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Linda Breathitt  
Commissioner

September 4, 2014

## PARTIES OF RECORD

Re: Case No. 2014-00275  
Application of Atmos Energy Corporation for an  
Order Approving System Development Rider

Attached is a copy of the memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Virginia Gregg, Staff Attorney, at 502-782-2584.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Derouen".

Jeff Derouen  
Executive Director

VG/ch

Attachment

**INTRA-AGENCY MEMORANDUM**  
**KENTUCKY PUBLIC SERVICE COMMISSION**

**TO:** Case File

**FROM:** Virginia Gregg, Staff Attorney

**DATE:** September 4, 2014

**RE:** Case No. 2014-00275  
Application of Atmos Energy Corporation for an  
Order Approving System Development Rider

On August 28, 2014, an Informal Conference ("IC") was conducted at the Commission Offices in Frankfort, Kentucky. In attendance were members of Commission staff, representatives of Atmos Energy Corporation ("Atmos"), and the Office of the Attorney General ("AG"). A list of the attendees is attached hereto. The AG has not intervened in this case, but attended the IC for informational purposes.

The IC was scheduled at the request of Atmos to discuss the filing deficiencies in its application for approval of a System Development Rider ("SDR") which it submitted to the Commission on August 1, 2014. Mark Martin recounted Atmos's history of requesting a System Development Rider ("SDR") tariff in two previous proceedings, and explained that Atmos had not previously had projects that would qualify for recovery through such a tariff. He stated that Atmos had received a letter dated June 4, 2014 from the Mayor of Hopkinsville requesting that it extend natural gas service to two locations in the Hopkinsville area that are currently without natural gas service. According to Atmos, the mayor's letter requested an extension of Atmos's system to an industrial park, where a Walmart distribution center, a medical facility and a manufacturing plant are currently located, and then to a Tennessee Valley Authority designated Megasite. Atmos stated there are currently no customers at the Megasite, and was not aware of any potential customers. The extension would run south along US Highway 41A to its intersection with Interstate 24 and then further south along Interstate 24 to the Megasite. Atmos stated that it considered the extension request as a single project with an estimated cost of construction of \$16,600,000.

Atmos stated that it had informed the Hopkinsville Mayor that the requested extension of its system was not economically feasible and requested that Hopkinsville contribute toward the cost of constructing the proposed extension. Because Hopkinsville would not agree to contribute financially to the project, Atmos stated that the only way for it to pursue this project is with an SDR tariff through which it could recover its investment. In response to questions from Commission Staff, Atmos confirmed that its proposed SDR tariff would allow it to expend up to an aggregate of \$5,000,000 on an annual basis.

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September 4, 2014  
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Finally, there was a general discussion regarding the filing deficiencies identified in Atmos's application and possible options for addressing these deficiencies were reviewed.

The conference was then adjourned.

Attachment

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY )  
CORPORATION FOR AN ORDER APPROVING ) CASE NO.  
SYSTEM DEVELOPMENT RIDER ) 2014-00275

August 28, 2014

Please sign in:

NAME

REPRESENTING

*Mark A. Maty*

*Atmos Energy*

*Jack Dryden*

*atmos - attorney*

*Nancy Vinsel*

*PSC - Legal*

*Jennifer Lee*

*OAG*

*Gregory Dutton*

*OAG*

*Jason Hunt*

*PSC Engineering*

*Tom L...*

*PSC '8*

*MARK GLENN*

*PSC ENGINEERING*

*JEFF SHAW*

*PSC - FA*

*Zach Faulkner*

*PSC FA*

*...*

*PSC*