

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)	
ATMOS ENERGY CORPORATION)	CASE NO.
FOR PRP RIDER RATES)	2017-00308

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO ATMOS ENERGY CORPORATION

Atmos Energy Corporation ("Atmos"), pursuant to 807 KAR 5:001, is to file with the Commission an original in paper medium with an electronic version of the following information. The information requested herein is due within seven days of the date of this information request. Responses to requests for information in paper medium shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the 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.

Atmos shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

Atmos fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Atmos shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Atmos's September 26, 2017 response to Commission Staff's Informal Conference Memorandum ("IC DR"), Item 1, and the response to the Attorney General's First Request for Information ("AG DR 1"), Items 1.b. and 1.d.

- a. The response to AG-DR 1, Item 1.b.i. states that through July 31, 2017, the total cost of the Pipeline Replacement Program ("PRP") is approximately \$158.1 million. The question in AG-DR 1, Item 1.b.iii. references the original \$124 million estimate for the total 15 years of the program. State whether Atmos has considered extending the number of years for pipeline replacement pursuant to its PRP beyond 15 years, given that the projected annual increase in customer charges shown in the IC DR, and the \$438 million in total capital investment amounts shown in the AG DR 1, Item 1.b.iv. table for the years 2011 through 2022.

b. Provide any available estimates for expected annual PRP expenditures for the years 2023 through 2025.

c. State whether there are safety concerns inherent in extending the PRP for longer than the originally contemplated 15 years. If so, enumerate the safety concerns in detail.

2. Refer to the response to the IC DR, Item 2.

a. The response references the “potentially” compromised pipe. State whether Atmos has determined that the pipe was compromised, and if not, what would be involved in such a determination. Explain the answer in full detail.

b. Provide a discussion of the possible safety impact of operating a compromised pipe.

c. State whether the referenced Safety Related Incident Report is the Gas Transmission MAOP Exceedance Report (“MAOP Report”) which references the Lake City TB station and which was received by the Commission on January 15, 2014. If so, provide a copy of the report for the record in this proceeding. If it is not the MAOP Report, provide a copy of the referenced Safety Related Incident Report.

d. Confirm that the MAOP Report indicates that the cause of the January 7, 2014 regulator failure was assumed to be ice.

e. Confirm that the MAOP Report indicates that no leaks were found on the 2.5-mile transmission line in two separate leak surveys conducted January 7, 2014, and January 9, 2014, and state whether the additional leak survey referenced in the last sentence of the report was conducted, and whether any leaks were found.

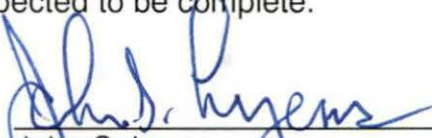
f. Confirm that the MAOP Report indicated after a visual inspection that the Farm Tap valves and regulators could handle the increased pressure.

g. Provide a detailed discussion of the actions taken since January 2014, to verify the safety and reliability of the Lake City Line, or lack thereof, and why it was included in the 2016 PRP filing for 2017 replacement projects, as opposed to earlier replacement following the January 2014 regulator failure.

3. Refer to the response to IC DR, Item 3. Explain why the original 14,700 feet of 2" and 4" pipe which made up the Lake City Line was replaced with 14,700 feet of 6" steel pipe, plus 11,000 feet of high density polyethylene ("HDPE") pipe. Confirm that the larger-diameter pipe and the 11,000 feet of HDPE were both a necessary part of the replacement project, and explain why.

4. Refer to the response to IC DR, Item 4. Provide a detailed discussion of the factors that led Atmos to conclude that the cost of the Lake City Line replacement was not a typical cost in the ordinary course of business and that it qualified for accelerated recovery pursuant to the PRP.

5. State when Atmos began replacing the Lake City Line and the date the replacement was complete, or the date it is expected to be complete.



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DATED SEP 29 2017

cc: Parties of Record

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