

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

APPLICATION OF ATMOS PIPELINE-TEXAS FOR YEAR 2009 TEST YEAR ANNUAL INTERIM RATE ADJUSTMENT	§ § § § §	GAS UTILITIES DOCKET NO. 9950
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INTERIM RATE ADJUSTMENT ORDER

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time period provided by law pursuant to TEX. GOV'T CODE ANN. Chapter 551 (Vernon 2008 & Supp. 2009). The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders as follows:

FINDINGS OF FACT

Background

1. Atmos Energy Corporation (Atmos) is a "gas utility," as that term is defined in the TEXAS UTILITY CODE, and is subject to the jurisdiction of the Railroad Commission of Texas (Commission).
2. Atmos Pipeline-Texas (Atmos PT), a division of Atmos, owns and operates a gas pipeline transportation system.
3. On February 12, 2010, Atmos PT filed an application for an annual interim rate adjustment (IRA) applicable to customers located on Atmos PT's system.
4. Atmos PT requested that the IRA for all customer classes become effective on April 13, 2010.
5. On February 16, 2010, the Commission suspended implementation of Atmos PT's proposed IRA until May 28, 2010, which is 45 days following the 60th day after the application.
6. Neither TEXAS UTILITIES CODE, §104.301 (Vernon 2007) nor 16 TEX. ADMIN. CODE, §7.7101 (2009) provide the opportunity for parties to intervene in the Commission's review of an application for an annual IRA.

7. 16 TEX. ADMIN. CODE, §7.7101 (2009) allows written comments or a protest concerning the proposed IRA to be filed with the Gas Services Division.
8. On March 3, 2010, Big Creek Construction filed a letter of protest opposing the interim rate adjustment.
9. On March 5, 2010, SynFuels International, Inc. filed letters of protest opposing the interim rate adjustment.
10. On March 8, 2010, Unimin Corporation filed a letter of protest opposing the interim rate adjustment.
11. On March 16, 2010, Fowler Energy Company, representing C&H Die Cast, Inc, Franklin Industrial Minerals and Texas Lime, filed a letter of protest opposing the interim rate adjustment.
12. An Examiners' letter was sent to each customer and company opposing the increase acknowledging their opposition with an explanation of their right to intervene in the next rate case.
13. Atmos PT was instructed to respond to each customer and company opposing the increase.
14. Atmos PT responded in writing to each customer and company filing letters of protest.
15. This docket represents the seventh annual IRA for Atmos PT.
16. Until promulgation of TEXAS UTILITIES CODE, §104.301 (Vernon 2009), a utility could not increase its rates subject to the Commission's jurisdiction without filing with the Commission a formal statement of intent rate case, including a comprehensive cost of service rate review.
17. The proposed IRA will allow Atmos PT an opportunity to recover, subject to refund, a return on investment, depreciation expense, and related taxes on the incremental cost of infrastructure investment since its last rate case, without the necessity of filing a statement of intent rate case and without review by the Commission of Atmos PT's comprehensive cost of service.

Applicability

18. This docket applies to only those rates over which the Commission has original jurisdiction, which includes the entire Atmos PT system.
19. As of year-end 2009, Atmos PT's customers totaled approximately 690 City Gate meters and 172 Pipeline Transportation rate meters.

Most Recent Comprehensive Rate Case

20. Atmos PT's most recent rate case for the area in which the IRA will be implemented is GUD No. 9400, *Statement of Intent Filed by TXU Gas Company to Change Rates in the Company's Statewide Gas Utility System*.
21. GUD No. 9400 was filed on May 23, 2003.
22. The data used in GUD No. 9400 was based on a test-year ending December 31, 2002.
23. The Commission signed the GUD No. 9400 final Order on May 25, 2004, and the rates became effective the same day.
24. The Commission in GUD No. 9400 set the rates charged by Atmos PT that have been adjusted by prior orders authorizing IRA adjustments.
25. The following chart shows the factors that were established in GUD No. 9400 to calculate the return on investment, depreciation expense, and incremental federal income taxes for Atmos PT:

Rate of Return	8.258%
Depreciation Rate	2.097%
Federal Income Tax Rate	35%

Interim Rate Adjustment

26. Atmos PT seeks approval from the Commission for an adjustment to its revenue, based on incremental net utility plant investment, with regard to the following components: return on investment; depreciation expense; ad valorem taxes; revenue related taxes; and federal income taxes, Exhibit B.
27. The revenue amounts to be recovered through the proposed annual IRA for Atmos PT are incremental to the revenue requirement established in the most recent rate case for Atmos PT for the area in which the IRA is to be implemented, GUD No. 9400, as adjusted for prior orders authorizing IRA adjustments.
28. The Company calculated and presented all incremental values for investment, accumulated depreciation, return on investment, depreciation expense, ad valorem taxes, and incremental federal income taxes on a full calendar-year basis. Revenue related taxes are not included in Atmos PT's calculation of the IRA. An existing rate schedule that was established by the final Order in GUD No. 9400 (Rider TAX) is applied to all revenues, including revenues that result from an IRA.

29. For the first IRA following a rate case, the amounts by which Atmos PT may adjust its rates are based on the difference between Atmos PT's invested capital at the end of the most recent rate case test-year (December 31, 2002) and the invested capital at the end of the calendar-year following the end of the most recent rate case test-year (December 31, 2003).
30. This docket is the seventh annual IRA for Atmos PT. Therefore, to request its IRA in this docket, Atmos PT submitted data for the calendar year ending December 31, 2009.
31. The value of Atmos PT's invested capital is equal to the original cost of the investment at the time the investment was first dedicated to public use minus the accumulated depreciation related to that investment for Atmos PT's IRA.
32. Atmos PT is required to use the same factors to calculate the interim return on investment, depreciation expense, and incremental federal income tax as those established or used in the final order setting rates for Atmos PT in the most recent rate case for the area in which the IRA is to be implemented.
33. Atmos PT filed the Commission's Annual Earnings Monitoring Report (EMR) as required by 16 TEXAS ADMINISTRATIVE CODE §7.7101 (2009). The Company's actual rate of return is 8.639%, which is less than 0.75% in excess of the 8.258% allowed rate of return established in **GUD No. 9400**.
34. Atmos PT filed its Annual Project Report as required by 16 TEXAS ADMINISTRATIVE CODE §7.7101 (2009).
- Net Atmos PT capital additions included in this docket total \$ 95,504,074.
 - Gross Atmos PT capital project additions totaled \$ 109,517,197.
 - Safety-related improvements/infrastructure projects totaled \$ 44,759,477, or 41.3% of total additions¹.
 - Integrity testing projects totaled \$ 18,378,818, or 17.0% of total additions².
35. The Company is required to allocate the revenue to be collected through the IRA for Atmos PT among its customer classes in the same manner as the cost of service was allocated among its customer classes in its most recent rate case for the area in which the IRA is to be implemented.
36. Atmos PT proposed the IRA as a flat rate to be applied to the monthly customer charges and monthly meter charges rather than as a volumetric rate to be applied to the initial block usage rates.
37. Atmos PT is required to show its annual IRA on its customers' monthly billing statements as a surcharge.

1. Response to Staff's RFI #1-55.

2. Response to Staff's RFI #1-57.

38. The proposed IRA does not require an evidentiary proceeding; rather, TEXAS UTILITIES CODE, §104.301 (Vernon 2007) and 16 TEX. ADMIN. CODE, §7.7101 (2009) require the regulatory authority to review a utility's method of calculating the IRA.
39. Due process protections are deferred until Atmos PT files its next full statement of intent rate case.

Notice

40. The Company provided adequate notice to Atmos PT's City Gate (CGS) customers on February 24, 2010.
41. The Company provided adequate notice to Atmos PT's Pipeline Transportation (PT) customers on February 24, 2010.

Comprehensive Rate Case Required

42. The Company is not required to initiate a rate case supporting a statement of intent, at the time it applies for an IRA for Atmos PT.
43. Under 16 TEX. ADMIN. CODE, §7.7101 (l) (2009) a gas utility that implements an IRA and does not file a rate case before the fifth anniversary of the date its initial IRA became effective is required to file a rate case not later than the 180th day after that anniversary. Atmos PT is required to file a statement of intent rate case not later than September 17, 2010.

Review of Interim Rate Adjustment

44. Atmos PT presented its IRA calculation using the factors for GUD No. 9400 for rate of return, depreciation, and federal income tax, but using a property-related taxes (Ad Valorem) percentage of 2.024% based on the estimated 2009 taxes paid by the Company.¹
45. Atmos PT's proposed IRA is \$ 14,730,957 based on an incremental net utility plant investment increase of \$ 95,504,074 using the property-related taxes (Ad Valorem) percentage of 2.024% based on the estimated 2009 taxes paid by the Company.
46. Atmos PT's proposed allocation methodology complies with TEXAS UTILITIES CODE, §104.301 (Vernon 2007), and with 16 TEX. ADMIN. CODE, §7.7101 (2009).

1. 16 TEX. ADMIN. CODE §7.7101(f)(5) only refers to the return on investment, depreciation expense, and incremental federal income tax factors from the most recent rate case to calculate the IRA. The Ad Valorem taxes are not specifically designated as a factor that must remain constant.

47. For allocation methodology, it is reasonable for the Commission to approve use of Atmos PT's overall cost of service (less other revenue, gas cost, and revenue related taxes) as determined in GUD 9560. The following overall cost of service allocation factors for use in the calculation of Atmos PT's IRA are reasonable:

Customer Class	Allocation Factor
Rate CGS (City Gate Service)	0.731657
Rate PT (Pipeline Transportation)	0.268343

48. Atmos PT included in this filing tariffs for two negotiated rate customers, Military Transportation – Distribution (Tariff No. 19222) and Military Transportation – Pipeline (Tariff No. 16735).
49. Tariff No. 19222 is a negotiated rate contract for transportation applicable to Atmos Energy Corporation, Mid-Tex Division.
50. The rates requested by Atmos PT in this proceeding are applicable to Atmos PT customers.
51. It is unreasonable to include a tariff for Atmos Energy Corporation, Mid-Tex Division.
52. Atmos PT's proposed customer and meter counts comply with TEXAS UTILITIES CODE, §104.301 (Vernon 2007), and with 16 TEX. ADMIN. CODE, §7.7101 (2009).
53. For calculating the number of customer charges or meter charges per year, it is reasonable for the Commission to approve use of Atmos PT's 2009 year-end number of customers multiplied by twelve. The following total numbers of customer and meter charges for use in the calculation of the IRA are reasonable:

Customer Class	Total Number of Customer Charges / Meters
Rate CGS (City Gate Service)	8,280
Rate PT (Pipeline Transportation)	2,064

54. Atmos PT has voluntarily limited the increase to the City of Rising Star and West Texas Gas to 10% of the prior year total meter charge.
55. The City of Rising Star represents one meter and twelve meter charges of the 8,280 meter charges in the table above.
56. West Texas Gas represents one meter and twelve meter charges of the 8,280 meter charges in the table above.

51. Atmos PT does not reallocate the revenue not collected by the 10% limitation on the increase to the City of Rising Star and West Texas Gas; therefore, there is no change to the allocation methodology established in GUD 9400.
52. The resulting interim rate adjustment for Rate CGS (City Gate Service) and Rate PT (Pipeline Transportation) is shown in Exhibit A and as follows:

Rate Schedule	2008 Meter Charge	2009 IRA	2009 Proposed Meter Charge
Rate CGS (Entire System excluding City of Rising Star and WTG, CoServ Gas)	\$ 3,055.00	\$ 1,301.69	\$ 4,356.69
Rate CGS (City of Rising Star and WTG)	\$ 2,204.70	\$ 220.47	\$ 2,425.17
Rate CGS (CoServ Gas)	\$ 3,055.00	\$ 1,301.69	\$ 4,356.69
Rate PT	\$ 4,209.15	\$ 1,915.19	\$ 6,124.34

Reimbursements of Expense

53. As provided for in the statute and the rule, a gas utility that implements an IRA is required to reimburse the Commission for the utility's proportionate share of the Commission's annual costs related to the administration of the IRA mechanism.
54. After the Commission has finally acted on Atmos' application for an IRA for Atmos PT, the Director of the Gas Services Division will estimate Atmos' proportionate share of the Commission's annual costs related to the processing of such applications.
55. In making the estimate of Atmos PT's proportionate share of the Commission's annual costs related to the processing of such applications, the Director will take into account the number of utilities the Commission reasonably expects to file for IRAs during the fiscal year, and the costs expected to be incurred in processing such applications.

1. The City Gate Service Rate for CoServ Gas includes a provision for gas delivered through the Atmos Mid-Tex System for those meters connected to the Atmos Mid-Tex System. The rate is a portion of the full IRA-adjusted meter charge based on a pro-rata share of peak day volumes.

56. The Company is required to reimburse the Commission for the amount determined by the Director of the Gas Services Division, within thirty days after receipt of notice of the amount of the reimbursement.

CONCLUSIONS OF LAW

1. Atmos Energy Corporation (Atmos) is a “gas utility” as defined in TEX. UTIL. CODE ANN. §101.003(7) (Vernon 2007 and Supp 2009) and §121.001 (Vernon 2007), and is therefore subject to the jurisdiction of the Railroad Commission of Texas (Commission).
2. The Commission has jurisdiction over Atmos, Atmos’ applications for IRAs for Atmos PT for incremental changes in investment, and the subject matter of this case under TEX. UTIL. CODE ANN. §102.001, §104.001, §104.002, and §104.301 (Vernon 2007).
3. Under TEX. UTIL. CODE ANN. §102.001 (Vernon 2007), the Commission has exclusive original jurisdiction over the rates and services of a gas utility that distributes natural gas in areas outside of a municipality and over the rates and services of a gas utility that transmits, transports, delivers, or sells natural gas to a gas utility that distributes the gas to the public.
4. Under the provisions of the TEXAS UTILITIES CODE ANN. §104.301 (Vernon 2007) and 16 TEX. ADMIN. CODE § 7.7101 (2009), Atmos is required to seek Commission approval before implementing an IRA tariff for Atmos PT’s customers.
5. Atmos filed its application for an IRA for Atmos PT for changes in investment in accordance with the provisions of TEX. UTIL. CODE ANN. §104.301 (Vernon 2007) and 16 TEX. ADMIN. CODE §7.7101 (2009).
6. Atmos’ application for an IRA for Atmos PT was processed in accordance with the requirements of TEX. UTIL. CODE ANN. §104.301 (Vernon 2007) and 16 TEX. ADMIN. CODE §7.7101 (2009).
7. In accordance with 16 TEX. ADMIN. CODE §7.315 (2009), within thirty days of the effective date of any change to rates or services, the Company is required to file with the Gas Services Division of the Commission its revised tariffs for Atmos PT.
8. The Company may not charge any rate for Atmos PT that has not been successfully filed and accepted as a tariff filing electronically pursuant to TEX. UTIL. CODE ANN. §102.151 and 104.002 (Vernon 2007) and 16 TEX. ADMIN. CODE §7.315 (2009).
9. In accordance with TEX. UTIL. CODE ANN. §104.301(a) (Vernon 2007) and 16 TEX. ADMIN. CODE §7.7101(a) (2009), the filing date of Atmos’ most recent rate case for Atmos PT, in

which there is a final order setting rates for the area in which the IRA will apply, was no more than two years prior to the date Atmos filed its initial IRA for Atmos PT.

10. Atmos is required, under TEX. UTIL. CODE ANN. §104.301(e) (Vernon 2007) and 16 TEX. ADMIN. CODE §7.7101(d) (2009), to file with the Commission an annual project report for Atmos PT, including the cost, need, and customers benefited by the change in investment, and describing the investment projects completed and placed in service during the preceding calendar year and the investments retired or abandoned during the preceding calendar year.
11. Atmos shall include in all future annual IRA filings for Atmos PT, relocation project reports that provide additional information about relocation project costs included in investment projects, in the same format as required in this docket.
12. Atmos is required, under TEX. UTIL. CODE ANN. §104.301(f) (Vernon 2007) and 16 TEX. ADMIN. CODE §7.7101(e) (2009), to file with the Commission an annual earnings-monitoring report demonstrating Atmos PT's earnings during the preceding calendar year.
13. Atmos is required, under 16 TEX. ADMIN. CODE §7.7101(h) (2009), to recalculate its approved IRA for Atmos PT annually and is required to file an application for an annual adjustment no later than 60 days prior to the one-year anniversary of the proposed implementation date of the previous IRA application.
14. In accordance with 16 TEX. ADMIN. CODE §7.7101(i) (2009), all amounts collected from customers under Atmos PT's IRA tariffs or rate schedules are subject to refund. The issues of refund amounts, if any, and whether interest should be included on refunded amounts and, if so, the rate of interest, shall be addressed in the rate case a gas utility files or the Commission initiates after the implementation of an IRA and shall be the subjects of specific findings of fact in the Commission's final order setting rates.
15. In accordance with 16 TEX. ADMIN. CODE §7.7101(j) (2009), in the rate case that Atmos files for Atmos PT or the Commission initiates after the implementation of an IRA, any change in investment and related expenses and revenues that have been included in any IRA shall be fully subject to review for reasonableness and prudence. Upon issuance of a final order setting rates in the rate case that Atmos files for Atmos PT or the Commission initiates after the implementation of an IRA, any change in investment and related expenses and revenues that have been included in any IRA shall no longer be subject to review for reasonableness or prudence.
16. The Commission has authority to suspend the implementation of the IRA, under TEX. UTIL. CODE ANN. §104.301(a) (Vernon 2007) and 16 TEX. ADMIN. CODE §7.7101(e) (2009).
17. The Company provided adequate notice, in accordance with TEX. UTIL. CODE ANN. §104.301(a) (Vernon 2007) and 16 TEX. ADMIN. CODE §7.7101(b) (2009).

18. Atmos' application for an IRA for Atmos PT, as proposed, complies with all provisions of TEX. UTIL. CODE ANN. §104.301 (Vernon 2007) and 16 TEX. ADMIN. CODE §7.7101 (2009).
19. The Company's IRA set forth in the findings of fact and conclusions of law in this Order comply with the provisions of TEX. UTIL. CODE ANN. §104.301 (Vernon 2007) and 16 TEX. ADMIN. CODE §7.7101 (2009).
20. In accordance with TEX. UTIL. CODE ANN. §104.301(h) (Vernon 2007) and 16 TEX. ADMIN. CODE §7.7101(l) (2009), Atmos shall file a comprehensive rate case for Atmos PT for the areas in which the IRA is implemented, no later than the 180th day after the fifth anniversary of the date its initial IRA became effective.
21. The Commission has authority, under TEX. UTIL. CODE ANN. §104.301(j) (Vernon 2007) and 16 TEX. ADMIN. CODE §7.7101(m) (2009), to recover from Atmos the Atmos PT's proportionate share of the Commission's annual costs related to the administration of the IRA mechanism.

IT IS THEREFORE ORDERED BY THE RAILROAD COMMISSION OF TEXAS THAT Atmos PT's IRA, as requested, and to the extent recommended to be approved in the findings of fact and conclusions of law, are **HEREBY APPROVED**, subject to refund, to be effective for bills rendered on or after May 1, 2010.

IT IS FURTHER ORDERED THAT Atmos **SHALL** file with the Commission no later than September 17, 2010, for Atmos PT, a statement of intent to change rates as required under TEX. UTIL. CODE ANN. §104.301(h) (Vernon 2007) and 16 TEX. ADMIN. CODE §7.7101(l) (2009).

IT IS FURTHER ORDERED THAT within 30 days of this order Atmos **SHALL** electronically file its IRA tariffs, Exhibit A, for Atmos PT in proper form that accurately reflect the rates approved by the Commission in this Order.

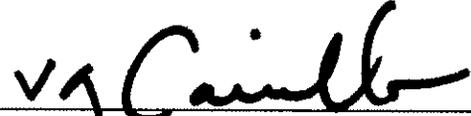
IT IS FURTHER ORDERED THAT Atmos **SHALL** not charge any rate for Atmos PT that has not been electronically filed and accepted by the Commission as a tariff.

IT IS FURTHER ORDERED THAT Atmos **SHALL** reimburse the expenses incurred by the Commission in reviewing this application. The amount of this reimbursement shall be determined by the Director of the Gas Services Division. This Order will not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T CODE §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the order is served on the parties.

Any portion of Atmos PT's application not expressly granted herein is overruled. All requested findings of fact and conclusions of law, which are not expressly adopted herein, are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

SIGNED this 20 day of April, 2010.

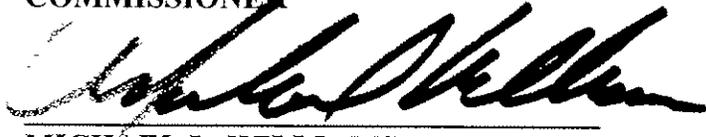
RAILROAD COMMISSION OF TEXAS



VICTOR E. CARRILLO
CHAIRMAN

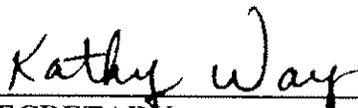


ELIZABETH A. JONES
COMMISSIONER



MICHAEL L. WILLIAMS
COMMISSIONER

ATTEST



Deputy SECRETARY

EXHIBIT A

1. Rate Schedule – Rate CGS – City Gate Service, Entire System (Excluding CoServ Gas, City of Rising Star and WTG), 2 pages.
2. Rate Schedule – Rate CGS – City Gate Service, City of Rising Star and WTG, 2 pages.
3. Rate Schedule – Rate CGS – CoServ Gas, 3 pages
4. Rate Schedule – Rate PT – Pipeline Transportation, 2 pages
5. Rate Schedules – Military Transportation – Pipeline, 2 Pages

RATE SCHEDULE:	Rate CGS - City Gate Service	
APPLICABLE TO:	Entire System (Excluding CoServ Gas, City of Rising Star and WTG)	REVISION DATE:
EFFECTIVE DATE:		PAGE: 1 OF 2

RATE CGS - CITY GATE SERVICE**Application**

Applicable, in the event that Company has entered into a Transportation Agreement - City Gate Service, to a Local Distribution Company (Customer) directly connected to the Atmos Pipeline -Texas System for the transportation of all natural gas supplied by Customer to one Point of Delivery.

Type of Service

Where service of the quantity and type required by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following meter, capacity, and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Meter	\$ 200.00 per meter
Interim Rate Adjustment ("IRA")	\$ 4,156.69 per meter ¹
Total Meter Charge	\$ 4,356.69 per meter
Capacity	\$ 0.9988 per MDU
All MMBtu	\$ 0.2103 per MMBtu

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

MDU Determination

MDU is the maximum daily usage of natural gas delivered in MMBtu to a Point of Delivery.

MDU for the calculation of the monthly bill is the highest of:

- 1) Current month MDU;
- 2) Maximum Daily Quantity as specified in the associated Transportation Agreement - City Gate Service; or
- 3) Highest annual MDU occurring in the 12-month period ended with current month.

¹ 2003 IRA - \$137.66; 2004 IRA - \$152.52; 2005 IRA - \$264.34; 2006 IRA - \$1,067.54; 2007 IRA - \$578.17; 2008 IRA - \$654.77 (a one-time adjustment of (\$5.00) will be made for a 12 month period ending April 2010); 2009 IRA - \$1,301.69.

RATE SCHEDULE:	Rate CGS - City Gate Service	
APPLICABLE TO:	Entire System (Excluding CoServ Gas, City of Rising Star and WTG)	REVISION: DATE:
EFFECTIVE DATE:		PAGE: 2 OF 2

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for service provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate CGS, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

RATE SCHEDULE:	Rate PT - Pipeline Transportation	
APPLICABLE TO:	Entire System	REVISION: DATE:
EFFECTIVE DATE:		PAGE: 1 OF 2

RATE PT - PIPELINE TRANSPORTATION

Application

Applicable, in the event that Company has entered into a Transportation Agreement - Pipeline, to a customer directly connected to the Atmos Pipeline-Texas System for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery.

Not applicable for service to City Gate Service customers.

Type of Service

Where service of the quantity and type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following meter, capacity, and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Meter	\$ 200.00 per meter
Interim Rate Adjustment ("IRA")	\$ 5,924.34 per meter ¹
Total Meter Charge	\$ 6,124.34 per meter
First 12 MMBtu per Billing MDU	\$ 0.1739 per MMBtu
All Additional MMBtu	\$ 0.1579 per MMBtu

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF, if applicable.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

¹ 2003 IRA - \$223.83; 2004 IRA - \$210.32; 2005 IRA - \$371.16; 2006 IRA - \$1,461.46; 2007 IRA - \$749.31; 2008 IRA - \$993.07 (a one-time adjustment of (\$7.58) will be made for a 12 month period ending April 2010); 2009 IRA - \$1,915.19.

RATE SCHEDULE:	Rate PT - Pipeline Transportation	
APPLICABLE TO:	Entire System	REVISION: DATE:
EFFECTIVE DATE:		PAGE: 2 OF 2

MDU Determination

MDU is the **maximum** daily usage of natural gas delivered in MMBtu to a Point of Delivery. MDU for the calculation of the monthly bill is the highest of:

- 1) Current month MDU;
- 2) 75% of **Maximum** Daily Quantity as specified in the associated Transportation Agreement - Pipeline; or
- 3) 75% of highest MDU occurring in the **most recent** months of December, January, February, and March.

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for service provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate PT, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

RATE SCHEDULE:	Rate CGS - City Gate Service	
APPLICABLE TO:	CoServ Gas	REVISION: DATE:
EFFECTIVE DATE:		PAGE: 1 OF 3

Rate:

(a) The amount payable to Atmos Pipeline - Texas (APT) by Customer for firm transportation and storage service during any month shall be the total of (i) Meter charges as calculated pursuant to subsection (b), (ii) the product of the customer's MDU, as determined in Rate CGS, and \$0.8507 per MMBtu of MDU, and (iii) the product of \$0.1778 per MMBtu and the quantity of gas delivered to the Points(s) of Delivery hereunder during such month. As described in the Contract, the rates stated above are subject to certain amendments or changes as a result of judicial or regulatory action.. Additionally, APT shall retain a volume of gas each month equal to one percent (1.0%) of the volume of gas received by APT from Customer (or its designee) at the Points(s) of Receipt.

b) The total monthly meter charges shall equal the sum of:

- (i) For Points of Delivery connected to APT, the product of the Rate CGS meter fee, as adjusted annually, and the number of meters at all of the Points of Delivery on APT; and
- (ii) For Points of Delivery on Atmos Energy Corp., Mid-Tex Division (Mid-Tex)(Customer/ Mid-Tex City Gate) downstream of city gate points between APT and Mid-Tex (APT/Mid-Tex City Gates), the sum of the following calculation for each of the APT/Mid-Tex City Gates: the product of the Rate CGS meter fee, as adjusted annually, and the number of meters at a particular APT/Mid-Tex City Gate upstream of a Customer/Mid-Tex City Gate and the ratio of coincident peak day volumes for each such APT/Mid-Tex City Gate determined by dividing the volumes delivered on such date at the Customer/Mid-Tex City Gates downstream of such APT/Mid-Tex City Gate by the total volumes on such date delivered at the APT/Mid-Tex City Gate.

Meter charges will be assessed on a meter basis at each station. 1

(c) The ratio described in Subsection (b)(ii) will be adjusted each year at the same time as adjustments are made to Customer's MDU and will be based on deliveries during the immediately preceding 12 months.

Taxes:

(a) Customer agrees to reimburse APT for any new Taxes, as defined in (b) below, imposed upon APT after December 31 2002 and related to the services provided hereunder; provided that such reimbursement for new Taxes is required from all similarly situated shippers on a non-discriminatory basis, including Atmos Mid-Tex

(b) The term "Taxes" as used herein, shall mean all taxes and fees levied upon and/or paid by APT [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein), general franchise taxes imposed on corporations on account of their corporate existence or on their right to do business within the state as a foreign corporation and similar taxes], including, but not limited to, gross receipts tax, net profits tax, gas utility tax, street and alley rental fees agreed upon in franchise ordinances, licenses, fees and other charges levied, assessed, or made by any governmental authority on the act, right or privilege of transporting, handling, or delivering, gas, which taxes or fees are based upon the volume, heat content, value, or sales/purchase priced of the gas, or transportation fee payable hereunder and applicable federal income tax imposed as a result of installation of equipment at the Receipt and Delivery Points.

1 2003 IRA - \$137.66; 2004 IRA - \$152.52; 2005 IRA - \$264.34; 2006 IRA - \$1,067.54; 2007 IRA - \$578.17; 2008 IRA - \$654.77 (a one-time adjustment of (\$5.00) will be made for a 12 month period ending April 2010); 2009 IRA - \$1,301.69.

RATE SCHEDULE:	Rate CGS - City Gate Service	
APPLICABLE TO:	CoServ Gas	REVISION: DATE:
EFFECTIVE DATE:		PAGE: 2 OF 3

(c) APT will provide Customer by January 31 of each year the Customer's total working gas inventory in each of APT's storage facilities. Customer will render such working gas inventory to the appropriate taxing authorities and pay any ad valorem taxes attributable to such inventory.

Adjustment for Changes in Investment:

The rates charged will be adjusted annually by APT in accordance with Section 104.301 of the Texas Utilities Code.

Term:

Subject to the other terms and provisions of the Contract, the Contract will be effective for a term ending December 31, 2011. Notwithstanding the above, if an imbalance in deliveries exists on the date of termination, cancellation, or expiration of the Contract between the quantities theretofore received at the Point(s) of Receipt and those redelivered at the Point(s) of Delivery, the term of the Contract shall be extended, solely for the purpose of correcting such imbalance, for a period sufficient to allow the party whose deliveries are in arrears to promptly eliminate any imbalance, but such imbalance, in any event, must be eliminated no later than the end of the sixtieth (60th) day of such extension.

Cumulative Imbalance Resolution:

In the event of a monthly imbalance [as described in the Contract] which Customer fails to correct during the next month and Customer's deliveries to APT at the Point(s) of Receipt during such two (2) month period (less any retention volumes) are in excess of, or deficient by, more than five percent (5%) of the transportation quantities delivered by APT to Customer at the Point(s) of Delivery during said two (2) month period, then (i) in the case of any cumulative imbalance, as hereinafter defined, due to APT ("underdeliveries by Customer"), APT shall have the right to require Customer to purchase such cumulative imbalance volume(s) from APT, at a price per MMBtu equal to the highest Gas Daily (Houston Ship Channel) price of gas during the month(s) in which such cumulative imbalance occurred, plus one dollar (\$1.00) per MMBtu; or (ii) in the case of any cumulative imbalance, as herein defined, due Customer ("overdeliveries by Customer"), APT shall have the right to collect from Customer an amount equal to the product of fifty cents (\$0.50) multiplied by the number of MMBtu in such cumulative imbalance volume(s) (and further provided APT expressly reserves the right to restrict, interrupt, or reduce the quantity of gas APT will accept at any and/or all Point(s) of Receipt until such time as the cumulative imbalance is corrected). For this purposes of this paragraph, the term "cumulative imbalance" shall mean the sum of (1) any imbalance carried forward from an immediately preceding month to the next succeeding month, plus (2) any imbalance based on the delivery and receipt of gas hereunder during such succeeding month. The provisions of this paragraph dealing with resolution of cumulative imbalances will not be effective until thirty (30) days following the issuance of a formal order of the Railroad Commission of Texas, or its successor, authorizing such provisions for Customer and all other similarly situated shippers, including, but not limited to, all firm shippers. In the event that the Railroad Commission of Texas, or its successor, issues a formal order authorizing imbalance charges to Customer and all other similarly situated shippers, including but not limited to, all firm shippers, which contains imbalance charges that are different from those set forth above, then imbalance charges authorized in such formal order shall be applicable to Customer effective thirty (30) days following the issuance of the order; provided, however, that such imbalance charges may be no greater than the charges proposed by TXU Gas Company in Rate Schedule 5 of its Tariff for Gas Service as filed with the Railroad Commission of Texas in Gas Utilities Docket No. 9400 on May 23, 2003; and further provided that APT reasonably makes available to Customer, at no additional charge (except for any charge otherwise agreed to in writing), reliable daily gas measurement data on a timely basis so that Customer can monitor and adjust its deliveries and receipts to minimize imbalances. For purposes of this paragraph, transportation of gas by APT for delivery to

RATE SCHEDULE:	Rate CGS - City Gate Service	
APPLICABLE TO:	CoServ Gas	REVISION: DATE:
EFFECTIVE DATE:		PAGE: 3 OF 3

distribution system(s) at city gate stations shall be considered as if Mid-Tex is a similarly situated shipper to Customer with regard to such transportation services.

RATE SCHEDULE:	Rate CGS - City Gate Service	
APPLICABLE TO:	City of Rising Star and WTG	REVISION: DATE:
EFFECTIVE DATE:		PAGE: 1 OF 2

Application

Applicable, in the event that Company has entered into a Transportation Agreement - City Gate Service, to a Local Distribution Company (Customer) directly connected to the Atmos Pipeline -Texas System for the transportation of all natural gas supplied by Customer to one Point of Delivery.

Type of Service

Where service of the quantity and type required by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following meter, capacity, and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Meter	\$ 200.00 per month
Interim Rate Adjustment ("IRA")	\$ 2,225.17 per meter ¹
Total Meter Charge	\$ 2,425.17 per meter
Capacity	\$ 0.9988 per MDU
All MMBtu	\$ 0.2103 per MMBtu

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

MDU Determination

MDU is the maximum daily usage of natural gas delivered in MMBtu to a Point of Delivery.

MDU for the calculation of the monthly bill is the highest of:

- 1) Current month MDU;
- 2) Maximum Daily Quantity as specified in the associated Transportation Agreement - City Gate Service; or
- 3) Highest annual MDU occurring in the 12-month period ended with current month.

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

RATE SCHEDULE:	Rate CGS - City Gate Service	
APPLICABLE TO:	City of Rising Star and WTG	REVISION: DATE:
EFFECTIVE DATE:		PAGE: 2 OF 2

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for service provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate CGS, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

[1] 2003 IRA - \$137.66; 2004 IRA - \$152.52; 2005 IRA - \$264.34; 2006 IRA - \$1,067.54; 2007 IRA - \$578.17 (Adjusted per "NOTE" below) (10% limit - \$182.21); 2008 IRA - \$654.77 (10% limit - \$200.43)(a one-time adjustment of (\$5.00) will be made for a 12 month period ending April 2010); 2009 IRA - \$1,301.69.

NOTE: Effective April 1, 2008. Any annual interim rate adjustment to the Meter Charge under Rate CGS pursuant to TEX. UTILITIES CODE Section 104.301 approved by the Railroad Commission in 2008 or thereafter shall, for the purpose of billing Customer under this Agreement, be limited to an amount not to exceed ten percent of the Meter Charge billed to Customer immediately prior to such adjustment. For example, if Atmos Pipeline - Texas, in March 2008, received approval to adjust the then current Rate CGS Meter Charge of \$1,822.06 by an amount of \$578.17 to a new adjusted charge of \$2,400.23; then the adjustment to Customer's Meter Charge would be limited to \$182.21 per Meter per month (or ten percent of \$1,822.06) for an new adjusted charge applicable to Customer of \$2004.27 per meter per month.

RATE SCHEDULE:	MILITARY TRANSPORTATION - PIPELINE	
APPLICABLE TO:	CUSTOMER NUMBER 25671; TARIFF NUMBER 16735	REVISION: DATE:
EFFECTIVE DATE:		PAGE: 1 OF 2

Application

Applicable, in the event that Atmos Pipeline – Texas, a division of Atmos Energy Corporation (“Company”) has entered into a Military Transportation Agreement - Pipeline, to a military base customer directly connected to Company’s pipeline system (“Customer”) for the transportation of all natural gas supplied by Customer or Customer’s agent at one Point of Delivery. For the purposes of this Rate Schedule: Military Transportation - Pipeline, “Point of Delivery” means the point at which natural gas leaves the Company’s facilities. At Company’s option, locations where the gas installation has multiple connections to Company’s facilities may be considered one Point of Delivery for billing purposes.

Not applicable for service to City Gate Service customers.

Type of Service

Where service of the quantity and type required by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer’s monthly bill will be calculated by adding the following meter, capacity, and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Meter	\$ 200.00 per meter
Interim Rate Adjustment (“IRA”)	\$ 4,156.69 per meter ¹
Total Meter Charge	\$ 4,356.69 per meter
Capacity	\$ 0.9988 per MDU
All MMBtu	\$ 0.2103 per MMBtu

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

MDU Determination

MDU is the maximum daily usage of natural gas delivered in MMBtu to a Point of Delivery.

MDU for the calculation of the monthly bill is the highest of:

- 1) Current month MDU;

¹ 2003 IRA - \$137.66; 2004 IRA - \$152.52; 2005 IRA - \$264.34; 2006 IRA - \$1,067.54; 2007 IRA - \$578.17; 2008 IRA - \$654.77 (a one-time adjustment of (\$5.00) will be made for a 12 month period ending April 2010); 2009 IRA - \$1,301.69.

RATE SCHEDULE:	MILITARY TRANSPORTATION - PIPELINE	
APPLICABLE TO:	CUSTOMER NUMBER 25671; TARIFF NUMBER 16735	REVISION: DATE:
EFFECTIVE DATE:		PAGE: 2 OF 2

- 2) Maximum Daily Quantity as specified in the associated Transportation Agreement - City Gate Service; or
- 3) Highest annual MDU occurring in the 12-month period ended with current month.

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for service provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate CGS, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

EXHIBIT B

1. EMR Report, 2 pages.
2. Interim Cost Recovery and Rate Adjustment Report, 12 pages.



ANNUAL EARNINGS MONITORING REPORT

OF

ATMOS PIPELINE - TEXAS

TO THE

RAILROAD COMMISSION OF TEXAS

FOR THE

Twelve Month Period Ending December 31, 2009

Check one:

This is an original submission [X]

This is a revised submission []

Date of submission: *February 12, 2010*

ATMOS PIPELINE - TEXAS
ANNUAL EARNINGS MONITORING REPORT
AS OF DECEMBER 31, 2009

Line No.	Description (a)	At Rates At 12/31/02			At Rates At 12/31/09			
		Total (b)	Reference (c)	Adjustment Amount (d)	Total (e)	Reference (f)	Increase/Decrease Amount (g)	Total (h)
1	Total Operating Revenues	\$ 135,142,343	1	\$ 2,111,756	\$ 137,254,099	2	\$ 64,581,864	\$ 201,835,963
2								
3	Operating Expenses:							
4								
5	Gas Cost - Commodity Cost	\$ -	1	\$ -	\$ -	2	\$ -	\$ -
6	Operation and Maintenance Expenses	72,993,385	1	(3,747,281)	69,246,104	2	6,615,193	75,861,297
7	Depreciation and Amortization Expense	15,689,774	1	(1,013,285)	14,676,489	2	7,172,846	21,849,335
8	Interest on Customer Deposits	-	1	-	-	2	-	-
9	Interest on Customer Advances	-	1	-	-	2	-	-
10	Taxes Other Than Income Taxes	7,647,503	1	(62,473)	7,585,030	2	3,896,588	11,481,618
11								
12	Total Operating Expenses Before							
13	Federal Income Taxes	\$ 96,330,662	1	\$ (4,823,038)	\$ 91,507,624	2	\$ 17,684,626	\$ 109,192,250
14								
15	Total Operating Income Before Federal							
16	Income Taxes	\$ 38,811,681	1	\$ 6,934,795	\$ 45,746,476	2	\$ 46,897,238	\$ 92,643,713
17								
18	Federal Income Taxes	\$ 9,714,615	1	\$ 1,586,388	\$ 11,301,003	2	\$ 12,240,790	\$ 23,541,793
19								
20	Return on Rate Base	\$ 29,097,066	1	\$ 5,348,407	\$ 34,445,473	2	\$ 34,656,447	\$ 69,101,920
21								
22								
23	Rate Base	\$ 323,608,880		\$ 93,502,451	\$ 417,111,331		\$ 382,730,075	\$ 799,841,406
24	Percent Return on Rate Base	8.991%			8.258%			8.639%
25								
26	Notes:							
27	1. Column (b) is the Company's Proposed Cost of Service from GUD 9400. Column (d) is the adjustment to the Proposed Cost of Service needed to							
28	arrive at Column (e) which represents the cost of service from the Final Order issued in GUD 9400.							
29	2. Column (g) is the adjustment needed to arrive at the Adjusted 2009 amounts shown in Column (h).							

**ATMOS PIPELINE - TEXAS
INTERIM COST RECOVERY AND RATE ADJUSTMENT REPORT
AS OF DECEMBER 31, 2009**

Note: Totals may vary due to rounding.

Atmos Pipeline - Texas
Interim Cost Recovery and Rate Adjustment Report
As of December 31, 2009
Adjustments Identified During Discovery

Line No.	Project Number (a)	Description of Adjustment (b)	Reference (c)	Adjustment (d)
1	180.13314	To remove dollars charged to capital that should have been charged to O&M.	(1)	\$ (38.74)
2	180.13522	To remove dollars charged to capital that should have been charged to O&M.	(2)	\$ (124.22)
3	010.11241	To remove a project allocated to Atmos Pipeline - Texas that was not currently used directly by Atmos Pipeline - Texas.	(3)	\$ (516,801.00)
4	010.11343	To remove a project allocated to Atmos Pipeline - Texas that was not currently used directly by Atmos Pipeline - Texas.	(4)	\$ (447,551.00)
5	010.11480	To remove a project allocated to Atmos Pipeline - Texas that was not currently used directly by Atmos Pipeline - Texas.	(5)	\$ (13,629.00)
6	010.11521	To remove a project allocated to Atmos Pipeline - Texas that was not currently used directly by Atmos Pipeline - Texas.	(6)	\$ (4,356.00)
7				
8				
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20				
21				
22				
23				
24				
25				
26				
27				
		Total Adjustment to Utility Plant Investment		\$ (982,499.96)

Notes:

- The adjustment was identified in Staff Set No. 1, Question No. 1-18. The project is shown on the Atmos Pipeline - Texas Project Report, Additions, on Page 24 of 31, on Line 462.
- The adjustment was identified in Staff Set No. 1, Question No. 1-21. The project is shown on the Atmos Pipeline - Texas Project Report, Additions, on Page 28 of 31, on Line 537.
- The adjustment was identified in Staff Set No. 1, Question No. 1-26. The project is shown on the Atmos Pipeline - Texas Shared Services Project Report, Additions, on Page 1 of 6, on Line 3. The total project amount is \$4,009,217. The amount allocated to Atmos Pipeline - Texas at 12.89% is \$516,801.
- The adjustment was identified in Staff Set No. 1, Question No. 1-27. The project is shown on the Atmos Pipeline - Texas Shared Services Project Report, Additions, on Page 1 of 6, on Line 4. The total project amount is \$3,471,988. The amount allocated to Atmos Pipeline - Texas at 12.89% is \$447,551.
- The adjustment was identified in Staff Set No. 1, Question No. 1-38. The project is shown on the Atmos Pipeline - Texas Shared Services Project Report, Additions, on Page 2 of 6, on Line 39. The total project amount is \$105,734. The amount allocated to Atmos Pipeline - Texas at 12.89% is \$13,629.
- The adjustment was identified in Staff Set No. 1, Question No. 1-38. The project is shown on the Atmos Pipeline - Texas Shared Services Project Report, Additions, on Page 3 of 6, on Line 66. The total project amount is \$33,794. The amount allocated to Atmos Pipeline - Texas at 12.89% is \$4,356.

Summary

ATMOS PIPELINE - TEXAS
 INTERIM COST RECOVERY AND RATE ADJUSTMENT REPORT
 AS OF DECEMBER 31, 2009

Change to Meter Charge for 2009 Interim Rate Adjustment

Line No.	Rate Class (a)	Meter Charge per GUD 9400 Adjusted (1) (b)	Interim Cost Recovery Adjustment to Monthly Charge (2) (c)	Proposed Meter Charge (d)
1	Rate Schedule CGS	\$ 3,055.00	\$ 1,301.69	\$ 4,356.69
2				
3	Rate Schedule PT	\$ 4,209.15	\$ 1,915.19	\$ 6,124.34
4				
5				

6 Notes:

- 7 1. Column (b) is GUD 9400 including the Company's previously authorized 2003 through 2008 Interim Rate Adjustments as applicable.
- 8 2. Column (c) is 2009 Interim Rate Adjustment per the proposed Tariffs for Rate CGS and PT customers.

ATMOS PIPELINE - TEXAS
INTERIM COST RECOVERY AND RATE ADJUSTMENT REPORT
AS OF DECEMBER 31, 2009

Line No.	Description (a)	Total Approved Per GUD 9400 At 12/31/08 (1) (b)	Per Book As of 12/31/09 (c)	Adjustments (2) (d)	Per Book Adjusted As of 12/31/09 (e)	Ref (f)	Change in Investment (Col. e - Col. b) (g)
1	Utility Plant Investment	\$ 981,420,659	\$ 1,077,707,712	\$ 13,230,144	\$ 1,090,937,856	3	\$ 109,517,197
2	Accumulated Depreciation	380,978,089	391,805,881	3,185,331	394,991,212	3	14,013,123
3	Net Utility Plant Investment	\$ 600,442,571	\$ 685,901,831	\$ 10,044,814	\$ 695,946,645		\$ 95,504,074
4							
5							
6	Calculation of the Interim Rate Adjustment Amount:						
7	Return						
8	Depreciation Expense						(Sch. A, Ln. 3, Col. g) times (Sch. B, Ln. 1, Col. b) \$ 7,886,726
9	Property-related Taxes (Ad Valorem)						(Sch. A, Ln. 1, Col. g) times (Sch. B, Ln. 6, Col. b) 2,296,256
10	Revenue-related Taxes						(Sch. A, Ln. 3, Col. g) times (Sch. B, Ln. 11, Col. b) 1,933,160
11	Federal Income Tax					4	-
12	Interim Rate Adjustment Amount						(Sch. C, Ln. 9, Col. b) 2,614,816
13							\$ 14,730,957
14	Total Interim Rate Adjustment Amount times the Allocation Factors:						
15	Rate Schedule CGS						(Sch. A, Ln. 12, Col. g) times (Sch. B, Ln. 16, Col. b) \$ 10,778,002
16	Rate Schedule PT						(Sch. A, Ln. 12, Col. g) times (Sch. B, Ln. 17, Col. b) 3,952,955
17	Total						\$ 14,730,957
18							
19	Total Change in Meter Charge:						
20	Rate Schedule CGS						(Sch. A, Ln. 15, Col. g) divided by (Sch. B, Ln. 21, Col. b) \$ 1,301
21	Rate Schedule PT						(Sch. A, Ln. 16, Col. g) divided by (Sch. B, Ln. 22, Col. b) \$ 1,915
22							

Notes:

24 1. Amounts are the approved amounts per GUD 9400 adjusted to include Net Utility Plant Investment included in the Company's previously authorized 2003 through 2008 Interim Rate Adjustments.

26 2. Includes allocated Shared Services investment and accumulated depreciation.

27 3. See Workpaper/Schedule A for adjustment details related to Column (d).

28 4. Revenue-related taxes are recovered through Rider TAX.

**ATMOS PIPELINE - TEXAS
INTERIM COST RECOVERY AND RATE ADJUSTMENT REPORT
AS OF DECEMBER 31, 2009**

Line No.	Description	Total	Reference
	(a)	(b)	(c)
1	Return Factor	8.258%	GUD 9400, Schedule G (P), Line 24, Column (e)
2	Depreciation Expense Factor Calculation:		
3	Total Depreciation Expense	\$ 14,676,489	GUD 9400, Schedule E (P), Line 4, Column (d), Page 7 of 8
4	Invested Capital - Gross Plant	\$ 699,977,759	GUD 9400, Schedule E (P), Line 56, Column (d), Page 1 of 8
5	Depreciation Expense Factor	<u>2.097%</u>	Line 4 divided by Line 5
6	Property Tax Factor Calculation:		
7	Property-Related Taxes (Ad Valorem)	\$ 7,497,184	2009 Property Tax payments per the methodology in GUD 9726 Final Order, Finding of Fact No. 49. (1)
8	Total Net Plant	\$ 370,384,137	GUD 9400, Schedule E (P), Line 56, Column (d), Page 3 of 8
9	Property Tax Factor	<u>2.024%</u>	Line 9 divided by Line 10
10	Federal Income Tax Factor Calculation (1 / .65) * (.35)	<u>53.84615%</u>	GUD 9400, Schedule M (P), Line 23, Column (f)
11	Allocation Factors		
12	Rate Schedule CGS	0.731657	GUD 9560, Final Order, Finding of Fact #46
13	Rate Schedule PT	0.268343	GUD 9560, Final Order, Finding of Fact #46
14	Total	<u>1.000000</u>	Sum of Line 16 through Line 17
15	2009 Year-end number of meters times 12:		
16	Rate Schedule CGS	8,280	Current year-end number of meters per the methodology in GUD 9560 Final Order, Finding of Fact No. 49.
17	Rate Schedule PT	2,064	Current year-end number of meters per the methodology in GUD 9560 Final Order, Finding of Fact No. 49.
18	Note:		
19	1: Estimated pending actual payments.		

ATMOS PIPELINE - TEXAS
INTERIM COST RECOVERY AND RATE ADJUSTMENT REPORT
AS OF DECEMBER 31, 2009

Line No.	Description (a)	Factors (b)	Reference (c)
1	Cost of Common Equity	\$ 20,772,144	GUD 9400, Schedule G (P), Line 6, Column (e)
2	Cost of Preferred Stock	436,674	GUD 9400, Schedule G (P), Line 4, Column (e)
3	Return excluding debt, per GUD 9400	<u>21,208,818</u>	Line 1 plus Line 2
4	Total Invested Capital	<u>417,111,331</u>	GUD 9400, Schedule G (P), Line 16, Column (e)
5	Return rate excluding debt, per GUD 9400	5.085%	Line 3 divided by Line 4
6	Federal Income Tax Factor	<u>53.84615%</u>	Schedule B, Line 13, Column (b)
7	Federal Income Tax Adjustment Factor	2.738%	Line 5 times Line 6
8	Change in Invested Capital - Net Utility Plant	<u>\$ 95,504,074</u>	Schedule A, Line 3, Column (g)
9	Change in Federal Income Tax	<u><u>\$ 2,614,816</u></u>	Line 7 times Line 8

ATMOS PIPELINE - TEXAS
 INTERIM COST RECOVERY AND RATE ADJUSTMENT REPORT
 AS OF DECEMBER 31, 2009

Line No.	Description (a)	Ref Adjustments (b)	Ref Adjustments (c)	Total Adjustment (d)
1	Utility Plant Investment Adjustments:			
2	Beginning Balance, Prior Years' IRA Adjustments Rolled Forward	\$	2,962,552	
3	Year 2005 Addition to include Shared Services 2005 Additions		(461,970)	
4	Year 2005 Reduction to exclude Ancillary workplace improvements from Pipeline 2005 Additions		(200,755)	
5	Year 2005 Reduction to exclude Project 180, 10932 and other signage cost from Pipeline 2005 Additions		(2,886,857)	
6	Year 2006 Reallocation Adjustment for Shared Services 2005 Additions		2,779,516	
7	Year 2006 Addition to include Shared Services 2006 Additions		(28,706)	
8	Year 2006 Reduction to exclude Ancillary Equipment from Shared Services 2006 Additions		1,280	
9	Year 2006 Reduction to exclude Ancillary Equipment from Pipeline 2006 Additions		(55,079)	
10	Year 2006 Reduction to exclude Expense Account Costs from Shared Services 2006 Additions		(59,084)	
11	Year 2006 Reduction to exclude Direct Expense Account Charges from Pipeline 2006 Additions		(56,172)	
12	Year 2006 Reduction to exclude Expense Account Charges for Shared Services Overheads from Pipeline 2006 Additions		(68,006)	
13	Year 2006 Reduction to exclude Expense Account Charges for Business Unit Overheads from Pipeline 2006 Additions		2,451	
14	Year 2007 Reallocation Adjustment for Shared Services 2005 Additions		90,014	
15	Year 2007 Reallocation Adjustment for Shared Services 2006 Additions		(962)	
16	Year 2007 Reallocation Adjustment for Year 2006 Reduction to exclude Ancillary Equipment from Shared Services 2006 Additions		(1,784)	
17	Year 2007 Reallocation Adjustment for Year 2006 Reduction to exclude Expense Account Costs from Shared Services 2006 Additions		1,978,802	
18	Year 2007 Addition to include Shared Services 2007 Additions		(282,290)	
19	Year 2007 Reduction to exclude Ancillary Equipment from Shared Services 2007 Additions		-	
20	Year 2007 Reduction to exclude Ancillary Equipment from Pipeline 2007 Additions		(14,644)	
21	Year 2007 Reduction to exclude Expense Account Costs from Shared Services 2007 Additions		(66,084)	
22	Year 2007 Reduction to exclude Direct Expense Account Charges from Pipeline 2007 Additions		(31,356)	
23	Year 2007 Reduction to exclude Expense Account Charges for Shared Services Overheads from Pipeline 2007 Additions		(51,578)	
24	Year 2007 Reduction to exclude Expense Account Charges for Business Unit Overheads from Pipeline 2007 Additions		9,731	
25	Year 2008 Reallocation Adjustment for Shared Services 2005 Additions		357,327	
26	Year 2008 Reallocation Adjustment for Shared Services 2006 Additions		246,410	
27	Year 2008 Reallocation Adjustment for Shared Services 2007 Additions		(3,819)	
28	Year 2008 Reallocation Adjustment for Year 2006 Reduction to exclude Ancillary Equipment from Shared Services 2006 Additions		(35,152)	
29	Year 2008 Reallocation Adjustment for Year 2007 Reduction to exclude Ancillary Equipment from Shared Services 2007 Additions		(7,081)	
30	Year 2008 Reallocation Adjustment for Year 2006 Reduction to exclude Expense Account Costs from Shared Services 2006 Additions		(1,824)	
31	Year 2008 Reallocation Adjustment for Year 2007 Reduction to exclude Expense Account Costs from Shared Services 2007 Additions		2,281,617	
32	Year 2008 Addition to include Shared Services 2008 Additions- Per Books		(1,039,239)	
33	Year 2008 Reduction for Shared Services Reclassification Adjustment		(13,623)	
34	Year 2008 Reduction for Shared Services Additions voluntarily removed		55,977	
35	Year 2008 Reduction to exclude Ancillary Equipment from Shared Services 2008 Additions		(1,901)	
36	Year 2008 Reduction to exclude Ancillary Equipment from Pipeline 2008 Additions		(3,082)	
37	Year 2008 Reduction to exclude Expense Account Costs from Shared Services 2008 Additions		(78,857)	
38	Year 2008 Reduction to exclude Direct Expense Account Charges from Pipeline 2008 Additions		(44,135)	
39	Year 2008 Reduction to exclude Expense Account Charges for Shared Services Overheads from Pipeline 2008 Additions		2,883	
40	Year 2008 Reduction to exclude Expense Account Charges for Business Unit Overheads from Pipeline 2008 Additions			

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Worksheet/Schedule A

Line No.	Description (a)	Ref (b)	Adjustments (c)	Total Adjustment (d)
42	Year 2009 Adjustments			
43	Reallocation Adjustment for Shared Services 2005 Additions	2	7,877	
44	Reallocation Adjustment for Shared Services 2006 Additions	2	289,226	
45	Reallocation Adjustment for Shared Services 2007 Additions	2	198,448	
46	Reallocation Adjustment for Shared Services 2008 Additions	2	204,503	
47	Reallocation Adjustment for Year 2006 Reduction to exclude Ancillary Equipment from Shared Services 2006 Additions	2	(3,091)	
48	Reallocation Adjustment for Year 2007 Reduction to exclude Ancillary Equipment from Shared Services 2007 Additions	2	(28,453)	
49	Reallocation Adjustment for Year 2008 Reduction to exclude Ancillary Equipment from Shared Services 2008 Additions	2	5,017	
50	Reallocation Adjustment for Year 2006 Reduction to exclude Expense Account Costs from Shared Services 2006 Additions	2	(5,731)	
51	Reallocation Adjustment for Year 2007 Reduction to exclude Expense Account Costs from Shared Services 2007 Additions	2	(1,476)	
52	Reallocation Adjustment for Year 2008 Reduction to exclude Expense Account Costs from Shared Services 2008 Additions	2	(276)	
53	Reallocation Adjustment for Year 2008 Reduction to exclude Expense Account Costs from Shared Services 2008 Additions	2	(1,221)	
54	Addition to include Shared Services 2009 Additions and Retirement- Per Books	3	7,790,018	
55	Reversal for 2008 Shared Services Reclassification Adjustment On Line 33	6	1,039,239	
56	Year 2009 Reduction for Shared Services Reclassification of Projects from General Office to Customer Support	7	(129,507)	
57	Reduction to exclude Project 010.11402 which has been reopened in 2010.	8	(240,743)	
58	Reduction to exclude Ancillary Equipment from Shared Services 2009 Additions	4	16,337	
59	Reduction to exclude Ancillary Equipment from Pipeline 2009 Additions	4	(5,027)	
60	Reduction to exclude Expense Account Costs from Shared Services 2009 Additions	5	(63,855)	
61	Reduction to exclude Direct Expense Account Charges from Pipeline 2009 Additions	5	(83,353)	
62	Reduction to exclude Expense Account Charges for Shared Services Overheads from Pipeline 2009 Additions	5	(48,908)	
63	Reduction to exclude Expense Account Charges for Business Unit Overheads from Pipeline 2009 Additions	5	-	
64	Adjustments to Utility Plant- Discovery	5	-	
65	Ending Balance, Utility Plant Investment Adjustments	9	(982,500)	
				\$ 13,230,144

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Line No.	Description	Ref	Adjustments	Total Adjustment
	(a)	(b)	(c)	(d)
66	Accumulated Depreciation Adjustments:			
67	Beginning Balance, Prior Years' IRA Adjustments Rolled Forward	1	\$ 267,953	
69	Year 2005 Addition for Shared Services Year 2005 Depreciation Accumulated on 2005 Additions		(252,690)	
70	Year 2006 Reallocation Adjustment for Year 2005 Depreciation Accumulated on Shared Services 2005 Additions		15,263	
71	Year 2006 Addition for Year 2006 Depreciation Accumulated on Shared Services 2005 Additions		278,262	
72	Year 2006 Addition for Depreciation Accumulated on Shared Services 2006 Additions		(2,080)	
73	Year 2006 Reduction to exclude Depreciation Accumulated on Shared Services 2006 Ancillary Equipment		(26,745)	
74	Year 2006 Reduction to exclude Year 2005 and Year 2006 Depreciation Accumulated on Pipeline 2005 Ancillary Improvements and Signage		35	
75	Year 2006 Reduction to exclude Depreciation Accumulated on Pipeline 2006 Ancillary Equipment		(4,557)	
76	Year 2006 Reduction to exclude Depreciation Accumulated on Shared Services 2006 Expense Account Costs		(1,239)	
77	Year 2006 Reduction to exclude Depreciation Accumulated on Pipeline 2006 Direct Expense Account Charges		(1,178)	
78	Year 2006 Reduction to exclude Depreciation Accumulated on Pipeline 2006 Expense Account Charges for Shared Services Overheads		(1,426)	
79	Year 2006 Reduction to exclude Depreciation Accumulated on Pipeline 2006 Expense Account Charges for Business Unit Overheads		494	
80	Year 2007 Reallocation Adjustment for Year 2005 Depreciation Accumulated on Shared Services 2005 Additions		494	
81	Year 2007 Reallocation Adjustment for Year 2006 Depreciation Accumulated on Shared Services 2005 Additions		9,011	
82	Year 2007 Reallocation Adjustment for Year 2006 Depreciation Accumulated on Shared Services 2006 Additions		(67)	
83	Year 2007 Reallocation Adjustment for Reduction to exclude Year 2006 Depreciation Accumulated on Shared Services 2006 Ancillary Equipment		(146)	
84	Year 2007 Reallocation Adjustment for Reduction to exclude Year 2006 Depreciation Accumulated on Shared Services 2006 Expense Account Costs		15,757	
85	Year 2007 Addition for Year 2007 Depreciation Accumulated on Shared Services 2005 Additions		287,274	
86	Year 2007 Addition for Year 2007 Depreciation Accumulated on Shared Services 2006 Additions		189,232	
87	Year 2007 Addition for Year 2007 Depreciation Accumulated on Shared Services 2007 Additions		(2,147)	
88	Year 2007 Reduction to exclude Year 2007 Depreciation Accumulated on Shared Services 2006 Ancillary Equipment		(14,417)	
89	Year 2007 Reduction to exclude Year 2007 Depreciation Accumulated on Shared Services 2007 Ancillary Equipment		(13,373)	
90	Year 2007 Reduction to exclude Year 2007 Depreciation Accumulated on Pipeline 2005 Ancillary Improvements and Signage		35	
91	Year 2007 Reduction to exclude Year 2007 Depreciation Accumulated on Pipeline 2006 Ancillary Equipment		(4,705)	
92	Year 2007 Reduction to exclude Year 2007 Depreciation Accumulated on Shared Services 2006 Expense Account Costs		(1,210)	
93	Year 2007 Reduction to exclude Year 2007 Depreciation Accumulated on Shared Services 2007 Expense Account Costs		(1,239)	
94	Year 2007 Reduction to exclude Year 2007 Depreciation Accumulated on Pipeline 2006 Direct Expense Account Charges		(1,386)	
95	Year 2007 Reduction to exclude Year 2007 Depreciation Accumulated on Pipeline 2007 Direct Expense Account Charges		(1,178)	
96	Year 2007 Reduction to exclude Year 2007 Depreciation Accumulated on Pipeline 2006 Expense Account Charges for Shared Services Overheads		(657)	
97	Year 2007 Reduction to exclude Year 2007 Depreciation Accumulated on Pipeline 2007 Expense Account Charges for Shared Services Overheads		(1,426)	
98	Year 2007 Reduction to exclude Year 2007 Depreciation Accumulated on Pipeline 2006 Expense Account Charges for Business Unit Overheads		(1,081)	
99	Year 2007 Reduction to exclude Year 2007 Depreciation Accumulated on Pipeline 2007 Expense Account Charges for Business Unit Overheads			

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Line No.	Description (a)	Ref Adjustments (b)	Total Adjustment (d)
100	Year 2006 Reallocation Adjustment for Year 2005 Depreciation Accumulated on Shared Services 2005 Additions	1,962	
101	Year 2008 Reallocation Adjustment for Year 2006 Depreciation Accumulated on Shared Services 2005 Additions	1,962	
102	Year 2008 Reallocation Adjustment for Year 2007 Depreciation Accumulated on Shared Services 2005 Additions	1,962	
103	Year 2008 Reallocation Adjustment for Year 2006 Depreciation Accumulated on Shared Services 2006 Additions	35,773	
104	Year 2008 Reallocation Adjustment for Year 2007 Depreciation Accumulated on Shared Services 2006 Additions	35,773	
105	Year 2008 Reallocation Adjustment for Year 2007 Depreciation Accumulated on Shared Services 2007 Additions	23,564	
106	Year 2008 Reallocation Adjustment for Reduction to exclude Year 2006 Depreciation Accumulated on Shared Services 2006 Ancillary Equipment	(267)	
107	Year 2008 Reallocation Adjustment for Reduction to exclude Year 2007 Depreciation Accumulated on Shared Services 2006 Ancillary Equipment	(267)	
108	Year 2008 Reallocation Adjustment for Reduction to exclude Year 2007 Depreciation Accumulated on Shared Services 2007 Ancillary Equipment	(1,795)	
109	Year 2008 Reallocation Adjustment for Reduction to exclude Year 2006 Depreciation Accumulated on Shared Services 2007 Ancillary Equipment	(586)	
110	Year 2008 Reallocation Adjustment for Reduction to exclude Year 2006 Depreciation Accumulated on Shared Services 2006 Expense Account Costs	(586)	
111	Year 2008 Reallocation Adjustment for Reduction to exclude Year 2007 Depreciation Accumulated on Shared Services 2006 Expense Account Costs	(151)	
112	Year 2008 Reallocation Adjustment for Reduction to exclude Year 2007 Depreciation Accumulated on Shared Services 2007 Expense Account Costs	17,720	
113	Year 2008 Addition for Year 2008 Depreciation Accumulated on Shared Services 2005 Additions	323,047	
114	Year 2008 Addition for Year 2008 Depreciation Accumulated on Shared Services 2006 Additions	212,797	
115	Year 2008 Addition for Year 2008 Depreciation Accumulated on Shared Services 2007 Additions	266,273	
116	Year 2008 Addition for Year 2008 Depreciation Accumulated on Shared Services 2008 Additions- Per Books	(94,855)	
117	Year 2008 Reduction to exclude Year 2008 Depreciation Accumulated on Shared Services 2008 Additions for Reclassification Adjustment	(2,415)	
118	Year 2008 Reduction to exclude Year 2008 Depreciation Accumulated on Shared Services 2006 Ancillary Equipment	(16,212)	
119	Year 2008 Reduction to exclude Year 2008 Depreciation Accumulated on Shared Services 2007 Ancillary Equipment	3,805	
120	Year 2008 Reduction to exclude Year 2008 Depreciation Accumulated on Shared Services 2008 Ancillary Equipment	(13,373)	
121	Year 2008 Reduction to exclude Year 2008 Depreciation Accumulated on Pipeline 2005 Ancillary Improvements and Signage	35	
122	Year 2008 Reduction to exclude Year 2008 Depreciation Accumulated on Pipeline 2006 Ancillary Equipment	-	
123	Year 2008 Reduction to exclude Year 2008 Depreciation Accumulated on Pipeline 2007 Ancillary Equipment	(24,154)	
124	Year 2008 Reduction to exclude Year 2008 Depreciation Accumulated on Pipeline 2008 Ancillary Equipment	(5,290)	
125	Year 2008 Reduction to exclude Year 2008 Depreciation Accumulated on Shared Services 2006 Expense Account Costs	(1,360)	
126	Year 2008 Reduction to exclude Year 2008 Depreciation Accumulated on Shared Services 2007 Expense Account Costs	(255)	
127	Year 2008 Reduction to exclude Year 2008 Depreciation Accumulated on Shared Services 2008 Expense Account Costs	(1,239)	
128	Year 2008 Reduction to exclude Year 2008 Depreciation Accumulated on Pipeline 2006 Direct Expense Account Charges	(1,386)	
129	Year 2008 Reduction to exclude Year 2008 Depreciation Accumulated on Pipeline 2007 Direct Expense Account Charges	(1,653)	
130	Year 2008 Reduction to exclude Year 2008 Depreciation Accumulated on Pipeline 2008 Direct Expense Account Charges	(1,176)	
131	Year 2008 Reduction to exclude Year 2008 Depreciation Accumulated on Pipeline 2006 Expense Account Charges for Shared Services Overheads	(657)	
132	Year 2008 Reduction to exclude Year 2008 Depreciation Accumulated on Pipeline 2007 Expense Account Charges for Shared Services Overheads	(925)	
133	Year 2008 Reduction to exclude Year 2008 Depreciation Accumulated on Pipeline 2008 Expense Account Charges for Shared Services Overheads	(1,426)	
134	Year 2008 Reduction to exclude Year 2008 Depreciation Accumulated on Pipeline 2006 Expense Account Charges for Business Unit Overheads	(1,081)	
135	Year 2008 Reduction to exclude Year 2008 Depreciation Accumulated on Pipeline 2007 Expense Account Charges for Business Unit Overheads	63	

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Line No.	Description (a)	Ref (b)	Adjustments (c)	Total Adjustment (d)
136				
137	Year 2009 Adjustments			
138	Reallocation Adjustment for Year 2005 Depreciation Accumulated on Shared Services 2005 Additions	2	1,588	
139	Reallocation Adjustment for Year 2006 Depreciation Accumulated on Shared Services 2005 Additions	2	1,588	
140	Reallocation Adjustment for Year 2007 Depreciation Accumulated on Shared Services 2005 Additions	2	1,588	
141	Reallocation Adjustment for Year 2008 Depreciation Accumulated on Shared Services 2005 Additions	2	1,588	
142	Reallocation Adjustment for Year 2006 Depreciation Accumulated on Shared Services 2006 Additions	2	28,955	
143	Reallocation Adjustment for Year 2007 Depreciation Accumulated on Shared Services 2006 Additions	2	28,955	
144	Reallocation Adjustment for Year 2008 Depreciation Accumulated on Shared Services 2006 Additions	2	28,955	
145	Reallocation Adjustment for Year 2007 Depreciation Accumulated on Shared Services 2007 Additions	2	19,073	
146	Reallocation Adjustment for Year 2008 Depreciation Accumulated on Shared Services 2007 Additions	2	19,073	
147	Reallocation Adjustment for Year 2008 Depreciation Accumulated on Shared Services 2008 Additions	2	23,866	
148	Reallocation Adjustment for Reduction to exclude Year 2006 Depreciation Accumulated on Shared Services 2006 Ancillary Equipment	2	(216)	
149	Reallocation Adjustment for Reduction to exclude Year 2007 Depreciation Accumulated on Shared Services 2006 Ancillary Equipment	2	(216)	
150	Reallocation Adjustment for Reduction to exclude Year 2008 Depreciation Accumulated on Shared Services 2006 Ancillary Equipment	2	(216)	
151	Reallocation Adjustment for Reduction to exclude Year 2007 Depreciation Accumulated on Shared Services 2007 Ancillary Equipment	2	(1,453)	
152	Reallocation Adjustment for Reduction to exclude Year 2008 Depreciation Accumulated on Shared Services 2007 Ancillary Equipment	2	(1,453)	
153	Reallocation Adjustment for Reduction to exclude Year 2006 Depreciation Accumulated on Shared Services 2007 Ancillary Equipment	2	341	
154	Reallocation Adjustment for Reduction to exclude Year 2006 Depreciation Accumulated on Shared Services 2008 Ancillary Equipment	2	(474)	
155	Reallocation Adjustment for Reduction to exclude Year 2007 Depreciation Accumulated on Shared Services 2006 Expense Account Costs	2	(474)	
156	Reallocation Adjustment for Reduction to exclude Year 2008 Depreciation Accumulated on Shared Services 2006 Expense Account Costs	2	(474)	
157	Reallocation Adjustment for Reduction to exclude Year 2008 Depreciation Accumulated on Shared Services 2006 Expense Account Costs	2	(122)	
158	Reallocation Adjustment for Reduction to exclude Year 2008 Depreciation Accumulated on Shared Services 2007 Expense Account Costs	2	(122)	
159	Reallocation Adjustment for Reduction to exclude Year 2008 Depreciation Accumulated on Shared Services 2007 Expense Account Costs	2	(23)	
160	Addition for Year 2009 Depreciation Accumulated on Shared Services 2005 Additions	3	1,588	
161	Addition for Year 2009 Depreciation Accumulated on Shared Services 2006 Additions	3	352,002	
162	Addition for Year 2009 Depreciation Accumulated on Shared Services 2007 Additions	3	231,870	
163	Addition for Year 2009 Depreciation Accumulated on Shared Services 2008 Additions	3	290,139	
164	Addition for Year 2009 Depreciation Accumulated on Shared Services 2009 Additions- Per Books	3	666,516	
165	Reversal to exclude Year 2008 Depreciation Accumulated on Shared Services 2008 Additions for Reclassification Adjustment (Ln. 116)	6	94,855	
166	Reduction to exclude Year 2009 Depreciation Accumulated on Shared Services 2009 Additions for Reclassification Adjustment (Ln. 116)	7	(9,737)	
167	Reduction to exclude Year 2009 Depreciation Accumulated on Shared Services 2009 Additions for Reclassification Adjustment	8	(22,827)	
168	Reduction to exclude Year 2009 Depreciation Accumulated on Shared Services Project 010.11402 reopened in 2010	4	(2,631)	
169	Reduction to exclude Year 2009 Depreciation Accumulated on Shared Services 2006 Ancillary Equipment	4	(17,665)	
170	Reduction to exclude Year 2009 Depreciation Accumulated on Shared Services 2008 Ancillary Equipment	4	4,146	
171	Reduction to exclude Year 2009 Depreciation Accumulated on Shared Services 2009 Ancillary Equipment	4	799	
172	Reduction to exclude Year 2009 Depreciation Accumulated on Pipeline 2005 Ancillary Improvements and Signage	4	(13,373)	
173	Reduction to exclude Year 2009 Depreciation Accumulated on Pipeline 2006 Ancillary Equipment	4	35	
174	Reduction to exclude Year 2009 Depreciation Accumulated on Pipeline 2007 Ancillary Equipment	4	-	
175	Reduction to exclude Year 2009 Depreciation Accumulated on Pipeline 2008 Ancillary Equipment	4	(35)	
176	Reduction to exclude Year 2009 Depreciation Accumulated on Pipeline 2009 Ancillary Equipment	4	(92)	
177	Reduction to exclude Year 2009 Depreciation Accumulated on Shared Services 2006 Expense Account Costs	5	(5,765)	
178	Reduction to exclude Year 2009 Depreciation Accumulated on Shared Services 2007 Expense Account Costs	5	(1,482)	
179	Reduction to exclude Year 2009 Depreciation Accumulated on Shared Services 2008 Expense Account Costs	5	(277)	

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Line No.	Description (a)	Ref (b)	Adjustments (c)	Total Adjustment (d)
180	Reduction to exclude Year 2009 Depreciation Accumulated on Shared Services 2009 Expense Account Costs	5	(5,275)	
181	Reduction to exclude Year 2009 Depreciation Accumulated on Pipeline 2006 Direct Expense Account Charges	5	(1,239)	
182	Reduction to exclude Year 2009 Depreciation Accumulated on Pipeline 2007 Direct Expense Account Charges	5	(1,386)	
183	Reduction to exclude Year 2009 Depreciation Accumulated on Pipeline 2008 Direct Expense Account Charges	5	(1,653)	
184	Reduction to exclude Year 2009 Depreciation Accumulated on Pipeline 2009 Direct Expense Account Charges	5	(1,748)	
185	Reduction to exclude Year 2009 Depreciation Accumulated on Pipeline 2006 Expense Account Charges for Shared Services Overheads	5	(1,178)	
186	Reduction to exclude Year 2009 Depreciation Accumulated on Pipeline 2007 Expense Account Charges for Shared Services Overheads	5	(657)	
187	Reduction to exclude Year 2009 Depreciation Accumulated on Pipeline 2008 Expense Account Charges for Shared Services Overheads	5	(925)	
188	Reduction to exclude Year 2009 Depreciation Accumulated on Pipeline 2009 Expense Account Charges for Shared Services Overheads	5	(1,046)	
189	Reduction to exclude Year 2009 Depreciation Accumulated on Pipeline 2006 Expense Account Charges for Business Unit Overheads	5	(1,426)	
190	Reduction to exclude Year 2009 Depreciation Accumulated on Pipeline 2007 Expense Account Charges for Business Unit Overheads	5	(1,081)	
191	Reduction to exclude Year 2009 Depreciation Accumulated on Pipeline 2008 Expense Account Charges for Business Unit Overheads	5	63	
192	Reduction to exclude Year 2009 Depreciation Accumulated on Pipeline 2009 Expense Account Charges for Business Unit Overheads			
193	Ending Balance, Accumulated Depreciation Adjustments			\$ 3,185,331

194 Notes:

- 195 1. These balances roll forward the adjustments to Net Utility Plant authorized in GUD 9664 and GUD 9726 and GUD 9788 and GUD 9855 Final Order.
- 196 2. These adjustments reallocate the prior Shared Services Additions authorized in GUD 9664 and GUD 9726 and GUD 9788 and GUD 9855 to the level of service provided by SSU at the end of 2009, with related adjustment for accumulated depreciation.
- 197 3. These adjustments include the Shared Services 2009 Additions based upon the level of service provided by SSU at the end of 2009, with related adjustment for accumulated depreciation.
- 198 4. These adjustments have been made in compliance with GUD 9664 Final Order, Finding of Fact Nos. 41 and 42.
- 199 5. In compliance with the spirit of GUD 9670 Final Order, Finding of Fact Nos. 92, 93 and 94, the Company has voluntarily elected to reduce Net Utility Plant for the costs of meals and entertainment, travel and lodging, and other employee related expenses capitalized during 2009 pending the Company's filing of its next formal case.
- 200 6. Reversal of the 2008 Shared Services Reclassification Adjustment on line 33. This transfer of assets is included in the amount shown on Line 54. Line 165 Reverses the Accumulated Depreciation associated with these transfers as shown on line 116. The Accumulated Depreciation associated with these transfers is shown on line 163.
- 201 7. These adjustments relate to the 2009 Reclassification of Shared Services General Office Additions to Customer Support Additions and the related Accumulated Depreciation.
- 202 8. Project 010.11402 closed in December and has been reopened in February 2010; therefore an adjustment is made to remove this project from the calendar 2009 additions.
- 203 9. Adjustment to Utility Plant for items/issues found during discovery.