

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE  
COMMISSION

In the Matter of:

APPLICATION OF WKG STORAGE, INC. FOR ) CASE NO.  
RATE ADJUSTMENT FOR SMALL UTILITES ) 2016-00053  
PURSUANT TO 807 KAR 5:076 )

ATTORNEY GENERAL'S THIRD REQUEST FOR INFORMATION

Comes now the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Requests for Information to WKG Storage, Inc. (WKG), to be answered by the date specified in the Commission's Order of Procedure, or if amended, on the amended date ordered by the Commission, and in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the witness who will be prepared to answer questions concerning each request.

(3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for WKG with an electronic version of these questions, upon request.

(4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of

the preparer or 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.

(6) If you believe any request appears confusing, please request clarification directly from Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and

diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of

destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) The Attorney General reserves the right to pose additional supplemental data requests on or before the due date specified in the Commission's procedural schedule.

Respectfully submitted,  
ANDY BESHEAR  
ATTORNEY GENERAL



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Application of WKG Storage, Inc. for  
Rate Adjustment for Small Utilities  
Pursuant to 807 KAR 5:076 Case No. 2016-00053  
Attorney General's Third Request for Information

- 1) Reference WKG's response to AG's No. 1-9 to answer the following:
  - a. What does WKG mean by "state assessed?"
  - b. What distinction of WKG allows it not to be considered "state assessed?"
  - c. Please provide copies all of all tax returns filed during the last three (3) years with the U.S. Internal Revenue Service, Kentucky Revenue Cabinet, and all applicable Kentucky-local tax jurisdictions.
- 2) Instead of asking the Commission for an increase in approved rates, why hasn't WKG charged the rates adopted by the Company after the purchase of Kentucky Pipeline and Storage Co., rather than a discounted rate?
- 3) Explain how WKG performed an Arms-length transaction with Atmos Energy Corporation?
- 4) Did WKG offer the rate currently charged to Atmos Energy Corporation to any of its previous clients? If so, provide documentation.
- 5) Reference the release by Kentucky Pipeline and Storage, LLC located at [http://ky.pipeline-awareness.com/user/file/Kentucky/Atmos\\_Pipeline\\_and\\_Storage\\_LLC.pdf](http://ky.pipeline-awareness.com/user/file/Kentucky/Atmos_Pipeline_and_Storage_LLC.pdf) to answer the following:
  - a. Confirm or deny whether the first sentence in the release stating, "Atmos Pipeline and Storage, LLC, a wholly owned subsidiary of Atmos Energy Holdings, Inc., provides gas storage services to customers through its ownership and operation of non-regulated underground natural gas storage facilities and associated transmission pipeline facilities" is correct.

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- 6) Provide any and all documentation of any and all assessment fees or other fees paid to the Commission or Commonwealth of Kentucky for the last three (3) years, excluding income taxes requested in 1, above.
- 7) Reference WKG's response to AG's No. 1-6 to answer the following:
  - a. Provide a detailed and complete narrative as to the relationship of WKG Storage with respect to Orbit Gas Company and Innovative Gas Services, Inc. after WKG's purchase of Kentucky Pipeline and Storage, and why those two companies are no longer customers.
  - b. Explain in complete detail why WKG Storage chose to cease doing business with Orbit Gas Company and Innovative Gas Services, Inc., and instead have Atmos as its sole customer.
  - c. In reference to (b), did WKG Storage cease doing business with Orbit Gas Company and Innovative Gas Services, Inc. since it is a subsidiary of Atmos Energy Corporation?
  - d. Provide any and all documentation related to WKG Storage's shedding or loss of Orbit Gas Company and Innovative Gas Services as customers.
  - e. Provide any and all documentation as to the contractual relationship between WKG Storage and Kentucky Pipeline and Storage before the sale.
  - f. Provide any and all documentation as to the contractual relationship between WKG Storage and any other company prior to its purchase of Kentucky Pipeline and Storage.

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- g. Provide copies of any and all tariffs to which Orbit Gas Company and Innovative Gas Services were held in compliance and state whether the Kentucky Public Service Commission ever approved those tariffs.
- 8) Does WKG use the Atmos name in any form or format to conduct business? If so, does it use a disclaimer that it is an affiliate of Atmos companies? Provide documentation of such use and disclaim.
- 9) Reference WKG's response to AG's No. 1-12 to answer the following:
- a. What rate of return has WKG earned over each of the past three (3) years, year over year?

*Certificate of Service and Filing*

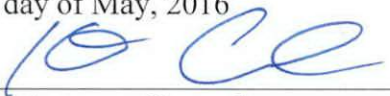
Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to the Acting Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

T. Tommy Littlepage  
Wilson, Hutchinson & Littlepage  
611 Frederica Street  
Owensboro, KENTUCKY 42301

WKG Storage, Inc.  
2929 W Sam Houston Pkwy N, Ste 200  
Houston, TX 77043

Atmos Energy Company  
Atmos Energy Corporation  
3275 Highland Pointe Drive  
Owensboro, KY 42303

This 5<sup>th</sup> day of May, 2016

  
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Assistant Attorney General