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February 13, 2019

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

Re: Atmos Energy Corporation:
Case No. 2018-00281

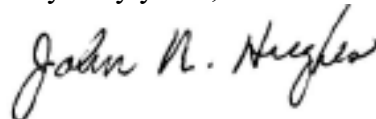
Dear Ms. Pinson:

Atmos Energy Corporation submits its Data Requests to the Attorney General.

I certify that the electronic filing is a complete and accurate copy of the original documents to be filed in this matter, which will be filed within two days of this submission and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.

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

Very truly yours,



John N. Hughes

And

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Attorneys for Atmos Energy
Corporation

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF:

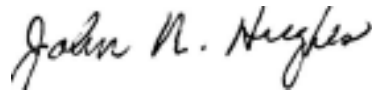
Application of Atmos Energy Corporation)	
for an Adjustment of Rates)	Case No. 2018-00281
and Tariff Modifications)	

REQUESTS FOR INFORMATION TO THE ATTORNEY GENERAL

Atmos Energy Corporation (Atmos Energy), by counsel, submits its requests for information to the Attorney General pursuant to the Commission's order of October 26, 2018.

Submitted by:

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Certification:

I certify that is a true and accurate copy of the documents to be filed in paper medium; that the electronic filing was transmitted to the Commission on February 13, 2019; that an original and one copy of the filing will be delivered to the Commission within two days; and that no party has been excused from participation by electronic means.

John N. Hughes

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF ATMOS ENERGY CORPORATION)	
)	
FOR AN ADJUSTMENT)	Case No. 2018-00281
)	
OF RATES AND TARIFF MODIFICATIONS)	

REQUESTS FOR INFORMATION TO THE ATTORNEY GENERAL

Atmos Energy Corporation (Atmos Energy), by counsel submits its requests for information to the Attorney General pursuant to the Commission’s order of October 26, 2018.

1. Refer to the Kollen Testimony at Page 12, Lines 5-7. Please provide citations to any proceedings other than Case No. 2017-00321 (Duke Electric) Mr. Kollen is aware of where utilities in Kentucky were ordered to adopt Average Life Group (ALG).
2. Please refer to the Kollen Testimony at Page 13, Lines 17-18. Admit or deny that the Commission has previously approved the Equal Life Group (ELG) procedure for the Company’s depreciation rates.
3. Is Mr. Kollen aware of any utilities in Kentucky besides Atmos Energy that use ELG for calculating their depreciation rates?
4. Does Mr. Kollen believe that the ALG is the only acceptable depreciation methodology that a regulatory agency should ever approve for a regulated natural gas utility?
 - a. If, yes, explain why ELG has been approved by state regulatory authorities for natural gas utilities and any factors that distinguish those companies from Atmos Energy
5. Are there any circumstances that would warrant the adoption of ELG for a regulated natural gas utility?
 - a. What are those circumstances?
 - b. Why do none of those circumstances apply to Atmos Energy in this case?
6. Refer to the Kollen Testimony at Page 22, Lines 7-9. Does Mr. Kollen believe that a utility’s required capital expenditures relating to system replacement are related to customer growth or usage growth? Please explain why or why not.
7. Refer to the Kollen Testimony at Page 23, Lines 12-18. Is Mr. Kollen aware of any investor-owned utilities that do not “control” their capital expenditures? If so, please identify them.

8. Refer to the Kollen Testimony at Page 25, Lines 10-18. What percent of the Company's system does Mr. Kollen believe that the current customers would be paying to replace over the next four to six years?
9. Refer to the Kollen Testimony at Page 25, Lines 10-18. What percentage of the Company's system does Mr. Kollen believe current customers should prudently pay to replace over the next four to six years?
10. If the Company were to adopt capital expenditures in line with Mr. Kollen's testimony, would he think it prudent for the Company to routinely have pipelines in service that were over 100 years old?
11. Refer to the Kollen Testimony at Page 26, Line 1-3 and Exhibit LK-16. The testimony recommends that non-PRP capital expenditures included in the test year be limited to the Company's most recent three-year actual non-PRP expenditures. Please indicate which proposed projects in Exhibit LK-16 are unreasonable and/or imprudently proposed by the Company at this time.
 - a. Has Mr. Kollen made any study or is he aware of any information that indicates Atmos Energy's proposed non-PRP capital expenditures are not justified?
12. Refer to the Kollen Testimony at Page 26, lines 1-6. Mr. Kollen has recommended that the Company's test year capital spending should be capped at the historic three-year average.
 - a. Admit or deny that the proposal to cap spending at a historic three-year average, if adopted, would eventually result in a flat level of capital spending.
 - b. What study or analysis has Mr. Kollen performed that supports his conclusion that this capped amount is sufficient to adequately replace aged segments of Atmos Energy's system?
 - c. If Mr. Kollen has performed such a study or analysis, provide the results, including which projects and at what cost, should be performed in the test year.
 - d. If he has not performed such study or analysis, has he consulted with any pipeline safety or system integrity expert related to the particular projects included in the Company's test year capital budget for non-PRP expenditures? If he has, please identify the expert or experts consulted.
13. Refer to the Kollen Testimony at Page 26, Line 1-6 and Exhibit LK-16. Provide a list of projects Mr. Kollen believes are unnecessary or which can be deferred to conform to the timing of the depreciation schedule he proposes.
14. If the Company proposes capital expenditures that are prudent in terms of growth, safety, or integrity concerns, should such expenditures be denied without specific reasons?

15. Please refer to the Kollen Testimony at Section III, Parts A & B. What value did Mr. Kollen attribute to the safety and reliability enhancements that the proposed capital expenditures would provide? Please quantify your response.
16. Given the testimony of Mr. Watson, are all of the experts he cites wrong about the appropriateness of ALG for regulated gas utilities? Explain why they are collectively wrong, or how the Company can be distinguished from the analysis cited by Mr. Watson.
17. The proposed depreciation rates facilitate the replacement of aged facilities. What analysis has Mr. Kollen made to assess the impact of lower depreciation rates he proposes on the safety and integrity of the gas distribution system?
18. Is Mr. Kollen aware of any study or other information that supports the effect of his depreciation proposal, which is lower rates, but a slower replacement of potentially dangerous facilities and increased risk to public safety?
19. Is it Mr. Kollen's position that lower rates are more beneficial to customers than system integrity and public safety?
20. In Mr. Kollen's opinion, what factors determine the balance between lower consumer rates and public safety? How do those factors apply to Atmos Energy in this case?
21. Does Mr. Kollen believe a state regulatory agency should favor lower customer rates over safety?
22. What criteria other than that cited by Atmos Energy does Mr. Kollen believe Atmos Energy should use to assess the need for its non-PRP capital expenditures?
 - a. If Mr. Kollen does not dispute Atmos Energy's pipeline replacement safety criteria, explain how Atmos Energy can meet the goals of the program without the depreciation rates proposed by Mr. Watson?
 - b. Does Mr. Kollen believe that he has better information and more familiarity with the Company's system replacement needs than Atmos Energy?
23. Refer to the Kollen Testimony at Page 23, Lines 12-18. Mr. Kollen testifies that "...the magnitude, timing and prioritization of capital expenditures is discretionary, except for some mandatory projects."
 - a. Please define what qualifies something as a "mandatory project."
 - b. Do the replacement of pipe or facilities that are determined to pose a higher risk to public safety under the Company's Distribution Integrity Management plan qualify as "mandatory projects?"
 - c. Please define what qualifies something as a "discretionary project."
 - d. Please define what projects that have been identified in this case that qualify as "mandatory projects."

24. Please refer to the Kollen Testimony at Pages 41 & 42. When referencing a long term debt issuance made by the Company in October 2018, Mr. Kollen indicates that he finds the Company's failure to include the effects of known financing in a forecast capital structure to be "highly unusual and questionable." Please also refer to the Direct Testimony of Mr. Christian, Page 8, Lines 11 - 18

- a. Confirm that Mr. Christian states, "I would note that two more quarters of actual information will be available (September and December 2018) when rebuttal is filed in this case and therefore could be utilized in establishing a cost of capital in this case. This would pick up incremental long-term debt financing along with additional equity issuances and changes in average short-term debt balances/rates and thus be more reflective of the costs that will be incurred when new base rates go in effect."
- b. Confirm or deny that the Company updated its capital structure and weighted average costs of capital in its rebuttal testimony in Case No. 2017-00349 to reflect post-test period financing activities.
- c. Confirm or deny that if the Company were to update its capital structure and cost of capital in its rebuttal testimony through December 2018 in this proceeding the record would contain the information required for the finder of fact to make a determination of the appropriate cost of capital for Atmos Energy in this proceeding?