

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF ATMOS	)	
ENERGY CORPORATION FOR AN ADJUSTMENT	)	CASE NO.
OF RATES AND TARIFF MODIFICATIONS	)	2017-00349

COMMISSION STAFF'S FOURTH 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 in paper medium and an electronic version of the following information. The information requested herein is due on or before February 14, 2018. 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 the 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, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall 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 the Direct Testimony of Paul H. Raab, Exhibits PHR-1, PHR-2, and PHR-3. Confirm that neither deferred tax expense nor the Net Operating Loss ("NOL") Carryforward are included in Atmos's income tax expense. If this cannot be confirmed, identify where deferred tax expense or the NOL Carryforward are included in Atmos's income tax expense.

2. Refer to the Application, Schedules B.5, C.1, C.2, and E. Confirm that neither deferred tax expense nor the NOL Carryforward are included in Atmos's adjusted net operating income. If this cannot be confirmed, identify where deferred tax expense or the NOL Carryforward are included in Atmos's adjusted net operating income.

3. Refer to the Application, Schedule B.5. Provide the calculation of "Change in NOLC" of (\$322,598).

4. Refer to Atmos's response to Commission Staff's Third Request for Information ("Staff's Third Request"), Item 3. The response states that customers are accustomed to the operation of the Weather Normalization Adjustment ("WNA"). State whether the WNA bill adjustment is discernable on customer bills and, if so, whether it is

a discrete billing line item or is otherwise referenced in any way. Provide the text of any information addressing or explaining the WNA that has been provided to customers within the last five years.

5. Refer to the response to Staff's Third Request, Item 14.b. Explain how the Mississippi Commission will adjust rates based on the December 2017 change to the earnings band.

6. Refer to the Direct Testimony of Lane Kollen ("Kollen Testimony"), page 47, lines 11–16. For the below requests, provide all exhibits and schedules in Excel spreadsheet format with formulas intact and unprotected, and all rows and columns accessible.

a. Identify and describe all necessary adjustments to the forecasted test year from the reduction in the current and deferred federal income tax expense included in the test year as a result of the Tax Cut and Jobs Act.

b. Identify and describe all necessary adjustments to the forecasted test year from the reduction in deferred income tax expense to reflect the amortization of the excess accumulated deferred income taxes as a result of the Tax Cut and Jobs Act.

c. Identify and describe all necessary adjustments to the forecasted test year from the reduction in the gross revenue conversion factor as a result of the Tax Cut and Jobs Act.

d. Identify and describe any other necessary adjustments to the forecasted test year as a result of the Tax Cut and Jobs Act not addressed in the above data requests.

7. Refer to the Kollen Testimony, page 47, lines 11–21, which discusses the impact of the reduction in the federal corporate income tax rate and indirect effects from affiliate charges that include an income tax component. For the test year, provide the impacts of the Tax Cuts and Jobs Act, by affiliate, showing the income tax component and the accumulated deferred income tax component used to calculate rate base. Provide all exhibits and schedules in Excel spreadsheet format with formulas intact and unprotected, and all rows and columns accessible.

8. Refer to the Kollen Testimony, pages 66–73, which discusses concerns with Atmos’s proposed Annual Review Mechanism (“ARM”). Explain whether Atmos is aware of any revisions that could be made to its proposed ARM which might address the following specific expressed concerns:

- a. frequent and larger rate increases;
- b. lack of quantifiable customer benefits other than a possible decrease in regulatory expense;
- c. reduced procedural opportunities for parties to participate; and
- d. lack of incentive to limit capital expenditures and operating expenses.

The response to the individual concerns listed should include whether Atmos’s alternative regulation mechanisms approved in other jurisdictions contain elements which would address these concerns, or if Atmos is aware of such elements in other mechanisms that are not features of its own approved mechanisms.

9. Refer to the Kollen Testimony, pages 72–74.

a. Provide the impact of extending the PRP an additional 5, 10, and 15 years on annual projected PRP capital expenditures, as shown in the table on page 72, and on projected customer PRP surcharges.

b. If the Commission were to consider mitigating the annual rate of increase through the PRP surcharge, provide Atmos's view of the most reasonable extension of its PRP timetable beyond the 15 years which was approved based on the original cost estimates.



Gwen R. Pinson  
Executive Director  
Public Service Commission  
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DATED JAN 31 2018

cc: Parties of Record

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