

JOHN N. HUGHES
ATTORNEY AT LAW
PROFESSIONAL SERVICE CORPORATION
124 WEST TODD STREET
FRANKFORT, KENTUCKY 40601

TELEPHONE: (502) 227-7270

jnhughes@johnnhughespsc.com

April 29, 2016

RECEIVED

APR 29 2016

PUBLIC SERVICE
COMMISSION

Aaron Greenwell
Acting Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Re: Atmos Energy Corporation
Case No. 2016-00052

Dear Mr. Greenwell:

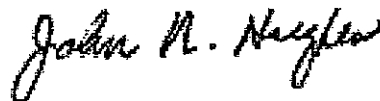
Atmos Energy Corporation submits pursuant to the Order of April 12, 2016, responses to the relevant prior data requests related to special contract (2016-00052 H). A petition for confidentiality for the contract and data responses is also being submitted.

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

Submitted by:

Mark R. Hutchinson
Wilson, Hutchinson and Littlepage
611 Frederica St.
Owensboro, KY 42301
270 926 5011
randy@whplawfirm.com

And



John N. Hughes
124 West Todd St.
Frankfort, KY 40601
502 227 7270
jnhughes@johnnhughespsc.com

Attorneys for Atmos Energy Corporation

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) submits an additional special contract, designated 2016-00052 (H) as directed in the Order dated April 12, 2016 and petitions for confidential protection of the contract and supporting information. The April 12 order directed Atmos Energy to submit responses to previously requested data for any additionally filed contracts:

4. Any additional service agreements renegotiated pursuant to the special contract reformations discussed in pages 14-16 of the Direct Testimony of Gary L. Smith in Case No. 2015-00343 shall be filed for approval into the record of this proceeding along with all information pertaining to such agreements previously required to be submitted in requests for information.

Information to responses for Item 1 of the Commissions second data request is being submitted with the filing of the contract. This petition is filed pursuant to 807 KAR 5:001, Section 13 and KRS 61.878. The information in the contract and 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

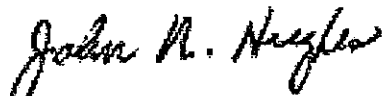
pending petition for confidentiality filed with the submission of these contracts and in response to the Commission's data requests in Case 2015-00343, which are incorporated by reference.

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.

Submitted by:

Mark R. Hutchinson
Wilson, Hutchinson & Littlepage
611 Frederica St.
Owensboro, KY 42303
270 926 5011
Fax: 270-926-9394
Randy@whplawfirm.com



John N. Hughes
124 West Todd Street
Frankfort, KY 40601
502 227 7270
jnhughes@johnnhughespssc.com

Attorneys for Atmos Energy Corporation

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE FILING OF)
SEVEN (7) SPECIAL INDUSTRIAL) Case No. 2016-00052
CONTRACTS BY ATMOS ENERGY)
CORPORATION)

AFFIDAVIT

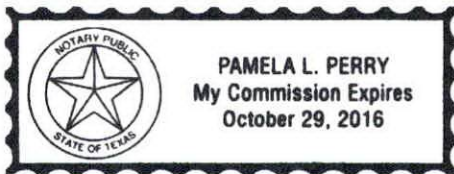
The Affiant, Gary L. Smith, being duly sworn, deposes and states that the attached supplemental responses to Commission Staff's first request for information are true and correct to the best of his knowledge and belief.



Gary L. Smith

STATE OF TEXAS
COUNTY OF DALLAS

SUBSCRIBED AND SWORN to before me by Gary L. Smith on this the 27th day of April, 2016.





Notary Public
My Commission Expires: 10-29-16

Case No. 2016-00052
Atmos Energy Corporation, Kentucky Division
Staff RFI Set No. 1
Question No. 1-01 (Supplement 1)
Page 1 of 1

SUPPLEMENTAL RESPONSE (4/29/2016)

REQUEST:

Provide a comparison of the existing contract rates and proposed contract rates, and the respective annual revenue estimates for each customer to be served under one of the seven special contracts identified as 2016-00052-A through 2016-00052-G in the Commission's February 9, 2016 Order in this proceeding and attached as an Appendix to that Order.

SUPPLEMENTAL RESPONSE:

Please see Confidential redacted supplemental Attachment 1, which has been updated for Customer H.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, Staff_1-01_Att1_Suppl - Redacted - Special Contracts Existing vs Proposed Rates Updated.xlsx, 1 Page.

Respondent: Gary Smith

Atmos Energy Corporation
 Kentucky / Mid-States Division
 Kentucky Operations
 Case No. 2016-00052
 Staff DR Set 2 - 1
 (Clarifying Previous Response to Staff DR Set 1 - 1)
 CONFIDENTIAL

UPDATED: 4/26/2016
 To Include Customer "H"

REDACTED

Line No.	(a) Docket Customer ID	(b) Current Commodity/Mcf	(c) Proposed Commodity/Mcf	(d) Est. Vol (Mcf)	(e) Current Revenue	(f) New Revenue	(g) Revenue Change
1	A						
2	B						
3							
4	F						
5							
6	G						
7							
8							
9	C						
10							
11	E						
12	D						
13	H						
14	Total						

Note 1 -Excludes revenues associated with tariff monthly customer charges and transportation administration fees. These additional charges apply to each customer.

Case No. 2016-00052
Atmos Energy Corporation, Kentucky Division
Staff RFI Set No. 1
Question No. 1-02 (Supplement 1)
Page 1 of 1

SUPPLEMENTAL RESPONSE (4/29/2016)

REQUEST:

Provide a complete description of the unique circumstances of each special contract customer that justify offering the customer a discount from the applicable tariff rate(s). The descriptions should include the specific threat of bypass posed for each customer.

SUPPLEMENTAL RESPONSE:

Please see Confidential redacted supplemental Attachment 1, which has been updated for Customer H, and Confidential supplemental Attachment 2.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, Staff_1-02_Att1_Suppl - Redacted - Special Contract Customer Circumstances.pdf, 2 Pages.

ATTACHMENT 2 - Atmos Energy Corporation, Staff_1-02_Att2_Suppl - Customer H Map (CONFIDENTIAL).pdf, 1 Page.

Respondent: Gary Smith

CONFIDENTIAL

REDACTED

UPDATE: 4/27/2016

Includes Customer "H"

KPSC Case No. 2016-00052

Staff Request 1-2

Unique competitive circumstances for each customer.

Docket Customer ID – A

- Customer consumes
- Located only feet from a potential interstate pipeline tap. (See map attached as Attachment 2)
- Pipeline route is very manageable, adjacent to a roadway.
- Depending on construction and tap costs, avoided tariff transportation charges would provide a simple payback on bypass of
-

Docket Customer ID – B

- Customer consumes
- Located only feet from a potential interstate pipeline tap. (See map attached as Attachment 3)
- Pipeline route is very manageable, adjacent to a roadway.
- Depending on construction and tap costs, avoided tariff transportation charges would provide a simple payback on bypass of

Docket Customer ID – C

- Customer consumes
- Located only feet from a potential interstate pipeline tap. (See map attached as Attachment 4)
- Pipeline route is very manageable, adjacent to a roadway.
- Depending on construction and tap costs, avoided tariff transportation charges would provide a simple payback on bypass of

Docket Customer ID – D

- Customer consumes
- Located only feet from a potential interstate pipeline tap. (See map attached as Attachment 5)
- Pipeline route is very manageable, on farm land along a property line.
- Depending on construction and tap costs, avoided tariff transportation charges would provide a simple payback on bypass of

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REDACTED

KPSC Case No. 2016-00052

Staff Request 1-2

Page 2

Docket Customer ID – E

- Customer consumes
- Located only feet from a potential interstate pipeline tap. (See map attached as Attachment 6)
- Near other large gas consumers who could potentially share/reduce tap and/or pipeline costs.
- Pipeline route is very manageable, on open, undeveloped land.
- Depending on construction and tap costs, avoided tariff transportation charges would provide a simple payback on bypass of . Lower simple payback if costs were shared with other nearby large gas consumers.

Docket Customer ID – F

- Customer consumes
- Located only feet from a potential interstate pipeline tap. (See map attached as Attachment 7)
- Pipeline route is very manageable, adjacent to a roadway.
- Depending on construction and tap costs, avoided tariff transportation charges would provide a simple payback on bypass of years.

Docket Customer ID – G

- Customer consumes
- Located only miles from a potential interstate pipeline tap. (See map attached as Attachment 8)
- Near other large gas consumers who could potentially share/reduce tap and/or pipeline costs.
- Pipeline route is very manageable, on open, undeveloped land and along roadways.
- Depending on construction and tap costs, avoided tariff transportation charges would provide a simple payback on bypass of . Lower simple payback if costs were shared with other nearby large gas consumers.

Docket Customer ID – H

- Customer consumes
- Interstate pipeline tap is located (See map attached as Attachment 9)
- Customer owns piping
- Depending on construction and tap costs, avoided tariff transportation charges could provide a simple payback on bypass of

Case No. 2016-00052
Atmos Energy Corporation, Kentucky Division
Staff RFI Set No. 1
Question No. 1-03 (Supplement 1)
Page 1 of 1

SUPPLEMENTAL RESPONSE (4/29/2016)

REQUEST:

State whether any contract term, other than the rate(s), relating to the provision of service to any of the seven special contract customers is being changed in the proposed contracts. If so, list each change for each customer.

SUPPLEMENTAL RESPONSE:

Please see Confidential redacted supplemental Attachment 1, which has been updated for Customer H.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, Staff_1-03_Att1_Suppl - Redacted - Special Contract Terms.pdf, 2 Pages.

Respondent: Gary Smith

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KPSC Case No. 2016-00052

Staff Request 1-3

UPDATE: 4/27/2016

Includes Customer "H"

Changes in contract terms other than pricing

All contracts contain new language regarding confidentiality and electronic flow metering requirements. Additional changes for each contract are as follows:

Docket Customer ID – A

- All volumes on
- Updated Peak Day Volume
- Updated Peak Hour Volume
- Added MDQ

Docket Customer ID – B

- Updated T-3 Peak Day Volume
- Updated T-3 Peak Hour Volume
- Added T-3 MDQ
- Eliminated T-4 service.
- Changed Primary Term
- Changed term notification requirement

Docket Customer ID – C

- Service Type changed
- No longer identify volumes at varying Priority of Service levels.
- Lowered aggregate Peak Day and Peak Hour Volumes
- Adjusted monthly maximum
- Changed length of term on successive rollovers

Docket Customer ID – D

- Updated Peak Day Volume
- Updated Peak Hour Volume
- Added MDQ

Docket Customer ID – E

- Updated Peak Day Volume
- Updated Peak Hour Volume
- Added MDQ

CONFIDENTIAL

REDACTED

KPSC Case No. 2016-00052

Staff Request 1-3

Page 2

Docket Customer ID – F

- Updated the Peak Day Volume
- Updated the Peak Hour Volume
- Added an MDQ

Docket Customer ID -- G

- Updated Peak Day Volume
- Updated Peak Hour Volume
- Added MDQ
- Adjusted monthly maximum

Docket Customer ID -- H

- Updated Peak Day Volume
- Updated Peak Hour Volume
- Added MDQ
- Eliminated supplemental responsibilities.