

JOHN N. HUGHES
Attorney at Law
Professional Service Corporation
124 West Todd Street
Frankfort, Kentucky 40601

RECEIVED

JUL 15 2019

PUBLIC SERVICE
COMMISSION

Telephone: (502) 227-7270

Email: jnhughes@johnnhughespsc.com

July 15, 2019

Gwen Pinson
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

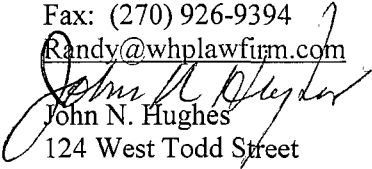
Re: Atmos Energy; Case 2019-00145

Dear Ms. Pinson:

Atmos Energy files its responses to the Commission's Second Data Request.

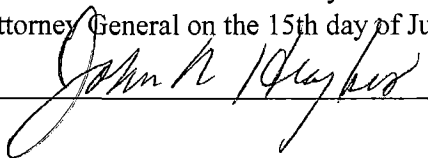
If you have any questions about this matter, please contact me.

Submitted by:

Mark R. Hutchinson
Wilson, Hutchinson & Littlepage
611 Frederica Street
Owensboro KY 42303
(270) 926-5011
Fax: (270) 926-9394
Randy@whplawfirm.com

John N. Hughes
124 West Todd Street
Frankfort, KY 40601
(502) 227-7270
jnhughes@johnnhughespsc.com

Attorneys for Atmos Energy Corporation

Certificate of Service: I certify that a copy of this response was mailed and emailed to the Office of Attorney General on the 15th day of July, 2019.



John N. Hughes

RECEIVED

COMMONWEALTH OF KENTUCKY
BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION

JUL 15 2019

PUBLIC SERVICE
COMMISSION

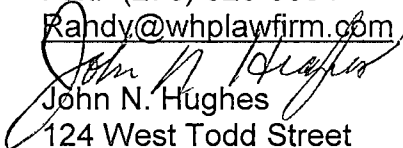
IN THE MATTER OF:

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

RESPONSE TO COMMISSION'S SECOND DATA REQUEST

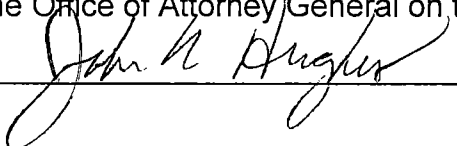
Submitted by:

Mark R. Hutchinson
Wilson, Hutchinson & Littlepage
611 Frederica Street
Owensboro KY 42303
(270) 926-5011
Fax: (270) 926-9394
Randy@whplawfirm.com


John N. Hughes
124 West Todd Street
Frankfort, KY 40601
(502) 227-7270
inhughes@johnnhughespsc.com

Attorneys for Atmos Energy Corporation

Certificate of Service: I certify that a copy of this response was mailed and emailed to the Office of Attorney General on the 15TH day of July, 2019.



Case No. 2019-00145
Atmos Energy Corporation, Kentucky Division
Staff DR Set No. 2
Question No. 2-01
Page 1 of 1

REQUEST:

Refer to Atmos's response to Commission Staff's Initial Requests for Information (Staff's Initial Request), Item 5(b), regarding the 750 Mcf per month demand threshold language in Section 3 of the special contract with Diageo Americas Supply, Inc. (Diageo).

- a. Explain how the 750 Mcf per month demand threshold comports with Atmos's Economic Development Rider (EDR) tariff, which states that the EDR discount may apply to any customer with an expected demand of at least 9,000 Mcf per year.
- b. Atmos's response to Staff's Initial Request, Item 5(b), states that it "intended the last sentence [of Section 3 of the special contract] to refer to 750 Mcf since the 750 Mcf per month equates to the 9,000 Mcf annual threshold." For any year during the discount period, explain how Diageo would be eligible for an EDR discount in accordance with Atmos's EDR tariff if Diageo's demand for certain month exceeds 750 Mcf, but its demand for that year is below 9,000 Mcf.

WITNESS: MARTIN

RESPONSE:

- (a) By requiring Diageo to take at least 750 Mcf per month, it is guaranteed that Diageo will take at least 9,000 Mcf per year. The Company considers meeting a minimum of 750 Mcf per month as meeting the EDR tariff requirement that the customer have an expected demand of at least 9,000 Mcf per year.
- (b) Diageo would not be eligible for an EDR discount if its demand for the year is below 9,000 Mcf. Diageo's anticipated annual usage is approximately 20 times the minimum annual usage of 9,000 Mcf, making it highly unlikely that they would fail to qualify for an EDR discount.

As the Company stated in its response to Staff's Initial Request, Item 5(b): "The Company intended the last sentence to refer to 750 Mcf since the 750 Mcf per month equates to the 9,000 Mcf annual threshold."

Thus the last sentence of the Application, Exhibit A at page 2, Section 3 reads: "Any volumes in excess of 750 Mcf per month will qualify for the Rider's 25% discount to the then current tariff rate for the first four (4) years of this Service Agreement, so long as the 750 Mcf expected demand threshold referenced above is met."

The 750 Mcf demand threshold referenced above is the monthly requirement to take at least 750 Mcf. As previously explained, so long as Diageo takes at least 750 Mcf per month, it must take at least 9,000 Mcf per year.

Case No. 2019-00145
Atmos Energy Corporation, Kentucky Division
Staff DR Set No. 2
Question No. 2-02
Page 1 of 1

REQUEST:

Refer to Atmos's response to Staff's Initial Request, Item 7, page 1 of 2. Provide the calculations illustrating the derivation of the two rates listed under the heading, "Simple Margin, special contract rates applied to annual deliveries."

WITNESS: MARTIN

RESPONSE:

The two rates listed under the heading "Simple Margin, special contract rates applied to annual deliveries" were derived by reflecting the EDR tariff discount of 25% on the Transportation (T-4) rates for transported volumes in excess of 300 Mcf and 15,000 Mcf respectively.

Cell B20: **\$0.7184**=0.75*\$0.9578

Cell B21: **\$0.5748**=0.75*\$0.7651

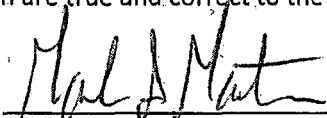
COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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

AFFIDAVIT

The Affiant, Mark A. Martin, being duly sworn, deposes and states that the attached responses to the Commission Staff's second request for information are true and correct to the best of his knowledge and belief.

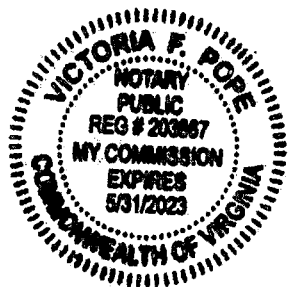


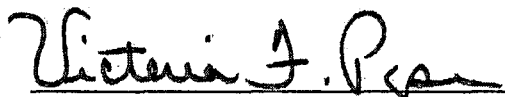
Mark A. Martin

STATE OF VIRGINIA

CITY
COUNTY OF RICHMOND

SUBSCRIBED AND SWORN to before me by Mark A. Martin on this the 15TH day of July, 2019.





Notary Public

My Commission Expires: 05/31/2023