

Atmos Energy Corporation - Rich Hill / Hume 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%
		(B)	(C)	(D)
1	Net Original Cost Rate Base (From Acctg. Sch. 2)	\$ 667,033	\$ 667,033	\$ 667,033
2	Rate of Return	7.13%	7.30%	7.47%
3	Net Operating Income Requirement	\$ 47,559	\$ 48,693	\$ 49,827
4	Net Income Available (From Acctg. Sch 9)	29,087	29,087	29,087
5	Additional Net Operating Income Needed Before Income Taxes	\$ 18,472	\$ 19,606	\$ 20,740
6	Income Tax Requirement: (From Acctg. Sch. 11)			
7	Required Current Income Tax	\$ 14,956	\$ 15,663	\$ 16,369
8	Test Year Current Income Tax	3,447	3,447	3,447
9	Additional Current Income Tax Required	\$ 11,509	\$ 12,216	\$ 12,923
10	<b>Additional Gross Revenue Requirement</b>	<b>\$ 29,982</b>	<b>\$ 31,822</b>	<b>\$ 33,663</b>

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**Rate Base**

Line	(A)	(B)
1	Total Plant In Service	
2	Utility Plant In Service (From Acctg. Sch 3)	\$ 1,087,631
3	Less Depreciation Reserves:	
4	Utility Plant In Service (From Acctg. Sch 5)	401,627
5	Net Plant In Service	\$ 686,004
6	Add:	
7	Cash Working Capital (From Acctg. Sch. 8)	\$ (11,283)
8	Materials and Supplies and Prepayments	1,363
9	Prepaid Pension Asset	22,330
10	Propane Gas Inventory	0
11	Natural Gas Inventory	47,506
12	Total Additions To Net Plant In Service	\$ 59,916
13	Less:	
14	Interest Offset (From Acctg. Sch. 8)	\$ 3,047
15	Income Tax Offset (From Acctg. Sch. 8)	72
16	Stipulated Rate Base Reduction	0
17	Customer Advances For Construction	496
18	Customer Deposits	9,273
19	Deferred Income Taxes	65,999
20	Total Deductions To Net Plant In Service	\$ 78,887
21	<b>Total Rate Base</b>	<b>\$ 667,033</b>

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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 06/30/2006 (F)
19		Distribution Plant				
20	374.01	Land	\$ 0	\$ 0	P-12	\$ 0
21	374.02	Land Rights	0	0	P-13	0
22	375.00	Structures & Improvements	0	0	P-14	0
23	376.01	Mains - Steel	242,254	2,855	P-15	245,109
24	376.02	Mains - Plastic	154,313	6,016	P-16	160,329
25	376.00	Mains - Total	396,567	8,871		405,438
26	377.00	Compressor Station Equipment	0	0	P-17	0
27	378.00	Meas & Reg Equip	12,586	0	P-18	12,586
28	379.00	Meas. & Reg. Equip - City Gate	0	0	P-19	0
29	380.00	Services	536,810	12,056	P-20	548,866
30	381.00	Meters	28,727	0	P-21	28,727
31	382.00	Meter Installations	42,715	5,538	P-22	48,253
32	383.00	House Regulators	301	0	P-23	301
33	384.00	House Reg Installations	0	0	P-24	0
34	385.00	Ind. Meas. & Reg Sta. Equip	0	0	P-25	0
35	387.00	Other Equipment	0	0	P-26	0
36		Total Distribution Plant	\$ 1,017,706	\$ 26,465		\$ 1,044,171
37		General Plant				
38	389.00	Land & Land Rights	\$ 0	\$ 0	P-27	\$ 0
39	390.00	Structures & Improvements	0	1,979	P-28	1,979
40	391.00	Office Furn & Equip	0	1,656	P-29	1,656
41	392.00	Transportation Equip	0	3	P-30	3
42	393.00	Stores Equip	0	1	P-31	1
43	394.00	Tools, Shop & Garage Equip	0	495	P-32	495
44	395.00	Laboratory Equip	0	0	P-33	0
45	396.00	Power Operated Equipment	0	0	P-34	0
46	397.00	Communications Equip	0	6,945	P-35	6,945
47	398.00	Misc Equip	0	1,263	P-36	1,263
48	399.00	Other Tangible Property	0	31,118	P-37	31,118
49		Total General Plant	\$ 0	\$ 43,460		\$ 43,460
50		Total Plant In Service	\$ 1,017,706	\$ 69,925		\$ 1,087,631

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**Adjustments To Plant In Service**

Adj No	Description	Adjustment Amount	Adjustment Total
	Mains - Steel P-15		\$ 2,855
1	To adjust plant to June 30, 2006 levels (Began)	\$ 2,855	
	Mains - Plastic P-16		\$ 6,016
1	To adjust plant to June 30, 2006 levels (Began)	\$ 6,016	
	Services P-20		\$ 12,056
1	To adjust plant to June 30, 2006 levels (Began)	\$ 12,056	
	Meter Installations P-22		\$ 5,538
1	To adjust plant to June 30, 2006 levels (Began)	\$ 5,538	
	Structures & Improvements P-28		\$ 1,979
1	To include allocated corporate plant (Hanneken)	\$ 1,979	
	Office Furn & Equip P-29		\$ 1,656
1	To include allocated corporate plant (Hanneken)	\$ 1,656	
	Transportation Equip P-30		\$ 3
1	To include allocated corporate plant (Hanneken)	\$ 3	
	Stores Equip P-31		\$ 1
1	To include allocated corporate plant (Hanneken)	\$ 1	
	Tools, Shop & Garage Equip P-32		\$ 495
1	To include allocated corporate plant (Hanneken)	\$ 495	
	Communications Equip P-35		\$ 6,945
1	To include allocated corporate plant (Hanneken)	\$ 6,945	
	Misc Equip P-36		\$ 1,263
1	To include allocated corporate plant (Hanneken)	\$ 1,263	
	Other Tangible Property P-37		\$ 31,118
1	To include allocated corporate plant (Hanneken)	\$ 31,118	

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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 06/30/2006 (F)
1		Intangible				
2	301.00	Organization	0	0	R-1	
3	302.00	Franchise & Consents	0	0	R-2	0
4	303.00	Other Misc. Intangibles	0	0	R-3	
5		<b>Total Intangible Reserve</b>	<b>\$ 0</b>	<b>\$ 0</b>		<b>\$ 0</b>
6		Manufactured Gas Production Plant				
7	311.00	L-P Production Plant-Liq Petro Gas Equ	0	0	R-4	
8		<b>Total Manufactured Gas Production Plant</b>	<b>\$ 0</b>	<b>\$ 68,626</b>		<b>\$ 0</b>
9		Transmission Plant				
10	365.10	Land	\$	\$ 0	R-5	\$
11	365.20	Right-Of-Way	0	0	R-6	0
12	366.00	Structures & Improvements		0	R-7	
13	367.01	Mains - Steel & Cathodic Protection		0	R-8	
14	367.02	Mains - Plastic		0	R-9	
15	367.00	Mains - <b>Total</b>	<b>0</b>	<b>0</b>		<b>0</b>
16	369.00	Measuring & Regulating Equipment	0	0	R-10	0
17	370.00	Communication Equipment	0	0	R-11	0
18		<b>Total Transmission Plant</b>	<b>\$ 0</b>	<b>\$ 0</b>		<b>\$ 0</b>
19		Distribution Plant				
20	374.01	Land		0	R-12	
21	374.02	Land Rights	\$ 0	\$ 0	R-13	\$ 0
22	375.00	Structures & Improvements	0	0	R-14	0
23	376.01	Mains - Steel	129,094	1,909	R-15	131,003
24	376.02	Mains - Plastic	85,455	(4,949)	R-16	80,506
25	376.00	Mains - <b>Total</b>	<b>214,549</b>	<b>(3,040)</b>		<b>211,509</b>
26	377.00	Compressor Station Equipment	0	0	R-17	0
27	378.00	Meas & Reg Equip	8,446	307	R-18	8,753
28	379.00	Meas. & Reg. Equip - City Gate	0	0	R-19	0
29	380.00	Services	129,730	12,635	R-20	142,365
30	381.00	Meters	14,775	701	R-21	15,476
31	382.00	Meter Installations	2,772	1,669	R-22	4,441
32	383.00	House Regulators	(2,668)	8	R-23	(2,660)

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Line	Account (A)	Plant Title (B)	Balance 9/30/2005 (C)	Adjust- ments (D)	Adj No. (E)	Adjusted Balance 06/30/2006 (F)
33	384.00	House Reg Installations	(291)	0	R-24	(291)
34	385.00	Ind. Meas. & Reg Sta. Equip	0	0	R-25	0
35	387.00	Other Equipment	0	0	R-26	0
36		<b>Total Distribution Plant Reserve</b>	<b>\$ 367,314</b>	<b>\$ 12,280</b>		<b>\$ 379,594</b>
37		<b>General Plant</b>				
38	389.00	Land & Land Rights	\$ 0	\$ 0	R-27	\$
39	390.00	Structures & Improvements	0	1,115	R-28	1,115
40	391.00	Office Furn & Equip	0	739	R-29	739
41	392.00	Transportation Equip	0	(86)	R-30	(86)
42	393.00	Stores Equip	0	1	R-31	1
43	394.00	Tools, Shop & Garage Equip	0	166	R-32	166
44	395.00	Laboratory Equip	0	0	R-33	0
45	396.00	Power Operated Equipment	0	0	R-34	0
46	397.00	Communications Equip	0	2,580	R-35	2,580
47	398.00	Misc Equip	0	479	R-36	479
48	399.00	Other Tangible Property	0	17,039	R-37	17,039
49		<b>Total General Plant</b>	<b>\$ 0</b>	<b>\$ 22,033</b>		<b>\$ 22,033</b>
50		<b>Total Depreciation Reserve</b>	<b>\$ 367,314</b>	<b>\$ 34,313</b>		<b>\$ 401,627</b>

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**Adjustments To Depreciation Reserve**

Adj. No.	Description	Adjustment Amount	Adjustment Total
	<b>Mains - Steel</b> R-15		\$ 1,909
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 1,909	
	<b>Mains - Plastic</b> R-16		\$ (4,949)
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 3,814	
2	To correct Reserve (Rackers)	(8,763)	
	<b>Meas &amp; Reg Equip</b> R-18		\$ 307
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 307	
	<b>Services</b> R-20		\$ 12,635
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 12,635	
	<b>Meters</b> R-21		\$ 701
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 701	
	<b>Meter Installations</b> R-22		\$ 1,669
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 1,669	
	<b>House Regulators</b> R-23		\$ 8
1	To adjust reserve to June 30, 2006 levels (Began)	\$ 8	
	<b>Structures &amp; Improvements</b> R-28		\$ 1,115
1	To include reserve for allocated corporate plant (Hanneken)	\$ 1,115	
	<b>Office Furn &amp; Equip</b> R-29		\$ 739
1	To include reserve for allocated corporate plant (Hanneken)	\$ 739	
	<b>Transportation Equip</b> R-30		\$ (86)
1	To include reserve for allocated corporate plant (Hanneken)	\$ (86)	
	<b>Stores Equip</b> R-31		\$ 1
1	To include reserve for allocated corporate plant (Hanneken)	\$ 1	
	<b>Tools, Shop &amp; Garage Equip</b> R-32		\$ 166
1	To include reserve for allocated corporate plant (Hanneken)	\$ 166	
	<b>Communications Equip</b> R-35		\$ 2,580
1	To include reserve for allocated corporate plant (Hanneken)	\$ 2,580	
	<b>Misc Equip</b> R-36		\$ 479

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**Adjustments To Depreciation Reserve**

Adj. No.	Description	Adjustment Amount	Adjustment Total
1	To include reserve for allocated corporate plant (Hanneken)	\$ 479	
<b>Other Tangible Property R-37</b>			\$ 17,039
1	To include reserve for allocated corporate plant (Hanneken)	\$ 17,039	



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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			
3	302.00	Franchise & Consents			
4	303.00	Other Misc. Intangibles			
5		<b>Total Intangible</b>	\$		\$
6		Manufactured Gas Production Plant			
7	311.00	L-P Production Plant-Liq Petro Gas Equ	\$		
8		<b>Total Manufactured Gas Production Pla</b>	\$		\$
9		Transmission Plant			
10	365.10	Land			
11	365.20	Right-Of-Way			
12	366.00	Structures & Improvements			
13	367.01	Mains - Steel & Cathodic Protection		2.7200%	
14	367.02	Mains - Plastic		2.7200%	
15	367.00	<b>Mains - Total</b>			
16	369.00	Measuring & Regulating Equipment			
17	370.00	Communication Equipment			
18		<b>Total Transmission Plant</b>	\$		\$
19		Distribution Plant			
20	374.01	Land	\$		\$
21	374.02	Land Rights			
22	375.00	Structures & Improvements			
23	376.01	Mains - Steel	245,109	2.6700%	6,544
24	376.02	Mains - Plastic	160,329	2.6700%	4,281
25	376.00	<b>Mains - Total</b>	<b>405,438</b>		<b>10,825</b>
26	377.00	Compressor Station Equipment			
27	378.00	Meas & Reg Equip	12,586	2.3800%	300
28	379.00	Meas. & Reg. Equip - City Gate			
29	380.00	Services	548,866	3.1400%	17,234
30	381.00	Meters	28,727	2.7100%	779
31	382.00	Meter Installations	48,253	2.7100%	1,308
32	383.00	House Regulators	301	2.3800%	7
33	384.00	House Reg Installations			
34	385.00	Ind. Meas. & Reg Sta. Equip			

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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			
36		<b>Total Distribution Plant</b>	\$ 1,044,171		\$ 30,453
37		<b>General Plant</b>			
38	389.00	Land & Land Rights	\$		\$
39	390.00	Structures & Improvements	1,979	5.0000%	99
40	391.00	Office Furn & Equip	1,656	4.7500%	79
41	392.00	Transportation Equip	3	10.3900%	
42	393.00	Stores Equip	1	4.5000%	
43	394.00	Tools, Shop & Garage Equip	495	4.5000%	22
44	395.00	Laboratory Equip		4.0000%	
45	396.00	Power Operated Equipment			
46	397.00	Communications Equip	6,945	4.5400%	315
47	398.00	Misc Equip	1,263	3.6000%	45
48	399.00	Other Tangible Property	31,118	5.0000%	1,556
49		<b>Total General Plant</b>	\$ 43,460		\$ 2,116
50		<b>Total Depreciation</b>	\$ 1,087,631		\$ 32,569

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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	\$ 14,288	36.3700	14.0000	22.3700	0.061288	\$ 876
3	Tax Withholding	13,801	36.3700	17.1500	19.2200	0.052658	727
4	Voluntary Withholdings	5,031	36.3700	21.2700	15.1000	0.041370	208
5	Pension Expense - Non-Qualified Plans	581	36.3700	15.2100	21.1600	0.057973	34
6	Pension Expense - Qualified Plan	365	36.3700	37.3700	(1.0000)	(0.002740)	(1)
7	OPEB's (FAS 106)	4,023	36.3700	45.6250	(9.2550)	(0.025356)	(102)
8	Group Health	4,546	36.3700	9.7500	26.6200	0.072932	332
9	Uncollectible Accounts	6,533	36.3700	36.3700	0.0000	0.000000	0
10	Depreciation Charged to O&M	0	36.3700	36.3700	0.0000	0.000000	0
11	M&S and Prepayments Charged to O&M	4,485	36.3700	36.3700	0.0000	0.000000	0
12	PSC Assessment	1,085	36.3700	(30.6300)	67.0000	0.183562	199
13	Cash Vouchers	20,435	36.3700	27.7500	8.6200	0.023616	483
14	<b>Total Operation &amp; Maintenance Expense</b>	<b>\$ 75,173</b>					<b>\$ 2,756</b>
15	Taxes Other Than Income						
16	FICA - Employer Portion	1,049	36.3700	17.0000	19.3700	0.053068	\$ 56
17	Federal Unemployment	21	36.3700	75.6300	(39.2600)	(0.107562)	(2)
18	State Unemployment	19	36.3700	75.6300	(39.2600)	(0.107562)	(2)
19	Property Tax	23,104	36.3700	182.5000	(146.1300)	(0.400356)	(9,250)
20	Corporate Franchise	345	36.3700	(77.5000)	113.8700	0.311973	108
21	DOT Transportation Tax	0	36.3700	241.5000	(205.1300)	(0.562000)	0
22	<b>Total Taxes Other Than Income</b>	<b>\$ 24,538</b>					<b>\$ (9,090)</b>
23	Other Expenses						
24	Sales Tax	\$ 10,465	0.0000	18.4600	(18.4600)	(0.050575)	\$ (529)
25	Natural Gas	307,253	36.3700	41.6200	(5.2500)	(0.014384)	(4,420)
26	<b>Total Other Expenses</b>	<b>\$ 317,718</b>					<b>\$ (4,949)</b>
27	<b>Total Cash Working Capital Requirement Before Income Tax and Interest</b>						<b>\$ (11,283)</b>
28	Federal Tax Offset	\$ 12,925	36.3700	38.1300	(1.7600)	(0.004822)	\$ (62)
29	State Tax Offset	\$ 2,031	36.3700	38.1300	(1.7600)	(0.004822)	\$ (10)
30	Interest Expense Offset - LTD	\$ 22,412	36.3700	87.2800	(50.9100)	(0.139479)	\$ (3,126)
31	Interest Expense Offset - STD	\$ 867	36.3700	3.0000	33.3700	0.091425	\$ 79

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**Income Statement**

Line	Description (A)	Test Year Amounts (B)	Adjustment Amount (C)	Adjust. No. (D)	As Adjusted (E)
1	Operating Revenue	\$	\$		\$
2	Residential Sales	346,228	(219,854)	S-1	126,374
3	Small General Service	56,378	(37,361)	S-2	19,017
4	Large General Service	0	(29,639)	S-3	(29,639)
5	Sales to Public Authorities	42,144	0	S-4	42,144
6	Interruptible Sales	0	0	S-5	0
7	Transportation Sales	0	0	S-6	0
8	Late Payment Charges	966	0	S-7	966
9	Other Operating Revenues	386	0	S-8	386
10	Total Operating Revenue	\$ 446,102	\$ (286,854)		\$ 159,248
11	Operating Expenses				
12	Operation & Maintenance Expense				
13	Natural Gas Supply Expense	\$ 303,118	\$ (303,118)	S-8	\$ 0
14	Manufactured Gas Production & Other Gas	4,114	(4,114)	S-9	0
15	Underground Storage	0	0	S-10	0
16	Other Storage	0	0	S-11	0
17	Transmission	0	0	S-12	0
18	Distribution	14,528	979	S-13	15,507
19	Customer Accounts	7,541	6,775	S-14	14,316
20	Customer Service & Information	0	0	S-15	0
21	Sales	0	0	S-16	0
22	Administrative & General	37,976	7,374	S-17	45,350
23	Total O & M Expense	\$ 367,277	\$ (292,104)		\$ 75,173
24	Other Operating Expenses				
25	Depreciation	\$ 40,334	\$ (14,203)	S-18	\$ 26,131
26	Amortization	0	0	S-19	0
27	Taxes Other Than Income Taxes	56,745	(31,059)	S-20	25,686
28	Total Other Operating Expenses	\$ 97,079	\$ (45,262)		\$ 51,817
29	Total Operating Expenses	\$ 464,356	\$ (337,366)		\$ 126,990
30	Net Income Before Income Taxes	\$ (18,254)	\$ 50,512		\$ 32,258

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**Income Statement**

Line	Description (A)	Test Year Amounts (B)	Adjustment Amount (C)	Adjust No. (D)	As Adjusted (E)
31	Net Income Before Income Taxes (Fm Pg1)	\$ (18,254)	\$ 50,512		\$ 32,258
32	Current Income Tax Expense	\$ 102,352	\$ (98,905)	S-21	\$ 3,447
33	Deferred Income Tax Expense				
34	Deferred Income Tax Expense	\$ (102,352)	\$ 102,352	S-22	\$ 0
35	Deferred ITC Amortization	0	(276)	S-23	(276)
36	Total Deferred Income Tax Expense	\$ (102,352)	\$ 102,076		\$ (276)
37	Total Income Tax Expense	\$ 0	\$ 3,171		\$ 3,171
38	Net Operating Income	\$ (18,254)	\$ 47,341		\$ 29,087

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**Adjustments To Income Statement**

Adj. No.	Description	Adjustment Amount	Total Adjustment
<b>Residential Sales S-1</b>			
			\$ (219,854)
1	To reflect normal weather. (Meyer)	\$ 9,729	
2	To eliminate gross receipts tax from revenue. (Meyer)	0	
3	To eliminate natural gas costs. (Meyer)	(229,989)	
4	To eliminate unbilled revenue. (Meyer)	445	
5	To reflect customer annualization. (Meyer)	(39)	
<b>Small General Service S-2</b>			
			\$ (37,361)
1	To reflect normal weather. (Meyer)	\$ 1,186	
2	To eliminate gross receipts tax from revenue. (Meyer)	0	
3	To eliminate natural gas costs. (Meyer)	(38,564)	
4	To eliminate unbilled revenue. (Meyer)	(238)	
5	To reflect customer annualization. (Meyer)	255	
<b>Large General Service S-3</b>			
			\$ (29,639)
1	To eliminate natural gas costs. (Meyer)	(29,534)	
2	To eliminate unbilled revenue. (Meyer)	(105)	
<b>Sales to Public Authorities S-4</b>			
			\$ 0
1	No adjustment required.	\$ 0	
<b>Interruptible Sales S-5</b>			
			\$ 0
1	No adjustment required.	\$ 0	
<b>Transportation Sales S-6</b>			
			\$ 0
1	No adjustment required.	\$ 0	
<b>Late Payment Charges S-7</b>			
			\$ 0
1	No adjustment required.	\$ 0	

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**Adjustments To Income Statement**

Adj. No.	Description	Adjustment Amount	Total Adjustment
	<b>Other Operating Revenues</b>	S-8	\$ 0
1	No adjustment required.	\$ 0	
	<b>Natural Gas Supply Expense</b>	S-8	\$ (303,118)
1	To eliminate natural gas costs. (Meyer)	\$ (303,118)	
	<b>Manufactured Gas Production &amp; Other Gas Supply</b>	S-9	\$ (4,114)
1	To eliminate natural gas costs (Meyer)	\$ (4,114)	
	<b>Underground Storage</b>	S-10	\$ 0
1	No adjustment required.	\$ 0	
	<b>Other Storage</b>	S-11	\$ 0
1	No adjustment required.	\$ 0	
	<b>Transmission</b>	S-12	\$ 0
1	No adjustment required.	\$ 0	
	<b>Distribution</b>	S-13	\$ 979
1	To annualize payroll. (Hanneken)	\$ 979	
	<b>Customer Accounts</b>	S-14	\$ 6,775
1	To annualize payroll. (Hanneken)	\$ 463	
2	To annualize postage (Meyer)	56	
3	To reflect interest on customer deposits. (Began)	765	
4	To annualize uncollectible expense (Meyer)	5,491	
	<b>Customer Service &amp; Information</b>	S-15	\$ 0
1	No adjustment required.	\$ 0	
	<b>Sales</b>	S-16	\$ 0
1	No adjustment required.	\$ 0	
	<b>Administrative &amp; General</b>	S-17	\$ 7,374
1	To annualize payroll. (Hanneken)	\$ 0	

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**Adjustments To Income Statement**

Adj No	Description	Adjustment Amount	Total Adjustment
2	To remove lobbying related labor (Hagemeyer)	(34)	
3	To reallocate non-utility expense (Hanneken)	(1,233)	
4	To adjust Call Center Expense (Hanneken)	210	
5	To remove Employee Illness Bank (Hanneken)	(280)	
6	To Remove CSC Incentive (Hagemeyer)	(79)	
7	To annualize allocated labor (Hanneken)	2,097	
8	To remove All Employee Broadcast (Hanneken)	(21)	
9	To remove dues and miscellaneous expenses (Hagemeyer)	(84)	
10	To annualize Blueflame Insurance (Hanneken)	203	
11	To annualize allocated O&M (Hanneken)	7,090	
12	To adjust pension expense to reflect FAS 87. (Hagemeyer)	144	
13	To adjust other employee benefits to reflect FAS 106. (Hagemeyer)	1,880	
14	To reallocate employee benefits (Hagemeyer)	(235)	
15	To remove Cenntennial Project from Expense (Hanneken)	(38)	
16	To remove Board of Directors costs (Hanneken)	(594)	
17	To adjust Injuries and Damages expense. (Hagemeyer)	(1,747)	
18	To remove disallowed advertising and promotional expense (Hagemeyer)	(71)	



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### Adjustments To Income Statement

Adj No	Description	Adjustment Amount	Total Adjustment
19	To adjust PSC assessment. (Hanneken)	1,085	
20	To normalize rate case expense. (Began)	198	
21	To remove Incentive Compensation Expense (Hagemeyer)	(842)	
22	To annualize insurance expense	(275)	
<b>Depreciation</b>		<b>\$-18</b>	<b>\$ (14,203)</b>
1	To annualize depreciation. (Began)	\$ (7,765)	
2	To annualize capitalized depreciation. (Began)	(12)	
5	To annualize the reserve amortization (Rackers)	(6,426)	
<b>Amortization</b>		<b>\$-19</b>	<b>\$ 0</b>
1	No adjustment required.	\$ 0	
<b>Taxes Other Than Income Taxes</b>		<b>\$-20</b>	<b>\$ (31,059)</b>
1	To annualize FICA. (Hanneken)	\$ (399)	
2	To annualize property tax expense. (Hanneken)	(896)	
3	To adjust State Franchise Tax. (Hanneken)	(29,655)	
4	To adjust DOT Tax (Hanneken)	(101)	
5	To adjust CNG Tax (Hanneken)	(8)	
<b>Merchandise Sales</b>		<b>\$-19</b>	<b>\$ 0</b>
1	No adjustment required.	0	
<b>Current Income Tax Expense</b>		<b>\$-21</b>	<b>\$ (98,905)</b>
1	To annualize current income tax expense. (Rackers)	\$ (98,905)	
<b>Deferred Income Tax Expense</b>		<b>\$-22</b>	<b>\$ 102,352</b>
1	To adjust deferred income tax expense. (Rackers)	\$ 102,352	
<b>Deferred ITC Amortization</b>		<b>\$-23</b>	<b>\$ (276)</b>
1	To adjust ITC amortization. (Rackers)	\$ (276)	

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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)	\$ 29,087	\$ 47,559	\$ 48,693	\$ 49,827
2	Add:				
3	Current Income Tax	3,447	14,956	15,663	16,369
4	Deferred Income Taxes				
5	Deferred Income Tax Expense	0	0	0	0
6	Deferred ITC Amortization	(276)	(276)	(276)	(276)
7	Net Income Before Taxes (Acctg. Sch. 9)	\$ 32,258	\$ 62,239	\$ 64,080	\$ 65,920
8	Subtractions From Net Income Before Taxes				
9	Interest Expense @ 3.49%	\$ 23,279	\$ 23,279	\$ 23,279	\$ 23,279
10	Total Subtractions	\$ 23,279	\$ 23,279	\$ 23,279	\$ 23,279
11	Net Taxable Income	\$ 8,979	\$ 38,960	\$ 40,801	\$ 42,641
12	Provision For Federal Income Tax				
13	Net Taxable Income (Page 1)	\$ 8,979	\$ 38,960	\$ 40,801	\$ 42,641
14	Deduct:				
15	Missouri Income Tax 100.00%	468	2,031	2,127	2,223
16	Federal Taxable Income	\$ 8,511	\$ 36,929	\$ 38,674	\$ 40,418
17	Federal Income Tax @ 35.00%	\$ 2,979	\$ 12,925	\$ 13,536	\$ 14,146
18	Provision For Missouri Income Tax				
19	Net Taxable Income (Page 1)	\$ 8,979	\$ 38,960	\$ 40,801	\$ 42,641
20	Deduct:				
21	Federal Income Tax 50.00%	1,489	6,463	6,768	7,073
22	Missouri Taxable Income	\$ 7,490	\$ 32,497	\$ 34,033	\$ 35,568
23	Missouri Income Tax @ 6.25%	\$ 468	\$ 2,031	\$ 2,127	\$ 2,223
24	Summary of Provision For Income Tax				
25	Federal Income Tax	\$ 2,979	12,925	13,536	14,146
26	Missouri Income Tax	468	2,031	2,127	2,223
27	Total Income Tax	\$ 3,447	\$ 14,956	\$ 15,663	\$ 16,369