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Governor

Mark David Goss  
Chairman

Teresa J. Hill, Secretary  
Environmental and Public  
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**Public Service Commission**  
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Commissioner

Christopher L. Lilly  
Commissioner  
Department of Public Protection

Honorable John N. Hughes  
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124 West Todd Street  
Frankfort, KY 40601

November 21, 2006

RE: Case No. 2006-00464

Please see enclosed data request from Commission Staff in the above case.

If you need further assistance, please contact Isaac Scott at (502) 564-3940 ext. 444.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell  
Executive Director

BOD/sh  
Enclosure



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611 Frederica Street  
Owensboro, KY 42301

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November 21, 2006

Douglas Walther  
Atmos Energy Corporation  
P. O. Box 650205  
Dallas, TX 75235-0205

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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY )  
CORPORATION FOR AN ADJUSTMENT ) CASE NO. 2006-00464  
OF GAS RATES )

FIRST DATA REQUEST OF COMMISSION STAFF  
TO ATMOS ENERGY CORPORATION

Atmos Energy Corporation ("Atmos"), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 6 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before either 14 days after the initial submission of the rate application or 28 days after the date of this Data Request, whichever is later. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately.

1. Provide a copy of the current bylaws. Indicate any changes made to the bylaws since the year utilized as the test year in Atmos's last rate case.

2. Provide the current organizational chart, showing the relationship between Atmos and any affiliated companies. Include the relative positions of all entities and affiliates with which Atmos routinely has business transactions.

3. Provide a complete copy of the workpapers, calculations, and assumptions Atmos used to develop its Kentucky gas operation's forecasted test-period financial information.

4. Provide a complete copy of all of Atmos's internal accounting manuals, directives, and policies and procedures.

5. Provide a complete copy of all of Atmos's budget instructions, assumptions, directives, manuals, policies and procedures, timelines, and descriptions of budget procedures.

6. Provide a comparison of Atmos's gas monthly operating budgets to the actual results, by account, for 2004, 2005, and 2006. Explain in detail any yearly account variance greater than 5 percent. In the response include comparisons for the following major expenses:

- a. *Total Purchased Gas.*
- b. *Distribution – Mains and Services Expense.*
- c. *Distribution – Maintenance of Mains.*
- d. *Customer Accounts Expense.*
- e. *Administrative and General Salaries.*

f. Office Supplies and Expenses.

g. Rents.

7. Provide the same information requested in Item 6 for 2007 as it becomes available.

8. Provide a reconciliation and detailed explanation of each difference, if any, in the Kentucky gas capitalization and the Kentucky gas net investment rate base of Atmos for the base period.

9. Provide separately a rate base, capital structure, and statement of income for Atmos's total company and for its Kentucky gas operations for the most recent actual 12-month period at the time of the company's application for rate adjustment and for the base period used in the company's application. Provide detailed explanations necessary to reconcile this data with the filed base period revenue requirement information.

10. Describe the procedures that Atmos uses to plan and approve construction projects for its gas operations.

11. Provide Atmos's long-term construction planning program for its gas operations.

12. Concerning Atmos's construction projects:

a. For each Kentucky gas construction project begun during the last 10 calendar years, provide the information requested in the format contained in Schedule 1a. For each project, include the amount of any cost variance and delay encountered, and explain in detail the reasons for such variances and delays.

b. Using the data included in Schedule 1a, calculate the annual "Slippage Factor" associated with Atmos's Kentucky gas construction projects. The Slippage Factor should be calculated using the format contained in Schedule 1b.

c. In determining the capital additions to be reflected in the base period and forecasted test period for operations, did Atmos recognize a Slippage Factor in the calculations? Explain the response.

13. Provide, in the format provided as Schedule 2, an analysis of the Kentucky gas Construction Work in Progress ("CWIP") as defined in the Uniform System of Accounts for the 12 months preceding the base period, the base period, and the forecasted test period.

14. Provide the information requested in Schedule 3 for each construction project in progress listed on Schedule 2.

15. Provide the information requested in Schedule 4 for budgeted and actual regular wages, overtime wages, and total wages for Kentucky gas operations by employee group, by month, for the most recent two years available. Explain in detail any variance exceeding 5 percent in any one month. Update as further information becomes available.

16. Provide a complete copy of all wage, compensation, and employee benefits studies, analyses, or surveys conducted within the past 5 years or currently utilized by Atmos.

17. For each Kentucky gas operation employee group, state the amount, percentage increase, and effective dates for general wage increases and, separately,

for merit increases granted for the years 2004, 2005, the base period, and the forecasted test period.

18. Provide complete details of all early retirement plans or other staff reduction programs Atmos has offered or intends to offer its gas employees during either the base period or the forecasted test period. Include all cost-benefit analyses associated with these programs.

19. Concerning employee fringe benefits:

a. Provide a detailed list of all fringe benefits available to Atmos's Kentucky gas employees and the expected cost of each benefit in the base period and the forecasted test period. Indicate which fringe benefits, if any, are limited to management employees.

b. Provide comparative cost information for the 2 years preceding the base period and the base period. Explain any changes in fringe benefits occurring over this period.

20. List separately the budgeted and actual numbers of the Kentucky gas operation's full- and part-time employees by employee group, by month and by year, for the 5 years immediately preceding the base period, the base period, and the forecasted test period.

21. Provide complete details of Atmos's Other Post-retirement Employee Benefits package(s) provided to Kentucky gas employees.

22. Provide all current labor contracts and the most recent contracts previously in effect for Kentucky gas operations.



23. Provide a complete copy of each group medical insurance policy that Atmos currently maintains for its Kentucky gas employees.

24. Provide, in the format provided as Schedule 5, an analysis of the gross additions, retirements, and transfers for each major functional plant property group or account for Atmos occurring in the forecasted test period. Provide this information for both Kentucky gas operations and total company operations. For any account in which transfers regularly occur in the normal course of business, also include a general description of the nature of the transfers.

25. List all properties leased to the utility and improvements to leased properties, together with annual lease payments which are capitalized, in the format provided in Schedule 6. Provide this information for both Kentucky gas operations and total company operations.

26. List all property held for future use included in rate base in the format provided in Schedule 7. In addition, for each property listed, provide its expected in-service date and its expected use. Provide this information for both Kentucky gas operations and total company operations.

27. Provide the information requested in Schedule 8 regarding Certain Deferred Credits, Accumulated Deferred Income Taxes, and Other Rate Base items included in the forecasted test-period rate base. Provide this information for both Kentucky gas operations and total company operations.

28. Provide the following monthly account balances and a calculation of the average (13 month) account balances for both the total company and the Kentucky gas operations (original cost):

a. Plant in Service.  
b. Plant Purchased or Sold.  
c. Property Held for Future Use.  
d. CWIP. (Separate this balance into CWIP eligible for capitalized interest and other CWIP.)

e. Completed Construction Not Classified.  
f. Accumulated Depreciation and Amortization.  
g. Plant Acquisition Adjustment.  
h. Amortization of Utility Plant Acquisition Adjustment.  
i. Materials and Supplies.  
j. Balance in Accounts Payable Applicable to each account in (i) above. (If actual cannot be determined, give reasonable estimate.)

k. Unamortized Investment Tax Credit - Pre-Revenue Act of 1971.  
l. Unamortized Investment Tax Credit - Revenue Act of 1971.  
m. Accumulated Deferred Income Taxes.  
n. A Summary of Customer Deposits.  
o. Computation and Development of Minimum Cash Requirements.  
p. Balance in accounts payable applicable to amounts included in utility plant in service. (If actual cannot be determined, give reasonable estimate.)

q. Balance in accounts payable applicable to prepayments by major category or subaccount.

r. Balance in accounts payable applicable to amounts included in plant under construction. (If actual cannot be determined, give reasonable estimate.)

s. All Current Assets and Current Liability Accounts not included above.

29. Provide a calculation of federal and state income tax expense for Kentucky gas operations, including a reconciliation of book to taxable income for the base period and the forecasted period in the format provided in Schedule 9. Indicate whether the calculation reflects the income tax expense from a stand-alone or consolidated company basis.

30. Provide a trial balance as of the last day of the base period showing account number, account title, and actual base period accounts. All income statement accounts should show activity for 12 months. Provide this information for both the Kentucky gas operations and total company operations.

31. For each of the Statement of Financial Accounting Standards ("SFAS") identified below, provide the information listed concerning implementation for Atmos's gas operations.

a. SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions."

(1) The date that Atmos adopted the SFAS.  
(2) The effect on the financial statements.  
(3) Whether the base period or forecasted test period includes any impact of the implementation. If so, provide detailed information regarding the impact.

b. SFAS No. 109, "Accounting for Income Taxes."

(1) The date that Atmos adopted the SFAS.

(2) The effect on the financial statements.

(3) Whether the base period or forecasted test period includes any impact of the implementation. If so, provide detailed information regarding the impact.

c. SFAS No. 112, "Employers' Accounting for Postretirement Benefits."

(1) The date that Atmos adopted the SFAS.

(2) The effect on the financial statements.

(3) Whether the base period or forecasted test period includes any impact of the implementation. If so, provide detailed information regarding the impact.

d. SFAS No. 143, "Accounting for Asset Retirement Obligations."

(1) The date that Atmos adopted the SFAS.

(2) The effect on the financial statements.

(3) Whether the base period or forecasted test period includes any impact of the implementation. If so, provide detailed information regarding the impact.

(4) A schedule comparing the depreciation rates utilized by Atmos prior to and after the adoption of SFAS No. 143. The schedule should identify the assets corresponding to the affected depreciation rates.

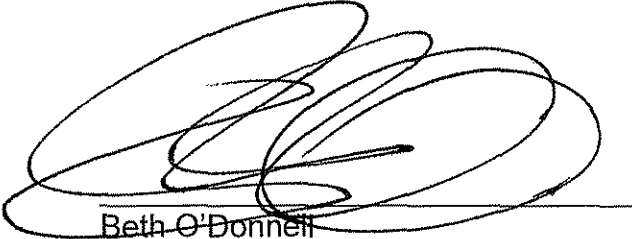
32. Provide copies of all service agreements and contracts that Atmos has with any affiliate company or entity. Include a narrative discussion of the pricing policies of Atmos and its affiliates with regard to affiliate company transactions.

33. Concerning transactions between Atmos's Kentucky gas operations and any affiliated companies or entities:

a. Provide a comprehensive list and detailed description of any goods or services that have been provided to Atmos by any affiliated company or entity or are expected to be provided during the forecasted test period.

b. Describe the benefits that Atmos derives from having affiliates or other entities provide the goods or services identified in part (a).

c. Provide a comprehensive list and detailed description of any goods or services that Atmos has provided to any affiliated companies or entities or are expected to be provided during the forecasted test period.



Beth O'Donnell  
Executive Director  
Public Service Commission  
P. O. Box 615  
Frankfort, Kentucky 40602

DATED November 21, 2006

cc: All Parties



Atmos Energy Corporation  
Case No. 2006-00464

Calculation of Capital Construction Project Slippage Factor

Schedule 1b

Source: Schedule 1a – Construction Projects

Years	Annual Actual Cost	Annual Original Budget	Variance in Dollars	Variance as Percent	Slippage Factor
2005					
2004					
2003					
2002					
2001					
2000					
1999					
1998					
1997					
1996					
Totals					
10 Year Average Slippage Factor (Mathematic Average of the Yearly Slippage Factors / 10 years)					

The Annual Actual Cost, Annual Original Budget, Variance in Dollars, and Variance as Percent are to be taken from Schedule 1a. Total all projects for a given year. The Slippage Factor is calculated by dividing the Annual Actual Cost by the Annual Original Budget. Calculate a Slippage Factor for each year and the Totals line. Carry Slippage Factor percentages to 3 decimal places.

Atmos Energy Corporation  
 Case No. 2006-00464  
 Construction Projects

As of \_\_\_\_\_

Schedule 2

Page 1 of 1

Witness Responsible: \_\_\_\_\_

Data: \_\_\_\_\_ Base Period \_\_\_\_\_ Forecasted Period \_\_\_\_\_  
 Type of Filing: \_\_\_\_\_ Original \_\_\_\_\_ Updated \_\_\_\_\_ Revised \_\_\_\_\_  
 Workpaper Reference No(s): \_\_\_\_\_

Accumulated Costs

Line No. (A)	Project No. (B)	Description of Project (C)	Construction Amount (D)	AFUDC Capitalized (E)	Indirect Costs Other (F)*	Total Cost (G=D+E+F)	Estimated Physical Percent Completed (H)
			\$	\$	\$	\$	

TOTAL

\*Explain the nature of all other indirect costs in footnotes.



Atmos Energy Corporation  
 Case No. 2006-00464  
 Construction Work in Progress – Percent Complete\*  
 As of \_\_\_\_\_

Schedule 3  
 Page 1 of 1  
 Witness Responsible: \_\_\_\_\_

Data: \_\_\_\_\_ Base Period \_\_\_\_\_ Forecasted Period \_\_\_\_\_  
 Type of Filing: \_\_\_\_\_ Original \_\_\_\_\_ Updated \_\_\_\_\_ Revised \_\_\_\_\_  
 Workpaper Reference No(s): \_\_\_\_\_

Line No. (A)	Project No. (B)	Date Construction Work Began (C)	Estimated Project Completion Date (D)	Percent of Elapsed Time (E)	Original Budget Estimate (F)	Most Recent Budget Estimate (G)	Total Project Expenditures (H)	Percent of Total Expenditures (I=G+F)
					\$	\$	\$	

\*Should be based on expenditures including AFUDC.

Atmos Energy Corporation  
 Case No. 2006-00464  
 Monthly Payroll Variance Analysis  
 As of \_\_\_\_\_

Schedule 4  
 Page 1 of 1  
 Witness Responsible: \_\_\_\_\_

Data: \_\_\_\_\_ Base Period \_\_\_\_\_ Forecasted Period \_\_\_\_\_  
 Type of Filing: \_\_\_\_\_ Original \_\_\_\_\_ Updated \_\_\_\_\_ Revised \_\_\_\_\_  
 Workpaper Reference No(s): \_\_\_\_\_

Date	Employee Group	Monthly Budget		Monthly Actual		Variance Percent	
		Reg.	OT	Reg.	OT	Reg.	OT
			Total		Total		Total



Atmos Energy Corporation  
Case No. 2006-00464  
Leased Property

As of \_\_\_\_\_

Schedule 6  
Page 1 of 1  
Witness Responsible: \_\_\_\_\_

Data: \_\_\_\_\_ Base Period \_\_\_\_\_ Forecasted Period \_\_\_\_\_  
 Type of Filing: \_\_\_\_\_ Original \_\_\_\_\_ Updated \_\_\_\_\_ Revised \_\_\_\_\_  
 Workpaper Reference No(s): \_\_\_\_\_

Identification or Reference Number	Description of Type and Use of Property	Name of Lessee	Frequency of Payment	Amount of Lease Payment	Dollar Value Property Involved*	Explain Method of Capitalization

\*If not available, an estimate should be furnished.



Atmos Energy Corporation  
 Case No. 2006-00464  
 Certain Deferred Credits and Accumulated Deferred Income Taxes  
 As of \_\_\_\_\_

Schedule 8  
 Page 1 of 1  
 Witness Responsible: \_\_\_\_\_

Data: \_\_\_\_\_ Base Period \_\_\_\_\_ Forecasted Period \_\_\_\_\_  
 Type of Filing: \_\_\_\_\_ Original \_\_\_\_\_ Updated \_\_\_\_\_ Revised \_\_\_\_\_  
 Workpaper Reference No(s): \_\_\_\_\_

Line No.	Account No.	Description
----------	-------------	-------------

Customers' Advances for Construction

Contributions in Aid of Construction

Investment Tax Credits:  
 Pre-1971 – 3% Credit  
 1971 4% Credit  
 1975 6% Additional Credit  
 1981 10% Credit on Recovery Property  
 ITC Tax Benefits Sold

Deferred Income Taxes:  
 Accelerated Amortization  
 Liberalized Depreciation  
 ACRS Tax Benefits Sold  
 Other (Specify and list separately)

Other (Specify and list separately)

Also provide the ITC option elected in 1971 and 1975 under Section 46(f) of the 1954 Internal Revenue Code.

Atmos Energy Corporation  
 Case No. 2006-00464  
 Adjusted Jurisdictional Federal and \_\_\_\_\_ State Income Taxes\*  
 For the 12 Months Ended \_\_\_\_\_

Data: \_\_\_\_\_ Base Period \_\_\_\_\_ Forecasted Period \_\_\_\_\_  
 Type of Filing: \_\_\_\_\_ Original \_\_\_\_\_ Updated \_\_\_\_\_ Revised \_\_\_\_\_  
 Workpaper Reference No(s): \_\_\_\_\_

Schedule 9  
 Page 1 of 3  
 Witness Responsible: \_\_\_\_\_

Line No.	Description	At Current Rates		At Proposed Rates		
		Unadjusted (1)	Schedule 49 Adjustments (2)	Adjusted (3)	Adjusted (4)	Adjusted (5)
1	Operating Income Before Income Taxes	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2	Reconciling Items:					
3	Interest Charges					
4	Tax Accelerated Depreciation					
5	Book Depreciation					
6	Excess of Tax Over Book Depreciation					
7	Other Reconciling Items (Specify and List)					
8	Total Reconciling Items					
9	Taxable Income					
10	Income Tax Rates:					
11	\$ _____ @ _____ %					
12	\$ _____ @ _____ %					
13	\$ _____ @ _____ %					
14	\$ _____ @ _____ %					
15	Over \$ _____ @ _____ %					
16	Federal (State) Income Tax Liability					

\*Separate Schedules should be completed for the Federal and State calculations.

**Atmos Energy Corporation**  
 Case No. 2006-00464  
**Adjusted Jurisdictional Federal and \_\_\_\_\_ State Income Taxes\***  
 For the 12 Months Ended \_\_\_\_\_

Data: \_\_\_\_\_ Base Period \_\_\_\_\_ Forecasted Period \_\_\_\_\_  
 Type of Filing: \_\_\_\_\_ Original \_\_\_\_\_ Updated \_\_\_\_\_ Revised \_\_\_\_\_  
 Workpaper Reference No(s): \_\_\_\_\_

Schedule 9  
 Page 2 of 3  
 Witness Responsible: \_\_\_\_\_

Line No.	Description	At Current Rates			At Proposed Rates	
		Unadjusted (1)	Schedule 49 Adjustments (2)	Adjusted (3)	Adjustments (4)	Adjusted (5)
17	Investment Tax Credits	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
18	Federal (State) Income Taxes – Current	_____	_____	_____	_____	_____
19	Deferred Income Taxes:					
20	Tax Accelerated Depreciation					
21	Tax Straight-Line Depreciation					
22	Excess of Accelerated Over Straight-Line Depreciation					
23	Deferred Income Tax @ _____ %					
24	Amortization of Prior Years Deferred Income Taxes					
25	Net Deferred Income Taxes Resulting from Depreciation					
26	Investment Tax Credit Deferred					
27	Amortization of Prior Year ITC					

\*Separate Schedules should be completed for the Federal and State calculations.



Atmos Energy Corporation  
 Case No. 2006-00464  
 Adjusted Jurisdictional Federal and \_\_\_\_\_ State Income Taxes\*  
 For the 12 Months Ended \_\_\_\_\_

Data: \_\_\_\_\_ Base Period \_\_\_\_\_ Forecasted Period \_\_\_\_\_  
 Type of Filing: \_\_\_\_\_ Original \_\_\_\_\_ Updated \_\_\_\_\_ Revised \_\_\_\_\_  
 Workpaper Reference No(s): \_\_\_\_\_

Schedule 9  
 Page 3 of 3  
 Witness Responsible: \_\_\_\_\_

Line No.	Description	At Current Rates		At Proposed Rates		
		Unadjusted (1)	Schedule 49 Adjustments (2)	Adjusted (3)	Adjusted (4)	Adjusted (5)
28	Investment Tax Credit – Net	\$	\$	\$	\$	
29	Other Tax Deferrals (Specify and List Separately)					
30	Total Deferred Income Taxes					
31	Total Federal (State) Income Taxes (18 + 30)					

\*Separate schedules should be completed for the Federal and State calculations.