

Atmos Energy Corporation - UCG 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)	\$ 17,143,787	\$ 17,143,787	\$ 17,143,787
2	Rate of Return	7.13%	7.30%	7.47%
3	Net Operating Income Requirement	\$ 1,222,352	\$ 1,251,496	\$ 1,280,641
4	Net Income Available (From Acctg. Sch 9)	1,376,715	1,376,715	1,376,715
5	Additional Net Operating Income Needed Before Income Taxes	\$ (154,363)	\$ (125,219)	\$ (96,074)
6	Income Tax Requirement: (From Acctg. Sch. 11)			
7	Required Current Income Tax	\$ 336,689	\$ 354,848	\$ 373,007
8	Test Year Current Income Tax	432,869	432,869	432,869
9	Additional Current Income Tax Required	\$ (96,180)	\$ (78,021)	\$ (59,861)
10	Additional Gross Revenue Requirement	\$ (250,543)	\$ (203,240)	\$ (155,935)

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Rate Base

Line	(A)	(B)
1	Total Plant In Service	
2	Utility Plant In Service (From Acctg. Sch 3)	\$ 31,929,377
3	Less Depreciation Reserves:	
4	Utility Plant In Service (From Acctg. Sch 5)	12,542,360
5	Net Plant In Service	\$ 19,387,016
6	Add:	
7	Cash Working Capital (From Acctg. Sch. 8)	\$ (211,893)
8	Materials and Supplies and Prepayments	48,236
9	Prepaid Pension Asset	882,822
10	Propane Gas Inventory	182,839
11	Natural Gas Inventory	2,461,793
12	Total Additions To Net Plant In Service	\$ 3,363,797
13	Less:	
14	Interest Offset (From Acctg. Sch. 8)	\$ 78,306
15	Income Tax Offset (From Acctg. Sch. 8)	1,623
16	Stipulated Rate Base Reduction	0
17	Customer Advances For Construction	0
18	Customer Deposits	407,882
19	Deferred Income Taxes	5,119,216
20	Total Deductions To Net Plant In Service	\$ 5,607,027
21	Total Rate Base	\$ 17,143,787

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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	\$ 2,928	\$ 7,681	P-1	\$ 10,609
3	302.00	Franchise & Consents	35,326	0	P-2	35,326
4	303.00	Other Misc. Intangible	0	45,987	P-3	45,987
5		Total Intangible	\$ 38,254	\$ 53,668		\$ 91,921
6		Manufactured Gas Production Plant				
7	311.00	L-P Production Plant-Liq Petro Gas E	\$ 877,060	\$ 0	P-4	\$ 877,060
8		Total Manufactured Gas Production I	\$ 877,060	\$ 0		\$ 877,060
9		Transmission Plant				
10	365.10	Land	\$ 0	\$ 0	P-5	\$ 0
11	365.20	Right-Of-Way	1	0	P-6	1
12	366.00	Structures & Improvements	0	0	P-7	0
13	367.01	Mains - Steel & Cathodic Protection	0	0	P-8	0
14	367.02	Mains - Plastic	0	0	P-9	0
15	367.00	Mains - Total	0	0		0
16	369.00	Meas. & Reg. Equip.	(0)	0	P-10	(0)
17	370.00	Communication Equipment	0	0	P-11	0
18		Total Transmission Plant	\$ 0	\$ 0		\$ 0
19		Distribution Plant				
20	374.01	Land	\$ 136,297	\$ (8,001)	P-12	\$ 128,296
21	374.02	Land Rights	300	0	P-13	300
22	375.00	Structures & Improvements	47,663	0	P-14	47,663
23	376.01	Mains - Steel & Cathodic Protection	6,664,432	(79,011)	P-15	6,585,421
24	376.02	Mains - Plastic	7,443,377	228,719	P-16	7,672,096
25	376.00	Mains - Total	14,107,809	149,708		14,257,517
26	377.00	Compressor Station Equipment	0	0	P-17	0
27	378.00	Meas & Reg Equip	698,477	0	P-18	698,477
28	379.00	Meas & Reg Equip City Gate	540,981	4,499	P-19	545,480
29	380.00	Services	9,696,913	(222,534)	P-20	9,474,379
30	381.00	Meters	1,041,505	10,011	P-21	1,051,516
31	382.00	Meter Installations	1,947,666	(33,141)	P-22	1,914,525
32	383.00	House Regulators	327,033	16,543	P-23	343,576

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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)
33	384.00	House Reg Installations	0	0	P-24	0
34	385.00	Ind. Meas. & Reg Sta Equip	601	0	P-25	601
35	387.00	Other Equipment	33,141	0	P-26	33,141
36		Total Distribution Plant	\$ 28,578,386	\$ (82,915)		\$ 28,495,471
37		General Plant				
38	389.00	Land & Land Rights	\$ 8,132	\$ 0	P-27	\$ 8,132
39	390.00	Structures & Improvements	362,623	(159,471)	P-28	203,152
40	391.00	Office Furn & Equip	54,828	126,261	P-29	181,089
41	392.00	Transportation Equip	284,978	(79,427)	P-30	205,551
42	393.00	Stores Equip	11,241	477	P-31	11,717
43	394.00	Tools, Shop & Garage Equip	168,365	(7,240)	P-32	161,125
44	395.00	Laboratory Equip	295	0	P-33	295
45	396.00	Power Operated Equipment	331,437	352	P-34	331,790
46	397.00	Communications Equip	88,462	159,907	P-35	248,368
47	398.00	Misc Equip	49,323	21,535	P-36	70,858
48	399.00	Other Tangible Property	125,024	917,823	P-37	1,042,847
49		Total General Plant	\$ 1,484,708	\$ 980,216		\$ 2,464,924
50		Total Plant In Service	\$ 30,978,408	\$ 950,969		\$ 31,929,377

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Adjustments To Plant In Service

Adj No	Description	Adjustment Amount	Adjustment Total
Organization P-1			
		\$	7,681
1	To include allocated corporate plant (Hanneken)	\$ 7,681	
Other Misc. Intangible P-3			
		\$	45,987
1	To include allocated corporate plant (Hanneken)	\$ 45,987	
Land P-12			
		\$	(8,001)
1	To Transfer to Non-utility or Future Use Plant (Rackers)	\$ (8,001)	
Mains - Steel & Cathodic Protection P-15			
		\$	(79,011)
1	To include allocated corporate plant (Hanneken)	\$ 0	
2	To adjust plant to June 30, 2006 levels (Began)	(79,011)	
Mains - Plastic P-16			
		\$	228,719
1	To adjust plant to June 30, 2006 levels (Began)	\$ 228,719	
Meas & Reg Equip City Gate P-19			
		\$	4,499
1	To adjust plant to June 30, 2006 levels (Began)	\$ 4,499	
Services P-20			
		\$	(222,534)
1	To adjust plant to June 30, 2006 levels (Began)	\$ (222,534)	
Meters P-21			
		\$	10,011
1	To adjust plant to June 30, 2006 levels (Began)	\$ 10,011	
Meter Installations P-22			
		\$	(33,141)
1	To adjust plant to June 30, 2006 levels (Began)	\$ (33,141)	
House Regulators P-23			
		\$	16,543
1	To adjust plant to June 30, 2006 levels (Began)	\$ 16,543	
Structures & Improvements P-28			
		\$	(159,471)
1	To include allocated corporate plant (Hanneken)	\$ 74,166	
2	To Transfer to Non-utility or Future Use Plant (Rackers)	(233,637)	
3	To adjust plant to June 30, 2006 levels (Began)	39,398	
Office Furn & Equip P-29			
		\$	126,261
1	To include allocated corporate plant (Hanneken)	\$ 132,892	
2	To adjust plant to June 30, 2006 levels (Began)	(6,631)	

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Adjustments To Plant In Service

Adj No	Description	Adjustment Amount	Adjustment Total
Transportation Equip P-30			
		\$	(79,427)
1	To include allocated corporate plant (Hanneken)	\$ 106	
2	To adjust plant to June 30, 2006 levels (Began)	(79,533)	
Stores Equip P-31			
		\$	477
1	To include allocated corporate plant (Hanneken)	\$ 477	
Tools, Shop & Garage Equip P-32			
		\$	(7,240)
1	To include allocated corporate plant (Hanneken)	\$ 5,321	
2	To adjust plant to June 30, 2006 levels (Began)	(12,561)	
Power Operated Equipment P-34			
		\$	352
1	To include allocated corporate plant (Hanneken)	\$ 352	
Communications Equip P-35			
		\$	159,907
1	To include allocated corporate plant (Hanneken)	\$ 159,907	
Misc Equip P-36			
		\$	21,535
1	To include allocated corporate plant (Hanneken)	\$ 21,535	
Other Tangible Property P-37			
		\$	917,823
1	To include allocated corporate plant (Hanneken)	\$ 917,823	

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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				
2	301.00	Organization	\$ 0	\$ 0	R-1	\$ 0
3	302.00	Franchise & Consents	35,778	0	R-2	35,778
4	303.00	Other Misc. Intangible	0	0	R-3	0
5		Total Intangible Reserve	\$ 35,778	\$ 0		\$ 35,778
6		Manufactured Gas Production Plant				
7	311.00	L-P Production Plant-Liq Petro Gas E	\$ 603,661	\$ 32,766	R-4	\$ 636,427
8		Total Manufactured Gas Production F	\$ 603,661	\$ 32,766		\$ 636,427
9		Transmission Plant				
10	365.10	Land	\$ 0	\$ 0	R-5	\$ 0
11	365.20	Right-Of-Way	0	0	R-6	0
12	366.00	Structures & Improvements	0	0	R-7	0
13	367.01	Mains - Steel & Cathodic Protection	0	1,072	R-8	1,072
14	367.02	Mains - Plastic	0	0	R-9	0
15	367.00	Mains -Total	0	1,072		1,072
16	369.00	Meas. & Reg. Equip.	0	66	R-10	66
17	370.00	Communication Equipment	0	0	R-11	0
18		Total Transmission Plant Reserve	\$ 0	\$ 1,138		\$ 1,138
19		Distribution Plant				
20	374.01	Land	\$ 151,864	\$ 0	R-12	\$ 151,864
21	374.02	Land Rights	0	0	R-13	0
22	375.00	Structures & Improvements	47,663	0	R-14	47,663
23	376.01	Mains - Steel & Cathodic Protection	3,543,320	102,685	R-15	3,646,005
24	376.02	Mains - Plastic	2,214,545	(105,011)	R-16	2,109,534
25	376.00	Mains - Total	5,757,864	(2,326)		5,755,538
26	377.00	Compressor Station Equipment	0	0	R-17	0
27	378.00	Meas & Reg Equip	218,527	(5,575)	R-18	212,952
28	379.00	Meas & Reg Equip City Gate	(295,439)	32,292	R-19	(263,147)
29	380.00	Services	4,152,785	(575,781)	R-20	3,577,004
30	381.00	Meters	77,552	(47,347)	R-21	30,205
31	382.00	Meter Installations	723,173	(25,017)	R-22	698,156
32	383.00	House Regulators	99,475	8,508	R-23	107,983
33	384.00	House Reg Installations	0	0	R-24	0

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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)
34	385.00	Ind. Meas. & Reg Sta Equip	(1,896)	9	R-25	(1,887)
35	387.00	Other Equipment	17,023	1,372	R-26	18,395
36		Total Distribution Plant Reserve	\$ 10,948,592	\$ (613,865)		\$ 10,334,727
37		General Plant				
38	389.00	Land & Land Rights	\$ 8,132	\$ 0	R-27	\$ 8,132
39	390.00	Structures & Improvements	49,874	44,143	R-28	94,017
40	391.00	Office Furn & Equip	22,746	94,477	R-29	117,223
41	392.00	Transportation Equip	254,925	(63,531)	R-30	191,394
42	393.00	Stores Equip	9,857	766	R-31	10,623
43	394.00	Tools, Shop & Garage Equip	17,891	(7,613)	R-32	10,278
44	395.00	Laboratory Equip	116	9	R-33	125
45	396.00	Power Operated Equipment	225,994	24,616	R-34	250,611
46	397.00	Communications Equip	88,459	59,174	R-35	147,632
47	398.00	Misc Equip	12,258	11,122	R-36	23,381
48	399.00	Other Tangible Property	151,232	529,642	R-37	680,873
49		Total General Plant Reserve	\$ 841,484	\$ 692,806		\$ 1,534,290
50		Total Depreciation Reserve	\$ 12,429,515	\$ 112,845		\$ 12,542,360

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Adjustments To Depreciation Reserve

Adj No	Description	Adjustment Amount	Adjustment Total
	L-P Production Plant-Liq Petro Gas Equip R-4		\$ 32,766
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 32,766	
	Mains - Steel & Cathodic Protection R-8		\$ 1,072
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 1,072	
	Meas. & Reg Equip R-10		\$ 66
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 66	
	Mains - Steel & Cathodic Protection R-15		\$ 102,685
1	To include reserve for allocated corporate plant (Hanneken)	\$ 0	
2	To adjust reserve to June 30, 2006 levels (Began)	102,685	
	Mains - Plastic R-16		\$ (105,011)
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 200,826	
2	To correct reserve (Rackers)	(305,837)	
	Meas & Reg Equip R-18		\$ (5,575)
1	To adjust reserve to June 30, 2006 levels (Began)	\$ (5,575)	
	Meas & Reg Equip City Gate R-19		\$ 32,292
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 32,292	
	Services R-20		\$ (575,781)
1	To adjust reserve to June 30, 2006 levels (Began)	\$ (575,781)	
	Meters R-21		\$ (47,347)
1	To adjust reserve to June 30, 2006 levels (Began)	\$ (47,347)	
	Meter Installations R-22		\$ (25,017)
1	To adjust reserve to June 30, 2006 levels (Began)	\$ (25,017)	
	House Regulators R-23		\$ 8,508
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 8,508	
	Ind Meas. & Reg Sta Equip R-25		\$ 9
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 9	
	Other Equipment R-26		\$ 1,372
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 1,372	

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Adjustments To Depreciation Reserve

Adj No	Description	Adjustment Amount	Adjustment Total
Structures & Improvements R-28			
		\$	44,143
1	To include reserve for allocated corporate plant (Hanneken)	\$ 41,425	
2	To adjust reserve to June 30, 2006 levels (Began)	2,718	
Office Furn & Equip R-29			
		\$	94,477
1	To include reserve for allocated corporate plant (Hanneken)	\$ 99,118	
2	To adjust reserve to June 30, 2006 levels (Began)	(4,641)	
Transportation Equip R-30			
		\$	(63,531)
1	To include reserve for allocated corporate plant (Hanneken)	\$ 431	
2	To adjust reserve to June 30, 2006 levels (Began)	(63,962)	
Stores Equip R-31			
		\$	766
1	To include reserve for allocated corporate plant (Hanneken)	\$ 345	
2	To adjust reserve to June 30, 2006 levels (Began)	421	
Tools, Shop & Garage Equip R-32			
		\$	(7,613)
1	To include reserve for allocated corporate plant (Hanneken)	\$ 755	
2	To adjust reserve to June 30, 2006 levels (Began)	(8,368)	
Laboratory Equip R-33			
		\$	9
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 9	
Power Operated Equipment R-34			
		\$	24,616
1	To include reserve for allocated corporate plant (Hanneken)	\$ 361	
2	To adjust reserve to June 30, 2006 levels (Began)	24,255	
Communications Equip R-35			
		\$	59,174
1	To include reserve for allocated corporate plant (Hanneken)	\$ 59,172	
2	To adjust reserve to June 30, 2006 levels (Began)	2	
Misc Equip R-36			
		\$	11,122
1	To include reserve for allocated corporate plant (Hanneken)	\$ 7,097	
2	To adjust reserve to June 30, 2006 levels (Began)	4,025	

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Adjustments To Depreciation Reserve

Adj No	Description	Adjustment Amount	Adjustment Total
Other Tangible Property R-37			
1	To include reserve for allocated corporate plant (Hanneken)	\$ 529,642	\$ 529,642

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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			
2	301.00	Organization	10,609		
3	302.00	Franchise & Consents	35,326	4.7100%	1,664
4	303.00	Other Misc. Intangible	45,987	20.0000%	9,197
5		Total Intangible	\$ 91,921		\$ 10,861
6		Manufactured Gas Production Plant			
7	311.00	L-P Production Plant-Liq Petro Gas Equ	877,060	4.9800%	43,678
8		Total Manufactured Gas Production Pla	\$ 877,060		\$ 43,678
9		Transmission Plant			
10	365.10	Land			
11	365.20	Right-Of-Way	1		
12	366.00	Structures & Improvements			
13	367.01	Mains - Steel & Cathodic Protection		1%	
14	367.02	Mains - Plastic		1.3300%	
15	367.00	Mains - Total			
16	369.00	Meas. & Reg. Equip.	(0)	1.8900%	
17	370.00	Communication Equipment			
18		Total Transmission Plant	\$ 0		\$
19		Distribution Plant			
20	374.01	Land	\$ 128,296		\$
21	374.02	Land Rights	300		
22	375.00	Structures & Improvements	47,663	4.3700%	2,083
23	376.01	Mains - Steel & Cathodic Protection	6,585,421	3.4300%	225,880
24	376.02	Mains - Plastic	7,672,096	3.4300%	263,153
25	376.00	Mains - Total	14,257,517		489,033
26	377.00	Compressor Station Equipment			
27	378.00	Meas & Reg Equip	698,477	1.8900%	13,201
28	379.00	Meas & Reg Equip City Gate	545,480	1.8900%	10,310
29	380.00	Services	9,474,379	5.1300%	486,036
30	381.00	Meters	1,051,516	2.5200%	26,498
31	382.00	Meter Installations	1,914,525	3.9100%	74,858
32	383.00	House Regulators	343,576	3.2400%	11,132
33	384.00	House Reg Installations			
34	385.00	Ind. Meas. & Reg Sta Equip	601	1.8900%	11

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Depreciation Expense

Line	Account (A)	Plant Title (B)	Adjusted Plant (Acctg Sch 3) (C)	Depreciation Rate (D)	Depreciation Expense (E)
35	387.00	Other Equipment	33,141	5.5200%	1,829
36		Total Distribution Plant	\$ 28,495,471		\$ 1,114,991
37		General Plant			
38	389.00	Land & Land Rights	\$ 8,132		\$
39	390.00	Structures & Improvements	203,152	1.0000%	2,032
40	391.00	Office Furn & Equip	181,089	5.0000%	9,054
41	392.00	Transportation Equip	205,551	10.0000%	20,555
42	393.00	Stores Equip	11,717	5.0000%	586
43	394.00	Tools, Shop & Garage Equip	161,125	3.2900%	5,301
44	395.00	Laboratory Equip	295	3.8500%	11
45	396.00	Power Operated Equipment	331,790	13.8100%	45,820
46	397.00	Communications Equip	248,368	12.0000%	29,804
47	398.00	Misc Equip	70,858	10.0000%	7,086
48	399.00	Other Tangible Property	1,042,847	5.0000%	52,142
49		Total General Plant	\$ 2,464,924		\$ 172,391

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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	\$ 574,543	36.3700	14.0000	22.3700	0.061288	\$ 35,213
3	Tax Withholding	554,966	36.3700	17.1500	19.2200	0.052658	29,223
4	Voluntary Withholdings	202,302	36.3700	21.2700	15.1000	0.041370	8,369
5	Pension Expense - Non-Qualified Plans	26,213	36.3700	15.2100	21.1600	0.057973	1,520
6	Pension Expense - Qualified Plan	11,213	36.3700	36.3700	0.0000	0.000000	0
7	OPEB's (FAS 106)	159,044	36.3700	45.6250	(9.2550)	(0.025356)	(4,033)
8	Group Health	123,492	36.3700	9.7500	26.6200	0.072932	9,007
9	Uncollectible Accounts	94,047	36.3700	36.3700	0.0000	0.000000	0
10	Depreciation Charged to O&M	5,361	36.3700	36.3700	0.0000	0.000000	0
11	M&S and Prepayments Charged to O&M	142,230	36.3700	36.3700	0.0000	0.000000	0
12	PSC Assessment	31,349	36.3700	(30.6300)	67.0000	0.183562	5,754
13	Cash Vouchers	(5,635)	36.3700	27.7500	8.6200	0.023616	(133)
14	Total Operation & Maintenance Expense	\$ 1,919,126					\$ 84,920
15	Taxes Other Than Income						
16	FICA - Employer Portion	(35,566)	36.3700	17.0000	19.3700	0.053068	\$ (1,887)
17	Federal Unemployment	579	36.3700	75.6300	(39.2600)	(0.107562)	(62)
18	State Unemployment	881	36.3700	75.6300	(39.2600)	(0.107562)	(95)
19	Property Tax	340,103	36.3700	182.5000	(146.1300)	(0.400356)	(136,162)
20	Corporate Franchise	22,915	36.3700	(77.5000)	113.8700	0.311973	7,149
21	DOT Transportation Tax	0	36.3700	241.5000	(205.1300)	(0.562000)	0
22	Total Taxes Other Than Income	\$ 328,911					\$ (131,057)
23	Other Expenses						
24	Sales Tax	\$ 328,214	0.0000	18.4600	(18.4600)	(0.050575)	\$ (16,599)
25	Natural Gas	10,369,644	36.3700	41.6200	(5.2500)	(0.014384)	(149,157)
26	Total Other Expenses	\$ 10,697,858					\$ (165,756)
27	Total Cash Working Capital Requirement Before Income Tax and Interest						\$ (211,893)
28	Federal Tax Offset	\$ 290,966	36.3700	38.1300	(1.7600)	(0.004822)	\$ (1,403)
29	State Tax Offset	\$ 45,723	36.3700	38.1300	(1.7600)	(0.004822)	\$ (220)
30	Interest Expense Offset - LTD	\$ 576,031	36.3700	87.2800	(50.9100)	(0.139479)	\$ (80,344)
31	Interest Expense Offset - STD	\$ 22,287	36.3700	3.0000	33.3700	0.091425	\$ 2,038

Atmos Energy Corporation - UCG 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)
1	Operating Revenue	\$	\$		\$
2	Residential Sales	8,969,846	(5,609,490)	S-1	3,360,356
3	Small General Service	4,288,775	(2,969,151)	S-2	1,319,624
4	Large General Service	364,145	(236,780)	S-3	127,365
5	Sales to Public Authorities	27,178	(19,256)	S-4	7,922
6	Interruptible Sales	0	0	S-5	0
7	Transportation Sales	278,187	(24,949)	S-6	253,238
8	Late Payment Charges	42,924	0	S-7	42,924
9	Other Operating Revenues	19,540	0	S-8	19,540
10	Total Operating Revenue	\$ 13,990,595	\$ (8,859,626)		\$ 5,130,969
11	Operating Expenses				
12	Operation & Maintenance Expense				
13	Natural Gas Supply Expense	\$ 9,282,880	\$ (9,282,880)	S-9	\$ 0
14	Manufactured Gas Production & Other Gas S	(1,390)	3,343	S-10	1,953
15	Underground Storage	0	0	S-11	0
16	Other Storage	0	0	S-12	0
17	Transmission	363	0	S-13	363
18	Distribution	1,618,184	(1,062,267)	S-14	555,918
19	Customer Accounts	112,168	117,792	S-15	229,960
20	Customer Service & Information	7,397	(735)	S-16	6,662
21	Sales	3,029	(2,137)	S-17	892
22	Administrative & General	3,180,802	(2,057,423)	S-18	1,123,379
23	Total O & M Expense	\$ 14,203,433	\$ (12,284,307)		\$ 1,919,126
24	Other Operating Expenses				
25	Depreciation	\$ 1,475,501	\$ (400,527)	S-19	\$ 1,074,974
26	Amortization	2,156	0	S-20	2,156
27	Taxes Other Than Income Taxes	820,584	(411,787)	S-21	408,797
28	Total Other Operating Expenses	\$ 2,298,242	\$ (812,314)		\$ 1,485,928
29	Total Operating Expenses	\$ 16,501,675	\$ (13,096,621)		\$ 3,405,054
30	Net Income Before Income Taxes	\$ (2,511,080)	\$ 4,236,995		\$ 1,725,915

Atmos Energy Corporation - UCG Rate District

Case No. GR-2006-0387

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

Income Statement

Line	Description	Test Year	Adjustment	Adjust	As Adjusted
	(A)	Amounts	Amount	No.	(E)
31	Net Income Before Income Taxes (Fm Pg1)	\$ (2,511,080)	\$ 4,236,995		\$ 1,725,915
32	Current Income Tax Expense	\$ 50,688	\$ 382,181	S-22	\$ 432,869
33	Deferred Income Tax Expense				
34	Deferred Income Tax Expense	\$ 131,284	\$ (180,194)	S-23	\$ (48,910)
35	Deferred ITC Amortization	0	(34,759)	S-24	(34,759)
36	Total Deferred Income Tax Expense	\$ 131,284	\$ (214,953)		\$ (83,669)
37	Total Income Tax Expense	\$ 181,972	\$ 167,228		\$ 349,200
38	Net Operating Income	\$ (2,693,052)	\$ 4,069,767		\$ 1,376,715

Atmos Energy Corporation - UCG Rate District
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Adjustments To Income Statement

Adj No.	Description	Adjustment Amount	Total Adjustment
Residential Sales S-1 \$ (5,609,490)			
1	To reflect normal weather. (Meyer)	\$ 239,596	
3	To eliminate natural gas costs. (Meyer)	(5,858,482)	
4	To eliminate unbilled revenue. (Meyer)	2,384	
5	To reflect customer growth. (Meyer)	7,012	
Small General Service S-2 \$ (2,969,151)			
1	To reflect normal weather. (Meyer)	\$ 66,411	
3	To eliminate natural gas costs. (Meyer)	(2,994,813)	
4	To eliminate unbilled revenue. (Meyer)	6,947	
5	To reflect customer growth. (Meyer)	(47,696)	
Large General Service S-3 \$ (236,780)			
1	To eliminate natural gas costs. (Meyer)	(390,681)	
2	To eliminate unbilled revenue. (Meyer)	320	
3	To annualize customers (Meyer)	129,478	
4	To adjust revenue for customer rate switching. (Ross)	24,103	
Sales to Public Authorities S-4 \$ (19,256)			
1	To eliminate natural gas costs. (Meyer)	\$ (21,329)	
2	To eliminate unbilled revenue. (Meyer)	2,073	
Interruptible Sales S-5 \$ 0			
1	No adjustment required.	\$ 0	
Transportation Sales S-6 \$ (24,949)			
1	To eliminate natural gas costs. (Meyer)	\$ (17,575)	
2	To adjust revenue for customer rate switching. (Ross)	(24,253)	

Atmos Energy Corporation - UCG Rate District
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Adjustments To Income Statement

Adj No.	Description	Adjustment Amount	Total Adjustment
3	To annualize customers (Meyer)	16,879	
Late Payment Charges S-7			
1	No adjustment required.	\$ 0	\$ 0
Other Operating Revenues S-8			
1	No adjustment required.	\$ 0	\$ 0
Natural Gas Supply Expense S-9			
1	To eliminate natural gas costs. (Meyer)	\$ (9,282,880)	\$ (9,282,880)
Manufactured Gas Production & Other Gas Supply S-10			
1	To annualize payroll. (Hanneken)	\$ 50	\$ 3,343
2	To eliminate natural gas costs. (Meyer)	3,294	
Underground Storage S-11			
1	No adjustment required.	\$ 0	\$ 0
Other Storage S-12			
1	No adjustment required.	\$ 0	\$ 0
Transmission S-13			
1	No adjustment required.	\$ 0	\$ 0
Distribution S-14			
1	To annualize payroll. (Hanneken)	\$ 23,473	
2	To eliminate a non-recurring environmental expense. (Rackers)	(1,082,979)	
3	To remove disallowed advertising and promotional expense (Hagemeyer)	(2,760)	
Customer Accounts S-15			
1	To annualize payroll. (Hanneken)	\$ 6,543	\$ 117,792
3	To reflect interest on customer deposits. (Began)	33,650	
4	To annualize postage. (Meyer)	1,506	

Atmos Energy Corporation - UCG Rate District
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Test Year Ending September 30, 2005 Updated Through June 30, 2006

Adjustments To Income Statement

Adj No.	Description	Adjustment Amount	Total Adjustment
5	To annualize uncollectible expense (Meyer)	76,093	
Customer Service & Information S-16			
1	To annualize payroll. (Hanneken)	\$ 0	\$ (735)
2	To remove disallowed advertising and promotional expense (Hagemeyer)	(735)	
Sales S-17			
1	To annualize payroll. (Hanneken)	\$ 0	\$ (2,137)
2	To remove disallowed advertising and promotional expense (Hagemeyer)	(2,137)	
Administrative & General S-18			
1	To annualize payroll. (Hanneken)	\$ 0	\$ (2,057,423)
2	To remove lobbying related labor (Hagemeyer)	(2,888)	
3	To reallocate non-utility expense (Hanneken)	(48,731)	
4	To adjust Call Center Expense (Hanneken)	5,498	
5	To remove Employee Illness Bank (Hanneken)	(23,457)	
6	To Remove CSC Incentive (Hagemeyer)	(6,837)	
7	To annualize allocated labor (Hanneken)	863	
8	To remove All Employee Broadcast (Hanneken)	(7,079)	
9	To remove dues and miscellaneous expenses (Hagemeyer)	(7,118)	
10	To annualize Blueflame Insurance (Hanneken)	20,615	
11	To annualize allocated O&M (Hanneken)	(1,267,205)	
12	To adjust pension expense to reflect FAS 87. (Hagemeyer)	(233)	
13	To adjust other employee benefits to reflect FAS 106. (Hagemeyer)	26,843	
14	To reallocate employee benefits (Hagemeyer)	(93,173)	
15	To remove Cenntennial Project from Expense (Hanneken)	(3,369)	

Atmos Energy Corporation - UCG 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
16	To remove Board of Directors costs (Hanneken)	(46,726)	
18	To adjust Injuries and Damages expense. (Hagemeyer)	(211,952)	
19	To remove disallowed advertising and promotional expense (Hagemeyer)	(5,487)	
20	To adjust PSC assessment for true-up. (Hanneken)	31,349	
21	To normalize rate case expense. (Began)	7,843	
22	To reduce the Merger and Integration expense (Rackers)	(112,494)	
23	To adjust insurance expense. (Hagemeyer)	(70,019)	
24	To adjust outside services. (Rackers)	(27,325)	
25	To remove Incentive Compensation Expense (Hagemeyer)	(216,341)	
Depreciation		S-19	\$ (400,527)
1	To annualize depreciation. (Began)	\$ (133,580)	
2	To annualize capitalized depreciation. (Began)	(64,166)	
5	To annualize the reserve amortization (Gilbert)	(202,781)	
Amortization		S-20	\$ 0
1	No adjustment required.	\$ 0	
Taxes Other Than Income Taxes		S-21	\$ (411,787)
1	To annualize FICA. (Hanneken)	\$ (64,990)	
2	To adjust CNG Tax (Hanneken)	(570)	
3	To annualize property tax expense. (Hanneken)	(192,575)	
5	To adjust State Franchise Tax. (Hanneken)	(12,269)	
6	To remove the PSC Assessment from taxes account (Hanneken)	(141,383)	
Current Income Tax Expense		S-22	\$ 382,181
1	To annualize current income tax expense. (Rackers)	\$ 382,181	

Atmos Energy Corporation - UCG Rate District

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

Adjustments To Income Statement

Adj No.	Description	Adjustment Amount	Total Adjustment
	Deferred Income Tax Expense	\$-23	\$ (180,194)
1	To adjust deferred income tax expense. (Rackers)	\$ (180,194)	
	Deferred ITC Amortization	\$-24	\$ (34,759)
1	To adjust ITC amortization. (Rackers)	\$ (34,759)	

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

Income Tax

Line	Description (A)	Test Year (B)	7.13% Return (C)	7.30% Return (D)	7.47% Return (E)
1	Net Operating Income (Acctg. Sch. 1)	\$ 1,376,715	\$ 1,222,352	\$ 1,251,496	\$ 1,280,641
2	Add:				
3	Current Income Tax	432,869	336,689	354,848	373,007
4	Deferred Income Taxes				
5	Deferred Income Tax Expense	(48,910)	(48,910)	(48,910)	(48,910)
6	Deferred ITC Amortization	(34,759)	(34,759)	(34,759)	(34,759)
7	Net Income Before Taxes (Acctg. Sch. 9)	\$ 1,725,915	\$ 1,475,372	\$ 1,522,675	\$ 1,569,979
8	Subtractions From Net Income Before Taxes				
9	Interest Expense @ 3.49%	\$ 598,318	\$ 598,318	\$ 598,318	\$ 598,318
10	Total Subtractions	\$ 598,318	\$ 598,318	\$ 598,318	\$ 598,318
11	Net Taxable Income	\$ 1,127,597	\$ 877,054	\$ 924,357	\$ 971,661
12	Provision For Federal Income Tax				
13	Net Taxable Income (Page 1)	\$ 1,127,597	\$ 877,054	\$ 924,357	\$ 971,661
14	Deduct:				
15	Missouri Income Tax 100.00%	58,785	45,723	48,189	50,655
16	Federal Taxable Income	\$ 1,068,812	\$ 831,331	\$ 876,168	\$ 921,006
17	Federal Income Tax @ 35.00%	\$ 374,084	\$ 290,966	\$ 306,659	\$ 322,352
18	Provision For Missouri Income Tax				
19	Net Taxable Income (Page 1)	\$ 1,127,597	\$ 877,054	\$ 924,357	\$ 971,661
20	Deduct:				
21	Federal Income Tax 50.00%	187,042	145,483	153,329	161,176
22	Missouri Taxable Income	\$ 940,555	\$ 731,571	\$ 771,028	\$ 810,485
23	Missouri Income Tax @ 6.25%	\$ 58,785	\$ 45,723	\$ 48,189	\$ 50,655
24	Summary of Provision For Income Tax				
25	Federal Income Tax	\$ 374,084	290,966	306,659	322,352
26	Missouri Income Tax	58,785	45,723	48,189	50,655
27	Total Income Tax	\$ 432,869	\$ 336,689	\$ 354,848	\$ 373,007