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PUBLIC SERVICE
COMMISSION

September 29, 2014

Jeff DeRouen
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

RE: Case No. 2014-00274; Pipe Replacement Program (PRP) Filing

Dear Mr. DeRouen,

Atmos Energy Corporation (Company) herewith submits an original and ten copies of the Company's responses to the Commission Staff's second set of informational requests per the above referenced case. The Company's responses are in compliance with the Commission's Order dated September 25, 2014.

This letter is intended to supplement the cover letter the Company filed electronically in this proceeding this past Friday. It was not the intent of the Company to make a formal request for reconsideration. The Company simply wanted the Commission to be aware that the continued suspension of our PRP tariff beyond October 1, 2014 could create several serious issues.

Suspension of the Company's Pipe Replacement Program could create adverse safety and operating conditions. In addition to the safety and operating concerns, the Company's ability to retain contract resources to complete the identified replacement projects could be in jeopardy. Under the Company's PRP tariff, as well as the Company's budgeting process, work needs to commence on October 1st of each year.

Sincerely,

A handwritten signature in blue ink that reads "Mark A. Martin".

Mark A. Martin
Vice President – Rates & Regulatory Affairs

Enclosures

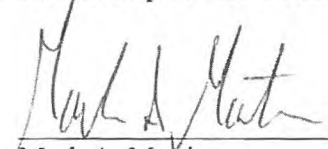
cc: Randy Hutchinson

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

APPLICATION OF ATMOS ENERGY)
CORPORATION TO ESTABLISH PRP) Case No. 2014-00274
RIDER RATES FOR THE TWELVE MONTH)
PERIOD BEGINNING OCTOBER 1, 2014)

AFFIDAVIT

The Affiant, Mark A. Martin, being duly sworn, deposes and states that the attached responses to Commission Staff's second request for information are true and correct to the best of his knowledge and belief.

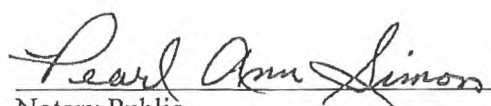


Mark A. Martin

STATE OF Kentucky
COUNTY OF Daviess

SUBSCRIBED AND SWORN to before me by Mark A. Martin on this the 26th day of September, 2014.

PEARL ANN SIMON
NOTARY PUBLIC
KENTUCKY, STATE AT LARGE
MY COMMISSION EXPIRES 09-26-17
NOTARY ID 498385



Notary Public
My Commission Expires: Sept. 26, 2017

Kentucky PRP Case No: 2014-00274
Response to Commission Staff's Second Request for Information

1. Refer to Atmos's response to Item 2.c. of Commission Staff's First Request for Information regarding bonus depreciation.
 - a. Identify the years that bonus depreciation has been available for federal income tax purposes.
 - b. State whether Atmos used bonus depreciation for federal income tax purposes in any of the years in which it was available. If so, identify the years. If not, explain why.

Response:

- a. Bonus depreciation has been part of U.S. tax law at various times since 2001. It has coincided with the Company's PRP filings from the PRP's inception in 2011 through December 31, 2013.
- b. For federal income tax purposes, the Company uses bonus depreciation to the extent it is available. The Company did not consider bonus depreciation in its calculation of ADIT for any of its previous PRP filings. Bonus depreciation is accounted for (to the extent it is available) in each of the Company's comprehensive rate cases. While the Company agrees that it would be appropriate to account for bonus depreciation, it would also point out that it only makes sense when one considers whether or not the Company is in a tax loss carry forward position. Because the Company has been in such a position since the inception of the PRP, the benefit of zero-cost capital cannot and has not been realized and therefore it is not meaningful to calculate incremental ADIT, to which bonus depreciation would contribute, on a project basis (as it is in the Company's PRP filings).



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Atmos Energy Corporation (Company) herewith submits an original and ten copies of the Company's responses to the Commission Staff's second set of informational requests per the above referenced case. The Company's responses are in compliance with the Commission's Order dated September 25, 2014.

The Company respectfully requests the Commission to reconsider the suspension of the PRP tariff and to issue an order allowing the Company to implement the requested replacement program as soon as possible. Suspension of the Company's Pipe Replacement Program could create adverse safety and operating conditions. In addition to the safety and operating concerns, the Company's ability to retain contract resources to complete the identified replacement projects could be in jeopardy.

Please feel free to contact me at 270.685.8024 if you have any questions and/or need any additional information.

Sincerely,

A handwritten signature in blue ink that reads "Mark A. Martin".

Mark A. Martin
Vice President -- Rates & Regulatory Affairs

Enclosures

cc: Randy Hutchinson