

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY	)	CASE NO.
CORPORATION FOR CONTINUATION OF ITS	)	2013-00421
HEDGING PROGRAM	)	

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.

1. Refer to the last page of Atmos's Final Hedging Report, and the last sentence in the last section of the report, which was filed in the record of Case No. 2012-00440<sup>1</sup> along with a Petition for Confidentiality on April 30, 2013. Assuming the continuation of relatively low natural gas prices and natural gas price projections, explain if Atmos continues to believe that hedging is in the best interest of its customers, and if so, why?

2. Refer to the three graphs provided on the second and third pages of Atmos's unredacted Interim Hedging Report filed with the Application in this proceeding. Specifically, these include a graph showing Atmos's Implementation Average and two graphs showing Atmos's Volatility Results.

a. Provide these three graphs for each of the previous five heating seasons.

b. The second graph on the third page depicts gas price volatility results for the last three months of the implementation period, August through

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<sup>1</sup> Case No. 2012-00440, Application of Atmos Energy Corporation for Continuation of Its Hedging Program (Ky. PSC Mar. 28, 2013).

October 2013. Provide similar graphs for the preceding months of the implementation period, and explain any difference in volatility reduction.

c. Provide the average Atmos effective price represented by the first graph on the third page.

3. Refer to the eighth page of Atmos's unredacted Interim Hedging Report, which provides the total gas cost annually from 2008 through September 2013. Provide information as set out in the table for the entirety of 2013, as well as the updated total for the six-year period.

4. For the proposed five-year gas cost hedging extension period, provide the following:

a. Atmos's best estimate, based on publicly available projections, of the potential for gas price volatility during the proposed five-year extension period; and

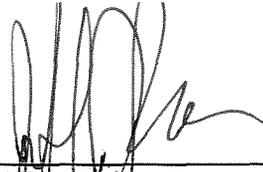
b. Atmos's best estimate, based on publicly available projections, of gas prices during the proposed five-year extension period.

5. Provide an electronic copy of the Microsoft Excel spreadsheets supporting Exhibits A and B of the Application, with the underlying data and formulas intact.

6. Confirm that Atmos is proposing no change from its currently approved hedging plan, other than the added ability to use options as a hedging tool as approved on an interim basis in Case No. 2012-00110.<sup>2</sup>

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<sup>2</sup> Case No. 2012-00110, Application of Atmos Energy Corporation for Clarification or Alternately for Modification of Its Approved Hedging Program (Ky. PSC Apr. 24, 2012).



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Jeff Derouen  
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DATED JAN 17 2014

cc: Parties of Record

Case No. 2013-00421

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