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March 31, 2016

James Gardner
Acting Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

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PUBLIC SERVICE
COMMISSION

Re: Atmos Energy Corporation
Case No. 2016-00052

Dear Mr. Gardner:

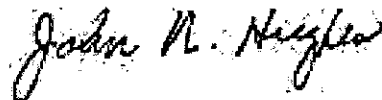
Atmos Energy Corporation submits its responses to the Commission's Second Data Request and a petition for confidentiality for responses to Item 1.

If you have any questions about this filing, please contact me.

Submitted By:

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE FILING OF SEVEN (7) SPECIAL
INDUSTRIAL CONTRACTS BY ATMOS
ENERGY CORPORATION

) CASE NO.
) 2016-00052

PETITION FOR CONFIDENTIALITY

Atmos Energy Corporation (Atmos Energy) petitions for an order granting confidential protection of its responses to Item 1 of the Commission's second request. This petition is filed pursuant to 807 KAR 5:001, Section 13 and KRS 61.878. The information sought in the data requests is commercial information which if disclosed could cause substantial competitive harm to Atmos Energy. This information is not publicly available. It would be difficult or impossible for someone to discover this information from other sources. If this information were available to competitors in this form, they could use it to the competitive detriment of Atmos Energy. This information is not generally disclosed to non-management employees of Atmos Energy and is protected internally by the Company as proprietary information. The disclosure of this proprietary information would result in significant or irreparable competitive harm to Atmos Energy by providing its competitors with non-reciprocal competitive advantage. No public purpose is served by the disclosure of such information.

The Kentucky Open Records Act exempts from disclosure certain confidential or proprietary information. KRS 61.878(1)(c). To qualify for this exemption, and, therefore,

maintain the confidentiality of the information, a party must establish that disclosure of the information would permit an unfair commercial advantage to competitors of the party seeking confidentiality. Staff question 2-01 is the subject of the petition:

Refer to Atmos's response to Commission Staff's First Request for Information ("Staff's First Request"), Item 1.

- a. Explain why the estimated annual volumes for Customer A are different from what is shown on the Analysis of Contribution to Fixed Cost for this customer, which was provided in Atmos's December 16, 2015 special contract filing.
- b. Confirm that the second-tier rate for Customer B is the same as the current rate for that customer. Explain why second-tier revenues for Customer B are shown as new revenue, since second-tier volumes should be priced at the existing rate, and confirm that the only revenue change for Customer B should be the amount shown for first-tier revenues.
- c. Confirm that the second-tier rate for Customer C is the same as the current rate for that customer. Explain why second-tier revenues for Customer C are shown as new revenue, since second-tier volumes should be priced at the existing rate, and confirm that the only revenue change for Customer C should be the amount shown for first-tier revenues.

The responses to these items provide information that identifies customer name, customer identifiable information, such as contracts, location, and specific volumetric usage and plant facilities associated with the customer. All of this information is protected by the scope of confidentiality. The applicable statutes provide that "records confidentially disclosed to an agency or required by any agency to be disclosed to it, generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the

records" shall remain confidential unless otherwise ordered by a court of competent jurisdiction." KRS 81.878(1).

The natural gas industry is very competitive. Atmos Energy has competitors, who could use this information to their advantage and to the direct disadvantage of Atmos Energy. Atmos Energy would be at a competitive threat of loss of business due to the ability of its competitors to leverage the information to their advantage. The public disclosure of the customer name, customer identifiable information, monetary terms negotiated with each customer and critical monetary terms would permit an unfair advantage to those competitors. With the identity of the customer and the knowledge of the contract terms, competitors would have inside information to target these customers. For these reasons, the customer name, customer identifiable information, and monetary terms in the contracts are exempt from public disclosure pursuant to KRS 61.878(c)(1).

The Commission has previously ruled that these contract submissions are confidential in the prior rate case 2013-00148. The contract terms are also excluded from public disclosure by KRS 278.160(3). This same information is the subject of a pending petition for confidentiality filed with the submission of these contracts and in response to the Commission's data requests in Case 2015-00343, which are incorporated by reference.

Atmos Energy requests that the information be held confidentially indefinitely. The statutes cited above do not allow for disclosure at any time. Given the competitive nature of the natural gas business and the efforts of non-regulated competitors to

encroach upon traditional markets, it is imperative that regulated information remain protected and that the integrity of the information remain secure.

For these reasons, Atmos Energy requests that the items identified in this petition be treated as confidential. Should the Commission determine that some or all of the material is not to be given confidential protection, Atmos Energy requests an hearing prior to any public release of the information to preserve its rights to notice of the grounds for the denial and to preserve its right of appeal of the decision.

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