

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of Atmos Energy Corporation Filing)
Compliance Reports and Information as Prescribed)
by Commission Order Dated December 3, 2010, in) Docket No. 11-ATMG-799-CPL
Docket No. 06-GIMX-181-GIV)

COMPLIANCE FILING OF
ATMOS ENERGY CORPORATION

COMES NOW Atmos Energy Corporation ("Atmos") and pursuant to the requirements of the Commission's Order issued in Docket No. 06-GIMX-181-GIV ("181 Docket") on December 3, 2010, Atmos is providing the following information in compliance with the Commission's Order:

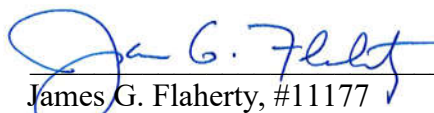
1. Cost Allocation Manual dated April 1, 2024 (requirement A1), Exhibit 1;
2. A complete, detailed organizational chart identifying each regulated utility and each associate company (requirement B1), Exhibit 2;
3. A detailed description of the activities and business conducted at each non-utility associated company (requirement B2), Exhibit 3;
4. An organizational chart of personnel that includes a list of all directors, corporate officers, and other key personnel shared by any jurisdictional public utility and any non-utility associate company or holding company, if any, along with a description of each person's duties and responsibilities to each entity (requirement B3), Exhibit 4;
5. Summaries of each mortgage, loan document and debt agreement including a discussion of the type of collateral or security pledged to support the debt. The utility will also describe any loan or debt agreement taken out to finance an unregulated affiliate that encumbers utility property or cash-flow for security (requirement B4), Exhibit 5;
6. To the extent financial separations are maintained for either legal or financial accounting purposes and at a level in which financial statements are reasonably capable of being

produced by the utility's accounting system, each jurisdictional public utility shall file income statements, balance sheets and cash flow statements for (1) consolidated utility operations; (2) consolidated non-regulated operations; and (3) consolidated corporate financials (requirement B5), Exhibit 6;

7. To the extent financial separations are maintained for either legal or financial accounting purposes and at a level in which financial statements are reasonably capable of being produced by the utility's accounting system, each jurisdictional public utility shall file a summary of financial ratios as of the end of the last completed fiscal year, as described by way of example in the attachment to these rules and consistent with the method used to report such information to the principal bond rating agency or Standard & Poors for (1) consolidated utility operations; (2) consolidated non-regulated operations; and (3) consolidated corporate financials (requirement B6), Exhibit 7; and

8. Copyright protected analyst reports and rating agency reports (requirement C3), Exhibit 8, are being provided separately to the Commission Staff as part of this Compliance Filing. Because these reports are copyright protected, Atmos requests the reports not be included on the Commission's docket webpage.

WHEREFORE, Atmos requests the information provided be accepted by the Commission in compliance with the reporting requirements in the 181 Docket.

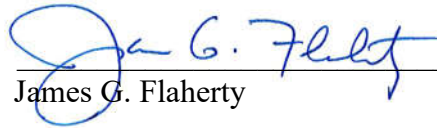


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VERIFICATION

STATE OF KANSAS
COUNTY OF FRANKLIN, ss:

James G. Flaherty, of lawful age, being duly sworn upon oath, deposes and says that he is attorney for the within named applicant, that he has read the above and foregoing Compliance Filing, and the statements contained therein are true.


James G. Flaherty

SUBSCRIBED AND SWORN to before me this 31st day of May, 2024.




Ronda Rossman

Notary Public

Appointment/Commission Expires:

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing was sent via electronic mail Carly R. Masenthin, c.masenthin@kcc.ks.gov, this 31st day of May, 2024.

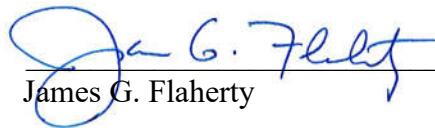

James G. Flaherty

Exhibit 1

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:

<u>Division</u>	<u>Service Area</u>
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 Aligné billing system assets is based upon invoiced volumes from Aligné per operating division as a percentage of total volumes from Aligné.

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

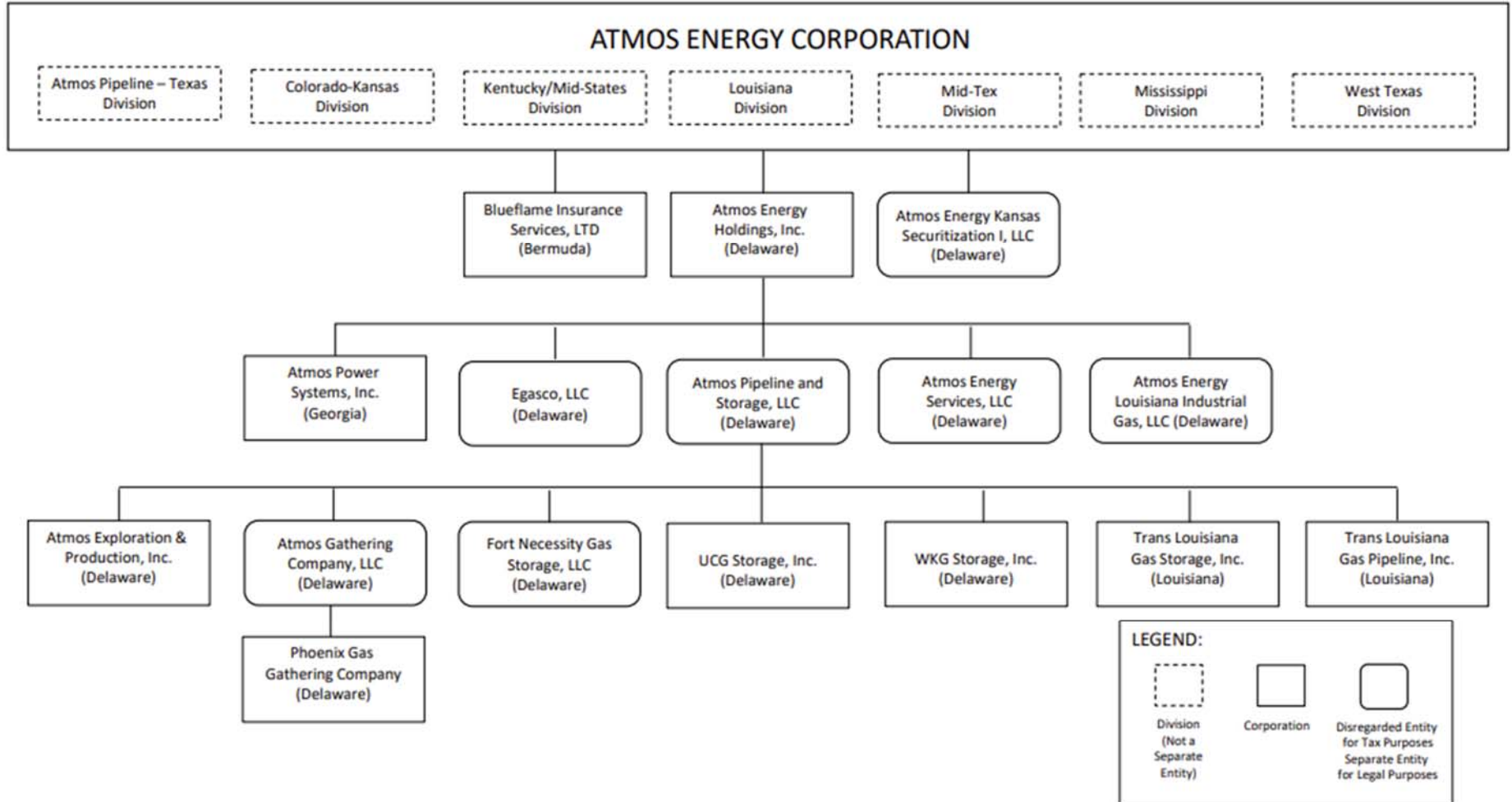


Exhibit 2

B1

A complete, detailed organizational chart identifying each regulated utility and each associate company.

Please see pdf page 23 of the Cost Allocation Manual (CAM).

Exhibit 3

B2

A detailed description of the activities and business conducted at each non-utility associate company.

Please see pdf pages 7 - 9 of the Cost Allocation Manual (CAM).

Exhibit 4

B3

An organizational chart of personnel that includes a list of all directors, corporate officers, and other key personnel shared by any jurisdictional public utility and any non-utility associate company or holding company, if any, along with a description of each person's duties and responsibilities to each entity.

Please see pdf pages 88 and 89 (pdf pages 100 and 101) of the Atmos Energy Corporation 2023 Annual Report for a listing of our Senior Management Officers. Please see pdf page 96 (pdf page 108) for the Atmos Energy Corporation Board of Directors. The Summary Annual Report can be found at

[2023-Annual-Report.pdf](#)

<https://www.investors.atmosenergy.com/financials/annual-reports/default.aspx>

Exhibit 5

B4

Summaries of each mortgage, loan document and debt agreement including a discussion of the type of collateral or security pledged to support the debt. The utility will also describe any loan or debt agreement taken out to finance an unregulated affiliate that encumbers utility property or cash-flow for security.

Our debt agreements are explained in Footnote 7 Debt on pages 58-60 of our Fiscal 2023 10-K filing.

The 10-K can be found at:

<https://d18rn0p25nwr6d.cloudfront.net/CIK-0000731802/0a6b882d-952f-42dc-ab25-51cf82bc2c4f.pdf>

<https://www.investors.atmosenergy.com/financials/sec-filings/default.aspx>

Exhibit 6

B5

To the extent financial separations are maintained for either legal or financial accounting purposes and at a level in which financial statements are reasonably capable of being produced by the utility's accounting system, each jurisdictional public utility shall file income statements, balance sheets and cash flow statements for (1) consolidated utility operations; (2) consolidated non-regulated operations; and (3) consolidated corporate financials.

(1) and (2) Income statements and selected balance sheet data for our Distribution and Pipeline and Storage segments can be found in Footnote 4 Segment Information on pages 50-53 of our Fiscal 2023 10-K filing. The 10-K can be found at:

<https://d18rn0p25nwr6d.cloudfront.net/CIK-0000731802/0a6b882d-952f-42dc-ab25-51cf82bc2c4f.pdf>

<https://www.investors.atmosenergy.com/financials/sec-filings/default.aspx>

The cash flow statement is prepared on a consolidated basis only.

(3) A consolidated corporate balance sheet can be found on page 37 of our 2023 10-K; a consolidated corporate income statement can be found on page 38 of our 2023 10-K; and a copy of our consolidated corporate cash flow statement can be found on page 40 of our 2023 10-K. As noted above, the 2023 10-K can be found at:

<https://d18rn0p25nwr6d.cloudfront.net/CIK-0000731802/0a6b882d-952f-42dc-ab25-51cf82bc2c4f.pdf>

Exhibit 7

B6

To the extent financial separations are maintained for either legal or financial accounting purposes and at a level in which financial statements are reasonably capable of being produced by the utility's accounting system, each jurisdictional public utility shall file a summary of financial ratios as of the end of the last completed fiscal year, as described by way of example in the attachment to these rules and consistent with the method used to report such information to the principal bond rating agency or Standard & Poors for (1) consolidated utility operations; (2) consolidated non-regulated operations; and (3) consolidated corporate financials.

(1) Distribution Operations:	At 9/30/23
Total Debt to Total Capitalization	39.5%
Funds from Operations Interest Coverage	5.5
Funds from Operations as a % of Total Debt	15.0%

The Distribution segment is primarily comprised of our regulated natural gas distribution and related sales operations in eight states.

(2) Pipeline and Storage Operations:	At 9/30/23
Total Debt to Total Capitalization	N/A (a)
Funds from Operations Interest Coverage	N/A (a)
Funds from Operations as a % of Total Debt	N/A (a)

The Pipeline and Storage segment is comprised primarily of the pipeline and storage operations of our Atmos Pipeline - Texas division and our pipeline and storage operations in Louisiana.

(a) Our Pipeline and Storage segment does not have separate debt obligations. The debt is held at the corporate level within our Distribution segment. Interest expense is allocated to the pipeline and storage segment for financial reporting purposes.

(3) Consolidated Operations:	At 9/30/23
Total Debt to Total Capitalization	39.5%
Funds from Operations Interest Coverage	7.1
Funds from Operations as a % of Total Debt	21.4%

Please note that our nonregulated Atmos Energy Marketing operations were sold in January 2017.

Exhibit 8

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