

File Date: March 1, 2016

**ATMOS ENERGY CORP., MID-TEX DIVISION  
PENSIONS AND RETIREE MEDICAL BENEFITS ADJUSTMENT  
TEST YEAR ENDING DECEMBER 31, 2015**

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan ("PAP")	Post-Retirement Medical Plan ("FAS 106")	Pension Account Plan ("PAP")	Supplemental Executive Benefit Plan ("SERP")	Post-Retirement Medical Plan ("FAS 106")	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Fiscal Year 2016 Towers Watson Report as adjusted (1), (3)	\$ 5,101,680	\$ 2,896,450	\$ 7,840,683	\$ 150,433	\$ 4,466,430	
2	O&M Expense Factor (2)	96.41%	96.41%	37.42%	20.77%	37.42%	
3	Fiscal Year 2016 Actuarially Determined O&M Benefits (Ln 1 x Ln 2)	\$ 4,918,540	\$ 2,792,473	\$ 2,933,599	\$ 31,249	\$ 1,671,119	
4	Allocation to Mid-Tex (2)	40.56%	40.56%	71.52%	100.00%	71.52%	
5	<b>Mid-Tex Benefits Expense Included in Rates - Proposed (Ln 3 x Ln 4)</b>	<b>\$ 1,995,016</b>	<b>\$ 1,132,659</b>	<b>\$ 2,098,222</b>	<b>\$ 31,249</b>	<b>\$ 1,195,248</b>	<b>\$ 6,452,393</b>
6							
7	<b>Mid-Tex Benefits Expense per GUD 10359 and RRM Test Year Ending December 31, 2014 Benchmark (4)</b>	\$ 2,831,859	\$ 2,013,260	\$ 2,925,600	\$ 34,809	\$ 2,695,721	\$ 10,501,250
8							
9	<b>Test Year Adjustment (Line 5 minus Line 7)</b>	\$ (836,844)	\$ (880,601)	\$ (827,379)	\$ (3,561)	\$ (1,500,472)	\$ (4,048,856)
10							
11	Adjustment Summary:						
12	Account 922	\$ (836,844)	\$ (880,601)	\$ -	\$ -	\$ -	\$ (1,717,445)
13	Account 926	-	-	(827,379)	(3,561)	(1,500,472)	(2,331,412)
14	Total (Ln 12 plus Ln 13)	\$ (836,844)	\$ (880,601)	\$ (827,379)	\$ (3,561)	\$ (1,500,472)	\$ (4,048,856)

## Notes:

1. Studies not applicable to Mid-Tex or Shared Services are omitted.
2. The factors on Lines 2 and 4 are based on the factors in 2016 RRM (Test Year Ending December 31, 2015).
3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.
4. GUD No. 10359 is the benchmark for January-May which is the same benchmark as used in the RRM TYE December 31, 2014 for June-December.

**ATMOS ENERGY CORP., MID-TEX DIVISION  
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL  
TEST YEAR ENDING DECEMBER 31, 2015**

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan ("PAP")	Post-Retirement Medical Plan ("FAS 106")	Pension Account Plan ("PAP")	Supplemental Executive Benefit Plan ("SERP")	Post-Retirement Medical Plan ("FAS 106")	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Fiscal Year 2016 Towers Watson Report (excluding Removed Cost Centers)	\$ 5,101,680	\$ 2,896,450	\$ 7,840,683	\$ 150,433	\$ 4,466,430	
2	Allocation to Mid-Tex	40.56%	40.56%	71.52%	100.00%	71.52%	
3	FY16 Towers Watson Benefit Costs (excluding Removed Cost Centers) Allocated to MTX (Ln 1 x Ln 2)	\$ 2,069,299	\$ 1,174,833	\$ 5,607,955	\$ 150,433	\$ 3,194,561	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
5	FY16 Towers Watson Benefit Costs To Approve (excluding Removed Cost Centers) (Ln 3 x Ln 4)	\$ 2,069,299	\$ 1,174,833	\$ 5,607,955	\$ 150,433	\$ 3,194,561	\$ 12,197,081
6							
7							
8	<b>Summary of Costs to Approve:</b>						
9							
10	Total Pension Account Plan ("PAP")	\$ 2,069,299		\$ 5,607,955			\$ 7,677,254
11	Total Post-Retirement Medical Plan ("FAS 106")		\$ 1,174,833			\$ 3,194,561	4,369,394
12	Total Supplemental Executive Retirement Plan ("SERP")				\$ 150,433		150,433
13	Total (Ln 10 + Ln 11 + Ln 12)	\$ 2,069,299	\$ 1,174,833	\$ 5,607,955	\$ 150,433	\$ 3,194,561	\$ 12,197,081
14							
15							
16	O&M Expense Factor	96.41%	96.41%	37.42%	20.77%	37.42%	
17							
18	Expense Portion (Ln 13 x Ln 16)	\$ 1,995,016	\$ 1,132,659	\$ 2,098,222	\$ 31,249	\$ 1,195,248	\$ 6,452,393
19							
20	Capital Factor	3.59%	3.59%	62.58%	79.23%	62.58%	
21							
22	Capital Portion (Ln 13 x Ln 20)	\$ 74,283	\$ 42,174	\$ 3,509,733	\$ 119,184	\$ 1,999,313	\$ 5,744,687
23							
24	Total (Ln 18 + Ln 22)	\$ 2,069,299	\$ 1,174,833	\$ 5,607,955	\$ 150,433	\$ 3,194,561	\$ 12,197,081