

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF ATMOS ENERGY CORPORATION
TO ESTABLISH PRP RIDER RATES FOR THE
TWELVE MONTH PERIOD BEGINNING
OCTOBER 1, 2017

CASE NO. 2017-00308

RESPONSE TO STAFF'S DATA REQUEST

Comes now Atmos Energy Corporation ("Company") and submits the following responses to the Staff's requests for information contained in the Informal Conference Memorandum dated September 26, 2017.

Respectfully submitted this 26th day of September, 2017.



WILSON, HUTCHINSON & LITTLEPAGE

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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 following Responses are true and accurate to the best of my knowledge, information and belief formed after a reasonable inquiry.



Mark A. Martin

STATE OF KENTUCKY
COUNTY OF DAVIESS

The foregoing was acknowledged before me by Mark A. Martin, as Vice President of Rates and Regulatory Affairs for Atmos Energy Corporation, Kentucky/Midstates Division, on this the 26th day of September, 2017.



Notary Public

ID NO: 560343

My Commission Expires: 7-30-2020

CERTIFICATE

In accordance with the requirements of 807 KAR5:001, Section 8, I certify that this electronic filing is a true and correct copy of the documents to be filed in paper medium; that the electronic filing has been transmitted to the Commission and to the Attorney General on September 26, 2017; that an original of the filing will be delivered to the Commission within two (2) business days of September 26, 2017; and that no party has been excluded from participation by electronic means.



Mark R. Hutchinson

**ATMOS ENERGY CORPORATION
DATA REQUEST
CASE NO. 2017-00308
IC DR Item 1**

**WITNESS: Mark A. Martin
Vice President of Rates and Regulatory Affairs
Atmos Energy Corporation, Kentucky/Midstates Division**

- Please provide expected PRP rates through 2022 based on the Company's planned investment as outlined in response to AG DR 1.b.iv.

RESPONSE:

Below is a summary that estimates the Company's PRP rates through 2022 assuming the planned investment from AG DR 1.b.iv as well as assuming no rate case activity during this time period.

Tariff Schedule	2018 FILED 8/1/17		2019 ESTIMATE		2020 ESTIMATE		2021 ESTIMATE		2022 ESTIMATE	
	Customer Charge	Volumetric Charge	Customer Charge	Volumetric Charge	Customer Charge	Volumetric Charge	Customer Charge	Volumetric Charge	Customer Charge	Volumetric Charge
RESIDENTIAL (Rate G-1)	\$ 3.29	0.0000	\$ 5.30	0.0000	\$ 7.52	0.0000	\$ 9.97	0.0000	\$ 12.39	0.0000
NON-RESIDENTIAL (Rate G-1)	\$ 11.04	0.0000	\$ 17.77	0.0000	\$ 25.23	0.0000	\$ 33.44	0.0000	\$ 41.56	0.0000
INTERRUPTIBLE (Rate G-2)	\$ 46.98		\$ 75.60		\$ 107.37		\$ 142.28		\$ 176.85	
	Sales: 1-15,000	0.0826		0.1329		0.1887		0.2500		0.3108
	Sales: Over 15,000			0.1001		0.1422		0.1884		0.2342
TRANSPORTATION (T-3)	\$ 45.75		\$ 73.62		\$ 104.55		\$ 138.54		\$ 172.20	
	Interrupt Transport: 1-15,000	0.1083		0.1743		0.2476		0.3281		0.4078
	Interrupt Transport: Over 15,000	0.0816		0.1314		0.1866		0.2472		0.3073
TRANSPORTATION (T-4)	\$ 46.91		\$ 75.49		\$ 107.21		\$ 142.07		\$ 176.59	
	Firm Transport: 1-300	0.2046		0.3293		0.4676		0.6197		0.7702
	Firm Transport: 301-15,000	0.1267		0.2039		0.2896		0.3838		0.4770
	Firm Transport: Over 15,000	0.0987		0.1588		0.2256		0.2989		0.3716

**ATMOS ENERGY CORPORATION
DATA REQUEST
CASE NO. 2017-00308
IC DR Item 2**

**WITNESS: Mark A. Martin
Vice President of Rates and Regulatory Affairs
Atmos Energy Corporation, Kentucky/Midstates Division**

2. With regard to several references to the Lake City Line in Atmos' responses to the AG's First Request, provide a discussion of the safety incident which gave rise to the decision to replace the line.

RESPONSE:

The "Lake City Line" was replaced due to safety and reliability concerns. The integrity of this line became a safety concern when a regulator failed causing the line to be over pressurized. The line was operating above MAOP for a brief period of time. This event triggered a Safety Related Incident Report to be filed. Atmos' personnel and the Commission's safety personnel were in contact concerning this situation. Because of concerns with the potentially compromised pipe, Atmos determined that the most prudent course from a safety and reliability perspective was to replace the line. The Company will proactively communicate to Staff any projects that are included in future PRP filings which are projects that fall outside of the scope of projects as outlined in the Company's testimony in Case No. 2009-00354 and the reason(s) for the project(s) inclusion in the PRP program.

ATMOS ENERGY CORPORATION
DATA REQUEST
CASE NO. 2017-00308
IC DR Item 3

WITNESS: Mark A. Martin
Vice President of Rates and Regulatory Affairs
Atmos Energy Corporation, Kentucky/Midstates Division

3. Provide the details of the existing Lake City Line and the replacement line, including age of the existing line, and length and construction components of both the existing and replacement lines. To the extent that the replacement line exceeds the length of the existing line, provide a discussion of the magnitude of the replacement.

RESPONSE:

The "Lake City Line" was installed at various times. Approximately 4,500 feet of 2" pipe was installed in 1964. Approximately 10,200 feet of 4" pipe was installed at various times from 1966-1982. In 2013, approximately, 1,050 feet was relocated for a customer's building project. The 2" pipe was mill-wrap coated steel pipe, and the 4" pipe was mill-wrap and fusion bonded epoxy coated steel pipe. The Company replaced the "Lake City Line" with approximately 14,700 feet of 6" steel pipe and approximately 11,000 feet of 2" and 4" HDPE pipe. This HDPE pipe was installed at the same time as the old steel pipe was being replaced and in the same ditch above the new replacement pipe. By installing this HDPE pipe, at the same time the old steel pipe was being replaced, the Company was able to eliminate the above ground high pressure farm taps and/or regulator stations being served by the old steel pipe, thereby significantly enhancing the safety and reliability of service.

**ATMOS ENERGY CORPORATION
DATA REQUEST
CASE NO. 2017-00308
IC DR Item 4**

**WITNESS: Mark A. Martin
Vice President of Rates and Regulatory Affairs
Atmos Energy Corporation, Kentucky/Midstates Division**

4. To the extent that the Lake City Line does not meet the original guidelines for inclusion in the PRP, describe in detail the specific safety and reliability concerns which caused Atmos to make the decision to include its replacement for recovery in the PRP.

RESPONSE:

While the "Lake City Line" did not fall into a category identified by the Company in Case No. 2009-00354, its inclusion does meet the guidelines from the Commission's Order in Case No. 2014-00274 per KRS 278.509. As mentioned earlier, a regulator failed which triggered the "Lake City Line" to be operating at above MAOP. Since portions of this line were installed prior to 1970, the Company did not have access to all of the records and information that have been required since 1970. The Company made the decision that it was prudent to replace the line to avoid safety and reliability concerns. Again, the Company will proactively communicate to Staff any projects that are included in future PRP filings which are projects that fall outside of the scope of projects as outlined in the Company's testimony in Case No. 2009-00354 and the reason(s) for the project(s) inclusion within the PRP program.