

Henderson Ridge Consulting, Inc.

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April 13, 2017

Louisiana Public Service Commission
Melanie Verzwuyvelt
Staff Attorney
P.O. Box 91154
Baton Rouge, Louisiana 70821-9154

Re: Atmos Energy Corporation's 2016 Rate Stabilization Clause filing for Louisiana Gas Service rate division

Dear Melanie,

Henderson Ridge Consulting is pleased to respond to your March 29, 2017 solicitation letter that requests the services of a consultant to assist the Staff of the Louisiana Public Service Commission ("LPSC" or "the Commission") in its review of the annual Rate Stabilization Clause ("RSC") filing submitted by one of the Louisiana regulatory divisions of Atmos Energy Corporation: Louisiana Gas Service ("LGS").

Henderson Ridge Consulting is very familiar with the Louisiana regulatory divisions of Atmos Energy Corporation as our firm has performed audits of the monthly Purchase Gas Adjustment filings of both LGS and its sister company, Trans Louisiana Gas Company. In the matter of LGS' 2016 RSC filing, we will conduct a comprehensive review of the reported test year earnings and determine whether or not the revenue requirement, cost allocation and rate of return are consistent with the terms of the RSC as approved by the Commission.

Our firm has conducted several engagements on behalf of the Commission that have involved the major gas local distribution companies under its jurisdiction. We have assisted Staff in the Rate Stabilization Plan filings of the two CenterPoint Louisiana regulatory divisions. We have also worked with Staff in the evaluation of CenterPoint Entex's request to amend an existing Asset Management Agreement. In addition, we have conducted Purchased Gas Adjustment audits of Entergy Gulf States Louisiana, L.L.C.'s monthly PGA filings.

Henderson Ridge Consulting is experienced in analyzing the operations and the books and records of gas local distribution companies, electric utilities, telecommunications carriers, and water and sewer companies under the jurisdiction of the Louisiana Public

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Service Commission. This experience covers (1) appropriate accounting standards and practices for utilities, (2) appropriate ratemaking adjustments to the utility's accounting records, (3) appropriate allocations of costs to base rates and fuel charges and allocation of investment and expenses among affiliates, (4) recoverable expenses for ratemaking purposes, (5) utility tax issues and (6) cost of capital and capital structure issues. A firm resume has been attached to our proposal in order to provide more detailed information on our qualifications.

Henderson Ridge Consulting anticipates that the review of the LGS' 2016 RSC filing can be conducted in a cost-effective manner. The professional fees for the project are estimated at \$29,700.00 based upon an hourly rate of \$150 for William Barta. Travel-related expenses are anticipated to be \$500.00 for a total project budget of \$30,200.00.

Henderson Ridge Consulting has no current assignments, or any prior assignments, that could pose any conflicts of interest, or the appearance of such conflicts, including, but not limited to, any work performed on behalf of the Louisiana Public Service Commission.

Henderson Ridge Consulting appreciates the opportunity to respond to your solicitation letter and to continue our relationship with the Commission and its Staff.

Sincerely,

William Barta
Principal