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#### COMMONWEALTH OF KENTUCKY

#### BEFORE THE PUBLIC SERVICE COMMISSION

OCT 07 2010

PUBLIC SERVICE COMMISSION

In the Matter of:		
An Investigation of Natural Gas	)	
Retail Competition Programs	)	Case No. 2010-00146

### SUPPLEMENTAL RESPONSES OF ATMOS ENERGY CORPORATION TO DATA REQUESTS OF STAND ENERGY DATED JULY 15, 2010

Atmos Energy Corporation ("Atmos"), hereby submits these supplemental responses to the data requests propounded by Stand Energy on July 15, 2010.

Respectfully submitted this 6 day of October, 2010.

Mark R. Hutchinson WILSON, HUTCHINSON, POTEAT & LITTLEPAGE 611 Frederica Street Owensboro, Kentucky 42301

Attorney for Atmos Energy Corporation

#### **CERTIFICATE OF SERVICE**

This is to certify that an original, plus ten (10) copies, of the foregoing was served upon the Kentucky Public Service Commission, 211 Sower Blvd., Frankfort, Kentucky 40602, by overnight delivery, and a true and correct copy of the foregoing was served upon the following by mailing a copy of same to each of them on this the <u>io</u> day of October, 2010:

John M. Dosker Stand Energy Corporation 1077 Celestial Street Rockwood Bldg. Suite 110 Cincinnati, Ohio 45202 Ms. Judy Cooper Manager, Regulatory Services Columbia Gas of Kentucky, Inc. 2001 Mercer Drive PO Box 14241 Lexington, Kentucky 40512-4241

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Lonnie E. Bellar VP State Regulation Louisville Gas & Electric Company 220 W. Main P.O. Box 32010 Louisville, Kentucky 40202

John B. Brown Chief Financial Officer, Treasurer Delta Natural Gas Company, Inc. 3617 Lexington Road Winchester, Kentucky 40391

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> Mark R. Hutchinson Attorney for Atmos Energy

Witness: Mark A. Martin

- 1.3 With regard to your operations pursuant to currently approved tariffs, please respond to the following:
  - A. For the past 24 months, have you waived any requirement set forth in PSC-approved tariffs for any Supplier? If so, identify any such waiver and the Supplier that received the waiver.

REVISED RESPONSE: Yes. The Company does not grant any customer, supplier and/or agent any preferential treatment. The Company attempts to treat all customers, suppliers and/or agents the same under similar circumstances. The Company values its relationships with its customers, suppliers and/or agents and attempts to work with them to resolve any issues that may arise. From time to time, the Company may have made exceptions to its tariffs to remedy a situation. The Company does not maintain a log of such exceptions; but the Company affirmatively states that such exceptions are rare. The Company inadvertently omitted the word "not" in reference to the maintenance of a log in its original response. The Company apologizes for the oversight and for any inconvenience that such oversight may have caused.

B. For the past 24 months, have you waived any requirement set forth in PSC-approved tariffs for any Affiliate? If yes, identify any such waiver and the Affiliate that received the waiver.

REVISED RESPONSE: Yes. Please refer to the response to 1.3a.

C. For the past 24 months, have you waived any requirement set forth in PSC-approved tariffs for any consumer? If so, identify any such waiver and the consumer that received the waiver.

REVISED RESPONSE: Yes. Please refer to the response to 1.3a.

Witness: Mark A. Martin

- 1.4 With respect to the total gas load served by you, please respond to the following:
  - A. Of the total load served by you, (i) identify the quantity/extent of this load that is served by commodity that you obtain from any affiliate, (ii) Identify each affiliate from whom you obtain the commodity identified in (i) above; and, (ii) for the period covering the past 24 months, identify the quantity/extent of the commodity that you obtained from the Affiliate(s) identified in the (ii) above.

REVISED RESPONSE: (i) The Company buys commodity supply from primarily Atmos Energy Marketing, LLC (AEM). The Company also buys commodity from local producers. The Company subscribes to as much local production gas as possible; however, there are obstacles which limit the amount of local production used. The two main obstacles are the quality of the gas and system restrictions. Total purchases of local production gas approximate 1.5% and the rest of the supply is provided by AEM. (ii) AEM is the only affiliate that supplied the Company commodity over the past twenty-four (24) months.

Witness: Mark A. Martin

- 1.5. With regard to your relationship with an unregulated Marketing Affiliate, if any, respond to the following if they are applicable:
  - A. Identify each agreement and contract document between you and your Marketing Affiliate.

REVISED RESPONSE: For the Company's Kentucky operations, the Company only has a NAESB purchase contract with AEM. That contract was approved by the Commission on August 18, 2006.

B. Identify any written agreements and contracts that superseded or were successors to the agreement(s) identified in (a) above.

REVISED RESPONSE: The NAESB purchase contract replaced a purchase, transportation and storage agreement between the Company and AEM that was approved by the Commission on December 3, 2002 and became effective on June 1, 2002.

Witness: Mark A. Martin

- 1.6. With regard to your relationship with an "Asset Manager", if any, respond to the following if they are applicable:
  - A. Identify each agreement and contract document between you and your Asset Manager.

REVISED RESPONSE: Please refer to the response to 1.5a.

B. Identify any written agreements and contracts that superseded or were successors to the agreements(s) identified in (a) above.

REVISED RESPONSE: Please refer to the response to 1.5b.

# Atmos Energy Corporation Stand Energy's Initial Data Request Dated July 15, 2010 Case No. 2010-00146 Witness: Mark A. Martin

1.9. Please respond to the following:

B. How many of the transportation customers described above are supplied commodity by your unregulated Affiliate, Atmos Energy Marketing?

REVISED RESPONSE: AEM serves approximately 170 transportation customers on the Company's Kentucky distribution system. The majority of the remaining transportation customers are served by Constellation, Proliance, and BP. The Company does have a few transportation customers that do not use the service of a marketer.

E. Do you allow your unregulated marketing affiliate to use reserved pipeline capacity (owned by you and paid for by your ratepayers) to deliver gas to the Transportation customers of your unregulated marketing affiliate on the Atmos system? Is the price paid by Atmos Energy Marketing discounted? If so, by how much?

REVISED RESPONSE: Yes. Per the terms of the asset management contract, AEM has the opportunity to use the Company's idle capacity. The Company has first right to its capacity, so any use of idle capacity by AEM would be purely on an interruptible basis. All compensation received per the terms of the asset management contract flow through the Gas Cost Adjustment (GCA) mechanism to our ratepayers.

F. Do you allow your unregulated marketing affiliate to use reserved pipeline capacity (owned by you and paid for by your ratepayers) to deliver gas to the Transportation customers of your unregulated marketing affiliate on any other local distribution system? Is the price paid by Atmos Energy Marketing discounted? If so, by how much?

REVISED RESPONSE: Yes. Please see response to part e.

#### **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/Mid-States Division, and that the statements contained herein are true and correct as I verily believe.

Mark A. Martin

SUBSCRIBED AND SWORN TO before me, a notary public in and for the Commonwealth of Kentucky, by Mark A. Martin, Vice President of Rates and Regulatory Affairs, Atmos Energy Corporation, Kentucky/Mid-States Division, on this 6<sup>th</sup> day of October 2010.

Manaline Furcell
Notary Public