

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF AN)
INCREASE IN R&D RIDER) Case No. 2016-00070
PROPOSED BY ATMOS ENERGY)

ATTORNEY GENERAL'S INITIAL REQUESTS FOR INFORMATION

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Initial Requests for Information to Atmos Energy Corporation to be answered under oath and by the date specified in the Commission's Order of Procedure, and in accord with the following instructions:

- (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) Please identify the witness (es) who will be prepared to answer questions concerning each request.
- (3) Please 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 data requests, 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, please 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, please 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, please 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, 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, please 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) Please provide all spreadsheets used in responses to these requests for information in excel format with all cells unlocked and functional.

(14) The Attorney General reserves the right to pose additional preliminary data requests on or before the due date specified in the Commission's procedural schedule.

Respectfully submitted,

ANDY BESHEAR
ATTORNEY GENERAL



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- (1) With regard to Mark A. Martin's discussion of the R&D surcharge at Page 13, Lines 14 and 15 of his Direct Testimony, please provide the data, analyses, etc. supporting the Company's claim that by 2004 the R&D charge "should have equaled \$0.0174 per Mcf".
- (2) Company Witness Mr. Martin discusses funds collected by the Company from the R&D Rider at Page 15, Lines 1 through 7 of his Direct Testimony. Please provide the following regarding this discussion of the R&D Rider:
 - a) the reasons for the remittance of the R&D Rider funds only to the Gas Technology Institute ("GTI") by the Company; and,
 - b) Atmos Kentucky's annual payment to each trade and/or research organization (including GTI) for each of the last five years.
- (3) Please provide the amount of annual GTI payments made by Atmos Corporate or its service company during each of the last five years.
- (4) Please provide the amount of annual GTI payments made by each Atmos affiliate or division during each of the last five years.
- (5) Please provide a copy of all invoices from GTI to Atmos Kentucky for each of the last five years.
- (6) Please provide the total annual Mcf throughput for each affiliate or division in which GTI payments have been made during each of the last five years.
- (7) Please explain why it is appropriate to collect this one expense in a rider as opposed to incorporating any appropriate level within base rates.
- (8) Refer to page 14 line 21 though page 15 line 1 of Mr. Martin's Direct Testimony wherein he asks himself the question: "Does the proposed R&D unit charge increase create additional revenues for the Company?" and then answers that question with "No."
 - a. Please confirm that the proposed increase in the R&D unit charge will result in increased revenues even though the Company plans to remit the increase in revenues to GTI.
 - b. Please confirm that the Company's funding to GTI or a similar research organization is discretionary, i.e., there is no contractual or other obligation to increase funding to GTI compared to the amount presently recovered through the R&D rider.
- (9) Please refer to Mr. Martin's Direct Testimony starting at page 13, wherein he discusses the proposed increase in the R&D rider surcharge and payments remitted to the Gas Technology Institute ("GTI").

- a. Please provide the quantification of the proposed increase showing the increases attributable to each year until the 2004 level as described in the testimony.
 - b. At page 14, lines 10-13, Mr. Martin states that “Upon investigating what the Company annually contributes to GTI on a company-wide base, it appeared the portion related to Kentucky was quite low.” Please provide a copy of the investigation results and provide the annual amount contributed to GTI by the Company segregated by area or division and in total. If portions related to any areas or divisions are zero, please so designate.
- (10) Please confirm whether additional revenue or cost reductions were added to the Company’s filing related to results of GTI’s research and development efforts. If so, then please identify and quantify all such revenues and/or cost reductions and provide all workpapers and a copy of all supporting documentation.
 - (11) Please provide a copy of the order approving the Company’s R&D Rider in Case No. 99-070.
 - (12) Please provide copies of any reports, testimony, or other documentation supplied to the Company or on behalf of the Company in the last five years that describe the benefits to Kentucky ratepayers originating from support to GTI for research and development.