

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY)	
CORPORATION TO ESTABLISH PRP)	CASE NO. 2013-00304
RIDER RATES FOR THE TWELVE MONTH)	
PERIOD BEGINNING OCTOBER 1, 2013)	

COMMISSION STAFF'S FIRST 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 six copies of the following information, with a copy to all parties of record. The information requested herein is due no later than 10 days from the date of this Order. 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. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Provide Exhibits B through K of the application in electronic format, with formulas intact and unprotected.

2. Refer to Exhibits B, C, and D of the application. On Exhibits C and D, totals for each of the categories for 2011 and 2012 are calculated using actual numbers. Totals for 2013 and 2014 are calculated using budgeted numbers. On Exhibit B, Line 5, Cost of Removal to Accumulated Depr. was calculated using only budgeted numbers. Explain why cost of removal to accumulated depreciation for the years 2011 and 2012 is not calculated using actual numbers, as are the other items on Exhibit B.

3. Refer to Exhibit F of Atmos's application.

a. Confirm the value of 7.7 percent for Tax Depreciation Rates – Year 4 is the appropriate rate as set out by half-year convention Modified Accelerated Cost Recovery System ("MACRS") depreciation for 15 year assets.

b. Explain whether Atmos intends to use half-year convention MACRS depreciation for future Pipe Replacement Program ("PRP") filings.

4. Refer to Exhibit B, line 33, Total Rate Adjustment Plus True-up of \$7,914,369. Multiplying the proposed rates by the billing determinants from Exhibit I

produces revenues of \$7,909,574, a deficiency of \$4,795. Explain whether Atmos is aware that the rates as designed will not generate the revenue requirement.

5. Refer to Exhibit J, Line 7. The number of customers projected for October 2013 through September 2014 for the G-2 Industrial Interruptible class is 12, double the number in the last PRP application. Explain the projected increase in this customer class.

6. Refer to Exhibit J, Line 16. The volumes of gas budgeted for October 2013 and May 2014 through September 2014 differ substantially from the volumes in Atmos's last PRP application, despite the number of customers in this class having remained the same. Identify and describe the factors to which Atmos attributes this difference.

7. Refer to the last page of Exhibit K-2, Tab 2, 2012 Project Details.

a. Explain the relatively large variance between the \$163,537 Total budgeted 2012 projects cost for installation of meters compared to the Actual 2012 Project Costs for meter installation of \$42,092.

b. Explain the relatively large variance between the 2012 total budgeted and actual cost for retirements for:

(1) Main in the amount of \$609,630, compared with the actual cost of \$1,172,154;

(2) Services in the amount of \$569,353, compared with the actual cost of \$1,094,712; and

(3) Meters in the amount of \$43,495, compared with the actual cost of \$83,629.

c. Explain whether there is a reason, other than coincidence, why the Actual 2012 Projects Cost for the installation of meters, in the amount of \$43,092, plus the cost of removal for meters, in the amount of \$43,508, is within \$3,000 of the \$83,629 retirement cost for meters.



Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED **AUG 21 2013**

cc: Parties of Record

Mark A Martin
Senior Analyst - Rate Administration
Atmos Energy Corporation
381 Riverside Drive, Suite 440
Franklin, TENNESSEE 37064