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JAN -9 2017

**MISS. PUBLIC SERVICE
COMMISSION**

BEFORE THE MISSISSIPPI PUBLIC SERVICE COMMISSION

ATMOS ENERGY CORPORATION
Utility ID #GC-123-0081-00

DOCKET NO. 2005-UN-503

**IN RE: STABLE RATE ANNUAL EVALUATION FOR TWELVE (12) MONTHS
ENDING JUNE 30, 2016**

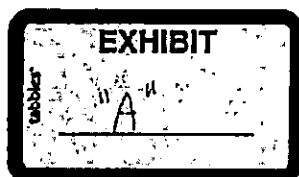
STIPULATION

This Stipulation and Agreement is entered into between the Mississippi Public Utilities Staff ("MPUS" or "Staff") and Atmos Energy Corporation ("Atmos Energy") pursuant to Rule 13 of the Mississippi Public Service Commission's Rules of Practice and Procedure ("Rules").

On September 22, 2016, Atmos Energy filed its Stable/Rate Annual Evaluation for the twelve (12) months ending June 30, 2016. On October 6, 2016, Atmos Energy filed an amended Stable/Rate Annual Evaluation ("Evaluation") for the twelve (12) months ending June 30, 2016 as agreed to with the Staff.

Pursuant to the terms of the Stable/Rate tariff of Atmos Energy, MPUS has now completed its review of the Evaluation. The MPUS has had the benefit of full discovery as prescribed by Mississippi law and the Rules. This stipulation is entered into as a result of the pleadings and other evidence filed by Atmos Energy in this docket, and is supported by the discussions and information exchanged between MPUS and Atmos Energy and the independent research and investigation conducted by MPUS.

By virtue of a Stipulation between MPUS and Atmos Energy in Docket No. 2015-UN-049 (System Integrity filing), Atmos Energy agreed to an imputed capital structure of 52.5% equity



and 47.5% debt. That equity to debt ratio is applicable to this proceeding and has the effect of lowering this filing by \$1,871,576.

Atmos Energy and MPUS have met and, through discovery, discussion and negotiation, have resolved certain issues arising out of the Evaluation and the parties do hereby stipulate and agree as follows:

1. The 2016 Filing and information submitted in response to the Staff's Data Requests comply with the Stable/Rate Rider, applicable requirements of law and the rules.
2. Atmos Energy's 2016 Filing filed with the Commission on September 22 and then amended on October 6, 2016, is summarized as follows:

Adjusted Rate Base	\$388,798,721
Performance Based Benchmark Return	9.73%
Allowed Return	8.73% to 10.73%
Expected Return on Equity	7.61%
Revenue Adjustment	\$6,291,528

3. Atmos Energy's adjusted rate base without SIR as amended shall be modified from \$388,798,721 to \$387,252,021.
4. Atmos Energy's performance-based benchmark return on equity as amended is 9.73%. The allowed rate of return range is 8.73% to 10.73%. Atmos Energy's expected return on equity is 8.17%, resulting in a revenue requirement increase of \$4,389,902.
5. Atmos Energy's adjusted operation and maintenance expenses as amended are reduced by \$2,039,729 to \$40,100,304.
6. Atmos Energy's amortization of debt expense as amended is decreased by \$1,400.
7. Atmos Energy's interest on long term debt as filed is decreased by \$43,343.
8. Atmos Energy's income available for equity as filed is increased by \$1,089,436.

9. Atmos Energy's 2016 Stable Rate Adjustment Evaluation with the adjustments stated above and agreed to by the Company and Staff, attached as Exhibit A, is summarized as follows:

Adjusted Rate Base	\$387,252,021
Performance Based Benchmark Return	9.73%
Allowed Return	8.73% to 10.73%
Adjusted Expected Return on Equity	8.17%
Revenue Adjustment	\$4,389,902

OTHER PROVISIONS

The MPUS and Atmos Energy understand and expressly agree that except as previously stated, the stipulations made herein are for the purpose of this proceeding only and shall not apply to or be used as precedent in any other proceeding.

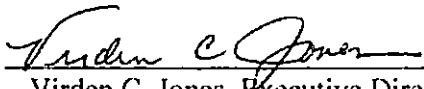
Unless specifically agreed to herein, neither MPUS nor Atmos Energy shall be deemed to have approved or acquiesced in any accounting principle, cost of capital methodology, capital structure, rate making principle, valuation methodology, cost of service methodology or determination, depreciation principle or method, rate design methodology or cost allocation that may underlie this Agreement for which provision is made in this Agreement.

It is agreed that this stipulation is expressly conditional upon acceptance by the Commission of all of its provisions. It is also specifically understood and agreed that this stipulation is interdependent and non-separable and that if the Commission does not accept this stipulation in its entirety, neither MPUS nor Atmos Energy will be thereafter bound by any of its provisions.

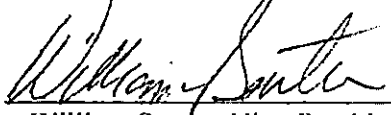
All provisions of this Stipulation have been agreed upon by and between MPUS and Atmos Energy consistent with the requirements of Atmos Energy's tariff on file with the Commission.

So stipulated, this the 9th day of January, 2017.

MISSISSIPPI PUBLIC UTILITIES STAFF

BY: 
Virden C. Jones, Executive Director

ATMOS ENERGY CORPORATION

BY: 
William Senter, Vice-President Rates and
Regulatory Affairs

**Atmos Energy Corporation - Mississippi Division
DETERMINATION OF RATEBASE**

(1)	(2)	(3)	(4)	(5)
LINE #	RATE BASE	PER BOOK EVALUATION 06/30/16	BEGINNING RATE PERIOD 11/01/16	ENDING RATE PERIOD 10/31/17
1	PLANT-IN-SERVICE +	573,296,216	580,372,008	587,474,344
2	GAS PLANT HELD FOR FUTURE USE	0	0	0
3	GAS PLANT ACQUISITION ADJ.	342,015	342,015	342,015
4	NON-CURRENT GAS STORED	6,955,671	6,955,671	6,955,671
5	CONST. WORK-IN-PROGRESS +	7,042,939	7,042,939	7,042,939
6	LESS: ACCUM DEPRECIATION +	152,392,117	149,112,960	145,177,546
7	NET PLANT	435,244,725	445,599,673	456,637,423
	PLUS:			
8	WORKING CAPITAL	7,147,972	7,147,972	7,147,972
8A	WATER HEATER PROGRAM FINANCING: NET OF RESERVES	0	0	0
9	INVENTORY: MATERIAL & SUPPLIES	79,461	79,461	79,461
10	INVENTORY: GAS STORED UNDERGROUND	9,711,669	9,711,669	9,711,669
11	TOTAL INVENTORY	9,791,130	9,791,130	9,791,130
12	PREPAYMENTS +	1,778,876	1,778,876	1,778,876
	LESS:			
13	DEFERRED INCOME TAX +	67,251,514	73,212,943	79,699,366
14	CUSTOMER ADVANCES FOR CONST.	127,184	127,184	127,184
15	BAD DEBT RESERVE	375,000	375,000	375,000
15A	INJURY AND DAMAGE RESERVE	788,841	788,841	788,841
15B	VACATION ACCRUALS +	402,338	402,338	402,338
15C	R & D SURCHARGE	480,818	480,818	480,818
16	UNFUNDED POST-RETIREMENT BENEFITS +	19,718,539	19,718,539	19,718,539
17	UNFUNDED PENSION LIABILITY -FASB 87 +	2,232,090	2,232,090	2,232,090
18	RATE BASE	362,586,381	366,979,900	371,531,226
19	AVERAGE RATE BASE FOR PERIOD			369,255,563
20	ADJUSTMENT FOR PRIOR ESTIMATION ERROR			17,996,458
21	ADJUSTED RATE BASE			<u>387,252,021</u>
22	SIR RATE BASE			21,344,785
23	RATE BASE WITH SIR			<u><u>408,596,806</u></u>

** See Page 2 of this Appendix.

*** This value is an average if the past 12 months. "+" Includes a Shared Services allocation.

**** Excludes amounts arising from Yazoo Investments merger.

***** Deferred Income Taxes will include only those taxes which are associated with an item actually included in rate base. The deferred income taxes will be calculated in a manner consistent with the tax accounting methods, elections and positions utilized by the Company in preparing its income tax filings. Deferred income taxes reflected in rate base will be sufficient so as to prevent the Company from violating the normalization provisions of the Internal Revenue Code.

APPENDIX "A"

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CALCULATION OF EXPECTED RETURN

Page 1 of 1

Atmos Energy Corporation - Mississippi Division

DETERMINATION OF WORKING CAPITAL

12 Months Ended June 2016

LINE #	(1) WORKING CAPITAL	(2) TEST PERIOD	(3) ADJUSTMENTS	(4) ADJUSTED TEST PERIOD
A.	OPERATING & MAINTENANCE EXPENSE	42,140,033	(2,039,729)	40,100,304
B.	RENT OF DIST. PROPERTY	89,099	0	89,099
C.	GENERAL TAXES	16,194,697	799,674	16,994,371
D.	MISC. INCOME DEDUCTIONS	0	0	0
E.	TOTAL OPERATING EXP.	<u>58,423,828</u>	<u>(1,240,055)</u>	<u>57,183,773</u>
F.	NON-RECOVERABLE LOBBYING EXP.	0	0	0
G.	ALLOWABLE O. & M.	<u>58,423,828</u>	<u>(1,240,055)</u>	<u>57,183,773</u>
	TIMES 1/8 ALLOWANCE	12.50%	12.50%	12.50%
H.	ALLOWED WORKING CAPITAL	<u>7,302,979</u>	<u>(155,007)</u>	<u>7,147,972</u>

Note:

(A) Adjustments only for "known and measurable changes" as defined in the definitions section.

APPENDIX "A"

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CALCULATION OF EXPECTED RETURN

**Atmos Energy Corporation - Mississippi Division
Adjustment to Rate Base Calculation**

For Prior Estimation Error for Period Ended Twelve Months Prior
to Beginning of Rate Period Current Evaluation

(1)	(2)	(3)	(4)
LINE #	ITEMS	ACTUAL BEGINNING RATE BASE 10/31/2013	ACTUAL ENDING RATE BASE 10/31/2014
1.	PLANT-IN-SERVICE + incentive comp disallowances SGR exclusions	511,105,293 (1,473,526) (4,517,516)	545,297,494 (1,194,475) (7,417,595)
2.	LESS: ACCUM DEPRECIATION + SGR exclusions	156,135,234 (35,966)	150,947,988 (161,811)
	NET PLANT	349,014,983	385,899,246
3.	LESS: DEFERRED INCOME TAX + SGR exclusions	43,985,679 (111,727)	55,693,423 (426,983)
4.		305,141,031	330,632,806
5.	ACTUAL AVERAGE PLANT LESS ACCUM DEPREC & LESS DEFERRED INCOME TAX		\$ 317,886,918
6.	AVG PLANT, A/D & DEF INC TAX PROJECTED IN THE STABLE/RATE EVALUATION MADE TWO FILINGS PRIOR TO THE CURRENT FILING		299,890,461
7.	RATE BASE ADJUSTMENT TO CURRENT EVALUATION		17,996,458

APPENDIX "A" Page 3
CALCULATION OF EXPECTED RETURN

Atmos Energy Corporation - Mississippi Division

DETERMINATION OF EXPECTED RETURN

(1)	(2)	(3)	(4)	(5)	(6)
LINE #	EXPECTED EQUITY RETURN ON RATE BASE	TEST YEAR	ADJUSTMENTS	ADJUSTED TEST YEAR	ADJUSTED TY W/O SIR
1	OPERATING REVENUE	200,567,730	(423,927)	200,143,803	200,143,803
2	LESS: GAS PURCHASED FOR RESALE	89,298,594	0	89,298,594	89,298,594
3	MARGIN	111,269,136	(423,927)	110,845,209	110,845,209
4	LESS: OPERATING & MAINTENANCE EXPENSE	42,140,033	(2,039,729)	40,100,304	40,100,304
5	RENT OF DIST. PROPERTY	89,099	0	89,099	89,099
6	GENERAL TAXES	16,194,697	799,674	16,994,371	16,994,371
7	MISC. INCOME DEDUCTIONS	0	0	0	0
8	DEPRECIATION	15,330,009	176,023	15,506,031	15,506,031
9	AMORT. OF GAS INVESTMENT	0	0	0	0
10	AMORT. OF DEBT EXPENSE	339,032	0	339,032	339,032
11	ALLOW. FOR FUNDS USED DURING CONST	(58,524)	0	(58,524)	(58,524)
11A	AMORT INVESTMENT TAX CREDIT	0	0	0	0
12	TOTAL OPER. REV. DEDUCTIONS	74,034,345	(1,064,033)	72,970,312	72,970,312
13	NET OPERATING INCOME	37,234,791		37,874,896	37,874,896
14	INTEREST ON LONG TERM DEBT			10,491,469	10,491,469
15	INTEREST ON CUSTOMER DEP.			130,177	130,177
16	TOTAL DEBT EXPENSE			10,621,646	10,621,646
17	FUNDS AVAIL. FOR INC. TAX AND EQUITY			27,253,250	27,253,250
18	LESS INCOME TAXES:			10,636,281	10,636,281
18A	PROJECTED AFTER-TAX RETURN ON EQUITY FROM SIR			1,090,697	N/A
19	ADJ. INCOME AVAILABLE FOR EQUITY			17,707,666	16,616,969
20	RETURN ON EQUITY RATEBASE			8.25%	8.17%

Note:

(A) Adjustments only for "known and measurable changes" as defined in the definitions section.

APPENDIX "A"

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CALCULATION OF EXPECTED RETURN

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Atmos Energy Corporation - Mississippi Division

DETAIL OF KNOWN AND MEASURABLE CHANGES:			
Line			
A.	ANNUALIZED PRIOR ADJUSTMENT		
	ADJUSTABLE ANNUAL REVENUE		
1.	FROM THE TEST PERIOD		53,979,704
2.	MOST RECENT AUTHORIZED STABLE RATE FACTOR MINUS 1		0.80917
3.	ANNUALIZED STABLE RATE REVENUE FROM MOST RECENT EVALUATION		43,678,716
	LESS:		
4.	ACTUAL STABLE RATE REV COLLECTED IN THE TEST PERIOD		<u>41,517,293</u>
5.	ADJ. TO ANNUALIZE REVENUE FROM MOST RECENT STABLE RATE FACTOR		2,161,423
	LESS:		
6.	MUNICIPAL FRANCHISE TAX	1.75%	37,825
7.	ANNUALIZED PRIOR ADJUSTMENT		<u><u>\$ 2,123,598</u></u>
B.	OTHER KNOWN AND MEASURABLE CHANGES		

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CALCULATION OF EXPECTED RETURN

Atmos Energy Corporation - Mississippi Division

COST OF CAPITAL
DETERMINATION

LINE #	TYPE OF CAPITAL	PERCENTAGE OF CAPITAL	CAPITAL ALLOCATED RATE BASE	ACTUAL INTEREST RATE & EQUITY RET.	DEBT* & EQUITY COST
<u>LONG TERM DEBT</u>					
1	TOTAL LONG TERM DEBT	45.922%	177,833,107	5.90%	10,491,469
<u>OTHER DEBT</u>					
2	CUSTOMER DEPOSITS	1.578%	6,111,603	2.13%	130,177
3	TOTAL DEBT	47.500%	183,944,710		
<u>EQUITY</u>					
4	COMMON EQUITY **, ***	52.500%	203,307,311	9.73%	19,788,101
5	TOTAL EQUITY	52.500%	203,307,311		
6	TOTAL CAPITALIZATION	100.000%	387,252,021		

Long term debt is accounts 181, 189, and 221 through 226 (sub-accounts related to zero interest notes if applicable).
Customer deposits is account 235.
Common equity is accounts 201 through 217. (excludes Yazoo Investment merger adjustment)
Percent of Capital balances are determined as of the end of the Test Period

The Customer Deposit percentage of capital shall be equal to the ratio of Mississippi Customer Deposits to Rate Base. The Long Term Debt and Equity percentages shall be based on the Company's consolidated capital amounts.

*Derived by actual interest rate and equity return times allocated rate base
**Excludes amounts arising from Yazoo Investment merger.
***Common equity capped at no more than 52.5% as per docket 2015-UN-049

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CALCULATION OF EXPECTED RETURN

Atmos Energy Corporation - Mississippi Division
Schedule of Test Period Known & Measurable Adjustments

Line	Section	Description	KNOWN AND MEASURABLE CHANGES	TOTAL ADJUSTMENTS	EXPLANATION OF ADJUSTMENTS
1					
2	1.	OPERATING REVENUE			
3		A> Annualized Prior Adjustments	2,123,598	\$ 2,123,598	Annualized Prior Adjustment - Appendix A p 6.
4		B> Margin adjustment - SGR	(1,458,133)	(1,458,133)	remove revenue derived from the SGR for year ended June 2016
5		C> Margin adjustment - SIR	0	0	remove revenue derived from the SIR from year ended June 2016
6		D> Large Customer Activity Net Gain or Loss	92,815	92,815	reflect revenue impact of large company changes
7		E> Energy Efficiency Rider revenue	(1,182,207)	(1,182,207)	remove revenue derived from the Energy Efficiency Rider
8					
9		TOTAL ADJUSTMENTS TO REVENUE	0	(423,927)	(423,927)
10					
11	2.	LESS: GAS PURCHASED FOR RESALE			
12		A>		0	
13		TOTAL ADJ TO GAS PURCHASES	0	0	0
14					
15	3.	(left blank as a placeholder)			
16					
17	4.	ADJ to OPERATING & MAINTENANCE EXPENSE			
18		A> Spousal travel / gifts / club dues	(8,601)	(8,601)	Subacct 05412 Dependent Travel & 05416 Nondeductible Dues
19		B> Expense Adjustment	(150,000)	(150,000)	Miscellaneous Expense Adjustment pending additional review
20		C> Non-recoverable Advertising	(107,970)	(107,970)	Appendix D -- Advertising
21		D> Adj Bad Debt exp to reflect actual write offs	1,217,378	1,217,378	atc 904 Bad Debt Exp timing diff
22		E> Customer notification expense	(125,045)	(125,045)	expense was recovered in prior year
23		F> Energy Efficiency Rider expense	(1,123,464)	(1,123,464)	remove expense related to the Energy Efficiency Rider
24		G> Incentive Compensation expense disallowances	(1,265,077)	(1,265,077)	see issues List a
25		H> MS O&M disallowance in excess of item B above	(298,999)	(298,999)	see issues List a
26		I> Shared Services O&M disallowance	(169,195)	(169,195)	see issues List a
27		J> Non-Employee Compensation	(8,756)	(8,756)	see issues List a
28		K>	0	0	
29			0	0	
30		TOTAL ADJUSTMENTS TO O&M EXPENSE	0	(2,039,729)	(2,039,729)
31					
32	5.	RENT OF DIST. PROPERTY			
33		A>		0	
34		TOTAL ADJ. TO RENT OF DIST PROP	0	0	0
1	6.	GENERAL TAXES			
2		A> State Regulatory Tax - Adjust Accrual for test yr rev	(122,796)	(122,796)	
3		B> Reduce franchise tax for change margin adj	(7,419)	(7,419)	
4		C> Adjust to Projected Property Taxes	1,069,254	1,069,254	
5		D> Adjust for SGR property taxes	(139,365)	(139,365)	remove amounts related to SGR
6		E> Adjust for SIR property taxes (SIR begins 11/1/16)	0	0	remove amounts related to SIR
7			0	0	
8		TOTAL ADJUSTMENTS TO GENERAL TAXES	0	799,674	799,674

Atmos Energy Corporation - Mississippi Division
Schedule of Test Period Known & Measurable Adjustments

Line	Section	Description	KNOWN AND MEASURABLE CHANGES	TOTAL ADJUSTMENTS	EXPLANATION OF ADJUSTMENTS
9					
10	7.	MISC. INCOME DEDUCTIONS			
11		A>		0	
12		TOTAL ADJUSTMENTS MISC INC DEDUCTIONS	0	0	
13					
14	8.	DEPRECIATION			
15		A> Adjustment for chg in depreciable property	348,880	348,880	adjust from June per books to projected amounts
16		B> Adjust for SGR	(172,857)	(172,857)	remove amounts related to SGR from June per books
17		C> Adjust for SIR (SIR begins 11/1/16)	0	0	remove amounts related to SIR from June per books
18		TOTAL ADJUSTMENTS TO DEPRECIATION	0	176,023	
19					
20	9.	AMORTIZATION OF GAS INVESTMENT			
21		A>		0	
22		TOTAL ADJUST TO AMORT GAS INVESTME	0	0	
23					
24	10.	AMORT. OF DEBT EXPENSE			
25		A>		0	
26		TOTAL ADJUST TO AMORT OF DEBT EXP.	0	0	
27					
28	11.	ALLOW. FOR FUNDS USED DURING CONST.			
29		A>		0	
30		TOTAL ADJUST TO AFUDC	0	0	
31					
32	12.	AMORT. OF INVESTMENT TAX CREDIT			
33		A>		0	
34		TOTAL ADJUST TO ITC	0	0	

APPENDIX "A"
Page 6 part B
Schedule of Known and Measurable Changes

Atmos Energy Corporation - Mississippi Division

September SRF - 2016

LINE #

REVENUE ADJUSTMENT TEST (INCLUDING SIR)

A.	EXPECTED RETURN ON EQUITY (AFTER ADJ.)	8.25%
B.	PERFORMANCE BASED BENCHMARK RETURN	9.73%
C.	DIFFERENCE PBBR/ER	-1.48%
D.	ALLOWED DIFFERENCE PBBR/ER	1.23%
E.	REVENUE ADJUSTMENT INDICATED *	

* IF A REVENUE ADJUSTMENT IS INDICATED, PROCEED TO THE DETERMINATION OF REVENUE ADJUSTMENT.

APPENDIX "C"

Page 1

CALCULATION OF REVENUE ADJUSTMENT

Atmos Energy Corporation - Mississippi Division

September SRF - 2016

LINE #

Determination of Revenue Adjustment

F.	EXPECTED RETURN ON EQUITY (AFTER ADJ.)	8.17%	
G.	PERFORMANCE BASED BENCHMARK RETURN	9.73%	
H.	DIFFERENCE PBBR/ER	-1.56%	
I.	ALLOWED DIFFERENCE PBBR/ER	1.31%	
J.	ALLOWED ADJUSTMENT TO RATES		1.31%
K.	RATE BASE--EQUITY PORTION INCLUDING SIR		203,307,311
L.	CHANGE IN EQUITY REV. FOR REQUIRED RETURN		2,663,326
M.	TAX EXPANSION		1,726,576
N.	TOTAL REVENUE CHANGE REQUIRED		4,389,902

FOUR PERCENT TEST

O.	ACTUAL GROSS REVENUE FROM TEST PERIOD		200,567,730
P.	FOUR PERCENT OF GROSS REVENUE		8,022,709
Q.	NET ADJUSTMENT ALLOWED WITHOUT HEARING		4,389,902

APPENDIX "C"

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CALCULATION OF REVENUE ADJUSTMENT

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Atmos Energy Corporation - Mississippi Division

TAX EXPANSION FACTOR

Line #

1	GROSS REQUIREMENT		1.0000
2	MUNICIPAL FRANCHISE TAX RATE		0.0175
3	Ln 1 - 2		<u>0.9825</u>
4			
5	STATE INCOME TAX (5% X Ln 3)	5.0%	0.049
6	Ln 3 - 5		0.9334
7			
8	FEDERAL INCOME TAX (35% X Ln 6)	35.00%	<u>0.3267</u>
9	Ln 6 - 8		0.6067
10			
11	Expansion Factor		<u><u>0.6067</u></u>

NOTE: Tax Rates Subject To Change.
Effective Municipal Franchise Tax Rate Recalculated Each Evaluation.

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Page 3
CALCULATION OF REVENUE ADJUSTMENT

Atmos Energy Corporation - Mississippi Division

DETERMINATION OF FACTOR APPLIED TO RATES TO ACHIEVE REQUIRED REVENUE CHANGE

CALCULATION OF TEST PERIOD REVENUE				
Line #	Revenue Month	(1) <u>ACTUAL COLLECTION</u>	(2) <u>EFFECTIVE RATE</u>	(3) <u>ADJUSTABLE REVENUE</u>
1.	07/2015	1,738,226	0.66900	2,598,240
2.	08/2015	1,694,330	0.66900	2,532,625
3.	09/2015	1,713,969	0.66900	2,561,982
4.	10/2015	2,086,689	0.66900	3,119,111
5.	11/2015	2,570,846	0.64150	4,007,535
6.	12/2015	3,922,382	0.64150	6,114,361
7.	01/2016	6,678,392	0.84098	7,941,215
8.	02/2016	6,500,904	0.84098	7,730,166
9.	03/2016	5,539,309	0.84098	6,586,742
10.	04/2016	4,122,363	0.84098	4,901,864
11.	05/2016	2,692,018	0.84098	3,201,054
12.	06/2016	2,257,866	0.84098	2,684,807
13.	Total	<u>41,517,293</u>		<u>53,979,704</u>
14.	Current Net Adjustment Allowed			5,858,885
15.	Annualized Stable Rate Revenue from most recent Evaluation			43,678,716
16.	Net Annual Change to Base Revenue			<u>49,537,601</u>
17.	Rate Adjustment Factor		<u>1.00000</u>	<u>1.91771</u>

The rate adjustment factor will be applied to the adjustable rate revenue in the next rate period.

**Atmos Energy Corporation
Mississippi Division
September SRF - 2016**

Summary of Performance Indicators

The score used for the Customer Satisfaction Indicator falls between 0 and 10.

III. Weighting

Company's scores on the Performance Indicator are weighted and averaged as follows:

<u>Line #</u>	<u>Performance Indicator</u>	<u>Performance Score</u>	X	<u>Weight</u>	=	<u>Weighted Score</u>
1.	Customer Price	10.00	x	0.75	=	7.50
2.	Customer Satisfaction	10.00	x	0.25	=	2.50
3.	Company's Performance Score (CPS)					<hr style="width: 100%; border: 0.5px solid black;"/> 10.00
4.					x	0.10
5.						<hr style="width: 100%; border: 0.5px solid black;"/> 1.00
6.					-	<hr style="width: 100%; border: 0.5px solid black;"/> 0.50
7.	Company's Performance Adjuster (PA)					<hr style="width: 100%; border: 0.5px solid black;"/> <hr style="width: 100%; border: 0.5px solid black;"/> 0.50

The Company's Performance Adjuster (PA) is calculated as follows:

$$(CPS \times .10) - .50 = PA$$