

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)	
ATMOS ENERGY CORPORATION)	CASE NO.
FOR PRP RIDER RATES)	2016-00262

COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION
TO ATMOS ENERGY CORPORATION

Atmos Energy Corporation ("Atmos"), pursuant to 807 KAR 5:001, is to file with the Commission an original in paper medium and an electronic version of the following information. The information requested herein is due within ten days of the date of this request. Responses to requests for information in paper medium 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 filing a paper containing personal information, Atmos shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Atmos's response to Commission Staff's Second Request for Information ("Staff's Second Request"), Item 1.a., Item 4, Attachment 1; Atmos's response to Staff's First Request for Information ("Staff's First Request"), Item 4, Attachment 1; and Atmos's application. The response to Item 1.a. states that Atmos is "lowering the ad valorem rate from approximately 0.875% to 0.765%. This update is reflected in the attachment for Staff's Second Request for Information, Item 4."

a. Identify where in the record, other than in the response to Item 1.a., that reference is made to an ad valorem rate of 0.875 percent.

b. Explain why the amount in Attachment 1, Exhibit B, for "Ad Valorem Tax Increase" and the ad valorem tax rate in Item 4, Attachment 1, Exhibit F-1, in the response to Staff's Second Request, are the same as in the response to Staff's First Request, which reflect an ad valorem rate of 0.981 percent.

c. Confirm, based on the ad valorem rate of 0.765 percent referenced in the response to Item 1.a. of Staff's Second Request, that the amount for "Ad Valorem

Tax Increase” in Item 4, Attachment 1, Exhibit B, of that same response should be the same as in the application, \$263,814. If Atmos cannot confirm, explain why.

d. Provide the calculation of the \$263,814 amount of “Ad Valorem Tax Increase” shown in Exhibit B of the application. Cite and describe any differences in this calculation or the source of the amounts used in this calculation from the calculation and source of the amounts used in the calculation of the “Ad Valorem Tax Increase” shown in the application in Atmos’s previous Pipe Replacement Program (“PRP”) case,¹ a case that did not come immediately after a roll-in of PRP costs into its base rates.

2. Refer to Atmos’s responses to Staff’s Second Request, Items 1 and 3.

a. Refer to the response to Item 1.a. Confirm that the assessment date upon which the “Net Change to Gross Plant” is based is December 31 of a given calendar year. If Atmos cannot confirm, explain why.

b. Confirm that, with the roll-in of Atmos’s Pipe Replacement Program costs into base rates in its recent rate case, Case No. 2015-00343,² the only plant investment that can be considered PRP investment on December 31, 2016, will be that invested from October 1, 2016, and December 31, 2016. If Atmos cannot confirm, explain why.

c. With the roll-in of its PRP costs into its base rates in Case No. 2015-00343, explain how Atmos determined and calculated the amount of ad valorem tax recoverable through base rates included in its June 2016–May 2017 forecasted

¹ Case No. 2015-00272, *Application of Atmos Energy Corporation to Establish PRP Rider Rates for the Twelve Month Period Beginning October 1, 2015* (Ky. PSC Sept. 23, 2015).

² Case No. 2015-00343, *Application of Atmos Energy Corporation for an Adjustment of Rates and Tariff Modifications* (Ky. PSC Aug. 4, 2016).

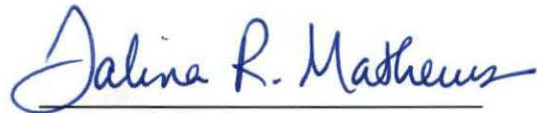
test period in that case. Include in the explanation how Atmos ensured that the amount derived would not cause a double recovery of ad valorem tax as a result of the amount calculated for recovery through its PRP rates in this case.

d. Confirm that the test period used in Case No. 2015-00343 and the 12-month forecasted period proposed in this case overlap through May of 2017. If Atmos cannot confirm, explain why.

3. Refer to Atmos's response to Staff's Second Request, Item 3.b.

a. Provide the amount of Atmos's ad valorem tax accrual for tax years 2014, 2015, and 2016.

b. Provide in paper medium and electronically in Excel format the ad valorem tax paid by tax district for 2014 based on the settlement agreement with the Kentucky Department of Revenue.



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Public Service Commission
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DATED OCT 17 2016

cc: Parties of Record

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