

RECEIVED

The Law Offices of

WILSON, HUTCHINSON & LITTLEPAGE

611 Frederica Street
Owensboro, Kentucky 42301
Telephone (270) 926-5011
Facsimile (270) 926-9394

MAY 20 2016

PUBLIC SERVICE
COMMISSION

William L. Wilson, Jr.
Mark R. Hutchinson
T. Tommy Littlepage

bill@whplawfirm.com
randy@whplawfirm.com
ttommv@whplawfirm.com

May 20, 2016

Aaron Greenwell
Acting Executive Director
211 Sower Blvd.
PO Box 615
Frankfort, Kentucky 40602

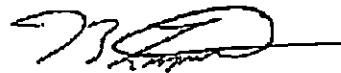
RE: WKG Storage, Inc.
Case No. 2016-00053

Dear Mr. Gardner:

WKG Storage, Inc. submits for filing its responses to the Attorney General's Third Data Request. A copy of the responses has been served on the Attorney General.

If you have any questions concerning this, please let me know. Thank you.

Very truly yours,



T. Tommy Littlepage

Attachments

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF:

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

**PETITION FOR CONFIDENTIALITY FOR ITEM 3-01(c) OF
THE ATTORNEY GENERAL'S THIRD DATA REQUEST**

WKG Storage, Inc., (WKG) petitions for an order granting confidential protection of its responses to Items 3-01(c), attachments 1 through 9 of the Attorney General's third data request. This petition is filed pursuant to 807 KAR 5:001, Section 13 and KRS 61.878. The information sought in the data request is commercial information which if disclosed could cause substantial competitive harm to WKG. 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 WKG. This information is not generally disclosed to non-management employees of WKG 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 WKG 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.

The Attorney General seeks confidential information about the company's state and federal income tax returns in item 3-01(c);

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.

KRS 61.878(1)(k) exempts from public disclosure "all public records or information the disclosure of which is prohibited by federal law or regulation."

Federal law codified in 26 U.S.C.A. 5 6103(a), prohibits state officials from publicly disclosing any federal income tax return or its contents, making the requested federal income tax return exempt.

Returns and return information shall be confidential, and except as authorized by this title ... no officer or employee of any State ... shall disclose any return or return information obtained by him in any manner in connection with his service as such an officer or an employee or otherwise or under the provisions of this section....

The term "return information" means a taxpayer's identity, the nature, source, or amount of his income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, overassessments, or tax payments, whether the taxpayer's return was, is being, or will be examined or subject to other investigation or processing, or any other data, received by, recorded by, prepared by, furnished to, or collected by the Secretary with respect to a return or with respect to the determination of the

existence, or possible existence, of liability (or the amount thereof) of any person under this title for any tax, penalty, interest, fine, forfeiture, or other imposition, or offense. The effect of these two statutes is to preclude disclosure of the federal tax return.

Additionally, KRS 131.190(1) requires that all income tax information filed with the Kentucky Revenue Cabinet be treated in a confidential manner:

**131.190 Information acquired in tax administration not to be divulged
-- Exceptions.**

(1) (a) No present or former commissioner or employee of the Department of Revenue, present or former member of a county board of assessment appeals, present or former property valuation administrator or employee, present or former secretary or employee of the Finance and Administration Cabinet, former secretary or employee of the Revenue Cabinet, or any other person, shall intentionally and without authorization inspect or divulge any information acquired by him of the affairs of any person, or information regarding the tax schedules, returns, or reports required to be filed with the department or other proper officer, or any information produced by a hearing or investigation, insofar as the information may have to do with the affairs of the person's business.

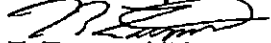
Thus, the requested state income tax return is also confidential and protected from disclosure by KRS 61.878(1)(1), which exempts from the Kentucky Open Records Act "...public records or information the disclosure of which is prohibited or restricted or otherwise made confidential by enactment of the General Assembly."

WKG 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, WKG 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, WKG requests a 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:

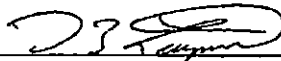


T. Tommy Littlepage
Wilson, Hutchinson & Littlepage
611 Frederica St.
Owensboro, KY 42303
270 926 5011
Fax: 270-926-9394
ttommy@whplawfirm.com

Attorney for WKG Storage, Inc.

CERTIFICATE OF SERVICE AND FILING

Counsel certifies that an original and ten copies of the foregoing were served and filed with the Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601 and upon Kent Chandler, Office of Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601, by First Class U.S. Mail, and upon John N. Hughes as attorney for Atmos Energy Corporation, 124 West Todd Street, Frankfort, KY 40601, on this the ___ day of May, 2016




T. Tommy Littlepage

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

APPLICATION OF WKG STORAGE,)
INC. FOR RATE ADJUSTMENT FOR) Case No. 2016-00053
SMALL UTILITIES PURSUANT TO)
807 KAR 5:076)

AFFIDAVIT

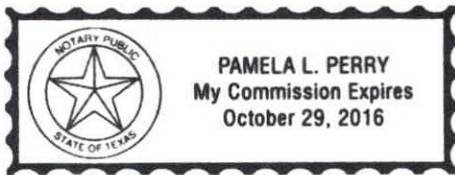
The Affiant, Joe T. Christian, being duly sworn, deposes and states that the attached responses to the Office of the Attorney General's third request for information are true and correct to the best of his knowledge and belief.




Joe. T. Christian

STATE OF TEXAS
COUNTY OF DALLAS

SUBSCRIBED AND SWORN to before me by Joe T. Christian on this the 18th day of May, 2016.





Notary Public
My Commission Expires: 10-29-16

**Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 3
Question No. 3-01
Page 1 of 2**

REQUEST:

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.

RESPONSE:

- a) The term "state-assessed" as it relates to property taxes refers to companies whose property tax value is determined by the state. Public service companies in Kentucky, including natural gas utilities, fall under KRS 136.120, which states that "the Department of Revenue, Office of Property Valuation has the sole responsibility to value and assess all of the property of every corporation, company, association, partnership, or person performing any public service." At this time, the Department of Revenue does not consider WKG Storage, Inc. business activities to meet the definition of "public service" for property tax purposes.
- b) WKG Storage, Inc. is not considered "state-assessed" because it is not considered a public service company for property tax purposes.
- c) Please see Confidential Attachment 1 through Confidential Attachment 9 for the requested tax returns.

ATTACHMENTS:

ATTACHMENT 1 - WKG Storage, Inc., AG_3-01_Att1 - 2013-2015 WKG Storage Consignee TPP Tax Return (CONFIDENTIAL).pdf, 3 Pages.

ATTACHMENT 2 - WKG Storage, Inc., AG_3-01_Att2 - 2013-2015 WKG Personal Property Return E Diamond (CONFIDENTIAL).pdf, 15 Pages.

Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 3
Question No. 3-01
Page 2 of 2

ATTACHMENT 3 - WKG Storage, Inc., AG_3-01_Att3 - 2013-2015 WKG Storage Sales and Use Tax (CONFIDENTIAL).pdf, 24 Pages.

ATTACHMENT 4 - WKG Storage, Inc., AG_3-01_Att4 - 2013-2015 WKG Storage Vehicle Returns (CONFIDENTIAL).pdf, 8 Pages.

ATTACHMENT 5 - WKG Storage, Inc., AG_3-01_Att5 - 2012-2014 Florence Occupational License (CONFIDENTIAL).pdf, 146 Pages.

ATTACHMENT 6 - WKG Storage, Inc., AG_3-01_Att6 - 2012-2014 Louisville Occupational License (CONFIDENTIAL).pdf, 84 Pages.

ATTACHMENT 7 - WKG Storage, Inc., AG_3-01_Att7 - 2012-2014 Owensboro Net Profit License Fee (CONFIDENTIAL).pdf, 160 Pages.

ATTACHMENT 8 - WKG Storage, Inc., AG_3-01_Att8 - 2012-2014 Consolidated Return (CONFIDENTIAL).pdf, 556 Pages.

ATTACHMENT 9 - WKG Storage, Inc., AG_3-01_Att9 - 2012-2014 Kentucky State Return (CONFIDENTIAL).pdf, 89 Pages.

Respondent: Joe Christian

Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 3
Question No. 3-02
Page 1 of 1

REQUEST:

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?

RESPONSE:

Please refer to Statement of Adjusted Operations, Schedule J (Page 26 of 26), Line 13. As indicated on Schedule J, Tariff Revenues (Column (d)) of \$1,575,000 is not a sufficient amount to cover the calculated cost of service of \$2,478,856 and thus unilaterally changing the contract between WKG Storage, Inc. and Atmos Energy's distribution utility would not obviate the need for an Application for Rate Adjustment.

Respondent: Joe Christian

**Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 3
Question No. 3-03
Page 1 of 1**

REQUEST:

Explain how WKG performed an Arms-length transaction with Atmos Energy Corporation?

RESPONSE:

Separate individuals representing Atmos Energy Corporation and WKG Storage, Inc. exercised independent judgment in negotiating a storage contract at a rate that was no greater than the market and cost-based rates for storage services in accordance with KRS 278.2207. This contract was then filed with the Kentucky Public Service Commission.

Respondent: Joe Christian

**Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 3
Question No. 3-04
Page 1 of 1**

REQUEST:

Did WKG offer the rate currently charged to Atmos Energy Corporation to any of its previous clients? If so, provide documentation.

RESPONSE:

WKG Storage, Inc. does not know if it ever offered the specific contract rate currently charged to Atmos Energy Corporation to any of its previous customers.

Respondent: Joe Christian

Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 3
Question No. 3-05
Page 1 of 1

REQUEST:

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.

RESPONSE:

WKG Storage, Inc. believes the referenced release is not a release by Kentucky Pipeline and Storage, LLC, but rather is a release of Atmos Pipeline and Storage, LLC.

WKG Storage, Inc. believes this statement to be true. Atmos Pipeline and Storage, LLC owns other assets in addition to WKG Storage, Inc. Some of these assets provide services that are not rate-regulated. WKG Storage, Inc. believes that the first sentence in the release refers to these other assets as "non-regulated." Notwithstanding that descriptor, WKG Storage, Inc. believes these assets are regulated by other entities such as the Department of Transportation for the purposes of safety.

Respondent: Joe Christian

**Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 3
Question No. 3-06
Page 1 of 1**

REQUEST:

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.

RESPONSE:

Please see the Company's response to AG DR No. 3-01 subpart (c) for copies of the sales and use tax returns, which contain the check copies for all payments made to the Kentucky State Treasurer. All property taxes for WKG Storage, Inc. are assessed and paid locally to Hopkins County. Please note that WKG Storage, Inc. does not pay property taxes to the Commission or the Commonwealth of Kentucky.

Respondent: Joe Christian

Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 3
Question No. 3-07
Page 1 of 3

REQUEST:

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.
- 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.

RESPONSE:

- a) Woodward Marketing, L.L.C., an affiliate of Atmos Energy Corporation, purchased Innovative Gas Services, Inc. (IGS) in August 2001. IGS' working gas balance in the East Diamond storage field was sold to Woodward Marketing, L.L.C. subsequent to the sale of IGS as provided on the Letter of Intent in Attachment 1.

Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 3
Question No. 3-07
Page 2 of 3

Orbit Gas Company provided operational services at the East Diamond storage field at the time WKG Storage, Inc. purchased that storage field. Please see the closing documents provided as Attachment 2 to the Company's response to Staff DR No. 1-01, which reflect an increase in closing price attributable to the amounts owed to Orbit Gas Company for services provided.

- b) WKG Storage, Inc. cannot choose to cease to doing business with a customer. WKG Storage, Inc. offers open-access firm storage service. To the extent that WKG Storage, Inc. has firm storage capacity available it must be willing to sell it in a manner consistent with its tariff.
- c) Please see the response to subpart (b). WKG Storage, Inc. cannot choose to cease doing business with a customer. Also, as an open-access storage provider, WKG Storage, Inc. cannot give preferential treatment to its affiliates.
- d) Please see the responses to subparts (b) and (c). WKG Storage, Inc. cannot choose to "shed" itself of a customer.
- e) WKG Storage, Inc. was created for the purpose of purchasing the assets of Kentucky Pipeline and Storage. WKG Storage, Inc. cannot find any contracts between it and Kentucky Pipeline and Storage other than those relating to the purchase of the East Diamond storage field. However, as part of that transaction, WKG Storage, Inc. did have the right to store gas in the East Diamond Storage Field from March 1, 2001 through July 31, 2001. Please see the closing documents provided as Attachment 2 to the Company's response to Staff DR No. 1-01, which reflect a decrease in closing price for amounts paid by WKG Storage, Inc. for storage in East Diamond.
- f) WKG Storage, Inc. is not aware of any contractual relationship with any other company prior to it entering into its contract to purchase Kentucky Pipeline and Storage.
- g) The only tariff WKG Storage, Inc. has ever operated under is its currently effective tariff, which was accepted by the Kentucky Public Service Commission.

Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 3
Question No. 3-07
Page 3 of 3

ATTACHMENT:

ATTACHMENT 1 - WKG Storage, Inc., AG_3-07_Att1 – Letter of Intent to Purchase IGS.pdf, 5 Pages.

Respondent: Joe Christian

March 8, 2001

Mr. Darwin Subart
WBI HOLDINGS, INC.
1250 West Century Avenue, Suite 100
Bismarck, ND 58506

IN RE: LETTERS OF INTENT DATED MARCH 5, 2001 REGARDING
ACQUISITION OF THE ASSETS OF KENTUCKY PIPELINE AND STORAGE
COMPANY (KYPSCO) AND INNOVATIVE GAS SERVICES (IGS)

Dear Mr. Subart:

This letter is intended to clarify the following matters pertaining to the captioned letters of intent, to-wit:

1. With respect to acquisition of IGS, it is agreed that IGS shall be responsible for receipt/distribution of receivables/payables associated with its business prior to the closing date of the acquisition and that receivables/payables relative to transactions after the closing date of the acquisition shall be the responsibility of Atmos Energy Marketing, L.L.C.

2. With respect to paragraph 1.3 of the letter of intent covering acquisition of East Diamond Storage Field, it is agreed that all amounts, with the exception of fuel retention charges, which WKG Storage, Inc. may pay to KYPSCO under the storage lease between its commencement and the closing of the proposed transaction shall reduce the purchase price due of \$13,200,000.00 on a dollar for dollar basis.

3. It is agreed that in no event should the closing date of the IGS acquisition be earlier than July 1, 2001.

4. In addition to the consideration to be paid for acquisition of IGS, it is agreed that working gas owned by IGS (+/- 200,000 MMBtu) present in the field at the time of closing shall be sold to WKG Storage, Inc. at a cost of \$3.50/MMBtu.

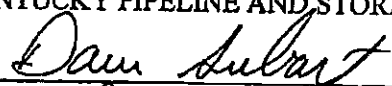
Please evidence your agreement with the foregoing clarification in the space below.

Sincerely,

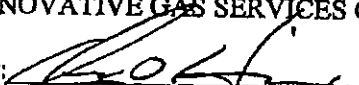
WOODWARD MARKETING, L.L.C.


Brent McDaniel
Director

KENTUCKY PIPELINE AND STORAGE COMPANY

By: 
Name: Darwin Subart
Title: Vice President

INNOVATIVE GAS SERVICES COMPANY

By: 
Name: Dean L. Anderson
Title: President

March 5, 2001

Mr. Darwin Subart
WBI HOLDINGS, INC.
1250 West Century Avenue, Suite 100
Bismarck, ND 58506

Dear Mr. Subart:

This letter of intent ("Letter of Intent"), when executed by Atmos Energy Marketing, LLC, a Delaware limited liability company ("AEM"), which is a wholly-owned subsidiary of Atmos Energy Holdings, Inc., a Delaware corporation, which itself is a wholly-owned subsidiary of Atmos Energy Corporation, a Texas and Virginia corporation, will evidence our mutual intent, as set forth in this Letter of Intent, to enter into a proposed transaction wherein AEM will, for cash in the amount of \$800,000 (the "Purchase Price"), acquire all of the assets of Innovative Gas Services Company, a Kentucky corporation ("IGS"), which is a wholly-owned subsidiary of WBI Holdings, Inc., a Delaware corporation ("WBI") (the "Proposed Transaction"). IGS is referred to herein as "Seller," while AEM is referred to as "Buyer". Both Seller and Buyer are referred to herein individually as a "Party" and collectively as the "Parties".

The matters set forth in this Letter of Intent constitute an expression of our mutual intent only and do not constitute a binding agreement between the Parties with respect to the Proposed Transaction. Any such binding agreement would arise only as a result of the negotiation, corporate approval, execution and delivery of a written definitive agreement (the "Agreement"). Neither Party may bring any claim or action against the other Party or any of its officers, directors, employees, consultants or advisors as a result of a failure to agree on or enter into such an Agreement, or as a result of the withdrawal or cancellation of this Letter of Intent.

1.1 Parties' Obligation to Negotiate. The Parties agree to negotiate in good faith to finalize and consummate the Agreement, which provisions are consistent with the terms of this Letter of Intent.

1.2 Adjustments to Purchase Price. The Purchase Price will be adjusted for changes in net working capital, capital expenditures, fixed asset depreciation as well as other customary closing adjustments, which are typical in an asset sale and purchase transaction, from the date of the execution of the Agreement to the date of the closing of the Proposed Transaction.

1.3 Conditions to Consummation. The consummation of the Proposed Transaction is subject to the satisfaction, in each Party's sole discretion, of the following conditions and such other conditions as either Party may reasonably require:

- (a) negotiation, approval, execution and delivery of a mutually satisfactory Agreement, consistent with the terms of this Letter of Intent, as well as representations and warranties, covenants, conditions, events of default, indemnities, assignment provisions and such other terms and conditions as mutually agreed to by the Parties and which are customary and appropriate for transactions of this nature;

- (b) completion of all due diligence by Buyer, which is satisfactory to Buyer in its sole discretion;
- (c) approval of the Agreement by the management of Seller and Buyer;
- (d) receipt by both Parties and their respective affiliates of any required consents or approvals from third parties and federal and state governmental authorities; and
- (e) negotiation, approval, execution and delivery by Seller and Buyer or their respective affiliates, as applicable, of such other documents and instruments as may be reasonable or necessary to consummate the Proposed Transaction.

The closing of the Proposed Transaction shall be consummated no later than 30 days following the satisfaction of all conditions precedent to the Proposed Transaction as set forth above.

1.4 Fees and Expenses. Each Party shall bear and pay all costs and expenses incurred by it in connection with the negotiation, consideration, and evaluation of the Proposed Transaction regardless of whether the Agreement is executed or the Proposed Transaction is consummated.

1.5 Termination. This Letter of Intent shall terminate in its entirety and be of no further force and effect at 6 p.m. Central Time, on April 16, 2001 without any further notice being necessary if the Agreement has not been executed by the Parties thereto on or prior to such time. In any event, the termination of this Letter of Intent shall not impair or otherwise affect any rights or remedies of the Parties for any prior breach of any obligation set forth herein.

1.6 Representations and Warranties. The Parties hereby represent and warrant to each other that this Letter of Intent: (i) has been validly executed and delivered, and (ii) has been duly authorized by all actions necessary for the authorization thereof.

1.7 Assignment. Except as to an assignment to a corporation or entity under common control by or with a party hereto, no rights under this Letter of Intent may be assigned by either Party without the prior written consent of the other Party.

1.8 Confidentiality. Except (i) as required by law, (ii) as necessary in connection with either Party's securing any and all necessary approvals for the Agreement and the Proposed Transaction, or (iii) as necessary in connection with any other facet of the Proposed Transaction (including discussions with attorneys, accountants, contractors, financial consultants and other special consultants), neither Party shall disclose the terms and conditions of this Letter of Intent or the Agreement (the "Confidential Documents") to any third party without prior approval by the other Party. Subsequent to the execution of this Letter of Intent, the Parties agree that, prior to any disclosure being made to a third party pursuant to clause (iii) of the preceding sentence, the disclosing Party will inform the non-disclosing Party of the disclosing Party's desire to disclose information concerning the Proposed Transaction to such third party, will enter into a confidentiality agreement with said third party on terms substantially similar to this Section 1.8, and will provide the non-disclosing Party with a copy of such executed confidentiality agreement. In the event that either Party is required in legal proceedings or similar process or otherwise by law to disclose any of the terms and conditions of the Confidential Documents, that Party shall provide to the other Party adequate prior written notice of any such request or requirement so that the other Party may seek

a protective order or other appropriate remedy to limit such disclosure to protect its interests. In the absence of a protective order or other remedy, the disclosing Party may disclose only that portion of the Confidential Documents that the disclosing Party's counsel advises in writing is legally required.

1.9 LIMITATION OF LIABILITY. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY UNDER ANY PROVISION OF THIS LETTER OF INTENT FOR ANY PUNITIVE, INCIDENTAL, CONSEQUENTIAL, DIRECT, INDIRECT OR EXEMPLARY DAMAGES, IN TORT, CONTRACT, OR OTHERWISE, EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED HEREIN.

1.10 Waiver and Amendment. Except as expressly provided in this Letter of Intent, neither the failure nor the delay on the part of either Party in exercising any right, power or remedy hereunder shall operate as a waiver thereof, or of any other right, power or remedy; nor shall any single or partial exercise of any right, power or remedy preclude any further or other exercise thereof, or the exercise of any other right, power or remedy. Except as expressly provided herein, no waiver of any of the provisions of this Letter of Intent shall be valid unless it is in writing and signed by the Party against whom it is sought to be enforced. No amendment of any of the provisions of this Letter of Intent shall be valid unless it is in writing and signed by both Parties.

1.11 Severability. If any provision of this Letter of Intent is held to be invalid, illegal or unenforceable, the balance of this Letter of Intent shall remain in full force and effect and this Letter of Intent shall be construed in all respects as if such invalid, illegal or unenforceable provision were omitted. If any provision is inapplicable to any person or circumstance, it shall, nevertheless, remain applicable to all other persons and circumstances.

1.12 No Partnership. The Parties agree that no joint venture, partnership, or other fiduciary relationship shall be deemed to exist or arise between them or their affiliates, with respect to, or as a result of, the terms of this Letter of Intent and/or the Proposed Transaction.

1.13 Entire Agreement. This Letter of Intent constitutes the entire agreement of the Parties relating to the Proposed Transaction and supersedes all prior discussions, agreements or understandings, whether oral or written, relating to the Proposed Transaction. There are no other written or oral agreements or understandings between the Parties with respect to the Proposed Transaction.

1.14 Non-Inclusive; Non-Binding. This Letter of Intent does not contain all matters upon which agreement must be reached in order for the Proposed Transaction to be completed and is not intended to create a binding and enforceable contract between the Parties and may not be relied upon by either Party as the basis for a contract by estoppel or otherwise.

1.15 Multiple Counterparts. This Letter of Intent may be executed in multiple counterparts, each of which will be considered to be an original.

1.16 Expiration of Letter of Intent. Unless mutually extended by the Parties, the terms, provisions and agreements set forth in this Letter of Intent shall expire and be of no further force and effect if not accepted by Seller on or before March 9, 2001 at 6:00 P.M. Central Time.

1.17 Survival. The provisions of Sections 1.8, 1.9 and 1.17 shall survive the expiration or earlier termination of this Letter of Intent.

1.18 Governing Law. This Letter of Intent shall be governed by and construed in accordance with the laws of the State of Delaware.

Please evidence Seller's acceptance of the above and foregoing terms and conditions by causing this Letter of Intent to be executed in the space provided below and then return an executed original to the attention of the undersigned.

Sincerely,

"BUYER"

ATMOS ENERGY MARKETING, LLC

By: Ronald W. McDowell
Ronald W. McDowell
Vice President *RM*

AGREED TO AND ACCEPTED THIS 8
DAY OF MARCH, 2001.

"SELLER"

INNOVATIVE GAS SERVICES COMPANY

By: Dennis L. Haider
Name: Dennis L. Haider
Title: President

**Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 3
Question No. 3-08
Page 1 of 1**

REQUEST:

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.

RESPONSE:

WKG Storage, Inc. is not aware of using the Atmos Energy name in any form or format to conduct business. WKG Storage, Inc. cannot provide documentation of any "such use and disclaim" because it is not aware of any such use.

Respondent: Joe Christian

Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 3
Question No. 3-09
Page 1 of 1

REQUEST:

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?

RESPONSE:

Utilizing the Annual Report information provided as part of the March 1, 2015 filing, the Company has calculated the following earned return. Please note that all amounts are unadjusted per book numbers.

<u>Annual Rpt Ref #</u>						
Page	Line	Description	2012	2013	2014	2015
110	22	Total Property	11,468,553	11,152,639	10,836,724	10,354,933
111	69	Total Assets	12,346,207	11,311,949	11,578,727	11,361,542
112	14	Proprietary Capital	9,177,472	8,866,859	9,299,596	9,016,107
113	68	Total Liabilities & Other Credits	12,346,207	11,311,949	11,578,727	11,361,542
114	2	Operating Revenue	1,470,000	1,470,000	1,470,000	1,470,000
114	4	Operating expenses	417,953	577,176	654,994	1,801,086
114	5	Maintenance Expenses	(134)	(213)	1,187	237,919
114	6	Depreciation Expense	330,252	332,654	334,117	351,757
114	14	Taxes-Other	44,637	74,741	70,896	79,052
114	15	Income Taxes - Federal	327,093	239,828	244,048	(243,250)
114	16	Income Taxes - Other	263	8,716	25,134	(17,785)
114	17	Provision for Deferred IT	(89,543)	(89,818)	(124,770)	(113,416)
114	25	Total Utility Operating Expenses	1,030,521	1,143,084	1,205,606	2,095,363
114	26	Net Utility Operating Income	439,479	326,916	264,394	(625,363)
		Total Assets / Net Utility Op. Inc.	3.6%	2.9%	2.3%	-5.5%
		Proprietary Capital / Net. Utility Op. Inc.	4.8%	3.7%	2.8%	-6.9%

Respondent: Joe Christian