual cost of providing service, align operating division nomenclature, update its line extension policy, and clarify the responsibilities of the utility and its customers;
- Identify the specific annual amount of Pension and Other Postemployment Benefits as provided for in Tex. Util. Code § 104.059; and
- Recover all of its reasonable rate case expenses.

In addition to the adoption of the proposed Rider SSI and Rider SUR discussed above, the Company proposes additional tariff changes. In the Company's Gas Sales Service Tariff, the Company proposes to revise its Mid-Tex Division Residential, Commercial, Industrial & Transportation rate schedules to reflect the proposed rates and to provide additional clarity regarding the applicability of state and local taxes. The Company also proposes to revise its Transportation tariff to revise and/or emphasize certain terms of service.

The Company proposes to make certain revision to the definitional section in its tariff, as well as its Quality of Service Rules to modernize the tariff language to reflect current operations, clarify the responsibilities of the utility and its customers, and correct any inadvertent errors or inconsistencies in the language. In particular, the proposed Quality of Service tariff revisions include a more detailed construction section and clarify Atmos Energy's line extension policy, as well as the Company's right to access customer premises for operational purposes, including the installation of necessary equipment, as well as what customers' responsibilities are if Company facilities are damaged. The Company has also included language to further clarify billing adjustments. Lastly, the changes describe in more detail the responsibilities of customers for their facilities and equipment and the limitations of responsibility of the Company for loss or damages. Finally, the Company proposes to revise the Rider TAX – Tax Adjustment tariff to clarify the applicability of the Rider and address timing issues created by tax rate changes that may be made at the local, state, and federal levels, as well as the implementation of the Corporate Alternative Minimum Tax, which was signed into law in August 2022 and the proposed refund of amounts related to the Company's FASB 740-10 ("FIN 48") Uncertain Tax Positions.

Persons with specific questions or desiring additional information about this filing may contact Atmos Energy Corporation at 1-888-286-6700. Complete copies of the filed Statement of Intent, including all proposed rates, schedules and tariffs are available for inspection at Atmos Energy's offices located at 5420 LBJ Freeway, Suite 1600, Dallas, Texas 75240 and on our website at www.atmosenergy.com/MTXtariffs.

In addition, any affected person within the unincorporated areas served by the Mid-Tex Division may file written comments or a protest concerning the proposed rate change with the Docket Services Section of the Office of the Hearings Division, Railroad Commission of Texas, P.O. Box 12967, Austin, Texas 78711-2967, at any time within 30 days following the date on which the change would or has become effective, or January 22, 2025. Please reference Docket No. OS-24-00019196.

Este aviso tiene como fin informarles a los clientes de Atmos Energy Corporación de Mid-Tex División (la "Compañía") que la Compañía ha presentado una solicitud para aumentar las tarifas del servicio público de gas. Esta solicitud afecta a todos los clientes en las áreas no incorporadas de la división Mid-Tex de Atmos Energy Corporation. Las personas que deseen hacer preguntas específicas o recibir más información sobre esta solicitud pueden comunicarse con la Compañía llamando al 1-888-286-6700. Cualquier persona afectada puede presentar por escrito comentarios o una protesta sobre el cambio de tarifas propuesto a Docket Services Section, Office of the Hearings Division, Railroad Commission of Texas, P.O. Box 12967, Austin, Texas 78711-2967, en cualquier momento dentro de los 30 días siguientes a la fecha en que este cambio entraría en vigencia. Por favor haga referencia a Docket No. OS-24-00019196.

CASE NO. 00019196

STATEMENT OF INTENT FILED BY	§	
ATMOS ENERGY CORP. TO CHANGE	§	RAILROAD COMMISSION
GAS UTILITY RATES WITHIN THE	§	
UNINCORPORATED AREAS OF THE	§	OF TEXAS
MID-TEX DIVISION	§	

DIRECT TESTIMONY

OF

CHRISTOPHER A. FELAN

WITNESS FOR

ATMOS ENERGY CORP., MID-TEX DIVISION

NOVEMBER 18, 2024

CASE NO. 00019196
INDEX TO THE DIRECT TESTIMONY OF
CHRISTOPHER A. FELAN, WITNESS FOR
ATMOS ENERGY CORP., MID-TEX DIVISION

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Exhibit CAF-1	Maps of Atmos Mid-Tex Service Territory
Exhibit CAF-2	Capital Expenditures

DIRECT TESTIMONY OF CHRISTOPHER A. FELAN

I. POSITION AND QUALIFICATIONS

Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.

A. My name is Christopher A. Felan. I serve as Vice President of Rates and Regulatory Affairs for the Mid-Tex Division of Atmos Energy Corporation (“Mid-Tex” or the “Company”). My business address is 5420 LBJ Freeway, Lincoln Centre II, Ste. 1862, Dallas, TX 75240.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. My testimony describes the Company’s operations, provides an overview of the rate filing and Mid-Tex’s rate request, and introduces the other witnesses who are filing direct testimony in support of the Company’s rate filing. I also describe and support the various tariff changes being sought and the Company’s planned treatment of future rate adjustments filed under Texas Utilities Code (“Tex. Util. Code”) § 104.301, if the Company’s proposed rate design is approved in this case. I also support the Company’s request relating to Cloud Computing and the Company’s rate case expense recovery request.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND, AND CURRENT RESPONSIBILITIES.

A. I earned a Bachelor of Business Administration degree in accounting from the University of Texas at Austin in 1990. I am a Certified Public Accountant in the State of Texas and a member of the American Institute of Certified Public Accountants. I have worked in various industries for over 30 years in a variety of accounting and finance positions. I joined Atmos Energy Corporation (“Atmos Energy”) in 2006 as a Senior Analyst in the Planning and Budgeting group. I was

1 promoted to Manager of Rates & Regulatory Affairs in March 2009. I assumed my
2 current role in June 2012. In this position, my responsibilities include the
3 development of rate and regulatory strategy and the management of regulatory and
4 compliance activity for the Mid-Tex Division.

5 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE RAILROAD**
6 **COMMISSION OF TEXAS?**

7 A. Yes, I have previously testified before the Railroad Commission of Texas
8 (“Commission”) in Gas Utilities Docket (“GUD”) Nos. 10041, 10084, 10085,
9 10359, 10640, 10645, 10742, 10779, 10855, and Docket No. OS-21-00007061.

10 **Q. HAVE YOU PREPARED ANY EXHIBITS SUPPORTING YOUR**
11 **TESTIMONY?**

12 A. Yes, I have included a map of the Mid-Tex service territory as Exhibit CAF-1.
13 Exhibit CAF-2 shows the recent level of capital investment expenditures
14 attributable to Mid-Tex Division operations.

15 **Q. DO YOU SPONSOR ANY OF THE RATE FILING SCHEDULES OR**
16 **PROPOSED TARIFFS?**

17 A. I sponsor the schedules identified in Section VI of my direct testimony. I also
18 sponsor the tariffs filed in this case, which reflect the new proposed rates, the
19 proposed Quality of Service revisions, as well as proposed changes to the
20 Company’s other tariffs, and the new factors used in the Company’s Weather
21 Normalization Adjustment (“WNA”) tariff.

1 **Q. WERE YOUR EXHIBITS, TESTIMONY, AND THE SCHEDULES AND**
 2 **TARIFFS THAT YOU SPONSOR PREPARED BY YOU OR UNDER YOUR**
 3 **DIRECT SUPERVISION?**

4 A. Yes.

5 **II. OVERVIEW OF ATMOS ENERGY AND THE MID-TEX DIVISION**

6 **Q. CAN YOU PROVIDE A GENERAL DESCRIPTION AND BACKGROUND**
 7 **OF ATMOS ENERGY’S NATURAL GAS DISTRIBUTION BUSINESS?**

8 A. Yes. Atmos Energy is the country’s largest natural gas-only distributor. We deliver
 9 natural gas to approximately 3.3 million distribution customers in over 1,400
 10 communities across eight states. Atmos Energy provides natural gas service
 11 through six unincorporated gas utility operating divisions located in Dallas, Texas
 12 (the Mid-Tex Division); Denver, Colorado (the Colorado/Kansas Division); Baton
 13 Rouge, Louisiana (the Louisiana Division); Flowood, Mississippi (the Mississippi
 14 Division); Lubbock, Texas (the West Texas Division); and Franklin, Tennessee and
 15 Owensboro, Kentucky (the Kentucky/Mid-States Division). In addition, Atmos
 16 Energy has an operating division, Atmos Pipeline – Texas (“APT”), which consists
 17 of a regulated intrastate pipeline that operates only within Texas.

18 Atmos Energy’s corporate office, located in Dallas, Texas, provides services
 19 such as accounting, legal, human resources, rate administration, procurement, gas
 20 supply, information technology, and customer care. Customer support call centers
 21 are located in Amarillo and Waco, Texas. These centralized services, commonly
 22 referred to as Shared Services Unit (“SSU”), are shared by Atmos Energy’s
 23 distribution operating divisions. By sharing these centralized services, the
 24 distribution operating divisions are able to avoid having to staff and maintain these

1 functions at each division level. This structure also enables Atmos Energy to
2 provide excellent customer service at a reasonable cost. Each of Atmos Energy's
3 utility divisions has its own divisional office that is responsible for the other day-
4 to-day operations of that division. A corporate organization chart is included in the
5 Company's Cost Allocation Manual ("CAM"), which is contained in Company
6 witness Barbara Myers' Exhibit BWM-1.

7 **Q. CAN YOU PROVIDE A GENERAL DESCRIPTION OF THE OPERATIONS**
8 **OF ATMOS ENERGY'S MID-TEX DIVISION?**

9 A. Yes. The Mid-Tex Division utility operations include more than 32,000 miles of
10 pipe and more than 1.8 million service lines, and approximately 1,900 employees.
11 Mid-Tex serves approximately 1.8 million customers in 447 incorporated
12 municipalities and unincorporated areas in north and central Texas. Please see
13 Exhibit CAF-1 for a map of the Mid-Tex service area.

14 **Q. WHAT IS MID-TEX'S TOP PRIORITY?**

15 A. With a commitment to be the safest provider of natural gas services, the safety of
16 Atmos Energy's employees, customers, and communities has always been our
17 number one priority. Safety is at the core of what we do. It's a value reflected in
18 our Vision, and our focus on Employee Safety, System Safety, and Public Safety
19 drives our procedures, processes, training, oversight and assurance activities, which
20 Company witness Jeffrey Knights will discuss further. This requires capital
21 investment, operational excellence, and strong financial metrics so that the
22 Company's facilities and the organization itself are capable of performing not only
23 during normal conditions, but also during unprecedented events. The importance

1 of providing safe and reliable natural gas service has never been clearer than during
 2 Winter Storm Uri. The Company's ability to provide uninterrupted gas service to
 3 99.92% of its customers during Winter Storm Uri provides a concrete example of
 4 the prudent investment Mid-Tex has made to modernize its infrastructure, upgrade
 5 facilities, and enhance system resiliency.

6 **III. RATE REQUEST OVERVIEW**

7 **Q. WHAT HAS DRIVEN THE TIMING OF THIS RATE FILING?**

8 A. The timing of the rate filing was dictated by the requirements of Tex. Util. Code
 9 § 104.301. Section 104.301 is commonly referred to as the "GRIP Statute." The
 10 GRIP Statute requires a utility to file a general rate case within five and a half years
 11 of implementing its initial Interim Rate Adjustment ("IRA"), which for Mid-Tex
 12 occurred on June 6, 2019.¹ Therefore, Mid-Tex was required to file this Statement
 13 of Intent by December 1, 2024.

14 **Q. WHAT OPPORTUNITIES DOES THIS RATE FILING PRESENT?**

15 A. This filing presents the opportunity to:

- 16 • Review and affirm the prudence of the capital investment made in Mid-
 17 Tex's system between January 1, 2018, and September 30, 2024;²
- 18 • Establish new rates and updated tariffs reflective of Mid-Tex's actual cost
 19 of providing service and its current operating environment; and,
- 20 • Reaffirm the consistent and constructive regulatory environment the
 21 Commission has created so that Mid-Tex can continue to make necessary

¹ The first IRA filing made by the Mid-Tex Division following its most recent rate case, *Statement of Intent Filed by Atmos Energy Corp. to Change Gas Utility Rates Within the Unincorporated Areas Served by its Mid-Tex Division*, GUD No. 10742, Final Order (Dec. 11, 2018). This IRA was docketed as *Application of Atmos Energy Corp., Mid-Tex Division for Test Year 2018 Annual Interim Rate Adjustment for the Unincorporated Areas*, GUD No. 10822, IRA Order (Jun. 4, 2019) and the IRA became effective on June 6, 2019.

² GUD No. 10742, Final Order.

1 safety and reliability investments in its system and continue to respond to
2 customer growth.

3 **Q. WHAT FACTORS ARE INFLUENCING THE RATE CHANGE PROPOSED**
4 **BY THE COMPANY IN THIS CASE?**

5 A. With respect to the unincorporated areas, the Company's base rates have not been
6 reviewed since 2018. While our vision and principles remain the same, the
7 operational landscape of natural gas utilities in general and that of Atmos Energy's
8 Mid-Tex operations has continued to change. For example, as more information
9 on potential industry operational risks and challenges becomes available, both
10 federal and state regulators and the operators they regulate have expanded and
11 refined the minimum safety requirements to proactively address industry risks and
12 maintain a safe system for the present and future. To incorporate prudent actions
13 consistent with these changes, Atmos Energy has undertaken more capital
14 investment and additional and expanded operational activities that affect operations
15 and maintenance ("O&M") expenses. At the same time, the needs of our customers
16 continue to grow, and we must rise to meet our obligations to serve those needs.
17 Importantly for Mid-Tex, we have also seen continuing residential growth as well
18 as continuing interest in economic development across our service territory since
19 our last rate case, with a number of large customer additions and exciting prospects
20 for the future. While all of this has been happening, like other industries we are
21 also seeing the underlying costs necessary to operate our business to continue to
22 rise, particularly construction costs.

1 **Q. CAN YOU PROVIDE SOME SPECIFIC EXAMPLES OF THE COST**
2 **PRESSURES THAT HAVE IMPACTED MID-TEX’S COST OF SERVICE**
3 **SINCE ITS LAST RATE CASE?**

4 A. Yes. In terms of revenue requirement, the Company’s cost of service calculations
5 show that Mid-Tex is experiencing a revenue deficiency primarily driven by plant
6 investment, payroll-related expenses, and O&M expenses related to regulatory and
7 safety requirements. In addition to an increase of over \$5.8 billion in net plant since
8 base rates were last changed in the environs, Mid-Tex must also continue to invest
9 in its employees. Personnel-driven expense increases (for both Atmos Energy
10 employees and contractor employees) have been necessary to support the
11 Company’s ability to effectively recruit and retain skilled labor as the marketplace
12 becomes more and more competitive. In addition, employees with decades of
13 experience are retiring at a rate that is difficult to match with new hires. To stave
14 off the loss of qualified and experienced operators and recruit and retain new
15 operators, the Company is incurring higher personnel-driven expense items, such
16 as wages, salaries, and employee benefits.

17 Regulatory and safety requirements to document, test, survey, repair, plan
18 and replace system assets also continue to increase. The increasing costs associated
19 with these requirements include operating expenses for activities such as leak
20 repair, leak survey, line locating, and distribution integrity management. Mid-Tex
21 has also made additional capital investments in its natural gas distribution system
22 for technology that enhances the Company’s ability to provide safe and reliable
23 service. Infrastructure modernization, compliance with natural gas pipeline safety

1 and system integrity regulations, and technology investment allows the Company
2 to increase operational capabilities and improve customer service. All of these
3 factors have contributed to a revenue deficiency that does not provide the Company
4 with a reasonable opportunity to earn a reasonable return on its investment.

5 **Q. IN TERMS OF CAPITAL PROJECTS, HOW MUCH IS THE COMPANY**
6 **CURRENTLY INVESTING IN THE MID-TEX DIVISION SYSTEM ON**
7 **ANNUAL BASIS?**

8 A. Since acquiring the Mid-Tex system in 2004, the Company has been steadfast in its
9 commitment to make necessary investment for the safety and reliability of the Mid-
10 Tex system. This commitment is evidenced by increasing levels of capital
11 investment dedicated to modernization of our infrastructure and responding to the
12 demands placed on the system by customer growth. As shown in Exhibit CAF-2,
13 since the last rate case involving the Mid-Tex environs, the Company has increased
14 its annual capital investment in the system from \$576.7 million in calendar year
15 (“CY”) 2018 to \$1.3 billion in CY2023.

16 **Q. HAVE THE COMPANY’S MUNICIPAL REGULATORS AND THE**
17 **COMMISSION BEEN SUPPORTIVE OF THE COMPANY’S CAPITAL**
18 **INVESTMENT EFFORTS?**

19 A. Yes. Over the past decade, the Commission has created and enforced safety and
20 reliability standards and expectations. The Commission has also consistently
21 adopted sound ratemaking methodologies and authorized rates of return that have
22 allowed Atmos Energy to access capital markets on reasonable terms and make
23 necessary investments in the Mid-Tex system to meet these requirements and

1 expectations. The Company's municipal regulators have also been supportive of
2 the Company's capital investments. For more than a decade, the Company has had
3 an annual Rate Review Mechanism ("RRM") tariff in place with approximately
4 400 of the cities ("RRM Cities") served by the Mid-Tex Division. The City of
5 Dallas has a similar mechanism, the Dallas Annual Rate Review ("DARR"). The
6 RRM and DARR tariffs establish a process that allows the Company's municipal
7 regulators to review capital investment and expenses and, as necessary, annually
8 adjust the Company's rates. As part of this review process, municipal regulators
9 render a prudence determination on the capital investment the Company has made
10 in its system over the applicable 12-month period. The RRM Cities recently
11 approved the capital investment made in the Mid-Tex system for the 12-months
12 ended December 31, 2023. The City of Dallas has likewise approved the capital
13 investment made through September 30, 2023.

14 **Q. HOW IS THE COMMISSION'S DECISION IN THIS CASE LIKELY TO**
15 **IMPACT THE COMPANY'S OPERATIONS?**

16 A. For more than a decade, the Company has relied on the stable and predictable
17 regulatory environment provided by the Commission to confidently invest billions
18 of dollars in Texas. This investment has benefited the Company's customers by
19 continuously supporting the safety and reliability of the natural gas distribution
20 system and the availability of human needs services during even the most extreme
21 weather emergencies. To maintain the level of capital investment that is being spent
22 for safety, reliability, and growth purposes, it is essential that the Commission

1 continue to apply its well-established precedent to establish new rates for Mid-Tex
2 in this case.

3 On a more granular level, the Commission's decisions with respect to return
4 on equity and capital structure will, as they always do, have the biggest impact on
5 the ability of the Company to have continued access to capital at a reasonable cost
6 to meet the system's ongoing investment needs. As Company witness Dylan
7 D'Ascendis notes, ratings agencies are keenly aware of the challenges that utilities
8 face when funding large capital investment projects, as well as other aspects of the
9 utility business that impact cash flows. Supportive decisions on return on equity
10 and capital structure from regulators are viewed positively by the ratings agencies.
11 This, in turn, provides the credit ratings by which utilities ultimately finance
12 necessary capital investment. Put differently, better credit ratings result in better
13 financing opportunities and terms for utilities, which ultimately benefit customers
14 through lower debt costs.

15 **Q. HAS THE COMPANY RELIED ON COMMISSION PRECEDENT IN**
16 **DEVELOPING THE SYSTEM-WIDE COST OF SERVICE IN THIS CASE?**

17 A. Yes. Over the last decade, the Commission has established rates for Atmos
18 Energy's Mid-Tex Division, West Texas Division, and APT on multiple occasions.
19 These decisions have provided the Company with regulatory clarity on how the
20 Commission believes rates should be developed and form the basis of the
21 Company's requested system-wide cost of service. In an effort to reduce costs and
22 the complexity associated with this rate filing, Mid-Tex has, with few exceptions,
23 calculated its revenue requirement and updated its Depreciation Studies, the Billing

Determinants Study, and Class Cost of Service Model based on the rate treatments approved by the Commission in these prior rate cases. Mid-Tex has also relied on the Commission's recent decision in a rate case involving Texas Gas Service Company, a division of ONE Gas, Inc. ("TGS") with respect to its requested recovery of compensation and benefits costs, including incentive compensation.³

Q. CAN YOU PROVIDE EXAMPLES OF HOW MID-TEX HAS RELIED ON PREVIOUSLY APPROVED RATE TREATMENTS TO DEVELOP ITS COST OF SERVICE?

A. Yes. These items include, but are not limited to:

- Continued use of Atmos Energy's actual, known and measurable capital structure;
- Continued use of Equal Life Group depreciation methodology to establish depreciation rates;
- Continued use of the cost allocation methodology for SSU expenses approved most recently for Mid-Tex in GUD No. 10742 and APT in Docket No. OS-23-00013758;
- Continued use of 13-month averages for materials and supplies and prepayments;
- Continued use of the methodology used to calculate accumulated deferred income tax balances; and
- Elimination of the 1132 Investor Relations and 1908 SEBP ("Supplemental Executive Benefits Plan") cost centers.

Mid-Tex is also providing market study data in compliance with Tex. Util. Code § 104.060 to support the Company's reasonable and necessary employee

³ *Statement of Intent of Texas Gas Service Company, a Division of ONE Gas, Inc., to Change Gas Utility Rates within the Unincorporated Areas of the West Texas Service Area, North Texas Service Area, and the Borger Skellytown Service Area*, Docket No. OS-22-00009896 consol., Final Order (Jan. 18, 2023).

1 compensation and benefits expense, consistent with the Commission's decision in
2 Docket No. OS-22-00009896.

3 **Q. WHY IS REGULATORY CERTAINTY IMPORTANT IN THE RATE**
4 **SETTING PROCESS?**

5 A. Regulatory certainty, by definition, means stability, predictability, and reliability in
6 the ratemaking process. For regulatory certainty to exist, utilities must have a clear
7 understanding of the structure and rules under which they must operate. This
8 cannot happen if different standards are applied from one case to another. In
9 addition, regulatory certainty provides the stability that utilities require to
10 effectively make and execute long-term system planning and investment decisions.
11 Moreover, consistent regulatory policy is beneficial to all stakeholders, including
12 customers, who benefit from such treatment because it eliminates the need to re-
13 litigate established regulatory policies, such as the use of Atmos Energy's actual
14 capital structure to set rates, in every case. This leads to lower rate case costs which
15 are ultimately borne by customers.

16 **Q. WHAT TEST YEAR WAS USED FOR THIS RATE FILING?**

17 A. The Company's rate filing is based on the financial results for the test year ended
18 June 30, 2024, updated for known changes and conditions that are measurable with
19 reasonable accuracy, including capital investment and capital structure through
20 September 30, 2024. Other known and measurable adjustments included in the rate
21 filing are discussed in the direct testimony of Ms. Myers.

1 **Q. PLEASE PROVIDE AN OVERVIEW OF MID-TEX’S RATE REQUEST.**

2 A. The Company’s cost of service demonstrates a total annual net revenue deficiency
3 of \$207.6 million on a system-wide basis. As shown in Mid-Tex’s filed cost of
4 service data, the net revenue deficiency for Mid-Tex based on a test year ended June
5 30, 2024, as adjusted for known and measurable changes, is approximately \$194.4
6 million, on a system-wide basis, excluding revenue-related taxes. Consistent with
7 prior Commission precedent, this reflects the use of Atmos Energy’s actual capital
8 structure of 39.03% long-term debt and 60.97% equity as of September 30, 2024.
9 Mid-Tex’s cost of service calculation also includes the Company’s actual cost of
10 debt of 4.15% and a proposed cost of equity of 10.85%, which results in a proposed
11 overall weighted cost of capital of 8.23% on a rate base of approximately \$8.0
12 billion.

13 In addition to establishing new base rates, Mid-Tex seeks to recover the
14 remaining interest costs related to the extraordinary gas cost incurred during Winter
15 Storm Uri. This balance, as discussed in Ms. Myers’ direct testimony, has been
16 booked to a deferred capital account consistent with the Regulatory Asset
17 Determination Order in Docket No. OS-21-00007061, the Regulatory Asset Notice

1 issued on February 13, 2021, Notice to Gas Utilities issued on June 17, 2021, and
2 Financing Order in Docket No. OS-21-00007061.⁴

3 **Q. OTHER THAN A CHANGE IN RATES, IS THE COMPANY MAKING ANY**
4 **OTHER REQUESTS IN THIS CASE?**

5 A. Yes. In addition to establishing new rates and recovering its Winter Storm Uri
6 regulatory asset balance, Mid-Tex seeks a finding from the Commission that the
7 capital investments made and reported in Mid-Tex's IRA filings for the period
8 January 1, 2018 through December 31, 2023, as well as the Mid-Tex and SSU-
9 allocated capital investment that has placed into service between January 1, 2024
10 through September 30, 2024, are used and useful and were prudently incurred. This
11 includes investment made pursuant to 16 Texas Administrative Code § 8.209 which
12 relates to *Distribution Facilities Replacements*, as well as other capital projects.
13 Mr. Knights details and supports the prudent capital investment that Mid-Tex has
14 made in its system to enhance system safety and reliability and respond to growth
15 and the increasingly stringent federal and state regulatory requirements applicable
16 to the Mid-Tex system.

⁴ *Consolidated Applications for Customer Rate Relief and Related Regulatory Asset Determinations in Connection with the February 2021 Winter Storm*, Docket No. OS-21-00007061 consol., Regulatory Asset Determination Order (Nov. 10, 2021); Railroad Commission of Texas, *Notice to Local Distribution Companies, Procedure for Gas Utilities to File an Application for Regulatory Asset Determination Pursuant to H.B. No. 1520, Texas Utilities Code, chapter 104, subchapter I, and Participate in Securitization of Extraordinary Costs Incurred as a Result of the February 2021 Winter Weather Event* (Feb. 13, 2021); Railroad Commission of Texas, *Notice to Gas Utilities, Procedure for Gas Utilities to File an Application for Regulatory Asset Determination Pursuant to H.B. No. 1520, Texas Utilities Code, chapter 104, subchapter I, and Participate in Securitization of Extraordinary Costs Incurred as a Result of the February 2021 Winter Weather Event* (Jun. 17, 2021); Docket No. OS-21-00007061 consol., Financing Order (Feb. 8, 2022).

Mid-Tex also seeks:

- To establish new depreciation rates for Mid-Tex’s plant assets, as well as the plant assets held by Atmos Energy’s SSU;⁵
- To adopt two new tariffs and make certain revisions to its existing tariffs;
- A Commission finding that it has correctly reflected changes to utility rates to account for all the impacts of the lowered federal corporate income tax rate consistent with the Accounting Order issued in GUD No. 10695;⁶
- Approval to record certain Cloud Computing costs as a capital investment recoverable through its annual IRA filings;
- To increase the lodging limitation (to become effective with such expenses incurred subsequent to this test year for future rate proceedings) to the level that has been approved as reasonable by the Commission in recent rate proceedings;⁷ and
- To recover all of its reasonable rate case expenses, as well as any expenses the Commission orders to be reimbursed to other parties for their participation in this case through a surcharge to rates.

Q. PLEASE DESCRIBE CLOUD COMPUTING AND THE COMPANY’S REQUEST IN THIS CASE.

A. Cloud computing is the delivery of Information Technology (“IT”) products, including servers, storage, databases, networking and software, over the internet or “cloud.” The Company does not take physical possession of the software or hardware because it is owned, hosted, and maintained by a third-party provider. To utilize the capabilities of these products, the Company pays an annual fee for the use of the software, the hosting services and necessary maintenance. Examples of

⁵ Company witness Dane A. Watson addresses and supports the Company’s depreciation rate request.

⁶ Company witness Barbara Myers addresses this request in her direct testimony.

⁷ See *Statement of Intent of Texas Gas Service Company, a Division of ONE Gas, Inc., to Change Gas Utility Rates Within the Unincorporated Areas of the Central Texas Service Area and Gulf Coast Service Area*, GUD No. 10928 consol., Final Order at Finding of Fact (“FoF”) No. 72 (Aug. 4, 2020).

1 Atmos Energy's cloud computing implementations and subscriptions include
 2 digital construction management, supplier management, data analytics, leak survey
 3 data management, emergency callout systems, productivity support, business
 4 continuity services, customer billing and relationship management, human
 5 resources management, collaboration services, budgeting and planning, ticket
 6 management solutions, and regulatory reporting, accounting, and audit support.
 7 These programs are essential for the Company's ability to provide safe and reliable
 8 service to customers. The Company proposes to capitalize all cloud computing
 9 costs with contract terms greater than one year that cost more than \$50,000 in
 10 Federal Energy Regulatory Commission ("FERC") account 399.08 and to include
 11 this capital investment for recovery in its IRA filings. Ms. Myers explains why
 12 these amounts are appropriately included in rate base in her direct testimony.

13 **Q. HAS THE COMMISSION APPROVED THE CAPITALIZATION OF**
 14 **CLOUD COMPUTING COSTS IN OTHER RATE PROCEEDINGS?**

15 A. Yes. The Commission has authorized TGS to capitalize its cloud computing costs
 16 and recover these amounts in future IRA filings.⁸ The Commission similarly
 17 concluded that CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy
 18 Entex and CenterPoint Energy Texas Gas Energy Entex could capitalize 100% of
 19 its cloud computing costs to FERC account 186 and recover those costs in an IRA
 20 filing.⁹

⁸ See *id.* at FoF No. 70; Docket OS-22-00009896 consol., Final Order at FoF Nos. 51-52. TGS ultimately records these costs to gas plant account 391.99 - Cloud Computing.

⁹ See, e.g., *Statement of Intent of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas to Change Rates in the Unincorporated Areas and Municipalities that have Ceded Jurisdiction Within the Houston, Texas Coast, Beaumont/East Texas, and South Texas Divisions*, Docket No. OS-23-00015513 consol., Final Order at FoF No. 50 (Jun. 25, 2024).

1 **Q. IS THE COMPANY ALSO REQUESTING CHANGES TO ITS FILED**
2 **TARIFFS IN THIS PROCEEDING?**

3 A. Yes. As part of its continuous improvement efforts, Atmos Energy is undertaking
4 a review of the rate schedules and service rules and policies outlined in Atmos
5 Energy’s tariffs across the eight states it serves. The revisions proposed by the
6 Company in this case will modernize the language to reflect current operations,
7 clarify the responsibilities of the utility and its customers, and correct any
8 inadvertent errors or inconsistencies in the language. As a result of this review, the
9 Company is proposing modifications to: (1) the Definitions section in its tariff; (2)
10 the Quality of Service Rules; (3) the Residential, Commercial, Industrial, and
11 Transportation Rate Schedules; (4) the Rider TAX – Tax Adjustment; (5) Rider RA
12 – Retention Adjustment; (6) Rider GCR – Gas Cost Recovery; and (7) Rider CT –
13 Competitive Transport. The Company also proposes to modify its Rider WNA to
14 update the heat load and base load factors. A redline version of all proposed tariff
15 changes is included as part of the Company’s Statement of Intent filing.

16 **Q. WHY DO WNA FACTORS NEED TO BE COMPUTED WHEN BASE**
17 **RATES ARE CHANGED?**

18 A. In order for the WNA tariff to operate most effectively, the factors that underlie the
19 calculation should be synchronized using the same Billing Determinants Analysis
20 (“BDA”) study utilized to establish base rates. The BDA produces the annual,
21 weather normalized volumes for each weather station.

1 **Q. HOW ARE NEW WNA FACTORS COMPUTED?**

2 A. The Company computes the base load (“BL”) factor as the average usage per
3 customer during the billing months of July, August and September 2023 for the
4 Residential and Commercial customer classes. The annual base load for the
5 customer segment is deducted from the total normalized volume from the BDA to
6 compute the total annual heating load. The total annual heating use divided by the
7 average number of customers and divided by the normal heating degree days
8 derives the Heating Sensitive Factor (“HSF”) used in the WNA tariff. This
9 calculation is performed for each weather station, for both Residential and weather-
10 sensitive Commercial customer classes.

11 **Q. PLEASE SUMMARIZE THE REVISIONS THE COMPANY SEEKS TO**
12 **MAKE TO ITS QUALITY OF SERVICE RULES.**

13 A. Generally, the Company is proposing revisions to provide additional clarity
14 regarding the rights and responsibilities of the Company and its customers. For
15 example, the Company is proposing new language to make clear that the Company
16 is not responsible for loss or damages that are unattributable to the Company’s
17 negligence, events that occur after the point of delivery; interruption of service; or
18 force majeure. The proposed revisions to the Company’s Quality of Service rules
19 are provided in redline as part of the Company’s Statement of Intent filing.

1 **Q. PLEASE SUMMARIZE THE REVISIONS THE COMPANY SEEKS TO**
2 **MAKE TO THE LINE EXTENSION POLICY IN ITS QUALITY OF**
3 **SERVICE RULES.**

4 A. The Company is proposing to more clearly identify the policy under the
5 Construction Section of the quality of service rules. The Company also proposes
6 to revise and/or clarify its line extension policy in three ways. First, the language
7 now makes clear that the policy applies to both residential and commercial
8 customers. The proposed revisions also make clear that the policy applies to
9 distribution mains. Previously, the policy had included the broader term “pipeline
10 system” which could have been misinterpreted to include additional facilities not
11 subject to the extension policy. Second, the proposed language makes clear that
12 the standard footage allowance of seventy-five feet is only available for new or
13 additional services requested by individual residential and commercial customers.
14 This is intended to clarify that the footage allowance is not available to industrial
15 customers, nor were main extensions intended to be available at the request of those
16 who are not customers of the utility. Finally, the Company seeks to clarify that
17 customers must sign agreements providing for reimbursement of the additional
18 costs of main extensions that do not fall within the scope of the footage allowance.

19 **Q. DO THESE REVISIONS REPRESENT A MATERIAL DEPARTURE**
20 **FROM THE COMPANY’S PREVIOUS POLICY?**

21 A. No. The footage allowance and application of the line extension policy have
22 remained essentially the same. Additionally, the existing line extension policy
23 language provides for pre-payment, reimbursement, or adequate security for main

1 extensions exceeding seventy-five feet. The revised language simply requires that
2 the customer sign an agreement providing for that reimbursement.

3 **Q. PLEASE SUMMARIZE THE REVISIONS THE COMPANY SEEKS TO**
4 **MAKE TO ITS RESIDENTIAL, COMMERCIAL, INDUSTRIAL, AND**
5 **TRANSPORTATION RATE SCHEDULES.**

6 A. In addition to implementing new rates, the Company proposes to clarify that state
7 and local taxes assessed under Rider TAX are applicable to these customer classes.
8 In addition, the Company seeks to more clearly describe the service currently
9 provided under the Transportation (“Rate T – Transportation”) rate schedule by
10 including volume and load factor metrics in the tariff to reflect the service that is
11 currently provided and ensure that the rate charged for this service aligns with the
12 cost of service and revenue received from customers. The revisions do not impact
13 any existing customer, service offering, or rate charged by the Company. Rather,
14 the changes make clear that customers with a usage above this threshold do not
15 qualify for this customer class. Instead, customers with usage above this threshold
16 will be allowed to take service pursuant to special contract arrangements.

17 **Q. PLEASE SUMMARIZE THE COMPANY’S REQUEST WITH REGARD**
18 **TO ITS RIDER TAX – TAX ADJUSTMENT.**

19 A. The Rider TAX is being revised to address timing issues created by changes that
20 may be made to federal and state tax rates. Company witness Joel Multer more
21 fully discusses the need for this revision in his direct testimony.

1 **Q. PLEASE SUMMARIZE THE REVISIONS THE COMPANY SEEKS TO**
 2 **MAKE TO RIDER – RA AND RIDER – CT.**

3 A. The proposed changes are being made to remove references to tariffs that are not
 4 used by the Mid-Tex Division. Specifically, the Company proposes to remove
 5 references to Rate CGS and Rate PT in Rider – RA. The Company also proposes
 6 to remove references to Rate PT in the Rider – CT. Finally, the Company is
 7 lowering the retention adjustment percentage found in Rider – RA.

8 **Q. IS THE COMPANY ALSO PROPOSING TO ADOPT SEVERAL NEW**
 9 **RIDERS?**

10 A. Yes. The Company proposes to adopt Rider SSI – System Safety and Integrity
 11 (“SSI”) and Rider SUR-Surcharges. The Rider SSI will allow the Company to
 12 recover third-party O&M expenses incurred for certain safety and compliance
 13 activities consistent with federal and state regulations for which (1) the activities
 14 are ongoing into the future, (2) the expenses are expected to fluctuate from year to
 15 year and (3) the fluctuating costs are separately trackable and related only to third-
 16 party contractor costs. Mr. Knights and Ms. Myers discuss the Rider SSI request
 17 in greater detail in their direct testimonies. The Company also proposes to adopt
 18 Rider SUR – Surcharges, which will provide for: (1) the proposed one-year
 19 recovery of the outstanding balance related to Winter Storm Uri interest expense,
 20 (2) the recovery of authorized rate case expenses, (3) the refund of uncertain tax
 21 provisions related to FASB ASC 740-10 (FIN 48)¹⁰; (4) future recovery of Rider

¹⁰ As explained further in the testimony of Company witness Joel Multer at 5-6, uncertain tax positions (“UTPs”) are commonly known as “FIN 48” in reference to Financial Accounting Standards Board Interpretation No. 48 which provided the accounting guidance prior to codification as ASC 740.

1 SSI amounts, if approved; and, (5) the refund/collection of the residual unprotected
2 Excess Deferred Income Tax (“EDIT”) balance to unincorporated customers
3 established in Case No. 00006913.¹¹ Ms. Myers discusses these items in her
4 testimony.

5 **Q. WHAT CHANGE IN RATES WILL THE AVERAGE CUSTOMER**
6 **EXPERIENCE AS A RESULT OF THE RATES PROPOSED IN THIS**
7 **FILING?**

8 A. In this case, Mid-Tex is asking the Commission to recognize that the reasonable
9 and necessary investment that has been made in the Mid-Tex system, as well as the
10 costs of operating this system requires a change in revenues on a system-wide basis
11 of \$207.6 million or 7.78%, including gas cost. However, as this rate filing applies
12 only to the unincorporated areas within the Mid-Tex Division, the revenues
13 received from the unincorporated areas would change \$10.8 million, or 8.69%,
14 including gas cost.

15 If approved, the Company’s proposed rates will increase the bill of an
16 average residential customer within the unincorporated areas by approximately
17 \$8.64 per month, or 10.05%, based on current gas prices. Notably, residential
18 customers will see no change in the current customer charge. Instead, the revenue
19 deficiency will be recovered through a proposed increase to the residential
20 customers’ volumetric rate. The average commercial, industrial, and transportation

¹¹ See *Atmos Energy Corp., Mid-Tex Division’s Notice of Intent to Reduce Rates Established in GUD No. 10742 Pursuant to Section 104.111 of the Gas Utility Regulatory Act*, Case No. 00006913, Approval Letter (Aug. 9, 2021). Ms. Myers discusses the remaining EDIT balance to be refunded in her direct testimony.

1 customer served within the unincorporated areas will experience no increase in their
2 average bill if the Company's proposed rate design is approved.

3 **Q. CAN YOU BRIEFLY EXPLAIN THE RATE DESIGN INCORPORATED IN**
4 **THIS FILING THAT YIELDS THE ABOVE-REFERENCED RESULTS?**

5 A. Yes. Based on the class cost of service study ("CCOS") prepared by Company
6 witness Paul Raab, the Company is proposing to maintain the customer charges for
7 all customer classes at their current level. Commercial, industrial, and
8 transportation customers would also see no change in the current volumetric rate.
9 To address the existing revenue deficiency, residential customers would see an
10 increase in their volumetric rate. As explained in Mr. Raab's testimony, while
11 maintaining the existing customer charges will not allow the Company to recover
12 all of its fixed costs of service through fixed charges, the proposal, in this instance,
13 offers a reasonable approach to provide customers with rate stability in this case,
14 while also recognizing the fixed and variable elements of the cost of providing
15 natural gas distribution service.

16 **Q. IF APPROVED, HOW WILL THE PROPOSED RATE DESIGN**
17 **REFLECTED IN THIS CASE IMPACT FUTURE IRA FILINGS?**

18 A. Tex. Util. Code § 104.301(a) allows Atmos Energy to make an annual, interim rate
19 adjustment "in the utility's monthly customer charge or initial block rate to recover
20 the cost of changes in the investment in service for gas utility services."
21 Historically, the Company has adjusted the customer charge of each customer class
22 rather than the volumetric charges. If the proposed rate design is approved, the
23 Company plans to adjust the initial block rate of the volumetric charge in each

1 customer class to reflect the annual interim rate adjustment for the first three IRA
2 filings subsequent to the conclusion of this general rate case. After these first three
3 filings, Atmos Energy will reassess the appropriateness of recovery through the
4 customer charge versus the initial block rate and make a decision as to which
5 approach to use for the following three filings.

6 **IV. OVERVIEW OF COMPANY WITNESS TESTIMONY**

7 **Q. PLEASE BRIEFLY SUMMARIZE THE TESTIMONY OF THE OTHER**
8 **ATMOS WITNESSES IN THIS CASE.**

9 A. In addition to my testimony, the Company will present the direct testimony and
10 exhibits of nine witnesses.

- 11 • **Ms. Barbara W. Myers**, SSU Manager of Rates and Regulatory Affairs,
12 sponsors the Company's books and records, as well as a number of
13 ratemaking adjustments proposed by Atmos Energy in this docket. Ms.
14 Myers addresses the SSU cost allocation manual which describes the
15 methodology for cost allocation within the company and explains Atmos
16 Energy's corporate structure. Ms. Myers also testifies in support of the
17 overall rate base to be used in this proceeding, the calculation of the overall
18 cost of service and provides testimony concerning the regulatory assets
19 related to the Company's Rule § 8.209 investment spending and Pension
20 and Other Postemployment Benefits. Ms. Myers also co-sponsors the
21 proposed calculation of the Rider SSI and amounts to be recovered or
22 refunded under Rider SUR. Finally, Ms. Myers sponsors the affidavit of
23 Derek W. Boyd, Atmos Energy's Director of Security and Risk
24 Management, which demonstrates that the services and related costs
25 associated with Blue Flame Insurance Services, Ltd. comply with the
26 requirements of Tex. Util. Code § 104.055(b).
- 27 • **Mr. Jeffrey Knights**, SSU Director of Enterprise Systems and Integrity,
28 testifies concerning the reasonableness and necessity of the Mid-Tex
29 Division's capital investment included in this filing. Mr. Knights also
30 supports the need for the SSU capital investment. He also addresses the
31 prudence request for capital investment from January 1, 2018, to September
32 30, 2024, including the capital investment that was included in prior IRA
33 filings for the unincorporated areas of Mid-Tex. Mr. Knights also testifies
34 concerning the reasonableness and necessity of the Mid-Tex Division's
35 O&M expense included in this filing, as well as the requested recovery of

1 SSU O&M expenses. Mr. Knights also explains and supports the need for
2 the proposed Rider SSI.

- 3 • **Ms. Shelly Mullins**, Director Compliance & Talent Acquisition, Atmos
4 Energy Corporation, attests to the reasonableness of the Company's
5 compensation program, including base salaries, wages, and incentive
6 compensation, and Mid-Tex's compliance with Tex. Util. Code § 104.060,
7 which entitles Mid-Tex to the presumption that these expenses are
8 reasonable and necessary.
- 9 • **Ms. Shele Boles**, Director of Benefits, Atmos Energy Corporation, attests
10 to the reasonableness of the employee benefits offered by Atmos Energy
11 and supports a determination that the benefits and related costs included in
12 Mid-Tex's cost of service satisfy the requirements of Tex. Util. Code
13 § 104.060.
- 14 • **Mr. Joel Multer**, Vice President of Tax, Atmos Energy Corporation,
15 supports the proposed revisions to the Company's Rider Tax – Tax
16 Adjustment tariff. Mr. Multer also discusses the amounts related to FIN 48
17 and the treatment of the remaining balance of protected EDIT.
- 18 • **Mr. Dan Dane**, Executive Vice President, Concentric Energy Advisors,
19 testifies to the appropriate level of cash working capital for Mid-Tex to be
20 used in this proceeding.
- 21 • **Mr. Dylan D'Ascendis**, Partner of ScottMadden, Inc. testifies concerning
22 the appropriate cost of equity, capital structure, and overall rate of return to
23 be set in this proceeding.
- 24 • **Mr. Dane Watson**, Partner, Alliance Consulting, sponsors and supports the
25 depreciation studies conducted for Mid-Tex and the Company's SSU assets,
26 as well as the resulting depreciation rate changes proposed for adoption.
- 27 • **Mr. Paul H. Raab**, President of Paul H. Raab Economic Consulting, Inc.,
28 provides testimony concerning class cost allocation and rate design. Mr.
29 Raab also sponsors the billing determinate analysis.

30 V. RATE CASE EXPENSES

31 **Q. HOW DOES THE COMPANY PROPOSE TO HANDLE RATE CASE**
32 **EXPENSES IN THIS PROCEEDING?**

33 A. The Company requests recovery of its reasonable rate case expenses, as well as any
34 reasonable rate case expenses that it is required to reimburse the unincorporated

1 areas in this case through a surcharge to those customer rates that are affected by
2 this proceeding. The Company requests that the Commission address the
3 appropriate level of recoverable rate case expenses at a later point during the
4 proceeding when such expenses will be known and measurable, such as after the
5 Commission has issued its final order and motions for rehearing, if any, have been
6 overruled.

7 **Q. PLEASE DESCRIBE GENERALLY THE TYPES OF EXPENSES THAT**
8 **WILL BE INCURRED BY THE COMPANY IN THIS PROCEEDING.**

9 A. The Company will incur direct expenses such as copying, postage and printing
10 expense, certain expenses of an incremental nature for those Company employees
11 that travel, as well as the expense associated with providing public notice through
12 direct mail. The Company will also incur expenses associated with legal expertise
13 and consulting expertise in connection with this case. All of these categories of
14 expense will continue to be incurred through the duration of this proceeding.

15 **Q. WHAT ACTIONS HAS MID-TEX TAKEN TO ASSURE THAT THE RATE**
16 **CASE EXPENSES ARE REASONABLE?**

17 A. I am responsible for overall case management of this proceeding. Either I or those
18 working at my direction are responsible for the overall preparation and presentation
19 of the case, including management responsibility for outside attorneys, outside
20 consultants, and in-house witnesses as well as Company staff who prepared the
21 Filing Package. We review invoices from outside attorneys and witnesses for the
22 nature of work performed, appropriate billing rates, overall reasonableness and

necessary supporting documentation. If an expense does not appear to relate directly to this case, it will not be included as a case expense.

VI. DESCRIPTION OF SPONSORED SCHEDULES

Q. PLEASE DESCRIBE EACH OF THE SCHEDULES YOU SPONSOR IN THE COMPANY'S COST OF SERVICE MODEL.

A. In the Cost of Service model in this proceeding, I sponsor Schedules A-1, H and I. I also sponsor schedules SEC-2 and SEC-2.1 included in the Other Supporting Documents section.

Q. PLEASE FURTHER DESCRIBE SCHEDULE A-1.

A. Schedule A-1 computes both the current and proposed revenues applicable to each Service Class. The three primary components of revenue are Base Revenue, Rider GCR and taxes from Franchise Fee Adjustment ("Rider FF") and Tax adjustment ("Rider TAX"). The total revenue change requested in these proceedings for the unincorporated areas, including incremental taxes, is an increase of 8.69%. The percentage of Base Revenue change for each customer class in the unincorporated areas is: Residential increase of 15.42%, an increase in Commercial of 0% and Industrial & Transportation increase of 0%. Miscellaneous Service Revenues are unchanged since rates and fees for miscellaneous service charges are not proposed to change in this proceeding.

Q. PLEASE DESCRIBE SCHEDULE H OF THE COST OF SERVICE FILING.

A. Schedule H estimates the commodity gas costs (revenues) for the Residential, Commercial and Industrial customer classes based upon normalized, pro-forma usage. These commodity gas costs are recovered through Part A of Rider GCR. The unit gas costs per month are equal to the Estimated Gas Cost Factor of the

1 Company Gas Cost Recovery filings for the period from July 2023 through June
2 2024.

3 **Q. PLEASE DESCRIBE SCHEDULE I OF THE COST OF SERVICE FILING.**

4 A. Schedule I estimates Part B gas costs (revenues) that recover upstream capacity and
5 transportation charges for the delivery of commodity gas supply. The total annual
6 GCR Part B costs are estimated based upon current upstream pipeline rates,
7 established billing units for capacity charges and usage charges, and pro-forma
8 billing determinants (converted to MMBtu and adjusted for L&U) for computation
9 of commodity charges.

10 **Q. PLEASE DESCRIBE SCHEDULES SEC-2 AND SEC-2.1.**

11 A. Schedules SEC-2 and SEC-2.1 relate to the Securitization Regulatory Asset
12 financing costs for the period of September 1, 2022 through March 31, 2023 related
13 to Winter Storm Uri. These schedules identify the amounts the Company is seeking
14 to recover which were not included in the Securitization Order and are consistent
15 with the letter issued by the Commission in Case No. 00011858, which clarified
16 the recovery of incremental carrying costs for a gas utility participating in the
17 securitization process.¹² These amounts are not included in any other proceeding.

18 **VII. CONCLUSION**

19 **Q. DO YOU HAVE ANY CLOSING REMARKS?**

20 A. Yes. The purpose of this rate case is to provide the opportunity for the Commission
21 to review the capital investment made in Mid-Tex's system since its last rate case,
22 to allow new rates to be established based on the current, actual costs of operating

¹² *Request for Clarification Related to the Regulatory Asset Determination Pursuant to House Bill 1520*, Case No. 00011858, Commission Correspondence (Dec. 21, 2022).

1 the Mid-Tex system, and to afford the Company the opportunity to earn a
2 reasonable return on its investment.

3 For over a decade, the Commission's consistent regulatory treatment in
4 establishing rates for Mid-Tex based on Atmos Energy's actual capital structure
5 and a reasonable return on equity has allowed the Company to successfully compete
6 for capital that has been spent to fortify or replace existing infrastructure and build
7 new systems so that all customers receive the safe and reliable service they deserve.
8 This precedent, combined with the Company's disciplined financial approach and
9 adherence to its core values, has also enabled the Company to maintain its credit
10 rating so it can access the credit markets on reasonable terms to obtain the capital
11 required to invest in system safety and reliability, and to successfully operate
12 through catastrophic weather events such as Winter Storm Uri.

13 The sound public policy resulting from the Commission's prior decisions
14 continues to be applicable today. For that reason, absent changed circumstances
15 (e.g. the new statute affecting compensation and benefits expense recovery), Mid-
16 Tex has made every effort to apply the decisions reached by the Commission in the
17 Company's prior rate cases to the adjusted test year data in this filing. When those
18 decisions are applied to the Company's actual, current costs, it is clear that the relief
19 requested by the Company in this filing is reflective of its current and ongoing
20 operating and financial needs and that the proposed rates are just, reasonable, and
21 should be adopted by the Commission.

22 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

23 **A.** Yes.

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

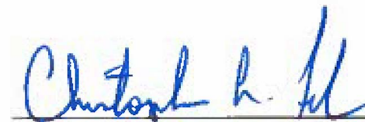
AFFIDAVIT OF CHRISTOPHER A. FELAN

BEFORE ME, the undersigned authority, on this day personally appeared Christopher A. Felan who having been placed under oath by me did depose as follows:

1. “My name is Christopher A. Felan. I am of sound mind and capable of making this affidavit. The facts stated herein are true and correct based upon my personal knowledge. My current position is Vice President of Rates and Regulatory Affairs in the Mid-Tex Division of Atmos Energy Corporation.

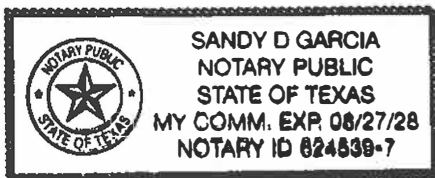
2. I have prepared the foregoing Direct Testimony and the information contained in that document is true and correct to the best of my knowledge.”

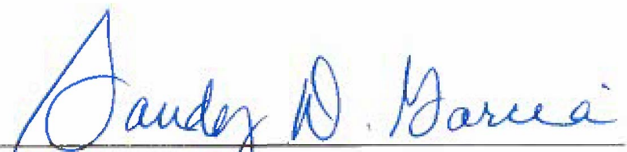
Further affiant sayeth not.



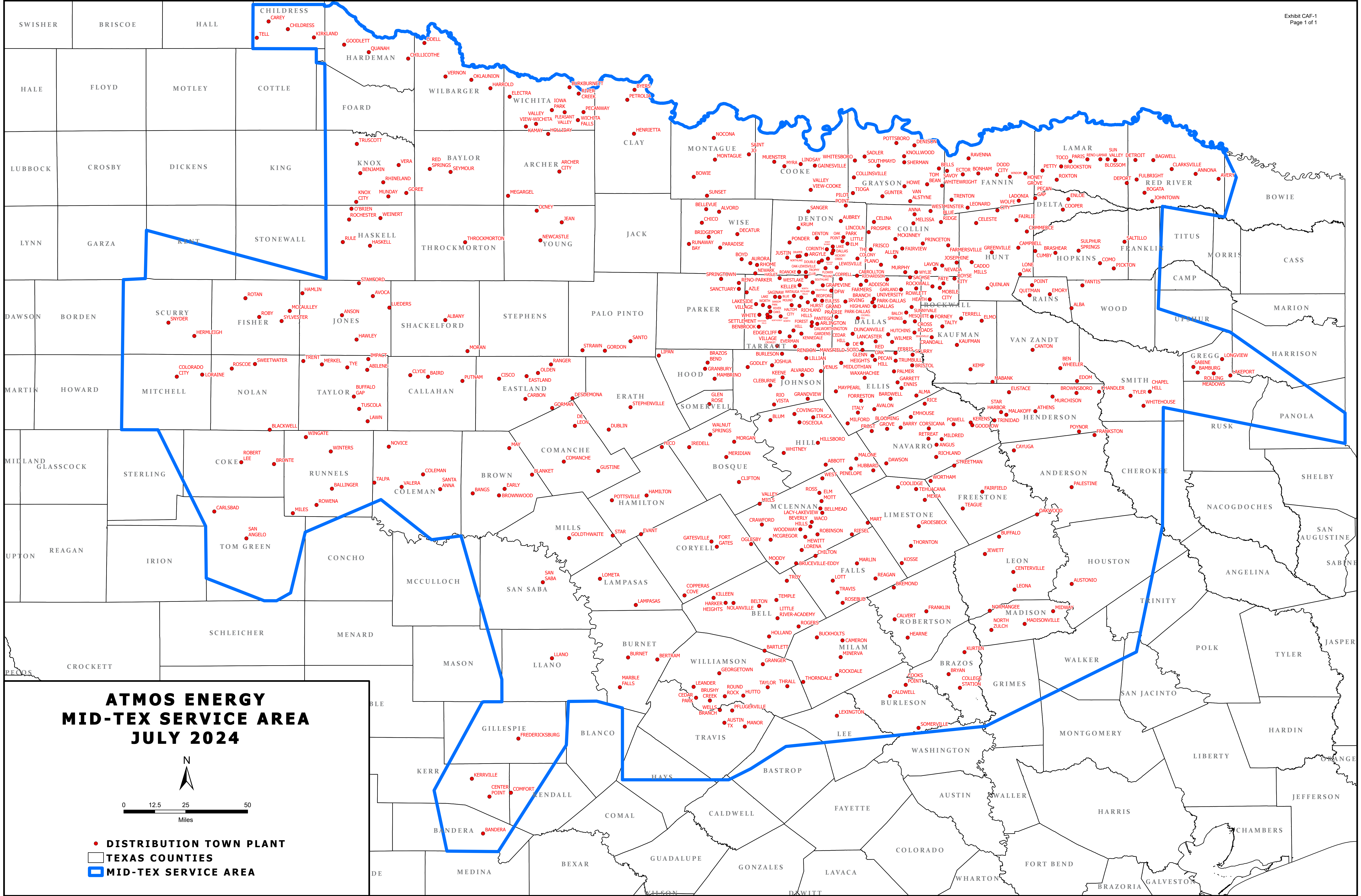
Christopher A. Felan

SUBSCRIBED AND SWORN TO BEFORE ME by Christopher A. Felan on this 6th
day of November 2024.

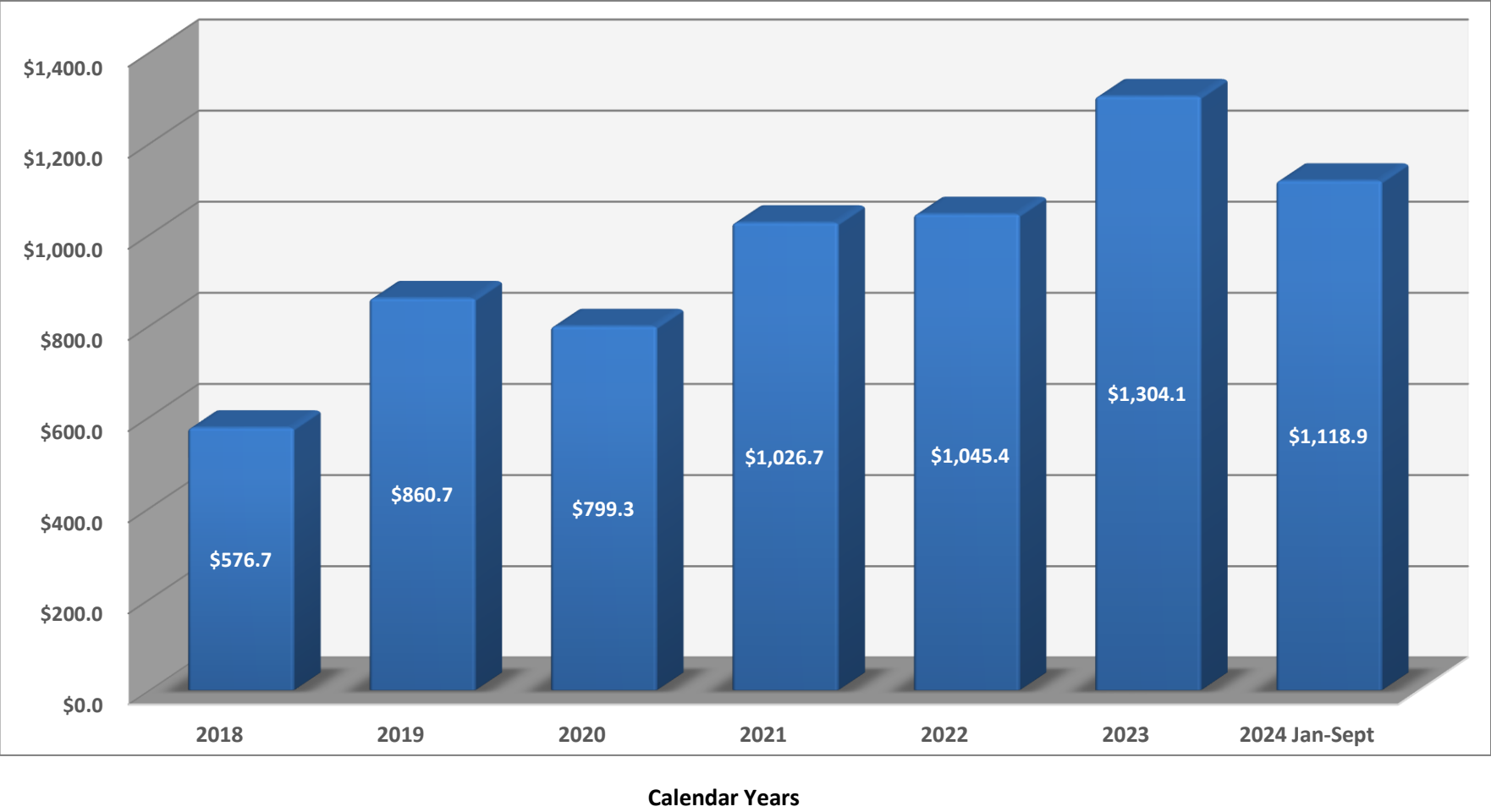




Notary Public in and for the State of Texas



Mid-Tex Capital Expenditures (in Millions)



WORKPAPERS
TO
DIRECT TESTIMONY
OF
CHRISTOPHER A. FELAN

Workpapers to the Direct Testimony of Christopher A. Felan are being provided in electronic format.

CASE NO. 00019196

STATEMENT OF INTENT FILED BY	§	
ATMOS ENERGY CORP. TO CHANGE	§	RAILROAD COMMISSION
GAS UTILITY RATES WITHIN THE	§	
UNINCORPORATED AREAS OF THE	§	OF TEXAS
MID-TEX DIVISION	§	

DIRECT TESTIMONY

OF

BARBARA W. MYERS

WITNESS FOR

ATMOS ENERGY CORP., MID-TEX DIVISION

November 18, 2024

CASE NO. 00019196
INDEX TO THE DIRECT TESTIMONY OF
BARBARA W. MYERS, WITNESS FOR
ATMOS ENERGY CORP., MID-TEX DIVISION

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LIST OF EXHIBITS

EXHIBIT BWM-1	Cost Allocation Manual
EXHIBIT BWM-2	Affidavit of Derek W. Boyd, Director of Security and Risk Management

DIRECT TESTIMONY OF BARBARA W. MYERS

I. POSITION AND QUALIFICATIONS

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Barbara W. Myers. My business address is 5420 LBJ Freeway, Suite 1600, Dallas, Texas, 75240.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Atmos Energy Corporation (“Atmos Energy” or the “Company”), Shared Services (“SSU”) as Manager, Rates and Regulatory Affairs.

Q. PLEASE OUTLINE YOUR EDUCATIONAL AND PROFESSIONAL QUALIFICATIONS.

A. I graduated from Oklahoma State University in 1985 with a Bachelor of Science degree in Accounting. Following graduation, I was employed by ENSERCH Corporation (later known as TXU Gas Company). I worked in various staff, supervisory and management gas accounting assignments. I became Gas Regulatory Accounting Manager for TXU Gas Company in 2000 and continued as the Regulatory Accounting Manager when Atmos Energy acquired the assets of TXU Gas Company on October 1, 2004. I assumed my current position in 2012 as Manager, Rates and Regulatory Affairs.

Q. ARE YOU A MEMBER OF ANY PROFESSIONAL ORGANIZATIONS?

A. Yes. I am licensed as a Certified Public Accountant (“CPA”) in the State of Texas.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE RAILROAD COMMISSION OF TEXAS (“COMMISSION”)?

A. Yes. I have testified before the Commission in Gas Utilities Docket (“GUD”) Nos. 9145-9147, 9530, 9670, 9762, 9732, 9869, 10000, 10170, 10174, 10359,

1 10580, 10640, 10742, 10743, 10779, 10855, 10900, Docket Nos. OS-21-00007061
2 and OS-23-00013758.

3 **Q. HAVE YOU PREPARED ANY EXHIBITS IN CONNECTION WITH YOUR**
4 **TESTIMONY?**

5 A. Yes. I have prepared and sponsor the exhibits listed in the table of contents.

6 **Q. WERE YOUR EXHIBITS AND TESTIMONY PREPARED BY YOU OR**
7 **UNDER YOUR DIRECTION?**

8 A. Yes, they were.

9 **II. PURPOSE OF TESTIMONY**

10 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

11 A. The purpose of my testimony is as follows:

- 12 • to present the Mid-Tex Division's ("Mid-Tex") revenue requirements model,
13 which supports the increase in base revenues Mid-Tex is requesting in this
14 proceeding;
- 15 • to support the historical books and records of Atmos Energy;
- 16 • to discuss the Company's compliance with the Commission's Rules §§ 7.310
17 7.503 and 8.209;
- 18 • to discuss the Company's compliance with Texas Utilities Code ("Tex. Util.
19 Code") §§ 104.055, 104.059 and 104.060;
- 20 • to discuss the Company's Cost Allocation Manual ("CAM"), which describes
21 the methodology for cost allocations within the Company;
- 22 • to discuss the SSU and Mid-Tex cost allocations;
- 23 • to discuss Mid-Tex's rate base calculation and the calculation of most of the
24 items in rate base;
- 25 • to discuss the proposed Mid-Tex ratemaking adjustments included in the filing
26 for the test period; and

- to explain and support the handling of items not included in the revenue requirements model, which include: regulatory assets and liabilities, the addition of a System Safety and Integrity (“SSI”) Rider and related benchmark, and a reconciliation of the unprotected Excess Deferred Income Tax (“EDIT”) Regulatory Liability refund to customers.

III. REVENUE REQUIREMENTS MODEL

Q. WHAT IS THE TEST PERIOD USED IN DETERMINING THE REVENUE DEFICIENCY?

A. The test period in this case is the twelve months ended June 30, 2024.

Q. PLEASE EXPLAIN HOW THE REVENUE REQUIREMENT WAS COMPUTED.

A. The Cost of Service filing employed in this proceeding is structured in a similar manner to those used by Atmos Energy in prior filings before the Commission. The revenue requirements of Mid-Tex are reflected in Mid-Tex’s Rate Filing Package in this case. Schedules A and A-1 summarize the Revenue Requirements by Service Class and the proposed change by class. I, along with Company witnesses Christopher Felan and Paul Raab sponsor these schedules. Schedule B summarizes Rate Base, including the amounts per book as of June 30, 2024, and the adjustments used to derive the Rate Base requested in this filing. Schedules C, D, E and Workpapers (“WP”) B-1, B-2, B-3, B-4, B-5, B-6, B-6.2, B-7, B-7.1, and E-1 provide supporting calculations of Rate Base components feeding into Schedule B. Schedules F-1 through F-7 and WPs F-2.1 through F-2.11, F-5.1 and F-5.2 provide supporting calculations for other Revenue Requirements components including Operation and Maintenance Expenses (“O&M”) (F-1 and F-2), Depreciation and Amortization Expenses (F-3), Depreciation Rates (F-4) and Taxes Other Than Income Taxes (F-5), Income Taxes (F-6) and Interest on Customer Deposits (F-7).

1 WPs F-2.1 through F-2.11, F-5.1 and F-5.2 provide additional supporting
2 calculations for O&M and Taxes. Schedule G provides the Summary of Return.
3 Schedule H provides Calculation of Rider GCR Part A. Schedule I provides the
4 Calculation of Rider GCR Part B. Schedule J provides the Summary of Current
5 and Proposed Rate Structure. WP-J-1 provides the Summary Proof of Revenue at
6 Current Rates. WPs J-1.1, J-1.2 and J-1.3 provide the Calculation of Current
7 Revenues by Area. WP_J-2 provides Other Revenues, WP_J-2.1 provides the Non-
8 Standard Contract Margins. WP_J-3 shows the Typical Bill Comparison and J-3.1
9 shows the Average Bill Comparison. WP_J-4 provides the Summary Proof of
10 Revenue at Proposed Rates. WPs J-4.1, J-4.2 and J-4.3 provide the Calculation of
11 Proposed Revenue by Area. Allocation Factors provide the current allocation
12 factors utilized in the filing for Shared Services. Rate Design is sponsored by Mr.
13 Raab. Class Cost of Service Schedules (Rate Design through Tax-CCS8) are
14 described and sponsored by Mr. Raab.

15 Following the Cost of Service and Class Cost of Service Schedules are
16 Other Supporting Documents (“OSD”) which are providing calculation details for
17 the following items: Schedule SSI Benchmark (Schedule SSI-1) and SSI
18 Benchmark Adjustments (Schedule SSI-1.1) provide the details supporting the
19 proposed Rider SSI benchmark and any related adjustments. Securitization Interest
20 Surcharge (Schedule SEC-2) and Securitization Interest Impact (Schedule SEC-
21 2.1) provides the calculation of financing costs for Winter Storm Uri for the period
22 of September 1, 2022 through March 31, 2023, Schedule EDIT Reconciliation
23 Surcharge provides a summary of amounts refunded and remaining to be refunded

1 or collected from customers along with supporting schedules (Schedules EDIT-3,
2 3.1 and 3.2), Schedule FASB ASC 740-10 (“FIN48”) Refund (Schedule FIN48-4
3 and FIN48-4.1) provides the summary of amounts to be refunded to customers.
4 The referenced amounts will be collected or refunded via Rider SUR. These
5 schedules are described in more detail in my testimony below.

6 **Q. PLEASE DESCRIBE SCHEDULE A AND A-1.**

7 A. Schedule A-1 provides the present and proposed revenues applicable to each
8 customer class. The percentage of increase is provided for each customer class.
9 Current base revenues as of June 30, 2024 have been updated for known and
10 measurable changes to the rates approved by the Commission effective May 14,
11 2024 in Case No. 00016391, which is the Company’s most recent Interim Rate
12 Adjustment (“IRA”) filing. On Schedule A, current base revenues are subtracted
13 from the revenue requirement to calculate the proposed system-wide increase of
14 \$207.6 million, which includes the protected EDIT Amortization. The proposed
15 increase for the Unincorporated Areas is \$10.8 million.

16 **Q. PLEASE DESCRIBE THE O&M EXPENSES SHOWN ON SCHEDULE A.**

17 A. O&M expenses broken down by Federal Energy Regulatory Commission
18 (“FERC”) account are shown on Schedule F-1 with the total adjusted amount
19 shown on Schedule A. I sponsor Schedule F-1. Company witness Jeffrey Knights
20 explains in his testimony that these expenses are reasonable and necessary to
21 provide safe and reliable service to all Mid-Tex customers.

1 **Q. PLEASE DESCRIBE THE TAXES OTHER THAN INCOME TAXES**
2 **SHOWN ON SCHEDULE A.**

3 A. Taxes other than income taxes included in the revenue requirement are developed
4 on Schedule F-5, with supporting calculations shown on WP_F-5.1, Taxes Other
5 than Income Taxes, and WP_F-5.2, Shared Services Adjusted Labor Allocated to
6 Mid-Tex for Payroll Tax Calculation. I sponsor these schedules.

7 **Q. PLEASE DESCRIBE THE DEPRECIATION AND AMORTIZATION**
8 **EXPENSE SHOWN ON SCHEDULE A.**

9 A. Depreciation and amortization expense associated with Mid-Tex's adjusted
10 property, plant and equipment included in rate base as shown on Schedule A is
11 calculated on Schedule F-3. I sponsor this schedule.

12 **Q. PLEASE DESCRIBE THE INTEREST ON CUSTOMER DEPOSITS**
13 **SHOWN ON SCHEDULE A.**

14 A. Interest expense on Mid-Tex's customer deposits is calculated on Schedule F-7 with
15 the total amount shown on Schedule A. I sponsor this schedule.

16 **Q. PLEASE DESCRIBE RATE BASE SHOWN ON SCHEDULE A.**

17 A. Rate Base, as shown on Schedule A, is calculated on Schedule B. The components
18 of rate base include Utility Plant in Service, calculated on Schedule C; Accumulated
19 Provision for Depreciation and Amortization calculated on Schedule D; Materials
20 and Supplies calculated on WP_B-3; Prepayments calculated on WP_B-4; Pension
21 and Other Postemployment Benefits Regulatory Asset/Liability calculated on WPs
22 B-7 and B-7.1; Customer Deposits and Customer Advances on WP_B-5; Injuries
23 and Damages Reserve calculated on WP_B-2; Accumulated Deferred Income Tax

1 (“ADIT”) calculated on WP_B-6; EDIT Regulatory Liability beginning balance is
2 per the Trial Balance and the EDIT Amortization is calculated on WP B-6.2; Rate
3 Base Adjustments calculated on WP B-1; and Cash Working Capital (“CWC”)
4 calculated on Schedule E and WP_E-1. I sponsor all of these referenced schedules
5 except WP_B-6 and 6.2 are co-sponsored by Company witness Joel Multer and
6 Schedule E, CWC, which is sponsored by Company witness Daniel Dane. Mr.
7 Knights explains in his testimony that the capital investment included in rate base
8 are used and useful and were prudently incurred to serve all Mid-Tex customers.

9 **Q. PLEASE DESCRIBE THE RATE OF RETURN SHOWN ON SCHEDULE**
10 **A.**

11 A. Schedule G, the Summary of Return computes the appropriate percent of return on
12 rate base based upon information supplied by Company witness Dylan D’Ascendis.
13 Mr. D’Ascendis sponsors the Cost of Debt, Capitalization Structure, and Return on
14 Common Equity of 10.85%. Mid-Tex is requesting an overall Rate of Return
15 (“ROR”) of 8.23%.

16 **Q. PLEASE DESCRIBE THE INCOME TAXES SHOWN ON SCHEDULE A.**

17 A. Total income taxes corresponding to the return on rate base are calculated on
18 Schedule F-6, which I co-sponsor with Mr. Multer.

19 **Q. PLEASE DESCRIBE THE REMAINING SCHEDULES AND**
20 **WORKPAPERS INCLUDED IN MID-TEX’S COST OF SERVICE FILING.**

21 A. Schedule F-2, O&M Expense - Adjustments Summary shows the adjustments to
22 O&M by FERC account. The total of the adjustments by FERC account is included
23 on Schedule F-1, noted earlier. The calculation of each individual adjustment is

1 detailed on a workpaper included in the filing as WP_F-2.1 through WP_F-2.11. I
 2 sponsor all of the O&M adjustments detailed in the schedules included in the filing.
 3 Schedule F-3 is the calculation of proposed Depreciation and Amortization
 4 expense. I sponsor this schedule. Schedule F-4 is a summary of the current and
 5 proposed depreciation rates. Company witness Dane Watson sponsors this
 6 schedule. Mr. Felan sponsors Schedule H, a Calculation of Rider GCR Part A,
 7 Schedule I, a Calculation of Rider GCR Part B. Mr. Raab sponsors Schedule J, a
 8 Summary of Current and Proposed Rate Structure, WP J-1, Summary Proof of
 9 Revenue at Current Rates, WP J-1.1, J-1.2, J-1.3, a Calculation of Current Revenues
 10 by Area for Rates R, C and I&T, WP J-2, Other Revenues and J-2.1, Non- Standard
 11 Contract Margins, WP J-3 a Typical Bill Comparison, WP J-3.1 an Average Bill
 12 Comparison, WP J-4 Summary Proof of Revenue at Proposed Rates, WPs J-4.1, J-
 13 4.2 and J-4.3, a Calculation of Proposed Revenues by Area for Rates R, C and I&T.
 14 Additionally, Mr. Raab sponsors Schedules Rate Design through Tax-CCS8. The
 15 OSD schedules which follow the Class Cost of Services schedules are detailed in
 16 my testimony below.

17 **IV. BOOKS AND RECORDS**

18 **Q. PLEASE SUMMARIZE HOW THE BOOKS AND RECORDS OF ATMOS**
 19 **ENERGY ARE MAINTAINED AND UTILIZED IN THE REGULAR**
 20 **COURSE OF BUSINESS.**

21 **A.** Atmos Energy maintains its books and records in accordance with the FERC
 22 Uniform System of Accounts (“USOA”) and Generally Accepted Accounting
 23 Principles (“GAAP”). The USOA is the prescribed methodology for maintaining
 24 records in all of the state jurisdictions that regulate Atmos Energy’s regulated

1 intrastate pipeline operations and the natural gas distribution operations, which
2 currently include eight states.

3 Atmos Energy's accounting organization utilizes integrated, computerized
4 business systems to efficiently process, record and maintain transactions generated
5 in the regular course of business. Financial transactions are created and entered
6 into the system at or near the time of the transaction by (a) personnel having
7 personal knowledge, or (b) personnel acting in reliance on information transmitted
8 by persons having personal knowledge of the transactions. In addition to the
9 personal knowledge of the transactions, these personnel are also familiar with the
10 applicable accounting procedures and requirements.

11 **Q. DOES THE COMPANY HAVE ANY CONTROLS IN PLACE TO ASSURE**
12 **THAT TRANSACTIONS ARE RECORDED PROPERLY?**

13 A. Yes. The Controller's organization is staffed with highly qualified accounting
14 managers and personnel, with many accounting positions filled by CPAs. The
15 managers in the organization are charged with the responsibility to inspect, review
16 and revise, if appropriate, the work of the accountants they supervise. Atmos
17 Energy has established and maintained controls that ensure the accuracy of the
18 Company's books and records. These controls help identify any necessary
19 adjustments to accounting entries which are then recorded in the original books and
20 records. Additionally, Atmos Energy contracts with KPMG for internal audit
21 services and KPMG periodically performs reviews of those controls.

1 **Q. ARE THE COSTS RECORDED ON THE COMPANY’S BOOKS AND**
2 **RECORDS SUPPORTED BY UNDERLYING INVOICES OR OTHER**
3 **RECORDS?**

4 A. Yes. In order for an item to be recorded in the Company’s general ledger, there
5 must be an invoice or other underlying supporting documentation. For example,
6 supporting documentation may be in the form of a billing invoice received from a
7 vendor or an employee’s timesheet. The designated manager of a specific cost
8 center or project is responsible for reviewing, coding and approving invoices or
9 other underlying supporting documentation that are charged to that respective cost
10 center or project.

11 **Q. WHAT DO YOU MEAN BY COST CENTERS?**

12 A. As described in the Company’s CAM, a cost center is a designation generally
13 utilized for the assignment of departmental cost responsibility and internal
14 management reporting. Employees with responsibility for these functional areas
15 are delegated a certain level of authority to conduct the business of the Company.

16 **Q. HOW ARE THESE AUTHORITY LEVELS DETERMINED OR**
17 **DELEGATED WITHIN THE COMPANY?**

18 A. The Board of Directors initially delegates authority to the Chief Executive Officer
19 (“CEO”) of the Company. The CEO then authorizes the Vice President and
20 Controller (“Controller”) to further delegate authority to others throughout the
21 Company as necessary. The Controller’s approval of authority limits is generally
22 based on a review of the needs and recommendations from those requesting

1 authority limit changes. Controller-approved authority limits are maintained in a
2 secure table within the Company's accounting system.

3 **Q. DOES THE COMPANY HAVE A PROCESS OR SYSTEM FOR THE**
4 **REVIEW AND VALIDATION OF INVOICES?**

5 A. Yes. Most invoices are scanned into an accounts payable processing system called
6 Markview when they are received by the Company. Once scanned, an image of the
7 invoice is routed electronically to the appropriate cost center owner. The cost center
8 owner reviews and electronically codes, and approves or escalates, as appropriate,
9 the invoice within the established approval hierarchy. As a part of this process, the
10 cost center owner is responsible for ensuring that the cost is valid, just and
11 reasonable. If the amount of the invoice exceeds the authority limit of the initial
12 approver, an automatic escalation process is initiated through the system's approval
13 hierarchy to the person with the appropriate level of authority. A similar review
14 process is performed at each level within the approval hierarchy. Once final
15 approval has been obtained, the invoice is submitted to the accounts payable
16 department for final payment.

17 **Q. DOES THE COMPANY HAVE A PROCESS OR SYSTEM FOR THE**
18 **REVIEW AND VALIDATION OF COSTS THAT ARE NOT PROCESSED**
19 **THROUGH MARKVIEW?**

20 A. Yes. Certain invoices and other requests for payment that are not presented as an
21 invoice are processed outside of Markview. Examples of these types of requests
22 include, but are not limited to tax returns, contracts for certain third-party services
23 or certain wire transfer requests. The process for the review, coding and approval

1 of these types of costs is the same as the process within Markview, except that the
2 process may be manual for these types of requests rather than electronic. The
3 Company employee in charge of documentation is responsible for ensuring that the
4 cost is valid, just and reasonable. Coding and approvals are performed within the
5 approval hierarchy. Once final approval for payment has been obtained, the
6 request, along with supporting documentation is submitted to the accounts payable
7 department for payment.

8 **Q. ARE THERE ANY OTHER ACCOUNTING CONTROLS OR PROCESSES**
9 **IN PLACE TO ENSURE THE ACCURACY OF THE COMPANY'S BOOKS**
10 **AND RECORDS?**

11 A. Yes, the Company executes a series of detective monitoring controls designed to
12 identify and explain material and/or unusual costs that have been recorded in the
13 general ledger. Occasionally, errors are found, and they are typically corrected in
14 the following month's reporting period, unless they are material. If material, these
15 errors are corrected in the current month.

16 Additionally, the CEO and Chief Financial Officer must certify the
17 Company's annual and quarterly financial statements and must attest to and report
18 on the Company's system of internal control. To facilitate this effort, the Company
19 outsources its internal audit function to the accounting firm KPMG to conduct tests
20 of the Company's system of internal control. These tests are developed to ensure
21 that the system of internal control has been designed effectively and that the
22 controls are functioning as designed as of the end of the Company's fiscal year.

1 **Q. PLEASE DESCRIBE THE PROCESS USED TO TEST INTERNAL**
2 **CONTROLS.**

3 A. The Company maintains a Sarbanes-Oxley (“SOX”) steering committee, which is
4 responsible for the oversight and monitoring of SOX compliance. This committee
5 is comprised of the Vice President and Controller, the Vice President and Chief
6 Information Officer, Director of Accounting Services and Financial Reporting, the
7 Director of Gas Accounting and Rate Administration, the Director of Cybersecurity,
8 and the Director of IT Engineering and Operations.

9 During the first quarter of the fiscal year, the Director of Accounting
10 Services and Financial Reporting meets with the internal auditors to review the
11 Company’s listing of key controls to assess whether revisions to that list should be
12 made based upon changes in the risk profile or organization of the Company. A key
13 control is defined as a control necessary to mitigate the risks and ensure financial
14 reporting is reasonable and materially correct.

15 The internal audit group will develop a testing plan based upon these key
16 controls, which is reviewed and approved by the SOX steering committee. The key
17 controls are tested throughout the year. If an issue arises, it is individually
18 addressed by a steering committee member who has knowledge of the affected area.
19 The SOX steering committee meets regularly to assess the progress of, and review
20 the results of the testing. During this process, the SOX steering committee
21 discusses all the findings and determines whether the finding should be considered
22 a control deficiency, a significant deficiency or a material weakness. A control
23 deficiency exists when the design or operation of a control does not allow

1 management or employees to timely prevent or detect misstatements in financial
2 reporting. A significant deficiency is a deficiency, or a combination of deficiencies,
3 in internal control over financial reporting that is less severe than a material
4 weakness, yet important enough to merit attention by those responsible for
5 oversight of the Company's financial reporting. A material weakness is a
6 deficiency, or a combination of deficiencies, in internal control over financial
7 reporting, such that there is a reasonable possibility that a material misstatement of
8 the Company's annual or interim financial statements will not be prevented or
9 detected on a timely basis.

10 At the end of the fiscal year, the SOX steering committee makes
11 recommendations regarding the effectiveness of the Company's internal control
12 structure to be included in the internal auditor's final report to the audit committee.

13 **Q. ARE THE COMPANY'S TESTS OF INTERNAL CONTROL SUBJECT TO**
14 **EXAMINATION BY AN INDEPENDENT REGISTERED PUBLIC**
15 **ACCOUNTING FIRM?**

16 A. Yes. As a publicly traded company, Atmos Energy is required to have an
17 independent registered public accounting firm audit management's public assertion
18 regarding the Company's system of internal control. Ernst & Young, LLP ("EY")
19 serves as the Company's independent registered public accounting firm.

20 **Q. CAN YOU SUMMARIZE THE PROCESS USED BY EY TO PERFORM ITS**
21 **AUDIT FUNCTION?**

22 A. Yes. EY performs independent tests regarding the design of the Company's internal
23 control function and the effectiveness of the controls as of the end of the fiscal year.

1 They rely, in part, on the work performed by the internal auditors in completing
2 their audit procedures. Upon completion of their work, EY issues an audit report
3 summarizing their findings. This report is included in the Company's annual Form
4 10-K report.

5 **Q. DID EY'S MOST RECENT REPORT DIFFER FROM THE FINDINGS OF**
6 **MANAGEMENT?**

7 A. No. EY issued an unqualified audit report for fiscal 2023, which means they agreed
8 with management's conclusions.

9 **Q. ARE THERE OTHER TYPES OF REGULAR AUDITS AND REVIEWS**
10 **THAT ARE CONDUCTED ON ATMOS ENERGY'S BOOKS AND**
11 **RECORDS?**

12 A. Yes. In addition to the audit of internal control, EY also conducts an annual audit
13 of Atmos Energy's books and records. In addition, EY performs reviews of Atmos
14 Energy's quarterly financial statements. These audits and reviews are conducted in
15 accordance with the standards of the Public Company Accounting Oversight Board
16 (United States).

17 **Q. DOES THE ACCOUNTING SYSTEM ALLOW FOR THE SEPARATE**
18 **RECORDING AND TRACKING OF COSTS FOR ATMOS ENERGY'S**
19 **DIVISIONS?**

20 A. Yes. Direct costs are charged directly to the natural gas distribution division that
21 has incurred the costs. In addition, technical and support services are provided to
22 the distribution divisions by centralized shared services departments primarily
23 located at Atmos Energy's headquarters in Dallas. These centralized functions

1 include, but are not limited to accounting, human resources, legal, treasury and risk
2 management. The costs for these shared services are allocated to the operating
3 divisions.

4 **Q. WERE THE BOOKS AND RECORDS OF THE COMPANY UTILIZED IN**
5 **THE PREPARATION OF THE RATE FILING FOR RATEMAKING**
6 **PURPOSES?**

7 A. Yes.

8 **V. COMPLIANCE WITH GAS UTILITY REGULATORY ACT (“GURA”**
9 **AND COMMISSION RULES**

10 **Q. DOES THE COMPANY ADHERE TO THE COMMISSION’S**
11 **REQUIREMENTS AS SET FORTH IN TITLE 16 OF THE TEXAS**
12 **ADMINISTRATIVE CODE?**

13 A. Yes. The Company abides by Commission Rule § 7.310 (“System of Accounts”),
14 Rule § 7.503 (“Evidentiary Treatment of Uncontroverted Books and Records of
15 Gas Utilities”) and Rule § 8.209 (“Distribution Facilities Replacements”).

16 **Q. PLEASE DISCUSS THE SYSTEM OF ACCOUNTS THAT THE COMPANY**
17 **UTILIZES.**

18 A. The books and records are maintained in accordance with Commission
19 Rule § 7.310. Transactions are classified consistent with the USOA, with
20 additional supplemental sub-accounts and minor modifications. The use of such
21 sub-account methodology is expressly permitted by the USOA in General
22 Instruction No. 3, Numbering System, consistent with Commission Rule § 7.310.

1 **Q. DO THE BOOKS AND RECORDS, AS WELL AS THE SUMMARIES AND**
2 **EXCERPTS THEREFROM, QUALIFY FOR THE PRESUMPTION SET**
3 **FORTH IN COMMISSION RULE § 7.503?**

4 A. Yes. Because the Company maintains its books and records in accordance with
5 Commission Rule § 7.310, the amounts referenced on its books and records, as well
6 as summaries and excerpts from those books and records, are presumed to be
7 reasonable and necessary under the provisions of Commission Rule § 7.503.

8 **Q. ARE ATMOS ENERGY’S BOOKS AND RECORDS AVAILABLE FOR**
9 **REVIEW?**

10 A. Yes, Atmos Energy’s general ledger is maintained in an electronic format that
11 allows authorized users access to the financial data. As part of this proceeding,
12 Atmos Energy has made the Company’s books and records available for review at
13 the Company’s offices in Dallas, Texas.

14 **Q. PLEASE DISCUSS THE ACCOUNTING ADJUSTMENTS INCLUDED IN**
15 **THE COMPANY’S STATEMENT OF INTENT FILING THAT ARE IN**
16 **COMPLIANCE WITH COMMISSION RULE § 8.209, WHICH RELATES**
17 **TO DISTRIBUTION FACILITIES REPLACEMENTS.**

18 A. The Company has included in rate base a deferred regulatory asset as per
19 Commission Rule § 8.209(j)(1)(A). The regulatory asset has been calculated based
20 on the distribution assets identified under this subsection, as required by Rule
21 § 8.209. The regulatory asset accounts for the expense necessarily incurred by the
22 Company to comply with the Rule § 8.209 requirements, and it includes
23 depreciation, interest, and property (ad valorem) taxes on the designated assets.

1 The Company has included in utility plant the distribution assets identified as Rule
2 § 8.209 assets and the deferred regulatory asset on Schedule C.

3 **Q. HAS THE COMMISSION PREVIOUSLY APPROVED RULE § 8.209**
4 **DEFERRED REGULATORY ASSET AMOUNTS PROPOSED BY THE**
5 **COMPANY?**

6 A. Yes. The Company included Rule § 8.209 deferred regulatory asset amounts in
7 GUD Nos. 10170, 10174, 10742 and 10743. These deferred regulatory asset
8 amounts were included in the adjustments to utility plant shown on Schedule C and
9 approved as part of total rate base in those dockets.

10 **Q. HAVE ANY CHANGES OCCURRED WITH RESPECT TO THE**
11 **ACCOUNTING TREATMENT OF THE COMPANY'S RULE § 8.209**
12 **ASSET SINCE THE COMPANY PRESENTED THAT TREATMENT IN**
13 **GUD NOS. 10742 AND 10743?**

14 A. No.

15 **Q. WHAT ACTION WILL THE COMPANY TAKE UPON COMMISSION**
16 **APPROVAL OF THE RULE § 8.209 DEFERRED REGULATORY ASSET?**

17 A. The Rule § 8.209 deferred regulatory asset amount approved by the Commission
18 will be reclassified from the deferred regulatory asset to plant in service by the
19 designated 300 plant account.

1 **Q. DOES THE DEFERRED ASSET ACCRUAL ASSOCIATED WITH THE**
 2 **RULE § 8.209 ASSETS REFLECTED IN THIS FILING CONTINUE UNTIL**
 3 **THE COMPANY’S RATES ARE APPROVED AND IMPLEMENTED?**

4 A. Yes. The deferral calculation based on the Rule § 8.209 assets included in the filing
 5 through September 30, 2024 continues until the Company’s rates are implemented
 6 (the “interim period”). During this interim period, the Rule § 8.209 deferred asset
 7 calculation continues for depreciation, interest and property taxes for the Rule
 8 § 8.209 assets included in the filing. The interim period amounts for depreciation,
 9 interest and property taxes will be included in the Company’s next rate filing. This
 10 interim period amount continues to accrue interest and property taxes¹ until this
 11 amount is approved in rates in a future period.

12 **Q. ARE THERE ANY SPECIFIC PROVISIONS OF THE TEX. UTIL. CODE**
 13 **THAT IMPACT MID-TEX’S FILING?**

14 A. Yes, Tex. Util. Code § 104.059, which relates to Pension and Other
 15 Postemployment Benefits, was added during the 2011 Legislative session and Tex.
 16 Util. Code § 104.060, which relates to Compensation and Benefit Expenses, was
 17 added during the 2019 Legislative session.

18 **Q. HAS MID-TEX COMPLIED WITH TEX. UTIL. CODE § 104.059 IN THE**
 19 **FILING?**

20 A. Yes. Section 104.059 authorizes a gas utility to establish a reserve account for the
 21 purpose of tracking changes in pension and other post-employment benefits costs
 22 by establishing a baseline level of costs in a rate proceeding to allow for future

¹ Deferred property taxes are calculated at the end of each calendar year, and then this property tax amount is booked each month in the next calendar year (1/12th each month).

1 tracking of changes in pension and other post-employment benefits amounts. Mid-
2 Tex has included WPs B-7 and B-7.1, which show the Pension and Other
3 Postemployment Benefits Regulatory Asset (“Regulatory Asset”) amount included
4 in Rate Base and WP_F-2.8, which shows the annual amortization expense related
5 to the Regulatory Asset. The Regulatory Asset has been calculated in accordance
6 with Tex. Util. Code § 104.059.

7 **Q. HOW WAS THE CURRENT MID-TEX REGULATORY ASSET**
8 **BENCHMARK ESTABLISHED?**

9 A. Consistent with Tex. Util. Code § 104.059’s instruction, Mid-Tex established the
10 current benchmark based upon amounts approved in GUD No. 10742 as shown on
11 Schedule F-2.3. This benchmark amount was used to calculate the regulatory asset
12 included in Mid-Tex’s filing.

13 **Q. DOES THE COMPANY HAVE ANY OTHER REQUESTS RELATED TO**
14 **THE TEX. UTIL. CODE § 104.059 ASSET?**

15 A. Yes. In order to calculate the amount of the Regulatory Asset for future periods,
16 Mid-Tex requests the Commission include in the Final Order, language detailing
17 the specific annual amount of Pension and Other Postemployment Benefits
18 approved in this filing. This is necessary given Tex. Util. Code § 104.059(a)(b)(1)’s
19 instruction that *“If a gas utility establishes one or more reserve accounts for the*
20 *purpose of tracking changes in the costs of pensions and other postemployment*
21 *benefits, the utility shall periodically record in a reserve account any difference*
22 *between: (1) the annual amount of pension and other postemployment benefits*

approved and included in the gas utility's then current rates" (Emphasis added).

Q. WHAT ARE THE BENCHMARK AMOUNTS PROPOSED BY MID-TEX FOR COMMISSION APPROVAL?

A. The expense benchmark amounts Mid-Tex has proposed for Commission approval in the filing are shown on WPs F-2.3 and F-2.3.1 and in Table 1 below.

Table 1 - Tex. Util. Code § 104.059 Benchmarks for Commission Approval

Entity	Pension Account Plan	Post-Employment Benefit Plan	Supplemental Executive Benefit Plan	Total
SSU Allocated to Mid-Tex	\$510,339	(\$417,286)	\$0	\$93,052
Mid-Tex Direct	\$709,201	(\$1,320,121)	\$114,432	(\$496,488)
Total	\$1,219,540	(\$1,737,408)	\$114,432	(\$403,436)

Q. DESCRIBE HOW TEX. UTIL. CODE § 104.060 RELATED TO COMPENSATION AND BENEFITS EXPENSES AFFECTS MID-TEX'S REQUESTED COST RECOVERY.

A. Section 104.060, Consideration of Compensation and Benefit Expenses, became effective June 15, 2019. This statute provides that employee compensation and benefits, which includes base salaries, wages, incentive compensation, and benefits shall be presumed reasonable and necessary if the expenses are consistent with market compensation studies issued not earlier than three years before the filing of a rate case. Incentive compensation related to achieving financial goals for certain executive officers is excluded from the presumption. Company witness Shelly Mullins supports the reasonableness and necessity of the Company's compensation

1 programs and discusses the Company's compliance with the requirements set forth
2 in Tex. Util. Code § 104.060 and supports the Company's recovery of its requested
3 compensation expenses. Company witness Shelly Boles addresses the
4 reasonableness, necessity and compliance with the statute regarding the benefit
5 costs Mid-Tex seeks to recover.

6 **Q. HAS MID-TEX MADE ANY ADJUSTMENTS TO ITS COST OF SERVICE**
7 **IN COMPLIANCE WITH TEX. UTIL. CODE § 104.060?**

8 A. Yes. The Company made several adjustments to the allocated incentive
9 compensation amounts included in this filing based on the provisions in Tex. Util.
10 Code § 104.060. These adjustments are included in both rate base and O&M and
11 are discussed in detail in Section XII of my direct testimony. The adjustments are
12 reflected on WPs B-1, F-2.7 and F-2.8.

13 **VI. COST ALLOCATION MANUAL**

14 **Q. WHAT IS THE CAM?**

15 A. The CAM, contained in Exhibit BWM-1, describes and documents the process
16 whereby allocations are made within the books and records of Atmos Energy.
17 These include allocations of various common expenses that are incurred for the
18 benefit of one or more of Atmos Energy's rate divisions and are therefore allocable
19 to those rate divisions. Additionally, the CAM also describes and documents the
20 processes whereby allocations are made between Atmos Energy and its affiliates,
21 and between affiliates and divisions.

22 **Q. PLEASE DESCRIBE THE HISTORY OF THE CAM.**

23 A. The CAM was first developed in response to Kentucky Administrative Regulation
24 807 KAR 5:080 and was first filed with the Kentucky Public Service Commission

1 in April of 2001. Atmos Energy is required to update the CAM each year. Atmos
 2 Energy has used the CAM to document its allocation processes in the regular course
 3 of business since it was first filed in Kentucky.

4 **Q. HAVE THERE BEEN ANY SUBSTANTIVE CHANGES TO THE CAM**
 5 **SINCE THE COMMISSION REVIEWED AND APPROVED ITS USE IN**
 6 **2010?²**

7 A. No.

8 **Q. ARE THE ALLOCATIONS DESCRIBED IN THE CAM USED IN EVERY**
 9 **JURISDICTION IN WHICH ATMOS ENERGY OPERATES?**

10 A. Yes. The CAM is applicable in all eight states in which Atmos Energy has regulated
 11 divisions for allocations involving the pipeline, utility divisions and affiliates.

² The CAM was first approved by the Commission in *Petition for De Novo Review of the Denial of the Statement of Intent Filed by Atmos Energy Corp., Mid-Tex Division by the City of Dallas; Statement of Intent to Increase Gas Utility Rates in the Unincorporated Areas Served by the Mid-Tex Division*, GUD No. 9869, Final Order (Jan. 26, 2010) and Final Order Nunc Pro Tunc (Feb. 23, 2010). Since that time, the Commission has reaffirmed its approval of the CAM in *Statement of Intent to Change the Rate CGS and Rate PT of Atmos Pipeline – Texas*, GUD No. 10000, Final Order (Aug. 18, 2011); *Statement of Intent Filed by Atmos Energy Corp., to Increase Gas Utility Rates Within the Unincorporated Areas Served by the Atmos Energy Corp., Mid-Tex Division*, GUD No. 10170 consol., Final Order (Dec. 4, 2012); *Statement of Intent Filed by Atmos Energy Corp., to Change Gas Utility Rates Within the Unincorporated Areas Served by the Atmos Energy Corp., West Texas Division*, GUD No. 10174 consol., Final Order (Oct. 2, 2012); *Statement of Intent to Change the Rates of CGS and Rate PT Rates of Atmos Pipeline-Texas*, GUD No. 10580, Final Order (Aug. 1, 2017); *Statement of Intent Filed by Atmos Energy Corp., to Change Gas Utility Rates Within the Unincorporated Areas Served by its Mid-Tex Division*, GUD No. 10742, Final Order (Dec. 11, 2018); *Statement of Intent Filed by Atmos Energy Corp., to Change Gas Utility Rates Within the Unincorporated Areas Served by its West Texas Division*, GUD No. 10743, Final Order (Dec. 11, 2018); *Petition for De Novo Review of the Denial of the Statement of Intent Filed by Atmos Energy Corp., Mid-Tex Division by the Cities of Balch Springs, Bandera, Belton, et al.*, GUD No. 10779 consol., Final Order (May 21, 2019); *Statement of Intent of Atmos Energy Corporation, West Texas Division to Establish Cost-Based Rates for the Triangle Distribution System*, GUD No. 10900 consol., Final Order (Apr. 21, 2020); and *Statement of Intent Filed by Atmos Pipeline – Texas, a Division of Atmos Energy Corporation, to Change the Rate CGS and Rate PT Rates of Atmos Pipeline – Texas*, Docket No. OS-23-00013758 consol., Final Order (Dec. 13, 2023).

1 **Q. DOES THE CAM DESCRIBE THE ALLOCATIONS OF BALANCE SHEET**
2 **AMOUNTS USED IN THE RATE FILING?**

3 A. No. There is no allocation of balance sheet amounts within Atmos Energy's books
4 and records used in the filing. Allocations of these amounts are made only for
5 ratemaking purposes in the context of a rate filing or certain regulatory reports. I
6 will discuss the allocations of rate base amounts later in my testimony.

7 **VII. ATMOS ENERGY'S CORPORATE STRUCTURE**

8 **Q. ARE YOU FAMILIAR WITH THE COMPANY'S CORPORATE**
9 **STRUCTURE?**

10 A. Yes. Atmos Energy consists of the pipeline, distribution utilities and various
11 subsidiaries. The pipeline and the distribution utilities are part of the parent
12 company. The Company conducts its non-regulated operations through its
13 subsidiaries. A chart showing the corporate structure is included as Appendix A to
14 the CAM attached as Exhibit BWM-1.

15 **Q. IN THE TOP BOX OF THE CHART IN APPENDIX A OF EXHIBIT**
16 **BWM-1 REPRESENTING ATMOS ENERGY, WHAT DO THE VARIOUS**
17 **DIVISIONS REPRESENT?**

18 A. The various divisions are a part of the Company's management control structure
19 that is utilized in the Company's shared cost allocation processes. Section 1a of
20 the CAM describes the corporate structure in detail. There are currently seven such
21 divisions - six of which are regulated gas local distribution operations and one of
22 which is a regulated intrastate pipeline operation. We commonly refer to these
23 divisions as "Operating Divisions" or "Business Units." The Operating

1 Division/Business Unit which is the subject of this rate filing is referred to as –Mid-
2 Tex Division.

3 **Q. DO THESE OPERATING DIVISIONS CONSTITUTE SEPARATE LEGAL**
4 **ENTITIES?**

5 A. No. They are merely unincorporated operating divisions within the Company’s
6 organizational structure. None of the operating divisions are subsidiaries or
7 separate legal entities that have a separate legal existence apart from the Company.
8 They are not distinct legal entities, and they do not have separate equity or debt.
9 Nor do the operating divisions keep separate books and records.

10 **VIII. COST ALLOCATION PROCESS FOR COMMON COSTS**

11 **Q. WHAT IS COST ALLOCATION FOR COMMON COSTS?**

12 A. Cost allocation is the process of allocating various common costs that are incurred
13 for the benefit of one or more of the Company’s rate divisions. These costs are then
14 allocated to the respective rate division(s) that receive the benefit.

15 **Q. WHAT DO YOU MEAN WHEN YOU REFER TO “RATE DIVISION”?**

16 A. “Rate division” is defined in the CAM and represents an accumulation of
17 accounting data that is the primary source for regulatory reporting and rate activity.

18 **Q. ARE THERE DIFFERENT TYPES OF DIVISIONS?**

19 A. Yes, there are rate divisions and operating division general offices. A rate division
20 represents a regulated operation such as the Mid-Tex Division. An operating
21 division general office is one that provides common services to rate divisions. The
22 costs of the operating division general office are allocated to the rate divisions in
23 accordance with the methodology described by the CAM.

1 **Q. HOW MANY RATE DIVISIONS COMPRISE THE MID-TEX DIVISION?**

2 A. Just one. The Commission has, since 2004, consistently approved the use of a
 3 system-wide cost of service to establish rates for the Mid-Tex Division³. Therefore,
 4 even though the Mid-Tex Division operates in over 440 municipal jurisdictions, all
 5 the customers in those jurisdictions, as well as the unincorporated areas, are charged
 6 rates calculated on a system-wide cost of service. Accordingly, the Mid-Tex
 7 Division is treated as a single rate division for purposes of common cost allocation.

8 **Q. WHICH SSU ORGANIZATIONS PROVIDE SERVICES TO THE**
 9 **COMPANY’S MID-TEX DIVISION?**

10 A. Mid-Tex receives services and allocations of common costs from SSU
 11 organizations. SSU is comprised of SSU - General Office (“General Office”) and
 12 SSU - Customer Support (“Customer Support”).

13 **Q. WHAT ARE COMMON COSTS?**

14 A. Common costs include costs related to services that are provided to the Company’s
 15 rate divisions by SSU. General Office includes accounting, human resources, legal,
 16 rates, risk management and numerous others. Customer Support includes billing,
 17 customer call center functions and customer support related services. The costs for
 18 SSU are allocated to the Company’s rate divisions that utilize those services.

³ Authorization to use a system-wide cost of service to establish rates was first approved by the Commission in *Statement of Intent Filed by TXU Gas Company to Change Rates in the Company’s Statewide Gas Utility System*, GUD No. 9400, Final Order (May 25, 2004) and has been used by the Company and its regulators to establish rates for the Mid-Tex Division since that time.

1 **Q. HOW DOES THE COMPANY’S ACCOUNTING SYSTEM ALLOW FOR**
2 **THE SEPARATE RECORDING AND TRACKING OF COSTS FOR**
3 **ATMOS ENERGY’S RATE DIVISIONS?**

4 A. Direct costs are charged directly to the rate division that incurred the costs. For
5 example, if Mid-Tex hires an outside contractor to perform leak survey services,
6 then those costs are charged directly, and only, to Mid-Tex because the work is done
7 only for Mid-Tex. Costs for SSU, by contrast, are allocated to the rate division(s)
8 that receive the benefit of those services. Detailed transactions are recorded by rate
9 division in the general ledger for all utility divisions of Atmos Energy. The rate
10 division designation is incorporated into the Company’s account coding and costs
11 are accumulated for various rate divisions or operating division general offices
12 within the Company’s general ledger.

13 **Q. ARE COMMON COST ALLOCATIONS NECESSARY IN THE CONTEXT**
14 **OF THE COMPANY’S RATE FILINGS?**

15 A. Yes, it is appropriate and necessary to allocate the common costs incurred for the
16 benefit of customers in multiple regulatory jurisdictions to the various jurisdictions
17 that receive those services. For example, the Company’s General Office provides
18 the various support services discussed above to its utility and pipeline operations in
19 the eight states in which the Company operates. Some of these shared services are
20 also provided to the Company’s non-regulated subsidiaries. Similarly, Customer
21 Support provides customer service functions *exclusively* to the Company’s utility
22 operations and is the utility customer’s point of contact with the Company for
23 activities such as service activations, billing issues and emergency reporting. Mid-

1 Tex customers receive the benefits of these General Office and Customer Support
2 services and the allocation of those costs are fairly and justly apportioned to Mid-
3 Tex, in accordance with Commission Rule § 7.5252(b), which states that *“In any*
4 *rate proceeding where items of plant, revenues, expenses, taxes, or reserves are*
5 *shared by or are common to the service area in question and any other service area,*
6 *these items shall be allocated to fairly and justly apportion them between the area*
7 *in question and any other service area of the utility.”* (Emphasis added).

8 **Q. PLEASE DESCRIBE THE COMPANY’S COMMON COST ALLOCATION**
9 **METHODOLOGY.**

10 A. The Company allocates certain types of common costs to its rate divisions for
11 management purposes as well as for reporting and ratemaking purposes. O&M,
12 depreciation expense, and taxes other than income taxes that comprise common
13 costs are allocated on the books of the Company as described in the CAM. Other
14 common costs such as commonly utilized plant in service and other rate base items
15 are not allocated on the books of the Company but are allocated for ratemaking
16 purposes based on accepted methodologies.

17 **Q. IN YOUR ANSWER, YOU DIFFERENTIATE BETWEEN COMMON**
18 **COSTS THAT ARE ALLOCATED ON THE BOOKS OF THE COMPANY**
19 **AND THOSE THAT ARE ALLOCATED FOR RATEMAKING PURPOSES.**
20 **CAN YOU EXPLAIN THE DIFFERENCE?**

21 A. Yes. O&M, depreciation, and taxes other than income taxes, related to SSU are
22 allocated on the Company’s general ledger utilizing the allocation methodologies
23 described in detail in the CAM. The Company allocates these expenses within its

1 general ledger as a part of its normal accounting cycle. The allocation factors used
2 are generally updated once per year and implemented as of the beginning of the
3 Company's fiscal year (October 1). They are then used for the entire fiscal year
4 unless a material event occurs that would significantly change the factors.

5 For those SSU costs that are not allocated on the Company's general ledger,
6 composite factors or customer factors are generally used to allocate costs. Some
7 examples of SSU costs for which these factors are used for ratemaking purposes
8 include plant in service and ADIT, as well as other rate base items.

9 **Q. PLEASE DESCRIBE HOW THE COMPOSITE AND CUSTOMER**
10 **ALLOCATION FACTORS WERE DERIVED FOR THIS RATE FILING.**

11 A. The Composite Factor is derived based upon a four-factor formula comprised of
12 the simple average of the relative percentage of gross plant in service, the relative
13 percentages of the average number of customers, the relative percentages of direct
14 O&M for each of the Company's Operating Divisions, and operating income. The
15 use of the four-factor formula was first required by the Commission in the Mid-Tex
16 case GUD No. 9670, and its use was affirmed for Mid-Tex and other Company
17 divisions operating within Texas in GUD Nos. 9762, 9869, 10000, 10170, 10742,
18 10743, 10580 and Docket No. OS-23-00013758. This is not the method used to
19 allocate costs in the Company's general ledger.

20 The Customer Factor is derived based on the average number of customers
21 in each Operating Division that receives allocable costs for the services provided.

22 The Customer Factor was proposed by the Company and subsequently approved

1 by the Commission for the Mid-Tex Division in GUD Nos. 9670, 9762, 9869,
2 10170 and 10742.

3 **Q. HOW WERE THE COMPOSITE AND CUSTOMER ALLOCATION**
4 **FACTORS DERIVED FOR THIS RATE FILING?**

5 A. In this filing, both the Composite Factor and the Customer Factor are based on
6 fiscal year 2023 information. This is the same information that is utilized in
7 determining the Composite and Customer Factors to book fiscal year 2024
8 allocations effective October 1, 2023.

9 **Q. WHAT FACTOR IS GENERALLY USED FOR GENERAL OFFICE**
10 **ALLOCATIONS NOT RECORDED ON THE COMPANY'S GENERAL**
11 **LEDGER?**

12 A. General Office costs are allocated utilizing the Composite Factor. This factor is
13 calculated utilizing the four-factor formula for the six regulated utility divisions,
14 the pipeline division and the non-regulated operations.

15 **Q. WHAT FACTOR IS GENERALLY USED FOR CUSTOMER SUPPORT**
16 **ALLOCATIONS NOT RECORDED ON THE COMPANY'S GENERAL**
17 **LEDGER?**

18 A. Customer Support costs are allocated using the Customer Factor. This factor is
19 calculated for the regulated utility divisions only.

20 **Q. WHY IS THE CUSTOMER FACTOR USED TO ALLOCATE CUSTOMER**
21 **SUPPORT INSTEAD OF THE COMPOSITE FACTOR?**

22 A. Customer Support provides services exclusively to the Company's regulated
23 distribution utility customers and does not perform any function for the Company's

1 non-regulated subsidiaries or the regulated pipeline division. As a result, Customer
2 Support costs are allocated only to the regulated local distribution Operating
3 Divisions/Business Units of the Company. The use of the Customer Factor to
4 allocate the costs of Customer Support, instead of the Composite Factors, is
5 reasonable and appropriate because the need for and the level of the services
6 required are driven by the number of customers within the Operating Division.

7 **Q. IS THE COMPANY'S ALLOCATION PROCESS FOR OVERHEADS IN**
8 **COMPLIANCE WITH THE FERC USOA?**

9 A. Yes. The Company's allocation process for overheads, described in the CAM,
10 complies with the FERC, Gas Plant Instructions, Item 4, Overhead Construction
11 Costs.

12 **Q. DOES MID-TEX ALLOCATE LABOR AND OTHER COSTS TO ATMOS**
13 **PIPELINE – TEXAS ("APT") O&M AND CAPITAL?**

14 A. Yes.

15 **Q. PLEASE EXPLAIN THIS ALLOCATION PROCESS.**

16 A. Mid-Tex allocates labor to APT for services Mid-Tex employees perform for APT,
17 as well as the costs associated with those services, such as transportation expense,
18 heavy equipment, rents and leases, utilities and telecommunication expenses.
19 Additionally, APT employees perform certain services on behalf of Mid-Tex and
20 allocate the costs associated with those services to Mid-Tex. The costs for direct
21 labor and expense items are assigned to Mid-Tex and APT based on work
22 performed. The allocation factors are derived based on Mid-Tex and APT labor or
23 Mid-Tex and APT labor plus contractor labor, depending on the type of cost. For

1 example, transportation expenses (vehicles) are allocated using factors based on
2 Mid-Tex labor only because contractors do not use Mid-Tex vehicles. Mid-Tex
3 employees' costs are allocated to Mid-Tex O&M, Mid-Tex Capital, APT O&M or
4 APT Capital based on the type of work performed by the employees for each cost
5 center. If a Mid-Tex cost center does not perform services for APT, then no costs
6 are allocated to APT. Additionally, if an APT cost center does not perform services
7 for Mid-Tex, then no costs are allocated to Mid-Tex. Please refer to the CAM,
8 attached as Exhibit BWM-1, for additional details related to the allocation of costs
9 from Mid-Tex to APT and APT to Mid-Tex.

10 **Q. ARE ANY OF THE COSTS MID-TEX ALLOCATED TO APT INCLUDED**
11 **IN THIS FILING?**

12 A. No, only the costs charged to the Mid-Tex Division are included in this filing.

13 **IX. RATE BASE**

14 **Q. PLEASE DESCRIBE RATE BASE.**

15 A. Rate base is the investment upon which a utility has an opportunity to earn a fair
16 rate of return. Mid-Tex's proposed rate base consists of its adjusted investment in
17 property, plant and equipment, Materials and Supplies, Prepayments, Pension and
18 Other Postemployment Benefits Regulatory Asset/Liability, Cash Working Capital
19 and adjusted for Customer Deposits, Customer Advances, Injuries and Damages
20 Reserve, ADIT, EDIT Regulatory Liability, and Rate Base Adjustments. These
21 items are discussed in more detail in the Ratemaking Adjustments section of my
22 testimony. Mid-Tex's investment includes assets exclusively serving Mid-Tex

1 customers and an allocated portion of SSU assets serving Mid-Tex customers and
2 other service areas.

3 **Q. PLEASE DESCRIBE MID-TEX'S NET ORIGINAL COST OF PROPERTY,**
4 **PLANT AND EQUIPMENT.**

5 A. The original cost and accumulated depreciation of Mid-Tex's property, plant, and
6 equipment is shown in Schedule B, with breakdowns by FERC account being
7 contained in Schedules C and D, respectively. Schedules C and D show the test
8 year-end balances for Mid-Tex and rate making adjustments. I discuss the
9 ratemaking adjustments later in my testimony.

10 **Q. HOW ARE THE ORIGINAL COST AND ACCUMULATED**
11 **DEPRECIATION FROM SSU INCLUDED IN MID-TEX'S RATE BASE?**

12 A. Atmos Energy provides gas utility service in eight states and in multiple regulatory
13 jurisdictions within Texas. Assets in SSU provide service in all these regulatory
14 jurisdictions. All rate base amounts include allocations of investment in SSU assets
15 using the allocation factors previously described in my testimony. Different
16 jurisdictions have approved different depreciation rates for SSU assets. The
17 Company's plant accounting system calculates accumulated depreciation balances
18 for SSU assets for that jurisdiction reflecting the depreciation rates approved for
19 that jurisdiction. The amount of accumulated depreciation allocated to Mid-Tex
20 from SSU has been calculated using the general ledger balance for SSU
21 accumulated depreciation, adjusted for any known and measurable adjustments and
22 then allocated using the same allocation factors used for gross plant. This

1 methodology is the same one used to calculate accumulated depreciation in the rate
2 base calculation in GUD Nos. 10170 and 10742.

3 **Q. WHAT OTHER ITEMS ARE INCLUDED IN MID-TEX'S RATE BASE?**

4 A. Other items included in Mid-Tex's rate base are materials and supplies,
5 prepayments, the balance of the Pension and Other Postemployment Benefits
6 Regulatory Asset/Liability. The cash working capital requirement is also a
7 component of rate base. Customer deposits, customer advances, injuries and
8 damages reserve, ADIT, EDIT, and rate base adjustments which primarily relate to
9 employee expenses are also included in Mid-Tex's rate base. I will discuss the rate
10 base adjustments later in my testimony.

11 **Q. WHAT IS THE TOTAL RATE BASE ON WHICH MID-TEX IS**
12 **REQUESTING TO BE ALLOWED TO EARN A FAIR RATE OF RETURN?**

13 A. As shown on Schedule B in Mid-Tex's Cost of Service Schedules, Mid-Tex
14 requests a total rate base of approximately \$8.0 billion.

15 **X. ACCUMULATED DEFERRED INCOME TAX**

16 **Q. PLEASE DISCUSS WP_B-6.**

17 A. WP_B-6 summarizes ADIT included in Rate Base. Mid-Tex direct and an allocated
18 SSU ADIT amount is included in rate base. The ADIT amounts include known and
19 measurable adjustments. These known and measurable adjustments are consistent
20 with the Commission Orders in GUD Nos. 9869, 10170 and 10742. A known and
21 measurable adjustment was made on WP_B-6 to include actual ADIT balances as
22 of September 2024 for Mid-Tex Direct and allocated Shared Services. Any item
23 that did not relate to Mid-Tex or was inconsistent with other ratemaking treatments

1 has been removed from the ADIT calculation. For example, ADIT related to
2 construction work in progress has been removed. The items removed are consistent
3 with the Commission's decisions in GUD Nos. 10000, 10170, 10174, 10580,
4 10742, 10743, and Docket No. OS-23-00013758 and with proposed ratemaking
5 treatments in this case. The ADIT balance is shown in the Company's Cost of
6 Service Schedules on WP_B-6 and Schedule B. Additionally, WPs B-6.1 and 6.2
7 support the calculation of the Regulatory Liability shown on Schedule B.

8 **XI. DEPRECIATION EXPENSE**

9 **Q. PLEASE DESCRIBE SCHEDULE F-3.**

10 A. New depreciation rates are proposed in this proceeding for Mid-Tex assets based
11 on a depreciation study prepared for the period ended September 30, 2023, and new
12 depreciation rates for SSU assets based on a study prepared for the period ended
13 September 30, 2022, as discussed in Mr. Watson's direct testimony. The SSU
14 proposed rates were examined and approved by the Commission in Docket No. OS-
15 23-00013758. Current and Proposed Depreciation rates are shown on Schedule F-
16 4 in Mid-Tex's Cost of Service Schedules. The calculation of proposed
17 depreciation expense is shown on Schedule F-3 in Mid-Tex's Cost of Service
18 Schedules. If approved, the proposed rates will increase Mid-Tex direct and SSU
19 allocated depreciation expense.

XII. RATEMAKING ADJUSTMENTS

Q. HAVE ANY RATE BASE AND O&M RELATED ADJUSTMENTS BEEN MADE TO THE PER BOOKS AMOUNTS FOR THE TEST YEAR IN THE MID-TEX FILING?

A. Yes, adjustments to both rate base and O&M are included in the Mid-Tex filing. Rate Base adjustments for the Mid-Tex filing are summarized on Schedule B in Mid-Tex's rate filing package with details provided in the supporting schedules and workpapers included in the rate filing package. These rate base amounts reflect actual capital expenditures incurred by Mid-Tex adjusted for known changes and conditions that are measurable with reasonable accuracy. O&M adjustments for the Mid-Tex filing are summarized on Schedule F-2 with details provided in the supporting schedules and workpapers included in the rate filing package. The O&M schedules and workpapers presented in the rate filing package reflect the actual costs incurred by Mid-Tex for these operations adjusted for known changes and conditions that are measurable with reasonable accuracy.

Q. ARE THE RATE BASE AND O&M RELATED ADJUSTMENTS REASONABLE AND NECESSARY?

A. Yes, these adjustments for rate base and O&M are reasonable and necessary and reflect the Mid-Tex and allocated SSU capital expenditures and current expected expenses. Mr. Knights supports the reasonableness and necessity of the Mid-Tex and allocated SSU capital expenditures and the allocated SSU and Mid-Tex O&M expenses in his direct testimony. These adjustments were prepared by me based upon information gathered from operational and accounting personnel familiar with the specific items adjusted.

1 **Q. DOES THE COMPANY PROPOSE CHANGES TO THE ACCOUNTING**
2 **FOR CLOUD COMPUTING IN THIS FILING?**

3 A. Yes, the Company is requesting authorization from the Commission to account for
4 cloud computing software in a manner that is more consistent with how these same
5 types of hardware and software were accounted for when the Company purchased
6 the hardware and software rather than obtaining it through cloud computing
7 contracts.

8 **Q. ARE CLOUD COMPUTING COSTS ELIGIBLE FOR CAPITALIZATION?**

9 A. Yes. The Company's existing cloud computing arrangements ("CCAs"), described
10 in detail in Mr. Felan's testimony, are for software as a service ("SAS") and
11 infrastructure as a service ("IFS"), and these services may be capitalized after
12 evaluation under specific accounting guidance. For both SAS and IFS, it must be
13 demonstrated that control of the software exists, which can take various forms.

14 For SAS type CCAs, if the arrangement includes an identifiable cost
15 associated with a license, then that cost may be eligible to be capitalized. However,
16 it must also be demonstrated that 1) a contractual right to take possession of the
17 software at any time may occur without significant penalty or loss in functionality;
18 and 2) it is feasible to run the software on the Company's own hardware or contract
19 with another party to do so. This can be difficult, as not all CCAs include the detail
20 to reasonably make that determination. If the determination cannot be made, no
21 costs would be capitalized despite the long-term benefit to the Company.

1 For IFS, the ability to restrict or dictate the way in which the CCA provider
2 may utilize the underlying infrastructure would demonstrate control, for example a
3 dedicated server reserved for the service recipient alone.

4 Additionally, certain CCAs costs such as implementation and development
5 costs may be eligible to be capitalized for both SAS and IFS.

6 **Q. DOES THE COMPANY CURRENTLY CAPITALIZE ANY CLOUD**
7 **COMPUTING COSTS?**

8 A. Yes. The Company currently defers implementation costs for SAS arrangements
9 as described below. However, the Company does not currently capitalize any
10 ongoing costs related to SAS or IFS arrangements.

11 **Q. DOES THE COMPANY'S PROPOSED CHANGE IMPACT HOW CLOUD**
12 **COMPUTING COSTS ARE INCLUDED IN THIS FILING?**

13 A. Yes. The Company is proposing adjustments to rate base and O&M related to cloud
14 computing in this filing for implementation costs.

15 **Q. PLEASE DESCRIBE THE NEW RATE BASE AND O&M RELATED**
16 **ADJUSTMENTS FOR CLOUD COMPUTING INCLUDED IN THIS**
17 **FILING.**

18 A. A proposed adjustment was made on Schedule C to include the per book balances
19 at June 30, 2024 of the allocated implementation costs for cloud computing
20 projects. These expenditures related to the implementation costs incurred for
21 current SAS arrangements are recorded to FERC Accounts 186 Miscellaneous
22 Deferred Debits, 182.3 Other Regulatory Assets and 174 Miscellaneous Current
23 and Accrued Assets. These costs do not include any agreements with terms of one

(1) year or less; additionally, the total spend for the application software is greater than \$50,000. Any item under \$50,000 has been expensed. The supporting documentation details the cost of each project and also reflects an adjustment to remove meals greater than \$25, lodging expense greater than \$150 and missing receipts. The Company's proposed adjustment reflects the June 30th account balances of 186, 182.3 and 174 added as an adjustment to plant account 399.08 in SSU Division's general office and customer support. This would allow those costs to be recovered in the current filing as part of rate base and to be included in future IRA filings.

Mr. Felan explains in his direct testimony, that the Commission has similarly authorized Texas Gas Service Company, a division of ONE Gas, Inc. ("TGS"), and CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas Energy Entex ("CenterPoint") to capitalize cloud computing costs and recover these amounts in future IRA filings.⁴

The Company proposes that the depreciation rate for plant account 399.08 be based upon the rate proposed by Mr. Watson in this proceeding.

The Company also proposes an O&M adjustment to remove the allocated amortization expense as depreciation expense will be calculated on the adjusted

⁴ For TGS, see *Statement of Intent of Texas Gas Service Company, a Division of ONE Gas, Inc., to Change Gas Utility Rates Within the Unincorporated Areas of the Central Texas Service Area and the Gulf Coast Service Area*, GUD No. 10928 consol., Final Order at Finding of Fact ("FoF") No. 70; *Statement of Intent of Texas Gas Service Company, a Division of ONE Gas, Inc., to Change Utility Rates Within the Unincorporated Areas of the West Texas Service Area, North Texas Service Area, and the Borger Skellytown Service Area*, Docket OS-22-00009896 consol., Final Order at FoF Nos. 51 & 52 (Jan. 18, 2023). TGS ultimately records these costs to gas plant account 391.99 - Cloud Computing. For CenterPoint, see *Statement of Intent of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas to Change Rates in the Unincorporated Areas and Municipalities That Have Ceded Original Jurisdiction Within the Houston, Texas Coast, Beaumont/East Texas, and South Texas Divisions*, Docket OS-23-00015513 consol., Final Order at FoF No. 50 (Jun. 25, 2024).

1 plant balance for accounts 399.08 on Schedule F-3. The O&M adjustment is shown
2 on WP_F-2.8.

3 **Q. DOES THE COMPANY PROPOSE CHANGES TO HOW CLOUD**
4 **COMPUTING IMPLEMENTATION COSTS ARE HANDLED BY THE**
5 **COMPANY IN FUTURE PERIODS?**

6 A. Yes. The Company proposes that upon approval of this filing, all cloud computing
7 implementation costs currently recorded in accounts 174, 186, and 182.3 for SAS
8 arrangements be recorded to plant account 399.08 and that all future costs be
9 recorded directly to plant account 399.08.

10 **Q. IS THE COMPANY PROPOSING ANY RATE BASE AND O&M**
11 **RELATED ADJUSTMENTS FOR ONGOING THIRD-PARTY COSTS FOR**
12 **CCAS IN FUTURE PERIODS?**

13 A. Yes. Ongoing third party costs for CCAs are currently recorded in prepayments
14 (FERC account 165) and are amortized over the life of the arrangement to expense.
15 In this filing, the Company proposes no changes to the CCAs recorded in the test
16 year to prepayments account 165 or to the O&M accounts where amortization is
17 recorded. However, subsequent to the test year, beginning July 1, 2024, the
18 Company proposes to record these new amounts directly to plant account 399.08
19 and discontinue the recording of amortization expense on new amounts in O&M.
20 These amounts recorded to plant account 399.08 would have depreciation expense
21 calculated as described above.

22 In summary, beginning as of July 1, 2024, all new unamortized ongoing and
23 future cloud computing costs incurred for third party CCAs with a contract term

greater than one year and greater than \$50,000 would be recorded directly to plant account 399.08 and the depreciation rate be based upon the rate approved in this proceeding for plant account 399.08.

Q. PLEASE BRIEFLY DESCRIBE THE RATE BASE ADJUSTMENTS INCLUDED IN THE MID-TEX FILING.

A. The adjustments to rate base are summarized on Schedule B and detailed below on the schedules and workpapers as follows:

1) Adjustments on Schedules C and D include the following:

a) An adjustment to remove the current per book balance of gross plant and accumulated depreciation related to certain project(s) disallowed in GUD Nos. 9400, 9670, 9762, 9869, 10170 and 10742;

b) An adjustment to remove the current per book balance of gross plant and accumulated depreciation related to certain project(s) identified subsequent to GUD No. 10742, which might be deemed controversial;

c) An adjustment to include actual capital additions and accumulated depreciation and amortization for July, August and September 2024 activity for Mid-Tex Direct and allocated Shared Services;

d) An adjustment on Schedule C includes a known and measurable adjustment to include the Rule § 8.209 regulatory asset amount through September 2024.

e) An adjustment was made on Schedule D to adjust accumulated depreciation for amortization associated with an adjusting entry from Willis Towers Watson for the period of 2018 through 2021 that was recorded in November 2021 and to be

1 amortized for a five (5) year period with amortization included for the test year and
2 July 2024 through September 2024;

3 f) An adjustment was made to add two (2) new plant accounts, 376.03 Anodes
4 and 376.04 Leak Clamps. These accounts were created based on the proposed Mid-
5 Tex Depreciation Study, discussed in Mr. Watson's testimony. Additionally, per Mr.
6 Watson's recommendation, plant amounts were moved from plant accounts 376,
7 376.02 and 380 to 376.03 and from plant accounts 376 and 376.01 to 376.04;

8 g) An adjustment was made on Schedule C to include all of the cloud
9 computing project costs currently recorded in FERC accounts 186, 182.3 and 174
10 and add the total net project costs to plant account 399.08 (Application Software) in
11 SSU Customer Support General Plant and in SSU General Office General Plant. A
12 further adjustment to the cloud computing project costs was made to remove
13 amounts for items such as meals greater than \$25, lodging greater than \$150, and
14 missing receipts. These adjusted amounts were then allocated to the Mid-Tex
15 Division. This adjustment was discussed earlier in my testimony in greater detail.

16 2) Adjustments on WP_B-1 include the following:

17 a) An adjustment was made on WP_B-1, Page 1, Line 1, which summarizes
18 the amortization of prior period employee expense adjustments from previous
19 dockets (GUD Nos. 9670, 9762, 9869, 10170, and 10742).

20 b) An adjustment made on WP_B-1, Page 1, Lines 4 through 7 summarizes
21 the employee expense adjustments not included in the employee expense report
22 review, settlement pay and incentive compensation adjustments which have been
23 removed from the Company's Interim Rate Adjustment Applications ("IRAs") for

1 the period of January 1, 2018 through June 30, 2023. Adjustments related to the
2 period of July 1, 2023 through December 31, 2023 have been excluded from this
3 adjustment and included in the test year adjustment for the period of July 1, 2023
4 through June 30, 2024 on Lines 10 through 16.

5 The adjustments on Lines 4 through 7 include prior period employee
6 expenses that were not included in the employee expense report review that were
7 identified in the 5400 series review and the 900 account series review and that were
8 charged to capital for the period of January 1, 2018 through June 30, 2023; a Staff
9 requested IRA adjustment related to the Company's calendar year 2022 IRA filing;
10 prior period employee settlement pay recorded to capital; SSU capitalized incentive
11 compensation including the Management Incentive Plan ("MIP"), Variable Pay
12 Plan ("VPP") and Long Term Incentive Plan ("LTIP") for the period of January 1
13 through December 31, 2018; SSU capitalized incentive compensation amounts
14 related to attaining financial metrics for executive officers whose compensation is
15 required to be disclosed as noted in Tex. Util. Code § 104.060(a)(2) for the period
16 of January 1, 2019 through June 30, 2023. The adjustment removes the MIP and
17 LTIP Performance Based amounts for the Company's executive officers that fall
18 within the disclosure requirements. This adjustment reflects the Company's
19 compliance with the statute, which became effective June 15, 2019. No other
20 amounts were adjusted related to capitalized incentive compensation for Mid-Tex
21 or SSU for this period;

22 c) An adjustment made on WP_B-1, Page 1, Lines 10 and 11, summarizes the
23 employee expense adjustments not included in the employee expense report review,

1 that were identified in the 5400 series review and the 900 account series review, that
2 were charged to capital for the period of July 1, 2023 through June 30, 2024 (see
3 additional detail about the 5400 series review and the 900 account series review in
4 the discussion related to WP_F-2.8);

5 d) An adjustment made on WP_B-1, Page 1, Line 12, summarizes the
6 adjustment for settlement pay recorded to capital for the test period;

7 e) An adjustment made on WP_B-1, Page 1, Line 13, summarizes the
8 incentive compensation adjustments for the test period which removes SSU
9 capitalized incentive compensation amounts related to attaining financial metrics for
10 executive officers whose compensation is required to be disclosed as noted in Tex.
11 Util. Code § 104.060(a)(2) for the period of July 1, 2023 through June 30, 2024.
12 The adjustment removes the MIP amount for 2023 and LTIP Performance Based
13 amounts for 2024 for the Company's executive officers that fall within the disclosure
14 requirements. No other amounts were adjusted related to capitalized incentive
15 compensation for Mid-Tex or SSU for this period;

16 f) An adjustment made on WP_B-1, Page 1, Line 14, summarizes the SSU
17 SEBP/SERP adjustment to remove the current period capital amount of SSU
18 SEBP/SERP benefit costs to align with the disallowance of Cost Center 1908 in the
19 Final Order of GUD No. 9762, Finding of Fact No. 78 and in the Final Order of GUD
20 No. 10170 (see additional detail about the adjustment in the discussion related to WPs
21 F-2.7 and F-2.8);

22 g) An adjustment made on WP_B-1, Page 1, Line 16, summarizes the
23 adjustment to remove certain items of employee expenses that could be deemed

1 controversial that were charged to capital from Mid-Tex, and SSU employees via
2 employee expense reports; the adjustment was made based on a review of the
3 individual Atmos Energy expense report transactions for the period of January 1,
4 2018 through June 30, 2024, please refer to WP_B-1, Page 2 for additional details
5 supporting this adjustment (see additional detail about the expense report review
6 included in the discussion related to WP_F-2.6 and/or WP_F-2-8);

7 3) An adjustment was made on WP_B-2 to adjust the Injuries and Damages
8 Reserve to remove reserves not allocated to Mid-Tex and therefore not requested
9 from Mid-Tex customers, WP_B-2 details the adjustment;

10 4) An adjustment was made on WP_B-3, Materials & Supplies, WP_B-4,
11 Prepayments, to adjust the per book balances to reflect 13-month average balances;
12 Additionally, SSU General Office includes an adjustment to voluntarily remove
13 certain prepayments the Company has deemed controversial; SSU General Office
14 and SSU Customer Support Prepayments include adjustments to correctly align
15 charges and payments by division;

16 5) WP_B-5, Customer Deposits and Customer Advances reflects the per book
17 amounts for Mid-Tex;

18 6) Adjustments were made as detailed on WP_B-6 to ADIT consistent with my
19 previous testimony;

20 7) Adjustments were made as detailed on WP_B-6.2 to include the balance of
21 the Regulatory Liability for EDIT resulting from the revaluation of ADIT due to the
22 Tax Cuts and Jobs Act as recorded in FERC Accounts 174, 186, 242 and 253, Sub
23 Account 27909. The per book balance was adjusted to reflect amortization through

1 May 31, 2025 (the anticipated month rates in this proceeding will be implemented).
2 This adjustment incorporates the ending of the amortization of the unprotected
3 portion of the EDIT and the related reduction in rates as approved by the
4 Commission in Case No. 00006913, which was for a thirty-six (36) month period.
5 The balance will be the remaining protected amounts, which will continue to be
6 amortized over thirty (30) years (please see WP_B-6.1 for additional details).

7 The unprotected portion of EDIT and the related reduction to rates as
8 approved by the Commission was for a thirty-six (36) month period via Rider SUR
9 or until the next Statement of Intent Filing. The Company is proposing that any
10 amount of the unprotected EDIT which has not been fully refunded to customers at
11 April 1, 2024 (including trailing amounts through June 30, 2024), be refunded via
12 Rider SUR in the month following the implementation of rates in this proceeding,
13 fully returning all amounts to customers. The amounts are detailed in the
14 Company's filing in the section, Other Supporting Documents. Please see the
15 Schedule EDIT-3, 3.1 and 3.2; and

16 8) An adjustment was made as detailed on WP_B-7 and WP_B-7.1 to include
17 the balance of the Pension and Other Postemployment Benefits Regulatory Asset.
18 The Regulatory Asset has been calculated in accordance with Tex. Util. Code
19 § 104.059 and is discussed previously in my testimony.

20 **Q. HAVE ANY OTHER RATE BASE ADJUSTMENTS BEEN INCLUDED IN**
21 **MID-TEX'S FILING?**

22 A. Yes. Mr. Dane sponsors the adjustment for CWC, shown on Schedule E, as
23 discussed in his direct testimony.

1 **Q. PLEASE BRIEFLY DESCRIBE THE O&M ADJUSTMENTS INCLUDED**
 2 **IN THE MID-TEX FILING THAT YOU SPONSOR.**

3 A. The adjustments to O&M are summarized on Schedule F-2 and detailed below.

4 **Q. PLEASE BRIEFLY DESCRIBE THE O&M ADJUSTMENT FOR BASE**
 5 **LABOR.**

6 A. The base labor adjustment is an adjustment to annualize employee base salaries and
 7 include the authorized annual merit increase of 3.5% (which has occurred and was
 8 effective October 1, 2024) for actual employees as of June 30, 2024, for both Mid-
 9 Tex and SSU Employees. The labor adjustment was calculated based on each Mid-
 10 Tex and SSU employee's actual base salary at June 30, 2024 increased by a
 11 budgeted 3.5%. The SSU base salaries exclude salary amounts for cost centers that
 12 allocate zero percent (0%) to Mid-Tex or SSU cost centers, which have been
 13 excluded on Workpaper F-2.7. The supporting documentation for Workpaper F-2.1
 14 details the cost centers for which base salaries were excluded. The per book base
 15 labor was compared to the calculated increased base labor amount and the
 16 difference was allocated to O&M based on the applicable factors. WP_F-2.1 Base
 17 Labor Adjustment details the calculation.

18 **Q. PLEASE BRIEFLY DESCRIBE THE O&M ADJUSTMENT FOR**
 19 **MEDICAL AND DENTAL BENEFITS.**

20 A. The adjustment to medical and dental benefits expense is to calculate benefits
 21 expense at the most current benefit rate available. The adjustment was calculated
 22 based on the actual number of employees for Mid-Tex and SSU at June 30, 2024
 23 multiplied by the calculated cost per employee. The per book medical and dental

1 expense amount was compared to the calculated amount, and the difference was
2 allocated to O&M based on the applicable factors. WP_F-2.2 Medical and Benefits
3 Adjustment details the calculation.

4 **Q. PLEASE BRIEFLY DESCRIBE THE O&M ADJUSTMENT FOR PENSION**
5 **AND OTHER POSTEMPLOYMENT BENEFITS.**

6 A. The adjustment to pension and other postemployment benefits expense on WP_F-
7 2.3 is to adjust the current benefits benchmark (Line 7) to the proposed benefits
8 benchmark (Line 5). The proposed benefits benchmark amounts are based upon
9 the fiscal year 2024 Willis Towers Watson actuarial data for Mid-Tex and SSU
10 (excluding SSU SEBP cost). The current benefits benchmark amounts are based
11 upon the amounts detailed and approved in GUD No. 10742, Finding of Fact
12 No. 21, as shown on Schedule F-2.3. The current benchmark amounts were
13 compared to the proposed benchmark amounts, and the difference is the benefits
14 expense adjustment required to set pension and other postemployment benefits
15 expense at the proposed benchmark amount.

16 Mid-Tex is proposing that the fiscal year 2024 Willis Towers Watson
17 actuarial amounts shown on WP_F-2.3 and WP_F-2.3.1 be approved by the
18 Commission as the expense benchmark amounts to be used to calculate the
19 regulatory asset or liability for future periods.

20 WP_F-2.3 Pensions and Other Postemployment Benefits Plan Adjustment
21 details the adjustment. WP_F-2.3.1 Pensions and Other Postemployment Benefits
22 for Approval details the proposed benchmark for Commission approval.

1 **Q. PLEASE BRIEFLY DESCRIBE THE O&M ADJUSTMENT FOR**
2 **PROPERTY INSURANCE.**

3 A. The adjustment to property insurance expense is necessary to reflect the Blueflame
4 premium amount effective for the twelve months beginning March 1, 2024. The
5 adjustment to the property insurance was calculated based on the annual premium
6 amount for the twelve-month period beginning March 1, 2024, including tax on the
7 gross premiums as compared to the per book amount at June 30, 2024, including
8 tax on the gross premiums and the difference was allocated to O&M based on the
9 applicable factors. The 4.85% tax on the gross premiums is in accordance with
10 Texas Insurance Code § 226.003(a). WP_F-2.4 Property Insurance Adjustment
11 details the calculation.

12 **Q. HAS THE MID-TEX DIVISION COMPLIED WITH TEX. UTIL. CODE**
13 **§ 104.055 IN THIS FILING?**

14 A. Yes. Exhibit BWM-2 is the Affidavit of Derek W. Boyd, in which he addresses the
15 reasonableness and necessity of the affiliate transaction with Blueflame Insurance.
16 As Mr. Boyd's affidavit demonstrates, the Company's affiliate expenses associated
17 with Blueflame Insurance are reasonable and necessary and meet the standard for
18 recovery laid out in Section 104.055 of Tex. Util. Code.

19 **Q. PLEASE BRIEFLY DESCRIBE THE O&M ADJUSTMENT FOR**
20 **EMPLOYEE EXPENSES.**

21 A. The adjustment for employee expenses has been made to remove expenses for items
22 such as alcoholic beverages, certain meals, entertainment and travel expenses
23 charged to Mid-Tex and SSU via employee expense reports.

1 The adjustment was calculated based on the results of a review of all
2 expense reports for Mid-Tex and SSU that allocate to Mid-Tex, which identified
3 the population of expenditures that could be deemed controversial. In addition to
4 the expenditures identified and adjusted as part of the transactional review, all
5 transactions related to the Company's senior management have also been removed
6 from the filing.

7 The expense report review for this filing was conducted using similar
8 review criteria and schedule formats as used in GUD Nos. 10170, 10742 and most
9 recently Atmos Pipeline – Texas Docket No. OS-23-00013758. The review criteria
10 include removing items such as alcohol, spousal expenses, athletic events, golf
11 sponsorships, and first-class airfare. The review criteria established in GUD
12 No. 10000, Finding of Fact No. 34, to exclude the value of meals greater than \$25
13 per person and lodging expenses greater than \$150 per night were used in this filing.
14 Additionally, as per Finding of Fact No. 35, a detailed receipt is required for all
15 meals and lodging expenses. Further, provided with this filing are relied upon files
16 that include all spreadsheets showing the transactional detail, review criteria, and
17 details of the amounts adjusted for all expense reports noted for the test period (and
18 all prior years for the capital adjustment shown on WP_B-1) along with the
19 Company's Policy on Reimbursement to Employees for Business Related
20 Expenses. This adjustment to employee expenses reduces Mid-Tex's O&M
21 expenses. WP_F-2.6 Employee Expense Adjustment details the calculation.

1 **Q. DOES THE COMPANY HAVE AN ADDITIONAL REQUEST RELATED**
 2 **TO EMPLOYEE EXPENSES?**

3 A. Yes. The Company seeks to increase the lodging limitation per night from “up to
 4 \$150 per room per night” to “up to \$175 per room per night, exclusive of taxes.”
 5 This change has already been approved as reasonable by the Commission in rate
 6 cases involving TGS, Atmos Pipeline – Texas and CenterPoint.⁵ The Company
 7 requests this change to become effective with lodging expenses incurred
 8 subsequent to this test year for future rate proceedings, including IRA Filings.

9 **Q. PLEASE BRIEFLY DESCRIBE THE O&M ADJUSTMENT FOR SSU**
 10 **SERVICE LEVEL FACTORS.**

11 A. The adjustment is to the expenses charged to Mid-Tex from SSU to allocate the
 12 costs by cost center at the updated fiscal year 2024 four-factor formula allocation
 13 rates for services provided to Mid-Tex. The adjustment was calculated to state the
 14 test year SSU O&M expenses allocated to Mid-Tex at the fiscal year 2024
 15 anticipated service levels based upon the allocation factors calculated at September
 16 30, 2023. Additionally, Mid-Tex has made additional adjustments on WP_F-2.7
 17 (please refer to Footnotes 4 and 8) to align with prior Commission decisions and
 18 Texas statutes related to these expenses. These referenced cost center adjustments,
 19 as per the Final Orders issued in GUD Nos. 9762 and 10170,⁶ include the following:
 20 1) the removal of cost center 1132, ATM Dal-Investor Relations as per Finding of

⁵ GUD No. 10928 consol., Final Order at FoF No. 72; Docket No. OS-23-00013758 consol., Final Order at FoF No. 44; and Docket No. OS-23-00015513 consol., Final Order at FoF No 56.

⁶ The Cost Center names have been revised since *Statement Intent Filed by Atmos Energy Corporation to Increase Utility Rates Within the Unincorporated Areas Served by the Atmos Energy Corp., Mid-Tex Division and Petition for De Novo Review of the Denial of the Statement of Intent Filed by Atmos in Various Municipalities*, GUD No. 9762 consol., Final Order at FoF Nos. 72, 78 (Jun. 24, 2008) and GUD No. 10170 consol., Final Order at FoF No. 33.

Fact No. 72; and 2) the removal of cost center 1908, ATM-Dallas SEBP (“Supplemental Executive Benefits Plan”) as per Finding of Fact No. 78 no longer occurs on WP_F-2.7. Cost center 1908 is now fully allocated to Mid-Tex on Line 108 and the adjustments are reflected on WP_F-2.8 to remove 100% of the expense and on WP_B-1 to remove 100% of the capital. In GUD Nos. 9762 and 10170, costs in cost center 1904, ATM-Dallas Performance Plan, which includes the MIP and VPP costs, were removed as per Finding of Fact No. 76; however, with the implementation of Tex. Util. Code § 104.060, cost center 1904 is no longer set to zero percent, but rather included in the full amount allocated to Mid-Tex with any MIP expense amounts attributable achievement of financial measures for named officers removed on WP_F-2.8. All other SSU MIP and VPP costs are included in the filing as per the Mid-Tex allocation percentages. The calculation by cost center is detailed on WP_F-2.7 Shared Services Service Level Factor Adjustment. WP_F-2.7.1 Shared Services Cost Center Functions is included in the filing for informational purposes. This schedule provides the cost center description and function for each Shared Services cost center. No adjustment is calculated on WP_F-2.7.1.

Q. PLEASE BRIEFLY DESCRIBE THE O&M ADJUSTMENT FOR MISCELLANEOUS EXPENSE.

A. The Miscellaneous Expense adjustment in the rate filing package on WP_F-2.8 includes ten (10) categories of adjustments:

1. 5400 Series Review of Expenses for Mid-Tex and SSU - an adjustment was calculated to remove expenses such as alcoholic beverages, certain meals,

1 entertainment and travel expenses charged to Mid-Tex and SSU in the sub
2 accounts 5400 through 5499 and 7590, excluding sub accounts 5415, 5416,
3 5417 and 7510 (which are included in the adjustment shown on WP_F-2.10)
4 via invoices other than employee expense reports. These expense
5 adjustments are similar to those adjusted on WP_F-2.6. The adjustment was
6 calculated based on the results of a review which identified the population
7 of expenditures that could be deemed controversial;

8 2. 900 Account Series Review of Expenses for Mid-Tex and SSU - an
9 adjustment was calculated to remove controversial expenses such as
10 alcoholic beverages, certain meals, entertainment, travel expenses and non-
11 recurring and unusual charges to Mid-Tex and SSU in the FERC accounts
12 902 through 931 via invoices other than employee expense reports. These
13 expense adjustments are similar to those adjusted on WP_F-2.6. The
14 adjustment was calculated based on the results of a review which identified
15 the population of expenditures that could be deemed controversial, unusual
16 and non-recurring;

17 3. Pension and Other Postemployment Benefits Regulatory Asset
18 Amortization - an adjustment was made to include one year of the
19 amortization of the Pension and Other Postemployment Benefits Regulatory
20 Asset as calculated on WP_B-7, as per Tex. Util. Code § 104.059. The
21 Pension and Other Postemployment Benefits Regulatory Asset included in
22 Rate Base was discussed earlier in my testimony;

- 1 4. Rate Case Expenses - an adjustment was made to calculate and remove legal
2 and consulting expenses the Company anticipates will be recovered in a
3 separate docket applicable to this proceeding; and an adjustment was made
4 to remove any legal and consulting expenses the Company anticipates will
5 be recovered in other proceedings not applicable to this docket;
- 6 5. Settlement Pay - an adjustment was made to remove certain expensed
7 settlement pay amounts from Mid-Tex and amounts allocated from General
8 Office and Customer Support to reduce controversy in this filing;
- 9 6. SSU MIP and LTIP - an adjustment was calculated to remove the allocated
10 incentive compensation expense amounts related to attaining financial
11 metrics for the executive officers whose compensation is required to be
12 disclosed as per Tex. Util. Code § 104.060(a)(2). The adjustment removes
13 the MIP and LTIP Performance Based amounts for those executive officers.
14 The SSU amounts related to capital were removed on WP B-1 for the test
15 period. WP_F-2.8 Miscellaneous Adjustments details the calculation of the
16 above noted adjustments;
- 17 7. FERC Account Correction – two (2) adjustments were made to amounts
18 inadvertently recorded to the incorrect FERC accounts to move them to the
19 correct accounts;
- 20 8. SERP (Cost Center 1908) - The calculated SERP adjustment removes the
21 expense amount of SSU SEBP/SERP benefit costs to align with the
22 disallowance of Cost Center 1908 in the Final Order of GUD No. 9762,

1 Finding of Fact No. 78 and in the Final Order of GUD No. 10170. Please
2 refer to WP_F-2.7, Line 108 for the adjustment calculation;

3 9. Cloud Computing Amortization – an adjustment to remove the allocated
4 amortization expense recorded O&M for Shared Services General Office
5 and Shared Services Customer Support for cloud computing projects.

6 Depreciation expense will be calculated on the adjusted plant balance for
7 the cloud computing projects in plant accounts 399.08 on Schedule F-3; and

8 10. Company Matching Contributions – an adjustment was calculated to
9 increase expense to capture the increase in the Company’s dollar-for-dollar
10 match which changes from 4% to 5% beginning January 1, 2025.
11 Employees are eligible for this Company match after one year of service for
12 up to 4% of eligible earnings (5% at January 1, 2025). The adjustment
13 calculation only includes the Mid-Tex, Shared Services General Office and
14 Shared Services Customer Support employees at June 30, 2024, currently
15 contributing 4% in eligible earnings.

16 **Q. PLEASE BRIEFLY DESCRIBE THE O&M ADJUSTMENT FOR**
17 **UNCOLLECTIBLE EXPENSE.**

18 A. An adjustment to uncollectible expense was calculated utilizing the method
19 approved most recently in the Mid-Tex Division Final Order in GUD No. 10170,
20 Finding of Fact No. 33, and affirmed in GUD No. 10742. This methodology was
21 also approved in prior Final Orders in GUD No 9762, Finding of Fact No. 90 and
22 GUD No. 9869, Finding of Fact No. 38. The adjustment was calculated using the
23 three-year average of actual net write-offs to calculate a rate which was then applied

1 against the proposed total revenue requirement, adjusted to exclude gas cost which
2 is recovered under Rider GCR as approved in the above noted proceedings. The
3 calculation of the adjustment for uncollectible expense is shown on WP_F-2.9.

4 **Q. PLEASE BRIEFLY DESCRIBE THE O&M ADJUSTMENTS THAT HAVE**
5 **BEEN MADE TO COMPLY WITH COMMISSION RULES §§ 7.5414 AND**
6 **7.501.**

7 A. An adjustment has been made to comply with Commission Rule § 7.5414,
8 Advertising, Contributions and Donations, to remove expense charged to SSU and
9 Mid-Tex during the test year. These adjustments for nondeductible dues and
10 donations are shown on WP_F-2.10, Page 1 of 2. This adjustment was calculated
11 based on the identification of selected items that were charged to O&M.

12 To comply with Commission Rule § 7.501, Certain Matters to be Submitted
13 in Rate Hearings, the amount of legislative advocacy expense charged to Mid-Tex
14 either directly or allocated from SSU during the test year is provided on WP_F-
15 2.10, Page 1 of 2, Note 2. An adjustment to expense was not required related to
16 this rule as no dollars were charged to O&M expense during the test year. WP_F-
17 2.10, Page 1 of 2, Note 2, discloses the amount of expense for Legislative Advocacy
18 recorded in “below-the-line accounts” in calendar year 2023 as per the requirement
19 of Commission Rule § 7.501.

20 WP_F-2.10, Page 2 of 2, included in the rate filing package demonstrates
21 that the level of advertising expense does not exceed the allowed amount per
22 Commission Rule § 7.5414; therefore, no adjustment has been made for advertising
23 expense.

1 The adjustments noted above, which were charged to O&M, are detailed on
2 WP_F-2.10, Rule Compliance Adjustment, included in the filing.

3 **Q. PLEASE BRIEFLY DESCRIBE THE O&M ADJUSTMENT FOR THE**
4 **CUSTOMER CONSERVATION PROGRAM.**

5 A. The adjustment is to remove the expense recorded on the general ledger for the
6 Customer Conservation and Energy Efficiency Program. The cost associated with
7 this program is recovered through Rider CEE. WP_F-2.11, Customer Conservation
8 Program Adjustment, details the calculation.

9 **Q. HAVE ADJUSTMENTS BEEN MADE TO TEST YEAR AMOUNTS FOR**
10 **DEPRECIATION EXPENSE, TAXES OTHER THAN INCOME TAXES,**
11 **INCOME TAXES, INTEREST EXPENSE ON CUSTOMER DEPOSITS**
12 **AND CAPITAL STRUCTURE?**

13 A. Yes. Other adjustments for the Mid-Tex filing are presented and described in the
14 Rate Filing Package on Schedule F-3, Schedule F-5, Schedule F-6, Schedule F-7
15 and Schedule G with additional details provided in WP_F-5.1 and F-5.2 included
16 in Mid-Tex's rate filing package. The adjustments are summarized below:

17 1. Proposed depreciation expense is calculated on Schedule F-3. The adjusted
18 plant balance (from Schedule C) is adjusted for any non-depreciable or fully
19 depreciated plant and multiplied by the proposed depreciation rate to determine
20 the proposed depreciation expense. Mr. Watson discusses the proposed
21 depreciation rates in his testimony. The total proposed depreciation expense is
22 shown on Schedule A. Schedule F-4, provided for informational purposes,
23 shows the current and proposed depreciation rates.

- 1 2. An adjustment was made on Schedule F-5 to calculate ad valorem tax expense
2 at the overall 2022 valuation rate (as paid in January 2024). The calculation
3 includes Mid-Tex property taxes paid in January 2024 net of the capitalized
4 Mid-Tex property taxes. An overall ad valorem tax rate for calendar year 2022
5 is calculated by dividing the 2022 ad valorem taxes paid by the December 31,
6 2022 net plant investment. This percentage is applied to the total September
7 2024 investment (i.e., Mid-Tex utility plant minus accumulated depreciation).
8 The calculation is shown on WP_F-5.1.
- 9 3. An adjustment has been made on Schedule F-5 to adjust payroll tax; the
10 statutory payroll tax rate was applied to the adjustment to labor expense for the
11 Mid-Tex direct labor. The per book tax expense was added to the tax calculated
12 on the labor adjustment. This amount is the adjusted tax expense. The
13 calculation is shown on WP_F-5.1.
- 14 4. Adjustments were made to Taxes Allocated from SSU shown on Schedule F-5:
- 15 a. Ad Valorem Taxes Allocated to Mid-Tex: SSU's General Office and
16 Customer Support ad valorem taxes were adjusted to calculate an ad
17 valorem tax expense percentage at the estimated 2022 valuation rate as
18 paid in January 2024. The calculation includes SSU property taxes paid
19 in January 2024. An ad valorem tax rate percentage for calendar year
20 2022 is calculated by dividing the taxes paid by the 12/31 net plant
21 investment. This percentage is applied to the total September 2024
22 investment. The calculation is shown on WP_F-5.1.

- 1 b. Payroll Tax Allocated to Mid-Tex: The statutory payroll tax rate was
2 applied to SSU's adjusted labor expense (calculated on WP_F-5.2)
3 allocated to Mid-Tex using the four-factor formula. This amount plus
4 the payroll related taxes not included in the statutory rate were compared
5 to the per book payroll tax expense to calculate the adjustment. The
6 calculation is shown on WP_F-5.1.
- 7 c. Other Tax Allocated to Mid-Tex: The Excise Tax for the test year was
8 allocated to Mid-Tex using the current allocation factor. The calculation
9 is shown on WP_F-5.1.
- 10 5. Adjustments to Revenue Related Taxes are shown on Schedule F-5 and include
11 State Gross Receipts Tax, Franchise Fees, and Public Service Commission
12 Assessment are all shown on Schedule F-5. A calculation was made to establish
13 an effective rate based on actual payments and operating revenues for each of
14 the three (3) taxes/fees noted. These calculated effective rates were then applied
15 to the total revenue requirement to establish an adjusted amount for each. This
16 calculation is the same method approved in the Final Orders issued in GUD
17 Nos. 10742, 10170, 9869 and 9762, as shown on Schedule F-5 attached to the
18 Final Orders. The calculation of these amounts is shown on WP_F-5.1.
- 19 6. Federal Income Taxes were calculated on Schedule F-6, Page 2 of 3, at the
20 statutory income tax rate of 21% as per Tex. Util. Code § 104.055(c). Total
21 income taxes are calculated on Schedule F-6, Page 1 of 3;
- 22 7. State Franchise ("State Franchise" or "Gross Margin") Tax is calculated on
23 Schedule F-6, Page 3 of 3, at the statutory tax rate of 0.75% as per Texas Tax

Code § 171.002; this amount is then reduced by a Business Loss Carryforward amount which is detailed in Footnote 1 shown on Schedule F-6, Page 3 of 3. Schedule F-6, Page 1 of 3, shows the Total Income Tax requested.

8. An adjustment on Schedule F-7 was made to calculate the interest on customer deposits. The per book customer deposit amount is multiplied by the current interest rate to determine the interest on customer deposits. This methodology is the same as approved in the Final Orders in GUD Nos. 10742, 10170, 9869 and 9762 on Schedule F-7 attached to those Final Orders.

9. An adjustment has been made on Schedule G to include a known and measurable adjustment to calculate the capital structure utilizing September 2024 actual capital structure. The September 30, 2024, capital structure is then adjusted to remove unrealized Treasury Locks and capital leases.

Q. HAS ANY OTHER RATEMAKING ADJUSTMENT BEEN INCLUDED IN MID-TEX'S FILING FOR EDIT AMORTIZATION?

A. Yes. The Company is also including an adjustment on Schedule A, increasing the Company's proposed Cost of Service for one (1) year of EDIT amortization attributable to the Company's protected balance. The EDIT amortization detail is provided on WP_B-6.1. The protected amounts are being amortized over 30 years, updated from 26 years per new IRS guidelines.

XIII. OTHER SUPPORTING DOCUMENTS

Q. ARE THERE ANY OTHER ITEMS AND/OR AMOUNTS INCLUDED IN THE FILING THAT YOU SUPPORT?

A. Yes. I support several additional items and amounts not included in the Company's proposed Cost of Service as follows: 1) the mechanics of a new SSI Rider the

1 Company is requesting and the calculation of the baseline level of third party
2 expenses; 2) the calculation of a surcharge to be recovered via Rider SUR for
3 Securitization Regulatory Asset financing cost amounts; 3) the calculation of a
4 collection and refund amounts related to the reconciliation of the unprotected EDIT
5 amortization; and 4) FASB ASC 740-10 (FIN48) amounts to be refunded to
6 customers. These calculations are shown in the Cost of Service filing Other
7 Supporting Documents Section.

8 **Q. PLEASE DESCRIBE THE PROPOSED SSI RIDER MID-TEX IS**
9 **REQUESTING.**

10 A. As discussed in the direct testimony of Mr. Knights, Mid-Tex is proposing to
11 establish a rider to annually recover amounts related to third-party O&M costs that
12 Mid-Tex incurs for activities necessary to comply with federal and state safety and
13 integrity management requirements. Any third-party costs incurred that exceed, or
14 are at a level below, the baseline proposed spending will be tracked and included
15 for recovery (or refund) under Mid-Tex's annual SSI Rider filing. The Company's
16 request in this case is similar to treatment the Commission has approved for Atmos
17 Pipeline Texas in Docket No. OS-23-00013758.

18 **Q. WHY IS A RIDER APPROACH REASONABLE FOR SSI-RELATED**
19 **EXPENDITURES?**

20 A. As Mr. Knights explains, the costs of SSI can vary from year to year, so establishing
21 a rider allows Mid-Tex to ensure it is recovering its actual costs for these activities
22 and ensures that customers will pay no more and no less than the actual SSI
23 expenses incurred in a given year.

1 **Q. WHAT IS THE BASELINE LEVEL OF THIRD-PARTY SSI COSTS**
2 **INCLUDED IN THIS CASE, AND HOW WAS THAT AMOUNT**
3 **DETERMINED?**

4 A. The baseline level of third-party SSI costs included in this case is approximately
5 \$20,204,719, which Mid-Tex proposes to recover through base rates. These third-
6 party costs were recorded to O&M projects detailed in the OSD Section, Schedules
7 SSI-1 and SSI-1.1. Schedule SSI-1 provides the detail for the test year amounts
8 that Mid-Tex proposes to use as the baseline level of third-party SSI costs.
9 Schedule SSI-1.1 details adjustments related to removing items such as meals
10 greater than \$25, lodging greater than \$150, and missing receipts.

11 **Q. HOW WOULD THE RIDER SSI ACCOUNTING WORK UNDER THE**
12 **COMPANY'S PROPOSAL?**

13 A. Mid-Tex requests that the Commission specifically identify and approve an annual
14 baseline level of SSI costs in the final order in this case. Once that is established,
15 Mid-Tex will be able to track actual amounts incurred over or under that baseline
16 SSI amount that are incurred on an annual basis. The Company would propose that
17 the accounting for costs over/under the benchmark start with July 2024, after the
18 end of the test period in this case. When rates from this case are implemented, and
19 if the July 2024 start date is approved as proposed, then the Rider SSI accounting
20 will begin. The Company will evaluate the balance annually based on a June 30
21 period end and adjust as necessary to ensure the baseline level of expense included
22 in rates is recorded to O&M expense and the remainder, above or below the

1 baseline, is tracked and addressed through the annual Rider SSI filing that would
2 be made no later than September 15 each year beginning in 2025.

3 **Q. IS THE COMPANY PROPOSING TO INCLUDE ANY OTHER**
4 **EXPENDITURES IN THE RIDER SSI?**

5 A. No. The only expenditures eligible for inclusion in the Rider SSI are those specified
6 in the rider.

7 **Q. HOW WOULD THE ACCOUNTING FOR THE SURCHARGE OR**
8 **REFUND CALCULATION WORK UNDER THE COMPANY'S**
9 **PROPOSAL?**

10 A. The calculation of the surcharge or refund component of this asset would be
11 calculated as described below. The SSI costs deferred will be allocated to the
12 Environs customers utilizing a percentage calculated based upon customer count.
13 The percentage would be the Environs customers divided by the total system
14 customers in this proceeding to equal the Environs allocation factor. This factor
15 applied to the total Rider SSI annual amount would equal the amount attributable
16 to the Environs customers. The Environs Rider SSI amount would be allocated to
17 the customer classes based upon the allocation factors approved in this proceeding.
18 The allocated Environs amount by rate class divided by the Environs June year end
19 number of customers (times 12) would equal the Environs monthly Rider SSI
20 Adjustment amount. This amount by customer class would be collected or refunded
21 via Rider SUR for a 12-month period. The effective date of the Rider SSI amount
22 would be February 1st.

1 **Q. PLEASE DESCRIBE THE COMPANY’S PROPOSED RIDER SUR FOR**
2 **FINANCING COSTS RELATED TO WINTER STORM URI**
3 **SECURITIZATION.**

4 A. The Company’s proposed surcharge to be recovered via Rider SUR is for
5 Securitization Regulatory Asset financing costs for the period of September 1, 2022
6 through March 31, 2023 related to Winter Storm Uri. The Company is seeking
7 recovery of these costs, which were not included in the Securitization Order, as per
8 the Railroad Commission of Texas letter dated December 21, 2022, clarifying the
9 Finding of Fact No. 59 of the Regulatory Asset Determination Order issued by the
10 Commission in Docket No. OS-21-00007061. A one (1) year recovery period is
11 being requested. Again, these amounts are not included in any other proceeding.
12 The amounts are being recovered from the Company’s Texas utility divisions (Mid-
13 Tex and West Texas) based on a consumption charge per Ccf or MMBtu.

14 **Q. HOW WAS THE SURCHARGE CALCULATED?**

15 A. The surcharge was calculated by dividing the total Securitization interest for the
16 period of September 2022 through March 2023 by the normalized volumes for all
17 customers in the Mid-Tex and West Texas divisions. The calculation of this
18 surcharge is shown in Schedules SEC-2 and SEC-2.1. The surcharge would be
19 applied for a one (1) year period. These amounts would be collected via Rider
20 SUR.

1 **Q. PLEASE DESCRIBE THE RECONCILIATION OF THE EXCESS**
2 **DEFERRED TAX AMORTIZATION AMOUNTS TO BE REFUNDED TO**
3 **AND COLLECTED FROM CUSTOMERS THAT MID-TEX IS**
4 **REQUESTING.**

5 A. The Company filed an application July 1, 2021 to reduce rates pursuant to Tex.
6 Util. Code § 104.111 and the Gas Utilities Accounting Order in GUD No. 10695.
7 This application was required due to the tax rate change from 35% to 21% due to
8 the Tax Cuts and Jobs Act of 2017. This Case No. 00006913, approved by the
9 Commission, was to reduce rates for the unincorporated customers for
10 approximately thirty-six (36) months commencing on Mid-Tex's bills rendered on
11 or after September 1, 2021. Upon review of the refunded amounts by customer
12 class in early March 2024 the Company determined that the refund was expected
13 to be fully completed as of March 31, 2024. The Company requested Commission
14 approval to withdraw the Rider SUR tariff for the unincorporated areas for bills
15 rendered on or after April 1, 2024. The Commission granted the Company's
16 request to withdraw the Rider SUR rate schedule.

17 In the Company's request of March 19, 2024, to withdraw Rider SUR, the
18 Company advised that a final reconciliation of the amounts refunded would be
19 provided in the Company's next statement of intent. In the Schedule EDIT-3.1 the
20 Company has detailed the total amount to be refunded by rate class and the actual
21 amounts refunded by rate class through June 2024. The difference by rate class is
22 detailed in this schedule, indicating that an amount of (\$192,272.49) is remaining
23 to be returned to customers. The Company has calculated the refund or collection

1 of this amount by rate class and proposes a one-month refund or collection of this
2 remaining amount. The Rate R – Residential rate class has received an amount
3 exceeding the amount to be refunded and the one-month amount for this rate class
4 will be a collection. Rate C – Commercial and Rate I&T – Industrial and
5 Transportation classes will receive a one-month refund. The calculation of this
6 surcharge is shown in Schedule EDIT-3, supporting Schedules include EDIT-3.1
7 and EDIT-3.2. The surcharge would be applied for a one (1) month period. These
8 amounts would be collected or refunded via Rider SUR.

9 **Q. PLEASE DESCRIBE THE FASB ASC 740-10 (FIN48) AMOUNTS TO BE**
10 **REFUNDED TO CUSTOMERS THAT MID-TEX IS REQUESTING.**

11 A. Mid-Tex is proposing to establish a rider to annually refund amounts related to the
12 position the Company took on its filed Texas Margin tax return. This position
13 warranted the recognition and booking of a tax liability as an Uncertain Tax
14 Position (ASC 740-10) also known as FIN48. The Company has adopted a 10-year
15 time period as the most appropriate period to de-recognize a FIN48 position and
16 subsequently refund the reserved FIN48 liability to customers. This is discussed in
17 detail in the direct testimony of Mr. Multer. Therefore, the total regulatory liability
18 that will be refunded for fiscal year 2024 is \$3,202,647. Please refer to Schedules
19 FIN48-4 and FIN48-4.1 for details of the FIN48 regulatory liability. The Company
20 would propose that the annual regulatory liability refund amount be allocated to the
21 rate classes based on the allocation factors established in this docket. The allocated
22 amount by class would then be divided by the systemwide annual bill count by rate
23 class to derive the refund amount by rate class. The calculation of this refund is

1 shown in Schedule FIN48-4. The refund would be applied for a one (1) year period
2 beginning June 1st. These amounts would be refunded via Rider SUR.

3 Following implementation of rates in this proceeding, the Company
4 proposes to submit to the Commission by January 31st the annual amount of the de-
5 recognized FIN48 regulatory liability to refund to customers in the next period. The
6 Commission would review and approve the regulatory liability amount. The refund
7 by customer class would be re-calculated annually using the same methodology as
8 the initial calculation. The Company would implement the new refund on June 1st
9 each year upon approval. The Rider SUR tariff would be updated and filed with
10 the Commission to reflect the new annual refund amount.

11 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

12 **A.** Yes, it does.

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

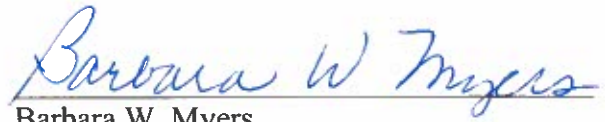
AFFIDAVIT OF BARBARA W. MYERS

BEFORE ME, the undersigned authority, on this day personally appeared Barbara W. Myers who having been placed under oath by me did depose as follows:

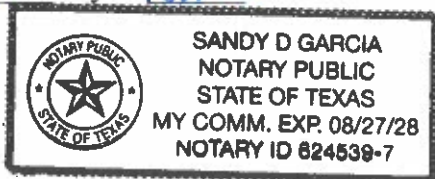
1. “My name is Barbara W. Myers. I am of sound mind and capable of making this affidavit. The facts stated herein are true and correct based upon my personal knowledge. My current position is Manager, Rates and Regulatory Affairs for Atmos Energy Corporation, Shared Services.

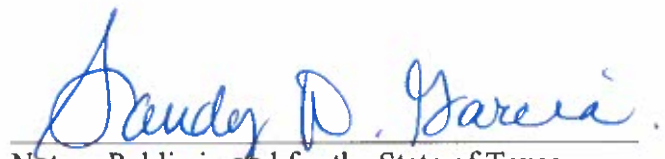
2. I have prepared the foregoing Direct Testimony and the information contained in that document is true and correct to the best of my knowledge.”

Further affiant sayeth not.


Barbara W. Myers

SUBSCRIBED AND SWORN TO BEFORE ME by the said Barbara W. Myers on this
6th day of November 2024.




Notary Public in and for the State of Texas

ATMOS ENERGY CORPORATION
COST ALLOCATION MANUAL
April 1, 2024

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1. Introduction:

a. Corporate Structure

Atmos Energy Corporation (Atmos Energy or the Company) operates its Regulated Operations through seven (7) operating divisions in eight (8) states. The seven operating divisions and their service areas are:

Division	Service Area
Atmos Energy Colorado-Kansas Division	Colorado, Kansas
Atmos Energy Kentucky/Mid-States Division	Kentucky, Tennessee, Virginia
Atmos Energy Louisiana Division	Louisiana
Atmos Energy Mid-Tex Division	Texas, including the Dallas/Fort Worth metropolitan area
Atmos Energy Mississippi Division	Mississippi
Atmos Energy West Texas Division	West Texas
Atmos Pipeline – Texas Division	Intrastate pipeline business in Texas

These operating divisions are not subsidiaries or separate legal entities. Therefore, by definition, they cannot be considered affiliates of Atmos Energy.

Technical and support services are provided to the operating divisions by centralized shared services departments primarily located at the Atmos Energy headquarters in Dallas. These centralized functions currently include, but are not limited to, accounting, gas supply, human resources, information technology, legal, rates and customer support. The costs for these shared services are allocated to the operating divisions. In addition, for operating divisions that operate in more than one rate jurisdiction, costs are first allocated to the general office and then to the separate rate divisions accordingly within the operating division.

Atmos Energy Holdings, Inc. is a wholly owned subsidiary of Atmos Energy Corporation. Atmos Energy Holdings and its various wholly owned subsidiaries are separate legal entities and are considered affiliates of Atmos Energy.

The Company's current legal entity organization chart is contained in Appendix A.

Note that the descriptions contained herein do not address tariffed services.

b. Accounting:

Atmos Energy's account coding structure enables it to capture the costs for allocable activities. Expenses, assets, and liabilities for Atmos Energy's shared services and other operating division general office divisions are coded to applicable location codes and cost centers as necessary and are then allocated to the appropriate rate divisions based upon the methodologies described herein. Allocations recorded in the books and records of the Company are primarily for management control purposes and may not reflect the allocation methodology used for rate making purposes.

Atmos Energy's account coding structure is as follows:

XXX.	XXXX.	XXXX.	XXXXX.	XXXXXX.	XXXX	
Company	Cost Center	FERC Account	Sub-Account	Service Area	Future Use	
3 digits	4 digits	4 digits	5 digits	6 digits	4 digits	

Within the above coding structure "Company" and "Cost Center" are primarily utilized for internal management responsibility reporting purposes for Atmos Energy's operating divisions. The terms "Company" and "Cost Center" are defined in the glossary beginning below. Utilization of the "Company" or "Cost Center" fields is not suitable for meaningful financial or regulatory reporting purposes.

The FERC account field contains the three-digit FERC USOA account plus one extension digit which in some cases is utilized by the FERC USOA.

The first three digits of the Service Area field are the primary coding utilized for cost allocations within Atmos Energy and is generally referred to as "rate division number". This portion of the field denotes Atmos Energy's various rate divisions as well as the Company's various shared services and operating division general office divisions. These codes are the primary source of information for regulatory reporting and rate activity. The remaining three digits represent "town" location which is utilized only for some accounts. Atmos Pipeline-Texas ("APT") uses the final three digits of the service area to represent the actual storage or compressor facility; however, this is used for O&M expenses only.

c. Glossary of Terms:

The following terms are defined for purposes of this document only:

Affiliate – One or more of Atmos Energy's subsidiaries.

Below the Line - Amounts which are generally not included in an analysis of costs from which gas service rates are derived.

Company - In general terms, it refers to Atmos Energy Corporation. Within the context of the account coding string, this term represents an operating division, wholly owned subsidiary or other legal entity controlled by Atmos Energy.

Composite Factor - The Company's general allocation factor which is based upon the simple average of gross plant in service, average number of customers and direct operation and maintenance expenses for each applicable operating division and service area, as applicable.

For divisions with general office service areas, allocations from these general offices to specific rate divisions also use the composite rate for each applicable rate division. Variations of this composite factor are further defined below in more detail. The composite factor is reviewed annually for any items outside of the ordinary course of business to determine if identified items should be excluded from the calculation. Any one-time exclusions will be documented and approved by the VP & Controller.

This composite factor is unique for each operating division/service area; however, the formula base for each use of the composite factor is the same.

(1) The percentage of Gross Utility and Non-Utility Property Plant and Equipment in each specific applicable division unit as a percentage of the total Direct Property Plant and Equipment in all of the applicable divisions.

(2) The average number of customers from the prior fiscal year in each specific applicable division unit as a percentage of the total number of customers in all of the applicable divisions.

(3) The total direct O&M expense in each specific applicable division unit as a percentage of the total direct O&M expense in all applicable divisions.

Corporate Headquarters - The headquarters of Atmos Energy Corporation is located in Dallas, Texas.

Cost Center - Account coding which denotes an area of cost responsibility. This coding is used primarily for management purposes.

Customer Factor – Allocation that is based on customer factors only and used as necessary when the allocation should only be based on customers. It is derived based on the average number of customers in the Operating Divisions that receive allocable costs for the services provided.

Direct Charges – Charges that originate in a shared services department, operating division general office division, or rate division that are recorded directly to the applicable rate division.

FERC USOA - The Uniform System of Accounts as prescribed by the Federal Energy Regulatory Commission.

Municipal Jurisdiction -. A Texas legal construct wherein each municipality (i.e., incorporated cities, towns, and villages) served by Atmos Energy has original jurisdiction over rates.

Operating Division - An unincorporated division of Atmos Energy Corporation that contains at least one rate division that is responsible for the management of the Company's Regulated Operations. Operating divisions are not subsidiaries or separate legal entities. As such, they do not have separate equity or debt structures. Additionally, the divisions do not keep separate books and records. Operating divisions with multiple rate divisions have one general office rate division in addition to rate divisions corresponding to regulatory jurisdictional areas.

Operating Division General Office - Administrative offices that are located outside of shared service offices which serve as the base of operations and central office for each operating division that serves multiple rate divisions “.

Rate Division – Often referred to as an operating rate division, it denotes Atmos Energy's regulatory jurisdictions that are defined by state and geographic boundaries. The term also denotes Atmos Energy's various shared services and operating division general office divisions. These divisions are the primary source for regulatory reporting and rate activity for an area in which rates have been set by a regulatory authority such as the Colorado Public Utilities Commission. Rate divisions are identifiable in the Company's account coding string. As such, costs are accumulated within the general ledger and represent the sum of direct costs plus costs allocated to the rate division.

Regulated Operations – Represents the Company's six regulated natural gas distribution operating divisions operating in eight states and the Company's regulated intrastate pipeline operations in the State of Texas.

Service Area - The portion of the Company's account coding structure of which the first three digits denote rate division. The last three digits of this code denote "town" which is used only in certain instances. Atmos Pipeline-Texas uses the final three digits of the service area to represent the actual storage or compressor facility; however, this is used for O&M expenses only.

Shared Services - The Company's functions that serve multiple rate divisions. These services include departments such as legal, billing, call center, accounting, information technology, human resources, gas supply, rates administration, among others. Shared Service costs are tracked in two service areas: Shared Services – General Office (Service Area 002) and Shared Services – Customer Support (Service Area 012).

Shared Services – Customer Support – Shared Services functions that include customer billing, customer call center functions and customer support related services.

Shared Services – General Office – Shared Services functions that include all other functions not encompassed by Shared Services – Customer Support.

The following are the operating divisions of Atmos Energy Corporation:

Atmos Energy Colorado-Kansas Division is a regulated operating division that serves approximately 170 communities throughout Colorado and Kansas, including the cities of Olathe, Kansas, a suburb of Kansas City and Greeley, Colorado, located near Denver.

Atmos Energy Kentucky/Mid-States Division is a regulated operating division that operates Kentucky, Tennessee, and Virginia. The service areas in these states are primarily rural; however, this division serves Franklin, Tennessee, and other suburban areas of Nashville.

Atmos Energy Louisiana Division is a regulated operating division that serves nearly 300 communities, including the suburban areas of New Orleans, the metropolitan area of Monroe and western Louisiana. Direct sales of natural gas to industrial customers in Louisiana, who use gas for fuel or in manufacturing processes, and sales of natural gas for vehicle fuel are exempt from regulation and are recognized in our Atmos Energy Louisiana Industrial Gas segment.

Atmos Energy Mid-Tex Division is a regulated operating division that serves approximately 550 incorporated and unincorporated communities in the north-central, eastern, and western parts of Texas, including the Dallas/Fort Worth Metroplex. The governing body of each municipality served by Atmos Energy has original jurisdiction over all gas distribution rates, operations, and services within its city limits, except with respect to sales of natural gas for vehicle fuel and agricultural use. The Railroad Commission of Texas (RRC) has exclusive appellate jurisdiction over all rate and regulatory orders and ordinances of the municipalities and exclusive original jurisdiction over rates and services to customers not located within the limits of a municipality.

Atmos Energy Mississippi Division is a regulated operating division that serves about 110 communities throughout the northern half of the state, including the Jackson metropolitan area.

Atmos Energy West Texas Division is a regulated operating division that serves approximately 80 communities in West Texas, including the Amarillo, Lubbock, and Midland/Odessa areas. Like our Mid-Tex Division, each municipality we serve has original jurisdiction over all gas distribution rates, operations, and services within its city limits, with the RRC having exclusive appellate jurisdiction over the municipalities and exclusive original jurisdiction over rates and services provided to customers not located within the limits of a municipality.

Atmos Pipeline – Texas Division is one of the largest intrastate pipeline operations in Texas with a heavy concentration in the established natural gas producing areas of central, northern, and eastern Texas, extending into or near the major producing areas of the Barnett Shale, the Texas Gulf Coast and the Delaware and Val Verde Basins of West Texas. APT provides transportation and storage services to our Mid-Tex Division, other third-party local distribution companies, industrial and electric generation customers, as well as marketers and producers. As part of its pipeline operations, APT manages five underground storage reservoirs in Texas.

The following are affiliates of Atmos Energy Corporation:

Blueflame Insurance Services, LTD is a wholly owned subsidiary of Atmos Energy Corporation that was created to provide cost-effective property insurance coverage for Atmos Energy and its subsidiaries. It was chartered in Bermuda effective December 16, 2003, and became operational as of January 1, 2004. It is incorporated under Bermuda's insurance law and regulations and is fully capitalized under the requirements of applicable Bermuda law.

Atmos Energy Kansas Securitization I, LLC ("AEK") is a wholly-owned special purpose limited liability company subsidiary of Atmos Energy Corporation that was established on October 28, 2022 for the sole purpose to issue securitized utility tariff bonds and the right to impose and collect securitized utility tariff charges paid by all existing and future retail customers within Atmos Energy's service area in Kansas related to the recovery of costs in relation to Winter Storm Uri. The issuance of the utility tariff bonds occurred in June 2023 in the amount of \$95 million with a term of 10 years. AEK is considered to be a variable interest entity that is consolidated within Atmos Energy Corporation.

Atmos Energy Services, LLC (“AES”) was established on April 1, 2004, to provide natural gas management services to Atmos Energy’s natural gas distribution operations, other than the Mid-Tex Division. These services include aggregating and purchasing gas supply, arranging transportation and storage logistics and ultimately delivering the gas to Atmos Energy’s natural gas distribution service areas at competitive prices. AES provided these services through December 31, 2006. Effective January 1, 2007, the gas supply department within shared services began providing these services.

Phoenix Gas Gathering Company is a wholly owned subsidiary of Atmos Gathering Company, LLC, and was created to develop, own, and operate a non-regulated natural gas gathering system located in Kentucky.

Atmos Gathering Company, LLC is a wholly owned subsidiary of Atmos Pipeline and Storage, LLC and was created to conduct our non-regulated natural gas gathering operations.

Atmos Energy Holdings, Inc. is the parent company of Atmos Energy Corporation’s non-utility operations.

Atmos Energy Louisiana Industrial Gas, LLC serves industrial customers in Louisiana who use gas for fuel, manufacturing, and other processes.

Atmos Exploration and Production, Inc. holds some insignificant Kentucky production interests which the Company succeeded to when it acquired Western Kentucky Gas Company in 1987. This subsidiary is functionally inactive as the Company does not actively engage in the exploration and production business.

Atmos Pipeline and Storage, LLC owns or has an interest in underground storage fields in Kentucky and Louisiana. The utility divisions of Atmos Energy also use these storage facilities to reduce the need to contract for additional pipeline capacity to meet customer demand during peak periods.

Atmos Power Systems, Inc. constructs gas-fired electric peaking power generating plant and associated facilities and may enter into agreements to either lease or sell these plants. Since 2001, 2 sales-type lease transactions have been executed.

Egasco, LLC was, several years ago, engaged in the marketing and sale of natural gas to large-volume commercial and agricultural customers in West Texas. Egasco no longer serves any customers.

Fort Necessity Gas Storage, LLC is a wholly owned subsidiary of Atmos Pipeline and Storage, LLC, and was created in 2009 to construct and operate a non-regulated salt-cavern gas storage project in Louisiana. In March 2011, we recorded a \$19.3 million charge to substantially write off our investment in Fort Necessity.

Trans Louisiana Gas Storage, Inc. owns a minority interest in a salt dome storage facility in Louisiana. This facility is used to serve utility and non-utility customers.

Trans Louisiana Gas Pipeline, Inc. owns and operates an intrastate pipeline system in Louisiana. This facility is used to serve utility and non-utility customers.

UCG Storage, Inc. owns certain storage field interests in Kentucky which are used to serve utility customers.

WKG Storage, Inc. owns certain storage field interests in Kentucky which are used to serve utility customers.

Service:	Capitalized overhead (general)
Description:	Overhead related to capital expenditures
Current Provider of Service	Shared Services Atmos Pipeline – Texas Division Louisiana Division operating division Kentucky/Mid-States Division operating division general office Colorado-Kansas Division operating division general office Mid-Tex Division Mississippi Division West Texas Division operating division general office
Current Use of Service	Rate divisions
Basis for allocation	The capitalized portion of the overhead costs are accumulated in overhead projects in Construction Work in Process (CWIP) by operating division (Shared Services described separately below). On a monthly basis, the overhead accumulated in these projects is applied to specific capital projects using a budgeted overhead application rate. The application rate is established at the beginning of the fiscal year based upon projected capital expenditures and is reviewed periodically and revised as necessary (at least annually) to reflect significant changes to the Company's capital expenditure plans. The budgeted rate applies overhead at both a division level and a state level (for divisions that consist of multiple states). Quarterly, any residual amount remaining in the overhead projects (positive or negative) are allocated to capital projects based on project spending during the quarter. Capitalized overhead that is specific to an operating division or state is allocated only to the capital projects for that operating division or state. Shared services overhead is based on an annual Capitalized Overhead Study by cost center to determine the capital application rate based on the expected capital versus expense activities of each cost center. Quarterly, the balance in the Shared Services Overhead Project is cleared to the capital projects across the regulated operations (both distribution and transmission) based on eligible spending during the quarter. Annually, a true-up is performed for certain cost centers, as necessary, who have been using an overall Company capital application rate, versus a rate for their specific cost center.

Service:	Stores overhead
Description:	Overhead related to management of materials is allocated to materials as purchased.
Current Provider of Service	Shared Services general office (Service Area 002)
Current Use of Service	Atmos Pipeline – Texas Division West Texas Division rate divisions Louisiana Division rate divisions Kentucky/Mid-States Division rate divisions Mid-Tex Division rate division Colorado-Kansas Division rate divisions Mississippi Division rate division
Basis for allocation	Overhead costs associated with inventory items (account 154), including rent, labor and supervision are accumulated by the operating division and recorded to the undistributed stores' overhead account (163). Each operating division sets an application rate at the beginning of the year based on projected overhead and materials activity. As material purchases with the expenditure type "with stores overhead" are incurred, the application rate is applied, and the overhead assigned is allocated to the same account as the material purchase. Periodically, the balance in the undistributed stores' overhead account is compared to the inventory account and a new rate is determined. Shared Services stores overhead is allocated monthly to the operating divisions based on direct operation and maintenance expenses for each applicable area or each operating division.

Service: O&M Expenses in Shared Services – Customer Support cost centers

Description: Includes all expenses for Customer Support. (Service Area 012)

Current Provider
Of Service Shared Services

Current Use of
Service West Texas Rate Divisions
Mid-Tex Division
Louisiana Rate Divisions
Kentucky/Mid-States Rate Divisions
Colorado-Kansas Rate Divisions
Mississippi Division

Basis for
allocation Costs are allocated to the applicable operating division in total based on the average number of customers in each operating division as a percentage of the total number of customers in all of the operating divisions. General office charges are allocated to rate divisions as applicable following the same methodology.

Service: O&M Expenses in Shared Services – General Office cost centers

Description: Includes O&M expenses in Shared Services – General Office. (Service Area 002)

Current
Provider
Of Service Shared Services

Current
Use of
Service Atmos Energy Louisiana Industrial Gas, LLC
Trans Louisiana Gas Pipeline
WKG Storage, Inc.
West Texas Division
Mid-Tex Division
Atmos Pipeline – Texas Division
Louisiana Division
Kentucky/Mid-States Division
Colorado-Kansas Division
Mississippi Division
Trans Louisiana Gas Storage
Atmos Power Systems, Inc
UCG Storage, Inc.
Atmos Energy Holdings, Inc.

Basis for
allocation Costs from Shared Services are allocated to affiliates and operating divisions based on the composite factor as defined above, including the general office service areas as applicable. In addition, shared services departments which provide services to the Company's operating divisions and affiliates include those and operating divisions and affiliates in the composite factor and departments that do not provide services to the Company's affiliates and operating divisions do not include those affiliates and operating divisions in the composite factor.

Service: SSU – Customer Support taxes other than income taxes

Description:	Includes all taxes other than income tax charged in Shared Services – Customer Support.
Current Provider Of Services	Shared Services
Current Use of Service	West Texas Rate Divisions Louisiana Rate Divisions Kentucky/Mid-States Rate Divisions Mid-Tex Division Colorado-Kansas Rate Divisions Mississippi Division
Basis for allocation	Costs are allocated to the applicable rate division level in total based on the average number of customers in each operating division as a percentage of the total number of customers in all of the operating divisions. As applicable, the number of customers in the rate divisions is used to allocate from the operating division general office to the rate divisions.

Service: SSU – General Office taxes other than income taxes

Description:	Includes all taxes other than income tax charged in Shared Services – General Office.
Current Provider Of Services	Shared Services
Current Use of Service	Atmos Energy Louisiana Industrial Gas, LLC Atmos Power Systems, Inc. WKG Storage, Inc. Trans Louisiana Gas Pipeline, Inc. West Texas Division Mid-Tex Division Atmos Pipeline – Texas Division Louisiana Division Kentucky/Mid-States Division Colorado-Kansas Division Mississippi Division UCG Storage, Inc. Atmos Energy Holdings, Inc.
Basis for allocation	Costs are allocated to the applicable operating divisions in total based on the Composite Factor as defined above, including the general office areas, as applicable.

Service: SSU – Customer Support depreciation

Description:	Includes all depreciation charged in Shared Services – Customer Support.
Current Provider Of Services	Shared Services
Current Use of Service	West Texas Rate Divisions Louisiana Rate Divisions Kentucky/Mid-States Rate Divisions Mid-Tex Division Colorado-Kansas Rate Divisions Mississippi Division
Basis for allocation	Costs are generally allocated to the applicable rate division level in total based on the average number of customers in each operating division as a percentage of the total number of customers in all of the operating divisions. For applicable divisions, the number of customers in the rate divisions is used to allocate from the operating division general office to the rate divisions. Depreciation associated with the Charles K. Vaughan (“CKV”) Center is allocated based upon square footage, number of customers and employee training usage.

Service: SSU – General Office depreciation

Description:	Includes all depreciation charged in Shared Services – General Office.
Current Provider Of Services	Shared Services
Current Use of Service	Atmos Energy Louisiana Industrial Gas, LLC WKG Storage, Inc. Trans Louisiana Gas Pipeline, Inc. West Texas Division Mid-Tex Division Atmos Pipeline – Texas Division Louisiana Division Kentucky/Mid-States Division Colorado-Kansas Division Mississippi Division UCG Storage, Inc. Atmos Energy Holdings, Inc.
Basis for allocation	Costs are generally allocated to the applicable operating divisions in total based on the Composite Factor as defined above, including the general office areas as applicable. The depreciation allocation for the Greenville Data Center is based upon the Composite Factor and square footage percent by operating division. The depreciation allocation for SSU General Office (Service Area 002) assets that support the enterprise excluding our Atmos Pipeline – Texas (APT) Division are based on a composite factor for the operating divisions, but excludes APT. The depreciation allocation for our Aligner billing system assets is based upon invoiced volumes from Aligner per operating division as a percentage of total volumes from Aligner.

Service: **West Texas Division operating division general office O&M, depreciation, and taxes other than income taxes, to rate division level**

Description: Allocation of operating division general office expenses to rate division levels

Current Provider of Service West Texas Division operating division general office

Current Use of Service West Texas Division rate divisions

Basis for allocation Costs are allocated to the applicable operating divisions in total based on the Composite Factor as defined above, tailored to each rate division within the total West Texas Division.

Service: **Colorado-Kansas Division operating division general office O&M, depreciation, and taxes other than income taxes, to rate division level**

Description: Allocation of division general office expenses to rate division levels

Current Provider of Service Colorado-Kansas Division operating division general office

Current Use of Service Colorado-Kansas Division rate divisions.

Basis for allocation Costs are allocated to the applicable rate divisions in total based on the Composite Factor as defined above, tailored to each rate division within the total Colorado-Kansas Division.

Service:	Kentucky/Mid-States Division operating division general office O&M, depreciation, and taxes other than income taxes, to rate division level
Description:	Allocation of division general office expenses to rate division levels
Current Provider of Service	Kentucky/Mid-States operating division general office
Current Use of Service	Kentucky/Mid-States Division rate divisions.
Basis for allocation	Costs are allocated to the applicable rate divisions in total based on the Composite Factor as defined above, tailored to each rate division within the total Kentucky/Mid-States Division.

Description of Relationship between Mid-Tex and Atmos Pipeline – Texas:

Mid-Tex and Atmos Pipeline – Texas (APT) Divisions provide services to their customers on an on-going basis throughout their service areas. The field operations include, but are not limited to, services related to pipeline integrity, measurement, compliance work, painting, right of way mowing and reclamation, leak surveys, patrolling, regulator maintenance, fence replacements, line repairs and line replacements. Costs that need to be allocated to both business units originate within Mid-Tex. Those charges are captured for Mid-Tex versus APT through direct charging to the specific project or through an allocation process.

Service: Mid-Tex/Atmos Pipeline – Texas Division - Intracompany Labor

Description: Mid-Tex employees' labor supporting APT operations

Current Provider
Of Service Mid-Tex

Current Use of
Service Atmos Pipeline – Texas

Basis for allocation

Mid-Tex supervisory and support employees who charge time to APT generally record their time through an allocation process with potentially certain time being recorded directly to a project if needed.

Mid-Tex non-supervisory employees who charge time to APT generally record their time through the time reporting system directly to a project.

Note – If APT employees are supporting the Mid-Tex operations, the above allocation would still be applicable only with the APT employees charging time accordingly to Mid-Tex.

Service: Mid-Tex/Atmos Pipeline – Texas Division - Non-Labor Expenses

Description: Allocation includes but is not limited to rents, heavy equipment, utilities, telecom, transportation (vehicles leased), uniforms, insurance, printing, and postage

Current
Provider
Of Service Mid-Tex

Current Use of
Service Atmos Pipeline – Texas Division

Basis for allocation

Factors are primarily based on direct employee labor and contract labor, as needed. Allocations vary based on the cost center.

Service: Intercompany labor

Description:	To the extent operating division employees provide labor services to an affiliate, the labor costs for the services will be charged to the appropriate affiliate.
Current Provider of Service	Louisiana Division Colorado-Kansas Division Kentucky/Mid-States Division Mississippi Division West Texas Division
Current Use of Service	UCG Storage, Inc. Atmos Energy Louisiana Industrial Gas, LLC WKG Storage, Inc. Trans Louisiana Gas Pipeline, Inc. Trans Louisiana Gas Storage, Inc.
Basis for allocation	Labor charges are captured through direct time sheet entries and transferred to the appropriate subsidiary receiving the labor services.

Service: Adjustments to Uncollectible Accounts Expense

Description:	Allocation of additional expense amounts booked to adjust the Provision for Uncollectibles (Account 144)
Current Provider of Service	West Texas Division rate divisions Louisiana Division rate divisions Kentucky/Mid-States Division rate divisions Colorado-Kansas Division rate divisions Mid-Tex Division rate division Mississippi Division rate division
Current Use of Service	West Texas Division rate divisions Louisiana Division rate divisions Kentucky/Mid-States Division rate divisions Colorado-Kansas Division rate divisions Mid-Tex Division rate division Mississippi Division rate division
Basis of Intra-company Allocations	Costs are allocated to the rate divisions in total based on Sales Revenue or Margin.

Service: Intra-company labor allocation – other than operating division general office labor

Description: Certain employee activities cross multiple rate divisions within an operating division. The costs associated with such activities include labor, benefits, and associated taxes.

Current Provider of Service Atmos Pipeline – Texas Division
West Texas Division
Louisiana Division
Kentucky/Mid-States Division
Mid-Tex Division
Colorado-Kansas Division
Mississippi Division

Current Use of Service Atmos Pipeline – Texas Division
West Texas Division
Louisiana Division
Kentucky/Mid-States Division
Mid-Tex Division
Colorado-Kansas Division
Mississippi Division

Basis of Intra-company Allocations Labor associated with cross-jurisdictional activities is charged to each jurisdiction based on the level of employee activity. The costs are captured either through direct time sheet entries or an allocation process.

Service: Other income and interest expense (All below the line accounts)

Description: Allocation of Shared Services' other income and interest expense (All below the line accounts)

Current Provider of Service Shared Services

Current Use of Service West Texas Division
Louisiana Division
Kentucky/Mid-States Division
Mid-Tex Division
Colorado-Kansas Division
Mississippi Division
Atmos Pipeline – Texas Division

Basis for allocation Interest Expense, Interest Income and Other Non-Operating Income in shared services are allocated to each utility division based on the budget allocation percentages. The budget allocation is based on projected average net investment by rate division for the budget year. For this purpose, 'net investment' is defined as regulatory rate base + goodwill. These allocation factors are the same throughout the fiscal year. The allocation stays in the account the charge was originally booked in. Headquarter allocation of below the line accounts to rate divisions follows the same process as described above.

Service: Gas cost between state jurisdictions for contiguous systems

Description:	Gas costs that apply to contiguous systems that cross state jurisdictional boundaries are allocated between those rate jurisdictions.
Current Provider of Service	West Texas Division Colorado-Kansas Division Kentucky/Mid-States Division
Current Use of Service	West Texas Division Colorado-Kansas Division Kentucky/Mid-States Division
Basis of Allocations	Allocations are based upon throughput for the West Texas Division and the Colorado-Kansas Division's Southeast Colorado/Southwest Kansas operations. For the Colorado-Kansas Division's Kansas system and for the Kentucky/Mid-States Division, demand costs are allocated based on peak-day requirements. Commodity costs are allocated based upon throughput.

Service: Gas storage services between an operating division and an affiliate

Description:	To the extent an operating division stores gas in a storage field owned by an affiliate, a rental fee for the use of the storage field shall be charged by the affiliate.
Current Provider of Service	UCG Storage, Inc. WKG Storage, Inc.
Current Use of Service	Kentucky/Mid-States Division
Basis for allocation	The annual demand charge between UCG Storage, Inc., and Atmos Energy Corporation (Tennessee operations only) is calculated based on fiscal year plant in service, gas inventory, actual operational costs incurred, and application of revenue and cost of capital conversion factors based on prior regulatory approval. In the calculation of the demand charge, costs not specifically related to a designated area are allocated to each affiliate based on the percentage of total plant servicing that affiliate. The annual demand charge between WKG Storage, Inc., and Atmos Energy Corporation (Kentucky operation only) is based on services provided at actual cost, market rate or as otherwise provided under tariff or contract.

Service: Gas storage services provided between affiliates

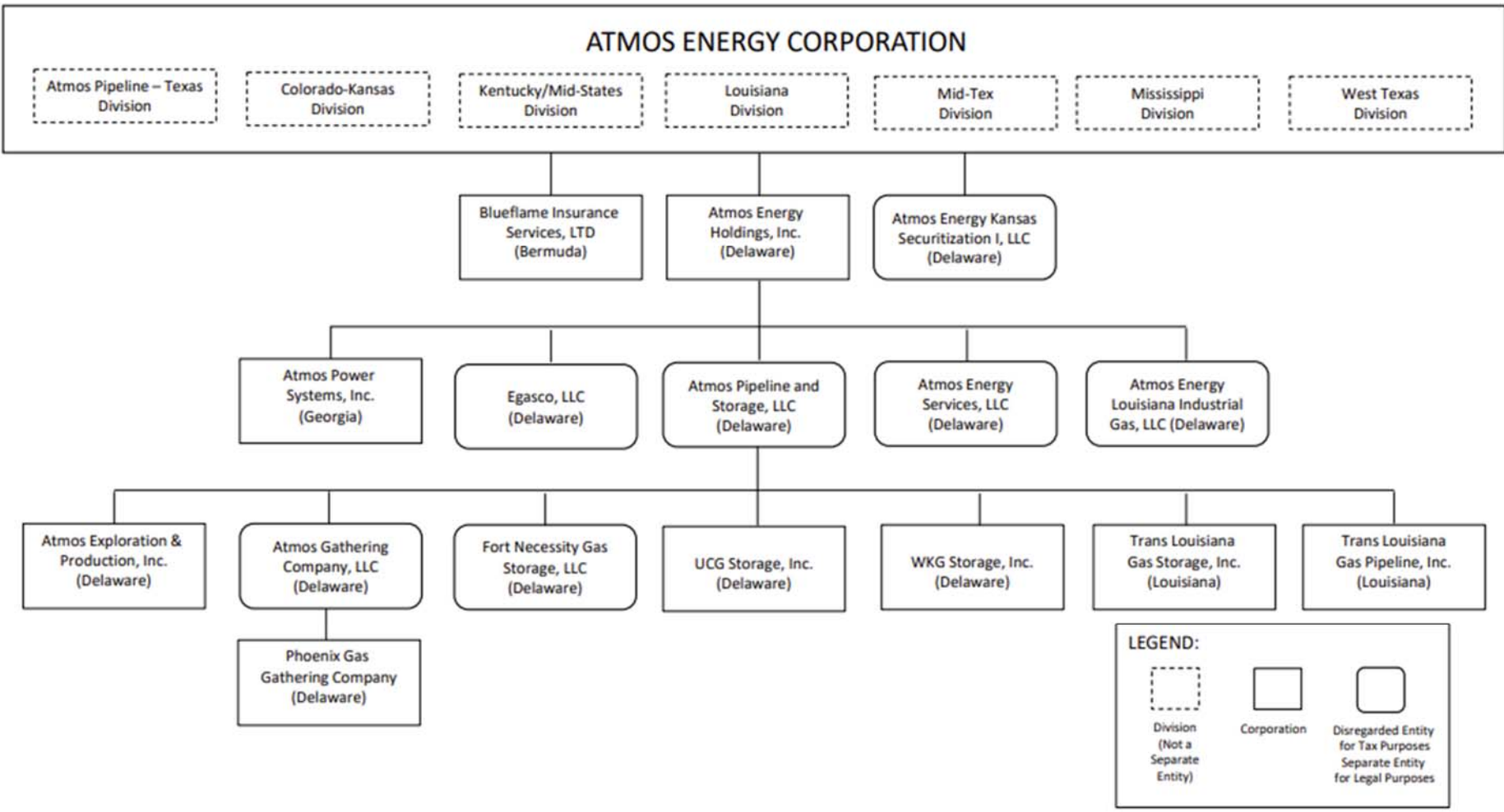
Description:	To the extent an affiliate stores gas in a storage field owned by another affiliate, a fee for the use of the storage field shall be charged.
Current Provider of Service	Trans Louisiana Gas Storage, Inc.
Current Use of Service	Trans Louisiana Gas Pipeline, Inc.
Basis for allocation	The fee to the affiliate utilizing the storage service is based on services provided at actual cost, market rate or as otherwise provided under tariff.

Service: Property Insurance

Description:	Blueflame Insurance Services, LTD provides a direct property insurance policy. The policy covers the property against all risks of direct physical loss or damage.
Current Provider of Service	Blueflame Insurance Services, LTD
Current Use of Service	Kentucky/Mid-States Division Colorado-Kansas Division Shared Services Louisiana Division Mississippi Division Mid-Tex Division West Texas Division Atmos Pipeline – Texas Division Atmos Energy Louisiana Industrial Gas, LLC Atmos Exploration & Production, Inc. Atmos Energy Services, LLC Atmos Power Systems, Inc. Trans Louisiana Gas Pipeline, Inc. Trans Louisiana Gas Storage, Inc. UCG Storage, Inc. WKG Storage, Inc. Atmos Gathering Company, LLC
Basis for allocation	Atmos Energy Corporation is invoiced by Blueflame Insurance Services. Costs are allocated based on the gross property, plant and equipment and gas stored underground balances at a rate division level.

Appendix A
As of April 1, 2024

As of October 28, 2022



STATEMENT OF INTENT FILED BY	§	
ATMOS ENERGY CORP. TO	§	RAILROAD COMMISSION
CHANGE GAS UTILITY RATES	§	
WITHIN THE UNINCORPORATED	§	OF TEXAS
AREAS SERVED BY THE MID-TEX	§	
DIVISION	§	

AFFIDAVIT OF DEREK W. BOYD

BEFORE ME, the undersigned authority, on this day personally appeared Derek W. Boyd, who, having been placed under oath by me, did depose as follows:

1. “My name is Derek W. Boyd. I am over the age of eighteen (18) and fully competent to make this affidavit. I am Director of Security and Risk Management for Atmos Energy Corporation (“Atmos Energy” or the “Company”), which includes the Mid-Tex Division (the “Division” or “Mid-Tex”).
2. In my role with the Company, I am responsible for the corporate risk management, security and facilities functions for the Company, including insurance procurement and corporate risk assessment, as well as management of the Company’s insurance brokerage relationships.
3. Property and casualty insurance coverage is provided to Mid-Tex by Blueflame Insurance Services, Ltd. (“Blueflame”), which was formed for the purpose of providing Atmos Energy’s operating units consistent property and casualty insurance rates over a long-term horizon, as well as a continuity of insurance product.
4. Blueflame provides broader coverage than what Atmos Energy could achieve if it sought insurance on its own through the general property and casualty insurance marketplace.
5. Blueflame provides property and casualty insurance coverage at a cost that is lower than what Atmos Energy could achieve if it sought insurance on its own through the general property and casualty insurance marketplace.
6. Blueflame allows Mid-Tex and other operating units to access reinsurance markets directly without going through the general property and casualty insurance markets whose rates may be inflated by profit, commissions, overhead, and other transactional costs that can significantly increase premiums. By accessing the reinsurance markets directly, Blueflame is able to obtain the most competitive rates and pricing structures.

7. For its property insurance premium, Mid-Tex receives property insurance coverage up to \$300 million per event with a \$100,000 deductible, \$100 million in Terrorism coverage and \$40 million in Control of Well Coverage (Operator's Extra Expense). This coverage represents a \$50 million increase in the per event coverage as compared to the property coverage reviewed by the Commission in the Mid-Tex Division's 2018 rate case, GUD No. 10742. In addition, Blueflame, unlike most other insurance companies, does not impose aggregate limits for flood and earthquake events. Therefore, by utilizing Blueflame, Mid-Tex eliminates the risks of unrecoverable losses associated with aggregate limits on its flood and earthquake coverage. Blueflame also includes coverage for vehicles and mobile equipment, professional fees and loss adjustment expenses, and river crossings, which are not available from third parties at the Blueflame deductible level and pricing.
8. Blueflame also provides casualty insurance coverage to Mid-Tex and other operating units as part of Atmos Energy's casualty insurance program.
9. Both customers and the utility benefit from the continuity of the insurance product that Blueflame is able to offer. Despite the cyclical nature of insurance, through Blueflame, Mid-Tex and its customers are assured of the availability of property and casualty insurance coverage at consistent premium costs, without being subject to the inevitable insurance cycles.
10. The costs of property insurance and casualty insurance coverage provided by Blueflame are reasonable and necessary and are less expensive than the coverage that could be purchased directly through a third-party insurer.
11. Some of the coverages available to Atmos Energy through Blueflame would not otherwise be available to the Company.
12. The property insurance rate included in this filing for the services Blueflame provides is \$.045 per \$100 of gross plant for the period March 1, 2024 through March 1, 2025. This rate is lower than the rates the Commission determined were reasonable in GUD No. 10742.
13. The total cost of casualty insurance for coverage provided by Blueflame to Mid-Tex included in this filing is \$449,041.
14. The prices charged to Mid-Tex by Blueflame for property and casualty insurance are no higher than the prices Blueflame charges to other affiliates or divisions or to a nonaffiliated person for the same item or class of items.

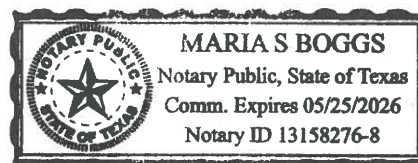
15. The costs associated with the property and casualty insurance provided by Blueflame and included in the Company's cost of service in this proceeding meet the affiliate expense standard for recovery prescribed by Texas Utilities Code§ 104.055(b)(2).

I do affirm that the information provided herein is true and accurate to the best of my knowledge.”

Derek W. Boyd
Derek W. Boyd

SUBSCRIBED AND SWORN TO BEFORE ME by the said Derek W. Boyd this 30
day of October 2024.

Maria S Boggs
Notary Public, State of Texas



WORKPAPERS
TO
DIRECT TESTIMONY
OF
BARBARA W. MYERS

Workpapers to the Direct Testimony of Barbara W. Myers are being provided in electronic format.

CASE NO. 00019196

STATEMENT OF INTENT FILED BY	§	
ATMOS ENERGY CORP. TO CHANGE	§	RAILROAD COMMISSION
GAS UTILITY RATES WITHIN THE	§	
UNINCORPORATED AREAS OF THE	§	OF TEXAS
MID-TEX DIVISION	§	

DIRECT TESTIMONY

OF

JEFFREY S. KNIGHTS

WITNESS FOR

ATMOS ENERGY CORP., MID-TEX DIVISION

November 18, 2024

CASE NO. 00019196
INDEX TO THE DIRECT TESTIMONY
OF JEFFREY S. KNIGHTS, WITNESS FOR
ATMOS ENERGY CORP., MID-TEX DIVISION

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LIST OF EXHIBITS

Exhibit JSK-1	Atmos Energy Corp., Mid-Tex Division, Interim Cost Recovery and Rate Adjustment Report, Project Report 2019 (January 1, 2018 through December 31, 2018)
Exhibit JSK-2	Atmos Energy Corp., Mid-Tex Division, Interim Cost Recovery and Rate Adjustment Report, Project Report 2020 (January 1, 2019 through December 31, 2019)
Exhibit JSK-3	Atmos Energy Corp., Mid-Tex Division, Interim Cost Recovery and Rate Adjustment Report, Project Report 2021(January 1, 2020 through December 31, 2020)
Exhibit JSK-4	Atmos Energy Corp., Mid-Tex Division, Interim Cost Recovery and Rate Adjustment Report, Project Report 2022 (January 1, 2021 through December 31, 2021)
Exhibit JSK-5	Atmos Energy Corp., Mid-Tex Division, Interim Cost Recovery and Rate Adjustment Report, Project Report 2023 (January 1, 2022 through December 31, 2022)

Exhibit JSK-6	Atmos Energy Corp., Mid-Tex Division, Interim Cost Recovery and Rate Adjustment Report, Project Report 2024 (January 1, 2023 through December 31, 2023)
Exhibit JSK-7	Atmos Energy Corp., Mid-Tex Division Report, Capital Project Report (January 1, 2024 through September 30, 2024)
HIGHLY SENSITIVE Exhibit JSK-8	Atmos Energy Corp., RCT Rule 8.209 Written Plan
HIGHLY SENSITIVE Exhibit JSK-9	Gas Services Development Proposal and Work Assignment Supplement

DIRECT TESTIMONY OF JEFFREY S. KNIGHTS

I. POSITION AND QUALIFICATIONS

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Jeffrey S. Knights. My business address is 5430 LBJ Freeway, Suite 700, Dallas, Texas 75240.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Atmos Energy Corporation (“Atmos Energy” or the “Company”). My current position is Director of Enterprise Systems and Integrity for the Company’s Shared Service Unit’s (“SSU”) Safety & Enterprise Services group.

Q. PLEASE DESCRIBE YOUR EDUCATION AND PROFESSIONAL EXPERIENCE.

A. I graduated in May 1992 from the University of Maine where I received a Bachelor of Science degree in Surveying Engineering. In February 1998, I received my Professional Engineering registration from the Texas Board of Professional Engineers. Also, in December 1998, I received my Master of Business Administration from Southern Methodist University in Dallas. In terms of my professional background, in June 1992, I joined Lone Star Gas Company as an engineer in the Transmission and Distribution Pipeline Engineering group and have held various positions of increasing responsibility since 1992. These positions have included Superintendent of Construction Services for Lone Star Pipeline; Senior Project Manager for Texas Utilities Pipeline Services following Texas Utilities’ acquisition of Lone Star Gas Company; Manager of Gas Engineering Construction Management for TXU Gas; Director of Engineering Services for Mid-Tex

1 following Atmos Energy’s acquisition of the TXU Gas assets; Vice President of
 2 Operations for Mid-Tex; and Vice President of Technical Services for Mid-Tex. In
 3 August 2018, I assumed the Senior Vice President role and recently transitioned to
 4 my current role as Director of Enterprise Systems and Integrity in August 2024.

5 **Q. PLEASE SUMMARIZE YOUR EXPERIENCE AS IT RELATES TO THE**
 6 **MID-TEX NATURAL GAS DISTRIBUTION SYSTEM.**

7 A. Over the past 32 years, I have worked with the assets currently operated by the Mid-
 8 Tex Division. My experience includes the following:

- 9 • Overall responsibility for the provision of safe and reliable gas service
 10 to a large geographical region;
- 11 • Distribution and transmission engineering;
- 12 • Capital construction/project management, including development of
 13 project scope, monitoring costs, and managing schedules;
- 14 • Coordination and oversight of survey, environmental, key
 15 supplier/contract construction, and engineering firms;
- 16 • Operating a large and complex distribution and transmission natural gas
 17 system;
- 18 • Execution and management of a variety of O&M activities including
 19 right-of-way maintenance, transmission integrity, distribution integrity,
 20 gas service, meter reading, and engineering; and
- 21 • Development, execution, and monitoring of project and divisional
 22 O&M and capital budgets.

23 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE RAILROAD**
 24 **COMMISSION OF TEXAS (“COMMISSION”)?**

25 A. Yes, I testified before the Commission on behalf of both the Mid-Tex Division and
 26 Atmos Pipeline – Texas (“APT”) in Gas Utilities Docket (“GUD”) Nos. 9869,

1 10000, 10170, and 10580. I also submitted testimony in GUD No. 10359, Docket
2 No. OS-21-00007061, and Docket No. OS-23-00013758.

3 **Q. HAVE YOU PREPARED ANY EXHIBITS IN CONNECTION WITH YOUR**
4 **TESTIMONY?**

5 A. Yes. I have prepared and sponsor the exhibits listed in the table of contents.

6 **Q. WERE THESE EXHIBITS AND YOUR TESTIMONY PREPARED BY**
7 **YOU OR UNDER YOUR DIRECTION?**

8 A. Yes, they were.

9 **II. PURPOSE OF TESTIMONY**

10 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

11 A. My testimony describes the ongoing operations and maintenance (“O&M”)
12 activities and capital investment that must be made in the Mid-Tex system to
13 enhance safe and reliable operations, respond to system growth, and comply with
14 increasingly stringent state and federal regulatory requirements. My testimony
15 explains Atmos Energy’s approach to proactively address system risks to enhance
16 the long-term safety, reliability, and resiliency of our distribution service for our
17 Texas customers. As part of this discussion, I describe the pipeline safety
18 regulatory requirements applicable to the Company’s distribution system and how
19 those requirements inform the Company’s approach to risk management.

20 I also support the prudence of the Company’s capital investments in the
21 Mid-Tex Division between January 1, 2018 and September 30, 2024. This includes
22 investments reflected in Mid-Tex’s Interim Rate Adjustment (“IRA”) filings for the
23 period of January 1, 2018, through December 31, 2023 (collectively referred to as

1 “the IRA filings”)¹, and investments placed into service between January 1, 2024,
 2 through September 30, 2024, including those allocated to Mid-Tex by Atmos
 3 Energy’s SSU. I also support the reasonableness and necessity of the O&M
 4 expenses Mid-Tex incurs to operate its natural gas system and the control processes
 5 that are in place to manage those expenses. These O&M amounts include not only
 6 expenses Mid-Tex directly incurs, but also allocated SSU expenses and the O&M
 7 incurred for support of the Mid-Tex Division operations provided by APT. Taken
 8 in its totality, my testimony demonstrates that the capital investment and O&M
 9 expenses included in the Company’s cost of service are reasonable, necessary, and
 10 should be recovered in the Company’s rates.

11 Finally, I support Mid-Tex’s request to establish a System Safety and
 12 Integrity (“SSI”) Rider. As I describe in detail in my testimony, the increasingly
 13 stringent pipeline safety rules at the state and federal level and the Company’s
 14 continuously refined measures to identify and address risk on the Mid-Tex system
 15 result in certain defined categories of costs that are incurred to mitigate risk, but
 16 which cannot be accurately estimated using test year information because they vary
 17 from year to year. These categories are limited to O&M activities performed by
 18 third-party contractors that are tracked separately, and costs incurred above or

¹ Mid-Tex’s IRA filings were docketed as *Application of Atmos Energy Corp., Mid-Tex Division for Test Year 2017 Annual Interim Rate Adjustment for the Unincorporated Areas*, GUD No. 10698, IRA Order (Jun. 5, 2018); *Application of Atmos Energy Corp., Mid-Tex Division for Test Year 2018 Annual Interim Rate Adjustment for the Unincorporated Areas*, GUD No. 10822, IRA Order (Jun. 4, 2019); *Application of Atmos Energy Corp., Mid-Tex Division for Test Year 2019 Annual Interim Rate Adjustment for the Unincorporated Areas*, GUD No. 10944, IRA Order May 20, 2020); *Application of Atmos Energy Corp., Mid-Tex Division for Test Year 2020 Annual Interim Rate Adjustment for the Unincorporated Areas*, Case No. 00005921, IRA Order (Aug. 3, 2021); *Application of Atmos Energy Corp., Mid-Tex Division for Test Year 2021 Annual Interim Rate Adjustment for the Unincorporated Mid-Tex Division*, Case No. 00008887, IRA Order (Jun. 7, 2022); *Application of Atmos Energy Corp., Mid-Tex Division for Text Year 2022 Annual Interim Rate Adjustment for the Unincorporated Mid-Tex Division*, Case No. 00012759, IRA Order (May 17, 2023).

below the established benchmark will either be recovered or refunded to customers on an annual basis. Proposed eligible costs include third-party O&M expenses incurred to perform: (1) inspection activities to confirm that there is no existing cross-bore damage on facilities installed prior to 2016; (2) specific damage prevention activities necessary to install technology to make unlocatable facilities electronically locatable; (3) incremental leak surveying and detection activities conducted by third-party contractors; (4) supervisory activities related to third-party excavation near Atmos Energy facilities; and (5) hydrostatic testing activities on transmission assets to reconfirm maximum allowed operating pressure (“MAOP”) to comply with Mega Rule Part 1, codified as 49 Code of Federal Regulations (“C.F.R.”) § 192.624.

Q. IS YOUR TESTIMONY RELATED TO THE TESTIMONY OF ANY OTHER WITNESSES IN THIS PROCEEDING?

A. Yes. Company witness Barbara Myers sponsors the Company’s books and records, which establish the capital investment and O&M expense amounts . Ms. Myers also co-sponsors the Rider SSI.

III. MID-TEX SYSTEM OPERATIONS

Q. PLEASE GENERALLY DESCRIBE THE COMPANY’S DAY-TO-DAY OPERATIONS ACTIVITIES.

A. As described by Company witness Christopher Felan, Mid-Tex serves approximately 1.8 million customers in 447 incorporated municipalities and unincorporated areas in north and central Texas. The Mid-Tex system is comprised of more than 32,000 miles of pipe and more than 1.8 million service lines. The

1 Company relies on approximately 1,900 Company employees to operate the
2 system. These employees respond to service and system issues and focus each and
3 every day on providing safe and reliable gas service in an effective and efficient
4 manner.

5 Like all gas systems of any significant size, capital investment and O&M
6 activities are performed on a daily basis throughout the Mid-Tex system. Examples
7 of these kinds of activities include two customer support centers and one gas
8 dispatch center that are staffed by SSU employees and are integral parts of the
9 overall system and operational activities that are necessary to provide service. The
10 customer support centers receive gas service inauguration and termination requests,
11 reports of potential gas leaks from the public, and calls related to other system
12 issues and emergencies. The gas dispatch center routes available technicians to
13 respond to emergency situations and to perform all gas service activities (i.e.,
14 inauguration, termination, among other related activities).

15 In addition to the customer support and gas dispatch centers, the Company
16 also has trained and qualified technicians and crews, comprised of both Company
17 employees and contractors, who work staggered shifts to expand the workday in
18 order to provide constant, effective, and efficient customer service throughout the
19 entire Mid-Tex service territory. When not performing emergency tasks, these
20 trained and qualified professionals are in the field daily performing tasks that
21 include:

- 22 • Service orders
- 23 • Meter reading

- 1 • Leak survey, monitoring, and repair
- 2 • Line locates
- 3 • Meter and regulator station inspection and maintenance
- 4 • Pipe (mains & services) and station installation
- 5 • Cathodic protection
- 6 • Class location studies²
- 7 • Gas odorant monitors
- 8 • Patrolling
- 9 • Pipeline integrity activities³
- 10 • Pipeline maintenance pigging
- 11 • Right-of-way maintenance and clearing

12 In addition to the necessary operational functions identified above, the
 13 Company also relies on its employees to fulfill required office functions. In
 14 addition to the call centers and dispatch center, these office functions include
 15 technical training, engineering, mapping, pressure control, public affairs, billing,
 16 regulatory, accounting, human resources, information technology, safety, legal, and
 17 the staff required to support both the field and office functions. Some of these
 18 office functions are performed at the division level by Mid-Tex while other
 19 functions are performed by SSU or APT.

² The relevant definitions and requirements of class location studies are found in 49 C.F.R. §§ 192.5, 192.609, and 192.611. As the population increases or shifts, studies are required pursuant to these regulations.

³ Pipeline integrity activities include activities such as in-line inspection (“ILI” a.k.a. smart pigging), repair and remediation of anomalies, direct assessments, close-interval surveys, and hydrostatic testing.

1 Q. MR. FELAN TESTIFIES THAT THE COMPANY'S TOP PRIORITY IS
2 SAFETY. PLEASE ELABORATE ON ATMOS ENERGY'S FOCUS ON
3 SAFETY.

4 A. Every day, our 1,446 active field employees, who hold approximately 25,557
5 qualifications and certifications, are empowered to be an active participant in
6 safety, identify risks, and to stop work if needed to address uncertainty or a potential
7 risk. We also use state-of-the art technology for leak detection, monitoring, and
8 leak repair prioritization to enhance safety. Through our Pipeline Safety
9 Management System ("PSMS"), described in more detail later in my testimony, we
10 provide continuous feedback to employees as part of our ongoing safety practices
11 and training. Atmos Energy field employees receive extensive in-person, virtual,
12 and hands-on training. In fiscal year 2023, the Company's Texas distribution
13 division employees completed over 58,000 hours of safety training.

14 Q. PLEASE DESCRIBE THE COMPANY'S USE OF CONTRACTORS.

15 A. Mid-Tex uses its contract resources to perform various O&M and capital functions
16 including, but not limited to, pipe installation, engineering, line locating,
17 Geographic Information System ("GIS") activities, leak survey, leak repair, station
18 maintenance, right-of-way maintenance, and pipeline integrity work. The crew
19 members are qualified and certified to perform the natural gas work they are
20 assigned, and their work is inspected to confirm procedures are followed.

1 **Q. ARE O&M EXPENDITURES AND CAPITAL INVESTMENT ESSENTIAL**
 2 **TO THE PROVISION OF SAFE AND RELIABLE NATURAL GAS**
 3 **SERVICE?**

4 A. Yes. O&M expenditures and capital investment are necessary to safely operate and
 5 maintain a natural gas system and achieve Atmos Energy’s vision of being the
 6 safest provider of natural gas service in the country. Company and contractor
 7 employees, equipment, material, and support systems have to be in place to deliver
 8 safe and reliable gas to our customers on a daily basis and make the long-term
 9 investments required to meet our current and future needs.

10 **Q. CAN YOU PROVIDE AN EXAMPLE OF HOW O&M ACTIVITIES AND**
 11 **CAPITAL INVESTMENT ARE USED TO ENHANCE SYSTEM SAFETY?**

12 A. Yes. Atmos Energy continually seeks to improve its risk assessment and risk
 13 mitigation process as part of its integrity management programs. This effort
 14 necessarily requires that Atmos Energy’s procedures comply with all laws and
 15 regulations. Atmos Energy’s leak detection activities and related system
 16 investment provide a good example of how our activities are related to the pipeline
 17 safety regulations in Texas and enhance system safety. Consistent with the
 18 Commission’s pipeline safety rule codified as 16 Texas Administrative Code
 19 (“TAC”) § 8.206, Atmos Energy has a risk-based and prescriptive leak survey
 20 program to identify and address leaks on the system in multiple ways. This leak
 21 survey program continues to evolve with additional advanced methane detection
 22 technologies to complement traditional leak survey methods as well as tailoring the
 23 timeframes to incorporate more frequent leak surveys when appropriate based on a

1 variety of factors. In addition, Atmos Energy has an established Public Awareness
2 Plan⁴ to engage the public in helping to recognize and report potential leaks, which
3 works in conjunction with the odorization of the gas delivered to our customers.⁵
4 Atmos Energy also has procedures in place to timely and effectively respond to all
5 leak reports.⁶ All of the resulting O&M expenses from these programs are
6 necessary for the safety of our system.

7 Working in conjunction with these activities to identify leaks are the
8 activities to eliminate those leaks. Leaks are graded according to the categories
9 identified in the Commission's pipeline safety rules (Grade 1, Grade 2, and
10 Grade 3).⁷ Any hazardous conditions are eliminated immediately, and non-
11 hazardous leaks are monitored and repaired according to our procedures.
12 Undertaking these necessary activities involves both O&M and capital expenses for
13 the safety of the system.

14 Finally, Atmos Energy's risk-based pipe replacement program works in
15 conjunction with these activities to prioritize replacement of highest relative risk
16 pipe "to manage identified risks associated with the integrity of distribution
17 facilities."⁸ The leak detection and leak repair activities I just discussed are key
18 factors in how the Company prioritizes facility replacement. During calendar year
19 2018 to 2023, the Mid-Tex Division has replaced 1,872 miles of main & over
20 169,000 services. This has resulted in a 38% reduction in unprotected steel

⁴ For federal requirements incorporated in state rules, *see* 49 C.F.R. § 192.616, "Public awareness."

⁵ For state requirements related to this activity, *see* 16 TAC § 8.215, "Odorization of Gas."

⁶ For state requirements related to this activity, *see* 16 TAC § 8.205, "Written Procedure for Handling Gas Leak Complaints."

⁷ For state requirements, *see* 16 TAC § 8.207, "Leak Grading and Repair."

⁸ *See* 16 TAC § 8.209, "Distribution Facilities Replacements."

1 inventory and a complete elimination of cast iron inventory. In addition, it has
2 resulted in a 21% reduction in the steel and unknown material service lines.⁹

3 **IV. PIPELINE SAFETY REGULATIONS**

4 **Q. HOW ARE STATE AND FEDERAL PIPELINE SAFETY**
5 **REQUIREMENTS IMPACTING ATMOS ENERGY'S OPERATIONS?**

6 A. As more information on potential industry operational risks and challenges
7 becomes available, both federal and state regulators and the operators they regulate
8 have expanded and refined the minimum safety requirements to proactively address
9 industry risks and maintain a safe system for the present and future. This regulatory
10 framework continues to drive Atmos Energy to take a proactive approach toward
11 pipeline safety. Consistent with these regulations, we are enhancing safety
12 practices, such as accelerating the timeframe in which we eliminate leaks, and
13 continuously working on plans to improve our operations to meet our obligation to
14 provide safe and reliable service. Atmos Energy's approach is not only to identify
15 and eliminate leaks but to also proactively identify distribution facilities where the
16 risks of leaks or failure are more prevalent and to then design and implement a plan
17 to mitigate those risks to further the prevention of catastrophic failures, which could
18 lead to the loss of life or other harm to customers and communities. As a result,
19 Atmos Energy is continuing on the path of modernizing our infrastructure through
20 accelerated capital investments in the Mid-Tex system to address safety and
21 integrity issues proactively and remedy issues identified through the risk
22 assessment process.

⁹ Inventory reduction does not include CY24 replacement activity.

1 **Q. CAN YOU PROVIDE AN OVERVIEW OF THE FEDERAL AND STATE**
2 **REGULATORY REQUIREMENTS RELATED TO GAS DISTRIBUTION**
3 **PIPELINE SAFETY THAT IMPACT ATMOS ENERGY’S OPERATIONS**
4 **IN TEXAS?**

5 A. Yes. Atmos Energy is subject to the rules and regulations promulgated by Pipeline
6 and Hazardous Materials Safety Administration (“PHMSA”). Pursuant to 49
7 United States Code § 60105, PHMSA certifies a state authority in each state that is
8 responsible for prescribing and enforcing safety standards and practices for
9 intrastate pipeline facilities. In Texas, the Commission enforces the federal pipeline
10 safety regulations on intrastate pipelines and has also enacted and enforces state
11 specific regulations. For example, the Commission has adopted additional safety
12 standards for intrastate transmission and distribution pipelines, which can be found
13 in 16 TAC Chapter 8. Specifically, Rules §§ 8.206 through 8.209 include the
14 provisions for leak surveys, scheduling of leak repairs, and accelerated distribution
15 infrastructure replacement. The Commission also enforces damage prevention
16 laws with regard to natural gas pipelines. Those regulations can be found in 16
17 TAC Chapter 18.

18 Some of these regulations require specific tasks for protecting and
19 maintaining the pipeline systems, while others establish a minimum frequency for
20 the performance of activities such as leak survey, patrolling, pipeline integrity
21 assessment, and pressure regulation facility inspection. As I discuss further below,
22 there are portions of pipeline safety regulation promulgated by both PHMSA and
23 the Commission involving integrity management that are not entirely prescriptive

1 but rather leave it to the operator to make decisions regarding prioritization of
2 addressing relative risk on the pipeline system. Federal and state regulations also
3 require significant record keeping, planning, and engineering activities, as well as
4 execution of the field activities that are necessary to perform the required work.
5 These regulations drive O&M and capital activities today and will continue to do
6 so in the future.

7 **Q. DO PIPELINE SAFETY REGULATIONS SPECIFY THE FULL EXTENT**
8 **OF ACTIONS A PRUDENT OPERATOR IS EXPECTED TO USE WHEN**
9 **OPERATING ITS SYSTEM?**

10 A. No. A major challenge of developing uniform ways to address the safety of natural
11 gas pipelines is that the majority of this critical infrastructure is underground,
12 making threats not easily observable or known. As a result, it is impossible for
13 regulations in this area to be completely prescriptive.

14 Instead, PHMSA requires operators to develop processes and approaches to
15 identify and mitigate risks on their system. While those processes and approaches
16 may be reviewed and audited by PHMSA and state authorities certified by PHMSA,
17 the operators must make the ultimate decisions and take resulting actions to
18 mitigate risk and enhance safety for customers. Because of this, though an operator
19 may not be able to point to a specific regulatory requirement to complete a project,
20 it is still an operator's responsibility to identify safety projects that will address the
21 highest relative risks and work with its regulators to demonstrate the need for the
22 resulting investments undertaken.

1 **Q. PLEASE PROVIDE AN EXAMPLE OF HOW PHMSA REGULATIONS**
2 **DIRECT OPERATORS TO MAKE SAFETY DECISIONS.**

3 A. An illustrative example is 49 C.F.R. Part 192 subpart P, “Gas Distribution Pipeline
4 Integrity Management.” Each operator is required to develop and implement its
5 own unique Distribution Integrity Management Plan (“DIMP”) to mitigate risks on
6 its system. While this subpart sets up a framework of general requirements, the
7 operator must design its own plan that is specific to its system that will evaluate
8 and address risk. For example, Part 192.1007(c) requires the operator to evaluate
9 and rank risk: “An operator must evaluate the risks associated with its distribution
10 pipeline. In this evaluation, the operator must determine the relative importance of
11 each threat and estimate and rank the risks posed to its pipeline. This evaluation
12 must consider each applicable current and potential threat, the likelihood of failure
13 associated with each threat, and the potential consequences of such a failure.” In
14 this way, the regulation directs the operator to determine the system-specific factors
15 and methodology that should be used to identify and address risk and the pace at
16 which such identified risks should be remedied. This pace is highly dependent on
17 the specific characteristics of the operator’s system.

18 **Q. PLEASE FURTHER DESCRIBE THE DIM PROGRAM.**

19 A. The DIM Program specifies how the utility will identify, assess, prioritize, and
20 evaluate risks to the integrity of distribution lines and the manner in which those
21 risks will be mitigated or eliminated. Under Department of Transportation, Part
22 192, Subpart P regulations, every distribution operator is required to have a DIMP
23 in place. The seven key elements of a DIMP are:

- 1 1. Knowledge of distribution system
- 2 2. Identify threats
- 3 3. Evaluate relative risk
- 4 4. Identify and implement measures to reduce risk
- 5 5. Measure performance, monitor results, and evaluate effectiveness
- 6 6. Periodic evaluation and improvement
- 7 7. Report results

8 Rather than simply rely on an existing list of potential threats that must be
 9 identified and mitigated, PHMSA requires that “[a]n operator must consider . . .
 10 [any] other issues that could threaten the integrity of its pipeline [and] reasonably
 11 available information to identify existing and potential threats.”¹⁰ Risk must then
 12 be evaluated and ranked, and measures must be implemented to address those risks.
 13 DIM results are a component in identifying high relative risk areas of the Mid-Tex
 14 system and in prioritizing replacement activities.

15 **Q. HAS ATMOS ENERGY’S DIM PLAN FOR THE MID-TEX SYSTEM BEEN**
 16 **REVIEWED BY THE COMMISSION?**

17 A. Yes. The Commission completed its most recent review of the DIM Plan for the
 18 Mid-Tex Division in May of 2023, which resulted in no alleged violations or
 19 recommended changes.

¹⁰ 49 C.F.R. § 192.1007.

1 **Q. PLEASE DESCRIBE THE PIPELINE SAFETY REQUIREMENTS**
2 **ADOPTED BY THE COMMISSION THAT IMPACT THE MID-TEX**
3 **SYSTEM.**

4 A. The Commission has adopted additional safety standards for intrastate transmission
5 and distribution pipelines, which can be found in 16 TAC Chapter 8. In particular,
6 Rules §§ 8.206 through 8.209 include provisions for leak surveys, scheduling of
7 leak repairs, and accelerated distribution infrastructure replacement. Additional
8 regulations adopted and enforced by the Commission include the damage
9 preventions rules set forth in 16 TAC Chapter 18.

10 **Q. PLEASE DESCRIBE COMMISSION RULE § 8.209 AND ITS**
11 **REQUIREMENTS.**

12 A. Commission Rule § 8.209, *Distribution Facilities Replacements*, became effective
13 in March 2011. The rule applies to operators of gas distribution systems that are
14 subject to 49 C.F.R. Part 192, which contains minimum federal safety standards for
15 the transportation of natural gas. Rule § 8.209 requires that an operator assess the
16 risk posed by certain facilities on its system and prioritize, to the extent possible,
17 replacement of higher relative risk facilities compared to lower relative risk
18 facilities. By necessity, the rule also recognizes that operators must be given the
19 flexibility to exercise appropriate discretion as safety issues arise in the regular
20 course of the utility’s business. For this reason, the rule prescribes only “minimum

1 requirements” and does not limit replacement activities to only those facilities that
2 have been identified as part of the annual risk-ranking process.

3 **Q. HOW DOES ATMOS ENERGY DETERMINE WHICH OF ITS**
4 **FACILITIES QUALIFY FOR TREATMENT UNDER RULE § 8.209?**

5 A. Atmos Energy’s Written Plan, which is attached to my testimony as Highly
6 Sensitive Exhibit JSK-8, documents the Company’s approach to Rule § 8.209
7 projects. Specifically, in Section 1.2, the Company identifies that the requirements
8 of Rule § 8.209 apply to facilities owned and operated by Atmos Energy, including
9 but not limited to:

10 (1) Pipelines – Pipelines located downstream from sources of gas supply that serve
11 as a common source of supply for more than one service.

12 (2) Service Lines – Distribution lines that transport gas from a common source of
13 supply to an individual customer, to two adjacent or adjoining residential or small
14 commercial customers, or to multiple residential or small commercial customers
15 served through a meter header or manifold. A service line ends at the outlet of the
16 customer meter or at the connection to a customer’s piping, whichever is further
17 downstream, or at the connection to customer piping if there is no meter.

18 (3) Related Facilities – Appurtenances through which natural gas is transported,
19 including district regulator stations, valves, service regulators and company-owned
20 meters.

21 **Q. IS ATMOS ENERGY’S RULE § 8.209 WRITTEN PLAN ALSO AUDITED**
22 **BY THE COMMISSION?**

23 A. Yes. The Commission completed its most recent inspection of the § 8.209 Written
24 Plan for the Mid-Tex Division in May of 2023, which resulted in no alleged
25 violations or recommended changes.

1 **Q. HOW DOES ATMOS ENERGY ASSESS RISK FOR NECESSARY**
2 **REPLACEMENT PROJECTS THAT ARE DISCOVERED DURING THE**
3 **COURSE OF THE YEAR?**

4 A. For facilities whose risks are not known at the time of the annual risk ranking, the
5 Company performs the risk assessment when the specific facility is discovered in
6 the field consistent with the process outlined in Sections 2.3 and 3.3 of the
7 Company's Written Plan. Specifically, field personnel, who include the local crew
8 leader, supervisor or field construction coordinator, make an initial determination
9 based on system knowledge, professional judgment, and the types of projects that
10 are undertaken pursuant to the rule. If the field personnel have questions, they have
11 several resources, including myself, available to review the specific risks and assist
12 with making the determination. After the field personnel make an initial risk
13 determination, management reviews and approves any invoices and timesheets
14 consistent with the Company's practice for tracking Rule § 8.209 projects and their
15 related costs.

16 **Q. HAVE PIPELINE SAFETY LAWS AND REGULATIONS BECOME**
17 **INCREASINGLY MORE STRINGENT SINCE THE DIM PROGRAM WAS**
18 **IMPLEMENTED?**

19 A. Yes. For example, in 2016, PHMSA published a Notice of Proposed Rulemaking
20 ("NPRM") in response to the Pipeline Safety, Regulatory Certainty, and Job
21 Creation Act of 2011 and related federal mandates and recommendations. The
22 proposed rules in this NPRM have been collectively termed the "Mega Rule" and
23 address 16 major topic areas divided into three rulemaking actions focused on the

1 safety of gas transmission pipelines.¹¹ Congress also signed into effect the
 2 Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2020
 3 (“PIPES Act of 2020”).¹² On October 19, 2019, the first of these three separate
 4 rulemakings (“Mega Rule Part 1”) was finalized with an effective date of
 5 July 1, 2020.¹³ Mega Rule Part 1 requires operators of gas transmission pipelines
 6 constructed before 1970 to determine the material strength of lines with certain
 7 properties installed in specific operating areas by reconfirming the MAOP.¹⁴

8 As another example, the PIPES Act of 2020 outlines provisions intended to
 9 continue to enhance safety, increase transparency, and refine the existing
 10 rulemaking process. One provision was a directive for natural gas operators to,
 11 within one year, evaluate their existing plans and take into consideration measures
 12 which would contribute to public safety and protect the environment. In advisory
 13 bulletin ADB-2021-01, dated June 4, 2021, PHMSA outlined its intention to begin
 14 performing inspections in 2022 on the adequacy of operators updated plans to meet
 15 the intent of Section 114 of the PIPES Act of 2020, including the requirement that
 16 “[o]perators must also revise their plans to address the replacement or remediation
 17 of pipeline facilities that are known to leak based on their material, design, or past
 18 operating and maintenance history.”¹⁵

¹¹ See <https://www.federalregister.gov/documents/2016/04/08/2016-06382/pipeline-safety-safety-of-gas-transmission-and-gathering-pipelines>.

¹² PIPES Act of 2020, Pub. L. No. 116-260, div. R, 134 Stat. 1182 (2020).

¹³ Pipeline and Hazardous Materials Safety Administration, 84 Fed. Reg. 52180-52257 (Oct. 1, 2019).

¹⁴ See 49 C.F.R. §§ 192.624, 192.632.

¹⁵ Pipeline and Hazardous Materials Safety Administration, ADB-2021-01, *available at* <https://public-inspection.federalregister.gov/2021-12155.pdf>. In response to this requirement, Atmos Energy formally added its Distribution Facility Replacement Program as one of its measures to address risk in its DIMP, incorporating the following language: “Atmos Energy Operating Divisions plan and prioritize replacements of unprotected steel, wrought iron, historic plastic (e.g., PVC, ABS, Aldyl-A) and other pipe materials that are known to leak consistent with the requirements of Section 114 of the PIPES Act of 2020. These programs

1 In addition, Mega Rule Part 2 was issued in August 2022,¹⁶ and includes
 2 provisions to enhance the repair criteria for pipeline anomalies.¹⁷ It also expands
 3 the repair criteria to include areas outside of High Consequence Areas (“HCAs”),¹⁸
 4 which will also likely increase the quantity of pipe replaced each year.¹⁹ Mega
 5 Rule Part 2 became effective on May 24, 2023.

6 In 2023, PHMSA also issued two more major NPRMs. First, on May 18,
 7 2023, PHMSA published an NPRM in the Federal Register titled “Pipeline Safety:
 8 Gas Pipeline Leak Detection and Repair (“LDAR”),” the summary of which states
 9 as follows: “Among the proposed amendments for part 192-regulated gas pipelines
 10 are strengthened leakage survey and patrolling requirements; performance
 11 standards for advanced leak detection programs; leak grading and repair criteria
 12 with mandatory repair timelines; requirements for mitigation of emissions from
 13 blowdowns; pressure relief device design, configuration, and maintenance
 14 requirements; and clarified requirements for investigating failures.”²⁰ Then, on
 15 September 7, 2023, PHMSA published another NPRM entitled “Pipeline Safety:
 16 Distribution Pipelines and Other Pipeline Safety Initiatives,” which contains a

take into consideration factors including, but not limited to, pipe material and operation and maintenance history, including the frequency of leak or failure events. Details of the respective plans are available in each operating division.”

¹⁶ Pipeline and Hazardous Materials Safety Administration, 87 Fed. Reg. 52224-52279 (Aug. 24, 2022).

¹⁷ *See, e.g.*, 49 C.F.R. §§ 192.714, 192.935.

¹⁸ “Pipeline safety regulations use the concept of HCA to identify specific locales and areas where a release could have the most significant adverse consequences. Once identified, operators are required to devote additional focus, efforts, and analysis in HCAs to ensure the integrity of pipelines.” Fact Sheet: High Consequence Areas, Pipeline & Hazardous Materials Safety Administration, *available at* <https://primis.phmsa.dot.gov/comm/factsheets/fshca.htm>.

¹⁹ *See, e.g.*, 49 C.F.R. § 192.714.

²⁰ <https://www.phmsa.dot.gov/regulations/federal-register-documents/2023-09918>.

1 multitude of proposed rules to try to mitigate the risks on higher relative risk
 2 assets.²¹

3 **Q. DOES ATMOS ENERGY ALSO PROACTIVELY IMPLEMENT PIPELINE**
 4 **SAFETY MEASURES ENDORSED BY RESPECTED INDUSTRY**
 5 **GROUPS?**

6 A. Yes. The Company is an active member of the American Gas Association (“AGA”) and provided input on the development of the AGA’s “Commitment to Enhancing Safety.”²² The document describes in part how AGA and member companies are going beyond minimum compliance with current regulations to support the safety of the nation’s natural gas system. The report was prepared at the request of federal and state officials having oversight of pipeline safety and includes actions to be completed such as the installation of remote automated valves and strengthening the physical and cybersecurity of our system. The Company supports the “Commitment to Enhancing Safety” and is implementing actions the report lays out that fit our system’s unique characteristics as a part of our ongoing commitment to providing safe and reliable service to our customers.

17 Atmos Energy has also adopted the American Petroleum Institute Recommended Practice (“API RP”) 1173 regarding implementation of PSMS. This is a set of recommended practices providing operators like Atmos Energy with a systematic and structured framework to continue to mature our established pipeline safety programs, processes, and practices to manage pipeline safety. After the

²¹ <https://www.phmsa.dot.gov/regulations/federal-register-documents/2023-18585>.

²² AGA, Commitment to Enhancing Safety, Environmental Stewardship and Security (May 2021), available at <https://www.aga.org/wp-content/uploads/2022/12/2021-commitment-to-enhancing-safety-environment-security-final-5-18-21.pdf>.

1 National Transportation and Safety Board recommended that the industry create
2 guidance for safety management systems for energy pipeline operations, API 1173
3 was developed in 2015. PSMS manages the reduction of risks through continuous
4 monitoring and improvement through the lens of the Plan, Do, Check, Adjust cycle.
5 Our employees play a part in PSMS through the identification, prevention, and
6 remediation of operational safety risks. Importantly, PSMS is not a program, but
7 rather is integrated to work in conjunction with our overall safety activities.

8 **Q. ARE THE O&M AND CAPITAL EXPENSES REFLECTED IN THIS**
9 **FILING CONSISTENT WITH THESE EXISTING AND PROPOSED**
10 **REGULATIONS AS WELL AS INDUSTRY GUIDELINES?**

11 A. Yes. Atmos Energy's O&M activities and capital investment are designed to
12 comply with these current and anticipated regulatory changes, the recommended
13 practices for our industry, and the overarching regulatory approach requiring us to
14 know our system, to identify risks and threats, and to identify and implement
15 measures to address that risk.

16 **V. THE MID-TEX DIVISION'S REQUESTED O&M EXPENSES ARE**
17 **REASONABLE AND NECESSARY TO THE PROVISION OF SAFE AND**
18 **RELIABLE SERVICE**

19 **Q. WHAT O&M AMOUNT WAS NECESSARY TO OPERATE MID-TEX**
20 **DURING THE TEST YEAR?**

21 A. For the test year ended June 30, 2024, as adjusted, the expenses related to the
22 operating, maintenance, and administrative activities of Mid-Tex's business totaled
23 \$303.8 million. Ms. Myers supports the test year adjustments.

1 **Q. WHAT TYPES OF COSTS ARE INCLUDED IN THE COMPANY’S O&M**
 2 **EXPENSE?**

3 A. Costs associated with operating and maintaining the Mid-Tex assets include, but
 4 are not limited to, line locating, damage prevention, leak survey, service orders,
 5 emergency response, customer support, dispatching, patrolling, inspections, station
 6 maintenance, pipeline integrity activities, clearing/mowing right-of-way, record
 7 keeping, compliance audits, risk analysis, budgeting and planning, etc.

8 **Q. HOW ARE MID-TEX O&M ACTIVITIES IDENTIFIED AND FUNDED?**

9 A. Mid-Tex’s O&M activities are identified at the department level based on current
 10 operating conditions, activity levels, and estimates of future business needs.
 11 Annually, each department prepares data and information to develop a preliminary
 12 budget based on identified O&M activities. Based on the data and information that
 13 is gathered and consolidated, this preliminary budget information is then
 14 consolidated to develop an overall budget for Mid-Tex. The overall budget is
 15 reviewed by the Mid-Tex management team for reasonableness. Then, the Mid-
 16 Tex management team meets with corporate management to discuss and review the
 17 budget prior to final approval by the Board of Directors.

18 **Q. WHAT EFFORTS DOES MID-TEX TAKE TO CONTROL O&M COSTS**
 19 **ON AN ONGOING BASIS?**

20 A. The Mid-Tex O&M budgeting and monitoring processes act as cost controls so that
 21 Mid-Tex operates within reasonable limits while Mid-Tex works to maintain the
 22 system in a safe and reliable manner. In the budgeting process, Mid-Tex scrutinizes
 23 its required activities and O&M budget amounts at the district, region, and division

1 levels. After the budget is approved, there is ongoing monitoring and management
2 of expenses at each of these levels, including monthly variance monitoring.
3 Furthermore, management recognizes that O&M cost control is a dynamic process,
4 not an annual or periodic exercise. For that reason, management meets frequently
5 to discuss and review O&M spending levels, operating conditions, maintenance
6 needs, and new regulations and advisories to confirm that expenditures are
7 reasonable, necessary and properly administered.

8 **Q. DOES ATMOS ENERGY'S PROCUREMENT PROCESS HELP TO**
9 **CONTROL O&M COSTS?**

10 A. Yes. Atmos Energy uses a well-established procurement process for materials,
11 supplies, and services. When purchasing materials and supplies used for O&M
12 purposes or capital expenditures, items are generally obtained through various
13 vendor agreements that are negotiated and administered by the SSU Supply Chain
14 Management group. In some cases, relatively low-risk and low-dollar services are
15 purchased at the local level through purchasing cards.

16 To confirm the receipt of a quality product at a reasonable price, Atmos
17 Energy relies on several factors in partnering with various vendors and contractors.
18 The factors include, but are not limited to, the sustainability of the entity with which
19 it is doing business, whether the vendor is appropriately focused on safety and
20 quality, whether its employees are qualified, whether the vendor is following
21 current rules and regulations, expertise in specific tasks, and the availability of
22 competitive prices for similar work or products.

1 It is important to note that many products or services have both an O&M
2 expense and a capital cost component. For example, pipe is obtained through the
3 procurement process and, depending on its use, may result in the cost of the pipe
4 being treated as an O&M expense or a capital cost.²³ Nevertheless, whether the
5 cost is booked as an O&M expense or a capital cost, the Company undertakes sound
6 practices so that it receives a quality product or service at a reasonable price.

7 **Q. WHAT ROLE DO THE COMPANY'S EMPLOYEES PLAY IN HELPING**
8 **TO CONTROL OR MANAGE MID-TEX'S O&M EXPENSES?**

9 A. Employees are a key factor in our three areas of safety: employee safety, public
10 safety, and system safety. All three areas directly impact safety and contribute to
11 controlling and managing Mid-Tex's costs. Examples include engaging in training
12 and safe practices to reduce vehicular accidents, supporting third-party damage
13 prevention activities, adhering to policies and procedures, effectively repairing
14 leaks and modernizing infrastructure. Another example of managing costs includes
15 the health of our employees. In an effort to reduce injuries and minimize medical
16 expenses, employees participate in wellness programs, safety meetings, and peer-
17 to-peer coaching. These are just a few examples of the ways in which employee
18 actions can help control or manage costs.

19 **Q. IS LABOR COST A PRIMARY COMPONENT OF O&M EXPENSE?**

20 A. Yes, employee labor cost is an important component of O&M expense as labor cost
21 is necessary to compensate employees who perform the various activities necessary
22 to provide safe and reliable gas service on Mid-Tex assets. As Ms. Myers explains

²³ For instance, if the Company replaces less than five feet of pipe, it is considered an O&M expense, consistent with the Company capitalization policy.

1 in her direct testimony, employee labor expense for Mid-Tex, APT, and SSU
2 employees providing services on behalf of Mid-Tex is directly charged to or
3 allocated between APT/SSU and Mid-Tex based on the time spent by each
4 employee or group of employees in providing service to the different divisions.
5 Employee labor expense for Mid-Tex employees is charged directly to Mid-Tex.
6 Company witnesses Shelly Mullins and Shele Boles further address the
7 reasonableness and necessity of the Company's compensation and benefits
8 programs.

9 **Q. HOW DOES MID-TEX USE APT EMPLOYEES TO SUPPORT ITS**
10 **OPERATIONS?**

11 A. APT employees perform the majority of the transmission integrity management,
12 provide oversight of the activities to prevent and address external corrosion on
13 transmission pipelines, and provide engineering assistance on larger, more complex
14 pipe/station projects.

15 **Q. HOW ARE APT O&M ACTIVITIES IDENTIFIED AND FUNDED?**

16 A. APT O&M activities are identified at the department level in the same manner I
17 described for Mid-Tex. Annually, each department prepares a preliminary budget
18 based on identified O&M activities, including activities performed for the Mid-Tex
19 Division. These preliminary budgets are then consolidated to develop an overall
20 budget for APT and the budget for Mid-Tex. The overall budget is reviewed by the
21 APT and Mid-Tex management team for reasonableness. Then, the management
22 team meets with corporate management to discuss and review the budget prior to
23 final approval by the Board of Directors.

1 **Q. HOW DOES MID-TEX USE SSU EMPLOYEES TO SUPPORT ITS**
2 **OPERATIONS?**

3 A. SSU is comprised of functional service groups such as dispatching, customer
4 contact center, gas control, human resources, planning and budgeting, accounting,
5 legal, rates, information technology, operational technology, and risk management.
6 These SSU groups provide many of the support services and administrative
7 functions necessary to facilitate Mid-Tex's day-to-day operations. For example,
8 SSU Accounting provides Mid-Tex with payroll, accounts payable and accounts
9 receivable services. The SSU Procurement Group provides services to Mid-Tex in
10 the areas of fleet management, strategic sourcing, and supply chain management.
11 These O&M activities would have to be duplicated by Mid-Tex if the O&M
12 activities were not performed by SSU.

13 **Q. HOW ARE SSU O&M ACTIVITIES IDENTIFIED AND BUDGETED?**

14 A. Each SSU functional service group is comprised of one or more cost centers. For
15 example, the accounting functional service group consists of the Company's
16 controller, revenue accounting, financial reporting and general accounting services
17 with plant accounting as a cost center under the general accounting services
18 umbrella. Individual cost centers roll up into functional areas for total budgeting
19 purposes.

20 Each SSU cost center owner is responsible for developing the annual budget
21 for his or her cost center as part of the Company-wide annual budgeting process.
22 Once an SSU cost center budget has been prepared, it is subject to the same
23 managerial review and approval processes that are used for the budgets of the

1 Company's divisions and subsidiaries. Once approved, the SSU cost center's
2 budget is subject to similar ongoing control processes, including variance
3 monitoring, that I describe for Mid-Tex.

4 **Q. HOW ARE THE COSTS IN AN APT OR SSU COST CENTER BUDGET**
5 **CHARGED OR ALLOCATED TO MID-TEX?**

6 A. As Ms. Myers explains in her direct testimony, employee labor expense for APT
7 and SSU employees providing services on behalf of Mid-Tex is directly charged to
8 Mid-Tex or allocated between Mid-Tex and APT based on the time spent by each
9 employee or group of employees in providing service to the different divisions.
10 Employee labor expense for Mid-Tex employees is charged directly to Mid-Tex.

11 **Q. ARE THE O&M ACTIVITIES PERFORMED BY APT AND SSU**
12 **NECESSARY TO THE PROVISION OF UTILITY SERVICE BY MID-TEX?**

13 A. Yes. As I mentioned above, APT employees perform the majority of the
14 transmission integrity management and provide oversight of the activities to
15 prevent and address external corrosion on the transmission pipelines. SSU
16 employees perform payroll, accounting, human resources, and other essential
17 services that would have to be duplicated by Mid-Tex if the O&M activities were
18 not performed by SSU.

19 **Q. IS MID-TEX EXPERIENCING A NEED TO ENHANCE AND/OR EXPAND**
20 **ITS OPERATIONAL ACTIVITIES TO PROVIDE SAFE AND RELIABLE**
21 **SERVICE?**

22 A. Yes. Population growth and development-related issues, as well as increasing
23 federal and state regulatory requirements are requiring Mid-Tex to enhance and

1 expand its operational activities. By way of example, the number of annual line
2 locates performed by Mid-Tex has grown from 1,115,919 in 2020 to 1,411,711 in
3 2023, or 26.5%. These numbers represent the number of locate tickets to which
4 Atmos Energy must respond within 48 hours of receipt in order to comply with the
5 Underground Facility Damage Prevention and Safety Act, Texas Utilities Code
6 § 251.001 *et seq.*, as well as the rules promulgated by the Commission in 16 TAC
7 Chapter 18.

8 **Q. ARE DAMAGE PREVENTION ACTIVITIES AN IMPORTANT PART OF**
9 **THE COMPANY'S SAFETY INITIATIVES?**

10 A. Yes. Damage to the Company's pipelines resulting from excavation remains a
11 primary safety risk. Atmos Energy's Damage Prevention Program is intended to
12 help prevent damage to the Company's underground facilities, including
13 distribution and transmission pipelines and related facilities, caused by excavating
14 and other related activities. As part of this program, the Company has a robust
15 Pipeline Safety Public Awareness Plan based on API RP 1162 and required by 49
16 C.F.R. § 192.616, through which we continually promote safe digging practices
17 and emphasize the importance of contacting 811 through proactive awareness
18 efforts. We believe that effectively communicating pipeline safety information to
19 all stakeholders is necessary for us to successfully conduct our business, and we
20 continually seek to improve our Public Awareness Plan's results. The Company
21 communicates natural gas safety information to our customers and the public
22 through stand-alone mailings, bill inserts and onserts, on-hold messaging, signage,
23 and customer e-mails. In addition, the Public Awareness Plan includes conveying

1 these safety messages through community events, advertisements on music
2 streaming services, social media, and other public relations activities, sometimes in
3 partnership with other organizations. The Company is also committed to working
4 with stakeholders on damage prevention initiatives.

5 **Q. HAS ATMOS ENERGY IMPLEMENTED ANY ADDITIONAL SPECIFIC**
6 **PROGRAMS AIMED AT REDUCING DAMAGE CAUSED BY THIRD**
7 **PARTIES?**

8 A. Yes. Atmos Energy’s Damage Prevention Ambassador program empowers
9 employees to actively monitor our system and make stops at excavation sites to
10 educate the public and promote safe digging practices, including contacting 811. If
11 our Ambassadors find that the excavators have an invalid or expired 811 ticket, or
12 their excavation plan includes the use of mechanized equipment within the gas
13 utility tolerance zone²⁴ without first exposing the utilities, they will require the
14 excavator to cease digging immediately. When this happens, the excavator will not
15 resume excavation until gas utilities have marked their lines and requirements
16 regarding the tolerance zone are followed, as required under state law. In calendar
17 year 2023, our Ambassadors across Texas performed more than 25,000 stops and
18 distributed more than 15,000 pieces of literature to excavators and homeowners.

19 Additionally, Atmos Energy has a program in which it supervises third-
20 party excavation activities on jobsites determined to be higher relative risk for
21 potential damage to Atmos Energy facilities. These locations are determined by

²⁴ The “tolerance zone” is defined as “[h]alf the nominal diameter of the underground pipeline plus a minimum of 18 inches on either side of the outside edge of the underground pipeline on a horizontal plane.” 16 TAC § 18.2(21). See 16 TAC § 18.10 for requirements for excavation within the tolerance zone.

1 risk ranking our one call tickets and looking at historical damage trends. Atmos
2 Energy's contractors observe the excavation practices on these sites to assure that
3 the third-party excavators are in compliance with all applicable laws and
4 regulations.

5 **Q. ARE THESE EFFORTS WORKING TO REDUCE THIRD PARTY**
6 **EXCAVATION DAMAGE AS COMPARED TO NUMBER OF LOCATE**
7 **TICKETS?**

8 A. Yes, throughout the Mid-Tex Division, we continue to see an increase in population
9 growth as well as economic growth in general and an influx in additional fiber and
10 other utility-related contractors doing installation and replacement work. Yet, even
11 with the increased amount of third-party excavation work throughout the Mid-Tex
12 Division, we have seen a 19% decrease in damages per thousand locate tickets from
13 calendar year 2022 to calendar year 2024 (through September).

14 **Q. DOES THE COMPANY ALSO PRIORITIZE EMERGENCY**
15 **PREPAREDNESS AND RESPONSE AS PART OF ITS PROACTIVE**
16 **APPROACH TOWARDS SAFETY?**

17 A. Absolutely. In addition to partnering with regulators, local community groups, and
18 first responders to advance pipeline safety awareness and emergency response
19 efforts, our First Responder Natural Gas Workshops provide emergency response
20 teams with detailed information and procedures to work around natural gas and
21 carbon monoxide safely. The Company also coordinates with local fire
22 departments and other first responders to assist in emergency responses during a
23 natural gas leak. In addition, we prepare and maintain local emergency plans for

1 specific operating areas, and local supervisors conduct annual reviews of these
2 plans. We also conduct tabletop exercises and emergency plan refresher training
3 to confirm readiness and preparedness. During an emergency, our Incident
4 Command System provides guidance and instruction to Atmos Energy Emergency
5 Responders, who follow the “H-E-L-P” action procedure—Determine Hazard,
6 Extent of Hazard, Protect Life, and Protect Property.

7 **Q. CAN YOU EXPAND ON HOW LINE LOCATING/DAMAGE**
8 **PREVENTION AND LEAK SURVEY ACTIVITIES ARE DRIVING THE**
9 **O&M EXPENSE THE COMPANY MUST INCUR TO OPERATE THE MID-**
10 **TEX SYSTEM?**

11 A. Yes. Mid-Tex is required by both federal and state laws to accurately mark the
12 approximate centerline of its facilities on the surface of the pre-construction area at
13 the request of an excavator when digging more than 16 inches in depth. 16 TAC
14 Chapter 18 outlines these requirements, including a 48-hour time restriction to
15 perform these locates. With the increased growth and construction activity, Mid-
16 Tex has seen a 26.5% increase in line locate request over the past three years. A
17 significant driver of these locate requests are coming from the Federal incentives
18 to expand the fiber network. Beyond complying with the law, accurate and timely
19 line locating and other damage prevention activities directly support the safety of
20 system, Mid-Tex customers, and the general public.

21 Costs related to leak survey activities have also increased year over year to
22 further enhance the safety of our system and the public, and those activities are
23 expected to continue to increase in the future. In PHMSA’s LDAR proposed rule,

1 which I mentioned earlier in my testimony, “PHMSA proposes to introduce an
2 [Advanced Leak Detection Program or] ALDP performance standard that would
3 require operators of part 192-regulated gas pipelines to demonstrate, by conducting
4 engineering tests and analyses, that their suite of leak detection equipment,
5 procedures, and analytics are capable of detecting all leaks above a minimum
6 concentration threshold when measured in close proximity to the pipeline. PHMSA
7 proposes to require that leakage surveys be performed using commercially
8 available advanced technology and practices consistent with the proposed ALDP
9 performance standard. PHMSA also proposes to require a minimum sensitivity for
10 leak detection equipment used in leakage surveys and leak investigations.”²⁵ In
11 addition to these anticipated changes in regulatory requirements, Atmos Energy
12 continues to expand this significant tool of leak survey and detection to identify
13 risk that can be mitigated. Mid-Tex has already invested in Advanced Mobile Leak
14 Detection (“AMLD”) to supplement traditional technology. This AMLD
15 equipment is one thousand times more sensitive in detecting a leak than traditional
16 technologies used to survey our assets. From 2022 to 2024, Mid-Tex surveyed
17 8,000 to 10,000 miles annually with AMLD, in addition to the approximately 6,000
18 to 8,000 miles surveyed with traditional technology. Due to these enhanced
19 surveying practices, more leaks are found, requiring additional trained resources to
20 assess and repair the leaks.

²⁵ <https://www.federalregister.gov/documents/2023/05/18/2023-09918/pipeline-safety-gas-pipeline-leak-detection-and-repair#:~:text=PHMSA%20proposes%20to%20require%20that,leakage%20surveys%20and%20leak%20investigations.>

1 **Q. YOU EXPLAINED THAT INCREASING FEDERAL AND STATE**
2 **REGULATORY REQUIREMENTS AND GROWTH ARE ALSO DRIVING**
3 **TEST YEAR O&M ACTIVITIES. IN WHAT WAYS HAS THIS**
4 **AFFECTED THE TEST YEAR O&M COSTS?**

5 A. As I indicated previously, Mid-Tex has been subject to heightened regulatory
6 requirements that have increased the workload for both operations personnel and
7 office support personnel. Since the implementation of these new regulations, new
8 personnel have been hired to allow the Company to complete required O&M
9 activities and comply with the regulations. In addition, responding to population
10 growth in the Mid-Tex service territory has increased the workload in tangible
11 ways. As Mid-Tex installs more facilities and serves more customers, its
12 operational and maintenance needs increase and this necessarily leads to increased
13 O&M costs. Accordingly, while Mid-Tex takes prudent steps to manage its O&M
14 budget, it recognizes that, to meet the needs of the system and address factors
15 outside its control, it must incur costs that are necessary to operate and maintain a
16 safe and reliable system.

17 **Q. CAN YOU PROVIDE ANY OTHER SPECIFIC EXAMPLES THAT HAVE**
18 **IMPACTED TEST YEAR O&M EXPENSE?**

19 A. Yes. One example is increased activities related to line locating. As mentioned
20 earlier in my testimony, as communities modernize their own infrastructure and
21 install new roads with related water and sewer lines, the need for line locating
22 increases. The proliferation of fiber installation for internet service also continues
23 to drive increases in line locating activities. The economic growth of our

1 communities has contributed to the increase of the amount of pipe in the ground,
2 which in turn increases the inventory of pipe that is necessary for locating. From
3 January 2018 through September 2024, Mid-Tex has added over 2,700 miles of
4 pipe and added over 240,000 new customers. A second example would be the other
5 incremental costs associated with providing service to these new customers. This
6 level of customer growth expands the need for activities in the SSU customer
7 support centers and gas dispatch center, as well as in the Mid-Tex service centers
8 that maintain this new infrastructure and respond to service calls in these areas.

9 **Q. ARE THE O&M ACTIVITIES PERFORMED BY MID-TEX, APT/SSU**
10 **EMPLOYEES, AND CONTRACTORS NECESSARY TO THE PROVISION**
11 **OF UTILITY SERVICE BY MID-TEX?**

12 A. Yes. All of the functions performed by these employees and contractors are
13 reasonable and necessary for the safe and reliable operation of the natural gas
14 distribution system that Mid-Tex operates.

15 **Q. IS THE LEVEL OF O&M EXPENSE REQUESTED IN THIS FILING**
16 **REASONABLE AND NECESSARY?**

17 A. Yes. The level of O&M expense for which Mid-Tex seeks recovery in this rate
18 case is reasonable and necessary to continue the safe and reliable operation of the
19 system. Moreover, the services provided by SSU and APT for Mid-Tex's benefit
20 are reasonable and integral to Mid-Tex's provision of safe and reliable service to
21 its customers, and are essential to operate a natural gas distribution business.

1 **VI. THE CAPITAL INVESTMENT THAT HAS BEEN MADE IN THE MID-**
2 **TEX DIVISION IS PRUDENT AND USED AND USEFUL IN THE**
3 **PROVISION OF NATURAL GAS SERVICE**

4 **Q. WHAT IS CAPITAL INVESTMENT?**

5 A. Capital investment is money used for the acquisition and installation of equipment
6 or facilities that are expected to have an extended period of use prior to being
7 replaced.

8 **Q. IS IT NECESSARY FOR MID-TEX TO MAKE CAPITAL INVESTMENTS**
9 **IN ITS SYSTEM?**

10 A. Yes. During the period from January 1, 2018 through September 30, 2024, the
11 capital investment made in the Mid-Tex Division is approximately \$6.4 billion.
12 This capital investment can generally be separated into five broad categories, which
13 reflect the purpose of the investments: (1) system integrity, (2) relocations, (3)
14 general plant and adjustments, and (4) new additions. Relocations are typically
15 replacements driven by city infrastructure renewal and, together with the system
16 integrity projects, make up the capital investment qualifying under the Rule § 8.209
17 Distribution Facilities Replacement Program.

18 **A. Overview of Processes That Support Prudent Capital Investment**

19 **Q. ARE ALL MID-TEX CAPITAL INVESTMENTS ESTABLISHED AT THE**
20 **BEGINNING OF EACH FISCAL YEAR?**

21 A. No. The Company knows that there will always be certain investments that will
22 need to be made during the year that cannot be identified in advance. For example,
23 leaks may occur on the system at any time of the year, and the Company budgets
24 and allocates capital accordingly to allow the Company to make operational and
25 investment decisions as necessary throughout the year. Likewise, the Company

1 knows that it will receive requests for facilities to be relocated throughout the year,
2 but it cannot always anticipate the number of requests it will receive in any given
3 year. The projected level of capital expenditures for these items is based on needs
4 known at the time the budget is prepared and on the Company's past experience.

5 **Q. HOW ARE INDIVIDUAL MID-TEX CAPITAL PROJECTS IDENTIFIED**
6 **AND FUNDED?**

7 A. Projects are identified by personnel in the Company's Technical Services,
8 Marketing, and Operations groups who regularly work with the federal and state
9 agencies, local governments, and developers. These stakeholders have the most
10 knowledge and experience with the Mid-Tex system and are best prepared to make
11 judgments as to where capital investment should be prioritized to enhance system
12 safety and reliability. Potential solutions are then evaluated, and a preferred course
13 of action is selected. Next, costs are applied to the preferred course of action to
14 determine estimated costs for each project. Once a project and its costs are
15 identified, it is submitted to the Asset Planning Group for inclusion in a prioritized
16 portfolio of potential and active projects. Utilizing this portfolio, management
17 draws on hundreds of years of collective experience to review the potential projects
18 and approve specific investments.

19 **Q. HOW LONG HAS THE FUNDING PROCESS DESCRIBED ABOVE BEEN**
20 **UTILIZED IN THE MID-TEX DIVISION?**

21 A. I have been involved in capital budgeting for many years, and this general process
22 of prioritized funding has been used by Mid-Tex for more than 20 years.

1 **Q. WHAT EFFORTS DOES MID-TEX TAKE TO CONTROL CAPITAL**
2 **COSTS ON AN ON-GOING BASIS?**

3 A. Mid-Tex has put significant cost control measures in place to manage its capital
4 costs, while maintaining the safety and reliability of its system and providing
5 effective and efficient customer service. After a project is budgeted, but prior to
6 the work beginning and before any payments are made, appropriate approvals must
7 be obtained from necessary operational, accounting and management personnel
8 pursuant to the Company's Approval Limits Policy. Also, while variances from
9 budgeted amounts are expected as part of the capital expenditure process, Mid-Tex
10 has a process to monitor variances on a project level and a category level to provide
11 an additional layer of cost control. Project managers as well district, region, and
12 division personnel review these variances each month. Furthermore, Mid-Tex
13 senior management meets periodically to discuss capital spending levels and make
14 amendments to prior decisions as appropriate.

15 **Q. DOES THE PROCUREMENT PROCESS ALSO HELP THE COMPANY**
16 **CONTROL CAPITAL COSTS?**

17 A. Yes. As discussed earlier in my testimony, the procurement process is used to
18 obtain products and services at a reasonable cost, without regard to whether the
19 product or service results in an O&M expense or in a capital cost. Accordingly, the
20 procurement process provides additional cost controls for capital costs.

1 **Q. PLEASE DESCRIBE HOW THE SSU CAPITAL BUDGET IS**
2 **DEVELOPED.**

3 A. The SSU capital budget is developed using the same general methods and processes
4 employed for the Mid-Tex capital budget development. One difference, however,
5 is that the majority of SSU capital costs are information technology hardware and
6 software used throughout the Company for various activities and functions.
7 Accordingly, although these costs are budgeted in the SSU Information Technology
8 ("IT") costs centers, they are primarily devoted to other divisions within Atmos
9 Energy, like Mid-Tex. For example, if the Procurement Group requires a new or
10 upgraded procurement system, the IT group would work with Procurement to
11 budget the costs of purchasing or developing and implementing the system. IT will
12 then include these costs as part of its IT capital budget for SSU information
13 technology capital projects, and a portion of the costs are ultimately allocated to
14 Mid-Tex accordingly. The SSU capital budget is subject to similar review and pre-
15 approval processes as well as similar ongoing control processes that I have
16 previously described for Mid-Tex.

17 **Q. DOES THE PROCUREMENT PROCESS ALSO HELP THE COMPANY**
18 **CONTROL SSU CAPITAL COSTS?**

19 A. Yes. As I discussed previously, the procurement process is utilized to obtain
20 products and services at a reasonable cost, without regard to whether the product or
21 service results in an O&M expense or in a capital cost.

1 **B. Factors Driving Capital Investment**

2 **Q. WHAT ARE THE PRIMARY DRIVERS OF THE INVESTMENT BEING**
3 **MADE IN THE MID-TEX SYSTEM?**

4 A. As is the case with O&M expense, system safety and reliability are the driving
5 forces behind most capital investments made in the Mid-Tex system. This includes
6 investments to replace high relative risk pipeline facilities and to comply with
7 regulatory requirements established at the federal, state and local levels. Capital
8 investments are also made to allow for increased public economic development
9 activities, to add facilities to provide service to new customers, and to relocate
10 facilities, all of which also enhance system safety and reliability. In addition,
11 investment is made in general plant, such as tools, equipment, buildings, and
12 software, which is required to provide the office infrastructure necessary to support
13 field activities.

14 **Q. PLEASE ELABORATE ON YOUR STATEMENT THAT SAFETY AND**
15 **RELIABILITY ARE THE DRIVING FORCES BEHIND MOST CAPITAL**
16 **INVESTMENTS MADE IN THE MID-TEX SYSTEM.**

17 A. The system integrity category contains capital projects such as replacement activity
18 for distribution facilities that are reaching the end of their useful life as well as
19 fortification projects to enhance system reliability. All of the system integrity
20 investment is clearly safety and reliability related. Relocations also enhance safety
21 and reliability by allowing Mid-Tex to avoid conflicts with city infrastructure,
22 which, in turn, reduces third-party damage events. General plant and adjustments
23 also augment safety and reliability. For example, investments in items such as
24 innovative leak detection tools allow the Company to use state-of-the-art

1 technology to supplement traditional technologies to identify and locate gas leaks.
2 Investments in GIS allows the Company to improve safety by bringing together
3 data from various sources into a common tool to perform risk assessments.

4 **Q. HAVE THE EVOLVING STATE AND FEDERAL REGULATORY**
5 **REQUIREMENTS THAT YOU DISCUSSED EARLIER IN YOUR**
6 **TESTIMONY HAD A SIGNIFICANT IMPACT ON THE COMPANY'S**
7 **INVESTMENT DECISIONS?**

8 A. Absolutely. The goal of the regulation of pipeline safety in the natural gas industry
9 is to set minimum operational standards that advance the safe transportation and
10 delivery of natural gas to each utility's customers. As I mentioned, PHMSA
11 continues to adopt new and increasingly rigorous safety standards and the
12 Commission has also adopted additional safety standards for intrastate transmission
13 and distribution pipelines, including Rule § 8.209 and the pipeline damage
14 preventions rules found in 16 TAC Chapter 18.

15 **Q. DO THESE REQUIREMENTS AND THE INVESTMENTS THE**
16 **COMPANY MAKES TO COMPLY WITH THESE REQUIREMENTS**
17 **BENEFIT CUSTOMERS?**

18 A. Yes. These regulations benefit our customers by providing Atmos Energy with
19 rules for maintaining a safe, reliable system and holding the Company accountable
20 to meeting operational standards that place the safety of our customers and the
21 communities we serve as the utmost priority. The investments the Company makes
22 to comply with these regulations directly contribute to the safe and reliable

1 functioning of the Mid-Tex System and, consequently, the customers and
2 communities we serve.

3 **Q. PLEASE DESCRIBE THE INVESTMENT MADE IN NEW ADDITIONS**
4 **AND RELOCATIONS.**

5 A. Mid-Tex's service territory continues to experience one of the highest rates of
6 population growth and economic development in the country in recent years. A
7 new addition results from growth and requires Mid-Tex to install new pipe in the
8 ground. To safely and reliably meet the needs of these new customers and support
9 the economic growth of the communities we serve, Mid-Tex has made significant
10 investments in its system to respond to this new demand. This effort requires the
11 installation of these new facilities and significant Company resources to assure the
12 facilities were properly engineered, installed, placed in service, marked, and
13 mapped as required by applicable state and federal pipeline safety regulations.

14 An additional impact of growth is an increasing number of extensions and
15 upgrades that are being made to water lines, sewer lines, and roads by other entities
16 to serve the growing population. Like Atmos Energy, governmental entities and
17 other public service providers throughout the Mid-Tex service territory and
18 throughout the State of Texas are finding it necessary to modernize its infrastructure
19 to meet the needs of their growing and thriving communities. As communities
20 replace their own infrastructure, it is often necessary for Atmos Energy to relocate
21 its existing pipeline facilities, mains, and services to allow for improvements to
22 these roadways and utility lines. These locally driven projects require significant
23 engineering, construction, and related office work by Mid-Tex and SSU employees

1 to allow Mid-Tex to proceed with these public improvement projects in a safe and
2 timely manner, and this requires additional investments by the Company in the
3 system.

4 **Q. WHAT OTHER TYPES OF INVESTMENT IS THE COMPANY MAKING**
5 **IN ITS SYSTEM?**

6 A. In response to the new customer growth described earlier and the recent winter
7 storms to further enhance system improvement work for the provision of safe and
8 reliable service, the Company has undertaken more system improvement projects
9 to enhance the delivery capability and reliability during a winter event.
10 Historically, in a typical calendar year, Mid-Tex typically completed 15-20 system
11 improvement projects. In 2023, Mid-Tex completed 60 projects to fortify the
12 system. This demonstrates the continued and increasing necessity to invest in
13 system improvement projects. Many of these projects will span calendar years due
14 to size, timing of the acquisition of land rights, and permitting.

15 **C. Mid-Tex's Capital Investment Request**

16 **Q. PLEASE SUMMARIZE THE PRIMARY DRIVERS OF THE COMPANY'S**
17 **CAPITAL INVESTMENT FOR THE PERIOD JANUARY 1, 2018**
18 **THROUGH SEPTEMBER 30, 2024.**

19 A. The below chart presents the gross utility plant dollar amount (net of additions and
20 retirements) of capital invested in the Mid-Tex system from January 1, 2018,
21 through September 30, 2024, grouped by: (1) system integrity, (2) relocations,
22 (3) general plant and adjustments, and (4) new additions.

	MTX	SSU	Total
General Plant & Adjustments	\$23,518,153	\$32,772,523	\$56,290,676
New Additions	\$1,355,643,789	\$0	\$1,355,643,789
Relocations	\$108,005,820	\$0	\$108,005,820
System Integrity	\$4,851,169,287	\$0	\$4,851,169,287
Grand Total	\$6,338,337,049	\$32,772,523	\$6,371,109,572

1 **Q. DOES THE COMPANY SEEK A FAVORABLE PRUDENCE FINDING**
2 **FROM THE COMMISSION REGARDING THE CAPITAL**
3 **INVESTMENTS YOU JUST DESCRIBED?**

4 A. Yes. The Company seeks a favorable prudence finding regarding the capital
5 investment included in the Company's unincorporated IRA filings for 2018, 2019,
6 2020, 2021, 2022 and 2023 and for the actual capital investment booked to plant
7 during the period January 1, 2024 through September 30, 2024. Exhibits JSK-1,
8 JSK-2, JSK-3, JSK-4, JSK-5 and JSK-6 provide project specific investment
9 information for the capital investment included in the IRA filings. In addition, plant
10 for the period January 1, 2024 through September 30, 2024 is shown in Exhibit
11 JSK-7.

12 **Q. DOES THE CAPITAL INVESTMENT THAT THE COMPANY SEEKS TO**
13 **RECOVER IN THIS CASE REFLECT CERTAIN ADJUSTMENTS?**

14 A. Yes. Adjustments made to arrive at the capital investment amount the Company
15 seeks to recover in this case are discussed in Ms. Myer's direct testimony.

1 **Q. HAVE ANY CAPITAL INVESTMENTS THAT WERE VOLUNTARILY**
 2 **EXCLUDED FROM THE MID-TEX IRA FILINGS BEEN INCLUDED IN**
 3 **THIS FILING?**

4 A. Yes. The Company voluntarily removed calendar year 2023 capital investments
 5 related to services provided by residential developers from the Company’s 2024
 6 IRA filing. These amounts are included in this rate filing. Developer costs are
 7 incurred to provide natural gas service to new residential communities and/or
 8 commercial/industrial developments. As such, they are a reasonable and necessary
 9 investment that the Company makes to provide natural gas distribution service to
 10 new customers.

11 **Q. IS THE INCLUSION OF THIS INVESTMENT IN THIS RATE FILING**
 12 **CONSISTENT WITH COMMISSION PRECEDENT?**

13 A. Yes. In GUD No. 10000, the Commission explicitly determined that “[a]mounts
 14 voluntarily excluded from interim rate adjustment filings may be included in future
 15 *Statement of Intent* proceedings.”²⁶

16 **Q. ARE DEVELOPER COSTS A NECESSARY PART OF THE INVESTMENT**
 17 **THE COMPANY MUST MAKE IN THE MID-TEX SYSTEM?**

18 A. Yes. These costs are incurred to provide natural gas service within certain
 19 residential communities or business and industrial complexes. Typically, these
 20 projects involve large, phased-in projects that will be developed over a multi-year
 21 period. These payments compensate a developer for project management services
 22 – all of which are required to facilitate the installation of natural gas mains and

²⁶ *Statement of Intent to Change the Rate CGS and Rate PT of Atmos Pipeline – Texas*, GUD No. 10000, Final Order at 4, Finding of Fact (“FoF”) No. 30 (Apr. 18, 2011).

1 other facilities required to provide natural gas distribution service. This project
2 management necessarily includes rights to access the property where natural gas
3 facilities are located.

4 **Q. WHAT PROJECT MANAGEMENT ACTIVITIES DO DEVELOPERS**
5 **PERFORM AS PART OF THE FACILITY INSTALLATION PROCESS?**

6 A. Just like third-party contractors who are hired by the Company to perform
7 installation activities, project management services provided by developers include,
8 but are not limited to:

- 9 ◦ Soliciting and reviewing contractor bids;
- 10 ◦ Developing construction costs and timelines for utility asset installation,
11 including survey staking, surveying, grading, third party soil compaction
12 testing, installation of PVC sleeves, stormwater pollution prevention
13 plans, and pavement scheduling;
- 14 ◦ Coordinating construction schedules between gas contractor and wet
15 utility (e.g. sewer, storm drain, and water systems) contractors to avoid
16 conflicts in the field while installing crossings or facilities pre-paving.
17 This requires weekly updates and meetings so that contractor crews will
18 be available upon the expected start date by the developer; and,
- 19 ◦ Conducting final walk throughs with company and contractor
20 representatives upon completion of work.

21 **Q. DOES THE COMPANY ENTER INTO CONTRACTS TO SPECIFY THE**
22 **INSTALLATION AND PROJECT MANAGEMENT SERVICES TO BE**
23 **PROVIDED BY THE DEVELOPER?**

24 A. Yes. The agreements are arms-length contracts that are negotiated based on the
25 scope of the project. The contract secures the Company's access to the natural gas
26 facilities for their expected useful life and requires that the facilities are constructed
27 according to Atmos Energy's procedures and using approved materials in order to
28 be safe and reliable for customers. In particular, these agreements specify the

1 natural gas piping to be installed by the developer within the development and
2 provide for the developer to procure and provide all rights-of-way necessary for the
3 construction of natural gas infrastructure and grant to the Company all easements
4 and permits related to the equipment and facilities installed at no additional cost.
5 The agreements further provide that the installation and pipe, materials, and
6 equipment shall be owned and maintained by Atmos Energy. Highly Sensitive
7 Exhibit JSK-9 provides an example of one such agreement.

8 **Q. IS IT UNUSUAL FOR ATMOS ENERGY TO PROVIDE COMPENSATION**
9 **FOR PROJECT MANAGEMENT ACTIVITIES?**

10 A. No. The majority of the Master Service Agreements executed by Atmos Energy for
11 construction activity include a “handling charge for third party services, materials,
12 permits, equipment rentals, and subcontractors.” Compensating a developer for
13 project management (“handling”) of the third-party services, material
14 delivery/storage, surveying, permitting, stormwater pollution prevention
15 environmental requirements, and other contractor scheduling coordination is no
16 different as the developer is providing the same or similar project management
17 activities to facilitate service to new developments. In fact, as part of the typical
18 services developers provide pursuant to these agreements, they incur costs such as
19 those associated with surveying, paving/concrete damage, coordination of PVC
20 sleeve installation, and stormwater design plans and accountability, which are
21 covered by the fees in the agreement and are not separately reimbursable.

1 **Q. HOW ARE DEVELOPERS COMPENSATED FOR THE SERVICES AND**
2 **ACCESS PROVIDED UNDER THESE AGREEMENTS?**

3 A. In projects involving an agreement for developer services, an up-front management
4 fee is paid to compensate a developer for managing the installation of a trunk line
5 (typically larger diameter main), which serves the larger development or multiple
6 phases along the larger arterial streets. This project management necessarily
7 includes rights to access the property where those are located. Additionally, a lot-
8 based management fee may also be negotiated. The lot-based fee compensates the
9 developer for the services they provide to coordinate and install smaller mains
10 within the side streets as the individual phases of a project are completed and
11 customers move into the residential community, as well as the access required to
12 maintain the installed natural gas facilities.

13 **Q. IS ATMOS ENERGY'S COORDINATION WITH DEVELOPERS**
14 **BENEFICIAL TO CUSTOMERS?**

15 A. Yes. In addition to the off-setting cost benefits derived from the revenues resulting
16 from system growth, it is the Company's experience that the management services
17 provided by developers have the effect of reducing utility installation timeframes
18 and labor costs that would otherwise be incurred if project scheduling had to be
19 performed by the Company, while not compromising the safety of the overall
20 installation or project. In addition, because the developer controls the schedule
21 timeline with the natural gas contractor, Atmos Energy requires the developer as
22 part of the agreement to accept financial responsibility for any changes associated

1 with stoppage or delays of work due to other construction work being performed in
2 the same development.

3 **Q. ARE THE COSTS PAID UNDER THE DEVELOPER AGREEMENT**
4 **REASONABLE?**

5 A. Yes. As I mentioned previously, the agreements are the result of arms-length
6 negotiations. If during the negotiation process the developer cannot agree to the
7 Company's terms with respect to the services to be provided in exchange for
8 financial reimbursement and facility ownership, or, if Atmos Energy determines
9 that any fee amount requested by the developer is excessive, the Company will not
10 execute a contract.

11 In addition, the Company evaluates the reasonableness of the project(s) to
12 determine whether the expected customer growth supports the prudence of the
13 investment in new infrastructure. The Company does so by performing a
14 proprietary economic analysis to determine that the investment that would be made
15 in the new growth project is prudent, reasonable, and benefits the system and
16 customer through customer growth.

17 **Q. IS THE USE OF A DEVELOPER AGREEMENT TO FACILITATE THE**
18 **INSTALLATION OF NATURAL GAS SERVICE UNIQUE TO ATMOS**
19 **ENERGY?**

20 A. No. These agreements are commonly entered into by other local gas distribution
21 companies throughout the State. In addition, internet, fiber, and cable providers
22 also enter into similar agreements to make their services available to new residential
23 communities and new business and industrial complexes.

1 **Q. WHAT IS THE CONSEQUENCE IF ATMOS ENERGY DOES NOT ENTER**
2 **INTO THESE AGREEMENTS?**

3 A. Unlike electric, water, or sewer service, natural gas service is not required for new
4 residences. Consequently, if Atmos Energy does not enter into these agreements,
5 one of two outcomes is likely. The first results from the fact that in Texas natural
6 gas utilities do not have exclusive service territories, and the developer may choose
7 a different natural gas provider, in which case Atmos Energy's existing customers
8 do not benefit from the system growth and additional revenues to cover fixed costs.
9 The second potential outcome is that new residential communities and business
10 complexes will be developed as all electric with no alternative energy options. This
11 leaves those homes and businesses without an energy choice that would allow them
12 more affordable and reliable options to meet their energy needs.

13 **Q. ARE THE COSTS PAID UNDER THESE AGREEMENTS REASONABLE**
14 **AND NECESSARY TO THE PROVISION OF NATURAL GAS SERVICE?**

15 A. Yes. To provide natural gas service, natural gas facilities must be installed. The
16 coordination and oversight services provided by developers are also a necessary
17 component of every growth-driven capital project irrespective of whether they are
18 performed by the developer or the gas utility. One of the key benefits derived from
19 having developers perform these activities is that the developer has the ability to
20 optimize workflows, minimize downtime, improve efficiency, and ultimately
21 reduce the cost associated with utility installation.

1 **Q. IS ALL OF THE CAPITAL INVESTMENT INCLUDED IN THE**
2 **COMPANY’S FILING FOR THE PERIOD JANUARY 1, 2018 THROUGH**
3 **SEPTEMBER 30, 2024, USED AND USEFUL, AND REASONABLE AND**
4 **NECESSARY IN PROVIDING UTILITY SERVICE?**

5 A. Yes. All of the Company’s capital investment in the system, including the capital
6 investment originating at both the Mid-Tex level and SSU, is used and useful and
7 reasonably and necessarily incurred in order to operate a safe and reliable system
8 and provide efficient and effective customer service.

9 **VII. MID-TEX’S PROPOSED RIDER SSI SHOULD BE APPROVED**

10 **Q. WHY IS MID-TEX REQUESTING TO ADOPT A RIDER SSI?**

11 A. As I describe above, the evolving nature of federal and state pipeline safety
12 regulations means that the costs being incurred by the Company for regulatory
13 compliance activities continues to change. This inherent variability and uncertainty
14 regarding initiatives to identify and address risk on the system pursuant to 49 C.F.R.
15 § 192.1007 and comply with new pipeline safety requirements makes it impossible
16 for the Company to predict with certainty what its compliance costs will be going
17 forward other than to know that these costs will continue to fluctuate. This fact
18 makes it equally impractical for Mid-Tex to defer these costs for recovery in a
19 future rate proceeding. In contrast, the Rider SSI offers the ability for our
20 regulatory authorities to review certain defined categories of these third-party costs
21 and allows for the accurate recovery of these costs on an annual basis.

1 **Q. WHAT COSTS WILL BE INCLUDED IN THE PROPOSED RIDER SSI?**

2 A. The costs to be included in the Rider SSI will reflect annual amounts incurred above
 3 or below a benchmark amount to be established in this proceeding, which represents
 4 the amounts of these costs that were incurred in these categories during the test
 5 year. Atmos Energy has identified five categories of third-party O&M expense that
 6 it proposes for recovery through Rider SSI: (1) inspection activities to confirm that
 7 there is no existing cross-bore damage on facilities installed prior to 2016;
 8 (2) specific damage prevention activities necessary to install technology to make
 9 unlocatable facilities electronically locatable; (3) incremental leak surveying and
 10 detection activities conducted by third-party contractors; (4) supervisory activities
 11 related to third-party excavation near Atmos Energy facilities; and (5) MAOP
 12 Hydrostatic Testing activities to comply with Mega Rule Part 1, codified as
 13 49 C.F.R. § 192.624.²⁷

14 **Q. HOW WERE THE ACTIVITIES ELIGIBLE FOR INCLUSION IN THE**
 15 **RIDER SSI IDENTIFIED?**

16 A. The Company undertook a deliberate review of initiatives to identify and address
 17 risk on the system pursuant to 49 C.F.R. § 192.1007 and comply with new pipeline
 18 safety requirements. We identified a subset of activities for which (1) the activities

²⁷ “(a) *Applicability*. Operators of onshore steel transmission pipeline segments must reconfirm the maximum allowable operating pressure (MAOP) of all pipeline segments in accordance with the requirements of this section if either of the following conditions are met:

(1) Records necessary to establish the MAOP in accordance with § 192.619(a)(2), including records required by § 192.517(a), are not traceable, verifiable, and complete and the pipeline is located in one of the following locations:

(i) A high consequence area as defined in § 192.903; or

(ii) A Class 3 or Class 4 location.”

<https://www.ecfr.gov/current/title-49/subtitle-B/chapter-I/subchapter-D/part-192/subpart-L/section-192.624>.

1 are ongoing into the future, (2) the expenses are expected to fluctuate from year to
2 year and (3) the fluctuating costs are separately trackable and related only to third-
3 party contractor costs.

4 **Q. WITH REGARD TO CATEGORY (1) ABOVE, PLEASE EXPLAIN WHAT**
5 **YOU MEAN BY A “CROSS BORE.”**

6 A. As PHMSA explains on its DIMP Resources website:

7 Cross bores are defined as an intersection of an existing
8 underground utility or underground structure by a second-party
9 utility resulting in direct contact that compromises the integrity of
10 either utility or underground structure. For example, a cross bore
11 occurs when a new natural gas line is installed using a trenchless
12 method and intersects an existing underground utility, such as a
13 sewer line. This example may pose no problem initially and can go
14 undetected for months or years. However, if the sewer line becomes
15 blocked and mechanical equipment, such as a rotating auger, is used
16 to clear it, the intersecting gas line can be damaged, resulting in a
17 gas leak. The leaking gas can migrate into buildings via the sewer
18 line, resulting in a potentially dangerous situation.

19 Issues with cross boring were identified as early as 1972, thus this
20 is not a new problem. The occurrence of cross bores has become
21 more prevalent as the installation of gas distribution facilities using
22 trenchless technology becomes more popular. However, there is
23 limited data on the number of cross bores found per mile of sanitary
24 sewer inspected. Typically sanitary sewer laterals belong to the
25 property owner and are not marked by local municipalities in
26 response to locate requests. Sewer laterals are often not identified
27 on maps due to a lack of requirements and/or technology available
28 at the time of their installation, and they are not locatable using
29 conventional methods since they are commonly non-metallic pipe.

The PPAHC is composed of PHMSA and NAPSR²⁸ representatives.²⁹ The PPAHC surveyed States in February 2013 on cross boring practices and developed a report to share the results from that survey and to describe experiences with cross boring practices.³⁰

Q. HOW DOES ATMOS ENERGY ADDRESS THE RISK OF CROSS BORES IN ITS SAFETY AND COMPLIANCE ACTIVITIES?

A. Atmos Energy has multiple programs to address this risk. For example, after the research and industry experience described in the PHMSA quote above, in 2016, Atmos Energy adopted changes to its construction procedures to incorporate mandatory procedures for sewer cross bore prevention while performing trenchless excavation activities to install natural gas piping. This procedure has been effective in preventing and/or immediately remediating cross bores in Atmos Energy construction activities going forward. However, as Atmos Energy continues to apply the principles of PSMS and DIM to address risk on our system, the Mid-Tex Division uses third-party contractors to further expand the inspection work on facilities installed prior to 2016 to confirm that no cross bores exist and remediate the risk if a cross bore is discovered.

Q. HAVE OTHER ATMOS ENERGY DISTRIBUTION DIVISIONS USED THIS PRACTICE TO MITIGATE RISK?

A. Yes. The measures taken by the Mid-Tex Division to mitigate risk on our system are informed by the data and experience from other divisions. This experience in

²⁸ NAPSR stands for National Association of Pipeline Safety Representatives.

²⁹ PPAHC stands for Plastic Pipe Ad Hoc Committee.

³⁰ "Cross Bores – The Threat Posed by the Installation of Gas Distribution Facilities Using Trenchless Technology," U.S. Dept of Transportation, Pipeline and Hazardous Materials Safety Administration, available at <https://www.phmsa.dot.gov/pipeline/gas-distribution-integrity-management/gas-distribution-integrity-management-program-resources>

1 other divisions and the industry as a whole has led to the decision to undertake an
2 intentional effort to expand the systematic inspection of facilities installed prior to
3 2016.

4 **Q. WILL THE COSTS ASSOCIATED WITH THIS PROGRAM BE VARIABLE**
5 **FROM YEAR TO YEAR?**

6 A. Yes. The data that the Company is currently analyzing will form the basis of the
7 program, but this is an iterative process that will continue to evolve over time. This
8 is why the costs will fluctuate between now and the Company's next general rate
9 case.

10 **Q. IS THIS ACTIVITY CONSISTENT WITH STATE AND FEDERAL**
11 **PIPELINE SAFETY REGULATIONS AND GUIDANCE?**

12 A. Yes. As I mentioned, Atmos Energy is required by 49 C.F.R. § 192.1007 to identify
13 threats on our system, evaluate and rank risk, and identify and implement measures
14 to address risk. In addition, undertaking this activity is consistent with the
15 continuous Plan, Do, Check, Adjust cycle inherent to the PSMS program.

16 **Q. WITH REGARD TO CATEGORY (2) ABOVE, PLEASE EXPLAIN FURTHER**
17 **THE SPECIFIC DAMAGE PREVENTION ACTIVITIES TO WHICH YOU**
18 **REFER THAT ARE NECESSARY TO INSTALL TECHNOLOGY TO MAKE**
19 **UNLOCATABLE FACILITIES ELECTRONICALLY LOCATABLE.**

20 A. Today's construction standards include the installation of electronic location
21 devices, such as marker balls/pins and tracer wire, which will allow facilities to be
22 accurately located, when new or replacement facilities are constructed. However,
23 the Mid-Tex Division has assets in its distribution system that were installed before

1 this became standard practice, as well as assets on which the originally installed
2 locate technology is no longer functional. If Atmos Energy receives a locate ticket
3 in an area where the assets are not locatable in this manner, then the facilities must
4 be located through soft-excavation activities using vacuum excavation (or “VAC”
5 trucks) to determine the exact location of the assets, after which a marker ball or
6 tracer wire is installed and added to company maps so that the facilities will be
7 electronically locatable in the future. In addition to this reactive work, the Mid-Tex
8 Division is also undertaking this work to proactively install this electronic
9 technology in entire areas of unlocatable facilities, prioritizing those areas that are
10 expected to have significant third-party excavation in the near future (such as a fiber
11 installation project in the community).

12 **Q. WILL THE COSTS ASSOCIATED WITH THIS PROGRAM BE VARIABLE**
13 **FROM YEAR TO YEAR?**

14 A. Yes. The number of unlocatable tickets is difficult to predict, as it stems from locate
15 tickets from the one call notification center by excavators. The costs associated
16 with the proactive work has and is expected to continue to ramp up over time,
17 changing from year to year.

18 **Q. IS THIS ACTIVITY CONSISTENT WITH STATE AND FEDERAL**
19 **PIPELINE SAFETY REGULATIONS AND GUIDANCE?**

20 A. Yes. Both our federal and our state pipeline safety regulators continuously urge
21 operators to find additional ways to prevent damage on the system. Despite the fact
22 that Atmos Energy adheres to damage prevention regulations, excavation damage
23 is still a leading cause of hazardous leaks on the system. Thus, this type of

1 enhancement to our activities to reduce damages in the future is consistent with the
2 activities our regulators expect of us.

3 **Q. WITH REGARD TO CATEGORY (3) ABOVE, PLEASE EXPLAIN**
4 **FURTHER THE LEAK SURVEYING AND DETECTION ACTIVITIES TO**
5 **WHICH YOU REFER.**

6 A. As I mentioned earlier in my testimony, the Company expects to experience year-
7 over-year changes in the miles of pipe the Company is leak surveying and the
8 technologies used for leak detection as the expectation of the industry, our pipeline
9 safety regulators, and the communities we serve continues to change. We are
10 increasing our surveying and detection activities so that we can identify leaks
11 sooner rather than later to mitigate this risk.

12 **Q. IS THIS ACTIVITY CONSISTENT WITH STATE AND FEDERAL**
13 **PIPELINE SAFETY REGULATIONS AND GUIDANCE?**

14 A. Yes. I described earlier in my testimony the PHMSA proposed LDAR rule, which
15 proposes accelerated timeframes for leak surveying activities and is expected to
16 take effect in the near future. Further, through the implementation of DIMP and
17 PSMS, the Company is adjusting surveying activity as needed as a measure to
18 address risk on the system.

19 **Q. WILL THE COSTS ASSOCIATED WITH THESE ACTIVITIES BE**
20 **VARIABLE YEAR OVER YEAR?**

21 A. Yes. As a result of the changing regulatory requirements and the Company's
22 continuous assessment of risk on the system, the test year expense associated with

1 this activity is not indicative of on-going costs, and these costs will continue to
2 fluctuate.

3 **Q. WITH REGARD TO CATEGORY (4) ABOVE, PLEASE EXPLAIN**
4 **FURTHER SUPERVISORY ACTIVITIES RELATED TO THIRD-PARTY**
5 **EXCAVATION NEAR ATMOS ENERGY FACILITIES TO WHICH YOU**
6 **REFER.**

7 A. This is one of the programs I mentioned above in the discussion of damage
8 prevention. This category of expenses involves the supervision of third-party
9 excavation activities on jobsites determined to be higher relative risk for potential
10 damage to Atmos Energy facilities. These locations are determined by evaluating
11 risk of our one-call tickets and looking at historical damage trends. Risk of damage
12 includes, but is not limited to, type of asset, location of asset, type of third-party
13 excavation occurring (i.e. boring, back-hoe excavation, etc.), and
14 history/experience with third-party contractor. Atmos Energy's contractors
15 observe the excavation practices on these sites to monitor third-party excavation
16 practices.

17 **Q. WILL THE COSTS ASSOCIATED WITH THIS ACTIVITY BE VARIABLE**
18 **YEAR OVER YEAR?**

19 A. Yes. This is not a category of expense in which the costs are expected to be the
20 same year-over-year. It depends upon a variety of factors, including quantity of
21 one-call tickets received, the types of excavation activities involved in those one-
22 call tickets, the location of one-call tickets relative to our higher relative risk assets,

1 performance of third-party contractors, as well as the trending of damages by
2 location.

3 **Q. IS THIS ACTIVITY CONSISTENT WITH STATE AND FEDERAL**
4 **PIPELINE SAFETY REGULATIONS AND GUIDANCE?**

5 A. Yes, for the same reasons I describe above with respect to the electronic locate
6 technology. Providing additional oversight on third party excavations should
7 facilitate safe digging practices around natural gas facilities, daylighting for
8 directional drilling, maintaining adequate clearance, and overall education to
9 prevent pipe damage.

10 **Q. ARE ANY OTHER DAMAGE PREVENTION COSTS PROPOSED TO BE**
11 **INCLUDED IN RIDER SSI AT THIS TIME?**

12 A. No. Costs such as those related to damage prevention activities of standard line
13 locating services and the ambassador program expenses are not proposed for
14 inclusion in Rider SSI.

15 **Q. WITH REGARD TO CATEGORY (5) ABOVE, PLEASE EXPLAIN**
16 **FURTHER MAOP HYDROSTATIC TESTING COSTS INCURRED**
17 **SUBSEQUENT TO JUNE 30, 2024.**

18 A. As mentioned earlier in my testimony, on October 19, 2019, “Mega Rule Part 1”
19 was finalized with an effective date of July 1, 2020. Mega Rule Part 1 requires
20 operators of gas transmission pipelines constructed before 1970 to determine the
21 material strength of lines with certain properties installed in specific operating areas
22 by reconfirming the Maximum Allowable Operating Pressure. Specifically,
23 § 192.624 outlines requirements to perform hydrostatic testing to validate the

1 MAOP where prior records do not meet the new traceable, verifiable, complete
2 standard. This section also establishes a required completion schedule with 50%
3 complete by July 3, 2028, and the remainder complete by July 2, 2035. These are
4 the same types of costs approved by the Commission to be recovered in the Rider
5 SSI by APT in its recent rate case, Docket No. OS-23-00013758. If the Rider SSI
6 is not approved, these MAOP verification costs will continue to be recorded in a
7 deferred account.

8 **Q. DO YOU EXPECT THE COSTS ASSOCIATED WITH THIS PROGRAM**
9 **TO BE VARIABLE AND UNASCERTAINABLE AT THIS TIME?**

10 A. Yes. Expenses in this category are not expected to be the same year-over-year. It
11 depends upon a variety of factors, including the size of the pipeline, number of test
12 segments, availability of resources, and the ability to remove the pipeline from
13 service.

14 **Q. IS THIS ACTIVITY CONSISTENT WITH STATE AND FEDERAL**
15 **PIPELINE SAFETY REGULATIONS AND GUIDANCE?**

16 A. Yes. I described earlier in my testimony, this activity is required by federal Pipeline
17 Safety Regulations and clearly outlines the timeframe the pipelines are required to
18 have the MAOP reconfirmed.

19 **Q. IS MID-TEX PROPOSING TO RECOVER ANY COSTS IN CATEGORY (5)**
20 **THAT HAVE ALREADY BEEN INCURRED?**

21 A. Yes. While there were no costs in this category incurred in the test year ending
22 June 30, 2024, there were costs incurred subsequent to the test year that have been
23 recorded in a regulatory asset pursuant to Federal Energy Regulatory Commission

1 (“FERC”) guidance. In a letter dated June 23, 2020, the FERC clarified it is
2 appropriate to capitalize MAOP hydrostatic costs if a jurisdictional entity has
3 previously constructed a pipeline and its initial or subsequent tests do not meet the
4 requirements of a subsequently issued federal safety standard, which results in
5 required retesting of the pipeline so that its full capacities can be utilized.³¹ Mid-
6 Tex expects to continue to incur these costs through 2035, which is the deadline for
7 completion of this work. Consequently, Mid-Tex proposes to recover any costs
8 incurred since the end of the test year as well as any future costs incurred in this
9 category through Rider SSI.

10 **Q. IS IT REASONABLE FOR ATMOS ENERGY TO CAPTURE ELIGIBLE**
11 **ACTIVITY AMOUNTS THAT FALL ABOVE OR BELOW THE**
12 **BENCHMARK THROUGH THE RIDER SSI?**

13 A. Yes. As I describe above, these costs are prudent to support the safe operation of
14 the system, and the annual costs associated with these safety and integrity activities
15 are inherently variable. The Rider SSI will allow the Company to recover no more
16 and no less than the actual costs incurred during a given year. In addition, this
17 mechanism will allow the Commission Staff to review these costs annually to
18 confirm that they are just and reasonable. Moreover, given the nature and focus of
19 these important safety initiatives, it is in the public interest to allow timely recovery
20 of these costs.

³¹ Available at https://elibrary.ferc.gov/eLibrary/docinfo?accession_number=20200623-3030.

1 **Q. DOES THE COMPANY INTEND TO INCLUDE ANY INTERNAL**
 2 **COMPANY LABOR EXPENSES OR REGULAR DAY-TO-DAY O&M**
 3 **EXPENSES IN THE RIDER SSI?**

4 A. No. The Company's proposal is that only third-party expenses are eligible for
 5 recovery through the Rider SSI.

6 **Q. HAS THE COMMISSION APPROVED SIMILAR SAFETY AND**
 7 **INTEGRITY RIDERS FOR OTHER GAS UTILITIES?**

8 A. Yes. The Commission has repeatedly approved a Pipeline Integrity Testing ("PIT")
 9 Rider for use in the various service areas served by Texas Gas Service Company, a
 10 Division of ONE Gas, Inc. ("TGS").³² The Commission has also approved a Rider
 11 SSI for APT.³³

³² See, e.g., *Statement of Intent of Texas Gas Service Company, a Division of One Gas, Inc., to Change Gas Utility Rates Within the Unincorporated Areas of the West Texas Service Area, North Texas Service Area, and the Borger Skellytown Service Area*, Docket No. OS-22-00009896 consol., Final Order at FoF Nos. 88-89 (Jan. 18, 2023); *Statement of Intent of Texas Gas Service Company, a Division of ONE Gas, Inc., to Change Gas Utility Rates Within the Unincorporated Areas of the Central Texas Service Area and Gulf Coast Service Area*, GUD No. 10928 consol., Final Order at FoF Nos. 73-74 (Aug. 4, 2020); *Statement of Intent of Texas Gas Service, a Division of One Gas, Inc., to Increase Gas Utility Rates Within the Unincorporated Areas of the North Texas Service Area*, GUD No. 10739, Final Order at FoF No. 33 (Nov. 13, 2018); *Statement of Intent of Texas Gas Service Company, a Division of One Gas, Inc., to Increase Gas Utility Rates Within the Unincorporated Areas of the Rio Grande Valley Service Area*, GUD No. 10656, Final Order at FoF No. 25 (Mar. 20, 2018); *Statement of Intent of Texas Gas Service Company (TGS), a Division of ONE Gas, Inc., to Change Gas Utility Rates Within the Unincorporated Areas of the Central Texas Service Area (CTSA) and South Texas Service Area (STSA)*, GUD No. 10526, Final Order at FoF No. 35 and Attachment 1 – Settlement Agreement (Nov. 15, 2016); *Statement of Intent of Texas Gas Service Company, a Division of ONE Gas, Inc., to Increase Gas Utility Rates Within the Unincorporated Areas of the El Paso Service Areas (EPSA), Permian Service Area (PSA) and Dell City Service Area (DCSA)*, GUD No. 10506 consol., Final Order at FoF No. 85 (Sept. 27, 2016); and *Petition of the De Novo Review of the Denial of the Statements of Intent Filed by Texas Gas Service Company by the Cities of El Paso, Anthony, Clint, Horizon City, Socorro, and Village of Vinton, Texas*, GUD No. 9988, Final Order at FoF No. 22 (Dec. 14, 2010). These cases affirmed TGS's continued use of a PIT Rider to cover expenses related to integrity testing, as decided by the Commission in GUD No. 9988, Final Order; *Application of Texas Gas Service Company, a Division of ONEOK, Inc. to Increase Rates and Change Tariffs in the Environs of its El Paso Service Area*, GUD No. 10069, Final Order (Jun. 27, 2011); and *Statement of Intent Filed by Texas Gas Service Co., a Division of ONEOK, Inc., to Change Gas Rates by Approving Pipeline Integrity Testing Rider in the Environs of the El Paso Service Area*, GUD No. 10142, Final Order (Jan. 29, 2013).

³³ *Statement of Intent Filed by Atmos Pipeline-Texas, a Division of Atmos Energy Corporation to Change the Rate CGS and Rate PT Rates of Atmos Pipeline-Texas*, Docket No. OS-23-00013758 consol., Final Order at FoF No. 46 (Dec. 13, 2023).

1 **Q. HOW WILL COSTS BE RECORDED IN THE RIDER SSI SO THAT THEY**
2 **ARE NOT ALSO REFLECTED IN MID-TEX’S BASE RATES?**

3 A. As explained by Company witness Ms. Myers, the costs associated with all eligible
4 activities are separately tracked and accounted for in Mid-Tex’s books and records.
5 Ms. Myers explains the accounting mechanics of the proposed Rider SSI in her
6 direct testimony. Further, Mid-Tex proposes to make an annual compliance filing
7 detailing the costs included in the Rider SSI. This filing will be made on or before
8 September 15th of every year with the associated Rider SSI surcharge or refund
9 taking effect on February 1st of each succeeding year. The annual report will
10 describe the eligible activities performed.

11 **VIII. CONCLUSION**

12 **Q. DO YOU HAVE ANY CLOSING REMARKS?**

13 A. Yes. As demonstrated throughout my testimony, system safety and reliability are
14 the driving forces behind capital investments made in the Mid-Tex system. Capital
15 investments are made to replace aging infrastructure, fortify the system, respond to
16 growth, and to comply with regulatory requirements established at federal and state
17 levels. Capital investments are also required for general plant such as tools,
18 equipment and buildings, as well as for items such as software that provide the
19 office infrastructure necessary to support the operations of the Mid-Tex system and
20 its employees. All of this investment was prudently made and supports the

1 continuing safe operation and reliability of the system for the benefit of our
2 customers.

3 The O&M expense the Company incurs to maintain and operate the Mid-
4 Tex system is equally important to safe and reliable system operations. Like all gas
5 systems of any significant size, activities are performed on a daily basis throughout
6 the Mid-Tex system. Since the Company's last rate case, O&M expenses have and
7 continue to be impacted by heightened regulatory requirements, which increase the
8 resulting compliance activities and workload, as well as increased compliance
9 activities related to continued population and development growth.

10 The capital investment and O&M expense requested by the Company in its
11 rate filing are necessary, reasonable, and will enable the Company to continue to
12 provide the safe and reliable service that our customers have come to expect. The
13 Rider SSI provides a vehicle through which the Company can achieve continued
14 progress towards risk mitigation on its system and support safe and reliable natural
15 gas service to its customers. As such, adoption of the Rider SSI is in the interest of
16 our customers and the communities we serve.

17 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

18 **A.** Yes.

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

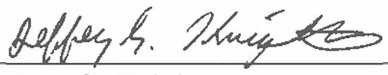
AFFIDAVIT OF JEFFREY S. KNIGHTS

BEFORE ME, the undersigned authority, on this day personally appeared Jeffrey S. Knights who having been placed under oath by me did depose as follows:

1. “My name is Jeffrey S. Knights. I am of sound mind and capable of making this affidavit. The facts stated herein are true and correct based upon my personal knowledge. My current position is Director of Enterprise Systems and Integrity for Atmos Energy Corporation.

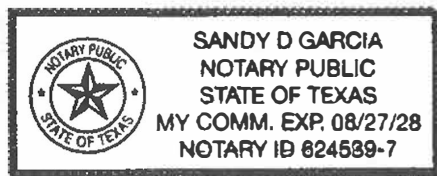
2. I have prepared the foregoing Direct Testimony and the information contained in that document is true and correct to the best of my knowledge.”

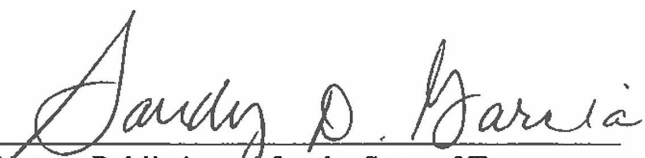
Further affiant sayeth not.



Jeffrey S. Knights

SUBSCRIBED AND SWORN TO BEFORE ME by the said Jeffrey S. Knights on this
4 day of November 2024.





Notary Public in and for the State of Texas

Exhibits JSK-1 through JSK-7 will be provided in electronic format.

Exhibit JSK-8 is Highly Sensitive
and will be provided pursuant to the terms of the Protective Agreement
in this proceeding or Protective Order issued in OS-24-00019196.

Exhibit JSK-9 is Highly Sensitive
and will be provided pursuant to the terms of the Protective Agreement
in this proceeding or Protective Order issued in OS-24-00019196.

WORKPAPERS
TO
DIRECT TESTIMONY
OF
JEFFREY S. KNIGHTS

Workpapers to the Direct Testimony of Jeffrey S. Knights are being provided in electronic format.

CASE NO. 00019196

STATEMENT OF INTENT FILED BY	§	
ATMOS ENERGY CORP. TO CHANGE	§	RAILROAD COMMISSION
GAS UTILITY RATES WITHIN THE	§	
UNINCORPORATED AREAS OF THE	§	OF TEXAS
MID-TEX DIVISION	§	

DIRECT TESTIMONY

OF

JOEL MULTER

WITNESS FOR

ATMOS ENERGY CORP., MID-TEX DIVISION

NOVEMBER 18, 2024

CASE NO. 00019196
INDEX TO THE DIRECT TESTIMONY
OF JOEL MULTER, WITNESS FOR
ATMOS ENERGY CORP., MID-TEX DIVISION

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VI.	UNCERTAIN TAX POSITIONS.....	5
VII.	RIDER TAX – TAX ADJUSTMENT TARIFF	9

LIST OF EXHIBITS

Exhibit JJM-1	Remaining Book Life for Protected EDIT Amortization

1 **DIRECT TESTIMONY OF JOEL MULTER**

2 **I. POSITION AND QUALIFICATIONS**

3 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

4 A. My name is Joel Multer. My business address is 5430 LBJ Freeway, Dallas, Texas
5 75240.

6 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

7 A. I am employed by Atmos Energy Corporation (“Atmos Energy” or the
8 “Company”), as Vice President of Tax.

9 **Q. PLEASE OUTLINE YOUR EDUCATIONAL AND PROFESSIONAL**
10 **QUALIFICATIONS.**

11 A. I have a Bachelor of Business Administration Degree in Accounting as well as a
12 Master of Science with a focus on Taxation from the University of Wisconsin-
13 Milwaukee. I joined Atmos Energy in my current role in August 2021. Prior to
14 that time, I held positions in both public accounting and within the private sector,
15 including over thirteen years in the regulated utility industry. My previous
16 employers include American Electric Power Service Corporation, Ernst & Young,
17 WEC Energy Group, and Walgreens Boots Alliance.

18 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE RAILROAD**
19 **COMMISSION OF TEXAS (“COMMISSION”)?**

20 A. No. However, I have previously provided testimony on behalf of the Company to
21 the Kentucky Public Service Commission. I have also provided testimony to the
22 Arkansas Public Service Commission, the Louisiana Public Service Commission,
23 and the Public Utility Commission of Texas on behalf of Southwestern Electric
24 Power Company. I have also provided testimony to the Oklahoma Corporation

1 Commission on behalf of Public Service Company of Oklahoma, to the Michigan
2 Public Service Commission on behalf of Indiana Michigan Power Company, and
3 to the Public Utilities Commission of Ohio on behalf of the Ohio Power Company.

4 **Q. HAVE YOU PREPARED ANY EXHIBITS IN CONNECTION WITH YOUR**
5 **TESTIMONY?**

6 A. Yes. I have prepared and sponsor the exhibit listed in the table of contents.

7 **Q. WAS THIS EXHIBIT AND YOUR TESTIMONY PREPARED BY YOU OR**
8 **UNDER YOUR DIRECTION?**

9 A. Yes, they were.

10 **II. PURPOSE OF TESTIMONY**

11 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

12 A. I sponsor the income tax elements of the Company's filing including Accumulated
13 Deferred Income Taxes ("ADIT") within the Company's proposed rate base as well
14 as federal and state income tax expense within cost of service. Additionally, I
15 address the following elements of the Company's filing:

- 16 ▪ Amortization of the Protected Excess Deferred Income Taxes ("EDIT")
17 resulting from the 2017 Tax Cuts and Jobs Act.
- 18 ▪ Background for the Company's proposed refund of previously accrued
19 liabilities for uncertain tax positions ("UTPs").
- 20 ▪ I sponsor and support the Company's proposed Rider Tax – Tax Adjustment
21 intended to capture the effects of the 2022 Inflation Reduction Act ("Tax
22 Act 2022") as well as any future changes to federal, state and local income
23 or property tax rates.

1 **III. INCOME TAX EXPENSE**

2 **Q. HOW IS TAX EXPENSE CALCULATED IN THE CURRENT FILING?**

3 A. Federal income tax expense is calculated by applying the statutory tax rate to the
4 forecasted return to arrive at required operating income. State income tax consists
5 of the Texas Franchise Tax, commonly referred to as the Gross Margins Tax, and
6 is calculated by applying the statutory Gross Margins Tax rate of 0.75% to the
7 proposed operating revenues adjusted to exclude operating revenues associated
8 with bad debt expense. See Schedule F-6.

9 **Q. HAS THE COMPANY CALCULATED ITS TAX EXPENSE USING THE**
10 **SAME METHODOLOGY PRESENTED AND APPROVED BY THE**
11 **COMMISSION IN THE COMPANY'S PREVIOUS RATE CASE FILINGS?**

12 A. Yes.

13 **IV. ACCUMULATED DEFERRED INCOME TAXES**

14 **Q. PLEASE DESCRIBE THE COMPANY'S CALCULATION OF ADIT AND**
15 **PROPOSED TREATMENT WITH RESPECT TO RATE BASE.**

16 A. The Company has included ADIT as a component of rate base. The starting point
17 for determining the ADIT balances in this filing are the amounts recorded as of
18 June 30, 2024, the end of the test period. Consistent with previous Company
19 filings, these balances are then adjusted to exclude certain items as illustrated within
20 Schedule Workpaper B-6 of the filing. The Company then adjusts the June 30
21 balances for all fixed asset related ADIT changes as the result of the filing's
22 projections of asset balances through September 30, 2024.

1 **Q. WHAT IS THE CURRENT TAX POSITION OF THE COMPANY?**

2 A. The Company continues to carryforward a federal net operating loss (“NOL”) as
3 the result of tax deductions in excess of taxable income. This NOL is recognized
4 within the financial statements as an ADIT asset representing the ability to offset
5 taxable income in future tax years. The primary drivers of the Company’s federal
6 NOL are deductions associated with capital spend such as accelerated tax
7 depreciation and repairs for which the Company maintains ADIT liability balances.

8 **Q. HOW ARE NOL RELATED ADIT BEING TREATED WITHIN THIS**
9 **FILING?**

10 A. The ADIT asset associated with NOL carryforwards, projected as of September 30,
11 2024, is included as a component of the Company’s overall ADIT balance as
12 presented in Workpaper B-6.

13 **Q. IS THE COMPANY PROPOSING TO INCLUDE INCREMENTAL**
14 **CHANGES IN THE NOL ADIT ASSET WITHIN THE COMPANY’S**
15 **PROPOSED RIDER TAX – TAX ADJUSTMENT?**

16 A. No. The Company will include the NOL ADIT asset and future changes in the
17 balance of the asset within future Statements of Intent.

18 **V. EXCESS DEFERRED INCOME TAX AMORTIZATION**

19 **Q. HOW IS PROTECTED EDIT CURRENTLY BEING AMORTIZED**
20 **WITHIN BASE RATES?**

21 A. The Company is amortizing the remaining balance of protected EDIT over a 26-
22 year period consistent with the remaining book life of the underlying assets.

1 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE**
2 **AMORTIZATION OF ITS PROTECTED EDIT?**

3 A. Yes, the Company has redetermined its amortization expense associated with
4 protected EDIT to reflect the effect of the Company’s proposed depreciation rates
5 and to comply with the normalization requirements of the Internal Revenue Code.
6 More specifically, the Company has recalculated its remaining book life to align
7 with proposed depreciation rates as well as to exclude cost of removal expense from
8 total financial statement depreciation expense to comply with the conclusion of
9 Private Letter Ruling 202211004.¹ Incorporating these items results in an average
10 remaining book life of 30 years and an increase in annual and monthly protected
11 EDIT amortization from that currently in rates to \$350,685 and \$29,224,
12 respectively. See Exhibit JJM-1 Remaining Book Life for Protected EDIT
13 Amortization.

14 **VI. UNCERTAIN TAX POSITIONS**

15 **Q. WHAT ARE UNCERTAIN TAX POSITIONS?**

16 A. Accounting Standards Codification 740 (“ASC 740”) governs the financial
17 statement accounting for income taxes in accordance with U.S. Generally Accepted
18 Accounting Principles. Under ASC 740, the effects of a position taken within an
19 income tax return are not recognized within the financial statements unless the
20 position exceeds a more-likely-than-not threshold of being sustained under
21 examination based on the technical merits. Tax return positions not meeting this
22 threshold are referred to as UTPs and are recognized within the financial statements

¹ The referenced PLR is being provided as a workpaper to my testimony.

1 as either an accrued liability for taxes potentially owed or a reduction in the balance
2 of ADIT. UTPs are also commonly known as FIN 48 in reference to Financial
3 Accounting Standards Board Interpretation No. 48 which provided the accounting
4 guidance prior to codification as ASC 740.

5 **Q. DOES ATMOS ENERGY HAVE ANY UTP LIABILITIES CURRENTLY**
6 **REFLECTED WITHIN ITS FINANCIAL STATEMENTS?**

7 A. Yes. Beginning with the Company's Texas Margins Tax return for the 2010 fiscal
8 year, the Company has taken a position on its originally filed returns to treat
9 federally deductible tax repairs as an element of cost of goods sold reducing
10 Margins Tax liabilities otherwise due. Under an ASC 740 assessment, the
11 Company considers this position to not meet the more-likely-than-not threshold
12 and; therefore, has accrued a UTP liability for the entire tax benefit realized as a
13 result of this filing position.

14 **Q. WHEN ARE UTP LIABILITIES ABLE TO BE REVERSED UNDER**
15 **ASC 740?**

16 A. The guidance under ASC 740 provides the timing requirements for when a UTP
17 liability is reversed and recognized. Under ASC 740, an entity shall recognize the
18 benefit of an UTP the first interim period in which either:

- 19 a. The more-likely-than-not recognition threshold is met by the reporting
20 date;
- 21 b. The position is effectively settled through examination, negotiation or
22 litigation with the taxing authority; or
- 23 c. The statute of limitations for the relevant taxing authority to examine
24 and challenge the position has expired.

1 Additionally, ASC 740 provides for the consideration of administrative practices
2 and precedents of the tax authority, meaning that the prior practices of the authority
3 are considered when dealing with a particular tax position. The administrative
4 practices and precedents concept is intended to deal with technical violations of tax
5 law for which there is a broad understanding in practice that the taxing authority
6 will not take issue with the entity's position or will limit the scope of the issue.

7 **Q. HAS THE COMPANY REVERSED ANY OF ITS PREVIOUSLY**
8 **ACCRUED UTP LIABILITIES?**

9 A. Yes. The Company has reversed the accrued UTP liabilities associated with fiscal
10 years ending September 30, 2012 and 2013.

11 **Q. WHAT WAS THE REASON FOR THE COMPANY'S UTP REVERSAL**
12 **FOR THESE TAX PERIODS?**

13 A. The Company has relied on ASC 740's administrative practices and precedents
14 concept in reversing portions of its UTP liability. The Company has not revised its
15 more-likely-than-not assessment of the position nor undergone an examination
16 from the taxing authority. Furthermore, while there is a general four-year statute
17 of limitations for which an assessment may be issued, this four-year limitation does
18 not apply if the amount of tax is underpaid by 25% or more of the tax ultimately
19 determined to be due for the year. In each of the tax periods for which the Company
20 has taken this position, it has reduced the Margins Tax otherwise owed by more
21 than 25% such that there is no statute of limitations in this instance.

1 **Q. IF NO STATUTE OF LIMITATIONS APPLIES, THEN WHEN WOULD**
2 **THE LIABILITY UNWIND ABSENT AN EXAMINATION OR**
3 **SETTLEMENT WITH THE TAXING AUTHORITY?**

4 A, While the position has reduced the Company's annual Margins Tax liability by an
5 amount large enough that the four-year statute of limitations would not apply, the
6 Company has familiarized itself with the administrative practices and precedents of
7 the taxing authority and understands that the jurisdiction does not look back
8 indefinitely in determining if there is a tax assessment and deficiency owed. The
9 Company is not aware of the taxing authority assessing taxes greater than ten years
10 removed from a tax year's filing date. Therefore, absent an examination or
11 settlement with taxing authority, the Company will reverse its UTP liabilities
12 following ten years from the later of the original tax return due date or the filing of
13 an amended return and establish a liability to be refunded to customers under this
14 proposed tariff.

15 **Q. HOW DOES THE COMPANY PROPOSE TO REFUND PREVIOUSLY**
16 **ACCRUED UTP LIABILITIES?**

17 A. The Company is proposing to refund previously accrued UTP liabilities through the
18 Proposed Rider SUR – Surcharges. Company witness Barbara Myers discusses the
19 proposed time period over which the refund will be made to customers in her direct
20 testimony.

VII. RIDER TAX – TAX ADJUSTMENT TARIFF

Q. IS THE COMPANY PROPOSING TO MAKE CERTAIN REVISIONS TO ITS “RIDER TAX – TAX ADJUSTMENT” TARIFF?

A. Yes. The Company is proposing to add language to its existing Rider TAX – Tax Adjustment Tariff to capture and implement the income tax effects of the Tax Act 2022 as well as the effects of future statutory changes in the federal and state income tax or property tax rates. Establishment of the proposed tariff will ensure that the customer’s rates are aligned with the Company’s costs in a timely manner and that the procedure for achieving that alignment is seamless, efficient and transparent. While the primary impetus for the request to establish the tariff is the Tax Act 2022, the proposed tariff is designed to efficiently capture the impact of it and other future changes to tax law that could result in a misalignment of rates and costs and alleviate the misalignment in a timely and efficient manner. Because tax law changes are inherently unpredictable and largely out of the Company’s control, the proposed language is the most effective way to incorporate their impact in the Company’s rates.

Q. PLEASE DESCRIBE THE TAX ACT 2022.

A. The 2022 Inflation Reduction Act, signed into law as Public Law 117-169, 136 STAT. 1818 on August 16, 2022, introduced a new 15% corporate alternative minimum tax (“CAMT”) and expanded various energy-related federal income tax credit provisions.

Q. PLEASE DESCRIBE THE NEW CAMT AND HOW IT OPERATES.

A The CAMT applies to any corporation having three-year average annual adjusted financial statement income (“AFSI”) greater than \$1 billion. If applicable, the

1 corporation is required to calculate a minimum tax liability that is equal to 15% of
2 AFSI. AFSI generally consists of the corporation's net income or loss as reported
3 on its annual financial statements prepared under U.S. Generally Accepted
4 Accounting Principles adjusted to exclude income tax expense and substitute tax
5 depreciation in place of financial statement depreciation expense.

6 The corporation will owe the minimum tax liability to the extent it is greater
7 than its regular tax liability (federally determined taxable income multiplied by the
8 21% corporate tax rate). Any amount of minimum tax liability paid in excess of
9 the regular tax results in a tax credit that can be carried forward indefinitely to future
10 tax periods and used to offset regular tax liability to the extent it is greater than that
11 period's minimum tax liability. This CAMT tax credit carryforward, therefore,
12 represents incremental income taxes paid due to the CAMT and is accounted for as
13 a deferred tax asset within the corporation's financial statements.

14 **Q. IS THE COMPANY CURRENTLY SUBJECT TO THE CAMT?**

15 A. No.

16 **Q. DOES THE COMPANY EXPECT TO PAY THE CAMT IN THE FUTURE?**

17 A. Yes. The Company currently projects to begin paying the CAMT quarterly
18 beginning in its 2027 fiscal year.

19 **Q. PLEASE FURTHER EXPLAIN THE FINANCIAL STATEMENT**
20 **TREATMENT FOR THE CAMT.**

21 A. A current federal income tax liability and a current federal income tax expense will
22 be recorded for the CAMT liability. When the minimum tax is paid, a CAMT credit
23 is generated, which can be carried forward indefinitely to offset future regular

1 federal income tax liabilities in periods where the regular federal income tax
2 liability exceeds the CAMT liability. The CAMT credit cannot be carried back to
3 previous taxable years. A federal deferred tax asset and a federal deferred tax
4 benefit are recognized for the CAMT credit carryforward. When the CAMT credit
5 carryforward is used to offset regular taxable income, the deferred tax asset will
6 reverse and the current tax liability will be reduced. Total income tax expense is
7 unaffected since the CAMT is not designed to increase the total amount of taxes
8 paid over the life of a corporation, but instead to accelerate the payment of those
9 taxes to an earlier period.

10 **Q. PLEASE EXPLAIN THE IMPACT OF THE CAMT TO CASHFLOW.**

11 A. Payment of the CAMT, once applicable to the Company, means that the Company
12 will no longer be able to defer a portion of taxes to future periods. The cost-free
13 capital previously received from government incentives to invest is no longer
14 available. Thus, the resulting deferred tax asset represents a new financing
15 requirement for the Company in addition to the financing that is required to fund
16 infrastructure investments. It is for this reason that it is appropriate for the
17 Company to collect a return on the CAMT asset and the reason that the proposed
18 tariff language is necessary.

19 **Q. HOW DOES THE PROPOSED TARIFF LANGUAGE REFLECT THE**
20 **IMPACT OF CAMT IN RATES?**

21 A. The tariff prescribes the calculation of a rider calculated as the product of the
22 Company's pre-tax rate of return, last approved for the utility by the Commission,
23 times the CAMT deferred tax asset estimated at September 30 of the fiscal year or

1 applicable quarter-end within a fiscal year prior to the annual change in the rates
2 pursuant to the tariff, less the income tax credits received in accordance with
3 Internal Revenue Code requirements applicable to the Tax Act 2022 grossed-up for
4 income taxes to a revenue equivalent. Furthermore, the estimated CAMT deferred
5 tax asset and the related effects on the rider revenue requirements shall be trued up
6 to the actual effects in the following year and the over/under recovery amortized
7 over the twelve months that each year's recalculated tariff rates are in effect.

8 **Q. HAS THE COMMISSION RECOGNIZED THE NEED TO ADDRESS THE**
9 **IMPACT OF THE CAMT IN RATES?**

10 A. Yes. The Commission recently approved a Rider Tax Act 2022 for use by
11 CenterPoint Energy Resources Corp, d/b/a CenterPoint Energy Entex and
12 CenterPoint Energy Texas Gas ("CenterPoint").² While the Rider TAX – Tax
13 Adjustment being proposed by the Company in this case is not identical to the tariff
14 approved for CenterPoint, Atmos Energy is proposing the same methodology to
15 address the impact of the CAMT in rates that the Commission found to be
16 reasonable for use by CenterPoint.

² *Statement of Intent of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas to Change Rates in the Unincorporated Areas and Municipalities that have Ceded Original Jurisdiction within the Houston, Texas Coast, Beaumont/East Texas and South Texas Divisions*, Docket No. OS-23-00015513 consol., Final Order at Finding of Fact No. 53 (Jun. 25, 2024).

1 **Q. IS THE COMPANY ALSO PROPOSING NEW TARIFF LANGUAGE TO**
2 **ADDRESS “OTHER FEDERAL OR STATE TAX RATE CHANGES?”**

3 A. Yes. The purpose of the second section of the proposed tariff, like that of the first
4 section, is to align customer’s rates with any future federal and state tax rate
5 changes in a timely manner.³

6 **Q. PLEASE DESCRIBE THE MECHANISMS BY WHICH THE PROPOSED**
7 **TARIFF ACCOMPLISHES THIS PURPOSE.**

8 A. The proposed tariff prescribes that the Company 1) accrue regulatory assets and/or
9 liabilities as applicable as of the effective date of the federal or state tax rate change;
10 and 2) refund or collect applicable amounts to/from customers within twelve (12)
11 months or as subject to applicable Internal Revenue Code rules and regulations. To
12 further streamline the process of aligning rates with costs, the tariff gives the
13 Director of Oversight and Safety Division the authority to administratively approve
14 the rate change. However, to ensure transparency, any administrative order
15 approved shall be fully subject to review for reasonableness and accuracy in the
16 Company’s next statement of intent proceeding, and if applicable, the Company
17 shall be required to reconcile any discrepancies.

18 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

19 A. Yes, it does.

³ Tax Foundation, “Options for Navigating the 2025 Tax Cuts and Jobs Act Expirations,” (May 2024), available at <https://taxfoundation.org/wp-content/uploads/2024/05/Options-for-Navigating-the-2025-Tax-Cuts-and-Jobs-Act-Expirations.pdf>.

STATE OF Texas
COUNTY OF Dallas

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§
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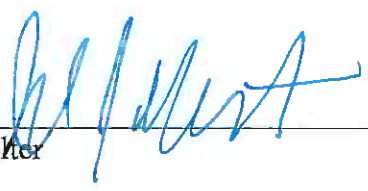
AFFIDAVIT OF JOEL MULTER

BEFORE ME, the undersigned authority, on this day personally appeared Joel Multer who having been placed under oath by me did depose as follows:

1. "My name is Joel Multer. I am of sound mind and capable of making this affidavit. The facts stated herein are true and correct based upon my personal knowledge. My current position is VP Tax for Atmos Energy Corporation.

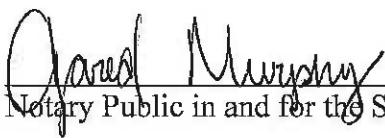
2. I have prepared the foregoing Direct Testimony and the information contained in that document is true and correct to the best of my knowledge."

Further affiant sayeth not.



Joel Multer

SUBSCRIBED AND SWORN TO BEFORE ME by the said Joel Multer on this 6th
day of November 2024.



Notary Public in and for the State of Texas



	Mid TX		Mid TX 9-30-24	
	Current Depreciation Rates as Originally Calculated 2018		Proposed Depreciation Rates	
	Including Cost of Removal	Excluding Cost of Removal	Including Cost of Removal	Excluding Cost of Removal
Plant	4,842,299,498	4,842,299,498	10,957,757,097	10,957,757,097
Accum Reserve	(1,125,966,723)	(1,125,966,723)	(1,784,991,439)	(1,784,991,439)
Accum Reserve COR	(265,716,018)	0	(318,132,083)	-
Total Accum Reserve	(1,391,682,741)	(1,125,966,723)	(2,103,123,521)	(1,784,991,439)
Net Book Value	3,450,616,756	3,716,332,774	8,854,633,576	9,172,765,659
Depreciation Expense	108,445,921	108,445,921	310,208,895	310,208,895
Cost of Removal Expense	28,051,371	-	62,096,947	
Total Depreciation Expense	136,497,292	108,445,921	372,305,843	310,208,895
Composite Depreciation Rate	3.96%	2.92%	4.20%	3.3818%
Average Remaining Book Life in Years	26	35	24	30

EDIT Protected Annual Revenue Requirement Reduction

Total amortization months currently in rates	312
Total proposed amortization months	360
Total months amortized as of July 1, 2025, planned rate implementation date	89
Total remaining amortization months	271 (a)
Total remaining amortization years	22.6
Remaining protected EDIT asset as of July 1, 2025	36,793,323 (b)
Revised monthly EDIT amortization	135,769 (c) = (b) / (a)
Currently monthly EDIT amortization	164,992 (d)
Change in monthly EDIT amortization	(29,224) (e) = (c) - (d)
Change in annual EDIT amortization	(350,685) = (e) x 12 months

WORKPAPERS
TO
DIRECT TESTIMONY
OF
JOEL MULTER

Workpapers to the Direct Testimony of Joel Multer are being provided in electronic format.

CASE NO. 00019196

STATEMENT OF INTENT FILED BY	§	
ATMOS ENERGY CORP. TO CHANGE	§	RAILROAD COMMISSION
GAS UTILITY RATES WITHIN THE	§	
UNINCORPORATED AREAS OF THE	§	OF TEXAS
MID-TEX DIVISION	§	

DIRECT TESTIMONY

OF

SHELLY MULLINS

WITNESS FOR

ATMOS ENERGY CORP., MID-TEX DIVISION

NOVEMBER 18, 2024

CASE NO. 00019196
INDEX TO THE DIRECT TESTIMONY
OF SHELLY MULLINS, WITNESS FOR
ATMOS ENERGY CORP., MID-TEX DIVISION

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II.	PURPOSE OF TESTIMONY	2
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A.	Offering a Competitive Compensation Package is Essential to Utility Operations	5
B.	Incentive Compensation is a Necessary Component of the Company’s Overall Compensation Structure	8
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LIST OF EXHIBITS

CONFIDENTIAL Exhibit SM-1	Willis Towers Watson July 19, 2024, Atmos Energy – 2024 General Rate Case Total Compensation Study
CONFIDENTIAL Exhibit SM-2	Willis Towers Watson Merit Increase Recommendation
CONFIDENTIAL Exhibit SM-3	Variable Pay Plan (VPP)
CONFIDENTIAL Exhibit SM-4	Management Incentive Plan (MIP)
CONFIDENTIAL Exhibit SM-5	Long-Term Incentive Plan (LTIP)
CONFIDENTIAL Exhibit SM-6	FY 2025 Merit Increase and Structure Adjustment Recommendation

DIRECT TESTIMONY OF SHELLY MULLINS

I. POSITION AND QUALIFICATIONS

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Shelly Mullins. My business address is 5430 LBJ Freeway, Suite 500, Dallas, TX 75240.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Atmos Energy Corporation (“Atmos Energy” or the “Company”), as Director of Compliance and Talent Acquisition.

Q. PLEASE OUTLINE YOUR EDUCATIONAL AND PROFESSIONAL QUALIFICATIONS.

A. I earned an undergraduate and graduate degree from Faulkner University in Montgomery, Alabama (*focusing on Legal Studies & Judicial Administration*). Following graduation, I began working for Jackson Lewis, PC as an employment law paralegal. In this capacity, I supported attorneys and employers on a wide range of matters, including wage & hour/compensation practices. In 2017, I joined Atmos Energy and currently serve as its Director of HR Compliance and Talent Acquisition. In this capacity, I oversee practices within HR that have regulatory implications, which includes (*but is not limited to*) compensation practices from both a recruitment competitiveness and internal equity perspective.

Q. ARE YOU SPONSORING ANY EXHIBITS IN CONNECTION WITH YOUR TESTIMONY?

A. Yes. I sponsor the exhibits listed in the table of contents.

1 **Q. WERE THESE EXHIBITS AND YOUR TESTIMONY PREPARED BY**
2 **YOU OR UNDER YOUR DIRECTION?**

3 A. Yes, they were.

4 **II. PURPOSE OF TESTIMONY**

5 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

6 A. My testimony describes Atmos Energy’s overall compensation program and the
7 reasonableness of compensation expenses that Atmos Energy’s Mid-Tex Division
8 seeks to recover in this case. I explain and provide information regarding the
9 competitiveness of the Company’s Target Total Direct Compensation, Short-term
10 Incentive (“STI”) and Long-term Incentive (“LTI”) plans and demonstrate that the
11 Mid-Tex Division’s requested compensation costs are reasonable and necessary
12 expenses that should be recovered in rates. My testimony also includes, as
13 Confidential Exhibit SM-1, an independent market compensation study conducted
14 by Willis Towers Watson (“WTW”), which establishes that Atmos Energy’s
15 compensation program is consistent with the programs used by a majority of
16 investor-owned utilities and publicly-traded general industry companies in the
17 marketplace. The WTW Study and my testimony demonstrate that the Company’s
18 compensation plan satisfies the requirements of Texas Utilities Code (“Tex. Util.
19 Code”) § 104.060 and entitles the Company to a presumption of reasonableness
20 regarding its compensation and benefits expenses. Company witnesses Shele Boles,
21 who addresses Atmos Energy’s benefits plan, and Barbara Myers, who sponsors
22 the Company’s books and records, also address the requested compensation and
23 benefits expenses in their direct testimony.

1 **Q. PLEASE DESCRIBE THE MARKET COMPENSATION STUDY**
2 **PERFORMED BY WTW TO EVALUATE THE REASONABLENESS OF**
3 **ATMOS ENERGY’S COMPENSATION PROGRAM.**

4 A. WTW utilized three data sources to assess Atmos Energy’s compensation program.
5 For both Atmos Energy’s total compensation philosophy, as well as its STI and LTI
6 compensation programs, WTW assessed the design of the programs using proxy
7 disclosures of groups of public utilities referred to as the (1) Large Utility Peer
8 Group, and (2) Small Utility Peer Group. The WTW Study also compares the
9 competitive market positioning of Atmos Energy’s target total direct compensation
10 levels to published compensation surveys that are conducted by WTW and a
11 number of other well-established compensation surveys. These compensation
12 studies are listed in the WTW Study (Confidential Exhibit SM-1).

13 **Q. PLEASE SUMMARIZE THE RESULTS OF THE WTW STUDY.**

14 A. The WTW Study shows that Atmos Energy is within the market median
15 competitive range of comparable energy companies. The WTW Study illustrates
16 that employee groups (non-exempt, professional, etc.) at Atmos Energy have
17 salaries and incentives valued within the range of the market median. Specifically,
18 WTW found that Atmos Energy’s pay competitiveness as shown in the chart below
19 is -1.9% median but within the competitive range for base salary, total cash
20 compensation, and total direct compensation. WTW’s assessment included the
21 review of utility peers as well as the general industry.

Summary of Atmos's Energy Target Total Direct Compensation vs. Market Median		
Base Pay	Target Total Cash Compensation	Target Total Direct Compensation
-6.1%	-1.8%	-1.9%

1 **Q. HOW IS THE TERM “COMPETITIVE” DEFINED FOR PURPOSES OF**
2 **THE WTW STUDY?**

3 A. WTW and typical market practice define an element of total compensation to be
4 competitive if it falls in a range that extends between 10% below and 10% above
5 market median of total compensation.

6 **Q. PLEASE DEFINE TARGET TOTAL DIRECT COMPENSATION.**

7 A. Target Total Direct Compensation represents the sum of base salary, plus target
8 STI compensation, plus LTI compensation.

9 **III. ATMOS ENERGY'S COMPENSATION PROGRAM**

10 **Q. PLEASE DESCRIBE ATMOS ENERGY'S COMPENSATION PROGRAM.**

11 A. Atmos Energy's compensation program is comprised of several pay components
12 and is viewed as a comprehensive compensation package. The pay portion includes
13 a combination of a fixed component in the form of base salary and the variable
14 components of incentive compensation, which are comprised of STI and LTI.
15 Annual merit increases are also part of the compensation program. Taken as a
16 whole, the Company's compensation package is targeted at the 50th percentile
17 (median) of pay for comparable positions at peer companies that are similar in size
18 and/or industry to Atmos Energy. This means that the Company aims to

1 compensate its employees at the midpoint between the highest and lowest
2 compensation levels of peer companies.

3 **Q. WHY DOES ATMOS ENERGY SPLIT EMPLOYEE COMPENSATION**
4 **INTO FIXED AND VARIABLE COMPONENTS?**

5 A. Compensation that is comprised of fixed and variable components is common in
6 the markets in which Atmos Energy competes for talent. The fixed component is a
7 necessary part of the Company's compensation program because paying employees
8 some level of fixed salary or base pay is expected in our industry. Without an
9 employment offer that included some level of fixed base pay, the Company would
10 be unable to attract and hire the employees necessary to run the utility. The variable
11 component is not guaranteed and is only paid if the Company and the individual
12 meet certain, established criteria that relate to the safe, reliable and cost-effective
13 operation of the Company. These criteria include safety, customer service,
14 financial performance, and individual performance goals. The use of incentive
15 compensation allows the Company to structure an employee's compensation in a
16 way that helps focus and motivate employee performance for the benefit of
17 customers and the Company.

18 **A. Offering a Competitive Compensation Package is Essential to Utility**
19 **Operations**

20 **Q. WHAT IS THE OBJECTIVE OF THE COMPANY'S COMPENSATION**
21 **PROGRAM?**

22 A. The Company's goal is to ensure that Atmos Energy is able to compete in the
23 marketplace to attract and retain the caliber of employees necessary to operate a
24 safe and reliable gas utility system. Toward that end, the Company aims to

1 maintain a pay program that is externally competitive with employers with whom
2 the Company competes for talent, internally equitable among the Company's
3 employees, and allows the Company to attract, retain, and motivate a quality
4 workforce that will operate the utility in a safe, reliable and efficient manner.

5 **Q. WHY IS IT IMPORTANT TO OFFER COMPENSATION PACKAGES**
6 **THAT ARE COMPETITIVE WITHIN THE INDUSTRY?**

7 A. To attract and retain the types of employees and skills sets necessary to operate the
8 utility, the Company must offer compensation that is competitive in the market in
9 which the Company competes for personnel. Operating a utility requires a skilled
10 labor force from operational, administrative, and management perspectives. A
11 company is only as good as its employees, and a skilled and educated workforce is
12 absolutely critical to the safe and reliable operation of the pipeline system. Offering
13 a competitive compensation package is a necessary component of competing for
14 quality personnel.

15 **Q. HOW DOES ATMOS ENERGY ENSURE THAT ITS OVERALL**
16 **COMPENSATION PLANS ARE REASONABLE?**

17 A. Atmos Energy participates in national and industry-specific salary surveys to
18 determine compensation practices at peer companies. These surveys contain data
19 and analysis that are specific to the energy business such as utility or pipeline
20 companies as well as general industry. Atmos Energy then uses this data to ensure
21 its compensation programs, including base pay, merit increases and incentive
22 compensation are in line with the 50th percentile or median of the market.

1 With regard to merit increase, an analysis is performed annually by WTW
2 to ensure that Atmos Energy is offering competitive merit increases. Confidential
3 Exhibit SM-2 reflects that WTW recommended a 3.8% merit increase for Atmos
4 Energy employees based on utility industry data. Atmos Energy implemented a
5 lower, 3% merit increase, which is consistent with the merit pay adjustment utilized
6 by the Company in recent years.

7 **Q. HAS THE COMPANY ENCOUNTERED SITUATIONS WHERE MARKET**
8 **DATA SHOWS THAT CERTAIN ADJUSTMENTS TO ITS**
9 **COMPENSATION PROGRAMS ARE REQUIRED?**

10 A. Yes. Each year, Atmos Energy reviews salary structure movement by other
11 companies to determine how much of an adjustment is needed to ensure that the
12 Company's salary structure stays competitive in the marketplace. As part of this
13 process, WTW, as shown in Confidential Exhibit SM-6, informed Atmos Energy
14 that its competitive pay had fallen behind the market. To address this situation and
15 bring base salaries more in line with the 50th percentile or median of the market, in
16 June 2024, Atmos Energy implemented an off-cycle 3% increase in base pay for all
17 employees with the exception of the Company's enterprise leadership team. The
18 effect of this increase was to better align Atmos Energy's competitive pay with the
19 market even though it remains -6.1% below the market median.

1 **B. Incentive Compensation is a Necessary Component of the Company’s**
2 **Overall Compensation Structure**

3 **Q. IS IT COMMON FOR GAS UTILITIES AND OTHER PUBLIC UTILITIES**
4 **TO RELY UPON SOME FORM OF INCENTIVE COMPENSATION AS**
5 **PART OF THEIR OVERALL COMPENSATION STRUCTURE?**

6 A. Yes, every utility in the peer groups studied by WTW has an incentive
7 compensation plan. Both STI and LTI programs are highly prevalent in both public
8 utilities and public companies in general industry.

9 **Q. WHAT INCENTIVE COMPENSATION PROGRAMS DOES ATMOS**
10 **ENERGY OFFER TO ITS EMPLOYEES?**

11 A. The Company has three plans: (1) the Variable Pay Plan (“VPP”), a copy of which
12 is provided as Confidential Exhibit SM-3, (2) the Management Incentive Plan
13 (“MIP”), a copy of which is provided as Confidential Exhibit SM-4, and (3) the
14 Long-Term Incentive Plan (“LTIP”), a copy of which is provided as Confidential
15 Exhibit SM-5.

16 **Q. WHAT IS THE VARIABLE PAY PLAN?**

17 A. VPP is a broad based STI plan that provides employees with the opportunity to earn
18 a cash-based incentive award based upon their ability to meet specific financial and
19 operational or safety goals including managing costs, maintaining compliance with
20 all applicable laws and regulations, minimizing safety incidents and enhancing
21 employee productivity, all of which provide a benefit to customers, the Company,
22 and shareholders. The specific financial metric for VPP is earnings per share
23 (“EPS”), which is established by the Company’s Board of Directors. The VPP pays
24 a target annual cash award when EPS and individual performance expectations are

1 met. The VPP incentive level is based on the job grade of the employee, with higher
2 grades reflecting a higher level of responsibility. Grades 1-4 have a target STI
3 percent of 5% of the employee's eligible earnings. Grade 5 has a target STI percent
4 of 10% of the employee's eligible earnings. Grade 6 has a target STI percent of
5 12.5% of the employee's eligible earnings, and employees in Grade 7 that
6 participate in VPP have a target STI of 15% of their eligible earnings.

7 The VPP provides for a minimum incentive payout equal to 50% of target
8 at threshold performance and a maximum payout equal to 200% of target, which is
9 consistent with market practices. Awards are calculated based on the performance
10 levels achieved between the stated threshold and maximum levels of performance.

11 The WTW Study shows that while there some variation in payout ranges between
12 the peer companies, over 50% of organizations in both peer groups use a payout
13 range of 50% to 200%.

14 **Q. WERE THE VPP TARGET AWARD LEVELS DURING THE TEST YEAR**
15 **REASONABLE?**

16 A. Yes. As reflected in the WTW Study, both the structure of the VPP and the
17 competitiveness of the program are reasonable and consistent with the plan designs
18 of other similarly sized utilities. As reflected in the WTW Study, the Company's
19 VPP award levels as reflected in the summary of Target Total Cash Compensation
20 and the detailed exhibits in the report, are structured just slightly below market
21 median and within the competitive range.

1 **Q. WHAT IS THE MANAGEMENT INCENTIVE PLAN?**

2 A. MIP is an STI plan that applies to a group of management employees who are
3 responsible for directing and overseeing the day-to-day operations of the Company.
4 MIP provides the management team with the opportunity to earn a cash-based
5 incentive award based upon managing costs, maintaining compliance with all
6 applicable laws and regulations, minimizing safety incidents and enhancing
7 employee productivity, all of which provide a benefit to customers, the Company
8 and shareholders. Like the VPP, performance targets for the plan are set by the
9 Board of Directors. Also, like VPP, payments are established based on EPS as a
10 metric and the individual performance of the specific employee. Target incentive
11 opportunities are assigned by pay grade with target opportunities ranging from 20%
12 to 90% of an employee's eligible earnings. These target award opportunities
13 increase with the corresponding higher pay grades as management responsibility
14 increases. Like VPP, the MIP provides for a minimum incentive payout equal to
15 50% of the target at the threshold and a maximum incentive payout equal to 200%
16 of the target. MIP awards are paid in cash or can be converted in 25% increments
17 to Time-Lapse Restricted Share Units ("RSUs") with a 20% premium based on the
18 participant's election made prior to the start of the fiscal year. The WTW Study,
19 Confidential Exhibit SM-1, shows the Company's MIP award levels are targeting
20 the 50th percentile of the market.

1 **Q. WERE THE MIP TARGET AWARD LEVELS DURING THE TEST YEAR**
2 **REASONABLE?**

3 A. Yes. As I explained regarding the target award levels for VPP, the Company
4 regularly reviews the award and payout levels associated with its incentive
5 compensation plans to confirm their competitiveness and reasonableness. Through
6 that process and the related analysis WTW performed, it is clear that the target
7 award levels are reasonable and consistent with the market data.

8 **Q. BOTH VPP AND MIP INCLUDE AN EPS METRIC. IS THAT METRIC**
9 **COMMON AMONG THE COMPANY'S INDUSTRY PEERS?**

10 A. Yes. As I discussed earlier in my testimony, use of earnings metrics is a prevalent
11 practice and, as shown in the WTW Study, every large and small utility peer
12 company uses some type of earnings metric in their STI compensation program,
13 except one who did not disclose the metrics (Genie Ltd.). In fact, 79% of the peers
14 in the Large Utility Peer Group use EPS and 50% in the Small Utility Peer Group
15 do as well.

16 **Q. WHAT IS THE LONG-TERM INCENTIVE PLAN?**

17 A. LTIP is a stock-based LTI plan that focuses on the long-term financial strength and
18 viability of the Company. Certain management employees who are charged with
19 directing and overseeing the day-to-day operations of the Company are eligible for
20 the LTIP awards. Each May, the Board of Directors considers the
21 recommendations made by the Board's Human Resources Committee to grant long-
22 term incentives. An employee must remain with Atmos Energy for a three-year

period in order to receive the award. The current forms of stock awards, as described in Atmos Energy's proxy statement are as follows:

- 25% of the value is granted as time-lapse RSUs with a three-year vesting period, and
- 75% of the value is granted as performance-based restricted stock awards with a three-year performance period. The three-year performance period begins with the fiscal year in which the grant is made. The actual payout ranges from 0% to 200% of target, based on the cumulative EPS over the three-year performance period.

Q. PLEASE ELABORATE ON THE PORTION OF LTIP THAT CONSISTS OF TIME-LAPSE RSUS.

A. This portion of LTIP is a time-based tool that is designed to encourage employee retention for management employees. The Company relies on the expertise and experience of management employees to guide the Company from an operational and strategic perspective. When the Company loses a management employee, the Company must devote greater amounts of time and resources into recruiting, retaining and training a new management employee. For these reasons, the time-based portion of LTIP is designed to encourage management employees to remain with the Company and continue to invest their time and talent in helping Atmos Energy successfully provide safe and reliable service.

Q. PLEASE ELABORATE ON THE PORTION OF LTIP THAT CONSISTS OF PERFORMANCE-BASED RESTRICTED STOCK AWARDS.

A. This portion of LTIP has both time and performance components. At the end of an employee's three-year period with the Company, the performance-based RSUs can vest in whole or in part depending on the performance of the Company. If the employee resigns or is separated from the Company during the three-year

1 performance period, both the time-based and performance-based RSUs are
2 forfeited.

3 **Q. IS THE COMPANY'S LTIP DESIGN CONSISTENT WITH LTIP DESIGN**
4 **IN THE MARKET?**

5 A. Yes. Atmos Energy's LTIP is aligned and consistent with the industry peer groups,
6 where all companies that offer LTI awards use some type of performance plan
7 vehicle (similar to Atmos Energy's Performance Stock Unit (PSU) and 100% of
8 Large Utility Peer companies use restricted stock/Restricted Stock Unit (RSU)
9 vehicles, as well as 89% of Small Utility Peer companies (all of these companies
10 use a combination of performance plan and restricted stock/RSU awards, similar to
11 Atmos Energy). Atmos Energy grants LTI awards with a mix of 75% weighted to
12 PSUs and 25% to RSUs. Atmos Energy's practice of using a combination of plans
13 is consistent with the market.

14 **IV. CONSIDERATION OF COMPENSATION AND BENEFITS EXPENSES**
15 **UNDER TEXAS UTILITIES CODE § 104.060**

16 **Q. YOU PREVIOUSLY MENTIONED TEX. UTIL. CODE § 104.060. HOW**
17 **DOES THE COMPANY'S USE OF MARKET STUDIES RELATE TO TEX.**
18 **UTIL. CODE § 104.060?**

19 A. As mentioned above, Atmos Energy relies on recent market studies to assess the
20 reasonableness of the compensation it offers employees and to ensure that the base
21 pay, incentives, and benefits the Mid-Tex Division offers employees are consistent
22 with the market studies. In 2019, Tex. Util. Code § 104.060 was enacted, which
23 established a specific framework that regulatory authorities must use to evaluate
24 the reasonableness and necessity of employee compensation and benefits expenses

1 in a gas utility rate case. While I am not a lawyer, the plain text of Tex. Util. Code
2 § 104.060 is easy to understand and provides that the regulatory authority “shall
3 presume that employee compensation and benefits expenses are reasonable and
4 necessary if the expenses are consistent with market compensation studies issued
5 not earlier than three years before the initiation of the proceeding to establish the
6 rates.” Tex. Util. Code § 104.060 defines “employee compensation and benefits”
7 to include base salaries, wages, incentive compensation, and benefits.

8 **Q. DOES TEX. UTIL. CODE § 104.060 EXCLUDE ANY EXPENSES FROM**
9 **THE STATUTORY DEFINITION OF “EMPLOYEE COMPENSATION**
10 **AND BENEFITS?”**

11 A. Yes. Two types of expenses are excluded from the statutory presumption of
12 reasonableness and necessity: (1) pension or other postemployment benefits; and
13 (2) incentive compensation related to attaining financial metrics for an executive
14 officer whose compensation is required to be disclosed under 17 C.F.R. Section
15 229.402(a), also known as Named Executive Officers (“NEOs”).¹

16 **Q. HAS ATMOS ENERGY EXCLUDED EXECUTIVE OFFICER**
17 **COMPENSATION THAT FALLS WITHIN TEX. UTIL. CODE**
18 **§ 104.060(a)(2) FROM ITS RATE REQUEST IN THIS CASE?**

19 A. Yes. As confirmed by Ms. Myers, the Mid-Tex Division has removed from its
20 requested expenses all incentive compensation related to attaining financial metrics
21 for its NEOs.

¹ Named Executive Officers are officers whose compensation is required to be disclosed under 17 C.F.R. Section 229.402(a) and they are specifically referenced as Named Executive Officers in Atmos Energy Corporation’s Notice of Annual Meeting and Proxy Statement.

1 **Q. HAS THE RAILROAD COMMISSION OF TEXAS (“COMMISSION”)**
 2 **HAD THE OPPORTUNITY TO CONSIDER THE APPLICATION OF TEX.**
 3 **UTIL. CODE § 104.060 IN A FULLY LITIGATED RATE PROCEEDING?**

4 A. Yes, it is my understanding that the Commission recently had the opportunity to
 5 consider the correct interpretation and application of Tex. Util. Code § 104.060 in
 6 Docket No. OS-22-00009896.² In that case, the Commission unanimously
 7 determined that the statute creates a presumption that a gas utility’s incentive
 8 compensation expenses, excluding incentive compensation tied to financial metrics
 9 for NEOs, are to be considered reasonably incurred expenses and recoverable in a
 10 rate case if those expenses are consistent with recent market compensation studies.
 11 Further, the Commission rejected evidence presented by the intervening parties that
 12 STI and LTI compensation should not be recovered through rates.³

13 **Q. ARE YOU FAMILIAR WITH THE EVIDENCE PRESENTED BY TEXAS**
 14 **GAS SERVICE COMPANY IN DOCKET NO. OS-22-00009896 AS IT**
 15 **RELATES TO INCENTIVE COMPENSATION EXPENSE?**

16 A. Yes, generally. To support its request, Texas Gas Service Company, a Division of
 17 ONE Gas, Inc., provided a company-specific market compensation study
 18 performed by WTW, as well as other compensation studies to establish the
 19 reasonableness of its LTI and STI compensation expenses. The Mid-Tex Division
 20 is presenting the same or similar market study evidence in this case to support the

² *Statement of Intent of Texas Gas Service Company, A Division of ONE Gas, Inc. to Change Gas Utility Rates Within the Unincorporated Areas of the West Texas Service Area, North Texas Service Area, and the Borger Skellytown Service Area*, Docket No. OS-22-00009896 consol., Final Order (Jan. 18, 2023).

³ *Id.* at Final Order at Findings of Fact Nos. 65-70; Railroad Commission Open Meeting at 3:43-5:11 (Jan. 18, 2023), available at www.adminmonitor.com/tx/rrc/open_meeting/20230118/.

1 recovery of its incentive compensation expenses. The Mid-Tex Division-specific
2 Market Compensation Study completed by WTW in July 2024 is attached to my
3 testimony as Confidential Exhibit SM-1.

4 **Q. ARE THE INCENTIVE COMPENSATION COSTS INCLUDED IN THE**
5 **MID-TEX DIVISION'S RATE FILING ENTITLED TO THE**
6 **PRESUMPTION OF REASONABLENESS SET FORTH IN TEX. UTIL.**
7 **CODE § 104.060?**

8 A. Yes. The Mid-Tex Division's request for recovery of its incentive compensation
9 costs is supported by the independent market study performed by WTW. The
10 WTW Study, which was completed this year, shows that the Company's
11 compensation levels are consistent with market-median levels, and that the design
12 of the Company's STI and LTI compensation programs are consistent with market
13 practices of utility peers and the broader general industry. As such, the Mid-Tex
14 Division is entitled to the statutory presumption that its employee compensation
15 expenses are reasonable, necessary, and recoverable through rates.

16 **IV. CONCLUSION**

17 **Q. ARE THE COMPENSATION COSTS ASSOCIATED WITH ATMOS**
18 **ENERGY'S OVERALL COMPENSATION PLAN REASONABLE?**

19 A. Yes. The compensation the Company offers is necessary to attract and retain
20 qualified employees required to provide safe and reliable service to customers
21 served by the Mid-Tex Division. As I explained previously, Atmos Energy
22 participates in national and industry-specific salary surveys to determine
23 compensation practices at peer companies. These surveys contain data and analysis

1 that are specific to the energy business such as utility or pipeline companies as well
2 as general industry. Atmos Energy uses this data to ensure its compensation
3 programs, including base pay, merit increases and incentive compensation are in
4 line with the 50th percentile or median of the market.

5 **Q. IS THE COMPENSATION EXPENSE PRESENTED BY THE MID-TEX**
6 **DIVISION FOR RECOVERY IN THIS CASE CONSISTENT WITH THE**
7 **WTW MARKET COMPENSATION STUDY?**

8 A. Yes. Overall, Atmos Energy's total compensation program is targeted at the
9 median of the total direct compensation provided by peer companies in the WTW
10 Study. Fundamentally, this demonstrates that the Mid-Tex Division has set
11 compensation at a reasonable level to attract qualified employees in the labor
12 market. At a more granular level, the components of the Company's overall
13 compensation are consistent with the WTW Study in Confidential Exhibit SM-1.
14 Specifically, WTW concluded in its study that:

- 15 • The Company's compensation levels are within the competitive range for
16 base salary, target total cash compensation and target total direct
17 compensation;
- 18 • The Company's STI (VPP and MIP) targets by pay level as compared to
19 other peers at the 50th percentile are slightly below the market median for
20 STI targets and within the competitive range overall;
- 21 • The Company's STI metrics and the prevalence of STI are consistent and
22 competitive with its peers; and
- 23 • The Company's LTI metrics and the prevalence of LTI are consistent and
24 competitive with its peers.

1 **Q. DO CUSTOMERS BENEFIT IN GENERAL FROM THE INCENTIVE PAY**
2 **PLANS THAT ATMOS ENERGY OFFERS?**

3 A. Yes. An employee's receipt of incentive compensation is closely tied to individual
4 employee performance. Employees understand that maintaining compliance with
5 applicable laws and regulations, minimizing safety incidents, and controlling
6 expenses benefit customers in the form of a safer gas system and reliable service at
7 a reasonable cost. The Company's incentive compensation plans are not intended
8 to be a standard "bonus," but rather a reflection of each individual's contribution to
9 the Company and the Company's performance. To operate a safe and reliable
10 natural gas distribution system while providing quality service to customers, every
11 employee who provides services that support the Mid-Tex Division's operations
12 must perform well. Employees who do so are appropriately compensated and
13 employees who fail to do so would not receive incentive compensation.
14 Encouraging employees to focus on the principal facets of Atmos Energy's
15 business, which includes safety, customer service, productivity and operational
16 performance, and financial performance creates a balanced approach that serves
17 communities in which Atmos Energy operates, its customers, employees and
18 shareholders.

19 **Q. SHOULD THE COMMISSION APPROVE THE MID-TEX DIVISION'S**
20 **REQUEST TO RECOVER COMPENSATION COSTS, INCLUDING**
21 **INCENTIVE COMPENSATION?**

22 A. Yes. As I have explained, the Mid-Tex Division's requested recovery of Target
23 Total Direct Compensation—including the STI and LTI components detailed

1 throughout this testimony—is consistent with Tex. Util. Code § 104.060 and the
2 Commission’s prior interpretation of that statute because those expenses are
3 consistent with the findings of WTW’s market compensation study and other
4 market studies. Fundamentally, the Company’s plans are reasonable because they
5 are structured consistent with those offered in the market, geared towards the 50th
6 percentile, and needed to be offered to attract and retain qualified employees. In
7 addition, the Company’s incentive compensation plans are a regular component of
8 the Company’s payroll expense, create a motivation and incentive for all employees
9 to exceed expectations in their performance of the day-to-day activities that are
10 necessary for the Mid-Tex Division’s operations and are directly linked to
11 achieving goals that benefit customers, shareholders and employees. For these
12 reasons and from a total compensation program perspective, the Commission
13 should approve the Mid-Tex Division’s request to recover its reasonable and
14 necessary base pay and incentive compensation costs.

15 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

16 **A.** Yes, it does.

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

AFFIDAVIT OF SHELLEY MULLINS

BEFORE ME, the undersigned authority, on this day personally appeared Shelly Mullins who having been placed under oath by me did depose as follows:

1. “My name is Shelly Mullins. I am of sound mind and capable of making this affidavit. The facts stated herein are true and correct based upon my personal knowledge. My current position is Director of Compliance and Talent Acquisition for Atmos Energy Corporation.

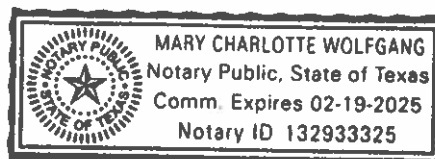
2. I have prepared the foregoing Direct Testimony and the information contained in that document is true and correct to the best of my knowledge.”

Further affiant sayeth not.


Shelly Mullins

SUBSCRIBED AND SWORN TO BEFORE ME by the said Shelly Mullins on this 23rd
day of October 2024.


Notary Public in and for the State of Texas



Exhibits SM-1 through SM-6 are Confidential
and will be provided pursuant to the terms of the Protective Agreement
in this proceeding or Protective Order issued in OS-24-00019196.

CASE NO. 00019196

STATEMENT OF INTENT FILED BY	§	
ATMOS ENERGY CORP. TO CHANGE	§	RAILROAD COMMISSION
GAS UTILITY RATES WITHIN THE	§	
UNINCORPORATED AREAS OF THE	§	OF TEXAS
MID-TEX DIVISION	§	

DIRECT TESTIMONY

OF

SHELE BOLES

WITNESS FOR

ATMOS ENERGY CORP., MID-TEX DIVISION

NOVEMBER 18, 2024

CASE NO. 00019196
INDEX TO THE DIRECT TESTIMONY OF
SHELE BOLES, WITNESS FOR
ATMOS ENERGY CORP., MID-TEX DIVISION

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II.	PURPOSE OF TESTIMONY	2
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IV.	REASONABLENESS OF THE BENEFIT PLANS UNDER TEX. UTIL. CODE § 104.060	5

LIST OF EXHIBITS

Exhibit SB-1	Atmos Energy 2025 Employee Benefits Guide
CONFIDENTIAL Exhibit SB-2	2023 Willis Towers Watson BenVal Study

1 **DIRECT TESTIMONY OF SHELE BOLES**

2 **I. POSITION AND QUALIFICATIONS**

3 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

4 A. My name is Shele Boles. My business address is 5430 LBJ Freeway, Suite 500,
5 Dallas, TX 75240.

6 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

7 A. I am employed by Atmos Energy Corporation (“Atmos Energy” or the
8 “Company”), as Director of Benefits.

9 **Q. PLEASE OUTLINE YOUR EDUCATIONAL AND PROFESSIONAL**
10 **QUALIFICATIONS.**

11 A. I earned my Bachelor of Business Administration degree in Finance and Economics
12 in 1989 from Baylor University. I began my career as a Benefits Consultant with
13 Watson Wyatt Worldwide and moved into Information Technology in 1994. I have
14 worked for Atmos Energy since 2009; initially as the IT Quality Assurance
15 Manager. In addition to IT Quality Assurance, I have also managed the IT Security,
16 IT Support Services, Deployment and Change Control, and IT Network and
17 Systems Engineering Teams. In 2019, I became the Director of Benefits
18 responsible for our full suite of employee benefits, including medical, health and
19 wellness, life and disability, and retirement programs.

20 **Q. WAS THIS TESTIMONY PREPARED BY YOU OR UNDER YOUR**
21 **DIRECTION?**

22 A. Yes, it was.

1 **Q. ARE YOU SPONSORING ANY EXHIBITS IN CONNECTION WITH**
2 **YOUR TESTIMONY?**

3 A. Yes. I sponsor the exhibits listed in the table of contents.

4 **Q. WERE THESE EXHIBITS PREPARED BY YOU OR UNDER YOUR**
5 **DIRECTION?**

6 A. Yes, they were.

7 **II. PURPOSE OF TESTIMONY**

8 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

9 A. My testimony describes the employee benefits offered by Atmos Energy and
10 explains why the requested benefits costs requested by Atmos Energy’s Mid-Tex
11 Division (“Mid-Tex Division”) are reasonable and necessary expenses that are
12 recoverable in rates. I also demonstrate that the Company’s benefits program and
13 related expenses satisfies the requirements of Texas Utilities Code (“Tex. Util.
14 Code”) § 104.060, which presumes that employee compensation and benefits
15 expenses are reasonable and necessary if the expenses are consistent with market
16 compensation studies issued not earlier than three years from the initiation of a
17 proceeding to establish rates. Company witnesses Shelly Mullins, who addresses
18 Atmos Energy’s compensation plan, and Barbara Myers, who sponsors the
19 Company’s books and records, also address the requested compensation and
20 benefits expenses in their direct testimony.

1 **III. EMPLOYEE BENEFITS OFFERED BY ATMOS ENERGY**

2 **Q. WHAT ARE THE COMPONENTS OF ATMOS ENERGY'S BENEFITS**
3 **PLAN?**

4 A. Generally, Atmos Energy offers the following broad types of benefits: (1) Health
5 and Welfare Benefits; (2) Life Insurance and Disability Benefits; and
6 (3) Retirement Benefits. Exhibit SB-1 to my testimony is the Atmos Energy 2025
7 Employee Benefits Guide, which sets forth and provides detailed information about
8 the benefit options available to employees during the test year. Atmos Energy
9 offers a variety of benefit options that employees can choose from to create a
10 customized benefit package that is best suited for their needs.

11 **Q. WHY DOES ATMOS ENERGY PROVIDE EMPLOYMENT BENEFITS?**

12 A. The benefits offered by Atmos Energy are designed to provide our employees with
13 health, welfare, and financial security in an affordable and efficient manner. As
14 part of Atmos Energy's total compensation package, employee benefits are a
15 necessary tool Atmos Energy relies on to attract and retain qualified, talented
16 employees to run its utility businesses, including the Mid-Tex Division. Hence,
17 just like base salary and incentive pay, employee benefits are a reasonable and
18 necessary expense of providing utility service. In addition, the provision of
19 employee benefits is a widespread and common practice among the companies with
20 which Atmos Energy competes for employees. Thus, if Atmos Energy did not offer
21 the employee benefits that it does, it could not compete in the market for qualified
22 personnel.

1 **Q. DOES ATMOS ENERGY TAKE STEPS TO CONTROL THE COSTS OF**
2 **THE BENEFIT PLANS OFFERED TO EMPLOYEES?**

3 A. Yes. Atmos Energy takes many steps to ensure that its benefit plans are cost-
4 effective. For example, Atmos Energy routinely compares insurance providers
5 available under its current benefits plans to the alternatives available in the market
6 to ensure that the costs are consistent with the market. Atmos Energy also has
7 wellness programs to encourage preventative care measures, such as biometric
8 screenings, and healthy behavior from our employees to reduce medical claims,
9 which can help mitigate health care costs. In addition, employees share in the cost
10 of many of the programs such as the 401(k) Retirement Savings Plan in which the
11 Company matches employee contributions dollar-for-dollar up to 5% of eligible
12 earnings.¹ Moreover, Atmos Energy relies on market studies to design the package
13 of benefits plans it offers employees to ensure that they are consistent with the
14 market.

15 **Q. IS IT IMPORTANT FOR ATMOS ENERGY’S BENEFITS TO BE**
16 **COMPETITIVE WITH OTHER COMPANIES IN THE MARKETPLACE?**

17 A. Yes. Atmos Energy must provide a competitive benefits package because it
18 competes with other utilities and companies in general for personnel who are
19 necessary to operate the utility. Many Atmos Energy employees have skills that
20 transfer easily to other companies or other lines of work, and Atmos Energy strives
21 to attract and retain employees rather than risk losing them to other companies.
22 This requires Atmos Energy to offer a reasonable benefits program with

¹ This change is effective January 1, 2025. It is my understanding that the Company’s proposed revenue requirement does not reflect the costs associated with this change.

competitive base pay and incentive compensation to attract and retain the types and quality of employees who are necessary to operate a safe and reliable gas utility system.

**IV. REASONABLENESS OF THE BENEFIT PLANS UNDER
TEX. UTIL. CODE § 104.060**

Q. IS THERE ANY PARTICULAR STANDARD UNDER WHICH THE RAILROAD COMMISSION OF TEXAS SHOULD REVIEW THE REASONABLENESS OF ATMOS ENERGY’S COMPENSATION AND BENEFITS PLAN AND THE ASSOCIATED COSTS?

A. Yes. In 2019, Tex. Util. Code § 104.060 was enacted. Tex. Util. Code § 104.060 defines “employee compensation and benefits” to include base salaries, wages, incentive compensation, and benefits. While I am not a lawyer, it is my understanding that the statute contains a presumption of reasonableness and necessity for base salaries, wages, incentive compensation, and benefits for gas utilities as long as those costs are consistent with market compensation studies that have been issued in the last three years.

Q. IS THE COMPANY PROVIDING AN INDEPENDENT MARKET STUDY TO SUPPORT ITS REQUESTED BENEFITS EXPENSE?

A. Yes. Attached to my testimony as Confidential Exhibit SB-2 is an independent study conducted by Willis Towers Watson (“WTW BenVal Study”), which shows that the value of Atmos Energy’s benefits are consistent with and comparable to other energy industry companies.

1 **Q. ARE THE BENEFITS EXPENSES INCLUDED IN THE COMPANY’S**
2 **FILING ENTITLED TO THE PRESUMPTION OF REASONABLENESS**
3 **SET FORTH IN TEX. UTIL. CODE § 104.060?**

4 A. Yes. The Company’s inclusion of its benefits expenses is supported by the WTW
5 BenVal Study. The WTW BenVal Study establishes that the benefits Atmos
6 Energy offers to employees who support operations in the Mid-Tex Division are
7 consistent with the programs offered by a majority of investor-owned utilities and
8 publicly-traded general industry companies in the marketplace. Further, the WTW
9 BenVal Study was conducted in 2023, which satisfies the requirement in Tex. Util.
10 Code § 104.060 that the market study be conducted no earlier than three year prior
11 to this rate filing. As such, the employee benefits expenses included in this filing
12 are entitled to the presumption that the expenses are reasonable, necessary, and
13 recoverable through rates under Tex. Util. Code § 104.060.

14 **Q. ARE THE REQUESTED BENEFITS COSTS REASONABLE AND**
15 **NECESSARY?**

16 A. Yes. In addition to the presumption of reasonableness created by Tex. Util. Code
17 § 104.060, it is reasonable for the Mid-Tex Division to offer benefits to employees
18 as part of their employment with Atmos Energy. The benefits Atmos Energy offers
19 are consistent with benefits offered by peer companies and the value of those
20 benefits and their related costs are reasonable as confirmed by the market study
21 attached to my testimony.

22 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

23 A. Yes, it does.

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

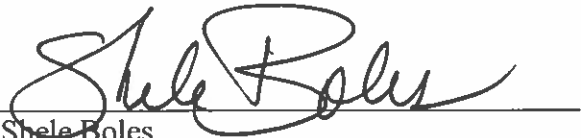
AFFIDAVIT OF SHELE BOLES

BEFORE ME, the undersigned authority, on this day personally appeared Shele Boles who having been placed under oath by me did depose as follows:

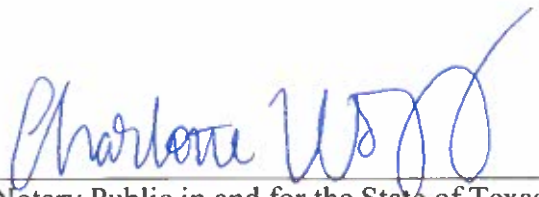
1. “My name is Shele Boles. I am of sound mind and capable of making this affidavit. The facts stated herein are true and correct based upon my personal knowledge. My current position is Director of Benefits for Atmos Energy Corporation.

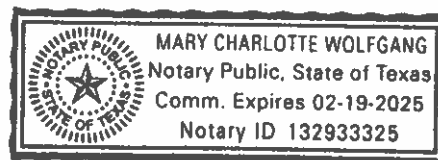
2. I have prepared the foregoing Direct Testimony and the information contained in that document is true and correct to the best of my knowledge.”

Further affiant sayeth not.


Shele Boles

SUBSCRIBED AND SWORN TO BEFORE ME by the said Shele Boles on this 23rd
day of October 2024.


Notary Public in and for the State of Texas





2025 Employee Benefits

Benefits for All Seasons

Open Enrollment Is October 21 – November 1, 2024

ACTION REQUIRED!

You MUST enroll to have Atmos Energy medical, dental, vision, supplemental term life insurance and AD&D coverage in 2025 for yourself and your family members. Enrollment is also required to make HSA or FSA contributions and to keep your LifeLock coverage.

YOUR 2024 ELECTIONS WILL NOT ROLL OVER.

Contact your local HR Partner with questions.

Enroll Using Workday

Enroll using Workday on your PC, phone, or tablet. To enroll from your phone or tablet, download the Workday app from the App Store or Google Play.

Have Questions About Benefits or Need Assistance with Choosing a Plan?

Contact Rightway, our health care advocates by visiting member.rightwayhealthcare.com, emailing navigators@rightwayhealthcare.com, or calling **833-543-6336**.



Your 2025 Benefits

At Atmos Energy, we want you to live long, healthy, and successful lives. That's why we offer a variety of benefit options that you can pick and choose from to create a customized benefit package that is best suited to your needs.

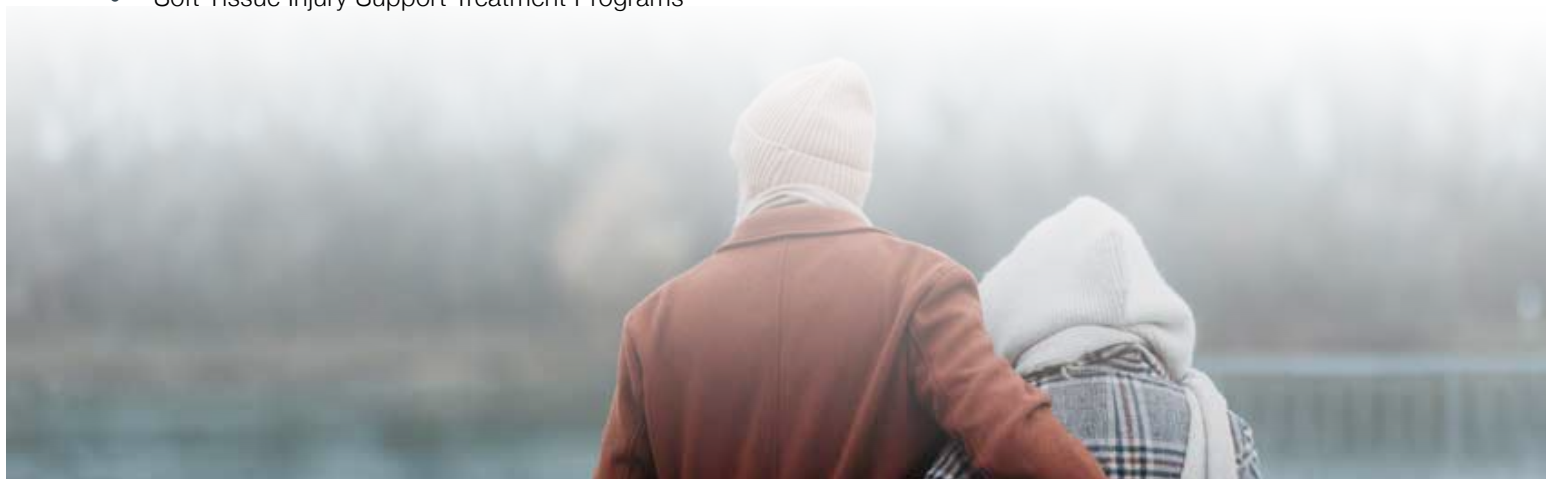
Benefits Provided at No Cost to You

- Basic Life Insurance
- Company Holidays and Paid Time Off
- 401(k)/Retirement Savings Plan (RSP) matching contribution and Fixed Annual Company Contribution
- Short- and Long-Term Disability Insurance
- Magellan Healthcare Employee Assistance Program
- Rightway Benefits Concierge and Health Advocate Service
- My Medical Ally Medical 2nd Opinion & Surgery Decision Support Program
- Cariloop Caregiver Support Program
- Diabetes and Hypertension Management Programs
- Other Health Education and Improvement Programs
- Business Travel Accident Insurance
- Robert W. Best Educational Assistance
- LinkedIn Learning
- LifeLock Identity Theft Protection: Benefit Elite employee coverage
- Employer contribution to Health Savings Account (HSA) if you enroll in the HDHP
- Travel Assistance with Unum
- Service Awards
- Soft Tissue Injury Support Treatment Programs

Benefits You Help Pay For

- Medical and Prescription Drug Coverage
- Dental Insurance
- Vision Insurance
- Flexible Spending Accounts (FSA)
- Health Savings Account (HSA)
- MDLIVE (telemedicine)
- 401(k)/Retirement Savings Plan (RSP)
- 401(k)/RSP Investment Management
- Supplemental Term Life for Employees and Dependents
- Employee and Dependent Accidental Death & Dismemberment (AD&D) Insurance
- LifeLock Identity Theft Protection: Upgrade to Ultimate Plus and/or add dependents

For additional resources on our 2025 benefit plans, go to Atmosphere and click on [2025 Open Enrollment](#).



2025 Medical Coverage

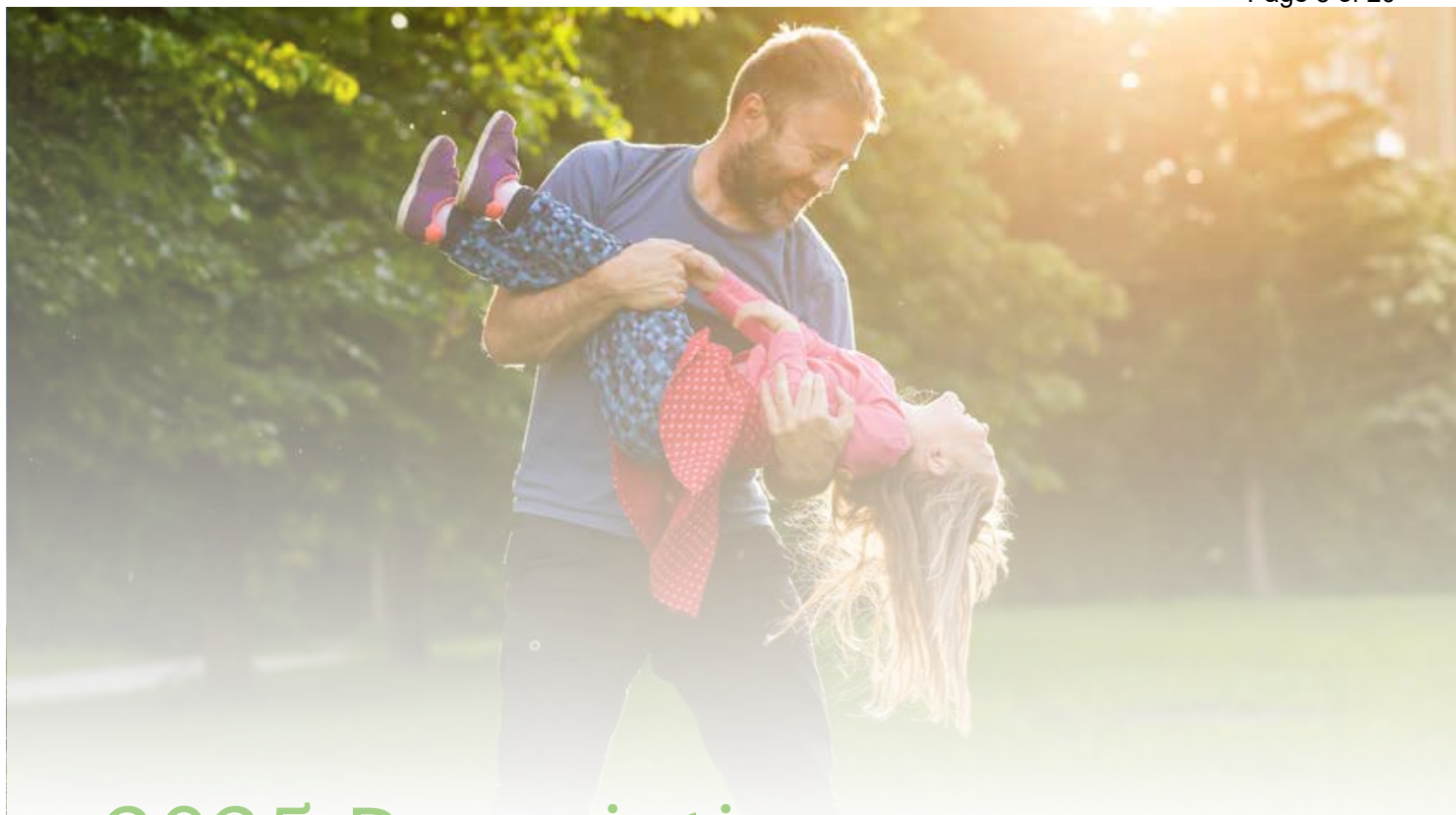
Atmos Energy offers three types of plans through BCBSTX so you can choose the coverage level best suited to your personal situation. You and Atmos Energy share the cost of your coverage.

HDHP			PPO		EPO
	IN-NETWORK	OUT-OF-NETWORK	IN-NETWORK	OUT-OF-NETWORK	IN-NETWORK ONLY
What You Pay					
Primary Care Physician	Deductible Only	Deductible + 30% Coinsurance	\$20 Copay	Deductible + 30% Coinsurance	\$20 Copay
Specialist			\$60 Copay		\$60 Copay
Urgent Care			\$35 Copay		\$35 Copay
ER Visit			Deductible + 20% Coinsurance		\$200 Copay
Preventive Care Services	Covered at 100%	Deductible + 30% Coinsurance	Covered at 100%	Deductible + 30% Coinsurance	Covered at 100%
Company HSA Deposit*					
Individual	\$500		N/A		N/A
Family	\$1,000				
Deductible					
Individual	\$3,300	\$5,000	\$600	\$600	\$400
Family	\$6,600	\$10,000	\$1,200	\$1,200	\$800
Company Coinsurance After Deductible	100%	70%	80%	70%	100%
Employee Coinsurance After Deductible	0%	30%	20%	30%	0%
Medical Out-of-Pocket Maximum					
Individual	\$3,300	\$10,000	\$2,100	\$4,000	\$1,100
Family	\$6,600	\$20,000	\$4,200	\$8,000	\$2,200

* New hires will receive a prorated Company HSA deposit based on the pay period of hire. The total maximum contribution for 2025, including the Company deposit, is \$4,300 for single coverage and \$8,550 for family coverage.

Important

If you choose the HDHP plan, you must enroll in the HSA plan during open enrollment to receive the Company HSA contribution, even if you aren't planning to contribute yourself.



2025 Prescription Drug Coverage

HDHP		PPO	EPO
Rx Deductible	Combined with Medical Deductible	None	None
Rx Out-of-Pocket Max – Individual/Family	Combined with Medical Out-of-Pocket Maximum	\$4,950 / \$9,900	\$5,550 / \$11,100
Retail			
Generic	25% (\$10 max)		
Preferred Brand	25% (\$25 min, \$75 max)		
Non-Preferred Brand	35% (\$55 min, \$150 max)		
Mail Order			
Generic	25% (\$20 max)		
Preferred Brand	25% (\$50 min, \$150 max)		
Non-Preferred Brand	35% (\$110 min, \$300 max)		

Note: With the HDHP, Rx coinsurance only applies to preventive maintenance medication. Other medications are subject to deductible.

Flexible Spending Accounts (FSAs)

Atmos Energy offers three types of FSAs through WEX. If you choose to contribute to an FSA, you **must** enroll each year.

	Health Care FSA	Dependent Care FSA	Limited Purpose FSA (LPFSA)
Who can enroll?	EPO and PPO participants only	All employees	HDHP participants ONLY
How much can I contribute annually?	At least \$100 but no more than \$3,200	At least \$100 but no more than \$5,000 (\$2,500 if married but filing a separate tax return)	At least \$100 but no more than \$3,200
What can I use these funds for?	Medical, dental, and vision expenses (i.e. deductible, copay, coinsurance)	Child and elder care expenses (e.g. child or adult daycare, before- or after-school programs, preschool, etc.) for a child under 13, a mentally or physically disabled dependent child, or an adult who lives with you. Dependent care FSAs can NOT be used for medical care or dependent spouse expenses.	Eligible dental and vision expenses

Use It or Lose It!

If you don't use all your 2025 Health Care, Dependent Care, or Limited Purpose FSA funds by **March 15, 2026**, and submit expenses for reimbursement by **March 31, 2026**, you will forfeit those unused 2025 funds.



Health Savings Account (HSA)

If you enroll in our HDHP plan, you can open a Health Savings Account (HSA) through HealthEquity. The HSA allows you to set aside money on a pre-tax basis to pay for qualified healthcare expenses. Both you and Atmos Energy can contribute, up to IRS limits. If you choose to participate in an HSA, you **must** enroll each year.

New participants may be contacted by HealthEquity to complete their HSA account activation.

	Employee	Employee + Spouse or Child(ren)	Employee + Family
2025 HSA Contribution Limit	\$4,300	\$8,550	\$8,550
Automatic Atmos Energy Contribution	\$500	\$1,000	\$1,000
Maximum Amount You Can Contribute in 2025	\$3,800	\$7,550	\$7,550

Participants over the age of 55 can contribute an **additional** catch-up contribution of \$1,000.

How the HDHP, HSA, and LPFSA Work Together

- 1 Enroll in the HDHP plan with an HSA through Workday, or optionally, enroll in the LPFSA.
- 2 Contribute pre-tax funds to your HSA, or optionally, contribute pre-tax funds to your LPFSA.
- 3 Use your HSA to cover your eligible medical expenses, AND/OR use your LPFSA to cover dental and vision expenses.
- 4 The remaining HSA balance carries over year-to-year. The LPFSA balances do not carry over.

Reasons to Contribute to Both an LPFSA and an HSA

- You expect to have eligible dental or vision expenses
- Your medical expenses are high enough that you will use the full HSA contribution limit to pay your medical expenses
- You use your HSA as a retirement or investment account or to save for future medical expenses

Key HSA Features

- There is no “use it or lose it” rule; **your balance carries over each year**
- You may start, stop, or change your HSA contributions whenever you like
- You don’t pay taxes on any HSA earnings or withdrawals made for qualified healthcare expenses
- Investment options are available if you have at least \$1,000 in your account
- You can take the account with you if you retire or leave Atmos Energy

Dental Plan

The dental plan is provided through BlueCare Dental, part of BCBSTX. In addition to comprehensive dental coverage, BlueCare Dental offers tools and information through their Dental Wellness Center® to help you make better dental healthcare choices.

Your level of dental coverage does not need to be the same level of coverage you select for medical.

Service	Annual Deductible	Coverage	Maximum
Preventive Oral Exams/Cleaning – 2 per year (plus 1 for expectant mothers) Bite-wing x-ray – 1 per year Panoramic x-ray – 1 per 5 years	None	100%	N/A
Basic Treatment Includes cavity fillings, root canals, gum treatment, oral surgery	\$50 (combined Basic and Major)	80%	\$2,000 per person annually (combined Basic and Major)
Major Treatment Includes crowns, dentures, implants, and bridgework	\$50 (combined Basic and Major)	50%	\$2,000 per person annually (combined Basic and Major)
Orthodontia Child and adult orthodontics	None	50%	\$2,000 lifetime limit per person



Vision

The vision plan is provided through EyeMed as part of the Insight network.

In addition to exams, contacts and glasses, EyeMed offers discounts on Lasik and on hearing care.

Your level of vision coverage does not need to be the same level of coverage you select for medical.

Feature	In-Network	Out-of-Network (Copay applies)
Exams (One exam every year)		
By an Ophthalmologist	\$10 copay	Reimbursement up to \$42
By an Optometrist	\$10 copay	Reimbursement up to \$42
Retinal Imaging	\$0 copay	Reimbursement up to \$20
Eyewear (Standard lenses, per pair)*		
Single Vision	\$10 copay	Up to \$42
Bifocal	\$10 copay	Up to \$56
Trifocal	\$10 copay	Up to \$71
Lenticular	\$10 copay	Up to \$94
Frames (One frame every year with Eyeglass Lenses or Contact Lenses)		
Frames (Standard) Per Pair	100% up to \$130	Up to \$93
Contact Lenses, Per Pair*		
Contact Lens Fitting	\$25 copay: One per 12 months	Up to \$42
Conventional Lenses	\$130 allowance, 15% off amount over \$130	Up to \$110
Disposable Lenses*	\$130 allowance	Up to \$110

* Plan covers **either** eyeglass lenses **or** contact lenses every calendar year.

2025 Employee Bi-Weekly Coverage Costs

Option	Employee Only	Employee + Spouse	Employee + Child(ren)	Employee + Family
Medical WITH Employee/Spouse Wellness Discounts Earned				
HDHP	\$37	\$94	\$89	\$146
PPO	\$62	\$153	\$140	\$230
EPO	\$84	\$206	\$185	\$306
Medical With NO Wellness Discounts Earned				
HDHP	\$47	\$114	\$99	\$166
PPO	\$72	\$173	\$150	\$250
EPO	\$94	\$226	\$195	\$326
Dental	\$3.23	\$6.92	\$6.92	\$10.15
Vision	\$3.33	\$7.16	\$5.40	\$9.83

Completed Your Annual Physical? Save \$260 Per Person!

If you (and/or your covered spouse) completed an annual physical with your healthcare provider by September 30, 2024, you will receive a wellness discount of \$10 per person, per pay period on your medical premiums in 2025. Note: New hires hired after September 1, 2024, automatically receive the wellness discount for 2025.



MDLIVE

With Virtual Visits from MDLIVE®, the doctor is always in. This benefit coordinates with BCBSTX to provide you access to 24/7 non-emergency care from a board-certified doctor or therapist by phone, online video, or mobile app from almost anywhere.

MDLIVE is available to all employees and family members on the Atmos Energy Medical Plan.

Doctors can treat a variety of non-emergency conditions, including:

- Allergies
- Cold/Flu
- Fever
- Headaches
- Nausea
- Sinus infections
- And many more

Doctors can send e-prescriptions to your local pharmacy, if needed.

Coming in 2025: Talk With a Dermatologist

We're working with MDLIVE to include their dermatology program in early 2025. With Dermatology, you'll be able to talk with a U.S. board-certified dermatologist who can diagnose skin issues and treat common conditions like:

- Acne
- Psoriasis
- Eczema
- Rosacea
- Rash
- Skin infections
- Dermatitis
- And more

Watch for MDLIVE registration information coming soon.

Talk With a Therapist or Psychiatrist

Get the tools, strategies, and medication management you need to help you feel more like yourself from the privacy and safety of home. You can choose the same provider for every visit or switch any time. Engage with a licensed therapist or psychiatrist about any behavioral condition you may be facing including:

- Depression
- Anxiety
- Parenting concerns
- Marital and relationship challenges
- Substance use disorders
- Trauma and PTSD

Behavioral health visits through MDLive are available to all employees and dependents **age 10+** on an Atmos Energy medical plan.

MDLive Costs

	HDHP	PPO	EPO
General Medicine	\$48 until deductible is met, then 100% covered	\$20 copay	
Psychiatrist (Evaluation)	\$200 - \$250 until deductible is met, then 100% covered	\$20 copay	
Ongoing Psychiatrist	\$75 - \$150 until deductible is met, then 100% covered	\$20 copay	
Therapist	\$45 - \$90 until deductible is met, then 100% covered	\$20 copay	

Life Insurance

Employee Basic Life Insurance

Atmos Energy provides you with basic life insurance equal to two times your base annual salary, rounded up to the next \$1,000. You automatically receive this coverage at no cost to you.

Beginning in 2025, all Life Insurance including Basic Life, Supplemental Term Life, and Accidental Death and Dismemberment (AD&D) will be covered by Unum. If you currently have coverage, you **MUST** make new life insurance elections as the plan has changed. If you have not elected coverage previously, you are able to make elections for coverage for 2025. See below for details.

Supplemental Term Life Insurance

You must enroll during Open Enrollment to have Supplemental Term Life coverage. You may elect up to the greater of your current Supplemental Term Life coverage amount rounded to the next higher multiple of \$50,000 or \$500,000 without evidence of insurability (EOI).

Your premiums for Supplemental Term Life insurance are based on your age and your elected coverage amount.

Dependent Life Insurance

You also have the opportunity to enroll your eligible dependents in life insurance. **If you would like to enroll in dependent life insurance coverage, you must enroll yourself in Supplemental Term Life.**

Spouse Life Insurance Options
- You can elect coverage on your spouse in \$10,000 increments up to \$100,000. - You can elect up to \$50,000 or up to the coverage you currently have, whichever is greater, without EOI. - Premiums for spouse life insurance are based on your age (not your spouse's age) and the amount of coverage you select.
Child(ren) Life Insurance Options
- You can elect \$10,000. - The bi-weekly cost is 51 cents regardless of the number of children you have. - Coverage is through the date on which your child reaches age 26.

Age	Monthly Rate per \$1,000 of Coverage	Monthly Rate per \$50,000 of Coverage
Age <25	\$0.053	\$2.65
Age 25-29	\$0.063	\$3.15
Age 30-34	\$0.084	\$4.20
Age 35-39	\$0.095	\$4.75
Age 40-44	\$0.105	\$5.25
Age 45-49	\$0.158	\$7.90
Age 50-54	\$0.294	\$14.70
Age 55-59	\$0.483	\$24.15
Age 60-64	\$0.693	\$34.65
Age 65-69	\$1.334	\$66.70
Age 70+	\$2.163	\$108.15

Note: All life insurance plans are paid with post-tax dollars.

Beneficiaries

Your current beneficiary elections will not roll over. You will need to select your beneficiary information again.



Accidental Death & Dismemberment (AD&D) Insurance

You may elect AD&D insurance up to ten times your annual base pay, not to exceed \$1,000,000, to provide you and your family financial security in case of an accident. You pay the full cost of this coverage. Your contribution is paid on a post-tax basis.

You may also elect AD&D insurance for your spouse and child(ren). For your spouse, you may elect up to \$500,000 in \$10,000 increments, not to exceed 50% of the employee AD&D coverage amount. For your child(ren), you may elect up to \$150,000 in \$10,000 increments, not to exceed 50% of the employee AD&D coverage amount.

AD&D Rates

	Monthly Rate Per \$1,000
Employee	\$0.035
Spouse	\$0.030
Child(ren)	\$0.030

Beneficiaries

You will need to name a beneficiary(ies) who will receive the benefit in the event of your death. You can review or change your beneficiary(ies) for each insurance plan at any time in Workday.

Health and Wellness Resources

My Medical Ally

My Medical Ally is a **free** benefit that can help you understand your diagnosis and treatment options, get an expert second opinion, and support you when making decisions about surgery. A Medical Ally Team of doctors, nurses, and researchers will help you navigate the complexities of healthcare for any medical condition.

Rely on My Medical Ally for:

- Medical Decision Support
- Expert Medical Opinion (2nd opinion)
- Surgery Decision Support
- Help navigating the ever-complex healthcare system
- Clinical support to help navigate the logistical challenges of serious health conditions

My Medical Ally is available to employees and extended family, including spouses and children, parents and parents-in-law, aunts and uncles, siblings, grandchildren, grandparents, etc. Contact My Medical Ally for any health-related decision or question at **888-361-3944**.

Lifelock Identity Theft Protection

LifeLock offers identity theft protection to help safeguard your finances, credit, and good name. Atmos Energy pays the full cost for employee coverage for the Benefit Elite Plan. If you elect to upgrade to the LifeLock Ultimate Plus Plan, Atmos Energy will pay a portion of the employee cost (the same amount as the contribution to the Benefit Elite Plan) and you pay the difference. Add family members or change your LifeLock elections at any time in Workday.

Please visit memberportal.lifelock.com or call **800-607-9174**.

Cariloop Caregiver Support Program

Atmos Energy offers Cariloop, a caregiver support program, with access to Care Coaches and a secure platform, for you and your family (this includes whomever you consider family). Care Coaches provide research, guidance, and support for many of the challenges that come with caring for your loved ones, including medical, financial, legal, emotional, and family support – all on a secure and confidential platform.

- **Adults and aging loved ones:** Get help vetting care providers, understanding cost of care, and navigating legal caregiving needs, and receive health condition and emotional support.
- **Pediatrics and child care (prenatal to age 18):** Get support for any medical and developmental needs, find backup care and childcare, understand care costs, and get guidance for adoption, infertility, and lactation issues.

Access your cases on a secure portal where you'll work with your Care Coach, store important documents, and invite others to collaborate.

Cariloop is free for all Atmos Energy employees.

Connect with a Care Coach today at cariloop.com/atmosenergy or call **844-790-5667**.

Well onTarget

Well onTarget through BCBS provides you the support you need to make healthy lifestyle choices — and rewards you for your hard work.

- **Health and wellness library:** Articles, podcasts, and videos on health topics important to you
- **Digital self-management programs:** Learn about nutrition, fitness, weight loss, quitting smoking, managing stress, and more
- **Fitness center discounts:** Access to nationwide network of fitness centers and classes (digital and live)
- **Blue points:** Earn points for wellness activities, and redeem them for a variety of retail gift cards
- **Health assessment:** Learn more about your health and receive a personal wellness report
- **Tools and trackers:** Interactive resources to help keep you on track
- **AlwaysOn app:** Sync with devices to track activity and nutrition, complete self-management programs, and more

Well onTarget is available to everyone age 18+ on an Atmos Energy Medical Plan. To access the portal, log into Blue Access for Members at www.bcbstx.com and click the *Wellness* tab.

Magellan Healthcare

We all face challenges in life. Get confidential support, information, and tools to help you find solutions to these challenges – big or small.

You and your immediate family can now receive up to eight free counseling sessions per issue, per year.

- Physical, emotional, and mental wellness support
- Family and relationship advice
- Work-life solutions
- Self-care programs

Our behavioral health program with Magellan offers support for you and your immediate family. Go to member.magellanhealthcare.com or call **800-424-1768**. Help is available 24 hours a day, 365 days a year.

At Atmos Energy, we want you and your family members to get the help you need wherever and whenever you need it. If you, a family member, or a coworker could benefit from behavioral health support for short-term challenges or more long-term concerns, we have resources available to help. **These resources are confidential and will never disclose any of your personal information.** For more information on these resources, go to [Atmosphere](#).

Wondr Health

Wondr Health is an online program available and free to all employees and spouses, that helps you change *how* you eat instead of *what* you eat. The program fights the risk factors associated with metabolic syndrome and teaches you how to lose weight, increase your activity level, and improve your health. Atmos Energy offers three sessions of Wondr Health throughout the year. Visit Wondr Health at Wondrhealth.com/Atmos.

Diabetes Management Program

Our no-cost diabetes management program through Teladoc Health, also known as Livongo, can help you and your covered dependents successfully manage diabetes.

The program includes:

- Easy-to-use blood glucose monitoring
- Unlimited supplies, including test strips and lancets
- One-on-one coaching
- Easy sharing of your digital logbook

If you, your spouse, or your eligible dependents have diabetes, go to TeladocHealth.com/Register/ATMOS. Use registration code **ATMOS**.

Hypertension Management Program

Our no-cost hypertension management program through Teladoc Health, also known as Livongo, can help you and your dependents significantly lower your blood pressure.

The program includes:

- Easy remote monitoring via a wireless-connected blood pressure cuff
- An app to easily track progress
- 24/7 coaching in stress, blood pressure management, and nutrition and weight
- Personalized lifestyle recommendations
- Notifications for high blood pressure readings and reminders to check your blood pressure

If you, your spouse, or your eligible dependents have been diagnosed with hypertension, go to TeladocHealth.com/Now/ATMOS. Use registration code **ATMOS**.

Airrosti

Airrosti providers diagnose and treat most common muscle and joint conditions, like back, knee, wrist, arm, and foot pain — either in clinic or remotely. The highly individualized evaluation and treatment often eliminates unnecessary imaging, injections, pharmaceuticals, and other costly procedures.

Airrosti Remote Recovery connects you with an expert clinician who will help you understand your condition, prescribe an individualized recovery plan, and give you the tools you need to live pain free, including a Remote Recovery Kit and unlimited access to your Care Team.

Airrosti is covered through BCBSTX under the Atmos Energy Medical Plan. **EPO and PPO plan participants pay \$0 for an Airrosti visit.** HDHP plan participants will pay the full visit cost until you meet your deductible. Visit Airrosti.com or call **800-404-6050** to get started.

Robert W. Best Educational Assistance Program

This program, available immediately upon hiring, provides 100% reimbursement up to \$5,250 annually for full-time employees and up to \$2,625 annually for part-time employees to help cover tuition, professional certification fees, and other education-related expenses. Talk with your supervisor for more information on this program.

LinkedIn Learning

Atmos Energy provides no-cost access to LinkedIn Learning, an online educational platform that helps employees discover and develop business, technology-related, and creative skills through expert-led course videos.

Saving for the Future

At Atmos Energy, we provide opportunities to save for retirement by offering you the 401(k)/Retirement Savings Plan (RSP) with T. Rowe Price. **Our company match is increasing to 5% in 2025!** Employee contributions are deducted from your bi-weekly paycheck.

Benefit	Participation	Contribution	Vesting
Employee Pre-tax Contributions	Employees are automatically enrolled at a pre-tax contribution rate of 5% after 30-day opt-out period	Maximum 65% of eligible compensation, up to IRS annual contribution limit*	Immediate
Employee After-tax Roth Contributions	Employees may elect to contribute after tax dollars to pay taxes now instead of later	Maximum 65% of eligible compensation, up to IRS annual contribution limit*	Immediate
Company Matching Contributions	Immediate, once employee contribution starts	Dollar-for-dollar match up to 5% of eligible earnings	100% after 1 year of service
Fixed Annual Company Contribution (FACC) (unless active in the Pension Account Plan)	After 1 year of service	4% of annual eligible earnings regardless of your pre-tax or Roth contribution	100% after 3 years of service

Starting at age 50, you may make additional “catch-up” contributions subject to rules and annual limits. If you are age 60-63, you are eligible to make higher additional catch up contributions based on IRS annual limits.

You may change the investment direction of your existing and future contributions and the Company’s contributions at any time by logging into your online account at rps.troweprice.com or calling T. Rowe Price at **800-922-9945**.

Beneficiaries

To make changes to your 401(k)/RSP account, including your beneficiaries, log into the myRetirementPlan website at rps.troweprice.com. **Please note, if you are married and select someone other than your spouse as your beneficiary, spousal consent is required for your designation to be valid.**

Make pre-tax contributions, Roth (after-tax) contributions, or a combination of both. For more information go to the [Retirement Savings Plan](#) page on Atmosphere.



Time Away From Work

Company Holidays

Atmos Energy observes the following paid Company holidays each year. You also receive a floating holiday; you may select a holiday you choose to celebrate subject to supervisor approval. Regular part-time employees are eligible for holiday pay based on half of the number of hours a full-time employee would receive.

- New Year's Day
- Martin Luther King Jr. Day
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day After Thanksgiving Day
- Christmas Eve
- Christmas Day
- Floating Holiday

Paid Time Off (PTO)

Paid Time Off allows you to balance work and life. Use your PTO whenever you want for vacation, sick days, etc., subject to your supervisor's approval.

You earn PTO each pay period. The rate at which you earn PTO is based on your years of service. For more information on time off, please click [here](#).

Years of Service	PTO Hours Accrued Per Bi-Weekly Check	Annual Equivalent
0-4	4.62	15 days (120 hours)
5-9	6.16	20 days (160 hours)
10-19	7.70	25 days (200 hours)
20+	9.24	30 days (240 hours)

Short-Term Disability

Atmos Energy pays 100% up to the first eight weeks and then 70% for the remainder of an approved Short-Term Disability, based upon medical necessity. If you are still unable to work after 26 weeks of approved leave, you may be eligible to receive long-term disability benefits.

Long-Term Disability

Atmos Energy pays 60% of your pre-disability base pay for approved Long-Term Disability, up to a maximum of \$10,000 per month.

Maternity and Parental Leave

Maternity leave for all birth mothers recovering from childbirth is provided under the Short-Term Disability plan.

All full-time employees are eligible for two weeks of Parental Leave at 100% of pay following the birth or adoption of their child(ren). The leave must be taken within 12 months of your child's birth or adoption.

Click [here](#) for more information on Atmosphere or contact your local HR Partner for details.

Notes



This brochure highlights the main features of our employee benefits program. It does not include all plan rules, details, limitations and exclusions. The terms of your benefit plans are governed by legal documents, including insurance contracts. Should there be an inconsistency between this brochure and the legal plan documents, the plan documents are the final authority. The Company reserves the right to change or discontinue its employee benefits plans at any time.

This guide serves as a summary of material modifications as required by the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Exhibit SB-2 is Confidential
and will be provided pursuant to the terms of the Protective Agreement
in this proceeding or Protective Order issued in OS-24-00019196.

WORKPAPERS
TO
DIRECT TESTIMONY
OF
SHELE BOLES

Workpapers to the Direct Testimony of Shele Boles are being provided in electronic format.

CASE NO. 00019196

STATEMENT OF INTENT FILED BY	§	
ATMOS ENERGY CORP. TO CHANGE	§	RAILROAD COMMISSION
GAS UTILITY RATES WITHIN THE	§	
UNINCORPORATED AREAS OF THE	§	OF TEXAS
MID-TEX DIVISION	§	

DIRECT TESTIMONY

OF

DANIEL S. DANE

WITNESS FOR

ATMOS ENERGY CORP., MID-TEX DIVISION

NOVEMBER 18, 2024

CASE NO. 00019196
INDEX TO THE DIRECT TESTIMONY OF
DANIEL S. DANE, WITNESS FOR
ATMOS ENERGY CORP., MID-TEX DIVISION

I.	POSITION AND QUALIFICATIONS.....	1
II.	PURPOSE OF TESTIMONY	3
III.	SUMMARY OF FINDINGS.....	4
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V.	SUMMARY OF THE CWC ANALYSIS	6
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LIST OF EXHIBITS

Exhibit DSD-1	Resume and Testimony Listing
Exhibit DSD-2	Cash Working Capital Requirement

DIRECT TESTIMONY OF DANIEL S. DANE

I. POSITION AND QUALIFICATIONS

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Daniel S. Dane. My business address is 293 Boston Post Road West, Suite 500, Marlborough, Massachusetts 01752. My resume is attached as Exhibit DSD-1.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am the President of Concentric Energy Advisors, Inc. ("Concentric").

Q. PLEASE OUTLINE YOUR EDUCATIONAL AND PROFESSIONAL QUALIFICATIONS.

A. I have a Master of Business Administration from Boston College in Chestnut Hill, Massachusetts, and a Bachelor of Arts in Economics from Colgate University in Hamilton, New York. I am a Certified Public Accountant licensed in the Commonwealth of Massachusetts.

Q. PLEASE DESCRIBE YOUR EXPERIENCE AND QUALIFICATIONS.

A. I have over 20 years of experience in the energy, utility, and financial services industries providing advisory services to electric, gas, and water utilities, power generators, and natural gas pipelines in the areas of regulation and ratemaking, litigation support, mergers and acquisitions, valuation, financial statement audits and analysis, and the examination of financial reporting systems and controls. I also provide expert testimony on regulated ratemaking matters and merger approval applications for investor- and provincially-owned utilities, including on the cost of capital, merger impacts, revenue requirements, lead-lag studies/cash working

1 capital, regulatory lag and rate base development, earnings sharing mechanisms,
2 and rate adjustment mechanisms.

3 **Q. ON WHOSE BEHALF ARE YOU SUBMITTING THIS TESTIMONY?**

4 A. I am testifying in this proceeding before the Railroad Commission of Texas (“RCT”
5 or the “Commission”) on behalf of the Mid-Tex Division (“Mid-Tex Division”) of
6 Atmos Energy Corporation (“Atmos Energy” or the “Company”).

7 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE RCT OR OTHER**
8 **REGULATORY COMMISSIONS?**

9 A. Yes. I filed testimony in Atmos Pipeline – Texas’s Rate CGS and Rate PT Docket
10 No. OS-23-00013758, and Atmos Energy West Texas Division’s recently-filed rate
11 case.¹ I have also testified or presented evidence in proceedings before numerous
12 state and provincial regulators, including the Regulatory Commission of Alaska,
13 the Arkansas Public Service Commission, the Connecticut Public Utilities
14 Regulatory Authority, the Illinois Commerce Commission, the Maine Public
15 Utilities Commission, the Massachusetts Department of Public Utilities, the New
16 Hampshire Public Utilities Commission, the New Mexico Public Regulation
17 Commission, the Oklahoma Corporation Commission, the Rhode Island Division
18 of Public Utilities and Carriers, the South Dakota Public Utilities Commission, the
19 Public Utility Commission of Texas, the Vermont Public Utility Commission, the
20 Nova Scotia Utility Board, and the Ontario Energy Board.

¹ *Statement of Intent Filed by Atmos Energy Corp. to Change Gas Utility Rates within the Unincorporated Areas Served by its West Texas Division*, Docket No. OS-24-00018879, Statement of Intent (Oct. 25, 2024).

study measures “revenue lags,” which are the number of days between when a utility provides service and when its customers pay for that service, and “expense leads,” which are the number of days between when a utility incurs expenses and when it must pay for those expenses. The net of the revenue lags and expense leads, when multiplied by the Mid-Tex Division’s average daily Test Year Period expenses for the twelve months ended June 30, 2024, results in the CWC requirement.

Q. HOW SHOULD THE RESULTS OF THE CWC ANALYSIS BE TREATED FOR RATEMAKING PURPOSES?

A. The CWC requirement should be included as part of the Mid-Tex Division’s rate base for ratemaking purposes.

III. SUMMARY OF FINDINGS

Q. FOR WHAT PERIOD WAS THE LEAD-LAG STUDY PERFORMED?

A. The lead-lag study analyzed the Mid-Tex Division’s cash transactions and invoices for the Test Year Period. The calculated revenue lag and expense leads were then applied to adjusted Test Year Period expenses supported by Ms. Myers.

Q. PLEASE SUMMARIZE YOUR FINDINGS REGARDING AN APPROPRIATE CWC ALLOWANCE FOR THE MID-TEX DIVISION.

A. Concentric’s lead-lag study resulted in a total Mid-Tex Division CWC allowance of negative \$77,143,376, which results in a reduction to rate base. That result is provided in Exhibit DSD-2.

IV. APPROACH OVERVIEW

Q. PLEASE PROVIDE AN OVERVIEW OF YOUR APPROACH TO DETERMINING THE MID-TEX DIVISION'S CWC REQUIREMENT.

A. Concentric analyzed the significant cash inflows and outflows of the Mid-Tex Division to develop lead-lag factors for the Mid-Tex Division's revenues and expenses to derive a CWC allowance.

Q. WHAT ARE THE VARIOUS LAGS AND LEADS THAT SHOULD BE CONSIDERED IN A CWC ANALYSIS?

A. Two broad categories of lags and leads should be considered: (1) lag times associated with the collection of revenues owed to a company (i.e., revenue lags); and (2) lead times associated with the payments for goods and services received by a company (i.e., expense leads).

Q. WHAT IS A REVENUE LAG?

A. A revenue lag refers to the elapsed time between the delivery of a company's products and services (i.e., transportation and storage of natural gas) and its ability to use the funds received as payment for the delivery of those products and services. In other words, the revenue lag measures the number of days from the date service was rendered until the date payments were received from customers and the funds were deposited and available to the Mid-Tex Division.

Q. WHAT IS AN EXPENSE LEAD?

A. The expense lead refers to the elapsed time from when a good or service is provided to a company to the point in time when the company pays for the good or service and the funds are no longer available to the company.

1 **Q. WHAT WAS THE SOURCE OF INFORMATION YOU USED TO**
2 **DETERMINE THE LEADS AND LAGS IN THE CWC ANALYSIS?**

3 A. The Mid-Tex Division provided the accounting and financial data necessary for
4 Concentric to complete the study. The information provided, together with
5 analytical procedures performed by Concentric, led to the determination of the
6 appropriate number of lead-lag days. In addition, I reviewed the Mid-Tex
7 Division's most recent lead-lag study that was filed in Gas Utilities Docket
8 ("GUD") No. 10170 to verify the methods used in the prior study.

9 **Q. DO THE RESULTS OF THE LEAD-LAG STUDY REPRESENT AN**
10 **ACCURATE ASSESSMENT OF THE MID-TEX DIVISION'S CWC**
11 **REQUIREMENT?**

12 A. Yes. The lead-lag study represents an accurate assessment of the actual CWC needs
13 during the Test Year. Furthermore, the methods used to conduct this lead-lag study
14 are consistent with those previously used by the Mid-Tex Division and approved
15 by the Commission in its most recent rate case proceeding (i.e., GUD No. 10170),
16 with limited exceptions, as noted herein.

17 **V. SUMMARY OF THE CWC ANALYSIS**

18 **A. Revenue Lag**

19 **Q. DESCRIBE YOUR CALCULATION OF THE REVENUE LAG FOR**
20 **RETAIL CUSTOMERS.**

21 A. The revenue lag for retail customers was divided into four distinct components:
22 (1) a service lag, (2) a billing lag, (3) a collections lag, and (4) a payment
23 processing, or bank lag. Considered together, these components of the retail

1 revenue lag totaled 32.6 lag days. An explanation of each component of the
2 revenue lag follows, and the calculation of the revenue lag is provided in
3 Workpaper (“WP”) A.

4 **Q. WHAT IS MEANT BY SERVICE LAG?**

5 A. The service lag refers to the number of days from the mid-point of the service period
6 to the end of the service period. Using the mid-point methodology, which assumes
7 that service is provided evenly throughout the service period, the average lag
8 associated with the provisioning of service was 15.3 days (366 days in the year
9 divided by 12 months divided by 2).

10 **Q. WHAT IS MEANT BY BILLING LAG?**

11 A. Billing lag refers to the average number of days from the date on which the service
12 was provided until the customer was billed. This lag reflects the time needed to
13 send and process meter reading data in the Customer Information System, prepare
14 bills, and deliver bills. To calculate the billing lag, Concentric analyzed two
15 populations of data: (1) “mass billed” customer billing data and (2) “handbill”
16 customer billing data, which represents data related to the complex bills for
17 transportation and large industrial customers. For mass billed customer bills, the
18 Mid-Tex Division provided meter read dates and billing dates for two sample
19 months, from which a representative billing lag could be determined. The resulting
20 billing lag was 0.8 days, as shown in WP A-1. For handbill customer bills, the Mid-
21 Tex Division provided meter read dates and billing dates for all handbill customer
22 invoices in the Test Year Period. The unweighted resulting billing lag was 16.1
23 days, as shown in WP A-3. Because handbill customers make up only a small

1 portion of total revenues, the revenue-weighted billing lag for handbill customers
2 was 0.2 days, as also shown in WP A-3. The weighting of handbill customers was
3 based on the total revenue information provided in WP A-2.

4 **Q. WHAT IS MEANT BY COLLECTION LAG?**

5 A. The collection lag refers to the average amount of time from the date when bills are
6 issued to the date that the Mid-Tex Division receives payment from its customers.

7 **Q. WHAT APPROACH DID CONCENTRIC USE TO CALCULATE THE**
8 **COLLECTION LAG?**

9 A. Consistent with the approach used in GUD No. 10170, Concentric calculated the
10 collection lag based on a sample of invoices for residential, commercial, and
11 industrial customers. The collection lag for each customer segment is provided in
12 WP A-4. When weighted by revenues by customer segment, the resulting
13 collection lag was 15.5 days, as shown in WP A-4.

14 **Q. WHAT IS THE BANK LAG?**

15 A. The bank lag, or payment processing lag, is the lag between receiving payment and
16 having funds available to draw at the bank. Customer accounts receivable balances
17 are credited when payment is received. Concentric estimated a 0.9-day bank lag
18 based on sample payment data, which is a reduction from the one-day lag used in
19 the previous study performed for GUD No. 10170.

20 **Q. PLEASE SUMMARIZE THE CALCULATION OF REVENUE LAG DAYS.**

21 A. The calculation of the overall revenue lag, by lag component, is summarized in the
22 following figure.

Figure DSD-1: Revenue Lag by Component	
Component	Mid-Tex Division Lag Days
Service Lag	15.3
Billing Lag	1.0
Collections Lag	15.5
Bank Lag	0.9
Total Lag	32.6

1 **B. Expense Leads**

2 **Q. WHAT EXPENSE-RELATED LEADS WERE CONSIDERED IN THE**
3 **LEAD-LAG ANALYSIS?**

4 A. Lead times associated with the following broad expense categories were considered
5 in the lead-lag study: (a) purchase gas costs; (b) transportation charges; (c)
6 operating and maintenance (“O&M”) expenses related to labor, (d) O&M expenses
7 not related to labor, (d) federal income taxes, and (e) taxes other than income taxes.

8 **Q. PROVIDE AN EXPLANATION OF THE EXPENSE LEAD ASSOCIATED**
9 **WITH PURCHASE GAS COSTS.**

10 A. The analysis of purchase gas costs measured the difference between the monthly
11 purchases of gas and the payment dates for those purchases. The purchase gas cost
12 average lag was calculated using actual payments for all twelve months of the test
13 year, as shown in WP B-1.

14 **Q. PROVIDE AN EXPLANATION OF THE EXPENSE LEAD ASSOCIATED**
15 **WITH TRANSPORTATION CHARGES.**

16 A. The analysis of transportation charges measured the difference between the
17 monthly purchases of transportation services and the payment dates for those
18 purchases. Since transportation payments involve a relationship with another
19 division of the Company (i.e., Atmos Pipeline - Texas), the average lag for purposes

1 of studying the transportation charge expense lead was determined by using Atmos'
2 non-affiliate pipeline payments for its other jurisdictions for four sample months
3 from the Test Year Period, as shown in WP B-2. This method of calculating a lag
4 for transportation charges is consistent with the approach used in GUD No. 10170.

5 **Q. PROVIDE AN EXPLANATION OF THE EXPENSE LEADS ASSOCIATED**
6 **WITH THE MID-TEX DIVISION'S LABOR RELATED O&M EXPENSES.**

7 A. The Mid-Tex Division's regular payroll disbursements are made every two weeks
8 with the 14-day payroll period running from Saturday to Friday two weeks later.
9 Employees are paid for each payroll period on the Friday following the end of the
10 pay period, resulting in 26 to 27 regular payroll disbursements during any given 12-
11 month period (depending on when the first Friday falls in the 12-month period).
12 The midpoint of each 14-day payroll period is seven days. Most employees are
13 paid via direct deposit and therefore for those employees, the Mid-Tex Division
14 does not incur any additional payment processing lag. A small proportion of
15 payroll is paid via paper check. For these payroll disbursements, a check float of
16 10.1 days was calculated on WP C-5. Considering these regular payroll payments,
17 the resulting payroll expense lead was 14.0 days as shown in WP C-1. Funds for
18 payroll taxes are analyzed separately and discussed further below.

19 **Q. OTHER THAN PAYROLL, DID YOU ANALYZE OTHER LABOR-**
20 **RELATED EXPENSES?**

21 A. Yes. An analysis was done of incentive compensation payments and paid time off
22 ("PTO").

1 **Q. WHAT CALCULATIONS DID YOU PERFORM RELATED TO**
2 **INCENTIVE COMPENSATION PAYMENTS?**

3 A. During the Test Year, the Mid-Tex Division made incentive compensation
4 payments to its employees. Incentive compensation payments are made in
5 November in the year following the year of service, resulting in an average expense
6 lead of 182.5 days (i.e., the midpoint of the incentive compensation year) plus the
7 period between the end of the incentive compensation year and when payments are
8 made, which was approximately 46 days after the incentive compensation year. An
9 adjustment was made for employees paid by check. The overall expense lead for
10 incentive compensation was thus determined to be 228.5 days as shown in WP C-
11 3.

12 **Q. WHAT CALCULATION DID YOU PERFORM RELATED TO THE PTO**
13 **BENEFIT?**

14 A. During the Test Year, Mid-Tex Division employees used PTO days. The PTO days
15 that were taken during the Test Year represent PTO that was both accrued during
16 the Test Year and accrued during the year before the Test Year. PTO carried over
17 from the prior year is assumed to be taken first in the new calendar year. PTO is
18 accrued throughout the calendar year, so it is assumed to be accrued on average at
19 the year's midpoint. PTO taken in a pay period is assumed to be taken at the middle
20 of the pay period.

21 Concentric measured the time between the midpoint of the year before the
22 Test Year Period and the midpoint of each pay period (for carried-over PTO that
23 was taken), as well as the time between the midpoint of the Test Year Period and

1 the midpoint of each pay period (for current-year PTO that was taken). Concentric
2 then weighted these lead times using the number of PTO days that had been taken
3 during each pay period, using the assumption that PTO days carried over from the
4 prior year were used first. The resulting expense lead was calculated to be 65.2
5 days, as shown in WP C-4.

6 **Q. WHAT DO “OTHER O&M” EXPENSES INCLUDE, AND WHAT**
7 **APPROACH DID CONCENTRIC USE TO CALCULATE THE**
8 **ASSOCIATED EXPENSE LEAD?**

9 A. Other O&M expenses include all payments made by the Mid-Tex Division for
10 O&M expenses that otherwise were not analyzed as part of Concentric’s review of
11 labor-related O&M expenses. For the Test Year, Concentric requested and
12 analyzed a random sample of approximately 400 representative invoices to
13 determine the relevant payment terms. For those third-party O&M expenses in the
14 sample that were paid by check, Concentric also included an additional expense
15 lead to account for check float. This sampling analysis resulted in a dollar-weighted
16 expense lead of 26.5 days.

17 **Q. HOW DID YOUR STUDY ADDRESS FEDERAL INCOME TAXES?**

18 A. The expense lead attributable to federal income tax liability for the Test Year was
19 calculated based on quarterly payment dates on September 15, December 15, April
20 18, and June 15. The Mid-Tex Division estimates its quarterly taxable income to
21 avoid an underpayment penalty and interest, and pays the lesser of 25% of total tax
22 liability or an amount based on the annualized calculation method. Because the
23 Mid-Tex Division uses a September fiscal year end, and most of its taxable income

being earned in the first two quarters, the “lesser of” calculation works out to be 25% each quarter. Based on the quarterly payment dates and an estimate of equal payments made in each quarter, Concentric calculated an expense lead of 39.3 days as shown in WP D.

Q. WHAT TAXES AND FEES OTHER THAN INCOME TAXES WERE CONSIDERED IN CONCENTRIC’S ANALYSIS?

A. Concentric’s analysis also considered taxes and fees other than income taxes paid related to utility service. The Mid-Tex Division provided accounting and payment data related to each of the categories of taxes and fees, upon which Concentric estimated expense leads for each as shown below and in WP E.

The table below provides those taxes and fees, along with their respective expense leads.

Figure DSD-2: Taxes Other Than Income Taxes and Fees	
Component	Lead Days
FICA	31.9
Federal Unemployment	75.7
State Unemployment	75.7
State Gross Margin Tax	45.0
Local Gross Receipts Tax	84.4
Gas Utility Tax (Transportation)	95.5
Ad Valorem – MTX	201.5
Ad Valorem – Shared Services	193.8

Q. WHAT APPROACH WAS TAKEN TO CALCULATE THE EXPENSE LEAD ON FICA TAXES?

A. The expense lead for payroll taxes was assumed to be the same as that for regular payroll (inclusive of PTO and incentive compensation lead times, i.e., 32.9 days) less the time that the Mid-Tex Division pays payroll taxes ahead of when payroll is paid, resulting in a net expense lead of 31.9 days.

1 **Q. WHAT APPROACH WAS TAKEN TO CALCULATE THE EXPENSE**
2 **LEAD ON UNEMPLOYMENT TAXES (FEDERAL AND STATE)?**

3 A. Unemployment taxes (Federal and state) are paid quarterly. Therefore, the expense
4 lead for each quarterly tax payment reflects the number of days between the
5 midpoint of each quarter and the payment date.

6 **Q. WHAT APPROACH WAS TAKEN TO CALCULATE THE EXPENSE**
7 **LEAD ON STATE GROSS MARGIN TAX?**

8 A. The expense lead days for state gross margin tax were determined based on the
9 difference between the payment date for gross margin tax and the midpoint of the
10 tax assessment year, resulting in an expense lead of 45.0 days.

11 **Q. WHAT APPROACH WAS TAKEN TO CALCULATE THE EXPENSE**
12 **LEAD ON LOCAL GROSS RECEIPTS TAXES/LOCAL FRANCHISE**
13 **FEES?**

14 A. The expense lead days for local gross receipts taxes were determined based on the
15 difference between the midpoint of the associated franchise periods, resulting in an
16 expense lead of 84.4 days. Amounts recorded on the Mid-Tex Division's books as
17 prepayments are included in rate base as prepayments and were excluded from the
18 cash working capital analysis.

19 **Q. WHAT APPROACH WAS TAKEN TO CALCULATE THE EXPENSE**
20 **LEAD ON RCT GAS UTILITY TAX?**

21 A. RCT gas utility taxes are paid quarterly. Therefore, the expense lead for each
22 quarterly tax payment reflects the number of days between the midpoint of each
23 quarter and the payment date.

1 **Q. WHAT APPROACH WAS TAKEN TO CALCULATE THE EXPENSE**
2 **LEAD ON AD VALOREM TAXES?**

3 A. There are two categories of ad valorem taxes: (a) general plant and (b) shared
4 services. Ad valorem taxes are paid on an annual basis, generally in arrears. The
5 expense lead days for ad valorem taxes were determined based on the number of
6 days between the midpoint of the previous year and the payment date.

7 **Q. WHAT APPROACH WAS TAKEN TO CALCULATE THE EXPENSE**
8 **LEAD ON CUSTOMER SECURITY DEPOSITS?**

9 A. The calculation of the lead days on the interest on customer deposits reflects the
10 deposit refund patterns for residential and commercial classes, resulting in an
11 expense lead of 183.0 days. This method was used to calculate approved lag days
12 in GUD No. 10170.

13 **VI. CONCLUSION**

14 **Q. BASED UPON THE RESULTS OF THE LEAD-LAG STUDY AND THE**
15 **LEVEL OF EXPENSES DESCRIBED IN THE TESTIMONY OF MS.**
16 **MYERS, WHAT IS THE TOTAL LEVEL OF CWC REQUIREMENTS FOR**
17 **THE MID-TEX DIVISION?**

18 A. As shown on Exhibit DSD-2, applying the revenue lag and expense leads that I
19 have calculated to the expense levels provided by Ms. Myers results in a total CWC
20 requirement of negative \$77,143,376, which results in a reduction to rate base.

1 **Q. DO THE RESULTS OF THE LEAD-LAG STUDY REPRESENT AN**
2 **ACCURATE ASSESSMENT OF THE MID-TEX DIVISION’S CWC**
3 **REQUIREMENT?**

4 A. Yes. The lead-lag study represents an accurate assessment of the Mid-Tex
5 Division’s actual CWC needs during the Test Year. Furthermore, the methods used
6 to conduct this lead-lag study are consistent with those previously used and
7 approved by the Commission in the Mid-Tex Division’s most recent litigated rate
8 proceeding, GUD No. 10170.

9 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

10 A. Yes, it does.

STATE OF MASSACHUSETTS §
COUNTY OF MIDDLESEX §

AFFIDAVIT OF DANIEL S. DANE

BEFORE ME, the undersigned authority, on this day personally appeared Daniel S. Dane who having been placed under oath by me did depose as follows:

1. "My name is Daniel S. Dane. I am of sound mind and capable of making this affidavit. The facts stated herein are true and correct based upon my personal knowledge. My current position is President of Concentric Energy Advisors, Inc.

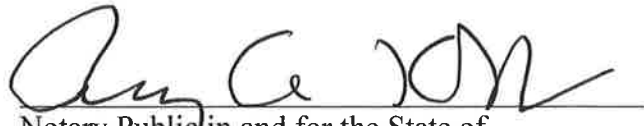
2. I have prepared the foregoing Direct Testimony and the information contained in that document is true and correct to the best of my knowledge."

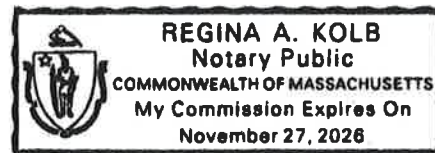
Further affiant sayeth not.


Daniel S. Dane

SUBSCRIBED AND SWORN TO BEFORE ME by Daniel S. Dane on this 5th day of November 2024.




Notary Public in and for the State of
Massachusetts



**DANIEL S. DANE, CPA**
PRESIDENT

Daniel S. Dane has more than 20 years of experience in the energy, utility, and financial services industries advising electric, gas, and water utilities, power generators, and natural gas pipelines in the areas of regulation and ratemaking, litigation, mergers and acquisitions, valuation, and regulatory accounting matters. Mr. Dane also provides expert testimony on regulated ratemaking matters and merger approval applications for investor- and provincially-owned utilities, including on multi-year rate plans and earnings sharing mechanisms, corporate finance matters such as the cost of capital and capitalization, merger impacts, revenue requirements, lead-lag studies/cash working capital, and regulatory policy. Mr. Dane has an MBA from Boston College in Chestnut Hill, Massachusetts, and a BA in Economics from Colgate University in Hamilton, New York. Mr. Dane is also a certified public accountant.

Representative Project Experience

Ratemaking and Utility Regulation Assignments

Expert Testimony

- Submitted expert testimony on behalf of utilities and other stakeholders in state and provincial administrative rate setting and merger approval proceedings regarding multi-year rate plans and earnings sharing mechanisms, corporate finance matters such as the cost of capital and capitalization, valuation of energy and utility assets, merger impacts, revenue requirements, lead-lag studies/cash working capital, and regulatory policy.

Regulatory Advisory

- Provided financial modeling, development of expert reports, and preparation of multiple rounds of testimony on behalf of U.S. and Canadian investor-owned electric, natural gas, and water utilities related to multiple aspects of the ratemaking process, including: performance-based ratemaking; cost of capital; ring fencing; revenue requirements and lead-lag studies/cash working capital; decoupling; prudence and cost recovery; capital tracker tariff mechanisms; cost allocation and shared services; merger approval; securitization and ratemaking policy.
- Consulting assignments have included utility clients across the U.S. and Canada.

Financial Advisory Assignments

Competitive Solicitations & Asset Divestitures

- Sell-side support for approximately \$2 billion in generating asset transactions, including nuclear, natural gas, and coal generating facilities.
- Buy-side due diligence support for U.S., Canadian, and international investors in electric and natural gas LDC utility operations, wind generation, natural gas pipeline facilities, and water/wastewater utilities.



- Regulatory policy, ring-fencing, and merger impacts advisory services including expert testimony, provided to U.S. and Canadian investor-owned utilities.

Valuation Services

- Developed Fairness Opinions issued by CE Capital Advisors, Inc. to Boards of Directors of companies entering into asset purchases and sales. Led valuation modeling on multiple energy-related valuation assignments using the Income Approach, Cost Approach, and Sales Comparison Approach.

Litigation Advisory Assignments

Prepared economic and valuation analyses and expert reports in proceedings related to contract disputes, takings claims, and bankruptcy proceedings. Clients include international diversified energy companies, regulated utilities, and bondholders.

Management and Operations Consulting Assignments

Performed prudence reviews, including contracting strategy reviews and assessments of project controls and oversight for developers of nuclear-generating capacity uprates and new nuclear facilities.

Performed operations and financial performance benchmarking and studies of productivity programs.

PROFESSIONAL HISTORY

Concentric Energy Advisors, Inc. (2004 – Present)

President and Vice Chair

CE Capital Advisors, Inc. (2004 – 2023)

A FINRA-Member broker-dealer subsidiary of Concentric Energy Advisors, Inc.

Ernst & Young (2000 – 2001, 2003 – 2004)

Staff Auditor and Database Management Associate

ZIA Information Analysis Group (1997 – 2000)

EDUCATION

Boston College

M.B.A., 2003

Colgate University

B.A., Economics, 1996

**DESIGNATIONS AND PROFESSIONAL AFFILIATIONS**

Certified Public Accountant, 2004

Massachusetts Society of Certified Public Accountants, 2004

American Institute of Certified Public Accountants, 2011

PRESENTATIONS

“Regulatory Treatment of Timing Differences Related to Pension and OPEB Costs.” Presented to the Ontario Energy Board, July 2016 (Docket No. EB-2015-0040).

“Financial Management and Capital Markets.” University of Idaho Utility Executive Course, 2018.

“Increasing Shareholder Value through the Capital Markets.” University of Idaho Utility Executive Course, 2015, 2016 and 2017.

“A Comparative Analysis of Return on Equity of Natural Gas Utilities” (with Jim Coyne and Julie Lieberman), presented to the Ontario Energy Association, June 2007.



SPONSOR	DATE	CASE/APPLICANT	DOCKET /CASE NO.	SUBJECT
Regulatory Commission of Alaska				
Golden Heart Utilities, Inc. and College Utilities Corporation	08/21	Golden Heart Utilities, Inc. and College Utilities Corporation	U-21-070 U-21-071	Lead-lag Study Cash Working Capital
Golden Heart Utilities, Inc. and College Utilities Corporation	08/24	Golden Heart Utilities, Inc. and College Utilities Corporation	U-24-030 U-24-031	Lead-lag Study Cash Working Capital
Arkansas Public Service Commission				
Liberty Utilities	02/23	The Empire District Electric Company	Docket 22-085-U	Return on Equity Capital Structure
Connecticut Public Utilities Regulatory Authority				
The United Illuminating Company	07/16	The United Illuminating Company	Docket No. 16-06-04	Lead-Lag Study/Cash Working Capital
The Southern Connecticut Gas Company	06/17	The Southern Connecticut Gas Company	Docket No. 17-05-42	Lead-Lag Study/Cash Working Capital
Connecticut Natural Gas Corporation	06/18	Connecticut Natural Gas Corporation	Docket No. 18-05-16	Lead-Lag Study/Cash Working Capital
SJW Group and Connecticut Water Service, Inc.	12/18	Application of SJW Group and Connecticut Water Service, Inc. for Approval of Change of Control	Docket No. 18-07-10	Merger Impacts Cost of Debt and Credit Quality
SJW Group and Connecticut Water Service, Inc.	04/19	Application of SJW Group and Connecticut Water Service, Inc. for Approval of Change of Control	Docket No. 19-04-02	Merger Impacts Cost of Debt and Credit Quality
The United Illuminating Company	09/22	The United Illuminating Company	Docket No. 22-08-08	Multi-Year Rate Plan Revenue Requirements



SPONSOR	DATE	CASE/APPLICANT	DOCKET /CASE NO.	SUBJECT
The Southern Connecticut Gas Company and Connecticut Natural Gas Company	11/23	The Southern Connecticut Gas Company and Connecticut Natural Gas Company	Docket No. 23-11-02	Revenue Requirements
Illinois Commerce Commission				
The Ameren Illinois Utilities	07/10	Central Illinois Light Company; Central Illinois Public Service Company; Illinois Power Company	Docket Nos. 09-0306 thru 09-0311 (cons.)	Rate Base Adjustments Earnings Attrition
Maine Public Utilities Commission				
The Maine Water Company	07/19	Application for Approval of Reorganization Pursuant to 35-A M.R.S. § 708	Docket No. 2019-00096	Merger Impacts, Customer Benefits, Public Interest
Unitil Corporation, Northern Utilities, Inc.	07/24	Request for Regulatory Approvals Related to a Merger of Bangor Natural Gas Company Into Unitil Corporation and Related Debt and Affiliate Arrangements (35-A M.R.S. §§ 707, 708, 901 & 902)	Docket No. 2024-00174	Utility valuation; Merger commitments; Rate base Valuation
Massachusetts Department of Public Utilities				
National Grid	11/17	Boston Gas Company and Colonial Gas Company (each d/b/a National Grid)	D.P.U. 17-170	Performance-Based Rate Plan Revenue Requirement Lead-Lag Study/Cash Working Capital



SPONSOR	DATE	CASE/APPLICANT	DOCKET /CASE NO.	SUBJECT
National Grid	04/18	Boston Gas Company and Colonial Gas Company (each d/b/a National Grid)	D.P.U. 17-170	Impact of the Tax Cuts and Jobs Act of 2017 Administrative and General Expense Allocations
The Berkshire Gas Company	05/18	The Berkshire Gas Company	D.P.U. 18-40	Revenue Requirement
National Grid	11/20	Boston Gas Company and Colonial Gas Company (each d/b/a National Grid)	D.P.U. 20-120	Performance-Based Rate Plan Revenue Requirement Lead-Lag Study/Cash Working Capital
National Grid	11/23	Boston Gas Company and Colonial Gas Company (each d/b/a National Grid)	D.P.U. 23-150	Performance-Based Rate Plan Revenue Requirement Lead-Lag Study/Cash Working Capital
New Hampshire Public Utilities Commission				
Liberty Utilities (EnergyNorth Natural Gas) Corp.	04/17	Liberty Utilities (EnergyNorth Natural Gas) Corp.	Docket No. DG 17-048	Temporary Rates
Liberty Utilities (EnergyNorth Natural Gas) Corp.	04/17	Liberty Utilities (EnergyNorth Natural Gas) Corp.	Docket No. DG 17-048	Revenue Requirement Step Adjustments
Liberty Utilities (Granite State Electric) Corp.	05/23	Liberty Utilities (Granite State Electric) Corp.	Docket No. DG 23-039	Temporary Rates
Liberty Utilities (Granite State Electric) Corp.	05/23	Liberty Utilities (Granite State Electric) Corp.	Docket No. DG 23-039	Multi-Year Rate Plan Revenue Requirement
New Mexico Public Regulation Commission				
El Paso Electric Company	05/20	El Paso Electric Company	Case No. 20-00104-UT	Lead-lag Study/Cash Working Capital



SPONSOR	DATE	CASE/APPLICANT	DOCKET /CASE NO.	SUBJECT
Nova Scotia Utility Board				
Nova Scotia Power, Inc.	01/22	Nova Scotia Power, Inc.	M10431	Earnings Sharing Mechanism, Storm Rider, and Demand Side Management Rider
Oklahoma Corporate Commission				
Liberty Utilities Co.	02/22	Liberty-Empire	Cause No. PUD 202100163	Return on Equity Capital Structure
Liberty Utilities Co.	06/22	Liberty-Empire	Cause No. PUD 202100050	Winter Storm Funding and Cost Recovery
Ontario Energy Board				
Ontario Power Generation	05/16	Ontario Power Generation	EB 2016-0152	Cost of Capital: Equity Thickness
Ontario Power Generation	12/20	Ontario Power Generation	EB 2020-0290	Cost of Capital: Equity Thickness
Hydro One Networks Inc.	08/21	Hydro One Networks Inc.	EB 2021-0110	Productivity Framework Review
Enbridge Gas Inc. (Operating as Enbridge Gas Distribution Inc.)	10/22	Enbridge Gas Inc. (Operating as Enbridge Gas Distribution Inc.)	EB-2022-0200	Cost of Capital: Equity Thickness
Ontario Energy Association, Coalition of Large Distributors and Ontario Power Generation	07/24	Generic proceeding commenced by the Ontario Energy Board to consider the cost of capital parameters and deemed capital structure to be used to set rates	EB-2024-0063	Cost of Capital (ROE, Cost of Debt, and Capital Structure); Carrying Costs on Regulatory Deferrals; Carrying Costs on Cloud Computing Deferrals



SPONSOR	DATE	CASE/APPLICANT	DOCKET /CASE NO.	SUBJECT
Rhode Island Division of Public Utilities and Carriers				
PPL Corporation	11/21	PPL Corporation and PPL Rhode Island Holdings, LLC	D-21-09	Merger Impacts
South Dakota Public Utilities Commission				
Northern States Power Company-MN	06/11	Northern States Power Company-MN	EL 11-019	Return on Equity Capital Structure
Public Utility Commission of Texas				
El Paso Electric Company	02/17	El Paso Electric Company	Docket No. 46831	Lead-Lag Study/Cash Working Capital
El Paso Electric Company	06/21	El Paso Electric Company	Docket No. 52195	Lead-Lag Study/Cash Working Capital
Railroad Commission of Texas				
Atmos Pipeline – Texas (APT), a division of Atmos Energy Corporation	05/23	Atmos Pipeline – Texas (APT), a division of Atmos Energy Corporation	Case No. 00013758	Lead-Lag Study/Cash Working Capital



SPONSOR	DATE	CASE/APPLICANT	DOCKET /CASE NO.	SUBJECT
Vermont Public Utility Commission				
Vermont Department of Public Service	08/17	Joint Petition of NorthStar Decommissioning Holdings, LLC, NorthStar Nuclear Decommissioning Company, LLC, NorthStar Group Services, Inc., LVI Parent Corp., NorthStar Group Holdings, LLC, Entergy Nuclear Vermont Investment Company, LLC, and Entergy Nuclear Operations, Inc., to transfer ownership of Entergy Nuclear Vermont Yankee, LLC, and for certain ancillary approvals, pursuant to 30 V.S.A. §§ 107, 231, and 232	Docket No. 8880	Nuclear Facility Transfer Financial Capability and Credit Quality

ATMOS ENERGY CORP., MID-TEX DIVISION
CASH WORKING CAPITAL REQUIREMENT - LEAD-LAG STUDY
TEST YEAR ENDING JUNE 30, 2024

Line No.	Description	Total Company Revenue Requirement	Average Daily Expense Amount	Revenue Lag Days	Reference	Expense Lead Days	Reference	Net (Lead)/Lag	Working Capital Requirement
	(A)	(B)	(C)=(B)/366	(D)	(E)	(F)	(G)	(H)=(D)-(F)	(I)=(C)x(H)
1	Gas Supply Expenses:								
2	Purchased Gas	\$ 370,903,836	\$ 1,013,398	32.6	A	40.9	B	(8.2)	\$ (8,353,098)
3	Upstream Gas	721,595,007	1,971,571	32.6	A	38.9	B	(6.2)	(12,265,012)
4									
5	Operation and Maintenance Expenses:								
6	O&M, Labor	94,598,808	258,467	32.65	A	14.0	C	18.6	4,811,608
7	O&M, Non-Labor	209,170,303	571,504	32.65	A	45.4	C	(12.8)	(7,302,068)
8									
9	Federal Income Taxes								
10	Current Taxes	0	0	32.6	A	39.3	D	(6.6)	0
11									
12	Taxes Other Than Income Taxes [1]								
14	Payroll Taxes	4,774,644	13,045	32.6	A	32.2	E	0.4	5,730
14	Payroll Taxes - Allocated	2,869,891	7,841	32.6	A	32.2	E	0.4	3,444
15	Local Franchise Fees	53,437,206	146,003	32.6	A	84.4	E	(51.8)	(7,556,584)
16	Gas Utility (Transportation) RCT	160,524	439	32.6	A	95.5	E	(62.8)	(27,553)
13	Ad Valorem	98,892,976	270,199	32.6	A	201.5	E	(168.9)	(45,623,838)
15	Ad Valorem - Allocated	491,742	1,344	32.6	A	193.8	E	(161.2)	(216,523)
16									
17	State Income Tax/Gross Margin	11,761,943	32,136	32.6	A	45.0	E	(12.4)	(396,965)
18									
19	Interest on Customer Deposits	541,670	1,480	32.6	A	183.0	F	(150.4)	(222,518)
20									
21									
22	Total Company Working Capital	<u>\$ 1,569,198,550</u>	<u>\$ 4,287,428</u>						<u>\$ (77,143,376)</u>
23									
24	[1] Excludes DOT Tax, State Gross Receipts Tax and Prepaid Local Franchise Fees.								

WORKPAPERS
TO
DIRECT TESTIMONY
OF
DANIEL S. DANE

Workpapers to the Direct Testimony of Daniel S. Dane are being provided in electronic format.

Confidential Workpapers to the Direct Testimony of Daniel S. Dane will be provided pursuant to the terms of the Protective Agreement in this proceeding or Protective Order issued in OS-24-00019196.

CASE NO. 00019196

STATEMENT OF INTENT FILED BY	§	
ATMOS ENERGY CORP. TO CHANGE	§	RAILROAD COMMISSION
GAS UTILITY RATES WITHIN THE	§	
UNINCORPORATED AREAS OF THE	§	OF TEXAS
MID-TEX DIVISION	§	

DIRECT TESTIMONY

OF

DYLAN W. D'ASCENDIS

WITNESS FOR

ATMOS ENERGY CORP., MID-TEX DIVISION

NOVEMBER 18, 2024

**INDEX TO THE DIRECT TESTIMONY OF
DYLAN W. D’ASCENDIS, WITNESS FOR
ATMOS ENERGY CORP., MID-TEX DIVISION**

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APPENDIX A

LIST OF EXHIBITS

Exhibit DWD-1	Summary of Cost of Capital and Fair Rate of Return
Exhibit DWD-2	Indicated Common Equity Cost Rate Using the DCF Model
Exhibit DWD-3	Indicated Common Equity Cost Rate Using the Risk Premium Model
Exhibit DWD-4	Indicated Common Equity Cost Rate Using the CAPM
Exhibit DWD-5	Basis of Selection for the Non-Price Regulated Companies Comparable in Total Risk to the Utility Proxy Group
Exhibit DWD-6	Cost of Common Equity Models Applied to the Non-Price Regulated Proxy Group
Exhibit DWD-7	Estimated Market Capitalization for Atmos Energy and the Utility Proxy Group

DIRECT TESTIMONY OF DYLAN W. D'ASCENDIS

I. INTRODUCTION AND PURPOSE

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Dylan W. D'Ascendis. My business address is 3000 Atrium Way, Suite 200, Mount Laurel, NJ 08054.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am a Partner at ScottMadden, Inc.

Q. PLEASE SUMMARIZE YOUR PROFESSIONAL EXPERIENCE AND EDUCATIONAL BACKGROUND.

A. I have offered expert testimony on behalf of investor-owned utilities in over 40 state regulatory commissions in the United States, the Federal Energy Regulatory Commission, the National Energy Regulator in Canada, the Alberta Utility Commission, one American Arbitration Association panel, and the Superior Court of Rhode Island on issues including, but not limited to, common equity cost rate, rate of return, valuation, capital structure, class cost of service, and rate design.

On behalf of the American Gas Association ("AGA"), I calculate the AGA Gas Index, which serves as the benchmark against which the performance of the American Gas Index Fund ("AGIF") is measured on a monthly basis. The AGA Gas Index and AGIF are a market capitalization-weighted index and mutual fund, respectively, comprised of the common stocks of the publicly traded corporate members of the AGA.

I am a member of the Society of Utility and Regulatory Financial Analysts ("SURFA"). In 2011, I was awarded the professional designation "Certified Rate

1 of Return Analyst” by SURFA, which is based on education, experience, and the
2 successful completion of a comprehensive written examination.

3 I am also a member of the National Association of Certified Valuation
4 Analysts (“NACVA”) and was awarded the professional designation “Certified
5 Valuation Analyst” by the NACVA in 2015.

6 I am a graduate of the University of Pennsylvania, where I received a
7 Bachelor of Arts degree in Economic History. I have also received a Master of
8 Business Administration with high honors and concentrations in Finance and
9 International Business from Rutgers University.

10 The details of my educational background and expert witness appearances
11 are included in Appendix A.

12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
13 **PROCEEDING?**

14 A. The purpose of my testimony is to present evidence and provide a recommendation
15 regarding Atmos Energy Corporation’s Mid-Tex operations (“Atmos Energy” or
16 the “Company”) relative to the appropriate capital structure and corresponding cost
17 rates which the Company should be afforded the opportunity to earn on its
18 jurisdictional rate base.

19 **Q. WHAT IS YOUR RECOMMENDED RETURN ON COMMON EQUITY**
20 **(“ROE”) FOR ATMOS ENERGY?**

21 A. I recommend that the Railroad Commission of Texas (“Commission”) authorize
22 Atmos Energy the opportunity to earn an overall rate of return of 8.23% based on
23 the Company’s actual capital structure at September 30, 2024, which consists of
24 39.03% long-term debt at an embedded debt cost rate of 4.15%, and 60.97%

common equity at my recommended ROE of 10.85%. The overall rate of return is summarized on page 1 of Exhibit DWD-1 and in Table 1 below:

Table 1: Summary of Recommended Weighted Average Cost of Capital

Type of Capital	Ratios	Cost Rate	Weighted Cost Rate
Long-Term Debt	39.03%	4.15%	1.62%
Common Equity	<u>60.97%</u>	<u>10.85%</u>	<u>6.62%</u>
Total	<u>100.00%</u>		<u>8.23%</u>

II. SUMMARY OF TESTIMONY

Q. PLEASE SUMMARIZE YOUR RECOMMENDED COMMON EQUITY COST RATE.

A. My recommended common equity cost rate of 10.85% is summarized on page 2 of Exhibit DWD-1. I have assessed the market-based common equity cost rates of companies of relatively similar, but not necessarily identical, risk to Atmos Energy. Using companies of relatively comparable risk as proxies is consistent with the principles of fair rate of return established in the *Hope*¹ and *Bluefield*² decisions. No proxy group can be identical in risk to any single company. Consequently, there must be an evaluation of relative risk between the Company and the proxy group to determine if it is appropriate to adjust the proxy group's indicated rate of return.

My recommendation results from the application of several cost of common equity models, specifically the Discounted Cash Flow ("DCF") model, the Risk Premium Model ("RPM"), and the Capital Asset Pricing Model ("CAPM"), to the market data of a proxy group of six natural gas distribution utilities ("Utility Proxy Group") whose selection criteria will be discussed below. In addition, I applied

¹ *Fed. Power Comm'n v. Hope Nat. Gas Co.*, 320 U.S. 591, 64 S. Ct. 281, 88 L. Ed. 333 (1944) ("*Hope*").

² *Bluefield Waterworks & Imp. Co. v. Pub. Serv. Comm'n of W. Va.*, 262 U.S. 679, 43 S. Ct. 675, 67 L. Ed. 1176 (1923) ("*Bluefield*").

these same models to a proxy group of 53 domestic, non-price regulated companies comparable in total risk to the Utility Proxy Group (“Non-Price Regulated Proxy Group”). The results derived from each are as follows:

Table 2: Summary of Common Equity Cost Rates

Discounted Cash Flow Model	9.89%
Risk Premium Model	10.69%
Capital Asset Pricing Model	11.08%
Market Models Applied to Comparable Risk, Non-Price Regulated Companies	<u>11.86%</u>
Indicated Range of Common Equity Cost Rates Before Adjustments for Company-Specific Risk	9.89% - 11.86%
Size Adjustment	-0.10%
Credit Risk Adjustment	<u>-0.03%</u>
Indicated Range of Common Equity Cost Rates after Adjustment	<u>9.76% – 11.73%</u>
Recommended Cost of Common Equity	<u>10.85%</u>

The indicated range of common equity cost rates applicable to the Utility Proxy Group is between 9.89% and 11.86%, before any Company-specific adjustments.

To reflect Atmos Energy’s specific risks, I then adjusted the indicated common equity cost rate model results to reflect the Company’s larger relative size (-0.10%) and higher bond rating (-0.03%), as compared to the Utility Proxy Group.³ These adjustments resulted in a Company-specific indicated range of common equity cost rates between 9.76% and 11.73%. From the unadjusted and adjusted

³ See Section VIII for a detailed discussion of my cost of common equity adjustments. While I believe that flotation costs are an appropriate cost of capital, I do not consider them in my adjusted range of ROEs due to Commission precedent.

1 ranges of ROEs, I recommend the Commission adopt an ROE of 10.85% for
2 ratemaking purposes in this case.

3 **Q. HOW IS THE REMAINDER OF YOUR DIRECT TESTIMONY**
4 **ORGANIZED?**

5 A. The remainder of my Direct Testimony is organized as follows:

- 6 • Section III – Provides a summary of financial theory and regulatory principles
7 pertinent to the development of the cost of common equity;
- 8 • Section IV – Explains my selection of the Utility Proxy Group used to develop
9 my analytical results;
- 10 • Section V – Discusses the Company’s requested capital structure;
- 11 • Section VI – Describes the analyses on which my recommendation is based;
- 12 • Section VII – Summarizes my common equity cost rate before adjustments to
13 reflect Company-specific factors;
- 14 • Section VIII – Explains my adjustments to my common equity cost rate to
15 reflect Company-specific factors; and
- 16 • Section IX – Presents my conclusions.

17 **III. GENERAL PRINCIPLES**

18 **Q. WHAT GENERAL PRINCIPLES HAVE YOU CONSIDERED IN**
19 **ARRIVING AT YOUR RECOMMENDED COMMON EQUITY COST**
20 **RATE OF 10.85%?**

21 A. In unregulated industries, marketplace competition is the principal determinant of
22 the price of products or services. For regulated public utilities, regulation must act
23 as a substitute for marketplace competition. Assuring that the utility can fulfill its

1 obligations to the public, while providing safe and reliable service at all times,
2 requires a level of earnings sufficient to maintain the integrity of presently invested
3 capital. Sufficient earnings also permit the attraction of needed new capital at a
4 reasonable cost, for which the utility must compete with other firms of comparable
5 risk, consistent with the fair rate of return standards established by the U.S.
6 Supreme Court in the previously cited *Hope* and *Bluefield* cases.

7 The U.S. Supreme Court affirmed the fair rate of return standards in *Hope*,
8 when it stated:

9 The rate-making process under the Act, i.e., the fixing of ‘just and
10 reasonable’ rates, involves a balancing of the investor and the
11 consumer interests. Thus we stated in the Natural Gas Pipeline Co.
12 case that ‘regulation does not insure that the business shall produce
13 net revenues.’ 315 U.S. at page 590, 62 S.Ct. at page 745, 86 L.Ed.
14 1037. But such considerations aside, the investor interest has a
15 legitimate concern with the financial integrity of the company
16 whose rates are being regulated. From the investor or company
17 point of view it is important that there be enough revenue not only
18 for operating expenses but also for the capital costs of the business.
19 These include service on the debt and dividends on the stock. Cf.
20 Chicago & Grand Trunk R. Co. v. Wellman, 143 U.S. 339, 345, 346
21 12 S.Ct. 400,402, 36 L.Ed. 176. By that standard the return to the
22 equity owner should be commensurate with returns on investments
23 in other enterprises having corresponding risks. That return,
24 moreover, should be sufficient to assure confidence in the financial
25 integrity of the enterprise, so as to maintain its credit and to attract
26 capital.⁴

27 In summary, the U.S. Supreme Court has found a return that is adequate to
28 attract capital at reasonable terms enables the utility to provide service while
29 maintaining its financial integrity. As discussed above, and in keeping with
30 established regulatory standards, that return should be commensurate with the
31 returns expected elsewhere for investments of equivalent risk. The Commission’s

⁴ *Hope*, 320 U.S. at 603.

1 decision in this proceeding, therefore, should provide the Company with the
2 opportunity to earn a return that is: (1) adequate to attract capital at reasonable cost
3 and terms; (2) sufficient to ensure their financial integrity; and (3) commensurate
4 with returns on investments in enterprises having corresponding risks.

5 Lastly, the required return for a regulated public utility is established on a
6 stand-alone basis, i.e., for the utility operating company at issue in a rate case.
7 Parent entities, like other investors, have capital constraints and must look at the
8 attractiveness of the expected risk-adjusted return of each investment alternative in
9 their capital budgeting process. That is, utility holding companies that own many
10 utility operating companies or are comprised of separate divisions, have choices as
11 to where they will invest their capital within their operating footprint. Therefore,
12 the opportunity cost concept applies regardless of the source of the funding, public
13 funding or corporate funding.

14 When funding is provided by a parent entity, the return still must be
15 sufficient to provide an incentive to allocate equity capital to the subsidiary or
16 business unit rather than other internal or external investment opportunities. That
17 is, the regulated subsidiary must compete for capital with all the parent company's
18 affiliates, across divisions, and with other, similarly situated utility companies. In
19 that regard, investors value corporate entities on a sum-of-the-parts basis and expect
20 each division within the parent company to provide an appropriate risk-adjusted
21 return.

22 It therefore is important that the authorized ROE reflects the risks and
23 prospects of the utility's operations and supports the utility's financial integrity
24 from a stand-alone perspective as measured by their combined business and

financial risks. Consequently, the ROE authorized in this proceeding should be sufficient to support the operational (i.e., business risk) and financing (i.e., financial risk) of the Company's utility operations on a stand-alone basis.

Q. SHOULD THE COMMISSION CONTINUE ITS PRECEDENT OF EVALUATING ATMOS ENERGY AS A STAND-ALONE COMPANY FOR COST OF CAPITAL PURPOSES IN THIS CASE?

A. Yes, it should. Because the overall rates of return set in this proceeding will be applied to Atmos Energy's rate base, it should be evaluated as a stand-alone entity. To do otherwise would be discriminatory, confiscatory, and inaccurate. It is also a basic financial precept that the use of the funds invested give rise to the risk of the investment. As Brealey and Myers state:

The true cost of capital depends on the use to which the capital is put.

Each project should be evaluated at its own opportunity cost of capital; the true cost of capital depends on the use to which the capital is put.⁵

Morin confirms Brealey and Myers when he states:

Financial theory clearly establishes that the cost of equity is the risk-adjusted opportunity cost of the investors and not the cost of the specific capital sources employed by investors. The true cost of capital depends on the use to which the capital is put and not on its source. The *Hope* and *Bluefield* doctrines have made clear that the relevant considerations in calculating a company's cost of capital are the alternatives available to investors and the returns and risks associated with those alternatives.⁶

Additionally, Levy and Sarnat state:

⁵ Richard A. Brealey and Stewart C. Myers, *Principles of Corporate Finance* at 173, 198 (McGraw-Hill, 3rd ed. 1988) (italics and bold in original).

⁶ Roger A. Morin, *Modern Regulatory Finance* at 581 (Public Utility Reports, Inc., 2021) ("Morin").

1 The firm's cost of capital is the discount rate employed to discount
 2 the firm's average cash flow, hence obtaining the value of the firm.
 3 It is also the weighted average cost of capital, as we shall see below.
 4 The weighted average cost of capital should be employed for project
 5 evaluation . . . only in cases where the risk profile of the new project
 6 is a "carbon copy" of the risk profile of the firm.⁷

7 Although Levy and Sarnat discuss a project's cost of capital relative to a
 8 firm's cost of capital, these principles apply equally to the use of a proxy group-
 9 based cost of capital. Each company must be viewed on its own merits, regardless
 10 of the source of its equity capital. As *Bluefield* clearly states:

11 A public utility is entitled to such rates as will permit it to earn a
 12 return on the value of the property which it employs for the
 13 convenience of the public equal to that generally being made at the
 14 same time and in the same general part of the country on investments
 15 in other business undertakings which are attended by corresponding
 16 risks and uncertainties;⁸

17 In other words, it is the "risks and uncertainties" surrounding the property
 18 employed for the "convenience of the public" which determines the appropriate
 19 level of rates. In this proceeding, the property employed "for the convenience of
 20 the public" is the rate base of Atmos Energy. Thus, it is only the risk of investment
 21 in Atmos Energy that is relevant to the determination of the cost of common equity
 22 to be applied to the common equity-financed portion of that rate base.

23 **Q. DOES THE TEXAS UTILITIES CODE IMPOSE A SIMILAR STANDARD**
 24 **REGARDING THE OVERALL COST OF CAPITAL TO BE ADOPTED IN**
 25 **ESTABLISHING GAS UTILITY RATES?**

26 **A. Yes. The Texas Utilities Code ("Tex. Util Code") requires that:**

⁷ Haim Levy & Marshall Sarnat, *Capital Investment and Financial Decisions* at 465 (Prentice/Hall International, 1986).

⁸ *Bluefield*, 262 U.S. at 692, 43 S. Ct. at 678.

1 . . . the regulatory authority shall establish the utility's overall
2 revenues at an amount that will permit the utility a reasonable
3 opportunity to earn a reasonable return on the utility's invested
4 capital used and useful in providing service to the public in excess
5 of its reasonable and necessary operating expenses.⁹

6 Atmos Energy is the gas distribution utility for whom the Commission will
7 establish overall revenues in this case.

8 **Q. WITHIN THAT BROAD FRAMEWORK, HOW IS THE COST OF**
9 **CAPITAL ESTIMATED IN REGULATORY PROCEEDINGS?**

10 A. Regulated utilities primarily use common stock and long-term debt to finance their
11 permanent property, plant, and equipment (i.e., rate base). The fair rate of return
12 for a regulated utility is based on its weighted average cost of capital, in which, as
13 noted earlier, the costs of the individual sources of capital are weighted by their
14 respective book values.

15 The cost of capital is the return investors require to make an investment in
16 a firm. Investors will provide funds to a firm only if the return that they *expect* is
17 equal to, or greater than, the return that they *require* to accept the risk of providing
18 funds to the firm.

19 The cost of capital (that is, the combination of the costs of debt and equity)
20 is based on the economic principle of "opportunity costs." Investing in any asset
21 (whether debt or equity securities) represents a forgone opportunity to invest in
22 alternative assets. For any investment to be sensible, its expected return must be at
23 least equal to the return expected on alternative, comparable risk investment
24 opportunities. Because investments with like risks should offer similar returns, the

⁹ Tex. Util. Code § 104.051.

1 opportunity cost of an investment should equal the return available on an
2 investment of comparable risk.

3 The cost of debt is contractually defined and can be directly observed as the
4 interest rate or yield on debt securities. However, the cost of equity is not directly
5 observable and must be estimated based on market data and various financial
6 models. Because the cost of equity is premised on opportunity costs, the models
7 used to determine it are typically applied to a group of “comparable” or “proxy”
8 companies.

9 In the end, the estimated cost of capital should reflect the return that
10 investors require in light of the subject company’s business and financial risks, and
11 the returns available on comparable investments.

12 **Q. IS THE AUTHORIZED RETURN SET IN REGULATORY PROCEEDINGS**
13 **GUARANTEED?**

14 A. No, it is not. Consistent with the *Hope* and *Bluefield* standards, the ratemaking
15 process should provide the utility a reasonable opportunity to recover its return of,
16 and return on, its reasonably incurred investments, but it does not guarantee that
17 return. While a utility may have control over some factors that affect the ability to
18 earn its authorized return (e.g., management performance, operating and
19 maintenance expenses, etc.), there are several factors beyond a utility’s control that
20 affect its ability to earn its authorized return. Those may include factors such as
21 weather, the economy, and the prevalence and magnitude of regulatory lag.

1 A. Business Risk

2 **Q. PLEASE DEFINE BUSINESS RISK AND EXPLAIN WHY IT IS**
 3 **IMPORTANT FOR DETERMINING A FAIR RATE OF RETURN.**

4 A. The investor-required ROE reflects investors' assessment of the total investment
 5 risk of the subject firm. Total investment risk is often discussed in the context of
 6 business and financial risk.¹⁰

7 Business risk reflects the uncertainty associated with owning a company's
 8 common stock without the company's use of debt and/or preferred stock financing.
 9 One way of considering the distinction between business and financial risk is to
 10 view the former as the uncertainty of the expected earned ROE, assuming the firm
 11 is financed with no debt.

12 Examples of business risks generally faced by utilities include, but are not
 13 limited to, the regulatory environment, pipeline safety requirements, mandatory
 14 environmental compliance requirements, customer mix and concentration of
 15 customers, service territory economic growth, market demand, risks and
 16 uncertainties of supply, operations, capital intensity, size, the degree of operating
 17 leverage, and the like, all of which have a direct bearing on earnings.

18 Although analysts, including rating agencies, may categorize business risks
 19 individually, as a practical matter, such risks are interrelated and not wholly distinct
 20 from one another. When determining an appropriate ROE, the relevant issue is
 21 where investors see the subject company in relation to other similarly situated
 22 utility companies (i.e., the Utility Proxy Group). To the extent investors view a

¹⁰ As will be discussed later in this testimony, another definition of total risk is systematic risk plus unsystematic risk.

1 company as being exposed to higher risk, the required return will increase, and vice
2 versa.

3 For regulated utilities, business risks are both long-term and near-term in
4 nature. Whereas near-term business risks are reflected in year-to-year variability
5 in earnings and cash flow brought about by economic or regulatory factors, long-
6 term business risks reflect the prospect of an impaired ability of investors to obtain
7 both a fair rate of return on, and return of, their capital. Moreover, because utilities
8 accept the obligation to provide safe, adequate and reliable service (in exchange for
9 a reasonable opportunity to earn a fair return on their investment), they generally
10 do not have the option to delay, defer, or reject capital investments. Because those
11 investments are capital-intensive, utilities generally do not have the option to avoid
12 raising external funds during periods of capital market distress, if necessary.

13 Because utilities invest in long-lived assets, long-term business risks are of
14 paramount concern to equity investors. That is, the risk of not recovering the return
15 on their investment extends far into the future. The timing and nature of events that
16 may lead to losses, however, also are uncertain and, consequently, those risks and
17 their implications for the required ROE tend to be difficult to quantify. Regulatory
18 commissions (like investors who commit their capital) must review a variety of
19 quantitative and qualitative data and apply their reasoned judgment to determine
20 how long-term risks weigh in their assessment of the market-required ROE.

1 **B. Financial Risk**

2 **Q. PLEASE DEFINE FINANCIAL RISK AND EXPLAIN WHY IT IS**
3 **IMPORTANT IN DETERMINING A FAIR RATE OF RETURN.**

4 A. Financial risk is the additional risk created by the introduction of debt and preferred
5 stock into the capital structure. The higher the proportion of debt and preferred
6 stock in the capital structure, the higher the financial risk to common equity owners
7 (i.e., failure to receive dividends due to default or other covenants). Therefore,
8 consistent with the basic financial principle of risk and return, common equity
9 investors demand higher returns as compensation for bearing higher financial risk.

10 **Q. CAN BOND AND CREDIT RATINGS BE A PROXY FOR A FIRM'S**
11 **COMBINED BUSINESS AND FINANCIAL RISKS TO EQUITY OWNERS**
12 **(I.E., INVESTMENT RISK)?**

13 A. Yes, similar bond ratings/issuer credit ratings reflect, and are representative of,
14 similar combined business and financial risks (i.e., total risk) faced by bond
15 investors.¹¹ Although specific business or financial risks may differ between
16 companies, the same bond/credit rating indicates that the combined risks are
17 roughly similar from a debtholder perspective. The caveat is that these debtholder
18 risk measures do not translate directly to risks for common equity.

¹¹ Risk distinctions within S&P's bond rating categories are recognized by a plus or minus, e.g., within the A category, an S&P rating can be at A+, A, or A-. Similarly, risk distinction for Moody's ratings are distinguished by numerical rating gradations, e.g., within the A category, a Moody's rating can be A1, A2 and A3.

1 **Q. DO RATING AGENCIES ACCOUNT FOR COMPANY SIZE IN THEIR**
2 **BOND RATINGS?**

3 A. No. Neither Standard & Poor's ("S&P") nor Moody's Investor Service
4 ("Moody's") have minimum company size requirements for any given rating level.
5 This means, all else equal, a relative size analysis must be conducted for equity
6 investments in companies with similar bond ratings.

7 **IV. ATMOS ENERGY'S OPERATIONS AND THE UTILITY PROXY GROUP**

8 **Q. ARE YOU FAMILIAR WITH ATMOS ENERGY'S OPERATIONS?**

9 A. Yes. Atmos Energy's operations serve approximately 1.85 million customers in
10 Texas (Dallas/Fort Worth Metroplex).¹² Atmos Energy's gas operations are not
11 publicly-traded as they comprise an operating division of Atmos Energy
12 Corporation ("ATO"), which operates in eight states¹³ and serves approximately 3.3
13 million gas customers¹⁴ and is publicly-traded under symbol ATO.

14 **Q. WHY IS IT NECESSARY TO DEVELOP A PROXY GROUP WHEN**
15 **ESTIMATING THE ROE FOR THE COMPANY?**

16 A. Because the Company is not publicly traded and does not have publicly traded
17 equity securities, it is necessary to develop groups of publicly traded, comparable
18 companies to serve as "proxies" for the Company. In addition to the analytical
19 necessity of doing so, the use of proxy companies is consistent with the *Hope* and
20 *Bluefield* comparable risk standards, as discussed above. I have selected two proxy
21 groups that, in my view, are fundamentally risk-comparable to the Company: a

¹² Atmos Energy Corporation, 2023 SEC Form 10-K, at 4.

¹³ *Id.* In addition to Texas, ATO also serves customers in Kentucky, Louisiana, Mississippi, Virginia, Colorado, Kansas, and Tennessee.

¹⁴ Atmos Energy Corporation, 2023 SEC Form 10-K, at 4.

1 Utility Proxy Group and a Non-Price Regulated Proxy Group, which is comparable
2 in total risk to the Utility Proxy Group.¹⁵

3 Even when proxy groups are carefully selected, it is common for analytical
4 results to vary from company to company. Despite the care taken to ensure
5 comparability, because no two companies are identical, market expectations
6 regarding future risks and prospects will vary within the proxy group. It therefore
7 is common for analytical results to reflect a seemingly wide range, even for a group
8 of similarly situated companies. At issue is how to estimate the ROE from within
9 that range. That determination will be best informed by employing a variety of
10 sound analyses that necessarily must consider the sort of quantitative and
11 qualitative information discussed throughout my Direct Testimony. Additionally, a
12 relative risk analysis between the Company and the Utility Proxy Group must be
13 made to determine whether or not explicit Company-specific adjustments need to
14 be made to the Utility Proxy Group's indicated results.

15 **Q. PLEASE EXPLAIN HOW YOU CHOSE THE COMPANIES IN THE**
16 **UTILITY PROXY GROUP.**

17 A. The companies selected for the Utility Proxy Group met the following criteria:

- 18 (i) They were included in the Natural Gas Utility Group of *Value Line's*
19 *Standard Edition (Value Line)* (August 23, 2024);
20 (ii) They have 60% or greater of fiscal year 2023 total operating income derived
21 from, and 60% or greater of fiscal year 2023 total assets attributable to,
22 regulated gas distribution operations;

¹⁵ The development of the Non-Price Regulated Proxy Group is explained in more detail in Section VI.

- (iii) At the time of preparation of this testimony, they had not publicly announced that they were involved in any major merger or acquisition activity (i.e., one publicly-traded utility merging with or acquiring another);
- (iv) They have not cut or omitted their common dividends during the five years ended 2023 or through the time of preparation of this testimony;
- (v) They have *Value Line* and Bloomberg Professional Services (“Bloomberg”) adjusted Beta coefficients (“beta”);
- (vi) They have positive *Value Line* five-year dividends per share (“DPS”) growth rate projections; and
- (vii) They have *Value Line*, Zacks, S&P Capital IQ, or Yahoo! Finance consensus five-year earnings per share (“EPS”) growth rate projections.

The following six companies met these criteria:

Table 3: Gas Utility Proxy Group Screening Results

Company	Ticker
Atmos Energy Corporation	ATO
New Jersey Resources Corporation	NJR
NiSource Inc.	NI
Northwest Natural Holding Company	NWN
ONE Gas, Inc.	OGS
Spire Inc.	SR

V. CAPITAL STRUCTURE

Q. WHAT IS THE CAPITAL STRUCTURE THE COMPANY IS PROPOSING IN THIS PROCEEDING?

A. Atmos Energy is proposing a capital structure comprised of 60.97% common equity and 39.03% long-term debt.¹⁶ The proposed capital structure is based on the actual capital structure of ATO, as of September 30, 2024.

¹⁶ Schedule G Cost of Service with CCOS.

1 **Q. HOW DOES THIS CAPITAL STRUCTURE COMPARE TO THOSE**
 2 **HISTORICALLY MAINTAINED BY ATMOS ENERGY?**

3 A. Atmos Energy’s proposed capital structure is comparable to capital structures
 4 maintained by Atmos Energy for since 2019:

5 **Table 4: Capital Structure Maintained by Atmos Energy 2019-2023¹⁷**

Type of Capital	2023	2022	2021	2020	2019
Long-Term Debt	37.62%	37.96%	39.35%	40.02%	38.03%
Common Equity	<u>62.38%</u>	<u>62.04%</u>	<u>60.65%</u>	<u>59.98%</u>	<u>61.97%</u>
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

6 **Q. HOW DOES THIS CAPITAL STRUCTURE COMPARE TO THAT OF**
 7 **OTHER LARGE GAS UTILITIES OPERATING WITHIN TEXAS?**

8 A. Atmos Energy’s proposed capital structure is comparable to the capital structure
 9 comprised of 60.61% equity and 39.39% long-term debt approved by the
 10 Commission for CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy
 11 Entex and CenterPoint Energy Texas Gas (“CenterPoint”) in Docket No. OS-23-
 12 00015513.¹⁸ Atmos Energy’s proposed capital structure is also comparable to
 13 approved for Texas Gas Service Company, a Division of ONE Gas, Inc. (“TGS”)
 14 in Docket No. OS-23-00014399. In that case, the Commission approved TGS’s
 15 actual capital structure, which at that time was comprised of 59.07% equity and
 16 40.93% long-term debt.¹⁹

¹⁷ Atmos Energy SEC Filed 10-Ks for fiscal years ending 2019-2023. Excluding securitized debt associated with Winter Storm Uri.

¹⁸ See *Statement of Intent of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas to Change Rates in the Unincorporated Areas and Municipalities that have Ceded Jurisdiction within the Houston, Texas Coast, Beaumont/East Texas, and South Texas Divisions*, Docket No. OS-23-00015513 consol., Final Order at Finding of Fact (“FoF”) No. 38 (Jun. 25, 2024).

¹⁹ *Statement of Intent of Texas Gas Service Company, a Division of ONE Gas, Inc., to Change Gas Utility Rates within the Unincorporated Areas of the Rio Grande Valley Service Area*, Docket No. OS-23-00014399 consol., Final Order at FoF No. 44 (Jan. 30, 2024).

1 **Q. HAS THE COMMISSION PREVIOUSLY APPROVED ATO’S CAPITAL**
2 **STRUCTURE AND COST OF DEBT FOR RATEMAKING PURPOSES?**

3 A. Yes. The Commission has repeatedly used ATO’s actual capital structure and
4 embedded debt cost rate to establish rates for divisions of ATO providing service
5 within Texas.²⁰

6 **Q. DOES ATMOS ENERGY’S ACTUAL CAPITAL STRUCTURE AS OF**
7 **SEPTEMBER 30, 2024 CONTAIN SHORT-TERM DEBT?**

8 A. No, it does not.

9 **Q. GENERALLY, SHOULD SHORT-TERM DEBT BE INCLUDED IN THE**
10 **CAPITAL STRUCTURE FOR RATEMAKING PURPOSES?**

11 A. No. Short-term debt should not be included in a ratemaking capital structure for a
12 regulated utility because it does not generally finance regulated rate base and is
13 typically replaced with a mix of long-term capital, such as long-term debt and
14 common equity. In addition, the inclusion of short-term debt, which is short-term
15 by definition, is not consistent with the long life of public utility rate base.

16 **Q. HAS THE COMMISSION SIMILARLY DETERMINED THAT SHORT-**
17 **TERM DEBT SHOULD NOT BE INCLUDED IN THE CAPITAL**
18 **STRUCTURE FOR RATEMAKING PURPOSES?**

19 A. Yes. For example, in Gas Utilities Docket (“GUD”) No. 10170, the Commission
20 stated:

²⁰ See *Statement of Intent to Change the Rate CGS and Rate PT of Atmos Pipeline – Texas*, GUD No. 10000, Revised Proposal for Decision (“PFD”) at 70 (Apr. 11, 2011); *Statement of Intent to Change the Rates of CGS and Rate PT Rates of Atmos Pipeline-Texas*, GUD No. 10580, First Amended PFD at 43 (Aug. 1, 2017); and *Statement of Intent filed by Atmos Energy Corp., to Increase Gas Utility Rates within the Unincorporated Areas Served by the Atmos Energy Corp., Mid-Tex Division*, GUD No. 10170 consol., Final Order at FoF No. 269 (Dec. 4, 2012).

1 Atmos’ short-term debt is properly excluded from the capital
2 structure of the company because it is utilized to finance seasonal
3 gas costs and is not a permanent element of the company’s capital
4 structure.²¹

5 The Commission therefore has recognized that when short-term debt is used
6 to fund non-permanent assets, it should be removed from ratemaking capital
7 structure.

8 **Q. HAS THE COMMISSION CONSISTENTLY RECOGNIZED THIS**
9 **PRINCIPLE IN ITS RECENT RATE CASE DECISIONS?**

10 A. Yes. A review of the recent rate decisions involving Atmos Pipeline – Texas,
11 CenterPoint, and TGS reveals that the capital structures approved for these utilities
12 did not include short-term debt.²²

13 **Q. DID ATO’S CAPITAL STRUCTURE PLAY A ROLE IN ITS ABILITY TO**
14 **MEET ITS SERVICE OBLIGATIONS DURING WINTER STORM URI**
15 **(“URI”)?**

16 A. Yes. In February 2021, the United States was impacted by Uri. Several members
17 of the Utility Proxy Group were affected by Uri and were forced to raise significant
18 amounts of debt to pay for exponentially increased costs of natural gas.

19 ATO and ONE Gas, Inc. (“OGS”) common equity percentages for the first
20 quarter of 2021 were significantly impacted by their need to raise capital. Both
21 ATO and OGS collectively were required to raise \$4.7 billion in debt in response
22 to Uri. The increased risk associated with this debt issuance was reflected in the

²¹ GUD No. 10170 consol., Final Order at FoF No. 271.

²² See *Statement of Intent Filed by Atmos Pipeline - Texas, a Division of Atmos Energy Corporation, to Change the Rate CGS and Rate PT Rates of Atmos Pipeline - Texas*, Docket No. OS-23-00013758 consol., Final Order at FoF No. 37 (Dec. 13, 2023); Docket No. OS-23-00015513 consol., Final Order at FoF No. 38; and Docket No. OS-23-00014399 consol., Final Order at FoF No. 44.

1 rating agency's analysis. ATO was downgraded by S&P and its outlook was
2 downgraded to negative by both S&P and Moody's, and OGS was downgraded and
3 given negative outlooks by both agencies. Because Atmos Energy and OGS had
4 strong balance sheets prior to this unanticipated need for debt, both companies had
5 access to the capital markets and were able to maintain financial stability with the
6 downgrades. Conversely, energy providers that did not have strong balance sheets
7 had to file for Chapter 11 protection due to the exorbitant costs (e.g., Griddy Energy,
8 Entrust, Just Energy, Brazos) and of those, some were unable to serve their
9 customers and were liquidated (e.g., Griddy Energy and Entrust).

10 While the ATO was downgraded by S&P to A- following Uri, the situation
11 could have resulted in a significantly more adverse outcome had the ATO not been
12 in the strong financial position it was. As noted above, companies that were not in
13 strong financial positions went bankrupt in some cases. While downgraded, ATO
14 was able to stay within an A-rating range, to the benefit of its customers.

15 **Q. GIVEN THE ABOVE, IS ATMOS ENERGY'S CAPITAL STRUCTURE**
16 **RATIO REASONABLE?**

17 A. Yes, it is.

18 **Q. HAVE YOU ANALYZED THE COMPANY'S COST OF LONG-TERM**
19 **DEBT FOR REASONABLENESS?**

20 A. Yes, I have. To test the reasonableness of the Company's proposed long-term debt
21 cost, I reviewed the yield on equivalent debt at the time of issuance. As shown on
22 page 3 of Exhibit DWD-1, I compared the cost of each individual issuance to the
23 Bloomberg Fair Value Curves for A-rated and BBB-rated utility debt at the time of
24 the issuance. The expected cost of long-term debt based on the Bloomberg Fair

1 Value Curves for A-rated and BBB-rated utility debt is on average above that issued
2 by the Company, indicating that its 4.15% proposed cost of long-term debt is
3 reasonable.

4 **Q. GIVEN THE ABOVE, IS THE COMPANY'S COST OF LONG-TERM DEBT**
5 **REASONABLE?**

6 A. Yes, it is.

7 **VI. COMMON EQUITY COST RATE MODELS**

8 **Q. IS IT IMPORTANT THAT COST OF COMMON EQUITY MODELS BE**
9 **MARKET BASED?**

10 A. Yes. Utility companies are consistently investing in assets to ensure safe and
11 reliable service. Because of this, they need access to capital markets, in which they
12 compete for capital from firms of comparable risk (including non-utilities). The
13 cost of common equity is thus determined based on equity market expectations for
14 the returns of those companies. If an individual investor is choosing to invest their
15 capital among companies of comparable risk, they will choose a company
16 providing a higher return over a company providing a lower return.

17 **Q. ARE YOUR COST OF COMMON EQUITY MODELS MARKET BASED?**

18 A. Yes. The DCF model uses market prices in developing the model's dividend yield
19 component. The RPM uses bond ratings and expected bond yields that reflect the
20 market's assessment of bond/credit risk. In addition, betas (β), which reflect the
21 market/systematic risk component of equity risk premium, are derived from
22 regression analyses of market prices. The CAPM is market-based for many of the
23 same reasons that the RPM is market-based (i.e., the use of expected bond yields
24 and betas). Selection criteria for comparable risk non-price regulated companies

1 are based on regression analyses of market prices and reflect the market's
2 assessment of total risk.

3 **Q. WHAT ANALYTICAL APPROACHES DID YOU USE TO DETERMINE**
4 **THE COMPANY'S ROE?**

5 A. As discussed earlier, I have relied on the DCF model, the RPM, and the CAPM,
6 which I apply to the Utility Proxy Group described above. I also applied these same
7 models to a Non-Price Regulated Proxy Group described later in this section.

8 I rely on these models because reasonable investors use a variety of tools
9 and do not rely exclusively on a single source of information or single model.
10 Moreover, the models on which I rely focus on different aspects of return
11 requirements and provide different insights to investors' views of risk and return.
12 The DCF model, for example, estimates the investor-required return assuming a
13 constant expected dividend yield and growth rate in perpetuity, while Risk
14 Premium-based methods (i.e., the RPM and CAPM approaches) provide the ability
15 to reflect investors' views of risk, future market returns, and the relationship
16 between interest rates and the cost of common equity. Just as the use of market
17 data for the Utility Proxy Group adds the reliability necessary to inform expert
18 judgment in arriving at a recommended common equity cost rate, the use of
19 multiple generally accepted common equity cost rate models also adds reliability
20 and accuracy when arriving at a recommended common equity cost rate.

21 A. **Discounted Cash Flow Model**

22 **Q. WHAT IS THE THEORETICAL BASIS OF THE DCF MODEL?**

23 A. The theory underlying the DCF model is that the present value of an expected future
24 stream of net cash flows during the investment holding period can be determined

by discounting those cash flows at the cost of capital, or the investors' capitalization rate. DCF theory indicates that an investor buys a stock for an expected total return rate, which is derived from the cash flows received from dividends and market price appreciation. Mathematically, the dividend yield on market price plus a growth rate equals the capitalization rate; i.e., the total common equity return rate expected by investors.

$$K_e = (D_0 (1+g))/P + g$$

where:

K_e = the required Return on Common Equity;

D_0 = the annualized Dividend Per Share;

P = the current stock price; and

g = the growth rate.

Q. WHICH VERSION OF THE DCF MODEL DID YOU USE?

A. I used the single-stage constant growth DCF model in my analyses.

Q. PLEASE DESCRIBE THE DIVIDEND YIELD YOU USED IN APPLYING THE CONSTANT GROWTH DCF MODEL.

A. The unadjusted dividend yields are based on the proxy companies' dividends as of August 30, 2024, divided by the average closing market price for the 60 trading days ended August 30, 2024.²³

Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO THE DIVIDEND YIELD.

A. Because dividends are paid periodically (e.g., quarterly), as opposed to continuously (daily), an adjustment must be made to the dividend yield. This is often referred to as the discrete, or the Gordon Periodic, version of the DCF model.

²³ See, column 1, page 1 of Exhibit DWD-2.

DCF theory calls for using the full growth rate, or D_1 , in calculating the model's dividend yield component. Since the companies in the Utility Proxy Group increase their quarterly dividends at various times during the year, a reasonable assumption is to reflect one-half the annual dividend growth rate in the dividend yield component, or $D_{1/2}$. Because the dividend should be representative of the next 12-month period, this adjustment is a conservative approach that does not overstate the dividend yield. Therefore, the actual average dividend yields in Column 1, page 1 of Exhibit DWD-2 have been adjusted upward to reflect one-half the average projected growth rate shown in Column 6.

Q. PLEASE EXPLAIN THE BASIS FOR THE GROWTH RATES YOU APPLY TO THE UTILITY PROXY GROUP IN YOUR CONSTANT GROWTH DCF MODEL.

A. Investors are likely to rely on widely available financial information services, such as *Value Line*, Zacks, S&P Capital IQ, and Yahoo! Finance. Investors realize that analysts have significant insight into the dynamics of the industries and individual companies they analyze, as well as companies' ability to effectively manage the effects of changing laws and regulations, and ever-changing economic and market conditions. For these reasons, I used analysts' five-year forecasts of EPS growth in my DCF analysis.

Over the long run, there can be no growth in DPS without growth in EPS. Security analysts' earnings expectations have a more significant influence on market prices than dividend expectations. Thus, using earnings growth rates in a DCF analysis provides a better match between investors' market price appreciation expectations and the growth rate component of the DCF.

1 **Q. PLEASE SUMMARIZE THE CONSTANT GROWTH DCF MODEL**
 2 **RESULTS.**

3 A. The results of applying the DCF model to the Utility Proxy Groups are shown on
 4 page 1 of Exhibit DWD-2 and in Table 5 below:

5 **Table 5: DCF Model Results for the Utility Proxy Group**

Mean	9.91%
Median	<u>9.86%</u>
Average of Mean and Median	<u>9.89%</u>

6 In arriving at a conclusion for the constant growth DCF-indicated common
 7 equity cost rate for the Utility Proxy Group, I relied on an average of the mean and
 8 median results of the DCF, specifically 9.89%. This approach takes into
 9 consideration all proxy company results while mitigating high and low side outliers
 10 of those results.

11 **B. The Risk Premium Model**

12 **Q. PLEASE DESCRIBE THE THEORETICAL BASIS OF THE RPM.**

13 A. The RPM is based on the fundamental financial principle of risk and return; namely,
 14 that investors require greater returns for bearing greater risk. The RPM recognizes
 15 that common equity capital has greater investment risk than debt capital, as
 16 common equity shareholders are behind debt holders in any claim on a company's
 17 assets and earnings. As a result, investors require higher returns from common
 18 stocks than from bonds to compensate them for bearing the additional risk.

19 While it is possible to directly observe bond returns and yields, investors'
 20 required common equity returns cannot be directly determined or observed.
 21 According to RPM theory, one can estimate a common equity risk premium over

1 bonds (either historically or prospectively) and use that premium to derive a cost
2 rate of common equity. The cost of common equity equals the expected cost rate
3 for long-term debt capital, plus a risk premium over that cost rate, to compensate
4 common shareholders for the added risk of being unsecured and last-in-line for any
5 claim on the corporation's assets and earnings in the event of liquidation.

6 **Q. PLEASE EXPLAIN THE TOTAL MARKET APPROACH RPM.**

7 A. The total market approach RPM adds a prospective public utility bond yield to an
8 average of: (1) an equity risk premium that is derived from a beta-adjusted total
9 market equity risk premium, (2) an equity risk premium based on the S&P Utilities
10 Index, and (3) an equity risk premium based on authorized ROEs for natural gas
11 distribution utilities.

12 **Q. PLEASE EXPLAIN THE BASIS OF THE EXPECTED BOND YIELDS OF**
13 **5.43% APPLICABLE TO THE UTILITY PROXY GROUP.**

14 A. The first step in the total market approach RPM analysis is to determine the
15 expected bond yield. Because both ratemaking and the cost of capital, including
16 the common equity cost rate, are prospective in nature, a prospective yield on
17 similarly-rated long-term debt is essential. I relied on a consensus forecast of about
18 50 economists of the expected yield on Aaa-rated corporate bonds for the six
19 calendar quarters ending with the fourth calendar quarter of 2025, and *Blue Chip*
20 *Financial Forecast's* ("Blue Chip") long-term projections for 2026 to 2030, and
21 2031 to 2035. As shown on line 1, page 1 of Exhibit DWD-3, the average expected
22 yield on Moody's Aaa-rated corporate bonds is 4.93%. In order to adjust the
23 expected Aaa-rated corporate bond yield to an equivalent A2-rated public utility
24 bond yield, I made an upward adjustment of 0.50%, which represents a recent

spread between Aaa-rated corporate bonds and A2-rated public utility bonds.²⁴ Adding that recent 0.50% spread to the expected Aaa-rated corporate bond yield of 4.93% results in an expected A2-rated public utility bond yield of 5.43%. Since the Utility Proxy Group's average Moody's long-term issuer rating is A2, no further adjustment is needed.

Table 6: Summary of the Calculation of the Utility Proxy Group Projected Bond Yield²⁵

Prospective Yield on Moody's Aaa-Rated Corporate Bonds (<i>Blue Chip</i>)	4.93%
Adjustment to Reflect Yield Spread Between Moody's Aaa-Rated Corporate Bonds and Moody's A2-Rated Utility Bonds	<u>0.50%</u>
Prospective Bond Yield Applicable to the Utility Proxy Group	<u>5.43%</u>

1. The Beta-Derived Risk Premium

Q. PLEASE EXPLAIN HOW THE BETA-DERIVED EQUITY RISK PREMIUM IS DETERMINED.

A. The components of the beta-derived RPM are: (1) an expected market equity risk premium over corporate bonds, and (2) the beta. The derivation of the beta-derived equity risk premium that I applied to the Utility Proxy Group is shown on lines 1 through 8, on page 6 of Exhibit DWD-3. The total beta-derived equity risk premium I applied is based on an average of three historical market data-based equity risk premiums, a *Value Line*-based equity risk premium, and a combined *Value Line*, Bloomberg, and S&P Capital IQ-based equity risk premium. Each of these are described below.

²⁴ As shown on line 2 of page 1 of Exhibit DWD-3 and explained in note 2, page 1 of Exhibit DWD-3.

²⁵ As shown on page 1 of Exhibit DWD-3.

1 **Q. HOW DID YOU DERIVE A MARKET EQUITY RISK PREMIUM BASED**
 2 **ON LONG-TERM HISTORICAL DATA?**

3 A. To derive a historical market equity risk premium, I used the most recent holding
 4 period returns for the large company common stocks less the average historical
 5 yield on Moody's Aaa/Aa-rated corporate bonds for the period 1928 to 2023. The
 6 use of holding period returns over a very long period of time is appropriate because
 7 it is consistent with the long-term investment horizon presumed by investing in a
 8 going concern, i.e., a company expected to operate in perpetuity.

9 The long-term arithmetic mean monthly total return rate on large company
 10 common stocks was 11.91% and the long-term arithmetic mean monthly yield on
 11 Moody's Aaa/Aa-rated corporate bonds was 5.95% from 1928 to 2023. As shown
 12 on line 1 of page 6 of Exhibit DWD-3, subtracting the mean monthly bond yield
 13 from the total return on large company stocks results in a long-term historical equity
 14 risk premium of 5.96%.

15 I used the arithmetic mean monthly total return rates for the large company
 16 stocks and yields (income returns) for the Moody's Aaa/Aa-rated corporate bonds,
 17 because they are appropriate for the purpose of estimating the cost of capital as
 18 noted in Kroll's Stocks, Bonds, Bills, and Inflation ("SBBI") Yearbook 2023
 19 ("SBBI - 2023").²⁶ The use of the arithmetic mean return rates and yields is
 20 appropriate because historical total returns and equity risk premiums provide
 21 insight into the variance and standard deviation of returns needed by investors in
 22 estimating future risk when making a current investment. If investors relied on the

²⁶ SBBI – 2023, at 193-194.

geometric mean of historical equity risk premiums, they would have no insight into the potential variance of future returns because the geometric mean relates the change over many periods to a constant rate of change, thereby obviating the year-to-year fluctuations, or variance, which is critical to risk analysis.

Q. PLEASE EXPLAIN THE DERIVATION OF THE REGRESSION-BASED MARKET EQUITY RISK PREMIUM.

A. To derive the regression-based market equity risk premium of 7.18% shown on line 2, page 6 of Exhibit DWD-3, I used the same monthly annualized total returns on large company common stocks relative to the monthly annualized yields on Moody's Aaa/Aa-rated corporate bonds as mentioned above. I modeled the relationship between interest rates and the market equity risk premium using the observed monthly market equity risk premium as the dependent variable, and the monthly yield on Moody's Aaa/Aa-rated corporate bonds as the independent variable. I then used a linear Ordinary Least Squares ("OLS") regression, in which the market equity risk premium is expressed as a function of the Moody's Aaa/Aa-rated corporate bond yield:

$$RP = \alpha + \beta (R_{Aaa/Aa})$$

where:

RP = the market equity risk premium;

α = the regression intercept coefficient;

β = the regression slope coefficient; and

$R_{Aaa/Aa}$ = the Moody's Aaa/Aa rated corporate bond yield.

1 **Q. PLEASE EXPLAIN THE DERIVATION OF THE PRPM EQUITY RISK**
 2 **PREMIUM.**

3 A. The PRPM, published in the *Journal of Regulatory Economics*,²⁷ was developed
 4 from the work of Robert F. Engle, who shared the Nobel Prize in Economics in
 5 2003 “for methods of analyzing economic time series with time-varying volatility”
 6 or ARCH.²⁸ Engle found that volatility changes over time and is related from one
 7 period to the next, especially in financial markets. Engle discovered that volatility
 8 of prices and returns clusters over time and is, therefore, highly predictable and can
 9 be used to predict future levels of risk and risk premiums.

10 The PRPM estimates the risk-return relationship directly, as the predicted
 11 equity risk premium is generated by predicting volatility or risk. The PRPM is not
 12 based on an estimate of investor behavior, but rather on an evaluation of the results
 13 of that behavior (i.e., the variance of historical equity risk premiums).

14 The inputs to the model are the historical returns on large company stocks
 15 minus the historical monthly yield on Moody’s Aaa/Aa-rated corporate bonds from
 16 January 1928 through August 2024. Using a generalized form of ARCH, known as
 17 GARCH, I calculated each Utility Proxy Group company’s projected equity risk
 18 premium using Eviews® statistical software. When the GARCH model is applied
 19 to the historical return data, it produces a predicted GARCH variance series and a
 20 GARCH coefficient. Multiplying the predicted monthly variance by the GARCH

²⁷ Pauline M. Ahern, Frank J. Hanley, and Richard A. Michelfelder, “A New Approach to Estimating the Cost of Common Equity Capital for Public Utilities”, *The Journal of Regulatory Economics* (August 2011), 40:261-278.

²⁸ Autoregressive conditional heteroscedasticity; *see also* <https://www.nobelprize.org/prizes/economic-sciences/2003/engle/facts/>.

coefficient and then annualizing, it produces the predicted annual equity risk premium. The resulting PRPM predicted a market equity risk premium of 7.77%.²⁹

Q. PLEASE EXPLAIN THE DERIVATION OF A PROJECTED EQUITY RISK PREMIUM BASED ON *VALUE LINE* SUMMARY & INDEX DATA FOR YOUR RPM ANALYSIS.

A. As noted above, because both ratemaking and the cost of capital are prospective, a prospective market equity risk premium is needed. The derivation of the forecasted or prospective market equity risk premium can be found in note 1, page 2 of Exhibit DWD-4. Consistent with my calculation of the dividend yield component in my DCF analysis, this prospective market equity risk premium is derived from an average of the three-to five-year median market price appreciation potential by *Value Line* for the 13 weeks ended August 30, 2024, plus an average of the median estimated dividend yield for the common stocks of the 1,700 firms covered in *Value Line* (Standard Edition).³⁰

The average median expected price appreciation is 47.00%, which translates to a 10.11% annual appreciation, and when added to the average of *Value Line*'s median expected dividend yields of 2.15%, equates to a forecasted annual total return rate on the market of 12.26%. The forecasted Moody's Aaa-rated corporate bond yield of 4.93% is deducted from the total market return of 12.26%, resulting in an equity risk premium of 7.33%, as shown on line 4, page 6 of Exhibit DWD-3.

²⁹ Shown on line 3, page 6 of Exhibit DWD-3.

³⁰ As explained in detail in note 1, page 2 of Exhibit DWD-4.

1 **Q. PLEASE EXPLAIN THE DERIVATION OF AN EQUITY RISK PREMIUM**
 2 **BASED ON THE S&P 500 COMPANIES.**

3 A. Using data from *Value Line*, Bloomberg, and S&P Capital IQ, I calculated an
 4 expected total return on the S&P 500 companies using expected dividend yields
 5 and long-term growth estimates as a proxy for capital appreciation. The expected
 6 total return for the S&P 500 is 15.28%. Subtracting the prospective yield on
 7 Moody's Aaa-rated corporate bonds of 4.93% results in a 10.35% projected equity
 8 risk premium as shown on page 6, line 5 of Exhibit DWD-3.

9 **Q. WHAT IS YOUR CONCLUSION OF A BETA-DRIVEN EQUITY RISK**
 10 **PREMIUM FOR USE IN YOUR RPM ANALYSIS?**

11 A. I gave equal weight to all five equity risk premiums based on each source –
 12 historical, *Value Line*, and Bloomberg – in arriving at a 7.72% equity risk premium.

13 **Table 7: Summary of the Calculation of the Equity Risk Premium Using**
 14 **Total Market Returns³¹**

Historical Spread Between Total Returns of Large Stocks and Aaa and Aa-Rated Corporate Bond Yields (1928 – 2023)	5.96%
Regression Analysis on Historical Data	7.18%
PRPM Analysis on Historical Data	7.77%
Prospective Equity Risk Premium using Total Market Returns from <i>Value Line</i> Summary & Index less Projected Aaa Corporate Bond Yields	7.33%
Prospective Equity Risk Premium using Measures of Capital Appreciation and Income Returns for the S&P 500 less Projected Aaa Corporate Bond Yields	<u>10.35%</u>
Average	<u>7.72%</u>

15 After calculating the average market equity risk premium of 7.72%, I
 16 adjusted it by beta to account for the risk of the Utility Proxy Group. As discussed

³¹ As shown on page 6 of Exhibit DWD-3.

below, beta is a meaningful measure of prospective relative risk to the market as a whole, and is a logical way to allocate a company's, or proxy group's, share of the market's total equity risk premium relative to corporate bond yields. As shown on page 1 of Exhibit DWD-4, the average of the mean and median beta for the Utility Proxy Group is 0.77. Multiplying beta by the market equity risk premium of 7.72% results in a 5.94% beta-adjusted equity risk premium.

2. The S&P Utility Index-Derived Risk Premium

Q. HOW DID YOU DERIVE THE EQUITY RISK PREMIUM BASED ON THE S&P UTILITY INDEX AND MOODY'S A2-RATE PUBLIC UTILITY BONDS?

A. I estimated three equity risk premiums based on S&P Utility Index holding period returns, and one equity risk premium based on the expected returns of the S&P Utilities Index, using *Value Line*, Bloomberg data, and S&P Capital IQ. Turning first to the S&P Utility Index holding period returns, I derived a long-term monthly arithmetic mean equity risk premium between the S&P Utility Index total returns of 10.45% and monthly Moody's A2-rated public utility bond yields of 6.43% from 1928 to 2023, to arrive at an equity risk premium of 4.02%.³² I then used the same historical data to derive an equity risk premium of 4.99% based on a regression of the monthly equity risk premiums. The final S&P Utility Index holding period equity risk premium involved applying the PRPM using the historical monthly equity risk premiums from January 1928 to August 2024 to arrive at a PRPM-derived equity risk premium of 5.13% for the S&P Utility Index.

³² As shown on line 1, page 9 of Exhibit DWD-3.

I then derived an expected total return on the S&P Utilities Index of 11.12% using data from *Value Line*, Bloomberg, and S&P Capital IQ, and subtracted the prospective Moody's A2-rated public utility bond yield of 5.43%.³³ This resulted in equity risk premium of 5.69%. As with the market equity risk premiums, I averaged the four risk premium based estimates to arrive at my utility-specific equity risk premium of 4.96%.

Table 8: Summary of the Calculation of the Equity Risk Premium Using S&P Utility Index Holding Returns³⁴

Historical Spread Between Total Returns of the S&P Utilities Index and A2-Rated Utility Bond Yields (1928 – 2023)	4.02%
Regression Analysis on Historical Data	4.99%
PRPM Analysis on Historical Data	5.13%
Prospective Equity Risk Premium using Measures of Capital Appreciation and Income Returns for the S&P Utilities Index less Projected A2 Utility Bond Yields	<u>5.69%</u>
Average	<u>4.96%</u>

3. Authorized Return-Derived Equity Risk Premium

Q. HOW DID YOU DERIVE AN EQUITY RISK PREMIUM OF 4.89% BASED ON AUTHORIZED ROEs FOR NATURAL GAS DISTRIBUTION UTILITIES?

A. The equity risk premium of 4.89% shown on page 10 of Exhibit DWD-3 is the result of a regression analysis based on regulatory awarded ROEs related to the yields on Moody's A2-rated public utility bonds and contains the graphical results of a regression analysis of 836 rate cases for natural gas distribution utilities which were fully litigated during the period from January 1, 1980 through August 30,

³³ Derived on line 3, page 1 of Exhibit DWD-3.

³⁴ As shown on page 9 of Exhibit DWD-3.

2024. It shows the implicit equity risk premium relative to the yields on A2-rated public utility bonds immediately prior to the issuance of each regulatory decision. It is readily discernible that there is an inverse relationship between the yield on A2-rated public utility bonds and equity risk premiums. In other words, as interest rates decline, the equity risk premium rises and vice versa, a result consistent with financial literature on the subject.³⁵ I used the regression results to estimate the equity risk premium applicable to the projected yield on Moody's A2-rated public utility bonds. Given the expected A2-rated utility bond yield of 5.43%, it can be calculated that the indicated equity risk premium applicable to that bond yield is 4.89%.

Q. WHAT IS YOUR CONCLUSION OF EQUITY RISK PREMIUMS FOR USE IN YOUR TOTAL MARKET APPROACH RPM?

A. The equity risk premiums I applied to the Utility Proxy Group is 5.26% which is the average of the beta-adjusted equity risk premium for the Utility Proxy Group, the S&P Utilities Index, and the authorized return utility equity risk premium.

Table 9: Summary of Conclusions for the Equity Risk Premium for the Utility Proxy Group³⁶

Beta-Adjusted Equity Risk Premium	5.94%
S&P Utilities Index Equity Risk Premium	4.96%
Authorized ROE Equity Risk Premium	<u>4.89%</u>
Average	<u>5.26%</u>

³⁵ See, e.g., Robert S. Harris and Felicia C. Marston, "The Market Risk Premium: Expectational Estimates Using Analysts' Forecasts," Journal of Applied Finance, Vol. 11, No. 1, 2001, at 11-12; Eugene F. Brigham, Dilip K. Shome, and Steve R. Vinson, "The Risk Premium Approach to Measuring a Utility's Cost of Equity," Financial Management, Spring 1985, at 33-45.

³⁶ As shown on page 5 of Exhibit DWD-3.

1 **Q. WHAT IS THE INDICATED RPM COMMON EQUITY COST RATE**
 2 **BASED ON THE TOTAL MARKET APPROACH?**

3 A. As shown on line 5 page 1 of Exhibit DWD-3, and shown on Table 10 below, I
 4 calculated a common equity cost rate of 10.69% for the Utility Proxy Group based
 5 on the total market approach RPM.

6 **Table 10: Summary of the Total Market Return Risk Premium Model³⁷**

Prospective Moody's Utility Bond Yield Applicable to the Utility Proxy Group	5.43%
Prospective Equity Risk Premium	<u>5.26%</u>
Indicated Cost of Common Equity	<u>10.69%</u>

7 **C. The Capital Asset Pricing Model**

8 **Q. PLEASE EXPLAIN THE THEORETICAL BASIS OF THE CAPM.**

9 A. CAPM theory defines risk as the co-variability of a security's returns with the
 10 market's returns as measured by the beta (β). A beta less than 1.0 indicates lower
 11 variability than the market as a whole, while a beta greater than 1.0 indicates greater
 12 variability than the market.

13 The CAPM assumes that all other risk (i.e., all non-market or unsystematic
 14 risk) can be eliminated through diversification. The risk that cannot be eliminated
 15 through diversification is called market, or systematic, risk. In addition, the CAPM
 16 presumes that investors require compensation only for systematic risk, which is the
 17 result of macroeconomic and other events that affect the returns on all assets. The
 18 model is applied by adding a risk-free rate of return to a market risk premium, which
 19 is adjusted proportionately to reflect the systematic risk of the individual security

³⁷ As shown on page 1 of Exhibit DWD-3.

relative to the total market as measured by beta. The traditional CAPM model is expressed as:

$$R_s = R_f + \beta (R_m - R_f)$$

Where: R_s = Return rate on the common stock

R_f = Risk-free rate of return

R_m = Return rate on the market as a whole

β = Adjusted beta (volatility of the security relative to the market as a whole)

Numerous tests of the CAPM have measured the extent to which security returns and beta are related as predicted by the CAPM, confirming its validity. The empirical CAPM (“ECAPM”) reflects the reality that while the results of these tests support the notion that the beta is related to security returns, the empirical Security Market Line (“SML”) described by the CAPM formula is not as steeply sloped as the predicted SML.³⁸ The ECAPM reflects this empirical reality.

Q. PLEASE EXPLAIN THE THEORETICAL BASIS OF THE CAPM. WHY IS THE USE OF ECAPM APPROPRIATE IN DETERMINING THE ROE FOR THE COMPANY?

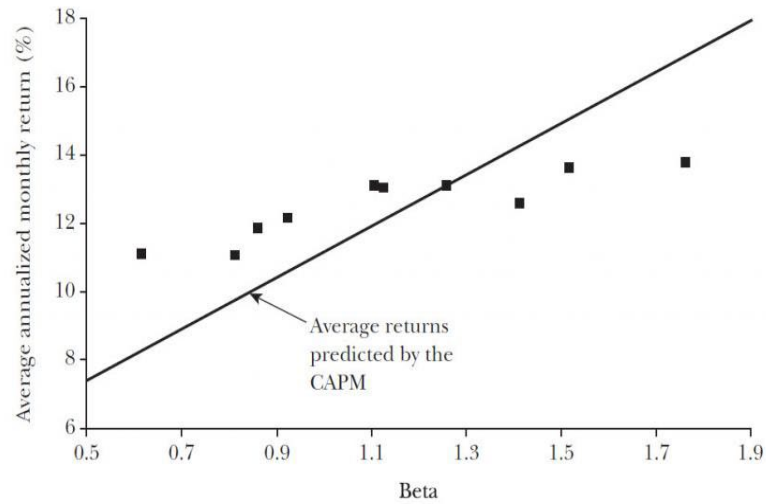
A. The ECAPM is a well-established model that has been relied on in both academic and regulatory settings. Fama & French clearly state regarding their Figure 2, below, that “[t]he returns on the low beta portfolios are too high, and the returns on the high beta portfolios are too low.”³⁹

³⁸ Morin at 223.

³⁹ Eugene F. Fama and Kenneth R. French, “The Capital Asset Pricing Model: Theory and Evidence,” *Journal of Economic Perspectives*, Vol. 18, No. 3, Summer 2004 at 33 (“Fama & French”).

Figure 2 <http://pubs.aeaweb.org/doi/pdfplus/10.1257/0895330042162430>

Average Annualized Monthly Return versus Beta for Value Weight Portfolios Formed on Prior Beta, 1928–2003



In addition, Morin observes that while the results of these tests support the notion that beta is related to security returns, the empirical SML described by the CAPM formula is not as steeply sloped as the predicted SML. Morin states:

With few exceptions, the empirical studies agree that . . . low-beta securities earn returns somewhat higher than the CAPM would predict, and high-beta securities earn less than predicted.⁴⁰

* * *

Therefore, the empirical evidence suggests that the expected return on a security is related to its risk by the following approximation:

$$K = R_F + x \beta (R_M - R_F) + (1-x) \beta (R_M - R_F)$$

where x is a fraction to be determined empirically. The value of x that best explains the observed relationship [is] $\text{Return} = 0.0829 + 0.0520 \beta$ is between 0.25 and 0.30. If $x = 0.25$, the equation becomes:

$$K = R_F + 0.25(R_M - R_F) + 0.75 \beta (R_M - R_F)^{41}$$

⁴⁰ Morin at 207.

⁴¹ *Id.* at 221.

Fama and French provide similar support for the ECAPM when they state:

The early tests firmly reject the Sharpe-Lintner version of the CAPM. There is a positive relation between beta and average return, but it is too 'flat.' . . . The regressions consistently find that the intercept is greater than the average risk-free rate . . . and the coefficient on beta is less than the average excess market return. . . . This is true in the early tests . . . as well as in more recent cross-section regressions tests, like Fama and French (1992).⁴²

Finally, Fama and French further note:

Confirming earlier evidence, the relation between beta and average return for the ten portfolios is much flatter than the Sharpe-Linter CAPM predicts. The returns on low beta portfolios are too high, and the returns on the high beta portfolios are too low. For example, the predicted return on the portfolio with the lowest beta is 8.3 percent per year; the actual return as 11.1 percent. The predicted return on the portfolio with the t beta is 16.8 percent per year; the actual is 13.7 percent.⁴³

Clearly, the justification from Morin and Fama & French, along with their reviews of other academic research on the CAPM, validate the use of the ECAPM. In view of theory and practical research, I have applied both the traditional CAPM and the ECAPM to the companies in the Utility Proxy Groups and averaged the results.

Q. WHAT BETAS DID YOU USE IN YOUR CAPM ANALYSIS?

A. With respect to beta, I considered two methods of calculation: (1) the average of the betas of the respective proxy group companies as reported by Bloomberg, and (2) the average of the betas of the respective proxy group companies as reported by *Value Line*. While both of those services adjust their calculated (or “raw”) betas to reflect the tendency of beta to regress to the market mean of 1.00, *Value Line*

⁴² Fama & French at 32.

⁴³ *Id.* at 33.

1 calculates beta over a five-year period, while Bloomberg's calculation is based on
2 two years of data.

3 **Q. PLEASE DESCRIBE YOUR SELECTION OF A RISK-FREE RATE OF**
4 **RETURN.**

5 A. As shown in Exhibit DWD-4, the risk-free rate adopted for applications of the
6 CAPM is 4.19%. This risk-free rate is based on the average of the *Blue Chip*
7 consensus forecast of the expected yields on 30-year U.S. Treasury bonds for the
8 six quarters ending with the fourth calendar quarter of 2025, and long-term
9 projections for the years 2026 to 2030 and 2031 to 2035.

10 **Q. WHY DO YOU USE THE PROJECTED 30-YEAR TREASURY YIELD IN**
11 **YOUR ANALYSES?**

12 A. The yield on long-term U.S. Treasury bonds is almost risk-free and its term is
13 consistent with the long-term cost of capital to public utilities measured by the
14 yields on Moody's A2-rated public utility bonds; the long-term investment horizon
15 inherent in utilities' common stocks; and the long-term life of the jurisdictional rate
16 base to which the allowed fair rate of return (i.e., cost of capital) will be applied.
17 In contrast, short-term U.S. Treasury yields are more volatile and largely a function
18 of Federal Reserve monetary policy.

19 **Q. PLEASE EXPLAIN THE ESTIMATION OF THE EXPECTED RISK**
20 **PREMIUM FOR THE MARKET USED IN YOUR CAPM ANALYSES.**

21 A. The basis of the market risk premium is explained in detail in note 1 on page 2 of
22 Exhibit DWD-4. As discussed above, the market risk premium is derived from an
23 average of three historical data-based market risk premiums, one *Value Line* data-

1 based market risk premium, and one *Value Line*, Bloomberg, and S&P Capital IQ
2 data-based market risk premium.

3 The long-term income return on U.S. Government Securities of 4.99% was
4 deducted from the monthly historical total market return of 12.16%, which results
5 in an historical market equity risk premium of 7.17%.⁴⁴ I applied a linear OLS
6 regression to the monthly annualized historical returns on the S&P 500 relative to
7 historical yields on long-term U.S. Government Securities. That regression
8 analysis yielded a market equity risk premium of 8.17%. The PRPM market equity
9 risk premium is 8.66% and is derived using the PRPM relative to the yields on long-
10 term U.S. Treasury securities from January 1926 through August 2024.

11 The *Value Line*-derived forecasted total market equity risk premium is
12 derived by deducting the forecasted risk-free rate of 4.19%, discussed above, from
13 the *Value Line* projected total annual market return of 12.26%, resulting in a
14 forecasted total market equity risk premium of 8.07%.

15 The S&P 500 projected market equity risk premium using *Value Line*,
16 Bloomberg and S&P Capital IQ data is derived by subtracting the projected risk-
17 free rate of 4.19% from the projected total return of the S&P 500 of 15.28%. The
18 resulting market equity risk premium is 11.09%.

19 These five market risk premiums, when averaged, result in an average total
20 market equity risk premium of 8.63%.

⁴⁴ Sources: SBBI - 2023, at Appendix A-1 (1) through A-1 (3) and Appendix A-7 (19) through A-7 (21); Bloomberg Professional.

Table 11: Summary of the Calculation of the Market Risk Premium for Use in the CAPM⁴⁵

Historical Spread Between Total Returns of Large Stocks and Long-Term Government Bond Yields (1926 – 2023)	7.17%
Regression Analysis on Historical Data	8.17%
PRPM Analysis on Historical Data	8.66%
Prospective Equity Risk Premium using Total Market Returns from <i>Value Line</i> Summary & Index less Projected 30-Year Treasury Bond Yields	8.07%
Prospective Equity Risk Premium using Measures of Capital Appreciation and Income Returns from for the S&P 500 less Projected 30-Year Treasury Bond Yields	<u>11.09%</u>
Average	<u>8.63%</u>

Q. WHAT ARE THE RESULTS OF YOUR APPLICATION OF THE TRADITIONAL AND ECAPM TO THE UTILITY PROXY GROUP?

A. As shown on page 1 of Exhibit DWD-4, the mean result of my CAPM/ECAPM analyses is 11.07%, the median is 11.09%, and the average of the two is 11.08%. Consistent with my reliance on the average of mean and median DCF results discussed above, the indicated common equity cost rate using the CAPM/ECAPM is 11.08%.

D. Common Equity Cost Rates for a Proxy Group of Domestic, Non-Price Regulated Companies Based on the DCF, RPM, and CAPM

Q. WHY DO YOU ALSO CONSIDER A PROXY GROUP OF DOMESTIC, NON-PRICE REGULATED COMPANIES?

A. Although I am not an attorney, my interpretation of the *Hope* and *Bluefield* cases is that they did not specify that comparable risk companies had to be utilities. Since the purpose of rate regulation is to be a substitute for marketplace competition, non-

⁴⁵ As shown on page 2 of Exhibit DWD-4.

price regulated firms operating in the competitive marketplace make an excellent proxy if they are comparable in total risk to the utility proxy groups being used to estimate the cost of common equity. The selection of such domestic, non-price regulated competitive firms theoretically and empirically results in proxy groups which is comparable in total risk to the Utility Proxy Group, since all of these companies compete for capital in the exact same markets.

Q. HOW DID YOU SELECT NON-PRICE REGULATED COMPANIES THAT ARE COMPARABLE IN TOTAL RISK TO THE UTILITY PROXY GROUP?

A. To select proxy groups of domestic, non-price regulated companies similar in total risk to the Utility Proxy Groups, I relied on betas and related statistics derived from *Value Line* regression analyses of weekly market prices over the most recent 260 weeks (i.e., five years). As shown on Exhibit DWD-5, these selection criteria resulted in a proxy group of 53 domestic, non-price regulated firms comparable in total risk to the Utility Proxy Group. Total risk is the sum of non-diversifiable market risk and diversifiable company-specific risks. The criteria used in selecting the domestic, non-price regulated firms was:

- (i) They must be covered by *Value Line* (Standard Edition);
- (ii) They must be domestic, non-price regulated companies, i.e., not utilities;
- (iii) Their unadjusted betas must lie within plus or minus two standard deviations of the average unadjusted beta of the Utility Proxy Group; and

(iv) The residual standard errors of the *Value Line* regressions which gave rise to the unadjusted betas must lie within plus or minus two standard deviations of the average residual standard error of the Utility Proxy Group.

Betas measure market, or systematic, risk, which is not diversifiable. The residual standard errors of the regressions measure each firm's company-specific, diversifiable risk. Companies that have similar betas and similar residual standard errors resulting from the same regression analyses have similar total investment risk.

Q. DID YOU CALCULATE COMMON EQUITY COST RATES USING THE DCF MODEL, THE RPM, AND THE CAPM FOR THE NON-PRICE REGULATED PROXY GROUP?

A. Yes. Because the DCF model, RPM, and CAPM have been applied in an identical manner as described above, I will not repeat the details of the rationale and application of each model. One exception is in the application of the RPM, where I did not use public utility-specific equity risk premiums

Page 2 of Exhibit DWD-6 derives the constant growth DCF model common equity cost rate. As shown, the indicated common equity cost rate, using the constant growth DCF for the Non-Price Regulated Proxy Group comparable in total risk to the Utility Proxy Group, is 10.93%.

Page 3 through 5 of Exhibit DWD-6 contain the data and calculations that support the 12.39% RPM common equity cost rates. As shown on line 1, page 3 of Exhibit DWD-6, the consensus prospective yield on Moody's Baa2-rated corporate bonds for the six quarters ending in the fourth quarter of 2025, and for the years

2026 to 2030 and 2031 to 2035, is 5.81%.⁴⁶ Since the Non-Price Regulated Proxy Group has an average Moody's long-term issuer rating of A3, it is necessary to take a two-thirds downward adjustment (0.21%) of the 0.32% spread between A and Baa2 corporate bond to reach an adjusted prospect bond yield of 5.60%.

When the beta-adjusted risk premium of 6.79%⁴⁷ relative to the Non-Price Regulated Proxy Group is added to the prospective A3-rated corporate bond yield of 5.60%, the indicated RPM common equity cost rate is 12.39%.

Page 6 of Exhibit DWD-6 contains the inputs and calculations that support my indicated CAPM/ECAPM common equity cost rates of 11.95%.

Q. WHAT IS THE COST RATE OF COMMON EQUITY BASED ON THE NON-PRICE REGULATED PROXY GROUP COMPARABLE IN TOTAL RISK TO THE UTILITY PROXY GROUP?

A. As shown on page 1 of Exhibit DWD-6, the results of the common equity models applied to the Non-Price Regulated Proxy Group – which is comparable in total risk to the Utility Proxy Group – are as follows:

Table 12: Summary of Model Results Applied to the Non-Price Regulated Proxy Group⁴⁸

Discounted Cash Flow Model	10.93%
Risk Premium Model	12.39%
Capital Asset Pricing Model	<u>11.95%</u>
Mean	<u>11.76%</u>
Median	<u>11.95%</u>
Average of Mean and Median	<u>11.86%</u>

⁴⁶ *Blue Chip Financial Forecasts*, August 30, 2024, at 2 and May 31, 2024, 14.

⁴⁷ Derived on page 5 of Exhibit DWD-6.

⁴⁸ As shown on page 1 of Exhibit DWD-6.

1 The average of the mean and median of these models is 11.86%, which I used as
2 the indicated common equity cost rates for the Non-Price Regulated Proxy Group.

3 **VII. CONCLUSION OF COMMON EQUITY COST RATE BEFORE**
4 **ADJUSTMENTS**

5 **Q. WHAT ARE THE INDICATED COMMON EQUITY COST RATES**
6 **BEFORE ADJUSTMENTS?**

7 A. The range of indicated ROEs produced from my analysis is from 9.89% (DCF
8 model) and 11.86% (Non-Price Regulated Market Models), which is applicable to
9 the Utility Proxy Group as shown on Exhibit DWD-1, page 2. I used multiple cost
10 of common equity models as primary tools in arriving at my recommended
11 common equity cost rate, because no single model is so inherently precise that it
12 can be relied on to the exclusion of other theoretically sound models. Using
13 multiple models adds reliability to the estimated common equity cost rate, with the
14 prudence of using multiple cost of common equity models supported in both the
15 financial literature and regulatory precedent. In view of these results, I recommend
16 a range of ROEs applicable to the Utility Proxy Groups between 9.89% and
17 11.86%.

18 As will be discussed below, Atmos Energy has unique company-specific
19 risk factors relative to the Utility Proxy Group. Because of this, the indicated range
20 of model results based on the Utility Proxy Group must be adjusted to reflect Atmos
21 Energy's relative risk.

VIII. ADJUSTMENTS TO THE COMMON EQUITY COST RATE

A. Size Adjustment

Q. DOES ATMOS ENERGY’S GREATER SIZE RELATIVE TO THE UTILITY PROXY GROUP COMPANIES REDUCE ITS BUSINESS RISK?

A. Yes. Atmos Energy’s⁴⁹ greater size relative to the Utility Proxy Group companies indicates lower relative business risk for the Company because, all else being equal, size has a material bearing on risk.

Size affects business risk because smaller companies generally are less able to cope with significant events that affect sales, revenues and earnings. For example, smaller companies face more risk exposure to business cycles and economic conditions, both nationally and locally. Additionally, the loss of revenues from a few larger customers would have a greater effect on a small company than on a bigger company with a larger, more diverse, customer base.

Investors generally demand greater returns from smaller firms to compensate for less marketability and liquidity of their securities. Kroll discusses the nature of the small-size phenomenon, providing an indication of the magnitude of the size premium based on several measures of size. In discussing “Size as a Predictor of Equity Premiums,” Kroll states:

The size effect is based on the empirical observation that companies of smaller size are associated with greater risk and, therefore, have greater cost of capital [sic]. The “size” of a company is one of the most important risk elements to consider when developing cost of equity capital estimates for use in valuing a business simply because size has been shown to be a *predictor* of equity returns. In other words, there is a significant (negative) relationship between size and

⁴⁹ This discussion specifically refers to ATO’s Mid-Tex Division.

1 historical equity returns - as size *decreases*, returns tend to *increase*,
 2 and vice versa. (footnote omitted) (emphasis in original)⁵⁰

3 Furthermore, in “The Capital Asset Pricing Model: Theory and Evidence,”
 4 Fama and French note size is indeed a risk factor which must be reflected when
 5 estimating the cost of common equity. On page 38, they note:

6 . . . the higher average returns on small stocks and high book-to-
 7 market stocks reflect unidentified state variables that produce
 8 undiversifiable risks (covariances) in returns not captured by the
 9 market return and are priced separately from market betas.⁵¹

10 Based on this evidence, Fama and French proposed their three-factor model
 11 which includes a size variable in recognition of the effect size has on the cost of
 12 common equity.

13 Also, it is a basic financial principle that the use of funds invested, and not
 14 the source of funds, is what gives rise to the risk of any investment.⁵² Eugene
 15 Brigham, a well-known authority, states:

16 A number of researchers have observed that portfolios of small-
 17 firms (sic) have earned consistently higher average returns than
 18 those of large-firm stocks; this is called the “small-firm effect.” On
 19 the surface, it would seem to be advantageous to the small firm to
 20 provide average returns in the stock market that are higher than those
 21 of larger firms. In reality, it is bad news for the small firm; **what the**
 22 **small-firm effect means is that the capital market demands**
 23 **higher returns on stocks of small firms than on otherwise similar**
 24 **stocks of the large firms.** (emphasis added)⁵³

25 Consistent with the financial principle of risk and return discussed above,
 26 relative risk due to size must be considered in the allowed rate of return on common

⁵⁰ Kroll, Cost of Capital Navigator: U.S. Cost of Capital Module, Size as a Predictor of Returns, at 1 (emphasis in original).

⁵¹ Fama & French at 25-43.

⁵² Brealey, Richard A. and Myers, Stewart C., Principles of Corporate Finance (McGraw-Hill Book Company, 1996), at 204-205, 229.

⁵³ Brigham, Eugene F., Fundamentals of Financial Management, Fifth Edition (The Dryden Press, 1989), at 623.

equity. Therefore, the Commission's authorization of a cost rate of common equity in this proceeding must appropriately reflect the unique risks of Atmos Energy, including its size, which is justified and supported above by evidence in the financial literature.

Q. ARE YOU AWARE OF ACADEMIC LITERATURE RELATING TO THE APPLICABILITY OF A SIZE PREMIUM?

A. Yes. An article by Michael A. Paschall, ASA, CFA, and George B. Hawkins ASA, CFA, "Do Smaller Companies Warrant a Higher Discount Rate for Risk?" also supports the applicability of a size premium. As the article makes clear, all else equal, size is a risk factor which must be taken into account when setting the cost of capital or capitalization (discount) rate. Paschall and Hawkins state in their conclusion as follows:

The current challenge to traditional thinking about a small stock premium is a very real and potentially troublesome issue. The challenge comes from bright and articulate people and has already been incorporated into some court cases, providing further ammunition for the IRS. Failing to consider the additional risk associated with most smaller companies, however, is to fail to acknowledge reality. Measured properly, small company stocks have proven to be more risky over a long period of time than have larger company stocks. This makes sense due to the various advantages that larger companies have over smaller companies. Investors looking to purchase a riskier company will require a greater return on investment to compensate for that risk. There are numerous other risks affecting a particular company, yet the use of a size premium is one way to quantify the risk associated with smaller companies.⁵⁴

Hence, Paschall and Hawkins corroborate the need adjust for differences in size, all else equal.

⁵⁴ Michael A. Paschall, ASA, CFA and George B. Hawkins ASA, CFA, Do Smaller Companies Warrant a Higher Discount Rate for Risk? (CCH Business Valuation Alert, Vol. 1, Issue No. 2, December 1999).

In addition, in the Fama and French article previously cited,⁵⁵ the authors proposed that their three-factor model include the SMB (Small Minus Big) factor, which indicates that small capitalization firms are more risky than large capitalization firms, confirming that size is a risk factor which must be considered in estimating the cost of common equity.

Consistent with the financial principle of risk and return discussed previously, and the stand-alone nature of ratemaking, a downward adjustment must be applied to the indicated cost of common equity derived from the cost of equity models of the proxy groups used in this proceeding.

Q. DO CREDIT RATING AGENCIES HAVE A MINIMUM SIZE CRITERION FOR A GIVEN RATING LEVEL?

A. As noted previously, they do not. S&P states in its “General Corporate Methodology, Section 2: Analyzing Subfactors for Scale, Scope, and Diversity,” that there is no minimum size criterion, although size often provides a measure of diversification. Size and scope of operations is important relative to those of industry peers, though not in absolute terms. While relatively smaller companies can enjoy a high degree of diversification, they will likely be, almost by definition, more concentrated in terms of product, number of customers, or geography, than their larger peers in the same industry.⁵⁶

Moody’s, in its “Ratings Methodology for Regulated Electric and Gas Companies” states that size and scale of a regulated utility has generally not been a major determinant of its credit strength in the same way that it has been for most

⁵⁵ Fama & French at 39.

⁵⁶ Standard & Poors, “General Corporate Methodology, Section 2: Analyzing Subfactors for Scale, Scope, and Diversity,” at 60.

1 other industrial sectors. While size brings certain economies of scale that can
 2 somewhat affect the utility's cost structure and competitiveness, rates are more
 3 heavily impacted by costs related to fuel and fixed assets. Smaller utilities have
 4 sometimes been better able to focus their attention on meeting the expectations of
 5 a single regulator than their multi-state peers.

6 However, size can be a very important factor in our assessment of certain
 7 risks that impact ratings, including exposure to natural disasters, customer
 8 concentration (primarily to industrial customers in a single sector) and construction
 9 risks associated with large projects. While the scorecard attempts to incorporate
 10 the first two of these into Factors [diversification], for some issuers these
 11 considerations may be sufficiently important that the rating reflects a greater weight
 12 for these risks.⁵⁷

13 The above statements by S&P and Moody's reinforce that they do not
 14 specifically take size into account (i.e., there is no minimum size criterion for any
 15 given rating) in the rating process. Given this, one must adjust for size differences
 16 between the proxy group and the target company, even when credit ratings are
 17 similar.

18 **Q. IS THERE A WAY TO QUANTIFY A RELATIVE RISK ADJUSTMENT DUE**
 19 **TO ATMOS ENERGY'S SIZE RELATIVE TO THE UTILITY PROXY**
 20 **GROUP?**

21 A. Yes. Atmos Energy has lower relative risk than the average utility in the Utility
 22 Proxy Group because of its greater size compared with the utilities in that group, as

⁵⁷ Moody's, "Ratings Methodology for Regulated Electric and Gas Companies," at 26-27.

measured by an estimated market capitalization of common equity for Atmos Energy.

Table 13: Size as Measured by Market Capitalization for Atmos Energy and the Utility Proxy Group

	Market Capitalization*	Times Greater than The Company
	(\$ Millions)	
Atmos Mid-Tex Operations	\$7,746.217	
Utility Proxy Group	\$4,208.706	0.5x
*From page 1 of Exhibit DWD-7.		

Atmos Energy's estimated market capitalization was \$7.746 billion as of August 30, 2024,⁵⁸ compared with the market capitalization of the median company in the Utility Proxy Group of \$4.208 billion as of August 30, 2024. The average company in the Utility Proxy Group has a market capitalization 0.5 times the size of Atmos Energy's estimated market capitalization.

As a result, it is necessary to downwardly adjust the range of indicated common equity cost rates to reflect Atmos Energy's lower risk due to their greater relative size. The determination is based on the size premiums for portfolios of New York Stock Exchange, American Stock Exchange, and NASDAQ listed companies ranked by deciles for the 1926 to 2023 period. The median size premium for the Utility Proxy Group with a market capitalization of \$4.208 billion falls in the 5th decile, while the Company's estimated market capitalization of \$7.746 billion places it in the 3rd decile. The size premium spread between the 3rd decile and the 5th decile is -0.34%. Even though a -0.34% size adjustment is

⁵⁸ \$7,952,765,578 (requested rate base) * 60.97% (common equity ratio) * 159.8 (market-to-book ratio of the Utility Proxy Group) as demonstrated on page 2 of Exhibit DWD-7.

1 indicated, I applied a size premium of -0.10% to the Company's range of indicated
2 common equity cost rates.

3 **Q. IS YOUR RECOMMENDED SIZE ADJUSTMENT FOR ATO'S MID-TEX**
4 **DIVISION DIFFERENT THAN YOUR RECOMMENDED SIZE**
5 **ADJUSTMENT FOR ATO'S WEST-TEX DIVISION?**

6 A. Yes, it is. As discussed above and illustrated in Exhibit DWD-7, the indicated size
7 adjustment for ATO's Mid-Tex Division is -0.34%, while in Docket No. OS-24-
8 00018879 concerning ATO's West-Texas Division, the indicated size adjustment
9 was 0.44%.⁵⁹ Because each Division should be considered a stand-alone company
10 for cost of capital purposes, each has a different indicated size adjustment.

11 **Q. HAVE YOU CONDUCTED STUDIES TO DETERMINE IF SIZE AND**
12 **RISK FOR UTILITIES IS RELATED?**

13 A. Yes. I have performed two studies which link size and risk for utilities and show
14 that utility companies become riskier as their size decreases. The first study
15 included the universe of electric, gas, and water companies included in *Value Line*
16 Standard Edition. I calculated the annualized volatility (a measure of risk) for each
17 of the utilities and relied on the current market capitalization (a measure of size) as
18 reported by *Value Line* for each company. After ranking the companies by size
19 (largest to smallest) and risk (least risky to most risky), I made a scatter plot of the
20 data, as shown on Chart 1, below:

⁵⁹ *Statement of Intent Filed by Atmos Energy Corp., to Change Gas Utility Rates Within the Unincorporated Areas Served by its West Texas Division*, Docket No. OS-24-00018879, Direct Testimony of Dylan W. D'Ascendis, Exhibit DWD-7 at 1 (Oct. 25, 2024).

Chart 1: Relationship Between Size and Risk
for the *Value Line* Universe of Utility Companies⁶⁰



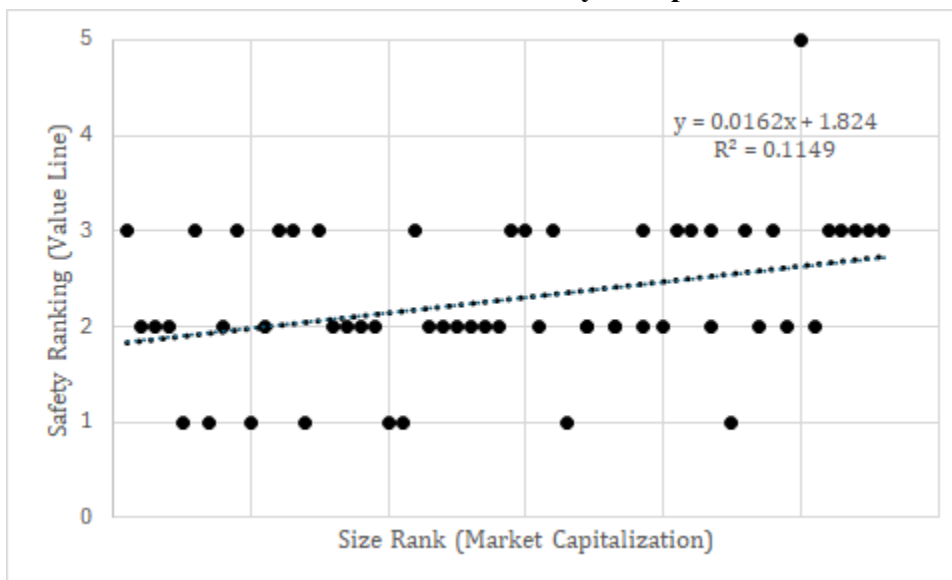
As shown in Chart 1 above, as company size decreases (increasing size rank), the annualized volatility increases, linking size and risk for utilities, which is significant at 95.0% confidence level.

The second study used the same universe of companies, but instead of using annualized volatility, I used the *Value Line* Safety Ranking, which is another measure of total risk.⁶¹ After ranking the companies by size and Safety Ranking, I made a scatterplot of those data, as shown on Chart 2, below.

⁶⁰ Source: *Value Line*.

⁶¹ *Value Line* also ranks stocks for Safety by analyzing the total risk of a stock compared to the approximately 1,700 stocks in the *Value Line* universe. Each of the stocks tracked in the *Value Line Investment Survey* is ranked in relationship to each other, from 1 (the highest rank) to 5 (the lowest rank). Safety is a quality rank, not a performance rank, and stocks ranked 1 and 2 are most suitable for conservative investors; those ranked 4 and 5 will be more volatile. Volatility means prices can move dramatically and often unpredictably, either down or up. The major influences on a stock's Safety rank are the company's financial strength, as measured by balance sheet and financial ratios, and the stability of its price over the past five years.

**Chart 2: Relationship Between Size and Safety Ranking for the
Value Line Universe of Utility Companies⁶²**



Similar to the first study, as company size decreases, Safety Ranking degrades, indicating a link between size and risk for utilities. This study is also significant at the 95% confidence level.

In view of the evidence in the academic literature regarding the presence of the size premium and the empirical evidence of a link between size and risk for utility companies, I strongly urge the Commission to reconsider its position on accounting for relative firm size in determining the cost of common equity.

B. Credit Risk Adjustment

Q. PLEASE DISCUSS YOUR PROPOSED CREDIT RISK ADJUSTMENT.

A. Atmos Energy's long-term issuer ratings are A1 and A- from Moody's and S&P, respectively, which are less risky than the average long-term ratings for the Utility Proxy Group of A2 and A-, respectively.⁶³ Hence, a downward credit risk adjustment is necessary to reflect the less risky credit rating, i.e., A1, of Atmos

⁶² Source: *Value Line*.

⁶³ Source of Information: S&P Capital IQ.

1 Energy relative to the A2 average Moody's bond rating of the Utility Proxy
 2 Group.⁶⁴

3 An indication of the magnitude of the necessary downward adjustment to
 4 reflect the lower credit risk inherent in an A1 bond rating is one-third of a recent
 5 three-month average spread between Moody's A- and Aa-rated public utility bond
 6 yields of 0.10%, shown on page 2 of Exhibit DWD-3, or 0.03%.⁶⁵

7 **C. Flotation Cost Adjustment**

8 **Q. WHAT ARE FLOTATION COSTS?**

9 A. Flotation costs are those costs associated with the sale of new issuances of common
 10 stock. They include market pressure and the mandatory unavoidable costs of
 11 issuance (e.g., underwriting fees and out-of-pocket costs for printing, legal,
 12 registration, etc.). For every dollar raised through debt or equity offerings, the
 13 Company receives less than one full dollar in financing.

14 **Q. DID YOU PERFORM ANY ANALYSES RELATED TO FLOTATION**
 15 **COSTS IN ESTIMATING THE COMPANY'S ROE?**

16 A. No, I did not. While flotation costs are necessary expenses associated with
 17 obtaining the capital used to finance utility assets (and, therefore, should be
 18 considered in determining the ROE), I recognize that the Commission typically has
 19 not included flotation costs in arriving at its ROE determinations. Consequently, I
 20 have not performed any analyses regarding flotation costs in this proceeding.

⁶⁴ As shown on page 3 of Exhibit DWD-3.

⁶⁵ $1/3 * 0.10\% = 0.03\%$.

1 **Q. WHAT IS THE INDICATED RANGE OF ROES APPLICABLE TO ATMOS**
2 **ENERGY AFTER YOUR COMPANY-SPECIFIC ADJUSTMENTS?**

3 A. Applying the negative 0.10% size adjustment and the negative 0.03% credit risk
4 adjustment to the indicated range of common equity cost rates applicable to the
5 Utility Proxy Group results in a Company-specific range of ROEs between 9.76%
6 and 11.73%.

7 **IX. CONCLUSION**

8 **Q. WHAT IS YOUR RECOMMENDED ROE FOR ATMOS ENERGY?**

9 A. Given the indicated ROE ranges applicable to the Utility Proxy Group and
10 Company, I conclude that an appropriate ROE for the Company is 10.85%.

11 **Q. IN YOUR OPINION, IS YOUR PROPOSED ROE OF 10.85% FAIR AND**
12 **REASONABLE TO ATMOS ENERGY AND ITS CUSTOMERS?**

13 A. Yes, it is.

14 **Q. IN YOUR OPINION, IS ATMOS ENERGY’S ACTUAL CAPITAL**
15 **STRUCTURE, WHICH CONTAINS 39.03% LONG-TERM DEBT AND**
16 **60.97% COMMON EQUITY APPROPRIATE FOR RATEMAKING**
17 **PURPOSES?**

18 A. Yes, it is.

19 **Q. IS ATMOS ENERGY’S ACTUAL EMBEDDED COST OF LONG-TERM**
20 **DEBT OF 4.15% APPROPRIATE FOR RATEMAKING PURPOSES?**

21 A. Yes, it is.

22 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

23 A. Yes, it does.

Summary

Dylan is an experienced consultant and a Certified Rate of Return Analyst (CRRA) and Certified Valuation Analyst (CVA). Dylan joined ScottMadden in 2016 and is a leading expert witness with respect to cost of capital, capital structure, and valuation. He has served as a consultant for investor-owned and municipal utilities and authorities for 15 years. Dylan has testified as an expert witness on over 150 occasions regarding rate of return, cost of service, rate design, and valuation before more than 40 regulatory jurisdictions in the United States and Canada, an American Arbitration Association panel, and the Superior Court of Rhode Island. He also maintains the benchmark index against which the Hennessy Gas Utility Mutual Fund performance is measured. Dylan holds a B.A. in economic history from the University of Pennsylvania and an M.B.A. with concentrations in finance and international business from Rutgers University.

Areas of Specialization

- Expert Witness Testimony
- Rates and Regulation
- Return on Equity
- Valuation
- Utility Regulations
- Rate Case Planning, Management, and Support
- Utility Benchmarking

Recent Articles and Speeches

- "Decoupling, Risk Impacts, and the Cost of Capital." Co-authored with Richard A. Michelfelder, Ph.D., Rutgers University and Pauline M. Ahern. The Electricity Journal. March 2020
- "Decoupling Impact and Public Utility Conservation Investment." Co-authored with Richard A. Michelfelder, Ph.D., Rutgers University and Pauline M. Ahern. Energy Policy Journal. 130 (2019), 311-319
- "Establishing Alternative Proxy Groups." Presentation before the Society of Utility and Regulatory Financial Analysts: 51st Financial Forum. April 4, 2019. New Orleans, LA
- "Past Is Prologue: Future Test Year." Presentation before the National Association of Water Companies 2017 Southeast Water Infrastructure Summit. May 2, 2017. Savannah, GA
- "Comparative Evaluation of the Predictive Risk Premium Model™, the Discounted Cash Flow Model and the Capital Asset Pricing Model." Co-authored with Richard A. Michelfelder, Ph.D., Rutgers University, Pauline M. Ahern, and Frank J. Hanley. The Electricity Journal. May 2013
- "Decoupling: Impact on the Risk and Cost of Common Equity of Public Utility Stocks." Presentation before the Society of Utility and Regulatory Financial Analysts: 45th Financial Forum. April 17-18, 2013. Indianapolis, IN

Recent Assignments

- Provided expert testimony on the cost of capital for ratemaking purposes before numerous state utility regulatory agencies
- Maintains the benchmark index against which the Hennessy Gas Utility Mutual Fund performance is measured
- Sponsored valuation testimony for a large municipal water company in front of an American Arbitration Association Board to justify the reasonability of their lease payments to the city
- Co-authored a valuation report on behalf of a large investor-owned utility in response to a new state regulation which allowed the appraised value of acquired assets into rate base

Sponsor	Date	Case/Applicant	Docket No.	Subject
Regulatory Commission of Alaska				
Alaska Power Company	08/23	Alaska Power Company	Docket No. TA 909-2 / U-23-054	Capital Structure
ENSTAR Natural Gas Company	08/22	ENSTAR Natural Gas Company	Docket No. TA334-4	Rate of Return
Cook Inlet Natural Gas Storage Alaska, LLC	07/21	Cook Inlet Natural Gas Storage Alaska, LLC	Docket No. TA45-733	Capital Structure
Alaska Power Company	09/20	Alaska Power Company; Goat Lake Hydro, Inc.; BBL Hydro, Inc.	Tariff Nos. TA886-2; TA6-521; TA4-573	Capital Structure
Alaska Power Company	07/16	Alaska Power Company	Docket No. TA857-2	Rate of Return
Alberta Utilities Commission				
AltaLink, L.P., and EPCOR Distribution & Transmission, Inc.	02/23	AltaLink, L.P., and EPCOR Distribution & Transmission, Inc.	Proceeding ID. 27084	Determination of Cost-of-Capital Parameters
AltaLink, L.P., and EPCOR Distribution & Transmission, Inc.	01/20	AltaLink, L.P., and EPCOR Distribution & Transmission, Inc.	2021 Generic Cost of Capital, Proceeding ID. 24110	Rate of Return
Arizona Corporation Commission				
EPCOR Water Arizona, Inc.	06/24	EPCOR Water Arizona, Inc.	Docket No. WS-01303A-24-0130	Rate of Return
Arizona Water Company	05/24	Arizona Water Company – Northern Group	Docket No. W-01445A-24-0117	Rate of Return
Foothills Water & Sewer, LLC	10/23	Foothills Water & Sewer, LLC	Docket No. WS-21182A-23-0292	Rate of Return and Fair Value Rate Base
Arizona Water Company	12/22	Arizona Water Company – Eastern Group	Docket No. W-01445A-22-0286	Rate of Return
EPCOR Water Arizona, Inc.	08/22	EPCOR Water Arizona, Inc.	Docket No. WS-01303A-22-0236	Rate of Return
EPCOR Water Arizona, Inc.	06/20	EPCOR Water Arizona, Inc.	Docket No. WS-01303A-20-0177	Rate of Return
Arizona Water Company	12/19	Arizona Water Company – Western Group	Docket No. W-01445A-19-0278	Rate of Return
Arizona Water Company	08/18	Arizona Water Company – Northern Group	Docket No. W-01445A-18-0164	Rate of Return
Arkansas Public Service Commission				
Summit Utilities Arkansas, Inc.	01/24	Summit Utilities Arkansas, Inc.	Docket No. 23-079-U	Rate of Return
Southwestern Electric Power Co.	07/21	Southwestern Electric Power Co.	Docket No. 21-070-U	Return on Equity
CenterPoint Energy Resources Corp.	05/21	CenterPoint Arkansas Gas	Docket No. 21-004-U	Return on Equity
California Public Utilities Commission				
Southwest Gas Corporation	07/24	Southwest Gas Corporation	Docket No. A24-09-001	Return on Equity
San Gabriel Valley Water Company	05/23	San Gabriel Valley Water Company	Docket No. A23-05-001	Return on Equity
Colorado Public Utilities Commission				
Atmos Energy Corporation	08/22	Atmos Energy Corporation	Docket No. 22AL-0348G	Rate of Return
Summit Utilities, Inc.	04/18	Colorado Natural Gas Company	Docket No. 18AL-0305G	Rate of Return
Atmos Energy Corporation	06/17	Atmos Energy Corporation	Docket No. 17AL-0429G	Rate of Return
Commission of the Canada Energy Regulator				
Trans-Northern Pipelines Inc.	11/22	Trans-Northern Pipelines Inc.	Docket No. C-22197	Cost of Capital
Delaware Public Service Commission				

Sponsor	Date	Case/Applicant	Docket No.	Subject
Delmarva Power & Light Co.	09/24	Delmarva Power & Light Co.	Docket No. 24-1044 (Gas)	Return on Equity
Tidewater Utilities, Inc.	08/24	Tidewater Utilities, Inc.	Docket No. 24-0991	Rate of Return
Artesian Water Company, Inc.	04/23	Artesian Water Company, Inc.	Docket No. 23-0601	Rate of Return
Delmarva Power & Light Co.	12/22	Delmarva Power & Light Co.	Docket No. 22-0897 (Electric)	Return on Equity
Delmarva Power & Light Co.	01/22	Delmarva Power & Light Co.	Docket No. 22-002 (Gas)	Return on Equity
Delmarva Power & Light Co.	11/20	Delmarva Power & Light Co.	Docket No. 20-0149 (Electric)	Return on Equity
Delmarva Power & Light Co.	10/20	Delmarva Power & Light Co.	Docket No. 20-0150 (Gas)	Return on Equity
Tidewater Utilities, Inc.	11/13	Tidewater Utilities, Inc.	Docket No. 13-466	Capital Structure
Public Service Commission of the District of Columbia				
Washington Gas Light Company	08/24	Washington Gas Light Company	Formal Case No. 1180	Rate of Return
Washington Gas Light Company	04/22	Washington Gas Light Company	Formal Case No. 1169	Rate of Return
Washington Gas Light Company	09/20	Washington Gas Light Company	Formal Case No. 1162	Rate of Return
Federal Energy Regulatory Commission				
LS Power Grid California, LLC	10/20	LS Power Grid California, LLC	Docket No. ER21-195-000	Rate of Return
Florida Public Service Commission				
Tampa Electric Company	04/24	Tampa Electric Company	Docket No. 20240025-EI	Return on Equity
Peoples Gas System, Inc.	04/23	Peoples Gas System, Inc.	Docket No. 20230023-GU	Rate of Return
Tampa Electric Company	04/21	Tampa Electric Company	Docket No. 20210034-EI	Return on Equity
Peoples Gas System, Inc.	09/20	Peoples Gas System, Inc.	Docket No. 20200051-GU	Rate of Return
Utilities, Inc. of Florida	06/20	Utilities, Inc. of Florida	Docket No. 20200139-WS	Rate of Return
Hawaii Public Utilities Commission				
Launiupoko Irrigation Company, Inc.	12/20	Launiupoko Irrigation Company, Inc.	Docket No. 2020-0217 / Transferred to 2020-0089	Capital Structure
Lanai Water Company, Inc.	12/19	Lanai Water Company, Inc.	Docket No. 2019-0386	Cost of Service / Rate Design
Manele Water Resources, LLC	08/19	Manele Water Resources, LLC	Docket No. 2019-0311	Cost of Service / Rate Design
Kaupulehu Water Company	02/18	Kaupulehu Water Company	Docket No. 2016-0363	Rate of Return
Aqua Engineers, LLC	05/17	Puhi Sewer & Water Company	Docket No. 2017-0118	Cost of Service / Rate Design
Hawaii Resources, Inc.	09/16	Laie Water Company	Docket No. 2016-0229	Cost of Service / Rate Design
Illinois Commerce Commission				
Aqua Illinois, Inc.	01/24	Aqua Illinois, Inc.	Docket No. 24-0044	Rate of Return
Ameren Illinois Company d/b/a Ameren Illinois	01/23	Ameren Illinois Company d/b/a Ameren Illinois	Docket No. 23-0082 (Electric)	Return on Equity
Ameren Illinois Company d/b/a Ameren Illinois	01/23	Ameren Illinois Company d/b/a Ameren Illinois	Docket No. 23-0067 (Gas)	Return on Equity
Utility Services of Illinois, Inc.	02/21	Utility Services of Illinois, Inc.	Docket No. 21-0198	Rate of Return
Ameren Illinois Company d/b/a Ameren Illinois	07/20	Ameren Illinois Company d/b/a Ameren Illinois	Docket No. 20-0308	Return on Equity
Utility Services of Illinois, Inc.	11/17	Utility Services of Illinois, Inc.	Docket No. 17-1106	Cost of Service / Rate Design
Aqua Illinois, Inc.	04/17	Aqua Illinois, Inc.	Docket No. 17-0259	Rate of Return
Utility Services of Illinois, Inc.	04/15	Utility Services of Illinois, Inc.	Docket No. 14-0741	Rate of Return
Indiana Utility Regulatory Commission				
Aqua Indiana, Inc.	03/16	Aqua Indiana, Inc. Aboite Wastewater Division	Docket No. 44752	Rate of Return

Sponsor	Date	Case/Applicant	Docket No.	Subject
Twin Lakes, Utilities, Inc.	08/13	Twin Lakes, Utilities, Inc.	Docket No. 44388	Rate of Return
Kansas Corporation Commission				
Atmos Energy Corporation	07/19	Atmos Energy Corporation	19-ATMG-525-RTS	Rate of Return
Kentucky Public Service Commission				
Atmos Energy Corporation	09/24	Atmos Energy Corporation	2024-00276	Rate of Return
Bluegrass Water Utility Operating Company	02/23	Bluegrass Water Utility Operating Company	2022-00432	Return on Equity
Atmos Energy Corporation	07/22	Atmos Energy Corporation	2022-00222	PRP Rider Rate
Water Service Corporation of KY	06/22	Water Service Corporation of KY	2022-00147	Rate of Return
Atmos Energy Corporation	07/21	Atmos Energy Corporation	2021-00304	PRP Rider Rate
Atmos Energy Corporation	06/21	Atmos Energy Corporation	2021-00214	Rate of Return
Duke Energy Kentucky, Inc.	06/21	Duke Energy Kentucky, Inc.	2021-00190	Return on Equity
Bluegrass Water Utility Operating Company	10/20	Bluegrass Water Utility Operating Company	2020-00290	Return on Equity
Louisiana Public Service Commission				
Utilities, Inc. of Louisiana	05/21	Utilities, Inc. of Louisiana	Docket No. U-36003	Rate of Return
Southwestern Electric Power Company	12/20	Southwestern Electric Power Company	Docket No. U-35441	Return on Equity
Atmos Energy Corporation	04/20	Atmos Energy Corporation	Docket No. U-35535	Rate of Return
Louisiana Water Service, Inc.	06/13	Louisiana Water Service, Inc.	Docket No. U-32848	Rate of Return
Maine Public Utilities Commission				
Northern Utilities, Inc. d/b/a Unitil	05/23	Northern Utilities, Inc. d/b/a Unitil	Docket No. 2023-00051	Return on Equity
Summit Natural Gas of Maine, Inc.	03/22	Summit Natural Gas of Maine, Inc.	Docket No. 2022-00025	Rate of Return
The Maine Water Company	09/21	The Maine Water Company	Docket No. 2021-00053	Rate of Return
Maryland Public Service Commission				
Washington Gas Light Company	05/23	Washington Gas Light Company	Case No. 9704	Rate of Return
FirstEnergy Service Company	03/23	Potomac Edison Company	Case No. 9695	Rate of Return
Washington Gas Light Company	08/20	Washington Gas Light Company	Case No. 9651	Rate of Return
FirstEnergy Corporation	08/18	Potomac Edison Company	Case No. 9490	Rate of Return
Massachusetts Department of Public Utilities				
Unitil Corporation	09/23	Fitchburg Gas & Electric Co. (Elec.)	D.P.U. 23-80	Rate of Return
Unitil Corporation	09/23	Fitchburg Gas & Electric Co. (Gas)	D.P.U. 23-81	Rate of Return
Unitil Corporation	12/19	Fitchburg Gas & Electric Co. (Elec.)	D.P.U. 19-130	Rate of Return
Unitil Corporation	12/19	Fitchburg Gas & Electric Co. (Gas)	D.P.U. 19-131	Rate of Return
Liberty Utilities	07/15	Liberty Utilities d/b/a New England Natural Gas Company	D.P.U. 15-75	Rate of Return
Minnesota Public Utilities Commission				
Northern States Power Company	11/01	Northern States Power Company	Docket No. G002/GR-21-678	Return on Equity
Northern States Power Company	10/21	Northern States Power Company	Docket No. E002/GR-21-630	Return on Equity
Northern States Power Company	11/20	Northern States Power Company	Docket No. E002/GR-20-723	Return on Equity
Mississippi Public Service Commission				
Great River Utility Operating Co.	07/22	Great River Utility Operating Co.	Docket No. 2022-UN-86	Rate of Return
Atmos Energy Corporation	03/19	Atmos Energy Corporation	Docket No. 2015-UN-049	Capital Structure
Atmos Energy Corporation	07/18	Atmos Energy Corporation	Docket No. 2015-UN-049	Capital Structure
Missouri Public Service Commission				
Confluence Rivers Utility Operating Company, Inc.	01/23	Confluence Rivers Utility Operating Company, Inc.	Case No. WR-2023-0006/SR-2023-0007	Rate of Return

Sponsor	Date	Case/Applicant	Docket No.	Subject
Spire Missouri, Inc.	12/20	Spire Missouri, Inc.	Case No. GR-2021-0108	Return on Equity
Indian Hills Utility Operating Company, Inc.	10/17	Indian Hills Utility Operating Company, Inc.	Case No. SR-2017-0259	Rate of Return
Raccoon Creek Utility Operating Company, Inc.	09/16	Raccoon Creek Utility Operating Company, Inc.	Case No. SR-2016-0202	Rate of Return
Public Utilities Commission of Nevada				
Southwest Gas Corporation	09/23	Southwest Gas Corporation	Docket No. 23-09012	Return on Equity
Southwest Gas Corporation	09/21	Southwest Gas Corporation	Docket No. 21-09001	Return on Equity
Southwest Gas Corporation	08/20	Southwest Gas Corporation	Docket No. 20-02023	Return on Equity
New Hampshire Public Utilities Commission				
Aquarion Water Company of New Hampshire, Inc.	12/20	Aquarion Water Company of New Hampshire, Inc.	Docket No. DW 20-184	Rate of Return
New Jersey Board of Public Utilities				
New Jersey Natural Gas Company	01/24	New Jersey Natural Gas Company	Docket No. GR24010071	Rate of Return
Middlesex Water Company	05/23	Middlesex Water Company	Docket No. WR23050292	Rate of Return
FirstEnergy Service Company	03/23	Jersey Central Power & Light Co.	Docket No. ER23030144	Rate of Return
Atlantic City Electric Company	02/23	Atlantic City Electric Company	Docket No. ER20120746	Return on Equity
Middlesex Water Company	05/21	Middlesex Water Company	Docket No. WR21050813	Rate of Return
Atlantic City Electric Company	12/20	Atlantic City Electric Company	Docket No. ER20120746	Return on Equity
FirstEnergy Service Company	02/20	Jersey Central Power & Light Co.	Docket No. ER20020146	Rate of Return
Aqua New Jersey, Inc.	12/18	Aqua New Jersey, Inc.	Docket No. WR18121351	Rate of Return
Middlesex Water Company	10/17	Middlesex Water Company	Docket No. WR17101049	Rate of Return
Middlesex Water Company	03/15	Middlesex Water Company	Docket No. WR15030391	Rate of Return
The Atlantic City Sewerage Company	10/14	The Atlantic City Sewerage Company	Docket No. WR14101263	Cost of Service / Rate Design
Middlesex Water Company	11/13	Middlesex Water Company	Docket No. WR1311059	Capital Structure
New Mexico Public Regulation Commission				
New Mexico Gas Company	09/23	New Mexico Gas Company	Case No. 23-00255-UT	Return on Equity
Southwestern Public Service Co.	11/22	Southwestern Public Service Co.	Case No. 22-00286-UT	Return on Equity
Southwestern Public Service Co.	01/21	Southwestern Public Service Co.	Case No. 20-00238-UT	Return on Equity
North Carolina Utilities Commission				
Pluris Hampstead, LLC	09/24	Pluris Hampstead, LLC	Docket No. W-1305, Sub 38	Rate of Return
Old North State Water Co., Inc.	06/24	Old North State Water Co., Inc.	Docket No. W-1300, Sub 100	Rate of Return
Carolina Water Service, Inc.	07/22	Carolina Water Service, Inc.	Docket No. W-354 Sub 400	Rate of Return
Aqua North Carolina, Inc.	06/22	Aqua North Carolina, Inc.	Docket No. W-218 Sub 573	Rate of Return
Carolina Water Service, Inc.	07/21	Carolina Water Service, Inc.	Docket No. W-354 Sub 384	Rate of Return
Piedmont Natural Gas Co., Inc.	03/21	Piedmont Natural Gas Co., Inc.	Docket No. G-9, Sub 781	Return on Equity
Duke Energy Carolinas, LLC	07/20	Duke Energy Carolinas, LLC	Docket No. E-7, Sub 1214	Return on Equity
Duke Energy Progress, LLC	07/20	Duke Energy Progress, LLC	Docket No. E-2, Sub 1219	Return on Equity
Aqua North Carolina, Inc.	12/19	Aqua North Carolina, Inc.	Docket No. W-218 Sub 526	Rate of Return
Carolina Water Service, Inc.	06/19	Carolina Water Service, Inc.	Docket No. W-354 Sub 364	Rate of Return
Carolina Water Service, Inc.	09/18	Carolina Water Service, Inc.	Docket No. W-354 Sub 360	Rate of Return
Aqua North Carolina, Inc.	07/18	Aqua North Carolina, Inc.	Docket No. W-218 Sub 497	Rate of Return
North Dakota Public Service Commission				
Northern States Power Company	09/21	Northern States Power Company	Case No. PU-21-381	Rate of Return
Northern States Power Company	11/20	Northern States Power Company	Case No. PU-20-441	Rate of Return

Sponsor	Date	Case/Applicant	Docket No.	Subject
Public Utilities Commission of Ohio				
FirstEnergy	06/24	Ohio Edison Co., Cleveland Electric Illuminating Co., Toledo Edison Co.	Case No. 24-0468-EL-AIR	Rate of Return
Aqua Ohio, Inc.	11/22	Aqua Ohio, Inc.	Case No. 22-1094-WW-AIR	Rate of Return
Duke Energy Ohio, Inc.	10/21	Duke Energy Ohio, Inc.	Case No. 21-887-EL-AIR	Return on Equity
Aqua Ohio, Inc.	07/21	Aqua Ohio, Inc.	Case No. 21-0595-WW-AIR	Rate of Return
Aqua Ohio, Inc.	05/16	Aqua Ohio, Inc.	Case No. 16-0907-WW-AIR	Rate of Return
Pennsylvania Public Utility Commission				
Columbia Water Company	05/23	Columbia Water Company	Docket No. R-2023-3040258	Rate of Return
Borough of Ambler	06/22	Borough of Ambler – Bureau of Water	Docket No. R-2022-3031704	Rate of Return
Citizens' Electric Company of Lewisburg	05/22	C&T Enterprises	Docket No. R-2022-3032369	Rate of Return
Valley Energy Company	05/22	C&T Enterprises	Docket No. R-2022-3032300	Rate of Return
FirstEnergy	04/22	Pennsylvania Electric Company	Docket No. R-2024-3047068	Rate of Return
Community Utilities of Pennsylvania, Inc.	04/21	Community Utilities of Pennsylvania, Inc.	Docket No. R-2021-3025207	Rate of Return
Vicinity Energy Philadelphia, Inc.	04/21	Vicinity Energy Philadelphia, Inc.	Docket No. R-2021-3024060	Rate of Return
Delaware County Regional Water Control Authority	02/20	Delaware County Regional Water Control Authority	Docket No. A-2019-3015173	Valuation
Valley Energy, Inc.	07/19	C&T Enterprises	Docket No. R-2019-3008209	Rate of Return
Wellsboro Electric Company	07/19	C&T Enterprises	Docket No. R-2019-3008208	Rate of Return
Citizens' Electric Company of Lewisburg	07/19	C&T Enterprises	Docket No. R-2019-3008212	Rate of Return
Steelton Borough Authority	01/19	Steelton Borough Authority	Docket No. A-2019-3006880	Valuation
Mahoning Township, PA	08/18	Mahoning Township, PA	Docket No. A-2018-3003519	Valuation
SUEZ Water Pennsylvania Inc.	04/18	SUEZ Water Pennsylvania Inc.	Docket No. R-2018-000834	Rate of Return
Columbia Water Company	09/17	Columbia Water Company	Docket No. R-2017-2598203	Rate of Return
Veolia Energy Philadelphia, Inc.	06/17	Veolia Energy Philadelphia, Inc.	Docket No. R-2017-2593142	Rate of Return
Emporium Water Company	07/14	Emporium Water Company	Docket No. R-2014-2402324	Rate of Return
Columbia Water Company	07/13	Columbia Water Company	Docket No. R-2013-2360798	Rate of Return
Penn Estates Utilities, Inc.	12/11	Penn Estates, Utilities, Inc.	Docket No. R-2011-2255159	Capital Structure / Long-Term Debt Cost Rate
South Carolina Public Service Commission				
Blue Granite Water Co.	12/19	Blue Granite Water Company	Docket No. 2019-292-WS	Rate of Return
Carolina Water Service, Inc.	02/18	Carolina Water Service, Inc.	Docket No. 2017-292-WS	Rate of Return
Carolina Water Service, Inc.	06/15	Carolina Water Service, Inc.	Docket No. 2015-199-WS	Rate of Return
Carolina Water Service, Inc.	11/13	Carolina Water Service, Inc.	Docket No. 2013-275-WS	Rate of Return
United Utility Companies, Inc.	09/13	United Utility Companies, Inc.	Docket No. 2013-199-WS	Rate of Return
Utility Services of South Carolina, Inc.	09/13	Utility Services of South Carolina, Inc.	Docket No. 2013-201-WS	Rate of Return
Tega Cay Water Services, Inc.	11/12	Tega Cay Water Services, Inc.	Docket No. 2012-177-WS	Capital Structure
South Dakota Public Service Commission				
Northern States Power Company	06/22	Northern States Power Company	Docket No. EL22-017	Rate of Return
Tennessee Public Utility Commission				

Sponsor	Date	Case/Applicant	Docket No.	Subject
CSWR – Limestone Water Utility Operating Company	07/24	CSWR – Limestone Water Utility Operating Company	Docket No. 24-00044	Capital Structure, Cost of Debt, Return on Equity
Piedmont Natural Gas Company	07/20	Piedmont Natural Gas Company	Docket No. 20-00086	Return on Equity
Public Utility Commission of Texas				
BVRT Utility Holding Co., LLC	07/24	Texas Water Utilities, LP	Docket No. 56664	Rate of Return
Texas Water Utilities, LP	06/24	Texas Water Utilities, LP	Docket No. 56665	Rate of Return
Southwestern Public Service Co.	02/23	Southwestern Public Service Co.	Docket No. 54634	Return on Equity
CSWR – Texas Utility Operating Company, LLC	02/23	CSWR – Texas Utility Operating Company, LLC	Docket No. 54565	Rate of Return
Oncor Electric Delivery Co. LLC	05/22	Oncor Electric Delivery Co. LLC	Docket No. 53601	Return on Equity
Southwestern Public Service Co.	02/21	Southwestern Public Service Co.	Docket No. 51802	Return on Equity
Southwestern Electric Power Co.	10/20	Southwestern Electric Power Co.	Docket No. 51415	Rate of Return
Texas Railroad Commission				
Atmos Energy Corporation, West Texas Division	10/24	Atmos Energy Corporation, West Texas Division	Case No. 00018879	Rate of Return
Atmos Pipeline – Texas, a Division of Atmos Energy Corporation	05/23	Atmos Pipeline – Texas, a Division of Atmos Energy Corporation	Docket No. OS-23-00013758	Return on Equity
Virginia State Corporation Commission				
Aqua Virginia, Inc.	07/23	Aqua Virginia, Inc.	PUR-2023-00073	Rate of Return
Washington Gas Light Company	06/22	Washington Gas Light Company	PUR-2022-00054	Return on Equity
Virginia Natural Gas, Inc.	04/21	Virginia Natural Gas, Inc.	PUR-2020-00095	Return on Equity
Massanutten Public Service Corporation	12/20	Massanutten Public Service Corporation	PUE-2020-00039	Return on Equity
Aqua Virginia, Inc.	07/20	Aqua Virginia, Inc.	PUR-2020-00106	Rate of Return
WGL Holdings, Inc.	07/18	Washington Gas Light Company	PUR-2018-00080	Rate of Return
Atmos Energy Corporation	05/18	Atmos Energy Corporation	PUR-2018-00014	Rate of Return
Aqua Virginia, Inc.	07/17	Aqua Virginia, Inc.	PUR-2017-00082	Rate of Return
Massanutten Public Service Corp.	08/14	Massanutten Public Service Corp.	PUE-2014-00035	Rate of Return / Rate Design
Public Service Commission of West Virginia				
FirstEnergy Service Company	05/23	Monongahela Power Company and The Potomac Edison Company	Case No. 23-0460-E-42T	Return on Equity
FirstEnergy Service Company	12/21	Monongahela Power Company and The Potomac Edison Company	Case No. 21-0857-E-CN (ELG)	Return on Equity
FirstEnergy Service Company	11/21	Monongahela Power Company and The Potomac Edison Company	Case No. 21-0813-E-P (Solar)	Return on Equity

STATE OF NEW JERSEY §
 §
COUNTY OF BURLINGTON §

AFFIDAVIT OF DYLAN W. D'ASCENDIS

BEFORE ME, the undersigned authority, on this day personally appeared Dylan W. D'Ascendis who having been placed under oath by me did depose as follows:

1. "My name is Dylan W. D'Ascendis. I am of sound mind and capable of making this affidavit. The facts stated herein are true and correct based upon my personal knowledge. My current position is Partner at ScottMadden, Inc.

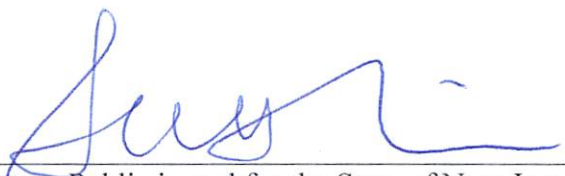
2. I have prepared the foregoing Direct Testimony and the information contained in that document is true and correct to the best of my knowledge."

Further affiant sayeth not.



Dylan W. D'Ascendis

SUBSCRIBED AND SWORN TO BEFORE ME by the said Dylan W. D'Ascendis on this
6th day of November 2024.



Notary Public in and for the State of New Jersey

SCOTT W MILLER
Notary Public, State of New Jersey
Comm. # 50196720
My Commission Expires 06/07/2027

Atmos Energy Corporation
Table of Contents
Supporting Exhibits Accompanying the Direct Testimony of
Dylan W. D'Ascendis, CRRA, CVA

	<u>Exhibit</u>
Summary of Cost of Capital and Fair Rate of Return	DWD-1
Indicated Common Equity Cost Rate Using the Discounted Cash Flow Model	DWD-2
Indicated Common Equity Cost Rate Using the Risk Premium Model	DWD-3
Indicated Common Equity Cost Rate Using the Capital Asset Pricing Model	DWD-4
Basis of Selection for the Non-Price Regulated Companies Comparable in Total Risk to the Utility Proxy Group	DWD-5
Cost of Common Equity Models Applied to the Non-Price Regulated Proxy Group	DWD-6
Estimated Market Capitalization for Atmos Energy Corporation and the Utility Proxy Group	DWD-7

Atmos Energy Corporation
Recommended Capital Structure and Cost Rates
for Ratemaking Purposes

<u>Type Of Capital</u>	<u>Ratios (1)</u>	<u>Cost Rate</u>	<u>Weighted Cost Rate</u>
Long-Term Debt	39.03%	4.15% (1)	1.62%
Common Equity	<u>60.97%</u>	10.85% (2)	<u>6.62%</u>
Total	<u>100.00%</u>		<u>8.23%</u>

Notes:

(1) Company-provided

(2) From page 2 of this Exhibit.

Atmos Energy Corporation
Brief Summary of Common Equity Cost Rate

<u>LineNo.</u>	<u>PrincipalMethods</u>	<u>Proxy Group of Six Natural Gas Distribution Companies</u>
1.	Discounted Cash Flow Model (DCF)(1)	9.89%
2.	Risk Premium Model (RPM) (2)	10.69%
3.	Capital Asset Pricing Model (CAPM) (3)	11.08%
4.	Market Models Applied to Comparable Risk, Non-Price Regulated Companies (4)	<u>11.86%</u>
5.	Indicated Range of Common Equity Cost Rates before Adjustment for Company-Specific Risk	9.89% - 11.86%
6.	Size Adjustment (5)	-0.10%
7.	Credit Risk Adjustment (6)	<u>-0.03%</u>
8.	Recommended Range of Common Equity Cost Rates after Adjustment for Company-Specific Risk	<u>9.76% - 11.73%</u>
9.	Recommended Cost of Common Equity Cost Rate	<u>10.85%</u>

- Notes: (1) From page 1 of Exhibit DWD-2
(2) From page 1 of Exhibit DWD-3
(3) From page 1 of Exhibit DWD-4
(4) From page 1 of Exhibit DWD-6
(5) Adjustment to reflect the Company's lower business risk relative to the Utility Proxy Group as detailed in Mr. D'Ascendis' Direct Testimony.
(6) Company-specific risk adjustment to reflect Atmos' lower risk due to a lower long-term rating relative to the proxy group as detailed in Mr. D'Ascendis' Direct Testimony.

Atmos Energy Corporation
Cost of Long-Term Debt Comparison

Issue	Issued	Years to Maturity	Coupon	Bloomberg Fair Value Curve		
				BFV Term	Utility A- Rated	Utility BBB- Rated
6.75% Debentures Unsecured due July 2028	07/27/98	30	6.750%	30	6.506%	6.820%
6.67% MTN A1 due Dec 2025	12/15/95	30	6.670%	30	7.026%	7.236%
5.95% Sr Note due 10/15/2034	10/22/04	30	5.950%	30	5.607%	6.018%
4.3% Sr Note due 10/1/2048	10/04/18	30	4.300%	30	4.310%	4.699%
5.50% Sr Note Due 06/15/2041	06/10/11	30	5.500%	30	5.302%	5.804%
4.15% Sr Note due 1/15/2043	01/11/13	30	4.150%	30	3.933%	4.269%
4.125% Sr Note due 10/15/2044	10/15/14	30	4.125%	30	4.159%	4.535%
4.125% Sr Note due 10/15/2044	06/08/17	27	4.125%	25	4.095%	4.483%
3.00% Sr Note due 6/15/2027	06/08/17	10	3.000%	10	3.295%	3.655%
4.125% Sr Note due 3/15/49	03/04/19	30	4.125%	30	4.300%	4.679%
2.625% Sr Notes Due 9/15/2029	10/02/19	10	2.625%	10	2.651%	2.960%
2.625% Sr Notes Due 9/15/2029	01/14/22	8	2.625%	8	2.283%	2.529%
3.375% Sr Notes Due 2049	10/02/19	30	3.375%	30	3.330%	3.704%
1.500% Sr Notes Due 1/15/2031	10/01/20	10	1.500%	10	1.715%	1.944%
2.850% Sr Notes Due 2/15/2052	10/01/21	30	2.850%	30	2.928%	3.166%
5.450% Sr Notes Due 2032	10/03/22	10	5.450%	10	4.861%	5.244%
5.750% Sr Notes Due 2052	10/03/22	30	5.750%	30	5.089%	5.456%
5.900% Sr Notes Due 11/15/2033	10/10/23	10	5.900%	10	5.652%	6.004%
5.900% Sr Notes Due 11/15/2033	06/01/24	9	5.900%	9	5.268%	5.737%
6.200% Sr Notes Due 11/15/2053	10/10/23	30	6.200%	30	5.896%	6.163%
			<u>4.544%</u>		4.410%	4.755%
					<u>4.583%</u>	

Notes:

(1) Based on Bloomberg BVAL Curve

Sources: Company provided data and Bloomberg Professional.

Fair Value Curve yields are 30-day averages from Bloomberg Professional.

Atmos Energy Corporation
Indicated Common Equity Cost Rate Using the Discounted Cash Flow Model for the
Proxy Group of Six Natural Gas Companies

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
				Yahoo! Finance				
	Average Dividend Yield (1)	Value Line Projected Five Year Growth in EPS (2)	Zack's Five Year Projected Growth Rate in EPS	Projected Five Year Growth in EPS	S&P Capital IQ Projected Five Year Growth in EPS	Average Projected Five Year Growth in EPS (3)	Adjusted Dividend Yield (4)	Indicated Common Equity Cost Rate (5)
Proxy Group of Six Natural Gas Companies								
Atmos Energy Corporation	2.62 %	7.00 %	7.00 %	7.40 %	7.00 %	7.10 %	2.71 %	9.81 %
New Jersey Resources Corporation	3.78	5.00	NA	6.00	6.93	5.98	3.89	9.87
NiSource Inc.	3.49	9.50	6.00	7.50	7.17	7.54	3.62	11.16
Northwest Natural Holding Company	5.15	6.50	NA	2.80	4.40	4.57	5.27	9.84
ONE Gas, Inc.	4.03	3.50	5.00	5.00	3.00	4.13	4.11	8.24
Spire Inc.	4.80	4.50	5.00	6.36	6.45	5.58	4.93	10.51
							Average	9.91 %
							Median	9.86 %
							Average of Mean and Median	9.89 %

NA= Not Available
NMF= Not Meaningful Figure

Notes:

- (1) Indicated dividend at 08/30/2024 divided by the average closing price of the last 60 trading days ending 08/30/2024 for each company.
- (2) From pages 2 through 7 of this Exhibit.
- (3) Average of columns 2 through 5 excluding negative growth rates.
- (4) This reflects a growth rate component equal to one-half the conclusion of growth rate (from column 6) x column 1 to reflect the periodic payment of dividends (Gordon Model) as opposed to the continuous payment. Thus, for Atmos Energy Corporation, 2.62% x (1+(1/2 x 7.10%)) = 2.71%.
- (5) Column 6 + column 7.

Source of Information:

Value Line Investment Survey
www.zacks.com Downloaded on 08/30/2024
www.yahoo.com Downloaded on 08/30/2024
S&P Capital IQ

ATMOS ENERGY CORP. NYSE-ATO										RECENT PRICE	128.64	P/E RATIO	18.3	(Trailing: 18.9 Median: 20.0)	RELATIVE P/E RATIO	1.05	DIV'D YLD	2.7%	VALUE LINE										
TIMELINESS	4	Lowered 2/16/24	High: 47.4	58.2	64.8	82.0	93.6	100.8	115.2	121.1	105.3	123.0	125.3	132.2					Target Price Range										
SAFETY	1	Raised 6/6/14	Low: 34.9	44.2	50.8	60.0	72.5	76.5	89.2	77.9	84.6	97.7	101.0	110.5					2027 2028 2029										
TECHNICAL	4	Lowered 8/23/24	LEGENDS 36.50 x Dividends p.sh. divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession																										
BETA	.85	(1.00 = Market)																											
18-Month Target Price Range																													
Low-High Midpoint (% to Mid)																													
\$112-\$158 \$135 (5%)																													
2027-29 PROJECTIONS																													
	Price	Gain	Ann'l	Total																									
High	150	(+15%)	7%	2%																									
Low	125	(-5%)																											
Institutional Decisions																													
3Q2023 4Q2023 1Q2024																													
to Buy 322 358 367																													
to Sell 280 295 292																													
Hld's(000) 137279 137294 137412																													
Percent shares traded																													
24 16 8																													
2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025																													
79.52 53.69 53.12 48.15 38.10 42.88 49.22 40.82 32.23 26.01 28.00 24.32 22.41 25.73 29.82 28.79 26.55 27.55																													
4.19 4.29 4.64 4.72 4.76 5.14 5.42 5.81 6.19 6.62 7.24 7.57 8.03 8.64 9.30 10.04 10.95 11.75																													
2.00 1.97 2.16 2.26 2.10 2.50 2.96 3.09 3.38 3.60 4.00 4.35 4.72 5.12 5.60 6.10 6.75 7.20																													
1.30 1.32 1.34 1.36 1.38 1.40 1.48 1.56 1.68 1.80 1.94 2.10 2.30 2.50 2.72 2.96 3.22 3.46																													
5.20 5.51 6.02 6.90 8.12 9.32 8.32 9.61 10.46 10.72 13.19 14.19 15.38 14.87 17.35 18.90 20.00 20.25																													
22.60 23.52 24.16 24.98 26.14 28.47 30.74 31.48 33.32 36.74 42.87 48.18 53.95 59.71 66.85 73.20 80.70 82.60																													
90.81 92.55 90.16 90.30 90.24 90.64 100.39 101.48 103.93 106.10 111.27 119.34 125.88 132.42 140.90 148.49 155.00 158.00																													
13.6 12.5 13.2 14.4 15.9 15.9 16.1 17.5 20.8 22.0 21.7 23.2 22.3 18.8 19.3 18.7																													
.82 .83 .84 .90 1.01 .89 .85 .88 1.09 1.11 1.17 1.24 1.15 1.02 1.12 1.08																													
4.8% 5.3% 4.7% 4.2% 4.1% 3.5% 3.1% 2.9% 2.4% 2.3% 2.2% 2.1% 2.2% 2.6% 2.5% 2.6%																													
CAPITAL STRUCTURE as of 6/30/24																													
Total Debt \$7876.1 mill. Due in 5 Yrs \$915.0 mill.																													
LT Debt \$7866.5 mill. LT Interest \$135.0 mill.																													
(LT interest earned: 8.3x; total interest coverage: 8.3x)																													
Leases, Uncapitalized Annual rentals \$41.3 mill.																													
Pfd Stock None																													
Pension Assets-9/23 \$502.4 mill.																													
Oblig. \$431.6 mill.																													
Common Stock 155,232,827 shs. as of 8/2/24																													
MARKET CAP: \$20.0 billion (Large Cap)																													
CURRENT POSITION (SMILL.)																													
Cash Assets 51.6 15.4 674.6																													
Other 2996.1 870.4 1034.0																													
Current Assets 3047.7 885.8 1708.6																													
Accts Payable 496.0 336.1 319.4																													
Debt Due 2386.4 253.4 9.6																													
Other 720.2 763.1 655.9																													
Current Liab. 3602.6 1352.6 984.9																													
Fix. Chg. Cov. 1238% 1059% 1075%																													
ANNUAL RATES																													
Past 10 Yrs. Past 5 Yrs. Est'd '21-'23																													
of change (per sh)																													
Revenues -4.0% -5.4% 4.0%																													
"Cash Flow" 6.5% 7.0% 6.5%																													
Earnings 9.5% 9.0% 7.0%																													
Dividends 7.0% 8.5% 7.5%																													
Book Value 9.5% 12.0% 5.0%																													
Fiscal Year Ends																													
QUARTERLY REVENUES (\$ mill.) A																													
Dec.31 Mar.31 Jun.30 Sep.30																													
2021 914.5 1319.1 605.6 568.3 3407.5																													
2022 1012.8 1649.8 816.4 722.7 4201.7																													
2023 1484.0 1541.0 662.7 587.7 4275.4																													
2024 1158.5 1647.2 701.5 607.8 4115																													
2025 1250 1725 750 625 4350																													
Fiscal Year Ends																													
EARNINGS PER SHARE A B E																													
Dec.31 Mar.31 Jun.30 Sep.30																													
2021 1.71 2.30 .78 .37 5.12																													
2022 1.86 2.37 .92 .51 5.60																													
2023 1.91 2.48 .94 .80 6.10																													
2024 2.08 2.85 1.08 .74 6.75																													
2025 2.26 2.95 1.16 .83 7.20																													
Cal-endar																													
QUARTERLY DIVIDENDS PAID C																													
Mar.31 Jun.30 Sep.30 Dec.31																													
2020 .575 .575 .575 .625 2.35																													
2021 .625 .625 .625 .68 2.56																													
2022 .68 .68 .68 .74 2.78																													
2023 .74 .74 .74 .805 3.03																													
2024 .805 .805 .805 .805																													
2025 .805 .805 .805 .805																													
BUSINESS: Atmos Energy Corporation is engaged primarily in the distribution and sale of natural gas to over three million customers through six regulated natural gas utility operations: Louisiana Division, West Texas Division, Mid-Tex Division, Mississippi Division, Colorado-Kansas Division, and Kentucky/Mid-States Division. Gas sales breakdown for fiscal 2023: 66.5%, residential; 28.0%, commercial; 3.8%, industrial; and 1.7% other. The company sold Atmos Energy Marketing, 1/17. Officers and directors own approximately .5% of common stock (12/23 Proxy). President and Chief Executive Officer: Kevin Akers. Incorporated: Texas. Address: Three Lincoln Centre, Suite 1800, 5430 LBJ Freeway, Dallas, Texas 75240. Telephone: 972-934-9227. Internet: www.atmosenergy.com.																													
Atmos Energy's long streak of earnings growth will probably remain unbroken in fiscal 2024 (concludes September 30th). During the first nine months, earnings per share of \$6.01 were 12.8% above the \$5.33 tally posted the previous year. That was made possible partially by positive rate-case outcomes. A drop in bad-debt expense helped, too. Moreover, results were favorably impacted by legislation to bring down property-tax expenses in Texas. But an increase in both depreciation expense and interest charges produced somewhat of an offset. Although the company faces a tough bottom-line matchup in the fourth quarter, we expect full-year profits to be around \$6.75 a share. That would mark a 10% or so advance from fiscal 2023's \$6.10 figure. Regarding fiscal 2025, share net stands to rise another 7%, to \$7.20, assuming additional expansion of operating margins. Finances are healthy. When the June period ended, cash and equivalents resided at \$674.6 million. Furthermore, long-term debt appeared manageable (nearly 40% of total capital) and short-term borrowings were modest. Also, \$1.8 billion in common stock and/or debt securities remained available for issuance (out of \$5 billion) under a shelf registration statement expiring in March, 2026. Finally, the company had four undrawn revolving credit facilities aggregating \$3.1 billion plus a \$1.5 billion commercial paper program. Value Line is optimistic about Atmos' performance out to the end of this decade. It ranks as one of the nation's largest natural gas-only distributors, with more than three million customers across several states, including Texas, Louisiana, and Mississippi. Also, we think the pipeline and storage unit has promising overall growth opportunities, since it operates in one of the most-active drilling regions in the world. The sound balance sheet is another strength. The top-quality stock has climbed to record highs since our last full-page review in May. The energy firm's good earnings during fiscal 2024 are surely a driving force behind that price move. But long-term total return potential lacks appeal. The equity bears a 4 (Below Average) Timeliness rank, as well. Frederick L. Harris, III August 23, 2024																													

ONE GAS, INC. NYSE-OGS				RECENT PRICE	66.89	P/E RATIO	16.7 (Trailing: 16.9 Median: 21.0)	RELATIVE P/E RATIO	0.96	DIV'D YLD	4.0%	VALUE LINE												
TIMELINESS	3	Raised 12/8/23	High: 44.3	51.8	67.4	79.5	87.8	96.7	97.0	81.9	92.3	84.3	71.8	Target Price Range 2027 2028 2029										
SAFETY	2	New 6/2/17	Low: 31.9	38.9	48.0	61.4	62.2	75.8	63.7	62.5	68.9	55.5	57.7											
TECHNICAL	4	Raised 8/16/24	LEGENDS 35.00 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession																					
BETA	.85	(1.00 = Market)																						
18-Month Target Price Range																								
Low-High Midpoint (% to Mid)																								
\$44-\$79 \$62 (-10%)																								
2027-29 PROJECTIONS																								
Price Gain Ann'l Total																								
High Low 105 75 (+55%) (+10%) 15% 7%																								
Institutional Decisions																								
3Q2023 4Q2023 1Q2024																								
to Buy 148 159 170																								
to Sell 153 160 147																								
Hld's(000) 51074 52932 51905													% TOT. RETURN 7/24 THIS STOCK VL ARITH. INDEX 1 yr. -8.4 9.9 3 yr. 4.7 12.6 5 yr. -11.1 72.0											
			Percent	21																				
			shares	14																				
			traded	7																				

Atmos Energy Corporation
Indicated Common Equity Cost Rate
Through Use of a Risk Premium Model
Using an Adjusted Total Market Approach

<u>Line No.</u>		<u>Proxy Group of Six Natural Gas Companies</u>
1.	Prospective Yield on Aaa Rated Corporate Bonds (1)	4.93 %
2.	Adjustment to Reflect Yield Spread Between Aaa Rated Corporate Bonds and A2 Rated Public Utility Bonds	<u>0.50 (2)</u>
3.	Adjusted Prospective Yield on A2 Rated Public Utility Bonds	5.43 %
4.	Equity Risk Premium (3)	<u>5.26</u>
5.	Risk Premium Derived Common Equity Cost Rate	<u><u>10.69 %</u></u>

- Notes:
- (1) Consensus forecast of Moody's Aaa Rated Corporate bonds from Blue Chip Financial Forecasts (see pages 7 and 8 of this Exhibit).
 - (2) The average yield spread of A2 rated public utility bonds over Aaa rated corporate bonds of 0.50% from page 2 of this Exhibit.
 - (3) From page 5 of this Exhibit.

Atmos Energy Corporation
Interest Rates and Bond Spreads for
Moody's Corporate and Public Utility Bonds

Selected Bond Yields - Moody's

	[1]	[2]	[3]	[4]
	<u>Aaa Rated Corporate Bond</u>	<u>Aa Rated Public Utility Bond</u>	<u>A2 Rated Public Utility Bond</u>	<u>Baa2 Rated Public Utility Bond</u>
Aug-2024	4.87 %	5.27 %	5.38 %	5.61 %
Jul-2024	5.12	5.54	5.64	5.85
Jun-2024	<u>5.13</u>	<u>5.50</u>	<u>5.61</u>	<u>5.84</u>
Average	<u><u>5.04 %</u></u>	<u><u>5.44 %</u></u>	<u><u>5.54 %</u></u>	<u><u>5.77 %</u></u>

Selected Bond Spreads

A2 Rated Public Utility Bonds Over Aaa Rated Corporate Bonds:	<u><u>0.50 % (1)</u></u>
Baa2 Rated Public Utility Bonds Over A2 Rated Public Utility Bonds:	<u><u>0.23 % (2)</u></u>
A2 Rated Public Utility Bonds Over Aa2 Rated Public Utility Bonds:	<u><u>0.10 % (3)</u></u>

Notes:

(1) Column [3] - Column [1].

(2) Column [4] - Column [3].

(3) Column [3] - Column [2].

Source of Information:

Bloomberg Professional Service

Atmos Energy Corporation
Comparison of Long-Term Issuer Ratings for
Proxy Group of Six Natural Gas Companies

	Moody's		Standard & Poor's	
	Long-Term Issuer Rating		Long-Term Issuer Rating	
	August 2024		August 2024	
Proxy Group of Six Natural Gas Companies	Long-Term Issuer Rating (1)	Numerical Weighting (2)	Long-Term Issuer Rating (1)	Numerical Weighting (2)
Atmos Energy Corporation	A1	5.0	A-	7.0
New Jersey Resources Corporation	A1	5.0	NR	- -
NiSource Inc.	Baa1	8.0	BBB+	8.0
Northwest Natural Holding Company	Baa1	8.0	A+	5.0
ONE Gas, Inc.	A3	7.0	A-	7.0
Spire Inc.	A1/A2	5.5	BBB+	8.0
Average	A2	6.4	A-	7.0

Notes:

(1) Ratings are that of the average of each company's utility operating subsidiaries.

(2) From page 4 of this Exhibit.

Source Information: Moody's Investors Service
Standard & Poor's Global Utilities Rating Service

Numerical Assignment for
Moody's and Standard & Poor's Bond Ratings

Moody's Bond Rating	Numerical Bond Weighting	Standard & Poor's Bond Rating
Aaa	1	AAA
Aa1	2	AA+
Aa2	3	AA
Aa3	4	AA-
A1	5	A+
A2	6	A
A3	7	A-
Baa1	8	BBB+
Baa2	9	BBB
Baa3	10	BBB-
Ba1	11	BB+
Ba2	12	BB
Ba3	13	BB-
B1	14	B+
B2	15	B
B3	16	B-

Atmos Energy Corporation
Judgment of Equity Risk Premium for
Proxy Group of Six Natural Gas Companies

<u>Line No.</u>		<u>Proxy Group of Six Natural Gas Companies</u>
1.	Calculated equity risk premium based on the total market using the beta approach (1)	5.94 %
2.	Mean equity risk premium based on a study using the holding period returns of public utilities with A rated bonds (2)	4.96
3.	Predicted Equity Risk Premium Based on Regression Analysis of 836 Fully-Litigated Natural Gas Utility Rate Cases (3)	<u>4.89</u>
4.	Average equity risk premium	<u><u>5.26 %</u></u>

Notes: (1) From page 6 of this Exhibit.
(2) From page 9 of this Exhibit.
(3) From page 10 of this Exhibit.

Atmos Energy Corporation
Derivation of Equity Risk Premium Based on the Total Market Approach
Using the Beta for the
Proxy Group of Six Natural Gas Companies

<u>Line No.</u>	<u>Equity Risk Premium Measure</u>	<u>Proxy Group of Six Natural Gas Companies</u>
1.	Ibbotson Equity Risk Premium (1)	5.96 %
2.	Regression on Ibbotson Risk Premium Data (2)	7.18
3.	Ibbotson Equity Risk Premium based on PRPM (3)	7.77
4.	Equity Risk Premium Based on Value Line Summary and Index (4)	7.33
5.	Equity Risk Premium Based on Bloomberg, Value Line, and S&P Capital IQ S&P 500 Companies (5)	<u>10.35</u>
6.	Conclusion of Equity Risk Premium	7.72 %
7.	Adjusted Beta (6)	<u>0.77</u>
8.	Forecasted Equity Risk Premium	<u><u>5.94 %</u></u>

Notes:

- (1) Based on the arithmetic mean historical monthly returns on large company common stocks from Kroll 2023 SBBI® Yearbook and Bloomberg Professional Services minus the arithmetic mean monthly yield of Moody's average Aaa and Aa2 corporate bonds from 1928-2023.
- (2) This equity risk premium is based on a regression of the monthly equity risk premiums of large company common stocks relative to Moody's average Aaa and Aa2 rated corporate bond yields from 1928-2023 referenced in Note 1 above. Using the equation generated from the regression, an expected equity risk premium is calculated using the average consensus forecast of Aaa corporate bonds of 4.93% (from page 1 of this Exhibit).
- (3) The Predictive Risk Premium Model (PRPM) is discussed in the accompanying direct testimony. The Ibbotson equity risk premium based on the PRPM is derived by applying the PRPM to the monthly risk premiums between Ibbotson large company common stock monthly returns and average Aaa and Aa corporate monthly bond yields, from January 1928 through August 2024.
- (4) The equity risk premium based on the Value Line Summary and Index is derived by subtracting the average consensus forecast of Aaa corporate bonds of 4.93% (from page 1 of this Exhibit) from the projected 3-5 year total annual market return of 12.26% (described fully in note 1 on page 2 of Exhibit DWD-4).
- (5) Using data from the Bloomberg Professional Services, Value Line, and S&P Capital IQ for the S&P 500 for the S&P 500, an expected total return of 15.28% was derived based upon expected dividend yields as a proxy for income returns and long-term earnings growth estimates as a proxy for capital appreciation. Subtracting the average consensus forecast of Aaa corporate bonds of 4.93% results in an expected equity risk premium of 10.35%.
- (6) Average of mean and median beta from Exhibit DWD-5.

Sources of Information:

Kroll 2023 SBBI® Yearbook
Industrial Manual and Mergent Bond Record Monthly Update.
Value Line Summary and Index
Blue Chip Financial Forecasts, August 30, 2024 and May 31, 2024
Bloomberg Professional Service
S&P Capital IQ

Long-Range Survey:

The table below contains the results of our twice-annual long-range CONSENSUS survey. There are also Top 10 and Bottom 10 averages for each variable. Shown are consensus estimates for the years 2025 through 2030 and averages for the five-year periods 2026-2030 and 2031-2035. Apply these projections cautiously. Few if any economic, demographic and political forces can be evaluated accurately over such long time spans.

		----- Average For The Year -----						Five-Year Averages	
		2025	2026	2027	2028	2029	2030	2026-2030	2031-2035
1. Federal Funds Rate	CONSENSUS	4.1	3.4	3.2	3.2	3.3	3.3	3.3	3.2
	Top 10 Average	4.5	3.8	3.8	3.8	3.8	3.8	3.8	3.8
	Bottom 10 Average	3.6	3.0	2.7	2.7	2.7	2.7	2.8	2.7
2. Prime Rate	CONSENSUS	7.1	6.5	6.4	6.4	6.4	6.3	6.4	6.3
	Top 10 Average	7.5	6.9	6.9	6.9	6.9	6.9	6.9	6.8
	Bottom 10 Average	6.8	6.1	5.9	5.8	5.8	5.7	5.9	5.7
3. SOFR	CONSENSUS	4.0	3.4	3.3	3.3	3.2	3.2	3.3	3.2
	Top 10 Average	4.3	3.7	3.7	3.6	3.6	3.6	3.6	3.6
	Bottom 10 Average	3.8	3.1	2.9	2.8	2.8	2.7	2.8	2.7
4. Commercial Paper, 1-Mo	CONSENSUS	4.0	3.4	3.4	3.3	3.3	3.3	3.4	3.3
	Top 10 Average	4.2	3.6	3.6	3.6	3.5	3.5	3.6	3.6
	Bottom 10 Average	3.8	3.2	3.0	3.0	3.0	2.9	3.0	2.9
5. Treasury Bill Yield, 3-Mo	CONSENSUS	4.0	3.4	3.3	3.2	3.2	3.2	3.2	3.2
	Top 10 Average	4.4	3.7	3.7	3.7	3.7	3.7	3.7	3.7
	Bottom 10 Average	3.6	3.0	2.8	2.7	2.7	2.7	2.8	2.6
6. Treasury Bill Yield, 6-Mo	CONSENSUS	4.0	3.5	3.4	3.4	3.4	3.3	3.4	3.3
	Top 10 Average	4.3	3.8	3.8	3.7	3.7	3.7	3.8	3.7
	Bottom 10 Average	3.7	3.2	3.0	2.9	2.9	2.8	3.0	2.8
7. Treasury Bill Yield, 1-Yr	CONSENSUS	4.0	3.6	3.5	3.5	3.5	3.5	3.5	3.4
	Top 10 Average	4.3	3.9	3.9	3.9	3.9	3.9	3.9	3.8
	Bottom 10 Average	3.8	3.4	3.2	3.1	3.0	3.0	3.1	3.0
8. Treasury Note Yield, 2-Yr	CONSENSUS	3.8	3.7	3.6	3.6	3.6	3.6	3.6	3.6
	Top 10 Average	4.1	4.0	4.1	4.1	4.1	4.1	4.1	4.1
	Bottom 10 Average	3.5	3.3	3.2	3.1	3.1	3.1	3.2	3.0
9. Treasury Note Yield, 5-Yr	CONSENSUS	3.9	3.8	3.8	3.9	3.9	3.9	3.9	3.9
	Top 10 Average	4.2	4.2	4.3	4.3	4.5	4.4	4.3	4.5
	Bottom 10 Average	3.6	3.5	3.4	3.3	3.4	3.4	3.4	3.3
10. Treasury Note Yield, 10-Yr	CONSENSUS	4.0	4.0	4.0	4.0	4.2	4.2	4.1	4.2
	Top 10 Average	4.4	4.5	4.5	4.6	4.7	4.7	4.6	4.8
	Bottom 10 Average	3.7	3.6	3.5	3.5	3.6	3.6	3.5	3.6
11. Treasury Bond Yield, 30-Yr	CONSENSUS	4.2	4.2	4.2	4.3	4.4	4.4	4.3	4.4
	Top 10 Average	4.5	4.6	4.7	4.8	4.9	4.9	4.7	4.9
	Bottom 10 Average	3.9	3.9	3.8	3.8	3.8	3.9	3.8	3.8
12. Corporate Aaa Bond Yield	CONSENSUS	5.1	5.1	5.1	5.2	5.3	5.3	5.2	5.2
	Top 10 Average	5.4	5.4	5.6	5.7	5.8	5.8	5.7	5.8
	Bottom 10 Average	4.8	4.7	4.7	4.7	4.7	4.7	4.7	4.7
13. Corporate Baa Bond Yield	CONSENSUS	6.0	6.0	6.1	6.1	6.2	6.2	6.1	6.2
	Top 10 Average	6.3	6.3	6.5	6.6	6.7	6.7	6.5	6.7
	Bottom 10 Average	5.7	5.7	5.6	5.6	5.6	5.7	5.6	5.7
14. State & Local Bonds Yield	CONSENSUS	4.1	4.1	4.2	4.2	4.3	4.4	4.2	4.3
	Top 10 Average	4.4	4.5	4.5	4.6	4.7	4.7	4.6	4.8
	Bottom 10 Average	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.7
15. Home Mortgage Rate	CONSENSUS	6.3	6.1	6.1	6.1	6.1	6.2	6.1	6.1
	Top 10 Average	6.7	6.5	6.5	6.5	6.6	6.6	6.6	6.6
	Bottom 10 Average	6.0	5.7	5.7	5.6	5.6	5.6	5.6	5.5
A. Fed's AFE Nominal \$ Index	CONSENSUS	115.6	114.6	114.3	113.9	113.4	112.8	113.8	112.3
	Top 10 Average	116.9	116.3	115.8	115.7	115.3	115.1	115.6	114.8
	Bottom 10 Average	114.2	113.0	112.7	112.1	111.5	110.9	112.0	110.1
		----- Year-Over-Year, % Change -----						Five-Year Averages	
		2025	2026	2027	2028	2029	2030	2026-2030	2031-2035
B. Real GDP	CONSENSUS	1.9	2.0	2.1	2.1	2.0	2.0	2.1	2.0
	Top 10 Average	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.2
	Bottom 10 Average	1.6	1.8	1.9	1.8	1.8	1.8	1.8	1.8
C. GDP Chained Price Index	CONSENSUS	2.3	2.2	2.2	2.1	2.2	2.1	2.2	2.1
	Top 10 Average	2.6	2.4	2.4	2.3	2.3	2.3	2.4	2.3
	Bottom 10 Average	2.1	2.0	2.0	2.0	2.0	2.0	2.0	2.0
D. Consumer Price Index	CONSENSUS	2.4	2.2	2.2	2.2	2.2	2.2	2.2	2.2
	Top 10 Average	2.7	2.4	2.4	2.4	2.4	2.4	2.4	2.4
	Bottom 10 Average	2.1	2.1	2.0	2.0	2.0	2.0	2.0	2.0
E. PCE Price Index	CONSENSUS	2.2	2.1	2.1	2.1	2.1	2.1	2.1	2.1
	Top 10 Average	2.4	2.3	2.3	2.3	2.3	2.3	2.3	2.2
	Bottom 10 Average	2.0	1.9	1.9	1.9	2.0	2.0	1.9	2.0

Consensus Forecasts of U.S. Interest Rates and Key Assumptions

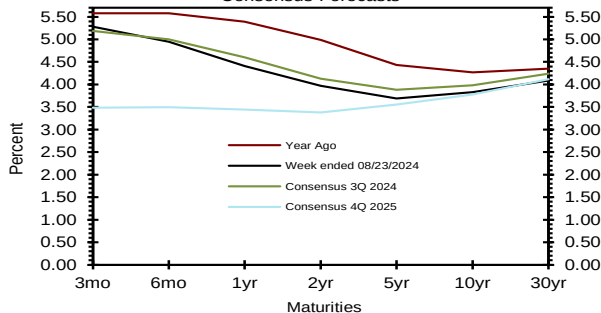
Interest Rates	History								Consensus Forecasts-Quarterly Avg.					
	Average For Week Ending				Average For Month				3Q	4Q	1Q	2Q	3Q	4Q
	Aug 23	Aug 16	Aug 9	Aug 2	Jul	Jun	May	2Q 2024	2024	2024	2025	2025	2025	2025
Federal Funds Rate	5.33	5.33	5.33	5.33	5.33	5.33	5.33	5.33	5.2	4.8	4.4	4.0	3.8	3.6
Prime Rate	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.4	8.0	7.5	7.2	7.0	6.7
SOFR	5.32	5.34	5.33	5.35	5.34	5.33	5.31	5.32	5.3	4.9	4.5	4.1	3.8	3.6
Commercial Paper, 1-mo.	5.27	5.30	5.29	5.30	5.30	5.31	5.32	5.31	5.2	4.8	4.3	4.0	3.7	3.5
Treasury bill, 3-mo.	5.28	5.33	5.34	5.38	5.43	5.51	5.46	5.47	5.2	4.8	4.3	4.0	3.7	3.5
Treasury bill, 6-mo.	4.95	5.01	4.99	5.09	5.25	5.37	5.42	5.39	5.0	4.6	4.2	3.9	3.7	3.5
Treasury bill, 1 yr.	4.41	4.46	4.45	4.65	4.90	5.11	5.16	5.14	4.6	4.3	3.9	3.8	3.6	3.4
Treasury note, 2 yr.	3.97	4.00	3.99	4.21	4.50	4.74	4.86	4.82	4.1	3.9	3.7	3.5	3.5	3.4
Treasury note, 5 yr.	3.69	3.73	3.75	3.90	4.16	4.32	4.50	4.46	3.9	3.7	3.6	3.6	3.6	3.6
Treasury note, 10 yr.	3.83	3.88	3.91	4.04	4.25	4.31	4.48	4.44	4.0	3.9	3.8	3.8	3.8	3.8
Treasury note, 30 yr.	4.09	4.16	4.20	4.31	4.46	4.44	4.62	4.57	4.2	4.2	4.1	4.1	4.1	4.1
Corporate Aaa bond	4.87	4.98	5.08	5.11	5.22	5.21	5.33	5.31	4.9	4.9	4.8	4.8	4.8	4.8
Corporate Baa bond	5.39	5.49	5.60	5.61	5.71	5.70	5.81	5.80	5.7	5.7	5.7	5.7	5.7	5.7
State & Local bonds	4.05	4.07	4.04	4.12	4.19	4.24	4.28	4.27	4.1	4.0	4.0	4.0	4.0	4.0
Home mortgage rate	6.46	6.49	6.47	6.73	6.85	6.92	7.06	6.99	6.6	6.4	6.2	6.1	6.0	6.0

Key Assumptions	History								Consensus Forecasts-Quarterly					
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	2022	2022	2023	2023	2023	2023	2024	2024	2024	2024	2025	2025	2025	2025
Fed's AFE \$ Index	118.8	119.8	115.5	114.6	115.0	116.6	115.5	117.3	116.2	115.2	114.6	114.4	114.3	114.3
Real GDP	2.7	2.6	2.2	2.1	4.9	3.4	1.4	3.0	1.8	1.6	1.6	1.8	2.0	2.1
GDP Price Index	4.4	3.9	3.9	1.7	3.3	1.6	3.1	2.5	2.2	2.2	2.3	2.2	2.2	2.1
Consumer Price Index	5.3	4.0	3.8	3.0	3.4	2.7	3.8	2.8	1.9	2.3	2.3	2.2	2.3	2.3
PCE Price Index	4.7	4.1	4.2	2.5	2.6	1.8	3.4	2.5	1.9	2.1	2.2	2.0	2.1	2.1

Forecasts for interest rates and the Federal Reserve's Advanced Foreign Economies Index represent averages for the quarter. Forecasts for Real GDP, GDP Price Index, CPI and PCE Price Index are seasonally adjusted annual rates of change (saar). Individual panel members' forecasts are on pages 4 through 9. Historical data: Treasury rates from the Federal Reserve Board's H.15; AAA-AA and A-BBB corporate bond yields from Bank of America-Merrill Lynch and are 15+ years, yield to maturity; State and local bond yields from Bank of America-Merrill Lynch, A-rated, yield to maturity; Mortgage rates from Freddie Mac, 30-year, fixed; SOFR from the New York Fed. All interest rate data are sourced from Haver Analytics. Historical data for Fed's Major Currency Index are from FRSR H.10. Historical data for Real GDP, GDP Price Index and PCE Price Index are from the Bureau of Economic Analysis (BEA). Consumer Price Index history is from the Department of Labor's Bureau of Labor Statistics (BLS).

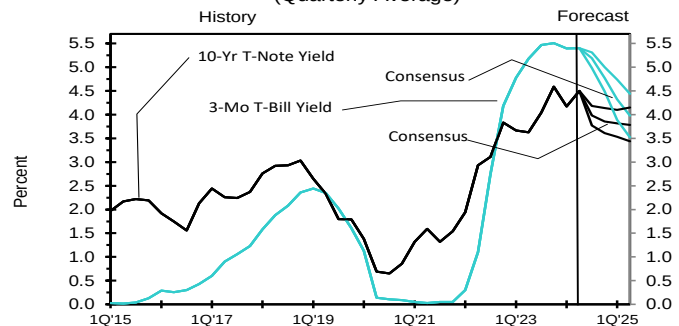
US Treasury Yield Curve

Week ended Aug 23, 2024 & Year Ago vs.
3Q 2024 & 4Q 2025
Consensus Forecasts



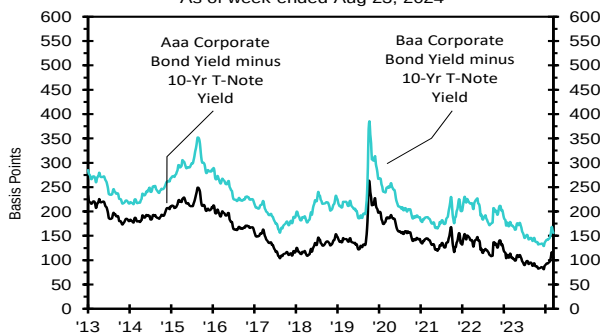
US 3-Mo T-Bills & 10-Yr T-Note Yield

(Quarterly Average)



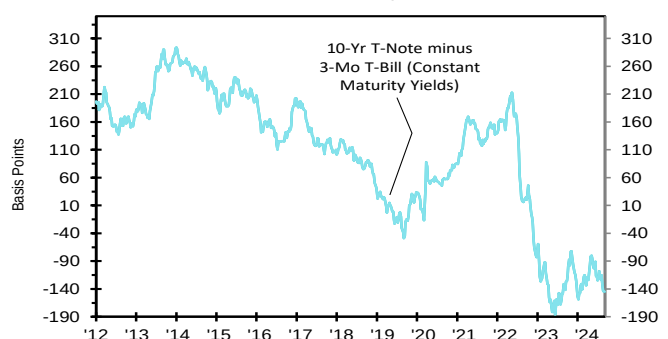
Corporate Bond Spreads

As of week ended Aug 23, 2024



US Treasury Yield Curve

As of week ended Aug 23, 2024

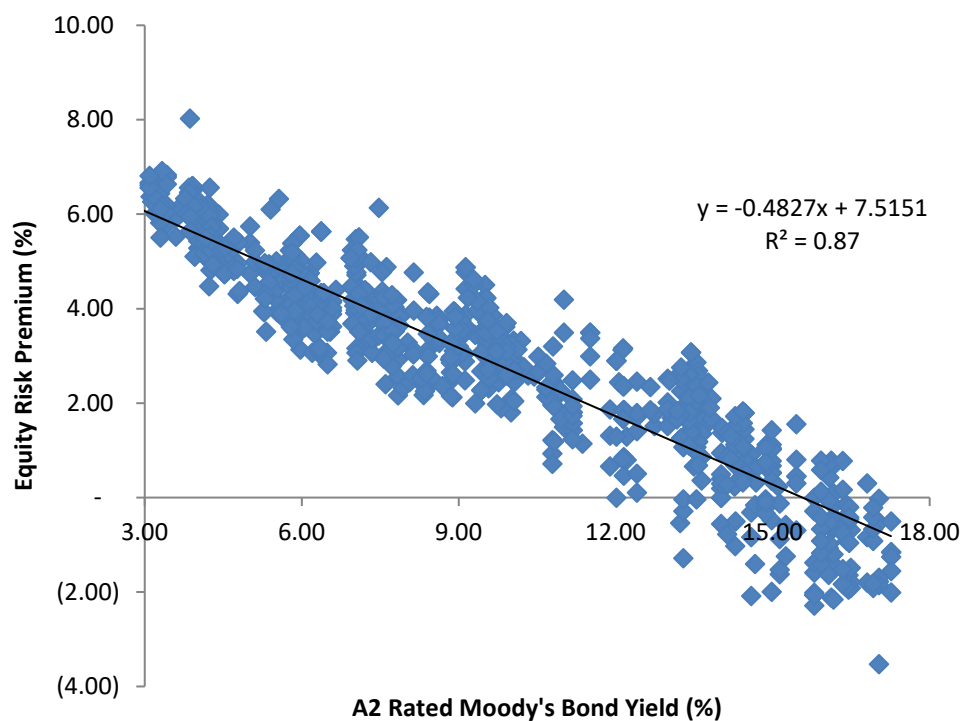


Atmos Energy Corporation
Derivation of Mean Equity Risk Premium Based Studies
Using Holding Period Returns and
Projected Market Appreciation of the S&P Utility Index

<u>Line No.</u>	<u>Equity Risk Premium Measure</u>	<u>Implied Equity Risk Premium</u>
1.	Historical Equity Risk Premium (1)	4.02 %
2.	Regression of Historical Equity Risk Premium (2)	4.99
3.	Forecasted Equity Risk Premium Based on PRPM (3)	5.13
4.	Forecasted Equity Risk Premium based on Projected Total Return on the S&P Utilities Index (Bloomberg, Value Line, and S&P Capital IQ Data) (4)	5.69
5.	Average Equity Risk Premium (6)	4.96 %

- Notes: (1) Based on S&P Public Utility Index monthly total returns and Moody's Public Utility Bond average monthly yields from 1928-2023. Holding period returns are calculated based upon income received (dividends and interest) plus the relative change in the market value of a security over a one-year holding period.
- (2) This equity risk premium is based on a regression of the monthly equity risk premiums of the S&P Utility Index relative to Moody's A2 rated public utility bond yields from 1928 - 2023 referenced in note 1 above. Using the equation generated from the regression, an expected equity risk premium is calculated using the prospective A2 rated public utility bond yield of 5.43% (from line 3, page 1 of this Exhibit).
- (3) The Predictive Risk Premium Model (PRPM) is applied to the risk premium of the monthly total returns of the S&P Utility Index and the monthly yields on Moody's A2 rated public utility bonds from January 1928 - August 2024.
- (4) Using data from Bloomberg, Value Line, and S&P Capital IQ for the S&P Utilities Index, an expected return of 11.12% was derived based on expected dividend yields as a proxy for income returns and long-term growth estimates as a proxy for market appreciation. Subtracting the expected A2 rated public utility bond yield of 5.43%, calculated on line 3 of page 1 of this Exhibit results in an equity risk premium of 5.69% (11.12% - 5.43% = 5.69%).
- (5) Average of lines 1 through 4.

Atmos Energy Corporation
Prediction of Equity Risk Premiums Relative to
Moody's A2 Rated Utility Bond Yields



Constant	Slope	Prospective A2 Rated Utility Bond (1)	Prospective Equity Risk Premium
7.5151 %	-0.4827	5.43 %	4.89 %

Notes:

(1) From line 3 of page 1 of this Exhibit.

Source of Information: Regulatory Research Associates

Atmos Energy Corporation
Indicated Common Equity Cost Rate Through Use
of the Traditional Capital Asset Pricing Model (CAPM) and Empirical Capital Asset Pricing Model (ECAPM)

Proxy Group of Six Natural Gas Companies	[1] Value Line Adjusted Beta	[2] Bloomberg Adjusted Beta	[3] Average Beta	[4] Market Risk Premium (1)	[5] Risk-Free Rate (2)	[6] Traditional CAPM Cost Rate	[7] ECAPM Cost Rate	[8] Indicated Common Equity Cost Rate (4)
Atmos Energy Corporation	0.85	0.68	0.76	8.63 %	4.19 %	10.75 %	11.27 %	11.01 %
New Jersey Resources Corporation	1.00	0.66	0.83	8.63	4.19	11.35	11.72	11.54
NiSource Inc.	0.95	0.62	0.79	8.63	4.19	11.01	11.46	11.24
Northwest Natural Holding Company	0.85	0.62	0.74	8.63	4.19	10.58	11.14	10.86
ONE Gas, Inc.	0.85	0.58	0.71	8.63	4.19	10.32	10.94	10.63
Spire Inc.	0.85	0.72	0.78	8.63	4.19	10.92	11.40	11.16
Mean			0.77			10.82 %	11.32 %	11.07 %
Median			0.77			10.84 %	11.33 %	11.09 %
Average of Mean and Median			0.77			10.83 %	11.33 %	11.08 %

Notes on page 2 of this Exhibit.

Atmos Energy Corporation
Notes to Accompany the Application of the CAPM and ECAPM

Notes:

- (1) The market risk premium (MRP) is derived by using five different measures from four sources: Ibbotson, Value Line, and Bloomberg as illustrated below:

Measure 1: Ibbotson Arithmetic Mean MRP (1926-2023)

Arithmetic Mean Monthly Returns for Large Stocks 1926-2023:	12.16 %
Arithmetic Mean Income Returns on Long-Term Government Bonds:	4.99
MRP based on Ibbotson Historical Data:	<u>7.17 %</u>

Measure 2: Application of a Regression Analysis to Ibbotson Historical Data (1926-2023)

8.17 %

Measure 3: Application of the PRPM to Ibbotson Historical Data: (January 1926 - August 2024)

8.66 %

Measure 4: Value Line Projected MRP (Thirteen weeks ending August 30, 2024)

Total projected return on the market 3-5 years hence*:	12.26 %
Projected Risk-Free Rate (see note 2):	4.19
MRP based on Value Line Summary & Index:	<u>8.07 %</u>
*Forecasted 3-5 year capital appreciation plus expected dividend yield	

Measure 5: Bloomberg, Value Line, and S&P Capital IQ Projected Return on the Market based on the S&P 500

Total return on the Market based on the S&P 500:	15.28 %
Projected Risk-Free Rate (see note 2):	4.19
MRP based on Value Line data	<u>11.09 %</u>

Average MRP: 8.63 %

- (2) For reasons explained in the direct testimony, the appropriate risk-free rate for cost of capital purposes is the average forecast of 30 year Treasury Bonds per the consensus of nearly 50 economists reported in Blue Chip Financial Forecasts. (See pages 7 and 8 of Exhibit DWD-3.) The projection of the risk-free rate is illustrated below:

Third Quarter 2024	4.20 %
Fourth Quarter 2024	4.20
First Quarter 2025	4.10
Second Quarter 2025	4.10
Third Quarter 2025	4.10
Fourth Quarter 2025	4.10
2026-2030	4.30
2031-2035	4.40
	<u>4.19 %</u>

- (3) Average of Column 6 and Column 7.

Sources of Information:

Value Line Summary and Index
Blue Chip Financial Forecasts, August 30, 2024 and May 31, 2024
Kroll 2023 SBBI® Yearbook
Bloomberg Professional Services
S&P Capital IQ

Atmos Energy Corporation
Basis of Selection of the Group of Non-Price Regulated Companies
Comparable in Total Risk to the Proxy Group of Six Natural Gas Companies

The criteria for selection of the proxy group of non-price regulated companies comparable in total risk to the proxy group of six natural gas companies was that the non-price regulated companies be domestic and reported in Value Line Investment Survey (Standard Edition).

The proxy group of non-price regulated companies was selected based on the unadjusted beta range of 0.65 - 0.93 and residual standard error of the regression range of 2.8139 - 3.3559 of the proxy group of six natural gas companies.

These ranges are based upon plus or minus two standard deviations of the unadjusted beta and standard error of the regression. Plus or minus three standard deviations captures 95.50% of the distribution of unadjusted betas and residual standard errors of the regression.

The standard deviation of the Utility Proxy Group's residual standard error of the regression is 0.1355. The standard deviation of the standard error of the regression is calculated as follows:

$$\text{Standard Deviation of the Std. Err. of the Regr.} = \frac{\text{Standard Error of the Regression}}{\sqrt{2N}}$$

where: N = number of observations. Since Value Line betas are derived from weekly price change observations over a period of five years, N = 259

$$\text{Thus, } 0.1355 = \frac{3.08487}{\sqrt{518}} = \frac{3.08487}{22.7596}$$

Source of Information: Valueline Proprietary Database, June 2024
Value Line Investment Survey (Standard Edition).

Atmos Energy Corporation
Basis of Selection of Comparable Risk
Domestic Non-Price Regulated Companies

	[1]	[2]	[3]	[4]
Proxy Group of Six Natural Gas Companies	Value Line Adjusted Beta	Unadjusted Beta	Residual Standard Error of the Regression	Standard Deviation of Beta
Atmos Energy Corporation	0.85	0.76	2.9065	0.0650
New Jersey Resources Corporation	1.00	0.93	3.0807	0.0689
NiSource Inc.	0.95	0.85	2.6368	0.0590
Northwest Natural Holding Company	0.85	0.73	3.4283	0.0767
ONE Gas, Inc.	0.85	0.73	3.3343	0.0746
Spire Inc.	0.85	0.76	3.1226	0.0698
Average	0.89	0.79	3.0849	0.0690
Beta Range (+/- 2 std. Devs. of Beta)	0.65	0.93		
2 std. Devs. of Beta	0.14			
Residual Std. Err. Range (+/- 2 std. Devs. of the Residual Std. Err.)	2.8139	3.3559		
Std. dev. of the Res. Std. Err.	0.1355			
2 std. devs. of the Res. Std. Err.	0.2710			

Source of Information: Valueline Proprietary Database, June 2024

Atmos Energy Corporation
Proxy Group of Non-Price Regulated Companies
Comparable in Total Risk to the
Proxy Group of Six Natural Gas Companies

	[1]	[2]	[3]	[4]
Proxy Group of Fifty-Three Non-Price Regulated Companies	Value Line Adjusted Beta	Unadjusted Beta	Residual Standard Error of the Regression	Standard Deviation of Beta
Abbott Laboratories	0.90	0.78	2.9772	0.0666
Agilent Technologies, Inc.	0.95	0.87	2.9277	0.0655
Air Products and Chemicals, Inc.	0.90	0.84	3.2408	0.0725
Allstate Corporation (The)	1.00	0.93	2.8557	0.0639
Alphabet Inc.	0.90	0.80	3.1933	0.0714
Altria Group, Inc.	0.85	0.76	2.8345	0.0634
Analog Devices, Inc.	1.00	0.93	2.9113	0.0651
Apple Inc.	0.95	0.87	3.1798	0.0711
Archer Daniels-Midlan Company	0.95	0.90	3.3342	0.0746
Assurant Inc.	0.90	0.80	3.0102	0.0673
AutoZone Inc.	0.95	0.88	3.3134	0.0741
Booz Allen Hamilton Corporation	0.85	0.75	3.3171	0.0742
Brady Corporation	0.95	0.89	3.0413	0.0680
Brown-Forman Corporation 'B'	0.90	0.79	2.8192	0.0630
CACI International	0.90	0.80	3.0193	0.0675
Casella Waste Systems, Inc.	0.85	0.74	3.3204	0.0742
Casey's General Stores, Inc.	0.90	0.78	3.1783	0.0711
Corteva, Inc.	0.95	0.89	3.3083	0.0740
CSW Industrials	0.85	0.77	3.2789	0.0733
Danaher Corporation	0.90	0.81	3.0031	0.0672
Dolby Laboratories	0.95	0.88	2.9736	0.0665
Fastenal Company	0.90	0.78	2.9421	0.0658
GATX Corporation	0.95	0.90	3.0102	0.0673
Innospec Inc.	1.00	0.93	2.9548	0.0661
J. B. Hunt Transport Services	0.95	0.90	3.2833	0.0734
Jack Henry & Associates, Inc.	0.85	0.73	3.1916	0.0714
Juniper Networks, Inc.	0.95	0.91	3.0796	0.0689
L3Harris Technologies, Inc.	0.90	0.83	3.0313	0.0678
Lockheed Martin Corporation	0.85	0.74	2.8607	0.0640
McKesson Corporation	0.85	0.70	3.0267	0.0677
Microsoft Corporation	0.90	0.77	2.8505	0.0637
MSA Safety Incorporated	1.00	0.92	3.0981	0.0693
MSC Industrial Direct Co., Inc.	0.90	0.83	2.9811	0.0667
Oracle Corporation	0.80	0.69	3.2292	0.0722
O'Reilly Automotive, Inc.	0.90	0.83	3.0602	0.0684
OSI Systems, Inc.	0.90	0.83	2.9498	0.0660
Packaging Corporation of America	0.95	0.85	2.8727	0.0642
Pfizer, Inc.	0.80	0.68	3.2942	0.0737
Philip Morris International Inc.	0.95	0.86	2.8650	0.0641
Prestige Consumer Healthcare Inc.	0.85	0.76	3.3107	0.0740
Selective Insurance Group, Inc.	0.85	0.74	3.0074	0.0672
Sensient Technologies Corporation	0.95	0.85	2.8317	0.0633
Service Corporation International	0.95	0.85	3.2188	0.0720
Sherwin-Williams Company	0.95	0.89	2.9082	0.0650
Smith (A.O.) Corporation	0.90	0.78	3.0334	0.0678
Texas Instruments Incorporated	0.85	0.76	2.8501	0.0637
Thermo Fisher Scientific Inc.	0.85	0.76	2.8431	0.0636
UniFirst Corporation	0.90	0.80	2.9200	0.0653
UnitedHealth Group Incorporated	0.95	0.90	3.0706	0.0687
VeriSign Inc.	0.90	0.78	2.9246	0.0654
Verisk Analytics, Inc.	0.90	0.78	2.8196	0.0630
Waters Corporation	0.95	0.88	3.1969	0.0715
Watsco, Inc.	0.90	0.78	3.2257	0.0721
Average	0.91	0.82	3.0524	0.0683
Proxy Group of Six Natural Gas Companies	0.89	0.79	3.0849	0.0690

Source of Information:

Valueline Proprietary Database, June 2024

Atmos Energy Corporation
Summary of Cost of Equity Models Applied to
Proxy Group of Fifty-Three Non-Price Regulated Companies
Comparable in Total Risk to the
Proxy Group of Six Natural Gas Companies

<u>Principal Methods</u>	<u>Proxy Group of Fifty-Three Non- Price Regulated Companies</u>
Discounted Cash Flow Model (DCF) (1)	10.93 %
Risk Premium Model (RPM) (2)	12.39
Capital Asset Pricing Model (CAPM) (3)	<u>11.95</u>
Mean	<u><u>11.76 %</u></u>
Median	<u><u>11.95 %</u></u>
Average of Mean and Median	<u><u>11.86 %</u></u>

Notes:

- (1) From page 2 of this Exhibit.
- (2) From page 3 of this Exhibit.
- (3) From page 6 of this Exhibit.

Atmos Energy Corporation
DCF Results for the Proxy Group of Non-Price-Regulated Companies Comparable in Total Risk to the
Proxy Group of Six Natural Gas Companies

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Proxy Group of Fifty-Three Non-Price Regulated Companies	Average Dividend Yield	Value Line Projected Five Year Growth in EPS	Zack's Five Year Projected Growth Rate in EPS	Yahoo! Finance Projected Five Year Growth in EPS	S&P Capital IQ Projected Five Year Growth in EPS	Average Projected Five Year Growth Rate in EPS (1)	Adjusted Dividend Yield	Indicated Common Equity Cost Rate (2)
Abbott Laboratories	2.06 %	4.00 %	8.60 %	8.20 %	8.45 %	7.31 %	2.14 %	9.45 %
Agilent Technologies, Inc.	0.70	8.00	4.10	5.00	6.11	5.80	0.72	6.52
Air Products and Chemicals, Inc.	2.63	10.50	6.10	5.27	8.64	7.63	2.73	10.36
Allstate Corporation (The)	2.17	30.00	7.00	107.60	168.00	18.50	2.37	20.87 (3)
Alphabet Inc.	0.46	13.00	17.70	20.50	17.43	17.16	0.50	17.66 (3)
Altria Group, Inc.	8.37	6.00	3.40	3.84	4.06	4.32	8.55	12.87
Analog Devices, Inc.	1.62	7.50	9.50	(2.56)	3.08	6.69	1.67	8.36
Apple Inc.	0.46	8.00	12.70	11.10	8.63	10.11	0.48	10.59
Archer Daniels-Midlan Company	3.27	3.00	NA	(4.90)	(3.62)	3.00	3.32	6.32
Assurant Inc.	1.65	9.50	7.10	7.10	7.14	7.71	1.71	9.42
AutoZone Inc.	-	12.50	13.20	11.65	14.83	13.05	-	NA
Booz Allen Hamilton Corporation	1.34	9.50	11.60	12.00	11.31	11.10	1.41	12.51
Brady Corporation	1.37	13.00	7.70	7.70	9.36	9.44	1.43	10.87
Brown-Forman Corporation 'B'	1.98	15.00	NA	(1.60)	1.56	8.28	2.06	10.34
CACI International	-	4.50	10.10	11.90	10.55	9.26	-	NA
Casella Waste Systems, Inc.	-	12.50	20.40	14.90	20.38	17.05	-	NA
Casey's General Stores, Inc.	0.54	11.00	10.20	11.19	13.10	11.37	0.57	11.94
Corteve, Inc.	1.27	9.00	12.80	12.78	10.47	11.26	1.34	12.60
CSW Industrials	0.29	10.00	15.00	12.00	15.00	13.00	0.31	13.31
Danaher Corporation	0.42	6.50	8.00	6.98	7.75	7.31	0.44	7.75
Dolby Laboratories	1.57	9.50	NA	16.00	NA	12.75	1.67	14.42
Fastenal Company	2.36	9.00	9.00	6.33	NA	8.11	2.46	10.57
GATX Corporation	1.70	10.50	NA	12.00	NA	11.25	1.80	13.05
Innospec Inc.	1.26	13.00	NA	7.50	7.50	9.33	1.32	10.65
J. B. Hunt Transport Services	1.05	6.50	10.40	7.60	11.15	8.91	1.10	10.01
Jack Henry & Associates, Inc.	1.32	6.50	9.70	9.70	9.73	8.91	1.38	10.29
Juniper Networks, Inc.	2.36	7.50	3.60	11.00	13.19	8.82	2.46	11.28
L3Harris Technologies, Inc.	2.03	11.50	9.30	8.46	9.17	9.61	2.13	11.74
Lockheed Martin Corporation	2.49	9.50	4.70	5.10	3.01	5.58	2.56	8.14
McKesson Corporation	0.49	10.00	13.50	13.98	12.02	12.38	0.52	12.90
Microsoft Corporation	0.69	14.00	15.20	14.60	13.31	14.28	0.74	15.02
MSA Safety Incorporated	1.11	8.50	NA	18.00	NA	13.25	1.18	14.43
MSC Industrial Direct Co., Inc.	4.07	5.00	NA	9.12	NA	7.06	4.21	11.27
Oracle Corporation	1.16	10.00	11.00	10.61	13.27	11.22	1.23	12.45
O'Reilly Automotive, Inc.	-	10.50	12.80	11.10	12.80	11.80	-	NA
OSI Systems, Inc.	-	10.50	11.00	8.00	12.25	10.44	-	NA
Packaging Corporation of America	2.62	9.00	4.40	(14.29)	8.41	7.27	2.72	9.99
Pfizer, Inc.	5.83	2.50	10.70	18.60	9.59	10.35	6.13	16.48
Philip Morris International Inc.	4.73	5.00	7.90	9.36	9.39	7.91	4.92	12.83
Prestige Consumer Healthcare Inc.	-	7.00	8.00	8.00	8.50	7.88	-	NA
Selective Insurance Group, Inc.	1.54	17.50	15.80	16.45	16.46	16.55	1.67	18.22 (3)
Sensient Technologies Corporation	2.17	2.50	NA	3.80	15.00	7.10	2.25	9.35
Service Corporation International	1.62	4.50	9.90	12.00	9.87	9.07	1.69	10.76
Sherwin-Williams Company	0.87	11.00	11.10	11.32	10.32	10.94	0.92	11.86
Smith (A.O.) Corporation	1.55	9.00	9.00	10.00	10.00	9.50	1.62	11.12
Texas Instruments Incorporated	2.61	3.00	9.00	(2.80)	7.05	6.35	2.69	9.04
Thermo Fisher Scientific Inc.	0.27	6.00	9.90	7.22	9.43	8.14	0.28	8.42
UniFirst Corporation	0.75	8.00	NA	7.80	NA	7.90	0.78	8.68
UnitedHealth Group Incorporated	1.56	11.50	13.00	12.38	14.01	12.72	1.66	14.38
VeriSign Inc.	-	12.00	NA	8.00	NA	10.00	-	NA
Verisk Analytics, Inc.	0.58	11.00	12.00	12.15	12.35	11.87	0.61	12.48
Waters Corporation	-	6.50	5.00	5.62	6.82	5.98	-	NA
Watsco, Inc.	2.25	9.00	NA	4.42	NA	6.71	2.33	9.04
							Mean	11.04 %
							Median	10.82 %
							Average of Mean and Median	10.93 %

NA= Not Available

NMF= Not Meaningful Figure

(1) Average of columns 2 through 5 excluding negative growth rates and extreme positive values.

(2) The application of the DCF model to the domestic, non-price regulated comparable risk companies is identical to the application of the DCF to the Utility Proxy Group. The dividend yield is derived by using the 60 day average price and the spot indicated dividend as of August 30, 2024. The dividend yield is then adjusted by 1/2 the average projected growth rate in EPS, which is calculated by averaging the 5 year projected growth in EPS provided by Value Line, www.zacks.com, www.yahoo.com and S&P Capital IQ (excluding any negative growth rates) and then adding that growth rate to the adjusted dividend yield.

(3) Results were excluded from the final average and median as they were more than two standard deviations from the proxy group's mean.

Source of Information:

Value Line Investment Survey
www.zacks.com Downloaded on 08/30/2024
www.yahoo.com Downloaded on 08/30/2024
S&P Capital IQ

Atmos Energy Corporation
Indicated Common Equity Cost Rate
Through Use of a Risk Premium Model
Using an Adjusted Total Market Approach

<u>Line No.</u>		<u>Proxy Group of Fifty- Three Non-Price Regulated Companies</u>
1.	Prospective Yield on Baa2 Rated Corporate Bonds (1)	5.81 %
2.	Adjustment to Reflect Bond rating Difference of Non-Price Regulated Companies (2)	<u>(0.21)</u>
3.	Adjusted Prospective Bond Yield	5.60 %
4.	Equity Risk Premium (3)	<u>6.79</u>
5.	Risk Premium Derived Common Equity Cost Rate	<u><u>12.39</u> %</u>

Notes: (1) Average forecast of Baa2 corporate bonds based upon the consensus of nearly 50 economists reported in Blue Chip Financial Forecasts dated August 30, 2024 and May 31, 2024 (see pages 7 and 8 of Exhibit DWD-3). The estimates are detailed below.

Third Quarter 2024	5.70 %
Fourth Quarter 2024	5.70
First Quarter 2025	5.70
Second Quarter 2025	5.70
Third Quarter 2025	5.70
Fourth Quarter 2025	5.70
2026-2030	6.10
2031-2035	<u>6.20</u>
Average	<u><u>5.81</u> %</u>

(2) The average yield spread of Baa rated corporate bonds over A corporate bonds for the three months ending August 2024 . To reflect the A3 average rating of the non-utility proxy group, the prospective yield on Baa corporate bonds must be adjusted by 2/3 of the spread between A and Baa corporate bond yields as shown below:

	A Corp. Bond Yield	Baa Corp. Bond Yield	Spread
Aug-24	5.28 %	5.60 %	0.32 %
Jul-24	5.52	5.84	0.32
Jun-24	5.50	5.82	<u>0.32</u>
	Average yield spread		<u>0.32</u> %
	2/3 of spread		<u><u>0.21</u> %</u>

(3) From page 5 of this Exhibit.

Atmos Energy Corporation
Comparison of Long-Term Issuer Ratings for the
Proxy Group of Fifty-Three Non-Price Regulated Companies of Comparable risk to the
Proxy Group of Six Natural Gas Companies

Proxy Group of Fifty-Three Non-Price Regulated Companies	Moody's Long-Term Issuer Rating August 2024		Standard & Poor's Long-Term Issuer Rating August 2024	
	Long-Term Issuer Rating	Numerical Weighting (1)	Long-Term Issuer Rating	Numerical Weighting (1)
Abbott Laboratories	Aa3	4.0	AA-	4.0
Agilent Technologies, Inc.	Baa1	8.0	BBB+	8.0
Air Products and Chemicals, Inc.	A2	6.0	A	6.0
Allstate Corporation (The)	A3	7.0	BBB+	8.0
Alphabet Inc.	Aa2	3.0	AA+	2.0
Altria Group, Inc.	A3	7.0	BBB	9.0
Analog Devices, Inc.	A2	6.0	A-	7.0
Apple Inc.	Aaa	1.0	AA+	2.0
Archer Daniels-Midlan Company	A2	6.0	A	6.0
Assurant Inc.	Baa2	9.0	BBB	9.0
AutoZone Inc.	Baa1	8.0	BBB	9.0
Booz Allen Hamilton Corporation	NA	--	NA	--
Brady Corporation	NA	--	NA	--
Brown-Forman Corporation 'B'	A1	5.0	A-	7.0
CACI International	NA	--	BB+	11.0
Casella Waste Systems, Inc.	NA	--	BB	12.0
Casey's General Stores, Inc.	NA	--	NA	--
Corteva, Inc.	NA	--	A-	7.0
CSW Industrials	NA	--	NA	--
Danaher Corporation	A3	7.0	A-	7.0
Dolby Laboratories	NA	--	NA	--
Fastenal Company	NA	--	NA	--
GATX Corporation	Baa2	9.0	BBB	9.0
Innospec Inc.	NA	--	NR	--
J. B. Hunt Transport Services	Baa1	8.0	BBB+	8.0
Jack Henry & Associates, Inc.	NA	--	NA	--
Juniper Networks, Inc.	Baa2	9.0	BBB	9.0
L3Harris Technologies, Inc.	Baa2	9.0	BBB	9.0
Lockheed Martin Corporation	A2	6.0	A-	7.0
McKesson Corporation	A3	7.0	BBB+	8.0
Microsoft Corporation	Aaa	1.0	AAA	1.0
MSA Safety Incorporated	NA	--	NA	--
MSC Industrial Direct Co., Inc.	NA	--	NA	--
Oracle Corporation	Baa2	9.0	BBB	9.0
O'Reilly Automotive, Inc.	Baa1	8.0	BBB	9.0
OSI Systems, Inc.	NA	--	NA	--
Packaging Corporation of America	Baa2	9.0	BBB	9.0
Pfizer, Inc.	A2	6.0	A	6.0
Philip Morris International Inc.	A2	6.0	A-	7.0
Prestige Consumer Healthcare Inc.	NA	--	BB	12.0
Selective Insurance Group, Inc.	Baa2	9.0	BBB	9.0
Sensient Technologies Corporation	WR	--	NR	--
Service Corporation International	Ba3	13.0	BB+	11.0
Sherwin-Williams Company	Baa2	9.0	BBB	9.0
Smith (A.O.) Corporation	NA	--	NA	--
Texas Instruments Incorporated	Aa3	4.0	A+	5.0
Thermo Fisher Scientific Inc.	A3	7.0	A-	7.0
UniFirst Corporation	NA	--	NA	--
UnitedHealth Group Incorporated	A2	6.0	A+	5.0
VeriSign Inc.	Baa3	10.0	BBB	9.0
Verisk Analytics, Inc.	Baa1	8.0	BBB	9.0
Waters Corporation	NA	--	NA	--
Watsco, Inc.	NA	--	NA	--
Average	A3	7.0	BBB+	7.6

Notes:

(1) From page 4 of Exhibit DWD-3.

Source of Information:
Bloomberg Professional Services

Atmos Energy Corporation
Derivation of Equity Risk Premium Based on the Total Market Approach
Using the Beta for
Proxy Group of Fifty-Three Non-Price Regulated Companies of Comparable risk to the
Proxy Group of Six Natural Gas Companies

<u>Line No.</u>	<u>Equity Risk Premium Measure</u>	<u>Proxy Group of Fifty- Three Non-Price Regulated Companies</u>
1.	Ibbotson Equity Risk Premium (1)	5.96 %
2.	Regression on Ibbotson Risk Premium Data (2)	7.18
3.	Ibbotson Equity Risk Premium based on PRPM (3)	7.77
4.	Equity Risk Premium Based on Value Line Summary and Index (4)	7.33
5	Equity Risk Premium Based on Bloomberg, Value Line, and S&P Capital IQ S&P 500 Companies (5)	<u>10.35</u>
6.	Conclusion of Equity Risk Premium	7.72 %
7.	Adjusted Beta (6)	<u>0.88</u>
8.	Forecasted Equity Risk Premium	<u><u>6.79 %</u></u>

Notes:

- (1) From note 1 of page 6 of Exhibit DWD-3.
- (2) From note 2 of page 6 of Exhibit DWD-3.
- (3) From note 3 of page 6 of Exhibit DWD-3.
- (4) From note 4 of page 6 of Exhibit DWD-3.
- (5) From note 5 of page 6 of Exhibit DWD-3.
- (6) Average of mean and median beta from page 6 of this Exhibit.

Sources of Information:

Kroll 2023 SBBI® Yearbook
Value Line Summary and Index
Blue Chip Financial Forecasts, August 30, 2024 and May 31, 2024
Bloomberg Professional Services

Atmos Energy Corporation
Traditional CAPM and ECAPM Results for the Proxy Group of Non-Price-Regulated Companies Comparable in Total Risk to the
Proxy Group of Six Natural Gas Companies

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Proxy Group of Fifty-Three Non-Price Regulated Companies	Value Line Adjusted Beta	Bloomberg Beta	Average Beta	Market Risk Premium (1)	Risk-Free Rate (2)	Traditional CAPM Cost Rate	ECAPM Cost Rate	Indicated Common Equity Cost Rate (3)
Abbott Laboratories	0.90	0.75	0.83	8.63 %	4.19 %	11.35 %	11.72 %	11.54 %
Agilent Technologies, Inc.	0.95	1.12	1.04	8.63	4.19	13.17	13.08	13.12
Air Products and Chemicals, Inc.	0.90	0.73	0.82	8.63	4.19	11.27	11.66	11.46
Allstate Corporation (The)	1.00	0.45	0.73	8.63	4.19	10.49	11.07	10.78
Alphabet Inc.	0.90	1.14	1.02	8.63	4.19	12.99	12.95	12.97
Altria Group, Inc.	0.85	0.57	0.71	8.63	4.19	10.32	10.94	10.63
Analog Devices, Inc.	1.00	1.17	1.08	8.63	4.19	13.51	13.34	13.43
Apple Inc.	0.95	1.12	1.04	8.63	4.19	13.17	13.08	13.12
Archer Daniels-Midlan Company	0.95	0.72	0.84	8.63	4.19	11.44	11.79	11.61
Assurant Inc.	0.90	0.76	0.83	8.63	4.19	11.35	11.72	11.54
AutoZone Inc.	0.95	0.64	0.79	8.63	4.19	11.01	11.46	11.24
Booz Allen Hamilton Corporation	0.85	0.82	0.84	8.63	4.19	11.44	11.79	11.61
Brady Corporation	0.95	0.67	0.81	8.63	4.19	11.18	11.59	11.39
Brown-Forman Corporation 'B'	0.90	0.87	0.89	8.63	4.19	11.87	12.11	11.99
CACI International	0.90	0.79	0.85	8.63	4.19	11.53	11.85	11.69
Casella Waste Systems, Inc.	0.85	0.68	0.77	8.63	4.19	10.84	11.33	11.08
Casey's General Stores, Inc.	0.85	0.68	0.76	8.63	4.19	10.75	11.27	11.01
Corteva, Inc.	0.95	0.83	0.89	8.63	4.19	11.87	12.11	11.99
CSW Industrials	0.85	0.72	0.79	8.63	4.19	11.01	11.46	11.24
Danaher Corporation	0.90	0.96	0.93	8.63	4.19	12.22	12.37	12.29
Dolby Laboratories	0.95	0.89	0.92	8.63	4.19	12.13	12.30	12.22
Fastenal Company	0.90	0.89	0.90	8.63	4.19	11.96	12.17	12.07
GATX Corporation	0.95	0.92	0.93	8.63	4.19	12.22	12.37	12.29
Innospec Inc.	1.00	0.87	0.94	8.63	4.19	12.30	12.43	12.37
J. B. Hunt Transport Services	0.95	0.98	0.96	8.63	4.19	12.48	12.56	12.52
Jack Henry & Associates, Inc.	0.85	0.83	0.84	8.63	4.19	11.44	11.79	11.61
Juniper Networks, Inc.	0.95	0.77	0.86	8.63	4.19	11.61	11.92	11.76
L3Harris Technologies, Inc.	0.90	0.90	0.90	8.63	4.19	11.96	12.17	12.07
Lockheed Martin Corporation	0.85	0.51	0.68	8.63	4.19	10.06	10.75	10.40
McKesson Corporation	0.80	0.43	0.61	8.63	4.19	9.46	10.30	9.88 (4)
Microsoft Corporation	0.85	1.07	0.96	8.63	4.19	12.48	12.56	12.52
MSA Safety Incorporated	0.95	0.88	0.92	8.63	4.19	12.13	12.30	12.22
MSC Industrial Direct Co., Inc.	0.90	0.80	0.85	8.63	4.19	11.53	11.85	11.69
Oracle Corporation	0.80	1.17	0.99	8.63	4.19	12.74	12.76	12.75
O'Reilly Automotive, Inc.	0.90	0.58	0.74	8.63	4.19	10.58	11.14	10.86
OSI Systems, Inc.	0.90	0.95	0.93	8.63	4.19	12.22	12.37	12.29
Packaging Corporation of America	0.95	0.84	0.90	8.63	4.19	11.96	12.17	12.07
Pfizer, Inc.	0.80	0.57	0.69	8.63	4.19	10.15	10.81	10.48
Philip Morris International Inc.	0.95	0.71	0.83	8.63	4.19	11.35	11.72	11.54
Prestige Consumer Healthcare Inc.	0.85	0.64	0.75	8.63	4.19	10.66	11.20	10.93
Selective Insurance Group, Inc.	0.85	0.60	0.73	8.63	4.19	10.49	11.07	10.78
Sensient Technologies Corporation	0.95	0.91	0.93	8.63	4.19	12.22	12.37	12.29
Service Corporation International	0.90	0.75	0.83	8.63	4.19	11.35	11.72	11.54
Sherwin-Williams Company	0.95	1.14	1.05	8.63	4.19	13.25	13.15	13.20
Smith (A.O.) Corporation	0.90	0.98	0.94	8.63	4.19	12.30	12.43	12.37
Texas Instruments Incorporated	0.85	1.13	0.99	8.63	4.19	12.74	12.76	12.75
Thermo Fisher Scientific Inc.	0.85	0.94	0.90	8.63	4.19	11.96	12.17	12.07
UniFirst Corporation	0.90	0.75	0.82	8.63	4.19	11.27	11.66	11.46
UnitedHealth Group Incorporated	0.95	0.30	0.63	8.63	4.19	9.63	10.43	10.03 (4)
VeriSign Inc.	0.90	0.94	0.92	8.63	4.19	12.13	12.30	12.22
Verisk Analytics, Inc.	0.90	0.93	0.92	8.63	4.19	12.13	12.30	12.22
Waters Corporation	0.95	1.10	1.02	8.63	4.19	12.99	12.95	12.97
Watsco, Inc.	0.90	1.24	1.07	8.63	4.19	13.43	13.28	13.35
Mean			0.87			11.70 %	11.98 %	11.91 %
Median			0.89			11.87 %	12.11 %	11.99 %
Average of Mean and Median			0.88			11.79 %	12.05 %	11.95 %

Notes:

- (1) From note 1 of page 2 of Exhibit DWD-4.
- (2) From note 2 of page 2 of Exhibit DWD-4.
- (3) Average of CAPM and ECAPM cost rates.
- (4) Results were excluded from the final average and median as they were more than two standard deviations from the proxy group's mean.

Atmos Energy Corporation
Derivation of Investment Risk Adjustment Based upon
Ibbotson Associates' Size Premia for the Decile Portfolios of the NYSE/AMEX/NASDAQ

Line No.	[1]		[2]		[3]		[4]	
	Market Capitalization on August 30, 2024 (1)	(millions)	Applicable Decile of the NYSE/AMEX/NASDAQ (2)	(times larger)	Applicable Size Premium (3)	Spread from Applicable Size Premium (4)		
1.	Atmos Energy Corporation	\$ 7,746.217	3		0.61%			
2.	Proxy Group of Six Natural Gas Companies	\$ 4,208.706	0.5 x		0.95%	-0.34%		
			[A]		[B]	[C]	[D]	
	Decile		Market Capitalization of Smallest Company (millions)		Market Capitalization of Largest Company (millions)		Size Premium (Return in Excess of CAPM)*	
	Largest	1	\$	36,942.976	\$	2,662,326.048	-0.06%	
		2		14,910.719		36,391.113	0.46%	
		3		7,493.607		14,820.048	0.61%	
		4		4,622.261		7,461.284	0.64%	
		5		3,011.224		4,621.785	0.95%	
		6		1,864.293		3,010.806	1.21%	
		7		1,050.083		1,862.491	1.39%	
		8		555.880		1,046.037	1.14%	
		9		213.039		554.523	1.99%	
	Smallest	10		1.576		212.644	4.70%	
			*From 2024 Kroll Cost of Capital Navigator					

Notes:

- (1) From page 2 of this Exhibit.
- (2) Gleaned from Columns [B] and [C] on the bottom of this page. The appropriate decile (Column [A]) corresponds to the market capitalization of the proxy group, which is found in Column [1].
- (3) Corresponding risk premium to the decile is provided in Column [D] on the bottom of this page.
- (4) Line No. 1 Column [3] - Line No. 2 Column [3]. For example, the -0.34% in Column [4], Line No. 2 is derived as follows -0.34% = 0.61% - 0.95%.

Atmos Energy Corporation
Market Capitalization of Atmos Energy Corporation and the
Proxy Group of Six Natural Gas Companies

	[1]	[2]	[3]	[4]	[5]	[6]
Company	Common Stock Shares Outstanding at Fiscal Year End 2023 (millions)	Book Value per Share at Fiscal Year End 2021 (1)	Total Common Equity at Fiscal Year End 2023 (millions)	Closing Stock Market Price on August 30, 2024	Market-to- Book Ratio on August 30, 2024 (2)	Market Capitalization on August 30, 2024 (3)
Atmos Energy Corporation	NA	NA	\$ 4,848,962 (4)	NA		(millions)
Based upon Proxy Group of Six Natural Gas Companies					159.8 (5)	\$ 7,746,217 (6)
Proxy Group of Six Natural Gas Companies						
Atmos Energy Corporation	NYSE	148,493	\$ 73,203	\$ 130,740	178.6 %	\$ 19,413,946
New Jersey Resources Corporation	NYSE	97,584	20,400	46,310	227.0	4,519,136
NISource Inc.	NYSE	447,382	17,398	33,060	190.0	14,790,438
Northwest Natural Holding Company	NYSE	37,631	34,116	40,220	117.9	1,513,519
ONE Gas, Inc.	NYSE	56,546	48,914	68,940	140.9	3,898,276
Spire Inc.	NYSE	53,170	54,867	65,970	120.2	3,507,640
Median		77,065	\$ 41,515	\$ 56,140	159.8 %	\$ 4,208,706

NA= Not Available

Notes: (1) Column 3 / Column 1.

(2) Column 4 / Column 2.

(3) Column 1 * Column 4.

(4) Requested rate base multiplied by the requested common equity ratio.

(5) The market-to-book ratio of Atmos Energy Corporation on August 30, 2024 is assumed to be equal to the market-to-book ratio of Proxy Group of Six Natural Gas Companies on August 30, 2024 as appropriate.

(6) Column [3] multiplied by Column [5].

Source of Information: 2023 Annual Forms 10K
yahoo.finance.com
Bloomberg Professional

WORKPAPERS
TO
DIRECT TESTIMONY
OF
DYLAN W. D'ASCENDIS

Workpapers to the Direct Testimony of Dylan W. D'Ascendis are being provided in electronic format.

CASE NO. 00019196

STATEMENT OF INTENT FILED BY	§	
ATMOS ENERGY CORP. TO CHANGE	§	RAILROAD COMMISSION
GAS UTILITY RATES WITHIN THE	§	
UNINCORPORATED AREAS OF THE	§	OF TEXAS
MID-TEX DIVISION	§	

DIRECT TESTIMONY

OF

DANE A. WATSON

WITNESS FOR

ATMOS ENERGY CORP., MID-TEX DIVISION

NOVEMBER 18, 2024

CASE NO. 00019196
INDEX TO THE DIRECT TESTIMONY OF
DANE A. WATSON, WITNESS FOR
ATMOS ENERGY CORP., MID-TEX DIVISION

I.	POSITION AND QUALIFICATIONS.....	1
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LIST OF EXHIBITS

Exhibit DAW-1	List of Testimony Appearances
Exhibit DAW-2	Mid-Tex Depreciation Study
Exhibit DAW-3	Shared Services Depreciation Study

DIRECT TESTIMONY OF DANE A. WATSON

I. POSITION AND QUALIFICATIONS

Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. My name is Dane A. Watson. My business address is 101 E. Park Blvd., Suite 220, Plano, Texas 75074. I am a Partner in Alliance Consulting Group (“Alliance”). Alliance provides consulting and expert services to the utility industry.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am testifying on behalf of the Mid-Tex Division (“Mid-Tex”) of Atmos Energy Corporation (“Atmos Energy” or the “Company”).

Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

A. I hold a Bachelor of Science degree in Electrical Engineering from the University of Arkansas at Fayetteville and a Master’s Degree in Business Administration from Amberton University.

Q. DO YOU HOLD ANY SPECIAL CERTIFICATION AS A DEPRECIATION EXPERT?

A. Yes. The Society of Depreciation Professionals (“the Society”) has established national standards for depreciation professionals. The Society administers an examination and has certain required qualifications to become certified in this field. I have met all requirements and am a Certified Depreciation Professional.

Q. PLEASE DESCRIBE YOUR INVOLVEMENT WITH ANY PROFESSIONAL SOCIETIES OR COMMITTEES.

A. I have twice been Chair of the Edison Electric Institute (“EEI”) Property Accounting and Valuation Committee and have been Chairman of EEI’s

1 Depreciation and Economic Issues Subcommittee. I was the Industry Project
2 Manager for the EEI/AGA effort around the electric and gas industry adoption of
3 FAS 143 and testified before the Federal Energy Regulatory Commission (“FERC”)
4 in the hearings leading up to the release of FERC Order 631. I am a Registered
5 Professional Engineer (“PE”) in the State of Texas and a Certified Depreciation
6 Professional. I am a Senior Member of the Institute of Electrical and Electronics
7 Engineers. I am also twice Past President of the Society of Depreciation
8 Professionals.

9 **Q. PLEASE OUTLINE YOUR EXPERIENCE IN THE FIELD OF**
10 **DEPRECIATION.**

11 A. Since graduation from college in 1985, I have worked in the area of depreciation
12 and valuation. I founded Alliance Consulting Group in 2004 and am responsible
13 for conducting depreciation, valuation and certain other accounting-related studies
14 for utilities in various regulated industries. My duties related to depreciation studies
15 include the assembly and analysis of historical and simulated data, conducting field
16 reviews, determining service life and net salvage estimates, calculating annual
17 depreciation, presenting recommended depreciation rates to utility management for
18 its consideration, and supporting such rates before regulatory bodies.

19 My prior employment from 1985 to 2004 was with Texas Utilities (“TXU”).
20 During my tenure with TXU, I was responsible for, among other things, conducting
21 valuation and depreciation studies for the domestic TXU companies. During that
22 time, I also served as Manager of Property Accounting Services and Records
23 Management in addition to my depreciation responsibilities.

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE RAILROAD**
2 **COMMISSION OF TEXAS (“COMMISSION”)?**

3 A. Yes. I have conducted depreciation studies, filed written testimony, and testified
4 before the Commission in Gas Utilities Docket (“GUD”) Nos. 8976, 9145-9148,
5 9225, 9313, 9400, 9670, 9762, 9869, 10000, 10041, 10170, 10580, and Docket
6 No. OS-23-00013758 on behalf of either Atmos Energy Corp., Mid-Tex Division
7 (“Mid-Tex,” formerly known as TXU Gas Distribution or “Distribution”) or Atmos
8 Pipeline - Texas (formerly known as TXU Lone Star Pipeline or “Pipeline”) and
9 the WTX Division. I have also filed testimony before the Commission for
10 CenterPoint Energy. A complete listing of my testimony experience is attached as
11 Exhibit DAW-1.

12 **II. PURPOSE AND SUMMARY OF DIRECT TESTIMONY**

13 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS**
14 **PROCEEDING?**

15 A. I sponsor and support the depreciation studies and recommended depreciation rate
16 changes for the Company’s Mid-Tex Division and Shared Services Unit (“SSU”).

17 **Q. DO YOU SPONSOR ANY EXHIBITS?**

18 A. Yes. I sponsor the 2024 Mid-Tex depreciation study and the resulting depreciation
19 rates attached to my direct testimony as Exhibit DAW-2. The calculation of the
20 recommended Mid-Tex depreciation rates is shown in Exhibit DAW-2, Appendix

21 B. I also sponsor the 2022 SSU depreciation study and the resulting depreciation
22 rates attached to my direct testimony as Exhibit DAW-3. The Commission recently

1 approved the SSU depreciation rates as part of the Statement of Intent rate filing
2 made by Atmos Pipeline –Texas in Docket No. OS-23-00013758.¹

3 **Q. WERE YOUR TESTIMONY AND EXHIBITS PREPARED BY YOU OR**
4 **UNDER YOUR DIRECT SUPERVISION?**

5 A. Yes, they were.

6 **Q. PLEASE DESCRIBE THE DEPRECIATION STUDIES ON WHICH MID-**
7 **TEX HAS BASED ITS REQUESTED DEPRECIATION RATES IN THIS**
8 **CASE.**

9 A. The proposed depreciation rates are based on two studies that I performed. First,
10 the proposed depreciation rates for Mid-Tex’s assets are based on my depreciation
11 study, which analyzes the life and net salvage percentages for Distribution, General
12 Plant Depreciated and General Plant Amortized assets that comprise Atmos
13 Energy’s Mid-Tex Division for the period ended September 30, 2023. Second, the
14 proposed depreciation rates for SSU assets, of which Mid-Tex receives its allocated
15 portion, are based on a SSU depreciation study that I performed for the period ended
16 September 30, 2022.

17 **Q. WHAT ANNUAL DEPRECIATION PROVISION IS REFLECTED IN**
18 **YOUR DEPRECIATION STUDY FOR MID-TEX’S ASSETS?**

19 A. Based on the depreciation study, which analyzed Mid-Tex’s depreciable plant in
20 service as of September 30, 2023, I recommend an annualized depreciation
21 provision for Mid-Tex of approximately \$317.5 million dollars. This represents an

¹ *Statement of Intent Filed by Atmos Energy pipeline – Texas, a Division of Atmos Energy Corporation, to Change the Rate CGS and Rate PT Rates of Atmos Pipeline – Texas*, Docket No. OS-23-00013758 consol., Final Order at Finding of Fact (“FoF”) No. 34 and Attachment 2 (Dec. 13, 2023).

1 increase in the annual depreciation provision for Mid-Tex assets of approximately
2 \$43.3 million dollars per year. This amount was determined by comparing the
3 depreciation provision between current rates authorized in Mid-Tex's last rate case,
4 GUD No. 10170, and the proposed rates as shown in Exhibit DAW-2, Appendix A.

5 **Q. ARE THE RESULTS OF YOUR DEPRECIATION STUDY REFLECTED IN**
6 **THE TEST YEAR ENDING SEPTEMBER 30, 2024 COST OF SERVICE**
7 **CALCULATION FILED BY MID-TEX IN THIS PROCEEDING?**

8 A. Yes. Company Witness Barbara W. Myers applies the proposed Mid-Tex and SSU
9 depreciation rates to the adjusted plant balances on Schedule F-3 of the Company's
10 filed Cost of Service.

11 **Q. WHAT DEPRECIATION RATES ARE BEING USED TO CALCULATE SSU**
12 **DEPRECIATION EXPENSE IN THIS CASE?**

13 A. Mid-Tex is proposing the SSU depreciation rates provided in my depreciation study
14 attached to my direct testimony as Exhibit DAW-3.

15 **III. OVERVIEW OF DEPRECIATION STUDY METHODOLOGY**

16 **Q. WHAT DEFINITION OF DEPRECIATION HAVE YOU USED FOR THE**
17 **PURPOSES OF CONDUCTING THE DEPRECIATION STUDIES AND**
18 **PREPARING YOUR TESTIMONY?**

19 A. The term "depreciation," as used in my testimony, is considered in the accounting
20 sense; that is, a system of accounting that distributes the cost of assets, less net
21 salvage (if any), over the estimated useful life of the assets in a systematic and
22 rational manner. Depreciation is a process of allocation, not valuation.
23 Depreciation expense is systematically allocated to accounting periods over the life

1 of the properties. The amount allocated to any one accounting period does not
2 necessarily represent the loss or decrease in value that will occur during that
3 particular period. Thus, depreciation is considered an expense or cost, rather than
4 a loss or decrease in value. Mid-Tex accrues depreciation based on the original cost
5 of all property included in each depreciable plant account. On retirement, the full
6 cost of depreciable property, less the net salvage amount, if any, is charged to the
7 depreciation reserve.

8 **Q. PLEASE DESCRIBE YOUR DEPRECIATION STUDY APPROACH.**

9 A. I conduct a depreciation study in four phases as shown in Exhibits DAW-2 and
10 DAW-3. The four phases are: Data Collection, Analysis, Evaluation, and
11 Calculation. During the initial phase of the study, I collect historical data to be used
12 in the analysis. After the data is assembled, I perform analyses to determine the life
13 and net salvage percentage for the different property groups being studied. The
14 information obtained from field personnel, engineers, and/or managerial personnel,
15 combined with the study results, are then evaluated to determine how the results of
16 the historical asset activity analysis, in conjunction with the Company's expected
17 future plans, should be applied. Using all of these resources, I then calculate the
18 depreciation rate for each account.

19 **Q. WHAT PROCESS HAVE YOU UNDERTAKEN TO GIVE EFFECT TO**
20 **BOTH HISTORICAL DATA AND COMPANY SPECIFIC EXPECTATIONS**
21 **IN DEVELOPING YOUR SERVICE LIFE RECOMMENDATIONS?**

22 A. In order to achieve a reasonable balance between these critical components of the
23 life analysis, I evaluated the statistical historical data and then applied informed

1 judgment to make the most appropriate service life selections. The objective in any
2 depreciation study is to project the remaining cost (installation, material, and
3 removal cost) to be recovered and the remaining periods in which to recover the
4 costs. This requires that the service life selections reflect both Mid-Tex's historical
5 experience and its current expectations of asset lives. In order to understand Mid-
6 Tex's expectations regarding asset lives, I interviewed Mid-Tex engineers working
7 in operations and maintenance to confirm the historical activity and indications,
8 current and future plans, expectations, and the applicability to the future surviving
9 assets. The interview process provides important information regarding changes in
10 materials, operation, and maintenance, as well as Mid-Tex's current expectation
11 regarding the service life of the assets currently in use. This information is then
12 considered along with the historical statistical data to develop the most reasonable
13 and representative expected service lives for Mid-Tex's assets. The result of all of
14 this analysis is reflected in the service life recommendations set forth in my
15 depreciation study.

16 **Q. CAN YOU PROVIDE AN EXAMPLE OF THE IMPORTANT**
17 **INFORMATION YOU GLEANED FROM MID-TEX PERSONNEL?**

18 A. Yes. As part of the interview process, I interviewed Mid-Tex engineers involved
19 with both distribution and general plant functions. The two largest investment
20 accounts: Account 376 Mains and Account 380 Services were of particular interest.
21 I learned during these interviews that Railroad Commission Rule § 8.209 requires
22 a risk analysis of these assets and also requires Mid-Tex to replace a minimum of
23 5% of what is considered high-risk pipe annually. Intermediate cast iron, some

1 population of low-pressure cast iron, and bare steel with active corrosion are
 2 generally at the top of the list along with steel service lines. Activities related to
 3 compliance with the requirements of Rule § 8.209, along with system growth, are
 4 the primary drivers of the activity and results observed in the depreciation study.

5 **Q. WHAT DEPRECIATION SYSTEM DID YOU USE?**

6 A. I employed the straight-line method, ELG procedure, remaining-life technique to
 7 calculate the annual accrual for depreciation expense in the study.

8 **Q. HAS THIS COMMISSION REPEATEDLY APPROVED THE USE OF ELG**
 9 **DERIVED DEPRECIATION RATES FOR MID-TEX?**

10 A. Yes. The Commission has repeatedly approved the use of the ELG depreciation
 11 procedure for Atmos' Mid-Tex Division in GUD Nos. 9400, 9670, 9762, 9869,
 12 10170, and 10742. The Commission also approved the ELG methodology to
 13 establish depreciation rates for APT in a rate proceeding last year, Case No. OS-23-
 14 13758. It has also approved it for Atmos Energy's West Texas Division.²

² See *Appeal of TXU Gas Distribution from the Action of the City of Dallas, City of University Park, and the Town of Highland Park, Texas and the Statement of Intent Filed by TXU Gas Distribution to Increase Rates in the Environs of the City of Dallas*, GUD Nos. 9145-9148, Final Order at FoF No. 111 (Nov. 20, 2000), *Statement of Intent Filed by TXU Gas Company to Change Rates in the Company's Statewide Gas Utility System*, GUD No. 9400, Final Order at FoF No. 102 (May 25, 2004), *Petition for De Novo Review of the Reduction of the Gas Utility Rates of Atmos Energy Corp., Mid-Tex Division, by the Cities of Blue Ridge, Caddo Mills et al.; Atmos Energy Corporation Statement of Intent to Change Rates in the Atmos Energy Corp., Mid-Tex Division Gas Utility System; Petition for Review from the Actions of Municipalities Denying Rate Request*, GUD No. 9670 consol., Final Order (Mar. 29, 2007), *Statement of Intent Filed by Atmos Energy Corporation to Increase Utility Rates Within the Unincorporated Areas Served by the Atmos Energy Corp., Mid-Tex Division and Petition for De Novo Review of the Denial of the Statement of Intent Filed by Atmos in Various Municipalities*, GUD No. 9762 consol., Final Order (Jun. 24, 2008), *Petition for De Novo Review of the Denial of the Statement of Intent Filed by Atmos Energy Corp., Mid-Tex Division by the City of Dallas; Statement of Intent to Increase Gas Utility Rates in the Unincorporated Areas Served by the Mid-Tex Division*, GUD No. 9869 consol., Final Order Nunc Pro Tunc (Feb. 23, 2010), *Statement of Intent Filed by Atmos Energy Corp., to Change Gas Utility Rates Within the Unincorporated Areas Served by the Atmos Energy Corp., West Texas Division*, GUD No. 10170 consol., Final Order (Oct. 2, 2012), and *Statement of Intent Filed by Atmos Energy Corp. to Change Gas Utility Rates Within the Unincorporated Areas Served by its Mid-Tex Division*, GUD No. 10742, Final Order (Dec. 11, 2018) with respect to Atmos Energy Corp., Mid-Tex Division, and *Statement of Intent Filed by Energas Company to Increase Rates Charges in the Environs of 67 West Texas Cities; Petition by Energas Company for Review of 67 Municipal Rate Decisions*,

1 **Q. HOW ARE DEPRECIATION RATES DEVELOPED UNDER THE EQUAL**
 2 **LIFE GROUP (“ELG”)SYSTEM?**

3 A. In the ELG system, the annual depreciation expense for each group is computed by
 4 dividing the original cost of the asset, less allocated depreciation reserve, less
 5 estimated net salvage, by its respective ELG remaining life. The resulting annual
 6 accrual amounts of all depreciable property within an account were accumulated,
 7 and the total is divided by the original cost of all account-level depreciable property
 8 to determine the account-level depreciation rate. The calculated remaining lives
 9 and annual depreciation accrual rates are based on attained ages of plant in service
 10 and the estimated service life and salvage characteristics of each depreciable group.
 11 The computations of the annual depreciation rates are shown in my Exhibits DAW-
 12 2 and DAW-3, Appendix B.

13 **Q. WHAT IS THE SIGNIFICANCE OF AN ASSET’S USEFUL LIFE IN YOUR**
 14 **DEPRECIATION STUDY?**

15 A. An asset’s useful life was used to determine the remaining life over which the
 16 remaining cost (original cost plus or minus net salvage, minus accumulated

GUD No. 9002-9135, Final Order (Nov. 30, 2000) relating to Energas Company, the predecessor to the Atmos Energy Corp., West Texas Division *Atmos Energy Corp., West Texas Division Statement of Intent to Change Rates in the Unincorporated Areas of the Amarillo Rate Division*, GUD No. 10041, Final Order (Jul. 26, 2011) and APT (formerly known as TXU Lone Star Pipeline or “Pipeline”) *Statement of Intent of Lone Star Gas Company and Lone Star Pipeline Company, Divisions of Enserch Corporation, and ENSAT Pipeline Company to Increase the Intracompany City Gate Rate*, GUD No. 8664, Final Order (May 20, 1997), *Statement of Intent to Change the City-Gate Rate of TXU Lone Star Pipeline, formerly known as Lone Star Pipeline Company Established in GUD No. 8664*, GUD No. 8976, Final Order (Jun. 22, 2000), GUD No. 9400, Final Order, *Statement of Intent to Change the Rate CGS and Rate PT of Atmos Pipeline – Texas*, GUD No. 10000, Final Order (Apr. 18, 2011), *Statement of Intent to Change the Rates of CGS and Rate PT Rates of Atmos Pipeline-Texas*, GUD No. 10580, Final Order (Aug. 1, 2017), and Docket No. OS-23-00013758, Final Order.

1 depreciation) can be allocated to normalize the asset's cost and spread it ratably
2 over future periods.

3 **Q. HOW DID YOU DETERMINE THE AVERAGE SERVICE LIVES FOR**
4 **EACH ACCOUNT?**

5 A. The establishment of appropriate average service lives for each account within a
6 functional group was determined by using actuarial analysis methods. The
7 remaining lives, by account, are calculated and shown in my Exhibits DAW-2 and
8 DAW-3, Appendix B. Graphs and tables supporting the actuarial analysis and the
9 chosen Iowa Curves used to determine the average service lives for analyzed
10 accounts are found in the life analysis section and in Appendix C of Exhibit DAW-
11 2 and DAW-3.

12 **Q. WHAT IS NET SALVAGE?**

13 A. As discussed more fully in the study itself, net salvage is the difference between the
14 gross salvage (what is received in scrap value for the asset when retired) and the
15 removal cost (cost to remove and dispose of the asset). Salvage and removal cost
16 percentages are calculated by dividing the current cost of salvage or removal by the
17 original installed cost of the asset.

18 **Q. HOW DID YOU DETERMINE THE NET SALVAGE PERCENTAGES FOR**
19 **EACH ASSET GROUP?**

20 A. I examined the experience realized by Mid-Tex by observing the actual net salvage
21 for various bands (or combinations) of years. Using averages (such as the three-
22 year and five-year bands) allows the smoothing of the timing differences between
23 when retirements, removal cost and salvage are booked. By looking at successive

1 average bands (“rolling bands”), an analyst can see trends in the data that would
2 indicate the future net salvage in the account. This examination, in combination
3 with the feedback of Mid-Tex engineers related to any changes in operations or
4 maintenance that would affect the future net salvage of the asset, allowed the
5 selection of the best estimate of future net salvage for each account. The net salvage
6 as a percent of retirements for various bands (i.e. groupings of years such as the
7 five-year average) for each account are shown in my Exhibit DAW-2 and DAW-3,
8 Appendix D. As with any analysis of this type, expert judgment was applied in
9 order to select a net salvage percentage reflective of the future expectations for each
10 account.

11 **Q. IS THIS A REASONABLE METHOD FOR DETERMINING NET**
12 **SALVAGE RATES?**

13 B. Yes. The method used to establish appropriate net salvage percentages for each
14 account was determined by using the same methodology that was approved in the
15 last fully litigated case before the Commission in GUD No. 10170. It is also the
16 methodology commonly employed throughout the industry and is the method
17 recommended in authoritative texts.

18 **Q. CAN YOU PROVIDE AN EXAMPLE OF HOW NET SALVAGE IS**
19 **CALCULATED FOR AN ASSET ACCOUNT?**

20 A. Yes. The removal cost and resulting net salvage percentage for an asset must be
21 calculated based on the original cost of the asset. For this reason, some plant assets
22 can experience significant negative removal cost percentages due to timing issues.
23 For example, a Distribution asset in FERC Account 376 Steel Mains with a current

1 installed cost of \$500 (2023) would have had an installed cost of \$16.24³ in 1958.
2 A removal cost of \$50 for the asset calculated (incorrectly) on current installed cost
3 would only have a negative 10% removal cost (\$50/\$500). However, a correct
4 removal cost calculation would show a negative 308 percent removal cost for that
5 asset (\$50/\$16.24). Inflation from the time of installation of the asset until the time
6 of its removal must be considered in the calculation of the removal cost percentage
7 because the depreciation rate, which includes the removal cost percentage, will be
8 applied to the original installed cost of assets. Other factors such as the
9 synchronization of net salvage data can also affect the level of net salvage. In
10 addition, the Company (as with other utilities) has seen increasing requirements
11 from municipalities (such as increased requirements for street repair) which will
12 increase the cost to remove assets from service.

13 IV. MID-TEX - TEXAS DEPRECIATION STUDY

14 A. Overview

15 **Q. WHEN DID THE LAST CHANGE IN MID-TEX'S DEPRECIATION RATES**
16 **OCCUR?**

17 A. The last change in Mid-Tex's depreciation rates occurred in January 2013. The
18 depreciation rates were established in GUD No. 10170 and were based on a
19 depreciation study of plant in service as of September 30, 2011.

³ See Exhibit DAW-2 at 45 of 93.

1 **Q. WHAT TYPE OF PROPERTY IS INCLUDED IN THE MID-TEX**
2 **DEPRECIATION STUDY?**

3 A. The Mid-Tex depreciation study analyzes the property characteristics of Mid-Tex's
4 distribution and general plant (both depreciated and amortized) and proposes
5 depreciation rates for these assets. The depreciation study is attached to my
6 testimony as Exhibit DAW-2.

7 **Q. WHAT TYPE OF ASSETS ARE INCLUDED IN THE DISTRIBUTION**
8 **FUNCTION?**

9 A. The Distribution Plant functional group contains over 32,000 miles of mains,
10 district regulator stations and city gate stations, services and meters that deliver and
11 measure gas to approximately 1.9 million customers across the Mid-Tex service
12 area.

13 **Q. WHAT TYPES OF ASSETS ARE CLASSIFIED IN THE GENERAL PLANT**
14 **DEPRECIATED AND AMORTIZED FUNCTIONS?**

15 A. The General Plant functional group has been split into two groups, depreciated and
16 amortized. The General Plant Depreciated functional group contains facilities and
17 equipment associated with the overall operation of the business, such as office
18 buildings, warehouses, service centers, transportation, and power operated
19 equipment. The General Plant Amortized functional group contains assets
20 associated with the overall operation of the business, such as office and computer
21 equipment, stores, tools, and other miscellaneous equipment. All General Plant is
22 used in overall operations of the business rather than with a specific Distribution
23 classification.

1 **Q. HAS MID-TEX EXPERIENCED INCREASED INVESTMENT SINCE ITS**
2 **LAST LITIGATED RATE CASE?**

3 A. Yes. Since GUD No. 10170, Mid-Tex's depreciable plant balance has increased
4 from \$2.6 billion at September 30, 2011 to \$9.3 billion at September 30, 2023.

5 **Q. HOW DOES THAT INCREASE IN INVESTMENT AFFECT**
6 **DEPRECIATION EXPENSE?**

7 A. The increase in investment is a significant driver of the increase in depreciation
8 expense being requested. The prior study balances at September 30, 2011, based
9 on depreciation rates approved in GUD No. 10170 resulted in an annual
10 depreciation expense accrual of \$82.9 million. Applying those approved rates to
11 the investment at September 30, 2023, the annual depreciation expense accrual is
12 \$274.3 million. This is an increase of \$191.4 million . The level of increased
13 investment has and continues to be a factor in the increase in depreciation expense.
14 Additionally, the increased investment results in a change to the weighting of the
15 current assets and the theoretical reserve calculations, which are both used in
16 determining the remaining life depreciation accrual and rates.

17 **Q. DO YOU HAVE ANY GENERAL OBSERVATIONS REGARDING THE**
18 **LIFE PARAMETERS YOU ARE RECOMMENDING IN THE STUDY?**

19 A. Yes. Overall, the lives are decreasing or remained the same. There are a total of
20 32 accounts; 6 accounts have increasing lives; 17 accounts have decreasing lives;
21 and 9 remain the same. Distribution Accounts 37603 37604 (Main Anodes and
22 Mains Leak Clamps, respectively) show the largest decreases in average service
23 life of 55 years and 50 years, respectively. These shorter-lived assets were

1 previously included as part of the longer-lived Mains account. Distribution
2 Account 37602 Plastic Mains, General Accounts 39000 - Structures and
3 Improvements and 39004 - Air Conditioning Equipment have the largest increase
4 in average service life of 10 years each.

5 **Q. DO YOU HAVE ANY GENERAL OBSERVATIONS REGARDING THE**
6 **NET SALVAGE PARAMETERS YOU ARE RECOMMENDING IN THE**
7 **STUDY?**

8 A. Yes. First, Mid-Tex is experiencing negative net salvage as evidenced by the fact
9 that 11 out of the 14 accounts in the distribution function have experienced negative
10 net salvage and seven accounts have seen increased levels of removal cost resulting
11 in more negative net salvage. There are three accounts where the decrease (more
12 negative) in net salvage is at or greater than 10%. Those are Account 37900 M&R
13 City Gate, Account 38000 Services, and Account 38500 Industrial M&R, which
14 have changes of 10%, 18%, and 23%, respectively. The resulting impact is most
15 notable in Services due to the size of the investment balance. Second, in the current
16 depreciation study, historical net salvage data on an account level for the past 19
17 years was available and was relied upon for the net salvage parameters I am
18 recommending.

19 **Q. PLEASE ELABORATE.**

20 A. There are a total of 32 accounts; 19 had no change in net salvage; seven had
21 decreasing (more negative/less positive) net salvage; and six had increasing (less
22 negative/more positive) net salvage. One account has an increase (less negative)
23 net salvage by 40 percent. This is in contrast to only one account where the net

1 salvage was more negative by a change of 23 percent. There were smaller changes,
2 both increases and decreases, in numerous accounts. These will be discussed later
3 in my testimony. A detailed analysis and discussion of net salvage can also be found
4 in Exhibit DAW-2.

5 **B. Service Lives and Net Salvage Depreciation Study Results**

6 **Q. WHAT ARE THE PRIMARY FORCES AFFECTING THE**
7 **DEPRECIATION EXPENSE RECOMMENDED FOR MID-TEX?**

8 A. Generally, depreciation expense is affected by three separate factors - changes in
9 average service life, changes in net salvage, and the effect of reserve position. Mid-
10 Tex's depreciation expense is no exception. The change in reserve position
11 includes the impacts of increased investment since the last rate case, which as I
12 discussed above is one of the primary drivers behind the increase in depreciation
13 expense.

14 **Q. IN ADDITION TO THE INCREASED LEVEL OF INVESTMENT THAT**
15 **HAS BEEN MADE, DID SERVICE LIFE CHANGES HAVE AN IMPACT?**

16 A. Yes. In the Distribution function there were 17 accounts where a decrease in service
17 life is being recommended. Two of the accounts, Account 37603 and 37604 Anodes
18 and Leak Clamps are a result of segregating these assets from the other mains
19 accounts (37600, 37601 and 37602), which results in a decrease of 55 and 50 years,
20 respectively. There are two other accounts, Distribution Account 37402 Land
21 Rights and General Account 39800 Miscellaneous Equipment where the life
22 decrease was 15 years.

1 **Q. WHAT IS CAUSING THE HIGHER NEGATIVE NET SALVAGE RATES IN**
2 **THE ACCOUNTS YOU MENTIONED PREVIOUSLY?**

3 A. The activities related to retirement costs (generally including cutting, capping, and
4 purging of gas for the abandonment of pipe) have increased due to the cost of labor
5 and the increased costs of complying with environmental and safety regulations.
6 Consequently, performing these activities is now more expensive than it has been
7 in the past and is definitely more expensive than what is reflected in the existing
8 depreciation rates. Additionally, there has been limited or no gross salvage
9 recorded due to Mid-Tex's practice of abandoning pipe in place. This practice is
10 expected to continue, so there will be little, if any, gross salvage recorded for scrap
11 pipe in the future.

12 **Q. WERE THERE ACCOUNTS THAT SHOWED LOWER NEGATIVE NET**
13 **SALVAGE RATES?**

14 A. Yes. The adjustment to negative net salvage rates can be an increase or a decrease
15 depending on the particular circumstances. For example, negative net salvage in
16 Accounts 37603 Anodes and 37604 Leak Clamps was decreased. The assets in
17 these two accounts were previously included in Cathodic Protection, Steel Mains,
18 or Plastic Mains accounts, which had a more negative net salvage rate approved.
19 The reason to segregate these assets for amortization is they either disintegrate or
20 are attached to the main and generally were not being separately reported at
21 retirement but they also do not incur salvage or cost of removal, so the
22 recommendation is a 0% net salvage, which is less negative. Also, Account 37800
23 M&R Station Equipment moved from a negative 45% to a negative 28%.

1 **Q. WHAT ACCOUNTS WERE MOST IMPACTED BY CHANGES IN THE**
 2 **NET SALVAGE PERCENTAGES?**

3 A. The detailed analysis of each account is described fully in the Salvage Analysis
 4 section of Exhibit DAW-2. In my study there are 13 accounts where the negative
 5 net salvage rate is 10 percent or more. Two accounts in particular, Accounts 37602
 6 and 38000 are showing increases in the annual accrual expense where a more
 7 negative net salvage rate and the level of plant investment is impacting the results.

- 8 • Account 37602 - Plastic Mains has experienced changes in realized net
 9 salvage from negative 69 percent to negative 80 percent across the most
 10 recent 12-year moving average analysis. Despite the high negative 72
 11 percent net salvage experience in the overall 12 year moving average,
 12 my recommendation is to move toward the more negative indications
 13 conservatively from negative 40 percent to only a negative 45 percent.
 14 Most of the recent indications for this account are a negative 60 percent
 15 or higher.
- 16 • Account 38000 - Services has a consistent negative net salvage
 17 experience of negative 51 percent or more across the most recent
 18 moving averages. The full 10-year analysis indicates removal costs are
 19 a negative 71 percent. Using the same rationale as described above for
 20 Plastic Mains, my recommendation to move toward these indications
 21 but limiting the change to a negative 30 percent net salvage is
 22 conservative.

23 **Q. PLEASE DESCRIBE THE RESULTS REFLECTED IN YOUR STUDY FOR**
 24 **DISTRIBUTION PLANT.**

25 A. The existing annual depreciation expense accrual at a functional level is \$268.6
 26 million. The recommended annual depreciation expense accrual based on the most
 27 recent study is \$310.5 million, an increase of approximately \$41.9 million. The
 28 primary drivers of the increase in this function are increased investment, changes
 29 in life, changes in net salvage and the reserve position, specifically for Accounts
 30 37602 - Plastic Mains, 37603 - Mains Anodes, 37604 - Mains Leak Clamps, and

1 38000 -Services, and 381-383 Meters, Regulators, & Installations, which are
2 contributing over \$38.7 million of the increase.

3 **Q. PLEASE DESCRIBE THE RESULTS REFLECTED IN YOUR STUDY FOR**
4 **GENERAL PLANT DEPRECIATED.**

5 A. The existing annual depreciation expense accrual using the existing rates is
6 approximately \$2.0 million. The recommended annual depreciation expense
7 accrual based on the most recent study is \$2.3 million or an increase of
8 approximately \$257,000. The life increased in Account 390 All by 10 years, but
9 net salvage decreased (more negative) by 5 percent.

10 **Q. PLEASE DESCRIBE THE RESULTS REFLECTED IN YOUR STUDY FOR**
11 **GENERAL PLANT AMORTIZED.**

12 A. The existing annual depreciation expense accrual using the existing rates is \$3.7
13 million when compared to the recommended annual depreciation expense accrual
14 using the study proposed rates is \$4.8 million, an increase of approximately \$1.1
15 million. The driver for this change is lower service life recommendations for
16 several accounts and the reserve position of the general plant function.

17 **V. SHARED SERVICES UNIT**

18 **Q. DID ALLIANCE PREPARE A DEPRECIATION STUDY FOR ATMOS**
19 **ENERGY'S SSU?**

20 A. Yes. The study recommendations and results are attached to my direct testimony
21 as Exhibit DAW-3.

1 **Q. ARE THE STEPS DESCRIBED ABOVE FOR THE MID-TEX**
2 **DEPRECIATION STUDY THE SAME FOR SSU ASSETS?**

3 A. Yes. The same approach and methods were used for both studies.

4 **Q. WHAT PROPERTY IS INCLUDED IN THE SSU DEPRECIATION STUDY?**

5 A. For SSU, there is one general class of depreciable property which is related to
6 general office activities. These assets include office buildings and leasehold
7 improvements, office furniture, communications equipment, transportation
8 equipment, computer software and hardware and other miscellaneous general office
9 assets.

10 **Q. WHAT TIME PERIOD WAS USED TO DEVELOP THE PROPOSED**
11 **DEPRECIATION RATES?**

12 A. The depreciation rates were developed based on the depreciable property recorded
13 on SSU's books at September 30, 2022. The prior depreciation study approved by
14 the Commission for Shared Services was based on depreciable property recorded
15 on Shared Services books at September 30, 2010.

16 **Q. WHAT ARE THE RESULTS OF THE SSU DEPRECIATION STUDY?**

17 A. The 2022 SSU Depreciation Study is found in Exhibit DAW-3. The annual
18 depreciation expense, before allocation, is approximately \$28.9 million per year.
19 More details related to the study and results are found in Exhibit DAW-3.

20 **Q. WHAT ARE THE PRIMARY FORCES AFFECTING THE**
21 **DEPRECIATION RATES RECOMMENDED IN THE SSU STUDY?**

22 A. Generally, depreciation rates are affected by three separate factors - changes in
23 average service life, changes in net salvage, and the effect of reserve position.

1 SSU's depreciation rates only have two of these affecting the rates, average service
2 life and reserve position.

3 **Q. DO YOU HAVE ANY GENERAL OBSERVATIONS REGARDING THE**
4 **LIFE AND NET SALVAGE PARAMETERS RECOMMENDED IN THE SSU**
5 **DEPRECIATION STUDY?**

6 A. Yes. There is significant investment in the SSU related to technology-based assets
7 which generally have shorter life expectations than gas transmission assets. The
8 net salvage analyses for all SSU accounts indicate no salvage or cost of removal is
9 being experienced, therefore, a zero percent net salvage rate is recommended for
10 each account in the SSU study. Detailed discussions for each account can be found
11 in Exhibit DAW-3.

12 **Q. WHAT ASSETS WERE ANALYZED FOR THE 2022 SSU DEPRECIATION**
13 **STUDY?**

14 A. The SSU assets are used to perform common services for all divisions of Atmos'
15 regulated utility operations. These utility divisions are located in multiple states,
16 including Texas. All of the assets used to perform these common services were
17 analyzed as part of the depreciation study. As previously stated, these assets include
18 but are not limited to, office buildings, furniture and equipment, communication
19 equipment, and any computer hardware or software utilized. The three largest
20 investments in SSU are the application software, server hardware, and structures
21 and improvements. These assets are primarily located in Atmos' headquarters in
22 Dallas, Texas and the customer service centers in Amarillo, Texas and Waco, Texas.

1 **Q. WHAT CONSIDERATION HAS BEEN GIVEN TO APPLICATION**
2 **SOFTWARE THAT DOES NOT HAVE A PHYSICAL LOCATION AT**
3 **ATMOS?**

4 A. Cloud Computing does not have a physical location at Atmos headquarters.
5 However, the Company decided it will record capitalizable Cloud Computing Costs
6 to Account 39908 Application Software. This account has an approved and
7 proposed depreciation rate in the current study to be applied. The proposed rate is
8 shown on Appendix A of Exhibit DAW-3.

9 **Q. WHAT DEPRECIATION RATES DOES THE COMPANY PROPOSE TO**
10 **ADOPT FOR SSU ASSETS?**

11 A. The Company proposes to adopt the depreciation rates shown on Appendix A of
12 Exhibit DAW-3 for SSU depreciable plant.

13 **Q. HAVE THE PROPOSED SSU DEPRECIATION RATES BEEN APPROVED**
14 **BY THE COMMISSION FOR USE BY OTHER ATMOS ENERGY**
15 **DIVISIONS IN TEXAS?**

16 A. Yes. These rates were approved by the Commission for use by Atmos Pipeline –
17 Texas in December 2023 as part of the Commission’s Final Order in Docket No.
18 OS-23-00013758. The Company also received approval to adopt the SSU
19 depreciation rates shown in Exhibit DAW-3 for use by its gas utility divisions in
20 Virginia, Tennessee, and Louisiana. It is also my understanding that Atmos Energy
21 intends to request the adopting of the SSU depreciation rates in its other
22 jurisdictions according to its regulatory requirements.

1 Q. DO YOU BELIEVE THESE RATES ARE REASONABLE?

2 A. Yes.

3 VI. CONCLUSION

4 **Q. WHAT ACCOUNT DEPRECIATION RATES ARE YOU PROPOSING, AND**
5 **HOW DO THEY COMPARE WITH THE CURRENT RATES?**

A. Detailed calculations are found in Appendix A of Exhibit DAW-2. The proposed rates for SSU are in Appendix A of Exhibit DAW-3. Detailed calculations and comparisons of these rates are found in my studies included in Exhibits DAW-2 and DAW-3.

10 **Q. DOES THIS CONCLUDE YOUR PREFILED DIRECT TESTIMONY?**

11 A. Yes, it does.

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

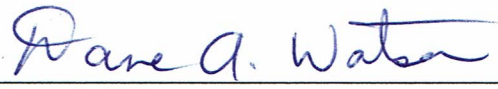
AFFIDAVIT OF DANE A. WATSON

BEFORE ME, the undersigned authority, on this day personally appeared Dane A. Watson who having been placed under oath by me did depose as follows:

1. “My name is Dane A. Watson. I am of sound mind and capable of making this affidavit. The facts stated herein are true and correct based upon my personal knowledge. My current position is Partner in Alliance Consulting Group.

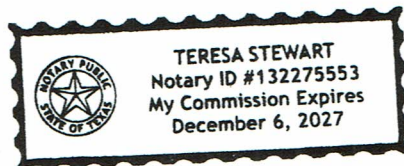
2. I have prepared the foregoing Direct Testimony and the information contained in that document is true and correct to the best of my knowledge.”

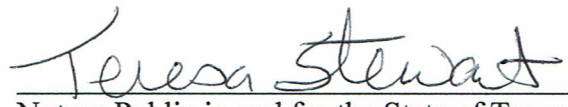
Further affiant sayeth not.



Dane A. Watson

SUBSCRIBED AND SWORN TO BEFORE ME by the said Dane A. Watson on this
5th day of November 2024.





Notary Public in and for the State of Texas

Dane Watson Testimony Experience

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
California	FERC	ER25-270-000	San Diego Gas and Electric	2024	TO6
Texas	Railroad Commission of Texas	00018879	Atmos West Texas	2024	Natural Gas Depreciation Study
South Carolina	South Carolina Public Service Commission	2024-179-G	Piedmont Natural Gas	2024	Natural Gas Depreciation Study
Michigan	Michigan Public Service Commission	U-21542	Upper Michigan Energy Resources Corporation	2024	Reciprocating Internal Combustion Engine (RICE) Units
California	California Public Utilities Commission	A2407003	California Water Service	2024	Water Depreciation Study
Alaska	Regulatory Commission of Alaska	U-24-017	Matanuska Electric Coop	2024	Electric Depreciation Study
New Mexico	Public Service of New Mexico	24-00089-UT	PNM Resources	2024	Electric Technical Update
Texas	Railroad Commission of Texas	17816	West Texas Gas	2024	Gas Depreciation Study
Texas	Public Utility Commission of Texas	56665	Texas Water Utilities	2024	Water Depreciation Study
Multi-state	FERC	EL24-60-000	Viridon Mid-Atlantic LLC	2024	Electric Depreciation Study
Multi-state	FERC	EL24-66-000	Viridon Southwest LLC	2024	Electric Depreciation Study
Multi-state	FERC	EL24-67-000	Viridon New York Inc.	2024	Electric Depreciation Study
Multi-state	FERC	EL24-69-000	Viridon Midcontinent LLC	2024	Electric Depreciation Study
North Carolina	North Carolina Utilities Commission	G-9, Sub 837	Piedmont Natural Gas	2024	Gas Depreciation Study
Mississippi	FERC	ER-24-1652-000	Mississippi Power Company	2024	Electric Depreciation Study
New Jersey	New Jersey Board of Public Utilities	GR24020158	Elizabethtown Gas Company	2024	Gas Depreciation Study
Texas New Mexico	FERC	ER24-1431-000	Southwestern Public Service Company	2024	Electric Technical Update
Missouri	Missouri Public Service Commission	WR-2024-0104	Liberty Utilities Missouri Water	2024	Water Depreciation Study
Missouri	Missouri Public Service Commission	SR-2024-0105	Liberty Utilities Missouri Waste Water	2024	Waste Water Depreciation Study
Texas	Public Utility Commission of Texas	56211	CenterPoint	2024	Electric Depreciation Study
California	California Public Utilities Commission	A.24-01-001	San Jose Water Co	2024	Water/Wastewater Depreciation Study
Missouri	Missouri Public Service Commission	GR-2024-0106	Liberty Utilities Mid States Gas	2024	Gas Depreciation Study
Pennsylvania	Pennsylvania Public Utility Commission	R-2024-3045193	Veolia Pennsylvania	2024	WasteWater Depreciation Study
Pennsylvania	Pennsylvania Public Utility Commission	R-2024-3045192	Veolia Pennsylvania	2024	Water Depreciation Study

Dane Watson Testimony Experience

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Arkansas	Arkansas Public Service Commission	23-079-U	Summit Utilities Arkansas	2024	Gas Depreciation Study
Colorado	Colorado Public Utilities Commission	23A-0632G	Atmos Energy	2023	Gas Clean Heat Plan
Illinois	Illinois Commerce Commission	24-0043	Liberty Mid States Gas-Illinois	2023	Gas Depreciation Study
Oklahoma	Oklahoma Corporation Commission	2023-00087	Oklahoma Gas & Electric	2023	Electric Depreciation Study
Michigan	Michigan Public Service Commission	21513	Upper Peninsula Power Company	2023	Electric Depreciation Study
Texas	Public Utility Commission of Texas	55867	Lower Colorado River Authority	2023	Electric Depreciation Study
Texas	Railroad Commission of Texas	Case No. OS-23-00015513	CenterPoint Texas Gas	2023	Gas Depreciation Study
Nevada	Public Utility Commission of Nevada	23-090-12	Southwest Gas	2023	Gas Depreciation Study - Nevada Division
Louisiana	Public Service Commission of Louisiana	36959	Entergy Louisiana	2023	Electric Depreciation Study
Texas	Railroad Commission of Texas	13758	Atmos Energy - APT	2023	Gas Depreciation Study
Florida	Florida Public Service Commission	20230023	Peoples Gas System	2023	Gas Depreciation Study
Texas	Public Utility Commission of Texas	54565	Central States Water Resources (CSWR Texas)	2023	Water Depreciation Study
New York	New York State Public Service Commission	23-W-0111	Veolia New York	2023	Water Depreciation Study
Arkansas	Arkansas Public Service Commission	22-085-U	Empire District Electric Company	2023	Electric Depreciation Study
Texas	Public Utility Commission of Texas	54634	Southwestern Public Service Company	2023	Electric Technical Update
Louisiana	Louisiana Public Service Commission	U-36923	Cleco	2023	Electric Depreciation study
Arkansas	Arkansas Public Service Commission	22-085-U	Liberty Empire Electric Arkansas	2023	Electric Depreciation Study
Florida	Florida Public Service Commission	20220219	People Gas System	2022	Gas Depreciation Study
Michigan	Michigan Public Service Commission	U-21329	Michigan Gas Utilities Corporation	2022	Gas Depreciation Study
New Mexico	New Mexico Public Regulation Commission	22-00270-UT	Public Service of New Mexico	2022	Electric Depreciation Study
New Mexico	New Mexico Public Regulation Commission	22-00286-UT	Southwestern Public Service Company	2022	Electric Technical Update
Michigan	Michigan Public Service Commission	U-21294	SEMCO Gas	2022	Gas Depreciation Study

Dane Watson Testimony Experience

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Arkansas	Arkansas Public Service Commission	22-064-U	Liberty Pine Bluff Water	2022	Water Depreciation Study
Colorado	Colorado Public Utilities Commission	22AL-0348G	Atmos Energy	2022	Gas Depreciation Study
New York	FERC	ER22-2581-000	New York Power Authority	2022	Electric Transmission and General Depreciation Study
South Carolina	South Carolina Public Service Commission	2022-89-G	Piedmont Natural Gas	2022	Natural Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-22-034	Chugach Electric Association	2022	Electric Depreciation Study
Georgia	Georgia Public Service Commission	44280	Georgia Power Company	2022	Electric Depreciation Study
Texas	Public Utility Commission of Texas	53719	Entergy Texas	2022	Electric Depreciation Study
California	California Public Utilities Commission	A22-005-016	San Diego Gas and Electric	2022	Electric Gas and Common Depreciation Study
California	California Public Utilities Commission	A22-005-015	Southern California Gas	2022	Gas Depreciation Study
Colorado	Colorado Public Utilities Commission	22AL-0046G	Public Service of Colorado	2022	Gas Alternatives to Climate Goals
Texas	Public Utility Commission of Texas	53601	Oncor Electric Delivery	2022	Electric Depreciation Study
New Jersey	New Jersey Board of Public Utilities	GR2222040253	South Jersey Gas	2022	Gas Depreciation Study
Oklahoma	Corporation Commission of Oklahoma	PUD 202100163	Empire District Electric Company	2022	Electric Depreciation Study
Michigan	Michigan Public Service Commission	U-21176	Consumers Gas	2021	Gas Depreciation Study
New Jersey	New Jersey Board of Public Utilities	GR21121254	Elizabethtown Natural Gas	2021	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	TA116-118, TA115-97, TA160-37 and TA110-290	Fairbanks Water and Wastewater	2021	Water and Waste Water Depreciation Study
Alaska	Regulatory Commission of Alaska	U-21-025	Golden Valley Electric Association	2021	Electric Depreciation Study
Colorado	Public Utilities Commission of Colorado	21AL-0317E	Public Service of Colorado	2021	Electric and Common Depreciation Study
Wisconsin	Public Service Commission of Wisconsin	5-DU-103	WE Energies	2021	Electric and Gas Depreciation Study
Kentucky	Public Service Commission of Kentucky	2021-00214	Atmos Kentucky	2021	Gas Depreciation Study

Dane Watson Testimony Experience

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Missouri	Missouri Public Service Commission	ER-2021-0312	Empire District Electric Company	2021	Electric Depreciation Study
Louisiana	Louisiana Public Service Commission	U-35951	Atmos Louisiana	2021	Gas Depreciation Study
Minnesota	Minnesota Public Utilities Commission	E015-D-21-229	Allete Minnesota Power	2021	Intangible, Transmission, Distribution, and General Depreciation Study
Michigan	Michigan Public Service Commission	U-20849	Consumers Energy	2021	Electric and Common Depreciation Study
Texas	Public Utility Commission of Texas	51802	Southwestern Public Service Company	2021	Electric Technical Update
MultiState	FERC	RP21-441-000	Florida Gas Transmission	2021	Gas Depreciation Study
New Mexico	New Mexico Public Regulation Commission	20-00238-UT	Southwestern Public Service Company	2021	Electric Technical Update
MultiState	FERC	ER21-709-000	American Transmission Company	2020	Electric Depreciation Study
Texas	Public Utility Commission of Texas	51611	Sharyland Utilities	2020	Electric Depreciation Study
Texas	Public Utility Commission of Texas	51536	Brownsville Public Utilities Board	2020	Electric Depreciation Study
New Jersey	New Jersey Board of Public Utilities	WR20110729	Suez Water New Jersey	2020	Water and Waste Water Depreciation Study
Idaho	Idaho Public Service Commission	SUZ-W-20-02	Suez Water Idaho	2020	Water Depreciation Study
Texas	Public Utility Commission of Texas	50944	Monarch Utilities	2020	Water and Waste Water Depreciation Study
Michigan	Michigan Public Service Commission	U-20844	Consumers Energy/DTE Electric	2020	Ludington Pumped Storage Depreciation Study
Tennessee	Tennessee Public Utility Commission	20-00086	Piedmont Natural Gas	2020	Gas Depreciation Study
Texas	Railroad Commission of Texas	OS-00005136	CoServ Gas	2020	Gas Depreciation Study
Texas	Railroad Commission of Texas	GUD 10988	EPCOR Gas Texas	2020	Gas Depreciation Study
Florida	Florida Public Service Commission	20200166-GU	People Gas System	2020	Gas Depreciation Study
Mississippi	Federal Energy Regulatory Commission	ER20-1660-000	Mississippi Power Company	2020	Electric Depreciation Study
Texas	Public Utility Commission of Texas	50557	Corix Utilities	2020	Water and Waste Water Depreciation Study
Georgia	Georgia Public Service Commission	42959	Liberty Utilities Peach State Natural Gas	2020	Gas Depreciation Study

Dane Watson Testimony Experience

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
New Jersey	New Jersey Board of Public Utilities	GR20030243	South Jersey Gas	2020	Gas Depreciation Study
Colorado	Colorado Public Utilities Commission	20AL-0049G	Public Service of Colorado	2020	Gas Depreciation Study
New York	Federal Energy Regulatory Commission	ER20-716-000	LS Power Grid New York, Corp.	2019	Electric Transmission Depreciation Study
Mississippi	Mississippi Public Service Commission	2019-UN-219	Mississippi Power Company	2019	Electric Depreciation Study
Texas	Public Utility Commission of Texas	50288	Kerrville Public Utility District	2019	Electric Depreciation Study
Texas	Railroad Commission of Texas	GUD 10920	CenterPoint Gas	2019	Gas Depreciation Study and Propane Air Study
Texas, New Mexico	Federal Energy Regulatory Commission	ER20-277-000	Southwestern Public Service Company	2019	Electric Production and General Plant Depreciation Study
Alaska	Regulatory Commission of Alaska	U-19-086	Alaska Electric Light and Power	2019	Electric Depreciation Study
Delaware	Delaware Public Service Commission	19-0615	Suez Water Delaware	2019	Water Depreciation Study
Texas	Public Utility Commission of Texas	49831	Southwestern Public Service Company	2019	Electric Depreciation Study
New Mexico	New Mexico Public Regulation Commission	19-00170-UT	Southwestern Public Service Company	2019	Electric Depreciation Study
Georgia	Georgia Public Service Commission	42516	Georgia Power Company	2019	Electric Depreciation Study
Georgia	Georgia Public Service Commission	42315	Atlanta Gas Light	2019	Gas Depreciation Study
Arizona	Arizona Corporation Commission	G-01551A-19-0055	Southwest Gas Corporation	2019	Gas Removal Cost Study
New Hampshire	New Hampshire Public Service Commission	DE 19-064	Liberty Utilities	2019	Electric Distribution and General
New Jersey	New Jersey Board of Public Utilities	GR19040486	Elizabethtown Natural Gas	2019	Gas Depreciation Study
Texas	Public Utility Commission of Texas	49421	CenterPoint Houston Electric LLC	2019	Electric Depreciation Study
North Carolina	North Carolina Utilities Commission	Docket No. G-9, Sub 743	Piedmont Natural Gas	2019	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-18-121	Municipal Power and Light City of Anchorage	2018	Electric Depreciation Study
Various	FERC	RP19-352-000	Sea Robin	2018	Gas Depreciation Study
Texas New Mexico	Federal Energy Regulatory Commission	ER19-404-000	Southwestern Public Service Company	2018	Electric Transmission Depreciation Study

Dane Watson Testimony Experience

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
California	Federal Energy Regulatory Commission	ER19-221-000	San Diego Gas and Electric	2018	Electric Transmission Depreciation Study
Kentucky	Kentucky Public Service Commission	2018-00281	Atmos Kentucky	2018	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-18-054	Matanuska Electric Coop	2018	Electric Generation Depreciation Study
California	California Public Utilities Commission	A17-10-007	San Diego Gas and Electric	2018	Electric and Gas Depreciation Study
Texas	Public Utility Commission of Texas	48401	Texas New Mexico Power	2018	Electric Depreciation Study
Nevada	Public Utility Commission of Nevada	18-05031	Southwest Gas	2018	Gas Depreciation Study
Texas	Public Utility Commission of Texas	48231	Oncor Electric Delivery	2018	Depreciation Rates
Texas	Public Utility Commission of Texas	48371	Entergy Texas	2018	Electric Depreciation Study
Kansas	Kansas Corporation Commission	18-KCPE-480-RTS	Kansas City Power and Light	2018	Electric Depreciation Study
Arkansas	Arkansas Public Service Commission	18-027-U	Liberty Pine Bluff Water	2018	Water Depreciation Study
Kentucky	Kentucky Public Service Commission	2017-00349	Atmos KY	2018	Gas Depreciation Rates
Tennessee	Tennessee Public Utility Commission	18-00017	Chattanooga Gas	2018	Gas Depreciation Study
Texas	Railroad Commission of Texas	10679	Si Energy	2018	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-17-104	Anchorage Water and Wastewater	2017	Water and Waste Water Depreciation Study
Michigan	Michigan Public Service Commission	U-18488	Michigan Gas Utilities Corporation	2017	Gas Depreciation Study
Texas	Railroad Commission of Texas	10669	CenterPoint South Texas	2017	Gas Depreciation Study
Arkansas	Arkansas Public Service Commission	17-061-U	Empire District Electric Company	2017	Depreciation Rates for New Wind Generation
Kansas	Kansas Corporation Commission	18-EPDE-184-PRE	Empire District Electric Company	2017	Depreciation Rates for New Wind Generation
Oklahoma	Oklahoma Corporation Commission	PUD 201700471	Empire District Electric Company	2017	Depreciation Rates for New Wind Generation
Missouri	Missouri Public Service Commission	EO-2018-0092	Empire District Electric Company	2017	Depreciation Rates for New Wind Generation
Michigan	Michigan Public Service Commission	U-18457	Upper Peninsula Power Company	2017	Electric Depreciation Study
Florida	Florida Public Service Commission	20170179-GU	Florida City Gas	2017	Gas Depreciation Study

Dane Watson Testimony Experience

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Michigan	FERC	ER18-56-000	Consumers Energy	2017	Electric Depreciation Study
Missouri	Missouri Public Service Commission	GR-2018-0013	Liberty Utilities	2017	Gas Depreciation Study
Michigan	Michigan Public Service Commission	U-18452	SEMCO	2017	Gas Depreciation Study
Texas	Public Utility Commission of Texas	47527	Southwestern Public Service Company	2017	Electric Production Depreciation Study
MultiState	FERC	ER17-1664	American Transmission Company	2017	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-17-008	Municipal Power and Light City of Anchorage	2017	Generating Unit Depreciation Study
Mississippi	Mississippi Public Service Commission	2017-UN-041	Atmos Energy	2017	Gas Depreciation Study
Texas	Public Utility Commission of Texas	46957	Oncor Electric Delivery	2017	Electric Depreciation Study
Oklahoma	Oklahoma Corporation Commission	PUD 201700078	CenterPoint Oklahoma	2017	Gas Depreciation Study
New York	FERC	ER17-1010-000	New York Power Authority	2017	Electric Depreciation Study
Texas	Railroad Commission of Texas	GUD 10580	Atmos Pipeline Texas	2017	Gas Depreciation Study
Texas	Railroad Commission of Texas	GUD 10567	CenterPoint Texas	2016	Gas Depreciation Study
MultiState	FERC	ER17-191-000	American Transmission Company	2016	Electric Depreciation Study
New Jersey	New Jersey Board of Public Utilities	GR16090826	Elizabethtown Natural Gas	2016	Gas Depreciation Study
Michigan	Michigan Public Service Commission	U-18195	Consumers Energy/DTE Electric	2016	Ludington Pumped Storage Depreciation Study
Alabama	FERC	ER16-2313-000	SEGCO	2016	Electric Depreciation Study
Alabama	FERC	ER16-2312-000	Alabama Power Company	2016	Electric Depreciation Study
Michigan	Michigan Public Service Commission	U-18127	Consumers Energy	2016	Natural Gas Depreciation Study
Mississippi	Mississippi Public Service Commission	2016 UN 267	Willmut Natural Gas	2016	Natural Gas Depreciation Study
Iowa	Iowa Utilities Board	RPU-2016-0003	Liberty-Iowa	2016	Natural Gas Depreciation Study
Illinois	Illinois Commerce Commission	GRM #16-208	Liberty-Illinois	2016	Natural Gas Depreciation Study
Kentucky	FERC	RP16-097-000	KOT	2016	Natural Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-16-067	Alaska Electric Light and Power	2016	Generating Unit Depreciation Study
Florida	Florida Public Service Commission	160170-EI	Gulf Power	2016	Electric Depreciation Study

Dane Watson Testimony Experience

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
California	California Public Utilities Commission	A 16-07-002	California American Water	2016	Water and Waste Water Depreciation Study
Arizona	Arizona Corporation Commission	G-01551A-16-0107	Southwest Gas	2016	Gas Depreciation Study
Texas	Public Utility Commission of Texas	45414	Sharyland	2016	Electric Depreciation Study
Colorado	Colorado Public Utilities Commission	16A-0231E	Public Service Company of Colorado	2016	Electric Depreciation Study
Multi-State NE US	FERC	16-453-000	Northeast Transmission Development, LLC	2015	Electric Depreciation Study
Arkansas	Arkansas Public Service Commission	15-098-U	CenterPoint Arkansas	2015	Gas Depreciation Study and Cost of Removal Study
New Mexico	New Mexico Public Regulation Commission	15-00296-UT	Southwestern Public Service Company	2015	Electric Depreciation Study
Atmos Energy Corporation	Tennessee Regulatory Authority	14-00146	Atmos Tennessee	2015	Natural Gas Depreciation Study
New Mexico	New Mexico Public Regulation Commission	15-00261-UT	Public Service Company of New Mexico	2015	Electric Depreciation Study
Hawaii	NA	NA	Hawaii American Water	2015	Water/Wastewater Depreciation Study
Kansas	Kansas Corporation Commission	16-ATMG-079-RTS	Atmos Kansas	2015	Gas Depreciation Study
Texas	Public Utility Commission of Texas	44704	Entergy Texas	2015	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-15-089	Fairbanks Water and Wastewater	2015	Water and Waste Water Depreciation Study
Arkansas	Arkansas Public Service Commission	15-031-U	Source Gas Arkansas	2015	Underground Storage Gas Depreciation Study
New Mexico	New Mexico Public Regulation Commission	15-00139-UT	Southwestern Public Service Company	2015	Electric Depreciation Study
Texas	Public Utility Commission of Texas	44746	Wind Energy Transmission Texas	2015	Electric Depreciation Study
Colorado	Colorado Public Utilities Commission	15-AL-0299G	Atmos Colorado	2015	Gas Depreciation Study
Arkansas	Arkansas Public Service Commission	15-011-U	Source Gas Arkansas	2015	Gas Depreciation Study
Texas	Railroad Commission of Texas	GUD 10432	CenterPoint- Texas Coast Division	2015	Gas Depreciation Study
Kansas	Kansas Corporation Commission	15-KCPE-116-RTS	Kansas City Power and Light	2015	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-14-120	Alaska Electric Light and Power	2014-2015	Electric Depreciation Study

Dane Watson Testimony Experience

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Texas	Public Utility Commission of Texas	43950	Cross Texas Transmission	2014	Electric Depreciation Study
New Mexico	New Mexico Public Regulation Commission	14-00332-UT	Public Service of New Mexico	2014	Electric Depreciation Study
Texas	Public Utility Commission of Texas	43695	Xcel Energy	2014	Electric Depreciation Study
Multi State – SE US	FERC	RP15-101	Florida Gas Transmission	2014	Gas Transmission Depreciation Study
California	California Public Utilities Commission	A.14-07-006	Golden State Water	2014	Water and Waste Water Depreciation Study
Michigan	Michigan Public Service Commission	U-17653	Consumers Energy Company	2014	Electric and Common Depreciation Study
Colorado	Public Utilities Commission of Colorado	14AL-0660E	Public Service of Colorado	2014	Electric Depreciation Study
Wisconsin	Wisconsin	05-DU-102	WE Energies	2014	Electric, Gas, Steam and Common Depreciation Studies
Texas	Public Utility Commission of Texas	42469	Lone Star Transmission	2014	Electric Depreciation Study
Nebraska	Nebraska Public Service Commission	NG-0079	Source Gas Nebraska	2014	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-14-055	TDX North Slope Generating	2014	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-14-054	Sand Point Generating LLC	2014	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-14-045	Matanuska Electric Coop	2014	Electric Generation Depreciation Study
Texas, New Mexico	Public Utility Commission of Texas	42004	Southwestern Public Service Company	2013-2014	Electric Production, Transmission, Distribution and General Plant Depreciation Study
New Jersey	New Jersey Board of Public Utilities	GR13111137	South Jersey Gas	2013	Gas Depreciation Study
Various	FERC	RP14-247-000	Sea Robin	2013	Gas Depreciation Study
Arkansas	Arkansas Public Service Commission	13-078-U	Arkansas Oklahoma Gas	2013	Gas Depreciation Study
Arkansas	Arkansas Public Service Commission	13-079-U	Source Gas Arkansas	2013	Gas Depreciation Study
California	California Public Utilities Commission	Proceeding No.: A.13-11-003	Southern California Edison	2013	Electric Depreciation Study
North Carolina/South Carolina	FERC	ER13-1313	Progress Energy Carolina	2013	Electric Depreciation Study

Dane Watson Testimony Experience

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Wisconsin	Public Service Commission of Wisconsin	4220-DU-108	Northern States Power Company - Wisconsin	2013	Electric, Gas and Common Transmission, Distribution and General
Texas	Public Utility Commission of Texas	41474	Sharyland	2013	Electric Depreciation Study
Kentucky	Kentucky Public Service Commission	2013-00148	Atmos Energy Corporation	2013	Gas Depreciation Study
Minnesota	Minnesota Public Utilities Commission	13-252	Allete Minnesota Power	2013	Electric Depreciation Study
New Hampshire	New Hampshire Public Service Commission	DE 13-063	Liberty Utilities	2013	Electric Distribution and General
Texas	Railroad Commission of Texas	10235	West Texas Gas	2013	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-12-154	Alaska Telephone Company	2012	Telecommunications Utility
New Mexico	New Mexico Public Regulation Commission	12-00350-UT	Southwestern Public Service Company	2012	Electric Depreciation Study
Colorado	Colorado Public Utilities Commission	12AL-1269ST	Public Service Company of Colorado	2012	Gas and Steam Depreciation Study
Colorado	Colorado Public Utilities Commission	12AL-1268G	Public Service Company of Colorado	2012	Gas and Steam Depreciation Study
Alaska	Regulatory Commission of Alaska	U-12-149	Municipal Power and Light City of Anchorage	2012	Electric Depreciation Study
Texas	Public Utility Commission of Texas	40824	Xcel Energy	2012	Electric Depreciation Study
South Carolina	Public Service Commission of South Carolina	Docket 2012-384-E	Progress Energy Carolina	2012	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-12-141	Interior Telephone Company	2012	Telecommunications Utility
Michigan	Michigan Public Service Commission	U-17104	Michigan Gas Utilities Corporation	2012	Gas Depreciation Study
North Carolina	North Carolina Utilities Commission	E-2 Sub 1025	Progress Energy Carolina	2012	Electric Depreciation Study
Texas	Public Utility Commission of Texas	40606	Wind Energy Transmission Texas	2012	Electric Depreciation Study
Texas	Public Utility Commission of Texas	40604	Cross Texas Transmission	2012	Electric Depreciation Study
Minnesota	Minnesota Public Utilities Commission	12-858	Northern States Power Company - Minnesota	2012	Electric, Gas and Common Transmission, Distribution and General
Texas	Railroad Commission of Texas	10170	Atmos Mid-Tex	2012	Gas Depreciation Study

Dane Watson Testimony Experience

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Texas	Railroad Commission of Texas	10174	Atmos West Texas	2012	Gas Depreciation Study
Texas	Railroad Commission of Texas	10182	CenterPoint Beaumont/ East Texas	2012	Gas Depreciation Study
Kansas	Kansas Corporation Commission	12-KCPE-764-RTS	Kansas City Power and Light	2012	Electric Depreciation Study
Nevada	Public Utility Commission of Nevada	12-04005	Southwest Gas	2012	Gas Depreciation Study
Texas	Railroad Commission of Texas	10147, 10170	Atmos Mid-Tex	2012	Gas Depreciation Study
Kansas	Kansas Corporation Commission	12-ATMG-564-RTS	Atmos Kansas	2012	Gas Depreciation Study
Texas	Public Utility Commission of Texas	40020	Lone Star Transmission	2012	Electric Depreciation Study
Michigan	Michigan Public Service Commission	U-16938	Consumers Energy Company	2011	Gas Depreciation Study
Colorado	Public Utilities Commission of Colorado	11AL-947E	Public Service of Colorado	2011	Electric Depreciation Study
Texas	Public Utility Commission of Texas	39896	Entergy Texas	2011	Electric Depreciation Study
MultiState	FERC	ER12-212	American Transmission Company	2011	Electric Depreciation Study
California	California Public Utilities Commission	A1011015	Southern California Edison	2011	Electric Depreciation Study
Mississippi	Mississippi Public Service Commission	2011-UN-184	Atmos Energy	2011	Gas Depreciation Study
Michigan	Michigan Public Service Commission	U-16536	Consumers Energy Company	2011	Wind Depreciation Rate Study
Texas	Public Utility Commission of Texas	38929	Oncor	2011	Electric Depreciation Study
Texas	Railroad Commission of Texas	10038	CenterPoint South TX	2010	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-10-070	Inside Passage Electric Cooperative	2010	Electric Depreciation Study
Texas	Public Utility Commission of Texas	36633	City Public Service of San Antonio	2010	Electric Depreciation Study
Texas	Railroad Commission of Texas	10000	Atmos Pipeline Texas	2010	Gas Depreciation Study
Multi State – SE US	FERC	RP10-21-000	Florida Gas Transmission	2010	Gas Depreciation Study
Maine/ New Hampshire	FERC	10-896	Granite State Gas Transmission	2010	Gas Depreciation Study
Texas	Public Utility Commission of Texas	38480	Texas New Mexico Power	2010	Electric Depreciation Study
Texas	Public Utility Commission of Texas	38339	CenterPoint Electric	2010	Electric Depreciation Study
Texas	Railroad Commission of Texas	10041	Atmos Amarillo	2010	Gas Depreciation Study

Dane Watson Testimony Experience

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Georgia	Georgia Public Service Commission	31647	Atlanta Gas Light	2010	Gas Depreciation Study
Texas	Public Utility Commission of Texas	38147	Southwestern Public Service	2010	Electric Technical Update
Alaska	Regulatory Commission of Alaska	U-09-015	Alaska Electric Light and Power	2009-2010	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-10-043	Utility Services of Alaska	2009-2010	Water Depreciation Study
Michigan	Michigan Public Service Commission	U-16055	Consumers Energy/DTE Energy	2009-2010	Ludington Pumped Storage Depreciation Study
Michigan	Michigan Public Service Commission	U-16054	Consumers Energy	2009-2010	Electric Depreciation Study
Michigan	Michigan Public Service Commission	U-15963	Michigan Gas Utilities Corporation	2009	Gas Depreciation Study
Michigan	Michigan Public Service Commission	U-15989	Upper Peninsula Power Company	2009	Electric Depreciation Study
Texas	Railroad Commission of Texas	9869	Atmos Energy	2009	Shared Services Depreciation Study
Mississippi	Mississippi Public Service Commission	09-UN-334	CenterPoint Energy Mississippi	2009	Gas Depreciation Study
Texas	Railroad Commission of Texas	9902	CenterPoint Energy Houston	2009	Gas Depreciation Study
Colorado	Colorado Public Utilities Commission	09AL-299E	Public Service Company of Colorado	2009	Electric Depreciation Study
Louisiana	Louisiana Public Service Commission	U-30689	Cleco	2008	Electric Depreciation Study
Texas	Public Utility Commission of Texas	35763	Southwestern Public Service Company	2008	Electric Production, Transmission, Distribution and General Plant Depreciation Study
Wisconsin	Wisconsin	05-DU-101	WE Energies	2008	Electric, Gas, Steam and Common Depreciation Studies
North Dakota	North Dakota Public Service Commission	PU-07-776	Northern States Power Company - Minnesota	2008	Net Salvage
New Mexico	New Mexico Public Regulation Commission	07-00319-UT	Southwestern Public Service Company	2008	Testimony – Depreciation
Multiple States	Railroad Commission of Texas	9762	Atmos Energy	2007-2008	Shared Services Depreciation Study
Minnesota	Minnesota Public Utilities Commission	E015/D-08-422	Minnesota Power	2007-2008	Electric Depreciation Study
Texas	Public Utility Commission of Texas	35717	Oncor	2008	Electric Depreciation Study
Texas	Public Utility Commission of Texas	34040	Oncor	2007	Electric Depreciation Study
Michigan	Michigan Public Service Commission	U-15629	Consumers Energy	2006-2009	Gas Depreciation Study

Dane Watson Testimony Experience

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Colorado	Colorado Public Utilities Commission	06-234-EG	Public Service Company of Colorado	2006	Electric Depreciation Study
Arkansas	Arkansas Public Service Commission	06-161-U	CenterPoint Energy – Arkla Gas	2006	Gas Distribution Depreciation Study and Removal Cost Study
Texas, New Mexico	Public Utility Commission of Texas	32766	Southwestern Public Service Company	2005-2006	Electric Production, Transmission, Distribution and General Plant Depreciation Study
Texas	Railroad Commission of Texas	9670/9676	Atmos Energy Corp	2005-2006	Gas Distribution Depreciation Study
Texas	Railroad Commission of Texas	9400	TXU Gas	2003-2004	Gas Distribution Depreciation Study
Texas	Railroad Commission of Texas	9313	TXU Gas	2002	Gas Distribution Depreciation Study
Texas	Railroad Commission of Texas	9225	TXU Gas	2002	Gas Distribution Depreciation Study
Texas	Public Utility Commission of Texas	24060	TXU	2001	Line Losses
Texas	Public Utility Commission of Texas	23640	TXU	2001	Line Losses
Texas	Railroad Commission of Texas	9145-9148	TXU Gas	2000-2001	Gas Distribution Depreciation Study
Texas	Public Utility Commission of Texas	22350	TXU	2000-2001	Electric Depreciation Study, Unbundling
Texas	Railroad Commission of Texas	8976	TXU Pipeline	1999	Pipeline Depreciation Study
Texas	Public Utility Commission of Texas	20285	TXU	1999	Fuel Company Depreciation Study
Texas	Public Utility Commission of Texas	18490	TXU	1998	Transition to Competition
Texas	Public Utility Commission of Texas	16650	TXU	1997	Customer Complaint
Texas	Public Utility Commission of Texas	15195	TXU	1996	Mining Company Depreciation Study
Texas	Public Utility Commission of Texas	12160	TXU	1993	Fuel Company Depreciation Study
Texas	Public Utility Commission of Texas	11735	TXU	1993	Electric Depreciation Study

ATMOS ENERGY CORPORATION
MID-TEX DIVISION
DEPRECIATION RATE STUDY
As of September 30, 2023



<http://www.utilityalliance.com>

ATMOS ENERGY CORPORATION - ATMOS MID-TEX DIVISION
DEPRECIATION RATE STUDY
EXECUTIVE SUMMARY

Atmos Energy Corporation (“Atmos” or “Company”) engaged Alliance Consulting Group to conduct a depreciation study of the Company’s Mid-Tex Division (“Mid-Tex”) natural gas depreciable assets as of fiscal year end September 30, 2023.

The existing depreciation rates were based on the straight-line method, equal life group (“ELG”) procedure, and remaining-life technique, which are retained in this study. This study recommends an increase of approximately \$43.3 million in annual depreciation expense when compared to the depreciation rates currently in effect. Life estimates showed the following changes: 7 accounts have an increase in life, 15 accounts have a decrease in life, and 8 accounts remain unchanged. Net salvage for distribution assets is based on an account level analysis. Since Atmos’ acquisition from TXU there have been various changes in the retirement unit structure as well as the process of recording costs related to retirement. Net salvage estimates showed the following changes: 4 accounts have an increase (more positive/less negative), 6 accounts have a decrease (more negative/less positive), and 20 accounts remain unchanged.

The depreciation study I conducted analyzed and developed depreciation parameters on an account level. Those result in the calculation of account level annual accrual expense and depreciation rates. The depreciation study also reflects the continued application of Vintage Group Amortization for certain General Plant accounts based on Accounting Release 15 (“AR-15”) issued by the Federal Energy Regulatory Authority (“FERC”). Appendix A demonstrates the change in depreciation expense.

ATMOS ENERGY CORPORATION
ATMOS MID-TEX DIVISION
DEPRECIATION RATE STUDY
As of September 30, 2023
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PURPOSE

The purpose of this study is to develop depreciation rates for the depreciable property as recorded on Atmos Mid-Tex's books at September 30, 2023. The account-based depreciation and amortization rates were designed to recover the total remaining undepreciated investment, adjusted for net salvage, over the remaining life of Mid-Tex's property on a straight-line basis. Non-depreciable property and property that is amortized, such as intangible software, were excluded from this study.

Mid-Tex is a Texas natural gas distribution pipeline network that serves approximately 550 incorporated and unincorporated communities in the north-central, eastern, and western parts of Texas, including the Dallas/Fort Worth Metroplex. The Mid-Tex infrastructure system includes over 32,000 miles of distribution pipelines within Texas. Mid-Tex is the largest local distribution company (LDC) in Texas, serving over 1.9 million customers.

STUDY RESULTS

The existing and current study annual depreciation expense results from the use of Iowa Curve dispersion patterns with average service lives, the ELG procedure and remaining-life technique, and consideration of net salvage in the development of the study recommended depreciation rates. Detailed information for each of these factors will follow in this report.

Overall depreciation rates for Mid-Tex property are shown in Appendix A. The proposed depreciation rates result in an annual depreciation accrual of \$317.6 million based on Mid-Tex's depreciable investment at September 30, 2023. The annual equivalent depreciation expense, calculated by the same method, using the approved depreciation rates is \$274.3 million. The primary driver for the increase in the annual depreciation expense accrual is the decrease (more negative) in net salvage for plastic mains and services. There is some offset for increasing lives and less negative net salvage in the other Distribution accounts. The General Plant Amortized function had some lives of the technology assets decrease, creating an overall increase for the function.

Appendix A presents a comparison, by account, of the existing rates and accrual to the recommended study rates and accrual. Appendix B presents the development of the annual accruals and depreciation rates. Appendix C presents a comparison of the existing mortality and net salvage parameters and the study recommended mortality and net salvage parameters by account. Appendix D shows net salvage history by plant account.

Consistent with FERC Rule AR-15, this depreciation study continued the application of Vintage Group Amortization in Accounts 391 through 399, excluding 392 and 396. This process provides for the amortization of general plant over the same life as recommended in this study. At the end of the amortized life, property will be retired from the books. The FERC, the Public Utility Commission of Texas ("PUCT"), and the Railroad Commission of Texas ("RCT") have repeatedly approved this approach.

GENERAL DISCUSSION

Definition

The term "depreciation" as used in this study is considered in the accounting sense, that is, a system of accounting that distributes the cost of assets, less net salvage (if any), over the estimated useful life of the assets in a systematic and rational manner. It is a process of allocation, not valuation. This expense is systematically allocated to accounting periods over the life of the properties. The amount allocated to any one accounting period does not necessarily represent the loss or decrease in value that will occur during that particular period. The Company accrues depreciation on the basis of the original cost of all depreciable property included in each functional property group. On retirement the full cost of depreciable property, less the net salvage value, is charged to the depreciation reserve.

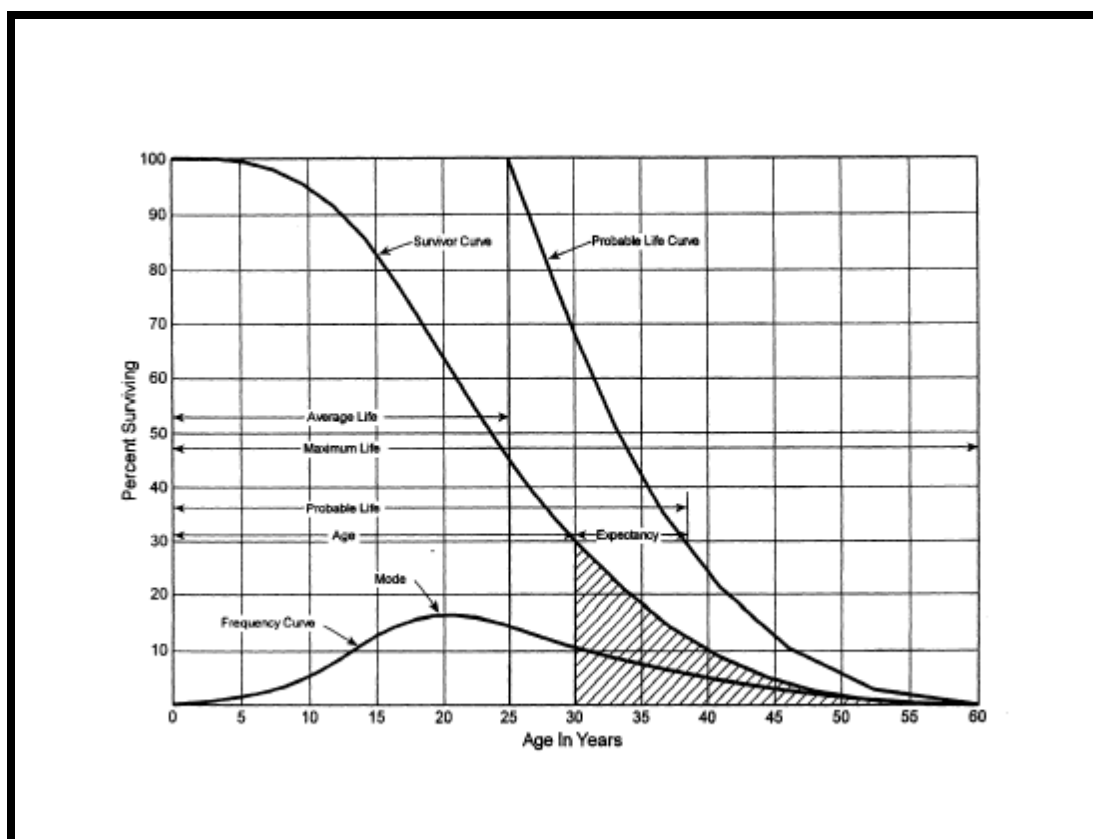
Basis of Depreciation Estimates

The straight-line, ELG, remaining-life depreciation system was utilized to calculate annual accrued depreciation amounts in this study. In this system, the annual depreciation expense for each group is computed by dividing the original cost of the asset less allocated depreciation reserve less estimated net salvage by its respective equal life group remaining life. The resulting annual accrual amounts of all depreciable property within an account were accumulated, and the total was divided by the original cost of depreciable property to determine the depreciation rate. The calculated remaining lives and annual depreciation accrual rates were based on attained ages of plant in service and the estimated service life and salvage characteristics of each depreciable group. The computations of the annual depreciation rates are shown in Appendix B and remaining life calculations are provided in the workpapers.

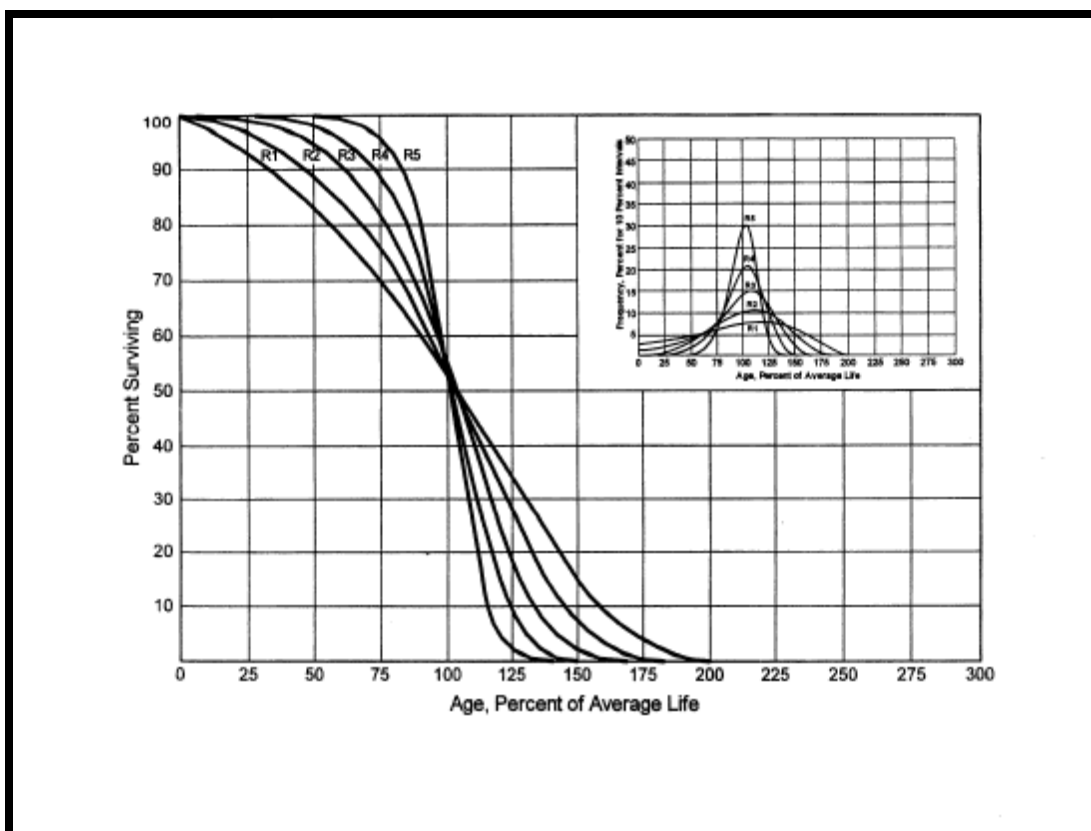
Actuarial analysis was used with each account, where sufficient data was available, and judgment was used to some degree on all accounts.

Survivor Curves

To fully understand depreciation projections in a regulated utility setting, there must be a basic understanding of survivor curves. Individual property units within a group do not normally have identical lives or investment amounts. The average life of a group can be determined by first constructing a survivor curve which is plotted as a percentage of the units surviving at each age. A survivor curve represents the percentage of property remaining in service at various age intervals. The Iowa Curves are the result of an extensive investigation of life characteristics of physical property made at Iowa State College Engineering Experiment Station in the first half of the prior century. Through common usage, revalidation and regulatory acceptance, these curves have become a descriptive standard for the life characteristics of industrial property. An example of an Iowa Curve is shown below.



There are four families in the Iowa Curves that are distinguished by the relation of the age at the retirement mode (largest annual retirement frequency) and the average life. For distributions with the mode age greater than the average life, an "R" designation (i.e., Right modal) is used. The family of "R" moded curves is shown below.



Similarly, an "S" designation (i.e., Symmetric modal) is used for the family whose mode age is symmetric about the average life. An "L" designation (i.e., Left modal) is used for the family whose mode age is less than the average life. A special case of left modal dispersion is the "O" or origin modal curve family. Within each curve family, numerical designations are used to describe the relative magnitude of the retirement frequencies at the mode. A "6" indicates that the retirements are not greatly dispersed from the mode (i.e., high mode frequency)

while a "1" indicates a large dispersion about the mode (i.e., low mode frequency). For example, a curve with an average life of 30 years and an "L3" dispersion is a moderately dispersed, left modal curve that can be designated as a 30 L3 Curve. An SQ, or square, survivor curve occurs where no dispersion is present (i.e., units of common age retire simultaneously).

Most property groups can be closely fitted to one Iowa Curve with a unique average service life. The blending of judgment concerning current conditions and future trends along with the matching of historical data permits the depreciation analyst to make an informed selection of an account's average life and retirement dispersion pattern.

Actuarial Analysis

Actuarial analysis (retirement rate method) was used in evaluating historical asset retirement experience, where sufficient retirement activity was present. In actuarial analysis, interval exposures (total property subject to retirement at the beginning of the age interval, regardless of vintage) and age interval retirements are calculated. The complement of the ratio of interval retirements to interval exposures establishes a survivor ratio. The survivor ratio is the fraction of property surviving to the end of the selected age interval, given that it has survived to the beginning of that age interval. Survivor ratios for all of the available age intervals were chained by successive multiplications to establish a series of survivor factors, collectively known as an observed life table. The observed life table shows the experienced mortality characteristic of the account and may be compared to standard mortality curves such as the Iowa Curves. Placement bands were used to illustrate the composite history over a specific era, and experience bands were used to focus on retirement history for all vintages during a set period. The results from these analyses are shown in the Life Analysis section of this report.

Judgment

Any depreciation study requires informed judgment by the analyst conducting the study. A knowledge of the property being studied, company policies and procedures, general trends in technology and industry practice, and a sound basis of understanding depreciation theory are needed to apply this informed judgment. Judgment was used in areas such as survivor curve modeling and selection, depreciation method selection, simulated plant record method analysis, and actuarial analysis.

Judgment is not defined as being used in cases where there are specific, significant pieces of information that influence the choice of a life or curve. Those cases would simply reflect specific facts into the analysis. Where there are multiple factors, activities, actions, property characteristics, statistical inconsistencies, implications of applying certain curves, property mix in accounts or a multitude of other considerations that impact the analysis (potentially in various directions), judgment is used to take all of these factors and synthesize them into a general direction or understanding of the characteristics of the property. Individually, no one factor in these cases may have a substantial impact on the analysis, but overall, may shed light on the utilization and characteristics of assets. Judgment may also be defined as deduction, inference, wisdom, common sense, or the ability to make sensible decisions. There is no single correct result from statistical analysis; hence, there is no answer absent judgment. At the very least for example, any analysis requires choosing which bands to place more emphasis.

The establishment of appropriate average service lives and retirement dispersions for the Distribution and General accounts requires judgment to incorporate the understanding of the operation of the system with the available accounting information analyzed using the Retirement Rate actuarial methods. The appropriateness of lives and curves depends not only on statistical analyses, but also on how well future retirement patterns will match past retirements.

Current applications and trends in use of the equipment also need to be factored into life and survivor curve choices in order for appropriate mortality characteristics to be chosen.

Equal Life Group Depreciation

Atmos agreed that the continued use of the ELG depreciation procedure was appropriate. The Railroad Commission of Texas has repeatedly approved the use of ELG for Atmos Energy's Mid-Tex Division (GUD No. 9400, 9670, 9762, 9869 and 10170); Atmos Energy's Pipeline Texas assets (GUD No. 8664, 8976, 9400, 10000, 10580) and Case No. OS-23-13758; and for Atmos West Texas Division in GUD No. 10041. This study uses the ELG depreciation procedure to group the assets within each account. After an average service life and dispersion were selected for each account, those parameters were used to estimate what portion of the surviving investment of each vintage was expected to retire. The depreciation of the group continues until all investment in the vintage group is retired. ELG groups are defined by their respective account dispersion, life, and net salvage estimates. A straight-line rate for each ELG group is computed and accumulated across each vintage. The resulting rate for each ELG group is designed to recover all retirements less net salvage as each vintage retires. The ELG procedure recovers net book cost over the life of each ELG group rather than averaging many components. It also closely matches the concept of component or item accounting found in accounting textbooks.

Theoretical Depreciation Reserve

The Company's book depreciation reserves were reallocated, within each function by plant account, based on the theoretical reserves for each account. This study used a reserve model that relied on a prospective concept relating future retirement and accrual patterns for property, given current life and salvage estimates. The theoretical reserve of a group is developed from the estimated

remaining life, total life of the property group, and estimated net salvage. The theoretical reserve represents the portion of the group cost that would have been accrued if current forecasts were used throughout the life of the group for future depreciation accruals. The computation involves multiplying the vintage balances within the group by the theoretical reserve ratio for each vintage. The equal life group method requires an estimate of dispersion and service life to establish how much of each vintage is expected to be retired in each year until all property within the vintage is retired. Estimated average service lives and dispersion determine the amount within each equal life group. The equal life group-remaining-life theoretical reserve ratio (RRELG) is calculated as:

$$RRELG = 1 - \frac{(ELG \text{ Remaining Life})}{(ELG \text{ Life})} * (1 - \text{Net Salvage Ratio})$$

DETAILED DISCUSSION

Depreciation Study Process

This depreciation study encompassed four distinct phases. The first phase involved data collection and field interviews. The second phase was where the initial data analysis occurred. The third phase was where the information and analysis were evaluated. Once the first three stages were complete, the fourth phase began. This phase involved calculating depreciation rates and documenting the corresponding recommendations.

During the Phase 1 data collection process, historical data was compiled from continuing property records and general ledger systems. Data was validated for accuracy by extracting and comparing to multiple financial system sources. Audit of this data was validated against historical data from prior periods, historical general ledger sources, and field personnel discussions. This data was reviewed extensively to put in the proper format for a depreciation study. Further discussion on data review and adjustment is found in the Salvage Considerations Section of this study. Also, as part of the Phase 1 data collection process, numerous discussions were conducted with engineers and field operations personnel to obtain information that would assist in formulating life and salvage recommendations in this study. One of the most important elements of performing a proper depreciation study is to understand how the Company utilizes assets and the environment of those assets. Interviews with engineering and operations personnel are important ways to allow the analyst to obtain information that is beneficial when evaluating the output from the life and net salvage programs in relation to the Company's actual asset utilization and environment. Information that was gleaned in these discussions is found both in the Detailed Discussion of this study in the life analysis and salvage analysis sections and also in workpapers.

Phase 2 is where the actuarial analysis is performed. Phases 2 and 3 overlap to a significant degree. The detailed property records information is used in Phase 2 to develop observed life tables for life analysis. These tables are visually compared to industry standard tables to determine historical life characteristics. It is possible that the analyst would cycle back to this phase based on the evaluation process performed in Phase 3. Net salvage analysis consists of compiling historical salvage and removal data by functional group to determine values and trends in gross salvage and removal cost. This information was then carried forward into Phase 3 for the evaluation process.

Phase 3 is the evaluation process which synthesizes analysis, interviews, and operational characteristics into a final selection of asset lives and net salvage parameters. The historical analysis from Phase 2 is further enhanced by the incorporation of recent or future changes in the characteristics or operations of assets that were revealed in Phase 1. Phases 2 and 3 allow the depreciation analyst to validate the asset characteristics as seen in the accounting transactions with actual Company operational experience.

Finally, Phase 4 involved the calculation of accrual rates, making recommendations and documenting the conclusions in a final report. The calculation of accrual rates is found in Appendix B. Recommendations for the various accounts are contained within the Detailed Discussion of this report. The depreciation study flow diagram shown as Figure 1¹ documents the steps used in conducting this study. Depreciation Systems, page 289 documents the same basic processes in performing a depreciation study which are: Statistical analyses, evaluation of statistical analysis, discussions with management, forecast assumptions, write logic supporting forecasts and estimation, and write final report.

¹ Introduction to Depreciation for Public Utilities & Other Industries, AGA EEI 2013.

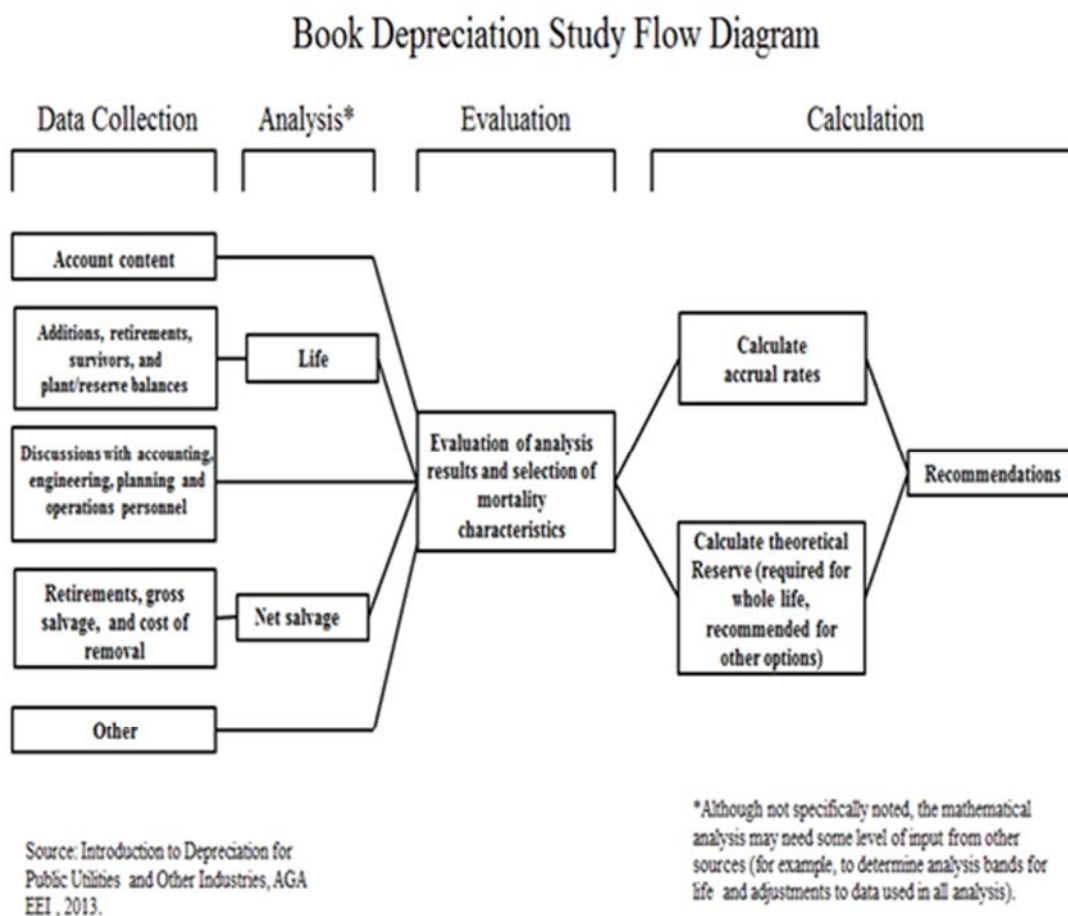


Figure 1

MID-TEX DEPRECIATION STUDY PROCESS

Depreciation Rate Calculation

Annual depreciation accrual expense amounts for the depreciable property accounts of Mid-Tex were calculated by the straight line, ELG, and remaining-life system. With this approach, remaining lives were calculated according to standard ELG group expectancy techniques, using the Iowa Survivor Curves noted in the calculation. For each plant account, the difference between the surviving investment, adjusted for estimated net salvage and the allocated book depreciation reserve, was divided by the average remaining life to yield the annual depreciation expense. These calculations are shown in Appendix B.

Vintage Group Amortization has been continued. Any assets whose vintage is greater than the proposed amortization life will be retired. This will decrease gross plant and the accumulated depreciation by the amount of assets retired. The approved amortization rate, is a whole life rate of $1-NS\%/ASL$, will be applied to each vintage of surviving plant going forward.

Remaining Life Calculation

The establishment of appropriate average service lives and retirement dispersions for each account within a functional group was based on engineering judgment that incorporated available accounting information analyzed using the actuarial methods. After establishment of appropriate average service lives and retirement dispersions, remaining lives were computed for each account. The theoretical depreciation reserve with zero net salvage (used in calculating remaining life) was calculated using theoretical reserve ratios as defined in the theoretical reserve portion of the general discussion section. The difference between plant balance and theoretical reserve was then spread over the ELG depreciation accruals. After accumulating the ELG accruals across each vintage, the annual accrual was divided into the net balance to compute remaining life. Details of the theoretical reserve computations, ELG accruals, and remaining life are found by account within each division in the study workpapers.

LIFE ANALYSIS

The retirement rate (actuarial) analysis method was applied to all accounts, where sufficient historical data exists. For each account, the analysis was made with placement and experience bands of varying width. The historical observed life table was plotted and compared with various Iowa Survivor Curves to obtain the most appropriate match. A selected curve for each account is shown in the Life Analysis Section of the report. The observed life tables for all placement and experience bands are provided in workpapers.

For each account, the overall band (i.e., placement from earliest vintage year through 2023 and experience band from earliest available experience year (1962 through 2023) and the most recently approved survivor curve were used as a starting point. Different experience bands were plotted and analyzed: 1962-2023, 1989-2023, and 2009-2023. Frequently, visual matching confirms one specific dispersion pattern (i.e., L, S, or R) as an obviously better match. Repeated matching usually pointed to a focus on one dispersion family and small range of service lives. Generally, the goal of visual matching is to minimize the differential between the observed life table and Iowa Curve in top and mid-range of the plots.

In the Distribution function Texas Rule 8.209 ("Rule 8209") will have an impact on the retirement and replacement of assets. Rule 8209 requires the assessment of risk of assets and states, "Must identify high relative risk assets and replace 8% of these annually." Atmos must develop and implement a risk-based program for the removal or replacement of distribution facilities, including steel service lines, in its gas distribution systems. Cast iron has been replaced, and if identified through normal operating activities it is replaced. Some bare steel with active corrosion is generally at the top of the list along with service lines. The risk-based program will work in conjunction with the Distribution Integrity Management Program ("DIMP") using scheduled replacements to manage identified risks associated with the integrity of distribution facilities. This study recognizes this new rule in making service life estimates.

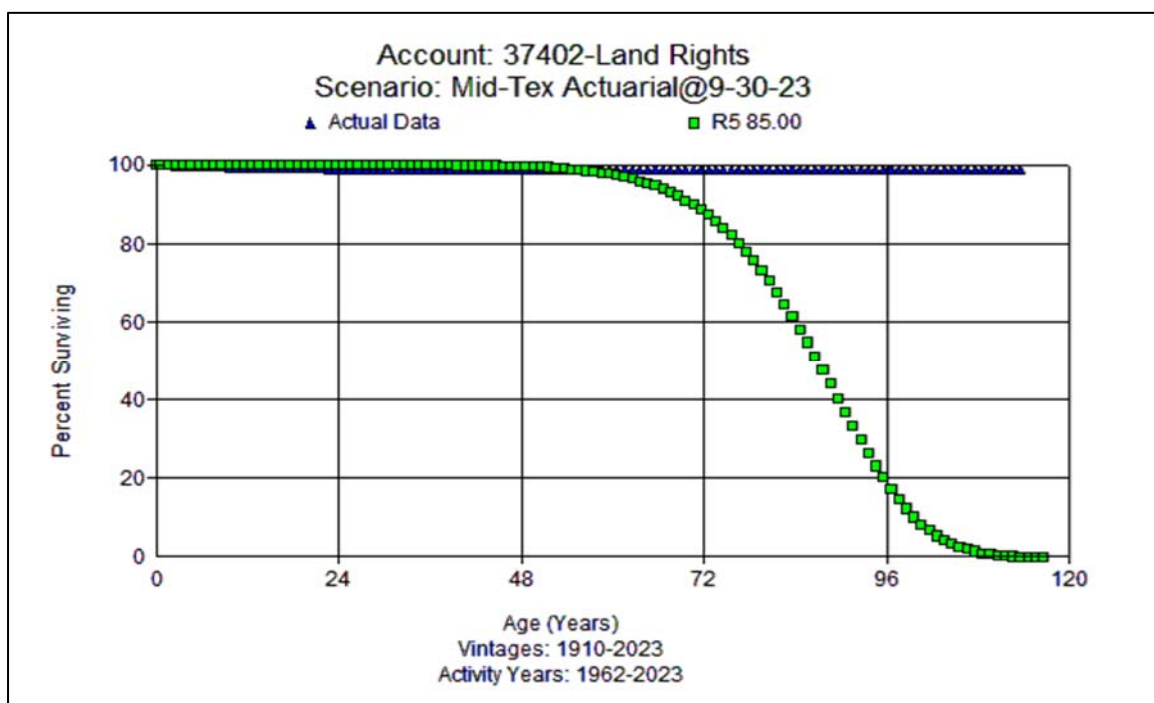
Account Analysis

Account 37402 Land Rights (85 R5)

This account includes the cost of land rights used in connection with distribution operations. The current balance in the account is approximately \$6.2 million. The existing life for this account is 100 R4.

Due to the nature of property in this account, retirement of land rights occurs infrequently. Thus, depreciable land rights have limited retirement experience available for life analysis, which resulted in the analysis being inconclusive. Land Rights are generally obtained to allow distribution mains to be installed on land owned by others and follows the life of the underlying assets.

Using judgment, based on distribution plastic mains account 37602, I recommend moving the life to 85 R5. A graph of the observed life table versus the proposed life and curve is shown below.

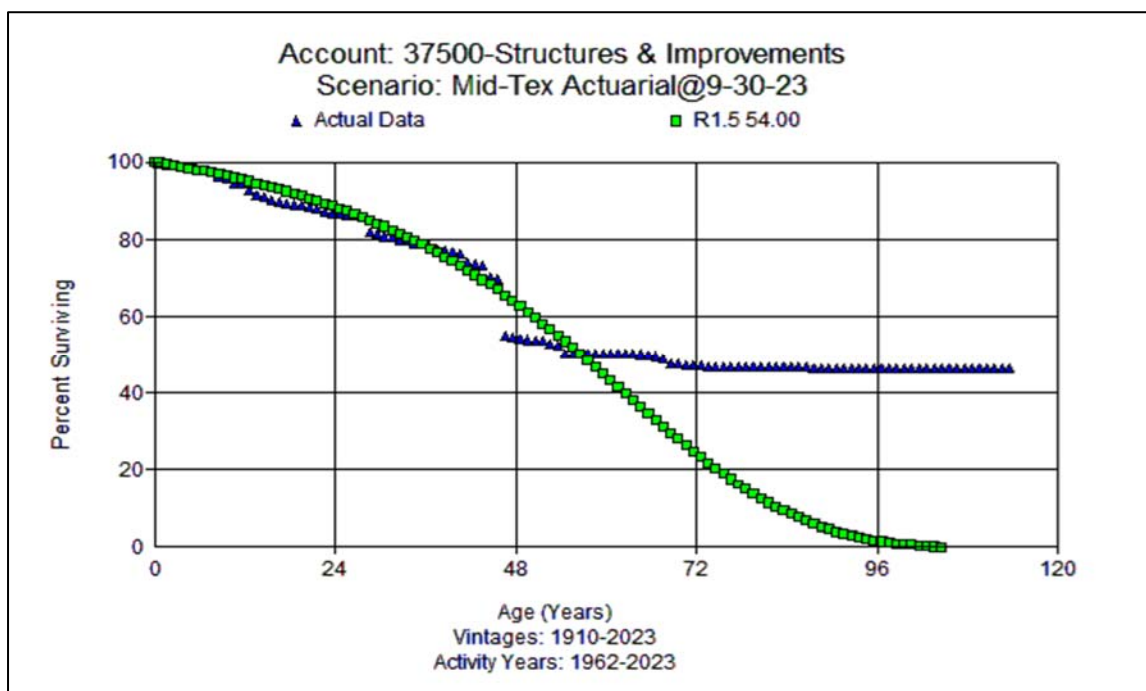


Account 37500 Structures (54 R1.5)

This account consists of small structures, fencing, roofing, underground tanks, air conditioning systems, and associated assets on the distribution system. The current balance is approximately \$1.8 million. The existing life for this account is a 54 R1.5.

There were some retirements at earlier ages, one around age 7 or 8 caused by the combination of the retirement of some underground storage tanks and numerous small retirements of other assets. There has not been any retirement activity since 2018.

The full band indicates a good fit to just below 60 percent surviving. The tail extends the life, which cannot be matched well. Some of the shorter placement and experience bands analyzed indicate a slightly flatter and longer life but do not drop below 60 percent surviving. The 54 R1.5 curve in the full placement and experience band is a better fit from 100% to around 50% surviving. This study recommends retention of the 54 R1.5 life and dispersion. A graph of the observed life table versus the proposed life and curve is shown below.

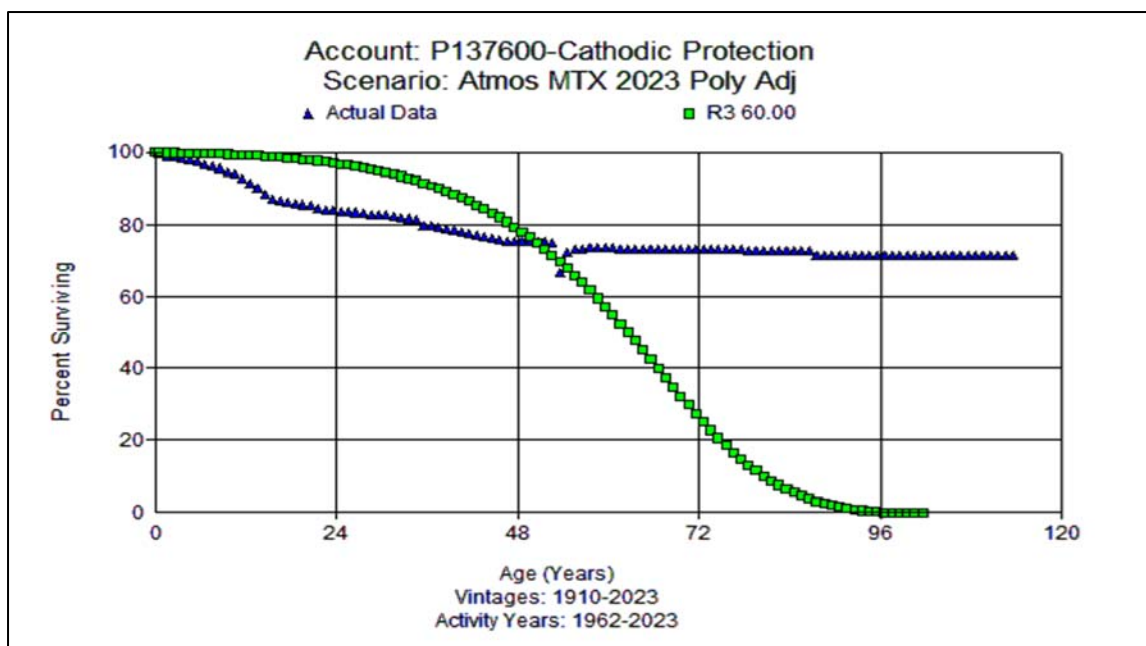


Account 37600 Cathodic Protection (60 R3)

This account consists of valves, rectifiers, ground beds, casings, and other pressure control fittings used with mains. The current balance is approximately \$72.3 million, after the exclusion of Poly 1 and the transfer of anodes and leak clamps to their own accounts. The existing life is a 60 R3.

Discussions with operations indicated couplings and other assets are replaced more frequently than mains. In the past, valve manufacturers confirmed that more moving parts in valves would cause them to fail faster than mains. The average age of surviving investment is 20.87 years. Approximately 83 percent of the surviving investment is in vintages 1999-2023. Company personnel expect around 20 years for ground beds, maybe 40 years for rectifiers, and 20 years for monitoring equipment. Casings would last as long as the pipe. Cause for retirement is third party damage. Operations personnel would not expect the life to increase for these types of assets.

The full band does not drop to 60 percent surviving and more recent bands do not drop to 80 percent. Based on the type and age of surviving assets, discussion with Company personnel, and judgment, this study recommends retention of the approved 60 R3. A graph of the observed life table versus the proposed life and curve is shown below.



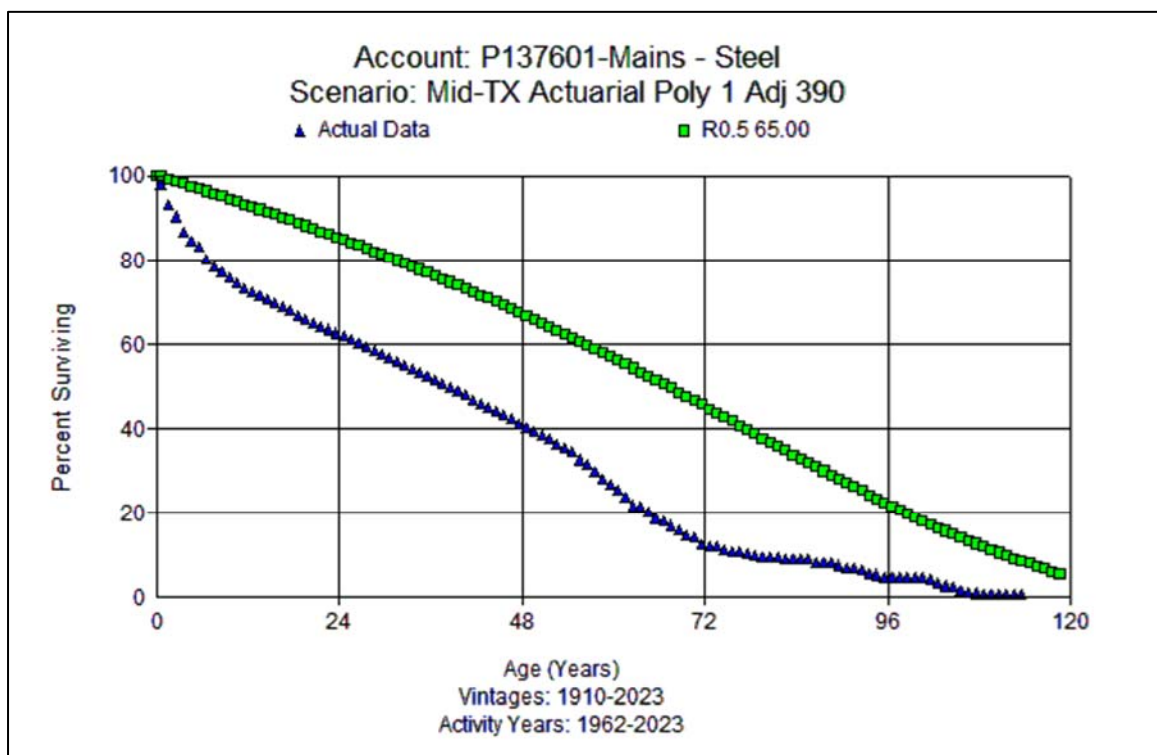
Account 37601 Steel, Mill Wrapped Mains, and Cast Iron (65 R0.5)

This account is a mixture of steel, mill-wrapped steel, and very little, if any, cast iron. The current balance is approximately \$802.5 million, after the transfer of leak clamps to their own account. The existing life is a 70 R0.5.

Discussions with Company personnel indicated the Cast Iron Program was completed December 2021, which involved removing steel as well as cast iron that was part of the low-pressure system. In total, about 400 miles of cast iron and 50 miles of steel were replaced. Mill-wrapped mains began to be installed in the 1950s and are now the predominant type of steel main. The Company has been redesigning the system to remove low pressure systems. The programs in place are affecting the life indications of the steel mains. The infrastructure replacement paradigm would replace assets more quickly than in the past and DIMP program identifies problem areas better. Technology is providing more information about the pipe, as well as improving the coatings, the metal, and the installation.

Many of the bands analyzed indicate a life below 60 years. Moving to the lower indications based on the observed analysis is not warranted at this point based on the additional facts and circumstances. The full placement and experience band provides the most complete curve when compared to the shorter stub curves in more recent bands.

Moving to a 65-year life is a reasonable move to reflect the better materials for newer pipe while still factoring in the programs and the continued expectation to replace at risk pipe, which is required due to Rule 8209. Consideration should be given to the significantly higher asset levels currently and the more homogeneous property that has been installed since the 1950s. This study recommends moving from the existing 70 years to 65 years but retaining the R0.5 dispersion. This step will provide more time to better evaluate the ongoing impact of Rule 8209 and other infrastructure replacements. A graph of the observed life table versus the proposed life and curve is shown below.

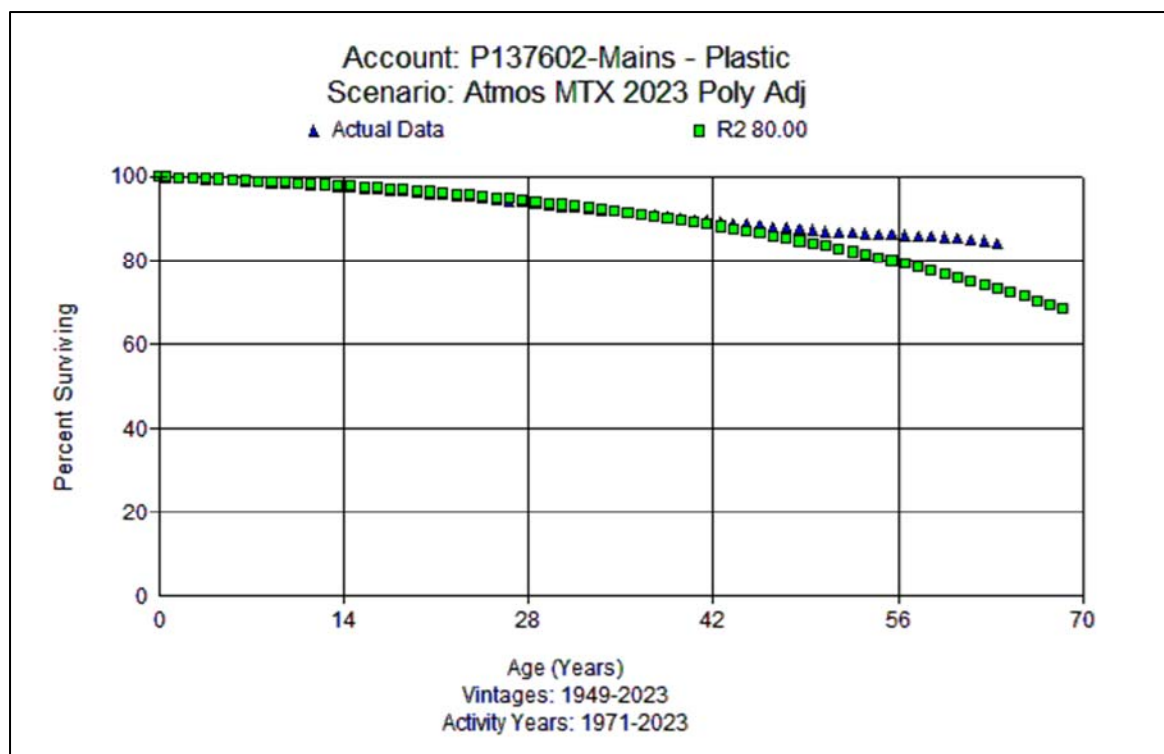


Account 37602 Plastic Mains (80 R2)

This account contains various types and sizes of plastic mains and other related assets. The current balance is approximately \$4.4 billion, after the adjustment for Poly 1 and transfer of anodes to its own account. The existing life is a 70 R2.5.

Discussions with Company personnel indicated they have no specific program to identify and retire Adly-A pipe, but they will replace that type of pipe when found. They estimate there is about 182 miles of that type of pipe remaining. There has not been a full life span for plastic pipe, and early generations have failed sooner than expected. Today most new mains installed are plastic. Company personnel have pointed out that operating pressures, material type, street widening, relocations, soil conditions, growth, and forces of nature are the main drivers that impact the life of mains. Also, any plastic mains that are discovered, for example, in an uprate or around another replacement project and that do not have the appropriate records available, will likely be replaced instead of retesting. In the past, resin failure did occur, but resin technology has been improving. The expectation is that newer plastic will last at least as long as steel.

The analysis results in a short stub curve, meaning the observed life table does not drop to even 80 percent surviving, and the results are not meaningful. Considering all the information, the life analysis, and judgment, this study recommends moving to 80 years with a slightly flatter R2 dispersion. A graph of the observed life table versus the proposed life and curve is shown below.

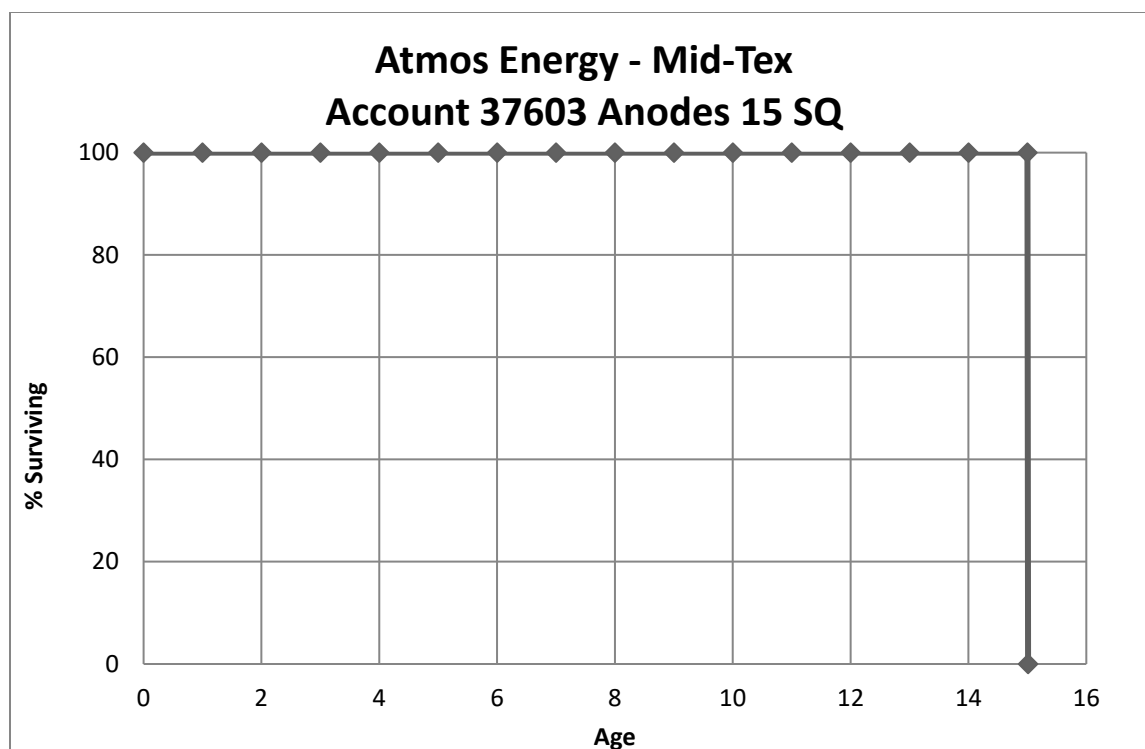


Account 37603 Anodes (15 SQ)

The assets in this account were transferred from Account 37600 and 37602 and are strictly anodes. This provides consistency with other operating divisions within Atmos. The current balance is approximately \$90.8 million, after retirement of assets with an age greater than 15 years. The average age of the investment is 7.03 years. The existing life is 60 R3 based on the primary account, Account 37600 Cathodic Protection, from which they were transferred.

Anodes are segregated for retirement at attained age (amortization) because they are “sacrificial” in that they dissolve over time and are not removed, and there thus is no trigger to retire these assets. Discussions with Company personnel estimate the life of anodes to be around 15 years.

Based on the discussions with Company personnel, knowledge of the assets, and consistency with other Atmos divisions, we recommend a 15 SQ. A representative curve is shown below.

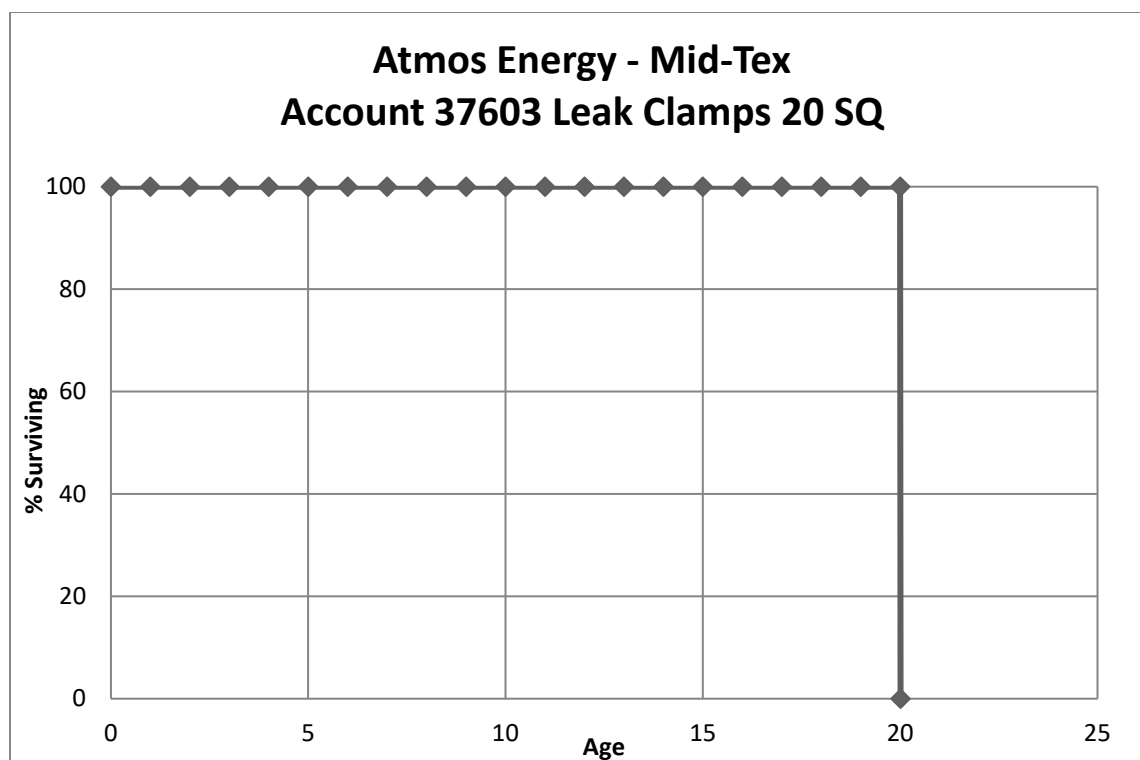


Account 37604 Leak Clamps (20 SQ)

The assets in this account are leak clamps used on mains. The current balance in the account is approximately \$253.1 million, after retirement of assets with an age greater than 20 years. These assets were transferred from Accounts 37600 and 37601. This provides consistency with other operating divisions within Atmos. The existing life is 60 R3 and 70 R0.5, respectively.

Discussions with Company personnel indicated leak clamps would generally be installed in the last quarter of the pipe's life, except if there is third party damage, in which case it would be irrespective of age. Leak clamps are segregated for retirement at attained age (amortization) because their nature keeps retirements from being reported separately from the main. Company personnel estimate the life of leak clamps to be around 20 years.

Based on the discussions with Company personnel and knowledge of the assets, we recommend a 20 SQ. A representative graph is shown below.

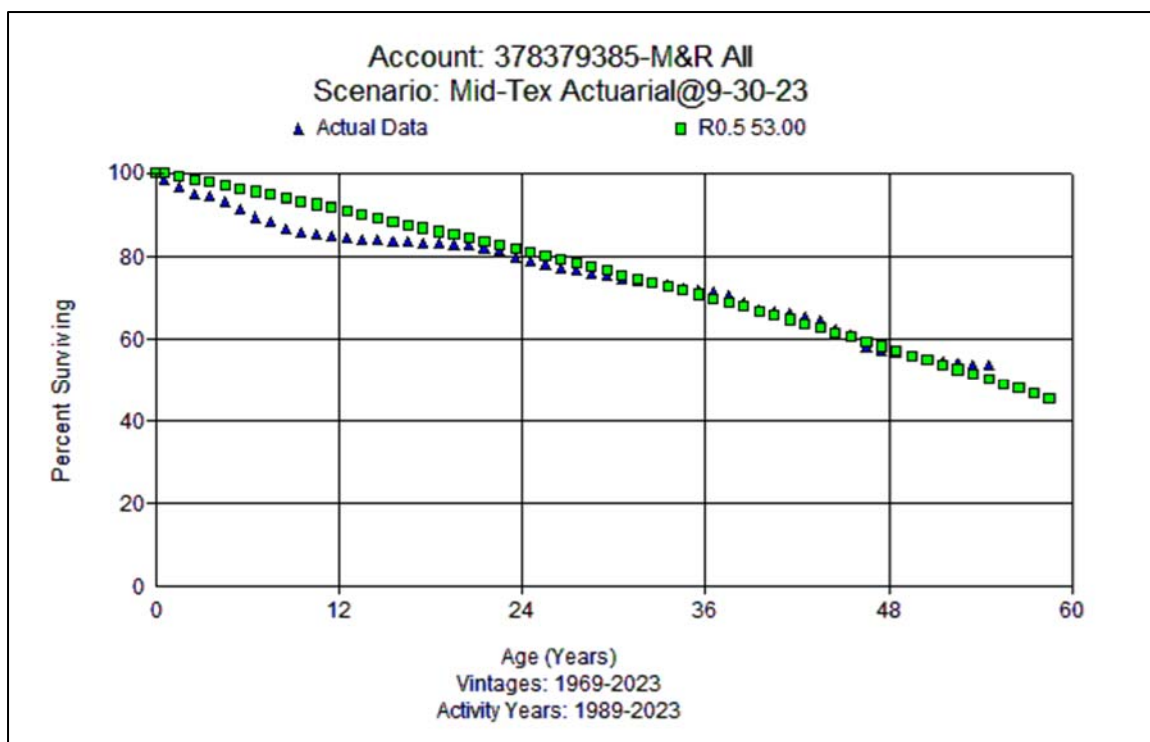


Account 37800 Measuring and Regulating Station Equipment (53 R0.5)

This account consists of regulators, regulator station, valves, piping, filters, remote terminal unit ("RTU"), and other equipment used in measuring and regulating gas. The current balance is approximately \$210.2 million. The existing life is a 57 R1. The average age of survivors is 12.51 years.

The investment in this account has grown significantly over the past 10 years along with continuing improvement in technology over time. The analysis we performed combined Accounts 37800, 37900, and 38500. Discussions with Company personnel indicated low pressure retirements have and will continue to occur. Low pressure is being replaced with intermediate pressure. When the pressure is increased, the DRS station reducing the pressure will be retired and not replaced. Company personnel estimate that about 80 percent of DRS are connected in some way to the low-pressure system. Older regulators contained cast iron and became obsolete, and parts are not available. Currently they are replaced only as part of other projects. It is reasonable to expect some continued retirements, but the level has tapered down. A move to the mid-50s is reasonable for long-term projections.

The full placement band drops below 60 percent surviving with the life moving longer. More recent bands indicate a shorter life and some of the bands analyzed drop to 60 percent or lower. Based on the analysis, discussions with Company personnel, and future expectations, a move from the current 57 R1 to 53 R0.5 is a reasonable life estimate at this time. A graph of the observed life table versus the proposed life and curve from the combined analysis is shown below.

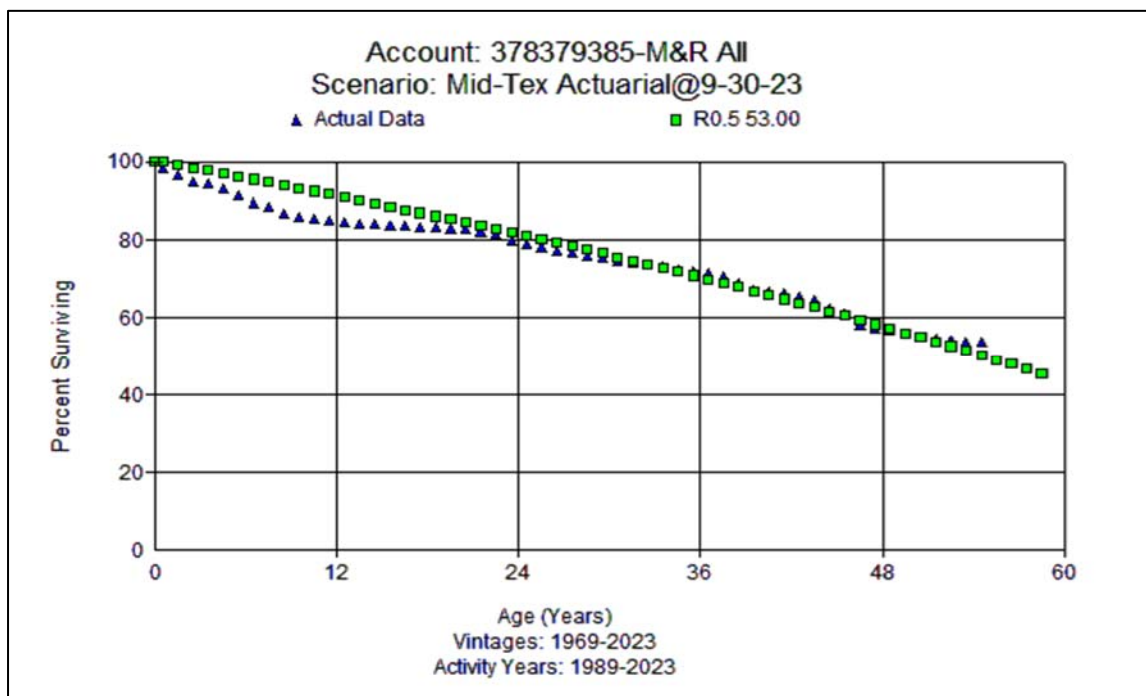


Account 37900 City Gate Equipment (53 R0.5)

This account includes the cost of installed border stations, regulators, valves, meters, and other equipment used in measuring and regulating the receipt of gas at entry points to the distribution system. The current balance is approximately \$19.1 million. The existing life is a 57 R1. The current average age of survivors is 29.06 years, and the average age of retirements is 27.65 years.

This study performed a combined life analysis of all measuring and regulating accounts (378, 379, and 385). Discussions with Company personnel indicated improvements in measurement technology are the same as those seen in Account 378. Company operations experts indicate that the expected life for assets in this account more closely match experience in Account 378. Approximately 17 percent of the investment has been added in 1997-2006 with only small investment added in 2016.

Based upon discussions with Company personnel described above in Account 378, this study recommends a 53 R0.5 based on the combined analysis. A graph of the observed life table versus the proposed life and curve from the combined analysis is shown below.



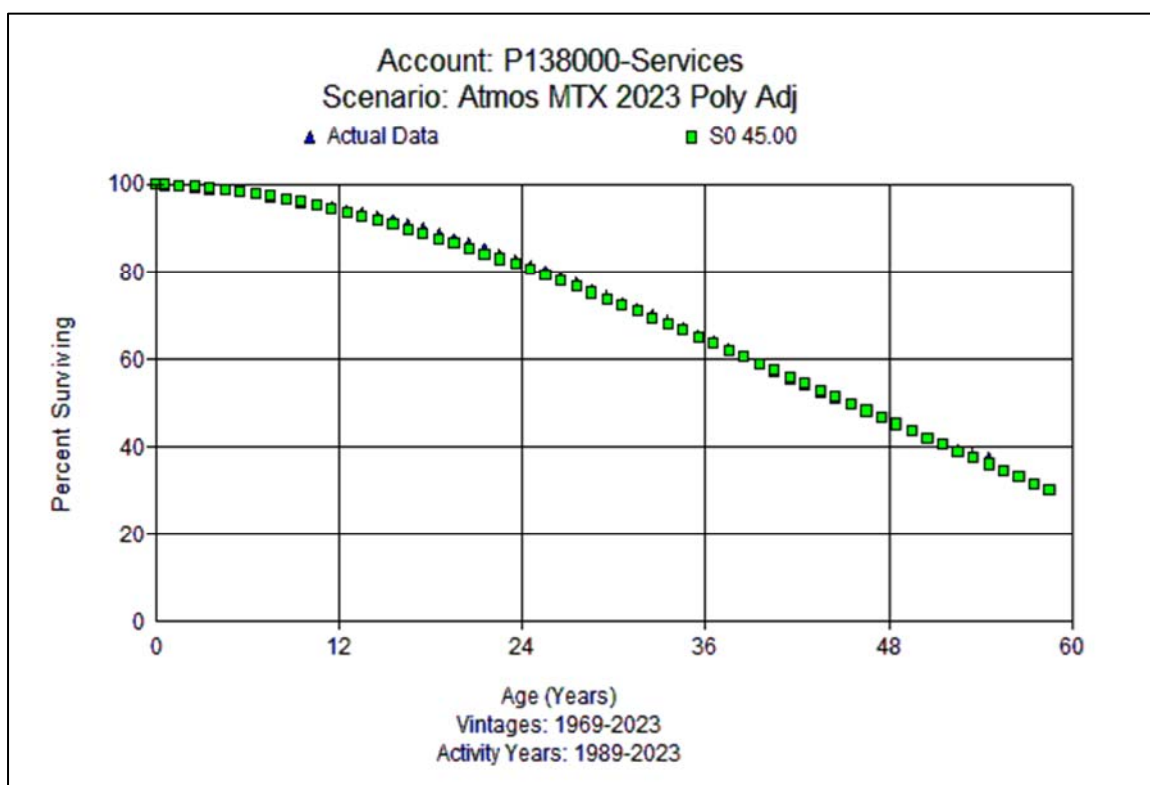
Account 38000 Services (45 S0)

Service lines are the pipes and accessories leading from the main to the customers' premises. There are both steel and plastic services. The current investment is approximately \$2.5 billion. The current life is a 37 S0.5. The current average age of the surviving balance is 9.27 years.

Discussions with Company personnel indicated that the poly services will have longer lives than steel. Currently, the mix is about 20%-30% steel. They are looking at retiring isolated steel services on poly mains and steel services attached to effective coated mains. There is currently a service replacement program, but

it will scale down as the mains replacement program addresses the services as well. With the high amount of poly as compared to steel, a slightly longer life is reasonable. The steel replacements will moderate any increase in life in the near term. A large driver of replacement is third-party damage. Over a longer period of time, as more services are converted to plastic, they would expect the life to extend. Operationally, moving the life a little longer now is reasonable.

The analysis produces best fits across the bands analyzed with a life between 38-45 years and generally flatter S or R dispersion patterns. A perfect fit occurs in a mid-placement band 1969-2023 and more recent experience band 1989-2023 with the 45 S0, which is shown below. Considering the replacement programs, mix of steel and plastic, the analysis, and Company input, I recommend increasing the life from 37 to 45 years with an S0 dispersion pattern. A graph of the observed life table versus the proposed life and curve is shown below.

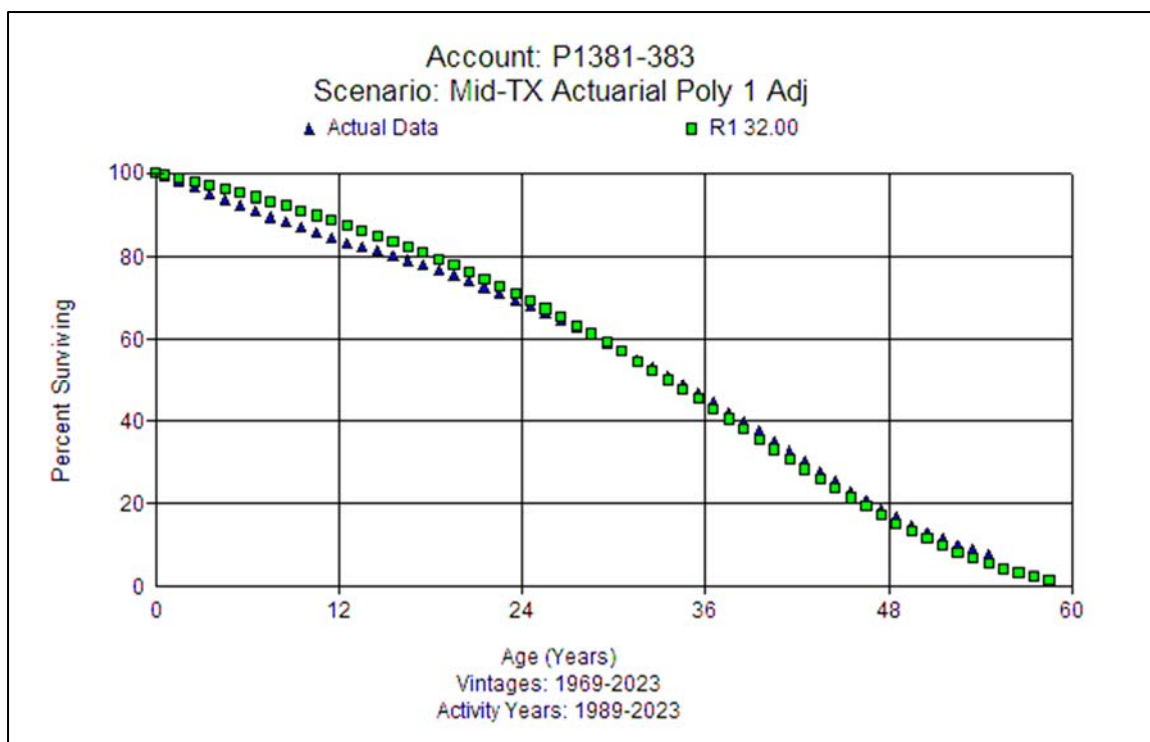


Account 38100 Meters (32 R1)

This account includes the cost of meters, primarily residential meters, used in measuring gas to customers across the Atmos Mid-Tex system. A combined analysis of Accounts 381-383 was performed. The current total investment is approximately \$429.6 million. The current life is a 37 R1. The current average age of meters alone is nearly 10 years, and the combined Account 381-383 average age of surviving assets is 9 years.

In 2011 Mid-Tex fully implemented a change in process where capitalization occurs if the meter, meter loop, and regulator (if present) down to the stop are replaced. The general practice since that time is to retire and replace the meter, meter loop, and regulator at the same time. Given the current process to retire meter, meter installation, and house regulator at the same time, these asset groups were modeled together. There is no testing program for meters. When a main is replaced or where there is maintenance to the service line, if the meter is over 20 years old, it will be replaced. Based on the work on steel services (where the meter and loop would be replaced as well), a slightly shorter life would be expected.

The combined visual matching across the bands indicates the life is decreasing. There is approximately 13% of the existing meters that are over 20 years old. The decrease in life was expected with the installation of newer technology meters and it may decrease further as the impact of technology becomes more evident. Considering the Company's process, technology-based meters, and the consistent indications in the analysis across the bands, this study recommends moving toward the lower life indications with 32 R1. A graph of the observed life table versus the proposed life and curve is shown below.



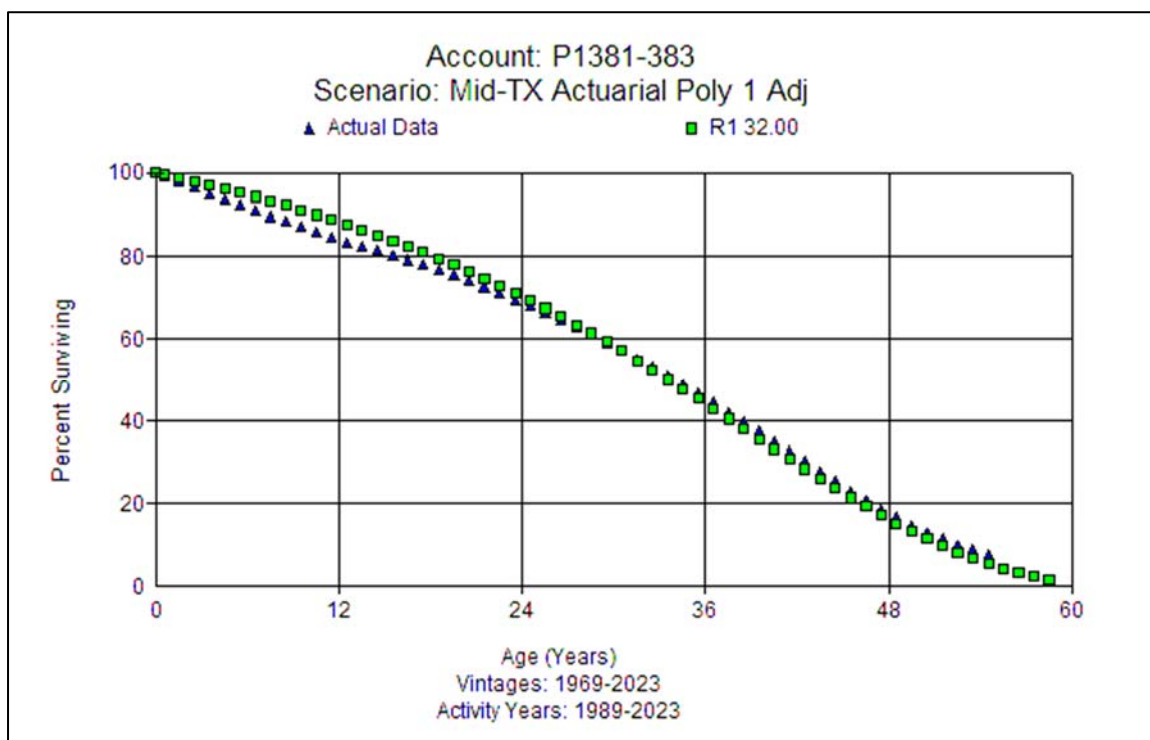
Account 38200 Meter Installations (32 R1)

This account includes the cost of installing meters, primarily residential meters, used in measuring gas to customers across the Mid-Tex system. The current investment is approximately \$308.9 million. The current life is 37 R1. The current average age of meter installations alone is nearly 7 years, and the combined Account 381-383 average age of surviving assets is 9 years.

Based on the discussions with Company personnel, the detailed discussion above for Account 38100 is applicable to Account 38200, in that the Company process is to replace a meter, meter installation, and house regulator all at the same time.

A combined analysis was performed due to the changes in the process to meters, meter installation costs, and house regulators, which is that when a meter

is replaced, the “loop” is generally retired and rebuilt. Consequently, regulators and meter loop lives should parallel meter lives going forward. See the full discussion in Account 381. In order to reflect the changes previously discussed, I recommend a 32 R1 life and dispersion. See the graph of the observed life table versus the proposed life and curve below for the combined 381-383 accounts.

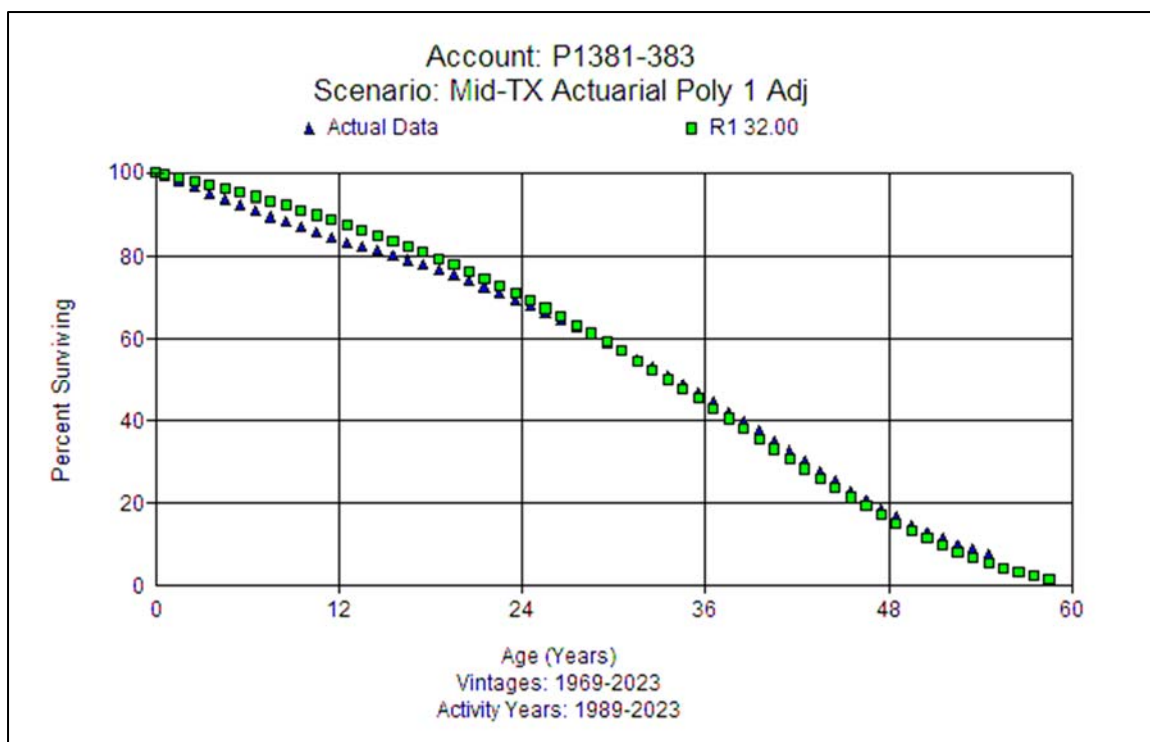


Account 38300 House Regulators (32 R1)

This account includes the cost of house regulators, generally related to residential customers, used in measuring gas to customers. The current investment is approximately \$99.0 million. The current life is a 37 R1. The current average age of house regulators alone is nearly 13 years, and the combined Account 381-383 average age of surviving assets is 9 years.

Based on the discussions with Company personnel, the detailed discussion above for Account 38100 is applicable to Account 38200, in that the Company process is to replace a meter, meter installation, and house regulator all at the same time. Consequently, regulators and meter loop lives should parallel meter lives going forward.

In order to properly reflect this change, a combined analysis of 381-383 was performed. See Account 381 for a more detailed discussion. Consistent with 38100 and 38200 above, I recommend a 32 R1 for this account. See the graph of the observed life table versus the proposed life and curve below for the combined 381-383 accounts.

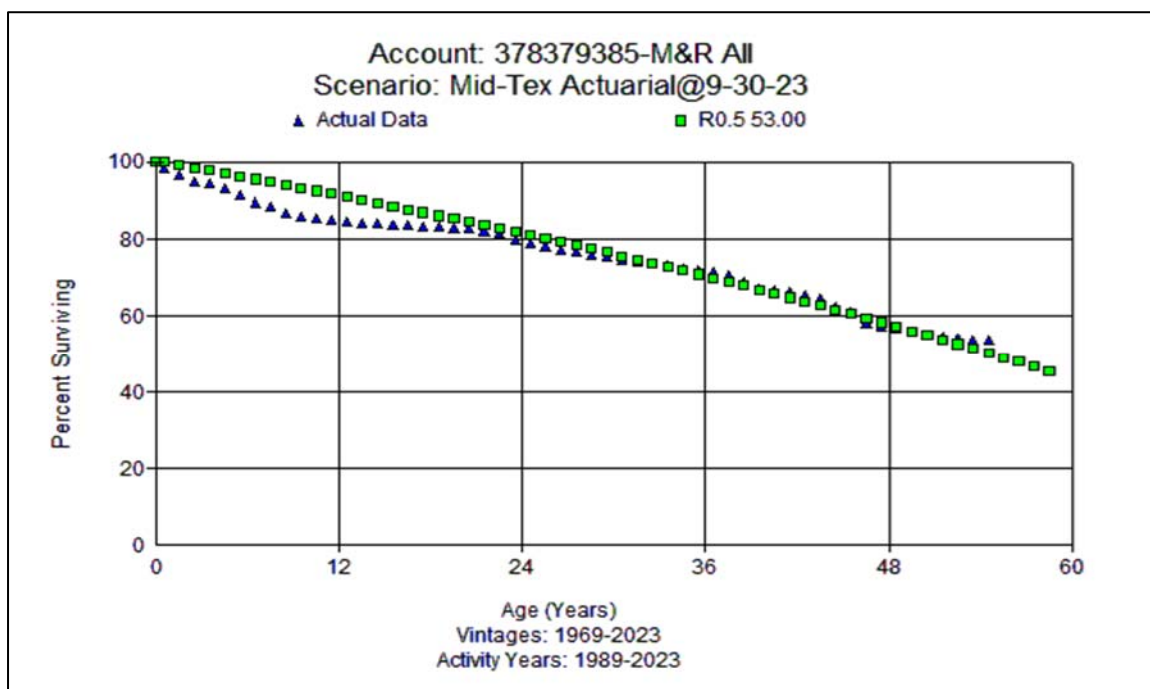


Account 38500 Industrial Measuring and Regulating (53 R0.5)

This account includes the cost of installed meters, gauges, and other equipment used in measuring and regulating the receipt of gas for industrial users. The current investment is approximately \$4.1 million. The existing life for this account is 57 R1. The current average age of the Industrial M&R investment alone is 9.37 years. The combined Account 378, 379, and 385 average age of the investments is 12.36 years.

This study performed a combined life analysis of all measuring and regulating accounts (378, 379, and 385). Discussions with Company personnel indicated that the expected life for assets in this account more closely matches Account 378 and 379. Approximately 27 percent of the investment has been added in 2021-2023.

Based upon discussions with Company personnel described above in Account 378, this study recommends a 53 R0.5, based on the combined analysis. A graph of the observed life table versus the proposed life and curve from the combined analysis is shown below.



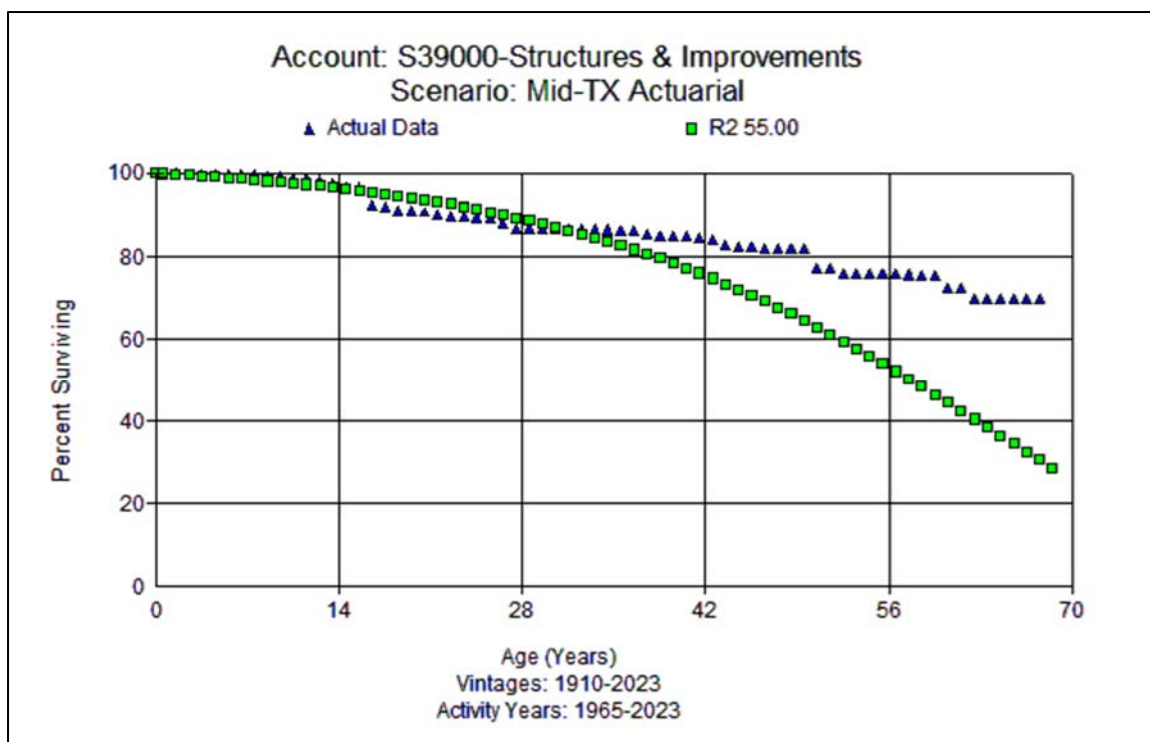
GENERAL PLANT DEPRECIATED

Account 390C Structures and Improvements All (55 R2)

This account includes the cost of structures and improvements and air conditioning equipment related to its service centers and Company-owned offices used to support utility service. The current balance in the account is approximately \$72.2 million. The existing life is a 45 R2.5. The combined Account 39000 and 39004 average age of investment is 13.58 years.

Discussions with Company personnel indicated a large portion of the assets in this account are related to the buildings themselves. There are also many assets that would have a relatively short life (e.g., security, HVAC, etc.). The buildings could last over 50 years if maintained. There are some facilities that are over 50 years old. Up until 2020, all buildings were owned. Since then, buildings are leased, and the leasehold improvements would have a shorter life, perhaps 20 years. The movement toward leasing will reduce the life over time. There are a couple of owned facilities that need upgrading now, but no decision has been made on whether to upgrade those facilities or lease something else and sell the original assets. The owned facilities being considered are over 55 years old, perhaps as old as 70 years old.

The analysis reflects a longer life and supports what Company personnel indicated about the age of the remaining owned facilities. In the full band the observed life table drops to around 70 percent surviving and indicates a life well beyond the existing and longer than what would reasonably be expected in the future based on the trend toward leasing and the inclusion of shorter-lived assets in the account. Based on the analysis, discussion with Company personnel, mix of assets, and future plans and expectations, this study recommends an increase in life from 45 to 55 years and a change to the flatter R2 dispersion. A graph of the observed life table versus the proposed life and curve is shown below.



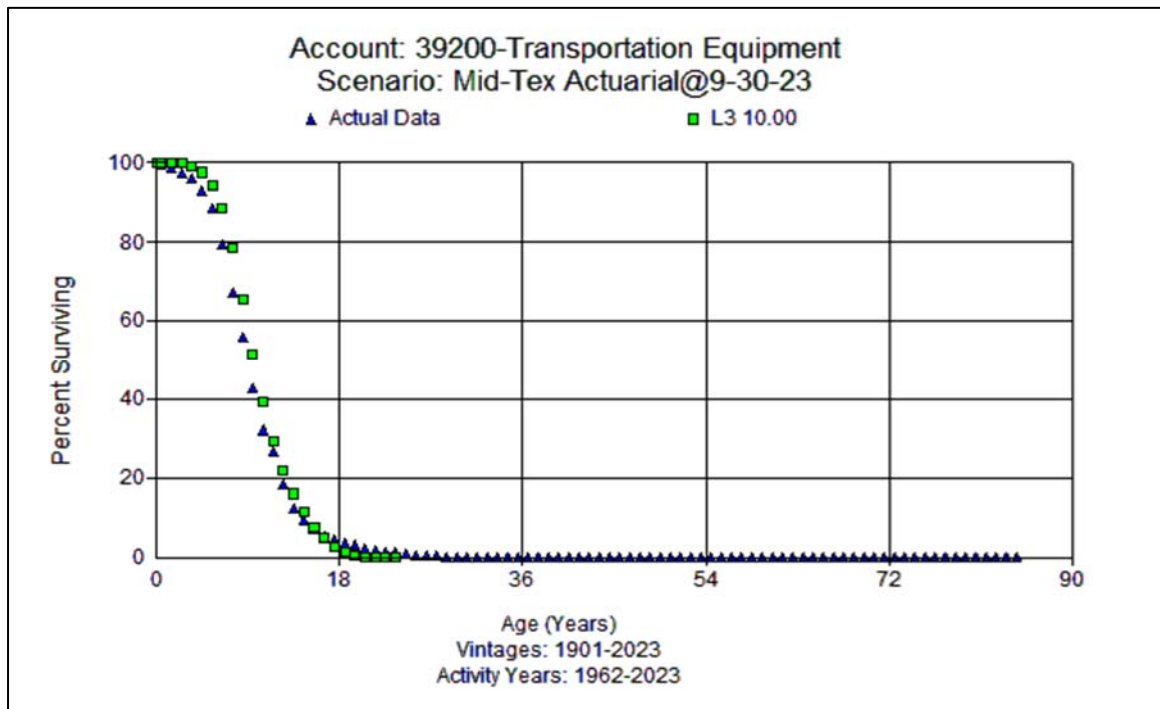
Account 39200 Transportation Equipment (10 L3)

This account consists of trucks, tractor, trailers, ATV, and other transportation equipment that typically can be licensed on roadways. The current balance in the account is approximately \$524 thousand. The existing life is 10 L3. The current average age of investment is 8.73 years.

Discussions with Company personnel indicated nearly everything is leased, although they do own a few trucks, trailers, and an ATV. The Company's primary strategy is leasing, but they always evaluate the business case between owning and leasing on a case-by-case basis. The policy for light duty is 5.5 years and for heavy duty is 8 years.

A very consistent fit between 9-10 years, with some 8-year indications, is noted across all bands with some movement between the dispersion patterns.

Based on visual matching, understanding of the types of assets, current Company plans, and judgment, this study recommends retention of the 10 L3. A graph of the observed life table versus the proposed life and curve is shown below.

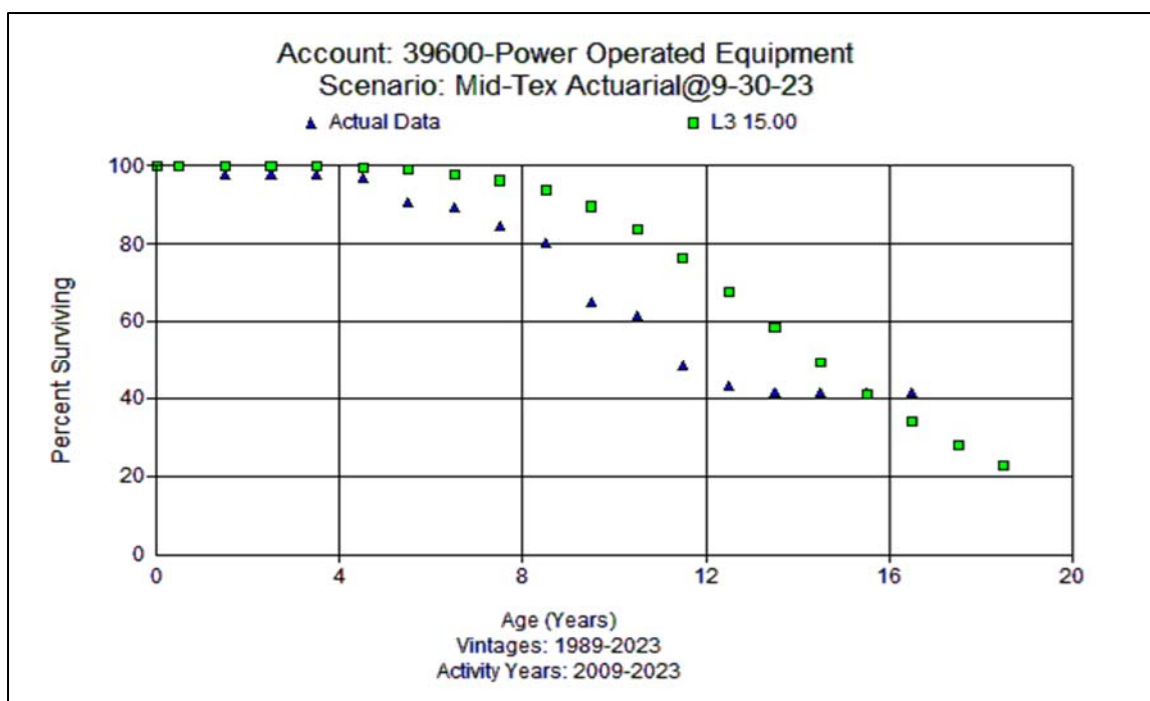


Account 39600 Power Operated Equipment (15 L3)

This account consists of front loaders, backhoes, trenchers, mowers, front-end loaders, and other power operated equipment that cannot be licensed on roadways. The current balance in the account is approximately \$1.5 million. The existing life is 13 L3. The current average age of investment is 11.44 years.

Discussions with Company personnel indicated they are replacing much of the equipment in this account in the near future. Some equipment is kept as a backup even though they might get a new asset. The Company expects 15 years on average for this type of equipment.

The analysis indications are consistently between 12-13 years across the bands. However, the current average age approaching 12 years, and Company plans to replace and possibly retain some equipment as a backup, it makes sense to push the life a little longer. Based on Company input and plans, the analysis, and judgment, the 15 L3 is recommended for this account. A graph of the observed life table versus the proposed life and curve is shown below.



GENERAL PLANT AMORTIZED ACCOUNTS

Consistent with FERC Rule AR-15, this depreciation study develops depreciation expense with the continued application of Vintage Group Amortization in Accounts 391 through 39908, excluding 39200 and 39600. This process provides for the amortization of general plant over the same life as recommended in this study using the SQ dispersion pattern. At the end of the amortized life, property will be retired from the books. During the interview phase of the study, each of the accounts was discussed and evaluated to determine if the existing amortization period (life) was still applicable. In a few select accounts, changes are recommended. No graphs are provided for these accounts.

Account 39100 Office Furniture and Equipment (25 SQ)

This account consists of miscellaneous office furniture such as desks, chairs, filing cabinets, and tables. The current balance is approximately \$7.8 million. The existing life is a 25 SQ.

Discussions with the Company indicated the existing 25-year life is reasonable. The current capitalization threshold is \$1,000. This study retains the existing 25 SQ.

Account 39300 Stores Equipment (20 SQ)

This account generally consists of forklift, shelving, bins, and miscellaneous equipment used to support general operations of the company. The current balance in the account is approximately \$129 thousand. The currently approved life is 25 SQ.

Discussions with Company operations indicated shelving and forklifts are the primary items in the account. A 25-year life is a reasonable expectation for shelving, but not for forklifts. Therefore, considering the current mix of assets,

Company input, and judgment, this study recommends moving to a 20-year life and retaining the SQ dispersion consistent with the continued application of General Plant Amortization.

Account 39400 Tools, Shop, and Garage Equipment (15 SQ)

This account generally consists of measurement tools, pipe locators, fusion engineering tools, leak detection equipment, other miscellaneous small tools, and gauges used to support general operations of the company. The current balance, after retirements for AR-15, is approximately \$33.1 million. The existing life is a 20 SQ.

Discussions with Company personnel indicated that the existing life is too long, especially for technical and electronic type equipment, which can have a life of 5 to 10 years. Considering the current mix of assets, Company input, and judgment, this study recommends moving to a 15-year life and retaining the SQ dispersion consistent with the continued application of General Plant Amortization.

Account 39500 Laboratory Equipment (10 SQ)

This account generally consists of gas sampling, gas chromatograph, small electronic tools, gauges, and other miscellaneous equipment used in a laboratory environment to support general operations of the Company. The current balance in the account is approximately \$1.2 million. The approved life is 10 SQ and is retained.

Account 397C Communication Equipment All (15 SQ)

This account consists of antennas, audio and video equipment, radios, telephone, telemetering, and other miscellaneous communication equipment used to support general operations. The current balance, after retirements for AR-15, is approximately \$1.5 million. The existing life is 15 SQ and is retained.

Account 39800 Miscellaneous Equipment (25 SQ)

This account consists of some kitchen type appliances, signs, emergency first aid equipment, audio and video equipment, and other miscellaneous equipment used to support general operations. The current balance, after retirements for AR-15, is approximately \$2.4 million. The existing life is 40 SQ.

The Company indicated there is a wide variety of assets in this account, but a 40-year life is too long and a life closer to 25 years is a better estimate of the overall life for the various assets in the account. Considering the current mix of assets and judgment, this study recommends moving to a 25-year life and retaining the SQ dispersion consistent with the continued application of General Plant Amortization.

Account 39900 Other Tangible Property (5 SQ)

This account consists of some computer software, communication equipment, and other miscellaneous equipment. The current balance is approximately \$72 thousand, but after retirements for AR-15 there will be no balance in this account. The existing life is a 7 SQ.

Discussions with Company personnel indicated this account can have a variety of assets, which are technology-based, and they believe the existing 7 year life is too long. Considering the type of assets, discussion with Company personnel, and judgment, I recommend moving to a 5 year life while retaining the SQ dispersion, which will be applied to any new additions in the future, consistent with the continued application of General Plant Amortization.

Account 39901 Server Hardware (7 SQ)

This account consists of server hardware computer equipment. There is approximately \$4 thousand in this account. The existing life is 7 SQ. Based on the interviews with Company personnel, the existing 7 SQ remains reasonable from an operations perspective and is retained.

Account 39902 Server Software (7 SQ)

This account consists of server software. There is currently no investment in this account. The existing life is a 7 SQ. Based on interviews with Company personnel, the existing 7 SQ is reasonable and is retained if new investment is recorded.

Account 39903 Network Hardware (7 SQ)

This account consists of network hardware computer equipment. The current balance, after retirements for AR-15, is approximately \$1.3 million in this account. The existing life is a 9 SQ.

Discussion with Company personnel indicated a 9-year life is a little long and they would expect a life closer to server hardware. The life is primarily driven by Cisco requirements. Considering the type of assets, Company input, and judgment, I recommend moving to a 7-year life and retaining the SQ dispersion consistent with the continued application of General Plant Amortization.

Account 39906 PC Hardware (5 SQ)

This account consists of personal computer hardware, laptops, printers, monitors, and projectors. The current balance, after retirements for AR-15, is approximately \$8.3 million in this account. The existing life and dispersion are a 7 SQ.

Discussions with Company personnel indicated that the current goal is to refresh PC equipment every four years. The Company estimates it is 60%-70% effective in replacing on a 4-year cycle. One of the primary drivers for this goal is to keep up with software upgrades. Factoring in delays, the Company believes a 5-year life is a better match to their operational process. Based on the type of equipment, Company refresh cycle, and expectations, I recommend moving PC Hardware to a 5-year life while retaining the SQ dispersion consistent with the continued application of General Plant Amortization.

Account 39907 PC Software (5 SQ)

This account consists of software for personal computers. There is approximately \$374 thousand in this account. The existing life is a 7 SQ.

Discussions with Company personnel indicated that the current goal is to refresh PC equipment and software every four years. While some slippage may occur, the seven-year life is too long. Based on the software being linked to equipment and a driver for the hardware replacement, Company refresh cycle, and expectations, I recommend moving PC Software to a 5-year life consistent with PC Hardware while retaining the SQ dispersion consistent with the continued application of General Plant Amortization.

Account 39908 Application Software (10 SQ)

This account consists of large application software. There is approximately \$826 thousand in this account. The existing life is a 7 SQ.

Discussions with Company personnel indicated these larger applications, such as GIS mapping, will generally last longer than seven years. Based on the type of assets along with the Company input, I recommend moving to a 10-year life while retaining the SQ dispersion consistent with the implementation and continued application of General Plant Amortization

NET SALVAGE CONSIDERATIONS

When a capital asset is retired, physically removed from service and finally disposed of, terminal retirement is said to have occurred. The residual value of a terminal retirement is called gross salvage. Net salvage is the difference between the gross salvage (what the asset was sold for) and the removal cost (cost to remove and dispose of the asset). Salvage and removal cost percentages are calculated by dividing the current cost of salvage or removal by the original installed cost of the asset. Some plant assets can experience significant negative removal cost percentages due to the timing of the original addition versus the retirement. For example, a Distribution asset in FERC Account 37601 Steel Mains with a current installed cost of \$500 (2023) would have had an installed cost of \$16.24² in 1958. A removal cost of \$50 for the asset calculated (incorrectly) on current installed cost would only have a negative 10 percent removal cost (\$50/\$500). However, a correct removal cost calculation would show a negative 308 percent removal cost for that asset (\$50/\$16.24). Inflation from the time of installation of the asset until the time of its removal must be taken into account in the calculation of the removal cost percentage because the depreciation rate, which includes the removal cost percentage, will be applied to the original installed cost of assets.

In some cases, accruals in the salvage account do not represent true salvage. For example, Wolf and Fitch's Depreciation Systems states: "Usually reimbursed retirements should not be included in analysis to estimate the life and salvage of property whose original investment is recovered through depreciation accruals."³ NARUC's Public Utility Depreciation Practices states: "Depending on the accounting treatment for reimbursements related to retired property, the analyst may need to remove such plant from the database."⁴ The NARUC

² Using the Handy-Whitman Bulletin No. 199, G-4, line 44, $\$16.24 = \$500 \times 53/1632$.

³ Depreciation Systems, p. 17

⁴ Public Utility Depreciation Practices, p. 113.

publication further states: “Consistent treatment is the rule.”⁵ Also, where “transactions are considered to be unrepresentative of the future, these transactions should be eliminated from the data.”⁶ This study has followed the principles outlined in those statements. This study is also consistent in removing transactions for both life and salvage analysis in compliance with RCT precedence.

Other factors such as sales, intercompany transfers, or extraordinary events can also impact the results of salvage analysis. NARUC’s Public Utility Depreciation Practices warns, “If transfers or sales of plant have contributed significantly to realized salvage, and such transactions are considered to be unrepresentative of the future, these transactions should be eliminated from the data.”⁷ Wolf and Fitch’s Depreciation Systems advocates similar data adjustments to remove sales, transfers, and outlier retirements from salvage and life studies. This study consistently removes the impact of sales, transfers, and outliers from life and salvage studies.

The net salvage analysis uses the history of the individual accounts to estimate the future net salvage that Mid-Tex can expect in its operations. As a result, the analysis not only looks at the historical experience but also takes into account recent and expected changes in operations that could reasonably lead to different future expectations for net salvage than were experienced in the past.

Net Salvage Characteristics

For each account, data for retirements, gross salvage, and cost of removal for each account was adjusted as discussed above and derived from data for the time period 2005-2023. Moving averages, which help to remove timing differences between retirements, salvage, and removal costs, were used over periods varying from one to 12 years. Details of those computations are found in the study

⁵ Id, p. 113.

⁶ Id, p. 158.

⁷ Id, p. 158.

workpapers. The Company now has nearly 20 years of account specific history. Moving averages of intervals between two and 10 years are displayed by account in Appendix D.

Distribution Function

The Company now has been maintaining salvage and cost of removal ("COR") data by account for almost 20 years. This information forms the basis for the recommendations that follow. Through time the net salvage percent has been increasingly negative. The small amount of gross salvage that was received in the past from salvaged pipe and meters has decreased. Some pipe continues to be removed from the ground, but now the Company generally abandons the majority of the pipe in place. Retired meters, another past source of gross salvage, are generally junked with no scrap value. Increasing cost of removal applied to original cost dollars retired make net salvage even more negative on jobs where pipe is being abandoned in place. For retirement projects, the cost of dispatching a crew, digging a trench, filling the pipe with inert materials if necessary, capping each end, and making paving repairs are all part of removal cost. These costs are continuing to increase as labor and material costs escalate. In addition, municipalities are adopting or rigorously enforcing ordinances that significantly increase the cost to retire facilities. For example, over the past 15 years, Dallas costs have increased due to ordinance changes imposing rules for compaction of soil under paved surfaces when disturbed. According to Company engineers, flowable fill is the most cost-effective means of meeting that requirement. Adding in the cost of replacing paving (as well as labor, transportation, etc.) will increase the removal cost even further.

In the Distribution function COR derivations (main, services, or measurement only projects) were allocated, starting in 2016, based on a time and motion study. COR for other projects is estimated with the project estimates.

Rule 8209 from Commission requires assessment of risk of assets: "Must

identify high relative risk assets and replace 8% of these annually.” Cast iron has been replaced whether low or intermediate pressure. Any cast iron that is identified through normal operating activities is replaced at that time. Some bare steel with active corrosion is generally at the top of the list along with service lines. Cost to remove cast iron is comparable to steel. In congested areas, retirement costs can go much higher. Dallas Central Business District (CBD) work will have additional issues with work hours, etc. The same will also apply, to a lesser degree, in Fort Worth.

Account 37402 Land Rights (0%)

This account includes any salvage and removal cost related to land rights used in connection with distribution operations. No cost of removal or salvage is expected. I recommend retaining the 0 percent net salvage for this account.

Account 37500 Structures and Improvements (-10%)

This account consists of any salvage and removal cost related to buildings, border station and regulating station structures, fences, and other miscellaneous related assets used in connection with distribution operations. The current net salvage is negative 10 percent.

Some salvage could be realized but will be minimal. Cost of removal is more likely to occur and is expected to exceed any gross salvage. There are limited retirements, some of which were sales (and removal), but remaining retirements indicate there has been no salvage and that cost of removal will exceed any salvage on a recurring basis. Even with the moving averages, indications are higher than expected and will likely level out in the future. When retirements occur, the analysis indicates a negative net salvage is reasonable to expect. Discussions with Company personnel indicate a negative 10 percent is reasonable and I recommend retaining the negative 10 percent net salvage.

Account 37600 Mains Cathodic Protection (-10%)

This account consists of any salvage and removal cost related to all types of cathodic protection, valves, and other related cathodic protection assets. The current net salvage is negative 5 percent. The most recent overall (12 year) moving average is a negative 17 percent. A five-year average is negative 15 percent. Based on the analysis and expectations, I recommend moving toward the more recent indications but limiting the change to a negative 10 percent net salvage for this account.

Account 37601 Steel Mains (Bare, Cast Iron & Mill Wrapped) (-65%)

This account consists of the salvage and removal cost related to all types of steel mains in distribution. The current net salvage is negative 105 percent.

While some salvage has been recorded there has been none recorded since 2017. Cost of removal exceeds salvage and is expected to continue exceeding salvage, but it is decreasing. The most recent overall (12 year) moving average is negative 67 percent and the 5-year moving average is negative 66 percent. Considering the analysis indications, I recommend moving to a negative 65 percent net salvage.

Account 37602 Plastic Mains (-45%)

This account consists of any salvage and removal cost related to all types of plastic mains in distribution. The current net salvage is negative 40 percent.

Some salvage has been recorded, but none since 2017. Salvage is unusual for plastic mains and unlikely to reoccur. Also, plastic generally is not expected to have residual value at the end of its life, when small sections might be removed from the ground. Cost of removal exceeds salvage and is increasing over the years analyzed. The most recent overall (12 year) moving average is negative 72 percent moving average and the 5-year moving average is negative 71 percent. Most of the recent indications are close to a negative 60 percent or higher.

Considering the analysis indications, I recommend moving toward the more negative indications but limiting the change to a negative 45 percent net salvage.

Account 37603 Anodes (0%)

This account consists of any salvage and removal cost related to all types of anodes in distribution. The assets in this account were transferred from Accounts 37600 and 37602, which had an existing net salvage factor of negative 5 percent and negative 40 percent, respectively.

The anodes typically disintegrate before they can be identified for retirement. Going forward, the Company does not expect to have any removal cost associated with them, so I recommend a 0 percent net salvage.

Account 37604 Leak Clamps (0%)

This account consists of any salvage and removal cost related to leak clamps used with distribution mains. The assets in this account were transferred from Accounts 37600 and 37601, which had an existing net salvage factor of negative 5 percent and negative 105 percent respectively.

Leak clamps are installed in the later years of a main and once installed on the main, are not typically identified for retirement and will not have removal cost associated with them. Going forward, I recommend a 0 percent net salvage.

Account 37800 Measuring & Regulating Station Equipment (-28%)

This account includes any salvage and removal cost related to measuring equipment, regulator station equipment, and valves used in distribution operations. The current net salvage is negative 45 percent.

The Company has moved numerous regulator stations from underground to above ground. Due to the similarity in assets, function, and end of life activities for Accounts 37800, 37900, and 38500, a combined net salvage analysis was performed. The analysis indicates net salvage to be consistent with the most

recent overall (12 year) and five-year moving average of negative 28 percent. Based on the combined analysis, I recommend moving toward the indications by moving to a negative 28 percent net salvage.

Account 37900 Measuring & Regulating – City Gate (-28%)

This account includes any salvage and removal cost related to meters used in measuring and regulating gas at the city gate. The current net salvage is negative 10 percent.

Due to the similarity in assets, function, and end of life activities for Accounts 37800, 37900, and 38500, a combined net salvage analysis was performed. The analysis indicates net salvage to be consistent with the most recent overall (12 year) and five-year moving average of negative 28 percent. Based on the combined analysis, I recommend moving toward the indications by moving to a negative 28 percent net salvage.

Account 38000 Services (-30%)

This account includes salvage and removal cost related to all types of services in distribution operations. The current net salvage is negative 20 percent.

The study analysis shows that most recent overall (12 year) moving average is a negative 68 percent. The five-year average is negative 58 percent. In the prior studies, adjustments for steel service lines and the spreading of retirements, salvage, and cost of removal to prior years were made, which provides a more consistent and realistic net salvage factor in the prior years. Current accounting does not require a continued adjustment. Based on the analysis, I recommend moving toward the indications but limiting the change to a negative 30 percent net salvage at this time.

Account 38100 Meters (-10%)

This account includes any salvage and removal cost related to all types of meters. The current net salvage is negative 10 percent.

Consistent with the past studies and Company operations process, this account relies on a combined analysis of Accounts 38100 – 38300. The Company plans to retire assets in these accounts at the time of a meter replacement. Very little salvage is recorded in the 2005-2023 analysis and very little, if any, is expected in the future. Cost of removal is being recorded and is expected to continue. The current study analysis indicates a negative 21 percent in the most recent overall (12 year) moving average. The five-year average is a negative 6 percent. There could be some timing differences in recording of salvage and cost of removal and related retirements in the analysis. Considering the indications and the possibility of timing differences, I recommend retention of the existing negative 10 percent net salvage factor at this time.

Account 38200 Meter Installations (-10%)

This account includes any salvage and removal cost related to meter installations. The current net salvage is negative 10 percent.

Consistent with the past studies and current Company operations process, this account relies on a combined analysis of Accounts 38100 – 38300. The Company plans to retire assets in these accounts at the time of a meter replacement. See the detailed analysis above for Account 381. Based on the combined analysis this study recommends retention of the existing negative 10 percent net salvage.

Account 38300 House Regulators (-10%)

This account includes any salvage and removal cost related to house regulators. The current net salvage is negative 10 percent.

Consistent with the past studies and current Company operations process,

this account relies on a combined analysis of Accounts 38100 – 38300. The Company plans to retire assets in these accounts at the time of a meter replacement. See the detailed analysis above in Account 381. Based on the combined analysis this study recommends retention of the existing negative 10 percent net salvage.

Account 38500 Industrial M&R Station Equipment (-28%)

This account includes any salvage and removal cost related to regulator stations, valves, and pressure recorders for industrial customers. The current net salvage is negative 5 percent.

Due to the similarity in assets, function, and end of life activities for Accounts 37800, 37900, and 38500, a combined net salvage analysis was performed. The analysis indicates net salvage to be consistent with the most recent overall (12 year) and five-year moving average of negative 28 percent. Based on the combined analysis, I recommend moving toward the indications by moving to a negative 28 percent net salvage.

General Plant

The accounts within the general function have been split into two categories: depreciated and amortized. For accounts that are depreciated (390C, 39200 and 39600) account analysis discussions are presented first. All amortized accounts (39100, 39300-39500, 39800-39908) have a 0 percent net salvage factor. This is discussed in more detail below. Individual net salvage analysis for each account is found in Appendix D.

Depreciated Accounts (39000, 39200, and 39600)

Account 390 C Structures and Improvements Combined (-10%)

This account includes any salvage and removal cost related to the retirement of structures and improvements and air conditioning equipment (39004)

related to the Company's service centers and Company-owned offices buildings. The current net salvage is negative 5 percent.

After removing sales (see "Net Salvage Considerations", above, for more discussion on removing sales from the analysis), net salvage is slightly negative over most recent periods. The most recent overall (12 year) is negative 18 percent and the five-year moving average is negative 17 percent. Some salvage may be realized, but cost of removal is expected to exceed any salvage. Timing differences can impact the results, so reliance is on the longer moving averages. Based on the analysis and expectations, I recommend moving to a negative 10 percent net salvage at this time.

Account 39200 Transportation Equipment (25%)

This account includes any salvage and removal cost related to the retirement of trucks, tractor, trailers, ATVs, and other transportation equipment that typically can be licensed on roadways. The current net salvage is positive 15 percent.

Discussions with the Company indicated that currently the majority of the transportation equipment is leased. However, leasing is on a case-by-case evaluation. The analysis indicates salvage is increasing over time, which is typical since the COVID-19 pandemic and supply chain issues. The most recent overall (12 year) is positive 40 percent and the five-year moving average is positive 57 percent. This study recommends moving toward the indications but limiting the change to a positive 25 percent net salvage based on the types of assets in the account at this time.

Account 39600 Power Operated Equipment (20%)

This account includes any salvage and costs related to the retirement of front loaders, backhoes, trenchers, mowers, front-end loaders, and other power

operated equipment that generally cannot be not licensed on roadways. The existing net salvage is positive 15 percent.

The analysis from 2005-2016 indicates a positive 25 percent and positive 18 percent in the most recent 5 and 12-year moving averages, respectively. This is not uncommon due to supply chain issues causing residual values to increase. Based on recent trends and the analysis, a positive 20 percent net salvage is recommended.

Amortized Accounts (39100, 39300-39500, 39700-39908)

Account 39100 Furniture and Fixtures (0%)

This account includes any salvage and cost of removal related to retired furniture and fixtures. The existing net salvage is 0 percent.

Salvage was recorded in one year, 2009, but cost of removal was also recorded and exceeded the salvage. The assets are modulars (cubicle partitions), chairs, desks, bookcases, and other miscellaneous items that are not expected to have any significant residual value or removal cost at the end of their life, making the 2009 activity unlikely to reoccur at that level in the future. Based on the overall analysis and expectations, the existing 0 percent net salvage is retained.

Account 39300 Stores Equipment (0%)

This account includes any salvage and cost of removal related to forklifts, shelving bins, and other stores related equipment. The existing net salvage is 0 percent.

There have been two retirements recorded in the 2005-2023 period being analyzed and one year, 2018, had salvage. The salvage was related to two forklifts and a large storage cabinet. The expectation is that forklifts will last around 20 years and salvage will not be as high as was recorded for the nearly 10-year-old forklifts, and that the remaining assets would have little or no residual value when retired at 20 years. Therefore, the current 0 percent net salvage is retained.

Account 39400 Tools, Shop, and Garage Equipment (0%)

This account includes any salvage and cost of removal related to the retirement of measurement tools, pipe locators, fusion engineering tools, leak detection equipment, and other miscellaneous tools and gauges. The current net salvage is 0 percent.

The analysis from 2005-2023 shows numerous years with retirements, but only one year, 2023, where salvage was recorded. The 2023 salvage resulted in a positive 1 percent net salvage. However, the most recent 5 and 10-year moving average is 0 percent for both periods. Net salvage of 0 percent is expected in the future and is retained.

Account 39500 Laboratory Equipment (0%)

This account includes any salvage and cost of removal related to the retirement of gas sampling tools, gas chromatograph, small electronic tools, gauges, and other miscellaneous equipment used in the lab. The current net salvage is 0 percent.

Some retirements have been recorded across the 2005-2023 period being analyzed. No salvage was recorded, but a very small amount of cost of removal was recorded in 2011. The most recent 5 and 10-year moving average is 0 percent, which is expected in the future and is retained.

Account 397 C Communication Equipment Combined (0%)

This account includes any salvage and cost of removal related to the retirement of telephones, radios, telemetering, antennas, towers, and other miscellaneous communication equipment. The current net salvage is 0 percent.

When equipment is retired, due to the technological nature of the assets, there is seldom any salvage value, and none has been recorded. Some cost of

removal was recorded in 2010-2011 but is not likely to occur on a regular basis. The most recent 5 and 10-year moving averages are 0 percent, which is expected in the future and is retained.

Account 39800 Miscellaneous Equipment (0%)

This account includes any salvage and cost of removal related to the retirement of kitchen type appliances, signs, emergency first aid equipment, audio and video equipment, and other miscellaneous equipment. The current net salvage is 0 percent.

No salvage has been recorded and there was only one year, 2012, where cost of removal was recorded. Due to the nature of the assets, no salvage is expected at the end of their 25-year life. There could be some cost of removal but is expected to be minimal. The most recent 5 and 10-year moving averages are 0 percent, which is expected in the future and is retained.

Account 39900 Other Tangible Property (0%)

This account includes any salvage and cost of removal related to the retirement of various hardware, software, and miscellaneous other tangible property. The existing net salvage is 0 percent.

These assets are technology-based, and no salvage is expected when the assets are retired at the end of life. Some cost of removal could be recorded, but none has been recorded and none is regularly expected in the future. I recommend retention of the existing 0 percent net salvage.

Account 39901 Server Hardware (0%)

This account includes any salvage and cost of removal related to the retirement of computer server hardware equipment. The existing net salvage is 0 percent.

These assets are technology-based. No salvage is expected when the assets are retired at the end of life, but some cost of removal could be recorded. I recommend retention of the existing 0 percent net salvage.

Account 39902 Server Software (0%)

This account includes any salvage and cost of removal related to the retirement of server software. The existing net salvage is 0 percent.

These assets are technology-based, and no salvage is expected when the assets are retired at the end of life. No salvage or cost of removal has been recorded and none is expected in the future. I recommend retaining the existing 0 percent net salvage.

Account 39903 Network Hardware (0%)

This account includes any salvage and cost of removal related to the retirement of network hardware computer equipment. The existing net salvage is 0 percent.

These assets are technology-based, and no salvage is expected when the assets are retired at the end of life. No salvage or cost of removal has been recorded and none is expected in the future. I recommend retaining the existing 0 percent net salvage.

Account 39906 PC Hardware (0%)

This account includes any salvage and cost of removal related to the retirement of personal computer hardware, laptops, printers, monitors, and projectors. The existing net salvage is 0 percent.

Some salvage was received but none since 2014 and it was less than 2

percent and is not expected to reoccur. No cost of removal has been recorded. The most recent 5 and 10-year moving averages are 0 percent. I recommend retaining the existing 0 percent net salvage.

Account 39907 PC Software (0%)

This account includes any salvage and cost of removal related to the retirement of software for personal computers. The existing net salvage is 0 percent.

No salvage has been recorded. There was some cost of removal recorded in 2015, but it is not expected in the future. The most recent 5 and 10-year moving averages are 0 percent. I recommend retaining the existing 0 percent net salvage.

Account 39908 Application Software (0%)

This account includes any salvage and cost of removal related to the retirement of large application software such as the GIS mapping system. The existing net salvage is 0 percent.

No salvage or cost of removal has been recorded and none is expected in the future. I recommend retaining the existing 0 percent net salvage.

APPENDIX A
Depreciation Rate Comparisons

**ATMOS ENERGY CORPORATION - MID-TEX DIVISION
DEPRECIATION STUDY AS OF SEPTEMBER 30, 2023
COMPARISON OF EXISTING AND PROPOSED DEPRECIATION EXPENSE**

Account	Description	Plant Balance 09/30/2023	Existing Accrual		Proposed Accrual		Difference
(a)	(b)	(c)	Rate (d)	Amount (e)	Rate (f)	Amount (g)	
DISTRIBUTION PLANT							
37402	Land Rights	\$ 6,247,245	0.98%	\$ 61,223	1.33%	\$ 83,088	\$ 21,865
37500	Structures & Improvements	1,764,181	1.71%	30,167	2.56%	45,163	14,996
37600	Mains - Cathodic Protection	72,283,415	1.85%	1,337,243	2.21%	1,597,463	260,220
37601	Mains - Steel	802,515,086	3.97%	31,859,849	4.07%	32,662,364	802,515
37602	Mains - Plastic	4,372,225,952	2.21%	96,626,194	2.44%	106,682,313	10,056,120
37603	Mains - Anodes	90,812,529	1.85% *	1,680,032	6.67%	6,057,196	4,377,164
37604	Mains - Leak Clamps	253,143,605	3.87% *	9,796,658	5.00%	12,657,180	2,860,523
37800	M&R Stations Equipment	210,246,480	3.09%	6,496,616	3.81%	8,010,391	1,513,775
37900	M&R - City Gate Equipment	19,146,637	1.88%	359,957	4.70%	899,892	539,935
38000	Services	2,485,071,488	3.67%	91,202,124	4.10%	101,887,931	10,685,807
38100	Meters	429,574,274	3.31%	14,218,908	4.65%	19,975,204	5,756,295
38200	Meter Installations	308,862,474	3.66%	11,304,367	5.01%	15,474,010	4,169,643
38300	House Regulators	98,996,056	3.50%	3,464,862	4.35%	4,306,328	841,466
38500	Industrial M&R Equipment	4,148,892	2.80%	116,169	3.80%	157,658	41,489
TOTAL DISTRIBUTION		9,155,038,312	2.93%	268,554,368	3.39%	310,496,182	41,941,814
GENERAL PLANT DEPRECIATED							
390 C	Structures & Improvements All	72,200,006	2.54%	1,833,880	2.80%	2,021,600	187,720
39200	Transportation Equipment	524,291	9.04%	47,396	14.52%	76,127	28,731
39600	Power Operated Equipment	1,502,068	7.24%	108,750	10.02%	150,507	41,757
GENERAL DEPRECIATED		74,226,365	2.68%	1,990,026	3.03%	2,248,234	258,209
TOTAL DEPRECIATED PLANT		9,229,264,676	2.93%	270,544,394	3.39%	312,744,416	42,200,023

**ATMOS ENERGY CORPORATION - MID-TEX DIVISION
DEPRECIATION STUDY AS OF SEPTEMBER 30, 2023
COMPARISON OF EXISTING AND PROPOSED DEPRECIATION EXPENSE**

Account	Description	Plant Balance 09/30/2023	Existing Accrual		Proposed Accrual		Difference
			Rate	Amount	Rate	Amount	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
GENERAL PLANT AMORTIZED							
39100	Office Furniture & Equipment	7,781,581	4.00%	311,263	4.00%	311,263	-
39300	Stores Equipment	128,968	4.00%	5,159	5.00%	6,448	1,290
39400	Tools, Shop, & Garage	33,086,073	5.00%	1,654,304	6.67%	2,206,841	552,537
39500	Laboratory Equipment	1,163,017	10.00%	116,302	10.00%	116,302	-
397 C	Communication Equipment Combined	1,527,105	6.67%	101,858	6.67%	101,858	-
39800	Miscellaneous Equipment	2,356,700	2.50%	58,917	4.00%	94,268	35,350
39900	Other Tangible Property	-	14.29%	-	20.00%	-	-
39901	Servers Hardware	4,377	14.29%	625	14.29%	625	-
39902	Servers Software	-	14.29%	-	14.29%	-	-
39903	Network Equipment	1,283,703	11.11%	142,619	14.29%	183,441	40,822
39906	PC Hardware	8,314,104	14.29%	1,188,086	20.00%	1,662,821	474,735
39907	PC Software	374,093	14.29%	53,458	20.00%	74,819	21,361
39908	Application Software	825,602	14.29%	117,979	10.00%	82,560	(35,418)
GENERAL AMORTIZED		56,845,322	6.60%	3,750,569	8.52%	4,841,246	1,090,677
TOTAL GENERAL PLANT		131,071,687	4.38%	5,740,595	5.41%	7,089,481	1,348,886
TOTAL DEPRECIATED & AMORTIZED		\$ 9,286,109,998	2.95%	\$ 274,294,963	3.42%	\$ 317,585,663	\$ 43,290,700

*Note This is a composite rate.

			CURRENT DEPRECIATION RATES			PROPOSED DEPRECIATION RATES AND PARAMETERS								
Account	Description	Plant Balance 9/30/2023	Life Rate	COR Rate	Depr Rate	Life Rate	COR Rate	Depr Rate	ASL	Curve	Gross Salvage	COR	Net Salvage	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	
DISTRIBUTION PLANT														
37402	Land Rights	\$ 6,247,245	0.98%	0.00%	0.98%	1.33%	0.00%	1.33%	85	R5	0%	0%	0%	
37500	Structures & Improvements	1,764,181	1.52%	0.19%	1.71%	2.37%	0.19%	2.56%	54	R1.5	0%	10%	-10%	
37600	Mains - Cathodic Protection	72,283,415	1.77%	0.08%	1.85%	2.04%	0.17%	2.21%	60	R3	0%	10%	-10%	
37601	Mains - Steel	802,515,086	2.47%	1.50%	3.97%	3.07%	1.00%	4.07%	65	R0.5	0%	65%	-65%	
37602	Mains - Plastic	4,372,225,952	1.64%	0.57%	2.21%	1.88%	0.56%	2.44%	80	R2	0%	45%	-45%	
37603	Mains - Anodes	90,812,529	1.85%	0.00%	1.85% *	6.67%	0.00%	6.67%	15	SQ	0%	0%	0%	
37604	Mains - Leak Clamps	253,143,605	3.87%	0.00%	3.87% *	5.00%	0.00%	5.00%	20	SQ	0%	0%	0%	
37800	M&R Stations Equipment	210,246,480	2.30%	0.79%	3.09%	3.28%	0.53%	3.81%	53	R0.5	0%	28%	-28%	
37900	M&R - City Gate Equipment	19,146,637	1.70%	0.18%	1.88%	4.17%	0.53%	4.70%	53	R0.5	0%	28%	-28%	
38000	Services	2,485,071,488	3.13%	0.54%	3.67%	4.77%	-0.67%	4.10%	45	S0	0%	-30%	30%	
38100	Meters	429,574,274	3.04%	0.27%	3.31%	3.98%	0.67%	4.65%	45	S0	0%	30%	-30%	
38200	Meter Installations	308,862,474	3.39%	0.27%	3.66%	4.70%	0.31%	5.01%	32	R1	0%	10%	-10%	
38300	House Regulators	98,996,056	3.23%	0.27%	3.50%	4.04%	0.31%	4.35%	32	R1	0%	10%	-10%	
38500	Industrial M&R Equipment	4,148,892	2.71%	0.09%	2.80%	3.27%	0.53%	3.80%	53	R0.5	0%	28%	-28%	
Total Distribution - excludes land		9,155,038,312												
GENERAL PLANT														
390 C	Structures & Improvements All	72,200,006	2.43%	0.11%	2.54%	2.62%	0.18%	2.80%	55	R2	0%	10%	-10%	
39200	Transportation Equipment	524,291	9.04%	0.00%	9.04%	14.52%	0.00%	14.52%	10	L3	25%	0%	25%	
39600	Power Operated Equipment	1,502,068	7.24%	0.00%	7.24%	10.02%	0.00%	10.02%	15	L3	20%	0%	20%	
General Plant Depreciated		74,226,364												
GENERAL PLANT AMORTIZED														
39100	Office Furniture & Equipment	7,781,580.73	4.00%	0.00%	4.00%	4.00%	0.00%	4.00%	25	SQ	0%	0%	0%	
39300	Stores Equipment	128,967.60	4.00%	0.00%	4.00%	5.00%	0.00%	5.00%	20	SQ	0%	0%	0%	
39400	Tools, Shop, & Garage	33,086,073.15	5.00%	0.00%	5.00%	6.67%	0.00%	6.67%	15	SQ	0%	0%	0%	
39500	Laboratory Equipment	1,163,016.83	10.00%	0.00%	10.00%	10.00%	0.00%	10.00%	10	SQ	0%	0%	0%	
397 C	Communication Equipment All	1,527,105.12	6.67%	0.00%	6.67%	6.67%	0.00%	6.67%	15	SQ	0%	0%	0%	
39800	Miscellaneous Equipment	2,356,699.58	2.50%	0.00%	2.50%	4.00%	0.00%	4.00%	25	SQ	0%	0%	0%	
39900	Other Tangible Property	0.00	14.29%	0.00%	14.29									

APPENDIX B
Remaining Life and Depreciation Rate Calculations

ATMOS ENERGY CORPORATION - MID-TEX DIVISION
Gas Book Depreciation Study as of September 30, 2023
Calculation of Equal Life Group Remaining Life
With Reserve Reallocation

Account	Plant Balance 09/30/2023	Allocated Book Reserve	Net Salvage %	Net Salvage Amount	Unaccrued Balance	Remaining Life	Annual Accrual	
(a)	(b)	(c)	(d)	(e)=(b*d)	(f)=(b-c-e)	(g)	Amount (h)=(f/g)	Rate (i)=(h/b)
DISTRIBUTION PLANT								
37402 Land Rights	\$ 6,247,245	\$ 1,422,318	0%	\$ -	\$ 4,824,926	58.04	\$ 83,131	1.33%
37500 Structures & Improvements	1,764,181	837,989	-10%	(176,418)	1,102,610	24.41	45,170	2.56%
37600 Mains - Cathodic Protection	72,283,415	19,135,607	-10%	(7,228,341)	60,376,149	37.78	1,598,098	2.21%
37601 Mains - Steel	802,515,086	203,664,201	-65%	(521,634,806)	1,120,485,691	34.33	32,638,674	4.07%
37602 Mains - Plastic	4,372,225,952	571,972,459	-45%	(1,967,501,679)	5,767,755,172	54.10	106,612,850	2.44%
37603 Mains - Anodes	90,812,529 (1)	35,212,640 (1)	0%	-	55,599,889	9.18	6,056,633	6.67%
37604 Mains - Leak Clamps	253,143,605 (1)	100,644,129 (1)	0%	-	152,499,477	12.05	12,655,558	5.00%
37800 M&R Stations Equipment	210,246,480	47,445,307	-28%	(58,869,014)	221,670,186	27.66	8,014,107	3.81%
37900 M&R - City Gate Equipment	19,146,637	3,360,449	-28%	(5,361,058)	21,147,246	23.49	900,266	4.70%
38000 Services	2,485,071,488	528,559,360	-30%	(745,521,446)	2,702,033,573	26.51	101,925,069	4.10%
38100 Meters	429,574,274	103,192,205	-10%	(42,957,427)	369,339,496	18.49	19,975,094	4.65%
38200 Meter Installations	308,862,474	55,893,997	-10%	(30,886,247)	283,854,725	18.33	15,485,801	5.01%
38300 House Regulators	98,996,056	30,149,698	-10%	(9,899,606)	78,745,964	18.27	4,310,124	4.35%
38500 Industrial M&R Equipment	4,148,892	822,036	-28%	(1,161,690)	4,488,546	28.47	157,659	3.80%
TOTAL DISTRIBUTION	9,155,038,312	1,702,312,394		(3,391,197,733)	10,843,923,651		310,458,234	3.39%
GENERAL DEPRECIATED								
390 C Structures & Improvements Combined	72,200,006	8,762,929	-10%	(7,220,001)	70,657,077	34.95	2,021,662	2.80%
39200 Transportation Equipment	524,291	118,446	25%	131,073	274,772	3.61	76,114	14.52%
39600 Power Operated Equipment	1,502,068	342,548	20%	300,414	859,107	5.71	150,457	10.02%
GENERAL DEPRECIATED	74,226,364	9,223,923		(6,788,514)	71,790,956		2,248,232	3.03%
TOTAL DEPRECIATED	9,229,264,676	1,711,536,317		(3,397,986,247)	10,915,714,606		312,706,466	3.39%
After AR 15 Retirements								
GENERAL AMORTIZED (1)								
39100 Office Furniture & Equipment	7,781,581	3,887,585	0%	-	3,893,996		311,263	4.00%
39300 Stores Equipment	128,968	67,094	0%	-	61,874		6,448	5.00%
39400 Tools, Shop, & Garage	33,086,073	15,065,058	0%	-	18,021,015		2,205,738	6.67%
39500 Laboratory Equipment	1,163,017	290,754	0%	-	872,263		116,302	10.00%
397 C Communication Equipment Combined	1,527,105	1,142,810	0%	-	384,296		101,807	6.67%
39800 Miscellaneous Equipment	2,356,700	1,152,356	0%	-	1,204,344		94,268	4.00%
39900 Other Tangible Property	-	-	0%	-	-		-	20.00%

ATMOS ENERGY CORPORATION - MID-TEX DIVISION
Gas Book Depreciation Study as of September 30, 2023
Calculation of Equal Life Group Remaining Life
With Reserve Reallocation

Account (a)	Plant Balance 09/30/2023 (b)	Allocated Book Reserve (c)	Net Salvage % (d)	Net Salvage Amount (e)=(b*d)	Unaccrued Balance (f)=(b-c-e)	Remaining Life (g)	Annual Accrual	
							Amount (h)=(f/g)	Rate (i)=(h/b)
39901 Servers Hardware	4,377	3,439	0%	-	938		625	14.29%
39902 Servers Software	-	-	0%	-	-		-	14.29%
39903 Network	1,283,703	712,085	0%	-	571,618		183,386	14.29%
39906 PC Hardware	8,314,104	3,852,315	0%	-	4,461,789		1,662,821	20.00%
39907 PC Software	374,093	358,438	0%	-	15,654		74,819	20.00%
39908 Application Software	825,602	301,284	0%	-	524,318		82,560	10.00%
GENERAL AMORTIZED	56,845,322	26,833,218		-	30,012,104		4,840,038	8.51%
TOTAL GENERAL PLANT	131,071,686	36,057,140		(6,788,514)	101,803,060		7,088,270	5.41%
TOTAL DEPRECIATED & AMORTIZED	\$ 9,286,109,998	\$ 1,738,369,534		\$ (3,397,986,247)	\$ 10,945,726,711		\$ 317,546,504	3.42%

Note (1) - Balance reflects retirement of assets with Age>ASL

**ATMOS ENERGY - MID-TEX DIVISON
DEPRECIATION STUDY AS OF SEPTEMBER 30, 2023
CALCULATION OF GENERAL PLANT AMORTIZATION**

**Appendix B-1
Page 1 of 1**

Account and Description	Plant Balance 09/30/2023	Allocated Reserve 09/30/2023	Theoretical Reserve 09/30/2023	Reserve Deficit/Surplus	Reserve Recovery Years	Amortize Reserve Deficit/Surplus	Assets with Age Greater Than ASL
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
39100 Office Furniture & Equipment	\$ 7,781,581	\$ 3,887,585	\$ 3,887,585	-	5	-	\$ -
39300 Stores Equipment	128,968	67,094	67,094	-	5	-	-
39400 Tools, Shop, & Garage	36,509,613	18,488,598	18,488,598	-	5	-	3,423,540
39500 Laboratory Equipment	1,163,017	290,754	290,754	-	5	-	-
397 C Communication Equipment Combined	1,570,848	1,186,552	1,186,552	-	5	-	43,743
39800 Miscellaneous Equipment	2,364,835	1,160,491	1,160,491	-	5	-	8,135
39900 Other Tangible Property	71,737	71,737	71,737	-	5	-	71,737
39901 Servers Hardware	4,377	3,439	3,439	-	5	-	-
39903 Network	1,698,872	1,127,253	1,127,253	-	5	-	415,168
39906 PC Hardware	12,279,369	7,817,580	7,817,580	-	5	-	3,965,264
39907 PC Software	374,093	358,438	358,438	-	5	-	-
39908 Application Software	825,602	301,284	301,284	-	5	-	-
Total Before AR 15 Retirements	64,772,910	34,760,806	34,760,806	-		-	7,927,589

After Retirements of Assets With Age > ASL

Account and Description	Plant Balance 09/30/2023	Allocated Reserve 09/30/2023	Annual (1) Amortization	Annual Accrual (2) For Reserve Deficit/Surplus	Total (3) Amortization Amount	Annual (4) Amortization Rate %
(a)	(b)	(c)	(d)	(e)	(f)	(g)
39100 Office Furniture & Equipment	7,781,581	3,887,585	311,263	-	311,263	4.00%
39300 Stores Equipment	128,968	67,094	6,448	-	6,448	5.00%
39400 Tools, Shop, & Garage	33,086,073	15,065,058	2,205,738	-	2,205,738	6.67%
39500 Laboratory Equipment	1,163,017	290,754	116,302	-	116,302	10.00%
397 C Communication Equipment Combined	1,527,105	1,142,810	101,807	-	101,807	6.67%
39800 Miscellaneous Equipment	2,356,700	1,152,356	94,268	-	94,268	4.00%
39900 Other Tangible Property	-	-	-	-	-	20.00%
39901 Servers Hardware	4,377	3,439	625	-	625	14.29%
39903 Network	1,283,703	712,085	183,386	-	183,386	14.29%
39906 PC Hardware	8,314,104	3,852,315	1,662,821	-	1,662,821	20.00%
39907 PC Software	374,093	358,438	74,819	-	74,819	20.00%
39908 Application Software	825,602	301,284	82,560	-	82,560	10.00%
Total After AR 15 Retirements	\$ 56,845,322	\$ 26,833,218	\$ 4,840,038	-	\$ 4,840,038	
AR 15 Retirements Assets>ASL	7,927,589	7,927,589				

NOTES:

(1) Annual amortization amount is (Plant Balance/ASL) after AR 15 retirements.

(2) Annual reserve deficit or surplus amount is (Allocated Book Reserve - Calculated Theoretical Reserve) divided by a 5 years recovery period.

(3) Total annual amortization accrual amount is (Annual amortization amount plus annual reserve amount).

(4) Requested annual depreciation rate to be applied is (1-NS/ASL).

APPENDIX C
Comparison of Depreciation Parameters

Appendix C
Page 1 of 2

ATMOS ENERGY CORPORATION - MID-TEX DIVISION
Book Depreciation Study as of September 30, 2023
Comparison of Existing and Proposed Parameters

Account and Description (a)	Existing Parameters					Proposed Parameters				
	ASL (b)	Curve (c)	Salvage (d)	COR (e)	Net Salvage (f)	ASL (g)	Curve (h)	Salvage (i)	COR (j)	Net Salvage (k)
DISTRIBUTION PLANT										
37402 Land Rights	100	R4	0%	0%	0%	85	R5	0%	0%	0%
37500 Structures & Improvements	54	R1.5	0%	10%	-10%	54	R1.5	0%	10%	-10%
37600 Mains - Cathodic Protection	60	R3	0%	5%	-5%	60	R3	0%	10%	-10%
37601 Mains - Steel	70	R0.5	0%	105%	-105%	65	R0.5	0%	65%	-65%
37602 Mains - Plastic	70	R2.5	0%	40%	-40%	80	R2	0%	45%	-45%
37603 Mains - Anodes	70	R2.5	0%	5%	-5%	15	SQ	0%	0%	0%
37604 Mains - Leak Clamps	70	R2.5	0%	5%	-5%	20	SQ	0%	0%	0%
37800 M&R Stations Equipment	57	R1	0%	45%	-45%	53	R0.5	0%	28%	-28%
37900 M&R - City Gate Equipment	57	R1	0%	10%	-10%	53	R0.5	0%	28%	-28%
38000 Services	37	S0.5	0%	20%	-20%	45	S0	0%	30%	-30%
38100 Meters	37	R1	0%	10%	-10%	32	R1	0%	10%	-10%
38200 Meter Installations	37	R1	0%	10%	-10%	32	R1	0%	10%	-10%
38300 House Regulators	37	R1	0%	10%	-10%	32	R1	0%	10%	-10%
38500 Industrial M&R Equipment	57	R1	0%	5%	-5%	53	R0.5	0%	28%	-28%
GENERAL PLANT - DEPRECIATED										
390 C Structures & Improvements All	45	R2.5	0%	5%	-5%	55	R2	0%	10%	-10%
39200 Transportation Equipment	10	L3	15%	0%	15%	10	L3	25%	0%	25%
39600 Power Operated Equipment	13	L3	15%	0%	15%	15	L3	20%	0%	20%

ATMOS ENERGY CORPORATION - MID-TEX DIVISION
Book Depreciation Study as of September 30, 2023
Comparison of Existing and Proposed Parameters

Account and Description (a)	Existing Parameters					Proposed Parameters				
	ASL (b)	Curve (c)	Salvage (d)	COR (e)	Net Salvage (f)	ASL (g)	Curve (h)	Salvage (i)	COR (j)	Net Salvage (k)
GENERAL PLANT - AMORTIZED										
39100 Office Furniture & Equipment	25	SQ	0%	0%	0%	25	SQ	0%	0%	0%
39300 Stores Equipment	25	SQ	0%	0%	0%	20	SQ	0%	0%	0%
39400 Tools, Shop, & Garage	20	SQ	0%	0%	0%	15	SQ	0%	0%	0%
39500 Laboratory Equipment	10	SQ	0%	0%	0%	10	SQ	0%	0%	0%
397 C Communication Equipment All	15	SQ	0%	0%	0%	15	SQ	0%	0%	0%
39800 Miscellaneous Equipment	40	SQ	0%	0%	0%	25	SQ	0%	0%	0%
39900 Other Tangible Property	7	SQ	0%	0%	0%	5	SQ	0%	0%	0%
39901 Servers Hardware	7	SQ	0%	0%	0%	7	SQ	0%	0%	0%
39902 Servers Software	7	SQ	0%	0%	0%	7	SQ	0%	0%	0%
39903 Network	9	SQ	0%	0%	0%	7	SQ	0%	0%	0%
39906 PC Hardware	7	SQ	0%	0%	0%	5	SQ	0%	0%	0%
39907 PC Software	7	SQ	0%	0%	0%	5	SQ	0%	0%	0%
39908 Application Software	7	SQ	0%	0%	0%	10	SQ	0%	0%	0%

APPENDIX D
Net Salvage Analysis

ATMOS ENERGY - MID-TEX DIVISION
DEPRECIATION STUDY AS OF SEPTEMBER 30, 2023
NET SALVAGE ANALYSIS

Fiscal Year	Retirements	Gross Salvage	Removal Cost	Net Salvage	Net Salv.	2- yr Net Salv.	3- yr Net Salv.	4- yr Net Salv.	5- yr Net Salv.	6- yr Net Salv.	7- yr Net Salv.	8- yr Net Salv.	9- yr Net Salv.	10- yr Net Salv.
37402-Land Rights														
2005	0	0	0	0	NA									
2006	0	0	0	0	NA	NA								
2007	0	0	0	0	NA	NA	NA							
2008	0	0	0	0	NA	NA	NA	NA						
2009	0	0	0	0	NA	NA	NA	NA	NA					
2010	0	0	0	0	NA	NA	NA	NA	NA	NA				
2011	0	0	79	(79)	NA	NA	NA	NA	NA	NA	NA			
2012	0	0	(79)	79	NA	NA	NA	NA	NA	NA	NA	NA		
2013	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
2014	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2015	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2016	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2017	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2018	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2019	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2020	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2021	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2022	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2023	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
375-Structures & Improvements														
2005	0	0	0	0	NA									
2006	0	0	0	0	NA	NA								
2007	0	0	0	0	NA	NA	NA							
2008	0	0	0	0	NA	NA	NA	NA						
2009	0	0	0	0	NA	NA	NA	NA	NA					
2010	0	0	0	0	NA	NA	NA	NA	NA	NA				
2011	3,019	0	40,394	(40,394)	-1338%	-1338%	-1338%	-1338%	-1338%	-1338%	-1338%			
2012	10,974	0	6,561	(6,561)	-60%	-336%	-336%	-336%	-336%	-336%	-336%	-336%		
2013	0	0	0	0	NA	-60%	-336%	-336%	-336%	-336%	-336%	-336%	-336%	
2014	(0)	0	0	0	0%	0%	-60%	-336%	-336%	-336%	-336%	-336%	-336%	-336%
2015	0	0	0	0	NA	0%	0%	-60%	-336%	-336%	-336%	-336%	-336%	-336%
2016	2,752	0	24,688	(24,688)	-897%	-897%	-897%	-897%	-228%	-428%	-428%	-428%	-428%	-428%

ATMOS ENERGY - MID-TEX DIVISION
DEPRECIATION STUDY AS OF SEPTEMBER 30, 2023
NET SALVAGE ANALYSIS

Fiscal Year	Retirements	Gross Salvage	Removal Cost	Net Salvage	Net Salv.	2- yr Net Salv.	3- yr Net Salv.	4- yr Net Salv.	5- yr Net Salv.	6- yr Net Salv.	7- yr Net Salv.	8- yr Net Salv.	9- yr Net Salv.	10- yr Net Salv.
2017	0	0	0	0	NA	-897%	-897%	-897%	-897%	-228%	-428%	-428%	-428%	-428%
2018	3,671	0	20,893	(20,893)	-569%	-569%	-710%	-710%	-710%	-710%	-300%	-453%	-453%	-453%
2019	0	0	0	0	NA	-569%	-569%	-710%	-710%	-710%	-710%	-300%	-453%	-453%
2020	0	0	0	0	NA	NA	-569%	-569%	-710%	-710%	-710%	-710%	-300%	-453%
2021	0	0	0	0	NA	NA	NA	-569%	-569%	-710%	-710%	-710%	-300%	-300%
2022	0	0	0	0	NA	NA	NA	NA	-569%	-569%	-710%	-710%	-710%	-710%
2023	0	0	0	0	NA	NA	NA	NA	NA	-569%	-569%	-710%	-710%	-710%
37600-Mains - Cathodic Protection														
2005	728,416	0	36,812	(36,812)	-5%									
2006	415,610	0	19,529	(19,529)	-5%	-5%								
2007	77,903	0	1,400	(1,400)	-2%	-4%	-5%							
2008	175	0	370	(370)	-211%	-2%	-4%	-5%						
2009	18,231	0	626	(626)	-3%	-5%	-2%	-4%	-5%					
2010	48,356	0	35,546	(35,546)	-74%	-54%	-55%	-26%	-10%	-7%				
2011	25,426	0	8,466	(8,466)	-33%	-60%	-49%	-49%	-27%	-11%	-8%			
2012	164,354	0	14,504	(14,504)	-9%	-12%	-25%	-23%	-23%	-18%	-11%	-8%		
2013	368,755	0	55,815	(55,815)	-15%	-13%	-14%	-19%	-18%	-18%	-17%	-12%	-9%	
2014	297,724	0	49,312	(49,312)	-17%	-16%	-14%	-15%	-18%	-18%	-18%	-17%	-13%	-10%
2015	147,618	0	45,058	(45,058)	-31%	-21%	-18%	-17%	-17%	-20%	-20%	-20%	-18%	-15%
2016	158,139	24,103	28,139	(4,036)	-3%	-16%	-16%	-16%	-15%	-15%	-18%	-17%	-17%	-16%
2017	127,015	1,000	37,802	(36,802)	-29%	-14%	-20%	-19%	-17%	-16%	-17%	-19%	-18%	-18%
2018	83,306	0	33,369	(33,369)	-40%	-33%	-20%	-23%	-21%	-19%	-18%	-18%	-20%	-20%
2019	137,118	0	15,694	(15,694)	-11%	-22%	-25%	-18%	-21%	-19%	-18%	-17%	-17%	-19%
2020	159,719	0	20,346	(20,346)	-13%	-12%	-18%	-21%	-17%	-19%	-18%	-18%	-17%	-17%
2021	268,465	0	17,103	(17,103)	-6%	-9%	-9%	-13%	-16%	-14%	-16%	-16%	-16%	-15%
2022	123,831	0	59,728	(59,728)	-48%	-20%	-18%	-16%	-19%	-20%	-18%	-19%	-19%	-18%
2023	179,243	0	16,632	(16,632)	-9%	-25%	-16%	-16%	-15%	-17%	-19%	-16%	-18%	-18%

ATMOS ENERGY - MID-TEX DIVISION
DEPRECIATION STUDY AS OF SEPTEMBER 30, 2023
NET SALVAGE ANALYSIS

Fiscal Year	Retirements	Gross Salvage	Removal Cost	Net Salvage	Net Salv.	2- yr Net Salv.	3- yr Net Salv.	4- yr Net Salv.	5- yr Net Salv.	6- yr Net Salv.	7- yr Net Salv.	8- yr Net Salv.	9- yr Net Salv.	10- yr Net Salv.
37601-Mains - Steel														
2005	0	0	0	0	NA									
2006	4,479,066	0	925,672	(925,672)	-21%	-21%								
2007	2,541,953	0	2,344,350	(2,344,350)	-92%	-47%	-47%							
2008	1,461,899	0	1,704,318	(1,704,318)	-117%	-101%	-59%	-59%						
2009	2,481,037	1,013	2,311,351	(2,310,339)	-93%	-102%	-98%	-66%	-66%					
2010	1,555,938	1,920	3,484,374	(3,482,454)	-224%	-143%	-136%	-122%	-86%	-86%				
2011	3,974,702	3,206	2,456,528	(2,453,322)	-62%	-107%	-103%	-105%	-102%	-80%	-80%			
2012	10,503,760	5,655	9,391,007	(9,385,352)	-89%	-82%	-96%	-95%	-97%	-96%	-84%	-84%		
2013	14,617,524	25,756	12,724,967	(12,699,211)	-87%	-88%	-84%	-91%	-92%	-93%	-93%	-85%	-85%	
2014	13,346,424	1,447	9,910,004	(9,908,557)	-74%	-81%	-83%	-81%	-86%	-87%	-87%	-88%	-82%	-82%
2015	13,241,402	1,055	12,663,923	(12,662,867)	-96%	-85%	-86%	-86%	-85%	-88%	-89%	-89%	-89%	-85%
2016	14,668,083	0	8,453,588	(8,453,588)	-58%	-76%	-75%	-78%	-80%	-79%	-82%	-82%	-83%	-83%
2017	13,448,974	12,703	6,000,666	(5,987,963)	-45%	-51%	-66%	-68%	-72%	-74%	-73%	-76%	-77%	-77%
2018	26,334,634	0	13,650,365	(13,650,365)	-52%	-49%	-52%	-60%	-63%	-66%	-69%	-68%	-70%	-71%
2019	13,067,769	0	13,521,514	(13,521,514)	-103%	-69%	-63%	-62%	-67%	-68%	-71%	-72%	-72%	-74%
2020	19,852,271	0	25,043,783	(25,043,783)	-126%	-117%	-88%	-80%	-76%	-79%	-78%	-79%	-80%	-80%
2021	37,514,036	0	23,181,202	(23,181,202)	-62%	-84%	-88%	-78%	-74%	-72%	-74%	-74%	-75%	-76%
2022	45,314,775	0	15,359,793	(15,359,793)	-34%	-47%	-62%	-67%	-64%	-62%	-62%	-64%	-65%	-66%
2023	24,751,880	0	15,772,809	(15,772,809)	-64%	-44%	-50%	-62%	-66%	-64%	-62%	-62%	-64%	-65%
37602-Mains - Plastic														
2005	89,106	0	0	0	0%									
2006	2,563,018	0	83,806	(83,806)	-3%	-3%								
2007	1,798,053	0	715,936	(715,936)	-40%	-18%	-18%							
2008	1,690,087	0	298,390	(298,390)	-18%	-29%	-18%	-18%						
2009	1,964,330	0	601,400	(601,400)	-31%	-25%	-30%	-21%	-21%					
2010	1,439,818	3,581	1,042,521	(1,038,940)	-72%	-48%	-38%	-39%	-29%	-29%				
2011	2,121,978	68	1,046,821	(1,046,753)	-49%	-59%	-49%	-41%	-41%	-33%	-32%			
2012	1,820,577	8,910	1,532,017	(1,523,106)	-84%	-65%	-67%	-57%	-50%	-48%	-40%	-39%		
2013	2,375,972	4,752	2,045,137	(2,040,386)	-86%	-85%	-73%	-73%	-64%	-57%	-55%	-47%	-46%	
2014	2,556,398	10,481	2,194,989	(2,184,508)	-85%	-86%	-85%	-77%	-76%	-69%	-63%	-60%	-52%	-52%
2015	2,140,780	8	1,941,309	(1,941,301)	-91%	-88%	-87%	-86%	-79%	-78%	-72%	-66%	-64%	-56%
2016	3,456,945	0	2,288,995	(2,288,995)	-66%	-76%	-79%	-80%	-81%	-76%	-76%	-71%	-66%	-64%

ATMOS ENERGY - MID-TEX DIVISION
DEPRECIATION STUDY AS OF SEPTEMBER 30, 2023
NET SALVAGE ANALYSIS

Fiscal Year	Retirements	Gross Salvage	Removal Cost	Net Salvage	Net Salv.	2- yr Net Salv.	3- yr Net Salv.	4- yr Net Salv.	5- yr Net Salv.	6- yr Net Salv.	7- yr Net Salv.	8- yr Net Salv.	9- yr Net Salv.	10- yr Net Salv.
2017	2,551,045	21	1,269,993	(1,269,972)	-50%	-59%	-67%	-72%	-74%	-75%	-72%	-72%	-68%	-64%
2018	3,462,422	0	2,229,305	(2,229,305)	-64%	-58%	-61%	-67%	-70%	-72%	-73%	-71%	-71%	-68%
2019	3,936,021	0	2,022,611	(2,022,611)	-51%	-57%	-55%	-58%	-63%	-66%	-68%	-70%	-68%	-68%
2020	5,722,028	0	4,678,768	(4,678,768)	-82%	-69%	-68%	-65%	-65%	-68%	-70%	-71%	-72%	-70%
2021	8,374,255	0	4,880,068	(4,880,068)	-58%	-68%	-64%	-64%	-63%	-63%	-65%	-67%	-68%	-69%
2022	6,879,982	0	5,484,471	(5,484,471)	-80%	-68%	-72%	-69%	-68%	-66%	-66%	-68%	-69%	-70%
2023	7,912,953	0	6,306,710	(6,306,710)	-80%	-80%	-72%	-74%	-71%	-71%	-69%	-69%	-70%	-71%
37601 and 37602 Mains Combined														
2005	89,106	0	0	0	0%									
2006	7,042,083	0	1,009,478	(1,009,478)	-14%	-14%								
2007	4,340,005	0	3,060,286	(3,060,286)	-71%	-36%	-35%							
2008	3,151,986	0	2,002,708	(2,002,708)	-64%	-68%	-42%	-42%						
2009	4,445,367	1,013	2,912,751	(2,911,739)	-66%	-65%	-67%	-47%	-47%					
2010	2,995,756	5,500	4,526,894	(4,521,394)	-151%	-100%	-89%	-84%	-61%	-61%				
2011	6,096,681	3,274	3,503,349	(3,500,075)	-57%	-88%	-81%	-78%	-76%	-61%	-60%			
2012	12,324,337	14,565	10,923,024	(10,908,458)	-89%	-78%	-88%	-84%	-82%	-81%	-69%	-69%		
2013	16,993,497	30,507	14,770,104	(14,739,597)	-87%	-87%	-82%	-88%	-85%	-84%	-83%	-74%	-74%	
2014	15,902,821	11,928	12,104,994	(12,093,066)	-76%	-82%	-83%	-80%	-84%	-83%	-82%	-81%	-75%	-75%
2015	15,382,182	1,063	14,605,232	(14,604,168)	-95%	-85%	-86%	-86%	-84%	-87%	-85%	-84%	-84%	-78%
2016	18,125,028	0	10,742,583	(10,742,583)	-59%	-76%	-76%	-79%	-80%	-79%	-81%	-80%	-80%	-79%
2017	16,000,019	12,725	7,270,659	(7,257,934)	-45%	-53%	-66%	-68%	-72%	-74%	-73%	-75%	-75%	-75%
2018	29,797,056	0	15,879,670	(15,879,670)	-53%	-51%	-53%	-61%	-64%	-67%	-69%	-69%	-71%	-70%
2019	17,003,790	0	15,544,125	(15,544,125)	-91%	-67%	-62%	-61%	-66%	-68%	-70%	-72%	-71%	-73%
2020	25,574,299	0	29,722,551	(29,722,551)	-116%	-106%	-84%	-77%	-74%	-77%	-77%	-78%	-79%	-78%
2021	45,888,291	0	28,061,270	(28,061,270)	-61%	-81%	-83%	-75%	-72%	-70%	-73%	-73%	-74%	-75%
2022	52,194,758	0	20,844,264	(20,844,264)	-40%	-50%	-64%	-67%	-65%	-63%	-63%	-65%	-66%	-67%
2023	32,664,833	0	22,079,519	(22,079,519)	-68%	-51%	-54%	-64%	-67%	-65%	-64%	-63%	-65%	-66%

ATMOS ENERGY - MID-TEX DIVISION
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Fiscal Year	Retirements	Gross Salvage	Removal Cost	Net Salvage	Net Salv.	2- yr Net Salv.	3- yr Net Salv.	4- yr Net Salv.	5- yr Net Salv.	6- yr Net Salv.	7- yr Net Salv.	8- yr Net Salv.	9- yr Net Salv.	10- yr Net Salv.
All 376 Mains Combined														
2005	817,522	0	36,812	(36,812)	-5%									
2006	7,457,693	0	1,029,006	(1,029,006)	-14%	-13%								
2007	4,417,908	0	3,061,686	(3,061,686)	-69%	-34%	-33%							
2008	3,152,161	0	2,003,078	(2,003,078)	-64%	-67%	-41%	-39%						
2009	4,463,599	1,013	2,913,378	(2,912,365)	-65%	-65%	-66%	-46%	-45%					
2010	3,044,112	5,500	4,562,440	(4,556,940)	-150%	-99%	-89%	-83%	-60%	-58%				
2011	6,122,107	3,274	3,511,815	(3,508,541)	-57%	-88%	-81%	-77%	-76%	-60%	-58%			
2012	12,488,692	14,565	10,937,527	(10,922,962)	-87%	-78%	-88%	-84%	-82%	-80%	-68%	-67%		
2013	17,362,252	30,507	14,825,919	(14,795,412)	-85%	-86%	-81%	-87%	-84%	-83%	-82%	-73%	-72%	
2014	16,200,545	11,928	12,154,306	(12,142,378)	-75%	-80%	-82%	-79%	-83%	-82%	-81%	-80%	-74%	-73%
2015	15,529,800	1,063	14,650,290	(14,649,226)	-94%	-84%	-85%	-85%	-83%	-86%	-84%	-84%	-83%	-77%
2016	18,283,166	24,103	10,770,722	(10,746,620)	-59%	-75%	-75%	-78%	-79%	-78%	-80%	-79%	-79%	-78%
2017	16,127,034	13,725	7,308,461	(7,294,737)	-45%	-52%	-65%	-68%	-71%	-73%	-73%	-75%	-74%	-74%
2018	29,880,362	0	15,913,039	(15,913,039)	-53%	-50%	-53%	-61%	-63%	-67%	-69%	-68%	-70%	-70%
2019	17,140,908	0	15,559,819	(15,559,819)	-91%	-67%	-61%	-61%	-66%	-67%	-70%	-71%	-71%	-72%
2020	25,734,018	0	29,742,897	(29,742,897)	-116%	-106%	-84%	-77%	-74%	-77%	-76%	-77%	-78%	-77%
2021	46,156,757	0	28,078,373	(28,078,373)	-61%	-80%	-82%	-75%	-72%	-70%	-72%	-72%	-74%	-74%
2022	52,318,589	0	20,903,992	(20,903,992)	-40%	-50%	-63%	-67%	-64%	-63%	-62%	-65%	-65%	-67%
2023	32,844,076	0	22,096,150	(22,096,150)	-67%	-50%	-54%	-64%	-67%	-65%	-63%	-63%	-65%	-66%
37800-Meas. & Reg. Sta. Eq-General														
2005	9,692	0	0	0	0%									
2006	17,338	0	1,252	(1,252)	-7%	-5%								
2007	16,677	0	14,704	(14,704)	-88%	-47%	-37%							
2008	33,845	0	20,139	(20,139)	-60%	-69%	-53%	-47%						
2009	45,657	0	14,594	(14,594)	-32%	-44%	-51%	-45%	-41%					
2010	134,641	0	76,119	(76,119)	-57%	-50%	-52%	-54%	-51%	-49%				
2011	323,141	0	140,821	(140,821)	-44%	-47%	-46%	-47%	-48%	-47%	-46%			
2012	531,357	0	71,902	(71,902)	-14%	-25%	-29%	-29%	-30%	-31%	-31%	-31%		
2013	367,179	0	153,608	(153,608)	-42%	-25%	-30%	-33%	-33%	-33%	-34%	-34%	-33%	
2014	382,989	0	241,870	(241,870)	-63%	-53%	-36%	-38%	-39%	-39%	-40%	-40%	-40%	-39%
2015	396,340	0	119,136	(119,136)	-30%	-46%	-45%	-35%	-36%	-38%	-38%	-38%	-38%	-38%

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NET SALVAGE ANALYSIS

Fiscal Year	Retirements	Gross Salvage	Removal Cost	Net Salvage	Net Salv.	2- yr Net Salv.	3- yr Net Salv.	4- yr Net Salv.	5- yr Net Salv.	6- yr Net Salv.	7- yr Net Salv.	8- yr Net Salv.	9- yr Net Salv.	10- yr Net Salv.
2016	443,878	0	145,342	(145,342)	-33%	-31%	-41%	-41%	-34%	-36%	-37%	-37%	-37%	-37%
2017	1,006,535	0	263,259	(263,259)	-26%	-28%	-29%	-35%	-36%	-32%	-33%	-34%	-34%	-34%
2018	1,037,395	0	297,214	(297,214)	-29%	-27%	-28%	-29%	-33%	-34%	-31%	-32%	-33%	-33%
2019	2,341,816	21,642	754,237	(732,595)	-31%	-30%	-29%	-30%	-30%	-32%	-33%	-31%	-32%	-32%
2020	1,384,656	0	561,764	(561,764)	-41%	-35%	-33%	-32%	-32%	-32%	-34%	-34%	-33%	-33%
2021	9,198,763	0	1,774,986	(1,774,986)	-19%	-22%	-24%	-24%	-24%	-24%	-25%	-26%	-26%	-26%
2022	11,676,367	0	3,727,786	(3,727,786)	-32%	-26%	-27%	-28%	-28%	-28%	-28%	-28%	-28%	-28%
2023	5,422,301	0	1,595,278	(1,595,278)	-29%	-31%	-27%	-28%	-28%	-28%	-28%	-28%	-28%	-28%
37900-Meas. & Reg. - City Gate														
2005	31,938	0	0	0	0%									
2006	0	0	0	0	NA	0%								
2007	0	0	0	0	NA	NA	0%							
2008	1,677	0	2,549	(2,549)	-152%	-152%	-152%	-8%						
2009	392	0	196	(196)	-50%	-133%	-133%	-133%	-8%					
2010	0	0	0	0	NA	-50%	-133%	-133%	-133%	-8%				
2011	0	0	0	0	NA	NA	-50%	-133%	-133%	-133%	-8%			
2012	0	0	0	0	NA	NA	NA	-50%	-133%	-133%	-133%	-8%		
2013	0	0	0	0	NA	NA	NA	NA	-50%	-133%	-133%	-133%	-8%	
2014	0	0	0	0	NA	NA	NA	NA	NA	-50%	-133%	-133%	-133%	-8%
2015	0	0	0	0	NA	NA	NA	NA	NA	NA	-50%	-133%	-133%	-133%
2016	287	0	602	(602)	-209%	-209%	-209%	-209%	-209%	-209%	-209%	-118%	-142%	-142%
2017	0	0	0	0	NA	-209%	-209%	-209%	-209%	-209%	-209%	-209%	-118%	-142%
2018	0	0	0	0	NA	NA	-209%	-209%	-209%	-209%	-209%	-209%	-209%	-118%
2019	0	0	0	0	NA	NA	NA	-209%	-209%	-209%	-209%	-209%	-209%	-209%
2020	0	0	0	0	NA	NA	NA	NA	-209%	-209%	-209%	-209%	-209%	-209%
2021	0	0	0	0	NA	NA	NA	NA	NA	-209%	-209%	-209%	-209%	-209%
2022	0	0	0	0	NA	NA	NA	NA	NA	NA	-209%	-209%	-209%	-209%
2023	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	-209%	-209%	-209%

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Fiscal Year	Retirements	Gross Salvage	Removal Cost	Net Salvage	Net Salv.	2- yr Net Salv.	3- yr Net Salv.	4- yr Net Salv.	5- yr Net Salv.	6- yr Net Salv.	7- yr Net Salv.	8- yr Net Salv.	9- yr Net Salv.	10- yr Net Salv.
37800 & 37900 Combined														
2005	41,630	0	0	0	0%									
2006	17,338	0	1,252	(1,252)	-7%	-2%								
2007	16,677	0	14,704	(14,704)	-88%	-47%	-21%							
2008	35,522	0	22,688	(22,688)	-64%	-72%	-56%	-35%						
2009	46,048	0	14,790	(14,790)	-32%	-46%	-53%	-46%	-34%					
2010	134,641	0	76,119	(76,119)	-57%	-50%	-53%	-55%	-52%	-44%				
2011	323,141	0	140,821	(140,821)	-44%	-47%	-46%	-47%	-48%	-47%	-44%			
2012	531,357	0	71,902	(71,902)	-14%	-25%	-29%	-29%	-30%	-31%	-31%	-30%		
2013	367,179	0	153,608	(153,608)	-42%	-25%	-30%	-33%	-33%	-33%	-34%	-34%	-33%	
2014	382,989	0	241,870	(241,870)	-63%	-53%	-36%	-38%	-39%	-39%	-40%	-40%	-40%	-39%
2015	396,340	0	119,136	(119,136)	-30%	-46%	-45%	-35%	-36%	-38%	-38%	-38%	-38%	-38%
2016	444,165	0	145,944	(145,944)	-33%	-32%	-41%	-42%	-35%	-36%	-37%	-37%	-37%	-37%
2017	1,191,682	0	0	(263,259)	-22%	-25%	-26%	-32%	-33%	-30%	-31%	-32%	-32%	-32%
2018	1,077,654	0	0	(297,214)	-28%	-25%	-26%	-27%	-31%	-32%	-29%	-30%	-31%	-31%
2019	2,341,816	0	0	(732,595)	-31%	-30%	-28%	-28%	-29%	-31%	-32%	-30%	-31%	-31%
2020	1,385,202	0	0	(561,764)	-41%	-35%	-33%	-31%	-31%	-31%	-33%	-33%	-32%	-32%
2021	9,200,123	0	0	(1,774,986)	-19%	-22%	-24%	-24%	-24%	-24%	-24%	-25%	-26%	-25%
2022	11,676,367	0	0	(3,727,786)	-32%	-26%	-27%	-28%	-28%	-27%	-27%	-28%	-28%	-28%
2023	5,499,819	0	0	(1,595,278)	-29%	-31%	-27%	-28%	-28%	-28%	-28%	-28%	-28%	-28%
378, 379 and 385 Combined														
2005	41,630	0	0	0	0%									
2006	17,338	0	1,252	(1,252)	-7%	-2%								
2007	16,677	0	14,704	(14,704)	-88%	-47%	-21%							
2008	35,522	0	22,719	(25,237)	-71%	-77%	-59%	-37%						
2009	46,048	0	14,790	(14,986)	-33%	-49%	-56%	-49%	-36%					
2010	134,641	0	76,119	(76,119)	-57%	-50%	-54%	-56%	-53%	-45%				
2011	325,870	0	140,821	(140,821)	-43%	-47%	-46%	-47%	-49%	-47%	-44%			
2012	531,357	0	71,902	(71,902)	-14%	-25%	-29%	-29%	-31%	-32%	-31%	-30%		
2013	367,179	0	153,608	(153,608)	-42%	-25%	-30%	-33%	-33%	-34%	-34%	-34%	-33%	
2014	407,191	0	241,870	(241,870)	-59%	-51%	-36%	-37%	-39%	-39%	-39%	-40%	-39%	-38%
2015	401,624	0	119,247	(119,136)	-30%	-45%	-44%	-34%	-36%	-37%	-37%	-38%	-38%	-38%

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Fiscal Year	Retirements	Gross Salvage	Removal Cost	Net Salvage	Net Salv.	2- yr Net Salv.	3- yr Net Salv.	4- yr Net Salv.	5- yr Net Salv.	6- yr Net Salv.	7- yr Net Salv.	8- yr Net Salv.	9- yr Net Salv.	10- yr Net Salv.
2016	449,728	0	145,945	(146,546)	-33%	-31%	-40%	-41%	-34%	-35%	-36%	-36%	-37%	-37%
2017	1,376,830	0	26,737	(263,259)	-19%	-22%	-24%	-29%	-31%	-28%	-29%	-30%	-30%	-31%
2018	1,117,912	0	3,681	(297,214)	-27%	-22%	-24%	-25%	-28%	-30%	-28%	-29%	-30%	-30%
2019	2,341,816	0	0	(732,595)	-31%	-30%	-27%	-27%	-27%	-30%	-30%	-29%	-30%	-30%
2020	1,385,749	0	0	(561,764)	-41%	-35%	-33%	-30%	-30%	-30%	-32%	-32%	-31%	-31%
2021	9,201,484	0	7,886	(1,774,986)	-19%	-22%	-24%	-24%	-24%	-24%	-24%	-25%	-25%	-25%
2022	11,676,367	0	0	(3,727,786)	-32%	-26%	-27%	-28%	-28%	-27%	-27%	-27%	-28%	-28%
2023	5,577,338	0	21,506	(1,595,278)	-29%	-31%	-27%	-28%	-28%	-28%	-27%	-27%	-27%	-28%
38000-Services														
2005	320,053	67	1,333,737	(1,333,670)	-417%									
2006	3,203,014	673	747,827	(747,154)	-23%	-59%								
2007	3,669,690	771	6,268,626	(6,267,855)	-171%	-102%	-116%							
2008	5,828,263	1,224	9,435,134	(9,433,910)	-162%	-165%	-130%	-137%						
2009	3,705,545	778	5,968,216	(5,967,438)	-161%	-162%	-164%	-137%	-142%					
2010	3,944,624	1,224	6,478,675	(6,477,450)	-164%	-163%	-162%	-164%	-142%	-146%				
2011	4,837,505	1,016	10,416,323	(10,415,307)	-215%	-192%	-183%	-176%	-175%	-156%	-159%			
2012	5,358,865	4,933	3,474,848	(3,469,914)	-65%	-136%	-144%	-148%	-151%	-154%	-140%	-143%		
2013	6,638,703	12	1,619,957	(1,619,945)	-24%	-42%	-92%	-106%	-114%	-123%	-128%	-119%	-122%	
2014	5,912,812	638	9,628,674	(9,628,036)	-163%	-90%	-82%	-110%	-118%	-124%	-130%	-134%	-125%	-128%
2015	7,403,093	0	9,500,801	(9,500,801)	-128%	-144%	-104%	-96%	-115%	-121%	-125%	-130%	-133%	-126%
2016	6,878,845	0	7,888,349	(7,888,349)	-115%	-122%	-134%	-107%	-100%	-115%	-120%	-123%	-128%	-130%
2017	8,008,973	339	4,020,932	(4,020,593)	-50%	-80%	-96%	-110%	-94%	-90%	-103%	-108%	-112%	-117%
2018	8,929,599	0	5,718,308	(5,718,308)	-64%	-57%	-74%	-87%	-99%	-88%	-85%	-97%	-101%	-105%
2019	9,965,216	0	8,154,745	(8,154,745)	-82%	-73%	-67%	-76%	-86%	-95%	-87%	-85%	-94%	-99%
2020	12,552,139	0	8,316,621	(8,316,621)	-66%	-73%	-71%	-66%	-74%	-81%	-89%	-83%	-81%	-90%
2021	21,802,103	0	6,066,362	(6,066,362)	-28%	-42%	-51%	-53%	-53%	-59%	-66%	-73%	-69%	-69%
2022	22,958,639	0	10,218,335	(10,218,335)	-45%	-36%	-43%	-49%	-50%	-50%	-55%	-61%	-67%	-64%
2023	10,753,292	0	12,162,655	(12,162,655)	-113%	-66%	-51%	-54%	-58%	-58%	-58%	-61%	-66%	-71%

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Fiscal Year	Retirements	Gross Salvage	Removal Cost	Net Salvage	Net Salv.	2- yr Net Salv.	3- yr Net Salv.	4- yr Net Salv.	5- yr Net Salv.	6- yr Net Salv.	7- yr Net Salv.	8- yr Net Salv.	9- yr Net Salv.	10- yr Net Salv.
38100-Meters														
2005	2,543,393	0	158,713	(158,713)	-6%									
2006	697,018	0	1,461	(1,461)	0%	-5%								
2007	1,067,828	0	245,118	(245,118)	-23%	-14%	-9%							
2008	1,558,509	0	15,633	(15,633)	-1%	-10%	-8%	-7%						
2009	536,702	0	0	0	0%	-1%	-8%	-7%	-7%					
2010	279,499	0	2,004	(2,004)	-1%	0%	-1%	-8%	-6%	-6%				
2011	1,110,328	0	402,452	(402,452)	-36%	-29%	-21%	-12%	-15%	-13%	-11%			
2012	2,511,530	7	3,270,968	(3,270,961)	-130%	-101%	-94%	-83%	-62%	-56%	-51%	-40%		
2013	69,039	0	1,054,482	(1,054,482)	-1527%	-168%	-128%	-119%	-105%	-78%	-70%	-64%	-50%	
2014	5,739,974	0	828,216	(828,216)	-14%	-32%	-62%	-59%	-57%	-54%	-47%	-45%	-43%	-37%
2015	8,057,069	0	110,068	(110,068)	-1%	-7%	-14%	-32%	-32%	-32%	-31%	-29%	-28%	-27%
2016	6,629,077	0	339,329	(339,329)	-5%	-3%	-6%	-11%	-24%	-25%	-25%	-24%	-23%	-23%
2017	7,565,861	0	554,177	(554,177)	-7%	-6%	-5%	-7%	-10%	-20%	-21%	-21%	-20%	-19%
2018	7,371,855	0	443,055	(443,055)	-6%	-7%	-6%	-5%	-6%	-9%	-17%	-18%	-18%	-18%
2019	10,951,608	0	74,332	(74,332)	-1%	-3%	-4%	-4%	-4%	-5%	-7%	-14%	-14%	-14%
2020	4,990,111	0	68,509	(68,509)	-1%	-1%	-3%	-4%	-4%	-3%	-5%	-7%	-13%	-13%
2021	8,000,607	0	69,435	(69,435)	-1%	-1%	-1%	-2%	-3%	-3%	-3%	-4%	-6%	-11%
2022	11,269,941	0	119,186	(119,186)	-1%	-1%	-1%	-1%	-2%	-3%	-3%	-3%	-4%	-5%
2023	11,322,256	0	142,914	(142,914)	-1%	-1%	-1%	-1%	-1%	-2%	-2%	-3%	-3%	-3%
38200-Meter Installations														
2005	24,665	0	0	0	0%									
2006	118	0	0	0	0%	0%								
2007	262,328	0	6,773	(6,773)	-3%	-3%	-2%							
2008	2,115	0	177,501	(177,501)	-8393%	-70%	-70%	-64%						
2009	345	0	94	(94)	-27%	-7219%	-70%	-70%	-64%					
2010	10	0	0	0	0%	-26%	-7191%	-70%	-70%	-64%				
2011	301,429	0	60	(60)	0%	0%	0%	-58%	-33%	-33%	-31%			
2012	130,147	837	2,439,440	(2,438,603)	-1874%	-565%	-565%	-565%	-603%	-377%	-377%	-364%		
2013	72,017	0	1,097,263	(1,097,263)	-1524%	-1749%	-702%	-702%	-702%	-734%	-484%	-484%	-469%	
2014	588,663	0	568,209	(568,209)	-97%	-252%	-519%	-376%	-376%	-376%	-391%	-316%	-316%	-310%
2015	2,063,427	0	1,408,216	(1,408,216)	-68%	-75%	-113%	-193%	-175%	-175%	-175%	-180%	-167%	-167%

**ATMOS ENERGY - MID-TEX DIVISION
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NET SALVAGE ANALYSIS**

Fiscal Year	Retirements	Gross Salvage	Removal Cost	Net Salvage	Net Salv.	2- yr Net Salv.	3- yr Net Salv.	4- yr Net Salv.	5- yr Net Salv.	6- yr Net Salv.	7- yr Net Salv.	8- yr Net Salv.	9- yr Net Salv.	10- yr Net Salv.
2016	2,589,382	0	1,503,482	(1,503,482)	-58%	-63%	-66%	-86%	-129%	-122%	-122%	-122%	-125%	-120%
2017	2,846,456	0	1,354,182	(1,354,182)	-48%	-53%	-57%	-60%	-73%	-101%	-97%	-97%	-97%	-99%
2018	2,987,141	0	543,958	(543,958)	-18%	-33%	-40%	-46%	-49%	-58%	-79%	-77%	-77%	-77%
2019	4,136,377	0	454,084	(454,084)	-11%	-14%	-24%	-31%	-36%	-38%	-45%	-61%	-60%	-60%
2020	1,986,260	0	494,838	(494,838)	-25%	-15%	-16%	-24%	-30%	-35%	-37%	-43%	-57%	-56%
2021	3,220,032	0	599,779	(599,779)	-19%	-21%	-17%	-17%	-23%	-28%	-32%	-34%	-39%	-51%
2022	4,087,974	0	896,711	(896,711)	-22%	-20%	-21%	-18%	-18%	-23%	-27%	-30%	-32%	-36%
2023	5,404,558	0	1,130,349	(1,130,349)	-21%	-21%	-21%	-21%	-19%	-19%	-22%	-26%	-29%	-30%
38300-House Regulators														
2005	130,150	0	19,229	(19,229)	-15%									
2006	0	0	0	0	NA	-15%								
2007	0	0	2,279	(2,279)	NA	NA	-17%							
2008	126	0	742	(742)	-589%	-2397%	-2397%	-17%						
2009	0	0	0	0	NA	-589%	-2397%	-2397%	-17%					
2010	0	0	0	0	NA	NA	-589%	-2397%	-2397%	-17%				
2011	1,917,357	0	261,079	(261,079)	-14%	-14%	-14%	-14%	-14%	-14%	-14%			
2012	3,962,575	4	6,329,171	(6,329,167)	-160%	-112%	-112%	-112%	-112%	-112%	-112%	-110%		
2013	127,422	22	749,445	(749,423)	-588%	-173%	-122%	-122%	-122%	-122%	-122%	-122%	-120%	
2014	772,724	0	538,076	(538,076)	-70%	-143%	-157%	-116%	-116%	-116%	-116%	-116%	-116%	-114%
2015	1,396,938	0	310,784	(310,784)	-22%	-39%	-70%	-127%	-100%	-100%	-100%	-100%	-100%	-100%
2016	1,867,680	0	295,967	(295,967)	-16%	-19%	-28%	-45%	-101%	-84%	-84%	-84%	-84%	-84%
2017	1,809,744	0	324,984	(324,984)	-18%	-17%	-18%	-25%	-37%	-86%	-74%	-74%	-74%	-74%
2018	2,084,214	0	206,549	(206,549)	-10%	-14%	-14%	-16%	-21%	-30%	-73%	-65%	-65%	-65%
2019	2,857,762	0	73,244	(73,244)	-3%	-6%	-9%	-10%	-12%	-16%	-23%	-59%	-54%	-54%
2020	1,326,193	0	78,331	(78,331)	-6%	-4%	-6%	-8%	-10%	-11%	-15%	-21%	-55%	-51%
2021	2,054,352	0	99,530	(99,530)	-5%	-5%	-4%	-5%	-8%	-9%	-10%	-14%	-19%	-49%
2022	2,347,304	0	137,802	(137,802)	-6%	-5%	-6%	-5%	-6%	-7%	-8%	-10%	-13%	-17%
2023	2,858,706	0	172,807	(172,807)	-6%	-6%	-6%	-6%	-5%	-6%	-7%	-8%	-9%	-12%

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ATMOS ENERGY - MID-TEX DIVISION
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NET SALVAGE ANALYSIS

Fiscal Year	Retirements	Gross Salvage	Removal Cost	Net Salvage	Net Salv.	2- yr Net Salv.	3- yr Net Salv.	4- yr Net Salv.	5- yr Net Salv.	6- yr Net Salv.	7- yr Net Salv.	8- yr Net Salv.	9- yr Net Salv.	10- yr Net Salv.
2015	5,284	0	111	(111)	-2%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2016	5,563	0	1	(1)	0%	-1%	0%	0%	0%	0%	0%	0%	0%	0%
2017	185,147	0	26,737	(26,737)	-14%	-14%	-14%	-12%	-12%	-12%	-12%	-12%	-12%	-12%
2018	40,258	0	3,681	(3,681)	-9%	-13%	-13%	-13%	-12%	-12%	-12%	-12%	-12%	-12%
2019	0	0	0	0	NA	-9%	-13%	-13%	-13%	-12%	-12%	-12%	-12%	-12%
2020	547	0	0	0	0%	0%	-9%	-13%	-13%	-13%	-12%	-12%	-12%	-12%
2021	1,361	0	7,886	(7,886)	-579%	-413%	-413%	-27%	-17%	-16%	-16%	-15%	-15%	-15%
2022	0	0	0	0	NA	-579%	-413%	-413%	-27%	-17%	-16%	-16%	-15%	-15%
2023	77,518	0	21,506	(21,506)	-28%	-28%	-37%	-37%	-37%	-28%	-20%	-19%	-19%	-18%
39000-Structures & Improvements														
2005	0	0	0	0	NA									
2006	0	0	0	0	NA	NA								
2007	0	0	0	0	NA	NA	NA							
2008	183,466	0	0	0	0%	0%	0%	0%						
2009	0	0	74,622	(74,622)	NA	-41%	-41%	-41%	-41%					
2010	525,812	0	17,224	(17,224)	-3%	-17%	-13%	-13%	-13%	-13%				
2011	7,063	0	700	(700)	-10%	-3%	-17%	-13%	-13%	-13%	-13%			
2012	5,199	0	16,395	(16,395)	-315%	-139%	-6%	-20%	-15%	-15%	-15%	-15%		
2013	0	0	0	0	NA	-315%	-139%	-6%	-20%	-15%	-15%	-15%	-15%	
2014	12,215	0	0	0	0%	0%	-94%	-70%	-6%	-20%	-15%	-15%	-15%	-15%
2015	0	0	599	(599)	NA	-5%	-5%	-98%	-72%	-6%	-20%	-15%	-15%	-15%
2016	36,800	0	0	0	0%	-2%	-1%	-1%	-31%	-29%	-6%	-19%	-14%	-14%
2017	1,353	0	0	0	0%	0%	-2%	-1%	-1%	-31%	-28%	-6%	-19%	-14%
2018	0	0	768	(768)	NA	-57%	-2%	-4%	-3%	-3%	-32%	-29%	-6%	-19%
2019	114,985	0	59,192	(59,192)	-51%	-52%	-52%	-39%	-40%	-37%	-37%	-45%	-44%	-13%
2020	25,981	0	63	(63)	0%	-42%	-43%	-42%	-34%	-34%	-32%	-32%	-39%	-38%
2021	5,040	0	18,686	(18,686)	-371%	-60%	-53%	-54%	-53%	-43%	-43%	-40%	-40%	-47%
2022	294,568	0	0	0	0%	-6%	-6%	-18%	-18%	-18%	-16%	-17%	-16%	-16%
2023	100,825	33,459	47,029	(13,570)	-13%	-3%	-8%	-8%	-17%	-17%	-17%	-16%	-16%	-16%

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NET SALVAGE ANALYSIS

Fiscal Year	Retirements	Gross Salvage	Removal Cost	Net Salvage	Net Salv.	2- yr Net Salv.	3- yr Net Salv.	4- yr Net Salv.	5- yr Net Salv.	6- yr Net Salv.	7- yr Net Salv.	8- yr Net Salv.	9- yr Net Salv.	10- yr Net Salv.
39100-Office Furniture & Equipment														
2005	0	0	0	0	NA									
2006	4,350,892	0	0	0	0%	0%								
2007	0	0	0	0	NA	0%	0%							
2008	0	0	0	0	NA	NA	0%	0%						
2009	17,345	1,710	9,329	(7,619)	-44%	-44%	-44%	0%	0%					
2010	0	0	0	0	NA	-44%	-44%	-44%	0%	0%				
2011	19,021	0	0	0	0%	0%	-21%	-21%	-21%	0%	0%			
2012	63,817	0	0	0	0%	0%	0%	-8%	-8%	-8%	0%	0%		
2013	5,677,812	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	
2014	1,709,647	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2015	789,595	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2016	938,839	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2017	1,359,333	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2018	1,512,521	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2019	982,164	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2020	506,880	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2021	704,881	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2022	1,088,937	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2023	31,374	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
39200-Transportation Equipment														
2005	117,515	0	0	0	0%									
2006	10,375,053	0	0	0	0%	0%								
2007	1,087,805	0	0	0	0%	0%	0%							
2008	287,937	442,274	0	442,274	154%	32%	4%	4%						
2009	109,634	0	0	0	0%	111%	30%	4%	4%					
2010	701,048	53,836	0	53,836	8%	7%	45%	23%	4%	4%				
2011	119,624	68,543	0	68,543	57%	15%	13%	46%	24%	4%	4%			
2012	436,683	0	0	0	0%	12%	10%	9%	34%	21%	4%	4%		
2013	404,525	0	0	0	0%	0%	7%	7%	27%	18%	4%	4%	4%	
2014	758,346	548,999	0	548,999	72%	47%	34%	36%	28%	27%	40%	29%	8%	8%

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NET SALVAGE ANALYSIS

Fiscal Year	Retirements	Gross Salvage	Removal Cost	Net Salvage	Net Salv.	2- yr Net Salv.	3- yr Net Salv.	4- yr Net Salv.	5- yr Net Salv.	6- yr Net Salv.	7- yr Net Salv.	8- yr Net Salv.	9- yr Net Salv.	10- yr Net Salv.
2015	126,834	0	0	0	0%	62%	43%	32%	33%	26%	25%	38%	28%	8%
2016	344,338	151,147	0	151,147	44%	32%	57%	43%	34%	35%	28%	27%	38%	29%
2017	280,897	0	0	0	0%	24%	20%	46%	37%	30%	31%	26%	25%	35%
2018	174,264	80,899	0	80,899	46%	18%	29%	25%	46%	37%	31%	32%	27%	26%
2019	836,621	529,426	0	529,426	63%	60%	47%	47%	43%	52%	45%	39%	40%	34%
2020	232,773	23,006	0	23,006	10%	52%	51%	42%	42%	39%	48%	42%	37%	38%
2021	46,665	75,508	0	75,508	162%	35%	56%	55%	45%	45%	42%	50%	44%	39%
2022	118,786	0	0	0	0%	46%	25%	51%	50%	42%	42%	40%	48%	42%
2023	117,324	147,975	0	147,975	126%	63%	79%	48%	57%	56%	47%	47%	44%	51%
39300-Stores Equipment														
2005	0	0	0	0	NA									
2006	0	0	0	0	NA	NA								
2007	0	0	0	0	NA	NA	NA							
2008	0	0	0	0	NA	NA	NA	NA						
2009	0	0	0	0	NA	NA	NA	NA	NA					
2010	0	0	0	0	NA	NA	NA	NA	NA	NA				
2011	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
2012	7,836	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%		
2013	0	0	0	0	NA	0%	0%	0%	0%	0%	0%	0%	0%	
2014	0	0	0	0	NA	NA	0%	0%	0%	0%	0%	0%	0%	0%
2015	0	0	0	0	NA	NA	NA	0%	0%	0%	0%	0%	0%	0%
2016	0	0	0	0	NA	NA	NA	NA	0%	0%	0%	0%	0%	0%
2017	65,970	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2018	0	45,386	0	45,386	NA	69%	69%	69%	69%	69%	61%	61%	61%	61%
2019	0	0	0	0	NA	NA	69%	69%	69%	69%	69%	61%	61%	61%
2020	0	0	0	0	NA	NA	NA	69%	69%	69%	69%	69%	61%	61%
2021	0	0	0	0	NA	NA	NA	NA	69%	69%	69%	69%	69%	61%
2022	0	0	0	0	NA	NA	NA	NA	NA	69%	69%	69%	69%	69%
2023	0	0	0	0	NA	NA	NA	NA	NA	NA	69%	69%	69%	69%

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Fiscal Year	Retirements	Gross Salvage	Removal Cost	Net Salvage	Net Salv.	2- yr Net Salv.	3- yr Net Salv.	4- yr Net Salv.	5- yr Net Salv.	6- yr Net Salv.	7- yr Net Salv.	8- yr Net Salv.	9- yr Net Salv.	10- yr Net Salv.
39400-Tools, Shop, & Garage														
2005	0	0	0	0	NA									
2006	0	0	0	0	NA	NA								
2007	32,203	0	0	0	0%	0%	0%							
2008	0	0	0	0	NA	0%	0%	0%						
2009	7,017	0	0	0	0%	0%	0%	0%	0%					
2010	73,768	0	0	0	0%	0%	0%	0%	0%	0%				
2011	7,205	0	0	0	0%	0%	0%	0%	0%	0%	0%			
2012	450,355	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%		
2013	0	0	0	0	NA	0%	0%	0%	0%	0%	0%	0%	0%	
2014	3,571	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2015	0	0	0	0	NA	0%	0%	0%	0%	0%	0%	0%	0%	0%
2016	83,349	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2017	0	0	0	0	NA	0%	0%	0%	0%	0%	0%	0%	0%	0%
2018	0	0	0	0	NA	NA	0%	0%	0%	0%	0%	0%	0%	0%
2019	15,193	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2020	2,803	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2021	0	0	0	0	NA	0%	0%	0%	0%	0%	0%	0%	0%	0%
2022	2,433,818	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2023	1,000,577	14,768	0	14,768	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%
39500-Laboratory Equipment														
2005	0	0	0	0	NA									
2006	2,923	0	0	0	0%	0%								
2007	27,198	0	0	0	0%	0%	0%							
2008	0	0	0	0	NA	0%	0%	0%						
2009	0	0	0	0	NA	NA	0%	0%	0%					
2010	26,131	0	0	0	0%	0%	0%	0%	0%	0%				
2011	105,053	0	786	(786)	-1%	-1%	-1%	-1%	0%	0%	0%			
2012	0	0	0	0	NA	-1%	-1%	-1%	-1%	0%	0%	0%		
2013	0	0	0	0	NA	NA	-1%	-1%	-1%	-1%	0%	0%	0%	

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NET SALVAGE ANALYSIS

Fiscal Year	Retirements	Gross Salvage	Removal Cost	Net Salvage	Net Salv.	2- yr Net Salv.	3- yr Net Salv.	4- yr Net Salv.	5- yr Net Salv.	6- yr Net Salv.	7- yr Net Salv.	8- yr Net Salv.	9- yr Net Salv.	10- yr Net Salv.
2014	0	0	0	0	NA	NA	NA	-1%	-1%	-1%	-1%	0%	0%	0%
2015	0	0	0	0	NA	NA	NA	NA	-1%	-1%	-1%	-1%	0%	0%
2016	0	0	0	0	NA	NA	NA	NA	NA	-1%	-1%	-1%	-1%	0%
2017	0	0	0	0	NA	NA	NA	NA	NA	NA	-1%	-1%	-1%	-1%
2018	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	-1%	-1%	-1%
2019	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	-1%	-1%
2020	66,289	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2021	0	0	0	0	NA	0%	0%	0%	0%	0%	0%	0%	0%	0%
2022	295,595	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2023	0	0	0	0	NA	0%	0%	0%	0%	0%	0%	0%	0%	0%
39600-Power Operated Equipment														
2005	64,942	0	0	0	0%									
2006	7,280,086	0	0	0	0%	0%								
2007	0	0	0	0	NA	0%	0%							
2008	0	0	0	0	NA	NA	0%	0%						
2009	156	0	0	0	0%	0%	0%	0%	0%					
2010	1,694	9,239	0	9,239	545%	500%	500%	500%	0%	0%				
2011	0	0	0	0	NA	545%	500%	500%	500%	0%	0%			
2012	0	0	0	0	NA	NA	545%	500%	500%	500%	0%	0%		
2013	69,616	0	0	0	0%	0%	0%	13%	13%	13%	13%	0%	0%	
2014	165,230	31,659	0	31,659	19%	13%	13%	13%	17%	17%	17%	17%	1%	1%
2015	22,688	0	0	0	0%	17%	12%	12%	12%	16%	16%	16%	16%	1%
2016	159,959	12,847	0	12,847	8%	7%	13%	11%	11%	11%	13%	13%	13%	13%
2017	162,966	0	0	0	0%	4%	4%	9%	8%	8%	9%	9%	9%	9%
2018	2,801	10,352	0	10,352	370%	6%	7%	7%	11%	9%	9%	9%	11%	11%
2019	5,132	0	0	0	0%	130%	6%	7%	7%	11%	9%	9%	9%	11%
2020	466,590	0	0	0	0%	0%	2%	2%	3%	3%	6%	5%	5%	5%
2021	237,105	0	0	0	0%	0%	0%	1%	1%	2%	2%	4%	4%	4%
2022	0	195,552	0	195,552	NA	82%	28%	28%	29%	24%	21%	21%	20%	19%
2023	82,726	0	0	0	0%	236%	61%	25%	25%	26%	22%	20%	19%	19%

ATMOS ENERGY - MID-TEX DIVISION
DEPRECIATION STUDY AS OF SEPTEMBER 30, 2023
NET SALVAGE ANALYSIS

Fiscal Year	Retirements	Gross Salvage	Removal Cost	Net Salvage	Net Salv.	2- yr Net Salv.	3- yr Net Salv.	4- yr Net Salv.	5- yr Net Salv.	6- yr Net Salv.	7- yr Net Salv.	8- yr Net Salv.	9- yr Net Salv.	10- yr Net Salv.
39700-Communication Equipment														
2005	0	0	0	0	NA									
2006	0	0	0	0	NA	NA								
2007	19,475	0	0	0	0%	0%	0%							
2008	13	0	0	0	0%	0%		0%						
2009	0	0	0	0	NA	0%	0%	0%	0%					
2010	1,328	0	9,487	(9,487)	-714%	-714%	-708%	-46%	-46%	-46%				
2011	1,964,335	0	30,383	(30,383)	-2%	-2%	-2%	-2%	-2%	-2%	-2%			
2012	154,160	0	0	0	0%	-1%	-2%	-2%	-2%	-2%	-2%	-2%		
2013	3,080,765	0	0	0	0%	0%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	
2014	0	0	0	0	NA	0%	0%	-1%	-1%	-1%	-1%	-1%	-1%	-1%
2015	0	0	0	0	NA	NA	0%	0%	-1%	-1%	-1%	-1%	-1%	-1%
2016	140,949	0	0	0	0%	0%	0%	0%	0%	-1%	-1%	-1%	-1%	-1%
2017	0	0	0	0	NA	0%	0%	0%	0%	0%	-1%	-1%	-1%	-1%
2018	118,006	0	0	0	0%	0%	0%	0%	0%	0%	0%	-1%	-1%	-1%
2019	39,804	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	-1%	-1%
2020	6,581	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	-1%
2021	2,532,628	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2022	482,854	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2023	900,497	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
39800-Miscellaneous Equipment														
2005	0	0	0	0	NA									
2006	0	0	0	0	NA	NA								
2007	0	0	0	0	NA	NA	NA							
2008	1,258,388	0	0	0	0%	0%	0%	0%						
2009	0	0	0	0	NA	0%	0%	0%	0%					
2010	0	0	0	0	NA	NA	0%	0%	0%	0%				
2011	2,137	0	0	0	0%	0%	0%	0%	0%	0%	0%			
2012	123,806	0	585	(585)	0%	0%	0%	0%	0%	0%	0%	0%		
2013	224,504	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	
2014	0	0	0	0	NA	0%	0%	0%	0%	0%	0%	0%	0%	0%
2015	0	0	0	0	NA	NA	0%	0%	0%	0%	0%	0%	0%	0%

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ATMOS ENERGY - MID-TEX DIVISION
DEPRECIATION STUDY AS OF SEPTEMBER 30, 2023
NET SALVAGE ANALYSIS

Fiscal Year	Retirements	Gross Salvage	Removal Cost	Net Salvage	Net Salv.	2- yr Net Salv.	3- yr Net Salv.	4- yr Net Salv.	5- yr Net Salv.	6- yr Net Salv.	7- yr Net Salv.	8- yr Net Salv.	9- yr Net Salv.	10- yr Net Salv.
39901-Servers Hardware														
2005	0	0	0	0	NA									
2006	0	0	0	0	NA	NA								
2007	0	0	0	0	NA	NA	NA							
2008	0	0	0	0	NA	NA	NA	NA						
2009	0	0	0	0	NA	NA	NA	NA	NA					
2010	0	0	0	0	NA	NA	NA	NA	NA	NA				
2011	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
2012	325,128	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%		
2013	37,931	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	
2014	0	0	0	0	NA	0%	0%	0%	0%	0%	0%	0%	0%	0%
2015	0	0	0	0	NA	NA	0%	0%	0%	0%	0%	0%	0%	0%
2016	0	0	0	0	NA	NA	NA	0%	0%	0%	0%	0%	0%	0%
2017	536,874	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2018	0	0	0	0	NA	0%	0%	0%	0%	0%	0%	0%	0%	0%
2019	0	0	0	0	NA	NA	0%	0%	0%	0%	0%	0%	0%	0%
2020	2,441	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2021	14,718	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2022	63,528	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2023	0	0	0	0	NA	0%	0%	0%	0%	0%	0%	0%	0%	0%
39902-Servers Software														
2005	0	0	0	0	NA									
2006	0	0	0	0	NA	NA								
2007	0	0	0	0	NA	NA	NA							
2008	0	0	0	0	NA	NA	NA	NA						
2009	0	0	0	0	NA	NA	NA	NA	NA					
2010	0	0	0	0	NA	NA	NA	NA	NA	NA				
2011	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
2012	398,403	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%		
2013	0	0	0	0	NA	0%	0%	0%	0%	0%	0%	0%	0%	
2014	0	0	0	0	NA	NA	0%	0%	0%	0%	0%	0%	0%	0%
2015	0	0	0	0	NA	NA	NA	0%	0%	0%	0%	0%	0%	0%

[illegible]

ATMOS ENERGY - MID-TEX DIVISION
DEPRECIATION STUDY AS OF SEPTEMBER 30, 2023
NET SALVAGE ANALYSIS

Fiscal Year	Retirements	Gross Salvage	Removal Cost	Net Salvage	Net Salv.	2- yr Net Salv.	3- yr Net Salv.	4- yr Net Salv.	5- yr Net Salv.	6- yr Net Salv.	7- yr Net Salv.	8- yr Net Salv.	9- yr Net Salv.	10- yr Net Salv.
39906-PC Hardware														
2005	0	0	0	0	NA									
2006	0	0	0	0	NA	NA								
2007	13,457	0	0	0	0%	0%	0%							
2008	0	8,355	0	8,355	NA	62%	62%	62%						
2009	584,525	0	0	0	0%	1%	1%	1%	1%					
2010	0	0	0	0	NA	0%	1%	1%	1%	1%				
2011	744,063	6,549	0	6,549	1%	1%	0%	1%	1%	1%	1%			
2012	1,809,497	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%		
2013	3,453,287	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	
2014	535,820	100	0	100	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2015	1,585,648	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2016	2,453,254	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2017	950,151	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2018	959,806	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2019	719,374	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2020	2,874,068	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2021	1,190,957	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2022	2,657,770	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2023	1,555,272	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
39907-PC Software														
2005	0	0	0	0	NA									
2006	0	0	0	0	NA	NA								
2007	0	0	0	0	NA	NA	NA							
2008	0	0	0	0	NA	NA	NA	NA						
2009	468,353	0	0	0	0%	0%	0%	0%	0%					
2010	0	0	0	0	NA	0%	0%	0%	0%	0%				
2011	0	0	0	0	NA	NA	0%	0%	0%	0%	0%			
2012	17,740	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%		
2013	713,298	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	
2014	0	0	0	0	NA	0%	0%	0%	0%	0%	0%	0%	0%	0%
2015	63,552	0	389	(389)	-1%	-1%	0%	0%	0%	0%	0%	0%	0%	0%

[illegible]

ATMOS ENERGY CORPORATION SHARED SERVICES UNIT

DEPRECIATION RATE STUDY

As of September 30, 2022



<http://www.utilityalliance.com>

ATMOS ENERGY CORPORATION - SHARED SERVICES UNIT
DEPRECIATION RATE STUDY
EXECUTIVE SUMMARY

Atmos Energy Corporation (“Atmos” or “Company”) engaged Alliance Consulting Group to conduct a depreciation study of the Company’s Shared Services Unit (“SSU” or “Shared Services”) operations depreciable assets as of fiscal year end September 30, 2022. SSU provides support to Atmos’ regulated utility divisions.

The regulated natural gas utility divisions during the year ended September 30, 2022 were:

- Atmos Colorado-Kansas Division
- Atmos Louisiana Division
- Atmos Kentucky Mid-States (Kentucky, Tennessee, and Virginia) Division
- Atmos Mississippi Division
- Atmos Mid-Tex Division
- Atmos West Texas Division
- Atmos Pipeline Texas Division

The depreciation rates are based on the straight-line method, equal life group (“ELG”) procedure, and remaining-life technique. This study results in an annual depreciation expense accrual of \$28.9 million when applied to depreciable plant balances as of September 30, 2022.

The depreciation study we conducted analyzed and developed depreciation recommendations at an account level. The resulting annual depreciation accrual amount and depreciation rates contained in this study are at the account level. The Company will accrue depreciation expense based on the account level depreciation rates developed in this study. Appendix A provides the annual depreciation expense. Appendix B provides the calculation of annual depreciation accrual expense and rates. Appendix C provides the proposed depreciation parameters. Appendix D provides the net salvage analysis.

ATMOS ENERGY CORPORATION
SHARED SERVICES UNIT
DEPRECIATION RATE STUDY
As of September 30, 2022
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PURPOSE

The purpose of this study is to develop depreciation rates for the depreciable property as recorded on Shared Services' books at September 30, 2022. The account based depreciation rates were designed to recover the total remaining undepreciated investment, adjusted for net salvage, over the remaining life of Shared Services' property on a straight-line basis. Non-depreciable property and property that is amortized, such as intangibles, were excluded from this study.

Shared Services is a division of Atmos Corporation dedicated to providing various support services to its operating companies. Shared Services consists of two Divisions, Division 02 – General Office and Division 12 – Customer Support. For purposes of this study, Division 02 and Division 12 were combined for analysis and rate calculations. As of the study date, Shared Services supported regulated gas utility divisions operating in eight different states.

STUDY RESULTS

The current study's annual depreciation expense results from the use of Iowa Curve dispersion patterns with average service lives over a straight-line basis as well as the equal life group ("ELG") procedure and remaining-life technique. Consideration was given to appropriate net salvage factors in the development of the study recommended depreciation rates. Detailed information for each of these factors will follow in this report.

Overall depreciation rates for Shared Services depreciable property are shown in Appendix A. These rates translate into an annual depreciation accrual of \$28.9 million based on Shared Services' depreciable investment at September 30, 2022.

The recommended annual depreciation accrual rates and expense are shown in Appendix A. Appendix B presents the development of the depreciation rates and annual accruals. Appendix C presents the recommended study mortality and net salvage parameters by account. Appendix D shows net salvage history by plant account.

GENERAL DISCUSSION

Definition

The term "depreciation" as used in this study is considered in the accounting sense, that is, a system of accounting that distributes the cost of assets, less net salvage (if any), over the estimated useful life of the assets in a systematic and rational manner. It is a process of allocation, not valuation. This expense is systematically allocated to accounting periods over the life of the properties. The amount allocated to any one accounting period does not necessarily represent the loss or decrease in value that will occur during a particular period. The Company accrues depreciation based on original cost of all depreciable property included in each functional property group. On retirement the full cost of depreciable property, less the net salvage value, is charged to the depreciation reserve.

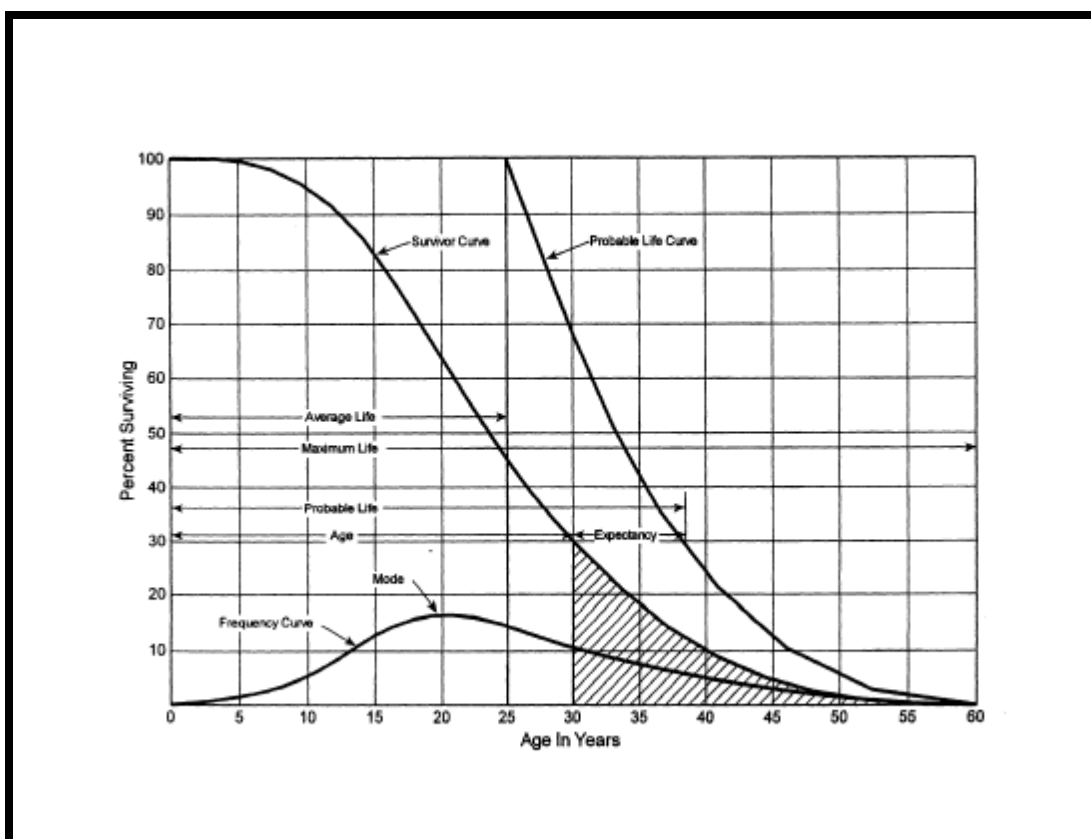
Basis of Depreciation Estimates

The straight-line, ELG, remaining-life depreciation system was employed to calculate annual and accrued depreciation in this study. In this system, the annual depreciation expense for each group is computed by dividing the original cost of the asset less allocated depreciation reserve less estimated net salvage by its respective equal life group remaining life. The resulting annual accrual amounts of all depreciable property within a function were accumulated, and the total was divided by the original cost of all functional depreciable property to determine the depreciation rate. The calculated remaining lives and annual depreciation accrual rates were based on attained ages of plant in service and the estimated service life and salvage characteristics of each depreciable group. The computations of the annual depreciation rates are shown in Appendix B and remaining life calculations are provided in the workpapers.

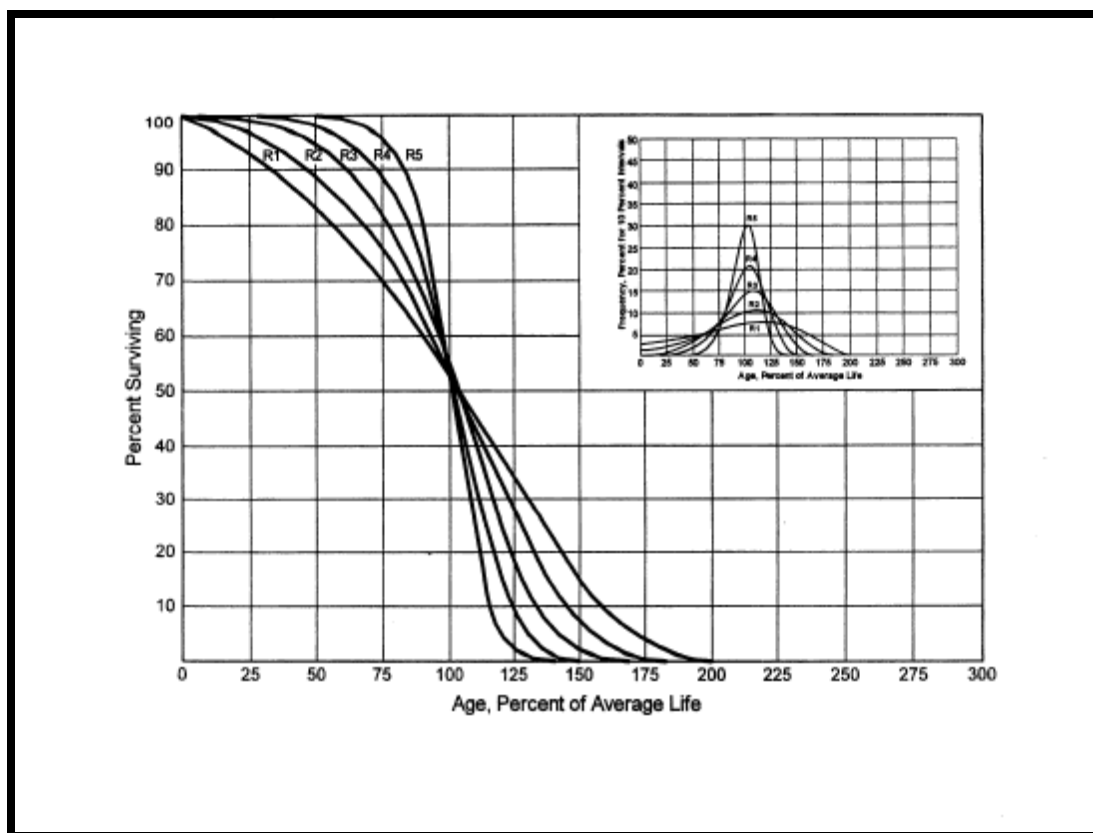
Actuarial analysis was used with each account within a function, where sufficient data was available, and judgment was used to some degree on all accounts.

Survivor Curves

To fully understand depreciation projections in a regulated utility setting, there must be a basic understanding of survivor curves. Individual property units within a group do not normally have identical lives or investment amounts. The average life of a group can be determined by first constructing a survivor curve which is plotted as a percentage of the units surviving at each age. A survivor curve represents the percentage of property remaining in service at various age intervals. The Iowa Curves are the result of an extensive investigation of life characteristics of physical property made at Iowa State College Engineering Experiment Station in the first half of the prior century. Through common usage, revalidation and regulatory acceptance, these curves have become a descriptive standard for the life characteristics of industrial property. An example of an Iowa Curve is shown below.



There are four families in the Iowa Curves that are distinguished by the relation of the age at the retirement mode (largest annual retirement frequency) and the average life. For distributions with the mode age greater than the average life, an "R" designation (i.e., Right modal) is used. The family of "R" moded curves is shown below.



Similarly, an "S" designation (i.e., Symmetric modal) is used for the family whose mode age is symmetric about the average life. An "L" designation (i.e., Left modal) is used for the family whose mode age is less than the average life. A special case of left modal dispersion is the "O" or origin modal curve family. Within each curve family, numerical designations are used to describe the relative magnitude of the retirement frequencies at the mode. A "6" indicates that the retirements are not greatly dispersed from the mode (i.e., high mode frequency) while a "1" indicates a large dispersion about the mode (i.e., low mode frequency). For example, a curve with an average life of 30 years and an

"L3" dispersion is a moderately dispersed, left modal curve that can be designated as a 30 L3 Curve. An SQ, or square, survivor curve occurs where no dispersion is present (i.e., units of common age retire simultaneously).

Most property groups can be closely fitted to one Iowa Curve with a unique average service life. The blending of judgment concerning current conditions and future trends along with the matching of historical data permits the depreciation analyst to make an informed selection of an account's average life and retirement dispersion pattern.

Actuarial Analysis

Actuarial analysis (retirement rate method) was used in evaluating historical asset retirement experience where vintage data were available and sufficient retirement activity was present. In actuarial analysis, interval exposures (total property subject to retirement at the beginning of the age interval, regardless of vintage) and age interval retirements are calculated. The complement of the ratio of interval retirements to interval exposures establishes a survivor ratio. The survivor ratio is the fraction of property surviving to the end of the selected age interval, given that it has survived to the beginning of that age interval. Survivor ratios for all of the available age intervals were chained by successive multiplications to establish a series of survivor factors, collectively known as an observed life table. The observed life table shows the experienced mortality characteristic of the account and may be compared to standard mortality curves such as the Iowa Curves. Where data was available, accounts were analyzed using this method. Placement bands were used to illustrate the composite history over a specific era, and experience bands were used to focus on retirement history for all vintages during a set period. The results from these analyses for those accounts which had data sufficient to be analyzed using this method are shown in the Life Analysis section of this report.

Judgment

Any depreciation study requires informed judgment by the analyst conducting the study. A knowledge of the property being studied, company policies and procedures, general trends in technology and industry practice, and a sound basis of understanding depreciation theory are needed to apply this informed judgment. Judgment was used in areas such as survivor curve modeling and selection, depreciation method selection, simulated plant record method analysis, and actuarial analysis.

Judgment is not defined as being used in cases where there are specific, significant pieces of information that influence the choice of a life or curve. Those cases would simply be a reflection of specific facts into the analysis. Where there are multiple factors, activities, actions, property characteristics, statistical inconsistencies, implications of applying certain curves, property mix in accounts or a multitude of other considerations that impact the analysis (potentially in various directions), judgment is used to take all of these factors and synthesize them into a general direction or understanding of the characteristics of the property. Individually, no one factor in these cases may have a substantial impact on the analysis, but overall, may shed light on the utilization and characteristics of assets. Judgment may also be defined as deduction, inference, wisdom, common sense, or the ability to make sensible decisions. There is no single correct result from statistical analysis; hence, there is no answer absent judgment. At the very least for example, any analysis requires choosing which bands to place more emphasis.

The establishment of appropriate average service lives and retirement dispersions for Shared Services' accounts requires judgment to incorporate the understanding of the operation of the system with the available accounting information analyzed using the Retirement Rate actuarial methods. The appropriateness of lives and curves depends not only on statistical analyses, but also on how well future retirement patterns will match past retirements.

Current applications and trends in use of the equipment also need to be factored into life and survivor curve choices in order for appropriate mortality characteristics to be chosen.

Equal Life Group Depreciation

Atmos agreed that the continued use of the ELG depreciation procedure was appropriate. This study uses the ELG depreciation procedure to group the assets within each account. After an average service life and dispersion were selected for each account, those parameters were used to estimate what portion of the surviving investment of each vintage was expected to retire. The depreciation of the group continues until all investment in the vintage group is retired. ELG groups are defined by their respective account dispersion, life, and net salvage estimates. A straight-line rate for each ELG group is computed and accumulated across each vintage. The resulting rate for each ELG group is designed to recover all retirements less net salvage as each vintage retires. The ELG procedure recovers net book cost over the life of each ELG group rather than averaging many components. It also closely matches the concept of component or item accounting found in all accounting textbooks.

Theoretical Depreciation Reserve

The Company's book depreciation reserves were reallocated based on the theoretical reserves for each account. This study used a reserve model that relied on a prospective concept relating future retirement and accrual patterns for property, given current life and salvage estimates. The theoretical reserve of a group is developed from the estimated remaining life, total life of the property group, and estimated net salvage. The theoretical reserve represents the portion of the group cost that would have been accrued if current forecasts were used throughout the life of the group for future depreciation accruals. The computation involves multiplying the vintage balances within the group by the theoretical

reserve ratio for each vintage. The equal life group method requires an estimate of dispersion and service life to establish how much of each vintage is expected to be retired in each year until all property within the vintage is retired. Estimated average service lives and dispersion determine the amount within each equal life group. The equal life group-remaining-life theoretical reserve ratio (RRELG) is calculated as:

$$RRELG = 1 - \frac{(ELG \text{ Remaining Life})}{(ELG \text{ Life})} * (1 - \text{Net Salvage Ratio})$$

DETAILED DISCUSSION

Depreciation Study Process

This depreciation study encompassed four distinct phases. The first phase involved data collection and field interviews. The second phase was where the initial data analysis occurred. The third phase was where the information and analysis was evaluated. Once the first three stages were complete, the fourth phase began. This phase involved the calculation of depreciation rates and documenting the corresponding recommendations.

During the Phase 1 data collection process, historical data was compiled from continuing property records and general ledger systems. Data was validated for accuracy by extracting and comparing to multiple financial system sources. Audit of this data was validated against historical data from prior periods, historical general ledger sources, and field personnel discussions. This data was reviewed extensively to put in the proper format for a depreciation study. Further discussion on data review and adjustment is found in the Salvage Considerations Section of this study. Also as part of the Phase 1 data collection process, numerous discussions were conducted with engineers and field operations personnel to obtain information that would assist in formulating life and salvage recommendations in this study. One of the most important elements of performing a proper depreciation study is to understand how the Company utilizes assets and the environment of those assets. Interviews with engineering and operations personnel are important ways to allow the analyst to obtain information that is beneficial when evaluating the output from the life and net salvage programs in relation to the Company's actual asset utilization and environment. Information that was gleaned in these discussions is found both in the Detailed Discussion of this study in the life analysis and salvage analysis sections and also in workpapers.

Phase 2 is where the actuarial analysis is performed. Phases 2 and 3 overlap to a significant degree. The detailed property records information is used in Phase 2 to develop observed life tables for life analysis. These tables are visually compared to industry standard tables to determine historical life characteristics. It is possible that the analyst would cycle back to this phase based on the evaluation process performed in Phase 3. Net salvage analysis consists of compiling historical salvage and removal data by functional group to determine values and trends in gross salvage and removal cost. This information was then carried forward into Phase 3 for the evaluation process.

Phase 3 is the evaluation process which synthesizes analysis, interviews, and operational characteristics into a final selection of asset lives and net salvage parameters. The historical analysis from Phase 2 is further enhanced by the incorporation of recent or future changes in the characteristics or operations of assets that were revealed in Phase 1. Phases 2 and 3 allow the depreciation analyst to validate the asset characteristics as seen in the accounting transactions with actual Company operational experience.

Finally, Phase 4 involved calculating accrual rates, making recommendations, and documenting the conclusions in a final report. The calculation of accrual rates is found in Appendix B. Recommendations for the various accounts are contained within the Detailed Discussion of this report. The depreciation study flow diagram shown as Figure 1¹ documents the steps used in conducting this study. Depreciation Systems, page 289 documents the same basic processes in performing a depreciation study which are: statistical analyses, evaluation of statistical analysis, discussions with management, forecast assumptions, write logic supporting forecasts and estimation, and write final report.

¹ Public Utility Finance & Accounting, A Reader

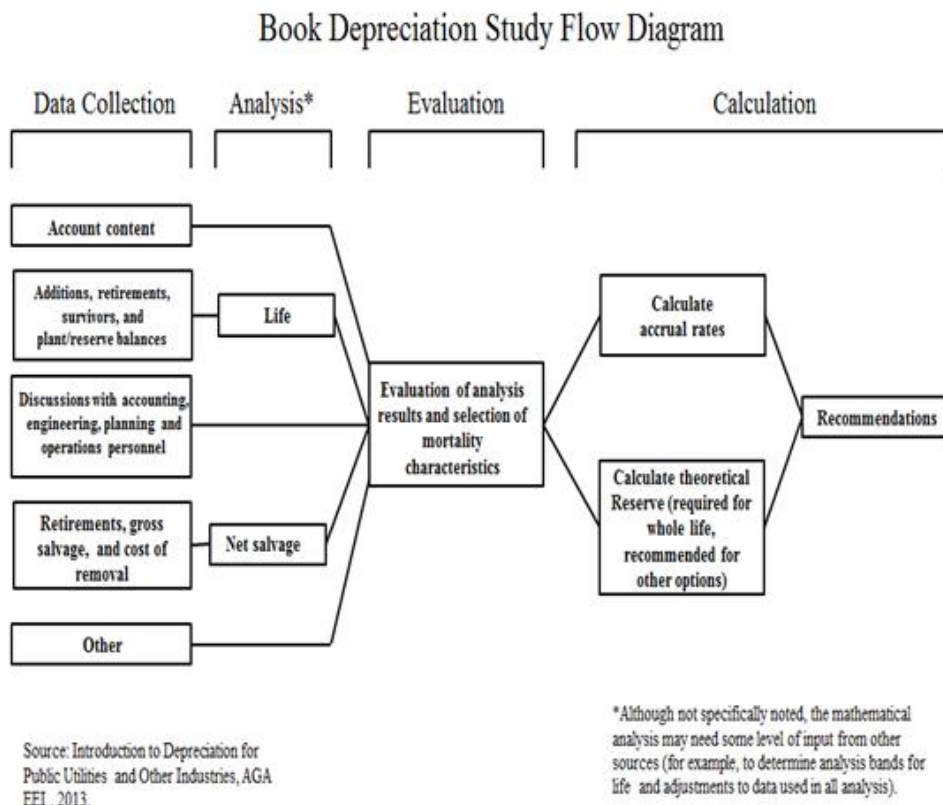


Figure 1

SHARED SERVICES DEPRECIATION STUDY PROCESS

Depreciation Rate Calculation

Annual depreciation expense amounts for the depreciable property accounts of Shared Services were calculated by the straight line, equal life group, and remaining-life system. With this approach, remaining lives were calculated according to standard ELG group expectancy techniques, using the Iowa Curves noted in the calculation. For each plant account, the difference between the surviving investment, adjusted for estimated net salvage and the allocated book depreciation reserve, was divided by the average remaining life to yield the annual depreciation expense. These calculations are shown in Appendix B.

Remaining Life Calculation

The establishment of appropriate average service lives and retirement dispersions for each account within a functional group was based on engineering judgment that incorporated available accounting information analyzed using the actuarial methods. After establishment of appropriate average service lives and retirement dispersions, remaining lives were computed for each account. The theoretical depreciation reserve with zero net salvage (used in calculating remaining life) was calculated using theoretical reserve ratios as defined in the theoretical reserve portion of the general discussion section. The difference between plant balance and theoretical reserve was then spread over the ELG depreciation accruals. After accumulating the ELG accruals across each vintage, the annual accrual was divided into the net balance to compute remaining life. Details of the theoretical reserve computations, ELG accruals, and remaining life are found by account in the study workpapers.

LIFE ANALYSIS

The retirement rate (“actuarial”) analysis method was applied to all accounts for Shared Services. For each account, an actuarial analysis was made with placement and experience bands of varying width. The historical observed life table was plotted and compared with various Iowa Curves to obtain the most appropriate match. A selected curve for each account is shown in the Life Analysis Section of this report. The observed life tables for all analyzed placement and experience bands are provided in workpapers.

For the overall band (i.e., placement from earliest vintage year, which varied for each account, through 2022) for each account, various dispersion curves were plotted. Frequently, visual matching would confirm one specific dispersion pattern (i.e., L, S, or R) as a better match than others. The next step would be to determine the most appropriate life using that dispersion pattern. Then, after looking at the overall experience band, different experience bands were plotted and analyzed, for instance 1988-2022, 2003-2022, 2008-2022, etc. Next, placement bands of varying width were plotted with each experience band discussed above. Repeated matching usually pointed to a focus on one dispersion family and small range of service lives. The goal of visual matching was to minimize the differential between the observed life table and Iowa Curve in top- and mid-range of the plots. These results are used in conjunction with all other factors that may influence asset lives.

Due to the nature of the Shared Services Division and the allocation of costs among numerous entities and across various state regulatory jurisdictions, the study does not make a comparison of approved to proposed depreciation rates, due to timing differences and the possibility of changes from the various regulatory agencies approving rates. Instead, we will provide the proposed parameters for the current study (2022) in the account discussions below.

NET SALVAGE CONSIDERATIONS

When a capital asset is retired, physically removed from service and finally disposed of, terminal retirement is said to have occurred. The residual value of a terminal retirement is called gross salvage. Net salvage is the difference between the gross salvage (what the asset was sold for) and the removal cost (cost to remove and dispose of the asset).

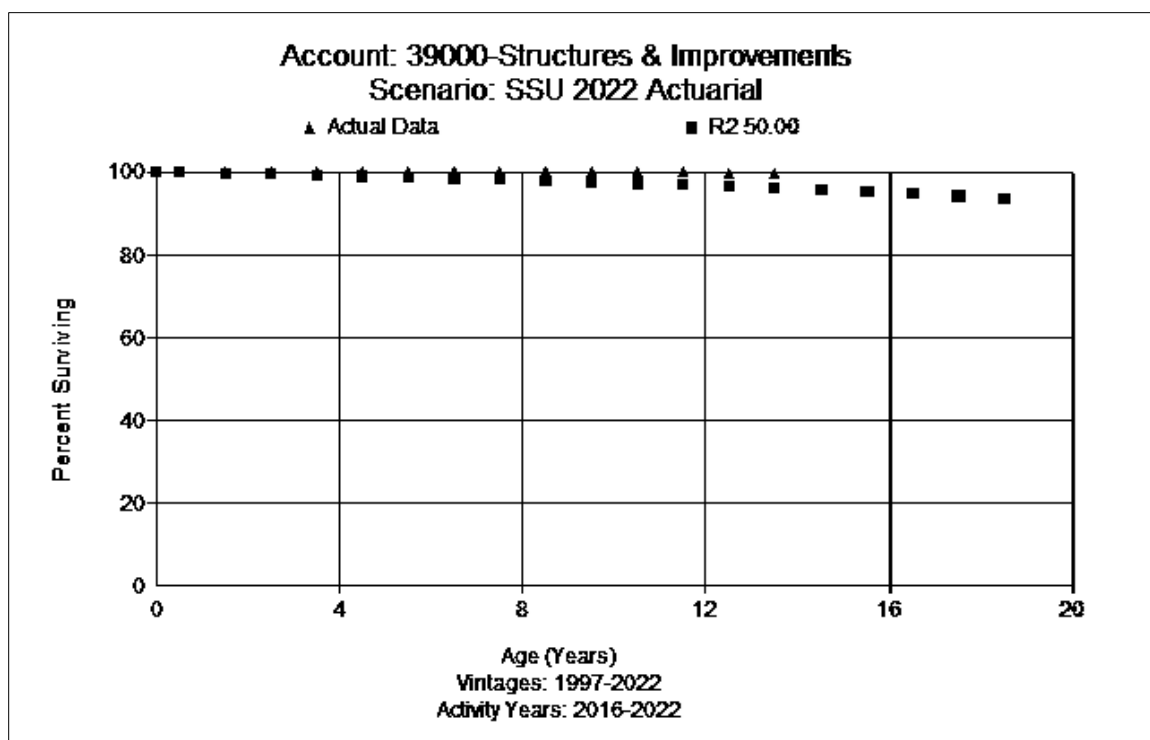
Net Salvage Characteristics

The net salvage analysis for each account is shown in Appendix D. Moving averages for intervals are also included in Appendix D. The assets of Shared Services generally do not incur cost of removal, and salvage has declined in recent years. In this study a zero percent net salvage is recommended for each account, with the exception of Account 392, Transportation Equipment.

Account Life and Net Salvage Analysis

Account 39000 – Structures & Improvements

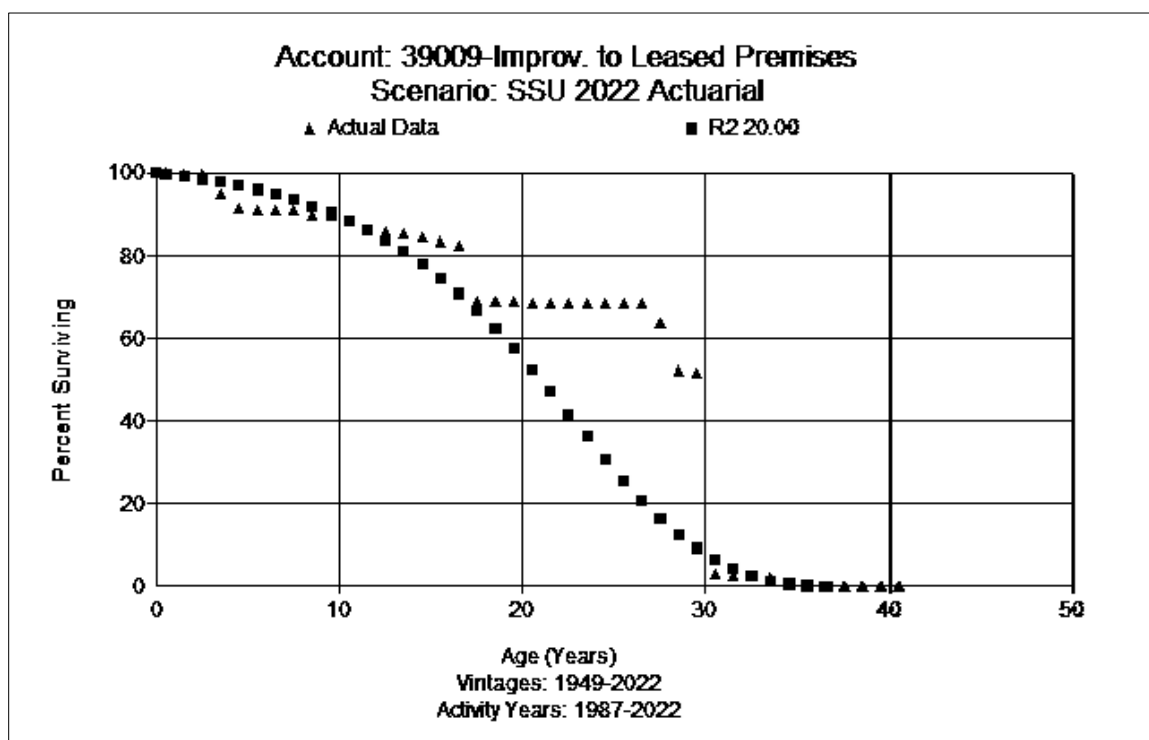
This account includes the cost of buildings and improvements including the Greenville operations center, the Charles K. Vaughn training center, and the call center in Waco. The account balance is approximately \$46.1 million. The current average age of investment is 9.83 years. There have been some retirements recorded, but they are in recent years. The current mix of assets is weighted to the longer-lived buildings. Based on judgment and type of assets, this study recommends a 50 year life with the R2 dispersion pattern. A graph of the observed life table and the recommended life and curve are shown below.



Little to no salvage is expected. Some cost of removal is expected at the end of life for some of the assets, but none has been recorded. Therefore, a zero percent net salvage is recommended at this time.

Account 39009 – Improvements to Leased Premises

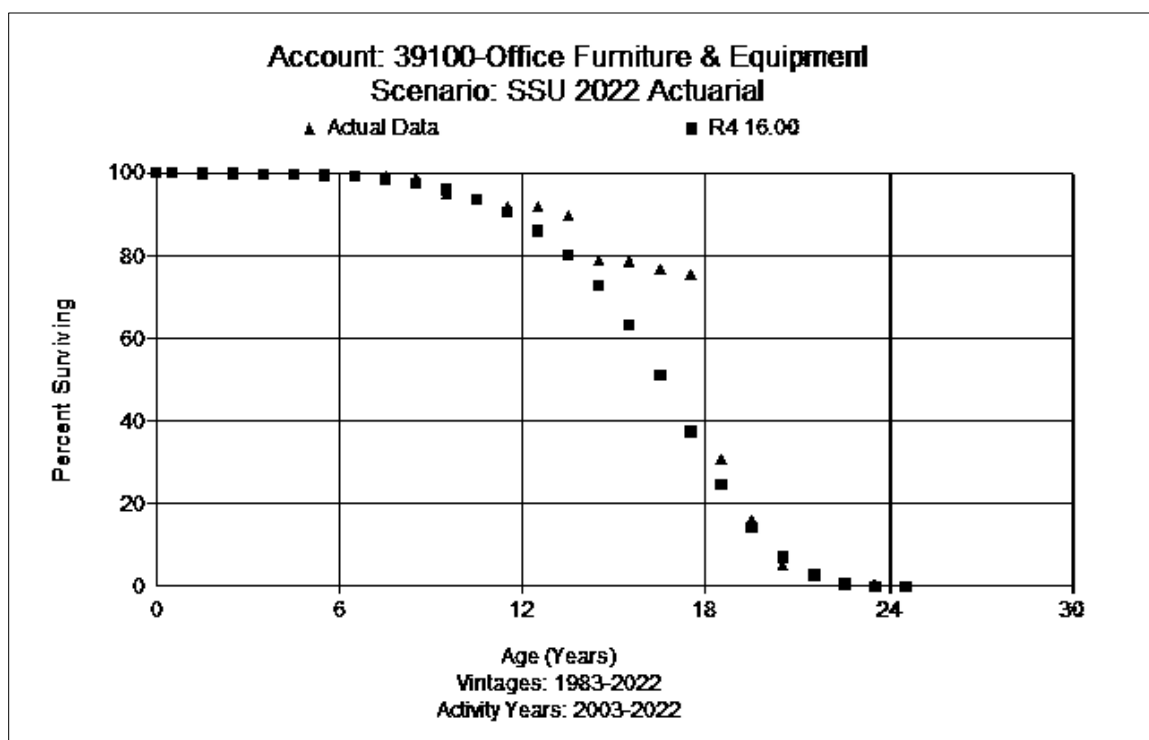
This account includes the cost of improvements to leased premises such as the Dallas office and call centers. The balance is approximately \$12.9 million. Assets in this account are tied to their lease term, which is 20 years with renewal options. This study recommends the 20 R2 at this time. A graph of the observed life table and the recommended life and curve are shown below.



No salvage or removal cost has been recorded and none is expected in the future. Therefore, a zero percent net salvage is recommended for this account.

Account 39100 – Office Furniture and Equipment

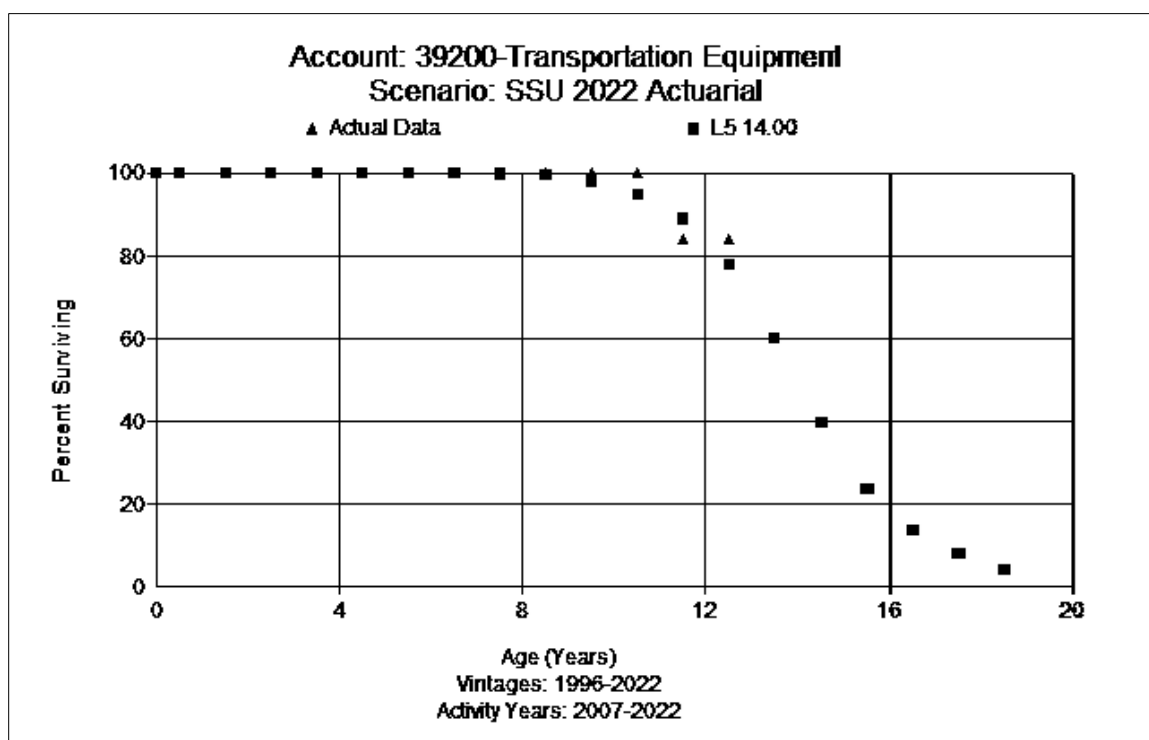
This account consists of modular furniture, desks, chairs, bookcases, credenzas, file cabinets, office machines, and other miscellaneous equipment located at the various locations. The balance is \$9.7 million. An expected life range for the assets in this account is 15 to 20 years or longer. The analysis indicates that the assets are experiencing a life of approximately 16-17 years and that the average age of retirements is 17.42 years. Approximately \$4.6 million has been retired between 2017 and 2022. Company personnel indicate that some offices were renovated and that more retirements have occurred than in the past. Based on the analysis and future expectations, this study recommends a 16 R4 dispersion pattern. A graph of the observed life table and the recommended life and curve are shown below.



There is no cost of removal, and no salvage has been recorded since 1997. No salvage is expected at retirement in the future. A zero percent net salvage rate is recommended for this account.

Account 39200 – Transportation Equipment

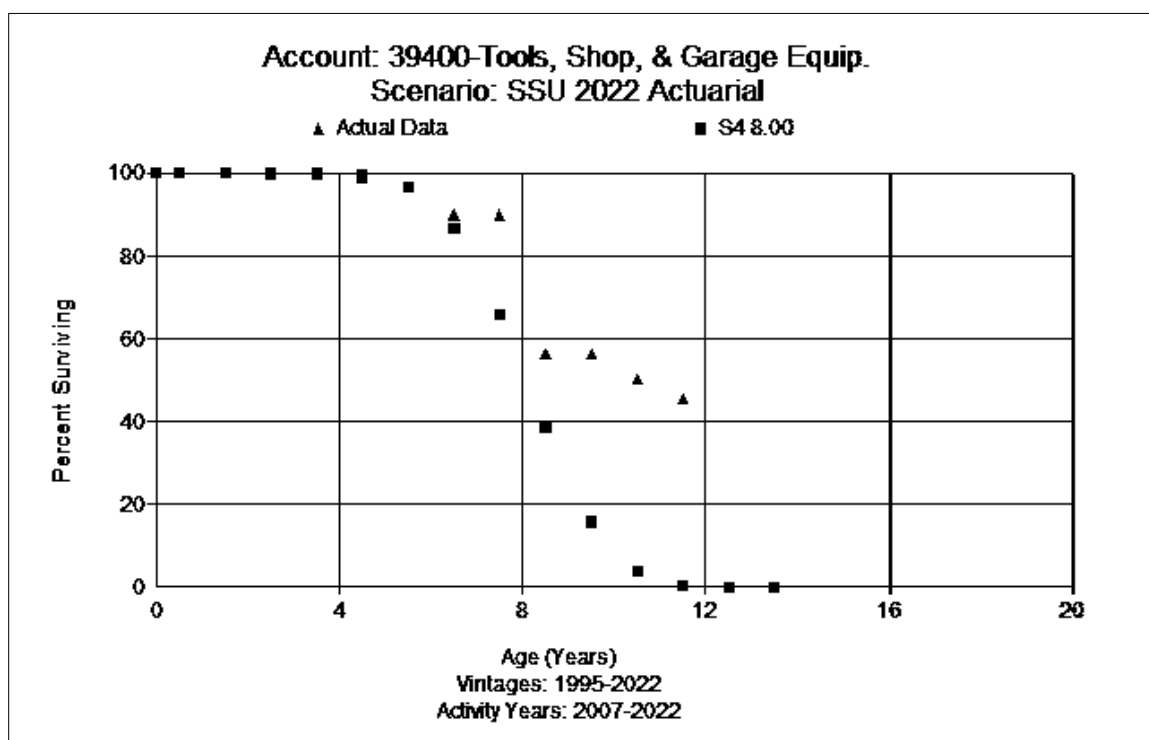
This account consists of all transportation equipment. The balance is \$412 thousand. Depending on the type and mix of assets, this account can range from 5-15 years. The current average age of investment is 4.97 years. Only one retirement has been recorded in 2007. The Company leases most of its vehicles and surviving assets are golf carts, a trailer, and other miscellaneous equipment. Based on the surviving assets, this study recommends a 14 L5. A graph of the observed life table and the recommended life and curve are shown below.



No cost of removal has been recorded and none is expected. There has been no salvage recorded over the 2007-2022 historical experience. However, some salvage is expected at end of life for some of the assets. This study recommends a positive 10 percent net salvage rate.

Account 39400 – Tools, Shop & Garage Equipment

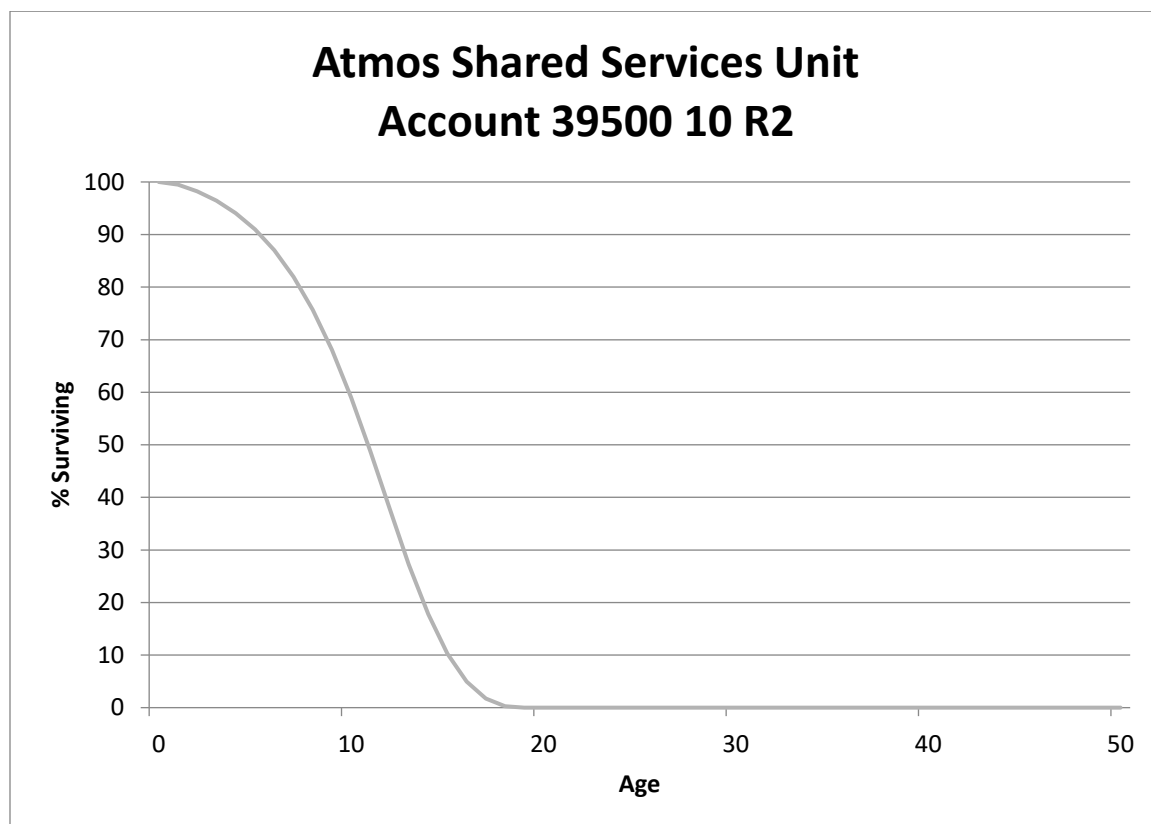
This account consists of various small tools and equipment used at the various locations. The balance is \$717 thousand in this account. The average age of investment is 4.26 years. The average age of retirement is 7.81 years. Based on the analysis, and the type and use of the assets, this study recommends the 8 S4 life and dispersion pattern. A graph of the observed life table and the recommended life and curve are shown below.



No salvage or cost of removal has been recorded over the analysis 2007-2022 historical experience. There is no cost of removal expected and minimal or no salvage expected at the time of retirement. This study recommends a zero percent net salvage rate for this account.

Account 39500 – Laboratory Equipment

This account consists of laboratory equipment. It currently has no balance. Based on the type and use of the assets, a 10 year life is recommended with an R2 dispersion curve if future additions are recorded. A representative graph of the life of the account is shown in the curve below.



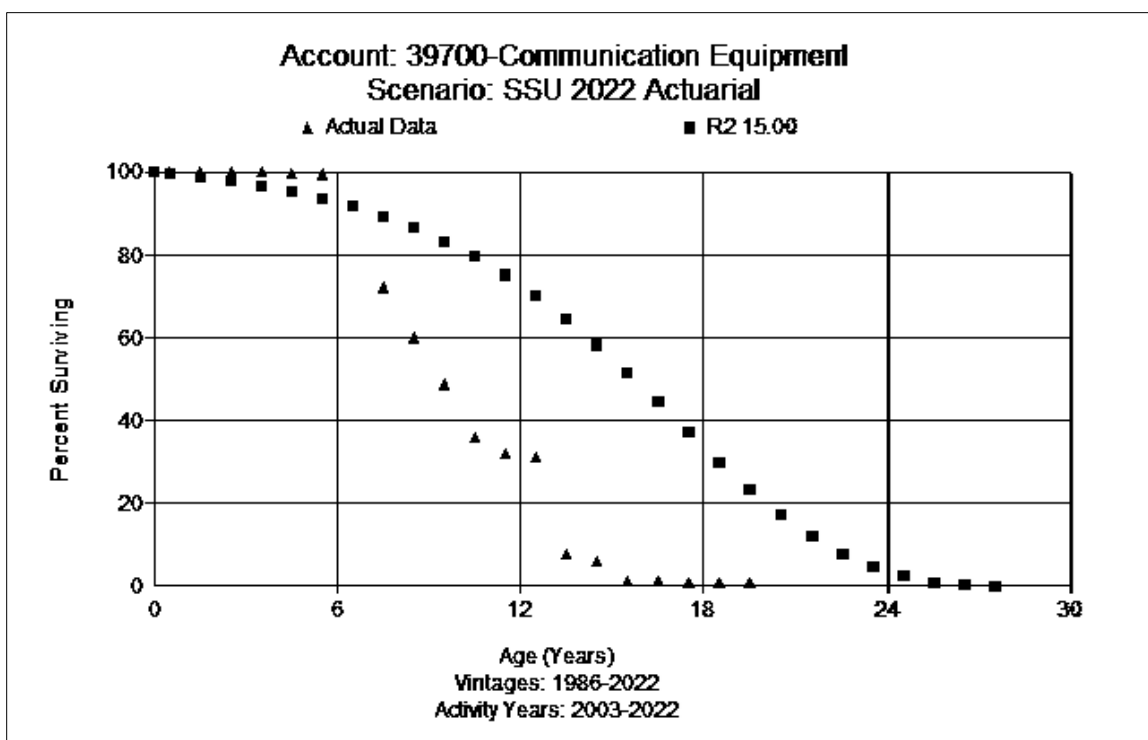
No salvage or cost of removal has been recorded and none is expected at time of retirement. This study recommends a zero percent net salvage rate for this account.

Account 39700 – Communications Equipment

The communications equipment account includes communication, computer hardware, telephone, and radio equipment used at the various locations. The balance is \$2.8 million in this account.

Discussions with Company personnel indicated that around 2009, there was a contact center built in Amarillo, at which the communication assets are still in service. Many of the assets in this account are PBX related assets. The average age of the assets is around 11.46 years old. The Company indicated that there is no specific plan to replace significant portions of the communications infrastructure at this point.

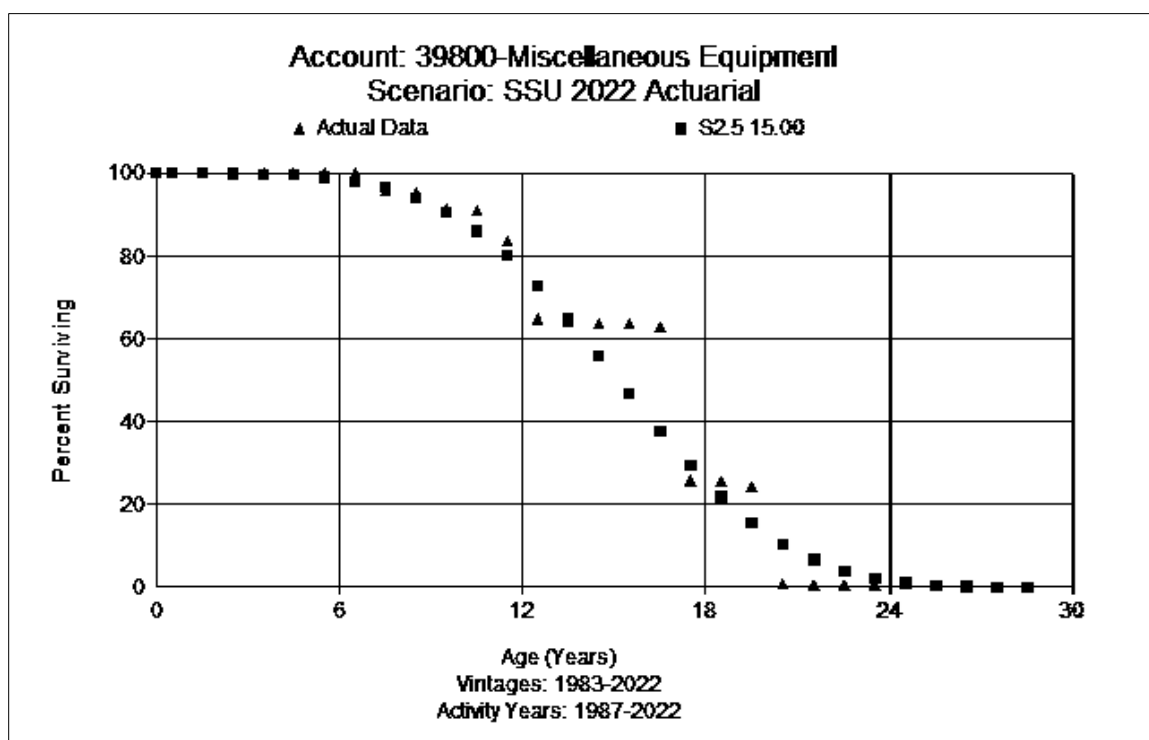
Based on the combined analysis, the best fits were indicating a life between 7-9 years, which is due to a large level of retirements in the last few years. The current average age of the assets is nearing 12 years. The shorter life indication in the analysis is not reflective of Company expectations for these assets. Based on the analysis, the type and mix of the assets, and Company plans and expectations, a 15 year life is more reasonable. This study recommends the 15 R2. A graph of the observed life table and the recommended life and curve are shown below.



Both salvage and cost of removal were recorded in 2004, but none since. No salvage is expected in the future at time of retirement. Little, if any, cost of removal is expected to be recorded for the assets. This study recommends a zero percent net salvage rate for this account.

Account 39800 - Miscellaneous Equipment

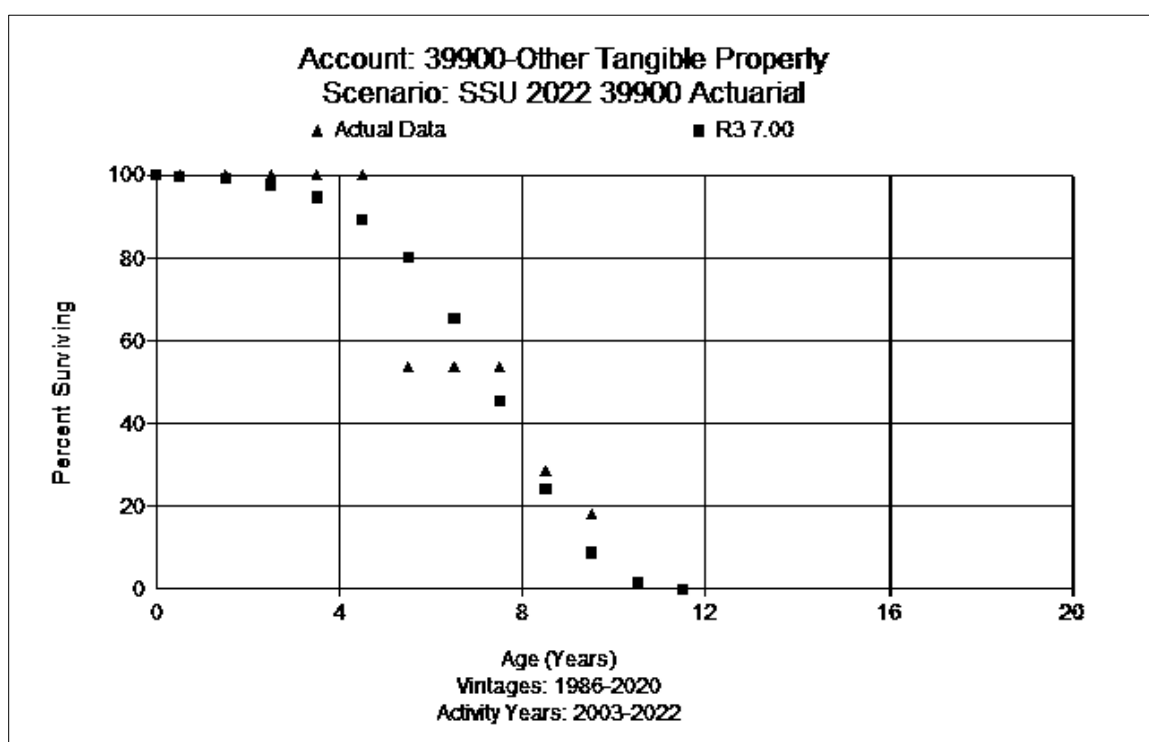
This account consists of various small office equipment items, such as kitchen appliances, televisions, and audio/video equipment that are not homogeneous with other plant accounts and are at the various locations. The balance is \$738 thousand. The current average age of investment is 8.67 years. The analysis shows the majority of the fits to indicate a life around 15 years with a low dispersion pattern. The 15 S2.5 is a good fit across the bands fit and is the study recommendation. A graph of the observed life table and the recommended life and curve are shown below.



No salvage or cost of removal has been recorded since 1996 and none is expected at the time of retirement. This study recommends a zero percent net salvage rate for this account.

Account 39900 – Other Tangible Property

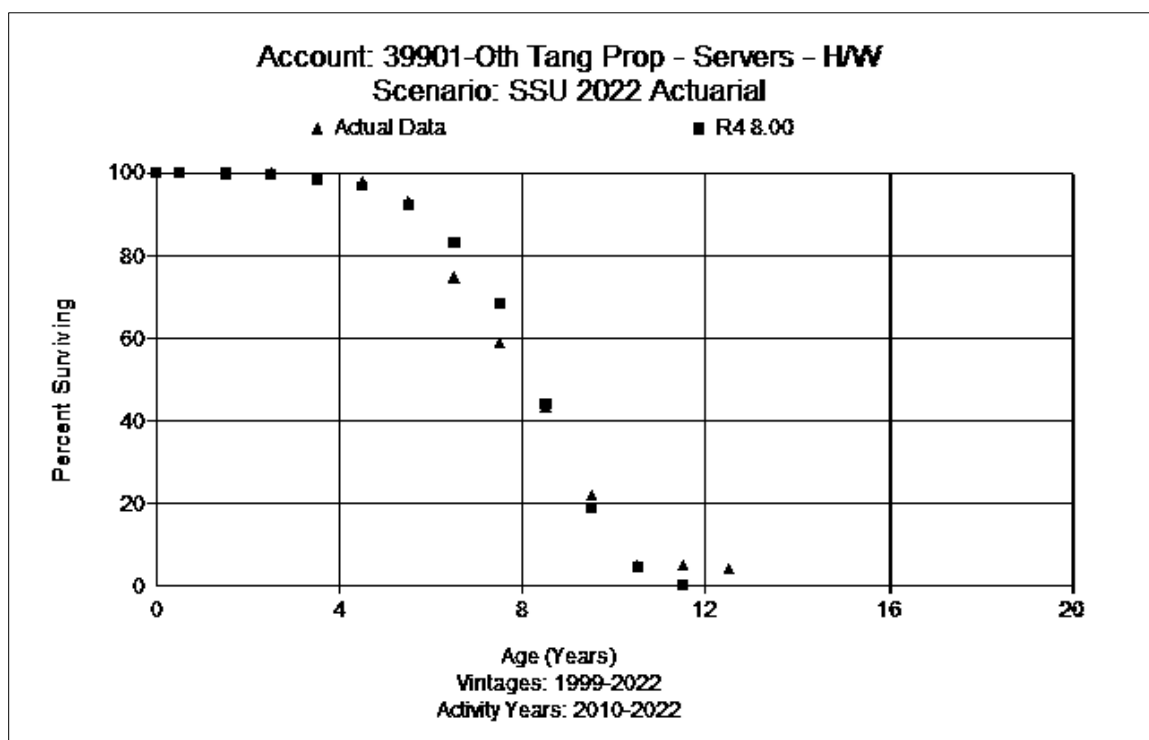
The other tangible property account holds miscellaneous equipment. The account balance is \$299 thousand. The average age of the investment is 5.36 years. The average age of retirement is 7.01 years. The majority of the fits indicate a 7 year life, which is consistent with the expectations for this account. The study recommends the 7 R3 for this account. A graph of the observed life table and the recommended life and curve are shown below.



There has been no salvage or cost of removal recorded and none is expected in the future. This study recommends a zero percent net salvage rate for this account.

Account 39901 – Servers Hardware

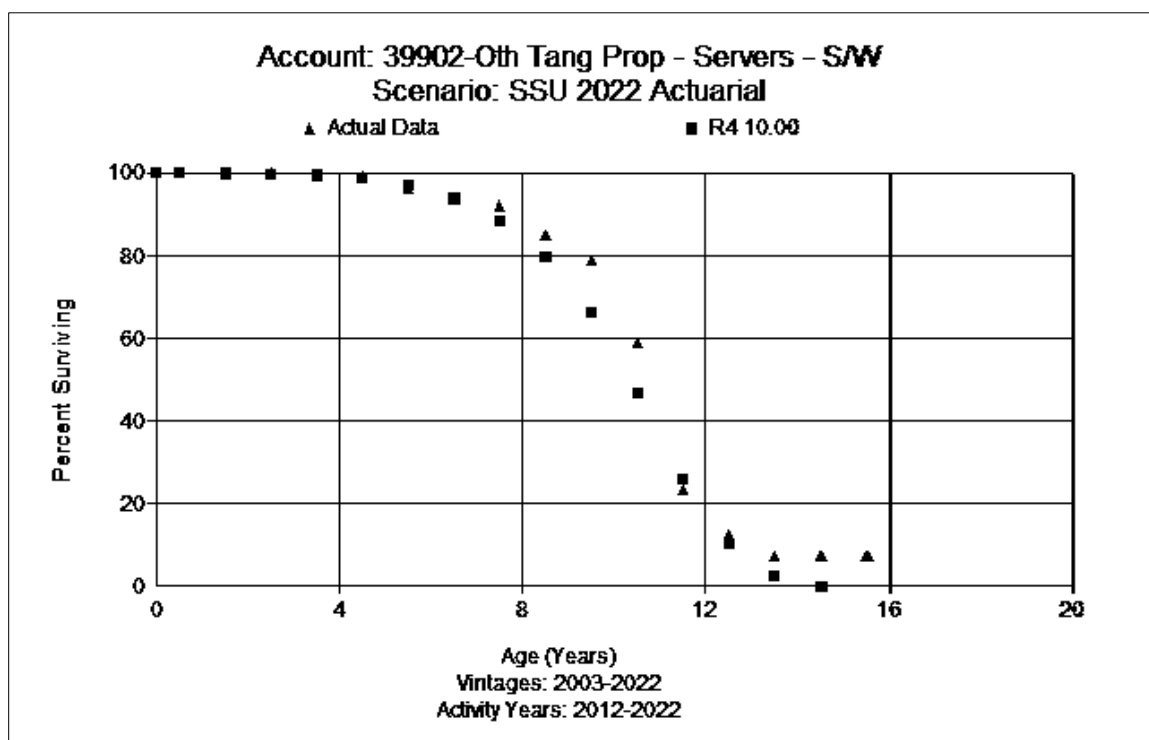
This account consists of assets such as server hardware and equipment used to serve the various locations. The balance is approximately \$50.0 million. The current average age of the surviving balance is 4.39 years and the average age at retirement is 8.61 years. Discussions with Company personnel indicated that the initial manufacturer warranty is for 8 years, but they generally purchase an extended warranty, which can carry them a few years longer. The servers running the SAP system are planned for replacement around 8 years on average and the UCS servers are about to be replaced, also at 8 years. The current life analysis indicates a good fit with the 8 R4. Based on the analysis and Company input, this study recommends an 8 R4. A graph of the observed life table and the recommended life and curve is shown below.



Very little salvage or cost of removal has been recorded and no salvage or cost of removal is expected. A zero percent net salvage rate is recommended.

Account 39902 – Servers Software

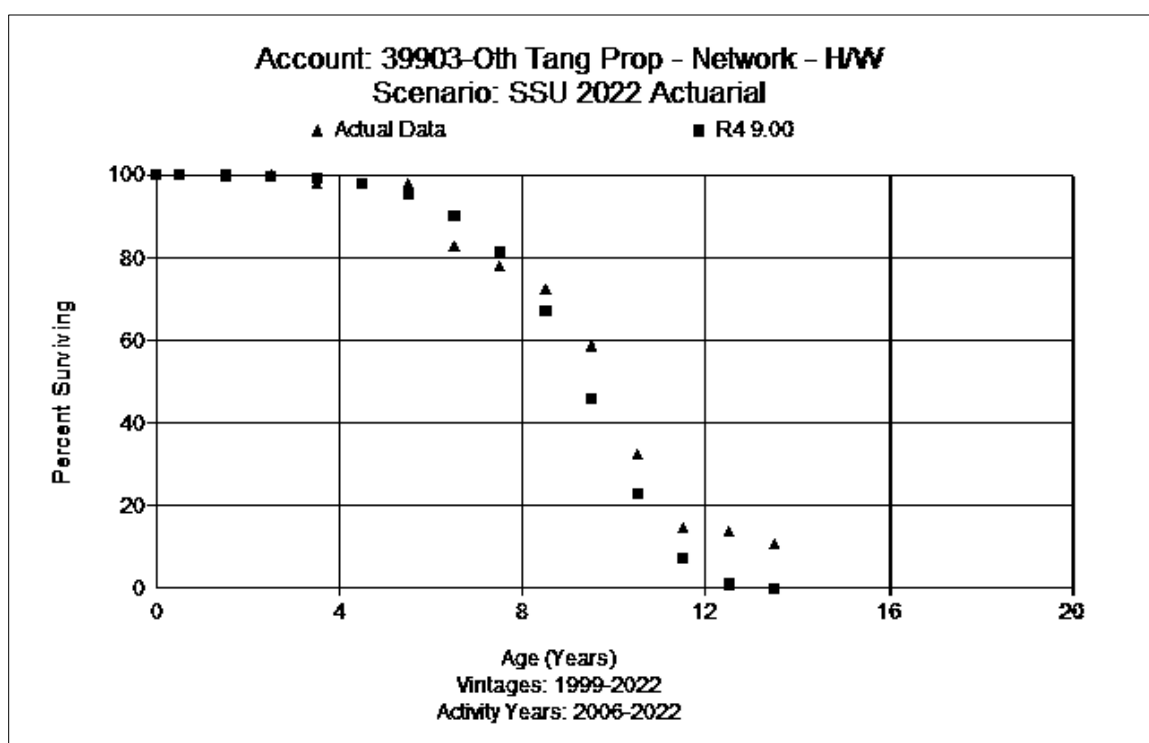
This account consists of assets such as Windows operating systems, Oracle, VMWare, Altiris, and other server software. The balance is \$15.0 million. The average age of investment is 6.52 years. The average age of retirements is 11.56 years. Discussions with Company personnel indicated that virtualization disconnects the software from the hardware to some degree and can extend the life of the software as compared to the hardware. There are some perpetual licenses within this category. They now buy software with maintenance. The life analysis provides a consistent 10 year life indication. Even though technology is a factor, a life around 10 years makes sense operationally. This study recommends a 10 year life with the R4 dispersion pattern. A graph of the observed life table and the recommended life and curve are shown below.



No salvage or cost of removal has been recorded and none is expected in the future. A zero percent net salvage rate is recommended for this account.

Account 39903 – Network Hardware

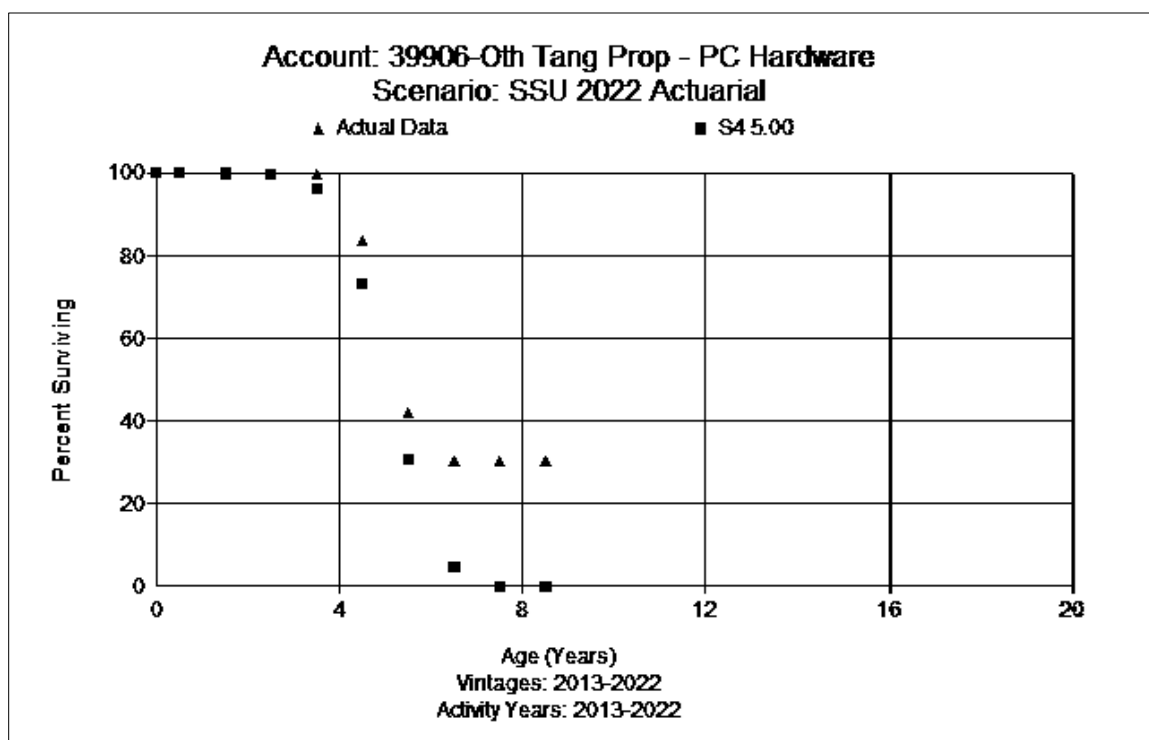
This account consists of assets related to networking activities such as routers, switches, and miscellaneous equipment. The balance is \$5.3 million. The average age of retirements is 9.42 years, and the average age of investment is 4.91 years. Discussions with Company personnel indicated that the 2009 investment was for the data center, which has been replaced at around 10 years of age. Operationally the Company believes a 9 year life is reasonable and is the general expectation. The analysis shows a steep dispersion pattern and fits that are consistent with Company expectations of 9 years. This study recommends the 9 R4, which is slightly longer than server hardware. A graph of the observed life table and the recommended life and curve are shown below.



Cost of removal was recorded in 2012, but none since. No salvage or cost of removal is expected in the future. A zero percent net salvage rate is recommended for this account.

Account 39906 – PC Hardware

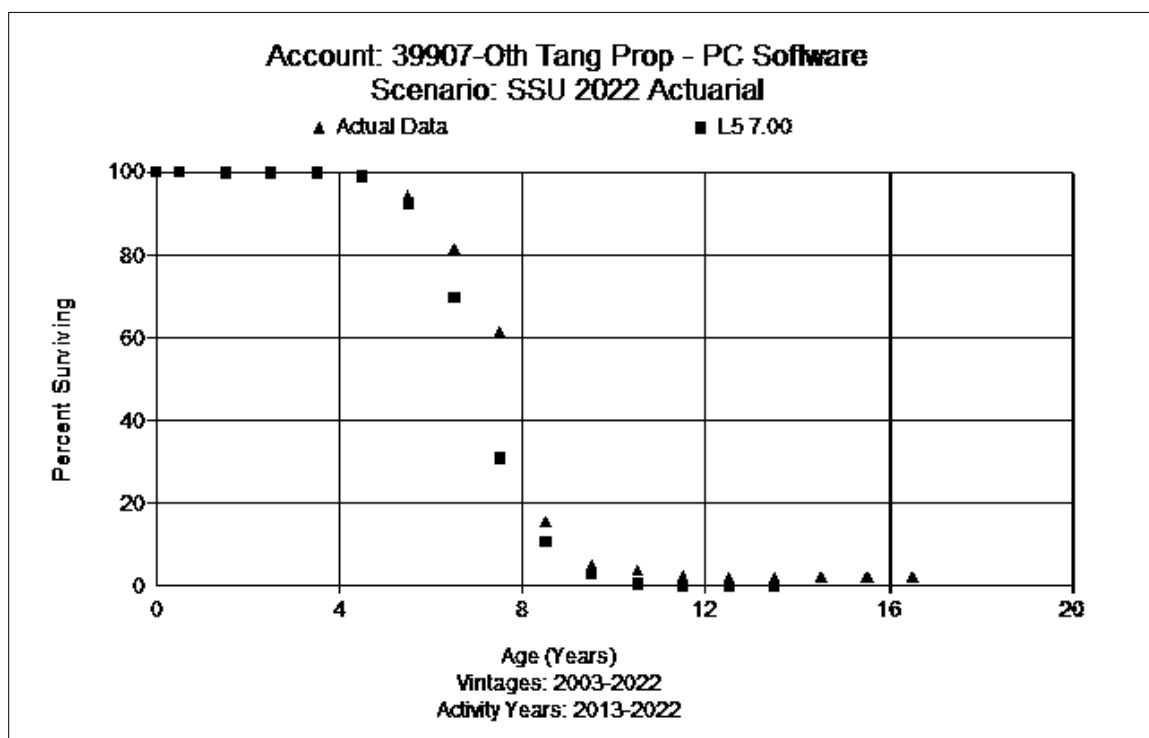
This account consists of costs for computer hardware, desktop and laptop computers, and peripherals. The balance is \$5.0 million. The average age of investment is 3.53 years and average age of retirements is 7.11 years. Discussions with Company personnel indicated that there has been no material change in the replacement policies or practices. The refresh cycle is 4 years, which can see delays in retiring some computers due to prep for retiring or being kept as a spare or in inventory. Peripherals may have a longer life. The life indications in the actuarial analysis suggest a life between 5-7 years, with the 5 years as a more recent indication. Based on the life analysis and Company input, this study recommends the 5 S4. A graph of the observed life table and the recommended life and curve are shown below.



Some minimal salvage and very limited cost of removal have been recorded. This study recommends a zero percent net salvage rate for this account.

Account 39907 – PC Software

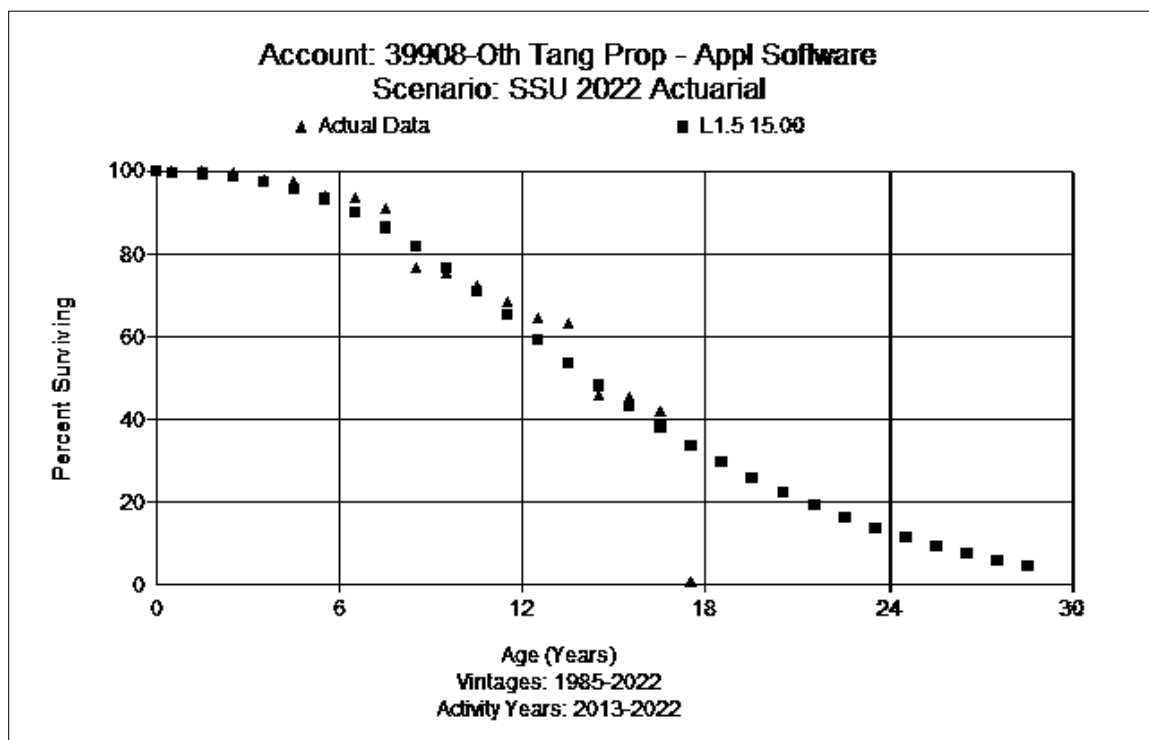
The PC software account consists of costs related to software assets and previously included operating system software. The balance is approximately \$91 thousand after proforma transfers. The average age of investment is 7.46 years and average age of retirements is 9.12 years. Discussions with Company personnel indicated that one of the main pieces of PC software is Microsoft Office 365, which has gone to subscription. There are several assets that have been transferred to Account 39906 PC Hardware and 39908 Application Software as a proforma adjustment in the study. Recent historical additional and retirements may not reflect the true lifespan. TOAD for Oracle is over half of the account and is still in use. The analysis indicates a life between 7-9 years. Based on the analysis, Company input, type of assets, and judgment, this study recommends the 7 L5 dispersion at this time. A graph of the observed life table and the recommended life and curve are shown below.



No salvage or cost of removal has been recorded and none is expected. This study recommends a zero percent net salvage rate for this account.

Account 39908 – Application Software

The application software account consists of costs related to large software assets including billing system software, electronic mapping and training software applications, Oracle upgrade, Banner, Data Mart System, PowerPlant System, Advantage System application, and the Waco Call Center IT build. The balance is \$242.3 million. The average age of the surviving assets is 8.40 years and average age of retirements is 19.14 years. Discussions with Company personnel indicated that their expectation for the major software platforms is that they can last 15 years or more. They will upgrade but not retire the original asset unless they move to a different platform. The analysis supports a life between 13 to 15 years. Based on all the information and judgment, this study recommends the 15 L1.5 dispersion for this account. A graph of the observed life table and the recommended life and curve are shown below.



No salvage has been recorded and none is expected at time of retirement. Some cost of removal was recorded in 2013 but none is expected in the future. This study recommends a zero percent net salvage rate for this account.

APPENDIX A - Annual Accrual and Rate

Appendix A

Atmos Energy - Shared Services
At September 30, 2022
Depreciation Study Annual Depreciation Rates and Accruals

Account	Description	Plant Balance 09/30/2022	Annual	
			Accrual Rate	Accrual Amount
(a)	(b)	(c)	(d)	(e)
39000	Structures & Improvements	\$ 46,093,940	2.38%	\$ 1,097,036
39009	Improvements - Leased	12,884,577	4.43%	570,787
39100	Office Furniture & Equipment	9,760,344	6.36%	620,758
39200	Transportation Equipment	411,688	6.59%	27,130
39400	Tools Shop And Garage	717,219	12.44%	89,222
39700	Communication Equipment	2,842,154	6.34%	180,193
39800	Miscellaneous Equipment	738,358	7.00%	51,685
39900	Other Tangible Equipment	299,459	14.24%	42,643
39901	Servers-Hardware	49,962,908	12.66%	6,325,304
39902	Servers-Software	15,012,653	10.10%	1,516,278
39903	Network Hardware	5,339,322	11.28%	602,276
39906	PC Hardware	5,015,652	19.93%	999,619
39907	PC Software	90,525	11.66%	10,555
39908	Application Software	242,323,348	6.93%	16,793,008
	Total Depreciable Plant	\$ 391,492,146	7.39%	\$ 28,926,494

APPENDIX B - Calculation of Accrual and Rates

Appendix B

Atmos Energy - Shared Services
At September 30, 2022
Calculation of Depreciation Annual Accrual and Rate
With Reserve Reallocation

Account	Description	Plant Balance	Allocated Book Reserve	Net Salvage %	Net Salvage Amount	Unaccrued Balance	Composite Remaining Life	Annual	
								Accrual Amount	Accrual Rate
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
39000 Structures & Improvements		\$ 46,093,940	\$ 10,012,300	0%	\$ -	\$ 36,081,640	32.83	\$ 1,098,991	2.38%
39009 Improvements - Leased		12,884,577	9,199,732	0%	-	3,684,845	6.46	570,785	4.43%
39100 Office Furniture & Equipment		9,760,344	5,965,482	0%	-	3,794,862	6.11	620,737	6.36%
39200 Transportation Equipment		411,688	125,431	10%	41,169	245,088	9.03	27,140	6.59%
39400 Tools Shop And Garage		717,219	477,203	0%	-	240,015	2.69	89,211	12.44%
39700 Communication Equipment		2,842,154	1,827,582	0%	-	1,014,572	5.63	180,122	6.34%
39800 Miscellaneous Equipment		738,358	408,363	0%	-	329,995	6.39	51,674	7.00%
39900 Other Tangible Equipment		299,459	205,675	0%	-	93,784	2.20	42,628	14.24%
39901 Servers-Hardware		49,962,908	24,465,692	0%	-	25,497,216	4.03	6,323,496	12.66%
39902 Servers-Software		15,012,653	8,763,896	0%	-	6,248,757	4.12	1,515,591	10.10%
39903 Network Hardware		5,339,322	2,543,324	0%	-	2,795,998	4.64	602,187	11.28%
39906 PC Hardware		5,015,652	3,084,461	0%	-	1,931,191	1.93	999,665	19.93%
39907 PC Software		90,525	80,092	0%	-	10,433	0.99	10,551	11.66%
39908 Application Software		242,323,348	121,159,499	0%	-	121,163,849	7.22	16,788,920	6.93%
Total Depreciable Plant		\$ 391,492,146	\$ 188,318,732		\$ 41,169	\$ 203,132,245		\$ 28,921,699	7.39%

APPENDIX C - Parameters

Appendix C

**Atmos Energy - Shared Services Unit
Proposed Depreciation Parameters
Depreciation Study as of September 30, 2022**

Division 002 - SSU General Office and Division 12 - SSU Customer Support

Account	Description	Proposed 2022				
		ASL	Curve	Gross Salvage	Cost of Removal	Net Salvage
39000	Structure & Improvements	50	R2	0%	0%	0%
39009	Improvements - Leased	20	R2	0%	0%	0%
39100	Office Furniture & Equipment	16	R4	0%	0%	0%
39200	Transportation Equipment	14	L5	10%	0%	10%
39400	Tools, Shop, & Garage Equipment	8	S4	0%	0%	0%
39500	Laboratory Equipment	10	R2	0%	0%	0%
39700	Communication Equipment	15	R2	0%	0%	0%
39800	Miscellaneous Equipment	15	S2.5	0%	0%	0%
39900	Other Tangible Equipment	7	R3	0%	0%	0%
39901	Servers-Hardware	8	R4	0%	0%	0%
39902	Servers-Software	10	R4	0%	0%	0%
39903	Network Hardware	9	R4	0%	0%	0%
39906	PC Hardware	5	S4	0%	0%	0%
39907	PC Software	7	L5	0%	0%	0%
39908	Application Software	15	L1.5	0%	0%	0%

APPENDIX D - Net Salvage Analysis

ATMOS ENERGY - SHARED SERVICES UNIT
Depreciation Study as of September 30, 2022
Net Salvage Analysis

Account and Description	Activity Year	Retirement	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
39000-Structures & Improvements	2007	0.00	-	-	0	NA									
	39000 2008	0.00	-	-	0	NA	NA								
	39000 2009	0.00	-	-	0	NA	NA	NA							
	39000 2010	0.00	-	-	0	NA	NA	NA	NA						
	39000 2011	0.00	-	-	0	NA	NA	NA	NA	NA					
	39000 2012	0.00	-	-	0	NA	NA	NA	NA	NA	NA				
	39000 2013	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA			
	39000 2014	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA		
	39000 2015	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
	39000 2016	32,329.68	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39000 2017	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39000 2018	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39000 2019	0.00	-	-	0	NA	NA	NA	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39000 2020	0.00	-	-	0	NA	NA	NA	NA	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39000 2021	0.00	-	-	0	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%
	39000 2022	0.00	-	-	0	NA	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%
39000-Structures & Improvements	2007	0.00	-	-	0	NA									
	39005 2008	0.00	-	-	0	NA	NA								
	39005 2009	0.00	-	-	0	NA	NA	NA							
	39005 2010	0.00	-	-	0	NA	NA	NA	NA						
	39005 2011	0.00	-	-	0	NA	NA	NA	NA	NA					
	39005 2012	0.00	-	-	0	NA	NA	NA	NA	NA	NA				
	39005 2013	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA			
	39005 2014	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA		
	39005 2015	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
	39005 2016	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39005 2017	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39005 2018	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39005 2019	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39005 2020	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39005 2021	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39005 2022	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39009-Improv. to Leased Premises	2000	270,911.00	-	-	0	0.0%									
	39009 2001	0.00	-	-	0	NA	0.0%								
	39009 2002	0.00	-	-	0	NA	NA	0.0%							
	39009 2003	0.00	-	-	0	NA	NA	NA	0.0%						
	39009 2004	0.00	-	-	0	NA	NA	NA	NA	0.0%					
	39009 2005	0.00	-	-	0	NA	NA	NA	NA	NA	0.00%				
	39009 2006	178,757.00	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%			

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	39009	2007	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	
	39009	2008	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39009	2009	0.00	-	-	0	NA	NA	NA	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39009	2010	0.00	-	-	0	NA	NA	NA	NA	0.0%	0.00%	0.00%	0.00%	0.00%
	39009	2011	0.00	-	-	0	NA	NA	NA	NA	0.0%	0.00%	0.00%	0.00%	0.00%
	39009	2012	35,416.90	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39009	2013	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39009	2014	126,214.30	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39009	2015	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39009	2016	1,473,692.48	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39009	2017	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39009	2018	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39009	2019	437,955.87	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39009	2020	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39009	2021	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39009	2022	0.00	-	-	0	NA	NA	NA	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
39100-Office Furniture & Equipment	1993	83,992.00	200	-	200	0.2%									
	39100	1994	7,848.00	-	-	0	0.0%	0.2%							
	39100	1995	852.00	-	-	0	0.0%	0.0%	0.2%						
	39100	1996	92,361.00	-	-	0	0.0%	0.0%	0.0%	0.1%					
	39100	1997	0.00	-	(5,108)	5,108	NA	5.5%	5.5%	5.1%	2.9%				
	39100	1998	6,852.00	-	-	0	0.0%	74.5%	5.1%	5.1%	4.7%	2.77%			
	39100	1999	0.00	-	-	0	NA	0.0%	74.5%	5.1%	5.1%	4.73%	2.77%		
	39100	2000	0.00	-	-	0	NA	NA	0.0%	74.5%	5.1%	5.10%	4.73%	2.77%	
	39100	2001	0.00	-	-	0	NA	NA	NA	0.0%	74.5%	5.15%	5.10%	4.73%	2.77%
	39100	2002	0.00	-	-	0	NA	NA	NA	NA	0.0%	74.55%	5.15%	5.10%	4.73%
	39100	2003	0.00	-	-	0	NA	NA	NA	NA	NA	0.00%	74.55%	5.15%	5.10%
	39100	2004	0.00	-	-	0	NA	NA	NA	NA	NA	0.00%	74.55%	5.15%	5.10%
	39100	2005	0.00	-	-	0	NA	NA	NA	NA	NA	NA	0.00%	74.55%	5.15%
	39100	2006	1,420,965.00	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.36%
	39100	2007	75,094.25	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39100	2008	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39100	2009	225,893.25	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39100	2010	95,413.03	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39100	2011	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39100	2012	788,807.96	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39100	2013	1,602,991.05	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39100	2014	1,162.59	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39100	2015	358,929.73	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39100	2016	1,020,914.56	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39100	2017	4,530,386.30	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%

Account and Description		Activity	Retirement	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr	3- yr	4- yr	5- yr	6- yr	7- yr	8- yr	9- yr	10- yr
		Year						Net Salv. %	Net Salv. %	Net Salv. %	Net Salv. %	Net Salv. %	Net Salv. %	Net Salv. %	Net Salv. %	Net Salv. %
	39100	2018	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39100	2019	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39100	2020	0.00	-	-	0	NA	NA	NA	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39100	2021	0.00	-	-	0	NA	NA	NA	NA	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39100	2022	0.00	-	-	0	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%
39100-Office Furniture & Equipment		2007	0.00	-	-	0	NA									
	39101	2008	0.00	-	-	0	NA	NA								
	39101	2009	0.00	-	-	0	NA	NA	NA							
	39101	2010	0.00	-	-	0	NA	NA	NA	NA						
	39101	2011	0.00	-	-	0	NA	NA	NA	NA	NA					
	39101	2012	0.00	-	-	0	NA	NA	NA	NA	NA	NA				
	39101	2013	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA			
	39101	2014	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA		
	39101	2015	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
	39101	2016	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39101	2017	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39101	2018	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39101	2019	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39101	2020	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39101	2021	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39101	2022	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39100-Office Furniture & Equipment		2007	0.00	-	-	0	NA								
39102		2008	0.00	-	-	0	NA	NA								
39102		2009	0.00	-	-	0	NA	NA	NA							
39102		2010	25,380.12	-	-	0	0.0%	0.0%	0.0%	0.0%						
39102		2011	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%					
39102		2012	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%	0.00%				
39102		2013	0.00	-	-	0	NA	NA	NA	0.0%	0.0%	0.00%	0.00%			
39102		2014	0.00	-	-	0	NA	NA	NA	NA	0.0%	0.00%	0.00%	0.00%		
39102		2015	0.00	-	-	0	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%</		

		Activity					2- yr	3- yr	4- yr	5- yr	6- yr	7- yr	8- yr	9- yr	10- yr
Account and Description	Year	Retirement	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	Net Salv. %	Net Salv. %	Net Salv. %	Net Salv. %	Net Salv. %	Net Salv. %	Net Salv. %	Net Salv. %	Net Salv. %
39100-Office Furniture & Equipment	2007	387,811.54	-	-	0	0.0%									
	39103	2008	0.00	-	0	NA	0.0%								
	39103	2009	0.00	-	0	NA	NA	0.0%							
	39103	2010	48,493.05	-	0	0.0%	0.0%	0.0%	0.0%						
	39103	2011	0.00	-	0	NA	0.0%	0.0%	0.0%	0.0%					
	39103	2012	0.00	-	0	NA	NA	0.0%	0.0%	0.0%	0.00%				
	39103	2013	0.00	-	0	NA	NA	NA	0.0%	0.0%	0.00%	0.00%			
	39103	2014	0.00	-	0	NA	NA	NA	NA	0.0%	0.00%	0.00%	0.00%		
	39103	2015	0.00	-	0	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	
	39103	2016	0.00	-	0	NA	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%
	39103	2017	0.00	-	0	NA	NA	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%
	39103	2018	0.00	-	0	NA	NA	NA	NA	NA	NA	NA	NA	0.00%	0.00%
	39103	2019	0.00	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.00%
	39103	2020	0.00	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39103	2021	0.00	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39103	2022	47,938.52	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39104-G Office Furniture & Equipment	2010	0.00	-	-	0	NA									
	39104	2011	0.00	-	0	NA	NA								
	39104	2012	0.00	-	0	NA	NA	NA							
	39104	2013	0.00	-	0	NA	NA	NA	NA						
	39104	2014	0.00	-	0	NA	NA	NA	NA	NA					
	39104	2015	0.00	-	0	NA	NA	NA	NA	NA	NA				
	39104	2016	0.00	-	0	NA	NA	NA	NA	NA	NA	NA			
	39104	2017	0.00	-	0	NA	NA	NA	NA	NA	NA	NA	NA		
	39104	2018	0.00	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
	39104	2019	0.00	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39104	2020	0.00	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39104	2021	0.00	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39104	2022	0.00	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39200-Transportation Equipment	2007	18,885.47	-	-	0	0.0%									
	39200	2008	0.00	-	0	NA	0.0								

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	39200	2017	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39200	2018	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39200	2019	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39200	2020	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39200	2021	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39200	2022	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
39300-Stores Equipment		2007	0.00	-	-	0	NA								
	39300	2008	0.00	-	-	0	NA	NA							
	39300	2009	0.00	-	-	0	NA	NA	NA						
	39300	2010	0.00	-	-	0	NA	NA	NA	NA					
	39300	2011	0.00	-	-	0	NA	NA	NA	NA	NA				
	39300	2012	0.00	-	-	0	NA	NA	NA	NA	NA	NA			
	39300	2013	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA		
	39300	2014	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	
	39300	2015	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39300	2016	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39300	2017	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39300	2018	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39300	2019	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39300	2020	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39300	2021	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39300	2022	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
39400-Tools, Shop, & Garage Equip.		2007	7,682.72	-	-	0	0.0%								
	39400	2008	0.00	-	-	0	NA	0.0%							
	39400	2009	0.00	-	-	0	NA	NA	0.0%						
	39400	2010	0.00	-	-	0	NA	NA	NA	0.0%					
	39400	2011	0.00	-	-	0	NA	NA	NA	NA	0.0%				
	39400	2012	0.00	-	-	0	NA	NA	NA	NA	NA	0.00%			
	39400	2013	0.00	-	-	0	NA	NA	NA	NA	NA	NA	0.00%		
	39400	2014	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	0.00%	
	39400	2015	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	0.00%
	39400	2016	27.50	-	-	0	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39400	2017	123,339.96	-	-	0	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39400	2018	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39400	2019	0.00	-	-	0	NA	NA	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39400	2020	20,120.34	-	-	0	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39400	2021	8,616.01	-	-	0	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39400	2022	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%

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39500-Laboratory Equipment	2007	0.00	-	-	0	NA									
	39500 2008	0.00	-	-	0	NA	NA								
	39500 2009	0.00	-	-	0	NA	NA	NA							
	39500 2010	0.00	-	-	0	NA	NA	NA	NA						
	39500 2011	0.00	-	-	0	NA	NA	NA	NA	NA					
	39500 2012	0.00	-	-	0	NA	NA	NA	NA	NA	NA				
	39500 2013	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA			
	39500 2014	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA		
	39500 2015	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
	39500 2016	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39500 2017	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39500 2018	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39500 2019	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39500 2020	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39500 2021	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39500 2022	23,632.07	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39700-Communication Equipment	1993	8,091.00	-	-	0	0.0%									
	39700 1994	0.00	-	-	0	NA	0.0%								
	39700 1995	0.00	-	-	0	NA	NA	0.0%							
	39700 1996	0.00	-	-	0	NA	NA	NA	0.0%						
	39700 1997	0.00	-	-	0	NA	NA	NA	NA	0.0%					
	39700 1998	0.00	-	-	0	NA	NA	NA	NA	NA	0.00%				
	39700 1999	0.00	-	-	0	NA	NA	NA	NA	NA	NA	0.00%			
	39700 2000	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	0.00%		
	39700 2001	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	0.00%	
	39700 2002	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.00%
	39700 2003	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39700 2004	34,015.00	26,609	3,107	23,502	69.1%	69.1%	69.1%	69.1%	69.1%	69.09%	69.09%	69.09%	69.09%	69.09%
	39700 2005	0.00	-	-	0	NA	69.1%	69.1%	69.1%	69.1%	69.09%	69.09%	69.09%	69.09%	69.09%
	39700 2006	792,568.00	-	-	0	0.0%	0.0%	2.8%	2.8%	2.8%	2.84%	2.84%	2.84%	2.84%	2.84%
	39700 2007	0.00	-	-	0	NA	0.0%	0.0%	2.8%	2.8%	2.84%	2.84%	2.84%	2.84%	2.84%
	39700 2008	16,529.96	-	-	0	0.0%	0.0%	0.0%	0.0%	2.8%	2.79%	2.79%	2.79%	2.79%	2.79%
	39700 2009	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	2.79%	2.79%	2.79%	2.79%	2.79%
	39700 2010	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%	0.00%	2.79%	2.79%	2.79%	2.79%
	39700 2011	0.00	-	-	0	NA	NA	NA	0.0%	0.0%	0.00%	0.00%	2.79%	2.79%	2.79%
	39700 2012	24,247,439.73	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.09%	0.09%
	39700 2013	118,855.67	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.09%
	39700 2014	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39700 2015	34,412.20	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39700 2016	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%

		Activity		Gross	Cost of	Net	Net	2- yr	3- yr	4- yr	5- yr	6- yr	7- yr	8- yr	9- yr	10- yr
Account and Description		Year	Retirement	Salvage	Removal	Salvage	Salv. %	Net Salv. %	Net Salv. %	Net Salv. %	Net Salv. %	Net Salv. %	Net Salv. %	Net Salv. %	Net Salv. %	Net Salv. %
	39700	2017	1,440,195.73	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39700	2018	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39700	2019	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39700	2020	664,148.96	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39700	2021	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39700	2022	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39800-Miscellaneous Equipment		1996	149,090.00	9,000	-	9,000	6.0%									
	39800	1997	0.00	-	-	0	NA	6.0%								
	39800	1998	0.00	-	-	0	NA	NA	6.0%							
	39800	1999	0.00	-	-	0	NA	NA	NA	6.0%						
	39800	2000	0.00	-	-	0	NA	NA	NA	NA	6.0%					
	39800	2001	0.00	-	-	0	NA	NA	NA	NA	NA	6.04%				
	39800	2002	0.00	-	-	0	NA	NA	NA	NA	NA	NA	6.04%			
	39800	2003	56,637.00	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	4.37%		
	39800	2004	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	4.37%	
	39800	2005	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	4.37%
	39800	2006	0.00	-	-	0	NA	NA	NA	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39800	2007	0.00	-	-	0	NA	NA	NA	NA	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39800	2008	419,274.36	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39800	2009	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39800	2010	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39800	2011	0.00	-	-	0	NA	NA	NA	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39800	2012	25,971.27	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39800	2013	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39800	2014	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39800	2015	0.00	-	-	0	NA	NA	NA	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39800	2016	190,238.12	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39800	2017	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39800	2018	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39800	2019	0.00	-	-	0	NA	NA	NA	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39800	2020	0.00	-	-	0	NA	NA	NA	NA	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39800	2021	0.00	-	-	0	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%
	39800	2022	36,386.96	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39800-Miscellaneous Equipment		2007	0.00	-	-	0	NA									
	39809	2008	0.00	-	-	0	NA	NA								
	39809	2009	0.00	-	-	0	NA	NA	NA							
	39809	2010	0.00	-	-	0	NA	NA	NA	NA						
	39809	2011	0.00	-	-	0	NA	NA	NA	NA	NA					
	39809	2012	0.00	-	-	0	NA	NA	NA	NA	NA	NA				

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	39809	2013	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA		
	39809	2014	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA		
	39809	2015	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	
	39809	2016	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39809	2017	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39809	2018	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39809	2019	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39809	2020	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39809	2021	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39809	2022	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
39900-Other Tangible Property	1994	219,471.00	-	-	0	0.0%									
39910-CKV-Other Tangible Property	1995	0.00	-	-	0	NA	0.0%								
39918-CKV-Other Tangible Property	1996	0.00	-	-	0	NA	NA	0.0%							
39924-Other Tangible Property General	1997	0.00	-	-	0	NA	NA	NA	0.0%						
	39900	1998	0.00	-	-	0	NA	NA	NA	0.0%					
	39900	1999	0.00	-	-	0	NA	NA	NA	NA	0.00%				
	39900	2000	0.00	-	-	0	NA	NA	NA	NA	NA	0.00%			
	39900	2001	0.00	-	-	0	NA	NA	NA	NA	NA	NA	0.00%		
	39900	2002	8,143.00	-	-	0	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	
	39900	2003	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39900	2004	0.00	-	-	0	NA	NA	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39900	2005	0.00	-	-	0	NA	NA	NA	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39900	2006	0.00	-	-	0	NA	NA	NA	NA	0.0%	0.00%	0.00%	0.00%	0.00%
	39900	2007	0.00	-	-	0	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%
	39900	2008	224,866.15	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39900	2009	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39900	2010	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39900	2011	0.00	-	-	0	NA	NA	NA	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39900	2011	0.00	-	-	0	NA	NA	NA	NA	0.0%	0.00%	0.00%	0.00%	0.00%
	39900	2012	0.00	-	-	0	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%
	39900	2013	0.00	-	-	0	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%
	39900	2014	0.00	-	-	0	NA	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%
	39900	2015	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	0.00%	0.00%
	39900	2016	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	0.00%
	39900	2017	0.00	-	-	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
	39900	2018	629,166.46	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39900	2019	162,267.97	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39900	2020	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39900	2021	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39900	2022	1,651.55	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%

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39921-OthTang Prop-Servers-H/W-AEAM															
39901-Oth Tang Prop - Servers - H/W	2007	0.00	-	-	0	NA									
	39901 2008	0.00	-	-	0	NA	NA								
	39901 2009	0.00	-	-	0	NA	NA	NA							
	39901 2010	0.00	-	-	0	NA	NA	NA	NA						
	39901 2011	0.00	-	-	0	NA	NA	NA	NA	NA					
	39901 2012	10,873,204.70	-	(129)	129	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%				
	39901 2013	3,585,983.60	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%			
	39901 2014	452,050.30	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%		
	39901 2015	8,526,616.39	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	
	39901 2016	458,170.94	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39901 2017	1,469,953.03	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39901 2018	18,837,035.72	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39901 2019	106,175.33	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39901 2020	7,303,174.25	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39901 2021	67,314.03	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39901 2022	1,478,152.02	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39922-OthTang Prop-Servers-S/W-AEAM															
39902-Oth Tang Prop - Servers - S/W	2007	0.00	-	-	0	NA									
	39902 2008	0.00	-	-	0	NA	NA								
	39902 2009	0.00	-	-	0	NA	NA	NA							
	39902 2010	0.00	-	-	0	NA	NA	NA	NA						
	39902 2011	0.00	-	-	0	NA	NA	NA	NA	NA					
	39902 2012	6,624,795.54	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%				
	39902 2013	1,467,367.65	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%			
	39902 2014	497,701.44	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%		
	39902 2015	226,110.26	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	
	39902 2016	163,043.25	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39902 2017	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39902 2018	991,615.69	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39902 2019	10,688,603.52	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39902 2020	675,486.81	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39902 2021	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39902 2022	1,110,279.74	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%

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39923-OthTang Prop-Network-H/W-AEAM															
39903-Oth Tang Prop - Network - H/W	2006	11,472.00	-	-	0	0.0%									
	39903 2007	0.00	-	-	0	NA	0.0%								
	39903 2008	0.00	-	-	0	NA	NA	0.0%							
	39903 2009	0.00	-	-	0	NA	NA	NA	0.0%						
	39903 2010	0.00	-	-	0	NA	NA	NA	NA	0.0%					
	39903 2011	0.00	-	-	0	NA	NA	NA	NA	NA	0.00%				
	39903 2012	886,043.63	-	1,278	(1,278)	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.14%	-0.14%			
	39903 2013	110,058.63	-	-	0	0.0%	-0.1%	-0.1%	-0.1%	-0.1%	-0.13%	-0.13%	-0.13%		
	39903 2014	237,149.12	-	-	0	0.0%	0.0%	-0.1%	-0.1%	-0.1%	-0.10%	-0.10%	-0.10%	-0.10%	
	39903 2015	1,348,505.07	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	-0.05%	-0.05%	-0.05%	-0.05%	-0.05%
	39903 2016	33,700.31	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	-0.05%	-0.05%	-0.05%	-0.05%	-0.05%
	39903 2017	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	-0.05%	-0.05%	-0.05%	-0.05%	-0.05%
	39903 2018	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%	0.00%	-0.05%	-0.05%	-0.05%	-0.05%
	39903 2019	154,713.05	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	-0.05%	-0.05%	-0.05%
	39903 2020	2,698,241.83	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	-0.02%	-0.02%
	39903 2021	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	-0.02%
	39903 2022	51,006.75	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39916-CKV-Oth Tang Prop-PC Hardware															
39906-Oth Tang Prop - PC Hardware	1994	97,832.00	-	-	0	0.0%									
	39906 1995	0.00	-	-	0	NA	0.0%								
	39906 1996	116,913.00	-	-	0	0.0%	0.0%	0.0%							
	39906 1997	0.00	-	-	0	NA	0.0%	0.0%	0.0%						
	39906 1998	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%					
	39906 1999	0.00	-	-	0	NA	NA	NA	0.0%	0.0%	0.00%				
	39906 2000	2,832.00	3,000	45	2,955	104.3%	104.3%	104.3%	104.3%	2.5%	2.47%	1.36%			
	39906 2001	0.00	-	-	0	NA	104.3%	104.3%	104.3%	104.3%	2.47%	2.47%	1.36%		
	39906 2002	6,189,732.00	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.05%	0.05%	0.05%	0.05%	
	39906 2003	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.05%	0.05%	0.05%	0.05%	0.05%
	39906 2004	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%	0.05%	0.05%	0.05%	0.05%	0.05%
	39906 2005	0.00	-	-	0	NA	NA	NA	0.0%	0.0%	0.05%	0.05%	0.05%	0.05%	0.05%
	39906 2006	2,632,955.00	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.03%	0.03%	0.03%	0.03%
	39906 2007	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.03%	0.03%	0.03%
	39906 2008	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.03%	0.03%
	39906 2009	0.00	-	-	0	NA	NA	NA	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.03%
	39906 2010	0.00	-	-	0	NA	NA	NA	NA	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39906 2011	0.00	-	-	0	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%
	39906 2011	2,825,516.07	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39906 2012	4,649,967.16	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%

ATMOS ENERGY - SHARED SERVICES UNIT
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Account and Description	Activity Year	Retirement	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
	39906	2013	217,743.76	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39906	2014	162,561.94	250	-	250	0.2%	0.1%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39906	2015	1,660,308.12	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39906	2016	696,097.17	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39906	2017	18,020.39	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39906	2018	1,537,084.51	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.01%	0.00%	0.00%	0.00%
	39906	2019	148,508.48	3,272	-	3,272	2.2%	0.2%	0.2%	0.1%	0.1%	0.08%	0.08%	0.04%	0.03%
	39906	2020	963,667.27	-	-	0	0.0%	0.3%	0.1%	0.1%	0.1%	0.07%	0.07%	0.07%	0.04%
	39906	2021	0.00	-	-	0	NA	0.0%	0.3%	0.1%	0.1%	0.10%	0.07%	0.07%	0.04%
	39906	2022	0.00	-	-	0	NA	NA	0.0%	0.3%	0.1%	0.12%	0.10%	0.07%	0.07%
39917-CKV-Oth Tang Prop-PC Software															
39907-Oth Tang Prop - PC Software	1994	38,759.00	-	-	0	0.0%									
	39907	1995	0.00	-	-	0	NA	0.0%							
	39907	1996	0.00	-	-	0	NA	NA	0.0%						
	39907	1997	0.00	-	-	0	NA	NA	NA	0.0%					
	39907	1998	0.00	-	-	0	NA	NA	NA	NA	0.0%				
	39907	1999	0.00	-	-	0	NA	NA	NA	NA	0.00%				
	39907	2000	0.00	-	-	0	NA	NA	NA	NA	NA	0.00%			
	39907	2001	0.00	-	-	0	NA	NA	NA	NA	NA	NA	0.00%		
	39907	2002	861,539.00	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39907	2003	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39907	2004	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39907	2005	0.00	-	-	0	NA	NA	NA	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39907	2006	16,495.00	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39907	2007	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39907	2008	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39907	2009	0.00	-	-	0	NA	NA	NA	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39907	2010	0.00	-	-	0	NA	NA	NA	NA	0.0%	0.00%	0.00%	0.00%	0.00%
	39907	2011	0.00	-	-	0	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%
	39907	2011	0.00	-	-	0	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%
	39907	2012	2,918,743.00	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39907	2013	366,151.43	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39907	2014	599,561.35	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39907	2015	864,237.58	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39907	2016	143,270.73	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39907	2017	132,181.39	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39907	2018	192,229.23	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39907	2019	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39907	2020	325,856.38	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39907	2021	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%
	39907	2022	3,261.74	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%

ATMOS ENERGY - SHARED SERVICES UNIT
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39928-Oth Tang Prop-Appl SW-AEAM															
39908-Oth Tang Prop - Appl Software	1995	5,256.00	-	-	0	0.0%									
	39908 1996	0.00	-	-	0	NA	0.0%								
	39908 1997	0.00	-	-	0	NA	NA	0.0%							
	39908 1998	0.00	-	-	0	NA	NA	NA	0.0%						
	39908 1999	0.00	-	-	0	NA	NA	NA	NA	0.0%					
	39908 2000	8,032,596.00	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%				
	39908 2001	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%			
	39908 2002	9,573,067.00	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%		
	39908 2003	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	
	39908 2004	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39908 2005	0.00	-	-	0	NA	NA	NA	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39908 2006	731,136.00	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39908 2007	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39908 2008	0.00	-	-	0	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39908 2009	0.00	-	-	0	NA	NA	NA	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39908 2010	0.00	-	-	0	NA	NA	NA	NA	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39908 2011	0.00	-	-	0	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%
	39908 2011	0.00	-	-	0	NA	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%
	39908 2012	2,603,072.12	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39908 2013	60,097,599.00	-	206	(206)	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39908 2014	-68,544.72	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39908 2015	4,526,869.43	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39908 2016	53,544,165.22	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39908 2017	4,718,848.37	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39908 2018	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39908 2019	3,612,552.62	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39908 2020	3,254,702.42	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39908 2021	0.00	-	-	0	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
	39908 2022	643,414.10	-	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%

WORKPAPERS
TO
DIRECT TESTIMONY
OF
DANE A. WATSON

Workpapers to the Direct Testimony of Dane A. Watson are being provided in electronic format.

CASE NO. 00019196

STATEMENT OF INTENT FILED BY	§	
ATMOS ENERGY CORP. TO CHANGE	§	RAILROAD COMMISSION
GAS UTILITY RATES WITHIN THE	§	
UNINCORPORATED AREAS OF THE	§	OF TEXAS
MID-TEX DIVISION	§	

DIRECT TESTIMONY

OF

PAUL H. RAAB

WITNESS FOR

ATMOS ENERGY CORP., MID-TEX DIVISION

NOVEMBER 18, 2024

CASE NO. 00019196
INDEX TO THE DIRECT TESTIMONY OF
PAUL H. RAAB, WITNESS FOR
ATMOS ENERGY CORP., MID-TEX DIVISION

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LIST OF EXHIBITS

Exhibit PHR-1	Summary of Qualifications and Experience

DIRECT TESTIMONY OF PAUL H. RAAB

I. POSITION AND QUALIFICATIONS

Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS ADDRESS.

A. My name is Paul H. Raab, and my business address is 5313 Portsmouth Road, Bethesda, MD 20816. I am an independent economic consultant.

Q. ON WHOSE BEHALF ARE YOU APPEARING TODAY?

A. I am appearing on behalf of Atmos Energy Corporation's ("Atmos Energy") Mid-Tex Division ("Mid-Tex Division" or the "Company").

Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

A. I have a B.A. in Economics from Rutgers University and an M.A. from the State University of New York at Binghamton with a concentration in Econometrics. While attending Rutgers, I studied as a Henry Rutgers Scholar.

Q. PLEASE DESCRIBE YOUR BUSINESS EXPERIENCE.

A. I have been providing consulting services to the utility industry for over forty-five years, having assisted electric, gas, telephone, and water utilities; Commissions; and intervenor clients in a variety of areas. I am trained as a quantitative economist so that most of this assistance has been in the form of mathematical and economic analysis and information systems development. My areas of focus relevant to this case include costing and rate design analysis. I began my career with the professional services firm that is now known as Ernst & Young, where I was employed for ten years.

1 **Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE COMMISSIONS IN**
2 **REGULATORY PROCEEDINGS?**

3 A. Yes. I have provided expert testimony in numerous cases before the Railroad
4 Commission of Texas (“Commission”). I have also provided expert testimony
5 before many other state regulatory authorities, as well as the Federal Energy
6 Regulatory Commission (“FERC”), the Michigan House Economic Development
7 and Energy Committee, the Pennsylvania House Consumer Affairs Committee, the
8 Province of Saskatchewan, and the United States Tax Court.

9 Exhibit PHR-1 presents more details on the subject matter of the testimony
10 provided.

11 **II. PURPOSE OF TESTIMONY**

12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

13 A. The purpose of my testimony is two-fold. First, my testimony describes the class
14 cost of service study that guides the allocation of the Company’s Mid-Tex Division
15 revenue requirements among its customer classes. Second, it supports the specific
16 rates for service to collect this level of revenues.

17 **Q. DO YOU SPONSOR ANY SCHEDULES OR EXHIBITS IN CONNECTION**
18 **WITH YOUR TESTIMONY?**

19 A. Yes. I sponsor the exhibit listed in the Table of Contents to my direct testimony. I
20 also co-sponsor Schedule A-1 and sponsor Schedules J, J-1, J-1.1 to 1.3, J-2 and 2.1,
21 J-3 and 3.1, J-4, J-4.1 to 4.3, Rate Design and associated workpapers of the Class Cost
22 of Service Study (“CCOSS”), which is included with the Company’s Statement of
23 Intent as Exhibit E and the following CCOSS Schedules, which are part of that study:

1	RevReq-CCS1	Base Revenue Requirements Allocation
2	RB-CCS2	Rate Base Allocation
3	Plt-CCS3	Plant Allocation
4	DesDay-CCS4	Design Day Demand Analysis
5	MetInv-CCS5	Meter Investment Analysis
6	O&M-CCS6	O&M Expense Allocation
7	Dep-CCS7	Depreciation Expense Allocation
8	Tax-CCS8	Taxes Other than Income Taxes Allocation

9 **Q. WERE THESE SCHEDULES AND YOUR TESTIMONY AND EXHIBIT**
10 **PREPARED BY YOU OR UNDER YOUR DIRECT SUPERVISION?**

11 A. Yes.

12 **III. CLASS COST OF SERVICE**

13 **A. Background**

14 **Q. WHAT METHODOLOGY DID YOU FOLLOW WHEN CONDUCTING**
15 **THE CLASS COST OF SERVICE ANALYSIS FOR THE MID-TEX**
16 **DIVISION IN THIS PROCEEDING?**

17 A. I used the same methodology in this case that I used in prior Atmos Energy cases,
18 Gas Utilities Docket (“GUD”) Nos. 9762, 9869, 10170, and 10174. The
19 Commission approved this methodology in all of these dockets.

20 Q. WHAT IS A CLASS COST OF SERVICE ANALYSIS?

21 A. A class cost of service analysis is the process by which the costs that a utility incurs
22 to serve particular classes of customers are linked to the classes of customers that
23 caused those costs to be incurred.

24 **Q. WHY IS IT NECESSARY TO ALLOCATE COSTS TO THE DIFFERENT**
25 **CUSTOMER CLASSES?**

26 A. It is a generally accepted utility ratemaking principle that rates should be based on
27 costs. This statement applies not only to the overall level of costs incurred by the

1 utility, but also to the costs that the utility incurs to serve individual services, classes
 2 of customers, and segments of the utility's business. Adherence to this principle is
 3 complicated by the fact that many of the costs incurred to provide different types
 4 of service are "joint" costs and many are "common" costs, neither of which have a
 5 theoretically precise method by which they can be assigned to the different products
 6 produced as a result of the incurrence of these costs.

7 Joint costs occur when the provision of one service is an automatic by-
 8 product of another (e.g., the delivery of natural gas at different times of the year).
 9 Common costs are incurred when several outputs are produced using the same
 10 facilities or inputs (e.g., administrative and general expenses).

11 Thus, cost of service studies are the primary method used to allocate the
 12 common and joint costs incurred by the utility in serving different customer classes.

13 They are used for five purposes:

- 14 1. To attribute costs to different categories of customers based on how
 15 those customers cause costs to be incurred;
- 16 2. To determine how costs will be recovered from customers within
 17 each customer class;
- 18 3. To calculate the costs of individual types of service based on the
 19 costs each service requires the utility to expend;
- 20 4. To determine the revenue requirement for the monopoly services
 21 offered by a utility operating in both monopoly and competitive
 22 markets; and
- 23 5. To separate costs among different regulatory jurisdictions.

1 **Q. HOW ARE THE COSTS INCURRED BY THE UTILITIES ALLOCATED**
2 **TO THE DIFFERENT CUSTOMER CLASSES?**

3 A. These costs are allocated to the different customer classes in three steps:
4 functionalization, classification, and allocation.

5 **Q. PLEASE DESCRIBE THE FUNCTIONALIZATION PROCESS.**

6 A. Functionalization is the process whereby the capital and operating costs incurred
7 by the utility to provide service are categorized by function. The typical functions
8 of a natural gas utility are transmission, distribution, customer service and facilities,
9 and administrative and general. The transmission function includes those assets
10 and expenses associated with the delivery of natural gas from the field to the
11 distribution system. The assets and expenses involved in the delivery of natural gas
12 to ultimate customers, except those that can be directly assigned to a particular
13 customer, are included in the distribution function. Those distribution costs that
14 can be directly assigned to a particular customer (e.g., services and meters) plus the
15 meter reading and other customer service functions such as billing and collections
16 are included in the customer service and facilities function. The administrative and
17 general function includes management costs that cannot be directly assigned to the
18 other major cost functions.

19 **Q. WHY DOES ONE FUNCTIONALIZE COSTS?**

20 A. Costs are functionalized so that they can be more easily classified, which is the next
21 step in the cost of service analysis.

1 **Q. HOW WAS THE FUNCTIONALIZATION PROCESS PERFORMED FOR**
2 **THE MID-TEX DIVISION?**

3 A. The Company accounting processes follow the FERC Uniform System of
4 Accounts. In large measure, this system of accounts records costs by the function
5 for which they were incurred. Thus, the costs that I work with in the cost of service
6 analysis are already grouped by function.

7 **Q. PLEASE DESCRIBE THE CLASSIFICATION PROCESS.**

8 A. The classification process recognizes that the utility's costs are incurred for a
9 number of purposes: to meet customers' peak demands (demand-related costs), to
10 provide energy (energy- or commodity-related costs), and because there are
11 customers on the system (customer-related costs). The classification process
12 groups the utility's costs by the purpose for which they were incurred. The cost of
13 odorant is the best example of a cost that is incurred in direct proportion to the
14 amount of natural gas that flows through the system and is therefore classified as
15 an energy-related cost. On the other hand, metering costs are primarily driven by
16 the number of customers on the system and would be classified as customer-related
17 costs.

18 **Q. HOW WERE THE COMPANY'S COSTS CLASSIFIED IN THIS STUDY?**

19 A. Three different methods were used to classify costs. The first method is to rely on
20 an independent study. This is the approach taken, for example, in order to classify
21 the mains investment as either customer-related or capacity-related. The second
22 method employs the classification factors previously approved by the Commission.
23 For example, service investments are allocated based on the number of customer

1 locations. Therefore, it follows logically that services are considered a customer-
2 related cost and are classified as 100% customer-related. The third method
3 develops a composite classification factor based on the classifications of one or
4 more cost categories. For example, General Plant is allocated using the ratio of
5 Distribution and Customer Support Plant needed to serve each class. This implies
6 that General Plant should also be classified in the same manner as all Distribution
7 and Customer Support Plant. These internal classifications are automatically
8 calculated in the class cost of service model utilized in this case. I provide more
9 details on the specific classification factors employed later in my testimony.

10 **Q. PLEASE DESCRIBE THE ALLOCATION PROCESS.**

11 A. The allocation process is one in which the functionalized and classified costs from
12 above are assigned to specific customer classes. It is assumed that the load
13 characteristics of the customers within each of the major customer classes are
14 relatively homogeneous with respect to their usage characteristics. Thus, costs can be
15 allocated to these customer classes based on these characteristics. Those costs that
16 have been classified as demand-related costs in the classification process above are
17 allocated among the customer classes on the basis of demands imposed on the system
18 during the design day. Energy-related costs are allocated on the basis of system
19 throughput to meet the energy needs of these customers. Customer-related costs are
20 allocated to the different customer classes based on the number of customer locations.

1 **Q. HOW ARE THESE COSTS ALLOCATED TO THE COMPANY'S**
2 **DIFFERENT CUSTOMER CLASSES?**

3 A. First, customers are divided into groups or classes. These classes are populated with
4 customers having similar natural gas demand characteristics. The customers within
5 each class can therefore be billed pursuant to a single rate schedule containing a
6 customer charge and an energy charge since their load profiles are sufficiently
7 similar. Next, costs are examined to determine why the utility incurred them and
8 how customers' natural gas demand characteristics impact the utility's cost
9 incurrence decisions. Finally, a demand characteristic is associated with each cost
10 incurred; each customer class's contribution to that cost provides the basis for the
11 allocation of the associated cost.

12 **Q. WHAT ARE THESE "NATURAL GAS DEMAND CHARACTERISTICS"**
13 **THAT CUSTOMERS PLACE ON THE SYSTEM?**

14 A. The customer's request for service is a cost causative demand characteristic that
15 necessarily results in an immediate investment in a regulator, a service line and
16 metering facilities, and establishes a commitment on the part of the company to
17 provide, among other things, answers to questions and a monthly billing. Hence,
18 the very existence of this customer-utility relationship causes the incurrence of
19 costs. The customer's potential rate of energy use, usually expressed in design day
20 usage and referred to as the customer's demand, is an important cost causative
21 characteristic as well. Additionally, but to a minimal extent, the magnitude of costs
22 incurred to serve a customer is also driven by the amount of natural gas taken from
23 the utility system, usually expressed volumetrically (Mcf) or in terms of the energy

1 content of the natural gas itself (Btus) and referred to as the customer's energy use
2 or usage.

3 **Q. HOW DO SUCH DEMANDS AFFECT COST INCURRENCE?**

4 A. Cost incurrence is strongly driven by two primary factors, customers on the system
5 and the rate at which energy is used. Investments in services, regulators and meters
6 and expenses associated with customer service and billing are obviously strongly
7 correlated with the number of customers served. Likewise, the rate at which energy
8 is used is measured by the class contribution to design day and serves as the link to
9 the incurrence and magnitude of demand-related utility costs.

10 **Q. WHY HAVE YOU EMPHASIZED THE CUSTOMER-UTILITY**
11 **RELATIONSHIP AND THE RATE AT WHICH ENERGY IS USED**
12 **RATHER THAN THROUGHPUT WHEN DESCRIBING COST**
13 **CAUSATIVE CUSTOMER UTILIZATION FACTORS?**

14 A. There are two very important factors that drive a natural gas utility's cost
15 incurrence. First, it is a capital-intensive enterprise. Second, the system must be
16 sized so that it has the capability to deliver natural gas to customers during
17 extremely cold conditions (the "design day"), even though this intensity of usage
18 only occurs a few days out of the year, if at all. This combination of capital intensity
19 and sizing to meet peak day demands dictates the prominence of customers served
20 and the "rate of use" customer demand characteristic when discussing the primary
21 causes of cost incurrence.

1 **Q. WHAT IS THE SIGNIFICANCE OF THE DESIGN DAY DEMAND?**

2 A. It is necessary first and foremost to meet the simultaneous load of all customers.
3 Furthermore, the system is built to meet the highest simultaneous peak established
4 by customers. Therefore, the number of customers and the class contribution to the
5 coincident design day demand are the appropriate cost causative factors to be used
6 in the allocation to customer classes of capital cost carrying charges of facilities
7 and many operating and maintenance expenses needed to support those facilities.

8 **Q. WHAT ARE THE GENERAL PRINCIPLES THAT SHOULD GUIDE AN**
9 **ANALYST IN PREPARING A CLASS COST OF SERVICE STUDY?**

10 A. Allocation of costs among customer classes establishes the basis to measure
11 existing revenue levels from such classes against the costs incurred by the Company
12 to serve them. It also provides a basis for establishing actual tariff prices that will
13 equitably recover the costs associated with providing service while minimizing
14 inter-class subsidies that may otherwise occur. In brief, using the class cost of
15 service analysis, the analyst allocates costs to cost causers. The costs that a utility
16 incurs to serve customers are the distribution facilities to distribute the natural gas
17 to homes and businesses, general facilities that provide support to the distribution
18 function and the related costs of operation. These costs are generally driven by the
19 number of customers served and the potential peak demands that these customers
20 place on the system and should be allocated on those bases. Energy-related costs

1 such as odorant vary with the actual volumes consumed and should be spread to the
2 various classes based on test year throughput.

3 Some analysts utilize energy use in a class cost of service to distribute
4 capital costs to classes. These analysts rationalize this allocation methodology by
5 pointing out that these facilities serve year-round load. This methodology gives no
6 weight to the critical point that these facilities were sized and built to meet the
7 highest demand that occurs during the winter period for the Mid-Tex Division.

8 **B. The Classification Study**

9 **Q. PLEASE DESCRIBE THE CLASSIFICATION STUDY.**

10 A. The classification study I prepared for the Company follows the general guidelines
11 established above. It is easiest to present the details associated with this process by
12 introducing the twelve specific classification factors I have developed and used.
13 The first of these twelve factors is based on an independent study. The next three
14 classification factors follow logically from the Commission's determination in
15 previous base rate proceedings for Atmos Energy. And finally, the remaining eight
16 factors are composite classification factors based on the classifications of one or
17 more cost categories.

18 **Q. WHICH FACTOR IS BASED ON AN INDEPENDENT STUDY?**

19 A. The factor used to classify mains investments is based on an independent study. It
20 classifies a portion of mains investment as customer-related and a portion as
21 demand-related using an approach known as the minimum distribution system
22 approach.

1 **Q. WHAT IS THE THEORETICAL RATIONALE FOR THE USE OF THE**
2 **MINIMUM DISTRIBUTION SYSTEM APPROACH TO CLASSIFY**
3 **MAINS INVESTMENT?**

4 A. The theoretical rationale for this approach is that there is a minimum investment in
5 mains that is required to serve a customer that is not influenced by the amount of
6 natural gas that the customer uses, whether throughout the year or on the design
7 day. Thus, these investments are considered to be customer related. However, as
8 customers place demands on the system, incremental investments are needed to
9 meet those demands. Thus, these incremental investments are considered to be
10 demand related.

11 **Q. PLEASE DESCRIBE YOUR MINIMUM DISTRIBUTION STUDY.**

12 A. The minimum distribution study is provided as footnote (a) of Plt-CCS3. This
13 study evaluates 171,325,018 feet of main in service in Atmos Energy's Mid-Tex
14 Division service territory. Consistent with the Commission's decisions in prior
15 cases involving Atmos Energy's Mid-Tex system, the minimum size main that is
16 needed to provide service is considered to be 2" main. The cost of 2" main is
17 \$25.61/foot. This results in a total investment in the minimum size main of
18 \$4,386,977,572. The total investment in all mains is \$6,292,269,670. Therefore,
19 the portion that is customer-related is $\$4,386,977,572 / \$6,292,269,670$, or 69.72%.
20 The portion that is demand related is $((\$6,292,269,670 - \$4,386,977,572)$
21 $/ \$6,292,269,670) = (\$1,905,292,098 / \$6,292,269,670)$, or 30.28%.

1 **Q. WHICH FACTORS FLOW FROM THE COMMISSION’S PRIOR**
 2 **DETERMINATIONS?**

3 A. The factor used to classify cost elements as 100% customer-related, the factor used
 4 to classify cost elements as 100% demand-related, and the factor used to classify
 5 cost elements as 100% commodity-related.

6 **Q. WHICH COSTS ARE CLASSIFIED AS 100% CUSTOMER-RELATED?**

7 A. Costs that are classified as 100% customer-related are those plant-related
 8 investment costs that are allocated according to the number of customer locations
 9 (see footnote (b) of Plt-CCS3), meter investment (see footnote (d) of Plt-CCS3) and
 10 direct to Industrial and Transport customers (see footnote (e) of Plt-CCS3) and
 11 those operation and maintenance (“O&M”) Expense Accounts that are allocated
 12 directly to Industrial and Transport customers (see footnote (e) of O&M-CCS6) and
 13 according to the number of customer locations (see footnote (g) of O&M-CCS6).

14 **Q. WHICH COSTS ARE CLASSIFIED AS 100% DEMAND-RELATED?**

15 A. Costs that are classified as 100% demand-related are those plant-related investment
 16 costs that are allocated according to Design Day Demand (see footnote (c) of Plt-
 17 CCS3).

18 **Q. WHICH COSTS ARE CLASSIFIED AS 100% COMMODITY-RELATED?**

19 A. Costs that are classified as 100% commodity-related are those O&M Expenses
 20 Accounts that are allocated according to throughput (see footnote (b) of O&M-
 21 CCS6).

1 **Q. WHICH FACTORS ARE COMPOSITE CLASSIFICATION FACTORS**
 2 **BASED ON THE CLASSIFICATIONS OF ONE OR MORE COST**
 3 **CATEGORIES?**

4 A. The following table summarizes the remaining factors that are composite
 5 classification factors based on the classifications of one or more cost categories:

Classification Factor	Customer-Related	Demand-Related	Commodity-Related
Mains & Services	78.06%	21.94%	0.00%
Distribution and Customer Support Plant	79.86%	20.14%	0.00%
Net Plant	79.86%	20.14%	0.00%
O&M Expenses	82.08%	17.67%	0.25%
Composite 871-879;886-893	79.07%	20.46%	0.46%
Composite 374-379	69.72%	30.28%	0.00%
Rate Base	79.83%	20.17%	0.00%
Comp. 870-902;905-916;924;928-930.1	80.98%	18.60%	0.42%

6 These factors are applied to various plant and reserve accounts as shown on Plt-
 7 CCS3 and various Depreciation Expense Accounts as shown on Dep-CCS7.

8 **Q. PLEASE SUMMARIZE THE RESULTS OF YOUR CLASSIFICATION.**

9 A. The total test-year cost of service for the Mid-Tex Division is \$1,598,892,039.
 10 Customer-related costs are \$1,297,339,617 (81.14% of the total), demand-related
 11 costs are \$300,788,745 (18.81%), and commodity-related costs are \$763,677
 12 (0.05%).

13 **C. The Allocation Study**

14 **Q. PLEASE DESCRIBE THE ALLOCATION FACTORS THAT YOU USE IN**
 15 **YOUR ALLOCATION STUDY.**

16 A. I have developed and use sixteen specific allocation factors. Six of these sixteen
 17 factors are based on an independent study. The remaining ten factors are composite
 18 classification factors based on the allocations of one or more other cost categories.

1 **Q. WHICH FACTORS ARE BASED ON AN INDEPENDENT STUDY?**

2 A. The following table summarizes the allocation factors that are developed based on
3 an independent study.

Allocation Factor	Residential	Commercial	Industrial & Transport
Throughput	45.80%	30.89%	23.31%
Customer Locations	92.32%	7.53%	0.15%
Design Day Demand	62.96%	31.76%	5.29%
Meter Investments	75.12%	22.14%	2.75%
Direct to I&T	0.00%	0.00%	100.00%
Customer Deposit Balances	69.23%	30.45%	0.32%

4 **Q. HOW ARE THESE FACTORS DEVELOPED?**

5 A. The values for Throughput by class are the result of the weather normalization
6 study, the details of which are provided in the Billing Determinants Study provided
7 in the Company's relied files. The calculations of Customer Locations and Meter
8 Investments by class are shown on MetInv-CCS5. Design Day Demand by class
9 is calculated as shown on DesDay-CCS4. The Direct to I&T allocator is self-
10 explanatory. The values for Customer Deposit Balances by class come directly
11 from the books and records of the Company and are summarized in the Company's
12 relied files.

13 **Q. COULD YOU PLEASE DESCRIBE HOW THESE INDEPENDENT STUDY**
14 **ALLOCATION FACTORS ARE USED?**

15 A. The individual schedules of the Class Cost of Service Study describe the application
16 of the appropriate factor to every specific account. As an example, costs booked to
17 account number 871, Distribution Load Dispatching Expenses, are allocated to
18 specific customer classes based on throughput (O&M-CCS6); costs booked to
19 account number 380, Services are allocated to specific customer classes based on

customer locations (MetInv-CCS5); the capacity-related portion of costs booked to account number 374, Land is allocated to specific customer classes based on design day (Plt-CCS3); costs booked to account number 381, Meters are allocated to specific customer classes based on meter investments (Plt-CCS3); costs booked to account number 385, Industrial Metering and Regulating Station Equipment are directly allocated to industrial and transportation customers (Plt-CCS3); and Interest on Customer Deposits is allocated to specific customer classes based on Customer Deposit Balances (RevReq-CCS1).

Q. WHICH FACTORS ARE COMPOSITE CLASSIFICATION FACTORS BASED ON THE ALLOCATIONS OF ONE OR MORE COST CATEGORIES?

A. The following table summarizes the remaining factors that are composite allocation factors based on the allocations of one or more cost categories:

	Residential	Commercial	Industrial & Transport
Distribution & Customer Support Plant	84.86%	13.69%	1.45%
O&M Expenses	84.07%	14.62%	1.31%
Net Plant	84.86%	13.69%	1.45%
Composite 871-879;886-893	84.92%	13.60%	1.49%
Composite 376 & 380	85.88%	12.84%	1.28%
Composite 374-379	83.43%	14.87%	1.70%
Composite 381-383	75.12%	22.14%	2.75%
Account 380	92.32%	7.53%	0.15%
Comp. 870-902;905-916;924;928-930.1	85.59%	13.05%	1.36%
Rate Base	84.88%	13.66%	1.46%

Each of these factors is developed internally in the class cost of service model.

1 **Q. COULD YOU PLEASE DESCRIBE HOW THESE COMPOSITE**
2 **ALLOCATION FACTORS ARE USED?**

3 A. These factors are applied to various cost of service components as shown on
4 RevReq-CCS1, various other rate base components as shown on RB-CCS2, various
5 plant and reserve accounts as shown on Plt-CCS3, various O&M Expense Accounts
6 as shown on O&M-CCS6, various Depreciation Expense Accounts as shown on
7 Dep-CCS7, and Taxes Other than Income Taxes, Tax-CCS8.

8 **Q. PLEASE SUMMARIZE THE RESULTS OF YOUR ALLOCATION AS**
9 **SHOWN IN REVREQ-CCS1 THROUGH TAX-CCS8.**

10 A. RevReq-CCS1 summarizes the allocation of Company's requested base revenue
11 requirements among customer classes by major component.

12 At the requested return of 8.23%, the total test-year cost of service for the
13 Mid-Tex Division is \$1,598,892,039. At uniform class rates of return, the
14 residential class cost of service is \$1,356,232,912, the commercial class cost of
15 service is \$220,184,145, and the industrial and transport class cost of service is
16 \$22,474,982.

17 **Q. PLEASE DESCRIBE REVREQ-CCS1 IN MORE DETAIL.**

18 A. Column (b), labeled "Total," is the total revenue requirement at existing revenue
19 levels and is obtained from corresponding schedules elsewhere in the rate filing
20 package. The three columns labeled "Residential," "Commercial," and "Industrial
21 & Transport" reflect that portion of the "Total" allocated to each customer class.
22 These allocated amounts are either obtained from the schedule indicated in the

1 “Reference” column or by multiplying the total “Amount” by the allocation factor
2 developed in the footnote indicated in the “Reference” column.

3 As can be seen in RevReq-CCS1, the Operating & Maintenance Expenses,
4 Depreciation Expense, and Taxes Other than Income allocated to each customer
5 class are obtained from other schedules (i.e., O&M-CCS6, Dep-CCS7, and Tax-
6 CCS8, respectively). Interest on Customer Deposits is allocated in proportion to
7 each class’s customer deposit balance, provided in footnote (a).

8 Continuing down RevReq-CCS1, Return on Investment and Income Taxes
9 are both allocated among customer classes in proportion to Rate Base. As shown
10 in footnote (b), the data used to develop the rate base allocation factor are obtained
11 from RB-CCS2, which develops Rate Base by customer class.

12 Finally, the Total Cost of Service is reduced by Revenue Credits, which
13 consist of miscellaneous revenues and revenues received from non-standard
14 contract Industrial and Transport customers, and an Amortization of Excess
15 Deferred Income Taxes, to arrive at the Base Revenue Requirements. Revenue
16 Credits and the Amortization of Excess Deferred Income Taxes are spread across
17 customer classes in proportion to their respective Total Cost of Service, with the
18 allocation factor being developed in footnote (c).

19 **Q. DID YOU USE THESE CLASS REVENUE REQUIREMENTS DIRECTLY**
20 **IN YOUR DETERMINATION OF RATES?**

21 A. No. The class revenue targets shown on lines 13-17 of RevReq-CCS1 are based on
22 each of the classes providing a rate of return equal to the system average rate of
23 return and each class providing revenues equal to its full cost of service without

1 receiving or providing a subsidy from any other class. However, as I describe more
2 fully below, I am concerned that implementation of rates based on these unadjusted
3 revenue targets would lead to “rate shock.” Specifically, based on the Company’s
4 analysis, a system-wide rate increase of \$194,289,977 (13.82%) is required to fully
5 compensate the Company and its investors for the cost of providing natural gas
6 service to customers in its Mid-Tex Division and, of this total, Residential
7 customers would be assigned a system-wide revenue increase of \$246,867,648,
8 reflecting a 22.23% increase in base revenues. As explained more fully below, I
9 develop an alternative allocation of the revenue deficiency that mitigates this
10 increase for Residential customers.

11 **Q. DID YOU USE ANY OTHER INFORMATION FROM YOUR STUDY IN**
12 **YOUR RATE DESIGN?**

13 A. Yes. I utilize the fixed cost of service estimate by class from the Class Cost of
14 Service Study as a guide in determining the appropriate level of monthly customer
15 charges. Specifically, as described more fully below, I propose to retain the
16 existing monthly customer charge of \$46.06 for Residential customers, \$133.15 for
17 Commercial customers, and \$2,491.47 for Industrial and Transport customers, with
18 remaining revenue requirements being recovered through residential class usage
19 charges. In each case, my proposal is less than the corresponding fixed cost of
20 service estimate from the Class Cost of Service Study. For example, fixed costs for
21 the Residential class are \$63.18/customer/month. For the Commercial class, fixed
22 costs are \$172.42/customer/month. And for Industrial and Transport customers,
23 the fixed costs are \$3,336.86/customer/month.

1 **Q. PLEASE DESCRIBE THE RB-CCS2 ALLOCATIONS.**

2 A. RB-CCS2 summarizes the allocation of the Mid-Tex Division's calculated Rate
3 Base among customer classes. The largest component of Rate Base is Net Plant,
4 which is allocated separately in Plt-CCS3. The four components of Working
5 Capital (i.e., Cash Working Capital, Materials & Supplies, Prepayments, and
6 Pension Expenses) are all allocated in proportion to the O&M expenses attributable
7 to each customer class. As shown in footnote (a), the data used to develop the
8 O&M expense allocation factor are obtained from O&M-CCS6, which develops
9 O&M Expenses by customer class.

10 Under the Non-Investor Supplied Capital heading, Customer Deposits and
11 Customer Advances for Construction are allocated based on Customer Deposit
12 Balances (footnote(b)). The Injury and Damages Reserve is spread based on O&M
13 Expenses (footnote (a)). Accumulated Deferred Income Taxes, Excess Deferred
14 Income Taxes, and Rate Base Adjustments are allocated among customer classes
15 in proportion to Net Plant (footnote (c)), with the allocation factor being based on
16 data from Plt-CCS3.

17 **Q. PLEASE DESCRIBE PLT-CCS3, PLANT ALLOCATION.**

18 A. In Plt-CCS3, each item of the Company's net plant investment is allocated among
19 customer classes. The customer-related net plant investment in Accounts 374
20 through 380 and Customer Support from the Shared Services Unit are allocated
21 using a factor developed based on number of customer locations by customer class
22 (footnote (b)). The capacity-related net plant investments in Accounts 374 through

380 are spread across customer classes in proportion to their respective design day demands, the calculation of which is contained in DesDay-CCS4.

Accounts 381 through 384 are allocated using the replacement cost of meters for each customer class. This replacement cost is developed in MetInv-CCS5, with the results then being carried to footnote (d) of Plt-CCS3 where allocation factors are developed to spread these customer-related accounts. Account 385 is assigned directly to the Industrial and Transport customer class.

All of the remaining net plant investment is functionalized as general plant. Accordingly, it is spread among the customer classes in proportion to the net distribution plant investment and Shared Services Customer Support net plant investment previously allocated to each customer class. The development of the factor used to allocate general plant among customer classes is shown in footnote (f) of Plt-CCS3.

Q. YOU EXPLAINED THAT DESDAY-CCS4 AND METINV-CCS5 ARE SUPPORT SCHEDULES FOR PLT-CCS3. PLEASE DESCRIBE O&M-CCS6, O&M EXPENSE ALLOCATION.

A. In O&M-CCS6, each O&M and administrative and general (“A&G”) expense account (Account Nos. 870 through 932) is allocated among customer classes. O&M-CCS6 is organized similar to the previous primary Class Cost of Service Study schedules, with the method used to allocate each account being briefly described and referenced to a footnote. In turn, the footnote shows and identifies the source of the data used to develop the allocation factor. Because of the large number of O&M and A&G accounts and different allocation factors, I will not

1 describe them individually, but simply note that each account is allocated among
2 classes in the same manner as in prior cases.

3 **Q. PLEASE DESCRIBE DEP-CCS7, DEPRECIATION EXPENSE**
4 **ALLOCATION.**

5 A. Dep-CCS7 allocates depreciation expense among customer classes in the same
6 proportions as Net Plant investment in Plt-CCS3.

7 **Q. PLEASE DESCRIBE TAX-CCS8, TAXES OTHER THAN INCOME TAXES**
8 **ALLOCATION.**

9 A. Tax-CCS8 allocates Taxes Other than Income among customer classes. As shown
10 there, Ad Valorem Taxes are allocated in proportion to Total Plant and the other
11 Non-Revenue-Related Taxes are allocated among customer classes on the basis of
12 O&M Expenses.

13 **IV. BILLING DETERMINANTS**

14 **Q. WHAT ARE BILLING DETERMINANTS?**

15 A. Billing Determinants are units of service to which the Company's distribution rates
16 are applied. Specifically, these units include volumes sold or transported, customer
17 counts and miscellaneous other revenues for non-recurring customer service
18 transaction counts.

19 **Q. WHAT IS THE PURPOSE OF THE BILLING DETERMINANTS**
20 **ANALYSIS ("BDA")?**

21 A. The BDA normalizes and applies appropriate adjustments to represent the billing
22 units expected to occur when new rates are put in place in this case. The BDA
23 provides the data and calculations necessary to adjust volumes delivered to reflect
24 normal weather conditions, and to account for other known and measurable

1 adjustments including, but not limited to, annualizing changes in usage patterns by
2 industrial customers.

3 **Q. PLEASE DESCRIBE THE PROCESS EMPLOYED TO DEVELOP THE**
4 **BILLING DETERMINANTS USED IN THIS PROCEEDING.**

5 A. First, the actual, per books, billing units were compiled for the base period of the
6 twelve (12) months ending June 30, 2024, by Residential and Commercial
7 customers. A number of pro-forma and normalizing adjustments were applied to
8 these actual billing units. Upon completing these appropriate ratemaking
9 adjustments, the resulting billing determinants were utilized in Schedule A and the
10 J Schedules of the Cost of Service model.

11 **Q. WHAT PRO-FORMA AND NORMALIZING ADJUSTMENTS WERE**
12 **APPLIED TO THE BASE PERIOD BILLING DETERMINANTS?**

13 A. The first adjustment was to “weather normalize” the Residential and Commercial
14 volumes. The Company then evaluated the rate of annual growth in active
15 customers expected for Residential and Commercial service. Finally, billing unit
16 adjustments for Industrial customers were applied based upon known and
17 measurable changes in usage patterns for these larger customers.

18 **Q. WHAT IS THE PURPOSE OF THE WEATHER ADJUSTMENT?**

19 A. The weather adjustment adjusts the sales volumes to the level of sales the Company
20 would have experienced during a year with normal or average weather. Because
21 the rates to be set utilizing the test period will be in effect in the future, the

1 Commission has consistently concluded that normal weather is the appropriate
2 basis for the adjusted sales level.

3 This adjustment is necessary because consumption patterns for most
4 residential and commercial customers vary as a function of outdoor winter
5 temperatures due to their use of natural gas to fuel space heating. Colder outdoor
6 temperatures lead to greater usage of space heating equipment to sustain settings
7 for indoor temperatures. Heating Degree Days (“HDDs”) are utilized as an
8 indicator of the severity of winter temperatures. HDDs are computed each day by
9 comparing the average of the daily high and low temperatures to a base temperature
10 of 65°F. If the average daily temperature is 50°F, then the day has 15 HDDs. If a
11 daily average temperature is 35°F, then the day has 30 HDDs. Usage patterns for
12 residential and commercial customers can be correlated to the recorded HDDs
13 during a period. Once the correlation is computed, then the period can be adjusted
14 from the actual HDDs for the period to a “normal” period of HDDs. The Company
15 has chosen to define “normal” as the simple average of HDDs for the past 10 years,
16 which is consistent with the Commission’s recent Orders in Atmos Energy rate
17 cases.¹

18 **Q. PLEASE DESCRIBE THE MANNER IN WHICH RESIDENTIAL AND**
19 **COMMERCIAL USAGE WAS WEATHER NORMALIZED.**

20 A. First, HDD data for each of the Mid-Tex Division’s five source weather stations
21 (Abilene, Austin, Dallas-Fort Worth, Waco, and Wichita Falls) were updated to

¹ See, e.g., *Statement of Intent Filed by Atmos Energy Corp., to Increase Gas Utility Rates Within the Unincorporated Areas Served by the Atmos Energy Corp., Mid-Tex Division*, GUD No. 10170 consol., Final Order at Finding of Fact No. 297 (Dec. 4, 2012); GUD No. 10170 consol., Atmos Energy Hearing on the Merits Exhibit No. 11, Direct Testimony and Workpapers of Gary L. Smith (Errata included) (Sept. 17, 2012).

1 compute 10-year “normals” for each month. These are the same weather stations
2 utilized in the Company’s WNA tariff, and the calculation of the 10-year averages
3 calculated to define normal HDDs comports with prior Commission Orders for
4 Mid-Tex.

5 Customers are billed throughout each month under multiple meter reading
6 and billing cycles. Therefore, calendar month HDDs do not exactly correspond to
7 the heating usage for the aggregate of customers billed throughout the month. The
8 weather adjustment methodology employed in the BDA correlates average
9 customer usage to both current and prior calendar month HDDs for a 5-year period
10 in order to derive the sensitivity of usage to HDD variances. The resulting
11 adjustments for each weather station are summarized on BDA-1-3 for Residential
12 class sales, and BDA-2-3 for Commercial class sales.

13 **Q. WHAT GROWTH WAS PROJECTED FOR RESIDENTIAL AND**
14 **COMMERCIAL SERVICES?**

15 A. In GUD Nos. 9762, 9869, and 10170, the Commission approved Atmos Energy’s
16 use of a single year growth rate based on an analysis of the monthly one-year
17 growth rate for each month. This same methodology was used to compute the
18 growth projection for Residential and Commercial services in this case. The BDA
19 shows these calculations on schedules BDA-1-2 for Residential class bills, and
20 BDA-2-2 for Commercial class bills. BDA-1-1 (Residential) and BDA-2-1
21 (Commercial) combine the weather adjustments, the changes in customer counts
22 and the normal sales for the additional customers.

1 **Q. WERE ADJUSTMENTS APPLIED RELATED TO CONTRACT LARGE**
2 **VOLUME SALES (“LVS”) AND TRANSPORTATION TARIFF SERVICE**
3 **CUSTOMER BILLING UNITS OR REVENUES?**

4 A. Yes, for LVS distribution customers and Transportation tariff service customers,
5 adjustments reflect new customers and closed facilities.

6 **Q. AFTER APPLYING THESE ADJUSTMENTS, HOW WERE THE FINAL**
7 **SYSTEM-WIDE BILLING DETERMINANTS USED?**

8 A. Final system-wide billing determinants are used in the J schedules summarizing the
9 current and proposed rates and in the computation of current revenues in Schedule
10 A of the Cost of Service model.

11 **V. REVENUE ALLOCATION**

12 **Q. WHAT IS THE NEXT STEP IN THE RATE SETTING PROCESS?**

13 A. As detailed above, the class cost of service analysis determines the revenue
14 responsibility of each cost of service class at the system average rate of return. The
15 unadjusted class cost of service results for the Mid-Tex Division service area reflect
16 a Residential class revenue responsibility of 84.82% of Base Revenue
17 Requirements. The Commercial class revenue responsibility is 13.77% and the
18 Industrial and Transportation class revenue responsibility is 1.41%. The next step
19 in the process is to determine how much of the identified revenue responsibility
20 will actually be assigned to each class.

1 **Q. WHY WOULD THERE BE ANY DIFFERENCE BETWEEN THE**
2 **REVENUE RESPONSIBILITY IDENTIFIED BY THE CLASS COST OF**
3 **SERVICE STUDY AND THE AMOUNT ACTUALLY ASSIGNED TO**
4 **EACH CLASS?**

5 A. It is often the case when setting new rates that assigning class revenue responsibility
6 equal to the revenue responsibility identified in the class cost of service analysis
7 results in significant changes in class revenue levels. This phenomenon is known
8 as “rate shock” and can be disruptive to customers. To avoid this problem, the class
9 cost of service study results are often moderated. That is the case here, and I worked
10 with the Company to moderate the class cost of service study results to avoid any
11 rate shock issues, as described more fully below.

12 **Q. HOW DID YOU DO THIS?**

13 A. Based on the Company’s analysis, a system-wide rate increase of \$194,438,712
14 (13.83%) is required to fully compensate the Company and its investors for the cost
15 of providing natural gas service to customers in its Mid-Tex Division. Of this total,
16 Residential customers should be assigned a system-wide revenue increase of
17 \$247,021,882, reflecting a 22.24% increase in base revenues. On a system-wide
18 basis, Commercial customers should be assigned a \$42,222,818 (16.08%) decrease
19 in base revenues and Industrial and Transportation customers should be assigned a
20 \$10,360,352 (31.53%) decrease in base revenues to fully reflect the class cost of
21 service results.

22 If these revenue increase and decrease amounts were to be implemented,
23 the class cost of service results would reflect a Residential class revenue

responsibility of 84.82% of Base Revenue Requirements. The Commercial class revenue responsibility would be 13.77% and the Industrial and Transportation class revenue responsibility would be 1.41%.

Q. IF THE COMPANY DOES NOT INTEND TO IMPLEMENT THESE RESULTS, WHY ARE THESE AMOUNTS OF INTEREST TO THE COMMISSION?

A. One of the primary purposes of a class cost of service analysis is to identify interclass subsidies that may exist between the different classes of a natural gas distribution system so that steps can be taken to eliminate them. These results identify for the Commission and the parties the extent to which rates need to be adjusted so that all identified interclass subsidies can be eliminated.

Q. HOW DID YOU MODIFY THESE RESULTS TO MITIGATE RATE SHOCK CONCERNS?

A. Given the potential for disruptions caused by significant movements to full cost of service-based rates, it is generally recommended that gradual movements to cost-based rates are preferred to dramatic movements. As a result, I recommend a movement in the direction of cost-based rates using the following rule: In the face of an overall rate increase, no class will be provided with a base rate decrease.

In the context of these results, this means that base revenue responsibility for the Commercial and Industrial and Transportation classes will not be reduced, even though such a reduction would be supported by the class cost of service results, and the Residential Class will be the only class to be assigned responsibility for the required rate increase, albeit less than the amount indicated by the class cost

of service results. After this adjustment, the Residential class revenue responsibility is 81.52% of base revenue requirements, The Commercial class revenue responsibility is 16.42% and the Industrial and Transportation class revenue responsibility is 2.06%, as shown in column (c), lines 1-3 of the “Rate Design” tab of the Company’s Cost of Service model.

Q. DO YOU BELIEVE THESE RESULTS ARE REASONABLE?

A. Yes, for two reasons. First, this allocation of the revenue deficiency recognizes, and attempts to mitigate, rate shock concerns that the Residential class may face if its rates were adjusted to immediately reflect the full cost of serving them in this case. Second, the following table demonstrates that the Company’s proposed revenue allocation moves each class closer to parity of return, as each class’s relative return at proposed rate levels is closer to 1.00 (a class return equal to the system average return) than each class’s relative return at current rate levels:

	Total Company	Residential	Commercial	Industrial & Transport
Current Rate Levels:				
Rate of Return	5.8093%	4.5950%	12.1412%	17.1996%
Relative Rate of Return	1.00	0.79	2.09	2.96
Proposed Rate Levels:				
Revenue Increase	\$192,809,487	\$193,056,173	\$ (222,995)	\$ (23,691)
Rate of Return	8.2337%	7.4548%	12.1207%	17.1791%
Relative Rate of Return	1.00	0.91	1.47	2.09

This can be seen by comparing the relative rates of return by class at proposed rate levels with the relative rates of return at current rate levels, which show that the proposed revenue distribution has moved all classes closer to rate of return parity (i.e., all classes have been moved closer to a relative rate of return of 1.0).

1 **VI. RATE DESIGN**

2 **Q. WHAT WERE YOUR GOALS IN DESIGNING THE COMPANY'S**
3 **PROPOSED RATES?**

4 A. The primary goals of designing rates in this case are to balance the fixed and
5 variable elements in the Company's distribution rates to reflect the underlying cost
6 of service and to establish rates for each class that recover an appropriate
7 contribution to the Company's overall revenue requirement, as shown in the "Rate
8 Design" tab of the Company's Cost of Service model.

9 **Q. PLEASE EXPLAIN THE RATE DESIGN TAB.**

10 A. As described above, column (c), lines 1-3 of the Rate Design tab summarize the
11 adjusted class cost of service results. The remainder of the tab shows the proposed
12 Monthly Customer Charges (line 11) and the proposed Consumption Charges (line
13 17). The proposed Monthly Customer Charges are an input to the rate design
14 process. The proposed Consumption Charges are calculated to generate the Net
15 Revenue Requirements by class and in total.

16 **Q. HOW DID YOU DECIDE ON THE LEVEL OF PROPOSED CUSTOMER**
17 **CHARGES?**

18 A. These charges generally maintain the existing customer charges and also balance
19 the fixed and variable elements in the Company's distribution rates to reflect the
20 underlying cost characteristics of providing service. Specifically, the class cost of
21 service study indicates that the fixed costs associated with the provision of natural
22 gas distribution service to Residential customers is \$63.18/customer per month,
23 well above the \$46.06/customer/month proposed. Similarly, the proposed basic
24 service charges for Commercial customers of \$133.15/customer/month is below the

1 estimated fixed costs associated with the provision of natural gas distribution
2 service to Commercial customers from the class cost of service analysis of
3 \$172.42/customer per month. For Industrial and Transportation customers, the
4 same relationship holds: proposed basic service charges of
5 \$2,491.47/customer/month versus estimated fixed costs associated with the
6 provision of natural gas distribution service to Industrial and Transportation
7 customers from the class cost of service analysis of \$3,336.86/customer per month.

8 **Q. HOW DID YOU DECIDE ON THE LEVEL OF PROPOSED**
9 **CONSUMPTION CHARGES?**

10 A. As described above, these charges are calculated to generate the Net Revenue
11 Requirements by class and in total. Note that these charges remain the same for
12 Commercial, Industrial, and Transport customers, and only change for Residential
13 customers to reflect the change in revenue required from these customers to more
14 fully reflect the cost to serve them.

15 **Q. DO YOU BELIEVE THE PROPOSED CUSTOMER AND CONSUMPTION**
16 **CHARGES ARE REASONABLE?**

17 A. Yes. As I previously mentioned, the proposed customer and consumptions charges
18 attempt to mitigate the impact that the Residential class may face if its rates were
19 adjusted to immediately reflect the full cost of serving them in this case, while also
20 eliminating the Company's existing revenue deficiency.

21 **Q. DOES THAT COMPLETE YOUR DIRECT TESTIMONY AT THIS TIME?**

22 A. Yes, it does.

STATE OF MARYLAND

COUNTY OF MONTGOMERY

§
§
§

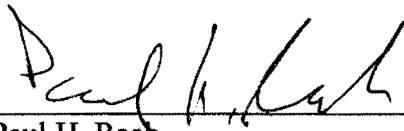
AFFIDAVIT OF PAUL H. RAAB

BEFORE ME, the undersigned authority, on this day personally appeared Paul H. Raab who having been placed under oath by me did depose as follows:

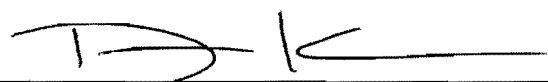
1. "My name is Paul H. Raab. I am of sound mind and capable of making this affidavit. The facts stated herein are true and correct based upon my personal knowledge. My current position is as an Economic Consultant.

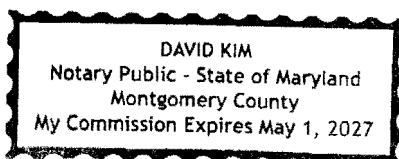
2. I have prepared the foregoing Direct Testimony and the information contained in that document is true and correct to the best of my knowledge."

Further affiant sayeth not.


Paul H. Raab

SUBSCRIBED AND SWORN TO BEFORE ME by the said Paul H. Raab on this 6
day of NOVEMBER, 2024.


Notary Public in and for the State of Maryland



PAUL H. RAAB

Mr. Raab's consulting focus is on the regulated public utility industry. His experience includes mathematical and economic analyses and system development and his areas of expertise include regulatory change management, load forecasting, supply-side and demand-side planning, management audits, mergers and acquisitions, costing and rate design, and depreciation and life analysis.

PROFESSIONAL EXPERIENCE

Mr. Raab has directed or has had a key role in numerous engagements in the areas listed above. Representative clients are provided for each of these areas in the subsections below.

Regulatory Change Management. Mr. Raab has recently been assisting both electric and natural gas utilities as they prepare to operate in an environment that is significantly different from the one they operate in today. This work has involved the development of unbundled cost of service studies; the development of strategies that will allow companies to prosper in a restructured industry; retail access program development, implementation, and evaluation; and the development of innovative ratemaking approaches to accompany changes in the regulatory structure. Representative clients for whom he has performed such work include:

- Texas Gas Service
- Virginia Natural Gas
- UGI Utilities, Inc. – Gas Division, UGI Penn Natural Gas, Inc., and UGI Central Penn Gas, Inc.
- The Peoples Natural Gas Company d/b/a Dominion Peoples
- National Fuel Gas Distribution Corporation
- Columbia Gas of Pennsylvania, Inc.
- Aquila
- Kansas Corporation Commission
- Atmos Energy Corporation
- Electric Cooperatives' Association
- Cleco
- Washington Gas
- Western Resources
- Kansas Gas Service
- Mid Continent Market Center.

Load Forecasting. Mr. Raab has broad experience in the review and development of forecasts of sales forecasts for electric and natural gas utilities. This work has also included the development of elasticity of demand measures that have been used for attrition adjustments and revenue requirement reconciliations. Representative clients for whom he has performed such work include:

- Washington Gas Energy Services
- Central Louisiana Electric Company
- Washington Gas
- Saskatchewan Public Utilities Review Commission
- Union Gas Limited
- Nova Scotia Power Corporation
- Cajun Electric Power Cooperative
- Cincinnati Gas & Electric
- Commonwealth Edison Company
- Cleveland Electric Illuminating
- Public Service of Indiana
- Atlantic City Electric Company
- Detroit Edison Company
- Sierra Pacific Power
- Connecticut Natural Gas Corporation
- Appalachian Power Company
- Missouri Public Service Company
- Empire District Electric Company
- Public Service Company of Oklahoma
- Wisconsin Electric Power Company
- Northern States Power Company
- Iowa State Commerce Commission
- Missouri Public Service Commission.

Supply Side Planning. Mr. Raab has assisted clients to determine the most appropriate supply-side resources to meet future demands. This assistance has included the determination of optimal sizes and types of capacity to install, determination of production costs including and excluding the resource, and an assessment of system reliability changes because of different resource additions. Much of this work for the following clients has been done in conjunction with litigation:

- Enstar Natural Gas
- AGL Resources
- Washington Gas
- Soyland Electric Cooperative
- Houston Lighting and Power
- City of Farmington, New Mexico
- Big Rivers Electric Cooperative
- City of Redding, California
- Brown & Root
- Kentucky Joint Committee on Electric Power Planning Coordination
- Sierra Pacific Power.

Demand Side Planning. Demand Side Planning involves the forecasting of future demands; the design, development, implementation, and evaluation of demand side management programs; the determination of future supply side costs; and the integration

of cost-effective demand side management programs into an Integrated Least Cost Resource Plan. Mr. Raab has performed such work for the following clients:

- UGI Utilities
- Dominion Peoples Gas
- National Fuel Gas Distribution Corporation
- Columbia Gas of Pennsylvania
- Kansas Gas Service
- Atmos Energy Corporation
- Black Hills Gas Company
- Oklahoma Natural Gas Company
- Washington Gas Light Company
- Piedmont Natural Gas Company
- Chesapeake Utilities
- Pennsylvania & Southern Gas
- Montana-Dakota Utilities.

Management Audits. Mr. Raab has been involved in several management audits. Consistent with his other experience, the focus of his efforts has been in the areas of load forecasting, demand- and supply-side planning, integrated resource planning, sales and marketing, and rates. Representative commission/utility clients are as follows:

- Arizona Corporation Commission/Arizona Public Service Company
- Public Utilities Commission of Ohio/East Ohio Gas
- Kentucky Public Service Commission/Louisville Gas & Electric
- New Hampshire Public Service Commission/Public Service Company of New Hampshire
- New Mexico Public Service Commission/Public Service of New Mexico
- New York Public Service Commission/New York State Electric & Gas
- Missouri Public Service Commission/Laclede Gas Company
- New Jersey Board of Public Utilities/Jersey Central Power & Light
- New Jersey Board of Public Utilities/New Jersey Natural Gas
- Pennsylvania Public Utilities Commission/ Pennsylvania Power & Light
- California Public Utilities Commission/San Diego Gas & Electric Company.

Mergers and Acquisitions. Mr. Raab has been involved in several merger and acquisition studies throughout his career. Many of these were conducted as confidential studies and cannot be listed. Those in which his involvement was publicly known are:

- ONEOK, Inc./Southwest Gas Corporation
- Western Resources
- Constellation.

Costing and Rate Design Analysis. Mr. Raab has prepared generic rate design studies for the National Governor's Conference, the Electricity Consumer's Resource Council, the Tennessee Valley Industrial Committee, the State Electricity Commission of

Western Australia, and the State Electricity Commission of Victoria. These generic studies addressed advantages and disadvantages of alternative costing approaches in the electric utility industry; the strengths and weaknesses of commonly encountered costing methodologies; future tariff policies to promote equity, efficiency, and fairness criteria; and the advisability of changing tariff policies. Mr. Raab has performed specific costing and rate design studies for the following companies:

- New Mexico Gas
- SEMCO Gas
- Enstar Natural Gas
- Atmos Energy Corporation
- Southern Maryland Electric Cooperative, Inc.
- Comcast Cable Communications, Inc.
- Cable Television Association of Georgia
- Devon Energy
- Aquila
- Oklahoma Natural Gas
- Semco Energy Gas Company
- Laclede Gas
- Western Resources
- Kansas Gas Service Company
- Central Louisiana Electric Company
- Washington Gas Light Company
- Piedmont Natural Gas Company
- Chesapeake Utilities
- Pennsylvania & Southern Gas
- KPL Gas Service Company
- Allegheny Power Systems
- Northern States Power
- Interstate Power Company
- Iowa-Illinois Gas & Electric Company
- Arkansas Power and Light
- Iowa Power & Light
- Iowa Public Service Company
- Southern California Edison
- Pacific Gas & Electric
- New York State Electric & Gas
- Middle South Utilities
- Missouri Public Service Company
- Empire District Electric Company
- Sierra Pacific Power
- Commonwealth Edison Company
- South Carolina Electric & Gas
- State Electricity Commission of Western Australia
- State Electricity Commission of Victoria, Australia
- Public Service Company of New Mexico

- Tennessee Valley Authority.

Depreciation and Life Analysis. Mr. Raab has extensive experience in depreciation and life analysis studies for the electric, gas, rail, and telephone industries and has taught a course on depreciation at George Washington University, Washington, DC. Representative clients in this area include:

- Champaign Telephone Company
- Plains Generation & Transmission Cooperative
- CSX Corporation (Includes work for Seaboard Coast Line, Louisville & Nashville, Baltimore & Ohio, Chesapeake & Ohio, and Western Maryland Railroads)
- Lea County Electric Cooperative, Inc.
- North Carolina Electric Membership Cooperative
- Alberta Gas Trunk Lines (NOVA)
- Federal Communications Commission.

TESTIMONY

The following table summarizes Mr. Raab's testimony experience.

Jurisdiction	Docket Number	Subject
Alaska	U-09-069, U-09-070	Rate Design
	U-14-010	Rate Design
Colorado	14AL-0300G	Costing/Rate Design
	17AL-0363G	Costing/Rate Design
	19AL-0309G	Costing/Rate Design
	22AL-0046G	Costing/Rate Design
District of Columbia	834	Demand Side Planning
	905	Costing/Rate Design
	917	Costing/Rate Design
	921	Demand Side Planning
	922	Rate Design
	934	Rate Design
	989	Rate Design
	1016	Rate Design
	1053	Costing/Rate Design
	1054	Costing/Rate Design
	1079	Rate Design
	1093	Costing/Rate Design
	1137	Costing/Rate Design
	1162	Costing/Rate Design
	1169	Costing/Rate Design

Jurisdiction	Docket Number	Subject
Georgia	18300-U	Costing/Rate Design
Indiana	36818	Capacity Planning
Iowa	RPU-05-2	Costing/Rate Design
Kansas	174,155-U	Retail Competition
	176,716-U	Costing/Rate Design
	98-KGSG-822-TAR	Rate Design
	99-KGSG-705-GIG	Restructuring
	01-KGSG-229-TAR	Rate Design
	02-KGSG-018-TAR	Rate Design
	02-WSRE-301-RTS	Cost of Service
	03-KGSG-602-RTS	Cost of Service/Rate Design
	03-AQLG-1076-TAR	Rate Design
	05-AQLG-367-RTS	Cost of Service/Rate Design
	06-KGSG-1209-RTS	Cost of Service/Rate Design
	07-AQLG-431-RTS	Rate Design
	08-WSEE-1041-RTS	Cost of Service
	10-KCPE-415-RTS	Cost of Service/Rate Design
	10-KGSG-421-TAR	Demand Side Planning
	10-KCPE-795-TAR	Demand Side Planning
	12-WSEE-112-RTS	Cost of Service/Rate Design
	12-KGSG-835-RTS	Cost of Service/Rate Design
	12-GIMX-337-GIV	Demand Side Planning
	12-KG&E-718-CON	Cost of Service
	13-KG&E-451-CON	Cost of Service
	13-WSEE-629-RTS	Cost of Service/Rate Design
	14-ATMG-320-RTS	Cost of Service/Rate Design
	15-WSEE-181-TAR	Demand Side Planning
	15-KCPE-116-RTS	Cost of Service/Rate Design
	16-ATMG-079-RTS	Cost of Service/Rate Design
	16-KGSG-491-RTS	Cost of Service/Rate Design
	16-KCPE-446-TAR	Demand Side Planning
	18-KCPE-480-RTS	Cost of Service/Rate Design
	18-KGSG-560-RTS	Cost of Service/Rate Design
	19-ATMG-525-RTS	Cost of Service/Rate Design
	22-EKME-254-TAR	Demand Side Planning
	23-ATMG-359-RTS	Cost of Service/Rate Design
	23-EKCE-775-RTS	Cost of Service/Rate Design
	24-KGSG-610-RTS	Cost of Service/Rate Design

Jurisdiction	Docket Number	Subject
Kentucky	9613	Capacity Planning
	97-083	Management Audit
	2009-00354	Cost of Service
	2013-00148	Cost of Service
	2015-00343	Cost of Service
	2017-00349	Cost of Service
	2018-00281	Cost of Service
	2021-00214	Cost of Service
Louisiana	U-21453	Restructuring/Market Power
Maryland	8251	Costing/Rate Design
	8259	Demand Side Planning
	8315	Costing/Rate Design
	8720	Demand Side Planning
	8791	Costing/Rate Design
	8920	Costing/Rate Design
	8959	Costing/Rate Design
	9092	Costing/Rate Design
	9104	Costing/Rate Design
	9106	Costing/Rate Design
	9180	Capacity Planning
	9267	Costing/Rate Design
	9433	Capacity Planning
	9481	Costing
	9651	Costing/Rate Design
	9704	Costing/Rate Design
Michigan	U-6949	Load Forecasting
	U-13575	Costing/Rate Design
	U-16169	Costing/Rate Design
	U-20479	Costing/Rate Design
Missouri	GR-2002-356	Rate Design
Montana	D2005.4.48	Costing/Rate Design
Nebraska	NG-0001, NG-0002, NG-0003	Rate Design
	NG-0041	Rate Design
Nevada	81-660	Load Forecasting
New Jersey	OAL# PUC 1876-82	Load Forecasting

Jurisdiction	Docket Number	Subject
New Mexico	2087 11-00042-UT	Capacity Planning Rate Design
New York	27546	Costing/Rate Design
Ohio	81-1378-EL-AIR	Load Forecasting
Oklahoma	27068 PUD 200400610 PUD 200700449 PUD 200800348 PUD 200900110 PUD 201000143 PUD 201100170 PUD 201200029 PUD 201300007 PUD 201300032 PUD 201400069 PUD 201500138 PUD 201500213 PUD 201600132 PUD 201700079 PUD 201800028 PUD 201900018 PUD 201900021 PUD 202000022 PUD 202100062 PUD 202100063 PUD 202200023 PUD 202200036 PUD 202300012 PUD 202400010	Load Forecasting Costing/Rate Design Demand Side Planning Costing/Rate Design Costing/Rate Design Demand Side Planning Demand Side Planning Demand Side Planning Demand Side Planning Demand Side Planning Demand Side Planning Demand Side Planning Costing/Rate Design Demand Side Planning Demand Side Planning Demand Side Planning Demand Side Planning Demand Side Planning Demand Side Planning Costing/Rate Design Demand Side Planning Demand Side Planning Demand Side Planning Demand Side Planning

Jurisdiction	Docket Number	Subject
Pennsylvania	R-0061346	Costing/Rate Design
	M-2009-2092222, M-2009-2112952, M-2009-2112956	Demand Side Planning
	M-2009-2093216	Demand Side Planning
	M-2009-2093217	Demand Side Planning
	M-2009-2093218	Demand Side Planning
	M-2010-2210316	Demand Side Planning
	R-2010-2214415	Demand Side Planning
	M-2012-2334387, M-2012-2334392, M-2012-2334398	Demand Side Planning
	M-2012-2334388	Demand Side Planning
	M-2015-2177174	Demand Side Planning
Tennessee	PURPA Hearings	Costing/Rate Design
US Tax Court	4870	Life Analysis
	4875	Life Analysis
Texas	GUD No. 9762	Costing/Rate Design
	GUD No. 10170	Costing/Rate Design
	GUD No. 10174	Costing/Rate Design
	GUD No. 10506	Demand Side Planning
	GUD No. 10526	Demand Side Planning
	GUD No. 10779	Costing/Rate Design
	GUD No. 10928	Costing/Rate Design
	OS-22-00009896	Costing/Rate Design
	OS-23-00013758	Costing/Rate Design
	OS-23-00014399	Costing/Rate Design
	OS-24-00017471	Costing/Rate Design

Jurisdiction	Docket Number	Subject
Virginia	PUE900013	Demand Side Planning
	PUE920041	Costing/Rate Design
	PUE940030	Costing/Rate Design
	PUE940031	Costing/Rate Design
	PUE950131	Capacity Planning
	PUE980813	Costing/Rate Design
	PUE-2002-00364	Costing/Rate Design
	PUE-2003-00603	Costing/Rate Design
	PUE-2006-00059	Costing/Rate Design
	PUE-2008-00060	Demand Side Planning
	PUE-2009-00064	Demand Side Planning
	PUE-2012-00118	Demand Side Planning
	PUE-2015-00132	Demand Side Planning
	PUE-2015-00138	Demand Side Planning
	PUE-2016-00001	Capacity Planning
	PUR-2018-00080	Capacity Planning
	PUR-2018-00193	Demand Side Planning
	PUR-2021-00288	Demand Side Planning
	PUR-2022-00054	Costing/Rate Design
West Virginia	79-140-E-42T	Capacity Planning
	90-046-E-PC	Demand Side Planning
Wisconsin	05-EP-2	Capacity Planning

In addition, Mr. Raab has presented expert testimony before the Federal Energy Regulatory Commission, the Pennsylvania House Consumer Affairs Committee, the Michigan House Economic Development and Energy Committee and the Province of Saskatchewan. He has also served on the Advisory Board of the Expert Evidence Report, published by The Bureau of National Affairs, Inc.

EDUCATION

Mr. Raab holds a B.A. (with high distinction) in Economics from Rutgers University and an M.A. from SUNY at Binghamton with a concentration in Econometrics. While attending Rutgers, he studied as a Henry Rutgers Scholar.

PUBLICATIONS AND PRESENTATIONS

Mr. Raab has published in several professional journals and spoken at several industry conferences. His publications/ presentations include:

- "Natural Gas as an Electric DSM Tool," American Gas Association Membership

Services Committee Meeting, Williamsburg, VA, September 15, 2009.

- "Electric-to-Gas Fuel Switching," NARUC Summer Meeting, Seattle, WA, July 20, 2009.
- "The Future of Fuel in Virginia: Natural Gas," The Twenty-Seventh National Regulatory Conference, Williamsburg, VA, May 19, 2009.
- "Revenue Decoupling for Natural Gas Utilities," Energy Bar Association Midwest Energy Conference, Chicago, IL, March 6, 2008.
- "Responses to Arrearage Problems from High Natural Gas Bills," American Gas Association Rate and Regulatory Issues Seminar, Phoenix, AZ, April 8, 2004.
- "Factors Influencing Cooperative Power Supply," National Rural Utilities Cooperative Finance Corporation Independent Borrower's Conference, Boston, MA, July 3, 1997.
- "Current Status of LDC Unbundling," American Gas Association Unbundling Conference: Regulatory and Competitive Issues, Arlington, VA, June 19, 1997.
- "Balancing, Capacity Assignment, and Stranded Costs," American Gas Association Rate and Strategic Planning Committee Spring Meeting, Phoenix, AZ, March 26, 1997.
- "Gas Industry Restructuring and Changes: The Relationship of Economics and Marketing" (with Jed Smith), National Association of Business Economists, 38th Annual Meeting, Boston, MA September 10, 1996.
- "Improving Corporate Performance By Better Forecasting," 1996 Peak Day Demand and Supply Planning Seminar, San Francisco, CA, April 11, 1996.
- "Natural Gas Price Elasticity Estimation," AGA Forecasting Review, Vol. 6, No. 1, November 1995.
- "Assessing Price Competitiveness," Competitive Analysis & Benchmarking for Power Companies, Washington, DC, November 13, 1995.
- "Avoided Cost Concepts and Management Considerations," Workshop on Avoided Costs in a Post 636 Gas Industry: Is It Time to Unbundle Avoided Cost? Sponsored by the Gas Research Institute and Wisconsin Center for Demand-Side Research, Milwaukee, WI, June 29, 1994.
- "Estimating Implied Long- and Short-Run Price Elasticities of Natural Gas Consumption," Atlantic Economic Conference, Philadelphia, PA, October 10,

1993.

- "Program Evaluation and Marginal Cost," The Natural Gas Least Cost Planning Conference, Washington, DC, April 7, 1992.
- "The New Environmentalism & Least Cost Planning," Institute for Environmental Negotiation, University of Virginia, May 15, 1991.
- "Development of Conditional Demand Estimates of Gas Appliances," AGA Forecasting Review, Vol. 1, No. 1, October 1988.
- "The Feasibility Study: Forecasting and Sensitivities," Municipal Wastewater Treatment Facilities, The Energy Bureau, Inc., November 18, 1985.
- "The Development of a Gas Sales End-Use Forecasting Model," Third International Forecasting Symposium, The International Institute of Forecasting, July 1984.
- "New Forecasting Guidelines for REC's - A Seminar," (Chairman), Kansas City, Missouri, June 1984.
- "A Method and Application of Estimating Long Run Marginal Cost for an Electric Utility," Advances in Microeconomics, Volume II, 1983.
- "Forecasting Under Public Scrutiny," Forecasting Energy and Demand Requirements, University of Wisconsin - Extension, October 25, 1982.
- "Forecasting Public Utilities," The Journal of Business Forecasting, Vol. 1, No. 4, Summer, 1982.
- "Are Utilities Underforecasting," Electric Ratemaking, Vol. 1. No. 1, February 1982.
- "A Polynomial Spline Function Technique for Defining and Forecasting Electric Utility Load Duration Curves," First International Forecasting Symposium, Montreal, Canada, May 1981.
- "Time-of-Use Rates and Marginal Costs," ELCON Legal Seminar, March 20, 1980.
- "The Ernst & Whinney Forecasting Model," Forecasting Energy & Demand Requirements, University of Wisconsin - Extension, October 8, 1979.
- "Marginal Cost in Electric Utilities - A Multi-Technology Multi-Period Analysis" (with Frederick McCoy), ORSA/Tims Joint National Meeting, Los Angeles, California, November 13-15, 1978.

WORKPAPERS
TO
DIRECT TESTIMONY
OF
PAUL H. RAAB

Workpapers to the Direct Testimony of Paul H. Raab are being provided in electronic format.

CASE NO. 00019196

STATEMENT OF INTENT FILED BY	§	BEFORE THE
ATMOS ENERGY CORP. TO CHANGE	§	
GAS UTILITY RATES WITHIN THE	§	RAILROAD COMMISSION
UNINCORPORATED AREAS OF THE	§	
MID-TEX DIVISION	§	OF TEXAS

PROTECTIVE ORDER

This Protective Order shall govern the use of all information deemed confidential or highly sensitive confidential information by a party providing information to the Railroad Commission of Texas (“Commission”) or responding to discovery requests, including information whose confidentiality may be under dispute in this docket and all dockets consolidated herewith. This order may be modified by the Examiner *sua sponte*, or on advice of the Open Records Coordinator, Office of General Counsel, and the Railroad Commission of Texas.

1. Designation of Protected Materials

Any party or person producing or filing a document, including, but not limited to, records stored or encoded on a computer disk or other similar electronic storage medium, in this proceeding may designate that document, or any portion of it, as confidential by typing or stamping on its face **“PROTECTED MATERIALS PROVIDED PURSUANT TO PROTECTIVE ORDER ISSUED IN CASE NO. 00019196”** (hereinafter referred to as “protected materials”). The documents shall be consecutively Bates Stamped when necessary.

2. Materials Excluded from Protected Materials Designation

Protected materials shall not include any information or document contained in the public files of the Commission or any other federal or state agency, court, or local government authority subject to the Public Information Act or under the Federal Freedom of Information Act provided however, that any party or person may assert any privilege or exception available under these Acts. Protected materials also shall not include materials that at the time of or prior to disclosure in these proceedings, is or was publicly disclosed, on a non-confidential basis. The disclosure of materials to a party, its customers, or their respective employees, agents, consultants, or counsel in the normal course of business shall not preclude a claim that such materials are protected materials hereunder. Protected materials disclosed by someone other than an employee, agent, or consultant of the originating party in violation of this Protective Order shall not lose their status as protected material as a result of such disclosure.

3. Definition of “reviewing party.”

A “reviewing party” is defined for purposes of this Protective Order as a party expressly admitted or that has had a Motion to Intervene granted in Case No. 00019196.

4. Definition of “producing party.”

A “producing party” is defined for purposes of this Protective Order as a party expressly admitted or that has had a Motion to Intervene granted in Case No. 00019196, which has had discovery propounded upon it in any form as provided by applicable law.

5. Access to Protected Materials

A reviewing party shall be permitted access to protected materials only through its authorized representatives. “Authorized representatives” of a party include its counsel of record in this proceeding and associated attorneys, paralegals, economists, statisticians, accountants, consultants, or other persons employed or retained by the party and directly engaged in these proceedings, provided that such person has signed the certification required by Paragraph 8.

6. Designation of Highly Sensitive Protected Materials

The term “highly sensitive protected materials” is a subset of “protected materials.” The term refers to, but is not limited to, documents and information, the provision of which to the reviewing party or its authorized representatives would: (1) expose the producing party or any of its affiliates to an unreasonable risk of harm, or (2) would result in disclosure of information that would be subject to a privilege against disclosure, a contractual confidentiality agreement or other Protective Agreement or agreement. Highly sensitive protected materials further include, but are not limited to, business operations or financial information that is commercially sensitive. Documents so classified by a producing party shall bear the designation “HIGHLY SENSITIVE PROTECTED MATERIALS PROVIDED PURSUANT TO THE PROTECTIVE ORDER ISSUED IN CASE NO. 00019196.”

7. Restrictions on Copies and Inspection of Highly Sensitive Protected Materials

Highly sensitive protected materials shall be made available for inspection only at the address specified pursuant to Paragraph 9. Additionally, only one copy of highly sensitive protected materials shall be provided to counsel of any party to Case No. 00019196 upon written request following completion of the certifications required by Paragraph 8 herein. A party may make one additional copy of reproduced highly sensitive protected materials for use in this proceeding pursuant to this Protective Order. No additional copies of such highly sensitive protected materials may be made, except that additional copies may be made in order to have sufficient copies for introduction of the material into the evidentiary record if the material is to be offered for admission into the record. A record of any copies that are made of highly sensitive protected material shall be kept and a copy of the record shall be sent to the producing party upon request. The record shall include information on the location and the person in possession of the copy. The authorized representatives for the purpose of access to highly sensitive protected materials must be persons who are: (1) counsel for the reviewing party, (2) consultants for the reviewing party working under the direction of the reviewing party’s counsel, (3) permanent non-elected employees of municipalities that are parties in Case No. 00019196, who have primary responsibility for utility regulation. The authorized representatives for the Commission’s Director of Gas Services or the State of Texas for the purpose of access to these materials shall consist of its respective counsel of record in this docket and associated attorneys, paralegals, economists, statisticians, accountants, consultants, or other persons employed or retained by those agencies and

directly engaged in this docket. Limited notes may be made of highly sensitive protected materials, and such notes shall themselves be treated as highly sensitive protected material unless such notes are restricted to a description of the document and a general characterization of its subject matter in a manner that does not include any substantive information contained in such highly sensitive protected materials.

8. Required Certification

Each person who inspects the protected materials shall, before such inspection, agree in writing to follow certification set forth in Exhibit A to this Order:

I certify my understanding that the protected materials are provided to me pursuant to the terms and restrictions of the Protective Order in Case No. 00019196, and that I have been given a copy of it and have read the Protective Order and agree to be bound by it. I understand that the contents of the protected materials, any notes, memoranda, or any other form of information regarding or derived from the protected materials shall not be disclosed to anyone other than in accordance with the Protective Order and shall be used only for the purpose of the proceeding in Case No. 00019196. I acknowledge that the obligations imposed by this certification are pursuant to a ruling issued by the Examiners in this docket. However, if the information contained in the protected materials is obtained from independent sources that did not obtain such information from documents obtained in this docket, the understanding stated herein shall not apply.

In addition, reviewing parties who are permitted access to highly sensitive protected material under the terms of this ruling shall, before inspection of such materials, agree in writing to the following certification set forth in Exhibit A to this Protective Order:

I certify that I am eligible to have access to highly sensitive protected materials under the terms of the Protective Order in Case No. 00019196.

A copy of each signed certification shall be provided to counsel for the party asserting confidentiality. Except for highly sensitive protected materials, any authorized representative may disclose protected materials to any other person who is an authorized representative, provided that, if the person to whom disclosure is to be made has not executed and provided for delivery of a signed certification to the party asserting confidentiality, that certification shall be executed prior to any disclosure. An authorized representative may disclose highly sensitive protected material to other reviewing representatives who are permitted access to such materials and have executed the additional certification required for persons who receive access to highly sensitive protected material. In the event that any authorized representative to whom protected materials are disclosed ceases to be engaged in these proceedings, access to protected materials by that person shall be terminated and all notes or memoranda or other information derived from the protected material shall be returned to the party on whose behalf that person was acting. Any person who has agreed to either or both of the foregoing certifications shall continue to be bound by the provisions of this Protective Order, even if no longer engaged in these proceedings. Parties who assert confidentiality shall maintain a list of persons who sign a certification pursuant to this Paragraph.

9. Voluminous Materials

(a) Voluminous protected materials which exceed eight linear feet shall be made available for inspections in its normal repository between the hours of 9:30 a.m. and 5:00 p.m., Monday through Friday (except holidays) in accordance with the Texas Rules of Civil Procedure. A party shall notify the other parties of the address at which the voluminous data will be produced simultaneously with the production of such data. For purposes of this Protective Order voluminous materials or data shall mean responses to a particular question or subpart that consist of one hundred pages or more in the aggregate.

(b) Except for highly sensitive protected materials as provided for in Paragraph 7, and for protected materials that are voluminous, the party asserting confidentiality shall provide a party one copy of the protected materials upon receipt of the signed certifications described in Paragraph 8. Except as provided above for highly sensitive protected materials, parties may take notes regarding the information contained in protected materials made available for inspection pursuant to Paragraph 9(a). Only one copy of such protected materials shall be reproduced for each party. Parties shall make a diligent, good-faith effort to limit the amount of copying requested to only that which is appropriate for purposes of this proceeding. Notwithstanding the foregoing provisions of this Paragraph 9(b), a party may make further copies of reproduced protected materials for use in this proceeding pursuant to this Protective Order, but a record shall be maintained as to the documents produced and the number of copies made, and upon request, the party shall provide the party asserting confidentiality with a copy of that record.

10. Availability for Purposes of this Filing

All protected materials shall be made available to the parties solely for the purposes of this proceeding. Protected materials, as well as a party's notes, memoranda, or other information regarding, or derived from the protected materials are to be treated confidentially by the parties and shall not be disclosed or used by the party except as permitted and provided in this Protective Order. Information derived from or describing the protected materials shall be maintained in a secure place and shall not be placed in the public or general files of the party except in accordance with the provisions of this Protective Order. A party must take all reasonable precautions to ensure that the protected materials, including notes and analysis made from protected materials, are not viewed or taken by any person other than an authorized representative of the party.

All non-voluminous protected materials may be reviewed only during the "reviewing period," which period shall commence upon issuance of this Protective Order and continue until conclusion of the plenary jurisdiction of the Commission in this proceeding. The "reviewing period" shall reopen if the Commission regains jurisdiction due to a remand as provided by law. Protected materials that are admitted into the evidentiary record or accompanying the evidentiary record as offers of proof, may be reviewed while this proceeding or any appeals hereof are pending.

11. Treatment of Protected Materials

(a) If a party tenders for filing any written testimony, exhibit, brief, or other submission that quotes from protected materials or discloses the confidential content of protected materials, the confidential portion of such testimony, exhibit, brief, or other submission shall be sealed and shall be filed and served in accordance with the appropriate procedures utilized by the

Commission. The Examiners may subsequently, on their own motion or on motion of a party, issue a ruling respecting whether or not the inclusion, incorporation, or reference to protected materials is such that the written testimony, exhibit, brief, or other submission should remain under seal.

(b) Any party or person giving testimony in this proceeding may designate those portions of his or her testimony deemed to be confidential materials in accordance with Paragraph 1 of this Protective Order by advising the Examiner of such fact. In that event, the Examiner shall, on a case-by-case basis, devise procedures which are fair to all parties without unduly burdening the record in this docket.

(c) All protected materials filed with the Commission, the Examiner, any other judicial or administrative body in support of or as part of a motion, other pleading, brief, or other document, shall be filed and served in sealed envelopes or other appropriate containers.

12. Changes to Protective Order

Nothing herein restricts the party seeking protected material and the party producing the protected material from agreeing to other procedures/methods for handling of protected material, including highly sensitive protected material. In addition, each party shall have the right to seek changes in this Protective Order as appropriate from the Examiners, the Commission, or the courts. Nothing herein shall prevent any party from opposing efforts to seek changes to this ruling.

13. Judicial Findings

In the event that the Examiner at any time in the course of this proceeding finds that all or part of the protected materials are not confidential, by finding, for example, that such materials have entered the public domain, those materials shall nevertheless be subject to the protection afforded by this ruling for three full working days, unless otherwise ordered, from the latest of (i) the date of receipt by the party asserting confidentiality of the Examiner's order, or (ii) the date of a final and appealable Commission order denying an appeal filed within the three full working day period from the Examiner's order; or (iii) approval of such order by operation of law following the filing of such an appeal. Neither the party asserting confidentiality, nor any reviewing party waives its right to seek additional administrative or judicial remedies after the Commission's denial of any appeal.

14. Disclosure of Protected Materials

(a) During the pendency of Case No. 00019196 at the Commission, in the event that a party wishes to disclose protected materials to any person to whom disclosure is not authorized by this Protective Order, or wishes to have changed the designation of certain information or material as protected materials by alleging, for example, that such information or material has entered the public domain, such party shall first file and serve on all parties written notice of such proposed disclosure or request for change in designation, identifying with particularity each of such protected materials. In the event that the party asserting confidentiality wishes to contest such proposed disclosure or request for change in designation, that party shall file with the Commission its objection to such proposal, with supporting sworn affidavits, if any, within five working days after receiving such notice of proposed disclosure or request for change in designation. Failure of

that party to file such an objection within this period shall be deemed a waiver of objection to the proposed disclosure or request for change in designation. Upon the request of either the producing party or reviewing party or upon the Examiner's own initiative, the Examiner may conduct a prehearing conference. If either the producing or reviewing party wishes to submit materials in question for an in camera inspection, it shall do so at the time of filing its written notice or objection to disclosure. Responses to such an objection, with supporting affidavits, if any, shall be filed within five working days after receipt of the objection. The Examiner will determine whether the proposed disclosure or change in designation is appropriate. The burden is on the party asserting confidentiality to show that such proposed disclosure or change in designation should not be made. If the Examiner determines that such proposed disclosure or change in designation should be made, disclosure shall not take place earlier than three full working days after such determination unless otherwise ordered. No party waives any right to seek additional administrative or judicial remedies concerning such Examiner's ruling. As long as the periods set out in this Protective Order for filing the pleadings described above for consideration by the Examiner and for challenging the determination of the Examiner or the Commission have not expired and while a challenge is pending, the protected materials shall maintain the confidential treatment and status provided for in this Protective Order.

(b) All protected materials shall be afforded the confidential treatment and status provided for in this Protective Order during the period an appeal on an Examiner's ruling is pending before the Commission and during the periods for challenging the various orders.

(c) All notices, applications, responses, or other correspondence shall be made in a manner that protects protected materials from unauthorized disclosure.

15. Objection to Protected Materials

Nothing in this ruling shall be construed as precluding any party from objecting to the use of protected materials on grounds other than confidentiality, including the lack of required relevance. Nothing in this ruling shall be construed as an agreement by any party that the protected materials are entitled to confidential classification.

16. Acts upon Conclusion of Proceeding

Following the conclusion of these proceedings, each party must, no later than thirty days following receipt of the notice described below, destroy or return to the party asserting confidentiality all copies of the protected materials provided by that party pursuant to this Protective Order and all copies reproduced by a reviewing party, and counsel for each party must provide to the party asserting confidentiality a verified certification that, to the best of his or her knowledge, information, and belief, all copies of notes, memorandum, and other documents regarding or derived from the protected materials (including copies of protected materials) that have not been so returned, if any, have been destroyed, other than notes, memoranda, or other documents which contain information in a form which, if made public, would not cause disclosure of protected materials. Promptly following the conclusion of this proceeding, counsel for the party asserting confidentiality will send a written notice to all parties, reminding them of their obligations under this Paragraph. Nothing in this Paragraph shall prohibit counsel for each party from retaining two copies of any filed testimony, exhibit, brief, application for rehearing, or other pleading which refers to protected materials provided that any such protected materials retained

by counsel shall remain subject to the provisions of this ruling. As used in this Paragraph, “conclusion of this proceeding” refers to the exhaustion of available appeals, or the running of the time for making of such appeals, as provided by applicable law. If, following any appeal, the Commission conducts a remand proceeding, then “the conclusion of these proceedings” is extended by the remand to the exhaustion of available appeals, or the running of the time for the making of such appeals, as provided by applicable law. If, following any appeal, the Commission conducts a remand proceeding, then the “conclusion of this proceeding” is extended by the remand to the exhaustion of available appeals of the remand or the running of time for making such appeals of the remand, as provided by applicable law.

17. Compliance with Legal Requirements

This Protective Order is subject to the requirements of the Public Information Act, the Open Meetings Act, and any other applicable law, provided that parties subject to those acts will give the party asserting confidentiality notice, if possible, under those acts, prior to disclosure pursuant to those acts.

18. Effect of Court Order

If required by order of a government or judicial body, the party may release to such body the confidential information required by such order, provided, however, the party agrees that prior to such disclosure, it shall promptly notify the party asserting confidentiality of the order and allow such party sufficient time to contest release of the confidential information; provided, further, the party shall use its best efforts to prevent such confidential information from being disclosed.

The term “best efforts” as used in the preceding paragraph requires that the party’s attempt to ensure that disclosure is not made by its employees or authorized representatives unless such disclosure is pursuant to a final order of a governmental or judicial body or written opinion of the Attorney General which was sought in compliance with V.T.C.A., Government Code §552.301 (Public Information). The party is not required to delay compliance with a lawful order to disclose such information but is simply required to timely notify the party asserting confidentiality, or its counsel, that it has received a challenge to the confidentiality of the information and that the reviewing party will either proceed under the provisions of § 552.301 of the Texas Government Code or intends to comply with the final governmental or court order.

19. Effect of Violation of Court Order

In the event of a breach of the provisions contained in Paragraph 18, the party asserting confidentiality will not have an adequate remedy in money or damages, and accordingly, shall in addition to any other available legal or equitable remedies, be entitled to an injunction against such breach. The producing party shall not be relieved of proof of any element required to establish the right to injunctive relief.

Signed this _____ day of _____ 2024.

Administrative Law Judge

EXHIBIT A
CERTIFICATIONS

Certification for protected materials only:

I certify my understanding that the protected materials are provided to me pursuant to the terms and restrictions of the Protective Order in Case No. 00019196, and that I have been given a copy of it and have read the Protective Order and agree to be bound by it. I understand that the contents of the protected materials, any notes, memoranda, or any other form of information regarding or derived from the protected materials shall not be disclosed to anyone other than in accordance with the Protective Order and shall be used only for the purpose of the proceeding in Case No. 00019196. I acknowledge that the obligations imposed by this certification are pursuant to a ruling issued by the Examiners in this docket. However, if the information contained in the protected materials is obtained from independent sources that did not obtain such information from documents obtained in this docket, the understanding stated herein shall not apply.

Signature

Party Represented

Printed Name

Date

Additional certification for highly sensitive protected materials:

I certify that I am eligible to have access to highly sensitive protected materials under the terms of the Protective Order in Case No. 00019196.

Signature

Party Represented

Printed Name

Date

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
COST OF SERVICE SCHEDULES AND WORKPAPERS
TEST YEAR ENDING JUNE 30, 2024**

File Date: November 18, 2024

Totals may vary due to rounding.

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
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TEST YEAR ENDING JUNE 30, 2024**

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2	REVENUE REQUIREMENTS BY SERVICE CLASS	Schedule A-1	FELAN / MYERS / RAAB
3	RATE BASE	Schedule B	MYERS
4	RATE BASE ADJUSTMENTS	WP B-1	MYERS
5	INJURIES AND DAMAGES AND WORKERS COMP RESERVES	WP B-2	MYERS
6	MATERIALS & SUPPLIES	WP B-3	MYERS
7	PREPAYMENTS	WP B-4	MYERS
8	CUSTOMER DEPOSITS AND CUSTOMER ADVANCES FOR CONSTRUCTION	WP B-5	MYERS
9	ACCUMULATED DEFERRED INCOME TAXES ("ADIT")	WP B-6	MYERS / MULTER
10	AMORTIZATION OF REGULATORY LIABILITY	WP B-6.1	MYERS / MULTER
11	MIDPOINT OF REGULATORY LIABILITY	WP B-6.2	MYERS / MULTER
12	PENSION AND OTHER POSTEMPLOYMENT BENEFITS REGULATORY ASSET/LIABILITY	WP B-7	MYERS
13	PENSION AND OTHER POSTEMPLOYMENT BENEFITS REGULATORY ASSET/LIABILITY SUMMARY	WP B-7.1	MYERS
14	COMPONENTS OF RATE BASE- GROSS PLANT	Schedule C	MYERS
15	COMPONENTS OF RATE BASE- ACCUMULATED DEPRECIATION	Schedule D	MYERS
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28	SHARED SERVICES ("SSU") COST CENTER FUNCTIONS	WP F-2.7.1	MYERS
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**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
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49	NON-STANDARD CONTRACT MARGINS	WP J-2.1	RAAB
50	TYPICAL BILL COMPARISON - BASE RATES	WP J-3	RAAB
51	AVERAGE BILL COMPARISON - BASE RATES	WP J-3.1	RAAB
52	SUMMARY PROOF OF REVENUE AT PROPOSED RATES - BASE RATES	WP J-4	RAAB
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57	CLASS COST OF SERVICE STUDY - BASE REVENUE REQUIREMENTS ALLOCATION	RevReq-CCS1	RAAB
58	CLASS COST OF SERVICE STUDY - RATE BASE ALLOCATION	RB-CCS2	RAAB
59	CLASS COST OF SERVICE STUDY - PLANT ALLOCATION	Plt-CCS3	RAAB
60	CLASS COST OF SERVICE STUDY - DESIGN DAY DEMAND ANALYSIS	DesDay-CCS4	RAAB
61	CLASS COST OF SERVICE STUDY - METER INVESTMENT ANALYSIS	MetInv-CCS5	RAAB
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69	RIDER SYSTEM SAFETY AND INTEGRITY ("SSI") BENCHMARK ADJUSTMENTS	Schedule SSI-1.1	MYERS / KNIGHTS
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75	FASB ASC 740-10 - FIN48 - ("FIN48") REGULATORY LIABILITY RIDER SUR REFUND	Schedule FIN48-4	MYERS / MULTER
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**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
REVENUE REQUIREMENTS
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Reference	Base Revenue	Rider GCR	Rider FF & Rider TAX	Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1							
2	Rider GCR Part A	Schedule H	\$ -	\$ 370,903,836	\$ -	\$ 370,903,836	
3	Rider GCR Part B	Schedule I		721,595,007		721,595,007	
4	Total Rider GCR		\$ -	\$ 1,092,498,843	\$ -	\$ 1,092,498,843	
5							
6	Operation and Maintenance Expenses	Schedule F-1	\$ 303,769,112	\$ -	\$ -	\$ 303,769,112	
7							
8	Taxes Other than Income Taxes	Schedule F-5	107,439,401		182,699,072	290,138,472	
9							
10	Depreciation and Amortization Expense	Schedule F-3	380,709,795			380,709,795	
11							
12	Interest on Customer Deposits	Schedule F-7	541,670			541,670	
13							
14	Rate Base	Schedule B	\$ 7,952,867,323				
15	Rate of Return	Schedule G	8.23%				
16			654,815,672			654,815,672	
17							
18	Income Taxes	Schedule F-6	151,616,390			151,616,390	
19							
20	Revenue Requirements		\$ 1,598,892,039	\$ 1,092,498,843	\$ 182,699,072	\$ 2,874,089,954	
21							
22	Current Revenues	Schedule A-1	\$ 1,406,082,552			\$ 2,668,192,024	
23							
24	Proposed Cost of Service Systemwide	(Ln 20 - Ln 22)	\$ 192,809,487			\$ 205,897,930	
25							
26	Amortization of Protected Excess Accumulated Deferred Income Taxes ("EDIT")	WP_B-6.1	\$ 1,629,225			\$ 1,739,821	
27							
28	Proposed Cost of Service - Systemwide Adjusted for EDIT	(Ln 24 + Ln 26)	\$ 194,438,712			\$ 207,637,751	
29							
30	Proposed Cost of Service - Unincorporated Areas	WP_J-4.1, 4.2, 4.3	\$ 10,092,540			\$ 10,777,649	

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
REVENUE REQUIREMENTS BY SERVICE CLASS
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Current Revenues	Proposed Revenues ¹	Proposed Change	Percent Change		Current Revenues	Proposed Revenues ¹	Proposed Change	Percent Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1		SYSTEMWIDE					UNINCORPORATED AREAS			
2	Residential (Base Revenue)	\$ 1,102,879,296	\$ 1,297,320,501	\$ 194,441,206	17.63%		\$ 65,468,406	\$ 75,560,946	\$ 10,092,540	15.42%
3	Residential (Rider GCR)	670,890,095	670,890,095	-	0.00%		34,822,788	34,822,788	-	0.00%
4	Residential (Rider FF & Rider TAX)	120,408,382	133,607,590	13,199,208	10.96%		6,808,044	7,493,154	685,110	10.06%
5	Total Residential Revenue (Sum Ln 2 through Ln 4)	\$ 1,894,177,772	\$ 2,101,818,186	\$ 207,640,414	10.96%		\$ 107,099,238	\$ 117,876,887	\$ 10,777,649	10.06%
6										
7	Commercial (Base Revenue)	\$ 261,377,547	\$ 261,377,547	\$ -	0.00%		\$ 4,191,483	\$ 4,191,483	\$ -	0.00%
8	Commercial (Rider GCR)	375,843,611	375,843,611	-	0.00%		5,241,140	5,241,140	-	0.00%
9	Commercial (Rider FF & Rider TAX)	43,256,338	43,256,338	-	0.00%		640,313	640,313	-	0.00%
10	Total Commercial Revenue (Sum Ln 7 through Ln 9)	\$ 680,477,496	\$ 680,477,496	\$ -	0.00%		\$ 10,072,935	\$ 10,072,935	\$ -	0.00%
11										
12	Industrial/Transportation (Base Revenue)	\$ 32,731,187	\$ 32,731,187	\$ -	0.00%		\$ 1,822,323	\$ 1,822,323	\$ -	0.00%
13	Industrial/Transportation (Rider GCR)	45,765,138	45,765,138	-	0.00%		4,141,613	4,141,613	-	0.00%
14	Industrial/Transportation (Rider FF & Rider TAX)	5,328,548	5,328,548	-	0.00%		404,849	404,849	-	0.00%
15	Total Industrial/Transportation Revenue (Sum Ln 12 through Ln 14)	\$ 83,824,873	\$ 83,824,873	\$ -	0.00%		\$ 6,368,785	\$ 6,368,785	\$ -	0.00%
16										
17	Other Revenue (Base Revenue)	\$ 9,094,522	\$ 9,094,522	\$ -	0.00%		\$ 454,726	\$ 454,726	\$ -	0.00%
18	Other Revenue (Rider GCR)	-	-	-	0.00%		-	-	-	0.00%
19	Other Revenue (Rider FF & Rider TAX)	617,361	617,361	-	0.00%		30,868	30,868	-	0.00%
20	Total Other Revenue (Sum Ln 17 through Ln 19)	\$ 9,711,883	\$ 9,711,883	\$ -	0.00%		\$ 485,594	\$ 485,594	\$ -	0.00%
21										
22	Base Revenue	\$ 1,406,082,552	\$ 1,600,523,757	\$ 194,441,205	13.83%		\$ 71,936,938	\$ 82,029,478	\$ 10,092,540	14.03%
23	Rider GCR	1,092,498,843	1,092,498,843	-	0.00%		44,205,541	44,205,541	-	0.00%
24	Rider FF & Rider TAX	169,610,630	182,809,837	13,199,208	7.78%		7,884,073	8,569,183	685,110	8.69%
25	Total Operating Revenues (Sum Ln 22 through Ln 24)	\$ 2,668,192,024	\$ 2,875,832,437	\$ 207,640,413	7.78%		\$ 124,026,552	\$ 134,804,201	\$ 10,777,649	8.69%

Note:

¹ Proposed Revenues are the result of the application of the proposed rates to billing determinants.

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
RATE BASE
TEST YEAR ENDING JUNE 30, 2024

Line No.	Description	Reference	Amount Per Book	Adjustment	Total Requested
	(a)	(b)	(c)	(d)	(e) = (c) + (d)
1	<u>Net Plant (1):</u>				
2	Gross Plant (1)	Schedule C	\$ 10,620,388,618	\$ 441,612,138	\$ 11,062,000,757
3	Accumulated Depreciation (1)	Schedule D	2,054,795,849	(56,323,749)	1,998,472,100
4	Total Net Plant (Ln 2 - Ln 3)		<u>\$ 8,565,592,770</u>	<u>\$ 497,935,887</u>	<u>\$ 9,063,528,657</u>
5					
6	<u>Additions:</u>				
7	Materials & Supplies	WP_B-3	\$ 11,111,036	\$ 7,097,970	\$ 18,209,006
8	Prepayments	WP_B-4	37,739,427	3,771,553	41,510,980
9	Pension and Other Postemployment Benefits Regulatory Asset/Liability	WP_B-7-1	(4,310,129)	(0)	(4,310,129)
10	Other Adjustments		-	-	-
11	Total Additions (Sum Ln 7 through Ln 10)		<u>\$ 44,540,334</u>	<u>\$ 10,869,523</u>	<u>\$ 55,409,857</u>
12					
13	<u>Deductions:</u>				
14	Customer Deposits	WP_B-5	\$ 11,145,476	\$ -	\$ 11,145,476
15	Customer Advances	WP_B-5	1,000,000	-	1,000,000
16	Injuries and Damages Reserve	WP_B-2	13,319,342	(10,764,110)	2,555,232
17	Accumulated Deferred Income Taxes ("ADIT") (1)	WP_B-6	1,126,846,248	(135,247,078)	991,599,170
18	Regulatory Liability (2)	WP_B-6.2	70,723,164	(15,089,825)	55,633,338
19	Rate Base Adjustments	WP_B-1	-	26,994,598	26,994,598
20	Total Deductions (Sum of Ln 14 through Ln 19)		<u>\$ 1,223,034,229</u>	<u>\$ (134,106,414)</u>	<u>\$ 1,088,927,814</u>
21					
22	Total Cash Working Capital	Schedule E	<u>\$ -</u>	<u>\$ (77,143,376)</u>	<u>\$ (77,143,376)</u>
23					
24	Total Rate Base (Ln 4 + Ln 11 - Ln 20 + Ln 22)		<u><u>\$ 7,387,098,875</u></u>	<u><u>\$ 565,768,448</u></u>	<u><u>\$ 7,952,867,323</u></u>

Notes:

1. The rate base adjustments include amounts previously disallowed and other known and measurable adjustments, which include gross plant activity, accumulated depreciation and amortization activity, and ADIT from July 2024 through September 2024.
2. The Regulatory Liability represents the excess deferred income taxes resulting from the revaluation of ADIT due to the Tax Cuts and Jobs Act. Accounts 174, 186, 242, and 253, Sub Account 27909.

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
RATE BASE ADJUSTMENTS
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Reference	Amounts
	(a)	(b)	(c)
1	Amortization of Capital Adjustments from Prior Dockets	(1)	\$ 8,214,678
2			
3	<u>Prior Period Adjustments (January 1, 2018 through June 30, 2023):</u>		
4	Employee Related Expenses not included in Expense Reports (Sub Accounts 5400-5499, 7510, 7590)	(2)	247,551
5	Employee Related Expenses not included in Expense Reports (900 Series Accounts)	(2)	68,412
6	Settlement Pay Adjustments	(3)	146,886
7	Incentive Compensation Adjustments	(4)	13,446,773
8			
9	<u>Test Year Adjustments (July 1, 2023 through June 30, 2024):</u>		
10	Employee Related Expenses not included in Expense Reports (Sub Accounts 5400-5499, 7510, 7590)	(2)	31,333
11	Employee Related Expenses not included in Expense Reports (900 Series Accounts)	(2)	16,128
12	Settlement Pay Adjustments	(3)	25,485
13	Incentive Compensation Adjustments	(4)	3,123,040
14	SSU SEBP/SERP Adjustment	(5)	1,330,242
15			
16	Employee Expense Adjustment (January 1, 2018 through June 30, 2024)	(6)	<u>344,070</u>
17			
18	Total Rate Base Adjustments (Sum of Ln 1 through Ln 16)		<u>\$ 26,994,598</u>
19			
20	Notes:		
21	1. The annual amortization of rate base adjustment amounts per GUD Nos. 9670, 9762, 9869, 10170, and 10742 over the 30.85 year period specified in GUD No. 9670 Final Order, Schedule B, Page 2, Footnote 1.		
22	2. Capitalized Employee-related Expenses have been adjusted for amounts not included in expense reports and recorded in sub-accounts 5400 and 900 series accounts. The adjustment includes Mid-Tex Direct and allocated SSU General Office and Customer Support amounts. In addition, the Company has included the Staff recommended adjustment per RFI 2-02 of the 2022 Interim Rate Adjustment Filing on Line 8.		
23	3. The adjustment removes Mid-Tex, SSU General Office and SSU Customer Support settlement amounts.		
24	4. For the period January 1, 2018 through December 31, 2018, the adjustment removes all SSU short and long term capital incentive compensation amounts. From January 1, 2019 through June 30, 2024, the adjustment removes the short and long term (performance based) capital incentive compensation amounts associated with the named executives per TEX. UTIL. CODE § 104.060.		
25	5. The calculated SERP adjustment removes the capital amount of SSU SEBP/SERP benefit costs to align with the disallowance of Cost Center 1908 in the Final Order of GUD No. 9762, Finding of Fact 78 and in the Final Order of GUD No. 10170. Please refer to WP_F-2.7 for the adjustment calculation.		
26	6. See Page 2, Col (f), Ln 18.		

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
EMPLOYEE EXPENSE ADJUSTMENT TO CAPITAL
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Reference	Shared Services Customer Support	Shared Services General Office	Mid-Tex Direct	Total Adjustment
	(a)	(b)	(c)	(d)	(e)	(f)
1	<u>Twelve Months Ended June 30, 2024:</u>					
2	Employee Expense Adjustment	(1)	\$ 132,924	\$ 437,141	\$ 327,327	
3	Allocation Factor	(2) (3)	53.30%	40.94%	100.00%	
4	Allocated Employee Expense Totals	Ln 2 x Ln 3	\$ 70,848	\$ 178,965	\$ 327,327	
5	Capitalization Factor	(2)	14.49%	29.39%	0.00%	
6	Allocated Capitalized Employee Expense Totals	Ln 4 x Ln 5	\$ 10,266	\$ 52,605	\$ -	
7						
8	<u>Add Charges Direct to Capital:</u>					
9	July 1, 2023 through June 30, 2024	(1)	\$ -	\$ 4,898	\$ 13,061	
10	January 1, 2023 through June 30, 2023		5,541	13,801	4,902	
11	January 1, 2022 through December 31, 2022		9,594	16,105	2,949	
12	January 1, 2021 through December 31, 2021		3,341	6,261	3,248	
13	January 1, 2020 through December 31, 2020		1,615	14,339	2,870	
14	January 1, 2019 through December 31, 2019		12,812	37,244	14,998	
15	January 1, 2018 through December 31, 2018		12,550	30,506	70,563	
16	Total Allocated Charges Direct to Capital	Sum Ln 9 through Ln 15	\$ 45,453	\$ 123,154	\$ 112,592	
17						
18	Total for the Period Ending June 30, 2024	Ln 6 + Ln 16	\$ 55,719	\$ 175,759	\$ 112,592	\$ 344,070
19						
20	Notes:					
21	1. Shared Services General Office amounts have been adjusted to remove amounts in cost centers which do not allocate to Mid-Tex.					
22	2. See WP_F-2.1, Col (b) and Col (c) Lns 11 and 15, for the Shared Services factors, as adjusted.					
23	3. Mid-Tex costs are directly charged and not allocated.					

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
INJURIES AND DAMAGES AND WORKERS COMP RESERVES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Month Ending	Per Book Amount	Adjustments	Adjusted Amount	Allocation Factor	Allocated Amount
	(a)	(1) (b)	(c)	(d) = (b) + (c)	(e)	(f) = (d) * (e)
1	<u>Mid-Tex</u>					
2	June 30, 2023	\$ 2,381,174	\$ -	\$ 2,381,174	100.00%	\$ 2,381,174
3	July 31, 2023	2,346,018	-	2,346,018	100.00%	2,346,018
4	August 31, 2023	2,348,999	-	2,348,999	100.00%	2,348,999
5	September 30, 2023	2,381,174	-	2,381,174	100.00%	2,381,174
6	October 31, 2023	2,403,429	-	2,403,429	100.00%	2,403,429
7	November 30, 2023	2,420,326	-	2,420,326	100.00%	2,420,326
8	December 31, 2023	2,457,399	-	2,457,399	100.00%	2,457,399
9	January 31, 2024	2,462,403	-	2,462,403	100.00%	2,462,403
10	February 29, 2024	2,468,532	-	2,468,532	100.00%	2,468,532
11	March 31, 2024	2,457,399	-	2,457,399	100.00%	2,457,399
12	April 30, 2024	2,436,113	-	2,436,113	100.00%	2,436,113
13	May 31, 2024	2,413,865	-	2,413,865	100.00%	2,413,865
14	June 30, 2024	2,457,399	-	2,457,399	100.00%	2,457,399
15						
16	<u>Shared Services - General Office (Div 002) (2)</u>					
17	June 30, 2023	\$ 33,840,082	\$ (33,594,137)	\$ 245,945	40.94%	\$ 100,690
18	July 31, 2023	32,682,826	(32,432,975)	249,851	40.94%	102,289
19	August 31, 2023	29,688,797	(29,432,975)	255,822	40.94%	104,733
20	September 30, 2023	34,590,348	(34,344,403)	245,945	40.94%	100,690
21	October 31, 2023	22,345,881	(22,094,403)	251,479	40.94%	102,955
22	November 30, 2023	39,847,216	(39,594,403)	252,813	40.94%	103,502
23	December 31, 2023	40,570,870	(40,331,903)	238,967	40.94%	97,833
24	January 31, 2024	19,323,473	(19,078,569)	244,904	40.94%	100,264
25	February 29, 2024	14,332,723	(14,081,903)	250,821	40.94%	102,686
26	March 31, 2024	26,083,370	(25,844,403)	238,967	40.94%	97,833
27	April 30, 2024	26,086,179	(25,844,403)	241,776	40.94%	98,983
28	May 31, 2024	26,088,989	(25,844,403)	244,586	40.94%	100,134
29	June 30, 2024	26,531,370	(26,292,403)	238,967	40.94%	97,833
30						

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
INJURIES AND DAMAGES AND WORKERS COMP RESERVES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Month Ending	Per Book Amount (1)	Adjustments (c)	Adjusted Amount (d) = (b) + (c)	Allocation Factor (e)	Allocated Amount (f) = (d) * (e)
	(a)	(b)	(c)	(d) = (b) + (c)	(e)	(f) = (d) * (e)
31	<u>Shared Services - Customer Support (Div 12)</u>					
32	June 30, 2023	\$ -	\$ -	\$ -	53.30%	\$ -
33	July 31, 2023	-	-	-	53.30%	-
34	August 31, 2023	-	-	-	53.30%	-
35	September 30, 2023	-	-	-	53.30%	-
36	October 31, 2023	-	-	-	53.30%	-
37	November 30, 2023	-	-	-	53.30%	-
38	December 31, 2023	-	-	-	53.30%	-
39	January 31, 2024	-	-	-	53.30%	-
40	February 29, 2024	-	-	-	53.30%	-
41	March 31, 2024	-	-	-	53.30%	-
42	April 30, 2024	-	-	-	53.30%	-
43	May 31, 2024	-	-	-	53.30%	-
44	June 30, 2024	-	-	-	53.30%	-
45	Total at June 30, 2024					
	(Col (f) = Sum Ln 14 + Ln 29+ Ln 44)	<u>\$ 13,319,342</u>				<u>\$ 2,555,232</u>

46

47 Notes:

48 1. Account 228.2 and Sub-accounts 28102 (Workers' Comp-Ins Reserve) and 28101 (Inj & Damages - Ins Reserve).

49 2. The adjustment in Column (c) removes reserves not allocated to the divisions, Sub-account 28101. Please refer to Cost Center 1903.

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
MATERIALS & SUPPLIES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Month/Year Ending	Amount
	(a)	(b)
1	<u>Materials & Supplies - Accounts 154 & 163</u>	
2	June 30, 2023	\$ 18,535,523
3	July 31, 2023	19,628,766
4	August 31, 2023	22,710,976
5	September 30, 2023	22,582,086
6	October 31, 2023	20,755,835
7	November 30, 2023	21,482,744
8	December 31, 2023	20,299,555
9	January 31, 2024	19,736,757
10	February 29, 2024	16,832,885
11	March 31, 2024	16,838,209
12	April 30, 2024	14,365,481
13	May 31, 2024	11,837,219
14	June 30, 2024	11,111,036
15		
16	13-Month Average	<u>\$ 18,209,006</u>

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
PREPAYMENTS
TEST YEAR ENDING JUNE 30, 2024

Line No.	Month/Year Ending	Per Book Amount	Adjustments	Adjusted Total	Allocation Factor	Allocation to Mid-Tex
	(a)	(b)	(c)	(d) = (b) + (c)	(e)	(f) = (d) x (e)
1	<u>Prepayments - Account 165</u>					
2	<u>Mid-Tex Direct</u>					
3	June 30, 2023	\$ 12,992,560	\$ -	\$ 12,992,560	100%	\$ 12,992,560
4	July 31, 2023	16,641,298	-	16,641,298	100%	16,641,298
5	August 31, 2023	14,979,255	-	14,979,255	100%	14,979,255
6	September 30, 2023	10,190,326	-	10,190,326	100%	10,190,326
7	October 31, 2023	12,054,475	-	12,054,475	100%	12,054,475
8	November 30, 2023	10,018,520	-	10,018,520	100%	10,018,520
9	December 31, 2023	3,105,898	-	3,105,898	100%	3,105,898
10	January 31, 2024	7,814,318	-	7,814,318	100%	7,814,318
11	February 29, 2024	15,014,095	-	15,014,095	100%	15,014,095
12	March 31, 2024	15,484,409	-	15,484,409	100%	15,484,409
13	April 30, 2024	25,410,046	-	25,410,046	100%	25,410,046
14	May 31, 2024	23,177,630	-	23,177,630	100%	23,177,630
15	June 30, 2024	11,356,602	-	11,356,602	100%	11,356,602
16						
17	13-Month Average	<u>\$ 13,710,726</u>	<u>\$ -</u>	<u>\$ 13,710,726</u>		<u>\$ 13,710,726</u>
18						
19	<u>Shared Services-General Office (Div 002) (1) (2)</u>					
20	June 30, 2023	\$ 55,900,217	\$ (6,908,185)	\$ 48,992,032	40.94%	\$ 20,057,338
21	July 31, 2023	54,393,606	(6,687,737)	47,705,869	40.94%	19,530,783
22	August 31, 2023	47,764,255	(7,451,212)	40,313,042	40.94%	16,504,160
23	September 30, 2023	41,453,095	(7,588,608)	33,864,487	40.94%	13,864,121
24	October 31, 2023	85,250,015	(7,843,518)	77,406,497	40.94%	31,690,220
25	November 30, 2023	87,049,587	(7,790,865)	79,258,722	40.94%	32,448,521
26	December 31, 2023	84,395,157	(7,760,421)	76,634,736	40.94%	31,374,261
27	January 31, 2024	81,270,888	(7,805,253)	73,465,635	40.94%	30,076,831
28	February 29, 2024	74,178,045	(7,924,466)	66,253,579	40.94%	27,124,215
29	March 31, 2024	82,776,770	(7,890,596)	74,886,174	40.94%	30,658,400
30	April 30, 2024	78,127,755	(8,208,809)	69,918,945	40.94%	28,624,816
31	May 31, 2024	75,724,058	(8,193,066)	67,530,993	40.94%	27,647,188
32	June 30, 2024	69,143,563	(9,811,069)	59,332,494	40.94%	24,290,723
33						
34	13-Month Average	<u>\$ 70,571,309</u>	<u>\$ (7,835,677)</u>	<u>\$ 62,735,631</u>		<u>\$ 25,683,967</u>
35						

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
PREPAYMENTS
TEST YEAR ENDING JUNE 30, 2024

Line No.	Month/Year Ending	Per Book Amount	Adjustments	Adjusted Total	Allocation Factor	Allocation to Mid-Tex
	(a)	(b)	(c)	(d) = (b) + (c)	(e)	(f) = (d) x (e)
36	<u>Shared Services-Customer Support (Div 12) (2)</u>					
37	June 30, 2023	\$ (1,924,558)	\$ 6,157,880	\$ 4,233,322	53.30%	\$ 2,256,361
38	July 31, 2023	(2,028,473)	5,937,432	3,908,960	53.30%	2,083,476
39	August 31, 2023	(2,965,307)	6,700,907	3,735,601	53.30%	1,991,075
40	September 30, 2023	(3,516,485)	6,838,303	3,321,818	53.30%	1,770,529
41	October 31, 2023	(3,452,177)	7,110,484	3,658,307	53.30%	1,949,878
42	November 30, 2023	(4,092,462)	7,075,103	2,982,641	53.30%	1,589,747
43	December 31, 2023	(4,383,346)	7,061,930	2,678,584	53.30%	1,427,685
44	January 31, 2024	(2,287,953)	7,124,034	4,836,081	53.30%	2,577,631
45	February 29, 2024	(2,677,228)	7,130,318	4,453,090	53.30%	2,373,497
46	March 31, 2024	(2,992,795)	7,113,720	4,120,925	53.30%	2,196,453
47	April 30, 2024	(3,166,502)	7,449,204	4,282,703	53.30%	2,282,681
48	May 31, 2024	(3,469,410)	7,433,461	3,964,050	53.30%	2,112,839
49	June 30, 2024	(3,610,787)	9,051,464	5,440,677	53.30%	2,899,881
50						
51	13-Month Average	<u>\$ (3,120,576)</u>	<u>\$ 7,091,095</u>	<u>\$ 3,970,520</u>		<u>\$ 2,116,287</u>
52						
53	Total Prepayments June 30, 2024					<u>\$ 37,739,427</u>
54						
55	Total Prepayments 13-Month Average (Ln 17 + Ln 34 + Ln 51)					<u>\$ 41,510,980</u>
56						
57	Note:					
58	1. The SSU adjustment amounts for Sub Account 13060 have been removed to reduce controversy.					
59	2. The SSU adjustment correctly aligns Divisions 2 and 12 prepayments.					

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CUSTOMER DEPOSITS AND CUSTOMER ADVANCES FOR CONSTRUCTION
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Month/Year Ending	Amount
	(a)	(b)
1	<u>Customer Deposits - Acct 235</u>	
2	June 30, 2023	\$ 11,862,205
3	July 31, 2023	11,838,016
4	August 31, 2023	11,841,061
5	September 30, 2023	11,710,641
6	October 31, 2023	11,586,830
7	November 30, 2023	11,359,036
8	December 31, 2023	11,215,144
9	January 31, 2024	11,102,458
10	February 29, 2024	11,152,018
11	March 31, 2024	11,153,306
12	April 30, 2024	11,192,667
13	May 31, 2024	11,240,441
14	June 30, 2024	11,145,476
15		
16	<u>Customer Advances - Acct 252</u>	
17	June 30, 2023	\$ 1,000,000
18	July 31, 2023	1,000,000
19	August 31, 2023	1,000,000
20	September 30, 2023	1,000,000
21	October 31, 2023	1,000,000
22	November 30, 2023	1,000,000
23	December 31, 2023	1,000,000
24	January 31, 2024	1,000,000
25	February 29, 2024	1,000,000
26	March 31, 2024	1,000,000
27	April 30, 2024	1,000,000
28	May 31, 2024	1,000,000
29	June 30, 2024	1,000,000

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
ACCUMULATED DEFERRED INCOME TAXES ("ADIT") (1) (2)
TEST YEAR ENDING JUNE 30, 2024

Line No.	Description	Reference	Assets / (Liabilities) - Per Book Balances	Adjustments (3)	Assets / (Liabilities) - Adjusted Balances
	(a)	(b)	(c)	(d)	(e) = (c) + (d)
1	Mid-Tex:				
2	Ad Valorem Taxes		\$ (2,395,281)	\$ (2,259,782)	\$ (4,655,063)
3	MIP/VPP Accrual		(447,585)	533,498	85,913
4	Self Insurance - Adjustment		-	-	-
5	Vacation Accrual		(26,319)	(17,713)	(44,032)
6	Worker's Comp Insurance Reserve		(54,793)	(13,807)	(68,600)
7	SEBP Adjustment		790,397	(757,239)	33,158
8	VEBA Trust Contribution Adjustment		1,015,061	-	1,015,061
9	FAS 106 Adjustment		12,408,271	(538,500)	11,869,771
10	CWIP		808,037	(808,037)	-
11	RWIP		(148,069)	3,525	(144,544)
12	Fixed Asset Cost Adjustment		(1,087,156,580)	(34,537,250)	(1,121,693,830)
13	Depreciation Adjustment		(38,407,205)	(25,930,500)	(64,337,705)
14	Repairs Aggregation Sec 481(a) Adj		(733,935)	733,935	-
15	AFUDC - Equity Asset Cost Adj		-	-	-
16	Deferred Gas Costs		(13,071,233)	13,071,233	-
17	Over Recoveries of PGA		(2,363,375)	2,363,375	-
18	TXU Goodwill Amortization		(76,055,545)	76,055,545	-
19	Customer Advances		210,000	-	210,000
20	Deferred Expense Projects		(16,267)	(37,998)	(54,265)
21	Leases - Assets		(22,565,442)	22,565,442	-
22	Leases - Liabilities		22,565,442	(22,565,442)	-
23	Leases Reclass - Liabilities		6,402,250	(6,402,250)	-
24	Unicap Section 263A Costs		1,701,833	(1,701,833)	-
25	Allowance for Doubtful Accounts		4,681,005	(4,681,005)	-
26	Clearing Account - Adjustment		-	(56,008)	(56,008)
27	Charitable Contribution Carryover		5,500,041	(5,500,041)	-
28	Prepayments		(4,422,021)	2,787,063	(1,634,958)
29	Rate Case Accrual		(6,688)	6,688	-

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
ACCUMULATED DEFERRED INCOME TAXES ("ADIT") (1) (2)
TEST YEAR ENDING JUNE 30, 2024

Line No.	Description	Reference	Assets / (Liabilities) - Per Book Balances	Adjustments (3)	Assets / (Liabilities) - Adjusted Balances
	(a)	(b)	(c)	(d)	(e) = (c) + (d)
30	WACOG to FIFO Adjustment		3,434,290	(3,434,290)	-
31	Reg Asset Benefit Accrual		(8,283)	(17,976)	(26,259)
32	TX Rule 8.209 Deferral		(56,990,846)	14,214,822	(42,776,024)
33	Intra Period Tax Allocation		6,267,031	(6,267,031)	-
34	Regulatory Asset - Winter Weather Event	(4)	(2,250,007)	2,250,007	-
35	Reg Liability/Asset – Pension & OPEB		1,219,227	35,511	1,254,738
36	Regulatory Liability - 2017 Gross Up		16,158,079	(3,464,220)	12,693,859
37	Regulatory Liability - NSC		(1,282,467)	63,676	(1,218,791)
38	Fed Reg Liability_Gross Up_FIN48		580,829	81,790	662,619
39	CNG Tax Credit		30,000	(30,000)	-
40	State Net Operating Loss		363,899	-	363,899
41	FD-Federal Benefit on State NOL		(76,419)	-	(76,419)
42	State FIN48 Reg Liability Gross Up		20,901	2,943	23,844
43	WWE Deferred Tax Asset for NOL	(4)	-	27,296,981	27,296,981
44	Total Mid-Tex Direct	Sum Ln 2 through Ln 43	<u>\$ (1,224,321,767)</u>	<u>\$ 43,045,112</u>	<u>\$ (1,181,276,655)</u>
45					
46	<u>SSU - Customer Support (Div 12):</u>				
47	MIP/VPP Accrual		\$ (762,093)	\$ 520,342	\$ (241,751)
48	Vacation Accrual		(8,408)	(5,808)	(14,216)
49	Worker's Comp Insurance Reserve		991	34	1,025
50	FAS 106 Adjustment		(1,207,677)	(7,227)	(1,214,904)
51	CWIP		(68,320)	68,320	-
52	RWIP		-	-	-
53	Fixed Asset Cost Adjustment		(22,706,585)	(1,073,216)	(23,779,801)
54	Depreciation Adjustment		13,301,101	253,052	13,554,153
55	Leases - Assets		(2,147,929)	2,147,929	-
56	Leases - Liabilities		2,147,929	(2,147,929)	-
57	Clearing Account - Adjustment		-	-	-
58	Charitable Contribution Carryover		12,851	(12,851)	-

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
ACCUMULATED DEFERRED INCOME TAXES ("ADIT") (1) (2)
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Reference	Assets / (Liabilities) - Per Book Balances	Adjustments (3)	Assets / (Liabilities) - Adjusted Balances
	(a)	(b)	(c)	(d)	(e) = (c) + (d)
59	Prepayments		777,911	530,393	1,308,304
60	Rate Case Accrual		-	-	-
61	Intra Period Tax Allocation		2,037	(2,037)	-
62	Regulatory Liability - NSC		(3,360)	1,000	(2,360)
63	Total SSU Customer Support	Sum Ln 47 through Ln 62	\$ (10,661,552)	\$ 272,002	\$ (10,389,550)
64	Allocation Factor		53.30%	53.30%	53.30%
65	Total Allocated SSU Customer Support	Ln 63 x Ln 64	\$ (5,682,607)	\$ 144,977	\$ (5,537,630)
66					
67	<u>SSU - General Office (Div 002):</u>				
68	Director's Deferred Bonus		\$ 37,403	\$ 2,790	\$ 40,193
69	MIP/VPP Accrual		973,425	53,050	1,026,475
70	Miscellaneous Accrued		17	(17)	-
71	Self Insurance - Adjustment		3,004,096	(3,004,096)	-
72	Vacation Accrual		51,114	(27,575)	23,539
73	Worker's Comp Insurance Reserve		53,850	(1,388)	52,462
74	SEBP Adjustment		6,288,048	(6,288,048)	-
75	SERP DTL Offset		-	-	-
76	Restricted Stock Grant Plan		(5,177,922)	2,515,753	(2,662,169)
77	Rabbi Trust		896,430	(896,430)	-
78	VEBA Trust Contribution Adjustment		4,911,712	(8,653)	4,903,059
79	Restricted Stock - MIP		11,994,141	(6,574,254)	5,419,887
80	Director's Stock Awards		3,499,676	68,696	3,568,372
81	Rabbi Trust Book Gain or Loss		-	-	-
82	Rabbi Trust Tax Gain or Loss		-	-	-
83	Rabbi Trust Unrealized Gain or Loss		2,125,078	(2,125,078)	-
84	Pension Expense		1,241,328	(643,583)	597,745
85	FAS 106 Adjustment		7,305,130	(254,763)	7,050,367
86	CWIP		(1,499,174)	1,499,174	-
87	RWIP		-	-	-

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
ACCUMULATED DEFERRED INCOME TAXES ("ADIT") (1) (2)
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Reference	Assets / (Liabilities) - Per Book Balances	Adjustments (3)	Assets / (Liabilities) - Adjusted Balances
	(a)	(b)	(c)	(d)	(e) = (c) + (d)
88	Fixed Asset Cost Adjustment		(38,499,914)	2,404,522	(36,095,392)
89	Depreciation Adjustment		19,313,453	95,221	19,408,674
90	Section 481(a) Cushion Gas		337,426	(337,426)	-
91	Section 481(a) Line Pack Gas		40,942	(40,942)	-
92	AFUDC - Equity Asset Cost Adj		-	-	-
93	Capital Loss Carryforward		2,366	(2,366)	-
94	Leases - Assets		(9,516,482)	9,516,482	-
95	Leases - Liabilities		9,516,482	(9,516,482)	-
96	Allowance for Doubtful Accounts		1	(1)	-
97	Clearing Account - Adjustment		56,008	-	56,008
98	Charitable Contribution Carryover		(5,113,752)	5,113,752	-
99	Prepayments		(10,733,932)	666,825	(10,067,107)
100	Rate Case Accrual		-	-	-
101	Federal & State Tax Interest		2,406,214	(698)	2,405,516
102	Intra Period Tax Allocation		(2,419,744)	2,419,744	-
103	Regulatory Liability/Asset - Pension & OPEB		-	-	-
104	Regulatory Liability - NSC		95,410	(10,261)	85,149
105	Fuel Cell ITC		367,776	(2,116)	365,660
106	FD - NOL Credit Carryforward - Non Reg		(186,397,886)	186,397,886	-
107	FD - NOL Credit Carryforward - Utility	(4)	577,387,922	20,694,800	598,082,722
108	FD - NOL Credit Carryforward - Other		8,132,211	(8,132,211)	-
109	ST - State Net Operating Loss		501,177	(501,177)	-
110	FD - FAS 115 Adjustment		(2,466,303)	-	(2,466,303)
111	FD - Fuel Cell Credit		(1,062,632)	8,908	(1,053,724)
112	ST - Other		3,793	(106)	3,687
113	ST - Valuation Allow Enterprise Zone ITC		(127,663)	127,663	-
114	FD - Valuation Allow Fed Tax Enterprise Zone ITC		26,809	(26,809)	-
115	ST - Enterprise Zone ITC		2,399,680	(2,399,680)	-
116	FD - Treasury Lock Adjustment-Realized		(62,812,202)	(51,100,386)	(113,912,589)

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
ACCUMULATED DEFERRED INCOME TAXES ("ADIT") (1) (2)
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Reference	Assets / (Liabilities) - Per Book Balances	Adjustments (3)	Assets / (Liabilities) - Adjusted Balances
	(a)	(b)	(c)	(d)	(e) = (c) + (d)
117	FD - Treasury Lock Adjustment-Unrealized		(84,663,650)	84,663,650	-
118	FD - Federal Tax on Enterprise ITC		(503,933)	503,933	-
119	Total SSU General Office	Sum Ln 68 through Ln 118	\$ 251,973,929	\$ 224,858,303	\$ 476,832,231
120	Allocation Factor		40.94%	40.94%	40.94%
121	Total Allocated SSU General Office	Ln 119 x Ln 120	\$ 103,158,126	\$ 92,056,989	\$ 195,215,116
122					
123	Total Allocated SSU ADIT to Mid-Tex	Ln 65 + Ln 121	\$ 97,475,519	\$ 92,201,966	\$ 189,677,485
124					
125	Grand Total Mid-Tex ADIT	Ln 44 + Ln 123	\$ (1,126,846,248)	\$ 135,247,078	\$ (991,599,170)
126					
127	Notes:				
128	1. Includes FERC Accounts 190, 255, 282 and 283.				
129	2. Credit amounts are in parentheses.				
130	3. The adjustment amounts include known and measurable adjustments for the period of July through September 2024 and additional adjustments for items not included in rate base for ratemaking purposes.				
131	4. Line 34 is adjusted to remove the impact of Winter Storm Uri. Line 43 reflects the tax impact of the securitization financing order. Line 107 is adjusted to remove the impact of Winter Storm Uri and Charitable Contributions Conversion.				

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
AMORTIZATION OF REGULATORY LIABILITY
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Year Ended June 30	Beginning Protected Balance	Protected Amortization	Ending Protected Balance	Beginning Unprotected Balance	Unprotected Amortization	Ending Unprotected Balance	Protected & Unprotected Amortization	Protected & Unprotected Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1		\$ -	\$ -	\$ (51,477,654)	\$ -	\$ -	\$ 343,746,535	\$ -	\$ 292,268,881
2	2019	(51,477,654)	989,955	(50,487,699)	343,746,535	(7,027,736)	336,718,799	(6,037,781)	286,231,100
3	2020	(50,487,699)	1,979,910	(48,507,789)	336,718,799	(14,055,471)	322,663,328	(12,075,562)	274,155,539
4	2021	(48,507,789)	1,979,910	(46,527,880)	322,663,328	(14,055,471)	308,607,857	(12,075,562)	262,079,977
5	2022	(46,527,880)	3,959,820	(42,568,060)	308,607,857	(88,846,202)	219,761,655	(84,886,382)	177,193,595
6	2023	(42,568,060)	1,979,910	(40,588,150)	219,761,655	(101,428,456)	118,333,199	(99,448,546)	77,745,048
7	2024	(40,588,150)	1,979,910	(38,608,240)	118,333,199	(101,428,456)	16,904,743	(99,448,546)	(21,703,498)
8	2025	(38,608,240)	1,950,686	(36,657,554)	16,904,743	(16,904,743)	-	(14,954,057)	(36,657,554)
9	2026	(36,657,554)	1,629,225	(35,028,330)				1,629,225	(35,028,330)
10	2027	(35,028,330)	1,629,225	(33,399,105)				1,629,225	(33,399,105)
11	2028	(33,399,105)	1,629,225	(31,769,881)				1,629,225	(31,769,881)
12	2029	(31,769,881)	1,629,225	(30,140,656)				1,629,225	(30,140,656)
13	2030	(30,140,656)	1,629,225	(28,511,431)				1,629,225	(28,511,431)
14	2031	(28,511,431)	1,629,225	(26,882,207)				1,629,225	(26,882,207)
15	2032	(26,882,207)	1,629,225	(25,252,982)				1,629,225	(25,252,982)
16	2033	(25,252,982)	1,629,225	(23,623,757)				1,629,225	(23,623,757)
17	2034	(23,623,757)	1,629,225	(21,994,533)				1,629,225	(21,994,533)
18	2035	(21,994,533)	1,629,225	(20,365,308)				1,629,225	(20,365,308)
19	2036	(20,365,308)	1,629,225	(18,736,083)				1,629,225	(18,736,083)
20	2037	(18,736,083)	1,629,225	(17,106,859)				1,629,225	(17,106,859)
21	2038	(17,106,859)	1,629,225	(15,477,634)				1,629,225	(15,477,634)
22	2039	(15,477,634)	1,629,225	(13,848,409)				1,629,225	(13,848,409)
23	2040	(13,848,409)	1,629,225	(12,219,185)				1,629,225	(12,219,185)
24	2041	(12,219,185)	1,629,225	(10,589,960)				1,629,225	(10,589,960)
25	2042	(10,589,960)	1,629,225	(8,960,736)				1,629,225	(8,960,736)
26	2043	(8,960,736)	1,629,225	(7,331,511)				1,629,225	(7,331,511)
27	2044	(7,331,511)	1,629,225	(5,702,286)				1,629,225	(5,702,286)
28	2045	(5,702,286)	1,629,225	(4,073,062)				1,629,225	(4,073,062)
29	2046	(4,073,062)	1,629,225	(2,443,837)				1,629,225	(2,443,837)
30	2047	(2,443,837)	1,629,225	(814,612)				1,629,225	(814,612)
31	2048	(814,612)	814,612	-				814,612	-
32									
33									
34				Total Amortization			\$	1,629,225	
35				Revenue Related Tax Factor - See WP_F-5.1				6.79%	
36				Revenue Related Taxes on Annual Amortization (Ln 34 x Ln 35)			\$	110,596	
37									
38				Total Amortization + Revenue Related Taxes (Ln 34 + Ln 36)			\$	1,739,821	
39									

Notes:

1. The annual amortization is split between protected and unprotected amounts. The protected amounts will be amortized over 30 years (updated from 26 years as per new IRS guidelines). The annual amortization of the unprotected balance is 3 years. The unprotected balance has been refunded to customers as per Case No. 00006913. Please see Schedule EDIT-3, 3.1 and 3.2 for details of the reconciliation of the amounts refunded to customers.
2. The Regulatory Liability is recorded to FERC Accounts 174, 186, 242, and 253, Subaccount 27909.

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
MIDPOINT OF REGULATORY LIABILITY
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Month-Year	Beginning Month Balance	Monthly Amortization	End of Month Rate Base Adjustment Amount	DTA Gross Up Factor	Regulatory Liability - 2017 Gross Up
	(a)	(b)	(c)	(d)	(e)	(f)
1	June 30, 2024	\$ -	\$ -	\$ 70,723,164	22.82%	\$ 16,136,904
2	July 31, 2024	70,723,164	8,287,379	62,435,785	22.82%	14,245,973
3	August 31, 2024	62,435,785	8,287,379	54,148,406	22.82%	12,355,042
4	September 30, 2024	54,148,406	(164,992)	54,313,398	22.82%	12,392,688
5	October 31, 2024	54,313,398	(164,992)	54,478,391	22.82%	12,430,334
6	November 30, 2024	54,478,391	(164,992)	54,643,383	22.82%	12,467,981
7	December 31, 2024	54,643,383	(164,992)	54,808,376	22.82%	12,505,627
8	January 31, 2025	54,808,376	(164,992)	54,973,368	22.82%	12,543,273
9	February 28, 2025	54,973,368	(164,992)	55,138,361	22.82%	12,580,920
10	March 31, 2025	55,138,361	(164,992)	55,303,353	22.82%	12,618,566
11	April 30, 2025	55,303,353	(164,992)	55,468,346	22.82%	12,656,212
12	May 31, 2025	55,468,346	(164,992)	55,633,338	22.82%	12,693,859

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
PENSION AND OTHER POSTEMPLOYMENT BENEFITS REGULATORY ASSET/LIABILITY
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description (a)	Amounts (b)
1	Summarization of Pension and Other Postemployment Benefits Regulatory Asset/Liability:	
2		
3	Pension Asset/Liability at June 2024	\$ 1,426,279
4		
5	Total Pension and Other Postemployment Benefits Regulatory Asset/Liability (Sum of Line 3)	<u>\$ 1,426,279</u>
6		
7	Summarization of Pension and Other Postemployment Benefits Asset/Liability Amortization:	
8		
9	Pension Asset/Liability Amortization - Calculated (Pension Asset/Liability Amount / 10 years) (1)	\$ 142,628
10		
11	Pension Asset/Liability Amortization - Per Book Amount in the Test Year	<u>149,501</u>
12		
13	Pension Asset/Liability Amortization Adjustment (Line 9 + Line 11) (2) (3)	<u>\$ 292,129</u>
14		
15		
16	Notes:	
17	1. The annual recorded amortization of the Pension and Other Postemployment Benefits Regulatory Asset/Liability cost is included in O&M expense on Schedule F-1. The annual amortization is based on a ten year amortization period.	
18	2. The adjustment to Pension Asset/Liability Amortization is shown on WP_F-2.8.	
19	3. All benchmarks in place prior to the October 2018 benchmark include both a capital and expense component. Amortization of the existing deferred amounts will continue through the end of the amortization period. Future additions or reductions to the deferral will be expense only amounts. The capital component is recorded to utility plant through the overhead process.	

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
PENSION AND OTHER POSTEMPLOYMENT BENEFITS REGULATORY ASSET/LIABILITY SUMMARY
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Time Period (a)	Description (b)	Amount Per Period (c)	Total Amount (d)
1	<u>Total Asset/Liability Amount - By Period (1):</u>			
2				
3	January 2012 - June 2023	Total of Prior Years Deferred Regulatory Asset/Liability Values	\$ 2,835,430	
4	July 2023 - September 2023	The portion of the test year amount that represents the difference between the GUD No. 10742 benchmark and the fiscal year 2023 Willis Towers Watson Actuarial Report.	(467,315)	
5	October 2023 - June 2024	The portion of the test year amount that represents the difference between the GUD No. 10742 benchmark and the fiscal year 2024 Willis Towers Watson Actuarial Report.	(941,837)	
6				
7	Total Asset/Liability Values at June 30, 2024 (Sum Lines 3 through 5)			\$ 1,426,279
8				
9	<u>Total Asset/Liability Amortization - By Period (2):</u>			
10				
11	January 2012 - December 2017	Total amortization recorded prior to GUD No. 10742	\$ (3,661,663)	
12	January 2018 - June 2023	Total amortization recorded since GUD No. 10742 and prior to the test year	(2,224,246)	
13	July 2023 - June 2023	Total amortization recorded for the Test Year	149,501	
14				
15	Total Asset/Liability Amortization at June 30, 2024 (Sum Lines 11 through 13)			\$ (5,736,408)
16				
17	Net Asset/Liability Amount at June 30, 2024 (Ln 7 + Ln 15)			\$ (4,310,129)
18				
19	Notes:			
20	1. The Company has included in rate base, as a regulatory asset/liability, the Company's calculation of the Pension and Other Postemployment Benefits cost in accordance with TEX. UTILITIES CODE, SECTION 104.059.			
21	2. The annual recorded amortization of the Pension and Other Postemployment Benefits Regulatory Asset/Liability cost is included in O&M expense on Schedule F-1. The annual amortization is based on a ten year amortization period.			
22	3. Totals may vary due to rounding.			

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
COMPONENTS OF RATE BASE- GROSS PLANT
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Utility Account	Account Description	Reference	Per Book Plant Balance	Adjustments (1)	Adjusted Plant Balance
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)
1	<u>Mid-Tex:</u>					
2	<u>Distribution Plant</u>					
3	374.01	Land		\$ 1,019,760	\$ 5,406,728	\$ 6,426,488
4	374.02	Land Rights		12,753,005	1,152,916	13,905,920
5	375.00	Structures & Improvements		1,764,181	46,780	1,810,961
6	376.00	Mains-Cathodic Protection		242,441,038	(165,751,204)	76,689,834
7	376.01	Mains-Steel		1,141,365,058	(205,351,374)	936,013,684
8	376.02	Mains-Plastic		4,957,518,134	299,742,646	5,257,260,780
9	376.03	Anodes	(2)	-	94,756,825	94,756,825
10	376.04	Leak Clamps	(2)	-	272,387,286	272,387,286
11	378.00	M&R Station Equipment		241,211,610	6,824,368	248,035,978
12	379.00	City Gate Equipment		7,505,809	101,567	7,607,375
13	380.00	Services		2,768,984,509	87,644,647	2,856,629,156
14	381.00	Meters		452,450,085	16,297,365	468,747,450
15	382.00	Meter Installations		358,513,112	20,484,114	378,997,226
16	383.00	House Regulators		97,402,249	396,918	97,799,167
17	385.00	Industrial M&R Station Equipment		3,994,330	661,361	4,655,691
18		Total Distribution Plant	Sum Ln 3 through Ln 17	<u>\$ 10,286,922,881</u>	<u>\$ 434,800,943</u>	<u>\$ 10,721,723,823</u>
19						
20	<u>General Plant</u>					
21	302.00	Franchises & Consents		\$ 18,896	\$ -	\$ 18,896
22	303.00	Miscellaneous Intangible Plant		921,324	(212,093)	709,231
23	389.00	Land		5,006,336	-	5,006,336
24	390.00	Structures & Improvements		74,811,607	332,855	75,144,462
25	390.04	Air Conditioning Equipment		631,801	203,369	835,170
26	391.00	Office Furniture & Equipment		8,166,834	216,852	8,383,687
27	392.00	Transportation Equipment		470,130	-	470,130
28	393.00	Stores Equipment		128,968	-	128,968
29	394.00	Tools, Shop, and Garage Equipment		37,739,897	1,867,763	39,607,660
30	395.00	Laboratory Equipment		1,163,017	-	1,163,017
31	396.00	Power Operated Equipment		851,041	-	851,041
32	397.00	Communication Equipment		1,552,948	(384,085)	1,168,863
33	398.00	Miscellaneous Equipment		2,445,955	2,243	2,448,197
34	399.00	Other Tangible Property		27,840	14,568	42,409
35	399.01	Servers Hardware		4,377	-	4,377

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
COMPONENTS OF RATE BASE- GROSS PLANT
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Utility Account	Account Description	Reference	Per Book Plant Balance	Adjustments (1)	Adjusted Plant Balance
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)
36	399.02	Servers Software		-	-	-
37	399.03	Network Hardware		1,618,373	(67,781)	1,550,592
38	399.06	PC Hardware		12,194,304	290,588	12,484,892
39	399.07	PC Software		374,093	(6,016)	368,077
40	399.08	Application Software		825,602	-	825,602
41		Total General Plant	Sum Ln 21 through Ln 40	\$ 148,953,343	\$ 2,258,264	\$ 151,211,607
42						
43		Total Mid-Tex Direct	Ln 18 + Ln 41	\$ 10,435,876,223	\$ 437,059,206	\$ 10,872,935,430
44						
45	<u>SSU - Customer Support (Div 012):</u>					
46	<u>General Plant</u>					
47	389.00	Land & Land Rights		\$ 2,874,240	\$ -	\$ 2,874,240
48	390.00	Structures & Improvements		13,541,697	-	13,541,697
49	390.09	Improvements to Leased Premises		3,170,598	(7,868)	3,162,730
50	391.00	Office Furniture & Equipment		2,730,258	(21,289)	2,708,969
51	397.00	Communication Equipment		1,913,117	-	1,913,117
52	398.00	Miscellaneous Equipment		133,347	(13,825)	119,522
53	399.00	Other Tangible Property		-	-	-
54	399.01	Servers Hardware		5,650,663	-	5,650,663
55	399.02	Servers Software		1,824,740	-	1,824,740
56	399.03	Network Hardware		659,278	10,638	669,916
57	399.06	PC Hardware		1,673,780	-	1,673,780
58	399.07	PC Software		-	-	-
59	399.08	Application Software		103,862,259	1,707,183	105,569,443
60		Total SSU Customer Support	Sum Ln 47 through Ln 59	\$ 138,033,976	\$ 1,674,840	\$ 139,708,816
61		Allocation Factor		53.30%	53.30%	53.30%
62		Total Allocated SSU Customer Support	Ln 60 x Ln 61	\$ 73,572,109	\$ 892,690	\$ 74,464,799
63						

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
COMPONENTS OF RATE BASE- GROSS PLANT
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Utility Account	Account Description	Reference	Per Book Plant Balance	Adjustments (1)	Adjusted Plant Balance
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)
64	<u>SSU CKV Training Center (Div 012):</u>					
65	<u>General Plant</u>					
66	389.10	Land & Land Rights		\$ 1,886,443	\$ -	\$ 1,886,443
67	390.10	Structures & Improvements		12,590,703	-	12,590,703
68	391.10	Office Furniture & Equipment		745,771	24,706	770,477
69	392.10	Transportation Equipment		74,994	-	74,994
70	394.10	Tools, Shop, and Garage Equipment		681,068	-	681,068
71	395.10	Laboratory Equipment		-	-	-
72	397.10	Communication Equipment		92,838	-	92,838
73	398.10	Miscellaneous Equipment		612,503	-	612,503
74	399.10	Other Tangible Equipment		194,970	-	194,970
75	399.16	PC Hardware		116,342	-	116,342
76	399.17	PC Software		3,299	-	3,299
77	399.18	Application Software		-	-	-
78		Total SSU CKV Training Center	Sum Ln 66 through Ln 77	\$ 16,998,930	\$ 24,706	\$ 17,023,636
79		Allocation Factor		74.08%	74.08%	74.08%
80		Total Allocated SSU CKV Training Center	Ln 78 x Ln 79	\$ 12,593,351	\$ 18,303	\$ 12,611,654
81						
82		Total Allocated SSU Customer Support (Div 012)	Ln 62 + Ln 80	\$ 86,165,461	\$ 910,992	\$ 87,076,453
83						
84	<u>SSU - General Office (Div 002):</u>					
85	<u>General Plant</u>					
86	390.00	Structures & Improvements		\$ 5,947,783	\$ (4,196,447)	\$ 1,751,336
87	390.09	Improvements to Leased Premises		10,667,796	(1,205,157)	9,462,639
88	391.00	Office Furniture & Equipment		6,457,881	(1,364,381)	5,093,500
89	392.00	Transportation Equipment		315,397	-	315,397
90	393.00	Stores Equipment		-	-	-
91	394.00	Tools, Shop, and Garage Equipment		30,134	-	30,134
92	395.00	Laboratory Equipment		-	-	-
93	397.00	Communication Equipment		582,996	(157,678)	425,318
94	398.00	Miscellaneous Equipment		107,931	-	107,931
95	399.00	Other Tangible Property		-	-	-
96	399.01	Servers Hardware		38,214,564	6,839,670	45,054,233
97	399.02	Servers Software		12,121,818	798,010	12,919,828
98	399.03	Network Hardware		4,522,228	189,750	4,711,978

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
COMPONENTS OF RATE BASE- GROSS PLANT
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Utility Account	Account Description	Reference	Per Book Plant Balance	Adjustments (1)	Adjusted Plant Balance
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)
99	399.06	PC Hardware		4,545,890	728,453	5,274,344
100	399.07	PC Software		82,728	-	82,728
101	399.08	Application Software		95,588,266	4,701,707	100,289,973
102		Total SSU General Office	Sum Ln 86 through Ln 101	\$ 179,185,413	\$ 6,333,928	\$ 185,519,340
103		Allocation Factor		40.94%	40.94%	40.94%
104		Total Allocated SSU General Office	Ln 102 x Ln 103	\$ 73,358,508	\$ 2,593,110	\$ 75,951,618
105						
106		<u>SSU Greenville Data Center (Div 002):</u>				
107		<u>General Plant</u>				
108	390.05	Structures & Improvements		\$ 14,884,953	\$ 120,745	\$ 15,005,698
109	391.04	Office Furniture & Equipment		71,036	-	71,036
110		Total SSU Greenville Data Center	Ln 108 + Ln 109	\$ 14,955,990	\$ 120,745	\$ 15,076,734
111		Allocation Factor		14.36%	14.36%	14.36%
112		Total Allocated SSU Greenville Data Center	Ln 110 x Ln 111	\$ 2,148,244	\$ 17,344	\$ 2,165,587
113						
114		<u>SSU Distribution & Marketing (Div 002):</u>				
115		<u>General Plant</u>				
116	390.20	Structures & Improvements		\$ 24,633	\$ -	\$ 24,633
117	390.29	Improvements to Leased Premises		54,743	-	54,743
118	391.20	Office Furniture & Equipment		307,893	(221,289)	86,604
119	394.20	Tools, Shop, and Garage Equipment		-	-	-
120	397.20	Communication Equipment		77,436	-	77,436
121	398.20	Miscellaneous Equipment		10,582	-	10,582
122	399.21	Servers Hardware		4,778,102	2,135,336	6,913,438
123	399.22	Servers Software		5,425,529	-	5,425,529
124	399.23	Network Hardware		576,066	-	576,066
125	399.26	PC Hardware		146,532	-	146,532
126	399.28	Application Software		29,590,572	21,283	29,611,855
127		Total SSU Distribution & Marketing	Sum Ln 116 through Ln 126	\$ 40,992,088	\$ 1,935,330	\$ 42,927,418
128		Allocation Factor		52.30%	52.30%	52.30%
129		Total Allocated SSU Distribution & Marketing	Ln 127 x Ln 128	\$ 21,438,862	\$ 1,012,178	\$ 22,451,040
130						

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
COMPONENTS OF RATE BASE- GROSS PLANT
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Utility Account	Account Description	Reference	Per Book Plant Balance	Adjustments (1)	Adjusted Plant Balance
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)
131	SSU Align Pipe Project (Div 002):					
132	General Plant					
133	399.31	Servers Hardware		\$ 297,267	\$ -	\$ 297,267
134	399.32	Servers Software		783,917	-	783,917
135	399.38	Application Software		21,123,037	305,949	21,428,986
136		Total SSU Align Pipe Project	Sum Ln 133 through Ln 135	\$ 22,204,220	\$ 305,949	\$ 22,510,169
137		Allocation Factor		6.31%	6.31%	6.31%
138		Total Allocated SSU Align Pipe Project	Ln 136 x Ln 137	\$ 1,401,320	\$ 19,309	\$ 1,420,629
139						
140		Total Allocated SSU General Office (Div 002)	Ln 104 + Ln 112 + Ln 129 + Ln 138	\$ 98,346,934	\$ 3,641,940	\$ 101,988,874
141						
142		Total Allocated SSU Plant to Mid-Tex	Ln 82 + Ln 140	\$ 184,512,395	\$ 4,552,932	\$ 189,065,327
143						
144		Total Mid-Tex Gross Plant	Ln 43 + Ln 142	\$ 10,620,388,618	\$ 441,612,138	\$ 11,062,000,757
145						

Notes:

1. Please see relied file, "Schedule C & D - Net Plant (TYE Jun24 thru Sep24).xlsx" for details related to adjustments shown in Col (e). The adjustments include gross plant activity from July 2024 through September 2024, the removal of amounts or projects disallowed in prior filings or removed to reduce controversy and other known and measurable adjustments.
2. New accounts created to track the amortization of anodes and leak clamps per the proposed Mid-Tex Depreciation Study. Please see the direct testimony of Company Witness Dane Watson for details.

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
COMPONENTS OF RATE BASE- ACCUMULATED DEPRECIATION
TEST YEAR ENDING JUNE 30, 2024

Line No.	Account	Account Description	Reference	Per Book Balances	Adjustments (1)	Adjusted Balance
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)
1	Mid-Tex:					
2	Distribution Plant					
3	374.01	Land		\$ 7,827	\$ -	\$ 7,827
4	374.02	Land Rights		1,770,091	35,115	1,805,206
5	375.00	Structures & Improvements		1,189,971	7,942	1,197,913
6	376.00	Mains-Cathodic Protection		91,865,656	(70,437,588)	21,428,068
7	376.01	Mains-Steel		128,871,021	(33,812,523)	95,058,499
8	376.02	Mains-Plastic		785,233,968	22,563,030	807,796,998
9	376.03	Anodes	(2)	-	9,423,716	9,423,716
10	376.04	Leak Clamps	(2)	-	29,093,737	29,093,737
11	378.00	M&R Station Equipment		28,522,195	88,151	28,610,346
12	379.00	City Gate Equipment		4,188,818	55,029	4,243,847
13	380.00	Services		715,007,102	(16,868,548)	698,138,554
14	381.00	Meters		80,613,087	860,034	81,473,122
15	382.00	Meter Installations		52,772,526	1,821,917	54,594,443
16	383.00	House Regulators		28,429,044	123,508	28,552,552
17	385.00	Industrial M&R Station Equipment		818,233	24,239	842,472
18		Total Distribution Plant	Sum Ln 3 through Ln 17	\$ 1,919,289,540	\$ (57,022,241)	\$ 1,862,267,299
19						
20	General Plant					
21	302.00	Franchises & Consents		\$ 7,231	\$ -	\$ 7,231
22	303.00	Miscellaneous Intangible Plant		921,324	(212,093)	709,231
23	389.00	Land		(2,881)	-	(2,881)
24	390.00	Structures & Improvements		22,642,538	200,144	22,842,682
25	390.04	Air Conditioning Equipment		114,433	7,107	121,539
26	391.00	Office Furniture & Equipment		(1,395,253)	91,940	(1,303,314)
27	392.00	Transportation Equipment		647,749	-	647,749
28	393.00	Stores Equipment		55,200	1,334	56,534
29	394.00	Tools, Shop, and Garage Equipment		13,316,951	(336,201)	12,980,751
30	395.00	Laboratory Equipment		371,606	29,075	400,682
31	396.00	Power Operated Equipment		264,271	9,512	273,783
32	397.00	Communication Equipment		1,204,089	(397,579)	806,510
33	398.00	Miscellaneous Equipment		1,727,626	37,697	1,765,323
34	399.00	Other Tangible Property		7,218	2,233	9,451
35	399.01	Servers Hardware		4,377	-	4,377
36	399.02	Servers Software		-	-	-

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
COMPONENTS OF RATE BASE- ACCUMULATED DEPRECIATION
TEST YEAR ENDING JUNE 30, 2024

Line No.	Account	Account Description	Reference	Per Book Balances	Adjustments (1)	Adjusted Balance
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)
37	399.03	Network Hardware		945,529	(32,007)	913,522
38	399.06	PC Hardware		6,657,490	(657,658)	5,999,832
39	399.07	PC Software		247,175	6,919	254,094
40	399.08	Application Software		425,485	29,495	454,979
41	RWIP	Retirement Work in Progress		(11,390,656)	(265,152)	(11,655,808)
42		Total General Plant	Sum Ln 21 through Ln 41	\$ 36,771,501	\$ (1,485,234)	\$ 35,286,267
43						
44		Total Mid-Tex Direct	Ln 18 + Ln 42	\$ 1,956,061,041	\$ (58,507,475)	\$ 1,897,553,566
45						
46	<u>SSU - Customer Support (Div 012):</u>					
47	<u>General Plant</u>					
48	389.00	Land & Land Rights		\$ -	\$ -	\$ -
49	390.00	Structures & Improvements		4,318,430	102,696	4,421,126
50	390.09	Improvements to Leased Premises		2,347,366	26,008	2,373,374
51	391.00	Office Furniture & Equipment		1,509,549	9,923	1,519,472
52	397.00	Communication Equipment		1,684,352	25,787	1,710,139
53	398.00	Miscellaneous Equipment		27,471	(3,769)	23,701
54	399.00	Other Tangible Property		(154,265)	-	(154,265)
55	399.01	Servers Hardware		2,937,125	180,228	3,117,353
56	399.02	Servers Software		1,804,077	7,421	1,811,498
57	399.03	Network Hardware		240,297	16,452	256,749
58	399.06	PC Hardware		188,792	45,418	234,210
59	399.07	PC Software		(57,199)	-	(57,199)
60	399.08	Application Software		67,503,126	1,680,949	69,184,075
61		Total SSU Customer Support	Sum Ln 48 through Ln 60	\$ 82,349,122	\$ 2,091,113	\$ 84,440,234
62		Allocation Factor		53.30%	53.30%	53.30%
63		Total Allocated SSU Customer Support	Ln 61 x Ln 62	\$ 43,892,082	\$ 1,114,563	\$ 45,006,645
64						
65	<u>SSU CKV Training Center (Div 012):</u>					
66	<u>General Plant</u>					
67	389.10	Land & Land Rights		\$ -	\$ -	\$ -
68	390.10	Structures & Improvements		5,196,675	99,576	5,296,251
69	391.10	Office Furniture & Equipment		120,546	8,838	129,385
70	392.10	Transportation Equipment		75,449	-	75,449
71	394.10	Tools, Shop, and Garage Equipment		244,096	14,964	259,060
72	395.10	Laboratory Equipment		125	-	125

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
COMPONENTS OF RATE BASE- ACCUMULATED DEPRECIATION
TEST YEAR ENDING JUNE 30, 2024

Line No.	Account	Account Description	Reference	Per Book Balances	Adjustments (1)	Adjusted Balance
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)
73	397.10	Communication Equipment		(44,131)	1,277	(42,854)
74	398.10	Miscellaneous Equipment		205,909	3,972	209,880
75	399.10	Other Tangible Equipment		156,216	6,196	162,412
76	399.16	PC Hardware		71,185	2,951	74,136
77	399.17	PC Software		(27,032)	61	(26,971)
78	399.18	Application Software		(9,966)	-	(9,966)
79		Total SSU CKV Training Center	Sum Ln 67 through Ln 78	\$ 5,989,072	\$ 137,836	\$ 6,126,908
80		Allocation Factor		74.08%	74.08%	74.08%
81		Total Allocated SSU CKV Training Center	Ln 79 x Ln 80	\$ 4,436,896	\$ 102,113	\$ 4,539,009
82						
83		Total Allocated SSU Customer Support (Div 012)	Ln 63 + Ln 81	\$ 48,328,978	\$ 1,216,676	\$ 49,545,654
84						
85	<u>SSU - General Office (Div 002):</u>					
86	<u>General Plant</u>					
87	390.00	Structures & Improvements		\$ 1,299,504	\$ (507,954)	\$ 791,549
88	390.09	Improvements to Leased Premises		10,104,029	(1,104,555)	8,999,475
89	391.00	Office Furniture & Equipment		3,373,829	(582,711)	2,791,119
90	392.00	Transportation Equipment		202,528	3,279	205,807
91	393.00	Stores Equipment		-	-	-
92	394.00	Tools, Shop, and Garage Equipment		22,472	187	22,659
93	395.00	Laboratory Equipment		-	-	-
94	397.00	Communication Equipment		98,953	(7,572)	91,381
95	398.00	Miscellaneous Equipment		41,713	906	42,619
96	399.00	Other Tangible Property		(0)	-	(0)
97	399.01	Servers Hardware		2,957,282	1,342,426	4,299,708
98	399.02	Servers Software		7,420,940	366,000	7,786,940
99	399.03	Network Hardware		1,177,392	123,866	1,301,257
100	399.06	PC Hardware		773,421	203,787	977,208
101	399.07	PC Software		58,173	1,622	59,795
102	399.08	Application Software		59,143,703	1,596,991	60,740,694
103	ADJ	Willis Towers Watson Adjustment	(3)	433,039	(46,397)	386,642
104		Total SSU General Office	Sum Ln 87 through Ln 103	\$ 87,106,978	\$ 1,389,875	\$ 88,496,853
105		Allocation Factor		40.94%	40.94%	40.94%
106		Total Allocated SSU General Office	Ln 104 x Ln 105	\$ 35,661,597	\$ 569,015	\$ 36,230,612
107						

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
COMPONENTS OF RATE BASE- ACCUMULATED DEPRECIATION
TEST YEAR ENDING JUNE 30, 2024

Line No.	Account	Account Description	Reference	Per Book Balances	Adjustments (1)	Adjusted Balance
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)
108	<u>SSU Greenville Data Center (Div 002):</u>					
109	<u>General Plant</u>					
110	390.05	Structures & Improvements		\$ 5,612,554	\$ 97,028	\$ 5,709,582
111	391.04	Office Furniture & Equipment		49,562	1,034	50,596
112		Total SSU Greenville Data Center	Ln 110 + Ln 111	\$ 5,662,116	\$ 98,061	\$ 5,760,177
113		Allocation Factor		14.36%	14.36%	14.36%
114		Total Allocated SSU Greenville Data Center	Ln 112 x Ln 113	\$ 813,293	\$ 14,085	\$ 827,379
115						
116	<u>SSU Distribution & Marketing (Div 002):</u>					
117	<u>General Plant</u>					
118	390.20	Structures & Improvements		\$ 1,690	\$ 188	\$ 1,879
119	390.29	Improvements to Leased Premises		15,048	585	15,633
120	391.20	Office Furniture & Equipment		174,128	(148,144)	25,983
121	394.20	Tools, Shop, and Garage Equipment		388	-	388
122	397.20	Communication Equipment		8,195	724	8,918
123	398.20	Miscellaneous Equipment		2,414	86	2,500
124	399.21	Servers Hardware		1,206,440	211,130	1,417,569
125	399.22	Servers Software		2,590,946	125,261	2,716,207
126	399.23	Network Hardware		107,135	14,849	121,984
127	399.26	PC Hardware		21,257	6,566	27,823
128	399.28	Application Software		21,050,761	474,072	21,524,833
129		Total SSU Distribution & Marketing	Sum Ln 118 through Ln 128	\$ 25,178,401	\$ 685,316	\$ 25,863,717
130		Allocation Factor		52.30%	52.30%	52.30%
131		Total Allocated SSU Distribution & Marketing	Ln 129 x Ln 130	\$ 13,168,304	\$ 358,420	\$ 13,526,724
132						

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
COMPONENTS OF RATE BASE- ACCUMULATED DEPRECIATION
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Account	Account Description	Reference	Per Book Balances	Adjustments (1)	Adjusted Balance
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)
133	<u>SSU Align Pipe Project (Div 002):</u>					
134	<u>General Plant</u>					
135	399.31	Servers Hardware		\$ 223,781	\$ 8,166	\$ 231,947
136	399.32	Servers Software		408,454	19,694	428,148
137	399.38	Application Software		11,451,895	376,663	11,828,558
138		Total SSU Align Pipe Project	Sum Ln 135 through Ln 137	\$ 12,084,130	\$ 404,522	\$ 12,488,652
139		Allocation Factor		6.31%	6.31%	6.31%
140		Total Allocated SSU Align Pipe Project	Ln 138 x Ln 139	\$ 762,636	\$ 25,530	\$ 788,166
141						
142		Total Allocated SSU General Office (Div 002)	Ln 106 + Ln 114 + Ln 131 + Ln 140	\$ 50,405,829	\$ 967,050	\$ 51,372,880
143						
144		Total Allocated SSU Accumulated Depreciation	Ln 83 + Ln 142	\$ 98,734,807	\$ 2,183,727	\$ 100,918,534
145						
146		Total Mid-Tex Accumulated Depreciation	Ln 44 + Ln 144	\$ 2,054,795,849	\$ (56,323,749)	\$ 1,998,472,100
147						
148	Notes:					
149	1. Please see relied file, "Schedule C & D - Net Plant (TYE Jun24 thru Sep24).xlsx" for details related to adjustments shown in Col (e). The adjustments include accumulated depreciation and amortization activity from July 2024 through September 2024, the removal of amounts or projects disallowed in prior filings or removed to reduce controversy and other known and measurable adjustments.					
150	2. New accounts created to track the amortization of anodes and leak clamps per the proposed Mid-Tex Depreciation Study. Please see the direct testimony of Company Witness Dane Watson for details.					
151	3. This amount relates to a reclass of depreciation and amortization expense resulting from a Willis Towers Watson adjustment identified for the years 2018 through 2021. Amortization began in November 2021 and will continue for 5 years.					

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CASH WORKING CAPITAL
TEST YEAR ENDING JUNE 30, 2024

Line No.	Description	Test Year Expenses	Reference	Avg. Daily Expense	Revenue Lag	Expense Lag	Net Lag	Working Capital Requirement
	(a)	(b)	(c)	(d) = (b) / 366	(e)	(f)	(g) = (e) - (f)	(h) = (d) x (g)
1	Gas Supply Expense							
2	Rider GCR Part A	\$ 370,903,836	Schedule H	\$ 1,013,398	32.65	40.89	(8.24)	\$ (8,353,098)
3	Rider GCR Part B	721,595,007	Schedule I	1,971,571	32.65	38.87	(6.22)	(12,265,012)
4	Total Gas Supply Expense	<u>\$ 1,092,498,843</u>	Sum Ln 2 through Ln 3	<u>\$ 2,984,970</u>				<u>\$ (20,618,110)</u>
5								
6	Operation & Maintenance							
7	Other O&M - Labor	\$ 94,598,808	(1) (2)	\$ 258,467	32.65	14.03	18.62	\$ 4,811,608
8	Other O&M - Non-Labor	209,170,303	Ln 9 - Ln 7	571,504	32.65	45.42	(12.78)	(7,302,068)
9	Total Operation & Maintenance	<u>\$ 303,769,112</u>	Schedule F-1	<u>\$ 829,970</u>				<u>\$ (2,490,460)</u>
10								
11	Current Federal Income Tax	\$ -	(3)	\$ -	32.65	39.25	(6.60)	\$ -
12								
13	Taxes Other Than Income							
14	Ad Valorem	\$ 98,892,976	Schedule F-5	\$ 270,199	32.65	201.50	(168.85)	\$ (45,623,838)
15	Payroll Taxes	4,774,644	Schedule F-5	13,045	32.65	32.21	0.44	5,730
16	Franchise Fees	53,437,206	(4)	146,003	32.65	84.40	(51.76)	(7,556,584)
17	Public Service Commission Assessment	160,524	Schedule F-5	439	32.65	95.47	(62.82)	(27,553)
18	Allocated Taxes - SSU Ad Valorem	491,742	WP_F-5.1, Col (c), Ln 89	\$ 1,344	32.65	193.80	(161.16)	(216,523)
19	Allocated Taxes - SSU Payroll Taxes	2,869,891	WP_F-5.1, Col (c), Ln 60	7,841	32.65	32.21	0.44	3,444
20	Total Taxes Other Than Income Taxes	<u>\$ 160,626,983</u>	Sum Ln 14 through Ln 19	<u>\$ 438,872</u>				<u>\$ (53,415,324)</u>
21								
22	State Income Tax ("Gross Margin")	\$ 11,761,943	Schedule F-6	\$ 32,136	32.65	45.00	(12.35)	\$ (396,965)
23								
24	Interest on Customer Deposits	<u>\$ 541,670</u>	Schedule F-7	<u>\$ 1,480</u>	32.65	183.00	(150.35)	<u>\$ (222,518)</u>
25								
26	Total Cash Working Capital Requirement	<u>\$ 1,569,198,551</u>	Sum Lns 4,9,11,20,22,24	<u>\$ 4,287,428</u>				<u>\$ (77,143,376)</u>
27								
28	Notes:							
29	1. Includes Mid-Tex and SSU Labor as adjusted.							
30	2. WP_F-5.2, Col (i) Ln 119 + WP_F-2.1 Page 2, Col (c) Ln 18 + WP_F-2.1 Page 2, Col (e) Ln 18.							
31	3. If Schedule F-6, Column (b), Line 1 minus WP_E-1, Column (e), Line 125 plus WP_B-6 Column (e), Line 125 is less than zero, then zero is used.							
32	4. Schedule F-5, Column (d), Line 10 times the Paid in Arrears portion of Franchise Fees is per the filed CWC study:					40.28%		

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
BEGINNING BALANCE ACCUMULATED DEFERRED INCOME TAXES (1) (2)
TEST YEAR ENDING JUNE 30, 2024

Line No.	Description	Reference	Assets / (Liabilities) - Per Book Balances at 06/30/2023	Adjustments (3)	Assets / (Liabilities) - Adjusted Balances at 06/30/2023
	(a)	(b)	(c)	(d)	(e) = (c) + (d)
1	Mid-Tex:				
2	Ad Valorem Taxes		\$ (4,702,578)	\$ -	\$ (4,702,578)
3	MIP/VPP Accrual		(1,470,307)	-	(1,470,307)
4	Self Insurance - Adjustment		-	-	-
5	Vacation Accrual		(16,353)	-	(16,353)
6	Worker's Comp Insurance Reserve		24,349	-	24,349
7	SEBP Adjustment		731,349	-	731,349
8	VEBA Trust Contribution Adjustment		1,015,061	-	1,015,061
9	FAS 106 Adjustment		14,268,709	-	14,268,709
10	CWIP		(22,184,357)	22,184,357	-
11	RWIP		(45,200)	-	(45,200)
12	Fixed Asset Cost Adjustment		(976,180,022)	-	(976,180,022)
13	Depreciation Adjustment		(9,004,688)	-	(9,004,688)
14	Repairs Aggregation Sec 481(a) Adj		(4,403,612)	-	(4,403,612)
15	AFUDC - Equity Asset Cost Adj		-	-	-
16	Deferred Gas Costs		(5,544,725)	5,544,725	-
17	Over Recoveries of PGA		(2,822,731)	2,822,731	-
18	TXU Goodwill Amortization		(76,055,545)	76,055,545	-
19	Customer Advances		210,000	-	210,000
20	Deferred Expense Projects		(2,526)	-	(2,526)
21	Leases - Assets		(18,793,741)	18,793,741	-
22	Leases - Liabilities		18,793,741	(18,793,741)	-
23	Leases Reclass - Liabilities		-	-	-
24	Unicap Section 263A Costs		1,266,243	(1,266,243)	-
25	Allowance for Doubtful Accounts		5,115,578	(5,115,578)	-
26	Clearing Account-Adjustment		-	-	-
27	Charitable Contribution Carryover		2,983,422	(2,983,422)	-
28	Prepayments		(4,678,284)	-	(4,678,284)

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
BEGINNING BALANCE ACCUMULATED DEFERRED INCOME TAXES (1) (2)
TEST YEAR ENDING JUNE 30, 2024

Line No.	Description	Reference	Assets / (Liabilities) - Per Book Balances at 06/30/2023	Adjustments (3)	Assets / (Liabilities) - Adjusted Balances at 06/30/2023
	(a)	(b)	(c)	(d)	(e) = (c) + (d)
29	Rate Case Accrual		(1,167,656)	1,167,656	-
30	WACOG to FIFO Adjustment		7,584,960	(7,584,960)	-
31	Reg Asset Benefit Accrual		(130,660)	-	(130,660)
32	TX Rule 8.209 Deferral		(36,703,555)	-	(36,703,555)
33	Intra Period Tax Allocation		8,767,937	(8,767,937)	-
34	Regulatory Asset - Winter Weather Event	(4)	(5,830,927)	5,830,927	-
35	Reg Liability/Asset – Pension & OPEB		729,266	-	729,266
36	Regulatory Liability - 2017 Gross Up		32,169,012	-	32,169,012
37	Regulatory Liability - NSC		(456,725)	-	(456,725)
38	Fed Reg Liability_Gross Up_FIN48		-	-	-
39	CNG Tax Credit		30,000	-	30,000
40	State Net Operating Loss		545,169	-	545,169
41	FD-Federal Benefit on State NOL		(114,486)	-	(114,486)
42	State FIN48 Reg Liability Gross Up		-	-	-
43	WWE Deferred Tax Asset for NOL	(4)	-	33,776,188	33,776,188
44	Total Mid-Tex Direct	Sum Ln 2 through Ln 43	<u>\$ (1,076,073,882)</u>	<u>\$ 121,663,989</u>	<u>\$ (954,409,893)</u>
45					
46	<u>SSU - Customer Support (Div 12):</u>				
47	MIP/VPP Accrual		\$ (830,866)	\$ -	\$ (830,866)
48	Vacation Accrual		224	-	224
49	Worker's Comp Insurance Reserve		847	-	847
50	FAS 106 Adjustment		(1,168,981)	-	(1,168,981)
51	CWIP		(62,582)	62,582	-
52	RWIP		-	-	-
53	Fixed Asset Cost Adjustment		(23,357,917)	-	(23,357,917)
54	Depreciation Adjustment		11,877,733	-	11,877,733
55	Leases - Assets		(2,189,143)	2,189,143	-
56	Leases - Liabilities		2,189,143	(2,189,143)	-

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
BEGINNING BALANCE ACCUMULATED DEFERRED INCOME TAXES (1) (2)
TEST YEAR ENDING JUNE 30, 2024

Line No.	Description	Reference	Assets / (Liabilities) - Per Book Balances at 06/30/2023	Adjustments (3)	Assets / (Liabilities) - Adjusted Balances at 06/30/2023
	(a)	(b)	(c)	(d)	(e) = (c) + (d)
57	Clearing Account-Adjustment		-	-	-
58	Charitable Contribution Carryover		5,616	(5,616)	-
59	Prepayments		375,675	-	375,675
60	Rate Case Accrual		(12,549)	12,549	-
61	Intra Period Tax Allocation		(1,562)	1,562	-
62	Regulatory Liability - NSC		5,532	-	5,532
63	Total SSU Customer Support	Sum Ln 47 through Ln 62	\$ (13,168,830)	\$ 71,077	\$ (13,097,753)
64	Allocation Factor		53.30%	53.30%	53.30%
65	Total Allocated SSU Customer Support	Ln 63 x Ln 64	\$ (7,018,986)	\$ 37,884	\$ (6,981,102)
66					
67	<u>SSU - General Office (Div 002):</u>				
68	Director's Deferred Bonus		\$ 25,212	\$ -	\$ 25,212
69	MIP/VPP Accrual		363,731	(55,804)	307,927
70	Miscellaneous Accrued		-	-	-
71	Self Insurance - Adjustment		8,173,806	(8,173,806)	-
72	Vacation Accrual		57,658	-	57,658
73	Worker's Comp Insurance Reserve		57,101	-	57,101
74	SEBP Adjustment		6,634,440	(6,634,440)	-
75	SERP DTL Offset		-	-	-
76	Restricted Stock Grant Plan		(5,818,540)	2,695,503	(3,123,037)
77	Rabbi Trust		895,381	(895,381)	-
78	VEBA Trust Contribution Adjustment		4,911,712	-	4,911,712
79	Restricted Stock - MIP		12,101,351	(5,606,085)	6,495,266
80	Director's Stock Awards		3,214,351	-	3,214,351
81	Rabbi Trust Book Gain or Loss		-	-	-
82	Rabbi Trust Tax Gain or Loss		-	-	-
83	Rabbi Trust Unrealized Gain or Loss		(472,139)	472,139	-
84	Pension Expense		1,592,590	-	1,592,590

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
BEGINNING BALANCE ACCUMULATED DEFERRED INCOME TAXES (1) (2)
TEST YEAR ENDING JUNE 30, 2024

Line No.	Description	Reference	Assets / (Liabilities) - Per Book Balances at 06/30/2023	Adjustments (3)	Assets / (Liabilities) - Adjusted Balances at 06/30/2023
	(a)	(b)	(c)	(d)	(e) = (c) + (d)
85	FAS 106 Adjustment		8,071,692	-	8,071,692
86	CWIP		(1,876,575)	1,876,575	-
87	RWIP		-	-	-
88	Fixed Asset Cost Adjustment		(39,659,892)	-	(39,659,892)
89	Depreciation Adjustment		19,064,809	-	19,064,809
90	Section 481(a) Cushion Gas		337,426	(337,426)	-
91	Section 481(a) Line Pack Gas		40,942	(40,942)	-
92	AFUDC - Equity Asset Cost Adj		-	-	-
93	Capital Loss Carryforward		-	-	-
94	Leases - Assets		(9,454,022)	9,454,022	-
95	Leases - Liabilities		9,454,022	(9,454,022)	-
96	Allowance for Doubtful Accounts		1	(1)	-
97	Clearing Account-Adjustment		97,379	-	97,379
98	Charitable Contribution Carryover		(6,604,753)	6,604,753	-
99	Prepayments		(8,070,338)	-	(8,070,338)
100	Rate Case Accrual		4,551,156	(4,551,156)	-
101	Federal & State Tax Interest		1,592,426	-	1,592,426
102	Intra Period Tax Allocation		(5,227,547)	5,227,547	-
103	Regulatory Liability/Asset - Pension & OPEB		-	-	-
104	Regulatory Liability - NSC		(4,422,482)	-	(4,422,482)
105	Fuel Cell ITC		379,201	-	379,201
106	FD - NOL Credit Carryforward - Non Reg		(181,392,985)	181,392,985	-
107	FD - NOL Credit Carryforward - Utility	(4)	583,275,066	(33,918,332)	549,356,734
108	FD - NOL Credit Carryforward - Other		8,248,175	(8,248,175)	-
109	ST - State Net Operating Loss		978,371	(978,371)	-
110	FD - FAS 115 Adjustment		(2,466,303)	-	(2,466,303)
111	FD - Fuel Cell Credit		(1,058,652)	-	(1,058,652)
112	ST - Other		-	-	-

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
BEGINNING BALANCE ACCUMULATED DEFERRED INCOME TAXES (1) (2)
TEST YEAR ENDING JUNE 30, 2024

Line No.	Description	Reference	Assets / (Liabilities) - Per Book Balances at 06/30/2023	Adjustments (3)	Assets / (Liabilities) - Adjusted Balances at 06/30/2023
	(a)	(b)	(c)	(d)	(e) = (c) + (d)
113	ST - Valuation Allow Enterprise Zone ITC		(127,663)	127,663	-
114	FD - Valuation Allow Fed Tax Enterprise Zone ITC		26,809	(26,809)	-
115	ST - Enterprise Zone ITC		2,408,409	(2,408,409)	-
116	FD - Treasury Lock Adjustment-Realized		(26,744,129)	-	(26,744,129)
117	FD - Treasury Lock Adjustment-Unrealized		(90,245,689)	90,245,689	-
118	FD - Federal Tax on Enterprise ITC		(505,766)	505,766	-
119	Total SSU General Office	Sum Ln 68 through Ln 118	\$ 292,405,742	\$ 217,273,482	\$ 509,679,225
120	Allocation Factor		40.94%	40.94%	40.94%
121	Total Allocated SSU General Office	Ln 119 x Ln 120	\$ 119,710,911	\$ 88,951,764	\$ 208,662,675
122					
123	Total Allocated SSU ADIT to Mid-Tex	Ln 65 + Ln 121	\$ 112,691,925	\$ 88,989,648	\$ 201,681,572
124					
125	Grand Total Mid-Tex ADIT	Ln 44 + Ln 123	\$ (963,381,957)	\$ 210,653,636	\$ (752,728,321)
126					
127	Notes:				
128	1. Includes FERC Accounts 190, 255, 282 and 283.				
129	2. Credit amounts are in parentheses.				
130	3. Adjustments are for those items not included in rate base for ratemaking purposes.				
131	4. Line 34 is adjusted to remove the impact of Winter Storm Uri. Line 43 reflects the tax impact of the securitization financing order. Line 107 is adjusted to remove the impact of Winter Storm Uri and Charitable Contributions Conversion.				

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
OPERATION AND MAINTENANCE EXPENSES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	FERC Acct	Description	Per Book Amount	Adjustments	Adjusted Amount
	(a)	(b)	(c)	(d)	(e) = (c) + (d)
1	841	Other Storage Expenses - Operation and Labor Expenses	\$ 355	\$ (355)	\$ -
2	870	Operation Supervision and Engineering	7,388,811	423,124	7,811,935
3	871.1	Odorization	561,049	-	561,049
4	874	Mains and Services Expenses	105,377,166	1,998,753	107,375,919
5	875	Measuring and Regulating Station Expenses - General	10,684	728	11,412
6	876	Measuring and Regulating Station Expenses - Industrial	7	-	7
7	878	Meter and House Regulator Expenses	6,593,262	618,390	7,211,652
8	879	Customer Installations Expenses	706,608	67,553	774,162
9	880	Other Expenses	9,718,544	36,856	9,755,400
10	881	Rents	439,277	-	439,277
11	885	Maintenance Supervision and Engineering	37,781	2,198	39,979
12	886	Maintenance of Structures and Improvements	(2,821)	-	(2,821)
13	887	Maintenance of Mains	1,801,171	133,304	1,934,475
14	888	Maintenance of compressor station equipment	6,739	-	6,739
15	889	Maintenance of M&R Station Equipment - General	2,686,702	241,481	2,928,183
16	892	Maintenance of Services	315,365	28,133	343,498
17	893	Maintenance of Meters and House Regulators	1,158,987	18,730	1,177,717
18	894	Maintenance of Other Equipment	604,117	52,082	656,199
19	901	Supervision	222,179	20,788	242,967
20	902	Meter Reading Expense	10,672,845	854,705	11,527,550
21	903	Customer Records and Collection Expenses	19,528,589	353,219	19,881,809
22	904	Uncollectible Accounts	14,361,042	9,255,040	23,616,082
23	905	Miscellaneous Customer Accounts	23	-	23
24	908	Customer Assistance Expenses	1,136,003	(1,023,638)	112,365
25	910	Miscellaneous Customer Service and Informational Expenses	1,922,986	61,991	1,984,977
26	911	Supervision	1,095	-	1,095
27	912	Demonstrating and Selling Expenses	18,000	-	18,000
28	913	Advertising Expenses	251,197	(85,172)	166,024
29	920	Administrative and General Salaries	760,087	144,546	904,633
30	921	Office Supplies and Expenses	655,716	(254,951)	400,765

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
OPERATION AND MAINTENANCE EXPENSES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	FERC Acct	Description	Per Book Amount	Adjustments	Adjusted Amount
	(a)	(b)	(c)	(d)	(e) = (c) + (d)
31	922	Administrative Expenses Transferred - Credit	86,601,664	(4,020,717)	82,580,947
32	923	Outside Services Employed	2,965,630	(86,376)	2,879,254
33	924	Property Insurance	219,192	12,474	231,666
34	925	Injuries and Damages	3,269,190	(310,445)	2,958,744
35	926	Employee Pensions and Benefits	15,638,446	(898,026)	14,740,420
36	928	Regulatory Commission Expenses	109,628	(58,020)	51,608
37	930.2	Miscellaneous General Expense	739,248	(343,469)	395,779
38	931	Rents	48,755	-	48,755
39	932	Maintenance of General Plant	868	-	868
40					
41		Total Operation and Maintenance Expenses (Sum Ln 1 through Ln 39)	\$ 296,526,187	\$ 7,242,925	\$ 303,769,112

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
ADJUSTMENTS TO OPERATION AND MAINTENANCE EXPENSES
TEST YEAR ENDING JUNE 30, 2024

Line No.	FERC Account	Account Description	Base Labor	Medical and Dental Benefits	Pension and Retiree Medical Benefits	Property Insurance	Blank Page	Employee Expenses	SSU Service Level Factors	Miscellaneous Adjustments	Uncollectible Expense	Rule Compliance	Customer Conservation Program	Total Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
1	841	Other Storage Expenses - Operation and Labor Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (355)	\$ -	\$ -	\$ -	\$ (355)
2	870	Operation Supervision and Engineering	423,124	-	-	-	-	-	-	-	-	-	-	423,124
3	871.1	Odorization	-	-	-	-	-	-	-	-	-	-	-	-
4	874	Mains and Services Expenses	2,003,725	-	-	-	-	-	-	(4,799)	-	(174)	-	1,998,753
5	875	Measuring and Regulating Station Expenses - General	728	-	-	-	-	-	-	-	-	-	-	728
6	876	Measuring and Regulating Station Expenses - Industrial	-	-	-	-	-	-	-	-	-	-	-	-
7	878	Meter and House Regulator Expenses	618,687	-	-	-	-	-	-	(296)	-	-	-	618,390
8	879	Customer Installations Expenses	67,553	-	-	-	-	-	-	-	-	-	-	67,553
9	880	Other Expenses	46,569	-	-	-	-	-	-	(7,341)	-	(2,372)	-	36,856
10	881	Rents	-	-	-	-	-	-	-	-	-	-	-	-
11	885	Maintenance Supervision and Engineering	2,198	-	-	-	-	-	-	-	-	-	-	2,198
12	886	Maintenance of Structures and Improvements	-	-	-	-	-	-	-	-	-	-	-	-
13	887	Maintenance of Mains	133,304	-	-	-	-	-	-	-	-	-	-	133,304
14	888	Maintenance of compressor station equipment	-	-	-	-	-	-	-	-	-	-	-	-
15	889	Maintenance of M&R Station Equipment - General	241,481	-	-	-	-	-	-	-	-	-	-	241,481
16	892	Maintenance of Services	28,133	-	-	-	-	-	-	-	-	-	-	28,133
17	893	Maintenance of Meters and House Regulators	18,730	-	-	-	-	-	-	-	-	-	-	18,730
18	894	Maintenance of Other Equipment	52,082	-	-	-	-	-	-	-	-	-	-	52,082
19	901	Supervision	20,788	-	-	-	-	-	-	-	-	-	-	20,788
20	902	Meter Reading Expense	858,609	-	-	-	-	-	-	(3,904)	-	-	-	854,705
21	903	Customer Records and Collection Expenses	353,219	-	-	-	-	-	-	-	-	-	-	353,219
22	904	Uncollectible Accounts	-	-	-	-	-	-	-	-	9,255,040	-	-	9,255,040
23	905	Miscellaneous Customer Accounts	-	-	-	-	-	-	-	-	-	-	-	-
24	908	Customer Assistance Expenses	-	-	-	-	-	-	-	(230)	-	-	(1,023,409)	(1,023,638)
25	910	Miscellaneous Customer Service and Informational Expenses	141,946	-	-	-	-	-	-	(56,692)	-	(23,263)	-	61,991
26	911	Supervision	-	-	-	-	-	-	-	-	-	-	-	-
27	912	Demonstrating and Selling Expenses	-	-	-	-	-	-	-	-	-	-	-	-
28	913	Advertising Expenses	-	-	-	-	-	-	-	(60,740)	-	(24,433)	-	(85,172)
29	920	Administrative and General Salaries	144,546	-	-	-	-	-	-	-	-	-	-	144,546
30	921	Office Supplies and Expenses	-	-	-	-	-	-	-	(254,935)	-	(16)	-	(254,951)
31	922	Administrative Expenses Transferred - Credit	3,404,562	930,371	(2,275,831)	(1,065)	-	(186,942)	(3,047,711)	(2,837,281)	-	(6,820)	-	(4,020,717)
32	923	Outside Services Employed	-	-	-	-	-	-	-	(86,376)	-	-	-	(86,376)
33	924	Property Insurance	-	-	-	12,474	-	-	-	-	-	-	-	12,474
34	925	Injuries and Damages	-	-	-	-	-	-	-	(310,445)	-	-	-	(310,445)
35	926	Employee Pensions and Benefits	-	1,904,537	(3,582,079)	-	-	-	-	779,516	-	-	-	(898,026)
36	928	Regulatory Commission Expenses	-	-	-	-	-	-	-	(58,020)	-	-	-	(58,020)
37	930.2	Miscellaneous General Expense	-	-	-	-	-	(327,327)	-	-	-	(16,142)	-	(343,469)
38	931	Rents	-	-	-	-	-	-	-	-	-	-	-	-
39	932	Maintenance of General Plant	-	-	-	-	-	-	-	-	-	-	-	-
40		Total Adjustments to O&M Expenses (Ln 1 through Ln 39)	\$ 8,559,984	\$ 2,834,908	\$ (5,857,909)	\$ 11,409	\$ -	\$ (514,269)	\$ (3,047,711)	\$ (2,901,899)	\$ 9,255,040	\$ (73,219)	\$ (1,023,409)	\$ 7,242,925
41														
42		Adjustment Reference:	WP_F-2.1	WP_F-2.2	WP_F-2.3	WP_F-2.4	WP_F-2.5	WP_F-2.6	WP_F-2.7	WP_F-2.8	WP_F-2.9	WP_F-2.10	WP_F-2.11	

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
BASE LABOR ADJUSTMENT
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Shared Services Customer Support	Shared Services General Office	Total Shared Services (1)	Mid-Tex Direct	Total Adjustment
	(a)	(b)	(c)	(d)	(e)	(f)
1	Employee Annual Salaries at June 2024 (2), (3)	\$ 39,848,519	\$ 60,248,403	\$ 100,096,922	\$ 139,636,155	
2						
3	October 1, 2024 Merit Increase (4)	1.035	1.035	1.035	1.035	
4						
5	Employee Annual Salaries including Merit Increase (Ln 1 x Ln 3)	\$ 41,243,217	\$ 62,357,097	\$ 103,600,314	\$ 144,523,421	
6						
7	Test Year Base Labor adjusted for excluded cost centers (3)	37,088,242	57,130,271	94,218,513	128,628,660	
8						
9	Base Labor Adjustment Total (Ln 5 - Ln 7)	\$ 4,154,975	\$ 5,226,825	\$ 9,381,800	\$ 15,894,761	
10						
11	Allocation Factor (5)	53.30%	40.94%	45.86%	83.34%	
12						
13	Allocated Base Labor Adjustment (Ln 9 x Ln 11)	\$ 2,214,602	\$ 2,139,862	\$ 4,354,464	\$ 13,246,559	
14						
15	O&M Expense Factor (5)	85.51%	70.61%	78.19%	38.92%	
16						
17	Test Year Base Labor O&M Expense Adjustment (Ln 13 x Ln 15)	\$ 1,893,695	\$ 1,510,867	\$ 3,404,562	\$ 5,155,422	
18						
19	Adjustment Summary:					
20	Account 922	\$ 1,893,695	\$ 1,510,867	\$ 3,404,562	\$ -	\$ 3,404,562
21	Other O&M Accounts (6)	-	-	-	5,155,422	5,155,422
22	Total (Ln 20 + Ln 21)	\$ 1,893,695	\$ 1,510,867	\$ 3,404,562	\$ 5,155,422	\$ 8,559,984

Notes:

1. The factors in Col (d) are a calculation derived from the totals of Customer Support and General Office and are only used in the calculation of other employee-related adjustments.
2. Annual salaries are base labor only and do not include items such as overtime and bonuses.
3. SSU amounts exclude cost centers which do not allocate to Mid-Tex and employee time charged below the line for rate making purposes.
4. The employee annual salaries at June 2024 (Line 1) are increased by the October 1, 2024 authorized annual merit increase of 3.5% (Line 3). This increase occurred and was effective October 1, 2024, for actual Mid-Tex and SSU employees.
5. Shared Services based on Fiscal Year 2024 factors, adjusted to the four-factor formula including Operating Income. Mid-Tex factors are based upon actual test year ratios. O&M expense factors are based on actual test year ratios.
6. Distribution by account is based upon per book O&M test year labor (See Page 2).

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
BASE LABOR ADJUSTMENT - DISTRIBUTION OF MID-TEX DIRECT BY FERC ACCOUNT
TEST YEAR ENDING JUNE 30, 2024**

Line No.	FERC Account	Account Description	Per Book O&M Labor	Ratio of Labor by Account	Base Labor Adjustment Allocated by Account (4)
	(a)	(b)	(c)	(d)	(e) = (c) x (d)
1	870	Operation Supervision and Engineering	\$ 4,422,914	8.2074%	\$ 423,124
2	874	Mains and Services Expenses	20,944,950	38.8664%	2,003,725
3	875	Measuring and Regulating Station Expenses - General	7,611	0.0141%	728
4	878	Meter and House Regulator Expenses	6,467,133	12.0007%	618,687
5	879	Customer Installations Expenses	706,135	1.3103%	67,553
6	880	Other Expenses	486,783	0.9033%	46,569
7	885	Maintenance Supervision and Engineering	22,979	0.0426%	2,198
8	887	Maintenance of Mains	1,393,429	2.5857%	133,304
9	889	Maintenance of M&R Station Equipment - General	2,524,202	4.6840%	241,481
10	892	Maintenance of Services	294,074	0.5457%	28,133
11	893	Maintenance of Meters and House Regulators	195,785	0.3633%	18,730
12	894	Maintenance of Other Equipment	544,409	1.0102%	52,082
13	901	Supervision	217,298	0.4032%	20,788
14	902	Meter Reading Expense	8,975,045	16.6545%	858,609
15	903	Customer Records and Collection Expenses	3,692,201	6.8514%	353,219
16	910	Miscellaneous Customer Service and Informational Expenses	1,483,758	2.7533%	141,946
17	920	Administrative and General Salaries	1,510,943	2.8038%	144,546
18		Total (Sum Ln 1 through Ln 17)	<u>\$ 53,889,648</u>	<u>100.00%</u>	<u>\$ 5,155,422</u>

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
MEDICAL AND DENTAL BENEFITS ADJUSTMENT
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Shared Services	Mid-Tex Direct	Total Adjustment
	(a)	(b)	(c)	(d)
1	Fiscal Year 2024 Projected Expense per Employee (1)	\$ 16,687	\$ 16,687	
2				
3	Number of Employees at End of Test Period (3)	1,135	1,923	
4				
5	Sub-Total (Ln 1 times Ln 3)	\$ 18,939,666	\$ 32,088,967	
6				
7	Test Year Medical and Dental Cost (3)	16,344,944	26,217,059	
8				
9	Medical and Dental Cost Adjustment (Ln 5 minus Ln 7)	\$ 2,594,722	\$ 5,871,908	
10				
11	Allocation Factor (2)	45.86%	83.34%	
12				
13	Allocated Medical and Dental Cost Adjustment (Ln 9 times Ln 11)	\$ 1,189,953	\$ 4,893,598	
14				
15	Labor Expense Factor (2)	78.19%	38.92%	
16				
17	Test Year Medical and Dental Expense Adjustment (Ln 13 times Ln 15)	\$ 930,371	\$ 1,904,537	
18				
19	Adjustment Summary:			
20	Account 922	\$ 930,371	\$ -	\$ 930,371
21	Account 926	-	1,904,537	1,904,537
22	Total (Ln 20 plus Ln 21)	\$ 930,371	\$ 1,904,537	\$ 2,834,908
23				
24				
25	Notes:			
26	1. Costs are based on the projected Fiscal Year 2024 expense per employee.			
27	2. Shared Services based on Fiscal Year 2024 factors, adjusted to the four-factor formula including Operating Income. Mid-Tex factors are based upon actual test year ratios.			
28	3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.			

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
PENSIONS AND RETIREE MEDICAL BENEFITS ADJUSTMENT
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Post-Employment Benefit Plan	Supplemental Executive Benefit Plan	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Proposed Benefits Benchmark -						
	Fiscal Year 2024 Willis Towers Watson Report as adjusted (1), (3)	\$ 1,423,289	\$ (1,163,775)	\$ 2,186,549	\$ (4,070,086)	\$ 1,019,500	
2	O&M Expense Factor (2)	78.19%	78.19%	38.92%	38.92%	11.22%	
3	Proposed Benefits Benchmark - Expense (Ln 1 x Ln 2)	\$ 1,112,807	\$ (909,904)	\$ 850,982	\$ (1,584,035)	\$ 114,432	
4	Allocation Factor (2)	45.86%	45.86%	83.34%	83.34%	100.00%	
5	Allocated Proposed Benefits Benchmark Expense (Ln 3 x Ln 4)	\$ 510,339	\$ (417,286)	\$ 709,201	\$ (1,320,121)	\$ 114,432	\$ (403,436)
6							
7	Current Benefits O&M Benchmark (4)	\$ 1,425,108	\$ 943,775	\$ 1,987,133	\$ 1,062,621	\$ 35,837	\$ 5,454,474
8							
9	Test Year Adjustment (Line 5 - Line 7)	\$ (914,769)	\$ (1,361,062)	\$ (1,277,932)	\$ (2,382,742)	\$ 78,596	\$ (5,857,909)
10							
11	Adjustment Summary:						
12	Account 922	\$ (914,769)	\$ (1,361,062)	\$ -	\$ -	\$ -	\$ (2,275,831)
13	Account 926	-	-	(1,277,932)	(2,382,742)	78,596	(3,582,079)
14	Total (Ln 12 + Ln 13)	\$ (914,769)	\$ (1,361,062)	\$ (1,277,932)	\$ (2,382,742)	\$ 78,596	\$ (5,857,909)

- 15
- 16
- 17 Notes:
- 18 1. Studies not applicable to Mid-Tex or Shared Services are omitted.
- 19 2. Shared Services' ratios in Columns (b) and (c) are based upon Fiscal Year 2024 factors, as adjusted for the 4-Factor method including Operating Income; Mid-Tex factors are based upon actual test year ratios.
- 20 3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.
- 21 4. The Current Benefits O&M Benchmark utilized the Fiscal Year 2018 Willis Towers Watson actuarial reports. The benchmark was approved in the GUD No. 10742 Final Order, Finding of Fact 21.

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Post-Employment Benefit Plan	Supplemental Executive Benefit Plan	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Proposed Benefits Benchmark -						
	Fiscal Year 2024 Willis Towers Watson Report as adjusted (1) (2) (3)	\$ 1,423,289	\$ (1,163,775)	\$ 2,186,549	\$ (4,070,086)	\$ 1,019,500	
2	Allocation Factor	45.86%	45.86%	83.34%	83.34%	100.00%	
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	\$ 652,728	\$ (533,713)	\$ 1,822,251	\$ (3,391,975)	\$ 1,019,500	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
5	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4)	\$ 652,728	\$ (533,713)	\$ 1,822,251	\$ (3,391,975)	\$ 1,019,500	\$ (431,209)
6							
7	O&M Expense Factor (WP_F-2.3, Ln 2)	78.19%	78.19%	38.92%	38.92%	11.22%	
8							
9	Summary of Costs to Approve (1):						
10	Total Pension Account Plan	\$ 510,339		\$ 709,201			\$ 1,219,540
11	Total Post-Employment Benefit Plan		\$ (417,286)		\$ (1,320,121)		(1,737,408)
12	Total Supplemental Executive Benefit Plan					\$ 114,432	114,432
13	Total (Ln 10 + Ln 11 + Ln 12)	\$ 510,339	\$ (417,286)	\$ 709,201	\$ (1,320,121)	\$ 114,432	\$ (403,436)
14							
15	Notes:						
16	1. Studies not applicable to Mid-Tex or Shared Services are omitted.						
17	2. Mid-Tex is proposing that the Fiscal Year 2024 Willis Towers Watson allocated O&M actuarial amounts shown on WP_F-2.3 and WP_F-2.3.1, be approved by the Railroad Commission as the benchmark amounts to be used to calculate the regulatory asset or liability for future periods.						
18	3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.						

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
PROPERTY INSURANCE ADJUSTMENT
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Reference	Shared Services Customer Support	Shared Services General Office	Mid-Tex Direct	Total Adjustment
	(a)	(b)	(c)	(d)	(e)	(f)
1	<u>Premium Adjustment:</u>					
2	Annual Premium - Current Policy (March 1, 2024 - February 28, 2025)	(1), (2), (3)	\$ 72,602	\$ 117,191	\$ 4,589,903	
3						
4	Test Year Premium Amount		74,934	129,032	4,342,754	
5						
6	Subtotal	Ln 2 - Ln 4	\$ (2,332)	\$ (11,841)	\$ 247,149	
7						
8	Allocation Factor	(4)	53.30%	40.94%	100.00%	
9						
10	Total Allocated Adjustment	Ln 6 x Ln 8	\$ (1,243)	\$ (4,848)	\$ 247,149	
11						
12	O&M Expense Factor	(4)	17.50%	17.50%	5.05%	
13						
14	Premium Adjustment	Ln 10 x Ln 12	\$ (217)	\$ (848)	\$ 12,474	
15						
16	Summary by Account:					
17	Account 922		\$ (217)	\$ (848)	\$ -	\$ (1,065)
18	Account 924		-	-	12,474	12,474
19	Totals by Account	Ln 17 + Ln 18	\$ (217)	\$ (848)	\$ 12,474	\$ 11,409

Notes:

1. The annual March 2024 through February 2025 premiums have been adjusted for the CWIP allocation in compliance with GUD No. 10170.
2. The Mid-Tex premium has been adjusted to remove the premium associated with Working Gas in Storage ("WGIS") in alignment with GUD Nos. 9869, 10000, 10580, and Docket No. OS-23-00013758 which moved other costs associated with WGIS to Atmos Pipeline - Texas.
3. The premium amounts include 4.85% tax per TEX. INS. CODE § 226.053 (a).
4. Shared Services Blueflame Premiums are recorded to Cost Center 1915; however, the Customer Support Premium is allocated to Mid-Tex based on the Customer Support factor (See Cost Center 1212) as adjusted for the 4-Factor method including Operating Income (See WP_F-2.7). Both premiums are capitalized based on the Cost Center 1915 ratio. Mid-Tex factors are based upon actual test year ratios.

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UNINCORPORATED AREAS STATEMENT OF INTENT
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TEST YEAR ENDING JUNE 30, 2024**

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**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
EMPLOYEE EXPENSE ADJUSTMENT
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Reference	Shared Services Customer Support	Shared Services General Office	Mid-Tex Direct	Total Adjustment
	(a)	(b)	(c)	(d)	(e)	(f)
1	<u>Twelve Months Ended June 30, 2024:</u>					
2	Employee Expense Adjustment	(1)	\$ 132,924	\$ 437,141	\$ 327,327	
3	Allocation Factor	(2), (3)	53.30%	40.94%	100.00%	
4						
5	Allocated Employee Expense Adjustment	Ln 2 x Ln 3	\$ 70,848	\$ 178,965	\$ 327,327	
6	O&M Expense Factor	(2), (3)	85.51%	70.61%	100.00%	
7	Total Employee Expense Adjustment	Ln 5 x Ln 6	\$ 60,582	\$ 126,360	\$ 327,327	
8						
9	Summary by Account					
10	Account 922		\$ (60,582)	\$ (126,360)	\$ -	\$ (186,942)
11	Account 930.2		-	-	(327,327)	(327,327)
12	Totals by Account	Ln 10 + Ln 11	\$ (60,582)	\$ (126,360)	\$ (327,327)	\$ (514,269)
13						
14	Notes:					
15	1. Shared Services - General Office amounts have been adjusted to remove amounts in cost centers which do not allocate to Mid-Tex.					
16	2. See WP_F-2.1, Col (b) and Col (c), Ln 11 and Ln 15, as applicable, for the Shared Services factors, as adjusted.					
17	3. Mid-Tex costs are directly charged and not allocated.					

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SHARED SERVICES ("SSU") SERVICE-LEVEL FACTORS ADJUSTMENT
TEST YEAR ENDING JUNE 30, 2024

Line No.	Cost Center	Description	Ref	Per Book			FY 2024		Four Factor Allocation Factor (1), (2)	Total	SSU Allocated to Capital	Expense Allocated to Mid-Tex
				SSU O&M (Labor)	SSU O&M (Non-Labor)	Total SSU O&M Expense	Labor Capitalization Factor	Non-Labor Capitalization Factor				
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)	(g)	(h)	(i)	(j) = (f) x (i)	(k) = (d*g*i) + (e*h*i)	(l) = (j) - (k)
1	1001	ATM-Dal Executive Chairman		\$ 17	\$ 4	\$ 21	82.50%	82.50%	40.94%	\$ 9	\$ 7	\$ 2
2	1101	ATM-Dal-Chief Fin Officer		641,794	1,658,899	2,300,693	82.50%	82.50%	40.94%	941,904	777,107	164,797
3	1102	ATM-Dal-ATM-Utility Operation		482,050	944,082	1,426,132	84.69%	84.69%	52.88%	754,138	638,644	115,495
4	1105	ATM-Dallas Audit		-	5,986,467	5,986,467	0.00%	0.00%	40.94%	2,450,860	-	2,450,860
5	1106	ATM-Dal-Treasurer		305,007	270,866	575,873	54.68%	54.68%	40.94%	235,762	128,910	106,852
6	1107	ATM-Dal-Treasury		744,674	1,268,530	2,013,204	63.20%	63.20%	40.94%	824,206	520,893	303,313
7	1108	ATM-Dal-Risk Management		698,250	476,990	1,175,240	79.45%	79.45%	40.94%	481,143	382,268	98,875
8	1110	ATM-Dal-Supply Chain Management		31,584	24,348	55,932	0.00%	0.00%	41.21%	23,050	-	23,050
9	1112	ATM-Dal-Mail & Supply		81,335	312,607	393,942	17.83%	20.03%	41.21%	162,343	31,782	130,562
10	1114	ATM-Dal-VP & Controller		350,656	438,273	788,929	33.54%	33.54%	40.94%	322,988	108,337	214,650
11	1116	ATM-Dal-Taxation		258,435	475,408	733,843	28.72%	28.72%	40.94%	300,435	86,278	214,157
12	1117	ATM-Dal-Accounting Svcs		164,943	291,484	456,427	57.09%	57.09%	40.94%	186,861	106,674	80,187
13	1118	ATM-Dal-Supply Chain		438,641	150,905	589,545	16.76%	16.76%	41.21%	242,952	40,712	202,240
14	1119	ATM-Dal-General Accounting		700,676	268,921	969,597	37.20%	37.20%	40.94%	396,953	147,654	249,299
15	1120	ATM-Dal-Accounts Payable		499,042	377,803	876,845	54.20%	54.20%	40.94%	358,980	194,559	164,421
16	1121	ATM-Dal-Plant Accounting		701,647	231,748	933,395	82.90%	82.90%	40.94%	382,132	316,797	65,335
17	1122	ATM-Dallas Fin Rep & Acctg Svc	(5)	229,688	181,802	411,490	21.20%	21.20%	40.94%	168,464	35,707	132,757
18	1123	ATM-Dal-Gas Accounting		213,661	131,304	344,965	0.00%	0.00%	41.04%	141,573	-	141,573
19	1125	ATM-Dal-Financial Reporting		1,169,424	779,244	1,948,668	13.00%	13.00%	40.94%	797,785	103,714	694,071
20	1126	ATM-Dal-Payroll		469,947	195,112	665,059	55.58%	55.58%	40.94%	272,275	151,336	120,939
21	1128	ATM-Dal-Property & Sales Tax		1,708,689	1,424,527	3,133,216	7.06%	7.06%	40.94%	1,282,739	90,546	1,192,192
22	1129	ATM-Dal-Income Tax		879,915	907,863	1,787,778	38.00%	38.00%	40.94%	731,916	278,128	453,788
23	1130	ATM-Dal-Busi Planning & Analysis		1,189,230	497,946	1,687,176	71.76%	71.76%	40.94%	690,730	495,674	195,055
24	1131	ATM-Dallas Media Relations	(5)	-	-	-	0.00%	0.00%	41.21%	-	-	-
25	1132	ATM-Dal-Investor Relations	(4)	126,120	408,045	534,165	0.00%	0.00%	0.00%	-	-	-
26	1133	ATM-Dal-Corporate Communications		1,021,247	1,291,303	2,312,551	0.00%	0.00%	40.94%	946,758	-	946,758
27	1134	ATM-Dal-IT		1,737,521	1,436,951	3,174,471	38.57%	38.57%	40.94%	1,299,629	501,285	798,343
28	1135	ATM-Dal-IT E&O Corporate Systems		1,835,841	13,418,746	15,254,587	21.62%	42.00%	40.94%	6,245,228	2,469,833	3,775,395
29	1137	ATM-Dal-IT Engineering & Operations		4,177,639	16,926,144	21,103,783	22.76%	26.12%	40.94%	8,639,889	2,199,027	6,440,861
30	1139	ATM-Dal-IT Telecommunications	(5)	191,331	499,272	690,604	20.00%	20.00%	40.94%	282,733	56,547	226,187
31	1141	ATM-Dal-Gas Purchase Acctg		502,473	130,750	633,224	0.00%	0.00%	52.88%	334,849	-	334,849
32	1144	ATM-Dal-Rate Administration		1,047,173	283,839	1,331,012	0.00%	0.00%	52.88%	703,839	-	703,839
33	1145	ATM-Dal-Revenue Accounting		348,747	128,828	477,575	0.00%	0.00%	52.88%	252,541	-	252,541
34	1146	ATM-Dallas IT Enterprise Solutions		-	1,614,165	1,614,165	0.00%	0.00%	40.94%	660,839	-	660,839
35	1150	ATM-Dal-Strategic Planning		715,227	1,095,950	1,811,177	78.46%	78.46%	40.94%	741,496	581,812	159,684
36	1153	ATM-Dal-Distribution Acctg		654,134	169,198	823,333	0.00%	0.00%	52.88%	435,378	-	435,378
37	1154	ATM-Dal-Rates & Regulatory		1,930,060	1,233,456	3,163,516	82.50%	82.50%	41.21%	1,303,685	1,075,590	228,095
38	1155	ATM-Dal-Gas Pipeline Accounting		268,958	70,847	339,805	0.00%	0.00%	0.00%	-	-	-
39	1156	ATM-Dal-IT Customer Services Systems		2,261,951	7,877,173	10,139,124	10.02%	19.58%	53.30%	5,404,153	943,056	4,461,097
40	1157	ATM-Stakeholder Strategy	(5)	204,500	151,826	356,326	82.50%	82.50%	40.94%	145,880	120,356	25,523
41	1158	ATM-CCC IT Support		-	2,736,280	2,736,280	0.00%	0.00%	53.30%	1,458,437	-	1,458,437
42	1159	ATM-Dal-Technical Training		374,496	1,458,366	1,832,863	0.00%	0.00%	40.94%	750,374	-	750,374
43	1161	ATM-Dal-Benefits & Payroll Accounting		440,046	122,458	562,504	55.58%	55.58%	40.94%	230,289	128,000	102,289
44	1164	ATM-Dal-IT Security		1,320,564	6,249,385	7,569,949	17.78%	22.92%	40.94%	3,099,137	682,436	2,416,701
45	1167	ATM-Dal-IT Enterprise Architecture		1,165,445	1,619,458	2,784,903	15.74%	39.18%	41.21%	1,147,659	337,102	810,557
46	1172	ATM-Transmission Operational Technology	(5)	147,967	1,974,102	2,122,069	21.80%	36.54%	0.00%	-	-	-
47	1173	ATM-Distribution Operational Technology	(5)	87,527	328,438	415,964	22.22%	30.00%	52.88%	219,962	62,389	157,573
48	1174	ATM-MDTX Operational Technology-Distribution	(5)	526	621,419	621,945	11.11%	20.00%	100.00%	621,945	124,342	497,603
49	1175	ATM-Enterprise Operational Technology-Distribution	(5)	192,961	191,301	384,262	9.26%	18.33%	0.00%	-	-	-

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SHARED SERVICES ("SSU") SERVICE-LEVEL FACTORS ADJUSTMENT
TEST YEAR ENDING JUNE 30, 2024

			Per Book			FY 2024						
Line No.	Cost Center	Description	Ref	SSU O&M (Labor)	SSU O&M (Non-Labor)	Total SSU O&M Expense	Labor Capitalization Factor	Non-Labor Capitalization Factor	Four Factor Allocation Factor (1), (2)	Total	SSU Allocated to Capital	Expense Allocated to Mid-Tex
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)	(g)	(h)	(i)	(j) = (f) x (i)	(k) = (d*g*i) + (e*h*i)	(l) = (j) - (k)
50	1201	ATM-Dal-ATM-Dallas President & CEO		1,178,922	5,279,210	6,458,133	82.50%	82.50%	40.94%	2,643,959	2,181,368	462,591
51	1209	ATM-Dal-Security & Compliance		289,043	455,928	744,970	6.68%	6.68%	41.21%	307,002	20,513	286,489
52	1211	ATM-Asset Integrity & Reporting	(5)	766,725	360,121	1,126,846	46.92%	46.92%	41.21%	464,373	217,898	246,475
53	1212	ATM-CSO-Customer Contact Center		18,401,554	7,192,966	25,594,520	22.54%	22.54%	53.30%	13,641,879	3,074,605	10,567,274
54	1215	ATM-Dal-Dispatch Operations		5,625,397	1,631,742	7,257,140	0.00%	0.00%	53.30%	3,868,055	-	3,868,055
55	1216	ATM-Dallas Training Quality & Innovation		407,847	118,350	526,197	0.00%	0.00%	40.94%	215,425	-	215,425
56	1217	ATM-Environmental Practices	(5)	297,259	129,548	426,807	21.25%	21.25%	41.21%	175,887	37,376	138,511
57	1218	ATM-Engineering & Compliance	(5)	681,202	364,021	1,045,222	8.13%	8.13%	41.21%	430,736	34,997	395,739
58	1221	ATM-Dal-ATM-Pipeline Admin		70,592	79,820	150,411	0.00%	0.00%	0.00%	-	-	-
59	1222	ATM-Quality Assurance	(5)	119,269	42,648	161,918	0.00%	0.00%	41.21%	66,726	-	66,726
60	1223	ATM-System Safety & Damage Prevention	(5)	189,823	120,919	310,743	0.00%	0.00%	41.21%	128,057	-	128,057
61	1224	ATM-Dal-CSO Human Resources		829,853	300,037	1,129,889	0.00%	0.00%	53.30%	602,231	-	602,231
62	1226	ATM-Dal-Customer Service		1,357,534	1,930,994	3,288,527	0.00%	100.00%	53.30%	1,752,785	1,029,220	723,566
63	1227	ATM-Dal-Customer Program Mgmt		1,183,723	1,507,469	2,691,192	0.00%	0.00%	41.21%	1,109,040	11	1,109,029
64	1228	ATM-Dal-Customer Revenue Management		4,067,123	2,029,035	6,096,158	0.00%	0.00%	53.30%	3,249,252	-	3,249,252
65	1229	ATM-Dal Pipeline Safety		2,184,209	3,300,514	5,484,723	30.22%	30.22%	41.21%	2,260,254	683,015	1,577,239
66	1230	ATM-Gas Control Operations	(5)	320,737	151,384	472,121	0.00%	0.00%	41.21%	194,561	-	194,561
67	1231	ATM-Transmission Gas Control Ops	(5)	1,214,372	324,855	1,539,227	0.00%	0.00%	0.00%	-	-	-
68	1232	ATM-Distribution Gas Control Ops	(5)	-	11,798	11,798	0.00%	0.00%	52.88%	6,239	-	6,239
69	1233	ATM-Enterprise Gas Control Ops-Distribution	(5)	1,186,951	494,148	1,681,099	0.00%	0.00%	0.00%	-	-	-
70	1234	ATM-MDTX Gas Control Ops-Distribution	(5)	1,063,512	346,172	1,409,684	0.00%	0.00%	100.00%	1,409,684	-	1,409,684
71	1401	ATM-Dal-Employment & Emp Rel		508,134	830,839	1,338,973	0.00%	0.00%	40.94%	548,175	-	548,175
72	1402	ATM-Dallas Executive Compensation		441	372,671	373,112	0.00%	0.00%	40.94%	152,752	-	152,752
73	1403	ATM-Dal-HR Corporate Division		612,535	624,433	1,236,968	0.00%	0.00%	40.94%	506,415	-	506,415
74	1405	ATM-Dal-Benefits		1,056,117	817,153	1,873,270	0.00%	0.00%	40.94%	766,917	-	766,917
75	1407	ATM-Dal-Facilities		616,986	6,976,581	7,593,567	27.14%	27.14%	40.94%	3,108,806	843,819	2,264,987
76	1408	ATM-Dal-Employee Dev		715,072	1,049,853	1,764,925	0.00%	0.00%	40.94%	722,560	-	722,560
77	1414	ATM-Dal-Tech Training Delivery		1,923,100	2,866,286	4,789,386	0.00%	0.00%	41.21%	1,973,706	-	1,973,706
78	1415	ATM-Dal-Tech Trng Prog & Curriculum		682,199	204,691	886,890	0.00%	0.00%	41.21%	365,487	-	365,487
79	1416	ATM-Dal-Compensation & HRMS		1,132,314	462,451	1,594,764	0.00%	0.00%	40.94%	652,896	-	652,896
80	1417	ATM-Dal-ATM-Corporate Programs		141,617	294,392	436,009	0.00%	0.00%	40.94%	178,502	-	178,502
81	1420	ATM-Dallas EAPC		-	70,108	70,108	0.00%	0.00%	40.94%	28,702	-	28,702
82	1463	ATM-HR Benefit Variance		-	(1,848,828)	(1,848,828)	17.83%	20.03%	40.94%	(756,910)	(151,622)	(605,288)
83	1464	ATM-Dal-Sr VP Human Resources	(5)	212,421	635,679	848,099	55.58%	55.58%	40.94%	347,212	192,988	154,224
84	1501	ATM-Dal-Legal		3,639,047	4,498,770	8,137,816	61.66%	61.66%	40.94%	3,331,622	2,054,437	1,277,185
85	1502	ATM-Corporate Secretary		-	2,577,447	2,577,447	0.00%	0.00%	40.94%	1,055,207	-	1,055,207
86	1503	ATM-Dal-Governmental Affairs		501,642	463,987	965,629	0.00%	0.00%	41.21%	397,936	-	397,936
87	1504	ATM-Dal-Central Records		289,245	319,087	608,332	55.00%	55.00%	41.21%	250,694	137,881	112,812
88	1508	ATM-Dal-Energy Assistance		430,390	150,439	580,830	0.00%	0.00%	53.30%	309,582	-	309,582
89	1509	ATM-Dal Sr VP General Counsel	(5)	282,720	654,013	936,733	82.50%	82.50%	40.94%	383,499	316,401	67,097
90	1821	ATM-Dal-Gas Supply Executive		128,713	398,786	527,499	0.00%	0.00%	47.59%	251,037	-	251,037
91	1822	ATM-Dal-Regional Gas Supply		254,055	150,927	404,982	0.00%	0.00%	100.00%	404,982	-	404,982
92	1823	ATM-Dal-Gas Contract Admin		140,876	58,692	199,569	0.00%	0.00%	47.59%	94,975	-	94,975
93	1826	ATM-New Orleans-Gas Supply & Services		113,347	137,669	251,016	0.00%	0.00%	50.24%	126,110	-	126,110
94	1827	ATM-Regional Supply Planning		109,750	251,775	361,525	0.00%	0.00%	50.24%	181,630	-	181,630
95	1828	ATM-Jackson-West Region Gas Supply & Services		53,249	18,329	71,578	0.00%	0.00%	0.00%	-	-	-
96	1829	ATM-Franklin-East Region Gas Supply & Services		238,065	105,490	343,555	0.00%	0.00%	0.00%	-	-	-
97	1831	ATM-Dal-Gas Supply		148,073	84,636	232,709	0.00%	0.00%	0.00%	-	-	-
98	1833	ATM-Corporate Gas Supply Risk Mgmt		187,194	275,275	462,469	0.00%	0.00%	47.59%	220,089	-	220,089

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SHARED SERVICES ("SSU") SERVICE-LEVEL FACTORS ADJUSTMENT
TEST YEAR ENDING JUNE 30, 2024

Line No.	Cost Center	Description	Ref	Per Book			FY 2024		Four Factor Allocation Factor (1), (2)	Total	SSU Allocated to Capital	Expense Allocated to Mid-Tex
				SSU O&M (Labor)	SSU O&M (Non-Labor)	Total SSU O&M Expense	Labor Capitalization Factor	Non-Labor Capitalization Factor				
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)	(g)	(h)	(i)	(j) = (f) x (i)	(k) = (d*g*i) + (e*h*i)	(l) = (j) - (k)
99	1835	ATM-Franklin-Gas Control	(5)	-	-	-	0.00%	0.00%	0.00%	-	-	-
100	1836	ATM-Dal-Complex Billing System Support		200,483	552,023	752,507	20.00%	20.00%	41.04%	308,829	61,766	247,063
101	1837	ATM-Dal-Complex Billing Application Support		775,180	205,943	981,123	11.86%	13.33%	41.04%	402,653	49,014	353,639
102	1838	ATM-Dal-Complex Billing Technical Support		849,062	238,687	1,087,748	12.12%	17.14%	41.04%	446,412	59,030	387,382
103	1839	ATM-Dal-Complex Billing Transportation & Scheduling		210,640	56,432	267,073	0.00%	0.00%	52.88%	141,228	-	141,228
104	1901	ATM-Dallas Employee Relocation Exp (Div 02)	(6)	-	93,588	93,588	0.00%	0.00%	40.94%	38,315	-	38,315
105	1901	ATM-Dallas Employee Relocation Exp (Div 12)	(6)	-	3,274	3,274	0.00%	0.00%	53.30%	1,745	-	1,745
106	1903	ATM-Dal-Controller Misc	(7)	-	11,096,180	11,096,180	0.00%	0.00%	0.00%	-	-	-
107	1904	ATM-Dallas Performance Plan	(8)	-	23,825,506	23,825,506	31.43%	31.43%	40.94%	9,754,162	3,065,733	6,688,429
108	1905	ATM-Outside Director Retirement Cost		-	2,173,515	2,173,515	0.00%	0.00%	40.94%	889,837	-	889,837
109	1908	ATM-Dallas SEBP	(4)	-	3,938,299	3,938,299	0.00%	82.50%	40.94%	1,612,340	1,330,242	282,097
110	1910	ATM-Corporate Overhead Capitalized	(3)	-	(112,882,779)	(112,882,779)	0.00%	0.00%	0.00%	-	-	-
111	1913	ATM-Dal-Fleet Management		569,511	155,926	725,437	29.17%	29.17%	41.21%	298,953	87,195	211,758
112	1915	ATM-Dallas Insurance		-	51,630,265	51,630,265	0.00%	82.50%	40.94%	21,137,431	17,439,194	3,698,237
113	1953	ATM-Dallas Enterprise Team Meeting		-	-	-	0.00%	0.00%	40.94%	-	-	-
114	1954	ATM-Dallas Culture Council		-	2,460	2,460	0.00%	0.00%	40.94%	1,007	-	1,007
115		TOTAL (Sum of Ln 1 through Ln 114)		\$ 90,869,585	\$ 110,095,459	\$ 200,965,044				\$130,236,539	\$ 46,682,586	\$ 83,553,953
116												
117		Allocated Shared Services O&M to Mid-Tex Division										86,601,664
118												
119		Total Adjustment to Account 922 (Ln 115 - Ln 117)										\$ (3,047,711)
120												

Notes:

1. Factors are displayed only if applicable to Mid-Tex.
2. Based on Fiscal Year 2024 factors, adjusted to the four-factor formula including Operating Income.
3. The Total represents the amount that would be credited from Cost Center 1910.
4. The allocation percentage has been set to zero to align with GUD Nos. 9762 and 10170 for Cost Center 1132. To align with GUD Nos. 9762 and 10170, the Cost Center 1908 has been fully allocated on this workpaper. However, the full capital and expense amounts in (Col. k) and (Col. l) have been removed on WPs_B-1 and F-2.8, respectively.
5. Cost Centers 1131, 1171, 1205, 1505, 1825, and 1835 are no longer active. Cost Centers 1122, 1139, 1157, 1172-1175, 1211, 1217, 1218, 1222, 1223, 1230-1234, 1464, and 1509 have been added since GUD No. 10742.
6. Cost Center 1901 expenses have been divided between General Office (Div 002) and Customer Support (Div 012) and separately allocated.
7. The entire per book amount of \$11,096,180 in Cost Center 1903 was not allocated during the test period.
8. The allocation factor for Cost Center 1904 is no longer set to zero based on TEX. UTIL. CODE § 104.060.

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Division (1) (a)	Cost Center (b)	Description (c)	Cost Center Function (d)
1	002	1001	ATM-Dal-ATM-Dallas Executive Chairman	Costs associated with the Executive Chairman
2	002	1101	ATM-Dal-Chief Fin Officer	Costs associated with the CFO
3	002	1102	ATM-Dal-ATM-Utility Operation	Costs associated with the Senior VP Utility Operations
4	002	1105	ATM-Dallas Audit	Costs associated with internal and external audit services.
5	002	1106	ATM-Dal-Treasurer	Costs associated with the VP, Treasurer who manages Treasury, Procurement and Risk Management. The Treasurer supports the overall financing needs of the Company for both O&M and capital projects.
6	002	1107	ATM-Dal-Treasury	Costs associated with treasury operations
7	002	1108	ATM-Dal-Risk Management	Costs associated with insurance and risk management
8	002	1110	ATM-Dal-Supply Chain Management	Costs associated with purchasing and mail room activities
9	002	1112	ATM-Dal-Mail & Supply	Costs associated with mail services at the Dallas corporate office
10	002	1114	ATM-Dal-VP & Controller	Costs associated with the VP, Controller
11	002	1116	ATM-Dal-Taxation	Costs associated with the VP, Tax
12	002	1117	ATM-Dal-Accounting Svcs	Costs associated with management of General Accounting, Accounts Payable, Plant Accounting and Payroll departments
13	002	1118	ATM-Dal-Supply Chain	Costs associated with management of products and services for Operations.
14	002	1119	ATM-Dal-General Accounting	Costs associated with maintaining the general books and records of the Company
15	002	1120	ATM-Dal-Accounts Payable	Costs associated with the processing and payment of the Company's bills
16	002	1121	ATM-Dal-Plant Accounting	Costs associated with the recordkeeping for the Company's fixed assets
17	002	1122	ATM-Dal-Fin Rep & Acct Svc	Costs associated with the Director of Financial Reporting & Accounting Services and related activities.
18	002	1123	ATM-Dal-Gas Accounting	Costs associated with the management of utility margin accounting, utility rate administration, and Texas and Louisiana pipeline accounting.
19	002	1125	ATM-Dal-Financial Reporting	Costs associated with the preparation and distribution of both internal and external reporting
20	002	1126	ATM-Dal-Payroll	Costs associated with paying the Company's employees
21	002	1128	ATM-Dal-Property & Sales Tax	Costs associated with the management and handling of the Company's property and sales tax activities
22	002	1129	ATM-Dal-Income Tax	Costs associated with the processing of the Company's income taxes
23	002	1130	ATM-Dal-Busi Planning & Analysis	Costs associated with the planning and budgeting activities of the Company
24	002	1131	ATM-Dallas Media Relations	Costs associated with communicating customer service and safety messages to the media, business and industry leaders. Costs associated with crisis communications functions including training staff on media relations, interviews, press conferences, and press queries to better inform the public and our customers in a crisis. Costs associated with video creation and dissemination to the public to educate customers and stakeholders on the environmental and safe and reliable benefits of natural gas.

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Division (1) (a)	Cost Center (b)	Description (c)	Cost Center Function (d)
25	002	1132	ATM-Dal-Investor Relations	Performs a number of significant activities directly related to attracting capital investment and maintaining important relationships with the investing community. Such activities include, but are not limited to: 1.) Accompanying executive management at all discussions with the investing public and financial press to maintain compliance with SEC Regulation FD, applicable to all publicly trade companies. 2.) Initiating, building and maintaining relationships with the financial analyst community and individual investors, as well as serving as the first point of contact between the Company and institutional and individual investors. 3.) Preparing and presenting financial presentations throughout the year as needed and overseeing the issuance of financial press releases at least four times per year to report and explain the financial performance of the Company. 4.) Keeping executive management apprised of investor opinions and concerns. 5.) Reviewing research reports submitted by analysts and providing accurate feedback to foster reporting accuracy. 6.) Maintaining knowledge of other companies that are considered to be Atmos Energy's peers. 7.) Providing management and the Company's Board of Directors with information regarding developments in the financial markets and perceptions of investors that may have use in formulating the Company's long and short-term practices and policies. 8.) Serving on the Company's 7-member Financial Information Committee to review all SEC filings to ensure appropriate and accurate disclosures are made. 9.) Prepare and provide all operating divisions, treasurer, risk management, and all SSU departments with a comprehensive presentation explaining the strategy, financial performance, rate and regulatory strategy, etc. to use as a communication tool for all stakeholders. 10.) Overseeing the Stock Transfer Agent's administration of the Company's Direct Stock Purchase Plan and Dividend Reinvestment Plan, as well as ongoing plan redesign to ensure best practices. Providing investors with reliable, comprehensive information about the Company is a critical step in attracting equity investment capital. This information may be especially important in attracting non-institutional equity investors who do not have access to the range of analysts' reports, and attracting such investment has both near-term and longer-term direct benefits to the Company. The near-term benefits result from rising equity prices, which immediately translate to lower cost common equity, and ultimately ratemaking benefits through lower rates. For example, increased investment and higher equity prices lowers the yield calculation, as shown in the common Discounted Cash Flow formulation of the cost of capital. In a similar vein, the longer-term benefits derive from providing lower cost equity to maintain and expand the utility system.
26	002	1133	ATM-Dal-Corporate Communications	Costs associated with internal and external corporate communications including the annual report to shareholders.
27	002	1134	ATM-Dal-IT	Costs associated with the VP, CIO who manages all IT functions, and the direct reports to the CIO.
28	002	1135	ATM-Dal-IT E&O Corporate Systems	Costs associated with the maintenance and support of the Company's information systems (software)
29	002	1137	ATM-Dal-IT Engineering & Operations	Costs associated with the maintenance and support of the Company's data center. Operational services include - • IT Systems and network engineering • Service desk • Desktop support • Hardware and software maintenance for infrastructure items • Support and administration of our database and SAP Basis environments • The IT Quality Assurance (testing) processes
30	002	1139	ATM-Dal-IT Telecommunications	This cost center is used to track telecom related expenses.
31	002	1141	ATM-Dal-Gas Purchase Acctg	Costs associated with the accounting for the utility's distribution gas purchases.
32	002	1144	ATM-Dal-Rate Administration	Costs associated with filing PGA, tariffs and recovering gas costs
33	002	1145	ATM-Dal-Revenue Accounting	Costs associated with the accounting for the utility's distribution gross margin.

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Division (1) (a)	Cost Center (b)	Description (c)	Cost Center Function (d)
34	002	1146	ATM-Dallas IT Enterprise Solutions	Non-capitalizable costs associated with capital projects or SaaS projects. Includes contractor expenses and software maintenance.
35	002	1150	ATM-Dal-Strategic Planning	Costs associated with the VP, Strategic Planning who manages Business Planning & Analysis and Rates & Regulatory Affairs.
36	002	1153	ATM-Dal-Distribution Acctg	Costs associated with the accounting for the utility's distribution revenues.
37	002	1154	ATM-Dal-Rates & Regulatory	Costs associated with rate case and regulatory work. Purpose is to manage the Company's rate strategy for regulated rates as well as the rate and regulatory activity for Atmos' eight state operating area. The primary activity is the establishment of base rates through rate cases or formula ratemaking mechanisms. The department currently has approximately twenty base rate case filings or formula mechanisms to manage in order to effect rate changes in its various jurisdictions as well as monthly, quarterly and annual reports to meet reporting requirements.
38	002	1155	ATM-Dal-Gas Pipeline Accounting	Costs associated with accounting for the Texas and Louisiana gas pipeline systems.
39	012	1156	ATM-Dal-IT Customer Services Systems	Costs associated with developing and supporting Customer Service technologies. Also includes development and support of the interfaces between our internal systems and external vendors; and support and administration of our business intelligence / reporting environment. Costs include labor, software maintenance, and related expenses.
40	002	1157	ATM Dal - Strategic Planning Stakeholder Strategy	Costs associated with Director of Stakeholder Strategy and related activities.
41	012	1158	ATM-CCC IT Support	Costs associated with supporting the IT activities in the Customer Contact Centers. Supports both the Amarillo and Waco customer contact centers, providing telephone and IT support for our contact centers. Costs in this center include hardware maintenance and software maintenance for call center equipment and software, and telephone access charges (not long distance).
42	002	1159	ATM-Dal-Technical Training	Costs associated with the VP Workforce Development who oversees technical training and employee development activities across the enterprise.
43	002	1161	ATM-Dal-Benefits & Payroll Accounting	Costs associated with management of payroll and benefits departments
44	002	1164	ATM-Dal-IT Security	Costs associated with providing the strategic direction for Cyber Security in the organization. Also includes the costs related to providing telecommunications to the corporate office (lines, equipment, etc.), network operations center and security administration.
45	002	1167	ATM-Dal-IT Enterprise Architecture	Costs associated with setting the strategic architecture for our information systems and infrastructure. Also includes the Project Management function.
46	002	1172	ATM-Transmission Operational Technology	Operational technology activities for APT only.
47	002	1173	ATM-Distribution Operational Technology	Operational technology activities for utility business units only, excludes APT. Includes Manager, Technical Control Systems.
48	002	1174	ATM-MDTX Operational Technology - Distribution	Operational technology activities for Mid-Tex only.
49	002	1175	ATM-Enterprise Operational Technology - Distribution	Operational technology activities for Atmos five utility business units only, excludes Mid-Tex and APT.
50	002	1201	ATM-Dal-ATM-Dallas President & CEO	Costs associated with the CEO
51	002	1209	ATM-Dal-Security & Compliance	Costs associated with safety compliance and security
52	002	1211	ATM-Asset Integrity & Reporting	Supports business application and technology development, such as GIS and Locusview, and provides data analytics and reporting.
53	012	1212	ATM-CSO-Customer Contact Center	Costs associated with both the Waco and Amarillo Customer Support Centers.
54	012	1215	ATM-Dal-Dispatch Operations	Service Orders to Service techs for emergency calls and same day service. To alert first responders of emergency situations and to communicate service order information to the approximately 750 service technicians throughout the regulated divisions. Costs in this center include the labor and related expenses to staff the dispatch function twenty-four hours a day as well as building maintenance and telecom costs.
55	002	1216	ATM-ATM-Dallas Training & Knowledge Mgmt	Cost associated with the training of employees.
56	002	1217	ATM-Environmental Practices	Environmental compliance, reporting, emissions tracking and permitting

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Division (1) (a)	Cost Center (b)	Description (c)	Cost Center Function (d)
57	002	1218	ATM-Engineering & Compliance	Regulatory compliance, manuals and procedures, engineering standards
58	002	1221	ATM-Dal-ATM-Pipeline Admin	This cost center includes employees who work on the pipeline administration function who primarily serve our Louisiana industrial gas customers. These costs are primarily directly charged to TLGP (Trans Louisiana Gas Pipeline) and AELIG (Atmos Energy Louisiana Industrial Gas). The costs in this cost center do not get allocated to the utility companies or APT.
59	002	1222	ATM-Quality Assurance	Enterprise quality assurance activities.
60	002	1223	ATM-System Safety & Damage Prevention	System safety and damage prevention activities.
61	012	1224	ATM-Dal-CSO Human Resources	Costs associated with Human Resources in the Customer Service Organization.
62	012	1226	ATM-Dal-Customer Service	Costs of management and administration of customer service organization (revenue management, customer contact and program development). Includes overall CSO management and administration (excluding Human Resources which is included in CC1224) and Regulated Operations initiatives. CSO management provides support to the contact centers as well as other CSO departments.
63	002	1227	ATM-Dal-Customer Program Mgmt	Define and implement business solutions and help employees understand, prepare for, and at on changes necessary to operate our business exceptionally well.
64	012	1228	ATM-Dal-Customer Revenue Management	Costs associated with managing customer revenue functions of billing, payment applications and collections. This center provides day-to-day support and transaction processing for customers in all states served by Atmos. Also includes the outside vendor costs of bill printing, accepting payments and collection agency fees.
65	002	1229	ATM-Dal-ATM-Dallas Pipeline Safety	Costs associated with the oversight of pipe replacement activities, pipeline safety, employee safety and technical training activities.
66	002	1230	ATM-Gas Control Operations	Includes Director of Gas Control operations for both utility business units and APT.
67	002	1231	ATM-Transmission Gas Control Ops	Gas control operations for APT only.
68	002	1232	ATM-Distribution Gas Control Ops	Includes Director of Storage and Gas Control operations for utility business units, excludes APT.
69	002	1233	ATM-Enterprise Gas Control Ops - Distribution	Gas control operations for Atmos five utility business units only, excludes Mid-Tex and APT.
70	002	1234	ATM-MDTX Gas Control Ops - Distribution	Gas control operations for Mid-Tex only.
71	002	1401	ATM-Dal-Employment & Emp Rel	Costs associated with recruiting, staffing and onboarding, as well as HR compliance processes, operations, audits, investigations and risk management. Purpose is to develop, implement and administer employment related activities including: employee relations, corporate compliance, AA/EEO plans and reporting, responses to regulatory and legal inquiries (EEOC, OFCCP, Drug and Alcohol, MVR's, Vets 100, etc.) selection, hiring and onboarding. Costs charged to this cost center include labor and related expenses, professional association dues, contract labor, legal fees and professional reference books. These costs are a necessary component in providing human resource services to our employees.
72	002	1402	ATM-Dallas Executive Compensation	Costs associated with the compensation committee of the Board of Directors. Costs incurred for executive compensation work for the Human Resources Committee of the Atmos Energy Board of Directors. Also included are costs related to corporate officer annual physical exams paid by the Company. These costs are a necessary component of providing human resource services to the corporate officers that are necessary for the provision of safe and reliable service.
73	002	1403	ATM-Dal-HR Corporate Division	Human Resources functions for Shared Services Corporate.
74	002	1405	ATM-Dal-Benefits	Costs associated with the management of the Company's benefit plans. The purpose is to ensure Atmos provides its
75	002	1407	ATM-Dal-Facilities	Costs associated with the management of the Company's facilities (offices)
76	002	1408	ATM-Dal-Employee Dev	Costs associated with designing, developing and implementing training and development opportunities for all employees
77	002	1414	ATM-Dal-Tech Training Delivery	Costs associated with technical training delivery

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Division (1) (a)	Cost Center (b)	Description (c)	Cost Center Function (d)
78	002	1415	ATM-Dal-Tech Trng Prog & Curriculum	Costs associated with the technical training curriculum and program development
79	002	1416	ATM-Dal-Compensation & HRMS	Costs associated with the management of the Company's compensation plans and maintenance of HR employee database. The purpose is to ensure Atmos provides its employees the most cost effective pay plans that are competitive within the utility and pipeline sector and general industry overall. Costs charged to this cost center include labor and related expenses, software maintenance, salary surveys, professional association dues and contract labor. These costs are a necessary component in providing human resources services to our employees.
80	002	1417	ATM-Dal-ATM-Corporate Programs	Event and training materials including printing, supplies and other associated training costs.
81	002	1420	ATM-Dallas EAPC	Costs associated with the Shared Services Employee Activities Planning Committee (EAPC). This committee organizes various Dallas employee-related team building activities throughout the year, including the Company's Lincoln Center United Way campaign. This includes meals incurred by the EAPC as well as office supplies and materials. This does not include employee compensation for their work on the EAPC. These costs are a necessary component to providing human resource services to our employees and as such are reasonable and necessary to the provision of safe and reliable service.
82	002	1463	ATM-HR Benefit Variance	Used to accumulate the differences between the actual cost of employee benefits and the budgeted benefits rate
83	002	1464	ATM-Dal-Sr VP Human Resources	Senior VP of Human Resources
84	002	1501	ATM-Dal-Legal	Costs associated with the Corporate Legal department.
85	002	1502	ATM-Corporate Secretary	Costs associated with the Board of Directors and shareholders. Costs such as Director's fees, board meeting expenses, proxy solicitation expenses and NYSE fees are recorded in this cost center.
86	002	1503	ATM-Dal-Governmental Affairs	Costs associated with governmental relations
87	002	1504	ATM-Dal-Central Records	Costs associated with the storage and maintenance of Company records
88	002	1508	ATM-Dal-Energy Assistance	Costs associated with planning, organizing, developing, monitoring and overseeing all aspects of the company's Energy Assistance and Customer Advocacy Program.
89	002	1509	ATM-Dal Sr VP General Counsel	Senior VP and General Counsel
90	002	1821	ATM-Dal-Gas Supply Executive	Costs associated with the VP, Gas Supply & Services
91	002	1822	ATM-Dal-Regional Gas Supply	Costs associated with the management of the Regional Supply department for West Texas and Mid-Tex.
92	002	1823	ATM-Dal-Gas Contract Admin	Costs associated with maintaining and administering the Company's gas contracts for the entire utility operations.
93	002	1826	ATM-New Orleans-Gas Supply & Services	Costs associated with the Director of all the Gas Supply, Planning & Hedging departments.
94	002	1827	ATM-Regional Supply Planning	Costs associated with the management of the Gas Supply Planning department for all utility divisions.
95	002	1828	ATM-Jackson-West Region Gas Supply & Services	Costs associated with the management of the Jackson Gas Supply and Services department which includes the regions of Mississippi, Louisiana, Colorado and Kansas.
96	002	1829	ATM-Franklin-East Region Gas Supply & Services	Costs associated with the management of the Franklin Gas Supply and Services department which includes the regions of Kentucky, Tennessee and Virginia.
97	002	1831	ATM-Dal-Gas Supply	Costs associated with the management of the Gas Supply department related to the Mid-Tex Division.
98	002	1833	ATM-Corporate Gas Supply Risk Mgmt	Costs associated with the management of the Company's hedging program. The timing of the fixed physical purchases, and support for fixed purchase plans are services provided by this cost center.
99	002	1835	ATM-Franklin-Gas Control	Costs associated with operating the gas control system in Franklin, Tennessee for all areas except Mid-Tex
100	002	1836	ATM-Dal-TBS System Support	Software platform organization utilized to capture gas supply transactions including purchases and transportation activities. To provide support for the Transportation Billing System ("TBS") applications and related processes. The TBS Suite enables divisions to perform gas scheduling and complex billing functions for transportation and industrial sales customers, and provides support for those systems. Cost Center 1836 is the overall management of the TBS group. Costs in these centers include Company labor and related expenses as well as software maintenance fees, contract labor and tools to support the TBS system application.

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Division (1) (a)	Cost Center (b)	Description (c)	Cost Center Function (d)
101	002	1837	ATM-Dal-TBS Application Support	User interface support including training for the TBS system. To provide support for the Transportation Billing System ("TBS") applications and related processes. The TBS Suite enables divisions to perform gas scheduling and complex billing functions for transportation and industrial sales customers, and provides support for those systems. Cost Center 1837 is the application support group that works with end users and is also responsible for loading contract change data into the application. Costs in these centers include Company labor and related expenses as well as software maintenance fees, contract labor and tools to support the TBS system application.
102	002	1838	ATM-Dal-TBS Technical Support	Provide technical support for the TBS suite. To provide support for the Transportation Billing System ("TBS") applications and related processes. The TBS Suite enables divisions to perform gas scheduling and complex billing functions for transportation and industrial sales customers, and provides support for those systems. Cost Center 1838 is the Technical Support group which is responsible for polling all of the electronic meters as well as providing programming support to the TBS application. Costs in these centers include Company labor and related expenses as well as software maintenance fees, contract labor and tools to support the TBS system application.
103	002	1839	ATM-Dal-TBS Transportation & Scheduling	Provide transportation, nomination & scheduling services to the divisions using TBS. To provide support for the Transportation Billing System ("TBS") applications and related processes. The TBS Suite enables divisions to perform gas scheduling and complex billing functions for transportation and industrial sales customers, and provides support for those systems. Cost Center 1839 is the Scheduling Group for the Atmos Utility Divisions. Costs in these centers include Company labor and related expenses as well as software maintenance fees, contract labor and tools to support the TBS system application.
104	002/012	1901	ATM-Dallas Employee Relocation Exp	Used to accumulate costs associated with the relocation of employees to Shared Services. Charges include transportation of household goods, closing costs, incidentals, etc.
105	002	1903	ATM-Dal-Controller Misc	Used to accumulate costs which do not specifically relate to another Shared Services Cost Center
106	002	1904	ATM-Dallas Performance Plan	Costs of the Management Incentive Plan ("MIP") and Variable Payment Plan ("VPP") for individuals in Shared Services Cost Centers. The two plans are intended to provide the Company a means by which it can engender and sustain a sense of personal commitment on the part of its employees (through the VPP) and its executives and senior managers (through the MIP) in the continued growth, development, and financial success of the Company and encourage them to remain with and devote their best efforts to the business of the Company, thereby advancing the interests of the Company and its shareholders. Accordingly, the Company may award to employees, executives and senior managers the respective annual incentive compensation.

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Division (1) (a)	Cost Center (b)	Description (c)	Cost Center Function (d)
107	002	1905	ATM-Outside Director Retirement Cost	Accrued retirement costs for the non-employee members of the Board of Directors. Cost associated with the annual grant of share units to non-employee directors for their service on the Board of Directors. Like all publicly held corporations, Atmos has a board of directors, and the activities of the board benefit the Company and its customers as a whole. These directors require compensation. Part of the compensation package includes annual grants of shares of the Company's stock. The expense recorded in this cost center is not invoiced from a third-party. Rather, it is calculated in accordance with the provisions of ASC 718 Compensation - Stock Compensation (formerly SFAS No. 123R)). Essentially, this standard requires shared-based compensation to be recognized over the requisite service period. The amount of the compensation cost recorded in this cost center is based upon the number of shares granted and the grant date fair value of the stock award.
108	002	1908	ATM-Dallas SEBP	Atmos Energy Corporation has implemented and maintained over the past years a supplemental executive retirement plan as an integral part of its executive compensation program. There are currently three SERP plans in which active corporate officers participate. The SEBP is currently closed to new membership; only employees promoted to or directly appointed to a Management Committee level job are eligible to join the SERP. An account based SERP is now in place to which newly appointed corporate officers are eligible. The SERP has been instrumental in helping the Company to attract, motivate, and retain a high quality senior management team responsible for the leadership of the Atmos organization. To capture the cost associated with these plans, Cost Center 1908 has been established. Annuity benefits from the SEBP and SERP are funded through Rabbi Trusts maintained at State Street Trust and lump sum benefits from the SEBP, SERP and Account Based SERP are paid from Corporate assets. Atmos Energy's Company-Owned Life Insurance (COLI) which is a funding vehicle for benefits paid to former officers who receive an annuity benefit paid out of Corporate assets. The COLI reimburses Atmos for these annuity benefits. The SFAS 87 (now ASC 715) expense related to these annuity benefits is charged to the respective division where the former Corporate officer retired. The SFAS 87 expense for current retired SEBP and SERP participants, the management committee and current active Corporate officers is also accounted for in Cost Center 1908. The SFAS 87 expense for the SEBP and SERP is actuarially determined by an independent third-party actuary in accordance with SFAS 87. The COLI policies were executed on certain executives (now retired) in prior years and are being phased out. Currently, no new policies are being executed. Finally, this Cost Center is used to record the independent actuary's cost to perform the annual SFAS 87 and SFAS 106 calculations required for Atmos Energy's SEC filings. This includes third-party costs associated with the administration of the SEBP (Haynes Boone, State Street, Towers Watson, LCG Associates). These costs are part of the overall executive compensation plan and are not incentive compensation.
109	002	1910	ATM-Corporate Overhead Capitalized	Represents the portion of Shared Services costs that are capitalized through the overhead pool throughout the year. Capitalization rates are based on estimated support of capital activities by each cost center.
110	002	1913	ATM-Dal-Fleet Management	Costs associated with managing Atmos' vehicle fleet
111	002	1915	ATM-Dallas Insurance	Used for booking insurance costs related to Shared Services.
112	002	1953	ATM-Dallas Enterprise Team Meeting	Used to record expenses related to the Enterprise Team Meeting.
113	002	1954	ATM-Dallas Culture Council	This cost center is used to record expenses related to the company's Culture Council. The purpose of the Culture Council is to sustain and strengthen a unified culture at Atmos Energy. The Culture Council is currently made up of leaders across the company that meet throughout the year to discuss and develop ways of sustaining and strengthening our company culture.

Note:

1. Division 002 represents the General Office and Division 012 represents Customer Support.

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
MISCELLANEOUS ADJUSTMENTS
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Footnote Reference	FERC Account	Amounts
	(a)	(b)	(c)	(d)
1	<u>Mid-Tex Direct:</u>			
2	5400 Sub-Account Review	(1)	874	\$ (4,799)
3	5400 Sub-Account Review	(1)	878	(296)
4	5400 Sub-Account Review	(1)	880	(7,341)
5	5400 Sub-Account Review	(1)	902	(105)
6	5400 Sub-Account Review	(1)	910	(2,060)
7	5400 Sub-Account Review	(1)	913	-
8	5400 Sub-Account Review	(1)	921	(252,526)
9	5400 Sub-Account Review	(1)	925	(310,445)
10	5400 Sub-Account Review	(1)	926	(125)
11	900 Account Review	(2)	902	(4,154)
12	900 Account Review	(2)	908	(230)
13	900 Account Review	(2)	910	(54,632)
14	900 Account Review	(2)	913	(60,740)
15	900 Account Review	(2)	921	(2,409)
16	900 Account Review	(2)	923	(13,668)
17	900 Account Review	(2)	926	(706)
18	Pension and Other Postemployment Benefits Regulatory Asset/Liability Amortization	(3)	926	292,129
19	Remove Miscellaneous Rate Case Expenses	(4)	928	(58,020)
20	Remove Rate Case Expenses	(5)	923	(72,709)
21	Settlement Pay Adjustment	(6)	926	-
22	Adjustment to move transactions to correct FERC account	(7)	902	355
23	Adjustment to move transactions to correct FERC account	(7)	841	(355)
24	Retirement Savings Plan - Company Matching Contributions Percentage Increase	(8)	926	488,217
25	Total Mid-Tex Direct Miscellaneous Adjustments (Sum Ln 2 through Ln 24)			<u>\$ (64,618)</u>
26				

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
MISCELLANEOUS ADJUSTMENTS
TEST YEAR ENDING JUNE 30, 2024

Line No.	Description	Footnote Reference	FERC Account	Amounts
	(a)	(b)	(c)	(d)
27	<u>Shared Services General Office (Div 002)</u>			
28	Employee Related Expenses - 5400 Subaccount Review	(1)	922	\$ (38,497)
29	Employee Related Expenses - 900 Account Review	(2)	922	(108,671)
30	Settlement Pay Adjustment	(6)	922	(49,130)
31	Retirement Savings Plan - Company Matching Contributions Percentage Increase	(8)	922	182,858
32	Cloud Computing Amortization	(9)	922	(1,523,240)
33	Incentive Compensation (MIP/LTIP) Expense	(10)	922	(779,823)
34	Remove SERP (CC 1908)	(11)	922	(282,097)
35	Total SSU General Office Miscellaneous Adjustments (Sum Ln 28 through Ln 34)			<u>\$ (2,598,599)</u>
36				
37	<u>Shared Services Customer Support (Div 012)</u>			
38	Employee Related Expenses - 5400 Subaccount Review	(1)	922	\$ (1,800)
39	Employee Related Expenses - 900 Account Review	(2)	922	(9,147)
40	Settlement Pay Adjustment	(6)	922	-
41	Retirement Savings Plan - Company Matching Contributions Percentage Increase	(8)	922	151,592
42	Cloud Computing Amortization	(9)	922	(379,326)
43	Total SSU General Office Miscellaneous Adjustments (Sum Ln 38 through Ln 42)			<u>\$ (238,681)</u>
44				
45	Total Miscellaneous Adjustments (Ln 25+ Ln 35 + Ln 43)			<u><u>\$ (2,901,899)</u></u>
46				
47	Notes:			
48	1. An adjustment to O&M expenses recorded in sub accounts 05400-05499 and 07590 that are being voluntarily removed by the Company and include items such as alcohol and meals greater than \$25. Any adjustments in sub accounts 05415, 05416, 05417 and 07510 are shown on WP_F-2.10.			
49	2. An adjustment to O&M expenses recorded to FERC Accounts 901-903, 908-913, 920-926, 928, 930.1, 930.2 and 932 that are being voluntarily removed by the Company and include items such as meals greater than \$25, alcohol and other controversial items.			
50	3. An adjustment to include the annual amortization of the Pension and Other Postemployment Benefits Regulatory Asset/Liability. Please see WP_B-7.			
51	4. An adjustment to remove rate related expenses to be recovered in other proceedings or expenses the Company is not seeking to recover.			

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
MISCELLANEOUS ADJUSTMENTS
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Footnote Reference	FERC Account	Amounts
	(a)	(b)	(c)	(d)
52	5. An adjustment to remove Company rate case expenses incurred in the test year from the Cost of Service calculation. The Company proposes to recover these expenses in a separate rate case expense docket.			
53	6. An adjustment to remove expenses related to Settlement Pay for Mid-Tex and allocated amounts for Shared Services.			
54	7. An adjustment to record expenses to the correct FERC account.			
55	8. An adjustment was calculated to increase expense related to the Retirement Savings Plan/401(k) Company Matching Contribution. The adjustment calculates the 1% Company match increase from 4% to 5% effective January 1, 2025.			
56	9. An adjustment to remove the amortization related to cloud computing implementation costs. Please refer to the testimony of Company witness Barbara Myers for additional details related to this adjustment.			
57	10. An adjustment to remove the MIP and LTIP expense associated with executives per TEX. UTIL. CODE § 104.060. No other incentive compensation adjustments are included in expense.			
58	11. The calculated SERP adjustment removes the expense amount of SSU SEBP/SERP benefit costs to align with the disallowance of Cost Center 1908 in the Final Order of GUD No. 9762, Finding of Fact 78 and in the Final Order of GUD No. 10170. Please refer to WP_F-2.7 for the adjustment calculation.			

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
UNCOLLECTIBLE EXPENSE ADJUSTMENT
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Reference	Calculated Amounts
	(a)	(b)	(c)
1	Proposed Total Revenue Requirement - Schedule A	(1)	\$ 2,874,089,954
2	Per Book Uncollectible Experience Rate	(2)	0.943%
3	Estimated Total Uncollectible Expense	(2), Ln 1 x Ln 2	<u>\$ 27,115,340</u>
4			
5	Proposed Revenue Requirement - Rider GCR Part A	(3)	\$ 370,903,836
6	Per Book Uncollectible Experience Rate	(2)	0.943%
7	Estimated Uncollectible Expense - Rider GCR Part A	Ln 5 x Ln 6	<u>\$ 3,499,258</u>
8			
9	Proposed Uncollectible Expense excluding Rider GCR Part A Component	Ln 3 - Ln 7	\$ 23,616,082
10			
11	Per Book Uncollectible Expense	Schedule F-1	<u>14,361,042</u>
12			
13	Adjustment to Uncollectible Expense (Account 904)	Ln 9 - Ln 11	<u><u>\$ 9,255,040</u></u>
14			
15	Notes:		
16	1. The amount is from Cost of Service Schedule A, Col. (g), Ln 20.		
17	2. The experience rate was calculated using the 3-year average of actual net charge-offs, 12-Months Ending June 2022, June 2023, and June 2024. The calculation methodology was established in GUD No. 9670, approved most recently in GUD No. 10170, Finding of Fact 33 and affirmed in GUD No. 10742.		
18	3. The amount is from Cost of Service Schedule A, Col. (e) Ln 2.		

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
RULE COMPLIANCE ADJUSTMENT
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Rule (1)	FERC Account	Adjustment Amount
	(a)	(b)	(c)	(d)
1	Mid-Tex:			
2	Nondeductible Dues/Donations	7.5414	874	\$ (174)
3	Nondeductible Dues/Donations	7.5414	880	(2,372)
4	Nondeductible Dues/Donations	7.5414	910	(23,263)
5	Nondeductible Dues/Donations	7.5414	913	(24,433)
6	Nondeductible Dues/Donations	7.5414	921	(16)
7	Nondeductible Dues/Donations	7.5414	930.2	(16,142)
8	Total (Sum Ln 2 through Ln 7)			<u>\$ (66,399)</u>
9				
10	Shared Services:			
11	Nondeductible Dues/Donations from SSU General Office	7.5414	922	\$ (6,820)
12	Nondeductible Dues/Donations from SSU Customer Support	7.5414	922	-
13	Total (Sum Ln 11 through Ln 12)			<u>\$ (6,820)</u>
14				
15	Total Rule Compliance (Ln 8 + Ln 13)			<u>\$ (73,219)</u>
16				
17	Notes:			
18	1. In compliance with TEX. ADMIN. CODE § 7.5414, the test year expenses removed are from sub-accounts 05415, 05416, 05417 and 07510.			
19	2. In compliance with TEX. ADMIN. CODE § 7.501, the Company advises the following Legislative Advocacy expenses were incurred and booked to Account 426.4.			
20				
21		CY 2023	Test Year	
22	Mid-Tex Division	\$ 451,930	\$ 462,293	
23	Shared Services (Before Allocations)	399,396	428,091	

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
RULE COMPLIANCE, 7.5414, ADJUSTMENT CALCULATION FOR ADVERTISING LIMITATION
TEST YEAR ENDING JUNE 30, 2024

Line No.	Description	FERC Account	Per Book Amount (1)	Adjustment Amount
	(a)	(b)	(c)	(d)
1	Supervision	907	\$ -	\$ -
2	Customer Assistance Expenses	908	1,136,003	-
3	Informational and Instructional Advertising Expenses	909	-	-
4	Miscellaneous Customer Service and Informational Expenses	910	439,228	-
5	Supervision	911	1,095	-
6	Demonstrating and Selling Expenses	912	18,000	-
7	Advertising Expenses	913	251,197	-
8	Miscellaneous Sales Expenses	916	-	-
9	General Advertising Expenses	930.1	-	-
10				
11	Total Advertising (Sum of Ln 1 through Ln 10)		<u>\$ 1,845,523</u>	<u>\$ -</u>
12				
13	Total Operating Revenue	480-496	\$ 2,247,777,920	
14	Less: Uncollectible Accounts	904	<u>14,361,042</u>	
15				
16	Total Gross Receipts (Ln 13 - Ln 14)		\$ 2,233,416,878	
17				
18	Allowable Percentage for Advertising per Substantive Rule 7.5414		0.500%	
19				
20	Calculated Allowable Advertising Expense (Ln 16 x Ln 18)		<u>\$ 11,167,084</u>	
21				
22	Total Advertising Expense Per Book (Ln 11)		<u>\$ 1,845,523</u>	
23				
24	Adjustment Amount (2), (3)			<u>\$ -</u>
25				
26				
27	Notes:			
28	1. Per Book amount is net of per book labor.			
29	2. An adjustment, if applicable, is allocated to accounts based upon the relative per book amounts.			
30	3. An adjustment is required if the amount shown on Line 11, Column (c), exceeds the amount shown on Line 20, Column (c). If the amount shown on Line 11, Column (c), is less than Line 20 then no adjustment is required.			
31	4. The above information is provided per Substantive Rule 7.5414.			

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CUSTOMER CONSERVATION PROGRAM ADJUSTMENT
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Per Books Amount	Adjusted Costs	Adjustment Amount
	(a)	(b)	(c)	(d)
1	Customer Funded Program Costs - Account 908, Sub Account 04030	\$ 1,023,409	\$ -	\$ (1,023,409)
2				
3	Note:			
4	1. The Conservation program is collected through Rider CEE and is not part of the revenue requirement.			

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
DEPRECIATION AND AMORTIZATION EXPENSE
TEST YEAR ENDING JUNE 30, 2024

Line No.	Utility Account	Account Description	Reference	Total Adjusted Plant Balance	Non-depreciable and Fully Depreciated Plant	Depreciable Plant	Proposed Rates	Proposed Depreciation Expense
	(a)	(b)		(c)	(d)	(e) = (c) - (d)	(f)	(g) = (e) x (f)
1	Mid-Tex:							
2	Distribution Plant							
3	374.01	Land		\$ 6,426,488	\$ 6,426,488	\$ -	0.00%	\$ -
4	374.02	Land Rights		13,905,920	-	13,905,920	1.33%	184,949
5	375.00	Structures & Improvements		1,810,961	-	1,810,961	2.56%	46,361
6	376.00	Mains-Cathodic Protection		76,689,834	-	76,689,834	2.21%	1,694,845
7	376.01	Mains-Steel		936,013,684	-	936,013,684	4.07%	38,095,757
8	376.02	Mains-Plastic		5,257,260,780	-	5,257,260,780	2.44%	128,277,163
9	376.03	Anodes	(1)	94,756,825	-	94,756,825	6.67%	6,320,280
10	376.04	Leak Clamps	(1)	272,387,286	-	272,387,286	5.00%	13,619,364
11	378.00	M&R Station Equipment		248,035,978	-	248,035,978	3.81%	9,450,171
12	379.00	City Gate Equipment		7,607,375	-	7,607,375	4.70%	357,547
13	380.00	Services		2,856,629,156	-	2,856,629,156	4.10%	117,121,795
14	381.00	Meters		468,747,450	-	468,747,450	4.65%	21,796,756
15	382.00	Meter Installations		378,997,226	-	378,997,226	5.01%	18,987,761
16	383.00	House Regulators		97,799,167	-	97,799,167	4.35%	4,254,264
17	385.00	Industrial M&R Station Equipment		4,655,691	-	4,655,691	3.80%	176,916
18		Total Distribution Plant	Sum Ln 3 through Ln 17	\$ 10,721,723,823	\$ 6,426,488	\$ 10,715,297,335		\$ 360,383,930
19								
20	General Plant							
21	302.00	Franchises & Consents		\$ 18,896	\$ 18,896	\$ -	0.00%	\$ -
22	303.00	Miscellaneous Intangible Plant		709,231	709,231	-	0.00%	-
23	389.00	Land		5,006,336	5,006,336	-	0.00%	-
24	390.00	Structures & Improvements		75,144,462	-	75,144,462	2.80%	2,104,045
25	390.04	Air Conditioning Equipment		835,170	-	835,170	2.80%	23,385
26	391.00	Office Furniture & Equipment		8,383,687	-	8,383,687	4.00%	335,347
27	392.00	Transportation Equipment	(2)	470,130	470,130	-	14.52%	-
28	393.00	Stores Equipment	(2)	128,968	-	128,968	5.00%	1,389
29	394.00	Tools, Shop, and Garage Equipment	(2)	39,607,660	-	39,607,660	6.67%	734,990
30	395.00	Laboratory Equipment	(2)	1,163,017	-	1,163,017	10.00%	25,053
31	396.00	Power Operated Equipment	(2)	851,041	-	851,041	10.02%	1,705
32	397.00	Communication Equipment		1,168,863	-	1,168,863	6.67%	77,963
33	398.00	Miscellaneous Equipment		2,448,197	-	2,448,197	4.00%	97,928
34	399.00	Other Tangible Property		42,409	-	42,409	20.00%	8,482
35	399.01	Servers Hardware		4,377	4,377	-	14.29%	-
36	399.02	Servers Software		-	-	-	14.29%	-
37	399.03	Network Hardware		1,550,592	-	1,550,592	14.29%	221,580
38	399.06	PC Hardware		12,484,892	-	12,484,892	20.00%	2,496,978
39	399.07	PC Software		368,077	-	368,077	20.00%	73,615
40	399.08	Application Software		825,602	-	825,602	10.00%	82,560
41		Total General Plant	Sum Ln 21 through Ln 40	\$ 151,211,607	\$ 6,208,971	\$ 145,002,636		\$ 6,285,021
42								
43		Total Mid-Tex Direct	Ln 18 + Ln 41	\$ 10,872,935,430	\$ 12,635,459	\$ 10,860,299,971		\$ 366,668,951
44								

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
DEPRECIATION AND AMORTIZATION EXPENSE
TEST YEAR ENDING JUNE 30, 2024

Line No.	Utility Account	Account Description	Reference	Total Adjusted Plant Balance	Non-depreciable and Fully Depreciated Plant	Depreciable Plant	Proposed Rates	Proposed Depreciation Expense
	(a)	(b)		(c)	(d)	(e) = (c) - (d)	(f)	(g) = (e) x (f)
45	<u>SSU - Customer Support (Div 012):</u>							
46	<u>General Plant</u>							
47	389.00	Land & Land Rights		\$ 2,874,240	\$ 2,874,240	\$ -	0.00%	\$ -
48	390.00	Structures & Improvements		13,541,697	-	13,541,697	2.38%	322,292
49	390.09	Improvements to Leased Premises		3,162,730	-	3,162,730	4.43%	140,109
50	391.00	Office Furniture & Equipment		2,708,969	-	2,708,969	6.36%	172,290
51	397.00	Communication Equipment		1,913,117	-	1,913,117	6.34%	121,292
52	398.00	Miscellaneous Equipment		119,522	-	119,522	7.00%	8,367
53	399.00	Other Tangible Property		-	-	-	14.24%	-
54	399.01	Servers Hardware		5,650,663	-	5,650,663	12.66%	715,374
55	399.02	Servers Software		1,824,740	1,824,740	-	10.10%	-
56	399.03	Network Hardware		669,916	-	669,916	11.28%	75,567
57	399.06	PC Hardware		1,673,780	-	1,673,780	19.93%	333,584
58	399.07	PC Software		-	-	-	11.66%	-
59	399.08	Application Software		105,569,443	-	105,569,443	6.93%	7,315,962
60		Total SSU Customer Support	Sum Ln 47 through Ln 59	\$ 139,708,816	\$ 4,698,980	\$ 135,009,836		\$ 9,204,837
61		Allocation Factor		53.30%	53.30%	53.30%		53.30%
62		Total Allocated SSU Customer Support	Ln 60 x Ln 61	\$ 74,464,799	\$ 2,504,556	\$ 71,960,243		\$ 4,906,178
63								
64	<u>SSU CKV Training Center (Div 012):</u>							
65	<u>General Plant</u>							
66	389.10	Land & Land Rights		\$ 1,886,443	\$ 1,886,443	\$ -	0.00%	\$ -
67	390.10	Structures & Improvements		12,590,703	-	12,590,703	2.38%	299,659
68	391.10	Office Furniture & Equipment		770,477	-	770,477	6.36%	49,002
69	392.10	Transportation Equipment		74,994	74,994	-	6.59%	-
70	394.10	Tools, Shop, and Garage Equipment		681,068	-	681,068	12.44%	84,725
71	395.10	Laboratory Equipment		-	-	-	10.00%	-
72	397.10	Communication Equipment		92,838	-	92,838	6.34%	5,886
73	398.10	Miscellaneous Equipment		612,503	-	612,503	7.00%	42,875
74	399.10	Other Tangible Equipment		194,970	-	194,970	14.24%	27,764
75	399.16	PC Hardware		116,342	-	116,342	19.93%	23,187
76	399.17	PC Software		3,299	-	3,299	11.66%	385
77	399.18	Application Software		-	-	-	6.93%	-
78		Total SSU CKV Training Center	Sum Ln 66 through Ln 77	\$ 17,023,636	\$ 1,961,437	\$ 15,062,200		\$ 533,482
79		Allocation Factor		74.08%	74.08%	74.08%		74.08%
80		Total Allocated SSU CKV Training Center	Ln 78 x Ln 79	\$ 12,611,654	\$ 1,453,095	\$ 11,158,559		\$ 395,221
81								
82		Total Allocated SSU Customer Support (Div 012)	Ln 62 + Ln 80	\$ 87,076,453	\$ 3,957,651	\$ 83,118,802		\$ 5,301,399
83								

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
DEPRECIATION AND AMORTIZATION EXPENSE
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Utility Account	Account Description	Reference	Total Adjusted Plant Balance	Non-depreciable and Fully Depreciated Plant	Depreciable Plant	Proposed Rates	Proposed Depreciation Expense
	(a)	(b)		(c)	(d)	(e) = (c) - (d)	(f)	(g) = (e) x (f)
84	<u>SSU - General Office (Div 002):</u>							
85	<u>General Plant</u>							
86	390.00	Structures & Improvements		\$ 1,751,336	\$ -	\$ 1,751,336	2.38%	\$ 41,682
87	390.09	Improvements to Leased Premises		9,462,639	-	9,462,639	4.43%	419,195
88	391.00	Office Furniture & Equipment		5,093,500	-	5,093,500	6.36%	323,947
89	392.00	Transportation Equipment		315,397	-	315,397	6.59%	20,785
90	393.00	Stores Equipment		-	-	-	10.00%	-
91	394.00	Tools, Shop, and Garage Equipment		30,134	-	30,134	12.44%	3,749
92	395.00	Laboratory Equipment		-	-	-	10.00%	-
93	397.00	Communication Equipment		425,318	-	425,318	6.34%	26,965
94	398.00	Miscellaneous Equipment		107,931	-	107,931	7.00%	7,555
95	399.00	Other Tangible Property		-	-	-	14.24%	-
96	399.01	Servers Hardware		45,054,233	-	45,054,233	12.66%	5,703,866
97	399.02	Servers Software		12,919,828	-	12,919,828	10.10%	1,304,903
98	399.03	Network Hardware		4,711,978	-	4,711,978	11.28%	531,511
99	399.06	PC Hardware		5,274,344	-	5,274,344	19.93%	1,051,177
100	399.07	PC Software		82,728	-	82,728	11.66%	9,646
101	399.08	Application Software		100,289,973	-	100,289,973	6.93%	6,950,095
102		Total SSU General Office	Sum Ln 86 through Ln 101	\$ 185,519,340	\$ -	\$ 185,519,340		\$ 16,395,075
103		Allocation Factor		40.94%	40.94%	40.94%		40.94%
104		Total Allocated SSU General Office	Ln 102 x Ln 103	\$ 75,951,618	\$ -	\$ 75,951,618		\$ 6,712,144
106	<u>SSU Greenville Data Center (Div 002):</u>							
107	<u>General Plant</u>							
108	390.05	Structures & Improvements		\$ 15,005,698	\$ -	\$ 15,005,698	2.38%	\$ 357,136
109	391.04	Office Furniture & Equipment		71,036	-	71,036	6.36%	4,518
110		Total SSU Greenville Data Center	Ln 108 + Ln 109	\$ 15,076,734	\$ -	\$ 15,076,734		\$ 361,654
111		Allocation Factor		14.36%	14.36%	14.36%		14.36%
112		Total Allocated SSU Greenville Data Center	Ln 110 x Ln 111	\$ 2,165,587	\$ -	\$ 2,165,587		\$ 51,947
113								

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
DEPRECIATION AND AMORTIZATION EXPENSE
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Utility Account	Account Description	Reference	Total Adjusted Plant Balance	Non-depreciable and Fully Depreciated Plant	Depreciable Plant	Proposed Rates	Proposed Depreciation Expense
	(a)	(b)		(c)	(d)	(e) = (c) - (d)	(f)	(g) = (e) x (f)
114	<u>SSU Distribution & Marketing (Div 002):</u>							
115	<u>General Plant</u>							
116	390.20	Structures & Improvements		\$ 24,633	\$ -	\$ 24,633	2.38%	\$ 586
117	390.29	Improvements to Leased Premises		54,743	-	54,743	4.43%	2,425
118	391.20	Office Furniture & Equipment		86,604	-	86,604	6.36%	5,508
119	394.20	Tools, Shop, and Garage Equipment		-	-	-	12.44%	-
120	397.20	Communication Equipment		77,436	-	77,436	6.34%	4,909
121	398.20	Miscellaneous Equipment		10,582	-	10,582	7.00%	741
122	399.21	Servers Hardware		6,913,438	-	6,913,438	12.66%	875,241
123	399.22	Servers Software		5,425,529	-	5,425,529	10.10%	547,978
124	399.23	Network Hardware		576,066	-	576,066	11.28%	64,980
125	399.26	PC Hardware		146,532	-	146,532	19.93%	29,204
126	399.28	Application Software		29,611,855	-	29,611,855	6.93%	2,052,102
127		Total SSU Distribution & Marketing	Sum Ln 116 through Ln 126	\$ 42,927,418	\$ -	\$ 42,927,418		\$ 3,583,675
128		Allocation Factor		52.30%	52.30%	52.30%		52.30%
129		Total Allocated SSU Distribution & Marketing	Ln 127 x Ln 128	\$ 22,451,040	\$ -	\$ 22,451,040		\$ 1,874,262
130								
131	<u>SSU Align Pipe Project (Div 002):</u>							
132	<u>General Plant</u>							
133	399.31	Servers Hardware		\$ 297,267	\$ -	\$ 297,267	12.66%	\$ 37,634
134	399.32	Servers Software		783,917	-	783,917	10.10%	79,176
135	399.38	Application Software		21,428,986	-	21,428,986	6.93%	1,485,029
136		Total SSU Align Pipe Project	Sum Ln 133 through Ln 135	\$ 22,510,169	\$ -	\$ 22,510,169		\$ 1,601,838
137		Allocation Factor		6.31%	6.31%	6.31%		6.31%
138		Total Allocated SSU Align Pipe Project	Ln 136 x Ln 137	\$ 1,420,629	\$ -	\$ 1,420,629		\$ 101,093
139								
140		Total Allocated SSU General Office (Div 002)	Ln 104 + Ln 112 + Ln 129 + Ln 138					\$ 8,739,446
141								
142		Total Allocated SSU Plant to Mid-Tex	Ln 82 + Ln 140					\$ 14,040,845
143								
144		Total Mid-Tex Gross Plant	Ln 43 + Ln 142					\$ 380,709,795
145								
146	Notes:							
147	1. New accounts created to track the amortization of anodes and leak clamps per the proposed Mid-Tex Depreciation Study. Please see the direct testimony of Company Witness Dane Watson for details.							
148	2. Column (g) includes an amount net of depreciation expense cleared to capital for the following Mid-Tex Direct accounts:							
149	Account	Description	Capital %					
150	392.00	Transportation Equipment (fully depreciated)						
151	393.00	Stores Equipment	78.46%					
152	394.00	Tools, Shop, and Garage Equipment	72.18%					
153	395.00	Laboratory Equipment	78.46%					
154	396.00	Power Operated Equipment	98.00%					

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
DEPRECIATION RATE SUMMARY
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Acct.	Description	Current	Proposed (1)
	(a)	(b)	(c)	(d)
1	<u>Mid-Tex:</u>			
2	<u>Distribution Plant</u>			
3	374.01	Land	0.00%	0.00%
4	374.02	Land Rights	0.98%	1.33%
5	375.00	Structures & Improvements	1.71%	2.56%
6	376.00	Mains-Cathodic Protection	1.85%	2.21%
7	376.01	Mains-Steel	3.97%	4.07%
8	376.02	Mains-Plastic	2.21%	2.44%
9	376.03	Anodes	0.00%	6.67%
10	376.04	Leak Clamps	0.00%	5.00%
11	378.00	M&R Station Equipment	3.09%	3.81%
12	379.00	City Gate Equipment	1.88%	4.70%
13	380.00	Services	3.67%	4.10%
14	381.00	Meters	3.31%	4.65%
15	382.00	Meter Installations	3.66%	5.01%
16	383.00	House Regulators	3.50%	4.35%
17	385.00	Industrial M&R Station Equipment	2.80%	3.80%
18				
19	<u>General Plant</u>			
20	302.00	Franchises & Consents	0.00%	0.00%
21	303.00	Miscellaneous Intangible Plant	0.00%	0.00%
22	389.00	Land	0.00%	0.00%
23	390.00	Structures & Improvements	2.54%	2.80%
24	390.04	Air Conditioning Equipment	2.75%	2.80%
25	391.00	Office Furniture & Equipment	4.00%	4.00%
26	392.00	Transportation Equipment	9.04%	14.52%
27	393.00	Stores Equipment	4.00%	5.00%
28	394.00	Tools, Shop, and Garage Equipment	5.00%	6.67%

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
DEPRECIATION RATE SUMMARY
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Acct.	Description	Current	Proposed (1)
	(a)	(b)	(c)	(d)
29	395.00	Laboratory Equipment	10.00%	10.00%
30	396.00	Power Operated Equipment	7.24%	10.02%
31	397.00	Communication Equipment	6.67%	6.67%
32	398.00	Miscellaneous Equipment	2.50%	4.00%
33	399.00	Other Tangible Property	14.29%	20.00%
34	399.01	Servers Hardware	14.29%	14.29%
35	399.02	Servers Software	14.29%	14.29%
36	399.03	Network Hardware	11.11%	14.29%
37	399.06	PC Hardware	14.29%	20.00%
38	399.07	PC Software	14.29%	20.00%
39	399.08	Application Software	14.29%	10.00%
40				
41	<u>SSU - Customer Support (Div 012):</u>			
42	<u>General Plant</u>			
43	389.00	Land & Land Rights	0.00%	0.00%
44	390.00	Structures & Improvements	3.34%	2.38%
45	390.09	Improvements to Leased Premises	4.06%	4.43%
46	391.00	Office Furniture & Equipment	4.03%	6.36%
47	397.00	Communication Equipment	5.54%	6.34%
48	398.00	Miscellaneous Equipment	1.72%	7.00%
49	399.00	Other Tangible Property	13.84%	14.24%
50	399.01	Servers Hardware	8.62%	12.66%
51	399.02	Servers Software	8.78%	10.10%
52	399.03	Network Hardware	8.72%	11.28%
53	399.06	PC Hardware	8.78%	19.93%
54	399.07	PC Software	6.64%	11.66%
55	399.08	Application Software	6.57%	6.93%
56				

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
DEPRECIATION RATE SUMMARY
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Acct.	Description	Current	Proposed (1)
	(a)	(b)	(c)	(d)
57	<u>SSU CKV Training Center (Div 012):</u>			
58	<u>General Plant</u>			
59	389.10	Land & Land Rights	0.00%	0.00%
60	390.10	Structures & Improvements	3.34%	2.38%
61	391.10	Office Furniture & Equipment	4.03%	6.36%
62	392.10	Transportation Equipment	28.96%	6.59%
63	394.10	Tools, Shop, and Garage Equipment	8.88%	12.44%
64	395.10	Laboratory Equipment	10.00%	10.00%
65	397.10	Communication Equipment	5.54%	6.34%
66	398.10	Miscellaneous Equipment	1.72%	7.00%
67	399.10	Other Tangible Equipment	13.84%	14.24%
68	399.16	PC Hardware	8.78%	19.93%
69	399.17	PC Software	6.64%	11.66%
70	399.18	Application Software	6.57%	6.93%
71				

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
DEPRECIATION RATE SUMMARY
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Acct.	Description	Current	Proposed (1)
	(a)	(b)	(c)	(d)
72	<u>SSU - General Office (Div 002):</u>			
73	<u>General Plant</u>			
74	390.00	Structures & Improvements	3.34%	2.38%
75	390.09	Improvements to Leased Premises	4.06%	4.43%
76	391.00	Office Furniture & Equipment	4.03%	6.36%
77	392.00	Transportation Equipment	28.96%	6.59%
78	393.00	Stores Equipment	10.00%	10.00%
79	394.00	Tools, Shop, and Garage Equipment	8.88%	12.44%
80	395.00	Laboratory Equipment	10.00%	10.00%
81	397.00	Communication Equipment	5.54%	6.34%
82	398.00	Miscellaneous Equipment	1.72%	7.00%
83	399.00	Other Tangible Property	13.84%	14.24%
84	399.01	Servers Hardware	8.62%	12.66%
85	399.02	Servers Software	8.78%	10.10%
86	399.03	Network Hardware	8.72%	11.28%
87	399.06	PC Hardware	8.78%	19.93%
88	399.07	PC Software	6.64%	11.66%
89	399.08	Application Software	6.57%	6.93%
90				
91	<u>SSU Greenville Data Center (Div 002):</u>			
92	<u>General Plant</u>			
93	390.05	Structures & Improvements	3.34%	2.38%
94	391.04	Office Furniture & Equipment	4.03%	6.36%
95				

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
DEPRECIATION RATE SUMMARY
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Acct.	Description	Current	Proposed (1)
	(a)	(b)	(c)	(d)
96	<u>SSU Distribution & Marketing (Div 002):</u>			
97	<u>General Plant</u>			
98	390.20	Structures & Improvements	3.34%	2.38%
99	390.29	Improvements to Leased Premises	4.06%	4.43%
100	391.20	Office Furniture & Equipment	4.03%	6.36%
101	394.20	Tools, Shop, and Garage Equipment	8.88%	12.44%
102	397.20	Communication Equipment	5.54%	6.34%
103	398.20	Miscellaneous Equipment	1.72%	7.00%
104	399.21	Servers Hardware	8.62%	12.66%
105	399.22	Servers Software	8.78%	10.10%
106	399.23	Network Hardware	8.72%	11.28%
107	399.26	PC Hardware	8.78%	19.93%
108	399.28	Application Software	6.57%	6.93%
109				
110	<u>SSU Align Pipe Project (Div 002):</u>			
111	<u>General Plant</u>			
112	399.31	Servers Hardware	8.62%	12.66%
113	399.32	Servers Software	8.78%	10.10%
114	399.38	Application Software	6.57%	6.93%
115				
116	Note:			
117	1. The current depreciation rates were approved in GUD No. 10170. Please see the direct testimony of Company witness Dane Watson for the details regarding the proposed depreciation rates.			

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
TAXES OTHER THAN INCOME TAX - ACCOUNT 408.1
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Per Book Amount	Adjustments	Adjusted Amount
	(a)	(b)	(c)	(d) = (b) + (c)
1	<u>Non Revenue - Related</u>			
2	Ad Valorem Tax	\$ 68,720,179	\$ 30,172,797	\$ 98,892,976
3	Payroll Tax	4,380,254	394,390	4,774,644
4	DOT Pipeline User Fee	179,664	-	179,664
5	Non Revenue - Related Taxes Allocated from SSU	4,497,181	(905,064)	3,592,117
6	Total Non Revenue - Related (Sum Ln 2 through Ln 5)	<u>\$ 77,777,277</u>	<u>\$ 29,662,123</u>	<u>\$ 107,439,401</u>
7				
8	<u>Revenue - Related</u>			
9	State Gross Receipts - Tax	\$ 38,995,130	\$ 10,865,450	\$ 49,860,580
10	Franchise Fees	103,765,231	28,912,737	132,677,968
11	Public Service Commission Assessment	125,543	34,981	160,524
12	Total Revenue - Related (Sum Ln 9 through Ln 11)	<u>\$ 142,885,903</u>	<u>\$ 39,813,168</u>	<u>\$ 182,699,072</u>
13				
14	Total Taxes Other Than Income (Ln 6 + Ln 12)	<u>\$ 220,663,181</u>	<u>\$ 69,475,292</u>	<u>\$ 290,138,472</u>

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
TAXES OTHER THAN INCOME TAX WORKPAPER
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Reference	Amount
	(a)	(b)	(c)
1	<u>Mid-Tex Direct:</u>		
2	<u>Payroll Tax</u>		
3	Base Labor Adjustment for Mid-Tex Direct	WP_F-2.1	\$ 5,155,422
4	Statutory Tax Rate		7.65%
5	Direct Payroll Tax Expense for Base Labor Adjustment	Ln 3 x Ln 4	\$ 394,390
6	Direct Payroll Tax Expense for Test Period	Schedule F-5	4,380,254
7	Total Proposed Payroll Tax	Ln 5 + Ln 6	<u>\$ 4,774,644</u>
8			
9	<u>Ad Valorem Tax</u>		
10	Mid-Tex Payment of Property Taxes	(1) (2)	\$ 77,888,493
11	Capitalized Property Taxes		(1,732,413)
12	Total Mid-Tex Ad Valorem Tax	Ln 10 + Ln 11	<u>\$ 76,156,080</u>
13			
14	Per Book Calendar Year 2022 Ad Valorem Property Net Plant		
15	Mid-Tex Gross Utility Plant		\$ 8,489,069,333
16	Mid-Tex Accumulated Depreciation and Amortization		(1,725,907,746)
17	Total Calendar Year 2022 Mid-Tex Ad Valorem Property Net Plant	Ln 15 + Ln 16	<u>\$ 6,763,161,587</u>
18			
19	Total September 2024 Mid-Tex Ad Valorem Property Net Plant		\$ 8,782,347,752
20	Calculated Mid-Tex Ad Valorem Tax Rate	Ln 12 / Ln 17	1.1260%
21	Total Mid-Tex Ad Valorem Tax Adjusted to September 2024 Plant	Ln 19 x Ln 20	<u>\$ 98,892,976</u>
22			
23	<u>Revenue-Related Taxes:</u>		
24	Total Operating Revenues Per Book (FERC Accounts 480-496)		<u>\$ 2,247,777,920</u>
25			

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
TAXES OTHER THAN INCOME TAX WORKPAPER
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Reference	Amount
	(a)	(b)	(c)
26	<u>Determination of Tax Rates:</u>		
27	State Gross Receipts Tax Expense (4081-30109)	Schedule F-5	\$ 38,995,130
28	Ratio to Total Operating Revenues	Ln 27 / Ln 24	1.7348%
29			
30	Franchise Fees Expense (4081-30107)	Schedule F-5	\$ 103,765,231
31	Ratio to Total Operating Revenues	Ln 30 / Ln 24	4.6163%
32			
33	Public Service Commission Assessment Expense (4081-30112)	Schedule F-5	\$ 125,543
34	Ratio to Total Operating Revenues	Ln 33 / Ln 24	0.0056%
35			
		(Ln 28 + Ln 31 + Ln 34) /	
36	Revenue Related Tax Factor	(1 - Ln 28 + Ln 31 + Ln 34)	6.7883%
37			
38	<u>State Gross Receipts Tax</u>		
39	Revenue Requirement	Schedule A	\$ 2,874,089,954
40	Effective Tax Rate	Ln 28	1.7348%
41	Proposed State Gross Receipts Tax at Projected Rates	Ln 39 x Ln 40	\$ 49,860,580
42			
43	<u>Franchise Fees</u>		
44	Revenue Requirement	Schedule A	\$ 2,874,089,954
45	Effective Tax Rate	Ln 31	4.6163%
46	Proposed Franchise Fees at Projected Rates	Ln 44 x Ln 45	\$ 132,677,968
47			
48	<u>Public Service Commission Assessment</u>		
49	Revenue Requirement	Schedule A	\$ 2,874,089,954
50	Effective Tax Rate	Ln 34	0.0056%
51	Proposed Public Service Commission Assessment at Projected Rates	Ln 49 x Ln 50	\$ 160,524
52			

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
TAXES OTHER THAN INCOME TAX WORKPAPER
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Reference	Amount
	(a)	(b)	(c)
53	<u>SSU:</u>		
54	<u>Payroll Tax Allocated to Mid-Tex</u>		
55	Adjusted Labor Expense Allocated to Mid-Tex	WP_F-5.2, Col (i), Ln 119	\$ 35,553,738
56	Statutory Tax Rate		7.65%
57	Payroll Tax Expense Allocated to Mid-Tex	Ln 55 x Ln 56	\$ 2,719,861
58	Add: Payroll Tax for FUTA & SUTA Allocated to Mid-Tex		54,367
59	Add: Benefit-Related Payroll Tax Expense Allocated to Mid-Tex		95,663
60	Total Proposed Payroll Tax Expense Allocated to Mid-Tex	Ln 57 + Ln 58 + Ln 59	<u>\$ 2,869,891</u>
61			
62	<u>Ad Valorem Tax Allocated to Mid-Tex</u>		
63	Shared Services General Office Tax Payment (2)		\$ 622,895
64	Allocation Factor		40.94%
65	General Office Ad Valorem Tax Expense Allocated to Mid-Tex	Ln 63 x Ln 64	<u>\$ 255,013</u>
66			
67	Per Book Calendar Year 2022 Ad Valorem Property Net Plant		
68	SSU General Office Allocated Gross Utility Plant		\$ 87,852,546
69	SSU General Office Allocated Accumulated Depreciation and Amortization		(43,273,586)
70	Total Calendar Year 2022 SSU General Office Allocated Ad Valorem Property Amounts	Ln 68 + Ln 69	<u>\$ 44,578,960</u>
71			
72	Total September 2024 SSU General Office Allocated Ad Valorem Property Amounts		\$ 50,704,666
73	Calculated SSU General Office Ad Valorem Tax Rate	Ln 65 / Ln 70	0.5720%
74	Total SSU General Office Ad Valorem Tax Adjusted to September 2024 Plant	Ln 72 x Ln 73	<u>\$ 290,055</u>
75			
76	Shared Services Customer Support Tax Payment (2)		\$ 446,848
77	Allocation Factor		53.30%
78	Customer Support Ad Valorem Tax Expense Allocated to Mid-Tex	Ln 76 x Ln 77	<u>\$ 238,170</u>
79			

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
TAXES OTHER THAN INCOME TAX WORKPAPER
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Reference	Amount
	(a)	(b)	(c)
80	Per Book Calendar Year 2022 Ad Valorem Property Net Plant		
81	SSU Customer Support Allocated Gross Utility Plant		\$ 87,332,797
82	SSU Customer Support Allocated Accumulated Depreciation and Amortization		(44,064,350)
83	Total Calendar Year 2022 SSU Customer Support Allocated Ad Valorem Property Amounts	Ln 81 + Ln 82	\$ 43,268,447
84			
85	Total September 2024 SSU Customer Support Allocated Ad Valorem Property Amounts		\$ 36,640,645
86	Calculated SSU Customer Support Ad Valorem Tax Rate	Ln 78 / Ln 83	0.5504%
87	Total SSU Customer Support Ad Valorem Tax Adjusted to September 2024 Plan	Ln 85 x Ln 86	\$ 201,687
88			
89	Total Proposed SSU Ad Valorem Tax Expense Allocated to Mid-Tex	Ln 74 + Ln 87	\$ 491,742
90			
91	<u>Other Tax Allocated to Mid-Tex</u>		
92	Excise Tax (4081-30102)		\$ 562,979
93	Allocation Factor		40.94%
94	Total Proposed SSU Excise Tax Expense Allocated to Mid-Tex	Ln 92 x Ln 93	\$ 230,484
95			
96	Total Non Revenue - Related Tax Expenses Allocated to Mid-Tex	Ln 60 + Ln 89 + Ln 94	\$ 3,592,117
97			
98	Notes:		
99	1. Working Gas in Storage (FERC Account 164.1) was moved from Mid-Tex to Atmos Pipeline - Texas to reflect GUD No. 9869 Final Order classification for rate purposes.		
100	2. Ad Valorem taxes estimated for Calendar Year 2023 was payable in January 2024.		

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SHARED SERVICES ("SSU") ADJUSTED TOTAL LABOR ALLOCATED TO MID-TEX FOR PAYROLL TAX CALCULATION
TEST YEAR ENDING JUNE 30, 2024

Line No.	Cost Center	Description	Ref	Per Book SSU O&M Labor	FY24 Capitalization Rate (1)	Four Factor Allocation Factor (1), (2)	Total	SSU Allocated to Capital	Expense Allocated to Mid-Tex
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (d) x (f)	(h) = (e) x (g)	(i) = (g) - (h)
1	1001	ATM-Dal Executive Chairman		\$ 17	82.50%	40.94%	\$ 7	\$ 6	\$ 1
2	1101	ATM-Dal-Chief Fin Officer		641,794	82.50%	40.94%	262,750	216,779	45,971
3	1102	ATM-Dal-ATM-Utility Operation		482,050	84.69%	52.88%	254,908	215,869	39,039
4	1105	ATM-Dallas Audit		-	0.00%	40.94%	-	-	-
5	1106	ATM-Dal-Treasurer		305,007	54.68%	40.94%	124,870	68,276	56,594
6	1107	ATM-Dal-Treasury		744,674	63.20%	40.94%	304,870	192,676	112,194
7	1108	ATM-Dal-Risk Management		698,250	79.45%	40.94%	285,863	227,119	58,745
8	1110	ATM-Dal-Supply Chain Management		31,584	0.00%	41.21%	13,016	-	13,016
9	1112	ATM-Dal-Mail & Supply		81,335	17.83%	41.21%	33,518	5,976	27,542
10	1114	ATM-Dal-VP & Controller		350,656	33.54%	40.94%	143,559	48,153	95,406
11	1116	ATM-Dal-Taxation		258,435	28.72%	40.94%	105,803	30,384	75,419
12	1117	ATM-Dal-Accounting Svcs		164,943	57.09%	40.94%	67,528	38,550	28,978
13	1118	ATM-Dal-Supply Chain		438,641	16.76%	41.21%	180,764	30,291	150,473
14	1119	ATM-Dal-General Accounting		700,676	37.20%	40.94%	286,857	106,702	180,155
15	1120	ATM-Dal-Accounts Payable		499,042	54.20%	40.94%	204,308	110,730	93,578
16	1121	ATM-Dal-Plant Accounting		701,647	82.90%	40.94%	287,254	238,141	49,113
17	1122	ATM-Dallas Fin Rep & Acctg Svc	(5)	229,688	21.20%	40.94%	94,034	19,931	74,103
18	1123	ATM-Dal-Gas Accounting		213,661	0.00%	41.04%	87,686	-	87,686
19	1125	ATM-Dal-Financial Reporting		1,169,424	13.00%	40.94%	478,762	62,240	416,522
20	1126	ATM-Dal-Payroll		469,947	55.58%	40.94%	192,396	106,938	85,458
21	1128	ATM-Dal-Property & Sales Tax		1,708,689	7.06%	40.94%	699,537	49,379	650,158
22	1129	ATM-Dal-Income Tax		879,915	38.00%	40.94%	360,237	136,890	223,347
23	1130	ATM-Dal-Busi Planning & Analysis		1,189,230	71.76%	40.94%	486,871	349,383	137,488
24	1131	ATM-Dallas Media Relations	(5)	-	0.00%	41.21%	-	-	-
25	1132	ATM-Dal-Investor Relations	(4)	126,120	0.00%	0.00%	-	-	-
26	1133	ATM-Dal-Corporate Communications		1,021,247	0.00%	40.94%	418,099	-	418,099
27	1134	ATM-Dal-IT		1,737,521	38.57%	40.94%	711,341	274,374	436,967
28	1135	ATM-Dal-IT E&O Corporate Systems		1,835,841	21.62%	40.94%	751,593	162,507	589,087
29	1137	ATM-Dal-IT Engineering & Operations		4,177,639	22.76%	40.94%	1,710,325	389,188	1,321,137
30	1139	ATM-Dal-IT Telecommunications	(5)	191,331	20.00%	40.94%	78,331	15,666	62,665
31	1141	ATM-Dal-Gas Purchase Acctg		502,473	0.00%	52.88%	265,708	-	265,708
32	1144	ATM-Dal-Rate Administration		1,047,173	0.00%	52.88%	553,745	-	553,745
33	1145	ATM-Dal-Revenue Accounting		348,747	0.00%	52.88%	184,417	-	184,417

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SHARED SERVICES ("SSU") ADJUSTED TOTAL LABOR ALLOCATED TO MID-TEX FOR PAYROLL TAX CALCULATION
TEST YEAR ENDING JUNE 30, 2024

Line No.	Cost Center	Description	Ref	Per Book SSU O&M Labor	FY24 Capitalization Rate (1)	Four Factor Allocation Factor (1), (2)	Total	SSU Allocated to Capital	Expense Allocated to Mid-Tex
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (d) x (f)	(h) = (e) x (g)	(i) = (g) - (h)
34	1146	ATM-Dallas IT Enterprise Solutions		-	0.00%	40.94%	-	-	-
35	1150	ATM-Dal-Strategic Planning		715,227	78.46%	40.94%	292,814	229,755	63,059
36	1153	ATM-Dal-Distribution Acctg		654,134	0.00%	52.88%	345,906	-	345,906
37	1154	ATM-Dal-Rates & Regulatory		1,930,060	82.50%	41.21%	795,378	656,217	139,160
38	1155	ATM-Dal-Gas Pipeline Accounting		268,958	0.00%	0.00%	-	-	-
39	1156	ATM-Dal-IT Customer Services Systems		2,261,951	10.02%	53.30%	1,205,620	120,843	1,084,777
40	1157	ATM-Stakeholder Strategy	(5)	204,500	82.50%	40.94%	83,722	69,074	14,648
41	1158	ATM-CCC IT Support		-	0.00%	53.30%	-	-	-
42	1159	ATM-Dal-Technical Training		374,496	0.00%	40.94%	153,319	-	153,319
43	1161	ATM-Dal-Benefits & Payroll Accounting		440,046	55.58%	40.94%	180,155	100,134	80,021
44	1164	ATM-Dal-IT Security		1,320,564	17.78%	40.94%	540,639	96,114	444,525
45	1167	ATM-Dal-IT Enterprise Architecture		1,165,445	15.74%	41.21%	480,280	75,611	404,669
46	1172	ATM-Transmission Operational Technology	(5)	147,967	21.80%	0.00%	-	-	-
47	1173	ATM-Distribution Operational Technology	(5)	87,527	22.22%	52.88%	46,284	10,285	35,999
48	1174	ATM-MDTX Operational Technology-Distribution	(5)	526	11.11%	100.00%	526	58	467
49	1175	ATM-Enterprise Operational Technology-Distribution	(5)	192,961	9.26%	0.00%	-	-	-
50	1201	ATM-Dal-ATM-Dallas President & CEO		1,178,922	82.50%	40.94%	482,651	398,205	84,445
51	1209	ATM-Dal-Security & Compliance		289,043	6.68%	41.21%	119,114	7,959	111,155
52	1211	ATM-Asset Integrity & Reporting	(5)	766,725	46.92%	41.21%	315,967	148,262	167,706
53	1212	ATM-CSO-Customer Contact Center		18,401,554	22.54%	53.30%	9,808,028	2,210,532	7,597,496
54	1215	ATM-Dal-Dispatch Operations		5,625,397	0.00%	53.30%	2,998,337	-	2,998,337
55	1216	ATM-Dallas Training Quality & Innovation		407,847	0.00%	40.94%	166,972	-	166,972
56	1217	ATM-Environmental Practices	(5)	297,259	21.25%	41.21%	122,500	26,031	96,469
57	1218	ATM-Engineering & Compliance	(5)	681,202	8.13%	41.21%	280,723	22,809	257,914
58	1221	ATM-Dal-ATM-Pipeline Admin		70,592	0.00%	0.00%	-	-	-
59	1222	ATM-Quality Assurance	(5)	119,269	0.00%	41.21%	49,151	-	49,151
60	1223	ATM-System Safety & Damage Prevention	(5)	189,823	0.00%	41.21%	78,226	-	78,226
61	1224	ATM-Dal-CSO Human Resources		829,853	0.00%	53.30%	442,311	-	442,311
62	1226	ATM-Dal-Customer Service		1,357,534	0.00%	53.30%	723,566	-	723,566
63	1227	ATM-Dal-Customer Program Mgmt		1,183,723	0.00%	41.21%	487,812	5	487,807
64	1228	ATM-Dal-Customer Revenue Management		4,067,123	0.00%	53.30%	2,167,776	-	2,167,776
65	1229	ATM-Dal Pipeline Safety		2,184,209	30.22%	41.21%	900,113	272,001	628,112
66	1230	ATM-Gas Control Operations	(5)	320,737	0.00%	41.21%	132,176	-	132,176

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SHARED SERVICES ("SSU") ADJUSTED TOTAL LABOR ALLOCATED TO MID-TEX FOR PAYROLL TAX CALCULATION
TEST YEAR ENDING JUNE 30, 2024

Line No.	Cost Center	Description	Ref	Per Book SSU O&M Labor	FY24 Capitalization Rate (1)	Four Factor Allocation Factor (1), (2)	Total	SSU Allocated to Capital	Expense Allocated to Mid-Tex
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (d) x (f)	(h) = (e) x (g)	(i) = (g) - (h)
67	1231	ATM-Transmission Gas Control Ops	(5)	1,214,372	0.00%	0.00%	-	-	-
68	1232	ATM-Distribution Gas Control Ops	(5)	-	0.00%	52.88%	-	-	-
69	1233	ATM-Enterprise Gas Control Ops-Distribution	(5)	1,186,951	0.00%	0.00%	-	-	-
70	1234	ATM-MDTX Gas Control Ops-Distribution	(5)	1,063,512	0.00%	100.00%	1,063,512	-	1,063,512
71	1401	ATM-Dal-Employment & Emp Rel		508,134	0.00%	40.94%	208,030	-	208,030
72	1402	ATM-Dallas Executive Compensation		441	0.00%	40.94%	181	-	181
73	1403	ATM-Dal SVP Human Resources		612,535	0.00%	40.94%	250,772	-	250,772
74	1405	ATM-Dal-Benefits		1,056,117	0.00%	40.94%	432,374	-	432,374
75	1407	ATM-Dal-Facilities		616,986	27.14%	40.94%	252,594	68,561	184,033
76	1408	ATM-Dal-Employee Dev		715,072	0.00%	40.94%	292,750	-	292,750
77	1414	ATM-Dal-Tech Training Delivery		1,923,100	0.00%	41.21%	792,510	-	792,510
78	1415	ATM-Dal-Tech Trng Prog & Curriculum		682,199	0.00%	41.21%	281,134	-	281,134
79	1416	ATM-Dal-Compensation & HRMS		1,132,314	0.00%	40.94%	463,569	-	463,569
80	1417	ATM-Dal-ATM-Corporate Programs		141,617	0.00%	40.94%	57,978	-	57,978
81	1420	ATM-Dallas EAPC		-	0.00%	40.94%	-	-	-
82	1463	ATM-HR Benefit Variance		-	17.83%	40.94%	-	-	-
83	1464	ATM-Dal-Sr VP Human Resources	(5)	212,421	55.58%	40.94%	86,965	48,337	38,628
84	1501	ATM-Dal-Legal		3,639,047	61.66%	40.94%	1,489,826	918,697	571,128
85	1502	ATM-Corporate Secretary		-	0.00%	40.94%	-	-	-
86	1503	ATM-Dal-Governmental Affairs		501,642	0.00%	41.21%	206,727	-	206,727
87	1504	ATM-Dal-Central Records		289,245	55.00%	41.21%	119,198	65,559	53,639
88	1508	ATM-Dal-Energy Assistance		430,390	0.00%	53.30%	229,398	-	229,398
89	1509	ATM-Dal Sr VP General Counsel	(5)	282,720	82.50%	40.94%	115,746	95,495	20,251
90	1821	ATM-Dal-Gas Supply Executive		128,713	0.00%	47.59%	61,254	-	61,254
91	1822	ATM-Dal-Regional Gas Supply		254,055	0.00%	100.00%	254,055	-	254,055
92	1823	ATM-Dal-Gas Contract Admin		140,876	0.00%	47.59%	67,043	-	67,043
93	1826	ATM-New Orleans-Gas Supply & Services		113,347	0.00%	50.24%	56,945	-	56,945
94	1827	ATM-Regional Supply Planning		109,750	0.00%	50.24%	55,138	-	55,138
95	1828	ATM-Jackson-West Region Gas Supply & Services		53,249	0.00%	0.00%	-	-	-
96	1829	ATM-Franklin-East Region Gas Supply & Services		238,065	0.00%	0.00%	-	-	-

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SHARED SERVICES ("SSU") ADJUSTED TOTAL LABOR ALLOCATED TO MID-TEX FOR PAYROLL TAX CALCULATION
TEST YEAR ENDING JUNE 30, 2024

Line No.	Cost Center	Description	Ref	Per Book SSU O&M Labor	FY24 Capitalization Rate (1)	Four Factor Allocation Factor (1), (2)	Total	SSU Allocated to Capital	Expense Allocated to Mid-Tex
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (d) x (f)	(h) = (e) x (g)	(i) = (g) - (h)
97	1831	ATM-Dal-Gas Supply		148,073	0.00%	0.00%	-	-	-
98	1833	ATM-Corporate Gas Supply Risk Mgmt		187,194	0.00%	47.59%	89,086	-	89,086
99	1835	ATM-Franklin-Gas Control	(5)	-	0.00%	0.00%	-	-	-
100	1836	ATM-Dal-Complex Billing System Support		200,483	20.00%	41.04%	82,278	16,456	65,823
101	1837	ATM-Dal-Complex Billing Application Support		775,180	11.86%	41.04%	318,134	37,745	280,389
102	1838	ATM-Dal-Complex Billing Technical Support		849,062	12.12%	41.04%	348,455	42,237	306,218
103	1839	ATM-Dal-Complex Billing Transportation & Scheduling		210,640	0.00%	52.88%	111,387	-	111,387
104	1901	ATM-Dallas Employee Relocation Exp (Div 02)	(6)	-	0.00%	40.94%	-	-	-
105	1901	ATM-Dallas Employee Relocation Exp (Div 12)	(6)	-	0.00%	53.30%	-	-	-
106	1903	ATM-Dal-Controller Misc		-	0.00%	0.00%	-	-	-
107	1904	ATM-Dallas Performance Plan	(7)	-	31.43%	40.94%	-	-	-
108	1905	ATM-Outside Director Retirement Cost		-	0.00%	40.94%	-	-	-
109	1908	ATM-Dallas SEBP	(4)	-	0.00%	40.94%	-	-	-
110	1910	ATM-Corporate Overhead Capitalized	(3)	-	0.00%	0.00%	-	-	-
111	1913	ATM-Dal-Fleet Management		569,511	29.17%	41.21%	234,695	68,453	166,243
112	1915	ATM-Dallas Insurance		-	0.00%	40.94%	-	-	-
113	1953	ATM-Dallas Enterprise Team Meeting		-	0.00%	40.94%	-	-	-
114	1954	ATM-Dallas Culture Council		-	0.00%	40.94%	-	-	-
115		TOTAL (Sum of Ln 1 through Ln 114)		<u>\$ 90,869,585</u>			<u>\$ 41,050,761</u>	<u>\$ 8,901,585</u>	<u>\$ 32,149,176</u>
116									
117		Add: SSU Labor Adjustment (WP_F-2.1, Col (f), Ln 20)							<u>\$ 3,404,562</u>
118									
119		Total Adjusted SSU Labor Allocated to Mid-Tex Account 922 (Ln 115 + Ln 117)							<u>\$ 35,553,738</u>
120									

121 Notes:

- 122 1. Factors are displayed only if applicable to Mid-Tex.
- 123 2. Based on Fiscal Year 2024 factors, adjusted to the four-factor formula including Operating Income.
- 124 3. The Total represents the amount that would be credited from Cost Center 1910.
- 125 4. Allocation percentages have been set to zero to align with GUD No. 10170 for Cost Centers 1132.
- 126 5. Cost Centers 1131, 1171, 1205, 1505, 1825, and 1835 are no longer active. Cost Centers 1122, 1139, 1157, 1172-1175, 1211, 1217, 1218, 1222, 1223, 1230-1234, 1464, and 1509 have been added since GUD No. 10742.
- 127 6. Cost Center 1901 expenses have been divided between General Office (Div 002) and Customer Support (Div 012) and separately allocated.
- 128 7. The allocation factor for Cost Center 1904 is no longer set to zero based on TEX. UTIL. CODE § 104.060.

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
TOTAL INCOME TAXES
TEST YEAR ENDING JUNE 30, 2024

Line No.	Description	Amount
	(a)	(b)
1	Federal Income Tax (Page 2, Col (b), Ln 12)	\$ 139,854,447
2	State Income Tax (Page 3, Col (c), Ln 12)	11,761,943
3		
4	Total Income Tax (Sum Ln 1 through Ln 2)	<u>\$ 151,616,390</u>

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
FEDERAL INCOME TAX
TEST YEAR ENDING JUNE 30, 2024

Line No.	Description	Amount
	(a)	(b)
1	Return on Rate Base (Schedule G, Col (c), Ln 6)	\$ 654,815,672
2		
3	Interest Expense:	
4	Rate Base (Schedule B, Col (e), Ln 24)	\$ 7,952,867,323
5	Weighted Cost of Debt (Schedule G, Col (b), Ln 17)	1.62%
6	Total (Ln 4 x Ln 5)	<u>\$ 128,696,563</u>
7		
8	Taxable component of return (Ln 1 - Ln 6)	\$ 526,119,109
9		
10	Tax factor (1 / .79) * (.21) (1)	<u>26.58%</u>
11		
12	Federal Income Taxes (Ln 8 x Ln 10)	<u><u>\$ 139,854,447</u></u>
13		
14	Note:	
15	1. The Tax Factor reflects the Corporate Income Tax Rate of 21% effective January 1, 2018 as per the Tax Cut and Jobs Act.	

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
STATE FRANCHISE ("GROSS MARGIN") TAX
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Reference	Amount
	(a)	(b)	(c)
1	Total Proposed Operating Revenues	Schedule A, Col (g), Ln 20	\$ 2,874,089,954
2	Less:		
3	Total Purchased Gas Costs (Rider GCR)	Schedule A, Col (g), Ln 4	1,092,498,843
4	Taxes Other Than Federal Income Tax- Revenue Related	Schedule F-5, Col (d), Ln 12	182,699,072
5	Bad Debt Expense, not included in Purchased Gas Costs	Schedule F-1, Col (e), Ln 22	23,616,082
6	Gross Profit (Ln 1 - Sum of Ln 3 through Ln 5)		<u>\$ 1,575,275,957</u>
7	Tax Rate (1)		<u>0.75%</u>
8	Gross Margin Tax sub-total (Ln 6 x Ln 7)		<u>\$ 11,814,570</u>
9			
10	Business Loss Carryforward (2)		52,627
11			
12	Total Tax Due (Ln 8 - Ln 10)		<u><u>\$ 11,761,943</u></u>
13			
14	Notes:		
15	1. The margin tax rate is the rate approved by the Legislature effective January 1, 2016.		
16	2. Per Texas Comptroller Rule 3.594, the Texas Business Loss credit allowed each year is limited to 4.5% of the business loss carryover available at 9/30/2006. The amount of the credit Atmos Energy is allowed to use each year is fixed at \$52,627. Since the business loss credit is allowed to be carried over for twenty years starting in 9/30/2007, Atmos Energy will take a credit each year of \$52,627 until 9/30/2027.		

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
INTEREST EXPENSE - CUSTOMER DEPOSITS
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description (a)	Amount (b)
1	Adjusted Customer Deposits (235)	\$ 11,145,476
2		
3	Current Interest Rate (1)	4.86%
4		
5	Interest on Customer Deposits (Ln 1 x Ln 3)	<u>\$ 541,670</u>
6		
7	Note:	
8	1. Interest Rate per the Public Utility Commission of Texas Project No. 45319 Final Order signed November 3, 2023.	

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SUMMARY OF RETURN
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Proposed Rates (1) (2)	Proposed Amounts
	(a)	(b)	(c)
1	<u>Net Operating Income/Return</u>		
2			
3	Cost of Debt	4.15%	\$ 128,696,563
4	Cost of Equity	10.85%	526,119,109
5			
6	Total Return on Invested Capital		<u>\$ 654,815,672</u>
7			
8	<u>Rate Base - Capitalization Structure</u>		
9			
10	Debt	39.03%	\$ 3,103,843,279
11	Equity	60.97%	4,849,024,044
12			
13	Total Invested Capital		<u>\$ 7,952,867,323</u>
14			
15	<u>Percent Return - After Tax</u>		
16			
17	Cost of Debt	1.62%	
18	Return on Equity	<u>6.62%</u>	
19			
20	Percent Return - After Tax	<u>8.23%</u>	
21			
22	Notes:		
23	1. Please see the direct testimony of Mid-Tex witness D. D'Ascendis for details supporting the requested Cost of Equity.		
24	2. Please see relied file, "Schedule G - Sep24 Capital Structure.xlsx" for details related to adjustments shown in Column (b). The adjustments include a known and measurable adjustment calculating the capitalization structure ratio utilizing September 2024 actual long-term debt capital, equity capital, and the removal of unrealized Treasury Locks and Capital Leases.		

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CALCULATION OF RIDER GCR PART A
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Month/Year	Estimated Gas Cost Factor (EGCF)/Ccf	Rider GCR Part A
	(a)	(b)	(c)
1	July 31, 2023	\$ 0.23000	
2	August 31, 2023	\$ 0.30000	
3	September 30, 2023	\$ 0.30000	
4	October 31, 2023	\$ 0.25000	
5	November 30, 2023	\$ 0.27500	
6	December 31, 2023	\$ 0.32500	
7	January 31, 2024	\$ 0.30000	
8	February 29, 2024	\$ 0.32000	
9	March 31, 2024	\$ 0.29000	
10	April 30, 2024	\$ 0.17500	
11	May 31, 2024	\$ 0.16500	
12	June 30, 2024	\$ 0.16500	
13			
14	Average	<u>\$ 0.25792</u>	
15			
16			
17		Usage (Ccf)	
18	Rate R	843,379,769	\$ 217,521,699
19	Rate C	568,971,709	146,747,287
20	Rate I	25,724,786	6,634,851
21	Total (Sum Ln 18 to Ln 20)	<u>1,438,076,264</u>	<u>\$ 370,903,836</u>

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CALCULATION OF RIDER GCR PART B
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Reference	Volumes (Ccf)	Factors	Billing Determinants	Rate CGS Mid-Tex (1)	Total	Rate Per Unit
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Capacity Charge	(2)			35,098,944	\$ 20.30379	\$ 712,641,588	
2								
3	Usage Charge:							
4	Residential (MMBtu)	(3)	843,379,769	0.1005	84,759,667			
5	Commercial (MMBtu)	(3)	568,971,709	0.1005	57,181,657			
6	Industrial & Transportation (MMBtu)				43,142,953			
7	Subtotal Mid-Tex Sales	Ln 4 + Ln 5 + Ln 6			185,084,276			
8	Lost and Unaccounted for Gas	(4)		2.36%	4,367,989			
9	Total Deliveries from APT to Mid-Tex	Ln 7 + Ln 8			189,452,265	\$ 0.02831	\$ 5,363,394	
10								
11	Estimated Pipeline Cost						\$ 718,004,982	
12	Gas Utility Tax	(5)		0.50%			3,590,025	
13								
14	Total Rider GCR Part B	Ln 11 + Ln 12					\$ 721,595,007	
15								
16	<u>Allocation of Rider GCR Part B to Customer Class (6):</u>							
17			Fixed Cost Factor	Allocated Capacity Charge	Allocated Usage Charge	Allocated Gas Utility Tax	Total Allocated Rider GCR (Part B)	
18	Rate R		62.96%	\$ 448,656,656	\$ 2,456,175	\$ 2,255,564	\$ 453,368,396	\$ 0.53756
19	Rate C		31.76%	226,299,525	1,657,017	1,139,783	229,096,324	\$ 0.40265
20	Industrial & Transportation		5.29%	37,685,407	1,250,201	194,678	39,130,286	\$ 0.90699
21	Total		100.00%	\$ 712,641,588	\$ 5,363,394	\$ 3,590,025	\$ 721,595,007	
22								
23	Notes:							
24	1. Capacity and Usage charges are per the final orders in Docket No. OS-23-00013758 (APT SOI) and Case No. 00018176 (2024 Rider REV).							
25	2. The MDQ is per the contract amendment between Mid-Tex and Atmos Pipeline - Texas effective November 1, 2024.							
26	3. Ccf converted to MMBtu by multiplying by Btu factor.							
27	4. Lost & Unaccounted for Gas factor calculated as of June 2024.							
28	5. The Gas Utility Tax is a statutory rate per 16 Tex Admin Code Section 7.351.							
29	6. Rider GCR Part B is also referred to as a Pipeline Cost Factor.							

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SUMMARY OF CURRENT AND PROPOSED RATE STRUCTURE - BASE RATES
TEST YEAR ENDING JUNE 30, 2024**

Line Number	Description	Current Base Rates	Proposed Base Rates
	(a)	(b)	(c)
1	Rate R		
2	Customer Charge per month (1)	\$ 46.06	\$ 46.06
3			
4	Consumption Charge per Ccf	\$ 0.18653	\$ 0.41708
5			
6			
7	Rate C		
8	Customer Charge per month (1)	\$ 133.15	\$ 133.15
9			
10	Consumption Charge per Ccf	\$ 0.10494	\$ 0.10494
11			
12			
13	Rate I		
14	Customer Charge per month	\$ 2,491.47	\$ 2,491.47
15			
16	Consumption Charge per MMBtu:		
17	First 1,500 MMBtu	\$ 0.3701	\$ 0.3701
18	Next 3,500 MMBtu	\$ 0.2712	\$ 0.2712
19	Over 5,000 MMBtu	\$ 0.0582	\$ 0.0582
20			
21			
22	Rate T		
23	Customer Charge per month	\$ 2,491.47	\$ 2,491.47
24			
25	Consumption Charge per MMBtu:		
26	First 1,500 MMBtu	\$ 0.3701	\$ 0.3701
27	Next 3,500 MMBtu	\$ 0.2712	\$ 0.2712
28	Over 5,000 MMBtu	\$ 0.0582	\$ 0.0582
29			
30			
31	Note:		
32	1. The current customer charge for Rate R and Rate C have been adjusted to exclude the Rider CEE surcharge of \$0.05 and \$0.00, respectively.		

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SUMMARY PROOF OF REVENUE AT CURRENT RATES - BASE RATES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Total	Reference
	(a)	(b)	(c)
1	Rate R		
2			
3	<u>Rate Characteristics:</u>		
4	Customer Charge	\$ 46.06	Schedule J
5	Consumption Charge (\$/Ccf)	\$ 0.18653	Schedule J
6			
7	Rider GCR Part A	\$ 0.25792	Schedule H
8	Rider GCR Part B	\$ 0.53756	Schedule I
9			
10	<u>Billing Units (1):</u>		
11	Bills	20,528,955	WP_J-1.1
12	Total Volumes (Ccf)	<u>843,379,769</u>	WP_J-1.1
13			
14	<u>Present Revenue:</u>		
15	Customer Charge	\$ 945,563,667	Ln 4 x Ln 11
16	Consumption Charge	<u>157,315,628</u>	Ln 5 x Ln 12
17	Base Revenue	\$ 1,102,879,296	Ln 15 + Ln 16
18	Rider GCR Part A	217,521,699	Ln 7 x Ln 12
19	Rider GCR Part B	<u>453,368,396</u>	Ln 8 x Ln 12
20	Subtotal	\$ 1,773,769,390	Sum Ln 17 through Ln 19
21	Revenue Related Taxes	<u>120,408,382</u>	Ln 20 x WP_F-5.1, Col (c), Ln 36
22			
23	Total Present Revenue - Rate R	<u><u>\$ 1,894,177,772</u></u>	Ln 20 + Ln 21
24			

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SUMMARY PROOF OF REVENUE AT CURRENT RATES - BASE RATES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Total	Reference
	(a)	(b)	(c)
25	Rate C		
26			
27	<u>Rate Characteristics:</u>		
28	Customer Charge	\$ 133.15	Schedule J
29	Consumption Charge (\$/Ccf)	\$ 0.10494	Schedule J
30			
31	Rider GCR Part A	\$ 0.25792	Schedule H
32	Rider GCR Part B	\$ 0.40265	Schedule I
33			
34	<u>Billing Units (1):</u>		
35	Bills	1,514,605	WP_J-1.2
36	Total Volumes (Ccf)	<u>568,971,709</u>	WP_J-1.2
37			
38	<u>Present Revenue:</u>		
39	Customer Charge	\$ 201,669,656	Ln 28 x Ln 35
40	Consumption Charge	<u>59,707,891</u>	Ln 29 x Ln 36
41	Base Revenue	\$ 261,377,547	Ln 39 + Ln 40
42	Rider GCR Part A	146,747,287	Ln 31 x Ln 36
43	Rider GCR Part B	<u>229,096,324</u>	Ln 32 x Ln 36
44	Subtotal	\$ 637,221,158	Sum Ln 41 through Ln 43
45	Revenue Related Taxes	<u>43,256,338</u>	Ln 44 x WP_F-5.1, Col (c), Ln 36
46			
47	Total Present Revenue - Rate C	<u><u>\$ 680,477,496</u></u>	Ln 44 + Ln 45
48			

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SUMMARY PROOF OF REVENUE AT CURRENT RATES - BASE RATES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Total	Reference
	(a)	(b)	(c)
49	Rate I &T		
50			
51	<u>Rate Characteristics:</u>		
52	Customer Charge	\$ 2,491.47	Schedule J
53	Consumption Charge:		
54	Block 1 (\$/MMBTU)	\$ 0.3701	Schedule J
55	Block 2 (\$/MMBTU)	\$ 0.2712	Schedule J
56	Block 3 (\$/MMBTU)	\$ 0.0582	Schedule J
57			
58	Rider GCR Part A	\$ 2.56633	Schedule H
59	Rider GCR Part B	\$ 0.90699	Schedule I
60			
61	<u>Consumption Characteristics:</u>		
62	Block 1	0.24403	Ln 69 divided by Ln 72
63	Block 2	0.28616	Ln 70 divided by Ln 72
64	Block 3	0.46980	Ln 71 divided by Ln 72
65			
66	<u>Billing Units:</u>		
67	Bills	9,756	WP_J-1.3
68			
69	Block 1	10,528,355	WP_J-1.3
70	Block 2	12,345,972	WP_J-1.3
71	Block 3	20,268,626	WP_J-1.3
72	Total MMBTU	<u>43,142,953</u>	Ln 69 + Ln 70 + Ln 71
73			
74	Industrial Sales Volumes	<u>2,585,341</u>	WP_J-1.3
75			

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SUMMARY PROOF OF REVENUE AT CURRENT RATES - BASE RATES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Total	Reference
	(a)	(b)	(c)
76	<u>Present Revenue:</u>		
77	Customer Charge	\$ 24,306,781	Ln 52 x Ln 67
78	Block 1	3,896,544	Ln 54 x Ln 69
79	Block 2	3,348,228	Ln 55 x Ln 70
80	Block 3	1,179,634	Ln 56 x Ln 71
81	Base Revenue	\$ 32,731,187	Sum Ln 77 through Ln 80
82	Rider GCR Part A	6,634,851	Ln 58 x Ln 74
83	Rider GCR Part B	39,130,286	Ln 59 x Ln 72
84	Subtotal	\$ 78,496,325	Sum Ln 81 through Ln 83
85	Revenue Related Taxes	5,328,548	Ln 84 x WP_F-5.1, Col (c), Ln 36
86			
87	Total Present Revenue - Rate I & T	\$ 83,824,873	Ln 84 + Ln 85
88			
89	Total Present Revenue (All Classes)	\$ 2,658,480,141	Ln 23 + Ln 47 + Ln 87

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CALCULATION OF CURRENT REVENUES BY AREA - RATE R - BASE RATES
TEST YEAR ENDING JUNE 30, 2024

Line No.	Description	Reference	RRM Cities	ATM Cities	City of Dallas	Unincorporated	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (c) thru (f)
1	Adjusted Customer Charges	Billing Determinants Study	14,712,468	2,108,104	2,464,291	1,244,092	20,528,955
2	Volume						
3	Per Book Volume	Billing Determinants Study	567,353,038	63,916,790	112,957,998	37,880,607	782,108,432
4	Adjusted Volume	Billing Determinants Study	610,904,475	69,019,996	119,679,372	43,775,926	843,379,769
5	Ratios - Adjusted Volume	Ln 4 / Col (g), Ln 4	72.44%	8.18%	14.19%	5.19%	100.00%
6			41.52	32.74	48.57	35.19	
7	Base Rate Revenue:						
8	Customer Charge Revenue	Ln 1 x Schedule J, Col (b), Ln 2	\$ 677,656,292	\$ 97,099,248	\$ 113,505,245	\$ 57,302,883	\$ 945,563,667
9	Consumption Revenue	Ln 4 x Schedule J, Col (b), Ln 4	113,952,012	12,874,300	22,323,793	8,165,523	157,315,628
10							
11	Total Base Rate Revenue	Ln 8 + Ln 9	<u>\$ 791,608,303</u>	<u>\$ 109,973,548</u>	<u>\$ 135,829,038</u>	<u>\$ 65,468,406</u>	<u>\$ 1,102,879,296</u>
12							
13	Gas Cost:						
14	Part A	Ln 4 x WP_J-1, Col (b), Ln 7	\$ 157,562,446	\$ 17,801,407	\$ 30,867,305	\$ 11,290,541	\$ 217,521,699
15	Part B	Ln 4 x WP_J-1, Col (b), Ln 8	328,398,656	37,102,484	64,335,009	23,532,247	453,368,396
16	Total Gas Cost	Ln 14 + Ln 15	<u>\$ 485,961,102</u>	<u>\$ 54,903,892</u>	<u>\$ 95,202,314</u>	<u>\$ 34,822,788</u>	<u>\$ 670,890,095</u>
17							
18	Total Base Rate Revenue with Gas Cost	Ln 11 + Ln 16	\$ 1,277,569,405	\$ 164,877,440	\$ 231,031,352	\$ 100,291,194	\$ 1,773,769,390
19							
20	Rider FF & Rider TAX	Ln 18 x WP_F-5.1, Col (c), Ln 36	\$ 86,724,952	\$ 11,192,338	\$ 15,683,048	\$ 6,808,044	\$ 120,408,382
21							
22	Total Current Revenue	Ln 18 + Ln 20	<u>\$ 1,364,294,357</u>	<u>\$ 176,069,777</u>	<u>\$ 246,714,400</u>	<u>\$ 107,099,238</u>	<u>\$ 1,894,177,772</u>

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CALCULATION OF CURRENT REVENUES BY AREA - RATE C - BASE RATES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Reference	RRM Cities	ATM Cities	City of Dallas	Unincorporated	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (c) thru (f)
1	Adjusted Customer Charges	Billing Determinants Study	1,124,324	129,878	235,177	25,226	1,514,605
2	Volume						
3	Per Book Volume	Billing Determinants Study	391,473,514	39,056,267	113,770,195	7,750,602	552,050,579
4	Adjusted Volume	Billing Determinants Study	404,378,480	40,179,976	116,478,941	7,934,311	568,971,709
5	Ratios - Adjusted Volume	Ln 4 / Col (g), Ln 4	71.07%	7.06%	20.47%	1.39%	100.00%
6							
7	Base Rate Revenue:						
8	Customer Charge Revenue	Ln 1 x Schedule J, Col (b), Ln 8	\$ 149,703,759	\$ 17,293,205	\$ 31,313,835	\$ 3,358,856	\$ 201,669,656
9	Consumption Revenue	Ln 4 x Schedule J, Col (b), Ln 10	42,435,478	4,216,487	12,223,300	832,627	59,707,891
10							
11	Total Base Rate Revenue	Ln 8 + Ln 9	<u>\$ 192,139,237</u>	<u>\$ 21,509,692</u>	<u>\$ 43,537,136</u>	<u>\$ 4,191,483</u>	<u>\$ 261,377,547</u>
12							
13	Gas Cost:						
14	Part A	Ln 4 x WP_J-1, Col (b), Ln 31	\$ 104,295,950	\$ 10,363,086	\$ 30,041,860	\$ 2,046,391	\$ 146,747,287
15	Part B	Ln 4 x WP_J-1, Col (b), Ln 32	162,822,900	16,178,458	46,900,218	3,194,749	229,096,324
16	Total Gas Cost	Ln 14 + Ln 15	<u>\$ 267,118,849</u>	<u>\$ 26,541,544</u>	<u>\$ 76,942,078</u>	<u>\$ 5,241,140</u>	<u>\$ 375,843,611</u>
17							
18	Total Base Rate Revenue with Gas Cost	Ln 11 + Ln 16	\$ 459,258,086	\$ 48,051,235	\$ 120,479,214	\$ 9,432,622	\$ 637,221,158
19							
20	Rider FF & Rider TAX	Ln 18 x WP_F-5.1, Col (c), Ln 36	<u>\$ 31,175,712</u>	<u>\$ 3,261,851</u>	<u>\$ 8,178,463</u>	<u>\$ 640,313</u>	<u>\$ 43,256,338</u>
21							
22	Total Current Revenue	Ln 18 + Ln 20	<u>\$ 490,433,798</u>	<u>\$ 51,313,086</u>	<u>\$ 128,657,677</u>	<u>\$ 10,072,935</u>	<u>\$ 680,477,496</u>

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CALCULATION OF CURRENT REVENUES BY AREA - RATE I&T - BASE RATES
TEST YEAR ENDING JUNE 30, 2024

Line No.	Description	Reference	RRM Cities	ATM Cities	City of Dallas	Unincorporated	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (c) thru (f)
1	Adjusted Meter Charges						
2	Sales	Billing Determinants Study	1,176	156	108	216	1,656
3	Transportation	Billing Determinants Study	6,036	672	1,080	312	8,100
4	Total Adjusted Meter Charges	Ln 2 + Ln 3	7,212	828	1,188	528	9,756
5							
6	Volume						
7	Sales Volume	Billing Determinants Study	1,725,968	151,219	122,344	585,810	2,585,341
8	Transportation Volume	Billing Determinants Study	26,910,467	3,452,093	7,872,093	2,322,959	40,557,612
9	Total Volume	Ln 7 + Ln 8	28,636,435	3,603,312	7,994,437	2,908,769	43,142,953
10							
11	Volume by Block						
12	Block 1	Billing Determinants Study	7,677,443	841,878	1,426,688	582,346	10,528,355
13	Block 2	Billing Determinants Study	8,763,875	853,333	1,996,825	731,939	12,345,972
14	Block 3	Billing Determinants Study	12,195,117	1,908,101	4,570,924	1,594,484	20,268,626
15	Total Volume by Block	Sum (Ln 12 through Ln 14)	28,636,435	3,603,312	7,994,437	2,908,769	43,142,953
16							
17	Base Rate Revenue:						
18	Customer Charge Revenue	Ln 4 x Schedule J, Col (b), Ln 14	\$ 17,968,482	\$ 2,062,937	\$ 2,959,866	\$ 1,315,496	\$ 24,306,781
19	Consumption Revenue						
20	Consumption Revenue - Block 1	Ln 12 x Schedule J, Col (b), Ln 17	\$ 2,841,422	\$ 311,579	\$ 528,017	\$ 215,526	\$ 3,896,544
21	Consumption Revenue - Block 2	Ln 13 x Schedule J, Col (b), Ln 18	2,376,763	231,424	541,539	198,502	3,348,228
22	Consumption Revenue - Block 3	Ln 14 x Schedule J, Col (b), Ln 19	709,756	111,051	266,028	92,799	1,179,634
23	Total Consumption Revenue	Sum (Ln 20 through Ln 22)	\$ 5,927,940	\$ 654,054	\$ 1,335,584	\$ 506,827	\$ 8,424,406
24							
25	Total Base Rate Revenue	Ln 18 + Ln 23	\$ 23,896,422	\$ 2,716,992	\$ 4,295,450	\$ 1,822,323	\$ 32,731,187
26							
27	Gas Cost:						
28	Part A	Ln 7 x WP_J-1, Col (b), Ln 58	\$ 4,429,412	\$ 388,079	\$ 313,976	\$ 1,503,385	\$ 6,634,851
29	Part B	Ln 9 x WP_J-1, Col (b), Ln 59	25,973,000	3,268,173	7,250,885	2,638,228	39,130,286
30	Total Gas Cost	Ln 28 + Ln 29	\$ 30,402,412	\$ 3,656,252	\$ 7,564,861	\$ 4,141,613	\$ 45,765,138
31							
32	Total Base Rate Revenue with Gas Cost	Ln 25 + Ln 30	\$ 54,298,834	\$ 6,373,243	\$ 11,860,311	\$ 5,963,936	\$ 78,496,325
33							
34	Rider FF & Rider TAX	Ln 32 x WP_F-5.1, Col (c), Ln 36	\$ 3,685,955	\$ 432,633	\$ 805,111	\$ 404,849	\$ 5,328,548
35							
36	Total Current Revenue	Ln 32 + Ln 34	\$ 57,984,789	\$ 6,805,877	\$ 12,665,422	\$ 6,368,785	\$ 83,824,873

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
OTHER REVENUES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	FERC Account	Reference	Test Year	Adjustments	Adjusted Amounts
	(a)	(b)	(c)	(d)	(e)
1	487		\$ 83	\$ -	\$ 83
2	488		4,735,738	-	4,735,738
3	489	(1)	3,770,706	584,861	4,355,567
4	493		-	-	-
5	495	(2)	2,952	181	3,133
6	Total	Sum Ln 1 through Ln 5	<u>\$ 8,509,480</u>	<u>\$ 585,042</u>	<u>\$ 9,094,522</u>
7					
8	Notes:				
9	1. Eleven (11) negative margin customers have been removed. Non-tariff revenues for tariffed customers has been added.				
10	2. Seven accounts receivable write-offs.				

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
NON-STANDARD CONTRACT MARGINS
TEST YEAR ENDING JUNE 30, 2024**

Line No	Area	Customer	Customer Numbers	Usage MMBtu	Annual Margin Revenue
	(a)	(b)	(c)	(d)	(e)
1	SAN ANGELO	Customer 1	1270	82,599	\$ 27,057
2	GATESVILLE	Customer 2	1246	5,475	532
3	GATESVILLE	Customer 2	1246	23,713	-
4	KILLEEN	Customer 2	1246	88,126	-
5	KILLEEN	Customer 2	1246	408,208	-
6	KILLEEN	Customer 2	1246	64,540	-
7	KILLEEN	Customer 2	1246	251,960	-
8	WESTWORTH VILLAGE	Customer 3	105887	65,420	29,671
9	JUSTIN	Customer 4	109784	2	421
10	FORT WORTH	Customer 5	108986	56,112	37,692
11	ROUND ROCK	Customer 6	112362	384	675
12	LEWISVILLE	Customer 7	139254	3,442	2,706
13	DALLAS	Customer 8	164453	-	210
14	ABILENE	Customer 9	1213	183,084	-
15	ARLINGTON	Customer 10	3507	381,234	88,846
16	RICHARDSON	Customer 10	3507	291,633	49,329
17	ARLINGTON	Customer 11	1263	614,600	164,426
18	AUBREY	Customer 12	1742	288,810	13,217
19	DENTON	Customer 12	1742	3,932	188
20	FAIRVIEW	Customer 12	1742	33,707	1,685
21	JUSTIN	Customer 12	1742	79,736	3,644
22	MCKINNEY	Customer 12	1742	134,518	6,182
23	MCKINNEY	Customer 12	1742	389,906	17,837
24	PONDER	Customer 12	1742	1,442	65
25	WYLIE	Customer 12	1742	629,547	28,893
26	FORT WORTH	Customer 13	1069	590,804	70,250
27	WACO	Customer 14	95775	6,655	-
28	WACO	Customer 14	95775	40,948	-
29	WACO	Customer 14	95775	29,578	-

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
NON-STANDARD CONTRACT MARGINS
TEST YEAR ENDING JUNE 30, 2024**

Line No	Area	Customer	Customer Numbers	Usage MMBtu	Annual Margin Revenue
	(a)	(b)	(c)	(d)	(e)
30	FORT WORTH	Customer 15	139847	40,090	27,635
31	DALLAS	Customer 16	106906	173,669	115,481
32	DALLAS	Customer 17	3728	144,598	130,143
33	EULESS	Customer 17	3728	335,544	223,763
34	GARLAND	Customer 17	3728	10,332	7,268
35	HASLET	Customer 17	3728	149,933	120,227
36	IRVING	Customer 17	3728	8,899	6,522
37	DALLAS	Customer 18	108026	274,126	182,148
38	WAXAHACHIE	Customer 19	112866	564,057	16,922
39	ARLINGTON	Customer 20	100379	106,344	71,563
40	ABILENE	Customer 21	1567	140,511	85,762
41	ALLEN	Customer 21	1567	46,703	45,755
42	ARLINGTON	Customer 21	1567	14,463	20,193
43	BONHAM	Customer 21	1567	38,079	43,733
44	BROWNWOOD	Customer 21	1567	8,262	24,157
45	BURNET	Customer 21	1567	8,079	23,835
46	COMMERCE	Customer 21	1567	40,909	138,478
47	DALLAS	Customer 21	1567	1,333,152	677,696
48	DENTON	Customer 21	1567	227,308	167,923
49	FORT WORTH	Customer 21	1567	297,541	144,703
50	FRISCO	Customer 21	1567	22,133	23,361
51	GARLAND	Customer 21	1567	5,487	16,284
52	GATESVILLE	Customer 21	1567	190,097	120,479
53	HURST	Customer 21	1567	18,793	21,904
54	HUTCHINS	Customer 21	1567	36,526	27,642
55	IRVING	Customer 21	1567	8,723	17,697
56	KERRVILLE	Customer 21	1567	23,835	24,100
57	MANSFIELD	Customer 21	1567	1,910	1,609
58	MARLIN	Customer 21	1567	30,380	29,832

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
NON-STANDARD CONTRACT MARGINS
TEST YEAR ENDING JUNE 30, 2024**

Line No	Area	Customer	Customer Numbers	Usage MMBtu	Annual Margin Revenue
	(a)	(b)	(c)	(d)	(e)
59	MART	Customer 21	1567	9,386	24,150
60	MCKINNEY	Customer 21	1567	20,449	22,620
61	MESQUITE	Customer 21	1567	18,379	35,695
62	PLANO	Customer 21	1567	42,879	60,311
63	SAN ANGELO	Customer 21	1567	40,916	52,657
64	SAN ANGELO	Customer 21	1567	10,982	24,778
65	SNYDER	Customer 21	1567	26,972	29,087
66	STEPHENVILLE	Customer 21	1567	72,722	35,940
67	TERRELL	Customer 21	1567	29,010	25,429
68	VERNON	Customer 21	1567	14,363	20,036
69	WACO	Customer 21	1567	88,775	58,409
70	WICHITA FALLS	Customer 21	1567	98,180	58,789
71	DENTON	Customer 22	10430	238,545	7,156
72	IRVING	Customer 23	131599	11,488	8,138
73	FORT WORTH	Customer 24	138545	188,045	125,086
74	DALLAS	Customer 25	106293	3,788	-
75	MCKINNEY	Customer 26	111705	52,764	62,364
76	FORT WORTH	Customer 16	106906	319,923	212,209
77	WAXAHACHIE	Customer 27	1362	41,195	-
78	ARLINGTON	Customer 16	106906	276,612	59,041
79	FORT WORTH	Customer 28	1094	82,747	13,545
80	FORT WORTH	Customer 16	106906	253,217	54,066
81	WICHITA FALLS	Customer 29	1521	269,837	46,125
82	Tariff Customers (Non-Tariff Revenue) - Plant Protection Fee				219,595
83					
84	Total Non-Standard Contract Margins			11,261,772	\$ 4,355,567

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
TYPICAL BILL COMPARISON - BASE RATES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Average Volumes	Current Rates	Proposed Rates	Current Typical Bill	Proposed Typical Bill	Amount Change	Percent Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	<u>Rate R at 60 Ccf</u>							
2	Base Rates:							
3	Customer Charge		\$ 46.06	\$ 46.06	\$ 46.06	\$ 46.06	\$ -	
4	Consumption Charge (Ccf)	60.0	\$ 0.18653	\$ 0.41708	11.19	25.02	13.83	
5	Total Base Rates				<u>\$ 57.25</u>	<u>\$ 71.08</u>	<u>\$ 13.83</u>	24.16%
6								
7	Gas Cost:							
8	Rider GCR Part A (Ccf)	60.0	\$ 0.25792	\$ 0.25792	\$ 15.48	\$ 15.48	\$ -	
9	Rider GCR Part B (Ccf)	60.0	\$ 0.53756	\$ 0.53756	32.25	32.25	-	
10	Total Gas Cost				<u>\$ 47.73</u>	<u>\$ 47.73</u>	<u>\$ -</u>	0.00%
11								
12	Total Base with Gas Cost				\$ 104.98	\$ 118.81	\$ 13.83	
13	Rider FF and Rider TAX		0.06788	0.06788	7.13	8.07	0.94	13.18%
14								
15	Total Residential Average Bill				<u><u>\$ 112.11</u></u>	<u><u>\$ 126.88</u></u>	<u><u>\$ 14.77</u></u>	<u><u>13.17%</u></u>
16								

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
TYPICAL BILL COMPARISON - BASE RATES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Average Volumes	Current Rates	Proposed Rates	Current Typical Bill	Proposed Typical Bill	Amount Change	Percent Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
17	<u>Rate C at 300 Ccf</u>							
18	Base Rates:							
19	Customer Charge		\$ 133.15	\$ 133.15	\$ 133.15	\$ 133.15	\$ -	
20	Consumption Charge (Ccf)	300.0	\$ 0.10494	\$ 0.10494	31.48	31.48	-	
21	Total Base Rates				<u>\$ 164.63</u>	<u>\$ 164.63</u>	<u>\$ -</u>	0.00%
22								
23	Gas Cost:							
24	Rider GCR Part A (Ccf)	300.0	\$ 0.25792	\$ 0.25792	\$ 77.38	\$ 77.38	\$ -	
25	Rider GCR Part B (Ccf)	300.0	\$ 0.40265	\$ 0.40265	120.79	120.79	-	
26	Total Gas Cost				<u>\$ 198.17</u>	<u>\$ 198.17</u>	<u>\$ -</u>	0.00%
27								
28	Total Base with Gas Cost				\$ 362.80	\$ 362.80	\$ -	
29	Rider FF and Rider TAX		0.06788	0.06788	24.63	24.63	-	0.00%
30								
31	Total Commercial Average Bill				<u>\$ 387.43</u>	<u>\$ 387.43</u>	<u>\$ -</u>	<u>0.00%</u>
32								

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
TYPICAL BILL COMPARISON - BASE RATES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Average Volumes	Current Rates	Proposed Rates	Current Typical Bill	Proposed Typical Bill	Amount Change	Percent Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
33	<u>Rate I at 300 MMBtu</u>							
34	Base Rates:							
35	Customer Charge		\$ 2,491.47	\$ 2,491.47	\$ 2,491.47	\$ 2,491.47	\$ -	
36	Block 1 - Consumption Charge (MMBtu)	300	\$ 0.3701	\$ 0.3701	111.03	111.03	-	
37	Block 2 - Consumption Charge (MMBtu)	-	\$ 0.2712	\$ 0.2712	-	-	-	
38	Block 3 - Consumption Charge (MMBtu)	-	\$ 0.0582	\$ 0.0582	-	-	-	
39	Total Base Rates	<u>300</u>			<u>\$ 2,602.50</u>	<u>\$ 2,602.50</u>	<u>\$ -</u>	0.00%
40								
41	Gas Cost:							
42	Rider GCR Part A (Ccf)	300	\$ 2.56633	\$ 2.56633	\$ 769.90	\$ 769.90	\$ -	
43	Rider GCR Part B (Ccf)	300	\$ 0.90699	\$ 0.90699	272.10	272.10	-	
44	Total Gas Cost				<u>\$ 1,042.00</u>	<u>\$ 1,042.00</u>	<u>\$ -</u>	0.00%
45								
46	Total Base with Gas Cost				\$ 3,644.50	\$ 3,644.50	\$ -	
47	Rider FF and Rider TAX		0.06788	0.06788	247.40	247.40	-	0.00%
48								
49	Total Industrial Average Bill				<u>\$ 3,891.90</u>	<u>\$ 3,891.90</u>	<u>\$ -</u>	0.00%
50								

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
TYPICAL BILL COMPARISON - BASE RATES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Average Volumes	Current Rates	Proposed Rates	Current Typical Bill	Proposed Typical Bill	Amount Change	Percent Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
51	<u>Rate T at 300 MMBtu</u>							
52	Base Rates:							
53	Customer Charge		\$ 2,491.47	\$ 2,491.47	\$ 2,491.47	\$ 2,491.47	\$ -	
54	Block 1 - Consumption Charge (MMBtu)	300	\$ 0.3701	\$ 0.3701	111.03	111.03	-	
55	Block 2 - Consumption Charge (MMBtu)	-	\$ 0.2712	\$ 0.2712	-	-	-	
56	Block 3 - Consumption Charge (MMBtu)	-	\$ 0.0582	\$ 0.0582	-	-	-	
57	Total Base Rates	<u>300</u>			<u>\$ 2,602.50</u>	<u>\$ 2,602.50</u>	<u>\$ -</u>	0.00%
58								
59	Gas Cost:							
60	Rider GCR Part B (Ccf)	300	\$ 0.90699	\$ 0.90699	\$ 272.10	\$ 272.10	\$ -	
61	Total Gas Cost				<u>\$ 272.10</u>	<u>\$ 272.10</u>	<u>\$ -</u>	0.00%
62								
63	Total Base with Gas Cost				\$ 2,874.60	\$ 2,874.60	\$ -	
64	Rider FF and Rider TAX		0.06788	0.06788	195.14	195.14	-	0.00%
65								
66	Total Transportation Average Bill				<u>\$ 3,069.74</u>	<u>\$ 3,069.74</u>	<u>\$ -</u>	<u>0.00%</u>

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Average Volumes	Current Rates	Proposed Rates	Current Average Bill	Proposed Average Bill	Amount Change	Percent Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	<u>Rate R at 35.1 Ccf</u>							
2	Base Rates:							
3	Customer Charge		\$ 46.06	\$ 46.06	\$ 46.06	\$ 46.06	\$ -	
4	Consumption Charge (Ccf)	35.1	\$ 0.18653	\$ 0.41708	6.55	14.64	8.09	
5	Total Base Rates				<u>\$ 52.61</u>	<u>\$ 60.70</u>	<u>\$ 8.09</u>	15.38%
6								
7	Gas Cost:							
8	Rider GCR Part A (Ccf)	35.1	\$ 0.25792	\$ 0.25792	\$ 9.05	\$ 9.05	\$ -	
9	Rider GCR Part B (Ccf)	35.1	\$ 0.53756	\$ 0.53756	18.87	18.87	-	
10	Total Gas Cost				<u>\$ 27.92</u>	<u>\$ 27.92</u>	<u>\$ -</u>	0.00%
11								
12	Total Base with Gas Cost				\$ 80.53	\$ 88.62	\$ 8.09	
13	Rider FF and Rider TAX		0.06788	0.06788	5.47	6.02	0.55	10.05%
14								
15	Total Residential Average Bill				<u>\$ 86.00</u>	<u>\$ 94.64</u>	<u>\$ 8.64</u>	<u>10.05%</u>
16								

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Average Volumes	Current Rates	Proposed Rates	Current Average Bill	Proposed Average Bill	Amount Change	Percent Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
17	<u>Rate C at 314.5 Ccf</u>							
18	Base Rates:							
19	Customer Charge		\$ 133.15	\$ 133.15	\$ 133.15	\$ 133.15	\$ -	
20	Consumption Charge (Ccf)	314.5	\$ 0.10494	\$ 0.10494	33.00	33.00	-	
21	Total Base Rates				<u>\$ 166.15</u>	<u>\$ 166.15</u>	<u>\$ -</u>	0.00%
22								
23	Gas Cost:							
24	Rider GCR Part A (Ccf)	314.5	\$ 0.25792	\$ 0.25792	\$ 81.11	\$ 81.11	\$ -	
25	Rider GCR Part B (Ccf)	314.5	\$ 0.40265	\$ 0.40265	126.63	126.63	-	
26	Total Gas Cost				<u>\$ 207.74</u>	<u>\$ 207.74</u>	<u>\$ -</u>	0.00%
27								
28	Total Base with Gas Cost				\$ 373.89	\$ 373.89	\$ -	
29	Rider FF and Rider TAX		0.06788	0.06788	25.38	25.38	-	0.00%
30								
31	Total Commercial Average Bill				<u>\$ 399.27</u>	<u>\$ 399.27</u>	<u>\$ -</u>	<u>0.00%</u>
32								

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Average Volumes	Current Rates	Proposed Rates	Current Average Bill	Proposed Average Bill	Amount Change	Percent Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
33	<u>Rate I at 2712 MMBtu</u>							
34	Base Rates:							
35	Customer Charge		\$ 2,491.47	\$ 2,491.47	\$ 2,491.47	\$ 2,491.47	\$ -	
36	Block 1 - Consumption Charge (MMBtu)	1,500	\$ 0.3701	\$ 0.3701	555.15	555.15	-	
37	Block 2 - Consumption Charge (MMBtu)	1,212	\$ 0.2712	\$ 0.2712	328.72	328.72	-	
38	Block 3 - Consumption Charge (MMBtu)	-	\$ 0.0582	\$ 0.0582	-	-	-	
39	Total Base Rates	<u>2,712</u>			<u>\$ 3,375.34</u>	<u>\$ 3,375.34</u>	<u>\$ -</u>	0.00%
40								
41	Gas Cost:							
42	Rider GCR Part A (Ccf)	2,712	\$ 2.56633	\$ 2.56633	\$ 6,960.11	\$ 6,960.11	\$ -	
43	Rider GCR Part B (Ccf)	2,712	\$ 0.90699	\$ 0.90699	2,459.84	2,459.84	-	
44	Total Gas Cost				<u>\$ 9,419.95</u>	<u>\$ 9,419.95</u>	<u>\$ -</u>	0.00%
45								
46	Total Base with Gas Cost				\$ 12,795.29	\$ 12,795.29	\$ -	
47	Rider FF and Rider TAX		0.06788	0.06788	868.58	868.58	-	0.00%
48								
49	Total Industrial Average Bill				<u>\$ 13,663.87</u>	<u>\$ 13,663.87</u>	<u>\$ -</u>	<u>0.00%</u>
50								

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Average Volumes	Current Rates	Proposed Rates	Current Average Bill	Proposed Average Bill	Amount Change	Percent Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
51	<u>Rate T at 7445 MMBtu</u>							
52	Base Rates:							
53	Customer Charge		\$ 2,491.47	\$ 2,491.47	\$ 2,491.47	\$ 2,491.47	\$ -	
54	Block 1 - Consumption Charge (MMBtu)	1,500	\$ 0.3701	\$ 0.3701	555.15	555.15	-	
55	Block 2 - Consumption Charge (MMBtu)	3,500	\$ 0.2712	\$ 0.2712	949.20	949.20	-	
56	Block 3 - Consumption Charge (MMBtu)	2,445	\$ 0.0582	\$ 0.0582	142.32	142.32	-	
57	Total Base Rates	<u>7,445</u>			<u>\$ 4,138.14</u>	<u>\$ 4,138.14</u>	<u>\$ -</u>	0.00%
58								
59	Gas Cost:							
60	Rider GCR Part B (Ccf)	7,445	\$ 0.90699	\$ 0.90699	\$ 6,752.90	\$ 6,752.90	\$ -	
61	Total Gas Cost				<u>\$ 6,752.90</u>	<u>\$ 6,752.90</u>	<u>\$ -</u>	0.00%
62								
63	Total Base with Gas Cost				\$ 10,891.04	\$ 10,891.04	\$ -	
64	Rider FF and Rider TAX		0.06788	0.06788	739.31	739.31	-	0.00%
65								
66	Total Transportation Average Bill				<u>\$ 11,630.35</u>	<u>\$ 11,630.35</u>	<u>\$ -</u>	0.00%

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SUMMARY PROOF OF REVENUE AT PROPOSED RATES - BASE RATES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Total	Reference
	(a)	(b)	(c)
1	Rate R		
2			
3	<u>Rate Characteristics:</u>		
4	Customer Charge	\$ 46.06	Schedule J
5	Consumption Charge (\$/Ccf)	\$ 0.41708	Schedule J
6			
7	Rider GCR Part A	\$ 0.25792	WP_J-1
8	Rider GCR Part B	\$ 0.53756	WP_J-1
9			
10	<u>Billing Units:</u>		
11	Bills	20,528,955	WP_J-1
12	Total Volumes (Ccf)	843,379,769	WP_J-1
13			
14	<u>Proposed Revenue:</u>		
15	Customer Charge	\$ 945,563,667	Ln 4 x Ln 11
16	Consumption Charge	351,756,834	Ln 5 x Ln 12
17	Base Revenue	\$ 1,297,320,501	Ln 15 + Ln 16
18	Rider GCR Part A	217,521,699	Ln 7 x Ln 12
19	Rider GCR Part B	453,368,396	Ln 8 x Ln 12
20	Subtotal	\$ 1,968,210,596	Sum Ln 17 through Ln 19
21	Revenue Related Taxes	133,607,590	Ln 20 x WP_F-5.1, Col (c), Ln 36
22			
23	Total Proposed Revenue - Rate R	\$ 2,101,818,186	Ln 20 + Ln 21
24			

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SUMMARY PROOF OF REVENUE AT PROPOSED RATES - BASE RATES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Total	Reference
	(a)	(b)	(c)
25	Rate C		
26			
27	<u>Rate Characteristics:</u>		
28	Customer Charge	\$ 133.15	Schedule J
29	Consumption Charge (\$/Ccf)	\$ 0.10494	Schedule J
30			
31	Rider GCR Part A	\$ 0.25792	WP_J-1
32	Rider GCR Part B	\$ 0.40265	WP_J-1
33			
34	<u>Billing Units:</u>		
35	Bills	1,514,605	WP_J-1
36	Total Volumes (Ccf)	<u>568,971,709</u>	WP_J-1
37			
38	<u>Proposed Revenue:</u>		
39	Customer Charge	\$ 201,669,656	Ln 28 x Ln 35
40	Consumption Charge	<u>59,707,891</u>	Ln 29 x Ln 36
41	Base Revenue	\$ 261,377,547	Ln 39 + Ln 40
42	Rider GCR Part A	146,747,287	Ln 31 x Ln 36
43	Rider GCR Part B	<u>229,096,324</u>	Ln 32 x Ln 36
44	Subtotal	\$ 637,221,158	Sum Ln 41 through Ln 43
45	Revenue Related Taxes	<u>43,256,338</u>	Ln 44 x WP_F-5.1, Col (c), Ln 36
46			
47	Total Proposed Revenue - Rate C	<u><u>\$ 680,477,496</u></u>	Ln 44 + Ln 45
48			

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SUMMARY PROOF OF REVENUE AT PROPOSED RATES - BASE RATES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Total	Reference
	(a)	(b)	(c)
49	Rate I & T		
50			
51	<u>Rate Characteristics:</u>		
52	Customer Charge	\$ 2,491.47	Schedule J
53	Consumption Charge:		
54	Block 1 (\$/MMBTU)	\$ 0.3701	Schedule J
55	Block 2 (\$/MMBTU)	\$ 0.2712	Schedule J
56	Block 3 (\$/MMBTU)	\$ 0.0582	Schedule J
57			
58	Rider GCR Part A	\$ 2.56633	WP_J-1
59	Rider GCR Part B	\$ 0.90699	WP_J-1
60			
61	<u>Billing Units:</u>		
62	Bills	9,756	WP_J-1
63			
64	Block 1	10,528,355	WP_J-1
65	Block 2	12,345,972	WP_J-1
66	Block 3	20,268,626	WP_J-1
67	Total MMBTU	<u>43,142,953</u>	Ln 64 + Ln 65 + Ln 66
68			
69	Industrial Sales Volumes	<u>2,585,341</u>	WP_J-1
70			

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SUMMARY PROOF OF REVENUE AT PROPOSED RATES - BASE RATES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Total	Reference
	(a)	(b)	(c)
71	<u>Proposed Revenue:</u>		
72	Customer Charge	\$ 24,306,781	Ln 52 x Ln 62
73	Block 1	3,896,544	Ln 54 x Ln 64
74	Block 2	3,348,228	Ln 55 x Ln 65
75	Block 3	1,179,634	Ln 56 x Ln 66
76	Base Revenue	<u>\$ 32,731,187</u>	Sum Ln 72 through Ln 75
77	Rider GCR Part A	6,634,851	Ln 58 x Ln 69
78	Rider GCR Part B	39,130,286	Ln 59 x Ln 67
79	Subtotal	<u>\$ 78,496,325</u>	Sum Ln 76 through Ln 78
80	Revenue Related Taxes	<u>5,328,548</u>	Ln 79 x WP_F-5.1, Col (c), Ln 36
81			
82	Total Proposed Revenue - Rate I & T	<u><u>\$ 83,824,873</u></u>	Ln 79 + Ln 80
83			
84	Total Proposed Revenue (All Classes)	<u><u>\$ 2,866,120,554</u></u>	Ln 23 + Ln 47 + Ln 82

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CALCULATION OF PROPOSED REVENUES BY AREA - RATE R - BASE RATES
TEST YEAR ENDING JUNE 30, 2024

Line No.	Description	Reference	RRM Cities	ATM Cities	City of Dallas	Unincorporated	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (c) thru (f)
1	Adjusted Customer Charges	WP_J-1.1	14,712,468	2,108,104	2,464,291	1,244,092	20,528,955
2	Adjusted Volume	WP_J-1.1	610,904,475	69,019,996	119,679,372	43,775,926	843,379,769
3							
4	Base Rate Revenue:						
5	Customer Charge Revenue	Ln 1 x Schedule J, Col (c), Ln 2	\$ 677,656,292	\$ 97,099,248	\$ 113,505,245	\$ 57,302,883	\$ 945,563,667
6	Consumption Revenue	Ln 2 x Schedule J, Col (c), Ln 4	254,796,039	28,786,860	49,915,873	18,258,063	351,756,834
7							
8	Total Base Rate Revenue	Ln 5 + Ln 6	<u>\$ 932,452,330</u>	<u>\$ 125,886,108</u>	<u>\$ 163,421,117</u>	<u>\$ 75,560,946</u>	<u>\$ 1,297,320,501</u>
9							
10	Gas Cost:						
11	Part A	Ln 2 x WP_J-4, Col (b), Ln 7	\$ 157,562,446	\$ 17,801,407	\$ 30,867,305	\$ 11,290,541	\$ 217,521,699
12	Part B	Ln 2 x WP_J-4, Col (b), Ln 8	328,398,656	37,102,484	64,335,009	23,532,247	453,368,396
13	Total Gas Cost	Ln 11 + Ln 12	<u>\$ 485,961,102</u>	<u>\$ 54,903,892</u>	<u>\$ 95,202,314</u>	<u>\$ 34,822,788</u>	<u>\$ 670,890,095</u>
14							
15	Total Base Rate Revenue with Gas Cost	Ln 8 + Ln 13	\$ 1,418,413,432	\$ 180,790,000	\$ 258,623,431	\$ 110,383,734	\$ 1,968,210,596
16							
17	Rider FF & Rider TAX	Ln 15 x WP_F-5.1, Col (c), Ln 36	\$ 96,285,835	\$ 12,272,526	\$ 17,556,075	\$ 7,493,154	\$ 133,607,590
18							
19	Total Proposed Revenue	Ln 15 + Ln 17	<u>\$ 1,514,699,266</u>	<u>\$ 193,062,526</u>	<u>\$ 276,179,506</u>	<u>\$ 117,876,887</u>	<u>\$ 2,101,818,186</u>
20							
21	Amount Change with Gas Cost and Taxes	Ln 19 - WP_J-1.1, Ln 22	\$ 150,404,910	\$ 16,992,749	\$ 29,465,106	\$ 10,777,649	\$ 207,640,414
22	Percent Change with Gas Cost and Taxes	Ln 21 / WP_J-1.1, Ln 22	11.02%	9.65%	11.94%	10.06%	10.96%
23							
24	Amount Change without Gas Cost and Taxes	Ln 8 - WP_J-1.1, Ln 11	\$ 140,844,027	\$ 15,912,560	\$ 27,592,079	\$ 10,092,540	\$ 194,441,206
25	Percent Change without Gas Cost and Taxes	Ln 24 / WP_J-1.1, Ln 11	17.79%	14.47%	20.31%	15.42%	17.63%

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CALCULATION OF PROPOSED REVENUES BY AREA - RATE C - BASE RATES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Reference	RRM Cities	ATM Cities	City of Dallas	Unincorporated	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (c) thru (f)
1	Adjusted Customer Charges	WP_J-1.2	1,124,324	129,878	235,177	25,226	1,514,605
2	Adjusted Volume	WP_J-1.2	404,378,480	40,179,976	116,478,941	7,934,311	568,971,709
3							
4	Base Rate Revenue:						
5	Customer Charge Revenue	Ln 1 x Schedule J, Col (c), Ln 8	\$ 149,703,759	\$ 17,293,205	\$ 31,313,835	\$ 3,358,856	\$ 201,669,656
6	Consumption Revenue	Ln 2 x Schedule J, Col (c), Ln 10	42,435,478	4,216,487	12,223,300	832,627	59,707,891
7							
8	Total Base Rate Revenue	Ln 5 + Ln 6	<u>\$ 192,139,237</u>	<u>\$ 21,509,692</u>	<u>\$ 43,537,136</u>	<u>\$ 4,191,483</u>	<u>\$ 261,377,547</u>
9							
10	Gas Cost:						
11	Part A	Ln 2 x WP_J-4, Col (b), Ln 31	\$ 104,295,950	\$ 10,363,086	\$ 30,041,860	\$ 2,046,391	\$ 146,747,287
12	Part B	Ln 2 x WP_J-4, Col (b), Ln 32	162,822,900	16,178,458	46,900,218	3,194,749	229,096,324
13	Total Gas Cost	Ln 11 + Ln 12	<u>\$ 267,118,849</u>	<u>\$ 26,541,544</u>	<u>\$ 76,942,078</u>	<u>\$ 5,241,140</u>	<u>\$ 375,843,611</u>
14							
15	Total Base Rate Revenue with Gas Cost	Ln 8 + Ln 13	\$ 459,258,086	\$ 48,051,235	\$ 120,479,214	\$ 9,432,622	\$ 637,221,158
16							
17	Rider FF & Rider TAX	Ln 15 x WP_F-5.1, Col (c), Ln 36	\$ 31,175,712	\$ 3,261,851	\$ 8,178,463	\$ 640,313	\$ 43,256,338
18							
19	Total Proposed Revenue	Ln 15 + Ln 17	<u>\$ 490,433,798</u>	<u>\$ 51,313,086</u>	<u>\$ 128,657,677</u>	<u>\$ 10,072,935</u>	<u>\$ 680,477,496</u>
20							
21	Amount Change with Gas Cost and Taxes	Ln 19 - WP_J-1.2, Ln 22	\$ -	\$ -	\$ -	\$ -	\$ -
22	Percent Change with Gas Cost and Taxes	Ln 21 / WP_J-1.2, Ln 22	0.00%	0.00%	0.00%	0.00%	0.00%
23							
24	Amount Change without Gas Cost and Taxes	Ln 8 - WP_J-1.2, Ln 11	\$ -	\$ -	\$ -	\$ -	\$ -
25	Percent Change without Gas Cost and Taxes	Ln 24 / WP_J-1.2, Ln 11	0.00%	0.00%	0.00%	0.00%	0.00%

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CALCULATION OF PROPOSED REVENUES BY AREA - RATE I&T - BASE RATES
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Reference	RRM Cities	ATM Cities	City of Dallas	Unincorporated	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (c) thru (f)
1	Adjusted Meter Charges	WP_J-1.3	7,212	828	1,188	528	9,756
2	Volume						
3	Sales Volume	WP_J-1.3	1,725,968	151,219	122,344	585,810	2,585,341
4	Transportation Volume	WP_J-1.3	26,910,467	3,452,093	7,872,093	2,322,959	40,557,612
5	Total Volume	Ln 3 + Ln 4	28,636,435	3,603,312	7,994,437	2,908,769	43,142,953
6							
7	Volume by Block						
8	Block 1	WP_J-1.3	7,677,443	841,878	1,426,688	582,346	10,528,355
9	Block 2	WP_J-1.3	8,763,875	853,333	1,996,825	731,939	12,345,972
10	Block 3	WP_J-1.3	12,195,117	1,908,101	4,570,924	1,594,484	20,268,626
11	Total Volume by Block	Sum (Ln 8 through Ln 10)	28,636,435	3,603,312	7,994,437	2,908,769	43,142,953
12							
13	Base Rate Revenue:						
14	Customer Charge Revenue	Ln 1 x Schedule J, Col (c), Ln 14	\$ 17,968,482	\$ 2,062,937	\$ 2,959,866	\$ 1,315,496	\$ 24,306,781
15	Consumption Revenue						
16	Consumption Revenue - Block 1	Ln 8 x Schedule J, Col (c), Ln 17	\$ 2,841,422	\$ 311,579	\$ 528,017	\$ 215,526	\$ 3,896,544
17	Consumption Revenue - Block 2	Ln 9 x Schedule J, Col (c), Ln 18	2,376,763	231,424	541,539	198,502	3,348,228
18	Consumption Revenue - Block 3	Ln 10 x Schedule J, Col (c), Ln 19	709,756	111,051	266,028	92,799	1,179,634
19	Total Consumption Revenue	Sum (Ln 16 through Ln 18)	\$ 5,927,940	\$ 654,054	\$ 1,335,584	\$ 506,827	\$ 8,424,406
20							
21	Total Base Rate Revenue	Ln 14 + Ln 19	\$ 23,896,422	\$ 2,716,992	\$ 4,295,450	\$ 1,822,323	\$ 32,731,187
22							
23	Gas Cost:						
24	Part A	Ln 3 x WP_J-4, Col (b), Ln 58	\$ 4,429,412	\$ 388,079	\$ 313,976	\$ 1,503,385	\$ 6,634,851
25	Part B	Ln 5 x WP_J-4, Col (b), Ln 59	25,973,000	3,268,173	7,250,885	2,638,228	39,130,286
26	Total Gas Cost	Ln 24 + Ln 25	\$ 30,402,412	\$ 3,656,252	\$ 7,564,861	\$ 4,141,613	\$ 45,765,138
27							
28	Total Base Rate Revenue with Gas Cost	Ln 21 + Ln 26	\$ 54,298,834	\$ 6,373,243	\$ 11,860,311	\$ 5,963,936	\$ 78,496,325
29							
30	Rider FF & Rider TAX	Ln 28 x WP_F-5.1, Col (c), Ln 36	\$ 3,685,955	\$ 432,633	\$ 805,111	\$ 404,849	\$ 5,328,548
31							
32	Total Proposed Revenue	Ln 28 + Ln 30	\$ 57,984,789	\$ 6,805,877	\$ 12,665,422	\$ 6,368,785	\$ 83,824,873
33							
34	Amount Change with Gas Cost and Taxes	Ln 32 - WP_J-1.3, Ln 36	\$ -	\$ -	\$ -	\$ -	\$ -
35	Percent Change with Gas Cost and Taxes	Ln 34 / WP_J-1.3, Ln 36	0.00%	0.00%	0.00%	0.00%	0.00%
36							
37	Amount Change without Gas Cost and Taxes	Ln 21 - WP_J-1.3, Ln 25	\$ -	\$ -	\$ -	\$ -	\$ -
38	Percent Change without Gas Cost and Taxes	Ln 37 / WP_J-1.3, Ln 25	0.00%	0.00%	0.00%	0.00%	0.00%

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CLASS COST OF SERVICE STUDY ("CCOSS") - RATE DESIGN
TEST YEAR ENDING JUNE 30, 2024

Line No.	Customer Classes	Net Revenue Requirements Per CCOS	Class Allocation Percentage				
	(a)	(b)	(c)				
1	Residential	\$ 1,297,318,008	81.52%				
2	Commercial	261,377,547	16.42%				
3	Industrial and Transportation	32,731,187	2.06%				
4	Total Net Revenue Requirements (1)	<u>\$ 1,591,426,742</u>	<u>100.00%</u>				
5							
6							
7	Residential	Residential	Commercial	Industrial & Transportation (Block 1)	Industrial & Transportation (Block 2)	Industrial & Transportation (Block 3)	Total
8	(a)	(b)	(c)	(d)	(e)	(f)	(g)
9							
10	<u>Customer Charge Revenue:</u>						
11	Proposed Monthly Customer Charge	\$ 46.06	\$ 133.15	\$ 2,491.47			
12	Annual Number of Bills (2)	20,528,955	1,514,605	9,756			
13	Total Customer Charge Revenue	<u>\$ 945,563,667</u>	<u>\$ 201,669,656</u>	<u>\$ 24,306,781</u>			\$ 1,171,540,104
14							
15							
16	<u>Consumption Charge Revenue:</u>						
17	Proposed Consumption Charge	\$ 0.41708	\$ 0.10494	\$ 0.3701	\$ 0.2712	\$ 0.0582	
18	Volumes (2) (3)	843,379,769	568,971,709	10,528,355	12,345,972	20,268,626	
19	Total Consumption Charge Revenue	<u>\$ 351,756,834</u>	<u>\$ 59,707,891</u>	<u>\$ 3,896,544</u>	<u>\$ 3,348,228</u>	<u>\$ 1,179,634</u>	\$ 419,889,131
20							
21	Total Customer and Consumption Revenue	<u>\$ 1,297,320,501</u>	<u>\$ 261,377,547</u>	<u>\$ 28,203,326</u>	<u>\$ 3,348,228</u>	<u>\$ 1,179,634</u>	<u>\$ 1,591,429,235</u>
22							
23	Over / (Under) Recovery	\$ 2,494	\$ (0)	\$ (0)			
24							
25	Notes:						
26	1. Please see tab, "RevReq-CCS1".						
27	2. Please see tab, "WP_J-1".						
28	3. Residential and Commercial Volumes are Ccf; Industrial and Transportation are MMBtu.						
29	4. Percentages of Current Industrial & Transportation Volumetric Revenue:						
30	Block 1	3,896,544	46.25%				
31	Block 2	3,348,228	39.74%				
32	Block 3	1,179,634	14.00%				
33		<u>8,424,406</u>	<u>100.00%</u>				

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CLASS COST OF SERVICE STUDY - BASE REVENUE REQUIREMENTS ALLOCATION
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Total	Residential	Commercial	Industrial & Transportation	Reference
	(a)	(b)	(c)	(d)	(e)	(f) (g)
1	Operating & Maintenance Expense	\$ 303,769,112	\$ 255,381,215	\$ 44,398,933	\$ 3,988,964	CCS6 O&M Expense Allocation
2						
3	Depreciation Expense	380,709,795	324,832,675	50,687,158	5,189,962	CCS7 Depreciation Expense Allocation
4						
5	Taxes Other than Income Taxes	107,439,401	91,104,349	14,784,789	1,550,263	CCS8 Taxes Other than Income Allocation
6						
7	Interest on Customer Deposits	541,670	375,005	164,951	1,714	(a) Customer Deposit Balances
8						
9	Return on Investment	654,815,672	555,840,131	89,439,453	9,536,088	(b) Allocated Rate Base
10						
11	Income Taxes	151,616,390	128,699,537	20,708,861	2,207,991	(b) Allocated Rate Base
12						
13	Total Cost of Service	\$ 1,598,892,039	\$ 1,356,232,912	\$ 220,184,145	\$ 22,474,982	
14						
15	Revenue Credits	9,094,522	7,714,273	1,252,411	127,838	(c) Allocated Total Cost of Service
16						
17	Amortization of Excess Deferred Income Taxes	1,629,225	1,382,539	222,995	23,691	(d) Allocated Net Plant
18						
19	Proposed Adjustment	-	(52,583,170)	42,222,818	10,360,352	(1)
20						
21	Base Revenue Requirements	\$ 1,591,426,742	\$ 1,297,318,008	\$ 261,377,547	\$ 32,731,187	
22						
23						
24	(a) Customer Deposit Balances	\$ 11,061,039	\$ 7,657,707	\$ 3,368,331	\$ 35,000	
25	Allocation Factor	100.00%	69.23%	30.45%	0.32%	
26						
27	(b) Allocated Rate Base	\$ 7,952,867,323	\$ 6,750,789,578	\$ 1,086,260,054	\$ 115,817,691	CCS2 Rate Base Allocation
28	Allocation Factor	100.00%	84.88%	13.66%	1.46%	
29						
30	(c) Allocated Total Cost of Service	\$ 1,598,892,039	\$ 1,356,232,912	\$ 220,184,145	\$ 22,474,982	
31	Allocation Factor	100.00%	84.82%	13.77%	1.41%	
32						
33	(d) Total Net Plant	\$ 9,063,528,656	\$ 7,691,193,019	\$ 1,240,539,875	\$ 131,795,763	CCS3 Plant Allocation
34	Allocation Factor	100.00%	84.86%	13.69%	1.45%	
35						
36	Note:					
37	1. Please see the workpapers of Company witness Paul Raab for details.					

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CLASS COST OF SERVICE STUDY - RATE BASE ALLOCATION
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Amount	Residential	Commercial	Industrial & Transportation	Reference
	(a)	(b)	(c)	(d)	(e)	(f) (g)
1	<u>Net Plant:</u>					
2	Gross Plant	\$ 11,062,000,757	\$ 9,387,070,558	\$ 1,514,073,994	\$ 160,856,205	(a) Net Plant Allocation
3	Accumulated Depreciation	1,998,472,100	1,695,877,538	273,534,119	29,060,443	(a) Net Plant Allocation
4	Total Net Plant	<u>\$ 9,063,528,657</u>	<u>\$ 7,691,193,020</u>	<u>\$ 1,240,539,875</u>	<u>\$ 131,795,763</u>	
5						
6	<u>Working Capital:</u>					
7	Cash Working Capital	\$ (77,143,376)	\$ (64,855,077)	\$ (11,275,286)	\$ (1,013,013)	(b) O&M Expense Allocation
8	Materials & Supplies	18,209,006	15,308,462	2,661,431	239,113	(b) O&M Expense Allocation
9	Prepayments	41,510,980	34,898,626	6,067,250	545,104	(b) O&M Expense Allocation
10	Pension Expense Regulatory Asset / Liability	(4,310,129)	(3,623,561)	(629,969)	(56,599)	(b) O&M Expense Allocation
11	Other Adjustments	-	-	-	-	(b) O&M Expense Allocation
12	Total Working Capital	<u>\$ (21,733,520)</u>	<u>\$ (18,271,550)</u>	<u>\$ (3,176,574)</u>	<u>\$ (285,395)</u>	
13						
14	<u>Non-Investor Supplied Capital:</u>					
15	Customer Deposits	\$ 11,145,476	\$ 7,716,164	\$ 3,394,044	\$ 35,267	(c) Customer Deposit Balances
16	Customer Advances	1,000,000	692,314	304,522	3,164	(c) Customer Deposit Balances
17	Injuries and Damages Reserve	2,555,232	2,148,205	373,473	33,554	(b) O&M Expense Allocation
18	Accumulated Deferred Income Taxes	991,599,170	841,458,212	135,721,787	14,419,171	(a) Net Plant Allocation
19	EDIT Regulatory Liability	55,633,338	47,209,730	7,614,625	808,983	(a) Net Plant Allocation
20	Rate Base Adjustments	26,994,598	22,907,266	3,694,794	392,537	(a) Net Plant Allocation
21	Total Non-Investor Supplied Capital	<u>\$ 1,088,927,814</u>	<u>\$ 922,131,891</u>	<u>\$ 151,103,247</u>	<u>\$ 15,692,677</u>	
22						
23	Total Rate Base	<u>\$ 7,952,867,323</u>	<u>\$ 6,750,789,578</u>	<u>\$ 1,086,260,054</u>	<u>\$ 115,817,691</u>	
24						
25						
26	(a) Total Net Plant	\$ 9,063,528,656	\$ 7,691,193,019	\$ 1,240,539,875	\$ 131,795,763	CCS3 Plant Allocation
27	Allocation Factor	100.00%	84.86%	13.69%	1.45%	
28						
29	(b) Total O&M Expenses	\$ 303,769,112	\$ 255,381,215	\$ 44,398,933	\$ 3,988,964	CCS6 O&M Expense Allocation
30	Allocation Factor	100.00%	84.07%	14.62%	1.31%	
31						
32	(c) Customer Deposit Balances	\$ 11,061,039	\$ 7,657,707	\$ 3,368,331	\$ 35,000	CCS1 Revenue Requirement Allocation
33	Allocation Factor	100.00%	69.23%	30.45%	0.32%	

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CLASS COST OF SERVICE STUDY - PLANT ALLOCATION
TEST YEAR ENDING JUNE 30, 2024

Line No.	Account	Description	ORIGINAL COST			FUNCTIONALIZATION / CLASSIFICATION			PLANT ALLOCATION			Reference
			Gross Plant	Accumulated Depreciation	Net Plant	Customer Related (a)	Capacity Related (a)	General (h)	Residential (i)	Commercial (j)	Industrial & Transportation (k)	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l) (m)
1	Mid-Tex:											
2	Distribution Plant											
3	374	Land	\$ 6,426,488	\$ 7,827	\$ 6,418,661	\$ 4,475,098			\$ 4,131,439	\$ 337,010	\$ 6,649	(b) Number of Customer Locations
4							\$ 1,943,563		1,223,606	617,179	102,778	(c) Design Day Demand
5	374	Land Rights	13,905,920	1,805,206	12,100,714	8,436,632			7,788,752	635,345	12,535	(b) Number of Customer Locations
6							3,664,082		2,306,791	1,163,530	193,761	(c) Design Day Demand
7	375	Structures & Improvements	1,810,961	1,197,913	613,048	427,418			394,595	32,188	635	(b) Number of Customer Locations
8							185,630		116,867	58,947	9,816	(c) Design Day Demand
9	376	Mains	6,637,108,409	962,801,017	5,674,307,392	3,956,133,569			3,652,327,542	297,928,222	5,877,805	(b) Number of Customer Locations
10							1,718,173,823		1,081,708,022	545,606,552	90,859,249	(c) Design Day Demand
11	378	M&R Station Equipment	248,035,978	28,610,346	219,425,632	152,983,800			141,235,613	11,520,893	227,295	(b) Number of Customer Locations
12							66,441,832		41,829,681	21,098,621	3,513,530	(c) Design Day Demand
13	379	City Gate Equipment	7,607,375	4,243,847	3,363,529	2,345,056			2,164,971	176,601	3,484	(b) Number of Customer Locations
14							1,018,473		641,198	323,416	53,858	(c) Design Day Demand
15	380	Services	2,856,629,156	698,138,554	2,158,490,602	2,158,490,602			1,992,732,181	162,551,455	3,206,966	(b) Number of Customer Locations
16	381	Meters	468,747,450	81,473,122	387,274,328	387,274,328			290,914,708	85,728,776	10,630,845	(d) Meter Investment
17	382	Meter Installations	378,997,226	54,594,443	324,402,783	324,402,783			243,686,539	71,811,250	8,904,994	(d) Meter Investment
18	383	House Regulators	97,799,167	28,552,552	69,246,615	69,246,615			52,017,026	15,328,740	1,900,849	(d) Meter Investment
19	385	Industrial M&R Station Equipment	4,655,691	842,472	3,813,219	3,813,219			-	-	3,813,219	(e) Direct to Industrial & Transport
20		Total Distribution Plant	\$ 10,721,723,823	\$ 1,862,267,299	\$ 8,859,456,524	\$ 7,068,029,120	\$ 1,791,427,404	\$ -	\$ 7,515,219,530	\$ 1,214,918,725	\$ 129,318,269	
21												
22	General Plant											
23	302	Franchises & Consents	\$ 18,896	\$ 7,231	\$ 11,665			\$ 11,665	\$ 9,899	\$ 1,597	\$ 170	(f) Distribution & Cust. Sup. Plant
24	303	Miscellaneous Intangible Plant	709,231	709,231	-			-	-	-	-	(f) Distribution & Cust. Sup. Plant
25	389	Land	5,006,336	(2,881)	5,009,217			5,009,217	4,250,757	685,620	72,841	(f) Distribution & Cust. Sup. Plant
26	390	Structures & Improvements	75,979,632	22,964,221	53,015,411			53,015,411	44,988,191	7,256,305	770,915	(f) Distribution & Cust. Sup. Plant
27	391	Office Furniture & Equipment	8,383,687	(1,303,314)	9,687,000			9,687,000	8,220,263	1,325,875	140,862	(f) Distribution & Cust. Sup. Plant
28	392	Transportation Equipment	470,130	647,749	(177,619)			(177,619)	(150,725)	(24,311)	(2,583)	(f) Distribution & Cust. Sup. Plant
29	393	Stores Equipment	128,968	56,534	72,433			72,433	61,466	9,914	1,053	(f) Distribution & Cust. Sup. Plant
30	394	Tools, Shop, and Garage Equipment	39,607,660	12,980,751	26,626,910			26,626,910	22,595,251	3,644,468	387,191	(f) Distribution & Cust. Sup. Plant
31	395	Laboratory Equipment	1,163,017	400,682	762,335			762,335	646,908	104,342	11,085	(f) Distribution & Cust. Sup. Plant
32	396	Power Operated Equipment	851,041	273,783	577,258			577,258	489,854	79,010	8,394	(f) Distribution & Cust. Sup. Plant
33	397	Communication Equipment	1,168,863	806,510	362,353			362,353	307,488	49,596	5,269	(f) Distribution & Cust. Sup. Plant
34	398	Miscellaneous Equipment	2,448,197	1,765,323	682,874			682,874	579,478	93,466	9,930	(f) Distribution & Cust. Sup. Plant
35	399	Non-Mainframe Computer Equipment	15,275,948	7,636,255	7,639,693			7,639,693	6,482,945	1,045,657	111,091	(f) Distribution & Cust. Sup. Plant
36	RWIP	Retirement Work In Progress	-	(11,655,808)	11,655,808			11,655,808	9,890,968	1,595,349	169,491	(f) Distribution & Cust. Sup. Plant
37		Total General Plant	\$ 151,211,607	\$ 35,286,267	\$ 115,925,339	\$ -	\$ -	\$ 115,925,339	\$ 98,372,741	\$ 15,866,889	\$ 1,685,709	
38												
39	Shared Services Unit:											
40	Customer Support		\$ 87,076,453	\$ 49,545,654	\$ 37,530,799	\$ 37,530,799			\$ 34,648,671	\$ 2,826,367	\$ 55,761	(b) Number of Customer Locations
41	General Office		101,988,874	51,372,880	50,615,994			50,615,994	42,952,077	6,927,893	736,024	(f) Distribution & Cust. Sup. Plant
42		Total Shared Services Unit	\$ 189,065,327	\$ 100,918,534	\$ 88,146,793	\$ 37,530,799	\$ -	\$ 50,615,994	\$ 77,600,748	\$ 9,754,260	\$ 791,785	
43												
44		TOTAL PLANT	\$ 11,062,000,757	\$ 1,998,472,100	\$ 9,063,528,656	\$ 7,105,559,919	\$ 1,791,427,404	\$ 166,541,333	\$ 7,691,193,019	\$ 1,240,539,875	\$ 131,795,763	
45												
46												

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CLASS COST OF SERVICE STUDY - PLANT ALLOCATION
TEST YEAR ENDING JUNE 30, 2024

Line No.	Account	Description	ORIGINAL COST			FUNCTIONALIZATION / CLASSIFICATION			PLANT ALLOCATION				Reference
			Gross Plant	Accumulated Depreciation	Net Plant	Customer Related (a)	Capacity Related (a)	General	Residential	Commercial	Industrial &		
											Transportation		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
47	(a)	Accounts 374-379 functionalized between Customer-Related and Capacity-Related using the following minimum system analysis:											Mains Analysis
48		Feet of Mains			171,325,018								
49		Current Cost of 2" Main per foot			\$ 25.61								
50		Current Cost of 2" Main System			\$ 4,386,977,572	\$ 4,386,977,572							
51		Current Cost of All Mains in Service			6,292,269,670								
52		Remaining Current Cost of Mains			\$ 1,905,292,098		\$ 1,905,292,098						
53		Allocation Factor			100.00%	69.72%	30.28%						
54													
55	(b)	Number of Customer Locations			1,887,942				1,742,960	142,177	2,805	CCS5	Meter Investment Analysis
56		Allocation Factor			100.00%				92.32%	7.53%	0.15%		
57													
58	(c)	Design Day Demand (Mcf)			2,281,065				1,436,086	724,353	120,626	CCS4	Design Day Demand Analysis
59		Allocation Factor			100.00%				62.96%	31.76%	5.29%		
60													
61	(d)	Meter Investment			\$ 889,142,529				\$ 667,910,626	\$ 196,824,563	\$ 24,407,340	CCS5	Meter Investment Analysis
62		Allocation Factor			100.00%				75.12%	22.14%	2.75%		
63													
64	(e)	Direct to Industrial & Transportation											
65		Allocation Factor			100.00%				0.00%	0.00%	100.00%		
66													
67	(f)	Distribution & Customer Support Plant											
68		Distribution Plant			\$ 8,859,456,524				\$ 7,515,219,530	\$ 1,214,918,725	\$ 129,318,269	CCS3	Plant Allocation
69		Customer Support Plant			37,530,799				34,648,671	2,826,367	55,761	CCS3	Plant Allocation
70		Total			\$ 8,896,987,323				\$ 7,549,868,201	\$ 1,217,745,092	\$ 129,374,030		
71		Allocation Factor							84.86%	13.69%	1.45%		

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CLASS COST OF SERVICE STUDY - DESIGN DAY DEMAND ANALYSIS
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	WEATHER STATION					Reference	
		ABI	AUS	DFW	WAC	WIC		Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	<u>Residential:</u>							
2	Daily use per Customer (Mcf)	0.0312	0.0317	0.0409	0.0279	0.0333		Baseload and HSF
3								
4	System Design Heating Degree Days	50.00	50.00	50.00	50.00	50.00		
5	Heat Sensitivity Factor (Mcf)	0.0138	0.0149	0.0198	0.0125	0.0137		Baseload and HSF
6	Adjustment to Daily Use Per Customer	0.6914	0.7427	0.9906	0.6231	0.6846		
7								
8	Adjusted Class Design Day Usage	0.7226	0.7743	1.0316	0.6510	0.7179		
9	Adjusted Customers	70,785	260,836	1,150,168	51,575	177,382		BDA-1 Res
10	Class Design Day (Mcf)	51,147	201,971	1,186,479	33,575	127,335	1,600,508	
11								
12	<u>Minimum System Adjustment:</u>							
13	Minimum Hourly Flow per Location (Ccf)	5	5	5	5	5		
14	Daily Hours	24	24	24	24	24		
15	Minimum Daily Flow per Location (Ccf)	120	120	120	120	120		
16	Adjusted Customers	70,785	260,836	1,150,168	51,575	177,382		Line 9
17	Maximum Daily Flow per Hour (Mcf)	8,494	31,300	138,020	6,189	21,286	205,290	
18								
19	Adjusted Class Design Day (Mcf)	42,653	170,671	1,048,459	27,386	106,049	1,395,219	
20								
21	MMBtu / Mcf	1.005	1.005	1.005	1.005	1.005		Schedule I
22	Lost and Unaccounted For Gas Factor	0.976	0.976	0.976	0.976	0.976		Schedule I
23								
24	Upstream MMBtu Demand	43,902	175,670	1,079,170	28,188	109,155	1,436,086	
25								
26	Upstream Pipeline Fixed Charge Allocation Factor						62.95684%	
27								

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CLASS COST OF SERVICE STUDY - DESIGN DAY DEMAND ANALYSIS
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	WEATHER STATION						Reference
		ABI	AUS	DFW	WAC	WIC	Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
28	Commercial:							
29	Daily use per Customer (Mcf)	0.3135	0.6741	0.6471	0.4301	0.3853		Baseload and HSF
30								
31	System Design Heating Degree Days	50.00	50.00	50.00	50.00	50.00		
32	Heat Sensitivity Factor (Mcf)	0.0721	0.1031	0.1120	0.0752	0.0691		Baseload and HSF
33	Adjustment to Daily Use Per Customer	3.6075	5.1568	5.6015	3.7613	3.4533		
34								
35	Adjusted Class Design Day Usage	3.9210	5.8309	6.2486	4.1914	3.8386		
36	Adjusted Customers	8,093	10,885	87,107	5,965	14,168		BDA-2 Com
37	Class Design Day (Mcf)	31,731	63,468	544,301	25,001	54,384	718,885	
38								
39	<u>Minimum System Adjustment:</u>							
40	Minimum Hourly Flow per Location (Ccf)	5	5	5	5	5		
41	Daily Hours	24	24	24	24	24		
42	Minimum Daily Flow per Location (Ccf)	120	120	120	120	120		
43	Adjusted Customers	8,093	10,885	87,107	5,965	14,168		Line 36
44	Maximum Daily Flow per Hour (Mcf)	971	1,306	10,453	716	1,700	15,146	
45								
46	Adjusted Class Design Day (Mcf)	30,760	62,162	533,848	24,285	52,684	703,739	
47								
48	MMBtu / Mcf	1.005	1.005	1.005	1.005	1.005		Schedule I
49	Lost and Unaccounted For Gas Factor	0.976	0.976	0.976	0.976	0.976		Schedule I
50								
51	Upstream MMBtu Demand	31,661	63,983	549,485	24,996	54,227	724,353	
52								
53	Upstream Pipeline Fixed Charge Allocation Factor						31.75503%	
54								

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CLASS COST OF SERVICE STUDY - DESIGN DAY DEMAND ANALYSIS
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	WEATHER STATION						Reference
		ABI	AUS	DFW	WAC	WIC	Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
55	<u>Industrial & Transportation:</u>							
56	Class Adjusted Usage (Mcf)						42,928,311	WP_J-1
57	Annual Days						366	
58	Class Design Day (Mcf)						117,290	
59								
60	<u>Minimum System Adjustment:</u>							
61	Minimum Hourly Flow per Location (Ccf)						5	
62	Daily Hours						24	
63	Minimum Daily Flow per Location (Ccf)						120	
64	Number of Customers						813	WP_J-1
65	Maximum Daily Flow per Hour (Mcf)						98	
66								
67	Adjusted Class Design Day (Mcf)						117,193	
68								
69	MMBtu / Mcf						1.005	Schedule I
70	Lost and Unaccounted For Gas Factor						0.976	Schedule I
71								
72	Upstream MMBtu Demand						120,626	
73								
74	Upstream Pipeline Fixed Charge Allocation Factor						5.28813%	

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CLASS COST OF SERVICE STUDY - METER INVESTMENT ANALYSIS
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Meter Class	Cost Per Meter (1)	NUMBER OF METERS			REPLACEMENT COST OF METERS		
			Residential	Commercial	Industrial & Transportation	Residential	Commercial	Industrial & Transportation
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	1	\$ 362.40	1,618,011	61,051	4	\$ 586,371,596	\$ 22,125,049	\$ 1,450
2	2	\$ 583.97	119,426	42,403	-	69,741,172	24,762,069	-
3	3	\$ 1,601.48	1,419	4,068	2	2,272,499	6,514,818	3,203
4	4	\$ 2,140.42	3,960	24,229	22	8,476,082	51,860,353	47,089
5	5	\$ 8,807.74	5	1,036	38	44,039	9,124,820	334,694
6	6	\$ 8,807.74	11	833	39	96,885	7,336,849	343,502
7	7	\$ 8,807.74	2	20	1	17,615	176,155	8,808
8	8	\$ 8,807.74	1	402	87	8,808	3,540,712	766,274
9	9	\$ 8,807.74	99	8,099	1,639	871,966	71,333,900	14,435,889
10			1,742,934	142,141	1,832	\$ 667,900,663	\$ 196,774,726	\$ 15,940,908
11								
12	Non-Classified Meters (2):							
13	Residential	\$ 383.20	26			\$ 9,963		
14	Commercial	\$ 1,384.36		36			49,837	
15	Industrial & Transportation	\$ 8,701.37			973			8,466,432
16			26	36	973	\$ 9,963	\$ 49,837	\$ 8,466,432
17								
18	Total		1,742,960	142,177	2,805	\$ 667,910,626	\$ 196,824,563	\$ 24,407,340

Notes:

1. Please see relied file, "CCOS MetInv-CCS5 - Meter Investment Analysis.xlsx" for cost of meter details.
2. Average cost of classified meters.

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CLASS COST OF SERVICE STUDY - O&M EXPENSE ALLOCATION
TEST YEAR ENDING JUNE 30, 2024**

Line No.				O&M EXPENSE ALLOCATION			Reference
	Account	Description	Total	Residential	Commercial	Industrial & Transportation	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	870	Distribution - Operation Supervision and Engineering	\$ 7,811,935	\$ 6,633,635	\$ 1,062,231	\$ 116,068	(a) Composite of Accts 871-879 & 886-893
2	871	Distribution - Load Dispatching	561,049	256,933	173,336	130,780	(b) Throughput
3	874	Mains and Services Expenses	107,375,919	92,213,902	13,791,934	1,370,083	(c) Composite of Accounts 376 and 380
4	875	Measuring and Regulating Station Expenses - General	11,412	9,521	1,697	195	(d) Composite of Accounts 374-379
5	876	Measuring and Regulating Station Expenses - Industrial	7	-	-	7	(e) Direct to Industrial and Transportation
6	878	Meter and House Regulator Expenses	7,211,652	5,417,285	1,596,403	197,963	(f) Composite of Accounts 381-383
7	879	Customer Installations Expenses	774,162	714,711	58,301	1,150	(g) Number of Customer Locations
8	880	Other Expenses	9,755,400	8,283,961	1,326,494	144,944	(a) Composite of Accts 871-879 & 886-893
9	881	Rents	439,277	373,019	59,731	6,527	(a) Composite of Accts 871-879 & 886-893
10	885	Maintenance Supervision and Engineering	39,979	33,949	5,436	594	(a) Composite of Accts 871-879 & 886-893
11	886	Maintenance of Structures and Improvements	(2,821)	(2,353)	(419)	(48)	(d) Composite of Accounts 374-379
12	887	Maintenance of Mains	1,934,475	1,613,920	287,576	32,979	(d) Composite of Accounts 374-379
13	888	Maintenance of compressor station equipment	6,739	3,086	2,082	1,571	(b) Throughput
14	889	Maintenance of M&R Station Equipment - General	2,928,183	2,442,963	435,300	49,920	(d) Composite of Accounts 374-379
15	892	Maintenance of Services	343,498	317,119	25,868	510	(h) Account 380
16	893	Maintenance of Meters and House Regulators	1,177,717	884,683	260,705	32,329	(f) Composite of Accounts 381-383
17	894	Maintenance of Other Equipment	656,199	557,222	89,227	9,750	(a) Composite of Accts 871-879 & 886-893
18	901	Supervision	242,967	224,309	18,297	361	(g) Number of Customer Locations
19	902	Meter Reading Expense	11,527,550	10,642,307	868,116	17,127	(g) Number of Customer Locations
20	903	Customer Records and Collection Expenses	19,881,809	16,871,445	2,721,255	289,108	(i) Plant Weighted Customers
21	904	Uncollectible Accounts	23,616,082	16,349,734	7,191,620	74,727	(j) Customer Deposit Allocation Factors
22	905	Miscellaneous Customer Accounts	23	22	2	0	(g) Number of Customer Locations
23	908	Customer Assistance Expenses	112,365	103,736	8,462	167	(g) Number of Customer Locations
24	910	Miscellaneous Customer Service and Informational Expenses	1,984,977	1,832,544	149,485	2,949	(g) Number of Customer Locations
25	911	Supervision	1,095	1,011	82	2	(g) Number of Customer Locations
26	912	Demonstrating and Selling Expenses	18,000	16,617	1,356	27	(g) Number of Customer Locations
27	913	Advertising Expenses	166,024	153,275	12,503	247	(g) Number of Customer Locations
28	920	Administrative and General Salaries	904,633	774,265	118,027	12,342	(k) Composite of Accts 870-902, 908-913, 924, & 928
29	921	Office Supplies and Expenses	400,765	343,010	52,287	5,468	(k) Composite of Accts 870-902, 908-913, 924, & 928
30	922	Administrative Expenses Transferred - Customer Support	82,580,947	70,077,122	11,302,988	1,200,837	(i) Plant Weighted Customers
31	923	Outside Services Employed	2,879,254	2,464,318	375,653	39,283	(k) Composite of Accts 870-902, 908-913, 924, & 928
32	924	Property Insurance	231,666	196,588	31,708	3,369	(i) Plant Weighted Customers
33	925	Injuries and Damages	2,958,744	2,532,353	386,024	40,367	(k) Composite of Accts 870-902, 908-913, 924, & 928
34	926	Employee Pensions and Benefits	14,740,420	12,616,144	1,923,168	201,109	(k) Composite of Accts 870-902, 908-913, 924, & 928
35	928	Regulatory Commission Expenses	51,608	47,645	3,886	77	(g) Number of Customer Locations
36	930.2	Miscellaneous General Expense	395,779	338,742	51,637	5,400	(k) Composite of Accts 870-902, 908-913, 924, & 928
37	931	Rents	48,755	41,729	6,361	665	(k) Composite of Accts 870-902, 908-913, 924, & 928
38	932	Maintenance of General Plant	868	743	113	12	(k) Composite of Accts 870-902, 908-913, 924, & 928
39							
40		Total Operation and Maintenance Expenses	\$ 303,769,112	\$ 255,381,215	\$ 44,398,933	\$ 3,988,964	
41							
42							

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CLASS COST OF SERVICE STUDY - O&M EXPENSE ALLOCATION
TEST YEAR ENDING JUNE 30, 2024

O&M EXPENSE ALLOCATION								
Line No.	Account	Description	Total	Industrial &			Reference	
				Residential	Commercial	Transportation		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
43	(a) <u>Composite of Accounts 871-879 and 886-893</u>							
44	871	Distribution - Load Dispatching	\$ 561,049	\$ 256,933	\$ 173,336	\$ 130,780	CCS6	O&M Expense Allocation
45	874	Mains and Services Expenses	107,375,919	92,213,902	13,791,934	1,370,083	CCS6	O&M Expense Allocation
46	875	Measuring and Regulating Station Expenses - General	11,412	9,521	1,697	195	CCS6	O&M Expense Allocation
47	876	Measuring and Regulating Station Expenses - Industrial	7	-	-	7	CCS6	O&M Expense Allocation
48	878	Meter and House Regulator Expenses	7,211,652	5,417,285	1,596,403	197,963	CCS6	O&M Expense Allocation
49	879	Customer Installations Expenses	774,162	714,711	58,301	1,150	CCS6	O&M Expense Allocation
50	886	Maintenance of Structures and Improvements	(2,821)	(2,353)	(419)	(48)	CCS6	O&M Expense Allocation
51	887	Maintenance of Mains	1,934,475	1,613,920	287,576	32,979	CCS6	O&M Expense Allocation
52	888	Maintenance of compressor station equipment	6,739	3,086	2,082	1,571	CCS6	O&M Expense Allocation
53	889	Maintenance of M&R Station Equipment - General	2,928,183	2,442,963	435,300	49,920	CCS6	O&M Expense Allocation
54	892	Maintenance of Services	343,498	317,119	25,868	510	CCS6	O&M Expense Allocation
55	893	Maintenance of Meters and House Regulators	1,177,717	884,683	260,705	32,329	CCS6	O&M Expense Allocation
56		Total	\$ 122,321,990	\$ 103,871,770	\$ 16,632,781	\$ 1,817,439		
57		Allocation Factor	100.00%	84.92%	13.60%	1.49%		
58								
59	(b) <u>Throughput (Mcf)</u>							
60		Total	184,163,459	84,337,977	56,897,171	42,928,311		Billing Determinants Analysis
61		Allocation Factor	100.00%	45.80%	30.89%	23.31%		
62								
63	(c) <u>Composite of Accounts 376 and 380</u>							
64	376	Mains	\$ 5,674,307,392	\$ 4,734,035,564	\$ 843,534,774	\$ 96,737,054	CCS3	Plant Allocation
65	380	Services	2,158,490,602	1,992,732,181	162,551,455	3,206,966	CCS3	Plant Allocation
66		Total	\$ 7,832,797,994	\$ 6,726,767,746	\$ 1,006,086,228	\$ 99,944,020		
67		Allocation Factor	100.00%	85.88%	12.84%	1.28%		
68								
69	(d) <u>Composite of Accounts 374-379</u>							
70	374	Land and Land Rights	\$ 18,519,375	\$ 15,450,587	\$ 2,753,065	\$ 315,723	CCS3	Plant Allocation
71	375	Structures and Improvements	613,048	511,462	91,135	10,451	CCS3	Plant Allocation
72	376	Mains	5,674,307,392	4,734,035,564	843,534,774	96,737,054	CCS3	Plant Allocation
73	378	M&R Station Equipment	219,425,632	183,065,293	32,619,514	3,740,825	CCS3	Plant Allocation
74	379	City Gate Equipment	3,363,529	2,806,169	500,018	57,342	CCS3	Plant Allocation
75		Total	\$ 5,916,228,976	\$ 4,935,869,075	\$ 879,498,505	\$ 100,861,396		
76		Allocation Factor	100.00%	83.43%	14.87%	1.70%		
77								
78	(e) <u>Direct to Industrial and Transportation</u>							
79		Allocation Factor	100.00%	0.00%	0.00%	100.00%		
80								

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CLASS COST OF SERVICE STUDY - O&M EXPENSE ALLOCATION
TEST YEAR ENDING JUNE 30, 2024

Line No.	Account	Description	Total	O&M EXPENSE ALLOCATION			Reference
				Residential	Commercial	Industrial & Transportation	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
81	(f)	<u>Composite of Accounts 381-383</u>					
82	381	Meters	\$ 387,274,328	\$ 290,914,708	\$ 85,728,776	\$ 10,630,845	CCS3 Plant Allocation
83	382	Meter Installations	324,402,783	243,686,539	71,811,250	8,904,994	CCS3 Plant Allocation
84	383	House Regulators	69,246,615	52,017,026	15,328,740	1,900,849	CCS3 Plant Allocation
85		Total	<u>\$ 780,923,727</u>	<u>\$ 586,618,273</u>	<u>\$ 172,868,765</u>	<u>\$ 21,436,688</u>	
86		Allocation Factor	100.00%	75.12%	22.14%	2.75%	
87							
88	(g)	<u>Number of Customer Locations</u>					
89		Total	1,887,942	1,742,960	142,177	2,805	CCS5 Meter Investment Analysis
90		Allocation Factor	100.00%	92.32%	7.53%	0.15%	
91							
92	(h)	<u>Account 380</u>					
93	380	Services	\$ 2,158,490,602	\$ 1,992,732,181	\$ 162,551,455	\$ 3,206,966	CCS3 Plant Allocation
94		Allocation Factor	100.00%	92.32%	7.53%	0.15%	
95							
96	(i)	<u>Plant Weighted Customers</u>					
97		Net Plant Investment	\$ 9,063,528,656	\$ 7,691,193,019	\$ 1,240,539,875	\$ 131,795,763	CCS3 Plant Allocation
98		Allocation Factor	100.00%	84.86%	13.69%	1.45%	
99							
100	(j)	<u>Customer Deposit Allocation Factors</u>					
101		Allocation Factor	100.00%	69.23%	30.45%	0.32%	CCS1 Revenue Requirement Allocation
102							
103	(k)	<u>Composite of Accounts 870-902, 905-916, 924, and 928-930.1</u>					
104		Accounts 870-902	\$ 152,795,297	\$ 130,620,173	\$ 20,062,314	\$ 2,112,810	CCS6 O&M Expense Allocation
105		Accounts 905-916	2,282,461	2,107,183	171,887	3,391	CCS6 O&M Expense Allocation
106		Account 924	231,666	196,588	31,708	3,369	CCS6 O&M Expense Allocation
107		Accounts 928-390.1	51,608	47,645	3,886	77	CCS6 O&M Expense Allocation
108		Total	<u>\$ 155,361,032</u>	<u>\$ 132,971,589</u>	<u>\$ 20,269,796</u>	<u>\$ 2,119,647</u>	
109		Allocation Factor	100.00%	85.59%	13.05%	1.36%	

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CLASS COST OF SERVICE STUDY - DEPRECIATION EXPENSE ALLOCATION
TEST YEAR ENDING JUNE 30, 2024

Line No.	Account	Description	Net Plant (c)	ALLOCATED NET PLANT (1)			ALLOCATION FACTOR (2)			Depreciation Expense (j)	DEPRECIATION ALLOCATION		
				Customer Related (a) (d)	Capacity Related (a) (e)	General (f)	Residential (g)	Commercial (h)	Industrial & Transportation (i)		Residential (k)	Commercial (l)	Industrial & Transportation (m)
1	Mid-Tex:												
2	Distribution Plant												
3	374	Land	\$ 6,418,661	\$ 5,355,045	\$ 954,189	\$ 109,427	83.43%	14.87%	1.70%	\$ -	\$ -	\$ -	\$ -
4	374	Land Rights	12,100,714	10,095,542	1,798,876	206,296	83.43%	14.87%	1.70%	184,949	154,301.46	27,494.23	3,153.05
5	375	Structures & Improvements	613,048	511,462	91,135	10,451	83.43%	14.87%	1.70%	46,361	38,678.32	6,891.90	790.37
6	376	Mains	5,674,307,392	4,734,035,564	843,534,774	96,737,054	83.43%	14.87%	1.70%	188,007,410	156,853,286.77	27,948,924.33	3,205,198.75
7	378	M&R Station Equipment	219,425,632	183,065,293	32,619,514	3,740,825	83.43%	14.87%	1.70%	9,450,171	7,884,212.36	1,404,849.46	161,108.95
8	379	City Gate Equipment	3,363,529	2,806,169	500,018	57,342	83.43%	14.87%	1.70%	357,547	298,298.70	53,152.40	6,095.55
9	380	Services	2,158,490,602	1,992,732,181	162,551,455	3,206,966	92.32%	7.53%	0.15%	117,121,795	108,127,582.58	8,820,199.72	174,013.10
10	381	Meters	387,274,328	290,914,708	85,728,776	10,630,845	75.12%	22.14%	2.75%	21,796,756	16,373,398.82	4,825,027.40	598,330.22
11	382	Meter Installations	324,402,783	243,686,539	71,811,250	8,904,994	75.12%	22.14%	2.75%	18,987,761	14,263,323.31	4,203,215.62	521,222.10
12	383	House Regulators	69,246,615	52,017,026	15,328,740	1,900,849	75.12%	22.14%	2.75%	4,254,264	3,195,739.60	941,742.84	116,781.35
13	385	Industrial M&R Station Equipment	3,813,219	-	-	3,813,219	0.00%	0.00%	100.00%	176,916	-	-	176,916.27
14		Total Distribution Plant	\$ 8,859,456,524	\$ 7,515,219,530	\$ 1,214,918,725	\$ 129,318,269				\$ 360,383,930	\$ 307,188,822	\$ 48,231,498	\$ 4,963,610
15													
16	General Plant												
17	302	Franchises & Consents	\$ 11,665	\$ 9,899	\$ 1,597	\$ 170	84.86%	13.69%	1.45%	\$ -	\$ -	\$ -	\$ -
18	303	Miscellaneous Intangible Plant	-	-	-	-	0.00%	0.00%	0.00%	-	-	-	-
19	389	Land	5,009,217	4,250,757	685,620	72,841	84.86%	13.69%	1.45%	-	-	-	-
20	390	Structures & Improvements	53,015,411	44,988,191	7,256,305	770,915	84.86%	13.69%	1.45%	2,127,430	1,805,309.28	291,184.75	30,935.66
21	391	Office Furniture & Equipment	9,687,000	8,220,263	1,325,875	140,862	84.86%	13.69%	1.45%	335,347	284,571.51	45,899.55	4,876.40
22	392	Transportation Equipment	(177,619)	(150,725)	(24,311)	(2,583)	84.86%	13.69%	1.45%	-	-	-	-
23	393	Stores Equipment	72,433	61,466	9,914	1,053	84.86%	13.69%	1.45%	1,389	1,178.75	190.13	20.20
24	394	Tools, Shop, and Garage Equipment	26,626,910	22,595,251	3,644,468	387,191	84.86%	13.69%	1.45%	734,990	623,702.86	100,599.25	10,687.73
25	395	Laboratory Equipment	762,335	646,908	104,342	11,085	84.86%	13.69%	1.45%	25,053	21,259.91	3,429.09	364.31
26	396	Power Operated Equipment	577,258	489,854	79,010	8,394	84.86%	13.69%	1.45%	1,705	1,447.26	233.43	24.80
27	397	Communication Equipment	362,353	307,488	49,596	5,269	84.86%	13.69%	1.45%	77,963	66,158.52	10,670.94	1,133.69
28	398	Miscellaneous Equipment	682,874	579,478	93,466	9,930	84.86%	13.69%	1.45%	97,928	83,100.34	13,403.55	1,424.00
29	399	Non-Mainframe Computer Equipment	7,639,693	6,482,945	1,045,657	111,091	84.86%	13.69%	1.45%	2,883,215	2,446,659.17	394,630.36	41,925.79
30	RWIP	Retirement Work In Progress	11,655,808	9,890,968	1,595,349	169,491	84.86%	13.69%	1.45%	-	-	-	-
31		Total General Plant	\$ 115,925,339	\$ 98,372,741	\$ 15,866,889	\$ 1,685,709				\$ 6,285,021	\$ 5,333,388	\$ 860,241	\$ 91,393
32													
33	Shared Services Unit:												
34		Customer Support	\$ 37,530,799	\$ 34,648,671	\$ 2,826,367	\$ 55,761	92.32%	7.53%	0.15%	\$ 5,301,399	\$ 4,894,285.09	\$ 399,237.37	\$ 7,876.53
35		General Office	50,615,994	42,952,077	6,927,893	736,024	84.86%	13.69%	1.45%	8,739,446	7,416,180.28	1,196,182.09	127,083.16
36		Total Shared Services Unit	\$ 88,146,793	\$ 77,600,748	\$ 9,754,260	\$ 791,785				\$ 14,040,845	\$ 12,310,465	\$ 1,595,419	\$ 134,960
37													
38		TOTAL NET PLANT	\$ 9,063,528,656	\$ 7,691,193,019	\$ 1,240,539,875	\$ 131,795,763							
39													
40		TOTAL DEPRECIATION EXPENSE								\$ 380,709,795	\$ 324,832,675	\$ 50,687,158	\$ 5,189,962
41													
42		Notes:											
43		1. Class Cost of Service Study - CCS3, Plant Allocation											
44		2. Class Allocated Net Plant as a percent of Total Net Plant.											

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
CLASS COST OF SERVICE STUDY - TAXES OTHER THAN INCOME ALLOCATION
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Amount	Residential	Commercial	Industrial & Transportation	Reference
	(a)	(b)	(c)	(d)	(e)	(f) (g)
1	<u>Non Revenue - Related</u>					
2	Ad Valorem Tax	\$ 98,892,976	\$ 83,919,298	\$ 13,535,642	\$ 1,438,035	(a) Total Net Plant
3	Payroll Tax	4,774,644	4,014,083	697,863	62,699	(b) O&M Expenses
4	DOT Pipeline User Fee	179,664	151,045	26,260	2,359	(b) O&M Expenses
5	Non Revenue - Related Taxes Allocated from SSU	3,592,117	3,019,923	525,024	47,170	(b) O&M Expenses
6	Total Non Revenue - Related	<u>\$ 107,439,401</u>	<u>\$ 91,104,349</u>	<u>\$ 14,784,789</u>	<u>\$ 1,550,263</u>	
7						
8	<u>Revenue - Related</u>					
9	State Gross Receipts - Tax	\$ 49,860,580				Collected through Rider FF and Rider TAX
10	Franchise Fees	132,677,968				Collected through Rider FF and Rider TAX
11	Railroad Commission Fees	160,524				Collected through Rider FF and Rider TAX
12	Total Revenue - Related	<u>\$ 182,699,072</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
13						
14	Total Taxes Other Than Income	<u>\$ 290,138,472</u>	<u>\$ 91,104,349</u>	<u>\$ 14,784,789</u>	<u>\$ 1,550,263</u>	
15						
16						
17	(a) Total Net Plant	\$ 9,063,528,656	\$ 7,691,193,019	\$ 1,240,539,875	\$ 131,795,763	CCS3 Plant Allocation
18	Allocation Factor	100.00%	84.86%	13.69%	1.45%	
19						
20	(b) Total O&M Expenses	\$ 303,769,112	\$ 255,381,215	\$ 44,398,933	\$ 3,988,964	CCS6 O&M Expense Allocation
21	Allocation Factor	100.00%	84.07%	14.62%	1.31%	

**ATMOS ENERGY CORP., MID-TEX DIVISION
ALLOCATION FACTORS
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Allocation Factor
	(a)	(b)
1	SSU General Office (Div. 02)	40.94%
2		
3	SSU Greenville Data Center (Div. 02)	14.36%
4		
5	SSU Distribution & Marketing - AEAM (Div. 02)	52.30%
6		
7	SSU Align Pipe Project (Div. 02)	6.31%
8		
9	SSU Customer Support (Div. 12)	53.30%
10		
11	SSU CKV Training Center (Div. 12)	74.08%
12		
13	Note:	
14	1. The allocation factors above are for Fiscal Year 2024 and based on the 4-factor formula.	

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
RIDER SYSTEM SAFETY AND INTEGRITY ("SSI") BENCHMARK
TEST YEAR ENDING JUNE 30, 2024

Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	8740	06111	Cross Bore	080.66475	CONTRACTOR - LABOR	PROFESSIONAL PIPE SERVICES	7400005557	202307	\$ 648
2	8740	06111	Cross Bore	080.66475	CONTRACTOR - LABOR	PROFESSIONAL PIPE SERVICES	7400005433	202307	98
3	8740	06111	Cross Bore	080.66475	CONTRACTOR - LABOR	PROFESSIONAL PIPE SERVICES	7400005557	202307	22
4	8740	06111	Cross Bore	080.66475	CONTRACTOR - LABOR	CONATSER CONSTRUCTION TX LP	INVOICE5271	202308	30,920
5	8740	06111	Cross Bore	080.66475	CONTRACTOR - LABOR	CONATSER CONSTRUCTION TX LP	INVOICE5271	202308	912
6	8740	06111	Cross Bore	080.66475	CONTRACTOR - LABOR	CJB CONSTRUCTION	735002	202309	1,665
7	8740	06111	Cross Bore	080.66475	CONTRACTOR - LABOR	CJB CONSTRUCTION	735002	202309	56
8	8740	06111	Cross Bore	080.66475	CONTRACTOR - LABOR	PROPIPE	7400006028	202311	1,762
9	8740	06111	Cross Bore	080.66475	CONTRACTOR - LABOR	PROPIPE	7400006042	202311	789
10	8740	06111	Cross Bore	080.66475	CONTRACTOR - LABOR	PROPIPE	7400006043	202311	845
11	8740	06111	Cross Bore	080.66475	CONTRACTOR - LABOR	PROPIPE	7400006028	202311	60
12	8740	06111	Cross Bore	080.66475	CONTRACTOR - LABOR	PROPIPE	7400006042	202311	27
13	8740	06111	Cross Bore	080.66475	CONTRACTOR - LABOR	PROPIPE	7400006043	202311	29
14	8740	06111	Cross Bore	080.66475	CONTRACTOR - LABOR	PROPIPE	7400006029	202312	1,292
15	8740	06111	Cross Bore	080.66475	CONTRACTOR - LABOR	PROPIPE	7400006304	202312	195
16	8740	06111	Cross Bore	080.66475	CONTRACTOR - LABOR	PROPIPE	7400006029	202312	44
17	8740	06111	Cross Bore	080.66475	CONTRACTOR - LABOR	PROPIPE	7400006304	202312	7
18	8740	06111	Cross Bore	080.66475	CONTRACTOR - CAMERA INSPECTION	PROPIPE	7400006440	202401	257
19	8740	06111	Cross Bore	080.66475	CONTRACTOR - CAMERA INSPECTION	PROPIPE	7400006440	202401	9
20	8740	06111	Cross Bore	080.66475	CONTRACTOR - CAMERA INSPECTION	PROPIPE	7400006986	202405	126
21	8740	06111	Cross Bore	080.66475	CONTRACTOR - CAMERA INSPECTION	PROPIPE	7400006987	202405	172
22	8740	06111	Cross Bore	080.66475	CONTRACTOR - CAMERA INSPECTION	PROPIPE	7400007145	202405	255
23	8740	06111	Cross Bore	080.66475	CONTRACTOR - CAMERA INSPECTION	PROPIPE	7400006986	202405	4
24	8740	06111	Cross Bore	080.66475	CONTRACTOR - CAMERA INSPECTION	PROPIPE	7400006987	202405	6
25	8740	06111	Cross Bore	080.66475	CONTRACTOR - CAMERA INSPECTION	PROPIPE	7400007145	202405	9
26			Total Cross Bore						\$ 40,205
27									
28	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	ASPS HOLDINGS LLC	11006404	202307	\$ 12,557
29	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	ASPS HOLDINGS LLC	11006404	202307	425
30	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	58845	202307	16,467
31	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7715	202307	36,440
32	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7742	202307	40,354
33	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7782	202307	18,690
34	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7783	202307	52,542
35	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7793	202307	22,541
36	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7714	202307	14,153
37	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	779201	202307	62,794
38	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7363	202307	26,629
39	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7681	202307	3,684
40	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7681	202307	125
41	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	58845	202307	558
42	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7363	202307	902
43	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	767102	202307	1,218
44	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7678	202307	545
45	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7679	202307	1,737
46	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7714	202307	479
47	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7715	202307	1,234
48	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7733	202307	558
49	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7742	202307	1,366
50	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7782	202307	633
51	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7783	202307	1,779
52	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	779201	202307	2,126
53	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7793	202307	763
54	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	69287173	202307	33,757
55	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	69883471	202307	34,189
56	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	70034088	202307	6,516
57	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	CYCLONE SERVICES LLC	36612438	202307	32,839
58	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	CYCLONE SERVICES LLC	69755447	202307	36,166
59	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	CYCLONE SERVICES LLC	69560644	202307	33,876
60	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	69423945	202307	27,211
61	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	CYCLONE SERVICES LLC	36612438	202307	1,112

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
RIDER SYSTEM SAFETY AND INTEGRITY ("SSI") BENCHMARK
TEST YEAR ENDING JUNE 30, 2024

Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
62	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	CYCLONE SERVICES LLC	69560644	202307	1,147
63	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	CYCLONE SERVICES LLC	69755447	202307	1,225
64	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	69423945	202307	921
65	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	69287173	202307	1,143
66	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	69883471	202307	1,158
67	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	70034088	202307	221
68	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	121803	202307	28,332
69	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	121843	202307	45,105
70	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	121844	202307	1,891
71	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	121957	202307	4,090
72	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	121992	202307	21,108
73	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122179	202307	24,833
74	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122288	202307	16,701
75	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122295	202307	7,305
76	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122362	202307	9,365
77	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	121803	202307	959
78	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	121843	202307	1,527
79	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	121844	202307	64
80	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	121957	202307	138
81	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	121992	202307	715
82	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122179	202307	841
83	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122288	202307	566
84	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122295	202307	247
85	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122362	202307	317
86	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1128384	202307	3,060
87	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128385	202307	612
88	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128386	202307	3,060
89	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128764	202307	3,060
90	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128768	202307	3,060
91	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128057	202307	2,448
92	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128059	202307	2,448
93	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128061	202307	2,448
94	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128763	202307	2,448
95	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128765	202307	2,448
96	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1127549	202307	2,448
97	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1127550	202307	3,060
98	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1127551	202307	3,060
99	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128058	202307	1,836
100	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128060	202307	612
101	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128387	202307	3,060
102	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128388	202307	1,836
103	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128766	202307	3,060
104	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128767	202307	612
105	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1128384	202307	104
106	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1127549	202307	83
107	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1127550	202307	104
108	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1127551	202307	104
109	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128057	202307	83
110	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128058	202307	62
111	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128059	202307	83
112	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128060	202307	21
113	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128061	202307	83
114	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128385	202307	21
115	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128386	202307	104
116	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128387	202307	104
117	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128388	202307	62
118	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128763	202307	83
119	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128764	202307	104
120	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128765	202307	83
121	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128766	202307	104
122	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128767	202307	21

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
RIDER SYSTEM SAFETY AND INTEGRITY ("SSI") BENCHMARK
TEST YEAR ENDING JUNE 30, 2024

Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
123	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1128768	202307	104
124	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	ROBERTS LANDSCAPE CO INC	8405-cancel	202307	-
125	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ127130	202307	3,266
126	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ128622	202307	579
127	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ126676	202307	3,266
128	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ125617	202307	372
129	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ124501	202307	98
130	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ125617	202307	13
131	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ125746	202307	97
132	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ126676	202307	111
133	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ128188	202307	111
134	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ125746	202307	2,873
135	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ128188	202307	3,266
136	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX083670708	202307	2,048
137	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX083750715	202307	2,560
138	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX083820722	202307	2,560
139	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX083670708	202307	69
140	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX083750715	202307	87
141	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX083820722	202307	87
142	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	SURVIEW FIELD SERVICES INC	AMDTX083600701	202307	2,560
143	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	SURVIEW FIELD SERVICES INC	AMDTX083600701	202307	87
144	8740	06111	Damage Prevention	080.82455	CONTRACTOR - LABOR	PETERSONS LANDSCAPE AND MAINTENANCE SERVICES	133916	202307	7
145	8740	06111	Damage Prevention	080.82455	CONTRACTOR - LABOR	PETERSONS LANDSCAPE AND MAINTENANCE SERVICES	133917	202307	2
146	8740	06111	Damage Prevention	080.82455	CONTRACTOR - MATERIAL	PETERSONS LANDSCAPE AND MAINTENANCE SERVICES	133916	202307	9
147	8740	06111	Damage Prevention	080.82455	CONTRACTOR - MATERIAL	PETERSONS LANDSCAPE AND MAINTENANCE SERVICES	133917	202307	1
148	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	7878	202308	5,280
149	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7914	202308	17,435
150	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7915	202308	16,467
151	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7875	202308	19,420
152	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	787601	202308	52,039
153	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7915	202308	28,288
154	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	784301	202308	39,151
155	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	59097	202308	16,966
156	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7915	202308	(958)
157	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	7878	202308	179
158	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	59097	202308	574
159	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	784301	202308	1,326
160	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7875	202308	658
161	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	787601	202308	1,762
162	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7915	202308	2,473
163	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	58845CM	202308	(558)
164	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7914	202308	590
165	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	71486504	202308	33,898
166	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	71326438	202308	33,099
167	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	70176282	202308	33,120
168	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	CYCLONE SERVICES LLC	70071976	202308	26,853
169	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	CYCLONE SERVICES LLC	70071976	202308	909
170	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	70176282	202308	1,121
171	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	71326438	202308	1,121
172	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	71486504	202308	1,148
173	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122458	202308	3,808
174	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122476	202308	35,627
175	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122525	202308	12,850
176	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122619	202308	13,296
177	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122631	202308	26,207
178	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122791	202308	15,422
179	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122793	202308	28,098
180	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122936	202308	23,963
181	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122953	202308	4,988
182	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123090	202308	8,737
183	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123091	202308	12,869

ATMOS ENERGY CORP., MID-TEX DIVISION
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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
184	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123109	202308	4,832
185	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123126	202308	7,560
186	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122458	202308	129
187	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122476	202308	1,206
188	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122525	202308	435
189	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122619	202308	450
190	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122631	202308	887
191	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122791	202308	522
192	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122793	202308	951
193	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122936	202308	811
194	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	122953	202308	169
195	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123090	202308	296
196	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123091	202308	436
197	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123109	202308	164
198	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123126	202308	256
199	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130902	202308	3,060
200	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130903	202308	3,060
201	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130904	202308	3,360
202	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130905	202308	612
203	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130906	202308	3,060
204	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1129691	202308	3,435
205	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130225	202308	3,060
206	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1129203	202308	3,060
207	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1129204	202308	2,448
208	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130228	202308	3,060
209	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1129205	202308	3,060
210	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1129206	202308	3,060
211	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1129207	202308	3,060
212	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1129692	202308	3,060
213	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1129693	202308	2,448
214	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1129694	202308	3,060
215	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1129695	202308	2,448
216	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130049	202308	3,060
217	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130050	202308	3,060
218	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130051	202308	3,060
219	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130052	202308	3,060
220	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130053	202308	612
221	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130054	202308	2,448
222	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130223	202308	3,060
223	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130224	202308	3,060
224	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130226	202308	2,448
225	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130227	202308	612
226	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130901	202308	3,398
227	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1129203	202308	104
228	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1129204	202308	83
229	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1129205	202308	104
230	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1129206	202308	104
231	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1129207	202308	104
232	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1129691	202308	116
233	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1129692	202308	104
234	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1129693	202308	83
235	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1129694	202308	104
236	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1129695	202308	83
237	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130049	202308	104
238	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130050	202308	104
239	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130051	202308	104
240	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130052	202308	104
241	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130053	202308	21
242	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130054	202308	83
243	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130223	202308	104
244	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130224	202308	104

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TEST YEAR ENDING JUNE 30, 2024

Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
245	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130225	202308	104
246	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130226	202308	83
247	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130227	202308	21
248	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130228	202308	104
249	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130901	202308	115
250	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130902	202308	104
251	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130903	202308	104
252	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130904	202308	114
253	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130905	202308	21
254	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1130906	202308	104
255	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ129172	202308	2,669
256	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ129909	202308	3,248
257	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ130720	202308	3,248
258	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ132150	202308	3,248
259	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ132444	202308	3,154
260	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ127130	202308	111
261	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ128622	202308	20
262	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ129172	202308	90
263	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ129909	202308	110
264	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ130720	202308	110
265	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ132150	202308	110
266	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ132444	202308	107
267	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX083880729	202308	2,560
268	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX083940805	202308	2,560
269	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084000812	202308	2,560
270	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084060819	202308	2,560
271	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084120826	202308	1,536
272	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX083880729	202308	87
273	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX083940805	202308	87
274	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084000812	202308	87
275	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084060819	202308	87
276	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084120826	202308	52
277	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	ASPS HOLDINGS LLC	11008584	202309	1,900
278	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	ASPS HOLDINGS LLC	11008584	202309	64
279	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	ASPS HOLDINGS LLC	11008962	202309	51
280	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	ASPS HOLDINGS LLC	11008962	202309	1,510
281	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8035	202309	33,088
282	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	812001	202309	46,197
283	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8121	202309	18,947
284	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8122	202309	42,494
285	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7947	202309	49,982
286	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	800301	202309	9,928
287	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7962	202309	33,731
288	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	8079	202309	45,966
289	8740	06111	Damage Prevention	080.79572	CONTRACTOR - MATERIAL	BULLDOG SERVICES LLC	7946	202309	20,417
290	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8034	202309	14,515
291	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	7839	202309	574
292	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	8079	202309	1,556
293	8740	06111	Damage Prevention	080.79572	CONTRACTOR - MATERIAL	BULLDOG SERVICES LLC	7946	202309	691
294	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7962	202309	1,142
295	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	800301	202309	336
296	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8034	202309	491
297	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7947	202309	1,692
298	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8035	202309	1,120
299	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8080	202309	658
300	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8117	202309	651
301	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8117	202309	19,229
302	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8080	202309	19,426
303	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	72148587	202309	62,909
304	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	71796440	202309	6,775
305	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	71654506	202309	26,993

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
306	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	71821521	202309	26,853
307	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	71982090	202309	34,470
308	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	71654506	202309	914
309	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	71821521	202309	909
310	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	71982090	202309	1,167
311	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	71796440	202309	229
312	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	72148587	202309	2,130
313	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	123217	202309	24,924
314	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	123288	202309	14,684
315	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	123365	202309	21,833
316	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	123758	202309	757
317	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	123777	202309	4,997
318	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	123789	202309	9,060
319	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123218	202309	1,951
320	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123225	202309	25,011
321	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123279	202309	976
322	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123364	202309	3,376
323	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123381	202309	2,275
324	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123382	202309	22,142
325	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123457	202309	16,996
326	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123500	202309	31,390
327	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123511	202309	29,852
328	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123527	202309	3,502
329	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123676	202309	38,970
330	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123693	202309	27,988
331	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123760	202309	500
332	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	123217	202309	844
333	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	123288	202309	497
334	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	123365	202309	739
335	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	123758	202309	26
336	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	123777	202309	169
337	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	123789	202309	307
338	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123218	202309	66
339	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123225	202309	847
340	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123279	202309	33
341	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123364	202309	114
342	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123381	202309	77
343	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123382	202309	750
344	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123457	202309	575
345	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123500	202309	1,063
346	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123511	202309	1,011
347	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123527	202309	119
348	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123676	202309	1,320
349	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123693	202309	948
350	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123760	202309	17
351	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132098	202309	3,060
352	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132515	202309	3,060
353	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132516	202309	3,060
354	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132517	202309	3,060
355	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132518	202309	3,060
356	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132519	202309	3,060
357	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1131200	202309	2,448
358	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1131203	202309	3,060
359	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1131204	202309	3,060
360	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1131201	202309	3,060
361	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1131202	202309	3,716
362	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1131666	202309	2,654
363	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1131668	202309	2,448
364	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1131670	202309	581
365	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1131671	202309	2,448
366	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132096	202309	3,060

ATMOS ENERGY CORP., MID-TEX DIVISION
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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
367	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132097	202309	3,060
368	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132099	202309	3,060
369	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132100	202309	1,836
370	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1131200	202309	83
371	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1131201	202309	104
372	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1131202	202309	126
373	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1131203	202309	104
374	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1131204	202309	104
375	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1131666	202309	90
376	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1131667	202309	83
377	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1131668	202309	83
378	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1131669	202309	41
379	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1131670	202309	20
380	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1131671	202309	83
381	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132096	202309	104
382	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132097	202309	104
383	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132098	202309	104
384	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132099	202309	104
385	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132100	202309	62
386	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132515	202309	104
387	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132516	202309	104
388	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132517	202309	104
389	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132518	202309	104
390	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132519	202309	104
391	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1131667	202309	2,448
392	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1131669	202309	1,224
393	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ133144	202309	933
394	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ133145	202309	177
395	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ133144	202309	32
396	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	TJ INSPECTION INC	TJ133145	202309	6
397	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084180902	202309	2,560
398	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084240909	202309	2,048
399	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084300916	202309	2,560
400	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084180902	202309	87
401	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084240909	202309	69
402	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084300916	202309	87
403	8740	06111	Damage Prevention	080.82455	CONTRACTOR - LABOR	WESTHILL CONSTRUCTION INC	118226	202309	450
404	8740	06111	Damage Prevention	080.82455	CONTRACTOR - LABOR	WESTHILL CONSTRUCTION INC	118226	202309	15
405	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	7961	202310	14,194
406	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	8277	202310	37,592
407	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	8276	202310	19,542
408	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	8281	202310	17,662
409	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	8291	202310	19,025
410	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	8295	202310	6,576
411	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	8296	202310	2,880
412	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8282	202310	33,649
413	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7915	202310	1,000
414	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8224	202310	18,010
415	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	8225	202310	51,472
416	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	8601	202310	44,227
417	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7915	202310	(1,515)
418	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	7961	202310	481
419	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	8225	202310	1,743
420	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	8277	202310	1,273
421	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	8601	202310	1,498
422	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	7915	202310	1,549
423	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8292C	202310	(574)
424	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	818801	202310	747
425	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	8276	202310	662
426	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	8281	202310	598
427	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	8291	202310	644

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)		(d)	(e)	(f)	(g)	(h)	(i)
428	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	8295	202310	223
429	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	8296	202310	98
430	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	812001	202310	1,564
431	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8121	202310	642
432	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8122	202310	1,439
433	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8224	202310	610
434	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	818801	202310	22,072
435	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	72858372	202310	70,409
436	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	CYCLONE SERVICES LLC	72680874	202310	64,342
437	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	2051	202310	69,581
438	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	72306697	202310	66,135
439	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	CYCLONE SERVICES LLC	72480818	202310	65,956
440	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	CYCLONE SERVICES LLC	72480818	202310	2,233
441	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	72858372	202310	2,384
442	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	CYCLONE SERVICES LLC	72680874	202310	2,179
443	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	72306697	202310	2,239
444	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	123837	202310	37,114
445	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	124289	202310	43,887
446	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	124303	202310	18,813
447	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	124321	202310	1,240
448	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	124443	202310	43,058
449	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	124599	202310	7,720
450	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123851	202310	1,586
451	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	124055	202310	1,024
452	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	124479	202310	38,821
453	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	123837	202310	1,257
454	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	124097	202310	1,680
455	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	124289	202310	1,486
456	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	124303	202310	637
457	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	124321	202310	42
458	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	124443	202310	1,458
459	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	124599	202310	261
460	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	123851	202310	54
461	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	124055	202310	35
462	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	124113	202310	1,198
463	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	124479	202310	1,314
464	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	124097	202310	49,622
465	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	124113	202310	35,394
466	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1133647	202310	2,448
467	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1133648	202310	3,060
468	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1133649	202310	3,060
469	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1133650	202310	612
470	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1133651	202310	3,060
471	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134013	202310	3,060
472	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134014	202310	3,060
473	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134015	202310	3,060
474	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134016	202310	3,060
475	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134017	202310	3,060
476	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132885	202310	3,060
477	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132880	202310	104
478	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132881	202310	104
479	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132882	202310	62
480	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132883	202310	104
481	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132884	202310	21
482	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132885	202310	104
483	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1133220	202310	104
484	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1133221	202310	104
485	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1133222	202310	104
486	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1133223	202310	104
487	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1133224	202310	104
488	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1133646	202310	104

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
489	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1133647	202310	83
490	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1133648	202310	104
491	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1133649	202310	104
492	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1133650	202310	21
493	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1133651	202310	104
494	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134013	202310	104
495	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134014	202310	104
496	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134015	202310	104
497	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134016	202310	104
498	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134017	202310	104
499	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1133224	202310	3,060
500	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1133223	202310	3,060
501	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1133220	202310	3,060
502	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1133221	202310	3,060
503	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1133222	202310	3,060
504	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1133646	202310	3,060
505	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132880	202310	3,060
506	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132881	202310	3,060
507	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132882	202310	1,836
508	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132883	202310	3,060
509	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1132884	202310	612
510	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	TADMOR CONTRACTORS LLC	3493	202310	2,400
511	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	TADMOR CONTRACTORS LLC	3493	202310	81
512	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX083520624	202310	2,560
513	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084410930	202310	2,560
514	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084471007	202310	2,560
515	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084521014	202310	2,560
516	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX083520624	202310	87
517	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084410930	202310	87
518	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084471007	202310	87
519	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084521014	202310	87
520	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	8414	202311	19,565
521	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8308	202311	24,496
522	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8309	202311	1,888
523	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8341	202311	15,202
524	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8360	202311	40,412
525	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8386	202311	17,304
526	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8401	202311	35,711
527	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8413	202311	10,036
528	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8304	202311	11,089
529	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8282	202311	1,139
530	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	BULLDOG SERVICES LLC	8414	202311	662
531	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8304	202311	375
532	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8308	202311	829
533	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8309	202311	64
534	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8341	202311	515
535	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8360	202311	1,368
536	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8386	202311	586
537	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8401	202311	1,209
538	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8413	202311	340
539	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	73250553	202311	44,236
540	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	73341056	202311	67,179
541	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	73512463	202311	72,657
542	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	73667454	202311	43,082
543	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	INV10312023	202311	28,491
544	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	2051	202311	2,356
545	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	73250553	202311	1,498
546	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	73341056	202311	2,275
547	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	73512463	202311	2,460
548	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	73667454	202311	1,459
549	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	INV10312023	202311	965

ATMOS ENERGY CORP., MID-TEX DIVISION
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RIDER SYSTEM SAFETY AND INTEGRITY ("SSI") BENCHMARK
TEST YEAR ENDING JUNE 30, 2024

Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
550	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	124640	202311	38,105
551	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	124852	202311	37,625
552	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	124861	202311	721
553	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	124863	202311	781
554	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	124659	202311	29,384
555	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	124713	202311	4,525
556	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	124764	202311	1,466
557	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	124784	202311	2,649
558	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	124834	202311	38,071
559	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	124989	202311	9,590
560	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125016	202311	21
561	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125050	202311	30,427
562	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125166	202311	15,860
563	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125179	202311	30,388
564	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125196	202311	36,089
565	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125268	202311	660
566	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	124640	202311	1,290
567	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	124852	202311	1,274
568	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	124861	202311	24
569	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	124863	202311	26
570	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	124659	202311	995
571	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	124713	202311	153
572	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	124764	202311	50
573	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	124784	202311	90
574	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	124834	202311	1,289
575	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	124989	202311	325
576	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125016	202311	1
577	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125050	202311	1,030
578	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125166	202311	537
579	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125179	202311	1,029
580	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125196	202311	1,222
581	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125268	202311	22
582	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134468	202311	3,060
583	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134469	202311	3,060
584	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134470	202311	3,060
585	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134471	202311	3,060
586	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134472	202311	3,060
587	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134869	202311	2,448
588	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134871	202311	3,060
589	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134872	202311	3,060
590	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134873	202311	3,060
591	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134870	202311	3,060
592	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134468	202311	104
593	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134469	202311	104
594	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134470	202311	104
595	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134471	202311	104
596	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134472	202311	104
597	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134869	202311	83
598	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134870	202311	104
599	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134871	202311	104
600	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134872	202311	104
601	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1134873	202311	104
602	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084571021	202311	2,560
603	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084621028	202311	2,560
604	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084671104	202311	2,560
605	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084721111	202311	2,560
606	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084571021	202311	87
607	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084621028	202311	87
608	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084671104	202311	87
609	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084721111	202311	87
610	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BANK OF AMERICA	080_LYNN.MILLER_DEC-	202312	2,318

ATMOS ENERGY CORP., MID-TEX DIVISION
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RIDER SYSTEM SAFETY AND INTEGRITY ("SSI") BENCHMARK
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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
611	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8420	202312	13,858
612	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8421	202312	27,733
613	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8424	202312	3,368
614	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8425	202312	5,787
615	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8479	202312	16,524
616	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	848701	202312	42,120
617	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8523	202312	15,678
618	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8524	202312	43,420
619	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8547	202312	9,559
620	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8552	202312	20,863
621	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8553	202312	8,226
622	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8420	202312	469
623	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8421	202312	939
624	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8424	202312	114
625	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8425	202312	196
626	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8479	202312	560
627	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	848701	202312	1,426
628	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8523	202312	531
629	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8524	202312	1,470
630	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8547	202312	324
631	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8552	202312	706
632	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8553	202312	279
633	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	73898820	202312	7,060
634	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	73903125	202312	35,300
635	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	74233878	202312	36,667
636	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	75461130	202312	21,564
637	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	7721KK60	202312	59,740
638	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	73898820	202312	239
639	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	73903125	202312	1,195
640	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	74070626	202312	1,163
641	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	74233878	202312	1,242
642	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	75461130	202312	730
643	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	7721KK60	202312	2,023
644	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	74070626	202312	34,348
645	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125313	202312	14,115
646	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125329	202312	16,734
647	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125337	202312	18,332
648	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125444	202312	861
649	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125460	202312	22,497
650	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125469	202312	22,409
651	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125476	202312	35,768
652	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125483	202312	1,663
653	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125620	202312	22,303
654	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125626	202312	8,863
655	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125634	202312	37,398
656	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125680	202312	2,684
657	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125788	202312	17,660
658	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125801	202312	25,196
659	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125818	202312	8,140
660	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125819	202312	35,527
661	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125934	202312	32,603
662	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125935	202312	5,750
663	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125944	202312	17,068
664	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125951	202312	20,664
665	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125313	202312	478
666	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125329	202312	567
667	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125337	202312	621
668	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125444	202312	29
669	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125460	202312	762
670	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125469	202312	759
671	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125476	202312	1,211

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
672	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125483	202312	56
673	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125620	202312	755
674	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125626	202312	300
675	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125634	202312	1,266
676	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125680	202312	91
677	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125788	202312	598
678	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125801	202312	853
679	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125818	202312	276
680	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125819	202312	1,203
681	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125934	202312	1,104
682	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125935	202312	195
683	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125944	202312	578
684	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125951	202312	700
685	8740	06111	Damage Prevention	080.79572	CONTRACTOR - MATERIAL	EXPERITEC INC	CD99148413	202312	13
686	8740	06111	Damage Prevention	080.79572	CONTRACTOR - MATERIAL	EXPERITEC INC	CD99148413	202312	149
687	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	MRC GLOBAL	3012401555	202312	7,013
688	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	MRC GLOBAL	3012401555	202312	237
689	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	WESTHILL CONSTRUCTION INC	118483	202312	450
690	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	WESTHILL CONSTRUCTION INC	118545	202312	645
691	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	WESTHILL CONSTRUCTION INC	118483	202312	15
692	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084771118	202312	3,100
693	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084821125	202312	1,728
694	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084871202	202312	3,280
695	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084981216	202312	3,280
696	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX085041223	202312	1,024
697	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084771118	202312	105
698	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084821125	202312	59
699	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084871202	202312	111
700	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084921209	202312	87
701	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084981216	202312	111
702	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX085041223	202312	35
703	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX084921209	202312	2,560
704	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	ASPS HOLDINGS LLC	11012014	202401	3,431
705	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	ASPS HOLDINGS LLC	11012014	202401	116
706	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8546	202401	26,085
707	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8584	202401	17,858
708	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8586	202401	40,267
709	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8593	202401	17,294
710	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	859401	202401	39,820
711	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8631	202401	13,333
712	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8634	202401	22,729
713	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8546	202401	883
714	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8584	202401	605
715	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8586	202401	1,363
716	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8593	202401	586
717	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	859401	202401	1,348
718	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8631	202401	451
719	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8634	202401	770
720	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	75534439	202401	28,383
721	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	76681199	202401	36,696
722	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	76815370	202401	28,526
723	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	76973355	202401	33,583
724	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	75534439	202401	961
725	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	76681199	202401	1,243
726	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	76815370	202401	966
727	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	76973355	202401	1,137
728	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125987	202401	5,937
729	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126119	202401	6,017
730	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126120	202401	15,419
731	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126130	202401	25,782
732	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126317	202401	20,121

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
733	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126319	202401	35,082
734	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126323	202401	28,985
735	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126327	202401	473
736	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126329	202401	649
737	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126417	202401	8,885
738	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126418	202401	11,313
739	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126433	202401	12,415
740	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126435	202401	88
741	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126436	202401	100
742	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126439	202401	154
743	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126440	202401	253
744	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126544	202401	44
745	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	125987	202401	201
746	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126119	202401	204
747	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126120	202401	522
748	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126130	202401	873
749	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126317	202401	681
750	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126319	202401	1,188
751	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126323	202401	981
752	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126327	202401	16
753	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126329	202401	22
754	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126417	202401	301
755	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126418	202401	383
756	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126433	202401	420
757	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126435	202401	3
758	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126436	202401	3
759	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126439	202401	5
760	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126440	202401	9
761	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126544	202401	1
762	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	WESTHILL CONSTRUCTION INC	118545	202401	22
763	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX085150106	202401	1,536
764	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX085210113	202401	2,560
765	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX085150106	202401	52
766	8740	06111	Damage Prevention	080.79844	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX085210113	202401	87
767	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	ASPS HOLDINGS LLC	11012608	202402	1,419
768	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	ASPS HOLDINGS LLC	11012608	202402	48
769	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8650	202402	7,309
770	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8651	202402	24,766
771	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8652	202402	6,593
772	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8653	202402	12,330
773	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	867401	202402	6,988
774	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	867502	202402	14,270
775	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8724	202402	9,397
776	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8736	202402	34,399
777	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8763	202402	2,158
778	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8764	202402	16,556
779	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8765	202402	42,943
780	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8787	202402	15,607
781	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8790	202402	40,287
782	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8799	202402	13,283
783	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8800	202402	30,902
784	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8650	202402	247
785	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8651	202402	839
786	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8652	202402	223
787	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8653	202402	417
788	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	867401	202402	237
789	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	867502	202402	483
790	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8724	202402	318
791	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8736	202402	1,165
792	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8763	202402	73
793	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8764	202402	561

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
794	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8765	202402	1,454
795	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8787	202402	528
796	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8790	202402	1,364
797	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8799	202402	450
798	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8800	202402	1,046
799	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	77127257	202402	15,020
800	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	77242577	202402	14,120
801	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	78328313	202402	35,300
802	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	79499481	202402	3,583
803	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	79639170	202402	35,300
804	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	81853700	202402	35,664
805	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	77127257	202402	509
806	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	77242577	202402	478
807	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	78328313	202402	1,195
808	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	79499481	202402	121
809	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	79639170	202402	1,195
810	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	81853700	202402	1,208
811	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126576	202402	21,925
812	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126578	202402	27,030
813	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126600	202402	24,472
814	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126722	202402	17,516
815	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126723	202402	16,809
816	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126741	202402	35,277
817	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126909	202402	23,150
818	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126910	202402	21,868
819	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126921	202402	38,275
820	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127010	202402	1,746
821	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127055	202402	23,683
822	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127056	202402	21,063
823	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127079	202402	40,149
824	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127089	202402	500
825	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126576	202402	742
826	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126578	202402	915
827	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126600	202402	829
828	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126722	202402	593
829	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126723	202402	569
830	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126741	202402	1,194
831	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126909	202402	784
832	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126910	202402	740
833	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	126921	202402	1,296
834	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127010	202402	59
835	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127055	202402	802
836	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127056	202402	713
837	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127079	202402	1,359
838	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127089	202402	17
839	8740	06111	Damage Prevention	080.79572	CONTRACTOR - CONSTRUCTION	MJ LOCATING SERVICE LLC	9807	202402	6,560
840	8740	06111	Damage Prevention	080.79572	CONTRACTOR - CONSTRUCTION	MJ LOCATING SERVICE LLC	9806	202402	6,720
841	8740	06111	Damage Prevention	080.79572	CONTRACTOR - CONSTRUCTION	MJ LOCATING SERVICE LLC	9760	202402	217
842	8740	06111	Damage Prevention	080.79572	CONTRACTOR - CONSTRUCTION	MJ LOCATING SERVICE LLC	9806	202402	228
843	8740	06111	Damage Prevention	080.79572	CONTRACTOR - CONSTRUCTION	MJ LOCATING SERVICE LLC	9807	202402	222
844	8740	06111	Damage Prevention	080.79572	CONTRACTOR - CONSTRUCTION	MJ LOCATING SERVICE LLC	9760	202402	6,400
845	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	881301	202403	10,544
846	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8866	202403	54,657
847	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8867	202403	13,836
848	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8892	202403	18,413
849	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8895	202403	56,784
850	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8926	202403	17,712
851	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8927	202403	53,705
852	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	881301	202403	357
853	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8866	202403	1,851
854	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8867	202403	468

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)		(d)	(e)	(f)	(g)	(h)	(i)
855	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8892	202403	623
856	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8895	202403	1,923
857	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8926	202403	600
858	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8927	202403	1,818
859	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	31412024	202403	54,260
860	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	84130568	202403	28,508
861	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	84319347	202403	7,060
862	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	84708936	202403	51,663
863	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	84746822	202403	52,602
864	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	31412024	202403	1,837
865	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	84130568	202403	965
866	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	84319347	202403	239
867	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	84708936	202403	1,749
868	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	84746822	202403	1,781
869	8740	06111	Damage Prevention	080.79572	CONTRACTOR - MATERIAL	DALLAS TATE CONSTRUCTION	3232024	202403	1,650
870	8740	06111	Damage Prevention	080.79572	CONTRACTOR - MATERIAL	DALLAS TATE CONSTRUCTION	3232024	202403	56
871	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127242	202403	22,187
872	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127244	202403	33,412
873	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127265	202403	28,793
874	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127266	202403	957
875	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127375	202403	24,407
876	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127377	202403	37,862
877	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127417	202403	48,060
878	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127423	202403	826
879	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127584	202403	21,458
880	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127242	202403	751
881	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127244	202403	1,131
882	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127265	202403	975
883	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127266	202403	32
884	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127375	202403	826
885	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127377	202403	1,282
886	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127417	202403	1,627
887	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127423	202403	28
888	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127584	202403	727
889	8740	06111	Damage Prevention	080.82455	CONTRACTOR - SERVICES	CORNERSTONE PLUMBING - WACO TX	164969G	202403	995
890	8740	06111	Damage Prevention	080.82455	CONTRACTOR - SERVICES	CORNERSTONE PLUMBING - WACO TX	164969G	202403	34
891	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	ASPS HOLDINGS LLC	11012778	202404	1,649
892	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	ASPS HOLDINGS LLC	11014980	202404	1,545
893	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	ASPS HOLDINGS LLC	11010956	202404	1,600
894	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	ASPS HOLDINGS LLC	11014340	202404	9,200
895	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	ASPS HOLDINGS LLC	11014980	202404	52
896	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	ASPS HOLDINGS LLC	11014340	202404	312
897	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	ASPS HOLDINGS LLC	11010956	202404	54
898	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	ASPS HOLDINGS LLC	11012778	202404	56
899	8740	06111	Damage Prevention	080.79572	CONTRACTOR - MATERIAL	BEN HAYNES CONTRACTING LLC	15146	202404	2,150
900	8740	06111	Damage Prevention	080.79572	CONTRACTOR - MATERIAL	BEN HAYNES CONTRACTING LLC	15146	202404	73
901	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	62548	202404	19,931
902	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8945	202404	14,338
903	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8948	202404	46,925
904	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8973	202404	15,657
905	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8982	202404	6,134
906	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8983	202404	52,956
907	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9010	202404	4,307
908	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9053	202404	58,891
909	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9054	202404	1,867
910	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9084	202404	20,371
911	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9085	202404	8,168
912	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	899401	202404	16,457
913	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9011	202404	51,921
914	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	62548	202404	675
915	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8945	202404	485

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
916	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8948	202404	1,589
917	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8973	202404	530
918	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8982	202404	208
919	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	8983	202404	1,793
920	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9010	202404	146
921	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9053	202404	1,994
922	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9054	202404	63
923	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9084	202404	690
924	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9085	202404	277
925	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	899401	202404	557
926	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9011	202404	1,758
927	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	84942388	202404	41,426
928	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	86112994	202404	48,720
929	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	93232338	202404	47,254
930	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	93410169	202404	51,663
931	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	84942388	202404	1,403
932	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	86112994	202404	1,650
933	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	93232338	202404	1,600
934	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	93410169	202404	1,749
935	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	125315	202404	16,713
936	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	125331	202404	17,285
937	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127743	202404	4,800
938	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127862	202404	250
939	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	128061	202404	1,920
940	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	125315	202404	566
941	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	DRIVER PIPELINE CO INC	125331	202404	585
942	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127743	202404	163
943	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	127862	202404	8
944	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	128061	202404	65
945	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	TJ INSPECTION INC	TJ141831	202404	68
946	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	TJ INSPECTION INC	TJ142202	202404	109
947	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	TJ INSPECTION INC	TJ142768R	202404	112
948	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	TJ INSPECTION INC	TJ143457	202404	41
949	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	TJ INSPECTION INC	TJ141831	202404	2,023
950	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	TJ INSPECTION INC	TJ142202	202404	3,220
951	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	TJ INSPECTION INC	TJ142768R	202404	3,304
952	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	TJ INSPECTION INC	TJ143457	202404	1,197
953	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	WESTHILL CONSTRUCTION INC	118944	202404	450
954	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	WESTHILL CONSTRUCTION INC	118944	202404	15
955	8740	06111	Damage Prevention	080.82455	CONTRACTOR - SERVICES	BOARDWALK PLATING LLC	5051	202404	410
956	8740	06111	Damage Prevention	080.82455	CONTRACTOR - LABOR	BOARDWALK PLATING LLC	5087	202404	450
957	8740	06111	Damage Prevention	080.82455	CONTRACTOR - LABOR	BOARDWALK PLATING LLC	5087	202404	15
958	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	ASPS HOLDINGS LLC	11016500	202405	960
959	8740	06111	Damage Prevention	080.79572	CONTRACTOR - CONSTRUCTION	ASPS HOLDINGS LLC	11016261	202405	720
960	8740	06111	Damage Prevention	080.79572	CONTRACTOR - CONSTRUCTION	ASPS HOLDINGS LLC	11016258	202405	61
961	8740	06111	Damage Prevention	080.79572	CONTRACTOR - CONSTRUCTION	ASPS HOLDINGS LLC	11016261	202405	24
962	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	ASPS HOLDINGS LLC	11016500	202405	33
963	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	ASPS HOLDINGS LLC	11016556	202405	49
964	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	ASPS HOLDINGS LLC	11016556	202405	1,440
965	8740	06111	Damage Prevention	080.79572	CONTRACTOR - CONSTRUCTION	ASPS HOLDINGS LLC	11016258	202405	1,813
966	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9040	202405	19,931
967	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9080	202405	57,307
968	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	908101	202405	25,290
969	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9118	202405	11,561
970	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9119	202405	36,964
971	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9143	202405	23,871
972	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	915201	202405	42,824
973	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9153	202405	18,000
974	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9184	202405	23,040
975	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9195	202405	18,450
976	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9222	202405	18,000

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)		(d)	(e)	(f)	(g)	(h)	(i)
977	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9040	202405	675
978	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9080	202405	1,940
979	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	908101	202405	856
980	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9118	202405	391
981	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9119	202405	1,252
982	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9143	202405	808
983	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	915201	202405	1,450
984	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9153	202405	609
985	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9184	202405	780
986	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9195	202405	625
987	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9222	202405	609
988	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	93747888	202405	20,933
989	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	93810075	202405	31,762
990	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	93927133	202405	52,641
991	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	94097923	202405	49,227
992	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	960	202405	51,855
993	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	93747888	202405	709
994	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	93810075	202405	1,075
995	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	93927133	202405	1,782
996	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	94097923	202405	1,667
997	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	960	202405	1,756
998	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	128854	202405	3,200
999	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	128997	202405	12,720
1000	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	129220	202405	7,200
1001	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	129632	202405	5,367
1002	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	128854	202405	108
1003	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	128997	202405	431
1004	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	129220	202405	244
1005	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	DRIVER PIPELINE CO INC	129632	202405	182
1006	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	TADMOR CONTRACTORS LLC	4094	202405	2,775
1007	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	TADMOR CONTRACTORS LLC	4094	202405	94
1008	8740	06111	Damage Prevention	080.82455	CONTRACTOR - SERVICES	BOARDWALK PLATING LLC	5195	202405	225
1009	8740	06111	Damage Prevention	080.82455	CONTRACTOR - LABOR	BOARDWALK PLATING LLC	5236	202405	9
1010	8740	06111	Damage Prevention	080.82455	CONTRACTOR - LABOR	BOARDWALK PLATING LLC	5236	202405	270
1011	8740	06111	Damage Prevention	080.82455	CONTRACTOR - CONSTRUCTION	PANTHEON CONSTRUCTION INC	20671	202405	16,125
1012	8740	06111	Damage Prevention	080.82455	CONTRACTOR - CONSTRUCTION	PANTHEON CONSTRUCTION INC	20671	202405	546
1013	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	ASPS HOLDINGS LLC	11017681	202406	480
1014	8740	06111	Damage Prevention	080.79572	CONTRACTOR - LABOR	ASPS HOLDINGS LLC	11017681	202406	16
1015	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9194	202406	40,481
1016	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9217	202406	18,569
1017	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9221	202406	44,757
1018	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9230	202406	10,014
1019	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9231	202406	40,125
1020	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9232	202406	16,000
1021	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9233	202406	3,208
1022	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	928601	202406	17,316
1023	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9291	202406	16,000
1024	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9292	202406	43,431
1025	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9320	202406	16,966
1026	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9331	202406	41,484
1027	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9338	202406	15,125
1028	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9375	202406	14,869
1029	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	937601	202406	44,867
1030	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9378	202406	15,240
1031	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9385	202406	16,752
1032	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9386	202406	14,620
1033	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9194	202406	1,371
1034	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9217	202406	629
1035	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9221	202406	1,515
1036	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9230	202406	339
1037	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9231	202406	1,359

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
1038	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9232	202406	542
1039	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9233	202406	109
1040	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	928601	202406	586
1041	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9291	202406	542
1042	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9292	202406	1,471
1043	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9320	202406	574
1044	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9331	202406	1,405
1045	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9338	202406	512
1046	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9375	202406	503
1047	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	937601	202406	1,519
1048	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9378	202406	516
1049	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9385	202406	567
1050	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	BULLDOG SERVICES LLC	9386	202406	495
1051	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CORNERSTONE PLUMBING - WACO TX	165751CS	202406	555
1052	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CORNERSTONE PLUMBING - WACO TX	165751CS	202406	19
1053	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	5312024	202406	45,016
1054	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	94262772	202406	51,663
1055	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	94592027	202406	49,164
1056	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	94757758	202406	49,262
1057	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	97232905	202406	49,748
1058	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	5312024	202406	1,524
1059	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	94262772	202406	1,749
1060	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	94592027	202406	1,665
1061	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	94757758	202406	1,668
1062	8740	06111	Damage Prevention	080.79572	CONTRACTOR - SERVICES	CYCLONE SERVICES LLC	97232905	202406	1,684
1063	8740	06111	Damage Prevention	080.79572	CONTRACTOR - EQUIPMENT	NATIONAL TRENCH SAFETY LLC	853441	202406	449
1064	8740	06111	Damage Prevention	080.79572	CONTRACTOR - EQUIPMENT	NATIONAL TRENCH SAFETY LLC	853441	202406	37
1065	8740	06111	Damage Prevention	080.82455	CONTRACTOR - SERVICES	BOARDWALK PLATING LLC	5311	202406	225
1066	8740	06111	Damage Prevention	080.82455	CONTRACTOR - SERVICES	BOARDWALK PLATING LLC	5341	202406	270
1067	8740	06111	Damage Prevention	080.82455	CONTRACTOR - SERVICES	BOARDWALK PLATING LLC	5414	202406	225
1068	8740	06111	Damage Prevention	080.82455	CONTRACTOR - EASEMENT	CORNERSTONE SURVEYING INC	2406061	202406	1,206
1069	8740	06111	Damage Prevention	080.82455	CONTRACTOR - EASEMENT	CORNERSTONE SURVEYING INC	2406061	202406	41
1070								ADJ	(121,253)
1071			Total Damage Prevention						\$ 8,591,911
1072									
1073	8740	06111	Leak Detection	080.61707	CONTRACTOR - SERVICES	ABB INC	7106046323	202307	\$ 7,227
1074	8740	06111	Leak Detection	080.61707	CONTRACTOR - SERVICES	ABB INC	7106046323	202307	245
1075	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1127487	202307	33,943
1076	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1127488	202307	2,905
1077	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1127489	202307	2,606
1078	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1127903	202307	23,910
1079	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1127904	202307	2,331
1080	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1127905	202307	2,268
1081	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1128223	202307	30,737
1082	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1128224	202307	2,883
1083	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1128225	202307	1,307
1084	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1128616	202307	29,847
1085	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1128617	202307	3,012
1086	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1128618	202307	2,584
1087	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1127487	202307	1,149
1088	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1127488	202307	98
1089	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1127489	202307	88
1090	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1127903	202307	810
1091	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1127904	202307	79
1092	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1127905	202307	77
1093	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1128223	202307	1,041
1094	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1128224	202307	98
1095	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1128225	202307	44
1096	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1128616	202307	1,011
1097	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1128617	202307	102
1098	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1128618	202307	88

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
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TEST YEAR ENDING JUNE 30, 2024

Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
1099	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	93516	202307	1,516
1100	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	93591	202307	1,213
1101	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	93667	202307	1,516
1102	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	93516	202307	51
1103	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	93591	202307	41
1104	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	93667	202307	51
1105	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037035	202307	30,569
1106	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037556	202307	45,096
1107	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037557	202307	26,036
1108	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037558	202307	10,775
1109	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037559	202307	8,794
1110	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037560	202307	6,707
1111	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037561	202307	28,016
1112	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037563	202307	1,117
1113	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037564	202307	2,750
1114	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037720	202307	47,055
1115	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037721	202307	33,129
1116	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037722	202307	10,937
1117	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037723	202307	865
1118	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037724	202307	19,949
1119	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037725	202307	1,093
1120	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037726	202307	2,143
1121	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038218	202307	49,271
1122	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038219	202307	44,434
1123	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038220	202307	12,686
1124	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038221	202307	13,729
1125	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038222	202307	3,261
1126	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038223	202307	19,815
1127	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038224	202307	1,851
1128	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038336	202307	47,443
1129	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038337	202307	38,450
1130	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038338	202307	15,406
1131	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038339	202307	723
1132	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038340	202307	14,644
1133	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038341	202307	358
1134	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038342	202307	11,684
1135	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038343	202307	1,912
1136	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037035	202307	1,035
1137	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037556	202307	1,527
1138	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037557	202307	882
1139	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037558	202307	365
1140	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037559	202307	298
1141	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037560	202307	227
1142	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037561	202307	949
1143	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037563	202307	38
1144	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037564	202307	93
1145	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037720	202307	1,593
1146	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037721	202307	1,122
1147	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037722	202307	370
1148	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037723	202307	29
1149	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037724	202307	675
1150	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037725	202307	37
1151	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	037726	202307	73
1152	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038218	202307	1,668
1153	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038219	202307	1,505
1154	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038220	202307	430
1155	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038221	202307	465
1156	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038222	202307	110
1157	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038223	202307	671
1158	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038224	202307	63
1159	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038336	202307	1,606

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
RIDER SYSTEM SAFETY AND INTEGRITY ("SSI") BENCHMARK
TEST YEAR ENDING JUNE 30, 2024

Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)		(d)	(e)	(f)	(g)	(h)	(i)
1160	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038337	202307	1,302
1161	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038338	202307	522
1162	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038339	202307	24
1163	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038340	202307	496
1164	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038341	202307	12
1165	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038342	202307	396
1166	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038343	202307	65
1167	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1128433	202308	550
1168	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129025	202308	29,906
1169	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129026	202308	2,670
1170	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129027	202308	2,563
1171	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129522	202308	31,036
1172	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129523	202308	2,969
1173	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129524	202308	2,755
1174	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129803	202308	30,710
1175	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129804	202308	3,119
1176	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129805	202308	2,563
1177	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129806	202308	1,733
1178	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1130321	202308	30,436
1179	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1130322	202308	3,054
1180	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1130323	202308	2,948
1181	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1130324	202308	803
1182	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1130764	202308	27,202
1183	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1130765	202308	3,054
1184	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1130766	202308	2,691
1185	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1130767	202308	315
1186	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1128433	202308	19
1187	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129025	202308	1,013
1188	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129026	202308	90
1189	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129027	202308	87
1190	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129522	202308	1,051
1191	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129523	202308	101
1192	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129524	202308	93
1193	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129803	202308	1,040
1194	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129804	202308	106
1195	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129805	202308	87
1196	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129806	202308	59
1197	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1130321	202308	1,031
1198	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1130322	202308	103
1199	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1130323	202308	100
1200	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1130324	202308	27
1201	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1130764	202308	921
1202	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1130765	202308	103
1203	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1130766	202308	91
1204	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1130767	202308	11
1205	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	93114	202308	1,378
1206	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	93735	202308	1,516
1207	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	93801	202308	1,516
1208	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	93874	202308	1,516
1209	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	93952	202308	1,516
1210	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94023	202308	1,516
1211	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94076	202308	1,213
1212	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	93114	202308	47
1213	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	93735	202308	51
1214	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	93801	202308	51
1215	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	93874	202308	51
1216	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	93952	202308	51
1217	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94023	202308	51
1218	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94076	202308	41
1219	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038871	202308	55,084
1220	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038872	202308	46,141

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
RIDER SYSTEM SAFETY AND INTEGRITY ("SSI") BENCHMARK
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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
1221	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038873	202308	15,080
1222	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038874	202308	821
1223	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038875	202308	28,208
1224	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038876	202308	1,020
1225	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038877	202308	3,289
1226	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039149	202308	49,113
1227	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039150	202308	353
1228	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039151	202308	47,687
1229	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039152	202308	348
1230	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039153	202308	9,234
1231	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039154	202308	3,128
1232	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039155	202308	29,319
1233	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039156	202308	1,053
1234	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039157	202308	2,256
1235	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039721	202308	52,651
1236	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039722	202308	42,258
1237	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039723	202308	499
1238	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039724	202308	12,655
1239	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039725	202308	2,376
1240	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039726	202308	144
1241	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039727	202308	36,209
1242	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039728	202308	4,165
1243	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039730	202308	2,363
1244	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039827	202308	85,871
1245	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039828	202308	22,583
1246	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039829	202308	206
1247	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039830	202308	13,319
1248	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039831	202308	7,695
1249	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039832	202308	20,722
1250	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039833	202308	2,193
1251	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039834	202308	2,335
1252	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040330	202308	44,550
1253	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040331	202308	21,921
1254	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040332	202308	3,029
1255	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040333	202308	28,732
1256	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040334	202308	2,666
1257	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038871	202308	1,865
1258	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038872	202308	1,562
1259	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038873	202308	511
1260	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038874	202308	28
1261	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038875	202308	955
1262	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038876	202308	35
1263	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038877	202308	111
1264	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039149	202308	1,663
1265	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039150	202308	12
1266	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039151	202308	1,615
1267	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039152	202308	12
1268	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039153	202308	313
1269	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039154	202308	106
1270	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039155	202308	993
1271	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039156	202308	36
1272	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039157	202308	76
1273	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039721	202308	1,783
1274	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039722	202308	1,431
1275	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039723	202308	17
1276	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039724	202308	428
1277	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039725	202308	80
1278	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039726	202308	5
1279	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039727	202308	1,226
1280	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039728	202308	141
1281	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039730	202308	80

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
RIDER SYSTEM SAFETY AND INTEGRITY ("SSI") BENCHMARK
TEST YEAR ENDING JUNE 30, 2024

Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
1282	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039827	202308	2,908
1283	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039828	202308	765
1284	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039829	202308	7
1285	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039830	202308	451
1286	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039831	202308	261
1287	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039832	202308	702
1288	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039833	202308	74
1289	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	039834	202308	79
1290	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040330	202308	1,508
1291	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040331	202308	742
1292	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040332	202308	103
1293	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040333	202308	973
1294	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040334	202308	90
1295	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	ABB INC	7105964903	202309	8,883
1296	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	ABB INC	7106063142	202309	8,156
1297	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	ABB INC	7105964903	202309	301
1298	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	ABB INC	7106063142	202309	276
1299	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129025	202309	(29,906)
1300	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131063	202309	29,069
1301	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131064	202309	2,841
1302	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131065	202309	1,796
1303	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131554	202309	22,255
1304	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131555	202309	2,520
1305	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131556	202309	1,685
1306	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131935	202309	24,436
1307	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131936	202309	3,461
1308	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131937	202309	2,584
1309	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131950	202309	2,347
1310	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132375	202309	21,419
1311	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132376	202309	1,370
1312	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132377	202309	2,993
1313	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132378	202309	1,024
1314	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132379	202309	1,229
1315	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129025	202309	27,343
1316	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129025	202309	(1,013)
1317	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129025	202309	926
1318	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131063	202309	984
1319	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131064	202309	96
1320	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131065	202309	61
1321	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131554	202309	754
1322	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131555	202309	85
1323	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131556	202309	57
1324	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131935	202309	827
1325	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131936	202309	117
1326	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131937	202309	88
1327	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131950	202309	79
1328	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132375	202309	725
1329	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132376	202309	46
1330	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132377	202309	101
1331	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132378	202309	35
1332	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132379	202309	42
1333	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	0930233	202309	1,516
1334	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94124	202309	1,516
1335	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94227	202309	1,516
1336	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94273	202309	1,516
1337	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94174	202309	1,516
1338	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	0930233	202309	51
1339	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94124	202309	51
1340	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94227	202309	51
1341	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94273	202309	51
1342	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94174	202309	51

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
RIDER SYSTEM SAFETY AND INTEGRITY ("SSI") BENCHMARK
TEST YEAR ENDING JUNE 30, 2024

Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
1343	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038871	202309	(53,867)
1344	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038872	202309	(43,120)
1345	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038873	202309	(15,080)
1346	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038874	202309	(821)
1347	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038875	202309	(28,208)
1348	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038876	202309	(1,020)
1349	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040329	202309	60,298
1350	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040330	202309	(44,550)
1351	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040330R	202309	48,350
1352	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040402	202309	39,503
1353	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040403	202309	49,930
1354	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040404	202309	15,784
1355	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040405	202309	6,434
1356	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040406	202309	3,392
1357	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040407	202309	67
1358	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040408	202309	44,915
1359	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040409	202309	1,594
1360	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040410	202309	7,123
1361	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040937	202309	36,538
1362	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040938	202309	17,041
1363	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040939	202309	3,347
1364	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040940	202309	5,654
1365	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040941	202309	34
1366	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040942	202309	5,609
1367	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040943	202309	390
1368	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040944	202309	2,840
1369	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040945	202309	729
1370	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040946	202309	34,478
1371	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040947	202309	13,750
1372	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040948	202309	20,082
1373	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041004	202309	37,855
1374	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041006	202309	13,473
1375	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041007	202309	9,295
1376	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041008	202309	3,849
1377	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041009	202309	636
1378	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041010	202309	530
1379	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041011	202309	716
1380	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041012	202309	17,802
1381	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041013	202309	17,315
1382	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041014	202309	17,808
1383	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041531	202309	54,120
1384	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041532	202309	8,835
1385	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041533	202309	35,014
1386	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041534	202309	673
1387	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041535	202309	5,291
1388	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041536	202309	369
1389	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041537	202309	5,161
1390	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041538	202309	97
1391	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041539	202309	1,450
1392	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041540	202309	23,543
1393	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041541	202309	3,965
1394	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041542	202309	26,956
1395	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041543	202309	14,974
1396	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038871	202309	49,250
1397	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038872	202309	39,424
1398	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038873	202309	13,787
1399	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038874	202309	751
1400	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038876	202309	932
1401	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038875	202309	25,790
1402	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038871	202309	(1,865)
1403	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038872	202309	(1,562)

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
1404	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038873	202309	(511)
1405	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038874	202309	(28)
1406	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038875	202309	(955)
1407	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038876	202309	(35)
1408	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038871	202309	1,709
1409	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038872	202309	1,437
1410	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038873	202309	467
1411	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038874	202309	25
1412	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038875	202309	873
1413	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	038876	202309	32
1414	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040329	202309	2,042
1415	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040330	202309	(1,508)
1416	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040330R	202309	1,637
1417	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040402	202309	1,338
1418	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040403	202309	1,691
1419	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040404	202309	534
1420	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040405	202309	218
1421	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040406	202309	115
1422	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040407	202309	2
1423	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040408	202309	1,521
1424	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040409	202309	54
1425	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040410	202309	241
1426	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040937	202309	1,237
1427	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040938	202309	577
1428	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040939	202309	113
1429	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040940	202309	191
1430	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040941	202309	1
1431	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040942	202309	190
1432	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040943	202309	13
1433	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040944	202309	96
1434	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040945	202309	25
1435	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040946	202309	1,167
1436	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040947	202309	466
1437	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	040948	202309	680
1438	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041004	202309	1,282
1439	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041006	202309	456
1440	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041007	202309	315
1441	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041008	202309	130
1442	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041009	202309	22
1443	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041010	202309	18
1444	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041011	202309	24
1445	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041012	202309	603
1446	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041013	202309	586
1447	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041014	202309	603
1448	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041531	202309	1,833
1449	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041532	202309	299
1450	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041533	202309	1,186
1451	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041534	202309	23
1452	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041535	202309	179
1453	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041536	202309	12
1454	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041537	202309	175
1455	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041538	202309	3
1456	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041539	202309	49
1457	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041540	202309	797
1458	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041541	202309	134
1459	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041542	202309	913
1460	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041543	202309	507
1461	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132704	202310	24,684
1462	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132705	202310	1,465
1463	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132706	202310	2,755
1464	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132707	202310	1,906

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
1465	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133180	202310	27,202
1466	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133181	202310	3,781
1467	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133183	202310	3,006
1468	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133184	202310	2,378
1469	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133472	202310	30,030
1470	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133473	202310	4,455
1471	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133475	202310	2,111
1472	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133477	202310	1,386
1473	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133906	202310	34,562
1474	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133907	202310	3,076
1475	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133909	202310	2,948
1476	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132704	202310	836
1477	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132705	202310	50
1478	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132706	202310	93
1479	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132707	202310	65
1480	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133180	202310	921
1481	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133181	202310	128
1482	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133183	202310	102
1483	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133184	202310	81
1484	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133472	202310	1,017
1485	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133473	202310	151
1486	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133475	202310	71
1487	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133477	202310	47
1488	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133906	202310	1,170
1489	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133907	202310	104
1490	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133909	202310	100
1491	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94365	202310	1,516
1492	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94464	202310	1,516
1493	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94365	202310	51
1494	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94464	202310	51
1495	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041686	202310	89,236
1496	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041687	202310	7,785
1497	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041688	202310	31,730
1498	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041689	202310	3,041
1499	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041690	202310	1,690
1500	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041691	202310	1,462
1501	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041692	202310	30,811
1502	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041693	202310	793
1503	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041694	202310	16,102
1504	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041695	202310	8,559
1505	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042196	202310	55,012
1506	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042197	202310	130
1507	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042198	202310	31,494
1508	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042199	202310	377
1509	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042200	202310	1,446
1510	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042201	202310	2,188
1511	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042202	202310	486
1512	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042203	202310	15,218
1513	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042204	202310	17,840
1514	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042205	202310	3,994
1515	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042206	202310	24,642
1516	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042299	202310	70,600
1517	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042300	202310	4,366
1518	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042301	202310	34,351
1519	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042302	202310	1,589
1520	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042303	202310	5,723
1521	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042304	202310	260
1522	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042305	202310	2,717
1523	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042306	202310	20,951
1524	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042307	202310	5,910
1525	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042308	202310	8,770

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)		(d)	(e)	(f)	(g)	(h)	(i)
1526	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042309	202310	10,551
1527	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042787	202310	27,976
1528	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042788	202310	675
1529	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042789	202310	40,973
1530	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042790	202310	11,189
1531	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042791	202310	9,952
1532	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042792	202310	70,986
1533	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042793	202310	271
1534	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042794	202310	1,602
1535	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042795	202310	6,437
1536	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042796	202310	773
1537	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041686	202310	3,022
1538	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041687	202310	264
1539	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041688	202310	1,074
1540	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041689	202310	103
1541	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041690	202310	57
1542	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041691	202310	50
1543	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041692	202310	1,043
1544	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041693	202310	27
1545	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041694	202310	545
1546	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	041695	202310	290
1547	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042196	202310	1,863
1548	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042197	202310	4
1549	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042198	202310	1,066
1550	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042199	202310	13
1551	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042200	202310	49
1552	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042201	202310	74
1553	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042202	202310	16
1554	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042203	202310	515
1555	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042204	202310	604
1556	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042205	202310	135
1557	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042206	202310	834
1558	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042299	202310	2,391
1559	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042300	202310	148
1560	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042301	202310	1,163
1561	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042302	202310	54
1562	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042303	202310	194
1563	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042304	202310	9
1564	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042305	202310	92
1565	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042306	202310	709
1566	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042307	202310	200
1567	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042308	202310	297
1568	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042309	202310	357
1569	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042787	202310	947
1570	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042788	202310	23
1571	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042790	202310	379
1572	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042791	202310	337
1573	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042792	202310	2,404
1574	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042793	202310	9
1575	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042794	202310	54
1576	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042795	202310	218
1577	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042796	202310	26
1578	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134290	202311	28,019
1579	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134291	202311	3,033
1580	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134293	202311	2,777
1581	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134296	202311	2,504
1582	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134728	202311	27,232
1583	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134729	202311	1,055
1584	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134731	202311	1,260
1585	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134732	202311	1,386
1586	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135124	202311	30,484

ATMOS ENERGY CORP., MID-TEX DIVISION
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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
1587	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135126	202311	5,724
1588	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135127	202311	2,378
1589	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135535	202311	30,876
1590	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135536	202311	3,290
1591	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135538	202311	6,771
1592	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135539	202311	2,473
1593	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134290	202311	949
1594	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134291	202311	103
1595	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134293	202311	94
1596	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134296	202311	85
1597	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134728	202311	922
1598	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134729	202311	36
1599	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134731	202311	43
1600	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134732	202311	47
1601	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135124	202311	1,032
1602	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135126	202311	194
1603	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135127	202311	81
1604	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135535	202311	1,045
1605	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135536	202311	111
1606	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135538	202311	229
1607	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135539	202311	84
1608	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94516	202311	1,516
1609	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94572	202311	1,516
1610	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94623	202311	1,516
1611	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94675	202311	1,516
1612	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94727	202311	910
1613	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94516	202311	51
1614	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94572	202311	51
1615	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94623	202311	51
1616	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042883	202311	25,532
1617	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042884	202311	319
1618	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042885	202311	4
1619	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042886	202311	13,966
1620	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042887	202311	1,943
1621	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042888	202311	17
1622	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042889	202311	4,457
1623	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042890	202311	24,829
1624	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042891	202311	2,752
1625	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043517	202311	41,114
1626	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043518	202311	2,003
1627	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043519	202311	8
1628	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043520	202311	37,360
1629	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043521	202311	4,403
1630	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043522	202311	2,337
1631	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043523	202311	28,721
1632	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043524	202311	3,306
1633	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043525	202311	14,583
1634	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043620	202311	34,196
1635	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043621	202311	203
1636	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043622	202311	32,902
1637	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043623	202311	398
1638	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043624	202311	203
1639	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043625	202311	7,986
1640	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043626	202311	1,422
1641	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043627	202311	2,385
1642	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043628	202311	27,781
1643	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043629	202311	382
1644	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043630	202311	2,877
1645	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044104	202311	45,794
1646	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044105	202311	244
1647	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044106	202311	48,390

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
1648	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044107	202311	402
1649	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044108	202311	12,909
1650	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044109	202311	5,427
1651	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044110	202311	1,878
1652	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044111	202311	6,314
1653	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044112	202311	38,786
1654	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044113	202311	9,865
1655	8740	06111	Leak Detection	080.61707	CONTRACTOR - MATERIAL	SOUTHERN CROSS LLC	042887	202311	4,480
1656	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042789	202311	1,387
1657	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042883	202311	865
1658	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042884	202311	11
1659	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042885	202311	0
1660	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042886	202311	473
1661	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042887	202311	66
1662	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042888	202311	1
1663	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042889	202311	151
1664	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042890	202311	841
1665	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	042891	202311	93
1666	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043517	202311	1,392
1667	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043518	202311	68
1668	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043519	202311	0
1669	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043520	202311	1,265
1670	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043521	202311	149
1671	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043522	202311	79
1672	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043523	202311	972
1673	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043524	202311	112
1674	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043525	202311	494
1675	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043620	202311	1,158
1676	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043621	202311	7
1677	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043622	202311	1,114
1678	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043623	202311	13
1679	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043624	202311	7
1680	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043625	202311	270
1681	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043626	202311	48
1682	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043627	202311	81
1683	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043628	202311	941
1684	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043629	202311	13
1685	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	043630	202311	97
1686	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044104	202311	1,551
1687	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044105	202311	8
1688	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044106	202311	1,639
1689	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044107	202311	14
1690	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044108	202311	437
1691	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044109	202311	184
1692	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044110	202311	64
1693	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044111	202311	214
1694	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044112	202311	1,313
1695	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044113	202311	334
1696	8740	06111	Leak Detection	080.61707	CONTRACTOR - MATERIAL	SOUTHERN CROSS LLC	042887	202311	152
1697	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HEATH CONSULTANTS INC	1136112	202312	2,905
1698	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HEATH CONSULTANTS INC	1136115	202312	3,959
1699	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HEATH CONSULTANTS INC	1136526	202312	28,847
1700	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135766	202312	15,370
1701	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136111	202312	26,656
1702	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136114	202312	2,709
1703	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136527	202312	2,126
1704	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136529	202312	5,615
1705	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136530	202312	1,260
1706	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136892	202312	26,733
1707	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136893	202312	1,323
1708	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136895	202312	2,662

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
1709	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136896	202312	1,229
1710	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137155	202312	28,437
1711	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137157	202312	1,476
1712	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137158	202312	2,662
1713	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HEATH CONSULTANTS INC	1136112	202312	98
1714	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HEATH CONSULTANTS INC	1136115	202312	134
1715	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HEATH CONSULTANTS INC	1136526	202312	977
1716	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135766	202312	520
1717	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136111	202312	903
1718	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136114	202312	92
1719	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136527	202312	72
1720	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136529	202312	190
1721	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136530	202312	43
1722	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136893	202312	45
1723	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136895	202312	90
1724	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136896	202312	42
1725	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137157	202312	50
1726	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137158	202312	90
1727	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	94782	202312	1,516
1728	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	94838	202312	1,516
1729	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	94893	202312	1,516
1730	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	94949	202312	1,516
1731	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	94782	202312	51
1732	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	94838	202312	51
1733	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	94893	202312	51
1734	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	94949	202312	51
1735	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94675	202312	51
1736	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	94727	202312	31
1737	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	044774	202312	1,747
1738	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	044776	202312	-
1739	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	044934	202312	2,907
1740	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	045459	202312	1,591
1741	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	045463	202312	19,113
1742	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044161	202312	23,370
1743	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044162	202312	24
1744	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044163	202312	20,445
1745	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044164	202312	874
1746	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044165	202312	7,070
1747	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044166	202312	10,157
1748	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044167	202312	419
1749	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044168	202312	16,427
1750	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044169	202312	1,536
1751	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044170	202312	695
1752	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044769	202312	38,610
1753	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044770	202312	33,814
1754	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044771	202312	370
1755	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044772	202312	1,333
1756	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044773	202312	1,334
1757	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044774	202312	1,100
1758	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044775	202312	21,089
1759	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044776R	202312	22,664
1760	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044777	202312	1,582
1761	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044778	202312	2,268
1762	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044929	202312	34,096
1763	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044930	202312	459
1764	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044931	202312	29,019
1765	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044932	202312	1,625
1766	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044933	202312	1,613
1767	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044935	202312	4,647
1768	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044936	202312	22,702
1769	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044937	202312	29,309

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
1770	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044938	202312	879
1771	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045403	202312	27,713
1772	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045404	202312	493
1773	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045405	202312	30,763
1774	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045406	202312	1,877
1775	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045407	202312	3,705
1776	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045408	202312	19,071
1777	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045409	202312	21,638
1778	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045410	202312	949
1779	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045458	202312	22,723
1780	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045459	202312	21,435
1781	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045460	202312	1,476
1782	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045461	202312	906
1783	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045462	202312	2,986
1784	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045464	202312	23,592
1785	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045465	202312	1,060
1786	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	044774	202312	59
1787	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	044776	202312	-
1788	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	044934	202312	98
1789	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044161	202312	791
1790	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044162	202312	1
1791	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044163	202312	692
1792	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044164	202312	30
1793	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044165	202312	239
1794	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044166	202312	344
1795	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044167	202312	14
1796	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044168	202312	556
1797	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044169	202312	52
1798	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044170	202312	24
1799	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044769	202312	1,307
1800	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044770	202312	1,145
1801	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044771	202312	13
1802	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044772	202312	45
1803	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044773	202312	45
1804	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044774	202312	37
1805	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044775	202312	714
1806	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044776R	202312	767
1807	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044777	202312	54
1808	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044778	202312	77
1809	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044929	202312	1,155
1810	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044930	202312	16
1811	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044931	202312	983
1812	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044932	202312	55
1813	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044933	202312	55
1814	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044935	202312	157
1815	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044936	202312	769
1816	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044937	202312	992
1817	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	044938	202312	30
1818	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045404	202312	17
1819	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045406	202312	64
1820	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045407	202312	125
1821	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045410	202312	32
1822	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045460	202312	50
1823	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045461	202312	31
1824	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045462	202312	101
1825	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045465	202312	36
1826	8740	06111	Leak Detection	080.61707	CONTRACTOR - SERVICES	ABB INC	7106221488	202401	7,227
1827	8740	06111	Leak Detection	080.61707	CONTRACTOR - SERVICES	ABB INC	7106221488	202401	245
1828	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137406	202401	5,390
1829	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137407	202401	1,496
1830	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137712	202401	22,054

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1831	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137713	202401	929
1832	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137718	202401	1,481
1833	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137719	202401	1,843
1834	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137983	202401	28,489
1835	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137985	202401	3,104
1836	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137986	202401	3,552
1837	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1138025	202401	2,315
1838	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1138353	202401	1,670
1839	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1138354	202401	2,948
1840	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1138355	202401	573
1841	8740	06111	Leak Detection	080.61707	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1138352	202401	2,252
1842	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136892	202401	905
1843	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137155	202401	963
1844	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137406	202401	183
1845	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137407	202401	51
1846	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137712	202401	747
1847	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137713	202401	31
1848	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137718	202401	50
1849	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137719	202401	62
1850	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137983	202401	965
1851	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137985	202401	105
1852	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137986	202401	120
1853	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1138025	202401	78
1854	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1138353	202401	57
1855	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1138354	202401	100
1856	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1138355	202401	19
1857	8740	06111	Leak Detection	080.61707	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1138352	202401	76
1858	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	94414	202401	1,516
1859	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95004	202401	1,137
1860	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95056	202401	1,516
1861	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95107	202401	1,516
1862	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95164	202401	1,516
1863	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95212	202401	1,516
1864	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	94414	202401	51
1865	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95004	202401	39
1866	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95056	202401	51
1867	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95107	202401	51
1868	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95164	202401	51
1869	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95212	202401	51
1870	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	045970	202401	1,043
1871	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	046093	202401	1,075
1872	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045960	202401	32,393
1873	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045961	202401	553
1874	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045962	202401	13,403
1875	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045963	202401	1,000
1876	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045964	202401	402
1877	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045965	202401	2,615
1878	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045966	202401	8,205
1879	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045968	202401	13,597
1880	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045971	202401	889
1881	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046089	202401	17,332
1882	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046090	202401	17,395
1883	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046091	202401	773
1884	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046092	202401	1,819
1885	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046093	202401	4,060
1886	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046094	202401	12,604
1887	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046095	202401	938
1888	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046096	202401	12,009
1889	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046097	202401	626
1890	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046516	202401	38,575
1891	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046517	202401	260

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1892	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046518	202401	988
1893	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046519	202401	8,974
1894	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046520	202401	6,807
1895	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046521	202401	1,849
1896	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046522	202401	6,180
1897	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046523	202401	8,367
1898	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046524	202401	8,277
1899	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046526	202401	65
1900	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046590	202401	1,224
1901	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046593	202401	1,546
1902	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046594	202401	4,186
1903	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046595	202401	5,192
1904	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046596	202401	1,141
1905	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046597	202401	6,789
1906	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	045459	202401	54
1907	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	045463	202401	647
1908	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	045970	202401	35
1909	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	046093	202401	36
1910	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045403	202401	938
1911	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045405	202401	1,042
1912	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045408	202401	646
1913	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045409	202401	733
1914	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045458	202401	769
1915	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045459	202401	726
1916	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045464	202401	799
1917	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045960	202401	1,097
1918	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045961	202401	19
1919	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045962	202401	454
1920	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045963	202401	34
1921	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045964	202401	14
1922	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045965	202401	89
1923	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045966	202401	278
1924	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045968	202401	460
1925	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	045971	202401	30
1926	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046089	202401	587
1927	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046090	202401	589
1928	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046091	202401	26
1929	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046092	202401	62
1930	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046093	202401	137
1931	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046094	202401	427
1932	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046095	202401	32
1933	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046096	202401	407
1934	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046097	202401	21
1935	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046516	202401	1,306
1936	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046517	202401	9
1937	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046518	202401	33
1938	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046519	202401	304
1939	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046520	202401	230
1940	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046521	202401	63
1941	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046522	202401	209
1942	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046523	202401	283
1943	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046524	202401	280
1944	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046526	202401	2
1945	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046590	202401	41
1946	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046593	202401	52
1947	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046594	202401	142
1948	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046595	202401	176
1949	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046596	202401	39
1950	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046597	202401	230
1951	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	ABB INC	7106147223_1	202402	2,359
1952	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HEATH CONSULTANTS INC	1139162	202402	20,476

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RIDER SYSTEM SAFETY AND INTEGRITY ("SSI") BENCHMARK
TEST YEAR ENDING JUNE 30, 2024

Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
1953	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HEATH CONSULTANTS INC	1139574	202402	3,076
1954	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1138350	202402	22,087
1955	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139161	202402	2,278
1956	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139163	202402	2,541
1957	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139571	202402	1,238
1958	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139573	202402	19,879
1959	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139575	202402	536
1960	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139974	202402	1,159
1961	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139975	202402	2,473
1962	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139977	202402	18,807
1963	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139978	202402	3,290
1964	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139979	202402	235
1965	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140126	202402	4,914
1966	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140446	202402	1,717
1967	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140449	202402	2,798
1968	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140451	202402	3,140
1969	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HEATH CONSULTANTS INC	1139162	202402	693
1970	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HEATH CONSULTANTS INC	1139574	202402	104
1971	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1138350	202402	748
1972	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139161	202402	77
1973	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139163	202402	86
1974	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139571	202402	42
1975	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139573	202402	673
1976	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139575	202402	18
1977	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139974	202402	39
1978	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139975	202402	84
1979	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139977	202402	637
1980	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139978	202402	111
1981	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139979	202402	8
1982	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140126	202402	166
1983	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140446	202402	58
1984	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140449	202402	95
1985	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140451	202402	106
1986	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95262	202402	1,516
1987	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95315	202402	1,516
1988	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95421	202402	1,516
1989	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95262	202402	51
1990	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95315	202402	51
1991	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	047654	202402	6,086
1992	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	047655	202402	8,584
1993	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	0000126363	202402	21,346
1994	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	0000126364	202402	6,454
1995	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	0000126365	202402	178
1996	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	0000126366	202402	1,464
1997	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	0000126367	202402	2,063
1998	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	0000126368	202402	3,350
1999	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	0000126369	202402	1,397
2000	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046589	202402	62,535
2001	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046591	202402	15,645
2002	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047182	202402	52,968
2003	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047183	202402	30,356
2004	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047184	202402	2,812
2005	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047185	202402	10,811
2006	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047186	202402	1,423
2007	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047187	202402	17,546
2008	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047188	202402	2,092
2009	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047651	202402	71,795
2010	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047652	202402	8,848
2011	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047653	202402	10,045
2012	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047656	202402	2,467
2013	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047657	202402	15,782

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
RIDER SYSTEM SAFETY AND INTEGRITY ("SSI") BENCHMARK
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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
2014	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047659	202402	979
2015	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047660	202402	2,706
2016	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047738	202402	63,094
2017	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047740	202402	9,303
2018	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047741	202402	9,549
2019	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047742	202402	1,817
2020	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047743	202402	1,464
2021	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047744	202402	1,857
2022	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047745	202402	1,183
2023	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047746	202402	460
2024	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047747	202402	3,304
2025	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048283	202402	934
2026	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048285	202402	329
2027	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048286	202402	1,369
2028	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048287	202402	1,038
2029	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048288	202402	688
2030	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048289	202402	270
2031	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048290	202402	3,033
2032	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	047654	202402	206
2033	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	047655	202402	291
2034	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	0000126363	202402	723
2035	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	0000126364	202402	219
2036	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	0000126365	202402	6
2037	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	0000126366	202402	50
2038	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	0000126367	202402	70
2039	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	0000126368	202402	113
2040	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	0000126369	202402	47
2041	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046589	202402	2,117
2042	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	046591	202402	530
2043	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047182	202402	1,794
2044	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047183	202402	1,028
2045	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047184	202402	95
2046	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047185	202402	366
2047	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047186	202402	48
2048	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047187	202402	594
2049	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047188	202402	71
2050	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047651	202402	2,431
2051	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047652	202402	300
2052	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047653	202402	340
2053	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047656	202402	84
2054	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047657	202402	534
2055	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047659	202402	33
2056	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047660	202402	92
2057	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047738	202402	2,136
2058	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047740	202402	315
2059	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047741	202402	323
2060	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047742	202402	62
2061	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047743	202402	50
2062	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047744	202402	63
2063	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047745	202402	40
2064	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047746	202402	16
2065	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047747	202402	112
2066	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048283	202402	32
2067	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048285	202402	11
2068	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048286	202402	46
2069	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048287	202402	35
2070	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048288	202402	23
2071	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048289	202402	9
2072	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048290	202402	103
2073	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	ABB INC	7106147223_1	202403	80
2074	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140448	202403	18,964

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
RIDER SYSTEM SAFETY AND INTEGRITY ("SSI") BENCHMARK
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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
2075	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140450	202403	2,021
2076	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140774	202403	1,465
2077	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140775	202403	2,990
2078	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140777	202403	19,769
2079	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140778	202403	2,948
2080	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141200	202403	2,473
2081	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141201	202403	662
2082	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141202	202403	2,486
2083	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141203	202403	23,707
2084	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141204	202403	1,827
2085	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141205	202403	1,906
2086	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141648	202403	2,174
2087	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141649	202403	702
2088	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141650	202403	677
2089	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141652	202403	24,371
2090	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141653	202403	2,755
2091	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141654	202403	866
2092	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142013	202403	1,299
2093	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142014	202403	725
2094	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142015	202403	24,793
2095	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142016	202403	1,806
2096	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142017	202403	473
2097	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142018	202403	3,729
2098	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140448	202403	642
2099	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140450	202403	68
2100	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140774	202403	50
2101	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140775	202403	101
2102	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140777	202403	669
2103	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140778	202403	100
2104	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141200	202403	84
2105	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141201	202403	22
2106	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141202	202403	84
2107	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141203	202403	803
2108	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141204	202403	62
2109	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141205	202403	65
2110	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141648	202403	74
2111	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141649	202403	24
2112	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141650	202403	23
2113	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141652	202403	825
2114	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141653	202403	93
2115	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141654	202403	29
2116	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142013	202403	44
2117	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142014	202403	25
2118	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142015	202403	839
2119	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142016	202403	61
2120	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142017	202403	16
2121	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142018	202403	126
2122	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95479	202403	1,516
2123	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95536	202403	1,516
2124	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95591	202403	1,516
2125	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	95652	202403	1,516
2126	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95421	202403	51
2127	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95479	202403	51
2128	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95536	202403	51
2129	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95591	202403	51
2130	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HIGH PROFILE INC	95652	202403	51
2131	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	047739	202403	320
2132	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	049510	202403	7,246
2133	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	049511	202403	1,135
2134	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047739	202403	11,996
2135	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047748	202403	9,562

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
2136	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048281	202403	67,964
2137	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048282	202403	22,789
2138	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048284	202403	16,696
2139	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048291	202403	16,295
2140	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048435	202403	67,685
2141	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048436	202403	26,349
2142	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048437	202403	10,344
2143	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048438	202403	554
2144	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048439	202403	1,488
2145	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048440	202403	1,657
2146	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048441	202403	680
2147	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048442	202403	3,072
2148	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048443	202403	21,215
2149	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048913	202403	57,864
2150	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048914	202403	13,435
2151	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048915	202403	9,081
2152	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048916	202403	1,080
2153	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048917	202403	1,788
2154	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048918	202403	1,308
2155	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048919	202403	10,340
2156	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048920	202403	648
2157	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048921	202403	9,672
2158	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049037	202403	69,352
2159	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049038	202403	19,402
2160	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049039	202403	8,749
2161	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049040	202403	375
2162	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049041	202403	4,406
2163	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049042	202403	2,552
2164	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049043	202403	9,747
2165	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049044	202403	352
2166	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049045	202403	12,381
2167	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049507	202403	55,586
2168	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049508	202403	19,307
2169	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049509	202403	232
2170	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049510	202403	1,507
2171	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049511	202403	7,377
2172	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049512	202403	3,046
2173	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049513	202403	10,581
2174	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049514	202403	6,366
2175	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049515	202403	381
2176	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	047739	202403	11
2177	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	049510	202403	245
2178	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	049511	202403	38
2179	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047739	202403	406
2180	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	047748	202403	324
2181	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048281	202403	2,301
2182	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048282	202403	772
2183	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048284	202403	565
2184	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048291	202403	552
2185	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048435	202403	2,292
2186	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048436	202403	892
2187	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048437	202403	350
2188	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048438	202403	19
2189	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048439	202403	50
2190	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048440	202403	56
2191	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048441	202403	23
2192	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048442	202403	104
2193	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048443	202403	718
2194	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048913	202403	1,959
2195	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048914	202403	455
2196	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048915	202403	307

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
2197	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048916	202403	37
2198	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048917	202403	61
2199	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048918	202403	44
2200	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048919	202403	350
2201	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048920	202403	22
2202	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	048921	202403	327
2203	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049037	202403	2,348
2204	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049038	202403	657
2205	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049039	202403	296
2206	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049040	202403	13
2207	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049041	202403	149
2208	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049042	202403	86
2209	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049043	202403	330
2210	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049044	202403	12
2211	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049045	202403	419
2212	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049507	202403	1,882
2213	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049508	202403	654
2214	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049509	202403	8
2215	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049510	202403	51
2216	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049511	202403	250
2217	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049512	202403	103
2218	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049513	202403	358
2219	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049514	202403	216
2220	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049515	202403	13
2221	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142385	202404	2,773
2222	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142386	202404	441
2223	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142387	202404	2,520
2224	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142389	202404	1,276
2225	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142390	202404	315
2226	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142391	202404	19,060
2227	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142392	202404	3,590
2228	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142745	202404	728
2229	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142746	202404	2,926
2230	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142748	202404	29,724
2231	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142749	202404	2,691
2232	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142750	202404	2,095
2233	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142751	202404	2,347
2234	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143114	202404	1,481
2235	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143116	202404	27,140
2236	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143117	202404	5,128
2237	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143118	202404	1,197
2238	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143627	202404	3,676
2239	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143629	202404	19,729
2240	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143630	202404	7,862
2241	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143631	202404	3,033
2242	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143632	202404	6,386
2243	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143633	202404	2,079
2244	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142385	202404	94
2245	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142386	202404	15
2246	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142387	202404	85
2247	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142389	202404	43
2248	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142390	202404	11
2249	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142391	202404	645
2250	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142392	202404	122
2251	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142745	202404	25
2252	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142746	202404	99
2253	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142748	202404	1,006
2254	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142749	202404	91
2255	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142750	202404	71
2256	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142751	202404	79
2257	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143114	202404	50

ATMOS ENERGY CORP., MID-TEX DIVISION
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RIDER SYSTEM SAFETY AND INTEGRITY ("SSI") BENCHMARK
TEST YEAR ENDING JUNE 30, 2024

Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
2258	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143116	202404	919
2259	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143117	202404	174
2260	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143118	202404	41
2261	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143627	202404	124
2262	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143629	202404	668
2263	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143630	202404	266
2264	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143631	202404	103
2265	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143632	202404	216
2266	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143633	202404	70
2267	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95368	202404	1,516
2268	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95714	202404	1,516
2269	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95776	202404	1,516
2270	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95835	202404	1,516
2271	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95896	202404	1,516
2272	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95368	202404	51
2273	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95714	202404	51
2274	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95776	202404	51
2275	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95835	202404	51
2276	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95896	202404	51
2277	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	050363	202404	1,094
2278	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049603	202404	43,830
2279	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049604	202404	13,704
2280	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049605	202404	9,755
2281	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049606	202404	9,459
2282	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049607	202404	103
2283	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049608	202404	7,098
2284	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049609	202404	8,188
2285	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050109	202404	92,276
2286	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050110	202404	29,701
2287	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050111	202404	793
2288	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050112	202404	16,993
2289	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050113	202404	383
2290	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050114	202404	13,895
2291	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050115	202404	3,748
2292	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050116	202404	10,329
2293	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050117	202404	786
2294	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050118	202404	260
2295	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050119	202404	172
2296	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050120	202404	17,169
2297	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050213	202404	82,481
2298	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050214	202404	19,933
2299	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050215	202404	507
2300	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050216	202404	399
2301	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050217	202404	6,650
2302	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050218	202404	2,214
2303	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050219	202404	5,281
2304	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050220	202404	2,896
2305	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050221	202404	402
2306	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050222	202404	4,964
2307	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050223	202404	252
2308	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050224	202404	449
2309	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050359	202404	109,113
2310	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050360	202404	51,347
2311	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050361	202404	10,798
2312	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050362	202404	6,811
2313	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050363	202404	7,327
2314	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050364	202404	176
2315	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050365	202404	2,182
2316	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050366	202404	145
2317	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050367	202404	10,362
2318	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050368	202404	623

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
2319	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050369	202404	6,051
2320	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	050363	202404	37
2321	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049603	202404	1,484
2322	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049604	202404	464
2323	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049605	202404	330
2324	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049606	202404	320
2325	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049607	202404	3
2326	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049608	202404	240
2327	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	049609	202404	277
2328	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050109	202404	3,124
2329	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050110	202404	1,006
2330	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050111	202404	27
2331	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050112	202404	575
2332	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050113	202404	13
2333	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050114	202404	470
2334	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050115	202404	127
2335	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050116	202404	350
2336	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050117	202404	27
2337	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050118	202404	9
2338	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050119	202404	6
2339	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050120	202404	581
2340	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050213	202404	2,793
2341	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050214	202404	675
2342	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050215	202404	17
2343	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050216	202404	14
2344	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050217	202404	225
2345	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050218	202404	75
2346	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050219	202404	179
2347	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050220	202404	98
2348	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050221	202404	14
2349	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050222	202404	168
2350	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050223	202404	9
2351	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050224	202404	15
2352	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050359	202404	3,695
2353	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050360	202404	1,739
2354	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050361	202404	366
2355	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050362	202404	231
2356	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050363	202404	248
2357	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050364	202404	6
2358	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050365	202404	74
2359	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050366	202404	5
2360	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050367	202404	351
2361	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050368	202404	21
2362	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050369	202404	205
2363	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	ABB INC	7106226650	202405	2,383
2364	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	ABB INC	7106325963	202405	2,771
2365	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	ABB INC	7106226650	202405	81
2366	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	ABB INC	7106325963	202405	94
2367	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144070	202405	2,131
2368	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144072	202405	6,473
2369	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144073	202405	25,313
2370	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144074	202405	1,596
2371	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144075	202405	492
2372	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144076	202405	8,170
2373	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144077	202405	646
2374	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144078	202405	1,013
2375	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144456	202405	2,819
2376	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144467	202405	3,290
2377	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144468	202405	5,828
2378	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144469	202405	25,514
2379	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144470	202405	7,565

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
2380	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144870	202405	2,716
2381	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144873	202405	2,394
2382	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144877	202405	30,282
2383	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144883	202405	2,252
2384	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144885	202405	8,940
2385	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145259	202405	2,489
2386	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145261	202405	3,012
2387	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145262	202405	6,016
2388	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145263	202405	23,496
2389	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145264	202405	3,987
2390	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145766	202405	23,122
2391	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145767	202405	1,670
2392	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145769	202405	1,150
2393	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145770	202405	5,390
2394	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145771	202405	2,339
2395	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145772	202405	4,073
2396	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145773	202405	9,461
2397	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139573	202405	322
2398	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139573	202405	(673)
2399	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139573	202405	684
2400	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144070	202405	72
2401	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144072	202405	219
2402	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144073	202405	857
2403	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144074	202405	54
2404	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144075	202405	17
2405	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144076	202405	277
2406	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144077	202405	22
2407	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144078	202405	34
2408	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144456	202405	95
2409	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144467	202405	111
2410	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144468	202405	197
2411	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144469	202405	864
2412	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144470	202405	256
2413	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144870	202405	92
2414	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144873	202405	81
2415	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144877	202405	1,025
2416	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144883	202405	76
2417	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1144885	202405	303
2418	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145259	202405	84
2419	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145261	202405	102
2420	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145262	202405	204
2421	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145263	202405	796
2422	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145264	202405	135
2423	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145766	202405	783
2424	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145767	202405	57
2425	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145769	202405	39
2426	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145770	202405	182
2427	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145771	202405	79
2428	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145772	202405	138
2429	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145773	202405	320
2430	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95955	202405	1,516
2431	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	96010	202405	1,516
2432	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	96064	202405	1,516
2433	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	96117	202405	1,516
2434	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	96173	202405	1,516
2435	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	95955	202405	51
2436	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	96010	202405	51
2437	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	96064	202405	51
2438	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	96117	202405	51
2439	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	96173	202405	51
2440	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	051582	202405	12,414

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
2441	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	051589	202405	3,453
2442	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	052019	202405	7,037
2443	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050755	202405	87,526
2444	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050756	202405	49,965
2445	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050757	202405	387
2446	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050758	202405	14,356
2447	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050759	202405	585
2448	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050760	202405	6,983
2449	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050761	202405	4,124
2450	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050762	202405	9,349
2451	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050763	202405	2,915
2452	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050764	202405	8,785
2453	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050765	202405	650
2454	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050766	202405	401
2455	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050767	202405	228
2456	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050768	202405	16,137
2457	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050769	202405	1,006
2458	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050770	202405	4,041
2459	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050771	202405	271
2460	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051520	202405	66,231
2461	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051521	202405	26,781
2462	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051522	202405	15,916
2463	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051523	202405	6,459
2464	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051524	202405	2,290
2465	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051525	202405	9,056
2466	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051526	202405	313
2467	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051527	202405	4,848
2468	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051528	202405	1,081
2469	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051529	202405	15,998
2470	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051530	202405	358
2471	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051585	202405	82,580
2472	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051586	202405	29,284
2473	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051587	202405	23,128
2474	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051588	202405	11,927
2475	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051590	202405	23,624
2476	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051591	202405	456
2477	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051592	202405	3,290
2478	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051593	202405	5,303
2479	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051594	202405	2,387
2480	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051595	202405	26,179
2481	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051596	202405	264
2482	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051976	202405	99,285
2483	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051977	202405	16,798
2484	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051978	202405	9,958
2485	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051979	202405	8,899
2486	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051980	202405	2,981
2487	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051981	202405	4,248
2488	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051982	202405	435
2489	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051983	202405	244
2490	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051984	202405	14,279
2491	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052016	202405	111,953
2492	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052017	202405	44,826
2493	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052018	202405	18,040
2494	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052019	202405	2,517
2495	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052020	202405	1,438
2496	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052021	202405	1,614
2497	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052022	202405	882
2498	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052023	202405	475
2499	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052024	202405	31,340
2500	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052026	202405	7,691
2501	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051984	202405	(483)

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
2502	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	051582	202405	420
2503	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	051589	202405	117
2504	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	052019	202405	238
2505	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050755	202405	2,964
2506	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050756	202405	1,692
2507	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050757	202405	13
2508	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050758	202405	486
2509	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050759	202405	20
2510	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050760	202405	236
2511	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050761	202405	140
2512	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050762	202405	317
2513	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050763	202405	99
2514	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050764	202405	297
2515	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050765	202405	22
2516	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050766	202405	14
2517	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050767	202405	8
2518	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050768	202405	546
2519	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050769	202405	34
2520	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050770	202405	137
2521	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	050771	202405	9
2522	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051520	202405	2,243
2523	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051521	202405	907
2524	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051522	202405	539
2525	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051523	202405	219
2526	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051524	202405	78
2527	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051525	202405	307
2528	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051526	202405	11
2529	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051527	202405	164
2530	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051528	202405	37
2531	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051529	202405	542
2532	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051530	202405	12
2533	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051585	202405	2,796
2534	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051586	202405	992
2535	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051587	202405	783
2536	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051588	202405	404
2537	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051590	202405	800
2538	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051591	202405	15
2539	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051592	202405	111
2540	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051593	202405	180
2541	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051594	202405	81
2542	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051595	202405	886
2543	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051596	202405	9
2544	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051976	202405	3,362
2545	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051977	202405	569
2546	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051978	202405	337
2547	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051979	202405	301
2548	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051980	202405	101
2549	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051981	202405	144
2550	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051982	202405	15
2551	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051983	202405	8
2552	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	051984	202405	967
2553	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052016	202405	3,791
2554	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052017	202405	1,518
2555	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052018	202405	611
2556	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052019	202405	85
2557	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052020	202405	49
2558	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052021	202405	55
2559	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052022	202405	30
2560	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052023	202405	16
2561	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052024	202405	1,061
2562	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052026	202405	260

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
2563	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145774	202406	1,132
2564	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146043	202406	2,363
2565	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146044	202406	3,276
2566	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146046	202406	22,701
2567	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146047	202406	5,097
2568	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146049	202406	31,215
2569	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146185	202406	900
2570	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146468	202406	2,627
2571	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146470	202406	34,489
2572	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146471	202406	8,527
2573	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146472	202406	6,494
2574	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146473	202406	2,268
2575	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146474	202406	34,695
2576	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146773	202406	49,104
2577	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146774	202406	34,444
2578	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145774	202406	38
2579	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146043	202406	80
2580	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146044	202406	111
2581	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146046	202406	769
2582	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146047	202406	173
2583	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146049	202406	1,057
2584	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146185	202406	30
2585	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146468	202406	89
2586	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146470	202406	1,168
2587	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146471	202406	289
2588	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146472	202406	220
2589	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146473	202406	77
2590	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146474	202406	1,175
2591	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146773	202406	1,663
2592	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1146774	202406	1,166
2593	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	96239	202406	1,516
2594	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	96302	202406	1,137
2595	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	96375	202406	1,516
2596	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	96445	202406	1,516
2597	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	96239	202406	51
2598	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	96302	202406	39
2599	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	96375	202406	51
2600	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	HIGH PROFILE INC	96445	202406	51
2601	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	052956	202406	1,497
2602	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052025	202406	3,672
2603	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052500	202406	26,705
2604	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052502	202406	6,235
2605	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052503	202406	729
2606	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052505	202406	1,758
2607	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052506	202406	11,470
2608	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052508	202406	2,793
2609	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052509	202406	137
2610	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052511	202406	2,646
2611	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052952	202406	61,823
2612	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052953	202406	26,228
2613	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052954	202406	10,836
2614	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052955	202406	4,448
2615	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052957	202406	662
2616	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052958	202406	826
2617	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052959	202406	12,980
2618	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052960	202406	1,643
2619	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	053180	202406	12,806
2620	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	053182	202406	3,700
2621	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	053183	202406	344
2622	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	053184	202406	3,968
2623	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	053186	202406	7,776

ATMOS ENERGY CORP., MID-TEX DIVISION
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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
2624	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	053187	202406	390
2625	8740	06111	Leak Detection	080.61707	CONTRACTOR - AMLD	SOUTHERN CROSS LLC	052956	202406	51
2626	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052025	202406	124
2627	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052500	202406	904
2628	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052502	202406	211
2629	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052503	202406	25
2630	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052505	202406	60
2631	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052506	202406	388
2632	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052508	202406	95
2633	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052509	202406	5
2634	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052511	202406	90
2635	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052952	202406	2,093
2636	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052953	202406	888
2637	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052954	202406	367
2638	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052955	202406	151
2639	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052957	202406	22
2640	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052958	202406	28
2641	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052959	202406	439
2642	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	052960	202406	56
2643	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	053180	202406	434
2644	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	053182	202406	125
2645	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	053183	202406	12
2646	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	053184	202406	134
2647	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	053186	202406	263
2648	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	SOUTHERN CROSS LLC	053187	202406	13
2649	8740	06111	Leak Detection	080.81676	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1146048	202406	3,859
2650	8740	06111	Leak Detection	080.81676	CONTRACTOR - SERVICES	SOUTHERN CROSS LLC	052025	202406	3,334
2651	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	7106221489 ABB INC - CANADA	7106221489	202406	21,188
2652	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	7106168206 ABB INC - CANADA	7106168206	202406	20,207
2653	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	7106221489 ABB INC - CANADA	7106221489	202405	21,188
2654	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	7106168206 ABB INC - CANADA	7106168206	202405	20,207
2655	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	7106221489 ABB INC - CANADA	7106221489	202404	21,188
2656	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	7106168206 ABB INC - CANADA	7106168206	202404	20,207
2657	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	7106221489 ABB INC - CANADA	7106221489	202403	21,188
2658	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	7106168206 ABB INC - CANADA	7106168206	202403	20,207
2659	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	7106221489 ABB INC - CANADA	7106221489	202402	21,188
2660	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	7106168206 ABB INC - CANADA	7106168206	202402	20,207
2661	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	7106221489 ABB INC - CANADA	7106221489	202401	21,188
2662	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	7106168206 ABB INC - CANADA	7106168206	202401	60,620
2663	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	7105763803 ABB INC - CANADA	7105763803	202312	20,207
2664	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	7105763803 ABB INC - CANADA	7105763803	202309	20,207
2665	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	7105763803 ABB INC - CANADA	7105763803	202308	20,207
2666	8740	06111	Leak Detection	080.61707	CONTRACTOR - LABOR	7105763803 ABB INC - CANADA-ABB 7105763803	7105763803	202307	20,207
2667	8740	06111	Leak Detection	080.68027	CONTRACTOR - LABOR	LASEN INC	1126B	202308	29,180
2668	8740	06111	Leak Detection	080.68027	CONTRACTOR - LABOR	LASEN INC	1126C	202308	13,837
2669	8740	06111	Leak Detection	080.68027	CONTRACTOR - LABOR	LASEN INC	1126D	202308	13,723
2670	8740	06111	Leak Detection	080.68027	CONTRACTOR - LABOR	LASEN INC	1133B	202308	50,089
2671	8740	06111	Leak Detection	080.68027	CONTRACTOR - LABOR	LASEN INC	1133B	202309	1,696
2672	8740	06111	Leak Detection	080.68027	CONTRACTOR - LABOR	LASEN INC	1133C	202308	11,656
2673	8740	06111	Leak Detection	080.68027	CONTRACTOR - LABOR	LASEN INC	1133D	202308	20,688
2674	8740	06111	Leak Detection	080.68027	CONTRACTOR - LABOR	LASEN INC	1135B	202309	1,599
2675	8740	06111	Leak Detection	080.68027	CONTRACTOR - LABOR	LASEN INC	1135C	202309	1,430
2676	8740	06111	Leak Detection	080.68027	CONTRACTOR - LABOR	LASEN INC	1174B	202402	13,199
2677	8740	06111	Leak Detection	080.68027	CONTRACTOR - LABOR	LASEN INC	1174C	202401	2,077
2678	8740	06111	Leak Detection	080.68027	CONTRACTOR - LABOR	LASEN INC	1174D	202401	4,778
2679	8740	06111	Leak Detection	080.68027	CONTRACTOR - LABOR	LASEN INC	1176B	202402	39,651
2680	8740	06111	Leak Detection	080.68027	CONTRACTOR - LABOR	LASEN INC	1176C	202402	15,578
2681	8740	06111	Leak Detection	080.68027	CONTRACTOR - LABOR	LASEN INC	1176D	202402	21,334
2682	8740	06111	Leak Detection	080.68027	CONTRACTOR - LABOR	LASEN INC	1177B	202402	52,068
2683	8740	06111	Leak Detection	080.68027	CONTRACTOR - LABOR	LASEN INC	1177C	202402	8,920
2684	8740	06111	Leak Detection	080.68027	CONTRACTOR - LABOR	LASEN INC	1177D	202402	9,695

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
2685	8740	06111	Leak Detection	080.68027	CONTRACTOR - LABOR	LASEN INC	1179B	202403	1,618
2686	8740	06111	Leak Detection	080.68027	CONTRACTOR - LABOR	LASEN INC	1179C	202403	1,336
2687	8740	06111	Leak Detection	080.68027	CONTRACTOR - LABOR	LASEN INC	1185B	202403	3,171
2688	8740	06111	Leak Detection	080.68027	CONTRACTOR - LABOR	LASEN INC	1185C	202403	5,636
2689								ADJ	(51,533)
2690			Total Leak Detection						\$ 9,623,723
2691									
2692	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1127547	202307	\$ 827
2693	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1128055	202307	827
2694	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1128382	202307	1,035
2695	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1128761	202307	1,045
2696	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1127547	202307	28
2697	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1128055	202307	28
2698	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1128382	202307	35
2699	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1128761	202307	35
2700	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX013550701	202307	6,451
2701	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX013620708	202307	5,645
2702	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX013700715	202307	7,168
2703	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX013770722	202307	6,861
2704	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX033640708	202307	410
2705	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX033720715	202307	512
2706	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX033790722	202307	410
2707	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX03570701	202307	512
2708	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX063590701	202307	512
2709	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX063660708	202307	410
2710	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX063740715	202307	512
2711	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX063810722	202307	512
2712	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX013550701	202307	218
2713	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX013620708	202307	191
2714	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX013700715	202307	243
2715	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX013770722	202307	232
2716	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX033640708	202307	14
2717	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX033720715	202307	17
2718	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX033790722	202307	14
2719	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX03570701	202307	17
2720	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX063590701	202307	17
2721	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX063660708	202307	14
2722	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX063740715	202307	17
2723	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX063810722	202307	17
2724	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129201	202308	832
2725	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129689	202308	4,603
2726	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1130047	202308	4,388
2727	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1130454	202308	4,811
2728	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1130899	202308	4,864
2729	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129201	202308	28
2730	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1129689	202308	156
2731	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1130047	202308	149
2732	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1130454	202308	163
2733	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1130899	202308	165
2734	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX013830729	202308	7,014
2735	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX013890805	202308	31,834
2736	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX013950812	202308	32,256
2737	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014010819	202308	35,328
2738	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014070826	202308	35,840
2739	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX033850729	202308	512
2740	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX033910805	202308	2,560
2741	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX033970812	202308	1,536
2742	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034030819	202308	2,560
2743	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034090826	202308	2,560
2744	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX063870729	202308	512
2745	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX063930805	202308	2,560

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
2746	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX063990812	202308	2,560
2747	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064050819	202308	2,560
2748	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064110826	202308	2,560
2749	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX013830729	202308	238
2750	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX013890805	202308	1,078
2751	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX013950812	202308	1,092
2752	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014010819	202308	1,196
2753	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014070826	202308	1,214
2754	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX033850729	202308	17
2755	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX033910805	202308	87
2756	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX033970812	202308	52
2757	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034030819	202308	87
2758	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034090826	202308	87
2759	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX063870729	202308	17
2760	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX063930805	202308	87
2761	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX063990812	202308	87
2762	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064050819	202308	87
2763	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064110826	202308	87
2764	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131199	202309	4,887
2765	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131665	202309	3,873
2766	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132094	202309	5,029
2767	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132514	202309	2,623
2768	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131199	202309	165
2769	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1131665	202309	131
2770	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132094	202309	170
2771	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132514	202309	89
2772	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014130902	202309	30,976
2773	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014190909	202309	27,648
2774	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014250916	202309	33,792
2775	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014310923	202309	34,304
2776	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034150902	202309	2,560
2777	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034210909	202309	2,048
2778	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034270916	202309	2,560
2779	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034330923	202309	2,560
2780	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064170902	202309	2,560
2781	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064230909	202309	2,048
2782	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064290916	202309	2,560
2783	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064350923	202309	2,560
2784	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014130902	202309	1,049
2785	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014190909	202309	936
2786	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014250916	202309	1,144
2787	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014310923	202309	1,162
2788	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034150902	202309	87
2789	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034210909	202309	69
2790	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034270916	202309	87
2791	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034330923	202309	87
2792	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064170902	202309	87
2793	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064230909	202309	69
2794	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064290916	202309	87
2795	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064350923	202309	87
2796	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132887	202310	2,421
2797	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132888	202310	2,599
2798	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133225	202310	2,443
2799	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133226	202310	2,092
2800	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133652	202310	2,421
2801	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134011	202310	2,421
2802	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132887	202310	82
2803	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132888	202310	88
2804	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133225	202310	83
2805	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133226	202310	71
2806	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1133652	202310	82

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
RIDER SYSTEM SAFETY AND INTEGRITY ("SSI") BENCHMARK
TEST YEAR ENDING JUNE 30, 2024

Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
2807	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134011	202310	82
2808	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX013480624	202310	29,696
2809	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014360930	202310	35,328
2810	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014421007	202310	26,688
2811	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014481014	202310	27,406
2812	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX033500624	202310	2,560
2813	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034380930	202310	2,560
2814	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034441007	202310	2,560
2815	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034501014	202310	2,560
2816	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064400930	202310	2,560
2817	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064461007	202310	2,560
2818	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064511014	202310	2,560
2819	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX013480624	202310	1,006
2820	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014360930	202310	1,196
2821	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014421007	202310	904
2822	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014481014	202310	928
2823	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX033500624	202310	87
2824	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034380930	202310	87
2825	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034441007	202310	87
2826	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034501014	202310	87
2827	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064400930	202310	87
2828	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064461007	202310	87
2829	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064511014	202310	87
2830	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132513	202311	2,042
2831	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134012	202311	2,060
2832	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134466	202311	2,209
2833	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134467	202311	2,623
2834	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134867	202311	2,421
2835	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134868	202311	2,648
2836	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135260	202311	2,421
2837	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135261	202311	2,599
2838	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1132513	202311	69
2839	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134012	202311	70
2840	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134466	202311	75
2841	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134467	202311	89
2842	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134867	202311	82
2843	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1134868	202311	90
2844	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135260	202311	82
2845	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135261	202311	88
2846	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014531021	202311	26,880
2847	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014581028	202311	25,344
2848	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014681111	202311	26,112
2849	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034551021	202311	2,560
2850	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034601028	202311	2,048
2851	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034651104	202311	2,560
2852	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034701111	202311	2,336
2853	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064561021	202311	2,560
2854	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064611028	202311	2,560
2855	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064661104	202311	2,560
2856	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064711111	202311	2,560
2857	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014531021	202311	910
2858	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014581028	202311	858
2859	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014681111	202311	884
2860	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034551021	202311	87
2861	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034601028	202311	69
2862	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034651104	202311	87
2863	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034701111	202311	79
2864	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064561021	202311	87
2865	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064611028	202311	87
2866	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064661104	202311	87
2867	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064711111	202311	87

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
RIDER SYSTEM SAFETY AND INTEGRITY ("SSI") BENCHMARK
TEST YEAR ENDING JUNE 30, 2024

Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
2868	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135600	202312	2,148
2869	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135601	202312	2,575
2870	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135879	202312	1,452
2871	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135880	202312	1,545
2872	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136262	202312	2,421
2873	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136263	202312	2,599
2874	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136705	202312	2,391
2875	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136706	202312	2,599
2876	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137025	202312	2,421
2877	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137026	202312	2,648
2878	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137261	202312	2,421
2879	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137262	202312	2,599
2880	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135600	202312	73
2881	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135601	202312	87
2882	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135879	202312	49
2883	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1135880	202312	52
2884	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136262	202312	82
2885	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136263	202312	88
2886	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136705	202312	81
2887	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1136706	202312	88
2888	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137025	202312	82
2889	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137026	202312	90
2890	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137261	202312	82
2891	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137262	202312	88
2892	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014631104	202312	26,624
2893	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014731118	202312	27,164
2894	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014781125	202312	15,488
2895	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014831202	202312	25,984
2896	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014881209	202312	25,344
2897	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014991223	202312	25,088
2898	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034751118	202312	2,048
2899	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034801125	202312	1,536
2900	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034851202	202312	2,560
2901	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034901209	202312	2,560
2902	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034951216	202312	2,560
2903	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035011223	202312	2,560
2904	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064761118	202312	2,560
2905	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064811125	202312	1,024
2906	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064861202	202312	2,560
2907	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064911209	202312	2,560
2908	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064971216	202312	1,920
2909	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX065031223	202312	1,280
2910	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014631104	202312	901
2911	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014731118	202312	920
2912	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014781125	202312	524
2913	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014831202	202312	880
2914	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014881209	202312	858
2915	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014931216	202312	867
2916	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014991223	202312	849
2917	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034751118	202312	69
2918	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034801125	202312	52
2919	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034851202	202312	87
2920	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034901209	202312	87
2921	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX034951216	202312	87
2922	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035011223	202312	87
2923	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064761118	202312	87
2924	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064811125	202312	35
2925	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064861202	202312	87
2926	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064911209	202312	87
2927	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX064971216	202312	65
2928	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX065031223	202312	43

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
RIDER SYSTEM SAFETY AND INTEGRITY ("SSI") BENCHMARK
TEST YEAR ENDING JUNE 30, 2024

Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
2929	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX014931216	202312	25,600
2930	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX054961216	202312	979
2931	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055021223	202312	7,658
2932	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX054961216	202312	33
2933	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055021223	202312	259
2934	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137517	202401	2,076
2935	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137798	202401	2,122
2936	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1138079	202401	2,493
2937	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1138080	202401	2,652
2938	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1138456	202401	1,995
2939	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1138457	202401	1,608
2940	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137517	202401	70
2941	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1137798	202401	72
2942	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1138079	202401	84
2943	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1138080	202401	90
2944	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1138456	202401	68
2945	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1138457	202401	54
2946	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015051230	202401	13,824
2947	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015100106	202401	22,016
2948	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015160113	202401	25,600
2949	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015220120	202401	20,288
2950	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015270127	202401	26,140
2951	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035071230	202401	1,536
2952	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035120106	202401	1,536
2953	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035180113	202401	2,560
2954	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035240120	202401	2,048
2955	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035290127	202401	2,560
2956	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX065091230	202401	1,024
2957	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX065140106	202401	1,536
2958	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX065200113	202401	3,010
2959	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX065260120	202401	2,920
2960	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX065310127	202401	2,560
2961	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015051230	202401	468
2962	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015100106	202401	745
2963	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015160113	202401	867
2964	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015220120	202401	687
2965	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015270127	202401	885
2966	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035071230	202401	52
2967	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035120106	202401	52
2968	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035180113	202401	87
2969	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035240120	202401	69
2970	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035290127	202401	87
2971	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX065091230	202401	35
2972	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX065140106	202401	52
2973	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX065200113	202401	102
2974	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX065260120	202401	99
2975	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX065310127	202401	87
2976	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055081230	202401	3,415
2977	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055130106	202401	5,683
2978	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055190113	202401	7,392
2979	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055250120	202401	6,875
2980	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055300127	202401	7,612
2981	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055081230	202401	116
2982	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055130106	202401	192
2983	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055190113	202401	250
2984	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055250120	202401	233
2985	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055300127	202401	258
2986	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1138828	202402	2,702
2987	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139270	202402	2,122
2988	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139712	202402	2,677
2989	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140103	202402	2,677

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RIDER SYSTEM SAFETY AND INTEGRITY ("SSI") BENCHMARK
TEST YEAR ENDING JUNE 30, 2024

Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
2990	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140492	202402	2,493
2991	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1138827	202402	2,493
2992	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1139269	202402	2,493
2993	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1139711	202402	2,493
2994	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1140102	202402	2,493
2995	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1138828	202402	91
2996	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139270	202402	72
2997	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1139712	202402	91
2998	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140103	202402	91
2999	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140492	202402	84
3000	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1138827	202402	84
3001	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1139269	202402	84
3002	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1139711	202402	84
3003	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1140102	202402	84
3004	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015320203	202402	26,112
3005	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015360210	202402	25,600
3006	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015400217	202402	27,136
3007	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015440224	202402	25,600
3008	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035340203	202402	2,560
3009	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035380210	202402	2,560
3010	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035420217	202402	2,560
3011	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035460224	202402	2,560
3012	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015320203	202402	884
3013	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015360210	202402	867
3014	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015400217	202402	919
3015	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015440224	202402	867
3016	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035340203	202402	87
3017	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035380210	202402	87
3018	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035420217	202402	87
3019	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035460224	202402	87
3020	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055350203	202402	9,338
3021	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055390210	202402	9,425
3022	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055430217	202402	9,145
3023	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055470224	202402	9,614
3024	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055350203	202402	316
3025	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055390210	202402	319
3026	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055430217	202402	310
3027	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055470224	202402	326
3028	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140493	202403	2,752
3029	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140920	202403	2,677
3030	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141339	202403	2,652
3031	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141779	202403	2,652
3032	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142147	202403	2,702
3033	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1140919	202403	2,493
3034	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1141338	202403	2,493
3035	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1141778	202403	2,493
3036	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1142146	202403	2,493
3037	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140493	202403	93
3038	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1140920	202403	91
3039	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141339	202403	90
3040	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1141779	202403	90
3041	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142147	202403	91
3042	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1140919	202403	84
3043	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1141338	202403	84
3044	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1141778	202403	84
3045	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1142146	202403	84
3046	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015480302	202403	25,088
3047	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015520309	202403	25,600
3048	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015570316	202403	21,504
3049	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015610323	202403	25,088
3050	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035500302	202403	2,560

ATMOS ENERGY CORP., MID-TEX DIVISION
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TEST YEAR ENDING JUNE 30, 2024

Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
3051	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035540309	202403	2,560
3052	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035590316	202403	1,536
3053	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035630323	202403	2,560
3054	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015480302	202403	849
3055	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015520309	202403	867
3056	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015570316	202403	728
3057	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015610323	202403	849
3058	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035500302	202403	87
3059	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035540309	202403	87
3060	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035590316	202403	52
3061	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035630323	202403	87
3062	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055510302	202403	9,690
3063	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055560309	202403	9,425
3064	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055600316	202403	10,352
3065	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055640323	202403	9,690
3066	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055510302	202403	328
3067	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055560309	202403	319
3068	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055600316	202403	351
3069	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055640323	202403	328
3070	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142504	202404	1,608
3071	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143256	202404	1,078
3072	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143762	202404	2,493
3073	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1142503	202404	2,026
3074	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1142918	202404	2,010
3075	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1142919	202404	2,652
3076	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1143255	202404	2,493
3077	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1143763	202404	2,677
3078	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1142504	202404	54
3079	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143256	202404	36
3080	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1143762	202404	84
3081	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1142503	202404	69
3082	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1142918	202404	68
3083	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1142919	202404	90
3084	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1143255	202404	84
3085	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1143763	202404	91
3086	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015650330	202404	19,968
3087	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015690406	202404	25,600
3088	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015730413	202404	25,088
3089	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035670330	202404	2,048
3090	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035710406	202404	2,560
3091	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX015770420	202404	25,088
3092	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX035750413	202404	2,560
3093	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX035790420	202404	2,560
3094	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015650330	202404	676
3095	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015690406	202404	867
3096	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX015730413	202404	849
3097	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035670330	202404	69
3098	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	MAGNOLIA RIVER SERVICES INC	AMDTX035710406	202404	87
3099	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX015770420	202404	849
3100	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX035750413	202404	87
3101	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX035790420	202404	87
3102	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055680330	202404	7,496
3103	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055720406	202404	9,690
3104	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055760413	202404	9,647
3105	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055800420	202404	9,690
3106	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055680330	202404	254
3107	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055720406	202404	328
3108	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055760413	202404	327
3109	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055800420	202404	328
3110	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145465	202405	2,400
3111	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1144170	202405	2,493

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
3112	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1144171	202405	2,702
3113	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1144644	202405	2,493
3114	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1144645	202405	2,677
3115	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1144994	202405	2,493
3116	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1144995	202405	2,122
3117	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1145466	202405	2,652
3118	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1145838	202405	2,493
3119	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1145839	202405	2,652
3120	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - LABOR	HEATH CONSULTANTS INC	1145465	202405	81
3121	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1144170	202405	84
3122	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1144171	202405	91
3123	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1144644	202405	84
3124	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1144645	202405	91
3125	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1144994	202405	84
3126	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1144995	202405	72
3127	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1145466	202405	90
3128	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1145838	202405	84
3129	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1145839	202405	90
3130	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX015810427	202405	25,088
3131	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX015850504	202405	25,472
3132	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX015890511	202405	26,112
3133	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX015930518	202405	23,552
3134	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX035830427	202405	2,560
3135	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX035870504	202405	2,560
3136	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX035910511	202405	2,560
3137	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX035950518	202405	2,560
3138	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX035990525	202405	1,856
3139	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX015810427	202405	849
3140	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX015850504	202405	862
3141	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX015890511	202405	884
3142	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX015930518	202405	797
3143	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX035830427	202405	87
3144	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX035870504	202405	87
3145	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX035910511	202405	87
3146	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX035950518	202405	87
3147	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX035990525	202405	63
3148	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055840427	202405	8,789
3149	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055880504	202405	9,690
3150	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055920511	202405	9,690
3151	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055960518	202405	9,690
3152	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX056000525	202405	9,690
3153	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055840427	202405	298
3154	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055880504	202405	328
3155	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055920511	202405	328
3156	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX055960518	202405	328
3157	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX056000525	202405	328
3158	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1146164	202406	2,493
3159	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1146165	202406	2,652
3160	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1146571	202406	2,517
3161	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1146572	202406	1,078
3162	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1146812	202406	2,493
3163	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1146813	202406	2,188
3164	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1147367	202406	2,493
3165	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1147368	202406	2,155
3166	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1146164	202406	84
3167	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1146165	202406	90
3168	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1146571	202406	85
3169	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1146572	202406	36
3170	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1146812	202406	84
3171	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1146813	202406	74
3172	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1147367	202406	84

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Line Number	Account (a)	Sub Account (b)	Classification (c)	Project (d)	Expenditure Type (e)	Vendor Name (f)	Invoice Number (g)	Posting Date (h)	Amount (i)
3173	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	HEATH CONSULTANTS INC	1147368	202406	73
3174	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX015970525	202406	25,600
3175	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX016010601	202406	19,968
3176	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX016050608	202406	25,088
3177	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX016090615	202406	27,136
3178	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX016130622	202406	23,040
3179	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX036030601	202406	2,048
3180	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX036070608	202406	2,560
3181	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX036110615	202406	2,560
3182	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX036150622	202406	2,048
3183	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX066170622	202406	2,432
3184	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX015970525	202406	867
3185	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX016010601	202406	676
3186	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX016050608	202406	849
3187	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX016090615	202406	919
3188	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX016130622	202406	780
3189	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX036030601	202406	69
3190	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX036070608	202406	87
3191	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX036110615	202406	87
3192	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX036150622	202406	69
3193	8740	06111	Supervisory related to Excavation	080.71219	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX066170622	202406	82
3194	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX056040601	202406	7,366

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Line Number	Account	Sub Account	Classification	Project	Expenditure Type	Vendor Name	Invoice Number	Posting Date	Amount
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
3195	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX056080608	202406	9,843
3196	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX056120615	202406	9,843
3197	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX056160622	202406	7,744
3198	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX056040601	202406	249
3199	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX056080608	202406	333
3200	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX056120615	202406	333
3201	8740	06111	Supervisory related to Excavation	080.80634	CONTRACTOR - SERVICES	MAGNOLIA RIVER SERVICES INC	AMDTX056160622	202406	262
3202								ADJ	(43,291)
3203			Total Supervisory Related to Excavation						\$ 1,948,879
3204									
3205			Total Rider SSI Benchmark						\$ 20,204,719
3206									
3207			Notes:						
3208			1. Project 080.61707 is used to track contract labor costs for leak surveying and detection activities associated with advanced monitoring and leak detection ("AMLD") across the entire Mid-Tex Division.						
3209			2. Project 080.66475 is used to track inspection contract labor costs to confirm there is no existing cross-bore damage on facilities installed prior to 2016. The O&M task, "CROSSBORE", will likely be used on multiple O&M project numbers as the Company focuses on cross-bore inspection throughout the Mid-Tex Division.						
3210			3. Projects 080.79572, 080.79844, and 080.82455 are used to track contract labor costs that make unlocatable facilities electronically locatable. Activities included but not limited to the installation of marker balls, use of VAC units, and/or the installation of tracer wire.						
3211			4. Project 080.68027 is used for aerial leak surveying and detection activities conducted by third-party contractors.						
3212			5. Projects 080.71219 and 080.80634 are used to track supervisory activities related to third-party excavation near Atmos Energy facilities.						
3213			6. Project 080.81676 is used for AMLD leak surveying and detection activities conducted by third-party contractors outside of normal scheduled work.						

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
RIDER SYSTEM SAFETY AND INTEGRITY ("SSI") BENCHMARK ADJUSTMENTS
TEST YEAR ENDING JUNE 30, 2024

Line Number	Invoice Date	Classification	Project	Invoice Number	Vendor Name	Meals Over \$25	Meals Illegible / Missing Invoices	Alcohol	Lodging Over \$150	Lodging Illegible / Missing Invoices	Other Adjustments	Total Adjustment
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l) = (f) thru (k)
1	11/27/23	Damage Prevention	080.79572	8401	BULLDOG SERVICES LLC						\$ 572	\$ 572
2	11/27/23	Damage Prevention	080.79572	8414	BULLDOG SERVICES LLC						286	286
3	11/30/23	Damage Prevention	080.79572	8421	BULLDOG SERVICES LLC						286	286
4	12/21/23	Damage Prevention	080.79572	8524	BULLDOG SERVICES LLC						286	286
5	01/22/24	Damage Prevention	080.79572	8634	BULLDOG SERVICES LLC						286	286
6	01/31/24	Damage Prevention	080.79572	8651	BULLDOG SERVICES LLC						286	286
7	04/25/24	Damage Prevention	080.79572	9053	BULLDOG SERVICES LLC						1,430	1,430
8	12/12/23	Damage Prevention	080.79572	848701	BULLDOG SERVICES LLC						286	286
9	10/31/23	Damage Prevention	080.79572	2051	CYCLONE SERVICES LLC						572	572
10	05/31/24	Damage Prevention	080.79572	5312024	CYCLONE SERVICES LLC						572	572
11	03/14/24	Damage Prevention	080.79572	31412024	CYCLONE SERVICES LLC						1,716	1,716
12	07/06/23	Damage Prevention	080.79572	69287173	CYCLONE SERVICES LLC						270	270
13	07/14/23	Damage Prevention	080.79572	69423945	CYCLONE SERVICES LLC						540	540
14	07/26/23	Damage Prevention	080.79572	69755447	CYCLONE SERVICES LLC						1,350	1,350
15	07/31/23	Damage Prevention	080.79572	69883471	CYCLONE SERVICES LLC						1,350	1,350
16	08/09/23	Damage Prevention	080.79572	70071976	CYCLONE SERVICES LLC						270	270
17	08/14/23	Damage Prevention	080.79572	70176282	CYCLONE SERVICES LLC						540	540
18	08/31/23	Damage Prevention	080.79572	71486504	CYCLONE SERVICES LLC						540	540
19	08/31/23	Damage Prevention	080.79572	71654506	CYCLONE SERVICES LLC						540	540
20	09/12/23	Damage Prevention	080.79572	71821521	CYCLONE SERVICES LLC						270	270
21	09/18/23	Damage Prevention	080.79572	71982090	CYCLONE SERVICES LLC						1,890	1,890
22	09/27/23	Damage Prevention	080.79572	72148587	CYCLONE SERVICES LLC						2,430	2,430
23	10/02/23	Damage Prevention	080.79572	72306697	CYCLONE SERVICES LLC						2,700	2,700
24	10/10/23	Damage Prevention	080.79572	72480818	CYCLONE SERVICES LLC						540	540
25	10/24/23	Damage Prevention	080.79572	72858372	CYCLONE SERVICES LLC						2,288	2,288
26	11/08/23	Damage Prevention	080.79572	73250553	CYCLONE SERVICES LLC						3,146	3,146
27	11/14/23	Damage Prevention	080.79572	73341056	CYCLONE SERVICES LLC						1,430	1,430
28	11/22/23	Damage Prevention	080.79572	73512463	CYCLONE SERVICES LLC						1,144	1,144
29	01/19/24	Damage Prevention	080.79572	76681199	CYCLONE SERVICES LLC						572	572
30	01/22/24	Damage Prevention	080.79572	76815370	CYCLONE SERVICES LLC						268	268
31	05/14/24	Damage Prevention	080.79572	93810075	CYCLONE SERVICES LLC						572	572
32	05/15/24	Damage Prevention	080.79572	93927133	CYCLONE SERVICES LLC						286	286
33	06/13/24	Damage Prevention	080.79572	94592027	CYCLONE SERVICES LLC						286	286
34	06/27/24	Damage Prevention	080.79572	97232905	CYCLONE SERVICES LLC						1,144	1,144
35	11/30/23	Damage Prevention	080.79572	7721KK60	CYCLONE SERVICES LLC						286	286
36	10/31/23	Damage Prevention	080.79572	INV10312023	CYCLONE SERVICES LLC			-			1,144	1,144
37	07/27/23	Damage Prevention	080.79572	122362	DRIVER PIPELINE CO INC						1,280	1,280
38	08/03/23	Damage Prevention	080.79572	122525	DRIVER PIPELINE CO INC						1,920	1,920
39	08/31/23	Damage Prevention	080.79572	123126	DRIVER PIPELINE CO INC						1,280	1,280
40	09/08/23	Damage Prevention	080.79572	123288	DRIVER PIPELINE CO INC						2,048	2,048
41	09/15/23	Damage Prevention	080.79572	123457	DRIVER PIPELINE CO INC						1,536	1,536
42	09/27/23	Damage Prevention	080.79572	123693	DRIVER PIPELINE CO INC						4,560	4,560
43	10/27/23	Damage Prevention	080.79572	124599	DRIVER PIPELINE CO INC						1,080	1,080
44	11/02/23	Damage Prevention	080.79572	124713	DRIVER PIPELINE CO INC						405	405
45	11/10/23	Damage Prevention	080.79572	124989	DRIVER PIPELINE CO INC						1,350	1,350
46	11/21/23	Damage Prevention	080.79572	125179	DRIVER PIPELINE CO INC						3,556	3,556
47	11/21/23	Damage Prevention	080.79572	125196	DRIVER PIPELINE CO INC						4,064	4,064
48	11/28/23	Damage Prevention	080.79572	125315	DRIVER PIPELINE CO INC						1,270	1,270
49	11/29/23	Damage Prevention	080.79572	125329	DRIVER PIPELINE CO INC						1,524	1,524
50	11/29/23	Damage Prevention	080.79572	125331	DRIVER PIPELINE CO INC						1,270	1,270
51	12/06/23	Damage Prevention	080.79572	125469	DRIVER PIPELINE CO INC						3,048	3,048
52	12/14/23	Damage Prevention	080.79572	125634	DRIVER PIPELINE CO INC						5,080	5,080
53	12/20/23	Damage Prevention	080.79572	125801	DRIVER PIPELINE CO INC						2,921	2,921
54	12/20/23	Damage Prevention	080.79572	125819	DRIVER PIPELINE CO INC						4,064	4,064
55	12/28/23	Damage Prevention	080.79572	125944	DRIVER PIPELINE CO INC						2,540	2,540
56	01/10/24	Damage Prevention	080.79572	126119	DRIVER PIPELINE CO INC						254	254
57	01/17/24	Damage Prevention	080.79572	126317	DRIVER PIPELINE CO INC						2,794	2,794
58	01/24/24	Damage Prevention	080.79572	126417	DRIVER PIPELINE CO INC						635	635
59	01/24/24	Damage Prevention	080.79572	126433	DRIVER PIPELINE CO INC						1,524	1,524

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
RIDER SYSTEM SAFETY AND INTEGRITY ("SSI") BENCHMARK ADJUSTMENTS
TEST YEAR ENDING JUNE 30, 2024

Line Number	Invoice Date	Classification	Project	Invoice Number	Vendor Name	Meals		Alcohol	Lodging Over \$150	Lodging Illegible / Missing Invoices		Other Adjustments	Total Adjustment		
						Over \$25	Illegible / Missing Invoices								
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l) = (f) thru (k)			
60	01/31/24	Damage Prevention	080.79572	126576	DRIVER PIPELINE CO INC						2,540	2,540			
61	01/31/24	Damage Prevention	080.79572	126578	DRIVER PIPELINE CO INC						2,540	2,540			
62	02/01/24	Damage Prevention	080.79572	126600	DRIVER PIPELINE CO INC						1,651	1,651			
63	02/06/24	Damage Prevention	080.79572	126722	DRIVER PIPELINE CO INC						1,651	1,651			
64	02/08/24	Damage Prevention	080.79572	126741	DRIVER PIPELINE CO INC						4,699	4,699			
65	02/13/24	Damage Prevention	080.79572	126909	DRIVER PIPELINE CO INC						2,540	2,540			
66	02/14/24	Damage Prevention	080.79572	126921	DRIVER PIPELINE CO INC						5,080	5,080			
67	02/20/24	Damage Prevention	080.79572	127055	DRIVER PIPELINE CO INC						2,540	2,540			
68	02/21/24	Damage Prevention	080.79572	127079	DRIVER PIPELINE CO INC						5,080	5,080			
69	02/27/24	Damage Prevention	080.79572	127242	DRIVER PIPELINE CO INC						2,540	2,540			
70	03/05/24	Damage Prevention	080.79572	127375	DRIVER PIPELINE CO INC						2,540	2,540			
71	07/03/23	Damage Prevention	080.79572	TJ125617	TJ INSPECTION INC			-			372	372			
72	07/10/23	Damage Prevention	080.79572	TJ125746	TJ INSPECTION INC			-			558	558			
73	07/17/23	Damage Prevention	080.79572	TJ126676	TJ INSPECTION INC			-			372	372			
74	07/24/23	Damage Prevention	080.79572	TJ127130	TJ INSPECTION INC			-			372	372			
75	07/31/23	Damage Prevention	080.79572	TJ128188	TJ INSPECTION INC			-			372	372			
76	08/07/23	Damage Prevention	080.79572	TJ129172	TJ INSPECTION INC			-			354	354			
77	08/14/23	Damage Prevention	080.79572	TJ129909	TJ INSPECTION INC			-			354	354			
78	08/21/23	Damage Prevention	080.79572	TJ130720	TJ INSPECTION INC			-			354	354			
79	08/28/23	Damage Prevention	080.79572	TJ132150	TJ INSPECTION INC			-			354	354			
80	09/04/23	Damage Prevention	080.79572	TJ133144	TJ INSPECTION INC			-			354	354			
81	09/11/23	Damage Prevention	080.79572	TJ133145	TJ INSPECTION INC			-			177	177			
82	11/20/23	Damage Prevention	080.79572	TJ141831	TJ INSPECTION INC			-			371	371			
83	11/27/23	Damage Prevention	080.79572	TJ142202	TJ INSPECTION INC			-			742	742			
84	12/04/23	Damage Prevention	080.79572	TJ143457	TJ INSPECTION INC			-			371	371			
85			Total Damage Prevention Adjustments			\$	-	\$	-	\$	-	\$	121,253	\$	121,253
86															
87	05/15/23	Leak Detection	080.61707	7105964903	ABB INC						\$	2,097	\$	2,097	
88	08/14/23	Leak Detection	080.61707	7106063142	ABB INC							1,676		1,676	
89	01/24/24	Leak Detection	080.61707	7106226650	ABB INC							368		368	
90	04/23/24	Leak Detection	080.61707	7106325963	ABB INC							644		644	
91	10/30/23	Leak Detection	080.61707	7106147223_1	ABB INC							919		919	
92	06/24/23	Leak Detection	080.61707	037035	SOUTHERN CROSS LLC							3,634		3,634	
93	07/01/23	Leak Detection	080.61707	037557	SOUTHERN CROSS LLC							1,121		1,121	
94	07/08/23	Leak Detection	080.61707	037720	SOUTHERN CROSS LLC							2,686		2,686	
95	07/08/23	Leak Detection	080.61707	037721	SOUTHERN CROSS LLC							3,625		3,625	
96	07/15/23	Leak Detection	080.61707	038218	SOUTHERN CROSS LLC							6,872		6,872	
97	07/15/23	Leak Detection	080.61707	038219	SOUTHERN CROSS LLC							66		66	
98	07/15/23	Leak Detection	080.61707	038223	SOUTHERN CROSS LLC							4,412		4,412	
99	07/22/23	Leak Detection	080.61707	038336	SOUTHERN CROSS LLC							6,563		6,563	
100	07/22/23	Leak Detection	080.61707	038337	SOUTHERN CROSS LLC							38		38	
101	07/29/23	Leak Detection	080.61707	038872	SOUTHERN CROSS LLC							66		66	
102	08/05/23	Leak Detection	080.61707	039149	SOUTHERN CROSS LLC							4,257		4,257	
103	08/05/23	Leak Detection	080.61707	039151	SOUTHERN CROSS LLC							89		89	
104	08/12/23	Leak Detection	080.61707	039722	SOUTHERN CROSS LLC							4,256		4,256	
105	08/19/23	Leak Detection	080.61707	039828	SOUTHERN CROSS LLC							7		7	
106	09/02/23	Leak Detection	080.61707	040403	SOUTHERN CROSS LLC							90		90	
107	09/09/23	Leak Detection	080.61707	040938	SOUTHERN CROSS LLC							28		28	
108	09/09/23	Leak Detection	080.61707	040939	SOUTHERN CROSS LLC							13		13	
109	09/09/23	Leak Detection	080.61707	040942	SOUTHERN CROSS LLC							26		26	
110	09/16/23	Leak Detection	080.61707	041006	SOUTHERN CROSS LLC							3,341		3,341	
111	09/23/23	Leak Detection	080.61707	041543	SOUTHERN CROSS LLC							60		60	
112	09/30/23	Leak Detection	080.61707	041695	SOUTHERN CROSS LLC							34		34	
113	10/07/23	Leak Detection	080.61707	042205	SOUTHERN CROSS LLC							5		5	
114	10/21/23	Leak Detection	080.61707	042796	SOUTHERN CROSS LLC							3		3	
115	08/26/23	Leak Detection	080.61707	040330R	SOUTHERN CROSS LLC							4,535		4,535	
116			Total Leak Detection Adjustments			\$	-	\$	-	\$	-	\$	51,533	\$	51,533
117															
118	12/28/23	Supervisory related to Excavation	080.80634	AMDTX055021223	MAGNOLIA RIVER SERVICES INC		\$	433		\$	1,019		\$	1,452	

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
RIDER SYSTEM SAFETY AND INTEGRITY ("SSI") BENCHMARK ADJUSTMENTS
TEST YEAR ENDING JUNE 30, 2024

Line Number	Invoice Date	Classification	Project	Invoice Number	Vendor Name	Meals Over \$25	Meals Illegible / Missing Invoices	Alcohol	Lodging Over \$150	Lodging Illegible / Missing Invoices	Other Adjustments	Total Adjustment
(a)	(b)	(c)	(d)	(e)		(f)	(g)	(h)	(i)	(j)	(k)	(l) = (f) thru (k)
119	01/03/24	Supervisory related to Excavation	080.80634	AMDTX055081230	MAGNOLIA RIVER SERVICES INC		287			734		1,022
120	01/10/24	Supervisory related to Excavation	080.80634	AMDTX055130106	MAGNOLIA RIVER SERVICES INC		454			892		1,346
121	01/17/24	Supervisory related to Excavation	080.80634	AMDTX055190113	MAGNOLIA RIVER SERVICES INC		561			1,101		1,662
122	01/25/24	Supervisory related to Excavation	080.80634	AMDTX055250120	MAGNOLIA RIVER SERVICES INC		467			1,103		1,570
123	01/31/24	Supervisory related to Excavation	080.80634	AMDTX055300127	MAGNOLIA RIVER SERVICES INC		624			1,565		2,188
124	02/07/24	Supervisory related to Excavation	080.80634	AMDTX055350203	MAGNOLIA RIVER SERVICES INC		561			1,101		1,662
125	02/13/24	Supervisory related to Excavation	080.80634	AMDTX055390210	MAGNOLIA RIVER SERVICES INC		561			1,112		1,672
126	02/21/24	Supervisory related to Excavation	080.80634	AMDTX055430217	MAGNOLIA RIVER SERVICES INC		474			1,019		1,493
127	02/28/24	Supervisory related to Excavation	080.80634	AMDTX055470224	MAGNOLIA RIVER SERVICES INC		520			1,112		1,632
128	03/05/24	Supervisory related to Excavation	080.80634	AMDTX055510302	MAGNOLIA RIVER SERVICES INC		520			1,112		1,632
129	03/14/24	Supervisory related to Excavation	080.80634	AMDTX055560309	MAGNOLIA RIVER SERVICES INC		476			1,112		1,587
130	03/20/24	Supervisory related to Excavation	080.80634	AMDTX055600316	MAGNOLIA RIVER SERVICES INC		626			1,667		2,294
131	03/28/24	Supervisory related to Excavation	080.80634	AMDTX055640323	MAGNOLIA RIVER SERVICES INC		520			1,112		1,632
132	04/03/24	Supervisory related to Excavation	080.80634	AMDTX055680330	MAGNOLIA RIVER SERVICES INC		477			926		1,403
133	04/10/24	Supervisory related to Excavation	080.80634	AMDTX055720406	MAGNOLIA RIVER SERVICES INC		520			1,112		1,632
134	04/17/24	Supervisory related to Excavation	080.80634	AMDTX055760413	MAGNOLIA RIVER SERVICES INC		477			1,112		1,588
135	04/24/24	Supervisory related to Excavation	080.80634	AMDTX055800420	MAGNOLIA RIVER SERVICES INC		520			1,112		1,632
136	04/30/24	Supervisory related to Excavation	080.80634	AMDTX055840427	MAGNOLIA RIVER SERVICES INC		477			1,019		1,496
137	05/07/24	Supervisory related to Excavation	080.80634	AMDTX055880504	MAGNOLIA RIVER SERVICES INC		520			1,112		1,632
138	05/15/24	Supervisory related to Excavation	080.80634	AMDTX055920511	MAGNOLIA RIVER SERVICES INC		520			1,112		1,632
139	05/22/24	Supervisory related to Excavation	080.80634	AMDTX055960518	MAGNOLIA RIVER SERVICES INC		520			1,112		1,632
140	05/30/24	Supervisory related to Excavation	080.80634	AMDTX056000525	MAGNOLIA RIVER SERVICES INC		520			1,112		1,632
141	06/05/24	Supervisory related to Excavation	080.80634	AMDTX056040601	MAGNOLIA RIVER SERVICES INC		926			347		1,273
142	06/12/24	Supervisory related to Excavation	080.80634	AMDTX056080608	MAGNOLIA RIVER SERVICES INC		520			1,112		1,632
143	06/19/24	Supervisory related to Excavation	080.80634	AMDTX056120615	MAGNOLIA RIVER SERVICES INC		520			1,112		1,632
144	06/26/24	Supervisory related to Excavation	080.80634	AMDTX056160622	MAGNOLIA RIVER SERVICES INC		520			1,112		1,632
145				Total Supervisory related to Excavation		\$ -	\$ 14,123	\$ -	\$ -	\$ 29,168	\$ -	\$ 43,291
146												
147					Total Adjustments	\$ -	\$ 14,123	\$ -	\$ -	\$ 29,168	\$ 172,786	\$ 216,077

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SECURITIZATION INTEREST SURCHARGE
TEST YEAR ENDING JUNE 30, 2024**

1	Total Securitization Regulatory Asset (1)		<u><u>\$ 32,441,611</u></u>
2			
3			
4	Description	Reference	CY22 Normalized Volumes (Ccf)
5	(a)	(b)	(c)
6			
7	<u>Mid-Tex Customer Classes</u>		
8	Residential		859,244,812
9	Commercial		565,565,769
10	Industrial		30,516,387
11	Non-Tariff Industrial Sales		16,171,400
12	Total Mid-Tex Normalized Volumes	Sum Ln 8 to Ln 11	<u><u>1,471,498,367</u></u>
13			
14	<u>West Texas Customer Classes</u>		
15	Residential		174,958,311
16	Commercial		82,836,429
17	Industrial		9,278,602
18	Public Authority		21,339,869
19	Total West Texas Normalized Volumes	Sum Ln 15 to Ln 18	<u><u>288,413,212</u></u>
20			
21	Total Texas Normalized Volumes	Ln 12 + Ln 19	<u><u>1,759,911,579</u></u>
22			
23	Calculated Additional Consumption Charge (Ccf)	Ln 1 / Ln 21	<u><u>\$ 0.01843</u></u>
24			
25	Calculated Additional Consumption Charge (MMBtu)		<u><u>\$ 0.1800</u></u>

26
27 Note:

28 1. The Securitization Regulatory Asset amounts for Winter Storm Uri financing costs for the period September 1, 2022 through March 31, 2023 as per the Railroad Commission of Texas letter dated December 21, 2022 clarifying the Finding of Fact No. 59 of the Regulatory Asset Determination Order issued by the Commission in Case No. OS-21-00007061. A one (1) year recovery period is being utilized.

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
SECURITIZATION INTEREST IMPACT
TEST YEAR ENDING JUNE 30, 2024**

Total Securitization Interest September 2022 through March 2023 \$ 32,441,611

Calculated Commodity Rate for Texas Customers (Ccf) \$ 0.01843

Mid-Tex Customer Classes	RRM Cities	ATM Cities	City of Dallas	Unincorporated	Total
(a)	(b)	(c)	(d)	(e)	(f)
Residential	628,269,163	69,476,956	124,097,199	37,401,494	859,244,812
Commercial	402,828,448	38,351,559	116,587,817	7,797,945	565,565,769
Industrial	21,367,842	1,389,453	2,260,332	5,498,760	30,516,387
Non Tariff Industrial Sales	6,421,400	905,880	-	8,844,120	16,171,400
Total Volumes (Ccf)	<u>1,058,886,853</u>	<u>110,123,848</u>	<u>242,945,348</u>	<u>59,542,319</u>	<u>1,471,498,367</u>
Totals for Mid-Tex Division Customers	<u>\$ 19,519,160</u>	<u>\$ 2,029,986</u>	<u>\$ 4,478,372</u>	<u>\$ 1,097,583</u>	<u>\$ 27,125,100</u>

West Texas Customer Classes	WTX Cities RRM	ALDC	[Blank]	Unincorporated	Total
(a)	(b)	(c)	(d)	(e)	(f)
Residential	70,502,213	89,492,547	-	14,963,551	174,958,311
Commercial	28,152,212	42,669,990	-	12,014,227	82,836,429
Industrial	1,333,384	4,497,681	-	3,447,538	9,278,602
Public Authority	9,614,187	8,345,848	-	3,379,834	21,339,869
Total Volumes (Ccf)	<u>109,601,996</u>	<u>145,006,066</u>	<u>-</u>	<u>33,805,150</u>	<u>288,413,212</u>
Totals for West Texas Division Customers	<u>\$ 2,020,366</u>	<u>\$ 2,672,992</u>	<u>\$ -</u>	<u>\$ 623,153</u>	<u>\$ 5,316,511</u>

Total Texas Securitization Interest Expense Recovery (Ln 14 + Ln 26) \$ 32,441,611

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
EXCESS DEFERRED INCOME TAX ("EDIT") RECONCILIATION SURCHARGE
EDIT REGULATORY ASSET SURCHARGE REFUND/COLLECTION CALCULATION
TEST YEAR ENDING JUNE 30, 2024

Line Number	Rate Class	Annual Environs Jurisdiction Adjustment	Refund Period - Years	Total Environs Jurisdiction Refund	Refunded Amounts by Rate Class through June 2024	Difference - to (Refund) or Collect	Annual RRC Jurisdiction Bill Count/12	(Refund)/Collect - One (1) Month Period
	(a)	(b)	(c)	(d) = (b) * (c)	(e)	(f) = (d) - (e)	(g)	(h) = (f) / (g)
1	Rate R - Residential	\$ (2,865,069.09)	3	\$ (8,595,207.28)	\$ (8,645,482.83)	\$ 50,275.55	103,674	\$ 0.48
2								
3	Rate C - Commercial	\$ (265,739.15)	3	\$ (797,217.45)	\$ (673,026.56)	\$ (124,190.89)	2,102	\$ (59.08)
4								
5	Rate I & T - Industrial & Transportation	\$ (128,112.77)	3	\$ (384,338.31)	\$ (265,981.15)	\$ (118,357.16)	44	\$ (2,689.94)
6								
7	Total	<u>\$ (3,258,921.01)</u>		<u>\$ (9,776,763.03)</u>	<u>\$ (9,584,490.54)</u>	<u>\$ (192,272.49)</u>	<u>105,821</u>	

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
MID-TEX DIVISION ("MTX"), UNINCORPORATED AREAS ("ENVIRONS")
EXCESS DEFERRED INCOME TAX ("EDIT") AMORTIZATION - EXHIBIT A UPDATED
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Period	Description	Customers by Customer Class		
	(a)	(b)	(c)		
1		Environs Actual Refund Amount	Calculated Environs Customer Count		
2		Customer Class	Residential	Commercial	I&T
3	Calendar Month/Year	Residential	Commercial	I&T	
4	09/2021	\$ (249,021.81)	\$ (21,245.66)	\$ (8,835.36)	77,957 2,087 48
5	10/2021	(253,300.02)	(21,500.16)	(8,835.36)	79,296 2,112 48
6	11/2021	(253,773.12)	(21,836.30)	(8,835.36)	79,444 2,145 48
7	12/2021	(257,175.87)	(21,754.66)	(8,835.36)	80,509 2,137 48
8	01/2022	(259,334.73)	(22,294.60)	(8,835.36)	81,185 2,190 48
9	02/2022	(260,662.61)	(22,162.06)	(8,835.36)	81,601 2,177 48
10	03/2022	(263,137.70)	(22,498.00)	(8,835.36)	82,376 2,210 48
11	04/2022	(257,564.91)	(21,693.58)	(8,835.36)	80,631 2,131 48
12	05/2022	(271,383.36)	(22,294.60)	(8,835.36)	84,957 2,190 48
13	06/2022	(267,134.77)	(21,785.40)	(8,835.36)	83,627 2,140 48
14	07/2022	(268,877.84)	(21,744.68)	(8,835.36)	84,173 2,136 48
15	08/2022	(271,110.49)	(21,734.50)	(8,835.36)	84,872 2,135 48
16	09/2022	(272,077.36)	(21,133.88)	(8,835.36)	85,174 2,076 48
17	10/2022	(273,981.56)	(20,980.98)	(8,651.29)	85,771 2,061 47
18	11/2022	(275,998.06)	(21,256.04)	(8,467.22)	86,402 2,088 46
19	12/2022	(278,693.68)	(21,581.80)	(8,467.22)	87,246 2,120 46
20	01/2023	(282,412.87)	(22,264.06)	(8,467.22)	88,410 2,187 46
21	02/2023	(282,231.32)	(21,917.74)	(8,467.22)	88,353 2,153 46
22	03/2023	(287,688.57)	(22,233.32)	(8,651.29)	90,062 2,184 47
23	04/2023	(283,771.67)	(21,052.24)	(8,651.29)	88,835 2,068 47
24	05/2023	(290,813.82)	(22,355.68)	(8,651.29)	91,040 2,196 47
25	06/2023	(290,816.27)	(21,724.32)	(8,283.15)	91,041 2,134 45
26	07/2023	(292,028.96)	(21,194.96)	(8,283.15)	91,420 2,082 45
27	08/2023	(294,343.44)	(21,520.72)	(8,283.15)	92,145 2,114 45
28	09/2023	(289,301.97)	(21,082.98)	(8,283.15)	90,567 2,071 45
29	10/2023	(296,642.40)	(21,296.76)	(8,283.15)	92,865 2,092 45
30	11/2023	(298,358.10)	(21,062.62)	(8,283.15)	93,402 2,069 45
31	12/2023	(301,297.28)	(21,235.68)	(8,283.15)	94,322 2,086 45
32	01/2024	(304,614.39)	(22,335.12)	(8,283.15)	95,360 2,194 45
33	02/2024	(306,357.11)	(21,581.80)	(8,283.15)	95,906 2,120 45
34	03/2024	(308,252.60)	(22,274.04)	(8,099.08)	96,499 2,188 44
35	04/2024	(2,887.96)	(376.86)		904 37 -
36	05/2024	(253.79)	(20.56)		79 2 -
37	06//2024	(182.42)	(0.20)		57 0 -
38	Total Refund	\$ (8,645,482.83)	\$ (673,026.56)	\$ (265,981.15)	
39					
40	Total Refund through June 2024				\$ (9,584,490.54)
41					
42	Annual Refund ((Exhibit B, Col (e), Ln 33 - As filed - \$3,258,921) times 3 Years)				\$ (9,776,763.03)
43					
44	Estimated (Over) Under Refund At June 30, 2024				\$ 192,272.49

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
MID-TEX DIVISION ("MTX"), UNINCORPORATED AREAS ("ENVIRONS")
EXCESS DEFERRED INCOME TAX ("EDIT") AMORTIZATION - EXHIBIT B
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Protected	Unprotected	Total Protected and Unprotected	Total
	(a)	(b)	(c)	(d)	(e)
1	Original Balance (1)			\$ (289,813,479)	
2	Revised Balance (Final) (2)	\$ 51,477,654	\$ (343,746,535)	\$ (292,268,881)	
3	Amortization through August 31, 2021 (3)	\$ 5,279,759	\$ (37,481,257)	\$ (32,201,498)	
4	Adjustment from Protected to Unprotected Balance to Amortize at September 1, 2021	\$ 1,979,910	\$ (1,979,910)	\$ -	
5	(Ln 2 - Ln 3 - Ln 4)	\$ 44,217,985	\$ (304,285,368)	\$ (260,067,383)	
6					
7	Regulatory Liability	\$ 46,197,895	\$ (304,285,368)	\$ (258,087,474)	
8	Amortization Period (Years) (4)	23.33	3		
9	Annual Regulatory Liability Amortization (Ln 7/Ln 8)	\$ 1,979,910	\$ (101,428,456)	\$ (99,448,546)	
10					
11	Rate Base Impact			36 Month Amortization Calculation	
12	Mid-point Increase to Rate Base			\$ 149,172,819	
13	Decrease in DTA Gross-Up (Ln 12, Col (d) * Ln 13, Col (c))		22.817%	34,036,762	
14	Net Annual Increase to Rate Base (Ln 12 - Ln 13)			\$ 115,136,057	
15	Rate of Return per GUD No. 10742 Final Order, Finding of Fact 19.			7.97%	
16	Return on Rate Base Increase (Ln 14 * Ln 15 * Ln 8, Col (c))			\$ 27,518,669	
17	Annual Regulatory Liability Amortization (Ln 9, Col (d) - (Ln 1, Col (d)/24)) 2021-2022 (3)			(87,372,985)	
18	Annual Regulatory Liability Amortization (Ln 9, Col (d) - (Ln 1, Col (d)/24)) 2022-2023 (3)			(87,372,985)	
19	Annual Regulatory Liability Amortization (Ln 9, Col (d) - (Ln 1, Col (d)/24)) 2023-2024 (3)			(87,372,985)	
20	Total Amortization to Include in Rate Base (Sum Lns 16 through 19)			\$ (234,600,285)	
21	Average Annual Amortization (Ln 20/(Ln 8, Col (c)))			\$ (78,200,095)	
22					

**ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
MID-TEX DIVISION ("MTX"), UNINCORPORATED AREAS ("ENVIRONS")
EXCESS DEFERRED INCOME TAX ("EDIT") AMORTIZATION - EXHIBIT B
TEST YEAR ENDING JUNE 30, 2024**

Line No.	Description	Protected	Unprotected	Total Protected and Unprotected	Total
	(a)	(b)	(c)	(d)	(e)
		Class Allocation (GUD No. 10742)(5)	Average Annual Amortization by Class	Annual Service Area Bill Count (per GRIP Filing)(6):	Adjustment to Rates
23	Tariff Rate Change Calculation				
24	Rate R	77.95%	\$ (60,959,699)	19,083,564	\$ (3.19)
25	Rate C	19.40%	\$ (15,170,712)	1,490,016	\$ (10.18)
26	Rate I&T	2.65%	\$ (2,069,684)	11,244	\$ (184.07)
27	Total (Ln 24 + Ln 25 + Ln 26)	100.000%	\$ (78,200,095)	20,584,824	
28					
		Rate Adjustment by Customer Class(7)		Annual Environs Bill Count (per GRIP Filing)(6):	Annual Environs Jurisdiction Adjustment
29	Rate Adjustment Amount per Rate Class				
30	Rate R	\$ (3.19)		896,916	\$ (2,865,069)
31	Rate C	\$ (10.18)		26,100	\$ (265,739)
32	Rate I&T	\$ (184.07)		696	\$ (128,113)
33			Total (Ln 30 + Ln 31 + Ln 32)	923,712	\$ (3,258,921)
34					
35					
36	Notes:				
37	1. Original balance currently in rates per GUD No. 10742, Refer to Exhibit D. The amortization period was initially set at 24 years per the Reverse South Georgia Method.				
38	2. The Revised balance to be placed is rates, is split between Protected Amounts to be amortized over a 26 year period and the Unprotected balance to be amortized over a 3 year period.				
39	3. The calculation assumes that the current amortization will continue through August 2021. Rider SUR will be implemented in September 2021. The Rider SUR calculation is net of the amount of amortization included in base rates in the amount of \$12,075,562.				
40	4. The amortization period (Col. (b), Ln 8) is remaining years from the revised 26 year amortization. The accelerated amortization is 3 years.				
41	5. The Class Cost Allocation is per GUD No. 10742, Finding of Fact 20, Item (g).				
42	6. The number of customers are per the current GRIP Filing for the Calendar Year 12/31/2020.				
43	7. The Rate Adjustment by month by customer class will be via Rider SUR for a period of 36 months.				

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
FASB ASC 740-10 - FIN48 - ("FIN48") REGULATORY LIABILITY RIDER SUR REFUND
TEST YEAR ENDING JUNE 30, 2024

Line Number	Rate Class	Allocation Factors per Class Cost of Service	Systemwide Annual Service Area Bill Count	Annual Refund Amount	Total Refund by Class	Refund Amount by Rate Class
	(a)	(b)	(c)	(d)	(e) = (b) x (d)	(f) = (e) / (c)
1	Rate R - Residential	81.52%	20,528,955		\$ (2,610,771.28)	\$ (0.13)
2						
3	Rate C - Commercial	16.42%	1,514,605		\$ (526,005.95)	\$ (0.35)
4						
5	Rate I & T - Industrial & Transportation	2.06%	9,756		\$ (65,869.47)	\$ (6.75)
6						
7	Total	100.00%	22,053,316	\$ (3,202,647)	\$ (3,202,647)	

Note:

1. The total regulatory liability that will be recorded for Fiscal Year 2024 is \$3,202,647 and it will be recorded during each quarter throughout its Fiscal Year 2024 per tax provision guidance of ASC740 under GAAP.

ATMOS ENERGY CORP., MID-TEX DIVISION
UNINCORPORATED AREAS STATEMENT OF INTENT
MID-TEX FASB ASC 740-10 - FIN48 - ("FIN48") REGULATORY LIABILITY SUMMARY
TEST YEAR ENDING JUNE 30, 2024

Line No.	Description	Return Year														Total
		FY24		FY25			FY26	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	
		9/30/2012	9/30/2013	Amended 9/30/2010	Amended 9/30/2011	9/30/2014	9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
1	MTX Annual FIN48 Amounts (2, 3, 4)	\$ (1,587,713)	\$ (1,614,933)	\$ (1,061,013)	\$ (908,848)	\$ (1,875,565)	\$ (1,689,626)	\$ (1,849,917)	\$ (1,748,207)	\$ (1,734,473)	\$ (3,183,495)	\$ (2,479,637)	\$ (1,165,623)	\$ (4,754,575)	\$ (1,188,644)	\$ (26,842,269)
2																
3	Annual Fiscal Year Amount		\$ (3,202,647)			\$ (3,845,426)	\$ (1,689,626)	\$ (1,849,917)	\$ (1,748,207)	\$ (1,734,473)	\$ (3,183,495)	\$ (2,479,637)	\$ (1,165,623)	\$ (4,754,575)	\$ (1,188,644)	\$ (26,842,269)
4																
5																
6																
7	Notes:															

1. De-recognition by fiscal year is based on the last return filed or amended.
2. "Mid TX Annual FIN48" represents the FIN48 Regulatory Liability expect to be recorded when the FIN 48 Liability can be de-recognized under the 10-year de-recognition accounting policy in each year starting FY2024. This \$3,202,647 FIN48 regulatory liability is associated with the return year of FY 2012 and FY2013 with the Texas Franchise Tax returns that were filed in FY2014, which can be de-recognized under the 10-year policy in FY 2024.
3. The regulatory liability associated with the returns amended or filed in FY 2015, with includes return year of FY 2010, FY 2011 and FY 2014 can be derecognized in FY 2025.
4. The regulatory liability associated with the return for FY2015 were filed in FY2016 and the FIN48 liability can only be de-recognized in FY2026, subsequent years follow this same policy, e.g., the return for FY2016 were filed in FY2018 and the FIN48 liability can only be de-recognized in FY2028. The 10-y recognition accounting policy would continue while the Company continues to identify amounts after Fiscal Year 2035.