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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY CORPORATION)	
FOR APPROVAL OF SPECIAL CONTRACT PURSUANT)	CASE No.
TO ITS ECONOMIC DEVELOPMENT RIDER)	2019-00145

ATTORNEY GENERAL’S INITIAL DATA REQUESTS

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Initial Data Requests to Atmos Energy Corp. [hereinafter “Atmos” or “the Company”] to be answered by the date specified in the Commission’s Order of Procedure, 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) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for Atmos 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, 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, 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, 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 regardless of the media or format in which they are stored, 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, 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) 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) "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,

ANDY BESHEAR
ATTORNEY GENERAL



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Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Ms. Gwen R. Pinson, 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:

Hon. John N. Hughes
124 W. Todd St.
Frankfort, KY 40601

Atmos Energy Corporation
3275 Highland Pointe Drive
Owensboro, KY 42303

Hon. Mark R. Hutchinson
Wilson, Hutchinson & Littlepage
611 Frederica St.
Owensboro, KY 42301

This 17th day of June, 2019.



Assistant Attorney General

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to its Economic Development Rider
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1. Reference the application, p. 1, wherein it is stated that Diageo is a "new facility which is currently being served by Atmos Energy."
 - a. State when Atmos first began to provide service to Diageo.
 - b. Provide the tariff and/or contract(s) under which service was being provided prior to April 22, 2019, referenced in the application Exhibit A as "Large Volume Natural Gas Service Agreement No. WKG-1676."
 - c. Provide copies of any other active "Large Volume Natural Gas Service Agreements" that Atmos may have in place with other Kentucky customers.
 - (i) Provide the case number(s) in which the Commission authorized any such special contracts.
2. Does Atmos have any indication that Diageo is or may become capable of bypassing the Atmos system to procure its own gas supply? Discuss in complete detail.
 - a. Provide the approximate distance of the two non-Atmos owned transportation and / or distribution pipelines capable of providing service for Diageo's needs, which are closest to that company's facilities.
3. State whether Atmos currently possesses sufficient capacity to meet all of Diageo's needs for the entire term of the contract period, and whether meeting that company's contractual needs will or could cause a system reliability issue.
4. In order to provide service to Diageo under the terms of the proposed special contract, will Atmos be required to make any extensions and/or expansions of its current facilities, including but not limited to mains, transmission and/or distribution pipelines? If so:
 - a. Provide a complete description with cost estimates for any such expansion.
 - b. Explain whether Atmos will file a petition for a CPCN for any such expansion of facilities, and if not, why not.
 - c. Explain whether Atmos offered Diageo any discount or waiver (whether in whole or in part) of gas main extension costs.
 - d. Explain how Atmos intends to pay for any such expansion, and whether ratepayers will ultimately be required to pay the costs for any such expansion.
 - e. Pursuant to finding paragraph no. 15 in Admin. Case No. 327, provide the cost-benefit analysis comparing the expected revenue stream from the

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number of new jobs and the amount of new capital investment to be created,
to the total costs Atmos will incur by offering the discount and/or waiver.

5. Identify the marginal cost of service studies upon which Atmos relied in setting the special contract which is the subject of the above-styled case. State where the cost of service studies can be found, including the precise schedules and page numbers.
6. Can Atmos demonstrate that the discounted rate exceeds the marginal cost associated with serving Diageo?
7. Demonstrate how customers who do not participate in the special contract will not be adversely affected by the issuance of the subject special contract.
8. Confirm that under the proposed contract: (i) Diageo's discount period will be for four (4) years; (ii) that the discount is 25% for each of those four years; (iii) that the overall term that it will remain on Atmos' system is eight (8) years.
9. In determining the amount of the EDR discount, explain whether Atmos considered offering a lesser discount.
10. Explain how Atmos intends to recover the customer-specific fixed costs associated with serving Diageo over the life of the contract.
11. Have any other existing or potential customers requested service under an EDR tariff?
12. When was Atmos initially contacted by Diageo regarding the proposed special contract?