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December 4, 2019

via e-filing EXPRESS

Ms. Lynn M. Retz
Executive Director
Kansas Corporation Commission
1500 S. W. Arrowhead Road
Topeka, Kansas 66604-4027

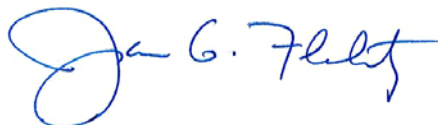
Re: Atmos Energy Corporation
Docket No. 19-ATMG-525-RTS

Dear Ms. Retz:

Attached are errata pages to Rebuttal Exhibit DWD-2 to the Rebuttal Testimony of Atmos Energy Corporation witness Dylan W. D'Ascendis. The errata pages correct a formulaic error in Rebuttal Exhibit DWD-2.

On page 29 of Rebuttal Exhibit DWD-2, the last five companies incorrectly had the same dividend yield. The correction on page 29 flows through to page 28 and page 2 of Rebuttal Exhibit DWD-2.

Sincerely,



James G. Flaherty
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JGF:rr
Enclosure
ec: Service List

Atmos Energy Corporation
Brief Summary of Common Equity Cost Rate

<u>Line No.</u>	<u>Principal Methods</u>	<u>Proxy Group of Six Natural Gas Distribution Companies</u>
1.	Discounted Cash Flow Model (DCF) (1)	9.01%
2.	Risk Premium Model (RPM) (2)	9.64%
3.	Capital Asset Pricing Model (CAPM) (3)	9.10%
4.	Market Models Applied to Comparable Risk, Non-Price Regulated Companies (4)	<u>10.10%</u>
5.	Indicated Common Equity Cost Rate before Adjustment for Company-Specific Risk	9.45%
6.	Size Risk Adjustment (5)	0.40%
7.	Flotation Cost Adjustment (6)	<u>0.03%</u>
8.	Indicated Common Equity Cost Rate	<u><u>9.88%</u></u>
9.	Recommended Common Equity Cost Rate	<u><u>9.90%</u></u>

- Notes: (1) From page 3 of this Schedule.
(2) From page 10 of this Schedule.
(3) From page 23 of this Schedule.
(4) From page 28 of this Schedule.
(5) Size risk adjustment to reflect Atmos Energy's greater business risk due to its smaller size relative to its Utility Proxy Group as detailed in Mr. D'Ascendis' direct testimony.
(6) From page 34 of this Schedule.

Atmos Energy Corporation
Summary of Cost of Equity Models Applied to
Proxy Group of Twenty Non-Price Regulated Companies
Comparable in Total Risk to the
Proxy Group of Six Natural Gas Distribution Companies

<u>Principal Methods</u>	<u>Proxy Group of Twenty Non- Price Regulated Companies</u>
Discounted Cash Flow Model (DCF) (1)	9.97 %
Risk Premium Model (RPM) (2)	10.47
Capital Asset Pricing Model (CAPM) (3)	<u>10.03</u>
	Mean <u><u>10.16</u></u> %
	Median <u><u>10.03</u></u> %
	Average of Mean and Median <u><u>10.10</u></u> %

Notes:

- (1) From page 29 of this Schedule.
- (2) From page 30 of this Schedule.
- (3) From page 33 of this Schedule.

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 Distribution Companies

	[1]	[2]	[3]	[4]	[5]	[6]	[7]
Proxy Group of Twenty 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	Average Projected Five Year Growth Rate in EPS	Adjusted Dividend Yield	Indicated Common Equity Cost Rate (1)
Cboe Global Markets, Inc.	1.23 %	14.50 %	9.00 %	2.75 %	8.75 %	1.28 %	10.03 %
Crown Castle International Corp	3.40	12.00	15.50	21.00	16.17	3.67	19.84
Church & Dwight Co., Inc.	1.20	9.00	8.80	8.31	8.70	1.25	9.95
CME Group Inc.	1.42	3.00	7.00	5.68	5.23	1.46	6.69
Forrester Research	-	8.50	12.00	12.00	10.83	-	NA
Cedar Fair, L.P.	6.62	10.50	7.00	6.00	7.83	6.88	14.71
Gen'l Mills	3.65	4.00	7.00	6.87	5.96	3.76	9.72
Hormel Foods	1.99	9.00	8.50	2.90	6.80	2.06	8.86
Hershey Co.	2.01	6.50	7.30	8.75	7.52	2.09	9.61
J&J Snack Foods	1.04	7.50	NA	6.00	6.75	1.08	7.83
Kellogg	3.62	4.00	4.50	(0.80)	4.25	3.70	7.95
Lancaster Colony	1.80	7.50	NA	3.00	5.25	1.85	7.10
Lilly (Eli)	2.32	11.50	10.60	10.55	10.88	2.45	13.33
McCormic & Co.	1.40	8.00	8.00	8.45	8.15	1.46	9.61
Altria Group	7.65	8.50	6.40	6.59	7.16	7.92	15.08
Smucker (J.M.)	3.25	5.00	3.70	3.30	4.00	3.32	7.32
Sysco Corporation	2.03	10.50	9.50	10.55	10.18	2.13	12.31
Tootsie Roll	0.99	5.50	NA	9.00	7.25	1.03	8.28
WD-40 Co.	1.33	8.50	NA	10.00	9.25	1.39	10.64
Walmart Inc.	1.83	7.50	4.70	4.56	5.59	1.88	7.47
						Mean	10.33 %
						Median	9.61 %
					Average of Mean and Median		9.97 %

NA= Not Available

NMF= Not Meaningful Figure

- (1) 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 October 31, 2019. 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, and www.yahoo.com (excluding any negative growth rates) and then adding that growth rate to the adjusted dividend yield.

Source of Information: Value Line Investment Survey
www.zacks.com Downloaded on 10/31/2019
www.yahoo.com Downloaded on 10/31/2019

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of Atmos)	
Energy Corporation for Adjustment of its)	Docket No. 19-ATMG-525-RTS
Natural Gas Rates in the State of Kansas)	

CERTIFICATE OF SERVICE

I hereby certify that a copy of the Errata Pages to Rebuttal Exhibit DWD-2 to the Rebuttal Testimony of Atmos Energy Corporation witness Dylan W. D'Ascendis in the captioned docket was sent via electronic mail this 4th day of December, 2019, addressed to:

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