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PUBLIC SERVICE  
COMMISSION

November 7, 2014

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

**RE: Case No. 2014-00275; System Development Rider (SDR) Application**

Dear Mr. DeRouen,

Atmos Energy Corporation (Company) herewith submits an original and ten copies of the Company's updated response to the Commission Staff's first set of informational requests per the above referenced case. The Company's responses are in compliance with the Commission's Order dated October 15, 2014.

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

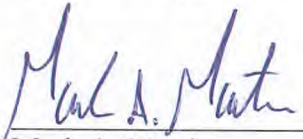
COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

APPLICATION OF ATMOS ENERGY )  
CORPORATION FOR AN ORDER ) Case No. 2014-00275  
APPROVING SYSTEM DEVELOPMENT RIDER )

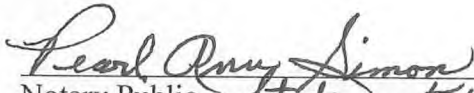
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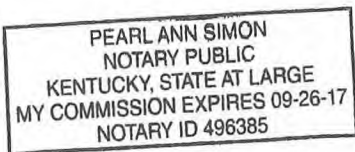
The Affiant, Mark A. Martin, being duly sworn, deposes and states that the attached updated response to Commission Staff's first request for information are true and correct to the best of his knowledge and belief.

  
\_\_\_\_\_  
Mark A. Martin

STATE OF Kentucky  
COUNTY OF Daviess

SUBSCRIBED AND SWORN to before me by Mark A. Martin on this the 7<sup>TH</sup> day of November, 2014.

  
Notary Public - State of KY at Large  
My Commission Expires: Sept. 26, 2017



**Atmos Energy Corporation**  
**KSPC Initial Data Request Dated October 15, 2014**  
**Case No. 2014-00275**  
**Witness: Mark A. Martin**

3. State whether Atmos has communicated with any official representing the city of Hopkinsville regarding the projects referenced in the June 4, 2014 letter from the mayor of Hopkinsville discussed on page 5 of the Direct Testimony of Mark A. Martin since the receipt of that letter. If so, describe that communication and state whether Atmos believes that the city is still interested in Atmos' pursuance of the project that was the subject of the mayor's letter.

**UPDATED RESPONSE:**

On October 29<sup>th</sup>, the Company met with the following individuals: Mayor Dan Kemp (City of Hopkinsville), Nate Pagan (City Administrator for the City of Hopkinsville), Derrick Watson (President & CEO of HWEA), and Mark Linkous (Fort Campbell).

At this meeting Mr. Watson outlined two projects that HWEA would be undertaking. The first project would be to construct a natural gas line from Fort Campbell to South Park Industrial Park (South Park). This project is scheduled to be completed in 2015 in order to serve Altria/US Smokeless Tobacco (UST) who is constructing facilities within South Park. Natural gas supply would flow from the City of Clarksville's system to and through Fort Campbell's system to HWEA's line and ultimately to UST. The second project, outlined by Mr. Watson, would be for HWEA to extend their distribution system north and interconnect into Atmos' distribution system. HWEA/City of Hopkinsville desire to interconnect with Atmos' distribution system in order to reverse the flow of supply along HWEA's first project to serve UST, Fort Campbell and other facilities that may locate between Atmos' current infrastructure and Fort Campbell plus any other unserved areas. As part of this second project, HWEA and their consultant, URS Corporation, will be providing a redundant connection for natural gas supply to Fort Campbell. This project is scheduled to be completed within 26 months. Attached are details of both HWEA projects that were provided to the Company as well as correspondence from HWEA seeking to connect to our distribution system.

The Company explained its current SDR application; its past SDR applications and its desire to help the communities that it serves grow and prosper through economic development initiatives. The Mayor appreciated our efforts, but told the Company that the projects that were outlined in his June 4<sup>th</sup> letter were no longer needed due to the contractual arrangements that HWEA/City of Hopkinsville have entered into with Fort Campbell. The Company explained that its current tariffs do not allow for the type of service, sale for resale, that HWEA/City of Hopkinsville were seeking. The Company also explained that it had no knowledge of the Commission's views on sale for resale service or if any other local distribution company in Kentucky offered such service. The Company does not want to confuse its current SDR application with any discussion concerning HWEA's request for sale for resale service.

As stated in our response to #2, regardless of any actions that HWEA may take, the Company believes that the SDR mechanism itself will add economic development value to the communities that we serve and, if approved, will be available for use as future

**Atmos Energy Corporation**  
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opportunities arise. Also, Build-Ready, a program launched by the Kentucky Cabinet for Economic Development in September 2014, is intended to give Kentucky communities an advantage in attracting new business and creating more jobs. Requirements of the Build Ready program include having necessary utility infrastructure in place.

**RESPONSE:**

The Company officially responded to the Mayor's Letter on July 30<sup>th</sup>. Attached is the Company's response. Also, on September 25<sup>th</sup>, local operations personnel met with the Mayor to discuss capital investment that the Company has made in and around Hopkinsville. During this meeting, the Company's SDR application was briefly mentioned. The Company has a second meeting with the Mayor and his designees for the 29<sup>th</sup> of October to discuss the SDR application and any other topics that the Mayor may want to discuss. Although, the Company has no reason to believe that the Mayor would not be supportive of the Company's SDR proposal, these responses will be supplemented following the October 29<sup>th</sup> meeting with the Mayor. If approved, the Company would have a mechanism that could not only assist economic development opportunities in Hopkinsville, but also other economic development projects that may present themselves in the future.



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TO: Mr. William H. Greer, Atmos Energy Corporation

FROM: Derrick W. Watson, President & CEO *DW*

DATE: 10/29/2014

SUBJECT: Contract # 125-2014-04  
Project B - 12" Natural Gas Main Project - Phase I - Task A - B - C - D

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Please find attached, a presentation which discusses the subject natural gas project.

If you should have any questions or comments, please contact me at our earliest convenience at T # 270-887-4129.

Thank you.

CC: c:\hwea\ESA-2011D\Atmos\10292014Presentation\PhaseING.docx

**EXCELLENCE – INTEGRITY – COMMUNITY**



**CONTRACT # 125-2014-04  
PROJECT B - 12" NATURAL GAS MAIN PROJECT - PHASE I  
NATURAL GAS PRESENTATION  
10/29/2014**

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**PROJECT SUMMARY**

In summary, the project consists of the design and installation of approximately 34,600 linear feet (6.3 miles) of 4" to 12" diameter HDPE natural gas lines and associated appurtenances. The gas main will begin at Gate 5 on the Ft. Campbell Army Post and will continue along US41A Ft. Campbell Boulevard to Crenshaw Boulevard. This project is necessary in order to serve the customer's in the South Park Industrial Park, specifically, the new US Smokeless Tobacco facility. *(For project route, please see attached exhibit).*

This pipeline shall have the capacity to deliver 400,000 mcf of natural gas supply at an operating pressure between 20 - 40 psi.

**PROJECT SCHEDULE**

On 09/18/2014, the HWEA Board accepted the apparent low bid submitted by King Pipeline and Utility Company of Nashville, Tennessee, in order to construct Phase I.

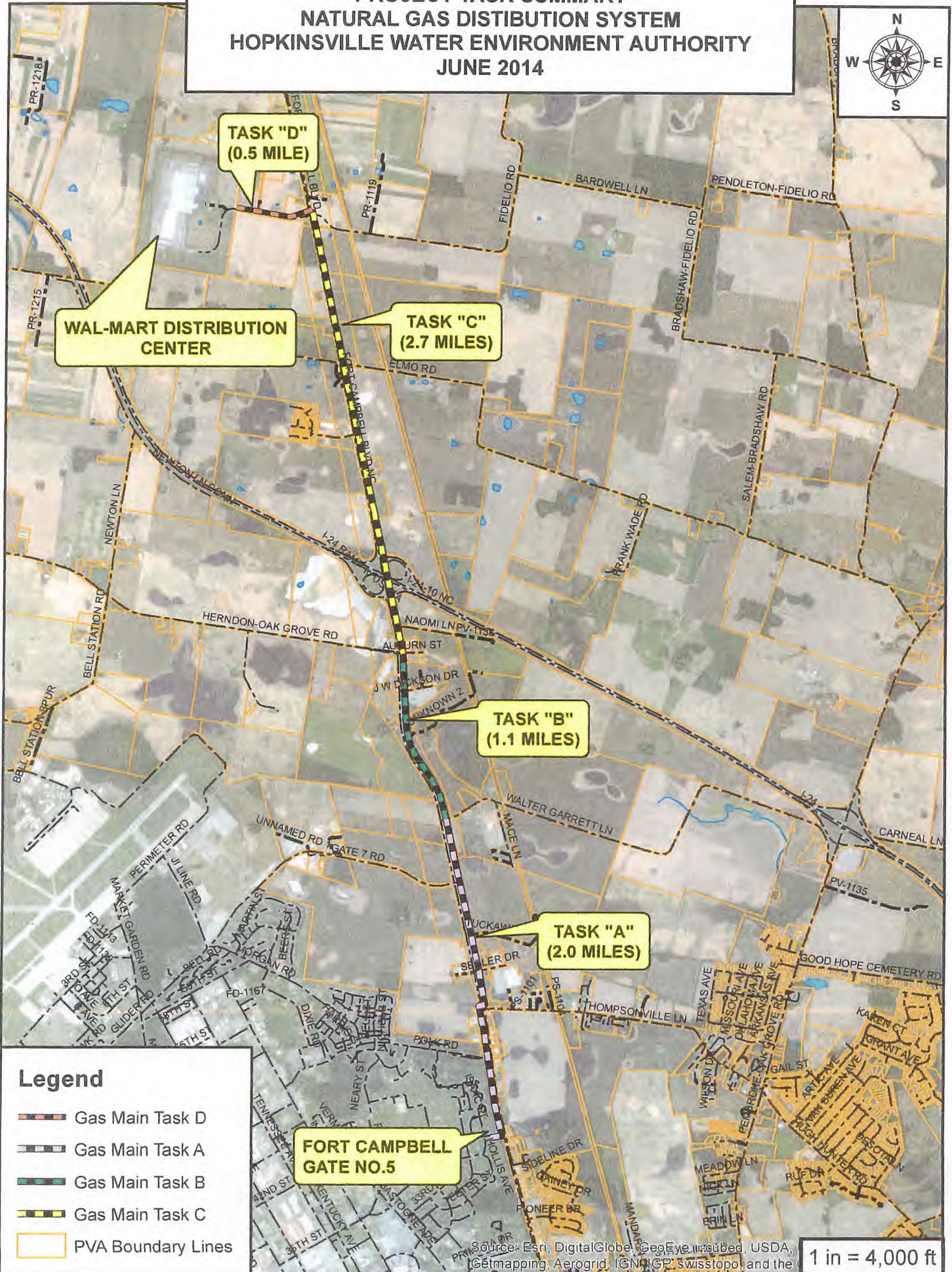
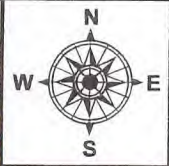
Open Bids	09/11/2014	
Present to HWEA Board	09/18/2014	
Sign Contract	11/03/2014	
Issue Notice to Proceed:	11/03/2014	
Pre-Construction Meeting:	10/02/2014	@ 11:00 am
Construction Progress Meeting # 1:	10/23/2014	@ 11:00 am
Construction Progress Meeting # 2:	11/20/2014	@ 11:00 am
Construction Progress Meeting # 3:	12/23/2014	@ 11:00 am
Construction Progress Meeting # 4:	01/22/2014	@ 11:00 am
Construction Progress Meeting # 5:	02/26/2015	@ 11:00 am
Construction Progress Meeting # 6:	03/19/2015	@ 11:00 am - Final
Submit Closeout Documents:	03/19/2015	
Substantial Completion:	03/19/2015	
Project Completion:	04/02/2015	

Contract Time: 150 Calendar Days

**END OF PRESENTATION**

**EXCELLENCE – INTEGRITY – COMMUNITY**

**PROJECT TASK SUMMARY  
NATURAL GAS DISTRIBUTION SYSTEM  
HOPKINSVILLE WATER ENVIRONMENT AUTHORITY  
JUNE 2014**



**Legend**

-  Gas Main Task D
-  Gas Main Task A
-  Gas Main Task B
-  Gas Main Task C
-  PVA Boundary Lines

Source: Esri, DigitalGlobe, GeoEye, iSat, USDA, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the

1 in = 4,000 ft



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TO: Mr. William H. Greer, Atmos Energy Corporation

FROM: Derrick W. Watson, President & CEO

DATE: 10/29/2014

SUBJECT: US Army Garrison, Fort Campbell, Kentucky  
FTC Natural Gas Main Extension - Phase II

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Please find attached, a presentation which discusses the subject natural gas project.

If you should have any questions or comments, please contact me at our earliest convenience at T # 270-887-4129.

Thank you.

CC: c:\hwea\ESA-2011D\Atmos\10292014Presentation\PhaseIING.docx

**EXCELLENCE – INTEGRITY – COMMUNITY**





**FTC NATURAL GAS MAIN EXTENSION - PHASE II  
NATURAL GAS PRESENTATION  
10/29/2014**

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**PROJECT SUMMARY**

The project consists of the design and installation of approximately 7.9 miles of 8" gas pipeline in order to serve the Ft. Campbell Army Post (FTC) with a redundant connection for natural gas supply. This pipeline shall have the capacity to deliver 1 BCF of natural gas supply at an operating pressure between 40 - 100 psi at Ft. Campbell's Gate 5. *(For project route, please see attached exhibit).*

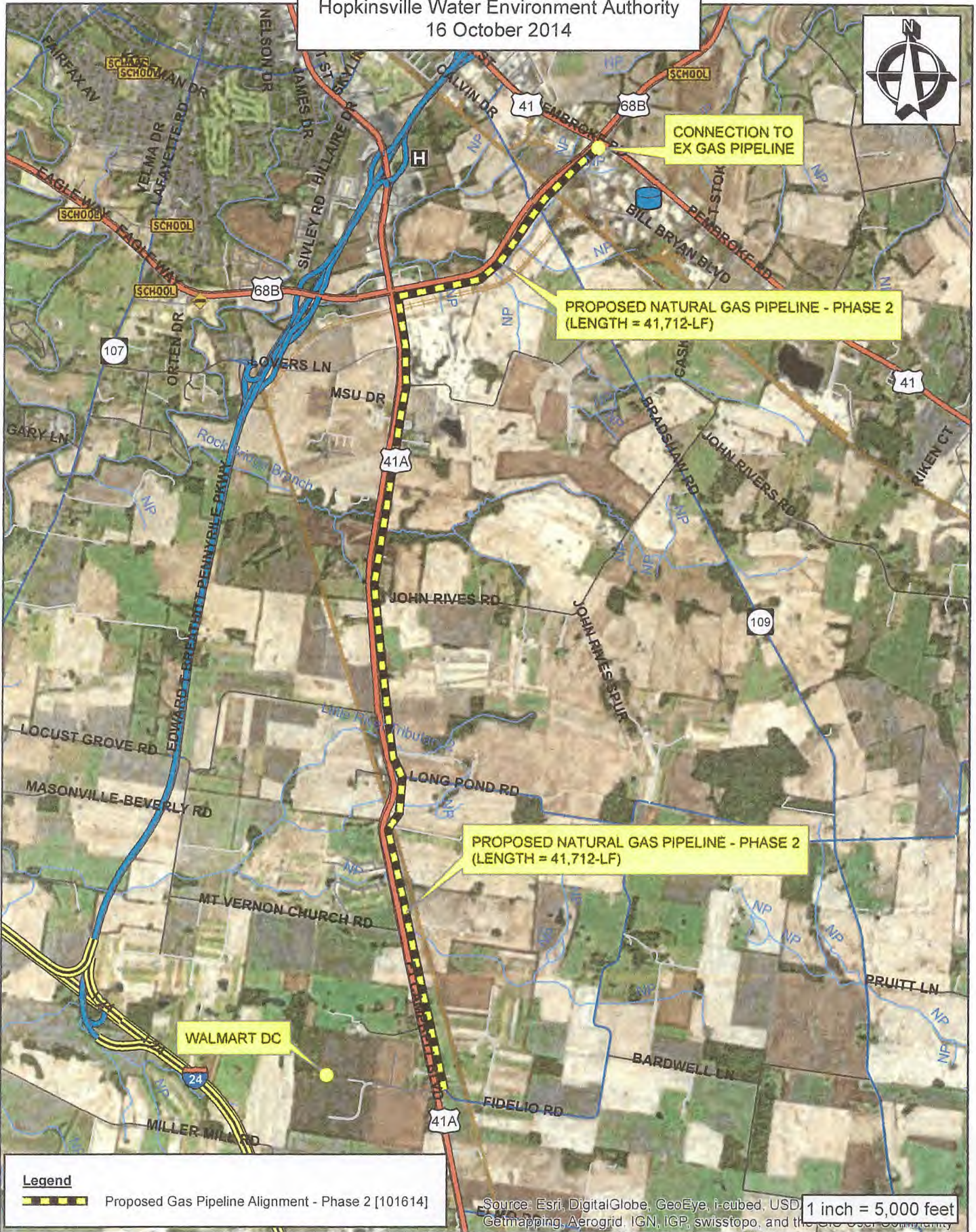
The proposed gas pipeline shall be owned, operated and maintained by HWEA from a proposed point of interconnection with Atmos Utility near the intersection of Eagle Way Bypass and Pembroke Road to a master meter which shall be constructed at the FTC property boundary on Gate 5.

The project shall be constructed utilizing the design / build method and shall be designed, constructed and placed into full operation no later than 26 months from the Notice to Proceed.


**END OF PRESENTATION**

**EXCELLENCE – INTEGRITY – COMMUNITY**

**ALTERNATE 1-A  
NATURAL GAS TRANSMISSION SYSTEM**  
Hopkinsville Water Environment Authority  
16 October 2014



**Legend**

 Proposed Gas Pipeline Alignment - Phase 2 [101614]

Source: Esri, DigitalGlobe, GeoEye, i-cubed, USDA, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

**1 inch = 5,000 feet**

# Hopkinsville Water Environment Authority

401 East 9<sup>th</sup> Street • P.O. Box 628 • Hopkinsville, Kentucky 42241-0628

Derrick W. Watson  
President & CEO



Phone (270) 887-4246  
Fax (270) 887-4244

October 29, 2014

Mr. William H. Greer  
VP Sales and Marketing, Kentucky/Mid-States Division  
ATMOS ENERGY CORPORATION  
2850 Russellville Road  
Bowling Green, KY 42101

Subject: FTC Natural Gas Main Extension – Phase II  
Request for Natural Gas Connection  
(Eagle Way Bypass / Pembroke Road)

Mr. Greer;

Please allow this letter to serve as our official request to allow HWEA the ability to connect with the Atmos Utility system located near the intersection of Eagle Way Bypass and Pembroke Road.

With regards, we are glad to provide you with any information you may require in order that we begin the process of designing and constructing a master meter / gauging station in order to ultimately provide natural gas service to the US Army Garrison at Fort Campbell, Kentucky.

We look forward to working with you on this very important project. If you should have any questions or comments, please contact me at T # (270) 887-4129 or [dwatson@hwea-ky.com](mailto:dwatson@hwea-ky.com).

Sincerely,

Derrick W. Watson  
President & CEO

cc: Mayor Dan Kemp, City of Hopkinsville  
Nate Pagan, City Administrative Officer, City of Hopkinsville  
Foster Cotthoff, HWEA Attorney  
Mark Linkous, Water / Wastewater / Natural Gas Coordinator, FTC  
John Ricketts, PE, URS Corporation  
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