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April 22, 2019

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

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

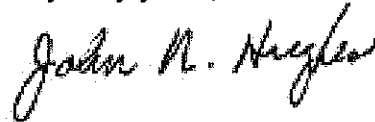
Dear Ms. Pinson:

Atmos Energy Corporation submits its completed responses to the Attorney General's Post Hearing Data Requests, which were not previously filed.

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

Mark R. Hutchinson
Wilson, Hutchinson and Littlepage
611 Frederica St.
Owensboro, KY 42301
270 926 5011
randy@whplawfirm.com

Attorneys for Atmos Energy
Corporation

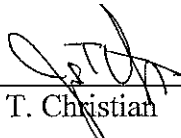
COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF)
RATE APPLICATION OF) Case No. 2018-00281
ATMOS ENERGY CORPORATION)

AFFIDAVIT

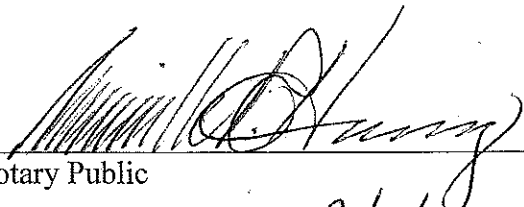
The Affiant, Joe T. Christian, being duly sworn, deposes and states that the attached responses to the Office of the Attorney General's first post-hearing request for information are true and correct to the best of his knowledge and belief.



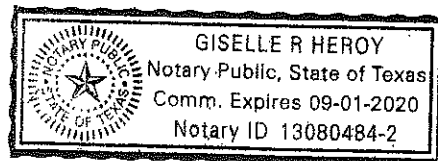
Joe T. Christian

STATE OF Texas
COUNTY OF Dallas

SUBSCRIBED AND SWORN to before me by Joe T. Christian on this the 12th day of April, 2019.



Notary Public
My Commission Expires: 9/1/2020



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF)
RATE APPLICATION OF) Case No. 2018-00281
ATMOS ENERGY CORPORATION)

AFFIDAVIT

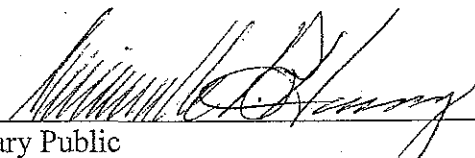
The Affiant, Gregory K. Waller, being duly sworn, deposes and states that the attached responses to the Office of the Attorney General's first post-hearing request for information are true and correct to the best of his knowledge and belief.



Gregory K. Waller

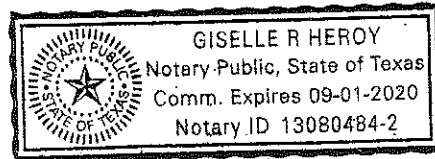
STATE OF Texas
COUNTY OF Dallas

SUBSCRIBED AND SWORN to before me by Gregory K. Waller on this the 11th day of April, 2019.



Notary Public

My Commission Expires: 9/1/2020



Case No. 2018-00281
Atmos Energy Corporation, Kentucky Division
AG Post-Hearing DR Set No. 1
Question No. 1-03
Page 1 of 2

REQUEST:

VTE, April 3 at 10:09:09-10:10:10. For the companies used in Dr. Vander Weide's proxy group, and using the information readily available in each of those companies' relevant SEC filings, provide the calculated debt to common equity ratios of each entity, including short-term debt.

RESPONSE:

Please see Attachment 1, which contains the proxy group capital structures using Value Line's methodology for reporting capital structure discussed by Mr. Christian (Video Transcript Evidence ("VTE"), April 3, 10:05:00 - 10:07:00) as well as capital structures with the current portion of long-term debt included in with long-term debt, which is how capital structure is calculated in this docket.

Please note that an important distinction exists between utilizing proxy companies for evaluating a utility's return on equity versus an evaluation of a company's capital structure for ratemaking purposes.

For proxy companies, as more fully discussed by Dr. Vander Weide in his Direct Testimony, Page 2, Line 20 continuing to Page 3, Line 21, a utility's cost of equity is determined by applying several standard cost of equity methods to market data for a proxy group of utility companies of comparable risk. The practice of using a group of comparable companies, called the comparable company approach, is further supported by the United States Supreme Court standard that the utility should be allowed to earn a return on its investment that is commensurate with returns being earned on other investments of similar risk. See *Bluefield Water Works and Improvement Co. v. Public Service Comm'n.* 262 U.S. 679, 692 (1923) and *Federal Power Comm'n v. Hope Natural Gas Co.*, 320 U.S. 561, 603 (1944).

In contrast, the use of proxy company information as a reference point regarding where one utility (in this case Atmos Energy) lies within the proxy group is informative but not determinative for what an appropriate capital structure should be for ratemaking purposes. Determining a capital structure is not simply an analytical exercise of averaging the proxy company results and using the result to either establish or set a cap on an individual utilities capital structure as the Attorney General's Hearing Exhibit 7 implies. The capital structures of the individual companies can be informative to determine where a utility lies within a range, however it is possible to determine a utilities capital structure from its its own books and records thus using a group average to establish the capital structure is inappropriate since it would not be based on the utility's actual cost that will be incurred. As more fully discussed by Mr. Christian in his Rebuttal

Case No. 2018-00281
Atmos Energy Corporation, Kentucky Division
AG Post-Hearing DR Set No. 1
Question No. 1-03
Page 2 of 2

Testimony, beginning on Page 3, Line 14 continuing to Page 4, Line 14 the Company has requested its actual cost of doing business and believes that the ratio of debt/equity is representative of the ratio that will exist during the period rates will be in effect. Moreover, this is the capital structure that is needed to maintain the financial flexibility and strength to access the competitive capital markets on reasonable terms. Moody's and Investor Service and Standard and Poor's utilize both financial metrics (40%) as well as qualitative factors such as Regulatory Framework (25%) and Ability to Recover Costs and Earn Returns (25%) when evaluating a utilities rating. S&P states in its latest report on Atmos Energy that "We anticipate that Atmos will preserve its balanced capital structure over time at levels that are in line with the regulatory approved capital structure, further supporting its overall credit profile" (AG DR No. 1-22, Attachment 1, Page 32 of 45, first full paragraph; VTE 10:12:55 - 10:14:00), thus confirming that Ratings Agencies pay attention to regulatory commission such as the Kentucky Public Service Commission and rate case outcomes and the Rating Agency's opinion of Atmos Energy will be diminished if we are unable to recover our actual incurred costs.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, AG Post-Hearing_1-03_Att1 - Gas Utility Year End Capital Structure.xlsx, 1 Page.

Respondent: Joe Christian

Post Hearing Data Request AG No. 01-03

VTE, April 3 at 10:09:09--10:10:10. For the companies used in Dr. Vander Weide's proxy group, and using the information readily available in each of those companies' relevant SEC filings, provide the calculated debt to common equity ratios of each entity, including short-term debt.

- 1 Utility Capitalization as Calculated for KY rate cases:
- 2 (Inclusion of Current Portion of Long-Term Debt with Long-Term Debt, including STD in Capitalization)

Company	Filing Type, Page	Year Ending	Current Maturities of		Long-Term Debt	Long-Term Debt + Current Maturities	Common Equity	Total Book Capital	% Short-term Debt	% Long-term Debt	Book Value % Common Equity	Debt / Equity		Jurisdiction	Docket No.	S&P Global Rating	Moody's Rating
			Short-Term Debt	Long-Term Debt								Recent Ratemaking Capital Structure	Capital Structure				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)
3 Atmos Energy	10-Q, 3	31-Dec	0	575,000	3,084,779	3,659,779	5,348,195	9,007,974	0.0%	40.6%	59.4%	42.0%	52.0%	VA	PUE-2018-00014	A	A2
4 Chesapeake Utilities	10-K, 38	31-Dec	294,458	11,935	316,020	327,955	518,439	1,140,852	25.8%	28.7%	45.4%	39.6%	60.4%	DL	D-15-1734	-	B3
5 New Jersey Resources	10-Q, 7	31-Dec	371,700	124,806	1,184,801	1,309,607	1,497,050	3,178,357	11.7%	41.2%	47.1%	46.3%	53.7%	NJ	D-GR-15111304	BBB+	Aa3
6 NiSource Inc.	10-K, 51	31-Dec	1,977,200	50,000	7,105,400	7,155,400	5,750,900	14,883,500	13.3%	48.1%	38.6%	44.0%	56.0%	IN	Ca-44403-TDSC-9	BBB+	Baa2
7 Northwest Nat. Holdings	10-K, 69	31-Dec	217,620	29,989	706,247	736,236	762,634	1,716,490	12.7%	42.9%	44.4%	50.0%	50.0%	OR	D-UG-344	-	-
8 ONE Gas, Inc.	10-K, 54	31-Dec	299,500	11,457	1,285,483	1,296,940	2,042,656	3,639,096	8.2%	35.6%	56.1%	38.9%	61.1%	TX	D-18-KGSG-560-RTS	A	A2
9 South Jersey Inds.	10-K, 70	31-Dec	270,500	733,909	2,106,863	2,840,772	1,267,022	4,378,294	6.2%	64.9%	28.9%	45.8%	54.2%	NJ	D-GR-17010071	BBB	-
10 Southwest Gas	10-K, 25 (Ex 13.01)	31-Dec	152,000	33,060	2,107,258	2,140,318	2,333,421	4,625,739	3.3%	46.3%	50.4%	50.3%	49.7%	NV	D-18-05031 (Southern)	BBB+	Baa1
11 Spire Inc.	10-Q, 7	31-Dec	626,100	175,000	1,992,000	2,167,000	2,284,600	5,077,700	12.3%	42.7%	45.0%	45.8%	54.2%	MO	C-GR-2017-0216	A-	Baa2
12 UGI Corp.	10-Q, 5	31-Dec	676,300	19,500	4,150,700	4,170,200	4,046,600	8,893,100	7.6%	46.9%	45.5%	44.2%	55.8%	PA	D-R-2016-2580030	-	WR
13 Average									10.1%	43.8%	46.1%	44.7%	55.3%				

- 14 Utility Capitalization as Calculated by Value Line:
- 15 (Inclusion of Current Portion of Long-Term Debt with Short-Term Debt, including STD in Capitalization)

Company	Ticker	Year Ending	Short-Term Debt		Long-Term Debt	Common Equity	Total Book Capital	% Short-term Debt	% Long-term Debt	Book Value % Common	
			(d)	(e)							(f)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
16 Atmos Energy	ATO	30-Sep	1,150,780		2,493,665	4,769,951	8,414,396	13.7%	29.6%	56.7%	
17 Chesapeake Utilities	CPK	31-Dec	306,393		316,020	518,439	1,140,852	26.9%	27.7%	45.4%	
18 New Jersey Resources	NJR	30-Sep	275,495		1,180,619	1,418,978	2,375,092	9.6%	41.1%	49.4%	
19 NiSource Inc.	NI	31-Dec	2,027,200		7,105,400	5,750,900	14,883,500	13.6%	47.7%	38.6%	
20 Northwest Nat. Holdings	NWN	31-Dec	247,609		706,247	762,634	1,716,490	14.4%	41.1%	44.4%	
21 ONE Gas, Inc.	OGS	31-Dec	310,957		1,285,483	2,042,656	3,639,096	8.5%	35.3%	56.1%	
22 South Jersey Inds.	SJI	31-Dec	1,004,409		2,106,863	1,267,022	4,378,294	22.9%	48.1%	28.9%	
23 Southwest Gas	SWX	31-Dec	185,060		2,107,258	2,333,421	4,625,739	4.0%	45.6%	50.4%	
24 Spire Inc.	SR	30-Sep	729,100		1,900,100	2,263,300	4,892,500	14.9%	38.8%	46.3%	
25 UGI Corp.	UGI	30-Sep	443,700		4,146,500	4,100,000	8,690,200	5.1%	47.7%	47.2%	
26 Average								13.4%	40.3%	46.4%	

- 27 Per Company Form 10-K, most recent year end, \$000s
- 28 Short-term debt includes short-term debt and current maturities of long-term debt.

Case No. 2018-00281
Atmos Energy Corporation, Kentucky Division
AG Post-Hearing DR Set No. 1
Question No. 1-05
Page 1 of 1

REQUEST:

VTE, April 2 at 3:53:44-3:54:45. Provide information on pipe replacement/capital programs analogous to the PRP Spending, Non-PRP Spending, and Forecast Total Direct Investment in other Atmos jurisdictions, including the name of each program, the historic spending in each program from 2015-2018, projected spending from 2019-2022, and historic and projected customer counts for each of Atmos' other jurisdictions.

RESPONSE:

Please see Attachment 1 for historic customer counts for each of Atmos Energy's utility divisions. The Company does not have a comprehensive projected customer count for each division.

Please see Attachment 2 for program versus non-program investment by state. Please note that the projections of pipeline replacement in Attachment 2 do not take into account future changes in state or federal regulations. Also, year over year variances in mileage replacement are driven by factors including: construction resources, project type and permitting.

The Company would note that while the Kentucky PRP was limited to bare steel and the Colorado SSIR is limited to bare steel, PVC, and GIS information, the Company's other jurisdictions do not have material-specific limitations on what can be replaced..

ATTACHMENTS:

ATTACHMENT 1 - Atmos Energy Corporation, AG Post-Hearing_1-05_Att 1 - Customer Counts FY16-18.pdf, 1 Page.

ATTACHMENT 2 - Atmos Energy Corporation, AG Post-Hearing_1-05_Att2 Program v Non-Program Investment.xls, 1 Page.

Respondent: Greg Waller

AG PH DR 1-05
Attachment 1

FY18	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Average
COKS	250,281	251,861	253,074	253,274	253,480	253,798	253,611	251,965	251,718	251,126	251,915	252,466	252,381
KMD	338,645	344,070	346,890	347,731	347,412	347,407	345,665	340,918	338,807	337,098	337,729	338,104	342,540
LA	347,391	348,917	350,370	350,632	350,089	349,972	349,615	348,885	348,762	348,192	348,685	348,944	349,205
MS	251,663	254,092	256,086	256,904	256,175	255,827	254,983	253,215	252,098	250,919	251,008	250,953	253,660
MTX	1,618,950	1,626,288	1,635,169	1,638,343	1,639,689	1,642,392	1,640,634	1,635,775	1,635,212	1,632,141	1,635,892	1,638,322	1,634,901
WTX	298,141	299,358	301,280	303,159	303,488	303,493	303,002	301,266	300,738	299,765	300,494	301,085	301,272
Total	3,105,071	3,124,586	3,142,869	3,150,043	3,150,333	3,152,889	3,147,510	3,132,024	3,127,335	3,119,241	3,125,723	3,129,874	3,133,958

FY17	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Average
COKS	249,852	251,526	252,135	253,313	253,433	253,664	253,673	254,949	253,912	252,421	252,996	251,977	252,821
KMD	333,867	335,763	343,344	345,721	347,321	347,673	343,543	346,976	342,333	338,132	338,915	335,703	341,608
LA	347,704	346,583	349,788	350,648	351,146	351,038	350,384	351,004	350,280	348,280	349,208	347,245	349,442
MS	253,794	253,687	256,421	258,388	259,017	259,374	256,935	258,344	231,160	228,919	228,313	226,294	247,554
MTX	1,605,959	1,610,693	1,620,440	1,627,742	1,629,031	1,637,874	1,620,984	1,641,953	1,634,148	1,621,851	1,634,501	1,624,238	1,625,785
WTX	298,902	299,803	301,062	302,777	303,659	303,309	302,235	303,474	300,793	300,956	299,606	299,603	301,348
Total	3,090,078	3,098,055	3,123,190	3,138,589	3,143,607	3,152,932	3,127,754	3,156,700	3,112,626	3,090,559	3,103,539	3,085,060	3,118,557

FY16	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Average
COKS	246,444	247,319	249,294	249,139	249,350	250,860	250,225	251,013	250,750	248,958	251,600	249,159	249,509
KMD	330,187	332,882	338,521	339,582	341,386	344,134	340,389	342,106	339,208	335,511	337,613	332,915	337,870
LA	345,430	344,777	347,884	348,571	348,293	350,831	349,670	348,090	351,045	348,177	350,250	347,270	348,357
MS	252,633	252,093	255,665	258,449	257,807	260,280	258,256	257,902	231,620	229,652	231,991	227,669	247,835
MTX	1,588,871	1,586,707	1,604,210	1,607,789	1,605,050	1,617,772	1,603,623	1,622,757	1,616,579	1,611,110	1,618,945	1,607,342	1,607,563
WTX	297,342	297,356	299,483	300,249	300,299	301,262	300,722	300,050	300,197	300,141	300,546	298,220	299,656
Total	3,060,907	3,061,134	3,095,057	3,103,779	3,102,185	3,125,139	3,102,885	3,121,918	3,089,399	3,073,549	3,090,945	3,062,575	3,090,789

Atmos Energy Corporation
Capital Spending Summary by Program
 Fiscals 2015 to Fiscal 2022

In Thousands

	FY 2015 Actual	FY 2016 Actual	FY 2017 ⁽¹⁾ Actual	FY 2018 Actual	FY 2019 Projection	FY 2020 Projection	FY 2021 Projection	FY 2022 Projection
Colorado								
SSIR	4,003	7,740	14,837	13,776	15,764	20,383	23,307	26,591
Non-Program	12,945	11,944	10,388	11,116	13,300	10,725	12,128	12,344
	16,948	19,684	25,325	24,892	29,064	31,077	35,436	38,935
Kansas								
GSRS	11,508	8,278	7,710	11,403	14,874	16,250	17,679	17,200
Non-Program	15,841	13,314	12,931	11,038	11,571	10,753	12,988	13,265
	27,349	21,592	20,641	22,441	26,445	27,003	30,667	30,464
Colorado Kansas Division	44,297	41,276	45,966	47,333	55,509	58,080	66,103	69,899
West Texas System								
8.209	38,055	47,667	57,957	65,383	75,820	87,048	100,105	115,121
Non-Program	27,376	24,354	23,881	26,336	25,818	26,203	26,485	26,730
	65,931	72,021	81,838	91,729	101,738	113,251	126,570	141,850
Triangle								
8.209	-	-	-	-	-	-	-	-
Non-Program	3,704	3,989	2,518	7,187	2,918	2,956	2,986	3,016
	3,704	3,989	2,518	7,187	2,918	2,956	2,986	3,016
West Texas Division	69,635	76,010	84,356	98,916	104,656	115,207	129,556	144,866
Mid Tex								
8.209	208,089	234,220	271,348	412,479	550,464	624,300	710,400	808,590
Non-Program	111,028	119,839	132,743	130,669	137,351	146,969	146,244	147,529
	319,097	354,059	404,091	543,148	687,815	771,268	856,644	956,119
Mid Tex Division	319,097	354,059	404,091	543,148	687,815	771,268	856,644	956,119
Kentucky								
PRP	36,926	29,969	39,898	45,876	29,186	28,000	28,000	28,000
Non-Program	18,512	34,460	32,963	34,044	58,138	69,654	80,252	93,242
	55,438	64,449	72,881	79,920	87,324	96,654	108,252	121,242
Tennessee								
Non-Program (ARM)	25,908	35,653	45,706	53,524	59,253	67,397	74,364	83,288
Virginia								
Non-Program	8,083	8,528	9,563	5,883	4,667	6,785	8,016	8,485
Kentucky Mid-States Division	89,439	108,630	128,150	139,327	151,244	170,835	190,633	213,025
TransLa								
SIIP	23,982	23,310	18,092	22,920	32,083	27,523	31,651	36,399
Non-Program	7,749	7,639	8,168	6,489	7,936	9,162	9,254	9,347
	31,731	31,449	26,260	29,409	40,019	36,685	40,905	45,745
LGS								
SIIP	18,329	31,892	41,836	49,708	51,826	64,079	73,691	84,745
Non-Program	24,480	26,601	28,371	26,939	28,265	26,302	26,565	26,831
	42,809	58,493	70,207	76,647	79,891	90,381	100,256	111,576
Louisiana Division	74,540	89,942	96,467	106,056	119,910	127,066	141,161	157,321
Mississippi								
SIR	32,759	42,342	53,187	66,614	59,759	66,265	75,012	84,013
SGR	3,753	3,807	9,452	(186)	-	-	-	-
SRF	17,867	23,306	18,307	29,113	40,613	44,971	56,485	59,189
	54,179	69,455	80,946	95,532	100,372	111,236	131,496	143,202
Mississippi Division	54,179	69,455	80,946	95,532	100,372	111,236	131,496	143,202
Grand Total	651,437	749,372	839,976	1,030,312	1,216,506	1,354,631	1,515,596	1,683,933

(1) Mid-Tex, West Texas, Atmos-Pipeline Texas and Shared Services capital spend amounts adjusted for Texas Sales Tax refund to reflect actual spend that occurred in FY17.

<i>Sales Use Tax Refund - 2017</i>	Program	Non Program	Total
Mid-Tex	\$ 12,886	\$ 6,484	\$ 19,190
West Texas	312	120	432
Total refund	\$ 13,098	\$ 6,614	\$ 19,622