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PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF ATMOS ENERGY CORPORATION FOR APPROVAL AND CONFIDENTIAL TREATMENT OF A SPECIAL CONTRACT AND COST ANALYSIS INFORMATION SUBMITTED TO THE KENTUCKY PUBLIC SERVICE COMMISSION	)))))	CASE NO._____

APPLICATION AND PETITION FOR CONFIDENTIALITY

Atmos Energy Corporation ('Atmos Energy" or "Company"), by counsel, pursuant to KRS 278.160(3) and 807 KAR 5:001(13) petitions the Commission for approval of the attached special contract and for confidential protection of the matters redacted therein and the supporting cost analysis. One non-redacted and one redacted copy of the special contract and cost analysis are attached.

BACKGROUND

Atmos Energy has entered into a special contract with one of its industrial customers, a copy of which is attached. This contract replaces an existing contract that was previously approved by the Commission. Pursuant to 807 KAR 5:011, Atmos Energy submits the new special contract for approval by the Commission. Consistent with prior orders of the Commission relating to special contracts, Atmos Energy performed a cost analysis related to this special contract to determine whether the anticipated revenue from this customer will

cover all variable costs incurred in serving this customer and also contribute toward the Company's fixed costs. The results of that cost analysis are also attached.

The Company respectfully requests the Commission to accept and approve the attached special contract and grant confidential protection to the matters redacted therein, pursuant to 807 KAR 5:001(13), as well as the related cost analysis.

CONFIDENTIAL PROTECTION

The Commission has consistently granted confidential protection to the terms of special contracts filed by the Company under the provisions of 807 KAR 5:001, Section 13 and KRS 61.878. The Commission did so most recently in the Company's last rate case: In Re: Application of Atmos Energy Corporation For Adjustment of Rates, 2013-00148, Orders dated November 25, 2013, and March 24, 2014.

The information contained in the special contract and the cost analysis is commercial information that if disclosed could cause substantial competitive harm to Atmos Energy. This information is not publicly available. The contract contains a specific covenant that the customer will keep the provisions of the contract confidential. 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 Atmos Energy. This information is not generally disclosed to non-management employees of Atmos Energy 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 Atmos Energy by providing its competitors with non-reciprocal competitive advantage. No public purpose is served by the disclosure of such information.

KRS 61.878 (1)(c) provides that "records confidentially disclosed to an agency or required by any agency to be disclosed to it, generally recognized as confidential or proprietary, which is openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records "shall remain confidential unless otherwise ordered by a court of competent jurisdiction." The natural gas industry is very competitive. Atmos Energy has active competitors, who could use this information to their advantage and to the direct disadvantage of Atmos. Atmos would be at a competitive threat of loss of business due to the ability of its competitors to leverage the information to their advantage. The public disclosure of the customer name, customer identifiable information, monetary terms negotiated with each customer and critical monetary terms would permit an unfair advantage to those competitors. With the identity of the customer and the knowledge of the contract terms, competitors would have inside information to target these customers. For these reasons, the customer name, customer identifiable information, and monetary terms in the contracts are exempt from public disclosure pursuant to KRS 61.878(c)(1). The Commission has also previously ruled that the cost analysis submitted with a special contract filing is believed entitled to confidential protection. See, e.g. In Re: Application of Atmos Energy Corporation for Adjustment of Rate 2013-00148.

Atmos Energy requests that the attached non-redacted special contract and supporting 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 those reasons, Atmos Energy requests that the attached non-redacted copy of the special contract and cost analysis be treated as confidential.

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VERIFICATION

I, Mark A. Martin, being duly sworn under oath state that I am Vice President of Rates and Regulatory Affairs for Atmos Energy Corporation, Kentucky/Midstates Division, and that the statements contained in the foregoing Petition are true as I verily believe.

Mark A. Martin