

**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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**BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

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

**DIRECT TESTIMONY**

**PREPARED BY**

**BRAD A. HUTTON**

**UTILITIES DIVISION**

**KANSAS CORPORATION COMMISSION**

**October 31, 2019**

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1 **I. Introduction, Qualifications, Purpose of Testimony**

2 **Q. Please state your name and business address.**

3 A. My name is Brad A. Hutton and my business address is 1500 Southwest  
4 Arrowhead Road, Topeka, Kansas, 66604.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by the Kansas Corporation Commission (Commission) as a  
7 Regulatory Auditor.

8 **Q. Would you please describe your educational background and business  
9 experience?**

10 A. In May 2017, I graduated from Washburn University with a Bachelor of Business  
11 Administration degree with an emphasis in Finance and Economics. I began my  
12 employment with the Commission in my current capacity in June of 2017.

13 **Q. Have you ever testified before the Commission?**

14 A. Yes, I have previously provided Direct Testimony in Docket No. 18-WSEE-328-  
15 RTS, 18-KCPE-480-RTS and 19-EPDE-223-RTS. I have also participated in  
16 numerous ratemaking dockets and contributed to several Staff Report and  
17 Recommendations regarding utility ratemaking issues. A list of my previous Staff  
18 assignments and the areas that they have covered is available upon request.

19 **Q. What were your responsibilities in the review of the Application filed in  
20 Docket No. 19-ATMG-525-RTS (19-525 Docket)?**

21 A. My responsibilities as a regulatory auditor were to analyze, audit, and review Atmos  
22 Energy Corporation's (Atmos) rate case Application. I examined Atmos' filing for  
23 accuracy and adherence to regulatory accounting principles and issued discovery  
24 regarding my assigned sections of the Application. In addition, I am supporting

1 select Staff adjustments to Atmos' pro forma income statement in an effort to ensure  
2 that the resulting rates are just and reasonable. All of my responsibilities were carried  
3 out under the direction of Kristina Luke Fry, Managing Auditor, and Justin Grady,  
4 Chief of Accounting and Financial Analysis.

## 5 **II. Executive Summary**

### 6 **Q. What is the purpose of your testimony in this proceeding?**

7 A. The purpose of my testimony is to offer explanation and support for ten Staff  
8 adjustments to Atmos' pro forma rate base and income statement. In addition to  
9 these adjustments, I am sponsoring thirty-two Staff Exhibits.<sup>1</sup> A summary of my  
10 sponsored pro forma adjustments is listed below. Ultimately, I recommend that  
11 Commission:

- 12 • Remove Atmos' Construction Work in Progress (CWIP) included in the  
13 Application;
- 14 • Update Atmos' Plant in Service balance to August 31, 2019;
- 15 • Update Atmos' Accumulated Depreciation to August 31, 2019;
- 16 • Update Atmos' Accumulated Deferred Income Taxes (ADIT) to August 31,  
17 2019, and remove portions of ADIT related to Pensions, OPEB and Incentive  
18 Compensation;
- 19 • Update Atmos' Customer Deposit balance from a 13-month average to an  
20 end balance at August 31, 2019;
- 21 • Update Atmos' Prepayments from a 13-month average at March 31, 2019, to  
22 a thirteen-month average at August 31, 2019;

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<sup>1</sup> Exhibits BAH-1 through BAH-10 are attached at the end of my testimony.

- 1           • Update Underground Storage Gas from a thirteen-month average at March  
2           31, 2019, to a thirteen-month average at August 31, 2019;
- 3           • Update and normalize Depreciation Expense to reflect Staff’s update to Plant  
4           in Service and Staff’s proposed depreciation rates;
- 5           • Update and normalize bad debt expense based on Staff’s three-year average  
6           net write off percentage and Staff’s recommended operating revenue; and,
- 7           • Update Interest on Customer Deposits to mirror Staff’s update to Customer  
8           Deposits.

9   **Q.    Are the adjustments presented above stated in terms of Atmos’ total company**  
10 **operations or its Kansas-jurisdictional operations?**

11   A.    Each of the adjustments presented above are presented in terms of Atmos’ Kansas-  
12 jurisdictional operations. Each Staff witness first calculates the adjustment based on  
13 Atmos’ total company operations in order to maintain consistency with Atmos’  
14 presentation in its Application and the way in which Atmos accounts for its expenses,  
15 plant, etc. (on a total company basis, separated amongst Divisions 02, 012, 030 and  
16 081). The Staff witness then applies Atmos’ Kansas-jurisdictional allocation factor  
17 to each adjustment in order to produce a Kansas-jurisdictional adjustment.

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1 **III. Staff Adjustments to Rate Base**

2 **A. Construction Work in Progress**

3 **Q. Could you please begin by explaining Staff Adjustment No. 1 to Rate Base?**

4 A. Staff Rate Base Adjustment No. 1 (RB-1) decreases Atmos' rate base by  
5 \$11,110,143.<sup>2</sup> This adjustment consists of the removal of all Construction Work in  
6 Progress (CWIP) related rate base included in Atmos' Application.

7 **Q. Please provide an explanation of CWIP and explain how Staff typically handles**  
8 **a utility's CWIP in a general rate case.**

9 A. CWIP refers to Federal Energy Regulatory Commission (FERC) Account 107 to  
10 which all costs incurred during the construction of a utility's plant are recorded. The  
11 incurred costs of the plant remain in CWIP during the construction period and are  
12 not transferred to a utility's depreciable plant until construction is complete. In base  
13 rate cases, Staff has historically made adjustments to a utility's CWIP balance in  
14 accordance with K.S.A. 66-128, which states:

15 “(b)(1) For the purposes of this act, except as provided by subsection  
16 (b)(2), property of any public utility which has not been completed  
17 and dedicated to commercial service shall not be deemed to be used  
18 and required to be used in the public utility's service to the public. (2)  
19 Any public utility property described in subsection (b)(1) shall be  
20 deemed to be completed and dedicated to commercial service if: (A)  
21 Construction of the property will be commenced and completed in one  
22 year or less; (B) the property is an electric generation facility that  
23 converts wind, solar, biomass, landfill gas or any other renewable  
24 source of energy; (C) the property is an electric generation facility or  
25 addition to an electric generation facility; or (D) the property is an  
26 electric transmission line, including all towers, poles and other  
27 necessary appurtenances to such lines, which will be connected to an  
28 electric generation facility.”  
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<sup>2</sup> See Exhibit BAH-1.

1 **Q. Please Discuss Atmos' treatment of its CWIP in this Docket.**

2 A. As reflected in Atmos' rate base adjustment RB-1, Atmos is proposing the inclusion  
3 of the CWIP balance on the books at the conclusion of the test year, as well as CWIP  
4 spending projected to begin after the end of the test year. Atmos stated in its  
5 Application that the total CWIP balance included in this case was projected to be  
6 placed in service by September 30, 2019.

7 **Q. Please Discuss Staff's treatment of Atmos CWIP in this Docket.**

8 A. Staff recommends that all CWIP projects that have yet to be placed into plant in  
9 service as of August 31, 2019, the end of the update period, be excluded from rate  
10 base. This includes the projects Atmos anticipated being placed into service by  
11 September 30, 2019.

12 **Q. Please explain Staff's rationale for employing a different methodology for  
13 adjusting CWIP in this Docket compared to previous Atmos rate cases.**

14 A. In the process of determining an appropriate CWIP balance that conforms to K.S.A.  
15 66-128, Staff's first step is to review any documents supporting a utility's estimated  
16 in-service dates for its CWIP projects to determine which projects will be placed in-  
17 service within one year of the test period. However, after reviewing CWIP  
18 workpapers in the present Docket, Staff has concerns about the accuracy and validity  
19 of Atmos' estimated in-service dates. While K.S.A. 66-128 essentially allows CWIP  
20 projects to be included in rate base in the event they are completed one year from the  
21 end of the test year, rates in this Docket will become effective before that period ends.  
22 Because rates go into effect in February 2020 and the time allowed by the statute to  
23 include CWIP projects in rate base ends March 2020, it is impossible to make

1 additional evidence in the record or verify whether those projects actually went into  
2 service or not after rates go into effect. This highlights the difficulty of verifying  
3 estimated in-service dates in order to determine whether plant will actually be in-  
4 service or not so that Atmos' rate base conforms to K.S.A. 66-128.

5 In order to ensure that Staff's rate base recommendation conforms to K.S.A.  
6 66-128, Staff's recommendation is to exclude all CWIP from Atmos' rate base and,  
7 instead, update plant in service through the end of the update period of August 31,  
8 2019. This way, Staff can be assured that only projects that will be in-service within  
9 one year from the end of the test year are included in Atmos' rate base.

10 **Q. What are Staff's concerns with the accuracy and validity of Atmos' estimated**  
11 **in-service dates in this Docket?**

12 A. First, in the process of reviewing the open projects contained in Atmos' Application,  
13 Staff found multiple projects included in CWIP were given estimated in-service dates  
14 prior to the end of the test year. These projects were estimated to be placed into  
15 service prior to March 31, 2019, but were canceled or were not placed into service  
16 until after the test year, remaining in CWIP past the estimated in-service date.<sup>3</sup>  
17 Additionally, in its analysis of CWIP, Staff noticed that multiple projects have been  
18 in CWIP for multiple years with one specific project dating back to May 2015. Lastly,  
19 through discovery, Staff noticed that multiple projects that were given estimated in-  
20 service dates prior to September 30, 2019, were given new estimated in-service dates  
21 of September 30, 2019.<sup>4</sup> For these reasons, Staff can only be confident that Atmos'

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<sup>3</sup> See Exhibit BAH-1a.

<sup>4</sup> See Exhibit BAH-1b.

1 rate base is being reflected accurately when Staff can verify that CWIP has been  
2 placed into service.

3 **Q. Is Staff willing to consider making updates to its CWIP balance to include**  
4 **projects placed into service during the course of this proceeding?**

5 A. While Staff is not recommending the inclusion of Atmos' active CWIP projects in  
6 rate base, Staff will update our position for projects that we excluded in the event that  
7 Atmos can demonstrate the projects have effectively been placed into service by  
8 September 30, 2019, as was projected in the Application. In the event Atmos provides  
9 further updates during this proceeding for CWIP projects that were completed and  
10 placed into service, Staff will review those updates and modify its recommendation  
11 accordingly.

12 **Property, Plant and Equipment**

13 **Q. Please continue with Staff Adjustment No. 2 to Rate Base.**

14 A. Staff Rate Base Adjustment No. 2 (RB-2) increases Atmos' rate base by \$7,840,069.<sup>5</sup>  
15 Staff's adjustment updates Section 4 of Atmos' Application to reflect the balances  
16 for plant in service through Staff's update period ending August 31, 2019. Updating  
17 plant balances in this manner allows the utility the opportunity to earn a fair return  
18 on, and return of, plant that is in service and is used and useful. Staff recommends  
19 the Commission adopt Staff's adjustment as it results in a cost of service which most  
20 closely resembles Atmos' ongoing cost of doing business.

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<sup>5</sup> See Exhibit BAH-2.

1           **B. Accumulated Depreciation**

2           **Q.     Could you please explain Staff Adjustment No. 3 to Rate Base?**

3           A.     Staff Rate Base Adjustment No. 3 (RB-3) decreases Atmos' rate base by  
4           \$2,161,428.<sup>6</sup> Staff's adjustment updates Section 5 of Atmos' Application to reflect  
5           the balance of accumulated depreciation through Staff's update period ending August  
6           31, 2019. This adjustment corresponds with Staff's adjustment RB-2 to synchronize  
7           the balance of plant in service and its corresponding accumulated depreciation  
8           balances. Just as Staff's adjustment to update plant in service ensures that Atmos has  
9           an opportunity to earn a return on, and a return of, its invested capital, Staff's  
10          adjustment to update accumulated depreciation ensures ratepayers are given credit  
11          for the capital they have returned to Atmos and, therefore, no longer need to pay a  
12          return on the capital. Staff recommends the Commission adopt this adjustment as  
13          synchronizes plant in service and accumulated depreciation as of August 31, 2019.

14          **C. Accumulated Deferred Income Taxes**

15          **Q.     Please continue with Staff Adjustment No. 4 to Rate Base.**

16          A.     Staff Rate Base Adjustment No. 4 (RB-4) increases Accumulated Deferred Income  
17          Tax (ADIT) by \$1,081,792.<sup>7</sup> ADIT is included in Rate Base as an offset to Plant in  
18          Service, so the increase in ADIT will ultimately decrease Rate Base. Staff's  
19          adjustment is comprised of four parts:

- 20                   1. Update ADIT balances to update period of August 31, 2019;
- 21                   2. Remove ADIT associated with Pension Expense and FAS
- 22                   106 costs;

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<sup>6</sup> See Exhibit BAH-3.

<sup>7</sup> See Exhibit BAH-4.

- 1                   3. Remove ADIT associated with the Regulatory Liability –  
2                   Mid Tex; and,  
3                   4. Remove portions of ADIT corresponding to Staff’s Incentive  
4                   Compensation adjustment.

5   **Q. Please explain what ADIT represents.**

6   A. ADIT represents the income tax that is deferred due to larger deductions reported on  
7   a Company’s income tax returns compared to the amount of expense reported for  
8   book purposes. A larger deduction for income tax purposes compared to the expenses  
9   reported for book purposes results in lower taxable income and a lower income tax  
10   amount owed to the government compared to the income tax expense reported for  
11   book purposes. As years progress, each year’s current deferred income tax is added  
12   to the previous years’ accumulated deferred income taxes resulting in a liability or  
13   asset account, respectively (representing either positive or negative deferred taxes).  
14   The net ADIT balance represents the accumulation of the various year’s deferred  
15   income tax activity. In traditional rate base rate of return ratemaking, the net balance  
16   of ADIT is recognized as cost-free capital and, thus, is an offset to rate base.

17               The timing difference for deductions between book and income tax purposes  
18   is temporary. Eventually, the income tax deductions will become smaller compared  
19   to the deductions for book purposes. The smaller future deductions for income tax  
20   purposes compared to the deductions for book purposes will result in the Company  
21   paying more in income taxes to the government than the income tax expense recorded  
22   on its books. In a year where the Company pays more in income taxes than it records  
23   on its books, the Company’s ADIT balance will be reduced.

1 **Q. Does an ADIT account increase or decrease rate base?**

2 A. Depending on whether the temporary timing difference results in the Company's  
3 taxable income being more than or less than book income, the timing difference can  
4 result in an ADIT asset or liability. ADIT assets increase rate base and ADIT  
5 liabilities decrease rate base. Currently, Atmos' net ADIT balance is a liability, so it  
6 reduces Atmos' rate base. The net ADIT liability is included in rate base because it  
7 represents a source of cost-free financing to the utility.

8 **Q. Could you please explain the first component of Staff's adjustment to Atmos'  
9 ADIT liability through the update period?**

10 A. The first part of Staff's adjustment updates the ADIT balance to the end of the update  
11 period of August 31, 2019. This adjustment reflects the effect on deferred income  
12 taxes as a result of actual plant additions, changes in net operating loss carryforward,  
13 and other changes to Atmos operations from the end of the test year, March 31, 2019,  
14 to August 31, 2019.

15 **Q. Please provide an explanation for the removal of ADIT associated with Pension  
16 and FAS106.**

17 A. Staff's adjustment to ADIT includes a removal of ADIT associated with Pension  
18 expense and FAS106. It is important to remove the Pension and Other Post-  
19 Employment Benefits (OPEB) related ADIT from rate base because the Pension and  
20 OPEB related ADIT is simply the cost-free capital impact associated with the timing  
21 differences created by the Company funding Pensions and OPEB in the excess of the  
22 amount required for Generally Accepted Accounting Principles. Because the funding  
23 difference does not receive rate base treatment, it is appropriate to remove this ADIT

1 balance from rate base as well. This is an adjustment commonly made (or accepted)  
2 by other regulated utilities in rate cases before this Commission.

3 **Q. Please provide an explanation for the removal of ADIT associated with**  
4 **Regulatory Liability – Mid Tex.**

5 A. Staff’s adjustment to ADIT includes a removal of ADIT associated with ‘Regulatory  
6 Liability – Mid Tex’. Through discovery, Staff was informed that this line item  
7 included in ADIT was related to pension and post-retirement benefit obligations.<sup>8</sup> As  
8 discussed above, it is appropriate to remove the ADIT related to pension and post-  
9 retirement benefit obligations as the funding differences do not receive rate base  
10 treatment. Therefore, it is important to remove the ADIT balance from rate base as  
11 well.

12 **Q. Please provide an explanation for the removal of ADIT items corresponding**  
13 **with the incentive compensation.**

14 A. Staff’s adjustment to ADIT includes the percentage removal of ADIT associated with  
15 Restricted Stock – MP, Restricted Stock Grant Plan, Directors Stock Awards, and  
16 MIP/VPP Accrual. Staff Witness Kristina Luke Fry is removing 100% of Restricted  
17 Stock – MP, 77.39% of Restricted Stock Grant Plan and Directors Stock Awards, and  
18 approximately 50.55% of MIP/VPP accrual from this case. For consistency purposes,  
19 an adjustment was made to remove the same percentage of the ADIT associated to  
20 these items.

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<sup>8</sup> See Exhibit BAH-4d.

1           **D. Customer Deposits**

2           **Q.     Could you please explain Staff's Adjustment No. 5 to Rate Base?**

3           A.     Staff Rate Base Adjustment No. 5 (RB-5) increases Atmos' rate base by \$40,502.<sup>9</sup>  
4           This adjustment revises Section 14 of Atmos' Application to normalize the balance  
5           of customer deposits recorded in FERC Account 235 using an ending balance as of  
6           August 31, 2019, instead of using the 13-month average used in Atmos' Application.  
7           Staff contends that it is most appropriate to reflect the ending balance of FERC  
8           Account 235 to capture the effects of a noticeable downward trend in customer  
9           deposits from the beginning of the test year to the end of the update period. Staff  
10          recommends that the Commission adopt Staff's adjustment to use the most recent  
11          balance of customer deposits to reflect the ongoing level.

12          **E. Prepayments**

13          **Q.     Please continue with Staff Adjustment No. 6 to Rate Base.**

14          A.     Staff Rate Base Adjustment No. 6 (RB-6) increases Atmos' rate base by \$62,178.<sup>10</sup>  
15          This adjustment revises Section 6 of Atmos' Application to normalize the balance of  
16          prepayments recorded in FERC Account 165 using a 13-month average for the period  
17          ending August 31, 2019. This account includes prepayments for insurance, postage,  
18          rent and other prepaid fees. In its examination of Atmos' Application, Staff analyzed  
19          each individual prepayment sub-account for each allocated and direct Atmos  
20          Division for the years preceding the test year through the update period of August  
21          31, 2019, to determine if a discernable trend was present, upward or downward.  
22          Through analysis, Staff determined that no discernable trends were present. Due to

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<sup>9</sup> See Exhibit BAH-5.

<sup>10</sup> See Exhibit BAH-6.

1 the absence of any trends, Staff utilized a 13-month average for the period ending  
2 August 31, 2019. Staff recommends the Commission adopt Staff's adjustment as it  
3 reflects more recent, up-to-date, known and measurable data for the 13-month period  
4 ending August 31, 2019.

5 **F. Underground Storage Gas**

6 **Q. Could you please explain Staff's Adjustment No. 7 to Rate Base?**

7 A. Staff Rate Base Adjustment No. 7 (RB-7) increases Atmos' rate base by \$527,781.<sup>11</sup>  
8 This adjustment revises Section 6 of Atmos' Application to normalize the balance of  
9 Underground Storage Gas recorded to FERC Account 164.1 using a 13-month  
10 average for the period ending August 31, 2019. In its examination of Atmos'  
11 Application, Staff analyzed the monthly balance of FERC Account 164.1 for the  
12 three years preceding the test year, the test year, and the period from the end of the  
13 test year through the update period of August 31, 2019, to determine if a discernable  
14 trend was present, upward or downward. Due to the absence of any trends, Staff  
15 utilized a 13-month average for the period ending August 31, 2019. Staff  
16 recommends the Commission adopt Staff's adjustment as it reflects more recent, up-  
17 to-date, known and measurable data for the 13-month period ending August 31,  
18 2019.

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<sup>11</sup> See Exhibit BAH-7.

1 **IV. Staff Adjustments to the Income Statement**

2 **A. Depreciation Expense**

3 **Q. Could you please explain Staff Adjustment No. 5 to the Income Statement?**

4 A. Staff Income Statement Adjustment No. 5 (IS-5) decreases depreciation expense by  
5 \$2,413,239.<sup>12</sup> This adjustment revises Atmos' Adjustment No. IS-10, discussed on  
6 Page 17 of Atmos witness Jennifer Story's Direct Testimony, to normalize  
7 depreciation expense using depreciable plant balances as of March 31, 2019, and  
8 Atmos' proposed depreciation rates supported by Atmos witness Ned W. Allis.  
9 Staff's calculation of this adjustment yields an updated annualized depreciation  
10 expense based on Staff's updated plant balances as of August 31, 2019, and Staff's  
11 proposed depreciation rates.<sup>13</sup>

12 **Q. Please indicate what portions of Staff's depreciation expense adjustment total**  
13 **are attributable to Staff's update to plant in service and Staff's proposed**  
14 **depreciation rates.**

15 A. Staff's adjustment increases Atmos' pro-forma depreciation expense by \$303,708  
16 due to Staff's update to Atmos' plant in service and decreases Atmos' depreciation  
17 expense by \$2,716,947, due to the difference between Atmos' and Staff's proposed  
18 depreciation rates. The net effect of these two adjustments is Staff's total adjustment  
19 to Atmos' annualized depreciation expense in the amount of \$2,413,239.

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<sup>12</sup> See Exhibit BAH-8.

<sup>13</sup> Staff's proposed depreciation rates can be found in the direct testimony of Roxie McCullar.

1           **B. Bad Debt Expense**

2           **Q. Please continue with Staff Adjustment No. 6 to the Income Statement.**

3           A. Staff Income Statement Adjustment No. 6 (IS-6) decreases operating expenses by  
4           \$27,838.<sup>14</sup> Staff's adjustment reflects the effects of bad debt expense on Staff's  
5           adjustment to Atmos' filed revenue requirement position. This adjustment will need  
6           to be updated as the case progresses to reflect any changes in Staff's revenue  
7           requirement position and, ultimately, to reflect the results of the Commission's Final  
8           Order. Staff is also proposing to use a three-year average net bad debt write-off  
9           percentage of 0.4004 percent through year-end August 31, 2019.

10          **Q. How did Staff calculate its bad debt expense ratio?**

11          A. Staff's methodology for calculating bad debt expense utilizes a three-year average of  
12          non-gas related net write-offs incurred as a percentage of total retail revenue to  
13          calculate a normalized ratio for non-gas bad debt of 0.4004 percent. This percentage  
14          is then applied to Staff's pro forma operating revenues to calculate the normalized  
15          non-gas-related bad debt expense. Moreover, Staff's net bad debt write-off  
16          percentage calculation is based on updated, actual numbers through three years  
17          ending August 31, 2019. Staff recommends the Commission adopt Staff's adjustment  
18          as it reflects actual, more up-to-date information to calculate an accurate level of bad  
19          debt expense that best reflects Atmos' cost of service going forward.

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<sup>14</sup> See Exhibit BAH-9.



- 1           • Update Atmos' Accumulated Deferred Income Taxes (ADIT) to August 31,  
2           2019, and remove portions of ADIT related to Pensions, OPEB and Incentive  
3           Compensation;
- 4           • Update Atmos' Customer Deposit balance from a 13-month average to an  
5           end balance at August 31, 2019;
- 6           • Update Atmos' Prepayments from a 13-month average at March 31, 2019, to  
7           a thirteen-month average at August 31, 2019;
- 8           • Update Underground Storage Gas from a thirteen-month average at March  
9           31, 2019, to a thirteen-month average at August 31, 2019;
- 10          • Update and normalize Depreciation Expense to reflect Staff's update to Plant  
11          in Service and Staff's proposed depreciation rates;
- 12          • Update and normalize bad debt expense based on Staff's three-year average  
13          net write off percentage and Staff's recommended operating revenue; and,
- 14          • Update Interest on Customer Deposits to mirror Staff's update to Customer  
15          Deposits.

16   **Q.    Are you sponsoring any exhibits?**

17   A.    Yes. The following provides an outline of the exhibits I am sponsoring:

- 18           BAH-1       Staff Exhibit to remove CWIP
- 19           BAH-1a      Atmos' response to Staff Data Request No. 189
- 20           BAH-1b      Staff Exhibit to Support removal of CWIP
- 21           BAH-2       Staff Exhibit to update Plant in Service
- 22           BAH-2a      Staff Exhibit to support Plant Update for Division 002
- 23           BAH-2b      Staff Exhibit to support Plant Update for Division 012

1	BAH-2c	Staff Exhibit to support Plant Update for Division 030
2	BAH-2d	Staff Exhibit to support Plant Update for Division 081
3	BAH-3	Staff Exhibit to update Accumulated Depreciation
4	BAH-3a	Staff Exhibit to support Accum for Division 002
5	BAH-3b	Staff Exhibit to support Accum for Division 012
6	BAH-3c	Staff Exhibit to support Accum for Division 030
7	BAH-3d	Staff Exhibit to support Accum for Division 081
8	BAH-4	Staff Exhibit to support adjustment to ADIT
9	BAH-4a	Staff Exhibit to detail Staff's updated ADIT balance
10	BAH-4b	Staff Exhibit to provide detail to removal of ADIT items
11	BAH-4c	Staff Exhibit to provide support for removal of ADIT items
12	BAH-4d	Atmos' response to Staff Data Request No. 298
13	BAH-5	Staff Exhibit to update Customer Deposits
14	BAH-5a	Staff Exhibit to provide detail for Customer Deposits Update
15	BAH-6	Staff Exhibit to update Prepayments
16	BAH-6a	Staff Exhibit to provide detail for Prepayments Update
17	BAH-7	Staff Exhibit to update Underground Storage Gas
18	BAH-7a	Staff Exhibit to provide detail to Storage Gas Update
19	BAH-8	Staff Exhibit to normalize Depreciation Expense
20	BAH-8a	Staff Exhibit to support Depreciation for Division 081
21	BAH-8b	Staff Exhibit to support Depreciation for Division 002
22	BAH-8c	Staff Exhibit to support Depreciation for Division 012
23	BAH-8d	Staff Exhibit to support Depreciation for Division 030

- 1                   BAH-9           Staff Exhibit to update Bad Debt Expense
- 2                   BAH-9a           Staff Exhibit to provide detail to Staff Net Write-Off
- 3                                    Percentage
- 4                   BAH-10           Staff Exhibit to update Interest on Customer Deposits
- 5   **Q.    Does this conclude your testimony?**
- 6   **A.    Yes.**

Atmos Energy Corporation  
19-ATMG-525-RTS  
Staff Adjustment to Remove Construction Work in Progress  
Test Year Ending March 31, 2019

Docket No. 19-ATMG-525-RTS  
Exhibit BAH-1

<b>Line No.</b>	<b>FERC Acct</b>	<b>Description</b>	<b>Amount</b>
1	107	Construction Work in Progress Included in Application	11,110,143
2		Staff Allowed Construction Work in Progress	-
<b>3</b>	<b>107</b>	<b>Total Staff Adjustment to Construction Work in Progress</b>	<b><u><u>(11,110,143)</u></u></b>

Source: Workpaper 3A Included in Atmos' Rate Case Application

**Docket No. 19-ATMG-525-RTS**  
**Atmos Energy Corporation, Kansas Division**  
**Staff DR Set No. 1**  
**Question No. 1-189**  
**Page 1 of 1**

**REQUEST:**

DR No. 26 - CWIP

In the response to Staff Data Request No. 26, the following projects show Estimated In-Service Dates prior to the beginning of the test year:

010.31051  
010.31876  
OH.010.10000  
060.35984  
060.36649  
060.38202  
060.38348  
060.39915

Please explain why these projects are still being included in CWIP.

**RESPONSE:**

<b>Project No.</b>	<b>Status/Comments</b>
010.31051	Placed in Service 05/2019
010.31876	Placed in Service 06/2019
OH.010.10000	Overhead Project remains Open
060.35984	Project Cancelled
060.36649	Trailing Charges
060.38202	Trailing Charges
060.38348	Project Cancelled
060.39915	Trailing Charges

Respondent: Laura Gillham

### Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: 

Date: 8-23-14

<b>Line No.</b>	<b>Division</b>	<b>Project No.</b>	<b>Project Start Date</b>	<b>Estimated In-Service Date as of 3/31/2019</b>	<b>Estimated In-Service Date as of 8/31/2019</b>	<b>Note</b>
1	002	010.25486	5/1/2015	9/30/2019	9/30/2019	(1)
2	002	010.28080	6/21/2016	9/30/2019	9/30/2019	(1)
3	002	010.31316	10/1/2017	9/30/2019	9/30/2019	(1)
4	002	010.31522	11/1/2017	6/30/2019	9/30/2019	(1)(2)
5	002	010.31764	12/1/2017	9/30/2019	9/30/2019	(1)
6	012	010.34053	12/1/2018	6/30/2019	12/30/2019	(2)
7	081	060.42744	3/1/2019	6/30/2019	9/30/2019	(2)
8	081	060.42901	4/1/2019	7/31/2019	9/30/2019	(2)

**Note (1):** Reflects projects that have been in CWIP for multiple years.

**Note (2):** Reflects projects that were not placed in service by their original "Estimated In-Service Dates" and were given new "Estimated In-Service Dates" at the end of Staff's update period.

Source: Atmos' response to Staff Data Request No. 26, 185 and 266.

Atmos Energy Corporation  
 19-ATMG-525-RTS  
 Staff Adjustment to Plant in Service  
 Test Year Ending March 31, 2019

Docket No. 19-ATMG-525-RTS  
 Exhibit BAH-2

		Kansas Jurisdictional		
Line No.	Description	Atmos Plant in Service per Staff Adjustd Plant		Staff's Adjustment to Plant in Service
		Application March 31, 2019	in Service August 31, 2019	
1	General Office - Division 002	\$ 5,966,805	\$ 6,040,285	\$ 73,480
2	Customer Support - Division 012	6,123,146	6,138,027	14,881
3	Colorado/Kansas - Division 030	623,237	638,359	15,122
4	Kansas Direct - Division 081	381,678,886	389,415,472	7,736,586
<b>5</b>	<b>Staff Total Adjustment to Plant in Service</b>			<b><u>\$ 7,840,068</u></b>

Source: Section 4 included in Atmos' Rate Case Application  
 Atmos Response to Staff Data Request No. 257

Line No.	FERC Account	Description	Division 002 Plant Balance as of March 31, 2019	Division 002 Plant Balance as of August 31, 2019	Total Adjustment to Plant in Service
<b>SSU - General Plant</b>					
1	39000	Structures & Improvements	\$ 1,411,390	\$ 1,438,406	\$ 27,016
2	39009	Improvements to Leased Premises	8,999,463	9,183,258	183,795
3	39100	Office Furniture & Equipment	5,436,257	5,638,780	202,523
4	39200	Transportation Equipment	7,125	7,125	-
5	39400	Tools, Shop, & Garage Equipment	76,071	76,071	-
6	39500	Laboratory Equipment	-	-	-
7	39700	Communication Equipment	1,039,344	1,039,344	-
8	39800	Miscellaneous Equipment	136,510	136,510	-
9	39900	Other Tangible Property	-	-	-
10	39901	Other Tangible Property - Servers - Hardware	20,925,326	22,164,019	1,238,693
11	39902	Other Tangible Property - Servers - Software	7,760,298	7,777,955	17,657
12	39903	Other Tangible Property - Network - Hardware	4,625,006	4,775,967	150,961
13	39906	Other Tangible Property - PC Hardware	2,142,285	2,146,765	4,480
14	39907	Other Tangible Property - PC Software	1,508,058	1,508,058	-
15	39908	Other Tangible Property - Application Software	73,669,703	73,843,585	173,882
16	39909	Other Tangible Property - Mainframe Software	-	-	-
17		Total SSU General Plant	\$ 127,736,835	\$ 129,735,843	\$ 1,999,007
18		Kansas Allocation Factor	3.72%	3.72%	-
19		<b>SSU - General Plant - KS Allocated</b>	<b>\$ 4,751,810</b>	<b>\$ 4,826,173</b>	<b>\$ 74,363</b>
<b>Greenville Data Center - General Plant</b>					
20	39005	G - Structure & Improvements	\$ 9,187,142	\$ 9,187,142	\$ -
21	39104	G - Office Furniture & Equipment	71,036	71,036	-
22		Total Greenville General Plant	\$ 9,258,178	\$ 9,258,178	\$ -
23		KS Allocation Factor	1.52%	1.52%	-
24		<b>Greenville General Plan - KS Allocated</b>	<b>\$ 140,566</b>	<b>\$ 140,566</b>	<b>\$ -</b>
<b>SSU Distribution &amp; Marketing - General Plant</b>					
25	39020	Structures and Improvements	\$ 2,116	\$ 2,116	\$ -
26	39029	Improvements to Leased Premises	51,455	31,824	(19,630)
27	39120	Office Furniture and Equipment	263,338	263,338	-
28	39420	Tools, Shop, and Garage Equipment	-	-	-
29	39720	Communication Equipment	8,824	8,824	-
30	39820	Miscellaneous Equipment	7,388	7,388	-
31	39921	Other Tangible Property - Servers - Hardware	1,063,473	1,063,473	-
32	39922	Other Tangible Property - Servers - Software	1,461,672	1,461,672	-
33	39923	Other Tangible Property - Network - Hardware	22,205	22,205	-
34	39926	Other Tangible Property - PC - Hardware	314,379	314,379	-
35	39928	Other Tangible Property - Application Software	20,681,360	20,681,360	-
36		Total SSU Distribution & Marketing	\$ 23,876,211	\$ 23,856,581	\$ (19,630)
37		Kansas Allocation Factor	4.50%	4.50%	-
38		<b>SSU Distribution &amp; Marketing - KS Allocated</b>	<b>\$ 1,074,429</b>	<b>\$ 1,073,546</b>	<b>\$ (883)</b>
39		<b>Total Kansas Allocated Gross Plant</b>	<b>\$ 5,966,805</b>	<b>\$ 6,040,285</b>	<b>\$ 73,480</b>

Line No.	FERC Account	Description	Division 012 Plant Balance as of March 31, 2019	Division 012 Plant Balance as of August 31, 2019	Total Adjustment to Plant in Service
<b>General Plant</b>					
1	38900	Land	\$ 2,874,240	\$ 2,874,240	\$ -
2	39000	Structures & Improvements	12,731,367	12,784,597	53,230
3	39009	Improvements to Leased Premises	2,820,614	2,820,614	-
4	39100	Office Furniture & Equipment	2,398,885	2,598,219	199,334
5	39103	Office Furniture, Copiers & Type	-	-	-
6	39700	Communication Equipment	1,913,117	1,913,117	-
7	39800	Miscellaneous Equipment	71,377	71,377	-
8	39900	Other Tangible Property	-	-	-
9	39901	Other Tangible Property - Servers - Hardware	9,749,414	9,749,414	-
10	39902	Other Tangible Property - Servers - Software	2,208,691	2,208,691	-
11	39903	Other Tangible Property - Network - Hardware	629,226	629,226	-
12	39906	Other Tangible Property - PC Hardware	636,888	647,859	10,971
13	39907	Other Tangible Property - PC Software	-	-	-
14	39908	Other Tangible Property - Application Software	95,101,943	95,114,594	12,651
15		Total Division 012 General Plant	\$ 131,135,762	\$ 131,411,948	\$ 276,187
16		Kansas Allocation Factor	4.29%	4.29%	
17		<b>Division 012 General Plant - KS Allocated</b>	\$ 5,625,724	\$ 5,637,573	\$ 11,848
<b>CKV Training Center - General Plant</b>					
18	38910	CKV - Land & Land Rights	\$ 1,886,443	\$ 1,886,443	\$ -
19	39010	CKV - Structures & Improvements	12,505,541	12,542,660	37,119
20	39110	CKV - Office Furniture & Equipment	467,519	519,456	51,937
21	39210	CKV - Transportation Equipment	96,290	96,290	-
22	39410	CKV - Tools, Shop, and Garage Equipment	520,539	529,958	9,419
23	39510	CKV - Laboratory Equipment	23,632	23,632	-
24	39710	CKV - Communication Equipment	307,842	307,842	-
25	39810	CKV - Miscellaneous Equipment	526,525	526,525	-
26	39910	CKV - Other Tangible Property	295,692	295,692	-
27	39916	CKV - Other Tangible Property - PC Hardware	69,028	72,381	3,353
28	39917	CKV - Other Tangible Property - PC Software	3,299	3,299	-
29		Total CKV - General Plant	\$ 16,702,351	\$ 16,804,179	\$ 101,828
30		Kansas Allocation Factor	2.98%	2.98%	
31		<b>CKV General Plant - KS Allocated</b>	\$ 497,422	\$ 500,454	\$ 3,033
32		<b>Total Kansas Allocated Gross Plant</b>	\$ 6,123,146	\$ 6,138,027	\$ 14,881

Line No.	FERC Account	Description	Division 030 Plant Balance as of March 31, 2019	Division 030 Plant Balance as of August 31, 2019	Total Adjustment to Plant in Service
<b>General Plant</b>					
1	39009	Improvements to Leased Premises	\$ 275,783	\$ 275,783	\$ -
2	39100	Office Furniture & Equipment	374,535	381,390	6,855
3	39200	Transportation Equipment	25,513	25,513	-
4	39400	Tools, Shop, and Garage Equipment	73,057	73,057	-
5	39700	Communication Equipment	39,177	39,177	-
6	39800	Miscellaneous Equipment	40,575	40,575	-
7	39901	Other Tangible Property - Servers - Hardware	48,328	48,328	-
8	39903	Other Tangible Property - Network - Hardware	116,026	116,026	-
9	39906	Other Tangible Property - PC Hardware	69,384	89,698	20,313
10	39907	Other Tangible Property - PC Software	57,342	57,342	-
11		Total Division 030 General Plant	\$ 1,119,722	\$ 1,146,890	\$ 27,168
		Kansas Allocation Factor	55.66%	55.66%	
		<b>Division 030 General Plant - KS Allocated</b>	\$ 623,237	\$ 638,359	\$ 15,122
12		<b>Total Kansas Allocated Gross Plant</b>	\$ 623,237	\$ 638,359	\$ 15,122

Line No.	FERC Account	Description	Division 081 Plant Balance as of March 31, 2019	Division 081 Plant Balance as of August 31, 2019	Total Adjustment to Plant in Service
<b>Intangible Plant</b>					
1	30200	Franchises & Consents	\$ 37,160	\$ 37,160	\$ -
2	30300	Miscellaneous Intangible Plant	3,918	3,918	-
3		<b>Total Intangible Plant</b>	<b>\$ 41,078</b>	<b>\$ 41,078</b>	<b>\$ -</b>
<b>Underground Storage</b>					
4	35010	Land	\$ 49,164	\$ 49,164	\$ -
5	35020	Rights-of-way	568,935	568,935	-
6	35100	Structures & Improvements	102,923	102,923	-
7	35200	Wells	1,391,005	1,391,005	-
8	35202	Reservoirs	36,515	36,515	-
9	35300	Pipelines	1,156,754	1,156,754	-
10	35400	Compressor Station Equipment	2,570,713	2,651,622	80,909
11	35500	Measurement & Regulation Equipment	220,011	220,011	-
12	35600	Purification Equipment	288,382	502,375	213,993
13	35700	Other Equipment	125,321	125,321	-
14		<b>Total Underground Storage Plant</b>	<b>\$ 6,509,724</b>	<b>\$ 6,804,626</b>	<b>\$ 294,902</b>
<b>Transmission Plant</b>					
15	36500	Land and Land Rights	\$ 4,761	\$ 4,761	\$ -
16	36700	Mains Cathodic Protection	1,511,139	1,511,139	-
17	36701	Mains Steel	115,655	115,655	-
18	36900	Measurement & Regulation Station Equipment	147,567	147,567	-
19		<b>Total Transmission Plant</b>	<b>\$ 1,779,122</b>	<b>\$ 1,779,122</b>	<b>\$ -</b>
<b>Distribution Plant</b>					
20	37400	Land & Land Rights	\$ 670,926	\$ 670,926	\$ -
21	37402	Land Rights	333,483	333,483	-
22	37500	Structures & Improvements	152,685	152,685	-
23	37600	Mains Cathodic Protection	4,611,856	4,646,192	34,336
24	37601	Mains Steel	61,180,982	62,419,272	1,238,291
25	37602	Mains Plastic	123,045,481	125,233,988	2,188,507
26	37603	Anode	7,564,925	7,613,255	48,330
27	37604	Leak Clamp	8,671,667	8,786,301	114,634
28	37800	Measurement & Regulating Station Equipment-General	5,605,983	5,689,591	83,608
29	37900	Measurement & Regulation City Gate	3,479,223	3,522,231	43,008
30	37908	Measurement & Regulation Station Equipment	14,851	26,115	11,264
31	38000	Services	84,498,900	86,136,596	1,637,696
32	38100	Meters	30,561,298	32,213,541	1,652,243
33	38200	Meter Installations	27,875,041	27,947,597	72,556
34	38300	House Regulators	2,019,174	2,284,907	265,733
35	38400	House Regulator Installations	209,461	209,461	-
36	38500	Industrial Measurement & Regulation Station Equipment	1,830,296	1,830,578	282
37	38700	Other Equipment	628,454	628,454	-
38		<b>Total Distribution Plant</b>	<b>\$ 362,954,687</b>	<b>\$ 370,345,174</b>	<b>\$ 7,390,487</b>

Line No.	FERC Account	Description	Division 081 Plant Balance as of March 31, 2019	Division 081 Plant Balance as of August 31, 2019	Total Adjustment to Plant in Service
<b>Direct General Plant</b>					
37	38900	Land & Land Rights	\$ 152,535	\$ 152,535	\$ -
38	39000	Structures & Improvements	2,162,577	2,162,577	-
39	39003	Improvements	1,513	1,513	-
40	39004	Air Conditioning Equipment	36,577	50,086	13,509
41	39009	Improvements to Leased Premises	39,013	39,013	-
42	39100	Office Furniture & Equipment	483,975	482,548	(1,427)
43	39103	Office Furniture, Copiers & Type	-	-	-
44	39200	Transportation Equipment	320,552	320,552	-
45	39300	Stores Equipment	15,268	15,268	-
46	39400	Tools, Shop, & Garage Equipment	3,987,605	4,012,453	24,848
47	39500	Laboratory Equipment	12,933	12,933	-
48	39600	Power Operated Equipment	28,786	18,239	(10,547)
49	39604	Backhoes	12,569	12,569	-
50	39605	Welders	-	-	-
51	39700	Communication Equipment	670,634	684,389	13,755
52	39702	Comm. Equipment- Fixed Radios	250,007	250,007	-
53	39800	Miscellaneous Equipment	281,078	281,078	-
54	39900	Other Tangible Property	-	-	-
55	39901	Other Tangible Property - Servers - Hardware	47,499	47,499	-
56	39902	Other Tangible Property - Servers - Software	15,235	15,235	-
57	39903	Other Tangible Property - Network Hardware	679,511	688,532	9,021
58	39906	Other Tangible Property - PC Hardware	1,125,081	1,125,081	-
59	39907	Other Tangible Property - PC Software	71,326	73,363	2,038
60	39908	Other Tangible Property - Application Software	-	-	-
61		<b>Total Direct General Plant</b>	<b>\$ 10,394,275</b>	<b>\$ 10,445,472</b>	<b>\$ 51,197</b>
62		<b>Total Kansas Direct Gross Plant</b>	<b>\$ 381,678,886</b>	<b>\$ 389,415,472</b>	<b>\$ 7,736,586</b>

Atmos Energy Corporation  
 19-ATMG-525-RTS  
 Staff Adjustment to Accumulated Depreciation & Amortization  
 Test Year Ending March 31, 2019

Docket No. 19-ATMG-525-RTS  
 Exhibit BAH-3

Line No.	Description	Kansas Jurisdictional		
		Atmos Accumulated Depr. & Amortization March 31, 2019	Accumulated Depr. & Amortization August 31, 2019	Staff's Adjustment to Accumulated Depr. & Amortization
1	General Office - Division 002	\$ 2,863,303	\$ 3,027,400	\$ 164,097
2	Customer Support - Division 012	2,046,327	2,194,796	148,468
3	Colorado/Kansas - Division 030	354,441	384,982	30,541
4	Kansas Direct - Division 081	114,539,373	116,357,693	1,818,320
5	<b>Staff Total Adjustment to Accumulated Depreciation</b>			<b>\$ 2,161,428</b>

Source: Section 5 included in Atmos' Rate Case Application  
 Atmos response to Staff Data Request No. 257 and 258

Line No.	FERC Account	Description	Division 002 Accumulated Depr. & Amortization Balance as of March 31, 2019	Division 002 Accumulated Depr. & Amortization Balance as of August 31, 2019	Total Adjustment to Accumulated Depr. & Amortization
<b>SSU - General Plant</b>					
1	39000	Structures & Improvements	\$ 527,141	\$ 546,219	\$ 19,079
2	39009	Improvements to Leased Premises	9,000,668	9,059,613	58,946
3	39100	Office Furniture & Equipment	2,015,262	2,108,157	92,895
4	39102	Remittance Processing	1	1	-
5	39103	Office Machines	0	0	-
6	39200	Transportation Equipment	5,789	5,942	153
7	39400	Tools, Shop, & Garage Equipment	37,727	40,361	2,635
8	39500	Laboratory Equipment	-	-	-
9	39700	Communication Equipment	579,320	603,891	24,571
10	39800	Miscellaneous Equipment	48,317	50,184	1,867
11	39900	Other Tangible Property	1,668	1,755	87
12	39901	Other Tangible Property - Servers - Hardware	4,351,226	5,156,705	805,480
13	39902	Other Tangible Property - Servers - Software	6,771,317	7,095,379	324,063
14	39903	Other Tangible Property - Network - Hardware	2,637,041	2,786,406	149,365
15	39906	Other Tangible Property - PC Hardware	98,241	172,838	74,596
16	39907	Other Tangible Property - PC Software	321,720	363,440	41,720
17	39908	Other Tangible Property - Application Software	33,095,401	35,033,043	1,937,642
18	39909	Other Tangible Property - Mainframe Software	6,731	6,824	93
19		Total SSU General Plant	\$ 59,497,569	\$ 63,030,760	\$ 3,533,191
20		Kansas Allocation Factor	3.72%	3.72%	
21		<b>SSU - General Plant - KS Allocated</b>	\$ 2,213,310	\$ 2,344,744	\$ 131,435
<b>Greenville Data Center - General Plant</b>					
22	39005	G - Structure & Improvements	\$ 3,820,708	\$ 3,938,098	\$ 117,390
23	39104	G - Office Furniture & Equipment	33,654	34,829	1,175
24		Total Greenville General Plant	\$ 3,854,362	\$ 3,972,927	\$ 118,565
25		KS Allocation Factor	1.52%	1.52%	
26		<b>Greenville General Plan - KS Allocated</b>	\$ 58,520	\$ 60,320.39	\$ 1,800
<b>SSU Distribution &amp; Marketing - General Plant</b>					
27	39020	Structures and Improvements	\$ 53	\$ 81	\$ 28
28	39029	Improvements to Leased Premises	372	626	253
29	39120	Office Furniture and Equipment	110,040	114,429	4,389
30	39420	Tools, Shop, and Garage Equipment	388	388	-
31	39720	Communication Equipment	4,142	4,349	207
32	39820	Miscellaneous Equipment	972	1,060	88
33	39921	Other Tangible Property - Servers - Hardware	399,963	439,163	39,200
34	39922	Other Tangible Property - Servers - Software	508,583	562,039	53,456
35	39923	Other Tangible Property - Network - Hardware	8,891	10,169	1,278
36	39926	Other Tangible Property - PC - Hardware	77,387	89,631	12,244
37	39928	Other Tangible Property - Application Software	12,033,057	12,607,748	574,691
38		Total SSU Distribution & Marketing	\$ 13,143,848	\$ 13,829,683	\$ 685,835
39		Kansas Allocation Factor	4.50%	4.50%	
40		<b>SSU Distribution &amp; Marketing - KS Allocated</b>	\$ 591,473	\$ 622,336	\$ 30,863
<b>SSU Align Pipe Project - General Plant</b>					
41	39931	Other Tangible Property - Servers Hardware	\$ 74,883	\$ 86,548	\$ 11,666
42	39932	Other Tangible Property - Servers Software	71,960	84,820	12,860
43	39938	Other Tangible Property - Application Software	4,413,900	4,925,520	511,619
44		Total SSU Align Pipe General Plant	\$ 4,560,743	\$ 5,096,888	\$ 536,145
45		KS Allocation Factor	0.00%	0.00%	
46		<b>Total SSU Align Pipe Project - KS Project</b>	\$ -	\$ -	\$ -
48		<b>Total Kansas Allocated Gross Accum</b>	\$ 2,863,303	\$ 3,027,400	\$ 164,097

Line No.	FERC Account	Description	Division 012 Accumulated Depr. & Amortization Balance as of March 31, 2019	Division 012 Accumulated Depr. & Amortization Balance as of August 31, 2019	Total Adjustment to Accumulated Depr. & Amortization
<b>General Plant</b>					
1	38900	Land	\$ -	\$ -	\$ -
2	39000	Structures & Improvements	2,133,144	2,303,976	170,832
3	39009	Improvements to Leased Premises	1,733,446	1,778,216	44,770
4	39100	Office Furniture & Equipment	896,020	938,570	42,550
5	39103	Office Furniture, Copiers & Type	-	-	-
6	39700	Communication Equipment	1,114,015	1,158,867	44,852
7	39800	Miscellaneous Equipment	13,359	14,187	828
8	39900	Other Tangible Property	(154,265)	(154,265)	-
9	39901	Other Tangible Property - Servers - Hardware	4,428,162	4,780,935	352,773
10	39902	Other Tangible Property - Servers - Software	1,279,038	1,356,847	77,809
11	39903	Other Tangible Property - Network - Hardware	390,791	412,281	21,490
12	39906	Other Tangible Property - PC Hardware	(27,655)	(5,988)	21,667
13	39907	Other Tangible Property - PC Software	(57,199)	(57,199)	-
14	39908	Other Tangible Property - Application Software	33,327,676	35,850,283	2,522,607
15		Total Division 012 General Plant	\$ 45,076,532	\$ 48,376,709	\$ 3,300,177
16		Kansas Allocation Factor	4.29%	4.29%	
17		<b>Division 012 General Plant - KS Allocated</b>	\$ 1,933,783	\$ 2,075,361	\$ 141,578
<b>CKV Training Center - General Plant</b>					
18	38910	CKV - Land & Land Rights	\$ -	\$ -	\$ -
19	39010	CKV - Structures & Improvements	3,067,907	3,238,526	170,618
20	39110	CKV - Office Furniture & Equipment	54,092	62,779	8,687
21	39210	CKV - Transportation Equipment	94,450	95,030	580
22	39410	CKV - Tools, Shop, and Garage Equipment	137,343	155,882	18,539
23	39510	CKV - Laboratory Equipment	17,161	18,145	984
24	39710	CKV - Communication Equipment	163,478	170,543	7,065
25	39810	CKV - Miscellaneous Equipment	144,381	149,289	4,908
26	39910	CKV - Other Tangible Property	102,174	119,414	17,240
27	39916	CKV - Other Tangible Property - PC Hardware	36,204	38,869	2,665
28	39917	CKV - Other Tangible Property - PC Software	(28,232)	(28,141)	91
33	39918	Other Tangible Property - Application Software	(9,966)	(9,966)	-
34		Total CKV - General Plant	\$ 3,778,992	\$ 4,010,369	\$ 231,377
35		Kansas Allocation Factor	2.98%	2.98%	
36		<b>CKV General Plant - KS Allocated</b>	\$ 112,544	\$ 119,435	\$ 6,891
37		<b>Total Kansas Allocated Gross Accum</b>	\$ 2,046,327	\$ 2,194,796	\$ 148,468

Line No.	FERC Account	Description	Division 030 Accumulated Depr. & Amortization Balance as of March 31, 2019	Division 030 Accumulated Depr. & Amortization Balance as of August 31, 2019	Total Adjustment to Accumulated Depr. & Amortization
<b>General Plant</b>					
1	39009	Improvements to Leased Premises	\$ 193,289	\$ 207,159	\$ 13,870
2	39100	Office Furniture & Equipment	175,304	187,690	12,386
3	39200	Transportation Equipment	17,331	19,482	2,152
4	39400	Tools, Shop, and Garage Equipment	73,057	73,057	-
5	39700	Communication Equipment	10,033	11,775	1,742
6	39800	Miscellaneous Equipment	40,575	40,575	-
7	39901	Other Tangible Property - Servers - Hardware	(6,995)	(2,626)	4,370
8	39903	Other Tangible Property - Network - Hardware	60,805	69,956	9,151
9	39906	Other Tangible Property - PC Hardware	25,730	32,776	7,045
10	39907	Other Tangible Property - PC Software	14,368	18,524	4,156
11	Retirement Work in Progress		33,298	33,298	-
12	Total Division 030 General Plant		\$ 636,796	\$ 691,667	\$ 54,871
	Kansas Allocation Factor		55.66%	55.66%	
	<b>Division 030 General Plant - KS Allocated</b>		\$ 354,441	\$ 384,982	\$ 30,541
13	<b>Total Kansas Allocated Gross Accum</b>		\$ 354,441	\$ 384,982	\$ 30,541

Line No.	FERC Account	Description	Division 081 Accumulated Depr. & Amortization Balance as of March 31, 2019	Division 081 Accumulated Depr. & Amortization Balance as of August 31, 2019	Total Adjustment to Accumulated Depr. & Amortization
<b>Intangible Plant</b>					
1	30100	Organization	\$ (25,000)	\$ (25,000)	\$ -
2	30200	Franchises & Consents	15,036	15,036	-
3	30300	Miscellaneous Intangible Plant	(10,081)	(10,081)	-
4		<b>Total Intangible Plant</b>	<b>\$ (20,045)</b>	<b>\$ (20,045)</b>	<b>\$ -</b>
<b>Underground Storage</b>					
5	35010	Land	\$ -	\$ -	\$ -
6	35020	Rights-of-way	476,535	480,589	4,054
7	35100	Structures & Improvements	98,143	98,988	845
8	35200	Wells	582,056	593,996	11,939
9	35202	Reservoirs	36,515	36,515	-
10	35300	Pipelines	520,570	528,041	7,471
11	35400	Compressor Station Equipment	1,207,390	1,217,431	10,040
12	35500	Measurement & Regulation Equipment	220,011	220,011	-
13	35600	Purification Equipment	288,382	290,255	1,873
14	35700	Other Equipment	125,321	125,321	-
15		<b>Total Underground Storage Plant</b>	<b>\$ 3,554,924</b>	<b>\$ 3,591,146</b>	<b>\$ 36,222</b>
<b>Transmission Plant</b>					
16	36500	Land and Land Rights	\$ -	\$ -	\$ -
17	36700	Mains Cathodic Protection	197,544	210,514	12,971
18	36701	Mains Steel	24,676	25,688	1,012
19	36800	Compressor Station Equipment	(12,031)	(12,031)	-
20	36900	Measurement & Regulation Station Equipment	58,937	61,120	2,183
21		<b>Total Transmission Plant</b>	<b>\$ 269,126</b>	<b>\$ 285,291</b>	<b>\$ 16,165</b>
<b>Distribution Plant</b>					
22	37400	Land & Land Rights	\$ (797)	\$ (797)	\$ -
23	37402	Land Rights	118,173	121,049	2,876
24	37500	Structures & Improvements	114,047	116,191	2,144
25	37600	Mains Cathodic Protection	1,439,258	1,478,168	38,910
26	37601	Mains Steel	10,775,631	11,081,965	306,333
27	37602	Mains Plastic	29,272,382	30,143,444	871,062
28	37603	Anode	1,161,107	1,206,423	45,315
29	37604	Leak Clamp	1,643,551	1,679,313	35,761
30	37800	Measurement & Regulating Station Equipment-General	1,745,379	1,835,667	90,289
31	37900	Measurement & Regulation City Gate	907,876	952,656	44,780
32	37908	Measurement & Regulation Station Equipment	8,933	9,387	454
33	38000	Services	34,177,308	35,037,174	859,866
34	38100	Meters	16,855,712	17,190,184	334,472
35	38200	Meter Installations	7,504,652	6,536,487	(968,165)
36	38300	House Regulators	(727,712)	(712,364)	15,348
37	38400	House Regulator Installations	251,354	251,354	-
38	38500	Industrial Measurement & Regulation Station Equipment	622,856	654,815	31,959
39	38700	Other Equipment	636,948	637,733	786
40		<b>Total Distribution Plant</b>	<b>\$ 106,506,658</b>	<b>\$ 108,218,848</b>	<b>\$ 1,712,190</b>

Line No.	FERC Account	Description	Division 081 Accumulated Depr. & Amortization Balance as of March 31, 2019	Division 081 Accumulated Depr. & Amortization Balance as of August 31, 2019	Total Adjustment to Accumulated Depr. & Amortization
<b>Direct General Plant</b>					
41	38900	Land & Land Rights	\$ -	\$ -	\$ -
42	39000	Structures & Improvements	532,186	554,803	22,617
43	39003	Improvements	621	637	16
44	39004	Air Conditioning Equipment	2,440	2,907	467
45	39009	Improvements to Leased Premises	23,162	23,745	584
46	39100	Office Furniture & Equipment	328,313	341,677	13,364
47	39103	Office Furniture, Copiers & Type	(2,256)	(2,198)	58
48	39200	Transportation Equipment	285,112	285,112	-
49	39300	Stores Equipment	1,506	1,739	233
50	39400	Tools, Shop, & Garage Equipment	1,743,767	1,766,176	22,409
51	39500	Laboratory Equipment	10,242	10,673	431
52	39600	Power Operated Equipment	(99,407)	(108,771)	(9,364)
53	39603	Ditchers	(42,312)	(42,312)	-
54	39604	Backhoes	(66,401)	(65,911)	491
55	39605	Welders	(12,383)	(12,383)	-
56	39700	Communication Equipment	421,728	447,023	25,295
57	39702	Comm. Equipment- Fixed Radios	126,886	135,581	8,695
58	39800	Miscellaneous Equipment	70,531	78,405	7,874
59	39900	Other Tangible Property	(3,220)	(3,220)	-
60	39901	Other Tangible Property - Servers - Hardware	23,646	26,474	2,828
61	39902	Other Tangible Property - Servers - Software	4,354	5,261	907
62	39903	Other Tangible Property - Network Hardware	255,561	289,703	34,142
63	39906	Other Tangible Property - PC Hardware	558,626	621,430	62,804
64	39907	Other Tangible Property - PC Software	39,382	43,726	4,344
65	39908	Other Tangible Property - Application Software	-	-	-
66		<b>Total Direct General Plant</b>	\$ 4,202,085	\$ 4,400,281	\$ 198,195
67	RWIP	Retirement Work in Progress	26,625	(117,827)	(144,452)
68		<b>Total Kansas Direct Gross Plant</b>	\$ 114,539,373	\$ 116,357,693	\$ 1,818,320

Atmos Energy Corporation  
19-ATMG-525-RTS  
Staff Adjustment to Accumulated Deferred Income Taxes  
Test Year Ending March 31, 2019

Docket No. 19-ATMG-525-RTS  
Exhibit BAH-4

Line No.	Description	Amount
1	Total Accumulated Deferred Income Taxes included in Application	(26,427,412)
2	Staff Adjusted Accumulated Deferred Income Taxes as of August 31, 2019	(27,509,204)
<b>3</b>	<b>Adjustment to Accumulated Deferred Income Taxes</b>	<b><u>\$ (1,081,792)</u></b>

Source: Section 14 included in Atmos Rate Case Application  
Atmos Response to Staff Data Request No. 260 and 267

Atmos Energy Corporation  
 19-ATMG-525-RTS  
 Staff Adjustment to Accumulated Deferred Income Taxes  
 Test Year Ending March 31, 2019

Docket No. 19-ATMG-525-RTS  
 Exhibit BAH-4a

Line No.	Division	Account Number			Per Book Total (1) (e) = (b) +(c) + (d)	Allocation Factor (f)	Total Kansas (g) = (e) * (f)
		1900 (b)	2820 (c)	2830 (d)			
1	<u>Direct</u>						
2	Kansas Direct	\$ 9,706,498	\$ (58,280,222)	\$ (943,691)	\$ (49,517,416)	100%	\$ (49,517,416)
3							
4	<u>Allocated</u>						
5	General Office Division 002	\$ 479,970,871	\$ (21,466,769)	\$ 19,251,298	\$ 477,755,401	3.72%	\$ 17,772,501
6	Customer Support Division 012	40,618	(17,809,794)	(1,849,764)	(19,618,940)	4.29%	(841,653)
7	Colorado/Kansas General Office Division 030	1,188,375	(434,590)	(556,905)	196,880	55.66%	109,583
8							
9	Total Unadjusted Accumulated Deferred Income Taxes as of August 31, 2019				\$ 408,815,924		\$ (32,476,984)
10							
11							
12	Division	Per Book Total	Atmos and Staff Adjustment	Reference	Per Book With Adjustments	Allocation Factor	Adjusted Amount
13	(a)	(b)	(c)	(d)	(e) = (b) - (c)	(f)	(g) = (e) * (f)
14	<u>Direct</u>						
15	Kansas Direct	\$ (49,517,416)	\$ 482,870		\$ (50,000,286)	100%	\$ (50,000,286)
16							
17	<u>Allocated</u>						
18	General Office Division 002	\$ 477,755,401	\$ (140,680,313)		\$ 618,435,714	3.72%	\$ 23,005,809
19	Customer Support Division 012	(19,618,940)	(734,191)		(18,884,749)	4.29%	(810,156)
20	Colorado/Kansas General Office Division 030	196,880	(333,894)		530,774	55.66%	295,429
21							
22	<b>Total Adjusted ADIT as of August 31, 2019</b>	<b>\$ 408,815,924</b>	<b>\$ (141,265,529)</b>		<b>\$ 550,081,453</b>		<b>\$ (27,509,204)</b>

Atmos Energy Corporation

19-ATMG-525-RTS

Staff Adjustment to Accumulated Deferred Income Taxes

Test Year Ending March 31, 2019

Docket No. 19-ATMG-525-RTS

Exhibit BAH-4b

Line No.	Description	Division 002 General Office	Division 012 Customer Support	Colorado/Kansas General Office Division 030	Kansas Direct
<b>Atmos Adjustments to ADIT</b>					
1	Section 481(a) Cushion Gas	\$ 343,370	\$ -	\$ -	\$ -
2	Section 481(a) Line Pack Gas	41,663	-	-	-
3	ST - Enterprise Zone ITC	1,933,673	-	-	-
4	Deferred Gas Costs	-	-	-	521,511
5	Over Recoveries of PGA	-	-	-	(1,139,746)
6	FD - NOL Credit Carryforward - Non Reg	(163,669,568)	-	-	-
7	FD-NOL Credit Carryforward - Other	5,502,949	-	-	-
<b>Staff Adjustments to ADIT</b>					
8	Pension Expense	(5,023,124)	-	-	-
9	FAS106 Adjustment	5,920,476	-	(528,872)	-
10	Regulatory Liability - Mid Tex	-	-	-	1,202,549
11	Restricted Stock - MP	9,450,594	-	-	-
12	Restricted Stock Grant Plan	7,917	-	-	-
13	Directors Stock Awards	3,465,816	-	-	-
14	MIP/VIPP Accrual	1,345,921	(734,191)	194,978	(101,444)
<b>15</b>	<b>Total (Sum of Line 1 - Line 7)</b>	<b>\$ (140,680,313)</b>	<b>\$ (734,191)</b>	<b>\$ (333,894)</b>	<b>\$ 482,870</b>

Line No.	Adjustment Description	Category	Adj Code	Div 081	Div 002	Div 012	Div 030
				Fiscal 2019 8/31/2019	Fiscal 2019 8/31/2019	Fiscal 2019 8/31/2019	Fiscal 2019 8/31/2019
1	Environmental Activities	ACC	ACC01	-	-	-	-
2	Ad Valorem Taxes	ACC	ACC02	-	-	-	-
3	Directors Deferred Bonus	ACC	ACC03	-	103,392	-	-
4	MIP/VPP Accrual	ACC	ACC04	(200,683)	2,662,584	(1,452,422)	385,717
5	Accrued Environmental Asset	ACC	ACC05	-	-	-	-
6	Miscellaneous Accrued	ACC	ACC06	-	5,992	-	-
7	Self Insurance - Adjustment	ACC	ACC08	-	3,125,968	-	-
8	Vacation Accrual	ACC	ACC11	-	(1,288)	(9,526)	4,781
9	Worker's Comp Insurance Reserve	ACC	ACC12	33,291	70,459	313	305,024
10	<b>Accrual - Subtotal</b>			<b>(167,392)</b>	<b>5,967,107</b>	<b>(1,461,635)</b>	<b>695,522</b>
11	Rabbi Trust - True Up	BEN	NBP01	-	-	-	-
12	SEBP Adjustment	BEN	NBP03	-	16,806,396	-	239,421
13	Rabbi Trust MVG	BEN	NBP04	-	-	-	-
14	Restricted Stock Grant Plan	BEN	NBP05	-	10,229	-	-
15	Rabbi Trust	BEN	NBP06	-	901,834	-	-
16	Excess Capital Loss ovr Capital Gain	BEN	NBP08	-	-	-	-
17	Restricted Stock - MIP	BEN	NBP13	-	9,450,594	-	-
18	Director's Stock Awards	BEN	NBP16	-	4,477,825	-	-
19	Director's Stock - Temp	BEN	NBP18	-	-	-	-
20	Pension Expense	BEN	PEN01	-	(5,023,124)	-	-
21	FAS106 Adjustment	BEN	PRB01	-	5,920,476	-	(528,872)
22	<b>Benefits - Subtotal</b>			-	<b>32,544,230</b>	-	<b>(289,451)</b>
23	CWIP	CWIP/RWIP	FXA26	(26,134)	(2,038,243)	(627,317)	(654)
24	RWIP	CWIP/RWIP	FXA47	(154,965)	(2,367)	(86)	(96)
25	<b>CWIP/RWIP - Subtotal</b>			<b>(181,099)</b>	<b>(2,040,610)</b>	<b>(627,403)</b>	<b>(750)</b>
26	Fixed Asset Cost Adjustment	FXA	FXA01	(39,998,133)	(24,756,420)	(24,917,562)	118,015
27	Depreciation Adjustment	FXA	FXA02	(18,084,991)	4,945,228	7,735,173	(551,856)
28	Book Gain/Loss on Sale of Fixed Assets	FXA	FXA03	-	-	-	-
29	Tax Gain/Loss on Sale of Fixed Assets	FXA	FXA04	-	-	-	-
30	Section 481(a) Cushion Gas	FXA	FXA13	-	343,370	-	-
31	Section 481(a) Line Pack Gas	FXA	FXA14	-	41,663	-	-
32	IRS Audit Assessment - Cost	FXA	FXA15	-	-	-	-
33	IRS Audit Assessment - Accum	FXA	FXA16	-	-	-	-
34	Repair % Completion Allowance	FXA	FXA41	-	-	-	-
35	Section 481(a) TPR	FXA	FXA46	(15,996)	-	-	-
36	<b>Plant - Subtotal</b>			<b>(58,099,120)</b>	<b>(19,426,159)</b>	<b>(17,182,389)</b>	<b>(433,841)</b>
37	Deferred Gas Costs	GCA	GCA01	521,511	-	-	-
38	Over Recoveries of PGA	GCA	GCA03	(1,139,746)	-	-	-
39	PGA - Amended Item	GCA	GCA04	-	-	-	-
40	<b>Gas Cost Adjustment - Subtotal</b>			<b>(618,235)</b>	-	-	-
41	LGS - Goodwill Amortization	GDW	ONT13	-	-	-	-
42	TXU - Goodwill Amortization	GDW	ONT49	-	-	-	-
43	<b>Goodwill - Subtotal</b>			-	-	-	-
44	Customer Advances	ONT	CAP01	165,433	-	-	-
45	Amoritzation - LGS Acq. 1810-13523	ONT	DTE01	-	-	-	-
46	Deferred Expense Projects	ONT	DTE09	(18,469)	-	-	-
47	Amoritzation - LGS Acq. 1810-14155	ONT	DTE12	-	-	-	-
48	Deferred Projects - TXU Acquisition	ONT	DTE14	-	-	-	-
49	RAR 91/93 Bond Cost Amortized	ONT	DVA05	-	-	-	-
50	RAR 91/93 Bond Cost Capitalized	ONT	DVA06	-	-	-	-
51	DIG on Fixed Assets	ONT	DVA16	-	-	-	-
52	DIG on Fixed Assets - UCG Storage	ONT	DVA18	-	-	-	-
53	DIG on Fixed Assets - WKG	ONT	DVA19	-	-	-	-
54	RAR 86/90 Lease Expense Amortiz.	ONT	DVA26	-	-	-	-
55	MVG Right of Way	ONT	DVA35	-	-	-	-
56	Amortization - ComfurT Goodwill	ONT	DVA37	-	-	-	-
57	Deferred ITC - GGC	ONT	ITC01	-	-	-	-
58	Deferred ITC - UCG Non-Utility	ONT	ITC02	-	-	-	-
59	Deferred ITC - UCG	ONT	ITC03	-	-	-	-

Line No.	Adjustment Description	Category	Adj Code	Div 081	Div 002	Div 012	Div 030
				Fiscal 2019 8/31/2019	Fiscal 2019 8/31/2019	Fiscal 2019 8/31/2019	Fiscal 2019 8/31/2019
60	Deferred ITC - MVG	ONT	ITC04	-	-	-	-
61	Regulatory Liability - GGC	ONT	ITC05	-	-	-	-
62	Capitalized Selling Expense	ONT	NTE03	-	-	-	-
63	UNICAP Section 263A Costs	ONT	NTE11	(10,700)	-	-	223,504
64	481(a) UNICAP	ONT	NTE15	-	-	-	-
65	UNICAP - IRS Audit	ONT	NTE19	-	-	-	-
66	Allowance for Doubtful Accounts	ONT	ONT02	123,445	1	-	29,930
67	Clearing Account - Adjustment	ONT	ONT03	-	667	-	-
68	Charitable Contribution Carryover	ONT	ONT04	16,615	5,290,312	1,141	-
69	RAR CFWE 1990-1985	ONT	ONT06	-	-	-	-
70	Union Gas - Non Compete	ONT	ONT21	-	-	-	-
71	Monarch - Non Compete	ONT	ONT22	-	-	-	-
72	Palmyra - Non Compete	ONT	ONT23	-	-	-	-
73	Prepayments	ONT	ONT31	(5,442)	(5,834,989)	(387,816)	-
74	Rate Case Accrual	ONT	ONT32	-	-	-	-
75	Research and Development Expenses	ONT	ONT33	-	-	-	-
76	Partnership Investment - Unitary	ONT	ONT37	-	-	-	-
77	Inventory Adjustment	ONT	ONT44	-	-	-	-
78	Stock Option Expense	ONT	ONT50	-	-	-	-
79	Prepayments - MVG	ONT	ONT51	-	-	-	-
80	WACOG to FIFO Adjustment	ONT	ONT52	-	-	-	(24,290)
81	Tax Free Interest - Temp	ONT	ONT58	-	-	-	-
82	Federal & State Tax Interest	ONT	ONT61	-	772,634	-	-
83	Prepayments - IRS Audits	ONT	ONT64	-	-	-	-
84	VA Charitable Contributions	ONT	ONT67	-	-	-	-
85	Reg Asset Benefit Accrual	ONT	ONT68	-	-	-	-
86	TX Rule 8.209 Reg Asset Deferral	ONT	ONT69	-	-	-	-
87	LA SIIP Reg Asset	ONT	ONT70	-	-	-	-
88	Intra Period Tax Allocation	ONT	OTH	(90,165)	(1,209,470)	39,163	(3,744)
89	Regulatory Asset - LGS Amortization	ONT	RGA01	-	-	-	-
90	Regulatory Asset - Mid Tex	ONT	RGA03	-	-	-	-
91	Regulatory Liability - Atmos 109	ONT	RGL01	-	-	-	-
92	Regulatory Liability - Mid-Tex	ONT	RGL02	1,202,549.00	-	-	-
93	Regulatory Liability - GGC 109	ONT	RGL03	-	-	-	-
94	Regulatory Liability - UCGC 109	ONT	RGL04	-	-	-	-
95	Regulatory Liability - UCGC Rate	ONT	RGL05	-	-	-	-
96	Regulatory Liability - 2017 Gross Up	ONT	RGL06	4,262,483	-	-	-
97	<b>Other - Subtotal</b>			<b>5,645,749</b>	<b>(980,845)</b>	<b>(347,512)</b>	<b>225,400</b>
98	FD-NOL Credit Carryforward - Non Reg	TAX	TAX02NR	-	(163,669,568)	-	-
99	FD-NOL Credit Carryforward - Utility	TAX	TAX02U	-	586,870,622	-	-
100	FD-NOL Credit Carryforward - Other	TAX	TAX02OT	-	5,502,949	-	-
101	ST-State Net Operating Loss	TAX	TAX04	5,942,064	-	-	-
102	ST-State Bonus Depreciation	TAX	TAX05	-	-	-	-
103	FD-FAS 115 Adjustment	TAX	TAX06	-	(2,466,303)	-	-
104	FD-Treasury Lock Adjustment	TAX	TAX08	-	-	-	-
105	FD-Other	TAX	TAX10	-	-	-	-
106	FD-Federal Benefit on State Bonus	TAX	TAX11	-	-	-	-
107	FD-Federal Benefit on State NOL	TAX	TAX12	(1,247,833)	-	-	-
108	ST-Other	TAX	TAX43	-	-	-	-
109	ST - Valuation Allow on State NOL	TAX	TAX13	(1,001,957)	-	-	-
110	FD - Valuation on Fed Tax of St NO	TAX	TAX14	210,411	-	-	-
111	FD-FAS 158 Measurement Date Change	TAX	TAX22	-	-	-	-
112	FD-AMT Minimum Tax Credit	TAX	TAX23	-	-	-	-
113	ST- Valuation Allow Enterprise Zone ITC	TAX	TAX37	-	(120,928)	-	-
114	FD- Valuation Allow Fed Tax Enterprise Zone ITC	TAX	TAX38	-	25,395	-	-
115	ST-Enterprise Zone ITC	TAX	TAX39	-	1,933,673	-	-
116	FD-Treasury Lock Adjustment-Realized	TAX	TAX40	-	34,021,536	-	-
117	FD-Treasury Lock Adjustment-Unrealized	TAX	TAX41	-	-	-	-
118	FD -Federal Tax on Enterprise ITC	TAX	TAX42	-	(406,071)	-	-
119	<b>Other Tax Effected Items - Subtotal</b>			<b>3,902,685</b>	<b>461,691,305</b>	-	-
120	<b>Total Accumulated Deferred Income Tax</b>			<b>(49,517,412)</b>	<b>477,755,028</b>	<b>(19,618,939)</b>	<b>196,880</b>

**Docket No. 19-ATMG-525-RTS**  
**Atmos Energy Corporation, Kansas Division**  
**Staff DR Set No. 1**  
**Question No. 1-298**  
**Page 1 of 1**

**REQUEST:**

The Response to Staff Data Request No. 268 states "The ADIT item 'Regulatory Liability - Mid Tex' balance relates to the regulatory assets for pension (FAS87) and post-retirement benefit obligations (FAS 106) for all of Atmos Energy, not just Mid Tex."

Does the "Regulatory Liability - Mid Tex" balance of \$1,202,549 included in the file "Staff\_1-267\_Att1\_Suppl\_Kansas\_Div\_8-31-19\_ADIT\_Adj\_To\_Rates" provided in the supplemental response to the subject DR also relate to pension (FAS 87) and post-retirement benefit obligations (FAS 106) for all of Atmos Energy?

If yes, please explain why this balance included in the KS Direct (Div 081) amount of ADIT and not allocated to other divisions?

**RESPONSE:**

Yes, the referenced ADIT item also relates to pension and post-retirement benefit obligations. Please see the Company's response to Staff DR No. 1-297 for the recalculated August 2019 balance.

Respondent: Jennifer Story

### Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: \_\_\_\_\_

*Jennifer K. Stoney*

Date: \_\_\_\_\_

*10-2-19*

Atmos Energy Corporation  
19-ATMG-525-RTS  
Staff Adjustment to Customer Deposits  
Test Year Ending March 31, 2019

Docket No. 19-ATMG-525-RTS  
Exhibit BAH-5

<b>Line No.</b>	<b>FERC Acct</b>	<b>KS Direct Amount</b>
1	Customer Deposits 13 Month Average March 31, 2019	842,605
2	Customer Deposits Ending Balance August 31, 2019	802,103
<b>3</b>	<b>235 Staff's Adjustment to Customer Deposits</b>	<b><u>\$ (40,502)</u></b>

Source: Workpaper 'WP 14-3 Cust Dep' included in Atmos Rate Case Application  
Atmos response to Staff Data Request No. 262

WP 14-3 Cust Dep

Staff Data Request No. 262

Month	Kansas Direct Customer Deposits	
Mar-18	\$	895,039
Apr-18		884,276
May-18		881,109
Jun-18		863,727
Jul-18		847,875
Aug-18		853,113
Sep-18		849,810
Oct-18		815,893
Nov-18		812,240
Dec-18		807,038
Jan-19		806,164
Feb-19		814,950
Mar-19		822,630
<b>13-Month Avg</b>	<b>\$</b>	<b>842,605</b>

Month	Kansas Direct Customer Deposits	
Aug-18	\$	853,113
Sep-18		849,810
Oct-18		815,893
Nov-18		812,240
Dec-18		807,038
Jan-19		806,164
Feb-19		814,950
Mar-19		822,630
Apr-19		819,494
May-19		818,510
Jun-19		810,087
Jul-19		805,643
Aug-19		802,103
<b>13-Month Avg</b>	<b>\$</b>	<b>818,283</b>

Atmos Energy Corporation  
 19-ATMG-525-RTS  
 Staff Adjustment to Prepayments  
 Test Year Ending March 31, 2019

Docket No. 19-ATMG-525-RTS  
 Exhibit BAH-6

Line No.	FERC Acct	Description	13 Month Average March 31, 2019	13 Month Average August 31, 2019	Staff Adjustment Kansas Allocated
1		General Office Division 002	\$ 1,298,083	\$ 1,363,254	\$ 65,171
2		Customer Support Division 012	88,516	86,082	(2,434)
3		Colorado/Kansas General Office Division 030	17,893	16,853	(1,040)
4		Kansas Direct Division 081	1,767	2,248	481
<b>5</b>	<b>165</b>	<b>Total Staff Adjustment to Prepayments</b>			<b>\$ 62,178</b>

Source: Workpaper 'WP 6-1-1 Prepayments' Included in Section 6 of Atmos Rate Case Application  
 Atmos' response to Staff Data Request No. 264

Line No.	Sub Account No.	Description	13 Month Average March 31, 2019	13 Month Average August 31, 2019	Staff Adjustment
	(a)	(b)	(c)	(d)	(d) - (c)
1	Division 002 General Office				
2	13000	Prepaid Expense Misc	205,258	8,853	(196,405)
3	13001	Prepaid - Worker's Comp Ins	(1,846)	(1,654)	192
4	13004	Prepaid - Insurance - Other	37,470	41,632	4,163
5	13005	Prepaid - Insurance - D&O	793,540	918,538	124,998
6	13006	Prepaid - Insurance - Public Liability	7,934,292	7,411,029	(523,263)
7	13012	Prepaid - COLI Ins Premium	128,142	130,486	2,344
8	13013	Prepaid - SS Mailroom Postage Machine	(1,065)	(1,763)	(697)
9	13015	Prepaid - Postage for Cust Billing	257,005	234,655	(22,350)
10	13017	Prepaid - Postage Due	6,328	5,997	(331)
11	13022	Prepaid Rent - Gilliland	114,642	115,603	961
12	13027	Prepaid - Southern Gas Dues	22,292	20,965	(1,327)
13	13028	Prepaid - American Gas Dues	537,989	517,592	(20,397)
14	13035	Prepaid - Revolving Credit Facility	1,373,273	1,443,670	70,397
15	13067	Prepaid - Blueflame Property Insurance	3,666,165	3,456,400	(209,765)
16	13124	Ppd SW & HW Maint	19,675,677	22,166,863	2,491,186
17	13128	Prepaid - KPMG Internal Audit	69,231	115,385	46,154
18	13130	Prepaid - Rating Agency Fee	170,930	157,308	(13,622)
19	13201	Prepaid admin fee BBT 200mm	5,385	5,064	(321)
20	13205	Ppd - ARI 6 year contract extension	(100,000)	(100,000)	-
21	Division 002 Total (Sum of Lines 2 thru 20)		\$ 34,894,706	\$ 36,646,625	\$ 1,751,919
22	Allocation Percentage		3.72%	3.72%	3.72%
23	Division 002 Total Allocated to Kansas		<b>\$ 1,298,083</b>	<b>\$ 1,363,254</b>	<b>\$ 65,171</b>
24	Division 012 Customer Support				
25	13124	Ppd SW & HW Maint	2,063,308	2,006,574	(56,734)
26	Division 012 Total (Line 24)		\$ 2,063,308	\$ 2,006,574	\$ (56,734)
27	Allocation Percentage		4.29%	4.29%	4.29%
28	Division 012 Total Allocated to Kansas		<b>\$ 88,516</b>	<b>\$ 86,082</b>	<b>\$ (2,434)</b>
29	Division 030 Colorado/Kansas General Office				
30	13012	Prepaid-COLI Ins Premium	32,148	30,279	(1,869)
31	Division 030 Total (Line 28)		\$ 32,148	\$ 30,279	\$ (1,869)
32	Allocation Percentage		55.66%	55.66%	55.66%
33	Division 030 Total Allocated to Kansas		<b>\$ 17,893</b>	<b>\$ 16,853</b>	<b>\$ (1,040)</b>
34	Division 081 Kansas Direct				
35	13090	Prepaid DOT Fee/Right-of-Way	1,767	2,248	481
36	Division 081 Total (Line 32)		<b>\$ 1,767</b>	<b>\$ 2,248</b>	<b>\$ 481</b>

Atmos Energy Corporation  
19-ATMG-525-RTS  
Staff Adjustment to Underground Storage Gas  
Test Year Ending March 31, 2019

Docket No. 19-ATMG-525-RTS  
Exhibit BAH-7

<b>Line No.</b>	<b>FERC Acct</b>		<b>KS Direct Amount</b>
1		Underground Storage Gas - 13 Month Average - March 31, 2019	\$ 8,179,691
2		Underground Storage Gas - 13 Month Average - August 31, 2019	8,707,472
<b>3</b>	<b>1641</b>	<b>Staff's Adjustment to Underground Storage Gas</b>	<b><u>\$ 527,781</u></b>

Source: Workpaper 'WP 6-2 Storage Gas' included in Section 6 of Atmos Rate Case Application  
Atmos response to Staff Data Request No. 265

WP 6-2 Storage Gas

Staff Data Request No. 265

<b>Month</b>	<b>Kansas Jurisdiction</b>
Mar-18	\$ 4,785,203
Apr-18	4,752,237
May-18	5,958,451
Jun-18	7,411,488
Jul-18	8,018,028
Aug-18	9,290,921
Sep-18	11,645,765
Oct-18	12,873,956
Nov-18	11,534,949
Dec-18	10,355,195
Jan-19	8,285,358
Feb-19	6,324,041
Mar-19	5,100,389
<b>13-Month Avg</b>	<b>\$ 8,179,691</b>

<b>Month</b>	<b>Kansas Jurisdiction</b>
Aug-18	\$ 9,290,921
Sep-18	11,645,765
Oct-18	12,873,956
Nov-18	11,534,949
Dec-18	10,355,195
Jan-19	8,285,358
Feb-19	6,324,041
Mar-19	5,100,389
Apr-19	4,986,220
May-19	6,046,464
Jun-19	7,653,390
Jul-19	9,114,266
Aug-19	9,986,221
<b>13-Month Avg</b>	<b>\$ 8,707,472</b>

		Kansas Jurisdictional		
Line No.	Description	Adjustment to Depreciation Expense Related to Staff's Plant Update	Adjustment to Depreciation Expense Related to Staff's Proposed Depreciation Rates	Staff's Adjustment to Depreciation Expense
1	Division 81 - Kansas Direct	\$ 285,039	\$ (2,716,947)	\$ (2,431,908)
2	Division 002 - General Office	15,323	-	15,323
3	Division 012 - Customer Support	560	-	560
4	Division 030 - Colorado / Kansas	2,785	-	2,785
	Total Adjustment	<u>\$ 303,708</u>	<u>\$ (2,716,947)</u>	
<b>5</b>		<b>Total Staff Adjustment to Depreciation Expense</b>		<u><u>\$ (2,413,239)</u></u>

Source: Section 10 included in Atmos Rate Case Application  
 Atmos Response to Staff Data Request No. 259

Line No.	FERC Account	Description	(1)		(2)		Note 1		(3)			Note 2						
			A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	
			Pro Forma Adjusted Plant In Service 3/31/2019	Atmos Proposed Depreciation Rate	Pro-Forma Capitalized Depreciation Expense	Projected Proforma Depreciation Expense	Staff's Pro Forma Adjusted Depreciable Plant 8/31/2019	Atmos Proposed Depreciation Rate	Pro-Forma Capitalized Depreciation Expense	Staff Adjusted Depreciation Expense for Plant Update	Adjustment to Depreciation Exp Related to Staff's Plant Update	Staff's Pro Forma Adjusted Depreciable Plant 8/31/2019	Staff's Proposed Depreciation Rate	Pro-Forma Capitalized Depreciation Expense	Staff's Pro Forma Depreciation Expense	Adjustment to Depreciation Exp Related to Staff's Proposed Rates	Staff's Depreciation Expense	
			(A)(B)-(C)			(E)(F)-G			(H) - (D)		(E)		(J)(K)-L		(M) - (H)		(I) + (N)	
<b>Intangible Plant</b>																		
1	30200	Franchises and consents	\$ 37,160	0.00%	\$ -	\$ -	\$ 37,160	0.00%	\$ -	\$ -	\$ -	\$ 37,160	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -
2	30300	Miscellaneous Intangible Plant	3,918	0.00%	-	-	3,918	0.00%	-	-	-	3,918	0.00%	-	-	-	-	-
3		<b>Total Intangible Plant</b>	\$ 41,078		\$ -	\$ -	\$ 41,078		\$ -	\$ -	\$ -	\$ 41,078		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Storage Plant</b>																		
4	35010	Land	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -
5	35020	Rights-of-Way	568,935	1.27%	-	7,225	568,935	1.27%	7,225	7,225	-	568,935	1.27%	-	7,225	-	-	-
6	35100	Well Structures	102,923	0.67%	-	690	102,923	0.67%	690	690	-	102,923	0.64%	-	659	(31)	(31)	(31)
7	35200	Wells	1,391,005	2.95%	-	41,035	1,391,005	2.95%	41,035	41,035	-	1,391,005	2.51%	-	34,914	(6,120)	(6,120)	(6,120)
8	35202	Reservoirs	-	3.09%	-	-	-	3.09%	-	-	-	-	0.00%	-	-	-	-	-
9	35300	Pipelines	1,156,754	1.98%	-	22,904	1,156,754	1.98%	22,904	22,904	-	1,156,754	1.83%	-	21,169	(1,735)	(1,735)	(1,735)
10	35400	Compressor Station Equipment	2,570,713	2.24%	-	57,584	2,651,622	2.24%	59,396	59,396	1,812	2,651,622	1.97%	-	52,237	(7,159)	(5,347)	(5,347)
11	35500	Measurement and Regulation Equipment	-	0.44%	-	-	-	0.44%	-	-	-	-	0.58%	-	-	-	-	-
12	35600	Purification Equipment	-	0.65%	-	-	502,375	0.65%	3,265	3,265	3,265	502,375	0.79%	-	3,969	703	3,969	3,969
13	35700	Other Equipment	-	1.05%	-	-	-	1.05%	-	-	-	-	1.00%	-	-	-	-	-
14		<b>Total Storage Plant</b>	\$ 5,790,330		\$ -	\$ 129,437	\$ 6,373,614		\$ -	\$ 134,515	\$ 5,078	\$ 6,373,614		\$ -	\$ 120,173	\$ (14,342)	\$ (9,265)	\$ (9,265)
<b>Transmission Plant</b>																		
15	36500	Land and Land Rights	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -
16	36700	Mains - Cathodic Protection	1,511,139	4.85%	-	73,290	1,511,139	4.85%	73,290	73,290	-	1,511,139	3.88%	-	58,632	(14,658)	(14,658)	(14,658)
17	36701	Mains - Steel	115,655	2.79%	-	3,227	115,655	2.79%	3,227	3,227	-	115,655	2.20%	-	2,544	(682)	(682)	(682)
18	36900	M&R Station Equipment	147,567	2.73%	-	4,029	147,567	2.73%	4,029	4,029	-	147,567	2.29%	-	3,379	(649)	(649)	(649)
19		<b>Total Transmission Plant</b>	\$ 1,774,361		\$ -	\$ 80,546	\$ 1,774,361		\$ -	\$ 80,546	\$ -	\$ 1,774,361		\$ -	\$ 64,556	\$ (15,990)	\$ (15,990)	\$ (15,990)
<b>Distribution Plant</b>																		
20	37400	Land and Land Rights	\$ 670,926	0.00%	\$ -	\$ -	\$ 670,926	0.00%	\$ -	\$ -	\$ -	\$ 670,926	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -
21	37402	Land Rights	333,483	1.57%	-	5,236	333,483	1.57%	5,236	5,236	0	333,483	1.48%	-	4,936	(300)	(300)	(300)
22	37500	Structures and Improvements	152,685	1.77%	-	2,703	152,685	1.77%	2,703	2,703	(0)	152,685	1.61%	-	2,458	(244)	(244)	(244)
23	37600	Mains - Cathodic Protection	4,611,856	2.80%	-	129,132	4,646,192	2.80%	130,093	130,093	961	4,646,192	2.27%	-	105,469	(24,625)	(23,663)	(23,663)
24	37601	Mains - Steel	61,180,982	3.94%	-	2,410,531	62,419,272	3.94%	2,459,319	2,459,319	48,789	62,419,272	2.81%	-	1,753,982	(705,338)	(656,549)	(656,549)
25	37602	Mains - Plastic	123,045,481	2.89%	-	3,556,014	125,233,988	2.89%	3,619,262	3,619,262	63,248	125,233,988	2.28%	-	2,855,335	(763,927)	(700,679)	(700,679)
26	37603	Anode	6,254,912	6.67%	-	417,203	6,303,241	6.67%	420,426	420,426	3,224	6,303,241	6.67%	-	420,426	-	3,224	3,224
27	37604	Leak Clamp	3,170,218	7.14%	-	226,354	3,284,851	7.14%	234,538	234,538	8,185	3,284,851	7.14%	-	234,538	-	8,185	8,185
28	37800	Measurement & Regulation Station Equipment - General	5,605,983	4.47%	-	250,587	5,689,591	4.47%	254,325	254,325	3,737	5,689,591	3.09%	-	175,808	(78,516)	(74,779)	(74,779)
29	37900	Measurement & Regulation City Gate	3,479,223	3.58%	-	124,556	3,522,231	3.58%	126,096	126,096	1,540	3,522,231	2.84%	-	100,031	(26,065)	(24,525)	(24,525)
30	37908	Measurement & Regulation Station Equipment	14,851	3.58%	-	532	26,115	3.58%	935	935	403	26,115	2.84%	-	742	(193)	210	210
31	38000	Services	84,498,900	3.73%	-	3,151,809	86,136,596	3.73%	3,212,895	3,212,895	61,086	86,136,596	2.71%	-	2,334,302	(878,593)	(817,507)	(817,507)
32	38100	Meters	30,561,298	2.98%	-	910,727	32,213,541	2.98%	959,964	959,964	49,237	32,213,541	3.77%	-	1,214,450	254,487	303,724	303,724
33	38200	Meter Installations	27,875,041	5.76%	-	1,605,602	27,947,597	5.76%	1,609,782	1,609,782	4,179	27,947,597	4.45%	-	1,243,668	(366,114)	(361,934)	(361,934)
34	38300	House Regulators	2,019,174	12.03%	-	242,907	2,284,907	12.03%	274,874	274,874	31,968	2,284,907	9.58%	-	218,894	(55,980)	(24,013)	(24,013)
35	38400	House Reg. Installations	-	5.79%	-	-	-	5.79%	-	-	-	-	5.20%	-	-	-	-	-
36	38500	Industrial Measurement & Regulation Station Equipment	1,830,296	4.45%	-	81,448	1,830,578	4.45%	81,461	81,461	13	1,830,578	3.28%	-	60,043	(21,418)	(21,405)	(21,405)
37	38700	Other Equipment	-	0.62%	-	-	-	0.62%	-	-	-	-	0.00%	-	-	-	-	-
38		<b>Total Distribution Plant</b>	\$ 355,305,309		\$ -	\$ 13,115,340	\$ 362,695,795		\$ -	\$ 13,391,908	\$ 276,569	\$ 362,695,795		\$ -	\$ 10,725,082	\$ (2,666,826)	\$ (2,390,257)	\$ (2,390,257)

Kansas Direct - Division 81

Line No.	FERC Account	Description	(1)		(2)		Note 1		(3)			Note 2		O			
			A	B	C	D	E	F	G	H	I	J	K		L	M	N
			Pro Forma Adjusted Plant In Service 3/31/2019	Atmos Proposed Depreciation Rate	Pro-Forma Capitalized Depreciation Expense	Projected Proforma Depreciation Expense	Staff's Pro Forma Adjusted Depreciable Plant 8/31/2019	Atmos Proposed Depreciation Rate	Pro-Forma Capitalized Depreciation Expense	Staff Adjusted Depreciation Expense for Plant Update	Adjustment to Depreciation Exp Related to Staff's Plant Update	Staff's Pro Forma Adjusted Depreciable Plant 8/31/2019	Staff's Proposed Depreciation Rate		Pro-Forma Capitalized Depreciation Expense	Staff's Pro Forma Depreciation Expense	Adjustment to Depreciation Exp Related to Staff's Proposed Rates
(A)(B)-(C)				(E)(F)-G				(H) - (D)	(E)	(J)(K)-L			(M) - (N)	(I) + (N)			
<b>Direct General Plant</b>																	
39	38900	Land and Land Rights	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	
40	39000	Structures & Improvements	2,162,577	3.29%	-	71,149	2,162,577	3.29%	-	71,149	0	2,162,577	2.55%	-	55,146	(16,003)	(16,003)
41	39003	Improvements	1,513	3.29%	-	50	1,513	3.29%	-	50	(0)	1,513	2.55%	-	39	(11)	(11)
42	39004	Air Conditioning Equipment	36,577	3.29%	-	1,203	50,086	3.29%	-	1,648	444	50,086	2.55%	-	1,277	(371)	74
43	39009	Improvements to Leased Premises	39,013	3.87%	-	1,510	39,013	3.87%	-	1,510	0	39,013	3.39%	-	1,323	(187)	(187)
44	39100	Office Furniture & Equipment	483,975	6.67%	-	32,281	482,548	6.67%	-	32,186	(95)	482,548	6.67%	-	32,186	-	(95)
45	39200	Transportation Equipment	320,552	13.24%	23,007	19,434	320,552	13.24%	22,846	19,595	161	320,552	11.06%	19,084	16,369	(3,226)	(3,065)
46	39300	Stores Equipment	14,629	4.00%	325	260	14,629	4.00%	322	263	3	14,629	4.00%	322	263	-	3
47	39400	Tools, Shop & Garage Equipment	3,987,605	5.00%	109,176	90,204	4,012,453	5.00%	110,144	90,479	275	4,012,453	5.00%	110,144	90,479	-	275
48	39500	Laboratory Equipment	12,933	6.67%	472	390	12,933	6.67%	474	389	(1)	12,933	6.67%	474	389	-	(1)
49	39600	Power Operated Equipment	28,786	3.84%	1,083	22	18,239	3.84%	686	14	(8)	18,239	5.46%	976	20	6	(2)
50	39604	Backhoes	12,569	3.84%	473	10	12,569	3.84%	473	9.65	(0)	12,569	5.46%	673	14	4	4
51	39700	Communication Equipment	670,634	6.67%	-	44,731	684,389	6.67%	-	45,649	917	684,389	6.67%	-	45,649	-	917
52	39702	Communication Equipment - Fixed Radios	250,007	6.67%	-	16,675	250,007	6.67%	-	16,675	0	250,007	6.67%	-	16,675	-	0
53	39800	Miscellaneous Equipment	281,078	6.67%	-	18,748	281,078	6.67%	-	18,748	(0)	281,078	6.67%	-	18,748	-	(0)
54	39901	Other Tangible Property - Servers - H/W	47,499	14.29%	-	6,788	47,499	14.29%	-	6,788	0	47,499	14.29%	-	6,788	-	0
55	39902	Other Tangible Property - Servers - S/W	15,235	14.29%	-	2,177	15,235	14.29%	-	2,177	0	15,235	14.29%	-	2,177	-	0
56	39903	Other Tangible Property - Network - H/W	679,511	14.29%	-	97,102	688,532	14.29%	-	98,391	1,289	688,532	14.29%	-	98,391	-	1,289
57	39906	Other Tangible Property - PC Hardware	703,322	20.00%	-	140,664	703,322	20.00%	-	140,664	(0)	703,322	20.00%	-	140,664	-	(0)
58	39907	Other Tangible Property - PC Software	38,505	20.00%	-	7,701	40,542	20.00%	-	8,108	407	40,542	20.00%	-	8,108	-	407
59	39908	Other Tangible Property - Application Software	-	14.29%	-	-	-	14.29%	-	-	-	-	14.29%	-	-	-	-
60	<b>Total General Plant</b>		\$ 9,786,520		\$ 134,536	\$ 551,100	\$ 9,837,718		\$ 134,944	\$ 554,493	\$ 3,393	\$ 9,837,718		\$ 131,672	\$ 534,705	\$ (19,789)	\$ (16,396)
62	<b>Total Division 081 KS Direct Depreciation Expense</b>				<u>\$ 13,876,423</u>				<u>\$ 14,161,462</u>	<u>\$ 285,039</u>				<u>\$ 11,444,515</u>		<u>\$ (2,716,947)</u>	<u>\$ (2,431,908)</u>

Note (1): Staff's adjustment to depreciation expense driven by change in plant

Note (2): Staff's adjustment to depreciation expense driven by Staff's proposed depreciation rates

Note (3): The Following Accounts have a portion of their depreciation expense capitalized to projects

March 31, 2019	
Account	Cap Percentage
392	54.21%
393	55.53%
394	54.76%
395	54.74%
396	98.00%

  

August 31, 2019	
Account	Cap Percentage
392	53.83%
393	55.00%
394	54.90%
395	54.90%
396	98.00%

General Office - Division 002

Line No.	FERC Account	Description	(1)			(2)			Note 1
			A	B	C	D	E	F	G
			Pro Forma Adjusted Plant In Service 3/31/2019	Atmos Proposed Depreciation Rate	Projected Proforma Depreciation Expense	Staff's Pro Forma Adjusted Depreciable Plant 8/31/2019	Atmos Proposed Depreciation Rate	Staff Adjusted Depreciation Expense for Plant Update	Adjustment to Depreciation Exp Related to Staff's Plant Update
			(A) x (B)			(D) x (E)			(F) - (C)
<b>General Plant</b>									
1	39000	Structures and Improvements	\$ 1,411,390	2.33%	\$ 32,885	\$ 1,438,406	2.33%	\$ 33,515	\$ 629
2	39009	Improvements to Lease Premises	-	3.12%	-	9,183,258	3.12%	286,518	286,518
3	39100	Office Furniture and Equipment	5,436,257	3.69%	200,598	5,638,780	3.69%	208,071	7,473
4	39200	Transportation Equipment	7,125	6.47%	461	7,125	6.47%	461	0
5	39400	Tools, Shop, & Garage Equipment	76,071	8.29%	6,306	76,071	8.29%	6,306	0
6	39700	Communication Equipment	1,039,344	5.69%	59,139	1,039,344	5.69%	59,139	0
7	39800	Miscellaneous Equipment	136,510	5.35%	7,303	136,510	5.35%	7,303	(0)
8	39900	Other Tangible Property	-	12.70%	-	-	12.70%	-	-
9	39901	Other Tangible Property Servers H/W	20,925,326	7.82%	1,636,360	22,164,019	7.82%	1,733,226	96,866
10	39902	Other Tangible Property Servers S/W	7,760,298	7.18%	557,189	7,777,955	7.18%	558,457	1,268
11	39903	Other Tangible Property Network H/W	4,625,006	6.99%	323,288	4,775,967	6.99%	333,840	10,552
12	39906	Other Tangible Property PC Hardware	2,142,285	10.15%	217,442	2,146,765	10.15%	217,897	455
13	39907	Other Tangible Property PC Software	1,508,058	6.44%	97,119	1,508,058	6.44%	97,119	(0)
14	39908	Other Tangible Property Application Software	73,669,703	5.11%	3,764,522	73,843,585	5.11%	3,773,407	8,885
15	39909	Other Tangible Property Mainframe S/W	-	0.00%	-	-	0.00%	-	-
16		Total Division 002 General Plant	\$ 118,737,373		\$ 6,902,613	\$ 129,735,843		\$ 7,315,259	\$ 412,646
17		Kansas Allocation Percentage			3.72%			3.72%	3.72%
18		<b>Division 002 General Plant Allocated to Kansas</b>			\$ 256,777			\$ 272,128	\$ 15,350
<b>Greenville Data Center - General Plant</b>									
19	39005	G-Structures & Improvements	\$ 9,187,142	2.33%	\$ 214,060	\$ 9,187,142	2.33%	\$ 214,060	\$ (0)
20	39104	G-Office Furniture & Equipment	71,036	3.69%	2,621	71,036	3.69%	2,621	0
21		Total Greenville General Plant	\$ 9,258,178		\$ 216,682	\$ 9,258,178		\$ 216,682	\$ 0
22		Kansas Allocation Percentage			1.52%			1.52%	1.52%
23		<b>Greenville General Plant Allocated to Kansas</b>			\$ 3,290			\$ 3,290	\$ 0
<b>SSU Distribution &amp; Marketing - General Plant</b>									
24	39020	Structures and Improvements	\$ 2,116	2.33%	\$ 49	\$ 2,116	2.33%	\$ 49	\$ 0
25	39029	Improvements to Leased Premises	51,455	3.12%	1,605	31,824	3.12%	993	(612)
26	39120	Office Furniture and Equipment	263,338	3.69%	9,717	263,338	3.69%	9,717	(0)
27	39720	Communication Equipment	8,824	5.69%	502	8,824	5.69%	502	0
28	39820	Miscellaneous Equipment	7,388	5.35%	395	7,388	5.35%	395	0
29	39921	Other Tangible Property - Servers Hardware	1,063,473	7.82%	83,164	1,063,473	7.82%	83,164	(0)
30	39922	Other Tangible Property - Servers Software	1,461,672	7.18%	104,948	1,461,672	7.18%	104,948	0
31	39923	Other Tangible Property - Network Hardware	22,205	6.99%	1,552	22,205	6.99%	1,552	0
32	39926	Other Tangible Property - PC Hardware	314,379	10.15%	31,909	314,379	10.15%	31,910	0
33	39928	Other Tangible Property - Application Software	20,681,360	5.11%	1,056,817	20,681,360	5.11%	1,056,817	(0)
34		Total SSU Distribution and Market General Plant	\$ 23,876,210		\$ 1,290,660	\$ 23,856,581		\$ 1,290,048	\$ (612)
35		Kansas Allocation Percentage			4.50%			4.50%	4.50%
36		<b>SSU Distribution and Market Plant Allocated to Kansas</b>			\$ 58,080			\$ 58,052	\$ (28)
<b>SSU Align Pipe Project General Plant</b>									
37	39931	Other Tangible Property - Servers Hardware	\$ 297,267	7.82%	\$ 23,246	\$ 297,267	7.82%	\$ 23,246	\$ (0)
38	39932	Other Tangible Property - Servers Software	345,730	7.18%	24,823	345,730	7.18%	24,823	(0)
39	39938	Other Tangible Property - Application Software	19,742,145	5.11%	1,008,824	19,742,145	5.11%	1,008,824	(0)
40		Total Align Pipe Project General Plant	\$ 20,385,142		\$ 1,056,893	\$ 20,385,141		\$ 1,056,893	\$ (0)
41		Kansas Allocation Percentage			0.00%			0.00%	0.00%
42		<b>Align Pipe Project Plant Allocated to Kansas</b>			\$ -			\$ -	\$ -
43		<b>Total Division 002 Depreciation Expense - KS Allocated</b>			<b>\$ 318,147</b>			<b>\$ 333,470</b>	<b>\$ 15,323</b>

Note (1): Staff's adjustment to depreciation expense driven by change in plant

Sources:  
 Company Application, Section 10 and Response to Staff Data Request No. 259

Line No.	FERC Account	Description	(1)			(2)			Note 1 G
			A	B	C	D	E	F	
			Pro Forma Adjusted Plant In Service 3/31/2019	Atmos Proposed Depreciation Rate	Projected Proforma Depreciation Expense	Staff's Pro Forma Adjusted Depreciable Plant 8/31/2019	Atmos Proposed Depreciation Rate	Staff Adjusted Depreciation Expense for Plant Update	Adjustment to Depreciation Exp Related to Staff's Plant Update
			(A) x (B)			(D) x (E)			(F) - (C)
<b>General Plant</b>									
1	38900	Land	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -
2	39000	Structures & Improvements	12,731,367	2.33%	296,641	12,784,597	2.33%	297,881	1,240
3	39009	Improvements to Leased Premises	2,820,614	3.12%	88,003	2,820,614	3.12%	88,003	(0)
4	39100	Office Furniture & Equipment	2,398,885	3.69%	88,519	2,598,219	3.69%	95,874	7,355
5	39700	Communication Equipment	1,913,117	5.69%	108,856	1,913,117	5.69%	108,856	0
6	39800	Miscellaneous Equipment	71,377	5.35%	3,819	71,377	5.35%	3,819	(0)
7	39901	Other Tangible Property - Servers H/W	9,749,414	7.82%	762,404	9,749,414	7.82%	762,404	0
8	39902	Other Tangible Property - Servers S/W	2,208,691	7.18%	158,584	2,208,691	7.18%	158,584	0
9	39903	Other Tangible Property - Network H/W	629,226	6.99%	43,983	629,226	6.99%	43,983	(0)
10	39906	Other Tangible Property - PC Hardware	636,888	10.15%	64,644	647,859	10.15%	65,758	1,114
11	39908	Other Tangible Property Application Software	95,101,943	5.11%	4,859,709	95,114,594	5.11%	4,860,356	646
12		Total Division 012 General Plant	\$ 128,261,522		\$ 6,475,162	\$ 128,537,709		\$ 6,485,518	\$ 10,356
13		Kansas Allocation Percentage			4.29%			4.29%	4.29%
14		<b>Division 012 General Plant Allocated to Kansas</b>			\$ 277,784			\$ 278,229	\$ 444
<b>CKV Training Center - General Plant</b>									
15	38910	CKV-Land & Land Rights	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -
16	39010	CKV-Structures & Improvements	12,505,541	2.33%	291,379	12,542,660	2.33%	292,244	865
17	39110	CKV-Office Furniture and Equipment	467,519	3.69%	17,251	519,456	3.69%	19,168	1,916
18	39210	CKV-Transportation Equipment	96,290	6.47%	6,230	96,290	6.47%	6,230	0
19	39410	CKV-Tools, Shop, & Garage Equipment	520,539	8.29%	43,153	529,958	8.29%	43,934	781
20	39510	CKV-Laboratory Equipment	23,632	8.28%	1,957	23,632	8.28%	1,957	0
21	39710	CKV-Communication Equipment	307,842	5.69%	17,516	307,842	5.69%	17,516	0
22	39810	CKV-Miscellaneous Equipment	526,525	5.35%	28,169	526,525	5.35%	28,169	0
23	39910	CKV-Other Tangible Property	295,692	12.70%	37,553	295,692	12.70%	37,553	0
24	39916	CKV-Other Tangible Property-PC Hardware	69,028	10.15%	7,006	72,381	10.15%	7,347	340
25	39917	CKV-Other Tangible Property-PC Software	3,299	6.44%	212	3,299	6.44%	212	0
26		Total CKV General Plant	\$ 14,815,907		\$ 450,427	\$ 14,917,736		\$ 454,329	\$ 3,903
27		Kansas Allocation Percentage			2.98%			2.98%	2.98%
28		<b>CKV General Plant Allocated to Kansas</b>			\$ 13,414			\$ 13,531	\$ 116
29		<b>Total Division 012 Depreciation Expense - KS Allocated</b>			\$ 291,199			\$ 291,759	\$ 560

Note (1): Staff's adjustment to depreciation expense driven by change in plant

Sources:  
 Company Application, Section 10 and Response to Staff Data Request No. 259

Line No.	FERC Account	Description	(1)			(2)			Note 1
			A	B	C	D	E	F	G
			Pro Forma Adjusted Plant In Service 3/31/2019	Atmos Proposed Depreciation Rate	Projected Proforma Depreciation Expense	Staff's Pro Forma Adjusted Depreciable Plant 8/31/2019	Atmos Proposed Depreciation Rate	Staff Adjusted Depreciation Expense for Plant Update	Adjustment to Depreciation Exp Related to Staff's Plant Update
			(A) x (B)			(D) x (E)			(F) - (C)
<b>General Plant</b>									
1	39009	Improvements to Leased Premises	\$ 275,783	12.07%	\$ 33,287	\$ 275,783	12.07%	\$ 33,287	\$ (0)
2	39100	Office Furniture & Equipment	374,535	7.80%	29,214	381,390	7.80%	29,748	535
3	39200	Transportation Equipment	25,513	20.00%	5,103	25,513	20.00%	5,103	0
4	39400	Tools, Shop, & Garage Equipment	-	16.39%	-	-	16.39%	-	-
5	39700	Communication Equipment	39,177	10.67%	4,180	39,177	10.67%	4,180	0
6	39800	Miscellaneous Equipment	-	16.74%	-	-	16.74%	-	-
7	39901	Other Tangible Property - Servers H/W	48,328	21.70%	10,487	48,328	21.70%	10,487	(0)
8	39903	Other Tangible Property - Network H/W	116,026	19.19%	22,265	116,026	19.19%	22,265	0
9	39906	Other Tangible Property - PC Hardware	69,384	22.00%	15,264	89,698	22.00%	19,733	4,469
10	39907	Other Tangible Property - PC Software	57,342	20.00%	11,468	57,342	20.00%	11,468	(0)
11		Total Division 030 General Plant	\$ 1,006,088		\$ 131,269	\$ 1,033,257		\$ 136,273	\$ 5,004
12		Kansas Allocation Percentage			55.66%			55.66%	55.66%
13		<b>Division 030 General Plant Allocated to Kansas</b>			\$ 73,064			\$ 75,849	\$ 2,785
14		<b>Total Division 030 Depreciation Expense - KS Allocated</b>			\$ 73,064			\$ 75,849	\$ 2,785

Note (1): Staff's adjustment to depreciation expense driven by change in plant

Sources:  
 Company Application, Section 10 and Response to Staff Data Request No. 259

<b>Line No.</b>	<b>FERC Acct</b>	<b>Description</b>	<b>Amount</b>	
1		Staff Pro Forma Retail Revenues	127,700,323	(1)
2		Staff 3-Year Average Net Bad Debt Write-Off (Line 9)	<u>0.4004%</u>	
3		Staff Adjusted Bad Debt Expense (Line 1 x Line 2)	511,312	
4	904	Atmos Test Year Bad Debt Expense	<u>539,150</u>	(2)
<b>5</b>	<b>904</b>	<b>Staff Adjustment to Bad Debt Expense</b>	<b><u>\$ (27,838)</u></b>	

	Year Ending August 31	Retail Revenue (a)	Net Write-Off (b)	Average Net Write-Off % (b) / (a)
6	2017	106,310,544	200,845	0.1889%
7	2018	126,440,154	687,581	0.5438%
8	2019	<u>113,108,237</u>	<u>529,719</u>	<u>0.4683%</u>
<b>9</b>	<b>3-Year Average Ratio</b>			<b><u>0.4004%</u></b>

Source: (1) Tab 'B-1' included in Staff Schedules  
 (2) 'Combined Income Statement' Tab of Workpaper '2019 - Trial Balance for SSU and KS' included in the relied files Atmos' response to Staff Data Request No. 74 and 263

Atmos Energy Corporation  
 19-ATMG-525-RTS  
 Staff Adjustment to Bad Debt Expense  
 Test Year Ending March 31, 2019

Docket No. 19-ATMG-525-RTS  
 Exhibit BAH-9a

Period	Net BD Write Offs	Total Gas Revenue	Year End Revenue	Year End Net Write Offs	Net Write-Off Percentage
Sep-16	48,072	4,581,315			
Oct-16	23,776	5,110,470			
Nov-16	5,789	8,184,549			
Dec-16	(11,039)	15,223,828			
Jan-17	19,285	20,569,125			
Feb-17	(430)	13,101,677			
Mar-17	10,137	11,367,677			
Apr-17	9,691	8,505,546			
May-17	14,851	5,332,441			
Jun-17	14,319	4,787,164			
Jul-17	28,369	4,896,314			
Aug-17	38,026	4,650,439	\$ 106,310,544	\$ 200,845	0.189%
Sep-17	306,985	4,914,935			
Oct-17	94,859	5,845,012			
Nov-17	45,866	11,945,130			
Dec-17	28,333	17,239,261			
Jan-18	21,976	21,430,796			
Feb-18	18,121	18,240,013			
Mar-18	18,667	14,226,826			
Apr-18	24,801	11,700,222			
May-18	20,988	6,153,648			
Jun-18	32,349	4,892,455			
Jul-18	28,622	5,149,683			
Aug-18	46,012	4,702,172	\$ 126,440,154	\$ 687,581	0.544%
Sep-18	73,574	4,668,936			
Oct-18	133,212	5,967,293			
Nov-18	46,948	11,007,201			
Dec-18	56,798	16,309,018			
Jan-19	30,504	18,252,375			
Feb-19	40,179	16,306,734			
Mar-19	26,022	13,729,248			
Apr-19	24,550	7,562,521			
May-19	13,529	5,469,693			
Jun-19	27,659	4,483,782			
Jul-19	28,091	4,510,462			
Aug-19	28,654	4,840,974	\$ 113,108,237	\$ 529,719	0.468%

Line No.	FERC Acct	KS Direct Amount
1	Customer Deposits Ending Balance August 31, 2019	802,103
2	Interest Rate*	2.72%
3	Staff Interest Expense	<u>21,817</u>
4	Atmos Test Year Interest Expense	22,919
<b>5</b>	<b>905 Staff's Adjustment to operating Expenses</b>	<b><u><u>\$ (1,102)</u></u></b>

Source: Workpaper 'Section 14C Int Cust Dep' included in Atmos Rate Case Application  
 Atmos Response to Staff Data Request No. 262

\*Pursuant to the latest K.S.A. 12-822 dated December 13, 2018. The Rate for the calendar year 2019 is 2.72%. (Docket No. 98-GIMX-348-GIV)

**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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**CERTIFICATE OF SERVICE**

19-ATMG-525-RTS

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