

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY)	
CORPORATION FOR APPROVAL OF)	
THIRD PARTY NATURAL GAS)	
SUPPLY AND ASSET MANAGEMENT)	CASE NO. 2013-00434
AGREEMENT AND FOR A DEVIATION)	
FROM THE PRICING)	
REQUIREMENTS OF KRS 278.2207)	

ORDER REGARDING REQUEST FOR CONFIDENTIAL TREATMENT

On December 10, 2013, February 11, 2014, and March 6, 2014, Atmos Energy Corporation ("Movant") moved, pursuant to 807 KAR 5:001, Section 13,¹ and KRS 61.878, that certain materials filed with the Commission be afforded confidential treatment and not be placed in the public record subject to public inspection.

In support of its motion of December 10, 2013, Movant states that the information it is requesting to be held confidential is the gas supply and asset management agreement ("Agreement") it has entered into with Atmos Energy Marketing, LLC ("AEM") that is contained in its application. Movant states that the information sought to be protected includes prices, purchase volumes and flexibility, points of receipt and delivery, expiration dates, and other competitively sensitive information contained throughout the AEM Agreement. Movant further states that in future negotiations with other suppliers to manage its commodity, pipeline transportation, and storage

¹ Atmos Energy Corporation filed its petition pursuant to 807 KAR 5:001, Section 7; however, 807 KAR 5:001 was amended effective Jan. 4, 2013, with Section 13 replacing Section 7 regarding confidential materials.

requirements, disclosure of the information contained in the AEM Agreement would reveal confidential information that other suppliers could use in negotiating with Movant, thereby putting Movant at a competitive disadvantage, and that disclosure would enable competitors to negotiate similar terms with other gas suppliers, thereby depriving Movant of the commercial benefits it enjoys through its negotiations. Further, Movant states that to the extent that it chooses, in the future, to purchase gas supply or transportation service from other suppliers or potential suppliers, disclosure of the information contained in the AEM Agreement would reveal the prices and terms Movant has agreed to pay for gas supply and transportation services. Suppliers with that information, who might otherwise offer a lower price, would have no incentive to offer any price lower than that currently being paid by Movant.

Movant asserts that except for the parties to the AEM Agreement, it has never disclosed this information publicly and that the information sought to be protected is not disseminated within Movant's organization except to those employees with a legitimate business need to know and act upon the information. Finally, Movant states that the AEM Agreement requires the parties to keep the agreement confidential, as the parties could be competitively damaged if the terms of the agreement were made publicly available to their competitors, including specifically those unregulated competitors who would have no corresponding requirement to make a public disclosure of the terms of their gas supply agreements.

Movant's February 11, 2014 motion for confidential protection pertains to certain information filed in response to Commission Staff's Initial Request for Information. Specifically, Movant's response to Item 1 includes a detailed description of its current

gas supply agreement with Twin Eagle Resource Management, LLC., which Movant states contains sensitive and confidential information. Movant's response to Item 2, which requested a copy of the RFP Movant issued on September 12, 2013, states that neither the RFP, nor the identities of entities reviewing the on-line proposal, are confidential. The remaining information contained in Movant's response to Item 2, and for which Movant claims confidential protection, includes the four proposals received by Movant and the comparative cost analysis of these proposals which was done to estimate gas-cost savings under the new contract and a comparison of the savings to those that might be achieved under the competing proposals submitted in the RFP process. Movant points out that in the deregulated world of natural gas procurement and gas transportation, it must compete for both gas supply and gas transportation services. Disclosure of the information sought would allow Movant's competitors to gain confidential information about Movant's gas purchasing and transportation costs and strategies. This disclosure would also allow Movant's competitors to identify Movant's low-cost supplier and the terms agreed upon by the Movant. Finally, Movant states that except for the parties to the RFP process or the AEM Agreement, the information sought to be protected is not known outside Movant and is not disseminated within Movant's organization except to those employees with a legitimate business need to know and act upon the information.

Movant's March 6, 2014 motion for confidential protection pertains to responses filed to supplement its responses filed on February 11, 2014, for which Movant sought confidential protection.

Having carefully considered the motions and the materials at issue, the Commission finds that:

1. The materials for which Movant seeks confidential treatment, as stated in Movant's application filed on December 10, 2013; its responses to Commission Staff's request for information Items 1-2, filed on February 11, 2014; and, its supplemental responses to these requests for information, filed on March 6, 2014, meet the criteria for confidential treatment and are exempted from public disclosure pursuant to KRS 61.878 and 807 KAR 5:001, Section 13.

2. The materials for which Movant seeks confidential treatment should not be placed in the public record or made available for an indefinite period.

IT IS THEREFORE ORDERED that:

1. Movant's motions for confidential protection are hereby granted.

2. The materials for which Movant seeks confidential treatment shall neither be placed in the public record nor made available for public inspection for an indefinite period.

3. Use of the materials in question in any Commission proceeding shall comply with 807 KAR 5:001, Section 13(9).

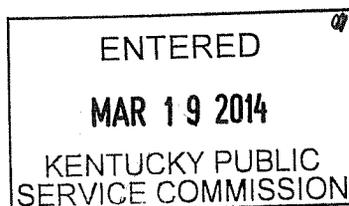
4. Movant shall inform the Commission if the materials in question become publicly available or no longer qualify for confidential treatment.

5. If a non-party to this proceeding requests to inspect materials granted confidential treatment by this Order and the period during which the materials have

been granted confidential treatment has not run, the Movant shall have 20 days from receipt of written notice of the request to demonstrate that the materials still fall within the exclusions from disclosure requirements established in KRS 61.878. If Movant is unable to make such demonstration, the requested materials shall be made available for inspection. Otherwise, the Commission shall deny the request for inspection.

6. The Commission shall not make the requested materials available for inspection for 20 days following an Order finding that the materials no longer qualify for confidential treatment in order to allow Movant to seek a remedy afforded by law.

By the Commission



ATTEST:

Aaron D. Greenwald for
Executive Director

Honorable John N Hughes
Attorney at Law
124 West Todd Street
Frankfort, KENTUCKY 40601

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

Douglas Walther
5430 LBJ Freeway
1800 Three Lincoln Centre
Dallas, TEXAS 75240