

Atmos Energy Corporation - Butler Rate District

Case No. GR-2006-0387

Test Year Ending September 30, 2005 Updated Through June 30, 2006

Revenue Requirement

Line	(A)	8.59%	8.99%	9.39%
		Equity Return (B)	Equity Return (C)	Equity Return (D)
1	Net Original Cost Rate Base (From Acctg. Sch. 2)	\$ 3,728,561	\$ 3,728,561	\$ 3,728,561
2	Rate of Return	7.13%	7.30%	7.47%
3	Net Operating Income Requirement	\$ 265,846	\$ 272,185	\$ 278,524
4	Net Income Available (From Acctg. Sch 9)	310,565	310,565	310,565
5	Additional Net Operating Income Needed Before Income Taxes	\$ (44,719)	\$ (38,380)	\$ (32,041)
6	Income Tax Requirement: (From Acctg. Sch. 11)			
7	Required Current Income Tax	\$ 84,563	\$ 88,513	\$ 92,463
8	Test Year Current Income Tax	112,427	112,427	112,427
9	Additional Current Income Tax Required	\$ (27,864)	\$ (23,914)	\$ (19,964)
10	Additional Gross Revenue Requirement	\$ (72,583)	\$ (62,294)	\$ (52,006)

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Rate Base

Line	(A)	(B)
1	Total Plant In Service	
2	Utility Plant In Service (From Acctg. Sch 3)	\$ 5,995,646
2	Less Depreciation Reserves:	
3	Utility Plant In Service (From Acctg. Sch 5)	2,369,601
4	Net Plant In Service	\$ 3,626,045
5	Add:	
6	Cash Working Capital (From Acctg. Sch. 8)	\$ (45,742)
7	Materials and Supplies and Prepayments	10,565
8	Prepaid Pension Asset	175,850
9	Propane Gas Inventory	0
10	Natural Gas Inventory	753,047
11	Total Additions To Net Plant In Service	\$ 893,720
12	Less:	
13	Interest Offset (From Acctg. Sch. 8)	\$ 17,031
14	Income Tax Offset (From Acctg. Sch. 8)	407
15	Stipulated Rate Base Reduction	99,296
16	Customer Advances For Construction	9,512
17	Customer Deposits	139,036
18	Deferred Income Taxes	525,922
19	Total Deductions To Net Plant In Service	\$ 791,204
20	Total Rate Base	\$ 3,728,561

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Plant In Service

Line	Account (A)	Plant Title (B)	Balance 9/30/2005 (C)	Adjust- ments (D)	Adj. No. (E)	Adjusted Balance 6/30/2006 (F)
1		Intangible				
2	301.00	Organization	0	0	P-1	0
3	302.00	Franchise & Consents	4,071	0	P-2	4,071
4	303.00	Misc. Intangible Plant	1,459	0	P-3	1,459
5		Total Intangible	\$ 5,530	\$ 0		\$ 5,530
6		Manufactured Gas Production Plant				
7	311.00	L-P Production Plant-Liq Petro Gas E	\$ 0	\$ 0	P-4	\$ 0
8		Total Manufactured Gas Production F	\$ 0	\$ 0		\$ 0
9		Transmission Plant				
10	365.10	Land	\$ 0	\$ 0	P-5	\$ 0
11	365.20	Right-Of-Way	18,864	0	P-6	18,864
12	366.00	Structures & Improvements	906	0	P-7	906
13	367.01	Mains - Steel & Cathodic Protection	1,107,305	0	P-8	1,107,305
14	367.02	Mains - Plastic	0	0	P-9	0
15	367.00	Mains - Total	1,107,305			1,107,305
16	369.00	Measuring & Regulating Equipment	30,963	0	P-10	30,963
17	370.00	Communication Equipment	0	0	P-11	0
18		Total Transmission Plant	\$ 1,138,038	\$ 0		\$ 1,138,038
19		Distribution Plant				
20	374.01	Land	\$ 150	\$ 0	P-12	\$ 150
21	374.02	Land Rights	600	0	P-13	600
22	375.00	Structures & Improvements	0	0	P-14	0
23	376.01	Mains - Steel & Cathodic Protection	520,812	79,257	P-15	600,069
24	376.02	Mains - Plastic	1,215,558	24,112	P-16	1,239,670
25	376.00	Mains - Total	1,736,370			1,839,739
26	377.00	Compressor Station Equipment	0	0	P-17	0
27	378.00	Meas. & Reg. Equip	11,942	0	P-18	11,942
28	379.00	Meas. & Reg. Equip - City Gate	27,970	0	P-19	27,970
29	380.00	Services	1,250,405	124,876	P-20	1,375,281
30	381.00	Meters	258,451	0	P-21	258,451
31	382.00	Meter Installations	307,413	9,796	P-22	317,209
32	383.00	House Regulators	108,515	0	P-23	108,515
33	384.00	House Reg Installations	60,450	0	P-24	60,450
34	385.00	Ind. Meas. & Reg Sta. Equip	9,152	47,409	P-25	56,561
35	387.00	Other Equipment	0	0	P-26	0
36		Total Distribution Plant	\$ 3,771,418	\$ 285,450		\$ 4,056,868
37		General Plant				
38	389.00	Land and Land Rights	\$ 0	\$ 0	P-27	\$ 0
39	390.00	Structures & Improvements	20,036	15,485	P-28	35,521
40	391.00	Office Furniture & Equip	26,161	6,747	P-29	32,908
41	392.00	Transportation Equipment	105,705	(315)	P-30	105,390
42	393.00	Stores Equip	1,434	7	P-31	1,441
43	394.00	Tools, Shop & Garage Equip	71,685	(1,227)	P-32	70,458
44	395.00	Laboratory Equip	824	0	P-33	824
45	396.00	Power Op Equip	120,694	0	P-34	120,694
46	397.00	Communications Equip	9,168	54,666	P-35	63,834
47	398.00	Misc Equip	83,487	9,778	P-36	93,265
48	399.00	Other Tangible Property	6,658	244,218	P-37	250,876

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Plant In Service

Line	Account	Plant Title	Balance 9/30/2005	Adjust- ments	Adj. No	Adjusted Balance 6/30/2006
	(A)	(B)	(C)	(D)	(E)	(F)
49		Total General Plant	\$ 445,852	\$ 329,359		\$ 775,211
50		Total Plant In Service	\$ 5,380,837	\$ 614,809		\$ 5,995,646

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Adjustments To Plant In Service

Adj No	Description	Adjustment Amount	Adjustment Total
Organization P-1			
		\$	\$ 0
1	To include allocated corporate plant (Hanneken)	0	
Misc. Intangible Plant P-3			
		\$	\$ 0
1	To include allocated corporate plant (Hanneken)	0	
Mains - Steel & Cathodic Protection P-15			
		\$	\$ 79,257
1		0	
2	To adjust plant to June 30, 2006 levels (Began)	79,257	
Mains - Plastic P-16			
		\$	\$ 24,112
1	To adjust plant to June 30, 2006 levels (Began)	24,112	
Services P-20			
		\$	\$ 124,876
1	To adjust plant to June 30, 2006 levels (Began)	124,876	
Meter Installations P-22			
		\$	\$ 9,796
1	To adjust plant to June 30, 2006 levels (Began)	9,796	
Ind. Meas. & Reg. Sta. Equip P-25			
		\$	\$ 47,409
1	To adjust plant to June 30, 2006 levels (Began)	47,409	
Structures & Improvements P-28			
		\$	\$ 15,485
1	To include allocated corporate plant (Hanneken)	15,485	
Office Furniture & Equip P-29			
		\$	\$ 6,747
1	To include allocated corporate plant (Hanneken)	12,823	
2	To adjust plant to June 30, 2006 levels (Began)	(6,076)	
Transportation Equipment P-30			
		\$	\$ (315)
1	To include allocated corporate plant (Hanneken)	21	
2	To adjust plant to June 30, 2006 levels (Began)	(336)	
Stores Equip P-31			
		\$	\$ 7
1	To include allocated corporate plant (Hanneken)	7	
Tools, Shop & Garage Equip P-32			
		\$	\$ (1,227)
1	To include allocated corporate plant (Hanneken)	3,829	
2	To adjust plant to June 30, 2006 levels (Began)	(5,056)	

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Adjustments To Plant In Service

Adj. No	Description	Adjustment Amount	Adjustment Total
Power Op Equip P-34			
1	To include allocated corporate plant (Hanneken)	\$ 0	\$ 0
Communications Equip P-35			
1	To include allocated corporate plant (Hanneken)	\$ 54,666	\$ 54,666
Misc Equip P-36			
1	To include allocated corporate plant (Hanneken)	\$ 9,778	\$ 9,778
Other Tangible Property P-37			
1	To include allocated corporate plant (Hanneken)	\$ 244,218	\$ 244,218

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Depreciation Reserve

Line	Account (A)	Plant Title (B)	Balance 9/30/2005 (C)	Adjust- ments (D)	Adj. No. (E)	Adjusted Balance 6/30/2006 (F)
1		Intangible				
	301.00	Organization	0	0	R-1	0
2	302.00	Franchise & Consents	4,071	0	R-2	4,071
3	303.00	Misc. Intangible Plant	1,459	0	R-3	1,459
4		Total Intangible Reserve	\$ 5,530	\$ 0		\$ 5,530
5		Manufactured Gas Production Plant				
6	311.00	L-P Production Plant-Liq Petro Gas Equ	0	0	R-4	0
7		Total Manufactured Gas Production Plant	\$ 0	\$ 0		\$ 0
8		Transmission Plant				
9	365.10	Land	\$ 0	\$ 0	R-5	\$ 0
10	365.20	Right-Of-Way	0	0	R-6	0
11	366.00	Structures & Improvements	558	22	R-7	580
12	367.01	Mains - Steel & Cathodic Protection	809,117	12,707	R-8	821,824
13	367.02	Mains - Plastic	0	0	R-9	0
14	367.00	Mains - Total	809,117	12,707		821,824
15	369.00	Measuring & Regulating Equipment	20,817	836	R-10	21,653
16	370.00	Communication Equipment	0	0	R-11	0
17		Total Transmission Plant Reserve	\$ 830,492	\$ 13,565		\$ 844,057
18		Distribution Plant				
19	374.01	Land	\$ 0	\$ 0	R-12	\$ 0
20	374.02	Land Rights	0	0	R-13	0
21	375.00	Structures & Improvements	0	0	R-14	0
22	376.01	Mains - Steel & Cathodic Protection	228,081	4,488	R-15	232,569
23	376.02	Mains - Plastic	400,224	(78,256)	R-16	321,968
24	376.00	Mains - Total	628,305			554,537
25	377.00	Compressor Station Equipment	0	0	R-17	0
26	378.00	Meas. & Reg. Equip	6,873	269	R-18	7,142
27	379.00	Meas. & Reg. Equip - City Gate	19,329	673	R-19	20,002
28	380.00	Services	259,973	75,163	R-20	335,136
29	381.00	Meters	113,719	4,187	R-21	117,906
30	382.00	Meter Installations	37,230	(6,077)	R-22	31,153
31	383.00	House Regulators	65,777	3,703	R-23	69,480

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Depreciation Reserve

Line	Account (A)	Plant Title (B)	Balance 9/30/2005 (C)	Adjust- ments (D)	Adj. No. (E)	Adjusted Balance 6/30/2006 (F)
32	384.00	House Reg Installations	21,630	1,510	R-24	23,140
33	385.00	Ind. Meas. & Reg Sta. Equip	4,180	735	R-25	4,915
34	387.00	Other Equipment	0	0	R-26	0
35		Total Distribution Plant Reserve	\$ 1,157,015	\$ 6,395		\$ 1,163,410
36		General Plant				
37	389.00	Land and Land Rights	\$ 0	\$ 0	R-27	\$ 0
38	390.00	Structures & Improvements	6,971	9,445	R-28	16,416
39	391.00	Office Furniture & Equip	15,213	(842)	R-29	14,371
40	392.00	Transportation Equipment	52,759	7,231	R-30	59,990
41	393.00	Stores Equip	1,434	8	R-31	1,442
42	394.00	Tools, Shop & Garage Equip	14,139	(1,400)	R-32	12,739
43	395.00	Laboratory Equip	775	25	R-33	800
44	396.00	Power Op Equip	70,534	7,169	R-34	77,703
45	397.00	Communications Equip	6,986	20,604	R-35	27,590
46	398.00	Misc Equip	6,789	5,966	R-36	12,755
47	399.00	Other Tangible Property	(1,029)	133,828	R-37	132,799
48		Total General Plant Reserve	\$ 174,570	\$		\$ 356,604
49		Total Depreciation Reserve	\$ 2,167,607	\$ 201,994		\$ 2,369,601

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Adjustments To Depreciation Reserve

Adj No	Description	Adjustment Amount	Adjustment Total
	Structures & Improvements R-7	\$	22
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 22	
	Mains - Steel & Cathodic Protection R-8	\$	12,707
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 12,707	
	Measuring & Regulating Equipment R-10	\$	836
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 836	
	Mains - Steel & Cathodic Protection R-15	\$	4,488
1	To include reserve for allocated corporate plant (Hanneken)	\$ 0	
2	To adjust reserve to June 30, 2006 levels (Began)	4,488	
	Mains - Plastic R-16	\$	(78,256)
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 10,628	
2	To Correct reserve (Hagemeyer)	(88,884)	
	Meas. & Reg. Equip R-18	\$	269
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 269	
	Meas. & Reg. Equip - City Gate R-19	\$	673
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 673	
	Services R-20	\$	75,163
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 75,163	
	Meters R-21	\$	4,187
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 4,187	
	Meter Installations R-22	\$	(6,077)
1	To adjust reserve to June 30, 2006 levels (Began)	\$ (6,077)	
	House Regulators R-23	\$	3,703
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 3,703	
	House Reg Installations R-24	\$	1,510
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 1,510	
	Ind. Meas. & Reg Sta. Equip R-25	\$	735
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 735	

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Adjustments To Depreciation Reserve

Adj No	Description	Adjustment Amount	Adjustment Total
Structures & Improvements R-28			
		\$	9,445
1	To include reserve for allocated corporate plant (Hanneken)	\$ 8,694	
2	To adjust reserve to June 30, 2006 levels (Began)	751	
Office Furniture & Equip R-29			
		\$	(842)
1	To include reserve for allocated corporate plant (Hanneken)	\$ 5,718	
2	To adjust reserve to June 30, 2006 levels (Began)	(6,560)	
Transportation Equipment R-30			
		\$	7,231
1	To include reserve for allocated corporate plant (Hanneken)	\$ (662)	
2	To adjust reserve to June 30, 2006 levels (Began)	7,893	
Stores Equip R-31			
		\$	8
1	To include reserve for allocated corporate plant (Hanneken)	\$ 8	
Tools, Shop & Garage Equip R-32			
		\$	(1,400)
1	To include reserve for allocated corporate plant (Hanneken)	\$ 1,283	
2	To adjust reserve to June 30, 2006 levels (Began)	(2,683)	
Laboratory Equip R-33			
		\$	25
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 25	
Power Op Equip R-34			
		\$	7,169
1	To include reserve for allocated corporate plant (Hanneken)	\$ 0	
2	To adjust reserve to June 30, 2006 levels (Began)	7,169	
Communications Equip R-35			
		\$	20,604
1	To include reserve for allocated corporate plant (Hanneken)	\$ 20,292	
2	To adjust reserve to June 30, 2006 levels (Began)	312	
Misc Equip R-36			
		\$	5,966
1	To include reserve for allocated corporate plant (Hanneken)	\$ 3,712	
2	To adjust reserve to June 30, 2006 levels (Began)	2,254	
Other Tangible Property R-37			
		\$	133,828

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Adjustments To Depreciation Reserve

Adj. No	Description	Adjustment Amount	Adjustment Total
1	To include reserve for allocated corporate plant (Hanneken)	\$ 133,591	
2	To adjust reserve to June 30, 2006 levels (Began)	237	

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Depreciation Expense

Line	Account (A)	Plant Title (B)	Adjusted Plant (Acctg Sch 3) (C)	Depreciation Rate (D)	Depreciation Expense (E)
1		Intangible			
	301.00	Organization			
2	302.00	Franchise & Consents	4,071		
3	303.00	Misc. Intangible Plant	1,459		
4		Total Intangible	\$ 5,530		\$
5		Manufactured Gas Production Plant			
6	311.00	L-P Production Plant-Liq Petro Gas Equip			
7		Total Manufactured Gas Production Pla	\$		\$
8		Transmission Plant			
9	365.10	Land			
10	365.20	Right-Of-Way	18,864		
11	366.00	Structures & Improvements	906	3.2400%	29
12	367.01	Mains - Steel & Cathodic Protection	1,107,305	1.5300%	16,942
13	367.02	Mains - Plastic		1.5300%	
14	367.00	Mains - Total	1,107,305		16,942
15	369.00	Measuring & Regulating Equipment	30,963	3.6000%	1,115
16	370.00	Communication Equipment		4.3600%	
17		Total Transmission Plant	\$ 1,158,038		\$ 18,086
18		Distribution Plant			
19	374.01	Land	\$ 150		\$
20	374.02	Land Rights	600		
21	375.00	Structures & Improvements		2.3300%	
22	376.01	Mains - Steel & Cathodic Protection	600,069	1.5300%	9,181
23	376.02	Mains - Plastic	1,239,670	1.5300%	18,967
24	376.00	Mains - Total	1,839,739		28,148
25	377.00	Compressor Station Equipment			
26	378.00	Meas. & Reg. Equip	11,942	3.0000%	358
27	379.00	Meas. & Reg. Equip - City Gate	27,970	3.2100%	898
28	380.00	Services	1,375,281	5.0000%	68,764
29	381.00	Meters	258,451	2.1600%	5,583
30	382.00	Meter Installations	317,209	3.0000%	9,516
31	383.00	House Regulators	108,515	4.5500%	4,937
32	384.00	House Reg Installations	60,450	3.3300%	2,013
33	385.00	Ind. Meas. & Reg Sta. Equip	56,561	3.6000%	2,036

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Depreciation Expense

Line	Account (A)	Plant Title (B)	Adjusted Plant (Acctg Sch 3) (C)	Depreciation Rate (D)	Depreciation Expense (E)
34	387.00	Other Equipment			
33		Total Distribution Plant	\$ 4,056,868		\$ 122,253
34		General Plant			
35	389.00	Land and Land Rights	\$		\$
36	390.00	Structures & Improvements	35,521	5.0000%	1,776
37	391.00	Office Furniture & Equip	32,908	4.7500%	1,563
38	392.00	Transportation Equipment	105,390	10.3900%	10,950
39	393.00	Stores Equip	1,441	4.5000%	65
40	394.00	Tools, Shop & Garage Equip	70,458	4.5000%	3,171
41	395.00	Laboratory Equip	824	4.0000%	33
42	396.00	Power Op Equip	120,694	7.9200%	9,559
43	397.00	Communications Equip	63,834	4.5400%	2,898
44	398.00	Misc Equip	93,265	3.6000%	3,358
45	399.00	Other Tangible Property	250,876	4.7500%	11,917
46		Total General Plant	\$ 775,211		\$ 45,290
47		Total Depreciation	\$ 5,995,646		\$ 185,629

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Cash Working Capital

Line	Description (A)	Test Year Expenses (B)	Revenue Lag (C)	Expense Lag (D)	Net Lag (C)-(D) (E)	Factor (E)/365 (F)	CWC Req (B)x(F) (G)
1	Operation and Maintenance Expense						
2	Base Payroll	\$ 63,671	36.3700	14.0000	22.3700	0.061288	\$ 3,902
3	Tax Withholding	61,502	36.3700	17.1500	19.2200	0.052658	3,239
4	Voluntary Withholdings	22,419	36.3700	21.2700	15.1000	0.041370	927
5	Pension Expense - Non-Qualified Plans	4,026	36.3700	15.2100	21.1600	0.057973	233
6	Pension Expense - Qualified Plan	3,429	36.3700	36.3700	0.0000	0.000000	0
7	OPEB's (FAS 106)	31,681	36.3700	45.6250	(9.2550)	(0.025356)	(803)
8	Group Health	38,017	36.3700	9.7500	26.6200	0.072932	2,773
9	Uncollectible Accounts	40,266	36.3700	36.3700	0.0000	0.000000	0
10	Depreciation Charged to O&M	1,118	36.3700	36.3700	0.0000	0.000000	0
11	M&S and Prepayments Charged to O&M	29,150	36.3700	36.3700	0.0000	0.000000	0
12	PSC Assessment	8,958	36.3700	(30.6300)	67.0000	0.183562	1,644
13	Cash Vouchers	263,179	36.3700	27.7500	8.6200	0.023616	6,215
14	Total Operation & Maintenance Expense	\$ 567,416					\$ 18,130
15	Taxes Other Than Income						
16	FICA - Employer Portion	13,705	36.3700	17.0000	19.3700	0.053068	\$ 727
17	Federal Unemployment	231	36.3700	75.6300	(39.2600)	(0.107562)	(25)
18	State Unemployment	364	36.3700	75.6300	(39.2600)	(0.107562)	(39)
19	Property Tax	55,399	36.3700	182.5000	(146.1300)	(0.400356)	(22,179)
20	Corporate Franchise	1,965	36.3700	(77.5000)	113.8700	0.311973	613
21	DOT Transportation Tax	0	36.3700	241.5000	(205.1300)	(0.562000)	0
22	Total Taxes Other Than Income	\$ 71,664					\$ (20,903)
23	Other Expenses						
24	Sales Tax	\$ 87,216	0.0000	18.4600	(18.4600)	(0.050575)	\$ (4,411)
25	Natural Gas	2,680,643	36.3700	41.6200	(5.2500)	(0.014384)	(38,558)
26	Total Other Expenses	\$ 2,767,859					\$ (42,969)
27	Total Cash Working Capital Requirement Before Income Tax and Interest						\$ (45,742)
28	Federal Tax Offset	\$ 73,079	36.3700	38.1300	(1.7600)	(0.004822)	\$ (352)
29	State Tax Offset	\$ 11,484	36.3700	38.1300	(1.7600)	(0.004822)	\$ (55)
30	Interest Expense Offset - LTD	\$ 125,280	36.3700	87.2800	(50.9100)	(0.139479)	\$ (17,474)
31	Interest Expense Offset - STD	\$ 4,847	36.3700	3.0000	33.3700	0.091425	\$ 443

Atmos Energy Corporation - Butler Rate District

Case No. GR-2006-0387

Test Year Ending September 30, 2005 Updated Through June 30, 2006

Income Statement

	Description (A)	Test Year Amounts (B)	Adjustment Amount (C)	Adjust No. (D)	As Adjusted (E)
Line					
1	Operating Revenue	\$	\$		\$
2	Residential Sales	2,207,795	(1,485,686)	S-1	722,109
3	Small General Service	1,352,298	(1,043,680)	S-2	308,618
4	Large General Service	144,006	(24,889)	S-3	119,117
5	Interruptible Sales	0	0	S-4	0
6	Transportation Sales	7,170	0	S-5	7,170
7	Late Payment Charges	9	0	S-6	9
8	Other Operating Revenues	6,418	0	S-7	6,418
9	Total Operating Revenue	\$ 3,717,696	\$ (2,554,255)		\$ 1,163,441
10	Operating Expenses				
11	Operation & Maintenance Expense				
12	Natural Gas Supply Expense	\$ 2,646,784	\$ (2,646,784)	S-8	\$ 0
13	Manufactured Gas Production & Other Gas S	33,859	(33,859)	S-9	0
14	Underground Storage	0	0	S-10	0
15	Other Storage	0	0	S-11	0
16	Transmission	0	0	S-12	0
17	Distribution	192,397	(20,817)	S-13	171,580
18	Customer Accounts	60,370	37,139	S-14	97,509
19	Customer Service & Information	1,181	(127)	S-15	1,054
20	Sales	1,331	(331)	S-16	1,000
21	Administrative & General	66,439	229,834	S-17	296,273
22	Total O & M Expense	\$ 3,002,361	\$ (2,434,945)		\$ 567,416
23	Other Operating Expenses				
24	Depreciation	\$ 159,593	\$ (33,174)	S-18	\$ 126,419
25	Amortization	301	(25,352)	S-19	(25,051)
26	Taxes Other Than Income Taxes	96,097	(24,433)	S-20	71,664
27	Total Other Operating Expenses	\$ 255,991	\$ (82,959)		\$ 173,032
28	Total Operating Expenses	\$ 3,258,352	\$ (2,517,903)		\$ 740,449
29	Net Income Before Income Taxes	\$ 459,344	\$ (36,352)		\$ 422,992

Atmos Energy Corporation - Butler Rate District
Case No. GR-2006-0387
Test Year Ending September 30, 2005 Updated Through June 30, 2006

Income Statement

Line	Description (A)	Test Year Amounts (B)	Adjustment Amount (C)	Adjust. No. (D)	As Adjusted (E)
30	Net Income Before Income Taxes (Fm Pg1)	\$ 459,344	\$ (36,352)		\$ 422,992
31	Current Income Tax Expense	\$ 287,082	\$ (174,655)	S-21	\$ 112,427
32	Deferred Income Tax Expense				
33	Deferred Income Tax Expense	\$ (287,082)	\$ 287,082	S-22	\$ 0
34	Deferred ITC Amortization	0	0	S-23	0
35	Total Deferred Income Tax Expense	\$ (287,082)	\$ 287,082		\$ 0
36	Total Income Tax Expense	\$ 0	\$ 112,427		\$ 112,427
37	Net Operating Income	\$ 459,344	\$ (148,779)		\$ 310,565

Atmos Energy Corporation - Butler Rate District
Case No. GR-2006-0387
Test Year Ending September 30, 2005 Updated Through June 30, 2006

Adjustments To Income Statement

Adj. No.	Description	Adjustment Amount	Total Adjustment
Residential Sales		S-1	\$ (1,485,686)
1	To reflect normal weather. (Meyer)	\$ 43,284	
2	To eliminate natural gas costs. (Meyer)	(1,535,154)	
3	To eliminate unbilled revenue. (Meyer)	(3,361)	
4	To reflect customer annualization. (Meyer)	9,598	
5	To adjust to a 365 day test year (Meyer)	(53)	
Small General Service		S-2	\$ (1,043,680)
1	To reflect normal weather. (Meyer)	\$ 16,642	
2	To eliminate natural gas costs. (Meyer)	(1,011,685)	
3	To eliminate unbilled revenue. (Meyer)	3,663	
4	To reflect customer annualization. (Meyer)	(52,242)	
5	To adjust to a 365 day test year (Meyer)	(58)	
Large General Service		S-3	\$ (24,889)
1	To annualize customers. (Meyer)	\$ 67,753	
2	To eliminate natural gas costs. (Meyer)	(93,013)	
3	To include A. Ross adjustment. (Ross)	371	
Interruptible Sales		S-4	\$ 0
1	No adjustment required.	\$ 0	
Transportation Sales		S-5	\$ 0
1	No adjustment required.	\$ 0	
Late Payment Charges		S-6	\$ 0
1	No adjustment required.	\$ 0	
Other Operating Revenues		S-7	\$ 0
1	No adjustment required.	\$ 0	
Natural Gas Supply Expense		S-8	\$ (2,646,784)

Atmos Energy Corporation - Butler Rate District

Case No. GR-2006-0387

Test Year Ending September 30, 2005 Updated Through June 30, 2006

Adjustments To Income Statement

Adj No.	Description	Adjustment Amount	Total Adjustment
1	To eliminate natural gas costs. (Meyer)	\$ (2,646,784)	
Manufactured Gas Production & Other Gas Supply S-9			
		\$	(33,859)
1	To eliminate natural gas costs (Meyer)	\$ (33,859)	
Underground Storage S-10			
		\$	0
1	No adjustment required.	\$ 0	
Other Storage S-11			
		\$	0
1	No adjustment required.	\$ 0	
Transmission S-12			
		\$	0
1	No adjustment required.	\$ 0	
Distribution S-13			
		\$	(20,817)
1	To annualize payroll. (Hanneken)	\$ (19,473)	
2	To remove disallowed advertising and promotional expense (Hagemeyer)	(1,344)	
Customer Accounts S-14			
		\$	37,139
1	To annualize payroll. (Hanneken)	\$ (9,671)	
2	To reflect interest on customer deposits. (Began)	11,470	
3	To annualize postage (Meyer)	448	
4	To annualize uncollectible expense (Meyer)	34,892	
Customer Service & Information S-15			
		\$	(127)
1	To remove disallowed advertising and promotional expense (Hagemeyer)	\$ (127)	
Sales S-16			
		\$	(331)
1	To remove disallowed advertising and promotional expense (Hagemeyer)	\$ (331)	
Administrative & General S-17			
		\$	229,834
1	To reallocate non-utility expense (Hanneken)	\$ (9,707)	
2	To adjust Call Center Expense (Hanneken)	1,628	
3	To annualize allocated labor (Hanneken)	16,272	

Atmos Energy Corporation - Butler Rate District

Case No. GR-2006-0387

Test Year Ending September 30, 2005 Updated Through June 30, 2006

Adjustments To Income Statement

Adj. No.	Description	Adjustment Amount	Total Adjustment
4	To annualize allocated O&M (Hanneken)	165,607	
5	To adjust pension expense to reflect FAS 87. (Hagemeyer)	2,141	
6	To adjust other employee benefits to reflect FAS 106. (Hagemeyer)	5,385	
7	To reallocate employee benefits (Hagemeyer)	10,781	
8	To adjust Injuries and Damages expense. (Hagemeyer)	19,352	
9	To adjust PSC assessment. (Hanneken)	8,958	
10	To normalize rate case expense. (Began)	1,562	
11	To adjust insurance expense (Hagemeyer)	7,855	
Depreciation		S-18	\$ (33,174)
1	To annualize depreciation. (Began)	\$ 26,036	
2	To annualize capitalized depreciation. (Began)	(21,135)	
3	To annualize the reserve amortization (Gilbert)	(38,075)	
Amortization		S-19	\$ (25,352)
1	To include stipulated amortization expense reduction (Rackers)	\$ (25,352)	
Taxes Other Than Income Taxes		S-20	\$ (24,433)
1	To annualize FICA. (Hanneken)	\$ 2,203	
2	To annualize property tax expense. (Hanneken)	(28,601)	
3	To adjust State Franchise Tax. (Hanneken)	1,965	
Merchandise Sales		S-19	\$ 0
1	No adjustment required.	0	
Current Income Tax Expense		S-21	\$ (174,655)
1	To annualize current income tax expense. (Rackers)	\$ (174,655)	
Deferred Income Tax Expense		S-22	\$ 287,082
1	To adjust deferred income tax expense. (Rackers)	\$ 287,082	

Atmos Energy Corporation - Butler Rate District
Case No. GR-2006-0387
Test Year Ending September 30, 2005 Updated Through June 30, 2006

Income Tax

	Description (A)	Test Year (B)	7.13% Return (C)	7.30% Return (D)	7.47% Return (E)
Line					
1	Net Operating Income (Acctg. Sch. 1)	\$ 310,565	\$ 265,846	\$ 272,185	\$ 278,524
2	Add:				
3	Current Income Tax	112,427	84,563	88,513	92,463
4	Deferred Income Taxes				
5	Deferred Income Tax Expense	0	0	0	0
6	Deferred ITC Amortization	0	0	0	0
7	Net Income Before Taxes (Acctg. Sch. 9)	\$ 422,992	\$ 350,409	\$ 360,698	\$ 370,987
8	Subtractions From Net Income Before Taxes				
9	Interest Expense @ 3.49%	\$ 130,127	\$ 130,127	\$ 130,127	\$ 130,127
10	Total Subtractions	\$ 130,127	\$ 130,127	\$ 130,127	\$ 130,127
11	Net Taxable Income	\$ 292,865	\$ 220,282	\$ 230,571	\$ 240,860
12	Provision For Federal Income Tax				
13	Net Taxable Income (Page 1)	\$ 292,865	\$ 220,282	\$ 230,571	\$ 240,860
14	Deduct:				
15	Missouri Income Tax 100.00%	15,268	11,484	12,020	12,557
17	Federal Taxable Income	\$ 277,598	\$ 208,798	\$ 218,551	\$ 228,303
18	Federal Income Tax @ 35.00%	\$ 97,159	\$ 73,079	\$ 76,493	\$ 79,906
19	Provision For Missouri Income Tax				
20	Net Taxable Income (Page 1)	\$ 292,865	\$ 220,282	\$ 230,571	\$ 240,860
21	Deduct:				
22	Federal Income Tax 50.00%	48,580	36,540	38,246	39,953
23	Missouri Taxable Income	\$ 244,285	\$ 183,742	\$ 192,325	\$ 200,907
24	Missouri Income Tax @ 6.25%	\$ 15,268	\$ 11,484	\$ 12,020	\$ 12,557
25	Summary of Provision For Income Tax				
26	Federal Income Tax	\$ 97,159	73,079	76,493	79,906
27	Missouri Income Tax	15,268	11,484	12,020	12,557
29	Total Income Tax	\$ 112,427	\$ 84,563	\$ 88,513	\$ 92,463