

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| ELECTRONIC APPLICATION OF ATMOS |) | CASE NO. |
| ENERGY CORPORATION FOR AN |) | 2018-00281 |
| ADJUSTMENT OF RATES |) | |

COMMISSION STAFF'S POST-HEARING REQUEST FOR INFORMATION
TO ATMOS ENERGY CORPORATION

Atmos Energy Corporation (Atmos), pursuant to 807 KAR 5:001, is to file with the Commission the original in paper medium and an electronic version of the following information. Responses to the information requested herein shall be filed in the record on or before April 12, 2019. If the information necessary to respond to a specific question is not readily available then Atmos shall file responses in the record on or before April 23, 2019. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

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 respond completely and precisely.

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. Provide the number of Atmos staff that have been added to manage the larger capital project expenditures.
2. Provide the total monetary amount of each project listed in Atmos's response to Commission Staff's Third Request for Information (Staff's Third Request) Item 27, Attachment 1.
3. Explain whether any of the current or proposed construction projects are expansion projects designed to serve new Atmos customers.
4. If Atmos does have expansion projects designed to serve new Atmos customers then provide a description of each of the current or proposed construction project(s).

5. Refer to the Rebuttal Testimony of Gregory K. Waller, Exhibit GWK-R-1, page 108 of 121.

a. For fiscal years ending 2009 through 2018, provide a schedule that compares each state's regulated net income and its percentage to Atmos's total regulated net income.

b. For fiscal years ending 2009 through 2018, provide a schedule that compares each state's regulated cash flow and its percentage to Atmos's total regulated cash flow.

6. Refer to Atmos's response to Commission Staff's Fifth Request for Information, Item 2, Attachment 1, and explain whether any of the listed projects were designed by an engineering firm under the same contract or constructed by a contractor pursuant to the same contract.

7. Identify and explain any changes in capital expenditures related to the pipeline replacement program (PRP) since the last rate case, Case No. 2017-00349, and provide a schedule of the estimated cost, by category, necessary to complete the PRP.

8. Provide the name of the collection agency that Atmos utilizes to collect repair costs from third party/contractors.

9. Provide the fee that the collection agency charges Atmos to collect repair costs from third party/contractors.

10. Provide an organizational chart of the people at Atmos that make the decisions as to who is at fault for incidents of damage to underground utility facilities, including the job title.

11. Explain Atmos's specific process for determining who is at fault for incidents of damage to underground utility facilities.

12. Provide the separate risk assessment studies and risk rankings for pipeline replacement in each state in which Atmos operates, including the Kentucky/Mid-States division.

13. Refer to Atmos's Response to Staff's Third Request, Item 27, Attachment 1. Provide the risk assessment study and risk ranking for each project.

14. With the approved level of capital spending for fiscal year 2019, state the rate at which Atmos would replace all pipes in its system in each state in which it operates (e.g. Atmos testified that it would be 95 years for the Commonwealth of Kentucky).

15. Explain whether Dr. James H. Vander Weide, Ph.D. (Dr. Vander Weide), used forecasted interest rates in the analysis filed in his testimony and rebuttal testimony.

16. Explain whether Dr. Vander Weide's forecast in his testimony and rebuttal testimony included rate increases throughout 2019.

17. Due to the fact that there are no further projected interest rate increases for 2019, explain whether Dr. Vander Weide still supports the accuracy of his forecasts. Provide any updates to Dr. Vander Weide's cost of equity model.

18. Provide the amount of flotation costs included in the return on equity (ROE) for each state in which Atmos operates.

19. Provide Atmos's ROE by state for the three fiscal years ending September 30, 2018.

20. Provide Atmos's size premium contained in the ROE granted by state using each state's most recent proceeding.

21. Refer to the Rebuttal Testimony of Dr. Vander Weide, Exhibit JWV-R-1, Rebuttal Schedule 1, page 1 of 2. Provide an update to Rebuttal Schedule 1 that includes the first quarter of 2019.

22. Refer to the Rebuttal Testimony of Dr. Vander Weide, page 10, Table 2. Provide an update to Table 2 that excludes flotation and size adjustments.

23. Explain why the Non-Residential Interruptible Sales Class is being heavily subsidized in Mr. Raab's cost-of-service studies.

24. Explain why only 10.72 percent of the average increase needed for an equalized return is allocated to the Non-Residential Interruptible Sales Class.

25. Explain whether Atmos's residential class is contributing to the subsidization of the Non-Residential Interruptible Sales Class.

26. If Atmos's residential class is contributing to the subsidization of the Non-Residential Interruptible Sales Class then provide a revised Exhibit PHR-5 and a Revised Schedule M in which the amount of the residential subsidy to the Non-Residential Interruptible Sales Class is removed.

27. If the Commission alters the revenue requirement, provide Atmos's proposal for how to allocate any revenue requirement difference.

28. Provide the number of leaks that Atmos has detected in each type of pipe (e.g., bare steel, low-pressure systems, Aldyl-A, unlocatable plastic pipe, etc.) in the last year and identify the portion of those leaks that were caused by an excavator striking the line for each type of pipe.

29. Provide how many miles of each type of pipeline are left in Atmos's system in Kentucky and how many miles are supposed to be replaced. (e.g., bare steel, low-pressure systems, Aldyl-A, unlocatable plastic pipe, etc.)

30. In Mr. McDill's rebuttal testimony, he stated that Texas has enacted policy measures that mandate the replacement of a certain percentage of high relative risk assets on an annual basis.

a. Provide the percentage of high relative risk assets that Texas policy require Atmos to replace on an annual basis.

b. Provide the percentage of high relative risk assets that Atmos actually replaces in Texas on an annual basis.

c. Describe how a high relative risk asset is defined.

31. Refer to Atmos's response to the Attorney General's First Request for Information, Item 53.

a. Identify the states in which the Supplemental Executive Retirement Program (SERP) expense is allowed for ratemaking purposes.

b. Provide the amount of SERP expense included in Atmos's forecasted test year.

32. Provide an update to Atmos's revenue requirement, and any affected schedules based upon any changes that Atmos has identified to date in this proceeding.

33. Refer to Commission Staff's Second Request for Information, Item 3, and provide an updated table. Also, include what Atmos's average annual bill would be under the proposed rates.



Gwen R. Pinson
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Public Service Commission
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DATED APR 05 2019

cc: Parties of Record

Case No. 2018-00281

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