

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY)	
CORPORATION FOR APPROVAL AND)	
CONFIDENTIAL TREATMENT OF A SPECIAL)	CASE NO.
CONTRACT AND COST ANALYSIS)	2020-00023
INFORMATION SUBMITTED TO THE KENTUCKY)	
PUBLIC SERVICE COMMISSION)	

COMMISSION STAFF'S FIRST 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 and ten copies of the following information, with a copy to all parties of record. The information requested herein is due on or before March 13, 2020. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed.

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 completely and precisely respond.

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. Refer to the application, page 1. Atmos states that it has entered into a special contract with one of its industrial customers, and that the contract replaces an existing contract previously approved by the Commission.

a. Provide copies of all prior contracts that Atmos has entered into with the above-referenced industrial customer.

b. Provide the dates when each prior contract with this industrial customer was in effect.

c. Provide a detailed explanation of any modification between the most recent special contract and the proposed special contract with this industrial customer.

d. Provide a comparison of the existing contract rates and the proposed contract rates for the industrial customer.

- e. State how long Atmos has provided utility service to this industrial customer.
 - f. Confirm that Atmos will be providing service to the industrial customer at an existing facility. If not, explain in detail.
 - g. Explain whether Atmos will have to install any new facilities or make upgrades to any of its existing facilities to accommodate the industrial customer.
2. Refer to the application, Analysis of Contribution to Fixed Cost, page 1 of 2.
- a. Explain why Atmos used a 10 percent increase in volumes compared to “Pro-forma Test Year Volumes” in Case No. 2015-00343¹ to calculate the industrial customer’s annual usage.
 - b. Explain the amount included for “Meter Reading, Maintenance and Billing.”
3. Refer to the application, Analysis of Contribution to Fixed Cost, page 2 of 2.
- a. Explain whether the “Measurement/Regulation Station” is an existing or new facility.
 - b. Explain whether the Measurement/Regulation Station’s costs are based on representative projects or the actual costs of this industrial customer’s facilities.
 - c. Provide the origin of the depreciation rates, cost of capital, and capital structure.

¹ Case No. 2015-00343, *Application of Atmos Energy Corporation for an Adjustment of Rates and Tariff Modifications* (KY. PSC Aug. 4, 2016).

4. Confirm that the special contract with the industrial customer will generate sufficient revenue to cover Atmos's variable costs and contribute to fixed costs.

5. Refer to the application, Large Volume Natural Gas Service Agreement.

a. Provide a direct comparison of the price that Atmos intends to charge the industrial customer under the special contract versus what price the industrial customer would be charged under the tariff rate.

b. Explain whether Atmos required in the contract for the industrial customer to be responsible for any additional investment that would be necessary for Atmos to serve the customer in the future. If not, explain why not in full detail.

6. Refer to the application in general. Explain in full detail why Atmos cannot provide service to the industrial customer under Atmos's filed tariffs, but instead must enter into a special contract for service. Be sure to include a discussion of any specific threat of bypass posed by the industrial customer, and provide a detailed map demonstrating the distance that the industrial customer is from a transmission pipeline.

7. Provide a copy of all correspondence, emails, internal reports, notes, etc. concerning contract negotiations for the negotiated rates for the proposed special contract.



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Public Service Commission
P.O. Box 615
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DATED FEB 21 2020

cc: Parties of Record

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