

**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.)

NOTICE OF FILING OF STAFF TESTIMONY

COMES NOW, the Staff of the State Corporation Commission of the State of Kansas (Staff and Commission, respectively) and for its Notice of Filing of Staff Testimony states as follows:

The attached testimony was designated "Confidential" when initially filed on October 31, 2019. However, due to the recent 10-K filing on behalf of Atmos Energy Corporation, the following information is no longer deemed confidential and thus shall be filed without redactions.

WHEREFORE, Staff submits its Notice of Filing of Staff testimony for Commission consideration.

Respectfully Submitted,



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

CONFIDENTIAL SCHEDULES

PREPARED BY

STAFF

UTILITIES DIVISION

KANSAS CORPORATION COMMISSION

ATMOS ENERGY
TOTAL KANSAS
DOCKET NO. 19-ATMG-525-RTS

SCHEDULE
NUMBER

INDEX

REV REQ REVENUE REQUIREMENT WORKSHEET

A-1	STAFF ADJUSTED AND PRO FORMA RATE BASE
A-2	STAFF ADJUSTMENTS TO APPLICANT ADJUSTED RATE BASE
A-3	EXPLANATION OF STAFF ADJUSTMENTS TO RATE BASE
B-1	STAFF ADJUSTED AND PRO FORMA OPERATING INCOME STATEMENT
B-2	STAFF ADJUSTMENTS TO APPLICANT ADJUSTED INCOME STATEMENT
B-3	EXPLANATION OF STAFF ADJUSTMENTS TO OPERATIONS
B-4	STAFF ADJUSTED AND PRO FORMA CALCULATION OF TAXABLE INCOME
B-4-1	INTEREST CALCULATION
C-1	CAPITAL STRUCTURE
C-2	ADJUSTMENTS TO CAPITAL STRUCTURE
C-3	EXPLANATION OF STAFF ADJUSTMENTS TO CAPITAL STRUCTURE

ATMOS ENERGY
TOTAL KANSAS
STAFF REVENUE REQUIREMENT
FOR THE TEST YEAR ENDED MARCH 31, 2019

LINE NO.	DESCRIPTION	STAFF ADJUSTED
*****	*****	*****
1	PROFORMA RATE BASE	242,482,567
2	STAFF RATE OF RETURN	<u>7.0200%</u>
3	OPERATING INCOME REQUIRED	17,022,276
4	OPERATING INCOME	<u>15,040,309</u>
5	DIFFERENCE	1,981,967
6	INCOME TAX FACTOR	<u>0.73470</u>
7	PROFORMA REVENUE INCREASE	<u><u>2,697,655</u></u>

ATMOS ENERGY
TOTAL KANSAS
STAFF ADJUSTED AND PRO FORMA RATE BASE
FOR THE TEST YEAR ENDED MARCH 31, 2019

LINE NO.	DESCRIPTION	A APPLICANT BALANCES PER BOOKS	B APPLICANT TEST YEAR ADJUSTMENTS	C APPLICANT ADJUSTED	D STAFF TEST YEAR ADJUSTMENTS	E STAFF ADJUSTED	F STAFF PRO FORMA ADJUSTMENTS	G STAFF PRO FORMA
***	*****	*****	*****	*****	*****	*****	*****	*****
	<u>GAS PLANT IN SERVICE:</u>							
1	INTANGIBLE PLANT	41,078	0	41,078	0	41,078		41,078
2	PRODUCTION AND GATHERING PLANT	0	0	0	0	0		0
3	UNDERGROUND STORAGE	6,509,724	0	6,509,724	294,902	6,804,626		6,804,626
4	TRANSMISSION PLANT	1,779,122	0	1,779,122	0	1,779,122		1,779,122
5	DIRECT AND ALLOCATED DISTRIBUTION PLANT	362,954,687	0	362,954,687	7,390,487	370,345,174		370,345,174
6	DIRECT AND ALLOCATED GENERAL PLANT	23,107,463	0	23,107,463	154,680	23,262,143		23,262,143
7	CONSTRUCTION WORK IN PROGRESS	2,168,238	8,941,905	11,110,143	(11,110,143)	0		0
8	TOTAL GAS PLANT IN SERVICE	396,560,312	8,941,905	405,502,217	(3,270,074)	402,232,143	0	402,232,143
9	ACCUMULATED DEPRECIATION & AMORT.	119,803,444	0	119,803,444	2,161,428	121,964,872		121,964,872
10	NET GAS PLANT IN SERVICE	276,756,868	8,941,905	285,698,773	(5,431,502)	280,267,271	0	280,267,271
	<u>WORKING CAPITAL:</u>							
11	PREPAYMENTS	1,406,259	0	1,406,259	62,178	1,468,437		1,468,437
12	MATERIALS & SUPPLIES	0	0	0	0	0		0
13	STORAGE GAS	8,179,691	0	8,179,691	527,781	8,707,472		8,707,472
14	CASH WORKING CAPITAL	0	0	0	0	0		0
15	ACCUMULATED DEFERRED FIT & SIT	(34,436,930)	8,009,518	(26,427,412)	(979,932)	(27,407,344)		(27,407,344)
16	CUSTOMER ADVANCES FOR CONSTRUCTION	(623,571)	0	(623,571)	0	(623,571)		(623,571)
17	REGULATORY LIABILITY	(18,681,171)	0	(18,681,171)	(446,424)	(19,127,595)		(19,127,595)
18	CUSTOMER DEPOSITS	(822,630)	(19,975)	(842,605)	40,502	(802,103)		(802,103)
19	TOTAL RATE BASE - KANSAS	231,778,516	16,931,448	248,709,964	(6,227,397)	242,482,567	0	242,482,567

ATMOS ENERGY
TOTAL KANSAS
STAFF ADJUSTMENTS TO APPLICANT ADJUSTED RATE BASE
FOR THE TEST YEAR ENDED MARCH 31, 2019

LINE NO.	DESCRIPTION	A APPLICANT ADJUSTED	B STAFF ADJUSTMENT NO. 1	C STAFF ADJUSTMENT NO. 2	D STAFF ADJUSTMENT NO. 3	E STAFF ADJUSTMENT NO. 4	F STAFF ADJUSTMENT NO. 5	G STAFF ADJUSTMENT NO. 6	H STAFF ADJUSTMENT NO. 7	I STAFF ADJUSTMENT NO. 8	J TOTAL STAFF ADJUSTMENTS	K STAFF ADJUSTED
*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
	<u>GAS PLANT IN SERVICE:</u>											
1	INTANGIBLE PLANT	41,078		0							0	41,078
2	PRODUCTION AND GATHERING PLANT	0									0	0
3	UNDERGROUND STORAGE	6,509,724		294,902							294,902	6,804,626
4	TRANSMISSION PLANT	1,779,122									0	1,779,122
5	DIRECT AND ALLOCATED DISTRIBUTION PLANT	362,954,687		7,390,487							7,390,487	370,345,174
6	DIRECT AND ALLOCATED GENERAL PLANT	23,107,463		154,680							154,680	23,262,143
7	CONSTRUCTION WORK IN PROGRESS	11,110,143	(11,110,143)								(11,110,143)	0
8	TOTAL GAS PLANT IN SERVICE	405,502,217	(11,110,143)	7,840,069	0	0	0	0	0	0	(3,270,074)	402,232,143
9	ACCUMULATED DEPRECIATION & AMORT.	119,803,444			2,161,428						2,161,428	121,964,872
10	NET GAS PLANT IN SERVICE	285,698,773	(11,110,143)	7,840,069	(2,161,428)	0	0	0	0	0	(5,431,502)	280,267,271
	<u>WORKING CAPITAL:</u>											
11	PREPAYMENTS	1,406,259						62,178			62,178	1,468,437
12	MATERIALS & SUPPLIES	0									0	0
13	STORAGE GAS	8,179,691							527,781		527,781	8,707,472
14	CASH WORKING CAPITAL	0									0	0
15	ACCUMULATED DEFERRED FIT & SIT	(26,427,412)				(1,081,792)				101,860	(979,932)	(27,407,344)
16	CUSTOMER ADVANCES FOR CONSTRUCTION	(623,571)									0	(623,571)
17	REGULATORY LIABILITY	(18,681,171)								(446,424)	(446,424)	(19,127,595)
18	CUSTOMER DEPOSITS	(842,605)					40,502				40,502	(802,103)
19	TOTAL RATE BASE - KANSAS	248,709,964	(11,110,143)	7,840,069	(2,161,428)	(1,081,792)	40,502	62,178	527,781	(344,564)	(6,227,397)	242,482,567

TOTAL KANSAS

EXPLANATION OF STAFF ADJUSTMENTS TO RATE BASE
FOR THE TEST YEAR ENDED MARCH 31, 2019

LINE NO.		INCREASE / (DECREASE) TO RATE BASE

1	<u>STAFF ADJUSTMENT NO. 1</u> (Hutton)	
2	CONSTRUCTION WORK IN PROGRESS	(11,110,143)
3	Staff's Adjustment to remove Construction Work in Progress from the Application.	
4	<u>STAFF ADJUSTMENT NO. 2</u> (Hutton)	
5	UNDERGROUND STORAGE	294,902
6	DIRECT AND ALLOCATED DISTRIBUTION PLANT	7,390,487
7	DIRECT AND ALLOCATED GENERAL PLANT	154,680
8	Staff's Adjustment to reflect Plant in Service balances as of August 31, 2019.	
9	<u>STAFF ADJUSTMENT NO. 3</u> (Hutton)	
10	ACCUMULATED DEPRECIATION & AMORT.	(2,161,428)
11	Staff's adjustment to reflect Accumulated Depreciation balances as of August 31, 2019.	
12	<u>STAFF ADJUSTMENT NO. 4</u> (Hutton)	
13	ACCUMULATED DEFERRED FIT & SIT	(1,081,792)
14	Staff's adjustment to reflect Accumulated Deferred Income Tax balances as of August 31, 2019 and remove specific items.	
15	<u>STAFF ADJUSTMENT NO. 5</u> (Hutton)	
16	CUSTOMER DEPOSITS	40,502
17	Staff's adjustment to update Customer Deposits to balances as of August 31, 2019.	
18	<u>STAFF ADJUSTMENT NO. 6</u> (Hutton)	
19	PREPAYMENTS	62,178
20	Staff's adjustment to update Prepayments to 13 month average ending August 31, 2019.	
21	<u>STAFF ADJUSTMENT NO. 7</u> (Hutton)	
22	STORAGE GAS	527,781
23	Staff's adjustment to update Storage Gas to balances as of August 31, 2019.	
24	<u>STAFF ADJUSTMENT NO. 8</u> (Grady)	
25	ACCUMULATED DEFERRED FIT & SIT	101,860
26	REGULATORY LIABILITY	(446,424)
27	Staff's adjustment to update certain tax items from Atmos' estimated to actuals.	

STAFF ADJUSTED AND PRO FORMA OPERATING INCOME STATEMENT
FOR THE TEST YEAR ENDED MARCH 31, 2019

LINE NO.	DESCRIPTION	A APPLICANT JURISDICTIONAL PER BOOKS	B APPLICANT TEST YEAR ADJUSTMENTS	C APPLICANT ADJUSTED	D STAFF TEST YEAR ADJUSTMENTS	E STAFF ADJUSTED	F STAFF PRO FORMA ADJUSTMENTS	G STAFF PRO FORMA
*****	*****	*****	*****	*****	*****	*****	*****	*****
	<u>OPERATING REVENUES:</u>							
1	GAS REVENUES	128,508,161	(3,158,575)	125,349,586	(346,918)	125,002,668	2,697,655	127,700,323
2	COST OF GAS	(65,548,277)		(65,548,277)	0	(65,548,277)		(65,548,277)
3	NET MARGIN	62,959,884	(3,158,575)	59,801,309	(346,918)	59,454,391	2,697,655	62,152,046
	<u>OPERATING EXPENSES:</u>							
4	NATURAL GAS PROD. & GATHERING	3,899	0	3,899	0	3,899		3,899
5	OTHER GAS SUPPLY	687,191	0	687,191	0	687,191		687,191
6	TRANSMISSION	47,121	0	47,121	0	47,121		47,121
7	DISTRIBUTION	7,478,064	0	7,478,064	24,056	7,502,120		7,502,120
8	CUSTOMER ACCOUNTS	1,664,433	0	1,664,433	(23,894)	1,640,539		1,640,539
9	CUSTOMER SERVICE	145,534	0	145,534	(3,326)	142,208		142,208
10	SALES	144,259	(91,494)	52,765	(1,373)	51,392		51,392
11	ADMINISTRATIVE AND GENERAL	12,322,640	(1,094,968)	11,227,672	(845,685)	10,381,987		10,381,987
12	TOTAL OPERATING EXPENSES	22,493,141	(1,186,462)	21,306,679	(850,222)	20,456,457	0	20,456,457
13	DEPRECIATION AND AMORTIZATION	12,235,600	2,323,233	14,558,833	(2,413,239)	12,145,594		12,145,594
14	TAXES OTHER THAN INCOME TAXES	8,965,903	98,118	9,064,021	(57,415)	9,006,606		9,006,606
15	INTEREST ON CUSTOMER DEPOSITS	9,890	13,029	22,919	0	22,919		22,919
16	INCOME TAXES - CURRENT & DEFERRED	1,561,405	488,928	2,050,333	732,173	2,782,506	715,688	3,498,194
17	TOTAL EXPENSES	45,265,939	1,736,846	47,002,785	(2,588,703)	44,414,082	715,688	45,129,770
18	OPERATING INCOME	17,693,945	(4,895,421)	12,798,524	2,241,785	15,040,309	1,981,967	17,022,276

ATMOS ENERGY
TOTAL KANSAS
STAFF ADJUSTMENTS TO APPLICANT ADJUSTED INCOME STATEMENT
FOR THE TEST YEAR ENDED MARCH 31, 2019

LINE NO.	DESCRIPTION	A APPLICANT ADJUSTED	B STAFF ADJUSTMENT NO. 1	C STAFF ADJUSTMENT NO. 2	D STAFF ADJUSTMENT NO. 3	E STAFF ADJUSTMENT NO. 4	F STAFF ADJUSTMENT NO. 5	G STAFF ADJUSTMENT NO. 6	H STAFF ADJUSTMENT NO. 7	I STAFF ADJUSTMENT NO. 8	J STAFF ADJUSTMENT NO. 9	K STAFF ADJUSTMENT NO. 10

	<u>OPERATING REVENUES:</u>											
1	GAS REVENUES	125,349,586										
2	COST OF GAS	(65,548,277)										
3	NET MARGIN	59,801,309	0	0	0	0	0	0	0	0	0	0
	<u>OPERATING EXPENSES:</u>											
4	NATURAL GAS PROD. & GATHERING	3,899										
5	OTHER GAS SUPPLY	687,191										
6	TRANSMISSION	47,121										
7	DISTRIBUTION	7,478,064								(297)		
8	CUSTOMER ACCOUNTS	1,664,433						(27,838)	(1,102)	(26)		
9	CUSTOMER SERVICE	145,534								(3,140)		
10	SALES	52,765								(988)		
11	ADMINISTRATIVE AND GENERAL	11,227,672	76,070		(202,065)	(559,029)				(5,154)	(74,772)	
12	TOTAL OPERATING EXPENSES	21,306,679	76,070	0	(202,065)	(559,029)	0	(27,838)	(1,102)	(9,605)	(74,772)	0
13	DEPRECIATION AND AMORTIZATION	14,558,833					(2,413,239)					
14	TAXES OTHER THAN INCOME TAXES	9,064,021		(49,345)								(8,070)
15	INTEREST ON CUSTOMER DEPOSITS	22,919										
16	INCOME TAXES - CURRENT & DEFERRED	2,050,333										
17	TOTAL EXPENSES	47,002,785	76,070	(49,345)	(202,065)	(559,029)	(2,413,239)	(27,838)	(1,102)	(9,605)	(74,772)	(8,070)
18	OPERATING INCOME	12,798,524	(76,070)	49,345	202,065	559,029	2,413,239	27,838	1,102	9,605	74,772	8,070

ATMOS ENERGY
TOTAL KANSAS
STAFF ADJUSTMENTS TO APPLICANT ADJUSTED INCOME STATEMENT
FOR THE TEST YEAR ENDED MARCH 31, 2019

LINE NO.	DESCRIPTION	L STAFF ADJUSTMENT NO. 11	M STAFF ADJUSTMENT NO. 12	N STAFF ADJUSTMENT NO. 13	O STAFF ADJUSTMENT NO. 14	P STAFF ADJUSTMENT NO. 15	Q STAFF ADJUSTMENT NO. 16	R STAFF ADJUSTMENT NO. 17	S STAFF ADJUSTMENT NO. 18	T STAFF ADJUSTMENT NO. 19	U TOTAL ADJUSTMENTS	V STAFF ADJUSTED

	<u>OPERATING REVENUES:</u>											
1	GAS REVENUES							(465,957)	119,039		(346,918)	125,002,668
2	COST OF GAS										0	(65,548,277)
3	NET MARGIN	0	0	0	0	0	0	(465,957)	119,039	0	(346,918)	59,454,391
	<u>OPERATING EXPENSES:</u>											
4	NATURAL GAS PROD. & GATHERING										0	3,899
5	OTHER GAS SUPPLY										0	687,191
6	TRANSMISSION										0	47,121
7	DISTRIBUTION	(47,903)					72,256				24,056	7,502,120
8	CUSTOMER ACCOUNTS	(3,240)					8,312				(23,894)	1,640,539
9	CUSTOMER SERVICE	(186)									(3,326)	142,208
10	SALES	(385)									(1,373)	51,392
11	ADMINISTRATIVE AND GENERAL	(18,066)	58,298	(65,132)	(68,917)	4,658	8,424				(845,685)	10,381,987
12	TOTAL OPERATING EXPENSES	(69,780)	58,298	(65,132)	(68,917)	4,658	88,992	0	0	0	(850,222)	20,456,457
13	DEPRECIATION AND AMORTIZATION										(2,413,239)	12,145,594
14	TAXES OTHER THAN INCOME TAXES										(57,415)	9,006,606
15	INTEREST ON CUSTOMER DEPOSITS										0	22,919
16	INCOME TAXES - CURRENT & DEFERRED									732,173	732,173	2,782,506
17	TOTAL EXPENSES	(69,780)	58,298	(65,132)	(68,917)	4,658	88,992	0	0	732,173	(2,588,703)	44,414,082
18	OPERATING INCOME	69,780	(58,298)	65,132	68,917	(4,658)	(88,992)	(465,957)	119,039	(732,173)	2,241,785	15,040,309

ATMOS ENERGY
TOTAL KANSAS
EXPLANATION OF STAFF ADJUSTMENTS TO OPERATIONS
FOR THE TEST YEAR ENDED MARCH 31, 2019

LINE NO.		INCREASE/ (DECREASE) TO OPERATING INCOME

1	<u>STAFF ADJUSTMENT NO. 1</u> (Luke Fry)	
2	ADMINISTRATIVE AND GENERAL	(76,070)
3	Staff's adjustment to update payroll expense to the 12 months ending August 31, 2019.	
4	<u>STAFF ADJUSTMENT NO. 2</u> (Luke Fry)	
5	TAXES OTHER THAN INCOME TAXES	49,345
6	Staff's adjustment to update payroll tax.	
7	<u>STAFF ADJUSTMENT NO. 3</u> (Luke Fry)	
8	ADMINISTRATIVE AND GENERAL	202,065
9	Staff's adjustment to update benefits to the 12 months ending August 31, 2019.	
10	<u>STAFF ADJUSTMENT NO. 4</u> (Luke Fry)	
11	ADMINISTRATIVE AND GENERAL	559,029
12	Staff's adjustment to remove incentive compensation based on earning per share.	
13	<u>STAFF ADJUSTMENT NO. 5</u> (Hutton)	
14	DEPRECIATION AND AMORTIZATION	2,413,239
15	Staff's adjustment to update depreciation expense to reflect Staff's updated Plant balances and change in depreciation rates.	
16	<u>STAFF ADJUSTMENT NO. 6</u> (Hutton)	
17	CUSTOMER ACCOUNTS	27,838
18	Staff's adjustment to update bad debt to August 31, 2019 and Staff's revenue amount.	
19	<u>STAFF ADJUSTMENT NO. 7</u> (Hutton)	
20	CUSTOMER ACCOUNTS	1,102
21	Staff's adjustment to update interest on customer deposits based on updated customer deposits.	
22	<u>STAFF ADJUSTMENT NO. 8</u> (Campbell)	
23	DISTRIBUTION	297
24	CUSTOMER ACCOUNTS	26
25	CUSTOMER SERVICE	3,140
26	SALES	988
27	ADMINISTRATIVE AND GENERAL	5,154
28	Staff's adjustment to remove advertising expenses which are inappropriate for recovery.	
29	<u>STAFF ADJUSTMENT NO. 9</u> (Campbell)	
30	ADMINISTRATIVE AND GENERAL	74,772
31	Staff's adjustment to remove donations made which are inappropriate for recovery.	

ATMOS ENERGY
TOTAL KANSAS
EXPLANATION OF STAFF ADJUSTMENTS TO OPERATIONS
FOR THE TEST YEAR ENDED MARCH 31, 2019

LINE NO.		INCREASE/ (DECREASE) TO OPERATING INCOME

32	<u>STAFF ADJUSTMENT NO. 10</u> (Campbell)	
33	TAXES OTHER THAN INCOME TAXES	8,070
34	Staff's adjustment to update Kansas Corporation Commission assessment fees to 12 months ending August 31, 2019.	
35	<u>STAFF ADJUSTMENT NO. 11</u> (Campbell)	
36	DISTRIBUTION	47,903
37	CUSTOMER ACCOUNTS	3,240
38	CUSTOMER SERVICE	186
39	SALES	385
40	ADMINISTRATIVE AND GENERAL	18,066
41	Staff's adjustment to remove miscellaneous expenses which are inappropriate for recovery.	
42	<u>STAFF ADJUSTMENT NO. 12</u> (Campbell)	
43	ADMINISTRATIVE AND GENERAL	(58,298)
44	Staff's adjustment to include and update rate expense in the case.	
45	<u>STAFF ADJUSTMENT NO. 13</u> (Baldry)	
46	ADMINISTRATIVE AND GENERAL	65,132
47	Staff's adjustment to reflect pension expenses for the 12 months ending August 31, 2019.	
48	<u>STAFF ADJUSTMENT NO. 14</u> (Baldry)	
49	ADMINISTRATIVE AND GENERAL	68,917
50	Staff's adjustment to reflect other retirement benefit expenses for the 12 months ending August 31, 2019.	
51	<u>STAFF ADJUSTMENT NO. 15</u> (Baldry)	
52	ADMINISTRATIVE AND GENERAL	(4,658)
53	Staff's adjustment to reflect the pension and post retirement tracker balance as of August 31, 2019 with estimated amounts through March 1, 2020.	
54	<u>STAFF ADJUSTMENT NO. 16</u> (Baldry)	
55	DISTRIBUTION	(72,256)
56	CUSTOMER ACCOUNTS	(8,312)
57	ADMINISTRATIVE AND GENERAL	(8,424)
58	Staff's adjustment to update lease expense to 12 months ending August 31, 2019.	
59	<u>STAFF ADJUSTMENT NO. 17</u> (Ellis)	
60	GAS REVENUES	(465,957)
61	Staff's adjustment to weather normalization.	
62	<u>STAFF ADJUSTMENT NO. 18</u> (Ellis)	
63	GAS REVENUES	119,039
64	Staff's adjustment to customer annualization.	
65	<u>STAFF ADJUSTMENT NO. 19</u> (Luke Fry)	
66	INCOME TAXES - CURRENT & DEFERRED	(732,173)
67	Staff's adjustment to reflect the income tax effect of Staff's adjustments.	

STAFF ADJUSTED AND PRO FORMA CALCULATION OF TAXABLE INCOME
FOR THE TEST YEAR ENDED MARCH 31, 2019

LINE NO.	DESCRIPTION	A APPLICATN JURISDICTIONAL PER BOOKS	B APPLICANT TEST YEAR ADJUSTMENTS	C APPLICANT ADJUSTED	D STAFF TEST YEAR ADJUSTMENTS	E STAFF ADJUSTED	F STAFF PRO FORMA ADJUSTMENTS	G STAFF PRO FORMA
*****	*****	*****	*****	*****	*****	*****	*****	*****
1	OPERATING INCOME BEFORE INCOME TAXES	19,255,350	(4,406,493)	14,848,857	2,973,958	17,822,815	2,697,655	20,520,470
	<u>INCREASE (DECREASE) TO OPERATING INCOME BEFORE INCOME TAXES:</u>							
2	INTEREST ON DEBT	(4,223,550)	(308,921)	(4,532,471)	(73,877)	(4,606,348)	0	(4,606,348)
3	TAXABLE INCOME	15,031,800	(4,715,414)	10,316,386	2,900,081	13,216,467	2,697,655	15,914,122
4	KANSAS TAX RATE	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
5	KANSAS INCOME TAX	1,052,226	(330,079)	722,147	203,006	925,153	188,836	1,113,989
6	ADJUSTMENTS	0	0	0	0	0	0	0
7	KS. INCOME TAX - CURRENT	1,052,226	(330,079)	722,147	203,006	925,153	188,836	1,113,989
8	TAXABLE FEDERAL INCOME	13,979,574	(4,385,335)	9,594,239	2,697,075	12,291,314	2,508,819	14,800,133
9	FEDERAL TAX RATE	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
10	FEDERAL INCOME TAX	2,935,711	(920,920)	2,014,790	566,386	2,581,176	526,852	3,108,028
11	ADJUSTMENTS	0	0	0	0	0	0	0
12	FED. INCOME TAX - CURRENT	2,935,711	(920,920)	2,014,790	566,386	2,581,176	526,852	3,108,028
	<u>SUMMARY OF INCOME TAXES - CURRENT:</u>							
13	DEFERRED INCOME TAX	0	0	0	(20,811)	(20,811)	0	(20,811)
14	FLOWBACK OF EXCESS ADIT	(686,604)	0	(686,604)	(16,408)	(703,012)	0	(703,012)
15	AMORTIZATION OF ITC	0	0	0	0	0	0	0
16	KS. INCOME TAX - CURRENT	1,052,226	(330,079)	722,147	203,006	925,153	188,836	1,113,989
17	FED. INCOME TAX - CURRENT	2,935,711	(920,920)	2,014,790	566,386	2,581,176	526,852	3,108,028
18	TOTAL INCOME TAXES - CURRENT & DEF.	3,301,333	(1,250,999)	2,050,333	732,173	2,782,506	715,688	3,498,194

ATMOS ENERGY
TOTAL KANSAS
INTEREST CALCULATION
FOR THE TEST YEAR ENDED MARCH 31, 2019

LINE NO.	DESCRIPTION	STAFF ADJUSTED	STAFF PRO FORMA
*****	*****	*****	*****
1	RATE BASE	242,482,567	242,482,567
2	WEIGHTED COST OF DEBT (SCH C-1)	<u>1.900%</u>	<u>1.900%</u>
3	INTEREST EXPENSE	<u><u>4,606,348</u></u>	<u><u>4,606,348</u></u>

ATMOS ENERGY
TOTAL KANSAS
CAPITAL STRUCTURE
FOR THE TEST YEAR ENDED MARCH 31, 2019

LINE NO.	DESCRIPTION	A TOTAL COMPANY	B COMPANY ADJUSTED BALANCE	C STAFF ADJUSTMENTS	D STAFF ADJUSTED KANSAS GAS JURISDICTIONAL	E CAPITALIZATION RATIOS	F COST OF CAPITAL	G WEIGHTED COST OF CAPITAL
*****	*****	*****	*****	*****	*****	*****	*****	*****
1	LONG TERM DEBT	3,653,712,711	3,653,712,711	792,716,743	4,446,429,454	43.68%	4.35%	1.90%
2	EQUITY	5,508,101,667	5,508,101,667	224,223,431	5,732,325,098	56.32%	9.10%	5.12%
3	TOTAL	9,161,814,378	9,161,814,378	1,016,940,174	10,178,754,552	100.00%		7.02%
4	TOTAL WEIGHTED COST OF LT DEBT		1.89966%					

ATMOS ENERGY
TOTAL KANSAS
ADJUSTMENTS TO CAPITAL STRUCTURE
FOR THE TEST YEAR ENDED MARCH 31, 2019

LINE NO.	DESCRIPTION	A COMPANY ADJUSTED BALANCE	B STAFF ADJUSTMENT NO. 1	C TOTAL STAFF ADJUSTMENTS	D STAFF ADJUSTED KANSAS GAS JURISDICTIONAL
		*****	*****	*****	*****
1	LONG TERM DEBT	3,653,712,711	792,716,743	792,716,743	4,446,429,454
2	EQUITY	<u>5,508,101,667</u>	<u>224,223,431</u>	<u>224,223,431</u>	<u>5,732,325,098</u>
3	TOTAL	<u><u>9,161,814,378</u></u>	<u><u>1,016,940,174</u></u>	<u><u>1,016,940,174</u></u>	<u><u>10,178,754,552</u></u>

EXPLANATION OF STAFF ADJUSTMENTS TO CAPITAL STRUCTURE
FOR THE TEST YEAR ENDED MARCH 31, 2019

LINE NO.		INCREASE / (DECREASE) TO CAPITAL STRUCTURE

1	<u>STAFF ADJUSTMENT NO. 1</u> (Gatewood)	
2	LONG TERM DEBT	792,716,743
3	COMMON EQUITY	224,223,431
4	To revise capital structure to reflect changes as of October 2019	

CERTIFICATE OF SERVICE

19-ATMG-525-RTS

I, the undersigned, certify that a true and correct copy of the above and foregoing Notice of Filing was served via electronic service this 18th day of November, 2019, to the following:

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