

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY)	
CORPORATION TO EXTEND ITS DEMAND-SIDE)	CASE NO.
MANAGEMENT PROGRAM, AS AMENDED, AND)	2014-00382
COST RECOVERY MECHANISM, AS AMENDED)	
FOR THREE (3) YEARS)	

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION
TO ATMOS ENERGY CORPORATION

Atmos Energy Corporation (“Atmos”), pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due within 14 days of the date of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person’s knowledge, information, and belief formed after a reasonable inquiry.

Atmos shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

Atmos fails or refuses to furnish all or part of the requested information, Atmos shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to paragraph 9 of the Application, which states, "The Company chose not to tier the rebates for commercial cooking equipment due to the fact that the Company was not aware of any energy efficiency standard that existed for commercial cooking equipment as there is for other appliances such as water heaters and furnaces." Describe Atmos's attempt to research efficiency standards or seek information regarding relative performance of commercial cooking equipment in response to the Commission's requirement in the final Order in Case No. 2011-00395¹ that Atmos should explore the possibility of offering tiered rebates for commercial cooking appliances and provide a proposal for their inclusion.

2. Provide a narrative discussion of Atmos's experience with the new commercial heating and water heater rebate and commercial cooking programs. The discussion should incorporate the information provided in the Application, on the last

¹ Case No. 2011-00395, *Application of Atmos Energy Corporation to Extend its Demand-Side Management Program as Amended and Cost Recovery Mechanism as Amended for Five (5) Years* (Ky. PSC Apr. 27, 2012).

page of Tab 8, the Atmos Cares Report, with regard to participation levels, Ccf savings, and program spending.

3. Refer to paragraph 10 of the Application. Confirm that Atmos does not include lost sales and incentive components in the education program.

4. Refer to page 9 of the Commission's final Order in Case No. 2011-00395, where it states, "With the expiration of ARRA funds which provided \$6,500 per household, it seems reasonable to expect a higher participation rate and associated cost." State whether this has been Atmos's experience since that Order was issued.

5. Refer to the Application, Tab 1, Program Overview, page 3, as well as to Tabs 3 and 8. Explain why it is reasonable to continue to include funding of \$375,000 for weatherization based on Atmos's experience of spending and number of houses weatherized as shown on the last page of Tab 8, the Atmos Cares Report, especially given that Atmos can recover any shortfall of weatherization program expenses through the Demand Side Management ("DSM") Balance Adjustment ("DBA").

6. Refer to the Application, Tab 1, Program Overview, page 4, as well as to Tabs 4 and 8.

a. Provide a narrative discussion of the expansion of the education program to reach all levels of students as well as adults. The discussion should encompass the information provided on the last page of Tab 8, the Atmos Cares Report, regarding presentations, participation levels, and spending for the Education Program.

b. Explain why Atmos is continuing to request an annual funding level of \$26,700 based on the information on the last page of Tab 8 related to Education Program spending.

c. Explain whether and how the amounts of \$6,700 and \$3,300 for residential and commercial components of the education program, respectively, were spent annually for supplies since the expanded education program was approved in Case No. 2011-00395.

7. Refer to the Application, Tab 1, Program Overview, pages 7 and 8, as well as to Tabs 5 and 8.

a. Provide a narrative discussion of Atmos's experience with offering a programmable thermostat rebate and tiered rebates in the Residential High Efficiency Heating and Water Heater Programs.

b. Provide, in the same format as Tab 5, page 5, the number of program participants and Ccf savings per year for each efficiency level of the residential heating, water heater, and programmable thermostat rebate programs since they were approved in Case No. 2011-00395.

c. Explain the basis for the expected number of residential heating, water heater, and programmable thermostat rebate program participants and Ccf savings projected for the program year ended December 31, 2015, as shown on page 5 of Tab 5.

8. Refer to the Application, Tab 2.

a. Refer to the Residential Sales Volumes in the amount of 110,267,320 Ccf on page 2. Explain why Atmos used an annual sales volume for

residential customers that is approximately 6 percent less than the 11,683,350 Mcf (or 116,833,500 Ccf) used in Atmos's October 31, 2014 annual tariff filing to adjust its DSM rates effective January 1, 2015.

b. Refer to page 4, the DSM Lost Sales Adjustment ("DLSA"). Explain how the Cumulative Prior Years Participation of 246,817 Ccf conserved is calculated from Schedule B, as indicated, and why prior years' conservation is included in the DLSA, since billing determinants were adjusted for previous lost sales in Case No. 2013-00148.

c. Explain why incremental costs for the commercial gas cooking equipment on page 8 is significantly higher than the incremental costs provided in Case No. 2011-00395, and why there is no incremental cost provided for an Energy Star gas oven.

d. Provide the calculation of total commodity savings on page 10 using Atmos's current GCA rate effective November 1, 2014.

e. Provide the calculation of the numbers in column (2), Revenue loss from reduced sales in year t, on page 24. If the calculation uses lost sales multiplied by the combined projected gas cost and delivery rate, state whether it should use instead projected lost sales multiplied by the per Ccf delivery rate. If so, provide a corrected Ratepayer Impact Measure test.


f. State whether the conclusion regarding the Total Resource Cost ("TRC") test on page 25 is correct. If not, provide Atmos's conclusion with regard to the TRC test.

9. Refer to the Application, Tab 3.
 - a. Provide the basis for the Database for Energy Efficient Resources (“DEER”) estimate of 252.9 Ccf savings per participant, found in the Application on page 5 of Tab 2, on which the 31,613 annual Ccf savings attributed to weatherization on pages 4, 6, and 10 is based.
 - b. Refer to page 24. State whether the calculation of Revenue loss from reduced sales in column (2) should use 31,613 projected Ccf savings multiplied by the \$.132 per Ccf delivery rate instead of multiplying it by the combined projected gas cost rate and delivery rate. If so, provide a corrected Ratepayer Impact Measure test.
10. Refer to the Application, Tab 5. Provide the calculation of the numbers in column (2), Revenue loss from reduced sales in year t, on page 24. If the calculation uses lost sales multiplied by the combined projected gas cost and delivery rate, state whether it should use instead projected lost sales multiplied by the per Ccf delivery rate. If so, provide a corrected Ratepayer Impact Measure test.
11. Refer to the Application, Tabs 6 and 8.
 - a. Provide a narrative discussion of Atmos’s experience with the new commercial heating, water heater, and programmable thermostat rebate and commercial cooking programs. The discussion should incorporate the information provided on the last page of Tab 8, the Atmos Cares Report, with regard to participation levels, Ccf savings, and program spending.
 - b. Provide, in the same format as Tab 6, page 5, the number of program participants and Ccf savings per year for each efficiency level of the

commercial heating, water heater, programmable thermostat, and cooking equipment rebate programs since they were approved in Case No. 2011-00395.

c. Explain the basis for the expected number of commercial heating, water heater, programmable thermostat, and cooking equipment rebate program participants and Ccf savings projected for the program year ending December 31, 2015, as shown on page 5 of Tab 6.

12. Provide in electronic format all schedules in Tabs 2 through 6 and 8 of the Application, with all formulas unlocked and unprotected.



Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED DEC 05 2014

cc: Parties of Record

Honorable Mark R Hutchinson
Attorney at Law
611 Frederica Street
Owensboro, KENTUCKY 42301

Mark A Martin
Atmos Energy Corporation
3275 Highland Pointe Drive
Owensboro, KY 42303