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January 14, 2022

Linda C. Bridwell
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Re: Atmos Energy Corporation
Case No. 2020-00289

Dear Ms. Bridwell:

Atmos Energy Corporation submits responses to the Third Request for Information.

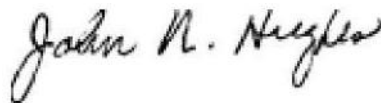
I certify that the electronic documents are true and correct copies of the original documents and that no party has been excused from electronic service.

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

Submitted By:

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And



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Attorneys for Atmos Energy Corporation

Case No. 2020-00289
Atmos Energy Corporation, Kentucky Division
Staff DR Set No. 3
Question No. 3-01
Page 1 of 1

REQUEST:

Identify the delivery location used to determine New York Mercantile Exchange (NYMEX) Settled Closing Price.

RESPONSE:

The location is the Henry Hub. The Henry Hub is a natural gas hub located in Erath, Louisiana, that serves as the official delivery location for futures contracts on the New York Mercantile Exchange (NYMEX). This location is used because it is an extremely liquid trading hub and is connected to several pipelines, including TGP and TGT, which provide the majority of the upstream capacity for the Company in Kentucky. The NYMEX price is also the natural gas price referenced in commonly traded energy derivatives (financial instruments).

Respondent: Rebecca Buchanan

Case No. 2020-00289
Atmos Energy Corporation, Kentucky Division
Staff DR Set No. 3
Question No. 3-02
Page 1 of 1

REQUEST:

Identify the delivery locations to which Atmos currently has access.

RESPONSE:

The Company would note that the use of "delivery" and "receipt" can be confusing. Every delivery point is some other party's receipt location. For clarity, the Company will use the terms "receipt" and "delivery" as stated in its pipeline contracts. The "receipt" points on our contracts tend to be located in zones where natural gas is readily available. The "delivery" points on our contracts are located in zones where our distribution systems are, regardless of whether natural gas is readily available in that zone or not.

On a primary basis, Atmos Energy has access to all the primary delivery points on its pipeline transportation contracts as summarized on the spreadsheet included as Attachment 1 and Attachment 2.

Atmos Energy contracts to purchase volumes based in-part, but not exclusively, on the prices at the zones in which the primary receipt point locations on its pipeline contracts are located. The primary receipt points on Atmos Energy's pipeline contracts are also summarized on Attachment 1 and Attachment 2.

On a non-primary basis, the Company technically has access to every receipt and delivery point on the pipeline systems on which it contracts; however, pipeline capacity prioritization policies do not practically allow us to transport gas to and from those locations.

ATTACHMENTS:

ATTACHMENT 1 - Staff_3-02_Att1 - Asset Portfolio TGT Trunkline ANR.xlsx, 4 Pages.

ATTACHMENT 2 - Staff_3-02_Att2 - TGP Asset Portfolio.xlsx, 2 Pages.

Respondent: Rebecca Buchanan

ATMOS ENERGY CORPORATION
ASSET PORTFOLIO - TGT PIPELINE CONTRACTS

Texas Gas Transmission

Rate Schedule	Contract #	Effective Date	Termination	Renewals	Notice	Service	MDQ MMBtu	Receipt Pt	Rcpt Pt Dth/d	Rcpt Pt Dth/d	Primary Delivery Pt	Delivery Point MDQ	Comments															
NNS	29760	11/1/2020	10/31/2023	5 years	1 year	Storage	43,500	Nominated Receipt Points:	Zone	Nov-Mar	Apr-Oct	Nov-Mar	April	May-Sept	Oct	1,335,000 MSQ MMBtu Unnom'd Seasonal Qty												
<u>Seasonal Quantity Entitlement</u>		<u>Contract Demand(s)</u>		2102 EasTrans-Champlin		1	9,056	9,056	1885 KY Z-2 Deduct	43,500	35,359	21,802	39,041			<table border="1"> <tr> <td>MDIQ</td> <td>% Unnominated Seasonal Qty Injected</td> <td>Max Available Injection Rate (% of USQ)</td> </tr> <tr> <td>0% - 65%</td> <td>1.3% or 17,355</td> <td></td> </tr> <tr> <td>65% - 90%</td> <td>1.1% or 14,685</td> <td></td> </tr> <tr> <td>> 90%</td> <td>0.6% or 8,010</td> <td></td> </tr> </table>	MDIQ	% Unnominated Seasonal Qty Injected	Max Available Injection Rate (% of USQ)	0% - 65%	1.3% or 17,355		65% - 90%	1.1% or 14,685		> 90%	0.6% or 8,010	
MDIQ	% Unnominated Seasonal Qty Injected	Max Available Injection Rate (% of USQ)																										
0% - 65%	1.3% or 17,355																											
65% - 90%	1.1% or 14,685																											
> 90%	0.6% or 8,010																											
Winter 5,153,488		Winter 43,500		2740 Superior-Pure		SL	0	730																				
Summer 3,330,628		Summer 21,802		2847 N. Lake Pagie #1		SL	2,321	2,902																				
		Shoulder Month (April) 35,359		9412 Jefferson Island Storage		SL	2,035	2,035																				
		Shoulder Month (Oct) 39,041		9437 Dynamic-Taylor Point		SL	2,035	2,035																				
		<u>Nominated Daily Quantity</u>		9415 Egan Hub Storage		SL	3,977	3,977																				
		Winter 25,288		2392 LRC-Grand Cheniere		SL	4,088	4,088																				
		Summer 21,802		9028 Gas Energy Dev-Hayes		SL	0	295																				
		2020 Enable-Perryville		2020 Enable-Perryville		1	1,671	0																				
		<u>Unnominated Daily Quantity</u>																										
		Winter 18,212																										
		Shoulder Month (April) 9,207																										
		Shoulder Month (Oct) 12,889																										
		Excess Unnominated Daily 4,350																										
NNS	29762	11/1/2015	10/31/2023	5 years	1 year	Storage	82,000	Nominated Receipt Points:	Zone	Nov-Mar	Apr-Oct	Nov-Mar	April	May-Sept	Oct	2,130,000 MSQ MMBtu Unnom'd Seasonal Qty												
<u>Seasonal Quantity Entitlement</u>		<u>Contract Demand(s)</u>		2102 EasTrans-Champlin		1	7,078	14,692	1985 KY Z-3 SLM Deduct	4,851	4,851	4,035	4,851			<table border="1"> <tr> <td>MDIQ</td> <td>% Unnominated Seasonal Qty Injected</td> <td>Max Available Injection Rate (% of USQ)</td> </tr> <tr> <td>0% - 65%</td> <td>1.3% or 27,690</td> <td></td> </tr> <tr> <td>65% - 90%</td> <td>1.1% or 23,430</td> <td></td> </tr> <tr> <td>> 90%</td> <td>0.6% or 12,780</td> <td></td> </tr> </table>	MDIQ	% Unnominated Seasonal Qty Injected	Max Available Injection Rate (% of USQ)	0% - 65%	1.3% or 27,690		65% - 90%	1.1% or 23,430		> 90%	0.6% or 12,780	
MDIQ	% Unnominated Seasonal Qty Injected	Max Available Injection Rate (% of USQ)																										
0% - 65%	1.3% or 27,690																											
65% - 90%	1.1% or 23,430																											
> 90%	0.6% or 12,780																											
Winter 11,990,000		Winter 82,000		2760 Sligo Plant		1	6,457	0	1988 KY Z-3 SLE Deduct	3,611	3,611	3,003	3,611															
Summer 12,393,110		Summer 67,865		9539 Cotton Valley		1	4,708	3,551	1989 KY Z-3 SBG Deduct	54,896	54,896	45,663	54,896															
		Shoulder Month (April) 81,799		2790 Henry-Hub		SL	9,491	9,491	1990 KY Z-3 SLN Deduct	5,362	5,362	4,460	5,362															
		Shoulder Month (Oct) 81,883		9829 Trunkline-Centerville		SL	25,000	25,000	1995 KY Z-3 Mainline Deduct	13,280	13,079	10,704	13,163															
		<u>Nominated Daily Quantity</u>		9415 Egan Hub Storage		SL	12,249	12,249		82,000	81,799	67,865	81,883															
		Winter 65,298		2392 LRC-Grand Cheniere		SL	10,540	10,540																				
		Summer 67,865		2020 Enable-Perryville		1	2,182	5,236																				
		<u>Unnominated Daily Quantity</u>																										
		Winter 16,702																										
		Shoulder Month (April) 13,934																										
		Shoulder Month (Oct) 14,018																										
		Excess Unnominated Daily 8,200																										
NNS	29763	11/1/2015	10/31/2023	5 years	1 year	Storage	13,500	Nominated Receipt Points:	Zone	Nov-Mar	Apr-Oct	Nov-Mar	April	May-Sept	Oct	376,150 MSQ MMBtu Unnom'd Seasonal Qty												
<u>Seasonal Quantity Entitlement</u>		<u>Contract Demand(s)</u>		2102 EasTrans-Champlin		1	1,900	1,900	1981 KY Z-4 Deduct	13,500	8,838	4,625	9,984			<table border="1"> <tr> <td>MDIQ</td> <td>% Unnominated Seasonal Qty Injected</td> <td>Max Available Injection Rate (% of USQ)</td> </tr> <tr> <td>0% - 65%</td> <td>1.3% or 4,890</td> <td></td> </tr> <tr> <td>65% - 90%</td> <td>1.1% or 4,138</td> <td></td> </tr> <tr> <td>> 90%</td> <td>0.6% or 2,257</td> <td></td> </tr> </table>	MDIQ	% Unnominated Seasonal Qty Injected	Max Available Injection Rate (% of USQ)	0% - 65%	1.3% or 4,890		65% - 90%	1.1% or 4,138		> 90%	0.6% or 2,257	
MDIQ	% Unnominated Seasonal Qty Injected	Max Available Injection Rate (% of USQ)																										
0% - 65%	1.3% or 4,890																											
65% - 90%	1.1% or 4,138																											
> 90%	0.6% or 2,257																											
Winter 1,549,871		Winter 13,500		9539 Cotton Valley		1	1,295	1,295																				
Summer 613,600		Summer 4,625		2790 Henry-Hub		SL	0	221																				
		Shoulder Month (April) 8,838		9895 Texaco-Bayou Sale		SL	0	477																				
		Shoulder Month (Oct) 9,984		* 9045 Lebanon-REX		4	6,055	4,625																				
		<u>Nominated Daily Quantity</u>																										
		Winter 7,773																										
		Summer 4,625																										
		<u>Unnominated Daily Quantity</u>																										
		Winter 5,727																										
		Shoulder Month (April) 2,864																										
		Shoulder Month (Oct) 4,009																										
		Excess Unnominated Daily 1,350																										

* Nominations from Lebanon REX to Atmos' Zone 4 primary delivery point are considered by TGT to be firm out of path service. The asset manager will be responsible for ensuring delivery to the Atmos citygate if the nomination from Lebanon REX is cut.

ATTACHMENT B (continued)

ATMOS ENERGY CORPORATION
 ASSET PORTFOLIO - TGT PIPELINE CONTRACTS

Texas Gas Transmission										Rate Schedule	Contract #	Effective Date	Termination Date	Renewals	Notice	Service	MDQ	Receipt Pt	Rcpt Pt Dth/d	Rcpt Pt Dth/d	Primary Delivery Pt	Delivery Point MDQ				Comments		
										FT (a)	29759	11/1/2015	10/31/2023	5 years	1 year	Transport	16,500	Zone	Jan-Dec				Nov-Mar	April	May-Sept	Oct		
										2102 EasTrans-Champlin	1	4,595											1985 Atmos KY Z-3 SLM Deduct	1,078	1,100	1,100	1,100	Discount from Texas Gas' max FT demand rate.
										2288 GR Southern-Mowata #2	SL	472											1988 Atmos KY Z-3 SLE Deduct	803	200	200	200	
										2740 Superior-Pure	SL	122											1989 Atmos KY Z-3 SBG Deduct	12,198	700	700	700	
										9412 Jefferson Island Storage	SL	1,638											1990 AtmosKY Z-3 SLN Deduct	1,192	10,500	10,500	10,500	
										2601 Fina Oil-Anslem Coulee	SL	47											1995 AtmosKY Z-3 Mainline Deduc	1,229	4,000	4,000	4,000	
										2790 Henry Hub	SL	7,539											TOTAL	16,500	16,500	16,500	16,500	
										9040 ANR-Calumet	SL	553																
										9415 Egan Hub Storage	SL	2,516																
										9103 South Hayes #1	SL	356																
										9880 ANR-Eunice	SL	3,000																

and all secondary receipt points in Zone(s) SL, 1, 2 and 3

Rate Schedule	Contract #	Effective Date	Termination Date	Renewals	Notice	Service	MDQ	Receipt Pt	Rcpt Pt Dth/d	Rcpt Pt Dth/d	Primary Delivery Pt	Delivery Point MDQ				Comments				
FT (a)	31097	11/1/2015	10/31/2023	5 years	1 year	Transport	5,000	Zone	Nov-Mar	Apr-Oct		Nov-Mar	April	May-Sept	Oct					
								2102 EasTrans-Champlin	1	511	511	1981 Atmos KY Z-4 Shipper Ded				5,000	5,000	5,000	5,000	Discount from Texas Gas' max FT demand rate.
								2288 GR Southern-Mowata #2	SL	52	52									
								2740 Superior-Pure	SL	14	14									
								9412 Jefferson Island Storage	SL	182	182									
								2601 Fina Oil-Anslem Coulee	SL	5	5									
								2790 Henry Hub	SL	4,217	3,667									
								9040 ANR-Calumet (rec.)	SL	61	61									
								9415 Egan Hub Storage	SL	280	280									
								9103 South Hayes #1	SL	39	39									
								* 9045 Lebanon-REX	4	1,368	1,918									

and all secondary receipt points in Zone(s) SL, 1, 2, 3 and 4

* Nominations from Lebanon REX to Atmos' Zone 4 primary delivery point are considered by TGT to be firm out of path service. The asset manager will be responsible for ensuring delivery to the Atmos citygate if the nomination from Lebanon REX is cut.

Rate Schedule	Contract #	Effective Date	Termination Date	Renewals	Notice	Service	MDQ	Receipt Pt	Rcpt Pt Dth/d	Rcpt Pt Dth/d	Primary Delivery Pt	Delivery Point MDQ				Comments				
FT (a)	34380	12/16/2014	10/31/2023			Transport	10,000	Zone	Jan-Dec			Jan-Dec								
								8107 TETCO-Evang	SL	1,900		1988 Atmos Zn 3 SLE				3,000				Discount from Texas Gas' max FT demand rate.
								9829 Trunkline-Centerville	SL	1,900		1989 Atmos Zn 3 SBG				7,000				
								2760 SLIGO	1	8,100						10,000				

and all secondary receipt points in Zone(s) SL, 1, 2 and 3

Rate Schedule	Contract #	Effective Date	Termination Date	Renewals	Notice	Service	MDQ	Receipt Pt	Rcpt Pt Dth/d	Rcpt Pt Dth/d	Primary Delivery Pt	Delivery Point MDQ				Comments				
FT** (a) (b)	39041	4/1/2021	3/31/2022 **			Transport	7,000	Zone	Jan-Dec			Jan-Dec								
								8124 Dyersburg	2	7,000		1981 Atmos KY Z-4 Shipper Ded				7,000				Nominations outside this primary path are strictly prohibited.
								all secondary receipt points from Zn 2 Dyersburg through Zn 4				Eligible Secondary Delivery Points:								
												1885 Atmos KY Z-2 Shipper Deduc								
												1985 Atmos KY Z-3 SLM Deduct								
												1988 Atmos KY Z-3 SLE Deduct								
												1989 Atmos KY Z-3 SBG Deduct								
												1990 AtmosKY Z-3 SLN Deduct								
												1995 AtmosKY Z-3 Mainline Deduc								

** Bidder shall assume that when this capacity expires, it will be replaced with like capacity. Bidder must propose index based commodity bid on Bid Form Attachment A that is applicable for the full term of the AMA. Although it is Atmos' intent to replace with like capacity, bidder should not place capacity utilization value on this capacity beyond the initial capacity term indicated above. Nominations outside this primary path are strictly prohibited.

(b) A Discounted Reservation Rate shall apply only to the service and entitlement contract quantities and the receipt and delivery points provided. The specified Primary or Secondary Points must be used to retain Discount Reservation Rate. If Asset Manager forfeits discount by nominating outside of the discount path, Asset Manager will be responsible for reimbursing Atmos for the discount forfeiture.

Rate Schedule	Contract #	Effective Date	Termination Date	Renewals	Notice	Service	MDQ	Receipt Pt	Rcpt Pt Dth/d	Rcpt Pt Dth/d	Primary Delivery Pt	Delivery Point MDQ				Comments			
STF	35772	12/1/2016	3/31/2024			Transport	2,000	Zone	Nov-Mar	Apr-Oct		Nov-Mar	April	May-Sept	Oct				
								9539 Cotton Valley	1	2,000	100	1985 Atmos KY Z-3 SLM Deduct				2,000	0		
												1995 AtmosKY Z-3 Mainline Deduc				0	100		

Rate Schedule	Contract #	Effective Date	Termination Date	Renewals	Notice	Service	MDQ	Receipt Pt	Rcpt Pt Dth/d	Rcpt Pt Dth/d	Primary Delivery Pt	Delivery Point MDQ				Comments			
FT	36773	6/1/2018	5/31/2028			Transport	5,000	Zone	Jan-Dec			Jan-Dec							
								2764 Mitchellville (Portland)	3	5,000		1995 AtmosKY Z-3 Mainline Deduc				5,000			

(a) Atmos has contractual demand discounts for deliveries to the Primary Delivery Points. On any day that deliveries are made to other points and/or in excess of the Daily Contract Demand and are not authorized overrun quantities, then the daily Demand Rate will be Texas Gas's maximum Zone SL-3 FT tariff rate (for k#29759 and k#34380) or Zn SL-4 FT tariff rate (for k#31097 and k#39041) for the applicable volumes delivered to other points or for those non-overrun quantities exceeding the Daily Contract Demand for that day. If Asset Manager forfeits discount by nominating to non-discounted delivery point, Asset Manager will be responsible for reimbursing Atmos for the discount forfeiture.

ATMOS ENERGY CORPORATION
 ASSET PORTFOLIO - TRUNKLINE PIPELINE CONTRACTS

Trunkline Gas Company

<u>Rate Schedule</u>	<u>Contract #</u>	<u>Start</u>	<u>Termination</u>	<u>Notice</u>	<u>Service</u>	<u>MDQ Dth</u>	<u>Months</u>	<u>Rcpt Zn</u>	<u>Primary Receipt Pt</u>	<u>Del Zn</u>	<u>Primary Delivery Pt</u>
FT (b)	14573*	4/1/2020	3/31/2023 *	6 months	Firm Transport	6,000	Nov-Mar	Fld /WLA 81718 NGPL Lakeside		Z1B	82041 West Paducah-Atmos
						1,250	Apr-Oct	Fld /WLA 81718 NGPL Lakeside		Z1B	82041 West Paducah-Atmos

secondary receipts: WLA, Z1A

*Asset Manager shall assume that when this capacity expires, it will be replaced with like capacity. Index based commodity pricing is applicable for the full term of the AMA. Although it is Atmos' intent to replace with like capacity, asset manager should not place capacity utilization value on this capacity beyond the initial capacity term indicated in the RFP.

(b) A Discounted Reservation Rate shall apply only to the service and entitlement contract quantities and the receipt and delivery points provided. The specified Primary or Secondary Points must be used to retain Discount Reservation Rate. If Asset Manager forfeits discount by nominating outside of the discount path, Asset Manager will be responsible for reimbursing Atmos for the discount forfeiture.

ATMOS ENERGY CORPORATION
 ASSET PORTFOLIO - ANR PIPELINE CONTRACTS

UPDATED 3/26/2021

ANR Pipeline Company

Rate Schedule	Contract #	Effective	Termination	Notice	Service	MDQ Dth	Zone	Primary Receipt Pts	Zone	Primary Delivery Pt	Comments
FTS-1 segmented c.	122803 *	4/1/2021			Firm Transport	8,000	ML-2 ML-1	803184 Fayetteville Express 103565 S E Headstation (Apr-Oct only if Atmos notifies asset manager each March of the availability)	ML-3	201846 Stanley Interconnect	

NOTE: Atmos intends to have the receipt points as listed. Asset manager needs to agree to year round gas at Fayetteville price in case SE Headstation isn't released.

Nominations outside the specified path are strictly prohibited.
 Flexible nominations within the path indicated are acceptable

Secondary Receipt Pts	Secondary Delivery Pts	Comments
All ML2 receipts in path	ML-2 153751 Rabbit Ridge ML-2 201838 Beulah ML-3 6470 Slaughters/TGT ML-2 490941 Pine Prairie North ML-2 1292823 Bolivar	Beulah pt is connected but inactive - subject to operational availability. only available if SE Head is released only available if SE Head is released

*Bidder shall assume that when this capacity expires 3/31/2022, it will be replaced with like capacity. Bidder must propose index based commodity bid on Bid Form Attachment A that is applicable for the full term of the AMA. Although it is Atmos' intent to replace with like capacity, bidder should not place capacity utilization value on this capacity beyond the initial capacity term indicated above. Primary or Secondary Points must be used to retain Discount Reservation Rate. If asset manager forfeits discount by nominating outside of the discount path, asset manger will be responsible for reimbursing Atmos for the discount forfeiture.

ATMOS ENERGY CORPORATION
 ASSET PORTFOLIO

Asset Manager is required to comply with all Tennessee Gas Pipeline tariff provisions for the applicable rate schedules.

Tennessee Gas Pipeline - Firm Storage Service

Rate				RECEIPTS					DELIVERIES					Comments
Schedule	Contract #	Termination	Notice	Zone	Leg	Meter	Primary Receipt Pt	MDIQ	Zone	Leg	Meter	Primary Delivery Pt	MDWQ	
FS-MA	2383	3/31/2025	12 months	1	100	460025	Storage - Portland-MA	6,026	1	100	460025	Storage - Portland-MA	19,784	MSQ 903,859 MMBtu No ratchets per contract
FS-PA	2384	3/31/2025	12 months	1	100	460020	Storage - Portland-PA	2,731	1	100	460020	Storage - Portland-PA	2,914	MSQ 409,679 MMBtu No ratchets per contract

Tennessee Gas Pipeline - Firm Transportation Service

Rate				RECEIPTS							DELIVERIES														
Schedule	Contract #	Termination	Notice	Zone	Leg	Meter	Primary Receipt Pt	MDQ Dth						Zone	Leg	Meter	Primary Delivery Pt	Dth/d							
								Months		Months		Month		Month		Months		Month		Months		Months		Month	
								JAN, FEB, DEC	MAR, NOV	APR	MAY	JUN-SEP	OCT	JAN, FEB, DEC	MAR, NOV	APR	MAY	JUN-SEP	OCT	JAN, FEB, DEC	MAR, NOV	APR	MAY	JUN-SEP	OCT
FT-G	2546	3/31/2025	12 months	L/1	500	412882	Port Sulpher	4,000	4,000	3,000	-	-	-	2	100	420009	Greensburg KY	100	100	100	100	100	100	100	
		Evergreen		1	100	460020	Portland Storage Withdrawal	8,000	8,000	3,000	1,500	1,000	2,000	2	100	420010	Campbellsville KY	2,900	2,900	1,000	100	100	100	100	
				L/1	800	412398	Jefferson Island (Bi 20825)	3,500	2,500	500	-	-	-	2	100	400462	Danville KY	11,800	10,800	5,500	2,200	1,200	3,200		
				L/1	800	412690	Sabine	8,500	8,500	5,500	1,500	1,000	2,000	2	100	420028	Harrodsburg KY	5,900	5,900	4,000	100	100	100	100	
								24,000	23,000	12,000	3,000	2,000	4,000	2	100	420029	Lancaster -KY	100	100	100	100	100	100	100	
														2	100	420030	Lebanon KY	2,900	2,900	1,000	100	100	100	100	
														2	100	420338	Perryville KY	100	100	100	100	100	100	100	
														2	100	420445	Hustonville KY	100	100	100	100	100	100	100	
														2	100	421000	Simpson	100	100	100	100	100	100	100	
																		24,000	23,000	12,000	3,000	2,000	4,000		
FT-A	300264*	3/31/2022	see note	1	100	420828	Portland	2,500						2	100	420028	Harrodsburg KY	2,500							
		segmented c.					or any receipts north of Portland in Zone 1 and all Zone 2 receipts																		

NOTE: Bidder should assume that the above contract, or one of like capacity, will be available through the term of the AMA.

* This is a segmented capacity contract. Discount rates apply, including all secondary receipts and deliveries in the path of the primary points listed above.
 Nominations outside the primary path are strictly prohibited.

ATMOS ENERGY CORPORATION
 ASSET PORTFOLIO

Asset Manager is required to comply with all Tennessee Gas Pipeline tariff provisions for the applicable rate schedules.

Rate				RECEIPTS					DELIVERIES					
Schedule	Contract #	Termination	Notice	Zone	Leg	Meter	Primary Receipt Pt	MDQ	Dth	Zone	Leg	Meter	Primary Delivery Pt	Dth/d
FT-A **	95033	3/31/2025	12 months											
		Evergreen		0	100	405345	South Pool or any Zone 0, Zone L/1 or Zone 2 receipt meter		12,000	2	100	420009	Greensburg KY	100
										2	100	420010	Campbellsville KY	100
										2	100	400462	Danville KY	5,800
										2	100	420028	Harrodsburg KY	100
										2	100	420029	Lancaster -KY	5,500
										2	100	420030	Lebanon KY	100
										2	100	420338	Perryville KY	100
										2	100	420445	Hustonville KY	100
										2	100	421000	Simpson	100
														12,000

Any Zn 0, L, 1 or 2 delivery meter is discounted.

** Receipts and/or deliveries to points other than those listed above during the term of Shippers Service Package shall result in Shipper being assessed Tennessee's maximum reservation rate for the primary path divided by the number of days in the month for the entire contract TQ on the day(s) of such deliveries and the maximum daily commodity rates under Rate Schedule FT-A as well as the ACA, applicable Fuel and Loss Retention (F&LR), Electric Power Cost Recover (EPCR) and all other applicable surcharges as specified in Tennessee's currently effective FERC Gas Tariff ("Tennessee's Tariff").

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REQUEST:

Identify the delivery locations at which Atmos currently has firm commitments.

RESPONSE:

Atmos Energy maintains firm commitments from its Asset Managers to deliver gas to our primary delivery points up to our contracted MDQ at each primary delivery point.

For a list of those primary delivery points, please refer to Attachment 1 and Attachment 2 to the Company's response to Question No. 3-02.

Respondent: Rebecca Buchanan

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REQUEST:

Identify the delivery locations at which Atmos has had firm commitments in each of the last five years.

RESPONSE:

The current receipt and delivery locations are found in Attachment 1 and Attachment 2 to the Company's response to Question No. 3-02. Atmos Energy's primary delivery locations at which it has firm commitments have not changed in the last five years, as the locations of its distribution systems have not changed. Over the past five years, Atmos Energy has revised the primary receipt locations at which it holds firm receipt point entitlements. The following is a list of changes over the last five years with effective dates:

Atmos Energy Corporation
Kentucky Primary Receipt/Delivery Point changes 2016 - 2021

<u>Pipeline</u>	<u>Location ID</u>	<u>Location Name</u>	<u>Primary Rcpt/Dlvry</u>	<u>Added / Removed</u>	<u>Effective Date</u>
TGP	411911	ETP/TGP Wharton County Transport Ex	Receipt	Removed	8/1/2016
Texas Gas	2020	Centerpoint-Perryville	Receipt	Removed	3/31/2017
Texas Gas	2755	Texaco-Bay Junop	Receipt	Removed	3/31/2017
Texas Gas	2840	Unocal-N Freshwater Bayou	Receipt	Removed	3/31/2017
Texas Gas	9184	ETC Tiger-Bosco	Receipt	Removed	3/31/2017
Texas Gas	9446	Lowry	Receipt	Removed	3/31/2017
Texas Gas	9461	Olin-McGoldrick	Receipt	Removed	3/31/2017
Texas Gas	9843	Mobil-Lowry	Receipt	Removed	3/31/2017
Texas Gas	9895	Texaco-Bayou Sale	Receipt	Removed	3/31/2017
Texas Gas	2020	Enable-Perryville	Receipt	Added	4/1/2017
Texas Gas	2740	Superior-Pure	Receipt	Added	4/1/2017
Texas Gas	2847	N. Lake Pagie #1	Receipt	Added	4/1/2017
Texas Gas	9028	Gas Energy Dev-Hayes	Receipt	Added	4/1/2017
Texas Gas	9412	Jefferson Island Storage	Receipt	Added	4/1/2017
Texas Gas	9437	Dynamic-Taylor Point	Receipt	Added	4/1/2017
Texas Gas	2033	Little Chenier-ARCO	Receipt	Removed	8/31/2017
Texas Gas	2463	Toce Oil	Receipt	Removed	3/31/2018

Respondent: Rebecca Buchanan

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REQUEST:

Explain why Atmos contends that its base load gas purchases should not be benchmarked solely against closing prices at delivery points to which Atmos has access.

RESPONSE:

Atmos Energy is not sure that it made such a contention within Docket No. 2020-00289. However, the Company does believe that the current PBR benchmarking methodology is superior to benchmarking solely against closing prices at delivery points to which Atmos Energy has access. While our asset managers are obligated to deliver gas at our delivery points, the pricing is based off of contract receipt points, not contract delivery points.

The current Atmos Energy PBR benchmark pricing is based on market prices published in Platts **Inside FERC** and Platts **Gas Daily** publications. Both the PBR tariff benchmark pricing and the Atmos Energy contractual pricing with our suppliers use the average of NYMEX and Inside FERC Index Prices for First-of-Month baseload purchases and they use the Gas Daily Index prices for incremental day-ahead purchases. These publications post prices at major trading locations which are typically receipt zones or hubs. There is little to no market trading at individual meter locations, particularly those at rural delivery locations such as at our Atmos Energy delivery points in Kentucky. Therefore, there would be no way to establish a PBR benchmark price at a non-published delivery point location.

Atmos Energy strives to keep its current contract pricing on an “apples-to-apples” comparative basis with the benchmark pricing contained in the Kentucky PBR Tariff. Since the PBR Tariff prescribes the average of NYMEX and Inside FERC pricing, Atmos Energy purposely established contractual pricing using that same methodology. The Tariff benchmark pricing prescribes the primary receipt point zones that are available in the Platts publications, and they coincide with Atmos Energy’s primary receipt zones on our firm transportation agreements with the pipelines. Keeping the prices on a comparative basis between the tariff benchmark and the Company’s contract pricing facilitates the administration of the PBR savings as well as the ability to verify the benchmark prices from a reputable independent source such as the Platts publications. Using non-primary, secondary, or non-published locations will require some new methodology for determining and verifying the benchmark.

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To the extent that the Commission were to change the PBR pricing benchmarks while the supply contracts continue to have pricing terms that utilize the current tariff benchmarks, it would be no longer be an apples-to-apples comparison for the determination of savings. It could be difficult to evaluate the performance of the PBR and could bring into question as to whether the savings calculated under such terms were truly fair and equitable. This then leads to the recommendation that any change in the benchmark methodology be done on a prospective basis, until such time as the Company could enter into new contracts with suppliers. The current contracts expire on March 31, 2023 and October 31, 2023.

Respondent: Rebecca Buchanan

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REQUEST:

Refer to Louisville Gas and Electric's (LG&E) gas tariff sheets, P.S.C. Gas No. 13, Original Sheet No. 87 through P.S.C. Gas No. 13, Original Sheet No. 87.3.

- a. State whether Atmos contends that it would be unreasonable for the Commission to require it to benchmark its base load purchases in the same manner that LG&E benchmarks gas purchases within firm transportation entitlements.
- b. Explain each basis for Atmos's contention.

RESPONSE:

- a. Atmos Energy contends that it would be unreasonable for the Commission to require it to benchmark its base load purchases in the same manner that LG&E benchmarks gas purchases within firm transportation entitlements.
- b. Atmos Energy is different than LG&E and thus using the same methodology as LG&E would produce different results.
 - i. The LG&E calculation is derived from a Supply Zone Firm Quantity Entitlement Percentage based on MDQ. MDQ is reflective of Design Day projected requirements and not a proxy of normal or actual usage on a non-Design Day. Additionally, some of Atmos' Texas Gas Transmission firm transportation contracts provide primary entitlements in multiple receipt zones that exceed the MDQ of the contract. This provides Atmos flexibility to schedule gas from the various receipts so long as the MDQ is not exceeded. Since the contract MDQ is not zone specific nor point specific we could not use the Texas Gas contractual MDQ alone to determine the benchmark index, and if we used LG&E's allocation method based on total entitlements by Texas Gas zone, that could give weight to a zone that is not representative of how gas supply is purchased.
 - ii. Atmos Energy holds a much greater percentage of on-system behind-the-citygate storage than LG&E, which skews the amount of MDQ held on each pipeline relative to actual purchases. The more storage available to a system, the lower the required MDQ off of that pipeline is.

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- iii. The LG&E methodology SAI factor doesn't reflect actual gas supply methodology in that it simply takes a simple average of first-of-the-month (FOM), weekly, and daily (GD) pricing. The existing Atmos Energy PBR runs a separate benchmark for FOM and GD purchases for the market pricing on the exact day of purchase, and is thus more granular and more accurately reflects a true benchmark for an apples-to-apples comparison and calculation of savings. For example, in Feb, 2021, far more than one third of Atmos Energy's gas purchases were made at a FOM price, which would have resulted in a windfall gain to the Company when weekly and GD prices increased. Also, the Company does not currently purchase gas on a weekly-priced basis.

- iv. Atmos Energy's service territory is spread out over more of the state than LG&E's and combining the different pipelines used to acquire supply into a single weighted average would introduce additional weather variation into the calculation - the design day relative to normal usage can be different depending upon the weather in different parts of the state.

Respondents Rebecca Buchanan and Trisha Young