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JUL 08 2014

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OVERNIGHT DELIVERY

July 7, 2014

Jeff R. Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
PO Box 615
Frankfort, Kentucky 40602

**RE: Case No. 2014-00187- Atmos Energy Corporation
Response to Staff's Data Request**

Dear Mr. Derouen:

Atmos Energy Corporation (Company) submits an original and ten (10) copies of the Company's responses to Commission Staff's Initial Request for Information, in the above referenced case.

Very truly yours,



Mark R. Hutchinson

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

APPLICATION OF ATMOS ENERGY CORPORATION FOR APPROVAL OF A SPECIAL CONTRACT PURSUANT TO ITS ECONOMIC DEVELOPMENT RIDER) Case No. 2014-00187))

AFFIDAVIT

The Affiant, Daniel P. Bertotti, being duly sworn, deposes and states that the attached responses to the Kentucky Public Service Commission Staff's first request for information are true and correct to the best of his knowledge and belief.

[Handwritten signature of Daniel P. Bertotti] Daniel P. Bertotti

STATE OF Tennessee COUNTY OF Williamson

SUBSCRIBED AND SWORN to before me by Daniel P. Bertotti on this the 1th day of July, 2014.

[Handwritten signature of Teresa Morris] Notary Public My Commission Expires: 5/3/16 [Notary Seal: TERESA MORRIS, NOTARY PUBLIC AT LARGE, DAVIDSON COUNTY, TENN., Commission Expires 5/3/16]

Case No. 2014-00187
Atmos Energy Corporation, Kentucky Division
Staff RFI Set No. 1
Question No. 1-01
Page 1 of 1

REQUEST:

Refer to the Application, page 1 of Exhibit A, Large Volume Natural Gas Service Agreement ("Special Contract").

- a. Confirm that Atmos does not anticipate incurring any fixed costs with regard to the provision of additional volumes of natural gas to Kobe Aluminum Automotive Products, LLC ("Kobe") beyond its existing investment to serve the customer.
- b. Provide the amount of any additional annual expense expected to be incurred by Atmos with regard to the provision of additional volumes of natural gas to Kobe beyond its existing annual expense related to serving the customer.
- c. Describe the terms and provide a copy of the terminated service agreement with Kobe which is referenced in Item 1, Replacement and Termination of Large Volume Service Agreement.

RESPONSE:

- a. The Company confirms the referenced statement.
- b. The Company does not expect to incur any additional annual expense.
- c. The terminated service agreement is a standard ten (10) year large volume service agreement of T-4 transportation in accordance with all applicable tariffs. Please see Attachment 1 for a copy of the terminated agreement.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, Staff_1-01_Att1 - Kobe Aluminun WKG-1538.pdf, 6 Pages.

Witness: Danny Bertotti

Contract No. WKG-1538

LARGE VOLUME NATURAL GAS SERVICE AGREEMENT

BETWEEN

KOBE ALUMINUM AUTOMOTIVE PRODUCTS, LLC

AND

ATMOS ENERGY CORPORATION

DATED

November 1, 2004

LARGE VOLUME NATURAL GAS SERVICE AGREEMENT

THIS NATURAL GAS SERVICE AGREEMENT ("Service Agreement") is made and entered into as of the 1st day of November, 2004, by and between ATMOS ENERGY CORPORATION, a Texas and Virginia corporation, ("Atmos") and KOBE ALUMINUM AUTOMOTIVE PRODUCTS, LLC, a Kentucky corporation, ("Customer"), also referred to as the "parties."

WITNESSETH:

WHEREAS, Atmos desires to provide to Customer, and Customer desires to obtain natural gas service in accordance with the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the parties hereto agree as follows:

1. Natural Gas Service Type and Volume Levels. Customer agrees to purchase from Atmos or deliver to Atmos for transportation all of Customer's natural gas service requirements for Customer's facility located at or near Bowling Green, Kentucky. Atmos agrees to provide service to Customer of the type specified below, subject to the provisions of the referenced tariffs, the related rules and regulations governing natural gas service and this Service Agreement, including its attached exhibits and general terms and conditions. Atmos shall have no obligation to provide for deliveries in excess of the maximum volumes hereinafter specified, or to provide sales gas to Customer in the event Customer chooses a carriage transportation service only:

<u>Service</u>	<u>Type</u>	<u>Priority</u>	<u>Maximum Mcf/Day</u>	<u>Maximum Mcf/Hr.</u>
Transportation	T-4	7	750	46

During any billing period, volumes delivered to Customer shall, regardless of nominations, be deemed to first satisfy the T-4 volumes, if any; then the G-1/T-2 or LVS-1 volumes, if any; then the T-3 volumes, if any; and then the G-2/T-2 or LVS-2 volumes, if any.

2. Price. The price to be paid by Customer shall be in accordance with the rate schedule under which the service is rendered. Such rates, including gas cost adjustments, shall be subject to change as permitted by law. Any federal, state or other legal taxes, other than those based upon or measured by Atmos' income which apply now or may hereafter be imposed, shall be paid by the Customer, in addition to the rates as specified.

3. Term. This Service Agreement shall become effective on November 1, 2004, and shall continue in full force and effect for ten (10) years (the "Primary Term"), and year-to-year thereafter unless and until terminated at the end of the Primary Term or any subsequent annual term by either party hereto upon one hundred twenty (120) days prior written notice to the other party. Customer agrees that while this Service Agreement is in effect, all natural gas consumed by Customer shall be delivered by Atmos.

**GENERAL TERMS AND CONDITIONS
TO
LARGE VOLUME NATURAL GAS SERVICE AGREEMENT**

1. This Service Agreement is subject to all applicable and valid statutes, ordinances, and the rules, regulations and orders of the Kentucky Public Service Commission.

2. If not presently installed, the necessary regulating and metering equipment constructed to Atmos' specifications shall be installed for delivery of the gas as specified here, and the Customer shall install or cause to be installed additional regulating equipment to provide suitable operating pressure at the various points of utilization. A suitable location for the regulating and metering equipment shall be provided by the Customer without charge, and Atmos shall have the right to operate, maintain and alter this equipment as is necessary or desirable. Each party hereto agrees to maintain any equipment owned by it and used in the performance of its obligations herein in good, safe and efficient operating condition and repair.

3. Title to sales gas shall pass from Atmos to Customer, upon the delivery thereof, at the Customer's service address. The title to all gas transported hereunder shall remain with the Customer. The Receipt Point(s) at which the Customer will deliver transportation gas to Atmos is designated on Exhibit "A" attached hereto.

4. As between the parties hereto solely, for transportation services, Atmos shall be deemed in exclusive control and possession of the gas after the delivery thereof at the Receipt Point(s) and prior to the redelivery thereof, to or for the account of Customer at the Customer's service address. At all other times, as between the parties hereto solely, Customer shall be deemed in exclusive control and possession of the gas and responsible for any damages, losses or injuries caused by Customer's handling, delivery or receipt thereof. For sales services, Atmos shall be deemed in exclusive control and possession of the gas prior to the delivery thereof, to or for the account of Customer at the Customer's service address. Upon delivery thereof, as between the parties hereto solely, Customer shall be deemed in exclusive control and possession of the gas and responsible for any damages, losses or injuries. Each party agrees to indemnify, defend and hold harmless the other party from and against any and all claims, liabilities, damages, losses, costs and expenses incurred by such other party arising from or relating to any damages, losses or injuries for which the indemnifying party is responsible pursuant to the provisions of this paragraph, except to the extent such damages, losses or expenses shall have been caused by the negligence of the indemnified party.

5. In the event that either Atmos or Customer is rendered unable, wholly or in part, by reason of an event of force majeure, to perform its obligations under this Service Agreement, other than to make payment due thereunder, and such party has given notice and full particulars of such force majeure in writing to the other party as soon as possible after the occurrence of the cause relied on, then the obligations of the parties, insofar as they are affected by such force majeure, shall be suspended during the continuance of such inability, but for no longer period, and such cause shall, insofar as possible, be remedied with all reasonable dispatch; provided, however, that the settlement of strikes or lock-outs

shall be entirely within the discretion of the party having such difficulty, and the above requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes or lock-outs by acceding to the demands of the opposing party when such course is inadvisable in the discretion of the party having the difficulty.

The term "force majeure" as used herein shall mean any cause not reasonably within the control of the party claiming suspension and includes, but is not limited to, acts of God; strikes; lock-outs; wars; riots; orders or decrees of any lawfully constituted federal, state or local body; fires; storms; floods; wash-outs; explosions; breakage or accident to machinery or lines of pipe; inability to obtain or delay in obtaining rights-of-way, materials, supplies or labor permits; temporary or permanent failure of gas supply or transportation services; capacity constraints; repair, maintenance or replacement of facilities used in the performance of the obligations contained in this Service Agreement; or any other cause of a similar nature whether of the kind herein enumerated or otherwise.

6. During each billing period involving transportation services, Customer agrees to maintain its deliveries of gas to Atmos and its receipt of gas from Atmos in continuous balance or as near thereto as practicable on an Mcf or MMBtu basis, as designated by Atmos. Further, the Customer agrees to be liable to Atmos for all cost, expense and liability incurred by Atmos, which directly relates to the Customer's transportation activities on the interstate pipeline system. To the extent that imbalances owed to Customer by Atmos occur, such "parked" and/or "banked" volumes of the Customer shall be deemed, for billing purposes, to be the first volumes delivered to the Customer during the succeeding billing period. When the volume of gas taken by Customer during a billing period exceeds the aggregate of its T-2, T-3 and T-4 transportation nominations and its available "parked" and/or "banked" volumes, Customer shall pay Atmos for such overrun volumes at the applicable tariff rate.

7. In the event of default hereunder by either party, in addition to all rights and remedies at law or in equity to which the non-defaulting party may be entitled, the defaulting party agrees to reimburse the non-defaulting party for all court costs and other expenses incurred. Further, each party agrees to indemnify and hold the other party harmless with regard to any and all fees, costs and expenses incurred by the non-defaulting party in relation to all claims, disputes and suits which arise under or are related to the defaulting party's default under this Service Agreement, except to the extent such claims, disputes and suits shall have been caused by the negligence of the non-defaulting party. In no event shall either party be liable for indirect, special, consequential or punitive damages.

8. This Service Agreement shall be binding upon the parties hereto and their respective successors and assigns.

9. This Service Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral and written, between the parties hereto with respect to the subject matter hereof.

EXHIBIT "A"
RECEIPT POINT (S) AND
DELIVERY POINT (S)

Receipt Point(s)

A metering station located in Warren County, Kentucky, at Longitude 86 degrees, 29 minutes, 0 seconds, Latitude 37 degrees, 1 minute, 30 seconds, approximately 1.5 miles North of Bowling Green, Kentucky (Meter No. 1900)

Delivery Point(s)

525 Central Court
Bowling Green, Kentucky 42101

Case No. 2014-00187
Atmos Energy Corporation, Kentucky Division
Staff RFI Set No. 1
Question No. 1-02
Page 1 of 1

REQUEST:

Refer to the Application, page 2 of Exhibit A, the Special Contract.

- a. Item 3, Price states that Kobe's normalized base load is 19,000 Mcf per month. Provide Kobe's annual volumes for the last three years along with associated revenues related to Atmos's provision of service to Kobe.
- b. Provide estimated volumes for Kobe for the four years of the Environmental Development Rider ("EDR") contract, with associated estimated billings. The estimated billings should be in sufficient detail to show how the tariff rates and the EDR discounts will be applied to estimated volumes.

RESPONSE:

- a. Please see Attachment 1.
- b. Please see Attachment 2. These amounts are estimates of future gas usage.

ATTACHMENTS:

ATTACHMENT 1 - Atmos Energy Corporation, Staff_1-02_Att1 - Kobe Volumes and Revenues.xlsx, 1 Page.

ATTACHMENT 2 - Atmos Energy Corporation, Staff_1-02_Att2 - Kobe ECD Estimated Mcf and Billings.xlsx, 1 Page.

Witness: Danny Bertotti

Atmos Energy Corporation, Kentucky
Kobe Volumes and Revenues

YEAR	VOLUMES (Mcf)	REVENUES (\$)
June 2011 - May 2012	192997 \$	170,705.00
June 2012 - May 2013	217352 \$	176,330.00
June 2013 - May 2014	242404 \$	198,404.00
Average per month	18132.02778	

Atmos Energy Corporation, Kentucky
Kobe Aluminum Estimated Mcf and Billings

Month	Current Mcf	Estimated Mcf	Base Charge	Admin Fee	EFM Charge	1st 300 Mcf @ \$1.31	Next 14,700 Mcf @ \$.88	Next 4,000 Mcf @ \$.62	ECD Tier Over 19,000 Mcf @ \$.465	Total Estimate
1	18086	22608	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 1,677.49	\$ 17,963.89
2	17145	21431	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 1,130.53	\$ 17,416.93
3	19392	24240	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 2,436.60	\$ 18,723.00
4	19464	24330	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 2,478.45	\$ 18,764.85
5	19698	24623	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 2,614.46	\$ 18,900.86
6	18738	23423	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 2,056.46	\$ 18,342.86
7	16384	20480	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 688.20	\$ 16,974.60
8	20110	25138	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 2,853.94	\$ 19,140.34
9	19926	24908	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 2,746.99	\$ 19,033.39
10	20584	25730	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 3,129.45	\$ 19,415.85
11	19583	24479	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 2,547.62	\$ 18,834.02
12	18419	23024	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 1,871.04	\$ 18,157.44
13		24868	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 2,728.74	\$ 19,015.14
14		23574	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 2,127.08	\$ 18,413.48
15		26664	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 3,563.76	\$ 19,850.16
16		26763	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 3,609.80	\$ 19,896.20
17		27085	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 3,759.41	\$ 20,045.81
18		25765	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 3,145.61	\$ 19,432.01
19		22528	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 1,640.52	\$ 17,926.92
20		27651	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 4,022.83	\$ 20,309.23
21		27398	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 3,905.19	\$ 20,191.59
22		28303	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 4,325.90	\$ 20,612.30
23		26927	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 3,685.88	\$ 19,972.28
24		25326	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 2,941.65	\$ 19,228.05
25		27355	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 3,885.11	\$ 20,171.51
26		25932	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 3,223.29	\$ 19,509.69
27		29330	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 4,803.64	\$ 21,090.04
28		29439	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 4,854.27	\$ 21,140.67
29		29793	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 5,018.85	\$ 21,305.25
30		28341	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 4,343.67	\$ 20,630.07
31		24781	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 2,688.07	\$ 18,974.47
32		30416	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 5,308.61	\$ 21,595.01
33		30138	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 5,179.20	\$ 21,465.60
34		31133	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 5,641.98	\$ 21,928.38
35		29619	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 4,937.97	\$ 21,224.37
36		27859	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 4,119.31	\$ 20,405.71
37		30091	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 5,157.12	\$ 21,443.52
38		28525	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 4,429.12	\$ 20,715.52
39		32263	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 6,167.50	\$ 22,453.90
40		32383	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 6,223.20	\$ 22,509.60
41		32773	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 6,404.23	\$ 22,690.63
42		31175	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 5,661.54	\$ 21,947.94
43		27259	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 3,840.38	\$ 20,126.78
44		33458	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 6,722.98	\$ 23,009.38
45		33152	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 6,580.63	\$ 22,867.03
46		34247	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 7,089.68	\$ 23,376.08
47		32581	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 6,315.27	\$ 22,601.67
48		30645	\$ 350.00	\$ 50.00	\$ 75.00	\$ 395.40	\$ 12,936.00	\$ 2,480.00	\$ 5,414.74	\$ 21,701.14

Note: Estimated billings do not include taxes, school fees or franchise fees.

Case No. 2014-00187
Atmos Energy Corporation, Kentucky Division
Staff RFI Set No. 1
Question No. 1-03
Page 1 of 1

REQUEST:

Refer to the Application, page 3 of Exhibit A, the Special Contract. Confirm that the Parking service described in Item 5 is priced at \$.10 per Dth in Atmos's Rate T-4, Firm Transportation Service tariff, and that Item 6 on page 8, under General Terms and Conditions means that any imbalances will be "cashed out" pursuant to the tariff terms.

RESPONSE:

The Company confirms the referenced statement.

Witness: Danny Bertotti

Case No. 2014-00187
Atmos Energy Corporation, Kentucky Division
Staff RFI Set No. 1
Question No. 1-04
Page 1 of 1

REQUEST:

Refer to Exhibit B to the Special Contract. State whether the receipt and delivery points are the same as the current receipt and delivery points for Kobe.

RESPONSE:

The receipt and delivery points are the same as the current receipt and delivery points for Kobe. The name of the address has changed in recent years, but the receipt and delivery points will remain at the same location.

Witness: Danny Bertotti

Case No. 2014-00187
Atmos Energy Corporation, Kentucky Division
Staff RFI Set No. 1
Question No. 1-05
Page 1 of 1

REQUEST:

State whether Atmos has sufficient system pipeline capacity to accommodate the increased Kobe volumes.

RESPONSE:

Atmos Energy has sufficient pipeline capacity to accommodate the increased Kobe volumes.

Witness: Danny Bertotti

Case No. 2014-00187
Atmos Energy Corporation, Kentucky Division
Staff RFI Set No. 1
Question No. 1-06
Page 1 of 1

REQUEST:

Provide a demonstration that the discounted rate to Kobe exceeds the marginal cost to serve it.

RESPONSE:

There is no additional marginal cost required to serve the Kobe plant. Any discounted rate applied to Kobe will therefore exceed the cost to serve it.

Witness: Danny Bertotti