

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)	CASE NO.
ATMOS ENERGY CORPORATION)	2021-00214
FOR AN ADJUSTMENT OF RATES)	

DIRECT TESTIMONY
AND EXHIBITS
OF
LANE KOLLEN

ON BEHALF OF THE
OFFICE OF THE ATTORNEY GENERAL

J. Kennedy and Associates, Inc.
570 Colonial Park Drive, Suite 305
Roswell, GA 30075

SEPTEMBER 2021

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DIRECT TESTIMONY OF LANE KOLLEN

I. QUALIFICATIONS AND SUMMARY

1

2

3 **Q. Please state your name and business address.**

4 A. My name is Lane Kollen. My business address is J. Kennedy and Associates, Inc.
5 ("Kennedy and Associates"), 570 Colonial Park Drive, Suite 305, Roswell, Georgia
6 30075.

7

8 **Q. What is your occupation and by whom are you employed?**

9 A. I am a utility rate and planning consultant. I am a Vice President and Principal with
10 the firm of Kennedy and Associates.

11

12 **Q. Please describe your education and professional experience.**

13 A. I earned a Bachelor of Business Administration in Accounting degree and a Master
14 of Business Administration degree from the University of Toledo. I also earned a
15 Master of Arts degree in Theology from Luther Rice University. I am a Certified
16 Public Accountant, with a practice license, Certified Management Accountant, and

1 Chartered Global Management Accountant. I am a member of numerous
2 professional organizations.

3 I have been an active participant in the utility industry for more than forty
4 years, both as an employee and as a consultant. Since 1986, I have been a consultant
5 with Kennedy and Associates and provide services to state government agencies and
6 consumers of utility services in utility ratemaking, accounting, financial, taxation,
7 planning, management, and other areas. From 1983 to 1986, I was a consultant with
8 Energy Management Associates, providing services to investor and consumer owned
9 utility companies. From 1976 to 1983, I was employed by The Toledo Edison
10 Company in a series of positions encompassing ratemaking, accounting, financial,
11 taxation, planning, management, and auditing functions. From 1974 to 1976, I was
12 employed by a contractor to install underground cable for Ohio Bell Telephone
13 Company and Buckeye Cablevision.

14 I have provided expert testimony on ratemaking, accounting, taxation,
15 financing, planning, management, and other issues before regulatory commissions
16 and courts at the federal and state levels on hundreds of occasions. I have testified in
17 dozens of proceedings before the Kentucky Public Service Commission
18 (“Commission”), including the three most recent Atmos base rate cases prior to this
19 proceeding (Case Nos. 2018-00281, 2017-00349, and 2015-00343). I also testified
20 in the two most recent Duke Energy Kentucky (“DEK”) natural gas base rate cases
21 (2018-00261 and 2021-00190) and the most recent Columbia Gas rate case (Case
22 No. 2016-00152) prior to the pending proceeding before the Commission. In
23 addition, I have testified in numerous electric base, fuel adjustment clause, and
24 environmental surcharge ratemaking proceedings involving DEK, Kentucky Power

1 Company (“KPC”), Kentucky Utilities Company (“KU”), Louisville Gas and
2 Electric Company (“LG&E”), Big Rivers Electric Corporation, and East Kentucky
3 Power Cooperative. In addition to my testimony before the Commission in prior
4 Atmos base rate case proceedings, I have testified in multiple Atmos base rate
5 proceedings before the Georgia Public Service Commission.¹

6
7 **Q. On whose behalf are you testifying?**

8 A. I am providing testimony on behalf of the Office of the Attorney General of the
9 Commonwealth of Kentucky (“AG”).

10
11 **Q. What is the purpose of your testimony?**

12 A. The purpose of my testimony is to: 1) summarize my recommendation to reduce the
13 base revenue requirement and requested increase, 2) address and make
14 recommendations on specific issues that affect the base revenue requirement in this
15 proceeding, 3) address the Company’s proposal to establish a regulatory asset or
16 liability for bad debt writeoffs that differ from the bad debt expense included in the
17 claimed test year revenue requirement, which was not in the Company’s Petition for
18 Adjustment of Rates (“Petition”), 4) quantify the effects of AG witness Mr. Richard
19 Baudino’s recommendations that affect the return on rate base, specifically, the
20 common equity ratio and the required return on equity, 5) address the Company’s
21 requests to accelerate the replacement of Aldyl-A pipeline and its related proposals
22 to recover the costs initially in the Pipeline Replacement Program (“PRP”), roll-in

¹ My qualifications and regulatory appearances are further detailed in my Exhibit____(LK-1).

1 the PRP rider costs to base rates, and recover incremental costs after base rates are
2 reset through the PRP rider, 6) address the Company's request to establish a new Tax
3 Act Adjustment Factor ("TAAF") rider, and 7) address the Company's request that
4 the Commission consider an annual rate review mechanism, which was not in the
5 Company's Petition.

6
7 **Q. Please summarize your testimony.**

8 A. I recommend a base revenue increase of no more than \$1.851 million compared to
9 the Company's revised calculation of its base revenue deficiency of \$15.052 million,
10 after it made adjustments to correct errors identified in response to AG discovery and
11 another error that it identified,² but before its proposed temporary reductions for one-
12 year refunds of the depreciation reserve and cost of service regulatory liabilities.

13 I recommend that the Commission adopt the Company's proposal to use the
14 \$9.862 million in depreciation reserve and cost of service reserve regulatory
15 liabilities to temporarily reduce the authorized base rate increase in the first year as
16 the Company proposes. However, to the extent that the authorized base rate increase
17 is less than the \$9.862 million, I recommend that the excess of the regulatory
18 liabilities be carried over and used to reduce the authorized base rate increase in the
19 second year and subsequent years until they are fully amortized.

20 The following table lists each of my and Mr. Baudino's recommended
21 adjustments and the effect of each adjustment on the Company's claimed revenue

²The Company's requested base rate increase is \$16.390 million. In a supplemental response to Staff 1-55, the Company provided a "revised revenue requirement" and revised "proposed rates," but did not refer to a revised requested increase. In that supplemental response, the Company provided a revised Excel workbook that calculates a revised revenue requirement of \$15.052 million after the three errors are corrected.

1 deficiency and base rate increase.³ I developed my adjustments in consultation with
2 the AG, but I understand that the AG's final adjustments may differ based upon
3 discovery, testimony and further evidence presented throughout the course of this
4 proceeding.

Atmos Energy Corporation - Kentucky Division		
Summary of Attorney General Recommendations		
KPSC Case No. 2021-00214		
Test Year Ended December 31, 2022		
\$ Millions		
	Adjustment Amount	Rate Increase Amount
Atmos Requested Base Revenue Increase		
Atmos Requested Base Rate Increase	\$ 16.390	
Atmos Revision in Calculated Base Revenue Deficiency	<u>(1.338)</u>	
Atmos Revised Base Rate Revenue Deficiency	<u>\$ 15.052</u>	
Less: Temporary Reduction Due to Amortization of COS and Depreciation Regulatory Liabilities		<u>\$ (9.862)</u>
Atmos Net Increase in First Year		<u>\$ 5.189</u>
Effects of AG Rate Base Recommendations on Revenue Requirement		
Reduce Asset NOL ADIT to Reflect Taxable Income from April 2021 through December 2021	(0.514)	
Include SSU Division 002 T-Lock Adjustment-Unrealized Gains Liability ADIT	(0.313)	
Remove Other SSU Division 002 ADIT	(0.118)	
Remove Accounts Payable - Construction	(0.501)	
Remove Regulatory Asset for Rate Case Expenses	(0.023)	
Correct Depreciation Expense Lag Days in CWC	(0.153)	
Adjust CWC to Reflect Changes in Expenses Recommended by AG	(0.093)	
Reflect Effects from Amortization of Unprotected EDIT Over Three Years	0.166	
Effects on AG Operating Income Recommendations on Revenue Requirement		
Reduce Outside Services Expense Allocated from KY/Mid States Division	(0.405)	
Amortize Unprotected EDIT Over Three Years Instead of Five Years	(3.460)	
Amortize Remaining Rate Case Expense from Case 2018-00281 Over Three Years	(0.011)	
Remove AGA Dues	(0.052)	
Effects of AG Rate of Return Recommendations on Revenue Requirement		
Reflect Changes in Capital Structure	(2.511)	
Correct STD Commitment Fees	(0.114)	
Reflect Return on Equity of 9.10%	<u>(5.098)</u>	
Total AG Recommendations to Annual Revenue Requirement	<u>\$ (13.201)</u>	
AG Recommended Maximum Base Rate Increase - Before Amort of COS and Depr Reg Liab	<u>\$ 1.851</u>	
Less: Temporary Reduction Due to Amortization of COS and Depreciation Reserves *		<u>\$ (1.851)</u>
AG Recommended Maximum Base Rate Increase - Prior to Utilization of All COS and Depr Reg Liab		<u>\$ -</u>
* Temporary reductions will continue until COS and depreciation reserve regulatory liabilities are fully amortized.		

³ The quantifications are detailed in my electronic workpapers, which were filed at the same time as my testimony was filed. The electronic workpapers consist of an Excel workbook in live format and with all formulas intact.

1 In the following sections of my testimony, I address each of the issues
2 reflected in the preceding table in greater detail and quantify the effects on the base
3 revenue requirement of Mr. Baudino's common equity ratio and return on equity
4 recommendations. I note that the costs of capital, including the capital structure and
5 the return on equity, also will have an effect on the Company's PRP rider in future
6 PRP filings.

7 I recommend that the Commission reject the Company's proposal to establish
8 a regulatory asset or liability for bad debt writeoffs that differ from the bad debt
9 expense included in the claimed test year revenue requirement. The proposal is
10 unnecessary given the Company's use of reserve accounting for bad debt expense,
11 which already tracks expense accruals against writeoffs net of recoveries.

12 I recommend that the Commission reject the Company's request to adopt an
13 accelerated replacement program for its Aldyl-A pipe and to recover the costs
14 through the PRP Rider. I recommend instead that the Commission delay
15 consideration and approval of an accelerated replacement program for the Aldyl-A
16 pipe until after the Company has completed the accelerated replacement program for
17 its bare steel pipe.

18 I recommend that the Commission reject the Company's request for a TAAF
19 rider. The Commission already has the capability to address changes in the federal
20 and state tax codes, including changes in income tax rates, without a TAAF rider.
21 The Commission recently demonstrated this capability in response to the Tax Cuts
22 and Jobs Act enacted in December 2017 through a combination of generic and
23 utility-specific proceedings. If, however, the Commission adopts some form of
24 TAAF rider, I recommend that it incorporate the effects of reductions in the asset

1 NOL ADIT as AEC utilizes the NOL carryforwards, as well as other changes that I
2 subsequently describe.

3 Finally, I recommend that the Commission reject the Company's proposal for
4 or request to consider an annual rate review mechanism.

5
6 **II. RATE BASE ISSUES**
7

8 **A. Remove Asset NOL ADIT Due to Winter Storm Uri**
9

10 **Q. Describe Atmos Energy Corporation's ("AEC") accounting for the excessive gas**
11 **and other expenses caused by Winter Storm Uri.**

12 A. Specific AEC rate divisions and jurisdictions located in Texas, Oklahoma, and
13 Kansas incurred excessive gas expense and other expenses caused by Winter Storm
14 Uri in February 2021. These rate divisions deferred the excessive expenses as
15 regulatory assets, consistent with authorization from their respective regulatory
16 commissions and consistent with the recovery of the expenses from the customers in
17 the specific rate divisions. The specific rate divisions and jurisdictions also recorded
18 the related tax effects of the tax deduction temporary differences as liability
19 accumulated deferred income taxes ("ADIT").

20 However, the specific rate divisions did not and do not record asset NOL
21 ADIT to reflect the inability of AEC to utilize, and thus, monetize, net operating
22 losses on a consolidated tax return basis. Instead, the net operating losses are
23 aggregated and the asset NOL ADIT effect is recorded at the AEC corporate level by
24 Shared Services Unit ("SSU") division 002. The Winter Storm Uri expense tax
25 deductions not only resulted in an increase in the liability ADIT for each of the

1 affected rate divisions, but also resulted in an increase in the aggregate AEC asset
2 NOL ADIT recorded by SSU division 002.⁴ Unlike the direct assignment of the
3 regulatory assets and the related liability ADIT recorded by the specific rate
4 divisions, AEC allocates a portion of all SSU division 002 asset and liability ADIT
5 amounts, including the asset NOL ADIT, to each rate division, including the
6 Kentucky rate division, for ratemaking purposes unless the ADIT for certain
7 temporary differences is directly assigned to specific rate divisions.

8
9 **Q. Did the Company exclude the regulatory assets and related liability ADIT**
10 **caused by Winter Storm Uri recorded by the other rate divisions from the**
11 **Kentucky rate division rate base?**

12 A. Yes. The Company properly excluded the regulatory assets recorded by the other
13 rate divisions and jurisdictions from the Kentucky rate division rate base. The
14 Company also excluded the related liability ADIT from the Kentucky division rate
15 base.

16
17 **Q. In its original filing and claimed revenue deficiency, did the Company properly**
18 **exclude the asset NOL ADIT caused by Winter Storm Uri from the Kentucky**
19 **rate division rate base?**

20 A. No. In its original filing and claimed revenue deficiency, the Company allocated a
21 portion the incremental asset NOL ADIT caused by Winter Storm Uri and recorded
22 in SSU division 002 to the Kentucky rate division. None of this amount should have
23 been allocated to the Kentucky rate division. The entirety of the incremental asset

⁴Response to AG 1-20. I have attached a copy of this response as my Exhibit__(LK-2).

1 NOL ADIT should be directly assigned to the rate divisions where the Winter Storm
2 Uri expenses and liability ADIT were directly assigned and deferred in order to
3 properly match the asset NOL ADIT with the liability ADIT.

4 AEC is in a significant net operating loss carryforward position, such that the
5 incremental tax deductions (temporary differences) for the Winter Storm Uri
6 expenses did not result in a reduction in income taxes payable, but rather resulted in
7 an increment to the asset NOL ADIT recorded at SSU division 002 equivalent to the
8 sum of the liability ADIT recorded at the specific rate divisions.

9
10 **Q. Does the Company now agree that the asset NOL ADIT due to Uri should be**
11 **removed from rate base?**

12 A. Yes. In response to AG discovery, the Company agreed that the NOL ADIT due to
13 Uri should be directly assigned to the rate divisions that incurred the Winter Storm
14 Uri expenses and that none of the incremental asset NOL ADIT should be allocated
15 to or included in the Kentucky rate division rate base.⁵

16
17 **Q. Did the Company revise its calculation of the base revenue deficiency to correct**
18 **this error?**

19 A. Yes. In a supplemental response to Staff discovery, the Company provided an Excel
20 workbook with a revised calculation of the base revenue deficiency to correct this
21 error, along with corrections of other errors.⁶

22

⁵ Response to AG 1-17. I have attached a copy of this response as my Exhibit____(LK-3).

⁶ Supplemental response to Staff 1-55 filed on August 23, 2021.

1 **B. Reduce Asset NOL ADIT to Reflect Taxable Income From April 2021 Through**
2 **December 2021**
3

4 **Q. Describe the Company's revised calculation of the asset NOL ADIT in the test**
5 **year.**

6 A. The Company calculated the asset NOL ADIT in two steps. In the first step, as
7 revised, the Company allocated the actual asset NOL ADIT at March 31, 2021
8 recorded at SSU Division 002, excluding the Winter Storm Uri asset NOL ADIT,
9 first to the Kentucky-MidStates division and then to the Kentucky rate division.⁷
10 The Company assumed there would be no changes to the actual asset NOL ADIT
11 after March 2021 through December 31, 2021, the first month that is included in the
12 13-month average for the test year. In the second step, the Company adjusted the
13 result of the first step for the tax expense effect of the equity return on the Kentucky
14 rate division rate base in the test year.⁸
15

16 **Q. Is the Company's assumption reasonable that the asset NOL ADIT will remain**
17 **unchanged from March 31, 2021 through December 31, 2021?**

18 A. No. This methodology incorrectly assumes that there was and will be no AEC utility
19 taxable income and/or no Kentucky rate division taxable income after March 31,
20 2021 through the end of calendar year 2021. That assumption is unreasonable
21 because it is based on the same flawed assumption that a portion of the net operating
22 loss due to the Winter Storm Uri expenses should be allocated to the Kentucky rate
23 division, an assumption that the Company now agrees is erroneous. If the

⁷ Refer to Schedule B.5 F.

⁸ *Id.*

1 incremental asset NOL ADIT caused by Winter Storm Uri is excluded, then AEC
2 had taxable income in the aggregate and both the AEC asset NOL ADIT in the
3 aggregate at SSU division 002 and the allocation to the Kentucky rate division
4 should continue to decline after March 31, 2021 through the end of calendar year
5 2021.

6
7 **Q. What is the Company's forecast for the current fiscal year and calendar year**
8 **2021 reductions in the AEC asset NOL ADIT?**

9 A. In response to AG discovery, the Company claims that it does not forecast the AEC
10 asset NOL ADIT - utility for either of these periods.⁹

11
12 **Q. Is that reasonable?**

13 A. No. First and foremost, the Company has the burden to demonstrate that its forecast
14 test year amounts are reasonable. The Company's forecast asset NOL ADIT is not
15 reasonable because it assumes no AEC taxable income from April 2021 through
16 December 2021, excluding Winter Storm Uri expenses. Thus, the Commission must
17 determine the reasonable amount.

18 Second, AEC actually had taxable income in fiscal year 2020 and in fiscal
19 year to date 2021, excluding the effects of Winter Storm Uri. Thus, there is no
20 reason to assume that AEC will not have taxable income for the remainder of the
21 fiscal year 2021 and calendar year 2021.

22 Third, the Company acknowledged that it does prepare forecasted income
23 statements, but claims that it does not forecast the taxable income and losses

⁹ Response to AG 2-18. I have attached a copy of this response as my Exhibit____(LK-4).

1 separated into utility and nonregulated. Again, the Company has the burden of proof
2 to demonstrate that AEC will have no taxable income for the remainder of the fiscal
3 year 2021 and calendar year 2021. It chose not to provide the forecast amounts for
4 utility taxable income from April 1, 2021 through December 31, 2021 in its original
5 filing, in its revised filing, or in response to AG discovery.

6
7 **Q. What was the most recent reduction in the AEC asset NOL ADIT during the**
8 **fiscal year 2021 reflected in the Company's March 31, 2021 amount, as revised**
9 **to exclude the effects of Winter Storm Uri?**

10 A. The AEC asset NOL ADIT was reduced by \$71.120 million in the six-month period
11 from October 1, 2020 through March 31, 2021, excluding the effects of Winter
12 Storm Uri, which have been directly assigned to other rate divisions.¹⁰ Assuming
13 that pattern continues, the AEC asset NOL ADIT will be reduced by another
14 \$106.679 million in the nine-month period from April 1, 2021 through December 31,
15 2021.

16
17 **Q. What is your recommendation?**

18 A. I recommend that the Commission reduce the AEC asset NOL ADIT by \$106.679
19 million for the nine-month period from April 1, 2021 through December 31, 2021.
20 This reduction will carry through the entirety of the 13-month average used for the
21 test year.

22

¹⁰ Attachment 2 to the response to AG 1-15. The Company confirmed in response to AG 2-17(a) that the amounts on that attachment are asset NOL ADIT amounts, not taxable income or losses. I have attached a copy of both responses, narrative only for the response to AG 2-17, as my Exhibit____(LK-5).

1 **Q. What is the effect of your recommendation?**

2 A. The effect is a reduction of \$0.514 million in the claimed base revenue requirement
3 and requested base rate increase.

4

5 **C. Include SSU Division 002 T-Lock Adjustment – Unrealized Gains Liability**
6 **ADIT In Allocation To The Kentucky Rate Division**

7

8 **Q. Describe the Company’s selection of SSU Division 002 asset and liability ADIT**
9 **amounts for allocation to the Kentucky rate division.**

10 A. The Company maintains SSU Division 002 asset and liability ADIT amounts by
11 FERC account and temporary difference.¹¹ In a rate case proceeding, it reviews each
12 of these asset and liability ADIT amounts by temporary difference to determine
13 which amounts should be allocated to the Kentucky rate division and used in the
14 calculation of the rate base.¹² It then adds the allocated asset ADIT amounts to and
15 subtracts the allocated liability ADIT amounts from the Kentucky rate division rate
16 base.

17

18 **Q. Describe the Company’s selection of the SSU division 002 ADIT amounts for**
19 **the T-Lock Adjustment – Realized Gains and T-Lock Adjustment – Unrealized**
20 **Gains for allocation to the Kentucky rate division in this case.**

21 A. The Company *selected* the SSU division 002 *asset* T-Lock Adjustment – Realized
22 Gains ADIT and included an allocation of this amount as an addition to the

¹¹ Refer to ADIT for KY 04-30-21 updated NOL for URI 8-17-21 Excel workbook provided in the Company’s supplemental response to Staff 1-55.

¹² The Company’s selection of ADIT amounts is summarized on WP B.5 F and the allocations to the Kentucky rate division are shown on Schedule B.5 F.

1 Kentucky rate division rate base in this case. The Company *excluded* the SSU
2 division 002 *liability* T-Lock Adjustment – Unrealized Gains ADIT and included no
3 allocation of this amount as a subtraction from the Kentucky rate division rate base
4 in this case.¹³

5
6 **Q. Is the Company’s exclusion of the SSU division 002 liability T-Lock Adjustment**
7 **– Unrealized Gains ADIT from allocation to the Kentucky rate division a**
8 **change compared to the Company’s treatment of this ADIT in at least the two**
9 **prior base rate case proceedings?**

10 A. Yes. In the prior two base rate case proceedings, the T-Lock Adjustment –
11 Unrealized Gains ADIT was an asset amount, not a liability amount. In each of the
12 two prior cases, the Company included the asset ADIT amount in the allocation to
13 the Kentucky rate division and added the allocation to the Kentucky rate division rate
14 base.¹⁴

15
16 **Q. Why is this significant?**

17 A. The exclusion of the *liability* T-Lock Adjustment – Unrealized Gains ADIT in this
18 proceeding appears to be an example of results-oriented ratemaking. In the
19 Company’s prior two base rate cases, this ADIT amount was an asset amount and the
20 allocation of the amount increased the Kentucky rate division rate base and the base

¹³ T-Lock gains or losses are related to interest rate derivative contracts that are tied to U.S. Treasury interest rates. They are used to hedge the change in interest rates as measured by U.S. Treasury interest rates on new debt issues.

¹⁴ I have attached the Company’s “relied on” Excel workpapers from the prior two proceedings and the Company’s workpapers showing the aggregation of these AEC amounts by FERC account and the allocation to the Kentucky rate division as my Exhibit___(LK-6).

1 revenue requirement.¹⁵ In this case, the ADIT amount is a liability amount and the
2 allocation would have reduced the Kentucky rate division rate base and the base
3 revenue requirement. It should be noted that, although Company witness Mr. Joe
4 Christian addresses the selection and allocation of the SSU division 002 ADIT to the
5 Kentucky rate division in his Direct Testimony in this proceeding, neither he nor any
6 other Atmos witness addresses, let alone attempts to justify, this change compared to
7 the Company's prior rate cases filings.

8
9 **Q. Are both ADIT amounts related to temporary differences reflected in the**
10 **Company's claimed revenue requirement?**

11 A. Yes. The Company included the amortization of the realized gains/losses in the
12 interest expense used to calculate the average cost of debt.¹⁶ The Company included
13 the unrealized gains/losses in the common equity used to calculate the weighted
14 average cost of capital.

15
16 **Q. What is your recommendation?**

17 A. I recommend that the Commission reject the Company's undisclosed change in
18 methodology to exclude the *liability* T-Lock Adjustment – Unrealized Gains ADIT
19 from the SSU division 002 allocations to the Kentucky rate division. I recommend
20 that the Commission direct the Company to include an allocation of the *liability* T-
21 Lock Adjustment Unrealized Gains ADIT from SSU division 002 to the Kentucky
22 rate division and subtract the amount from the Kentucky rate division rate base.

¹⁵ *Id.*

¹⁶ The amortization of the realized gains/losses is included in the amortization of debt discount and issuance expense shown on Schedule J-3 F.

1

2 **Q. What is the effect of your recommendation?**

3 A. The effect is a reduction of \$0.313 million in the claimed base revenue requirement
4 and requested base rate increase.

5

6 **D. Remove Other SSU Division 002 ADIT From Allocation to Kentucky Rate**
7 **Division**

8

9 **Q. Are there other SSU division 002 Asset ADIT amounts that should have been**
10 **excluded from allocation to the Kentucky rate division?**

11 A. Yes. There are other SSU division 002 ADIT amounts that should have been
12 excluded from allocation to the Kentucky rate division because the underlying
13 temporary differences are not allocated to and subtracted from the Kentucky rate
14 division rate base.¹⁷

15 The asset Self-Insurance Adjustment ADIT should be excluded from
16 allocation to the Kentucky rate division because the self-insurance liability
17 temporary difference is not allocated to and subtracted from the Kentucky rate
18 division rate base. As an alternative, the Commission could allocate the self-
19 insurance reserve from SSU division 002 to the Kentucky rate division and subtract
20 it from the Kentucky rate division rate base. In that case, it would be appropriate to
21 include the allocation of the asset ADIT and add it to the Kentucky rate division rate
22 base.

23 The asset Rabbi Trust, VEBA Trust Contribution Adjustment, and FAS106

¹⁷ As noted previously, the SSU division 002 ADIT amounts by FERC account and temporary difference are provided in the ADIT for KY 04-30-21 updated NOL for URI 8-17-21 Excel workbook provided in the Company's supplemental response to Staff 1-55.

1 Adjustment ADIT should be excluded from allocation to the Kentucky rate division
2 because the liability temporary differences are not allocated to or subtracted from the
3 Kentucky rate division rate base. Similarly, the Pension Expense ADIT should be
4 excluded from allocation to the Kentucky rate division because the asset temporary
5 difference is not allocated to or added to the Kentucky rate division rate base. I also
6 note that Atmos has not sought to include any pension, OPEB, or other benefit assets
7 or liabilities as additions or subtractions to rate base, including any allocations of
8 such assets from SSU division 002. Thus, none of the related ADIT should be
9 included.

10 The asset Federal and State Tax Interest ADIT should be excluded from
11 allocation to the Kentucky rate division because the federal and state interest liability
12 temporary difference is not allocated to or subtracted from the Kentucky rate
13 division rate base.

14 The asset FD-NOL Credit Carryforward – Other ADIT should be excluded
15 from allocation to the Kentucky rate division because it is not identified as “Utility.”
16 The Company has three separate categories of asset NOL ADIT: 1) “Non-Reg,”
17 which actually is a liability ADIT and which the Company excluded from allocation
18 to the Kentucky rate division, despite the fact that the taxable income from the Non-
19 Reg portion of the AEC consolidated taxable income is used to offset the “Utility”
20 taxable losses and thereby reduces the AEC consolidated asset NOL ADIT; 2)
21 “Utility,” which is allocated to and added to the Kentucky rate division rate base; and
22 3) “Other,” which is not further defined, but is not included in the “Utility” category.
23 In addition, this category of ADIT was properly excluded by the Company from an
24 allocation to the Kentucky rate division in at least the last two rate case

1 proceedings.¹⁸ Thus, the failure to exclude this asset NOL ADIT is another change
2 in methodology that the Company failed to disclose or justify.

3 The asset state Enterprise Zone ITC ADIT and the related Valuation
4 Allowance ADIT amounts should be excluded from allocation to the Kentucky rate
5 division and excluded from the Kentucky rate division rate base. No enterprise zone
6 ITC has been allocated to the Kentucky rate division or used to reduce the Kentucky
7 rate division rate base or income tax expense. If the Enterprise Zone ITC is directly
8 assigned to other rate divisions, then the related asset ADIT also should be directly
9 assigned to those other rate divisions.

10
11 **Q. What is your recommendation?**

12 A. I recommend that the Commission exclude the SSU division 002 asset Self-
13 Insurance Adjustment, Rabbi Trust, VEBA Trust Contribution Adjustment, FAS106
14 Adjustment, Federal and State Tax Interest, FD-NOL Credit Carryforward – Other,
15 and Enterprise Zone ITC and the related Valuation Allowance ADIT amounts, and
16 the liability Pension Expense ADIT amount from the allocation to the Kentucky rate
17 division and reduce the Kentucky rate division rate base by the asset amounts
18 allocated and increase the rate base by the liability amount allocated by the Company
19 in its calculations.

20
21 **Q. What is the effect of your recommendation?**

22 A. The effect is a reduction of \$0.118 million to the claimed base revenue requirement

¹⁸ Refer to the ADIT Excel workpapers relied upon in the last two rate proceedings attached as Exhibit___(LK-6).

1 and requested base rate increase.

2

3 **E. Remove Accounts Payable - Construction**

4

5 **Q. Describe the components of the Company's other working capital allowances.**

6 A. The Company included gas stored underground and materials and supplies
7 inventories in the other working capital allowances component of rate base. These
8 are balance sheet asset amounts that it finances and it is appropriate to include them
9 in rate base.

10

11 **Q. Did the Company subtract any balance sheet liability amounts from the other**
12 **working capital allowances component of rate base?**

13 A. No.

14

15 **Q. Is there one balance sheet liability amount in particular that the Company**
16 **failed to subtract from rate base?**

17 A. Yes. The Company failed to subtract any accounts payable liability balance sheet
18 amounts from rate base. This is a balance sheet amount that allows the Company to
19 avoid financing and it is appropriate to subtract it from rate base either through the
20 cash working capital calculation using the lead/lag approach or through a separate
21 adjustment or a combination. The accounts payable amounts represent temporary
22 vendor financing at 0% cost to the Company for both operating expenses and capital
23 expenditures. The Company issues no equity, long term debt, or short-term debt to

1 finance the delay in paying the expenses or capital expenditures after the costs are
2 incurred.

3 The accounts payable amounts related to operating expenses typically are
4 reflected in the expense lead or lag days used in the calculation of cash working
5 capital under the lead/lag approach.

6 That is not the case with the accounts payable amounts related to capital
7 expenditures. In a cash working capital study using the lead/lag approach, only the
8 lead/lags on *expenses* are included; the study does *not* include *balance sheet* assets
9 and liabilities. Instead, the accounts payable amounts related to capital expenditures
10 must be considered separately and subtracted directly from rate base in the same
11 manner that the materials and supplies and prepayments are considered separately
12 and added directly to rate base as components of the other working capital
13 allowances.

14
15 **Q. What is your recommendation?**

16 A. I recommend that the Commission reduce the Company's other working capital
17 allowances for the accounts payable amounts related to capital expenditures. This is
18 cost-free financing provided by the Company's vendors and should be subtracted
19 from rate base in the same manner that materials and supplies and prepayments that
20 will be charged to capital expenditures are added to rate base.

21
22 **Q. What is the effect of your recommendation?**

23 A. The effect is a reduction in the claimed revenue requirement deficiency and
24 requested base increase of \$0.501 million.

1

2 **F. Remove Regulatory Asset for Deferred Rate Case Expenses**

3

4 **Q. Describe the Company's request to include a regulatory asset in rate base for**
5 **deferred rate case expenses.**

6 A. The Company included \$0.241 million in deferred rate case expenses in rate base.¹⁹

7

8 **Q. Should the Commission include the regulatory asset for deferred rate case**
9 **expenses in rate base in this proceeding?**

10 A. No. The rate case expenses were and will be incurred to benefit AEC and its
11 shareholders. They were and will not be incurred to benefit the Company's
12 customers.

13

14 **Q. Is there another reason to allocate the return on the regulatory asset for rate**
15 **case expense to AEC shareholders and the amortization expense to the**
16 **Company's customers?**

17 A. Yes. The cost, as calculated on a revenue requirement basis, declines each year as the
18 regulatory asset is amortized and the rate base amount declines. However, the
19 Company's customers never benefit from this cost reduction until base rates are reset
20 at some future date. That is because the revenue recovery set in this rate case
21 continues at the same amount regardless of the decline in the rate base and never is
22 trued-up. In other words, the Company will over recover, by definition, if the

¹⁹ Supplemental electronic response to Staff 1-55 wherein the Company revised the regulatory asset for deferred rate case expenses and the amortization expense. Refer further to revised Schedule F.6. The Company included in rate base the amount on line 187, Excel cell C200.

1 regulatory asset is included in rate base. In addition, if the Company's base rates are
2 not reset within the next three years, then it will continue to recover the amortization
3 expense again and again even though the regulatory asset is fully amortized and it no
4 longer incurs this amortization expense. The Company retains the savings from the
5 declining costs and the Company's customers never benefit from these reductions
6 because the base revenue recovery is never trued-up.

7
8 **Q. Has the Commission recently addressed this issue in another base rate case**
9 **proceeding?**

10 A. Yes. In the most recent Duke Energy Kentucky electric base rate case proceeding,
11 the Commission rejected DEK's request to include the regulatory asset for deferred
12 rate case expenses in rate base.²⁰ In its Order, the Commission stated: "The
13 Commission agrees that rate case expense regulatory assets should not be included in
14 rate base, as that would allow a return on the unamortized balance of the expense.
15 The Commission has historically excluded this item from rate base to share the cost
16 of rate proceedings between the stockholders and ratepayers."²¹

17
18 **Q. What is your recommendation?**

19 A. I recommend that the Commission allocate the *return on* the regulatory asset for the
20 deferred rate case expenses to AEC and its shareholders, but allocate the
21 amortization expense to the Company's customers as a form of sharing between
22 AEC shareholders and the Company's customers.

²⁰ Case No. 2019-00271 Order at 7-8.

²¹ *Id.*

1 This recommendation is necessary to ensure that the costs are equitably
2 shared between the Company's shareholder and customers. Over a three-year
3 amortization period, this will allocate approximately 14% of the total revenue
4 requirement to AEC and approximately 86% to the Company's customers.

5 In addition, this recommendation is necessary to ensure that the Company
6 does not obtain excessive recovery of these costs as the regulatory asset is amortized
7 and the underlying cost curve declines, ultimately to \$0, without adjustment to the
8 base revenues to reflect the declines in those costs.

9 Finally, this recommendation is consistent with the Commission's recent
10 decision in Case No. 2019-00271 as well as other proceedings.

11
12 **Q. What is the effect of your recommendation?**

13 A. The effect is a reduction of \$0.023 million in the base revenue requirement and base
14 rate increase.

15
16 **G. Adjust Cash Working Capital Revenues, Expenses, and Expense Lag Days**

17
18 **1. Adjust Depreciation Expense Lag Days**

19
20 **Q. Describe the Company's request for a cash working capital allowance in rate**
21 **base.**

22 A. The Company included a cash working capital ("CWC") allowance in rate base of
23 *negative* \$3.063 million using a lead/lag study approach.²²

²² Exhibit JTC-4 Lead Lag Study at page 2 attached to the Direct Testimony of Joe T. Christian. I have attached a copy of this schedule as my Exhibit____(LK-7) for ease of reference.

1

2 **Q. Was the lead/lag study performed correctly?**

3 A. No. The Company incorrectly included depreciation expense at 0 expense lag days
4 in its calculation. This error alone increased the CWC amount by a positive \$1.928
5 million. I continue to disagree with the inclusion of non-cash expenses in the CWC
6 calculation; however, if they are included, then the expense lag days should be
7 correctly calculated to avoid including the same costs twice, once in certain expenses
8 included in the CWC calculation and then again in the balance sheet assets and
9 liabilities included in other rate base components.

10

11 **Q. Should the lead/lag study include non-cash expenses such as depreciation**
12 **expense?**

13 A. No. Fundamentally, the lead/lag study measures the *cash* investment provided by
14 either investors (positive) or customers (negative) on average over the course of the
15 study period. The return on non-cash expenses, such as depreciation expense, is
16 reflected in the return on rate base. The cash disbursement was made when the
17 construction cost was incurred and capitalized as CWIP or plant in service. There
18 never will be a cash disbursement for depreciation expense. The net accumulated
19 depreciation and accumulated deferred income taxes are subtracted from rate base,
20 but only on a lagged basis. This allows the Company to retain the carrying charge
21 value of this non-cash expense between rate cases.

22

23 **Q. To the extent the Commission allows the non-cash depreciation expense, is the**
24 **Company's assumption of 0 expense day lags correct?**

1 A. No. The Company's use of 0 days incorrectly assumes that the depreciation expense
2 actually is paid in cash on the first day of the month in which it is recorded. Of
3 course, the Company never disburses cash for depreciation expense, let alone
4 instantaneously. And, of course, depreciation expense is not recorded in the
5 accounting process for each month until the end of that month. It is not recorded on
6 the first day of the month.

7 The Company already includes the current month's depreciation expense in
8 rate base because the depreciation is not recorded to accumulated depreciation until
9 the end of the month. In other words, the Company earns a return on the
10 depreciation expense each month. This lag is reflected in the use of the 13-month
11 average of net plant (gross plant less accumulated depreciation) for the test year.
12 The 13-month average for each component of rate base, including accumulated
13 depreciation, consists of twelve months of beginning balances, for the months of
14 January 2022 through December 2022, and one month of ending balances,
15 specifically for December 2022 only. As a result of the 13-month average
16 methodology, the Company is allowed a full month return on the current month
17 depreciation expense because it is not added to accumulated depreciation and used to
18 reduce rate base until the end of the current month, with the sole exception of the last
19 month in the test year, which essentially negates this differential for that month only.

20 The Company's use of 0 lag days for depreciation expense in the lead/lag
21 calculation of CWC assumes that it is paid in cash at the beginning of each month
22 when incurred, so that it is allowed a return in the CWC calculation for the
23 difference in the revenue lag days and the 0 days depreciation expense lag days
24 assumed in the Company's calculation. Consequently, for 11 months of the test

1 year, the Company includes the depreciation expense in rate base twice, once
2 through the use of the beginning balances of accumulated depreciation for each of
3 those months and then a second time through the CWC calculation.

4
5 **Q. What is the remedy for this double counting of depreciation expense in rate**
6 **base?**

7 A. The remedy is to correct the number of depreciation expense lag days to reflect the
8 11 months, or 335 days in the test year, during which this lag and the effect on rate
9 base is double counted.

10 The Company double counted the return on depreciation expense for 27.92
11 days on average during the test year. There are 30.42 days each month on average in
12 a calendar year. It was not double counted for 2.50 days each month on average in
13 the test year (30 days divided by 12 months).

14
15 **Q. What is your recommendation?**

16 A. Unless the Commission excludes depreciation expense from the CWC calculation
17 altogether on the basis that it is a non-cash expense, I recommend that it correct the
18 depreciation expense lag days to 27.92 days to correct the double counting of the
19 depreciation expense included in rate base both through the net plant and CWC
20 amounts.

21
22 **Q. What is the effect of your recommendation?**

23 A. The effect of my adjustment to correct the depreciation expense lag days to 27.92
24 days is a reduction in the Company's revenue requirement of \$0.153 million.

1

2 **2. Reflect Effects Of The Company's Error Corrections And All AG Adjustments**
3 **On Cash Working Capital**
4

5 **Q. Did the Company modify the calculation of cash working capital in its revised**
6 **calculation of the base revenue requirement in response to Staff discovery**
7 **compared to its original filing?**

8 A. No. The revision would have resulted in a reduction in cash working capital due to
9 the reduction in the interest expense and return on equity line items and, thus, a
10 reduction in the claimed base revenue deficiency.

11

12 **Q. What is the net effect of the Company's base revenue requirement revisions and**
13 **all of your rate base, revenues, expense, and cost of capital recommendations?**

14 A. The net effect is a reduction of \$0.093 million in the base revenue requirement and
15 base rate increase. This net effect reflects my rate base, revenues, and expense
16 recommendations and Mr. Baudino's cost of capital recommendations.

17

18 **III. OPERATING INCOME ISSUES**
19

20 **A. Reduce Excessive Growth In Affiliate Outside Services Expenses**
21

22 **Q. Describe the Company's affiliate outside services expense allocated from the**
23 **Kentucky/MidStates Division in the test year and compare it to actual expenses**
24 **during the base period and in prior years.**

25 A. The Company included \$1.489 million in outside services expense allocated from the

1 Kentucky/MidStates division for both the test year and base period.²³ The actual
2 expense amounts for the most recent fiscal year periods were as follows:²⁴

3	Fiscal Year 2018	\$0.687 million
4	Fiscal Year 2019	\$1.011 million
5	Fiscal Year 2020	\$1.187 million
6	Annualized Fiscal Year 2021	\$1.087 million
7		

8 **Q. What are the primary drivers of the Company's proposed increase in the**
9 **affiliate outside services expense in the test year?**

10 A. The Company provided a breakdown of historical and projected costs by type and
11 identified two primary drivers for the projected increases in allocated expense in
12 response to discovery.²⁵ The first driver was a projected increase in payment
13 processing services due to increasing usage of debit/credit cards by customers. The
14 second driver was a projected increase in contract labor to update the Company's
15 maps and records.

16
17 **Q. How does the Company's forecast expense for the test year and base period**
18 **compare to actual annualized expense in the base period?**

19 A. As shown in the annual expense comparisons above, the test year expense is \$0.402
20 million greater than the most recent actual annualized expense in the base period.
21 The comparisons and variance analysis provided in response to AG discovery
22 indicates that the projected cost increases for the two noted primary drivers did not

²³ Exhibit JTC-2 attached to the Direct Testimony of Joe T. Christian.

²⁴ Response to AG 1-37 Attachment 1, a copy of which I have attached as Exhibit__(LK-8). Actual costs recorded through July 2021 were \$0.906 million for the first ten months of fiscal year 2021, which ends September 30, 2021. The base period ends at the same date.

²⁵ Response to AG 2-11, a copy of which I have attached as Exhibit__(LK-9).

1 materialize during the base period.²⁶ The same discovery response did not indicate
2 why the projected increases did not materialize or what differences were expected to
3 occur during the test year.

4
5 **Q. What is your recommendation?**

6 A. I recommend that the Commission reduce the test year affiliate outside services
7 expense to match the annualized actual expense during the base period, which tracks
8 closely with the actual amounts incurred in fiscal years 2018 and 2019.

9
10 **Q. What is the effect of your recommendation?**

11 A. The net effect is a reduction of \$0.403 million in allocated affiliate outside services
12 expense and a corresponding decrease in the revenue requirement of \$0.405 million.

13
14 **B. Amortize Excess Deferred Tax Regulatory Liability Over Three Years**

15
16 **Q. Describe the Company's proposed amortization of the remaining unprotected**
17 **excess deferred tax regulatory liability and the effect on rate base in the test**
18 **year.**

19 A. The Company proposes a five-year amortization of the unprotected excess deferred
20 tax regulatory liability. The proposed five-year amortization is reflected in the
21 monthly regulatory liability subtracted from rate base and the related asset ADIT
22 included in rate base.

23

²⁶ *Id.*

1 **Q. Is the Company's proposed five-year amortization period reasonable?**

2 A. No. The excess deferred tax regulatory liability is a refund amount due to customers
3 for recovery of income tax expense recovered from customers in prior years when
4 the federal and state corporate income tax rates were greater than the present rates
5 that now never will be paid to the federal or state governments.

6 The refund of these unprotected amounts should be implemented as quickly
7 as practicable. Absent an immediate refund, the refund should be implemented over
8 the period between base rate cases. The Company assumes that the period between
9 base rate cases will be three years in conjunction with its proposal to amortize and
10 recover its deferred rate case expenses over three years.

11

12 **Q. What is your recommendation?**

13 A. I recommend that the Commission amortize the unprotected excess deferred tax
14 regulatory liability over three years, the period between base rate cases assumed by
15 the Company as the appropriate amortization period for the regulatory asset for
16 deferred rate case expenses. I recommend that the Commission use a three-year
17 amortization period on a consistent basis for the amortization of the unprotected
18 excess deferred tax regulatory liability, stores clearing account liability, and deferred
19 rate case expenses.

20

21 **Q. What is the effect of your recommendation?**

22 A. The effect is a reduction of \$3.294 million in the base revenue requirement,
23 consisting of a reduction of \$3.460 million due to the increase in the negative
24 amortization expense (grossed-up from the increase in negative amortization expense

1 of \$3.436 million), and an increase of \$0.166 million due to the increase in rate base
2 from the increase in the amortization of the excess deferred tax regulatory liability.
3

4 **C. Correct Amortization of Deferred Rate Case Expense**
5

6 **Q. Describe the Company's amortization of its forecast regulatory asset for**
7 **deferred rate case expense.**

8 A. In its filing, the Company included \$0.161 million in amortization expense for this
9 regulatory asset. The Company calculated the amortization expense by adding the
10 remaining amortization expense on the deferred rate case expense related to Case
11 No. 2018-00281 for the months January 2022 through March 2022 to the forecast
12 rate case expense for this proceeding divided by a proposed three-year amortization
13 period.

14 The Company revised the amortization expense to \$0.149 million in response
15 to AG discovery and provided a revised calculation in a supplemental response to
16 Staff discovery.²⁷ The Company described the revision of the amortization expense
17 as follows:

18 In response to AG DR No. 1-29 regarding the ratemaking adjustment for rate
19 case expenses, the Company is changing the methodology so that the
20 ratemaking adjustment is now the net increase in the forecast test year rate
21 case expense amortization over the base year amortization rather than the full
22 forecast test year amortization. In making this change, the Company also
23 corrected the amortization of 2018 rate case expense in the model to be
24 consistent with the 2018 rate case expense adopted in Case No. 2018-00281
25 and with actual amounts being amortized in the Company's accounting
26 records for the base year. For numerical details of this change, please see
27 Schedule F-6 in the provided revised revenue requirement model.

²⁷ Supplemental response to Staff 1-55. Refer to the Schedule F-6 worksheet tab, which shows the monthly amounts for January 2022 through March 2022 of \$0.016 and \$0.011 million for April 2022 through December 2022.

1

2

The Company included the effect of this change in amortization expense and the related effect on rate base in the revised revenue requirement model provided in its supplemental response to Staff discovery.²⁸

5

6 **Q. Is the Company's revision of the amortization expense reasonable?**

7 A.

No. The Company incorrectly embedded the January 2022 through March 2022 amortization expense related to the prior case into the amortization expense rather than added the remaining unamortized amount at December 31, 2021 to the Company's forecast rate case expenses for this case and then divided that sum by three years. As a result, the Company's calculation assumes that the \$0.015 million in amortization expense related to the prior case is recurring. If this methodology is adopted, the Company will recover the remaining amortization expense from the prior case multiple times until base rates are reset in the next base rate case proceeding.

16

17 **Q. What is your recommendation?**

18 A.

I recommend that the Commission reject the Company's calculation and instead add the remaining unamortized amount for the prior case at December 31, 2021 to the forecast rate case expenses for this case and then divide that sum by three years.

21

22 **Q. What is the effect of your recommendation?**

23 A.

The effect is a reduction of \$0.011 million in the claimed base revenue requirement

²⁸ *Id.*

1 and base rate increase.

2
3 **D. Reject Proposal to Defer Differences In Actual Bad Debt Writeoffs And Bad**
4 **Debt Expense**
5

6 **Q. Describe the Company's proposal to defer the difference in bad debt expense**
7 **included in the claimed base revenue deficiency compared to bad debt writeoffs.**

8 A. The Company proposed that the Commission authorize the establishment of a
9 regulatory asset that would allow deferral of writeoffs until the next case to avoid
10 over and under recovery of bad debt expense resulting due to the uncertainty of
11 COVID-19.²⁹ The Company further explained that this would require the
12 Commission to establish a baseline (benchmark) bad debt expense, in this case
13 \$363,216, unless modified by the Commission.³⁰ Actual "writeoffs" above or below
14 the benchmark expense would be deferred and the amortization of any deferral
15 amounts will be addressed in the next rate case.³¹ The Company provided an
16 additional description of its proposal in response to AG discovery:³²

17 The Company's proposal is to provide a benchmark with which to measure
18 actual accounts written off. To the extent actual write-offs, net of subsequent
19 collections exceeds \$363,216 on an annual basis a regulatory asset would be
20 recorded. To the extent less than \$363,216, on an annual basis, is recorded a
21 regulatory liability would be recorded.
22

23 **Q. Does the Company already use bad debt reserve accounting?**

24 A. Yes.³³ The Company records the bad debt expense pursuant to its estimate for the
25 expense, which generally is the expense allowed for ratemaking purposes. The bad

²⁹ Direct Testimony of Joe T. Christian at 37.

³⁰ *Id.*

³¹ *Id.*

³² Response to AG 2-4. I have attached a copy of this response as my Exhibit____(LK-10).

³³ *Id.*

1 debt expense is added to the liability balance of the bad debt reserve. The Company
2 then records writeoffs (chargeoffs), net of recoveries, as a reduction to the liability
3 balance of the bad debt reserve. The balance in the bad debt reserve represents the
4 cumulative balance of the bad debt expense recorded compared to the writeoffs, net
5 of recoveries.

6
7 **Q. Why is that relevant?**

8 A. The bad debt reserve already tracks the difference in allowed expense compared to
9 writeoffs, net of recoveries. There is no need to overlay another deferral mechanism
10 when one already exists.

11
12 **Q. Is there another reason to reject the Company's proposal?**

13 A. Yes. The Company's proposal will remove the financial incentives to minimize
14 writeoffs and maximize recoveries that exist under the present paradigm.

15
16 **Q. What is your recommendation?**

17 A. I recommend that the Commission reject the Company's proposal.

18
19 **E. Remove American Gas Association ("AGA") Dues**

20
21 **Q. Describe the Company's request for recovery of AGA dues.**

22 A. The Company included \$0.052 million for AGA dues in the test year, after an
23 adjustment to remove \$0.003 million for lobbying activities.³⁴

³⁴Response to AG 1-2.

1

2 **Q. Describe generally the public-facing activities of AGA.**

3 A. The Company described the mission of AGA in response to AG discovery:

4 The American Gas Association (AGA) represents companies delivering
5 natural gas safely, reliably, and in an environmentally responsible way to
6 help improve the quality of life for their customers every day. AGA's
7 mission is to provide clear value to its membership and serve as the
8 indispensable, leading voice and facilitator on its behalf in promoting the
9 safe, reliable, and efficient delivery of natural gas to homes and businesses
10 across the nation.³⁵

11

12 **Q. Describe the Commission's precedent regarding recovery of Edison Electric
13 Institute ("EEI") dues.**

14 A. The AGA dues are similar to EEI dues. In various cases, the Commission
15 disallowed EEI dues in part or whole because EEI engages in 1) legislative
16 advocacy, 2) regulatory advocacy, and 3) public relations. In prior Orders, the
17 Commission disallowed EEI dues in part based on operating expense categories.³⁶
18 In more recent Orders, the Commission disallowed EEI dues in whole.³⁷ In the more
19 recent Orders, the Commission stated that the utilities had not met their affirmative
20 burden of proof to show that the EEI dues expense were fair, just, and reasonable.

21

22 **Q. Has the Company provided proof that the dues its ratepayers provide toward
23 the Company's membership in AGA provides a direct benefit to ratepayers?**

24 A. No.

25

³⁵*Id.*

³⁶ Order in Case No. 2003-00433 at 51-52 and Order in Case No. 2003-00434 at 44-45.

³⁷ Order in Case No. 2020-00349 at 25-28 and Order in Case No. 2020-00350 at 27-31 ("Regulatory advocacy and public relations, in addition to legislative advocacy, are categories of costs incurred by EEI and passed onto KU for which the Commission has explicitly denied recovery from customers").

1 **Q. Has the Company provided proof that the dues its ratepayers provide toward**
2 **the Company's membership in AGA are not used for legislative advocacy,**
3 **regulatory advocacy, and/or public relations?**

4 A. No.

5
6 **Q. What is your recommendation?**

7 A. I recommend that the AGA dues in the test year be removed in accordance with
8 Commission precedent unless the Company can provide the requisite affirmative
9 proof. The Company has thus failed to establish that this expense is fair, just, and
10 reasonable. The Company has provided no evidence of a direct ratepayer benefit
11 from its memberships in this trade organization, and no evidence that ratepayer-
12 provided dues are not used for legislative advocacy, regulatory advocacy, and/or
13 public relations.

14

15 **IV. COST OF CAPITAL ISSUES**

16

17 **A. Modify Capital Structure to Reflect Reasonable Levels of Common Equity,**
18 **Long-Term Debt, and Short-Term Debt**

19

20 **Q. Is the Company's proposed capital structure reasonable?**

21 A. No. First, the Company's proposed common equity capitalization and the resulting
22 common equity ratio is excessive and unnecessarily and unreasonably increases the
23 cost of capital and return on rate base, as well as the income taxes on the equity
24 return. Common equity is by far and away the most expensive capital and it should
25 be maintained at the lowest reasonable level, not the highest unreasonable level.

1 Both the common equity ratio and the return on equity must be reasonable because
2 both affect the cost of capital and the rate of return applied to rate base. The
3 Company proposes a common equity ratio of 57.05% and a return on equity of
4 10.35% in this proceeding, or 13.79% grossed up for income taxes. Both of these
5 components are excessive and unreasonable; each component compounds the effect
6 of the other in the claimed base revenue requirement.

7 The Commission recognized that the common equity was excessive in Case
8 No. 2018-00281 and stated its intent to review the Company's common equity
9 capitalization in the next base rate case proceeding. Mr. Baudino addresses this issue
10 and recommends an initial reduction in the common equity ratio from the requested
11 57.05% to 53.5% in this proceeding, which is approximately halfway between the
12 Company's proposed common equity ratio and the 50% common equity ratio of the
13 gas proxy group. This recommendation results in a reduction of \$425 million in the
14 Company's proposed common equity capitalization used to develop the cost of
15 capital.

16 Second, the proposed short term debt capitalization is inexplicably *de*
17 *minimis* and unnecessarily and unreasonably increases the cost of capital and return
18 on rate base. Short term debt is by far and away the least expensive capital and
19 should be maintained at the highest reasonable level, not the lowest unreasonable
20 level. The Company's cost of short-term debt, excluding commitment fees, is only
21 0.57%.

22 Third, the proposed long-term debt capitalization also is inexplicably low due
23 to the excessive common equity capitalization. Long-term debt is a fraction of the
24 cost of common equity. The Company recently issued new long-term debt at a 1.5%

1 interest rate.

2

3 **Q. What is a reasonable level of short-term debt?**

4 A. A reasonable level of short-term debt is at least \$240 million, or approximately 2.0%
5 of the Company's capitalization. The Company presently has outstanding credit
6 facilities to borrow more than \$2 billion and included the commitment fees for these
7 credit facilities in its base revenue requirement, yet it rarely borrows from these
8 sources of short-term debt.

9

10 **Q. What is your recommendation for the reasonable level of short-term debt and**
11 **the cost of the incremental short-term debt in this proceeding?**

12 A. I recommend that the Commission transition to the reasonable level of short-term
13 debt with an initial increase in this proceeding. This recommendation results in an
14 increase of \$100 million in the Company's proposed short-term debt capitalization
15 used to develop the cost of capital, to approximately 1.0%. The Commission should
16 indicate its intent to transition to a minimum of 2.0% in the next base rate case
17 proceeding.

18 In addition, I recommend that the Commission use the Company's proposed
19 cost of 0.57%, excluding commitment fees, which are fixed, for the incremental
20 short-term debt.

21

22 **Q. What is a reasonable level of long-term debt?**

23 A. A reasonable level of long-term debt is the difference between the reduction in
24 common equity and the increase in short-term debt, or an increase of \$325 million in

1 the Company's proposed long-term debt used to develop the cost of capital. This too
2 is an initial increase to transition halfway to the reasonable long-term debt of 48.0%
3 and to complete the transition in the next base rate proceeding.
4

5 **Q. What is your recommendation for the reasonable level of long-term debt and**
6 **the cost of the incremental long-term debt in this proceeding?**

7 A. I recommend that the Commission transition to the reasonable level of long-term
8 debt with an initial increase in this proceeding. This recommendation results in an
9 increase of \$325 million in the Company's proposed long-term debt capitalization, to
10 approximately 45.5%.

11 In addition, I recommend that the Commission use the Company's recent cost
12 of new long-term debt of 1.5% for the incremental long-term debt.
13

14 **Q. Do these capital structure recommendations result in a hypothetical capital**
15 **structure?**

16 A. Yes. That is inherent in the use of a forecast test year. The Company also proposed
17 a hypothetical capital structure for the test year, although it is unreasonable. The use
18 of a forecast test year inherently requires a forecast of all revenue requirement
19 components, including the rate base, revenues, expenses, and cost of capital
20 components.
21

22 **Q. Why should the Commission utilize a hypothetical capital structure rather than**
23 **a recent actual capital structure?**

24 A. The critical factor for the Commission is whether the capital structure is reasonable,

1 not whether it is a forecast or a recent actual capital structure. The Company's actual
2 capital structure is unreasonable and results in an excessive cost of capital for the
3 same reasons that the test year capital structure is unreasonable and results in an
4 excessive cost of capital. The use of a recent actual capital structure does nothing to
5 convert an unreasonable cost into a reasonable cost. In addition, the Commission is
6 not bound by the actual costs in a historic base period or the bridge period between
7 the base period and the test year any more than the Company is bound to actual
8 costs.

9
10 **Q. What is the effect of your capital structure recommendations, including Mr.**
11 **Baudino's common equity recommendation?**

12 A. The effect is a reduction of \$2.511 million in the Company's base revenue
13 requirement and base rate increase.

14
15 **B. Reduce Commitment Fees Included In Cost of Short-Term Debt**
16

17 **Q. Describe the commitment fees included by the Company in the base revenue**
18 **requirement.**

19 A. The Company included \$0.258 million in commitment fees in the base revenue
20 requirement. This amount is based on an AEC aggregate \$5.305 million in
21 commitment fees, which represents 24.61% of the Company's proposed cost of
22 short-term debt of 25.7%.³⁸ I multiplied the 24.61% times the Company's short-term

³⁸ Schedule J-3 F.

1 debt ratio and then times the Company's rate base to calculate the commitment fees
2 included in the base revenue requirement.

3
4 **Q. Are the fees included by the Company for AEC in the aggregate reasonable?**

5 A. No. In response to AG discovery, the Company provided the commitment fees for
6 each source of AEC short-term debt.³⁹ The maximum commitment fees sum to
7 \$2.435 million, less than half of the fees included by the Company in its calculation
8 of the cost of short-term debt.

9
10 **Q. What is your recommendation?**

11 A. I recommend that the Commission scale down the commitment fees included in the
12 base revenue requirement to reflect the information provided in response to AG
13 discovery.

14
15 **Q. What is the effect of your recommendation?**

16 A. The effect is a reduction of \$0.114 million in the claimed base revenue deficiency
17 and base rate increase.

18
19 **C. Quantification of Mr. Baudino's Return on Equity**

20
21 **Q. What is the effect of Mr. Baudino's return on equity recommendation?**

22 A. The effect is a reduction of \$5.098 million in the Company's base revenue
23 requirement and base rate increase. This amount is incremental to the reductions in

³⁹ Response to AG 1-55, a copy of which is attached as Exhibit___(LK-11).

1 the revenue requirement for my recommendations to modify the capital structure,
2 including Mr. Baudino's recommendations to reduce the common equity
3 capitalization and common equity ratio.

4
5 **Q. Have you quantified the effects of a 10 basis point change in the return on**
6 **common equity?**

7 A. Yes. Each 10 basis point change in the return on equity equals \$0.408 million in the
8 base revenue requirement and requested base rate increase.

9
10 **D. Summary of Rate of Return Recommendations Compared to Company**
11

12 **Q. Summarize your capital structure and cost of capital recommendations,**
13 **including Mr. Baudino's common equity and return on equity**
14 **recommendations.**

15 A. The following table compares our recommendations to the Company's proposed
16 capital structure and cost of capital recommendations.

17

Atmos Energy Corporation Capital Structure Comparison Company Request vs AG Recommendation					
As Filed by Atmos					
	Capital Amount (\$)	%	Component Costs	Weighted Avg Costs	Grossed-Up COC
Short Term Debt	21,556,707	0.18%	25.17%	0.05%	0.05%
Long Term Debt	5,119,937,524	42.78%	4.00%	1.71%	1.72%
Common Equity	6,828,047,900	57.05%	10.35%	5.90%	7.92%
Total Capital	11,969,542,132	100.00%		7.66%	9.69%
As Recommended by AG					
	Capital Amount (\$)	%	Component Costs	Weighted Avg Costs	Grossed-Up COC
Short Term Debt	121,556,707	1.02%	2.57%	0.03%	0.03%
Long Term Debt	5,444,937,524	45.49%	3.85%	1.75%	1.76%
Common Equity	6,403,047,900	53.50%	9.10%	4.87%	6.53%
Total Capital	11,969,542,132	100.00%		6.65%	8.33%

V. PIPELINE REPLACEMENT RIDER ISSUES

A. Reject Request for Accelerated Replacement of Aldyl-A Pipeline and Recovery of Costs Through PRP Rider

Q. Describe the Company’s proposals to modify the PRP and PRP Rider.

A. The Company proposes to modify the PRP to include the accelerated replacement of Aldyl-A pipeline. It included an “incremental” \$2.736 million in accelerated Aldyl-A pipeline replacement costs in the proposed PRP Rider rates in Case No. 2021-00214. It included an “incremental” \$2.794 million accelerated Aldyl-A pipeline replacement costs in the base revenue requirement in this proceeding, consistent with its proposal to “roll-in” the entirety of the PRP rate base and operating expenses and

1 reset the PRP rider to \$0 on the date when base rates are reset in this proceeding.⁴⁰ It
2 proposes to recover all incremental Aldyl-A pipeline replacement costs incurred after
3 September 2022 through the PRP Rider.

4
5 **Q. What is the status of the Company's Aldyl-A requests in Case No. 2021-00304?**

6 A. The Commission suspended the rates sought in the PRP case "to await the outcome
7 of Case No. 2021-00214, Atmos's pending base rate case, regarding the appropriate
8 Return on Equity and the proposed inclusion of Aldyl-A plastic pipe replacements in
9 the PRP."⁴¹

10
11 **Q. Is there a requirement or an urgent need to adopt an accelerated Aldyl-A
12 replacement program at this time?**

13 A. No. Company witness Mr. T. Ryan Austin acknowledges that there is no
14 "immediate" need to replace all the Aldyl-A pipeline and describes the Company's
15 intent "to prioritize replacement by examining the facts of the Aldyl-A sections in its
16 system."⁴²

17
18 **Q. Has the Company completed its accelerated bare steel replacement program?**

19 A. No. The Company's proposed accelerated Aldyl-A replacement program would be
20 in addition to the ongoing accelerated bare steel replacement program and the

⁴⁰ The Company explained the difference in the two amounts in response to Staff 2-31. I have attached a copy of this response as my Exhibit___(LK-12).

⁴¹ Order in Case No. 2021-00304 denying Atmos' request for rehearing dated September 15, 2021, citing to and describing its prior Order in that case dated August 20, 2021.

⁴² Direct Testimony of T. Ryan Austin at 27.

1 incremental costs of the Aldyl-A program would compound the annual increases in
2 the PRP Rider until both programs are completed.

3 The Company estimates that it will not complete the accelerated bare steel
4 replacement program until 2027. The Company estimates that it will continue to
5 spend \$28.1 to \$28.6 million annually for the bare steel replacement program and
6 that it will spend another \$2.8 million to \$17.1 million annually for the Aldyl-A
7 replacement program. Over the next five years, the Company estimates that it will
8 spend \$140.7 million for the accelerated base steel program and \$47.4 million for the
9 accelerated Aldyl-A program, for a total of \$188.1 million, despite the fact that it
10 forecasts minimal customer and usage growth.⁴³

11
12 **Q. Has the Company provided a schedule or a cost estimate to completely replace**
13 **all Aldyl-A pipeline?**

14 A. No. At this point, if the Commission authorizes the accelerated replacement
15 program as proposed by the Company, there is no schedule, no cost estimate, and no
16 annual or aggregate limits to the costs that would be or could be included in the PRP
17 Rider for this program. These facts are particularly important due to the Company's
18 failure to meet the schedule or cost estimates for the accelerated bare steel
19 replacement program. The Company's failure to properly manage the accelerated
20 bare steel replacement program to meet its own estimates when the program was
21 initiated have caused the Commission to step in on multiple occasions to address the
22 problems and the effects on the costs incurred and included in the PRP Rider and the
23 resulting rates.

⁴³ Response to AG 1-24. I have attached a copy of this response as my Exhibit____(LK-13).

1

2 **Q. Does it make sense to undertake another accelerated pipeline replacement**
3 **program and to impose those costs on a limited and captive customer base at**
4 **this time?**

5 A. No. It does make sense to replace higher priority pipeline based on the safety risks
6 and leak history. The Company has included these costs in the claimed base revenue
7 requirement. It does not make sense to embark on an accelerated program to replace
8 all of the Aldyl-A pipeline and further increase customer rates at least until after the
9 accelerated bare steel replacement program is completed and then only after a
10 comprehensive review. Such a review would establish the schedule and reasonable
11 cost to complete the Aldyl-A replacement, among other parameters. It certainly does
12 not make sense to authorize Atmos to undertake an accelerated Aldyl-A replacement
13 program without adequate regulatory controls in place to avoid a repeat of the
14 problems that have plagued the accelerated bare steel replacement program.

15

16 **Q. What is your recommendation?**

17 A. I recommend that the Commission reject the Company's proposed accelerated Aldyl-
18 A replacement program at this time and at anytime in the future prior to the
19 completion of the accelerated bare steel replacement program. I recommend that the
20 Commission allow the Company's proposed incremental accelerated Aldyl-A
21 replacement costs that it included in the base revenue requirement, but condition this
22 recovery on a clawback of the related base revenues if the Company does not
23 complete the projects that comprise the costs in the test year and limit the recovery to
24 the forecast costs to complete the projects included in the base revenue requirement

1 regardless of the actual costs incurred. I also recommend that the Company be
2 required to provide a report to the Commission after the projects are completed to
3 demonstrate that it complied with these requirements, and if it did not, to provide a
4 calculation of the base revenues that should be clawed back. Finally, I recommend
5 that if the Company fails to meet these conditions and is required to clawback the
6 revenues, that the Commission direct the Company to record these revenues as a
7 regulatory liability for disposition in the next base rate case proceeding.
8

9 **Q. Reconcile your recommendation in this proceeding with AG witness Mr. David**
10 **Dittemore’s recommendation in the pending Columbia Gas of Kentucky, Inc.**
11 **rate case proceeding to recover the incremental costs of Aldyl-A replacement**
12 **pipe in its Safety Modification and Replacement Program (“SMRP”) rider.**

13 A. I have not extensively reviewed the Columbia Gas proposal, nevertheless, I agree
14 with Mr. Dittemore and the AG that system safety is important and that replacement
15 decisions should be made on the basis of risk assessment. That is why I recommend
16 that the Commission include incremental costs to replace the higher risk Aldyl-A
17 pipeline in the base revenue requirement.

18 Although Mr. Dittemore recommends that the Commission allow Columbia
19 Gas to include Aldyl-A costs in its SMRP, the recommendation is contingent upon
20 the Commission opening a separate docket to determine the need for and scope of
21 the replacement based on objective safety, risk, and other needs criteria, as well as
22 the establishment of an annual cap on recoveries through the SMRP.

23 In the case of Atmos, it has not justified the need for an accelerated Aldyl-A
24 replacement program and has not proposed a schedule with milestones or an

1 estimated cost with enforceable caps. As importantly, Atmos has an extremely poor
2 performance record on schedule and cost estimates with the accelerated bare steel
3 replacement program. Finally, Atmos still has not completed its accelerated bare
4 steel replacement program. It should complete that program before embarking on
5 another accelerated replacement program.

6
7 **B. Modify PRP Rider To Address Reductions In Asset Net Operating Loss ADIT**
8

9 **Q. Describe the asset NOL ADIT included by the Company in the PRP rate base.**

10 A. The Company offsets and reduces the incremental liability ADIT due to accelerated
11 tax depreciation subtracted from rate base by an incremental asset NOL ADIT added
12 to rate base.

13
14 **Q. Is this appropriate?**

15 A. No. The asset NOL ADIT addition to rate base assumes that there are no other
16 changes to the AEC NOL ADIT. This is an erroneous assumption because the AEC
17 NOL ADIT has declined substantially due to taxable income in each fiscal year since
18 base rates were last reset in Case No. 2018-00281.

19
20 **Q. What is your recommendation?**

21 A. I recommend that the Commission remove the asset NOL ADIT addition from the
22 PRP rate base formula unless it incorporates reductions in the AEC NOL ADIT due
23 to taxable income after the test year in this proceeding and subtracts the allocation of
24 these amounts to the Kentucky rate division from the PRP rate base formula. The

1 Company's approach is inequitable and does not accurately reflect the changes in the
2 asset NOL ADIT. Further, I recommend that the AEC NOL ADIT exclude amounts
3 specifically identified and directly assignable to other rate divisions, such as the
4 NOL ADIT due to Winter Storm Uri.

5
6 **VI. TAX ACT ADJUSTMENT FACTOR ISSUES**
7

8 **Q. Describe the Company's proposed new Tax Act Adjustment Factor rider.**

9 A. The Company seeks to establish and implement a new Tax Act Adjustment Factor
10 ("TAAF") rider to enable the Company to implement and respond to changes in
11 federal and/or state income tax rates.⁴⁴ According to the Company's proposal, the
12 TAAF rider would be set at zero until the effective date of any federal and/or state
13 income tax rate changes and approval by the Commission of a different TAAF rate.⁴⁵

14
15 **Q. Is the proposed TAAF rider necessary to address changes in federal and state**
16 **income tax rates?**

17 A. No. The Commission's responses to prior changes in the federal income and state
18 tax rates, including the reductions pursuant to the Tax Cuts and Jobs Act ("TCJA"),
19 did not require a TAAF rider, nor is such a tariff necessary for future changes. In
20 response to the prior changes, the Commission initiated generic and company-
21 specific proceedings for the gas and electric utilities subject to its ratemaking
22 jurisdiction. This approach has allowed the Commission to address the issues on a
23 consistent statewide basis while allowing for differences among the utilities based on

⁴⁴ Direct Testimony of Brannon C. Taylor at 16 and 23-24.

⁴⁵ *Id.*

1 their unique facts and circumstances. In addition, there often are changes in the
2 federal and state income tax code that do not affect income tax rates, but do affect
3 income tax expense, including deductions and tax credits. If and when there are
4 changes in the federal and state income tax code, whether income tax rates or other
5 changes, then the Commission's historic approach is sufficient, and indeed, superior,
6 to the Company's proposed TAAF rider

7 .
8 **Q. What is your recommendation?**

9 A. I recommend that the Commission reject the Company's request for a TAAF rider.
10 It is not necessary. The Commission already has the capability to address changes in
11 the federal and state tax codes, including changes in income tax rates. The existing
12 base ratemaking paradigm already provides the Company recovery of its reasonable
13 costs to comply with changes in income tax rates and provides financial incentives
14 for the Company to minimize the costs to comply with any such changes in a safe
15 and efficient manner.

16
17 **VII. ANNUAL RATE REVIEW MECHANISM ISSUES**
18

19 **Q. Describe the Company's proposal for an annual rate review mechanism.**

20 A. The Company's proposal is described by Mr. Brannon Taylor,⁴⁶ although it is not
21 included in the Company's Petition or in the table of contents to Mr. Taylor's
22 testimony. In fact, Mr. Taylor asserts that the Company is not even proposing such a
23 mechanism; however, he states that the Company would like the Commission to

⁴⁶Direct Testimony of Brannon C. Taylor at 24.

1 “continue to consider” such a plan.⁴⁷ I’m not sure what the distinction is between a
2 proposal or a request to continue to consider. Regardless of the Company’s
3 characterization, I will refer to its request as a proposal for an annual rate review
4 mechanism.

5 The Company did not provide a detailed description of its proposed annual
6 rate review mechanism or a proposed tariff. Instead, it cited to an annual rate review
7 mechanism approved by the Tennessee Public Utility Commission (“TPUC”),
8 although it did not provide a copy of the mechanism approved by the TPUC for the
9 Commission to “consider.” Mr. Taylor made the following assertions that “a
10 regularly scheduled rate review . . . will cost less and adjust the rates each year in a
11 more timely manner to actually achieve the result contemplated by the Commission’s
12 rate orders. The Company envisions an annual mechanism saving all parties time,
13 money and resources, while simultaneously promoting increased transparency and
14 interaction between the Commission, the Company and relevant stakeholders.”

15
16 **Q. Did the Commission reject the Company’s proposal for an annual review**
17 **mechanism in a prior base rate case proceeding?**

18 A. Yes. The Commission rejected a proposal for an annual review mechanism
19 (“ARM”) in Case No. 2017-00349, which Mr. Taylor acknowledges.⁴⁸ The
20 Company’s proposed ARM would have replaced the PRP in that proceeding, a
21 component of that prior proposal that is not explicitly included in the Company’s
22 proposal in this proceeding. In its Order in Case No. 2017-00349, the Commission

⁴⁷ *Id.*

⁴⁸ Direct Testimony of Brannon C. Taylor at 24.

1 stated:

2 The Commission finds that the current ratemaking process is aligned with
3 Kentucky statutes and regulations, ensures the public interest is served, and
4 that it is fair to Atmos and its shareholders. The proposed ARM, while it may
5 meet the needs of commissions in other jurisdictions, is not attractive in its
6 offer of expediency or its relative guarantee of return. The Commission
7 shares some of the concerns of the Attorney General with regard to lack of
8 clear benefit to customers beyond that of a decrease in regulatory expense,
9 and a predictable and possibly gradual annual increase in rates, the possibility
10 of rate decreases notwithstanding. Moreover, to approve an annual
11 ratemaking mechanism that could subsequently, and perhaps inevitably, be
12 requested by and approved for 42 other gas and electric utilities and dozens
13 of regulated water and sewer utilities, does not appear to provide benefits to
14 the Commission, Commission Staff, intervenors, or consumers in terms of
15 using scarce resources to produce reasonable outcomes. The Commission,
16 therefore, finds that the proposed ARM tariff and mechanism should be
17 denied.
18

19 **Q. Did Mr. Taylor provide any support for his assertions in support of the**
20 **proposed annual review mechanism?**

21 A. No. The Company's proposal suffers from the same infirmities and invalid
22 arguments in this proceeding that it made and that were addressed by the AG in its
23 opposition to the ARM proposed in Case No. 2017-00349. The Commission recited
24 the AG's arguments in its Order in Case No. 2017-00349 as follows:

25 The Attorney General recommends that the ARM be rejected because 1) it is
26 not necessary to achieve annual or more frequent rate increases; 2) it is not
27 necessary to eliminate regulatory lag due to Atmos's ability to use a
28 forecasted test year; 3) it will harm customers by forcing the incurrence of
29 more frequent and larger increases without the traditional rate case process
30 review; 4) there is no support for Atmos's claim that the ARM will result in
31 savings due to reduction in ratemaking cost, and; 5) the ARM removes the
32 utility's incentive to exercise management control to maintain its authorized
33 return between rate cases.
34

35 Those same arguments apply in opposition to the Company's proposal in this
36 proceeding.

1

2 **Q. What is your recommendation?**

3 A. I recommend that the Commission reject the Company's request for an annual rate
4 review mechanism.

5

6 **Q. Does this complete your testimony?**

7 A. Yes.

AFFIDAVIT

STATE OF GEORGIA)

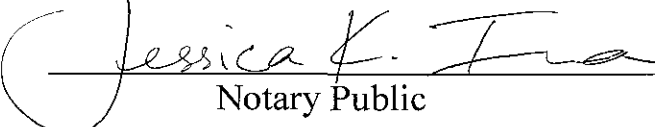
COUNTY OF FULTON)

LANE KOLLEN, being duly sworn, deposes and states: that the attached is his sworn testimony and that the statements contained are true and correct to the best of his knowledge, information and belief.

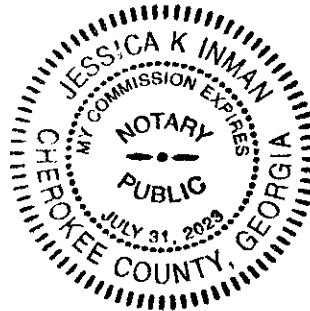


Lane Kollen

Sworn to and subscribed before me on this
30th day of September 2021.



Notary Public



COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)	CASE NO.
ATMOS ENERGY CORPORATION)	2021-00214
FOR AN ADJUSTMENT OF RATES)	

EXHIBITS
OF
LANE KOLLEN

ON BEHALF OF
THE OFFICE OF THE ATTORNEY GENERAL

J. Kennedy and Associates, Inc.
570 Colonial Park Drive, Suite 305
Roswell, GA 30075

SEPTEMBER 2021

EXHIBIT ____ (LK-1)

RESUME OF LANE KOLLEN, VICE PRESIDENT

EDUCATION

University of Toledo, BBA
Accounting

University of Toledo, MBA

Luther Rice University, MA

PROFESSIONAL CERTIFICATIONS

Certified Public Accountant (CPA)

Certified Management Accountant (CMA)

Chartered Global Management Accountant (CGMA)

PROFESSIONAL AFFILIATIONS

American Institute of Certified Public Accountants

Georgia Society of Certified Public Accountants

Institute of Management Accountants

Society of Depreciation Professionals

Mr. Kollen has more than forty years of utility industry experience in the financial, rate, tax, and planning areas. He specializes in revenue requirements analyses, taxes, evaluation of rate and financial impacts of traditional and nontraditional ratemaking, utility mergers/acquisition and diversification. Mr. Kollen has expertise in proprietary and nonproprietary software systems used by utilities for budgeting, rate case support and strategic and financial planning.

RESUME OF LANE KOLLEN, VICE PRESIDENT

EXPERIENCE

1986 to

Present:

J. Kennedy and Associates, Inc.: Vice President and Principal. Responsible for utility stranded cost analysis, revenue requirements analysis, cash flow projections and solvency, financial and cash effects of traditional and nontraditional ratemaking, and research, speaking and writing on the effects of tax law changes. Testimony before Connecticut, Florida, Georgia, Indiana, Louisiana, Kentucky, Maine, Maryland, Minnesota, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, West Virginia and Wisconsin state regulatory commissions and the Federal Energy Regulatory Commission.

1983 to

1986:

Energy Management Associates: Lead Consultant.

Consulting in the areas of strategic and financial planning, traditional and nontraditional ratemaking, rate case support and testimony, diversification and generation expansion planning. Directed consulting and software development projects utilizing PROSCREEN II and ACUMEN proprietary software products. Utilized ACUMEN detailed corporate simulation system, PROSCREEN II strategic planning system and other custom developed software to support utility rate case filings including test year revenue requirements, rate base, operating income and pro-forma adjustments. Also utilized these software products for revenue simulation, budget preparation and cost-of-service analyses.

1976 to

1983:

The Toledo Edison Company: Planning Supervisor.

Responsible for financial planning activities including generation expansion planning, capital and expense budgeting, evaluation of tax law changes, rate case strategy and support and computerized financial modeling using proprietary and nonproprietary software products. Directed the modeling and evaluation of planning alternatives including:

Rate phase-ins.

Construction project cancellations and write-offs.

Construction project delays.

Capacity swaps.

Financing alternatives.

Competitive pricing for off-system sales.

Sale/leasebacks.

RESUME OF LANE KOLLEN, VICE PRESIDENT

CLIENTS SERVED

Industrial Companies and Groups

Air Products and Chemicals, Inc.	Lehigh Valley Power Committee
Airco Industrial Gases	Maryland Industrial Group
Alcan Aluminum	Multiple Intervenors (New York)
Armco Advanced Materials Co.	National Southwire
Armco Steel	North Carolina Industrial
Bethlehem Steel	Energy Consumers
CF&I Steel, L.P.	Occidental Chemical Corporation
Climax Molybdenum Company	Ohio Energy Group
Connecticut Industrial Energy Consumers	Ohio Industrial Energy Consumers
ELCON	Ohio Manufacturers Association
Enron Gas Pipeline Company	Philadelphia Area Industrial Energy
Florida Industrial Power Users Group	Users Group
Gallatin Steel	PSI Industrial Group
General Electric Company	Smith Cogeneration
GPU Industrial Intervenors	Taconite Intervenors (Minnesota)
Indiana Industrial Group	West Penn Power Industrial Intervenors
Industrial Consumers for	West Virginia Energy Users Group
Fair Utility Rates - Indiana	Westvaco Corporation
Industrial Energy Consumers - Ohio	
Kentucky Industrial Utility Customers, Inc.	
Kimberly-Clark Company	

Regulatory Commissions and Government Agencies

Cities in Texas-New Mexico Power Company's Service Territory
Cities in AEP Texas Central Company's Service Territory
Cities in AEP Texas North Company's Service Territory
City of Austin
Georgia Public Service Commission Staff
Florida Office of Public Counsel
Indiana Office of Utility Consumer Counsel
Kentucky Office of Attorney General
Louisiana Public Service Commission
Louisiana Public Service Commission Staff
Maine Office of Public Advocate
New York City
New York State Energy Office
South Carolina Office of Regulatory Staff
Texas Office of Public Utility Counsel
Utah Office of Consumer Services

RESUME OF LANE KOLLEN, VICE PRESIDENT

Utilities

Allegheny Power System
Atlantic City Electric Company
Carolina Power & Light Company
Cleveland Electric Illuminating Company
Delmarva Power & Light Company
Duquesne Light Company
General Public Utilities
Georgia Power Company
Middle South Services
Nevada Power Company
Niagara Mohawk Power Corporation

Otter Tail Power Company
Pacific Gas & Electric Company
Public Service Electric & Gas
Public Service of Oklahoma
Rochester Gas and Electric
Savannah Electric & Power Company
Seminole Electric Cooperative
Southern California Edison
Talquin Electric Cooperative
Tampa Electric
Texas Utilities
Toledo Edison Company

**Expert Testimony Appearances
of
Lane Kollen
As of September 2021**

Date	Case	Jurisdic.	Party	Utility	Subject
10/86	U-17282 Interim	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Cash revenue requirements financial solvency.
11/86	U-17282 Interim Rebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Cash revenue requirements financial solvency.
12/86	9613	KY	Attorney General Div. of Consumer Protection	Big Rivers Electric Corp.	Revenue requirements accounting adjustments financial workout plan.
1/87	U-17282 Interim	LA 19th Judicial District Ct.	Louisiana Public Service Commission Staff	Gulf States Utilities	Cash revenue requirements, financial solvency.
3/87	General Order 236	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Tax Reform Act of 1986.
4/87	U-17282 Prudence	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Prudence of River Bend 1, economic analyses, cancellation studies.
4/87	M-100 Sub 113	NC	North Carolina Industrial Energy Consumers	Duke Power Co.	Tax Reform Act of 1986.
5/87	86-524-E-SC	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Revenue requirements, Tax Reform Act of 1986.
5/87	U-17282 Case In Chief	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, River Bend 1 phase-in plan, financial solvency.
7/87	U-17282 Case In Chief Surrebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, River Bend 1 phase-in plan, financial solvency.
7/87	U-17282 Prudence Surrebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Prudence of River Bend 1, economic analyses, cancellation studies.
7/87	86-524 E-SC Rebuttal	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Revenue requirements, Tax Reform Act of 1986.
8/87	9885	KY	Attorney General Div. of Consumer Protection	Big Rivers Electric Corp.	Financial workout plan.
8/87	E-015/GR-87-223	MN	Taconite Intervenors	Minnesota Power & Light Co.	Revenue requirements, O&M expense, Tax Reform Act of 1986.
10/87	870220-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Revenue requirements, O&M expense, Tax Reform Act of 1986.
11/87	87-07-01	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Tax Reform Act of 1986.
1/88	U-17282	LA 19th Judicial District Ct.	Louisiana Public Service Commission	Gulf States Utilities	Revenue requirements, River Bend 1 phase-in plan, rate of return.
2/88	9934	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Economics of Trimble County, completion.
2/88	10064	KY	Kentucky Industrial Utility	Louisville Gas &	Revenue requirements, O&M expense, capital

**Expert Testimony Appearances
of
Lane Kollen
As of September 2021**

Date	Case	Jurisdct.	Party	Utility	Subject
			Customers	Electric Co.	structure, excess deferred income taxes.
5/88	10217	KY	Alcan Aluminum National Southwire	Big Rivers Electric Corp.	Financial workout plan.
5/88	M-87017-1C001	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Nonutility generator deferred cost recovery.
5/88	M-87017-2C005	PA	GPU Industrial Intervenors	Pennsylvania Electric Co.	Nonutility generator deferred cost recovery.
6/88	U-17282	LA 19th Judicial District Ct.	Louisiana Public Service Commission	Gulf States Utilities	Prudence of River Bend 1 economic analyses, cancellation studies, financial modeling.
7/88	M-87017-1C001 Rebuttal	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Nonutility generator deferred cost recovery, SFAS No. 92.
7/88	M-87017-2C005 Rebuttal	PA	GPU Industrial Intervenors	Pennsylvania Electric Co.	Nonutility generator deferred cost recovery, SFAS No. 92.
9/88	88-05-25	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Excess deferred taxes, O&M expenses.
9/88	10064 Rehearing	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Premature retirements, interest expense.
10/88	88-170-EL-AIR	OH	Ohio Industrial Energy Consumers	Cleveland Electric Illuminating Co.	Revenue requirements, phase-in, excess deferred taxes, O&M expenses, financial considerations, working capital.
10/88	88-171-EL-AIR	OH	Ohio Industrial Energy Consumers	Toledo Edison Co.	Revenue requirements, phase-in, excess deferred taxes, O&M expenses, financial considerations, working capital.
10/88	8800-355-EI	FL	Florida Industrial Power Users' Group	Florida Power & Light Co.	Tax Reform Act of 1986, tax expenses, O&M expenses, pension expense (SFAS No. 87).
10/88	3780-U	GA	Georgia Public Service Commission Staff	Atlanta Gas Light Co.	Pension expense (SFAS No. 87).
11/88	U-17282 Remand	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Rate base exclusion plan (SFAS No. 71).
12/88	U-17970	LA	Louisiana Public Service Commission Staff	AT&T Communications of South Central States	Pension expense (SFAS No. 87).
12/88	U-17949 Rebuttal	LA	Louisiana Public Service Commission Staff	South Central Bell	Compensated absences (SFAS No. 43), pension expense (SFAS No. 87), Part 32, income tax normalization.
2/89	U-17282 Phase II	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, phase-in of River Bend 1, recovery of canceled plant.
6/89	881602-EU 890326-EU	FL	Talquin Electric Cooperative	Talquin/City of Tallahassee	Economic analyses, incremental cost-of-service, average customer rates.

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7/89	U-17970	LA	Louisiana Public Service Commission Staff	AT&T Communications of South Central States	Pension expense (SFAS No. 87), compensated absences (SFAS No. 43), Part 32.
8/89	8555	TX	Occidental Chemical Corp.	Houston Lighting & Power Co.	Cancellation cost recovery, tax expense, revenue requirements.
8/89	3840-U	GA	Georgia Public Service Commission Staff	Georgia Power Co.	Promotional practices, advertising, economic development.
9/89	U-17282 Phase II Detailed	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, detailed investigation.
10/89	8880	TX	Enron Gas Pipeline	Texas-New Mexico Power Co.	Deferred accounting treatment, sale/leaseback.
10/89	8928	TX	Enron Gas Pipeline	Texas-New Mexico Power Co.	Revenue requirements, imputed capital structure, cash working capital.
10/89	R-891364	PA	Philadelphia Area Industrial Energy Users Group	Philadelphia Electric Co.	Revenue requirements.
11/89 12/89	R-891364 Surrebuttal (2 Filings)	PA	Philadelphia Area Industrial Energy Users Group	Philadelphia Electric Co.	Revenue requirements, sale/leaseback.
1/90	U-17282 Phase II Detailed Rebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, detailed investigation.
1/90	U-17282 Phase III	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Phase-in of River Bend 1, deregulated asset plan.
3/90	890319-EI	FL	Florida Industrial Power Users Group	Florida Power & Light Co.	O&M expenses, Tax Reform Act of 1986.
4/90	890319-EI Rebuttal	FL	Florida Industrial Power Users Group	Florida Power & Light Co.	O&M expenses, Tax Reform Act of 1986.
4/90	U-17282	LA 19 th Judicial District Ct.	Louisiana Public Service Commission	Gulf States Utilities	Fuel clause, gain on sale of utility assets.
9/90	90-158	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Revenue requirements, post-test year additions, forecasted test year.
12/90	U-17282 Phase IV	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements.
3/91	29327, et. al.	NY	Multiple Intervenors	Niagara Mohawk Power Corp.	Incentive regulation.
5/91	9945	TX	Office of Public Utility Counsel of Texas	El Paso Electric Co.	Financial modeling, economic analyses, prudence of Palo Verde 3.

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9/91	P-910511 P-910512	PA	Allegheny Ludlum Corp., Armco Advanced Materials Co., The West Penn Power Industrial Users' Group	West Penn Power Co.	Recovery of CAAA costs, least cost financing.
9/91	91-231-E-NC	WV	West Virginia Energy Users Group	Monongahela Power Co.	Recovery of CAAA costs, least cost financing.
11/91	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Asset impairment, deregulated asset plan, revenue requirements.
12/91	91-410-EL-AIR	OH	Air Products and Chemicals, Inc., Armco Steel Co., General Electric Co., Industrial Energy Consumers	Cincinnati Gas & Electric Co.	Revenue requirements, phase-in plan.
12/91	PUC Docket 10200	TX	Office of Public Utility Counsel of Texas	Texas-New Mexico Power Co.	Financial integrity, strategic planning, declined business affiliations.
5/92	910890-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Revenue requirements, O&M expense, pension expense, OPEB expense, fossil dismantling, nuclear decommissioning.
8/92	R-00922314	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Incentive regulation, performance rewards, purchased power risk, OPEB expense.
9/92	92-043	KY	Kentucky Industrial Utility Consumers	Generic Proceeding	OPEB expense.
9/92	920324-EI	FL	Florida Industrial Power Users' Group	Tampa Electric Co.	OPEB expense.
9/92	39348	IN	Indiana Industrial Group	Generic Proceeding	OPEB expense.
9/92	910840-PU	FL	Florida Industrial Power Users' Group	Generic Proceeding	OPEB expense.
9/92	39314	IN	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	OPEB expense.
11/92	U-19904	LA	Louisiana Public Service Commission Staff	Gulf States Utilities /Entergy Corp.	Merger.
11/92	8469	MD	Westvaco Corp., Eastalco Aluminum Co.	Potomac Edison Co.	OPEB expense.
11/92	92-1715-AU-COI	OH	Ohio Manufacturers Association	Generic Proceeding	OPEB expense.
12/92	R-00922378	PA	Armco Advanced Materials Co., The WPP Industrial Intervenors	West Penn Power Co.	Incentive regulation, performance rewards, purchased power risk, OPEB expense.
12/92	U-19949	LA	Louisiana Public Service Commission Staff	South Central Bell	Affiliate transactions, cost allocations, merger.

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12/92	R-00922479	PA	Philadelphia Area Industrial Energy Users' Group	Philadelphia Electric Co.	OPEB expense.
1/93	8487	MD	Maryland Industrial Group	Baltimore Gas & Electric Co., Bethlehem Steel Corp.	OPEB expense, deferred fuel, CWIP in rate base.
1/93	39498	IN	PSI Industrial Group	PSI Energy, Inc.	Refunds due to over-collection of taxes on Marble Hill cancellation.
3/93	92-11-11	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co	OPEB expense.
3/93	U-19904 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities /Entergy Corp.	Merger.
3/93	93-01-EL-EFC	OH	Ohio Industrial Energy Consumers	Ohio Power Co.	Affiliate transactions, fuel.
3/93	EC92-21000 ER92-806-000	FERC	Louisiana Public Service Commission Staff	Gulf States Utilities /Entergy Corp.	Merger.
4/93	92-1464-EL-AIR	OH	Air Products Armco Steel Industrial Energy Consumers	Cincinnati Gas & Electric Co.	Revenue requirements, phase-in plan.
4/93	EC92-21000 ER92-806-000 (Rebuttal)	FERC	Louisiana Public Service Commission	Gulf States Utilities /Entergy Corp.	Merger.
9/93	93-113	KY	Kentucky Industrial Utility Customers	Kentucky Utilities	Fuel clause and coal contract refund.
9/93	92-490, 92-490A, 90-360-C	KY	Kentucky Industrial Utility Customers and Kentucky Attorney General	Big Rivers Electric Corp.	Disallowances and restitution for excessive fuel costs, illegal and improper payments, recovery of mine closure costs.
10/93	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	Revenue requirements, debt restructuring agreement, River Bend cost recovery.
1/94	U-20647	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Audit and investigation into fuel clause costs.
4/94	U-20647 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Nuclear and fossil unit performance, fuel costs, fuel clause principles and guidelines.
4/94	U-20647 (Supplemental Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Audit and investigation into fuel clause costs.
5/94	U-20178	LA	Louisiana Public Service Commission Staff	Louisiana Power & Light Co.	Planning and quantification issues of least cost integrated resource plan.
9/94	U-19904 Initial Post-Merger Earnings Review	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	River Bend phase-in plan, deregulated asset plan, capital structure, other revenue requirement issues.

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Date	Case	Jurisdct.	Party	Utility	Subject
9/94	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	G&T cooperative ratemaking policies, exclusion of River Bend, other revenue requirement issues.
10/94	3905-U	GA	Georgia Public Service Commission Staff	Southern Bell Telephone Co.	Incentive rate plan, earnings review.
10/94	5258-U	GA	Georgia Public Service Commission Staff	Southern Bell Telephone Co.	Alternative regulation, cost allocation.
11/94	U-19904 Initial Post-Merger Earnings Review (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	River Bend phase-in plan, deregulated asset plan, capital structure, other revenue requirement issues.
11/94	U-17735 (Rebuttal)	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	G&T cooperative ratemaking policy, exclusion of River Bend, other revenue requirement issues.
4/95	R-00943271	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Revenue requirements. Fossil dismantling, nuclear decommissioning.
6/95	3905-U Rebuttal	GA	Georgia Public Service Commission	Southern Bell Telephone Co.	Incentive regulation, affiliate transactions, revenue requirements, rate refund.
6/95	U-19904 (Direct)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Gas, coal, nuclear fuel costs, contract prudence, base/fuel realignment.
10/95	95-02614	TN	Tennessee Office of the Attorney General Consumer Advocate	BellSouth Telecommunications, Inc.	Affiliate transactions.
10/95	U-21485 (Direct)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Nuclear O&M, River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues.
11/95	U-19904 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co. Division	Gas, coal, nuclear fuel costs, contract prudence, base/fuel realignment.
11/95	U-21485 (Supplemental Direct)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Nuclear O&M, River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues.
12/95	U-21485 (Surrebuttal)				
1/96	95-299-EL-AIR 95-300-EL-AIR	OH	Industrial Energy Consumers	The Toledo Edison Co., The Cleveland Electric Illuminating Co.	Competition, asset write-offs and revaluation, O&M expense, other revenue requirement issues.
2/96	PUC Docket 14965	TX	Office of Public Utility Counsel	Central Power & Light	Nuclear decommissioning.
5/96	95-485-LCS	NM	City of Las Cruces	El Paso Electric Co.	Stranded cost recovery, municipalization.
7/96	8725	MD	The Maryland Industrial Group and Redland Genstar, Inc.	Baltimore Gas & Electric Co., Potomac Electric Power Co., and Constellation Energy Corp.	Merger savings, tracking mechanism, earnings sharing plan, revenue requirement issues.

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9/96 11/96	U-22092 U-22092 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues, allocation of regulated/nonregulated costs.
10/96	96-327	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Environmental surcharge recoverable costs.
2/97	R-00973877	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Stranded cost recovery, regulatory assets and liabilities, intangible transition charge, revenue requirements.
3/97	96-489	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	Environmental surcharge recoverable costs, system agreements, allowance inventory, jurisdictional allocation.
6/97	TO-97-397	MO	MCI Telecommunications Corp., Inc., MCImetro Access Transmission Services, Inc.	Southwestern Bell Telephone Co.	Price cap regulation, revenue requirements, rate of return.
6/97	R-00973953	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
7/97	R-00973954	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
7/97	U-22092	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Depreciation rates and methodologies, River Bend phase-in plan.
8/97	97-300	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co., Kentucky Utilities Co.	Merger policy, cost savings, surcredit sharing mechanism, revenue requirements, rate of return.
8/97	R-00973954 (Surrebuttal)	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
10/97	97-204	KY	Alcan Aluminum Corp. Southwire Co.	Big Rivers Electric Corp.	Restructuring, revenue requirements, reasonableness.
10/97	R-974008	PA	Metropolitan Edison Industrial Users Group	Metropolitan Edison Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements.
10/97	R-974009	PA	Penelec Industrial Customer Alliance	Pennsylvania Electric Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements.
11/97	97-204 (Rebuttal)	KY	Alcan Aluminum Corp. Southwire Co.	Big Rivers Electric Corp.	Restructuring, revenue requirements, reasonableness of rates, cost allocation.
11/97	U-22491	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, other revenue requirement issues.

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11/97	R-00973953 (Surrebuttal)	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
11/97	R-973981	PA	West Penn Power Industrial Intervenor	West Penn Power Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, fossil decommissioning, revenue requirements, securitization.
11/97	R-974104	PA	Duquesne Industrial Intervenor	Duquesne Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements, securitization.
12/97	R-973981 (Surrebuttal)	PA	West Penn Power Industrial Intervenor	West Penn Power Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, fossil decommissioning, revenue requirements.
12/97	R-974104 (Surrebuttal)	PA	Duquesne Industrial Intervenor	Duquesne Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements, securitization.
1/98	U-22491 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, other revenue requirement issues.
2/98	8774	MD	Westvaco	Potomac Edison Co.	Merger of Duquesne, AE, customer safeguards, savings sharing.
3/98	U-22092 (Allocated Stranded Cost Issues)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Restructuring, stranded costs, regulatory assets, securitization, regulatory mitigation.
3/98	8390-U	GA	Georgia Natural Gas Group, Georgia Textile Manufacturers Assoc.	Atlanta Gas Light Co.	Restructuring, unbundling, stranded costs, incentive regulation, revenue requirements.
3/98	U-22092 (Allocated Stranded Cost Issues) (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Restructuring, stranded costs, regulatory assets, securitization, regulatory mitigation.
3/98	U-22491 (Supplemental Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, other revenue requirement issues.
10/98	97-596	ME	Maine Office of the Public Advocate	Bangor Hydro-Electric Co.	Restructuring, unbundling, stranded costs, T&D revenue requirements.
10/98	9355-U	GA	Georgia Public Service Commission Adversary Staff	Georgia Power Co.	Affiliate transactions.
10/98	U-17735 Rebuttal	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	G&T cooperative ratemaking policy, other revenue requirement issues.

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Date	Case	Jurisdic.	Party	Utility	Subject
11/98	U-23327	LA	Louisiana Public Service Commission Staff	SWEPCO, CSW and AEP	Merger policy, savings sharing mechanism, affiliate transaction conditions.
12/98	U-23358 (Direct)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
12/98	98-577	ME	Maine Office of Public Advocate	Maine Public Service Co.	Restructuring, unbundling, stranded cost, T&D revenue requirements.
1/99	98-10-07	CT	Connecticut Industrial Energy Consumers	United Illuminating Co.	Stranded costs, investment tax credits, accumulated deferred income taxes, excess deferred income taxes.
3/99	U-23358 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
3/99	98-474	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements, alternative forms of regulation.
3/99	98-426	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements, alternative forms of regulation.
3/99	99-082	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements.
3/99	99-083	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements.
4/99	U-23358 (Supplemental Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
4/99	99-03-04	CT	Connecticut Industrial Energy Consumers	United Illuminating Co.	Regulatory assets and liabilities, stranded costs, recovery mechanisms.
4/99	99-02-05	CT	Connecticut Industrial Utility Customers	Connecticut Light and Power Co.	Regulatory assets and liabilities, stranded costs, recovery mechanisms.
5/99	98-426 99-082 (Additional Direct)	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements.
5/99	98-474 99-083 (Additional Direct)	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements.
5/99	98-426 98-474 (Response to Amended Applications)	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co., Kentucky Utilities Co.	Alternative regulation.
6/99	97-596	ME	Maine Office of Public Advocate	Bangor Hydro-Electric Co.	Request for accounting order regarding electric industry restructuring costs.
7/99	U-23358	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Affiliate transactions, cost allocations.

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Date	Case	Jurisdct.	Party	Utility	Subject
7/99	99-03-35	CT	Connecticut Industrial Energy Consumers	United Illuminating Co.	Stranded costs, regulatory assets, tax effects of asset divestiture.
7/99	U-23327	LA	Louisiana Public Service Commission Staff	Southwestern Electric Power Co., Central and South West Corp, American Electric Power Co.	Merger Settlement and Stipulation.
7/99	97-596 Surrebuttal	ME	Maine Office of Public Advocate	Bangor Hydro-Electric Co.	Restructuring, unbundling, stranded cost, T&D revenue requirements.
7/99	98-0452-E-GI	WV	West Virginia Energy Users Group	Monongahela Power, Potomac Edison, Appalachian Power, Wheeling Power	Regulatory assets and liabilities.
8/99	98-577 Surrebuttal	ME	Maine Office of Public Advocate	Maine Public Service Co.	Restructuring, unbundling, stranded costs, T&D revenue requirements.
8/99	98-426 99-082 Rebuttal	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements.
8/99	98-474 98-083 Rebuttal	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements.
8/99	98-0452-E-GI Rebuttal	WV	West Virginia Energy Users Group	Monongahela Power, Potomac Edison, Appalachian Power, Wheeling Power	Regulatory assets and liabilities.
10/99	U-24182 Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, affiliate transactions, tax issues, and other revenue requirement issues.
11/99	PUC Docket 21527	TX	The Dallas-Fort Worth Hospital Council and Coalition of Independent Colleges and Universities	TXU Electric	Restructuring, stranded costs, taxes, securitization.
11/99	U-23358 Surrebuttal Affiliate Transactions Review	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Service company affiliate transaction costs.
01/00	U-24182 Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, affiliate transactions, tax issues, and other revenue requirement issues.
04/00	99-1212-EL-ETP 99-1213-EL-ATA 99-1214-EL-AAM	OH	Greater Cleveland Growth Association	First Energy (Cleveland Electric Illuminating, Toledo Edison)	Historical review, stranded costs, regulatory assets, liabilities.

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Date	Case	Jurisdct.	Party	Utility	Subject
05/00	2000-107	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	ECR surcharge roll-in to base rates.
05/00	U-24182 Supplemental Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Affiliate expense proforma adjustments.
05/00	A-110550F0147	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy	Merger between PECO and Unicom.
05/00	99-1658-EL-ETP	OH	AK Steel Corp.	Cincinnati Gas & Electric Co.	Regulatory transition costs, including regulatory assets and liabilities, SFAS 109, ADIT, EDIT, ITC.
07/00	PUC Docket 22344	TX	The Dallas-Fort Worth Hospital Council and The Coalition of Independent Colleges and Universities	Statewide Generic Proceeding	Escalation of O&M expenses for unbundled T&D revenue requirements in projected test year.
07/00	U-21453	LA	Louisiana Public Service Commission	SWEPCO	Stranded costs, regulatory assets and liabilities.
08/00	U-24064	LA	Louisiana Public Service Commission Staff	CLECO	Affiliate transaction pricing ratemaking principles, subsidization of nonregulated affiliates, ratemaking adjustments.
10/00	SOAH Docket 473-00-1015 PUC Docket 22350	TX	The Dallas-Fort Worth Hospital Council and The Coalition of Independent Colleges and Universities	TXU Electric Co.	Restructuring, T&D revenue requirements, mitigation, regulatory assets and liabilities.
10/00	R-00974104 Affidavit	PA	Duquesne Industrial Intervenor	Duquesne Light Co.	Final accounting for stranded costs, including treatment of auction proceeds, taxes, capital costs, switchback costs, and excess pension funding.
11/00	P-00001837 R-00974008 P-00001838 R-00974009	PA	Metropolitan Edison Industrial Users Group Penelec Industrial Customer Alliance	Metropolitan Edison Co., Pennsylvania Electric Co.	Final accounting for stranded costs, including treatment of auction proceeds, taxes, regulatory assets and liabilities, transaction costs.
12/00	U-21453, U-20925, U-22092 (Subdocket C) Surrebuttal	LA	Louisiana Public Service Commission Staff	SWEPCO	Stranded costs, regulatory assets.
01/01	U-24993 Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
01/01	U-21453, U-20925, U-22092 (Subdocket B) Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Industry restructuring, business separation plan, organization structure, hold harmless conditions, financing.
01/01	Case No. 2000-386	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co.	Recovery of environmental costs, surcharge mechanism.

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Date	Case	Jurisdic.	Party	Utility	Subject
01/01	Case No. 2000-439	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Recovery of environmental costs, surcharge mechanism.
02/01	A-110300F0095 A-110400F0040	PA	Met-Ed Industrial Users Group, Penelec Industrial Customer Alliance	GPU, Inc. FirstEnergy Corp.	Merger, savings, reliability.
03/01	P-00001860 P-00001861	PA	Met-Ed Industrial Users Group, Penelec Industrial Customer Alliance	Metropolitan Edison Co., Pennsylvania Electric Co.	Recovery of costs due to provider of last resort obligation.
04/01	U-21453, U-20925, U-22092 (Subdocket B) Settlement Term Sheet	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Business separation plan: settlement agreement on overall plan structure.
04/01	U-21453, U-20925, U-22092 (Subdocket B) Contested Issues	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Business separation plan: agreements, hold harmless conditions, separations methodology.
05/01	U-21453, U-20925, U-22092 (Subdocket B) Contested Issues Transmission and Distribution Rebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Business separation plan: agreements, hold harmless conditions, separations methodology.
07/01	U-21453, U-20925, U-22092 (Subdocket B) Transmission and Distribution Term Sheet	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Business separation plan: settlement agreement on T&D issues, agreements necessary to implement T&D separations, hold harmless conditions, separations methodology.
10/01	14000-U	GA	Georgia Public Service Commission Adversary Staff	Georgia Power Company	Revenue requirements, Rate Plan, fuel clause recovery.
11/01	14311-U Direct Panel with Bolin Killings	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co	Revenue requirements, revenue forecast, O&M expense, depreciation, plant additions, cash working capital.
11/01	U-25687 Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, capital structure, allocation of regulated and nonregulated costs, River Bend uprate.
02/02	PUC Docket 25230	TX	The Dallas-Fort Worth Hospital Council and the Coalition of Independent Colleges and Universities	TXU Electric	Stipulation. Regulatory assets, securitization financing.

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Date	Case	Jurisdic.	Party	Utility	Subject
02/02	U-25687 Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, River Bend uprate.
03/02	14311-U Rebuttal Panel with Bolin Killings	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Revenue requirements, earnings sharing plan, service quality standards.
03/02	14311-U Rebuttal Panel with Michelle L. Thebert	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Revenue requirements, revenue forecast, O&M expense, depreciation, plant additions, cash working capital.
03/02	001148-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Co.	Revenue requirements. Nuclear life extension, storm damage accruals and reserve, capital structure, O&M expense.
04/02	U-25687 (Suppl. Surrebuttal)	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, River Bend uprate.
04/02	U-21453, U-20925 U-22092 (Subdocket C)	LA	Louisiana Public Service Commission	SWEPCO	Business separation plan, T&D Term Sheet, separations methodologies, hold harmless conditions.
08/02	EL01-88-000	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	System Agreement, production cost equalization, tariffs.
08/02	U-25888	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc. and Entergy Louisiana, Inc.	System Agreement, production cost disparities, prudence.
09/02	2002-00224 2002-00225	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric Co.	Line losses and fuel clause recovery associated with off-system sales.
11/02	2002-00146 2002-00147	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric Co.	Environmental compliance costs and surcharge recovery.
01/03	2002-00169	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Power Co.	Environmental compliance costs and surcharge recovery.
04/03	2002-00429 2002-00430	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric Co.	Extension of merger surcredit, flaws in Companies' studies.
04/03	U-26527	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, capital structure, post-test year adjustments.
06/03	EL01-88-000 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	System Agreement, production cost equalization, tariffs.

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Date	Case	Jurisdic.	Party	Utility	Subject
06/03	2003-00068	KY	Kentucky Industrial Utility Customers	Kentucky Utilities Co.	Environmental cost recovery, correction of base rate error.
11/03	ER03-753-000	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Unit power purchases and sale cost-based tariff pursuant to System Agreement.
11/03	ER03-583-000, ER03-583-001, ER03-583-002 ER03-681-000, ER03-681-001 ER03-682-000, ER03-682-001, ER03-682-002 ER03-744-000, ER03-744-001 (Consolidated)	FERC	Louisiana Public Service Commission	Entergy Services, Inc., the Entergy Operating Companies, EWO Marketing, L.P, and Entergy Power, Inc.	Unit power purchases and sale agreements, contractual provisions, projected costs, leveled rates, and formula rates.
12/03	U-26527 Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, capital structure, post-test year adjustments.
12/03	2003-0334 2003-0335	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric Co.	Earnings Sharing Mechanism.
12/03	U-27136	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc.	Purchased power contracts between affiliates, terms and conditions.
03/04	U-26527 Supplemental Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, capital structure, post-test year adjustments.
03/04	2003-00433	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co.	Revenue requirements, depreciation rates, O&M expense, deferrals and amortization, earnings sharing mechanism, merger surcredit, VDT surcredit.
03/04	2003-00434	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements, depreciation rates, O&M expense, deferrals and amortization, earnings sharing mechanism, merger surcredit, VDT surcredit.
03/04	SOAH Docket 473-04-2459 PUC Docket 29206	TX	Cities Served by Texas-New Mexico Power Co.	Texas-New Mexico Power Co.	Stranded costs true-up, including valuation issues, ITC, ADIT, excess earnings.
05/04	04-169-EL-UNC	OH	Ohio Energy Group, Inc.	Columbus Southern Power Co. & Ohio Power Co.	Rate stabilization plan, deferrals, T&D rate increases, earnings.
06/04	SOAH Docket 473-04-4555 PUC Docket 29526	TX	Houston Council for Health and Education	CenterPoint Energy Houston Electric	Stranded costs true-up, including valuation issues, ITC, EDIT, excess mitigation credits, capacity auction true-up revenues, interest.

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Date	Case	Jurisdic.	Party	Utility	Subject
08/04	SOAH Docket 473-04-4555 PUC Docket 29526 (Suppl Direct)	TX	Houston Council for Health and Education	CenterPoint Energy Houston Electric	Interest on stranded cost pursuant to Texas Supreme Court remand.
09/04	U-23327 Subdocket B	LA	Louisiana Public Service Commission Staff	SWEPCO	Fuel and purchased power expenses recoverable through fuel adjustment clause, trading activities, compliance with terms of various LPSC Orders.
10/04	U-23327 Subdocket A	LA	Louisiana Public Service Commission Staff	SWEPCO	Revenue requirements.
12/04	Case Nos. 2004-00321, 2004-00372	KY	Gallatin Steel Co.	East Kentucky Power Cooperative, Inc., Big Sandy Recc, et al.	Environmental cost recovery, qualified costs, TIER requirements, cost allocation.
01/05	30485	TX	Houston Council for Health and Education	CenterPoint Energy Houston Electric, LLC	Stranded cost true-up including regulatory Central Co. assets and liabilities, ITC, EDIT, capacity auction, proceeds, excess mitigation credits, retrospective and prospective ADIT.
02/05	18638-U	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Revenue requirements.
02/05	18638-U Panel with Tony Wackerly	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Comprehensive rate plan, pipeline replacement program surcharge, performance based rate plan.
02/05	18638-U Panel with Michelle Thebert	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Energy conservation, economic development, and tariff issues.
03/05	Case Nos. 2004-00426, 2004-00421	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric	Environmental cost recovery, Jobs Creation Act of 2004 and §199 deduction, excess common equity ratio, deferral and amortization of nonrecurring O&M expense.
06/05	2005-00068	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	Environmental cost recovery, Jobs Creation Act of 2004 and §199 deduction, margins on allowances used for AEP system sales.
06/05	050045-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Co.	Storm damage expense and reserve, RTO costs, O&M expense projections, return on equity performance incentive, capital structure, selective second phase post-test year rate increase.
08/05	31056	TX	Alliance for Valley Healthcare	AEP Texas Central Co.	Stranded cost true-up including regulatory assets and liabilities, ITC, EDIT, capacity auction, proceeds, excess mitigation credits, retrospective and prospective ADIT.
09/05	20298-U	GA	Georgia Public Service Commission Adversary Staff	Atmos Energy Corp.	Revenue requirements, roll-in of surcharges, cost recovery through surcharge, reporting requirements.
09/05	20298-U	GA	Georgia Public Service	Atmos Energy Corp.	Affiliate transactions, cost allocations, capitalization,

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Date	Case	Jurisdct.	Party	Utility	Subject
	Panel with Victoria Taylor		Commission Adversary Staff		cost of debt.
10/05	04-42	DE	Delaware Public Service Commission Staff	Artesian Water Co.	Allocation of tax net operating losses between regulated and unregulated.
11/05	2005-00351 2005-00352	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric	Workforce Separation Program cost recovery and shared savings through VDT surcredit.
01/06	2005-00341	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	System Sales Clause Rider, Environmental Cost Recovery Rider. Net Congestion Rider, Storm damage, vegetation management program, depreciation, off-system sales, maintenance normalization, pension and OPEB.
03/06	PUC Docket 31994	TX	Cities	Texas-New Mexico Power Co.	Stranded cost recovery through competition transition or change.
05/06	31994 Supplemental	TX	Cities	Texas-New Mexico Power Co.	Retrospective ADFIT, prospective ADFIT.
03/06	U-21453, U-20925, U-22092 (Subdocket B)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Jurisdictional separation plan.
03/06	NOPR Reg 104385-OR	IRS	Alliance for Valley Health Care and Houston Council for Health Education	AEP Texas Central Company and CenterPoint Energy Houston Electric	Proposed Regulations affecting flow-through to ratepayers of excess deferred income taxes and investment tax credits on generation plant that is sold or deregulated.
04/06	U-25116	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc.	2002-2004 Audit of Fuel Adjustment Clause Filings. Affiliate transactions.
07/06	R-00061366, Et. al.	PA	Met-Ed Ind. Users Group Pennsylvania Ind. Customer Alliance	Metropolitan Edison Co., Pennsylvania Electric Co.	Recovery of NUG-related stranded costs, government mandated program costs, storm damage costs.
07/06	U-23327	LA	Louisiana Public Service Commission Staff	Southwestern Electric Power Co.	Revenue requirements, formula rate plan, banking proposal.
08/06	U-21453, U-20925, U-22092 (Subdocket J)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Jurisdictional separation plan.
11/06	05CVH03-3375 Franklin County Court Affidavit	OH	Various Taxing Authorities (Non-Utility Proceeding)	State of Ohio Department of Revenue	Accounting for nuclear fuel assemblies as manufactured equipment and capitalized plant.
12/06	U-23327 Subdocket A Reply Testimony	LA	Louisiana Public Service Commission Staff	Southwestern Electric Power Co.	Revenue requirements, formula rate plan, banking proposal.
03/07	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc., Entergy Louisiana, LLC	Jurisdictional allocation of Entergy System Agreement equalization remedy receipts.

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Date	Case	Jurisdic.	Party	Utility	Subject
03/07	PUC Docket 33309	TX	Cities	AEP Texas Central Co.	Revenue requirements, including functionalization of transmission and distribution costs.
03/07	PUC Docket 33310	TX	Cities	AEP Texas North Co.	Revenue requirements, including functionalization of transmission and distribution costs.
03/07	2006-00472	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative	Interim rate increase, RUS loan covenants, credit facility requirements, financial condition.
03/07	U-29157	LA	Louisiana Public Service Commission Staff	Cleco Power, LLC	Permanent (Phase II) storm damage cost recovery.
04/07	U-29764 Supplemental and Rebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc., Entergy Louisiana, LLC	Jurisdictional allocation of Entergy System Agreement equalization remedy receipts.
04/07	ER07-682-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Allocation of intangible and general plant and A&G expenses to production and state income tax effects on equalization remedy receipts.
04/07	ER07-684-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Fuel hedging costs and compliance with FERC USOA.
05/07	ER07-682-000 Supplemental Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Allocation of intangible and general plant and A&G expenses to production and account 924 effects on MSS-3 equalization remedy payments and receipts.
06/07	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, LLC, Entergy Gulf States, Inc.	Show cause for violating LPSC Order on fuel hedging costs.
07/07	2006-00472	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative	Revenue requirements, post-test year adjustments, TIER, surcharge revenues and costs, financial need.
07/07	ER07-956-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Storm damage costs related to Hurricanes Katrina and Rita and effects of MSS-3 equalization payments and receipts.
10/07	05-UR-103 Direct	WI	Wisconsin Industrial Energy Group	Wisconsin Electric Power Company, Wisconsin Gas, LLC	Revenue requirements, carrying charges on CWIP, amortization and return on regulatory assets, working capital, incentive compensation, use of rate base in lieu of capitalization, quantification and use of Point Beach sale proceeds.
10/07	05-UR-103 Surrebuttal	WI	Wisconsin Industrial Energy Group	Wisconsin Electric Power Company, Wisconsin Gas, LLC	Revenue requirements, carrying charges on CWIP, amortization and return on regulatory assets, working capital, incentive compensation, use of rate base in lieu of capitalization, quantification and use of Point Beach sale proceeds.
10/07	25060-U Direct	GA	Georgia Public Service Commission Public Interest Adversary Staff	Georgia Power Company	Affiliate costs, incentive compensation, consolidated income taxes, §199 deduction.

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Date	Case	Jurisdct.	Party	Utility	Subject
11/07	06-0033-E-CN Direct	WV	West Virginia Energy Users Group	Appalachian Power Company	IGCC surcharge during construction period and post-in-service date.
11/07	ER07-682-000 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization and allocation of intangible and general plant and A&G expenses.
01/08	ER07-682-000 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization and allocation of intangible and general plant and A&G expenses.
01/08	07-551-EL-AIR Direct	OH	Ohio Energy Group, Inc.	Ohio Edison Company, Cleveland Electric Illuminating Company, Toledo Edison Company	Revenue requirements.
02/08	ER07-956-000 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization of expenses, storm damage expense and reserves, tax NOL carrybacks in accounts, ADIT, nuclear service lives and effects on depreciation and decommissioning.
03/08	ER07-956-000 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization of expenses, storm damage expense and reserves, tax NOL carrybacks in accounts, ADIT, nuclear service lives and effects on depreciation and decommissioning.
04/08	2007-00562, 2007-00563	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co., Louisville Gas and Electric Co.	Merger surcredit.
04/08	26837 Direct Bond, Johnson, Thebert, Kollen Panel	GA	Georgia Public Service Commission Staff	SCANA Energy Marketing, Inc.	Rule Nisi complaint.
05/08	26837 Rebuttal Bond, Johnson, Thebert, Kollen Panel	GA	Georgia Public Service Commission Staff	SCANA Energy Marketing, Inc.	Rule Nisi complaint.
05/08	26837 Suppl Rebuttal Bond, Johnson, Thebert, Kollen Panel	GA	Georgia Public Service Commission Staff	SCANA Energy Marketing, Inc.	Rule Nisi complaint.
06/08	2008-00115	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Environmental surcharge recoveries, including costs recovered in existing rates, TIER.

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Date	Case	Jurisdct.	Party	Utility	Subject
07/08	27163 Direct	GA	Georgia Public Service Commission Public Interest Advocacy Staff	Atmos Energy Corp.	Revenue requirements, including projected test year rate base and expenses.
07/08	27163 Taylor, Kollen Panel	GA	Georgia Public Service Commission Public Interest Advocacy Staff	Atmos Energy Corp.	Affiliate transactions and division cost allocations, capital structure, cost of debt.
08/08	6680-CE-170 Direct	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	Nelson Dewey 3 or Colombia 3 fixed financial parameters.
08/08	6680-UR-116 Direct	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	CWIP in rate base, labor expenses, pension expense, financing, capital structure, decoupling.
08/08	6680-UR-116 Rebuttal	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	Capital structure.
08/08	6690-UR-119 Direct	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Public Service Corp.	Prudence of Weston 3 outage, incentive compensation, Crane Creek Wind Farm incremental revenue requirement, capital structure.
09/08	6690-UR-119 Surrebuttal	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Public Service Corp.	Prudence of Weston 3 outage, Section 199 deduction.
09/08	08-935-EL-SSO, 08-918-EL-SSO	OH	Ohio Energy Group, Inc.	First Energy	Standard service offer rates pursuant to electric security plan, significantly excessive earnings test.
10/08	08-917-EL-SSO	OH	Ohio Energy Group, Inc.	AEP	Standard service offer rates pursuant to electric security plan, significantly excessive earnings test.
10/08	2007-00564, 2007-00565, 2008-00251 2008-00252	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co., Kentucky Utilities Company	Revenue forecast, affiliate costs, ELG v ASL depreciation procedures, depreciation expenses, federal and state income tax expense, capitalization, cost of debt.
11/08	EL08-51	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Spindletop gas storage facilities, regulatory asset and bandwidth remedy.
11/08	35717	TX	Cities Served by Oncor Delivery Company	Oncor Delivery Company	Recovery of old meter costs, asset ADFIT, cash working capital, recovery of prior year restructuring costs, levelized recovery of storm damage costs, prospective storm damage accrual, consolidated tax savings adjustment.
12/08	27800	GA	Georgia Public Service Commission	Georgia Power Company	AFUDC versus CWIP in rate base, mirror CWIP, certification cost, use of short term debt and trust preferred financing, CWIP recovery, regulatory incentive.
01/09	ER08-1056	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure.
01/09	ER08-1056 Supplemental Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Blytheville leased turbines; accumulated depreciation.

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02/09	EL08-51 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Spindletop gas storage facilities regulatory asset and bandwidth remedy.
02/09	2008-00409 Direct	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Revenue requirements.
03/09	ER08-1056 Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure.
03/09	U-21453, U-20925 U-22092 (Sub J) Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States Louisiana, LLC	Violation of EGSI separation order, ETI and EGSL separation accounting, Spindletop regulatory asset.
04/09	Rebuttal				
04/09	2009-00040 Direct-Interim (Oral)	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Emergency interim rate increase; cash requirements.
04/09	PUC Docket 36530	TX	State Office of Administrative Hearings	Oncor Electric Delivery Company, LLC	Rate case expenses.
05/09	ER08-1056 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure.
06/09	2009-00040 Direct- Permanent	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Revenue requirements, TIER, cash flow.
07/09	080677-EI	FL	South Florida Hospital and Healthcare Association	Florida Power & Light Company	Multiple test years, GBRA rider, forecast assumptions, revenue requirement, O&M expense, depreciation expense, Economic Stimulus Bill, capital structure.
08/09	U-21453, U- 20925, U-22092 (Subdocket J) Supplemental Rebuttal	LA	Louisiana Public Service Commission	Entergy Gulf States Louisiana, LLC	Violation of EGSI separation order, ETI and EGSL separation accounting, Spindletop regulatory asset.
08/09	8516 and 29950	GA	Georgia Public Service Commission Staff	Atlanta Gas Light Company	Modification of PRP surcharge to include infrastructure costs.
09/09	05-UR-104 Direct and Surrebuttal	WI	Wisconsin Industrial Energy Group	Wisconsin Electric Power Company	Revenue requirements, incentive compensation, depreciation, deferral mitigation, capital structure, cost of debt.
09/09	09AL-299E Answer	CO	CF&I Steel, Rocky Mountain Steel Mills LP, Climax Molybdenum Company	Public Service Company of Colorado	Forecasted test year, historic test year, proforma adjustments for major plant additions, tax depreciation.

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Date	Case	Jurisdct.	Party	Utility	Subject
09/09	6680-UR-117 Direct and Surrebuttal	WI	Wisconsin Industrial Energy Group	Wisconsin Power and Light Company	Revenue requirements, CWIP in rate base, deferral mitigation, payroll, capacity shutdowns, regulatory assets, rate of return.
10/09	09A-415E Answer	CO	Cripple Creek & Victor Gold Mining Company, et al.	Black Hills/CO Electric Utility Company	Cost prudence, cost sharing mechanism.
10/09	EL09-50 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Waterford 3 sale/leaseback accumulated deferred income taxes, Entergy System Agreement bandwidth remedy calculations.
10/09	2009-00329	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Company, Kentucky Utilities Company	Trimble County 2 depreciation rates.
12/09	PUE-2009-00030	VA	Old Dominion Committee for Fair Utility Rates	Appalachian Power Company	Return on equity incentive.
12/09	ER09-1224 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Hypothetical versus actual costs, out of period costs, Spindletop deferred capital costs, Waterford 3 sale/leaseback ADIT.
01/10	ER09-1224 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Hypothetical versus actual costs, out of period costs, Spindletop deferred capital costs, Waterford 3 sale/leaseback ADIT.
01/10	EL09-50 Rebuttal Supplemental Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Waterford 3 sale/leaseback accumulated deferred income taxes, Entergy System Agreement bandwidth remedy calculations.
02/10	ER09-1224 Final	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Hypothetical versus actual costs, out of period costs, Spindletop deferred capital costs, Waterford 3 sale/leaseback ADIT.
02/10	30442 Wackerly-Kollen Panel	GA	Georgia Public Service Commission Staff	Atmos Energy Corporation	Revenue requirement issues.
02/10	30442 McBride-Kollen Panel	GA	Georgia Public Service Commission Staff	Atmos Energy Corporation	Affiliate/division transactions, cost allocation, capital structure.
02/10	2009-00353	KY	Kentucky Industrial Utility Customers, Inc., Attorney General	Louisville Gas and Electric Company, Kentucky Utilities Company	Ratemaking recovery of wind power purchased power agreements.
03/10	2009-00545	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Ratemaking recovery of wind power purchased power agreement.
03/10	E015/GR-09-1151	MN	Large Power Interveners	Minnesota Power	Revenue requirement issues, cost overruns on environmental retrofit project.

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04/10	2009-00459	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Revenue requirement issues.
04/10	2009-00548, 2009-00549	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Company, Louisville Gas and Electric Company	Revenue requirement issues.
08/10	31647	GA	Georgia Public Service Commission Staff	Atlanta Gas Light Company	Revenue requirement and synergy savings issues.
08/10	31647 Wackerly-Kollen Panel	GA	Georgia Public Service Commission Staff	Atlanta Gas Light Company	Affiliate transaction and Customer First program issues.
08/10	2010-00204	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Company, Kentucky Utilities Company	PPL acquisition of E.ON U.S. (LG&E and KU) conditions, acquisition savings, sharing deferral mechanism.
09/10	38339 Direct and Cross-Rebuttal	TX	Gulf Coast Coalition of Cities	CenterPoint Energy Houston Electric	Revenue requirement issues, including consolidated tax savings adjustment, incentive compensation FIN 48; AMS surcharge including roll-in to base rates; rate case expenses.
09/10	EL10-55	FERC	Louisiana Public Service Commission	Entergy Services, Inc., Entergy Operating Cos	Depreciation rates and expense input effects on System Agreement tariffs.
09/10	2010-00167	KY	Gallatin Steel	East Kentucky Power Cooperative, Inc.	Revenue requirements.
09/10	U-23327 Subdocket E Direct	LA	Louisiana Public Service Commission	SWEPCO	Fuel audit: S02 allowance expense, variable O&M expense, off-system sales margin sharing.
11/10	U-23327 Rebuttal	LA	Louisiana Public Service Commission	SWEPCO	Fuel audit: S02 allowance expense, variable O&M expense, off-system sales margin sharing.
09/10	U-31351	LA	Louisiana Public Service Commission Staff	SWEPCO and Valley Electric Membership Cooperative	Sale of Valley assets to SWEPCO and dissolution of Valley.
10/10	10-1261-EL-UNC	OH	Ohio OCC, Ohio Manufacturers Association, Ohio Energy Group, Ohio Hospital Association, Appalachian Peace and Justice Network	Columbus Southern Power Company	Significantly excessive earnings test.
10/10	10-0713-E-PC	WV	West Virginia Energy Users Group	Monongahela Power Company, Potomac Edison Power Company	Merger of First Energy and Allegheny Energy.

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10/10	U-23327 Subdocket F Direct	LA	Louisiana Public Service Commission Staff	SWEPCO	AFUDC adjustments in Formula Rate Plan.
11/10	EL10-55 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc., Entergy Operating Cos	Depreciation rates and expense input effects on System Agreement tariffs.
12/10	ER10-1350 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc. Entergy Operating Cos	Waterford 3 lease amortization, ADIT, and fuel inventory effects on System Agreement tariffs.
01/11	ER10-1350 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc., Entergy Operating Cos	Waterford 3 lease amortization, ADIT, and fuel inventory effects on System Agreement tariffs.
03/11	ER10-2001 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc., Entergy Arkansas, Inc.	EAI depreciation rates.
04/11	Cross-Answering				
04/11	U-23327 Subdocket E	LA	Louisiana Public Service Commission Staff	SWEPCO	Settlement, incl resolution of SO2 allowance expense, var O&M expense, sharing of OSS margins.
04/11	38306 Direct	TX	Cities Served by Texas- New Mexico Power Company	Texas-New Mexico Power Company	AMS deployment plan, AMS Surcharge, rate case expenses.
05/11	Suppl Direct				
05/11	11-0274-E-GI	WV	West Virginia Energy Users Group	Appalachian Power Company, Wheeling Power Company	Deferral recovery phase-in, construction surcharge.
05/11	2011-00036	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Revenue requirements.
06/11	29849	GA	Georgia Public Service Commission Staff	Georgia Power Company	Accounting issues related to Vogtle risk-sharing mechanism.
07/11	ER11-2161 Direct and Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and Entergy Texas, Inc.	ETI depreciation rates; accounting issues.
07/11	PUE-2011-00027	VA	Virginia Committee for Fair Utility Rates	Virginia Electric and Power Company	Return on equity performance incentive.
07/11	11-346-EL-SSO 11-348-EL-SSO 11-349-EL-AAM 11-350-EL-AAM	OH	Ohio Energy Group	AEP-OH	Equity Stabilization Incentive Plan; actual earned returns; ADIT offsets in riders.
08/11	U-23327 Subdocket F Rebuttal	LA	Louisiana Public Service Commission Staff	SWEPCO	Depreciation rates and service lives; AFUDC adjustments.
08/11	05-UR-105	WI	Wisconsin Industrial Energy Group	WE Energies, Inc.	Suspended amortization expenses; revenue requirements.

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Date	Case	Jurisdct.	Party	Utility	Subject
08/11	ER11-2161 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and Entergy Texas, Inc.	ETI depreciation rates; accounting issues.
09/11	PUC Docket 39504	TX	Gulf Coast Coalition of Cities	CenterPoint Energy Houston Electric	Investment tax credit, excess deferred income taxes; normalization.
09/11	2011-00161 2011-00162	KY	Kentucky Industrial Utility Consumers, Inc.	Louisville Gas & Electric Company, Kentucky Utilities Company	Environmental requirements and financing.
10/11	11-4571-EL-UNC 11-4572-EL-UNC	OH	Ohio Energy Group	Columbus Southern Power Company, Ohio Power Company	Significantly excessive earnings.
10/11	4220-UR-117 Direct	WI	Wisconsin Industrial Energy Group	Northern States Power-Wisconsin	Nuclear O&M, depreciation.
11/11	4220-UR-117 Surrebuttal	WI	Wisconsin Industrial Energy Group	Northern States Power-Wisconsin	Nuclear O&M, depreciation.
11/11	PUC Docket 39722	TX	Cities Served by AEP Texas Central Company	AEP Texas Central Company	Investment tax credit, excess deferred income taxes; normalization.
02/12	PUC Docket 40020	TX	Cities Served by Oncor	Lone Star Transmission, LLC	Temporary rates.
03/12	11AL-947E Answer	CO	Climax Molybdenum Company and CF&I Steel, L.P. d/b/a Evraz Rocky Mountain Steel	Public Service Company of Colorado	Revenue requirements, including historic test year, future test year, CACJA CWIP, contra-AFUDC.
03/12	2011-00401	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Big Sandy 2 environmental retrofits and environmental surcharge recovery.
4/12	2011-00036 Direct Rehearing Supplemental Rebuttal Rehearing	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Rate case expenses, depreciation rates and expense.
04/12	10-2929-EL-UNC	OH	Ohio Energy Group	AEP Ohio Power	State compensation mechanism, CRES capacity charges, Equity Stabilization Mechanism
05/12	11-346-EL-SSO 11-348-EL-SSO	OH	Ohio Energy Group	AEP Ohio Power	State compensation mechanism, Equity Stabilization Mechanism, Retail Stability Rider.
05/12	11-4393-EL-RDR	OH	Ohio Energy Group	Duke Energy Ohio, Inc.	Incentives for over-compliance on EE/PDR mandates.

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Date	Case	Jurisdic.	Party	Utility	Subject
06/12	40020	TX	Cities Served by Oncor	Lone Star Transmission, LLC	Revenue requirements, including ADIT, bonus depreciation and NOL, working capital, self insurance, depreciation rates, federal income tax expense.
07/12	120015-EI	FL	South Florida Hospital and Healthcare Association	Florida Power & Light Company	Revenue requirements, including vegetation management, nuclear outage expense, cash working capital, CWIP in rate base.
07/12	2012-00063	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Environmental retrofits, including environmental surcharge recovery.
09/12	05-UR-106	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Electric Power Company	Section 1603 grants, new solar facility, payroll expenses, cost of debt.
10/12	2012-00221 2012-00222	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Company, Kentucky Utilities Company	Revenue requirements, including off-system sales, outage maintenance, storm damage, injuries and damages, depreciation rates and expense.
10/12	120015-EI Direct	FL	South Florida Hospital and Healthcare Association	Florida Power & Light Company	Settlement issues.
11/12	120015-EI Rebuttal	FL	South Florida Hospital and Healthcare Association	Florida Power & Light Company	Settlement issues.
10/12	40604	TX	Steering Committee of Cities Served by Oncor	Cross Texas Transmission, LLC	Policy and procedural issues, revenue requirements, including AFUDC, ADIT – bonus depreciation & NOL, incentive compensation, staffing, self-insurance, net salvage, depreciation rates and expense, income tax expense.
11/12	40627 Direct	TX	City of Austin d/b/a Austin Energy	City of Austin d/b/a Austin Energy	Rate case expenses.
12/12	40443	TX	Cities Served by SWEPCO	Southwestern Electric Power Company	Revenue requirements, including depreciation rates and service lives, O&M expenses, consolidated tax savings, CWIP in rate base, Turk plant costs.
12/12	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Gulf States Louisiana, LLC and Entergy Louisiana, LLC	Termination of purchased power contracts between EGSL and ETI, Spindletop regulatory asset.
01/13	ER12-1384 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Gulf States Louisiana, LLC and Entergy Louisiana, LLC	Little Gypsy 3 cancellation costs.
02/13	40627 Rebuttal	TX	City of Austin d/b/a Austin Energy	City of Austin d/b/a Austin Energy	Rate case expenses.
03/13	12-426-EL-SSO	OH	The Ohio Energy Group	The Dayton Power and Light Company	Capacity charges under state compensation mechanism, Service Stability Rider, Switching Tracker.

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Date	Case	Jurisdic.	Party	Utility	Subject
04/13	12-2400-EL-UNC	OH	The Ohio Energy Group	Duke Energy Ohio, Inc.	Capacity charges under state compensation mechanism, deferrals, rider to recover deferrals.
04/13	2012-00578	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Resource plan, including acquisition of interest in Mitchell plant.
05/13	2012-00535	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Revenue requirements, excess capacity, restructuring.
06/13	12-3254-EL-UNC	OH	The Ohio Energy Group, Inc., Office of the Ohio Consumers' Counsel	Ohio Power Company	Energy auctions under CBP, including reserve prices.
07/13	2013-00144	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Biomass renewable energy purchase agreement.
07/13	2013-00221	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Agreements to provide Century Hawesville Smelter market access.
10/13	2013-00199	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Revenue requirements, excess capacity, restructuring.
12/13	2013-00413	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Agreements to provide Century Sebree Smelter market access.
01/14	ER10-1350 Direct and Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Waterford 3 lease accounting and treatment in annual bandwidth filings.
02/14	U-32981	LA	Louisiana Public Service Commission	Entergy Louisiana, LLC	Montauk renewable energy PPA.
04/14	ER13-432 Direct	FERC	Louisiana Public Service Commission	Entergy Gulf States Louisiana, LLC and Entergy Louisiana, LLC	UP Settlement benefits and damages.
05/14	PUE-2013-00132	VA	HP Hood LLC	Shenandoah Valley Electric Cooperative	Market based rate; load control tariffs.
07/14	PUE-2014-00033	VA	Virginia Committee for Fair Utility Rates	Virginia Electric and Power Company	Fuel and purchased power hedge accounting, change in FAC Definitional Framework.
08/14	ER13-432 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Gulf States Louisiana, LLC and Entergy Louisiana, LLC	UP Settlement benefits and damages.
08/14	2014-00134	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Requirements power sales agreements with Nebraska entities.
09/14	E-015/CN-12-1163 Direct	MN	Large Power Intervenors	Minnesota Power	Great Northern Transmission Line; cost cap; AFUDC v. current recovery; rider v. base recovery; class cost allocation.
10/14	2014-00225	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Allocation of fuel costs to off-system sales.

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Date	Case	Jurisdic.	Party	Utility	Subject
10/14	ER13-1508	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy service agreements and tariffs for affiliate power purchases and sales; return on equity.
10/14	14-0702-E-42T 14-0701-E-D	WV	West Virginia Energy Users Group	First Energy-Monongahela Power, Potomac Edison	Consolidated tax savings; payroll; pension, OPEB, amortization; depreciation; environmental surcharge.
11/14	E-015/CN-12-1163 Surrebuttal	MN	Large Power Intervenors	Minnesota Power	Great Northern Transmission Line; cost cap; AFUDC v. current recovery; rider v. base recovery; class allocation.
11/14	05-376-EL-UNC	OH	Ohio Energy Group	Ohio Power Company	Refund of IGCC CWIP financing cost recoveries.
11/14	14AL-0660E	CO	Climax, CF&I Steel	Public Service Company of Colorado	Historic test year v. future test year; AFUDC v. current return; CACJA rider, transmission rider; equivalent availability rider; ADIT; depreciation; royalty income; amortization.
12/14	EL14-026	SD	Black Hills Industrial Intervenors	Black Hills Power Company	Revenue requirement issues, including depreciation expense and affiliate charges.
12/14	14-1152-E-42T	WV	West Virginia Energy Users Group	AEP-Appalachian Power Company	Income taxes, payroll, pension, OPEB, deferred costs and write offs, depreciation rates, environmental projects surcharge.
01/15	9400-YO-100 Direct	WI	Wisconsin Industrial Energy Group	Wisconsin Energy Corporation	WEC acquisition of Integrys Energy Group, Inc.
01/15	14F-0336EG 14F-0404EG	CO	Development Recovery Company LLC	Public Service Company of Colorado	Line extension policies and refunds.
02/15	9400-YO-100 Rebuttal	WI	Wisconsin Industrial Energy Group	Wisconsin Energy Corporation	WEC acquisition of Integrys Energy Group, Inc.
03/15	2014-00396	KY	Kentucky Industrial Utility Customers, Inc.	AEP-Kentucky Power Company	Base, Big Sandy 2 retirement rider, environmental surcharge, and Big Sandy 1 operation rider revenue requirements, depreciation rates, financing, deferrals.
03/15	2014-00371 2014-00372	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Company and Louisville Gas and Electric Company	Revenue requirements, staffing and payroll, depreciation rates.
04/15	2014-00450	KY	Kentucky Industrial Utility Customers, Inc. and the Attorney General of the Commonwealth of Kentucky	AEP-Kentucky Power Company	Allocation of fuel costs between native load and off-system sales.
04/15	2014-00455	KY	Kentucky Industrial Utility Customers, Inc. and the Attorney General of the Commonwealth of Kentucky	Big Rivers Electric Corporation	Allocation of fuel costs between native load and off-system sales.

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Date	Case	Jurisdct.	Party	Utility	Subject
04/15	ER2014-0370	MO	Midwest Energy Consumers' Group	Kansas City Power & Light Company	Affiliate transactions, operation and maintenance expense, management audit.
05/15	PUE-2015-00022	VA	Virginia Committee for Fair Utility Rates	Virginia Electric and Power Company	Fuel and purchased power hedge accounting; change in FAC Definitional Framework.
05/15 09/15	EL10-65 Direct, Rebuttal Complaint	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Accounting for AFUDC Debt, related ADIT.
07/15	EL10-65 Direct and Answering Consolidated Bandwidth Dockets	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Waterford 3 sale/leaseback ADIT, Bandwidth Formula.
09/15	14-1693-EL-RDR	OH	Public Utilities Commission of Ohio	Ohio Energy Group	PPA rider for charges or credits for physical hedges against market.
12/15	45188	TX	Cities Served by Oncor Electric Delivery Company	Oncor Electric Delivery Company	Hunt family acquisition of Oncor; transaction structure; income tax savings from real estate investment trust (REIT) structure; conditions.
12/15 01/16	6680-CE-176 Direct, Surrebuttal, Supplemental Rebuttal	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	Need for capacity and economics of proposed Riverside Energy Center Expansion project; ratemaking conditions.
03/16 03/16 04/16 05/16 06/16	EL01-88 Remand Direct Answering Cross-Answering Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Bandwidth Formula: Capital structure, fuel inventory, Waterford 3 sale/leaseback, Vidalia purchased power, ADIT, Blythesville, Spindletop, River Bend AFUDC, property insurance reserve, nuclear depreciation expense.
03/16	15-1673-E-T	WV	West Virginia Energy Users Group	Appalachian Power Company	Terms and conditions of utility service for commercial and industrial customers, including security deposits.
04/16	39971 Panel Direct	GA	Georgia Public Service Commission Staff	Southern Company, AGL Resources, Georgia Power Company, Atlanta Gas Light Company	Southern Company acquisition of AGL Resources, risks, opportunities, quantification of savings, ratemaking implications, conditions, settlement.
04/16	2015-00343	KY	Office of the Attorney General	Atmos Energy Corporation	Revenue requirements, including NOL ADIT, affiliate transactions.
04/16	2016-00070	KY	Office of the Attorney General	Atmos Energy Corporation	R & D Rider.

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Date	Case	Jurisdic.	Party	Utility	Subject
05/16	2016-00026 2016-00027	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric Co.	Need for environmental projects, calculation of environmental surcharge rider.
05/16	16-G-0058 16-G-0059	NY	New York City	Keyspan Gas East Corp., Brooklyn Union Gas Company	Depreciation, including excess reserves, leak prone pipe.
06/16	160088-EI	FL	South Florida Hospital and Healthcare Association	Florida Power and Light Company	Fuel Adjustment Clause Incentive Mechanism re: economy sales and purchases, asset optimization.
07/16	160021-EI	FL	South Florida Hospital and Healthcare Association	Florida Power and Light Company	Revenue requirements, including capital recovery, depreciation, ADIT.
07/16	16-057-01	UT	Office of Consumer Services	Dominion Resources, Inc. / Questar Corporation	Merger, risks, harms, benefits, accounting.
08/16	15-1022-EL-UNC 16-1105-EL-UNC	OH	Ohio Energy Group	AEP Ohio Power Company	SEET earnings, effects of other pending proceedings.
9/16	2016-00162	KY	Office of the Attorney General	Columbia Gas Kentucky	Revenue requirements, O&M expense, depreciation, affiliate transactions.
09/16	E-22 Sub 519, 532, 533	NC	Nucor Steel	Dominion North Carolina Power Company	Revenue requirements, deferrals and amortizations.
09/16	15-1256-G-390P (Reopened) 16-0922-G-390P	WV	West Virginia Energy Users Group	Mountaineer Gas Company	Infrastructure rider, including NOL ADIT and other income tax normalization and calculation issues.
10/16	10-2929-EL-UNC 11-346-EL-SSO 11-348-EL-SSO 11-349-EL-SSO 11-350-EL-SSO 14-1186-EL-RDR	OH	Ohio Energy Group	AEP Ohio Power Company	State compensation mechanism, capacity cost, Retail Stability Rider deferrals, refunds, SEET.
11/16	16-0395-EL-SSO Direct	OH	Ohio Energy Group	Dayton Power & Light Company	Credit support and other riders; financial stability of Utility, holding company.
12/16	Formal Case 1139	DC	Healthcare Council of the National Capital Area	Potomac Electric Power Company	Post test year adjust, merger costs, NOL ADIT, incentive compensation, rent.
01/17	46238	TX	Steering Committee of Cities Served by Oncor	Oncor Electric Delivery Company	Next Era acquisition of Oncor; goodwill, transaction costs, transition costs, cost deferrals, ratemaking issues.
02/17	16-0395-EL-SSO Direct (Stipulation)	OH	Ohio Energy Group	Dayton Power & Light Company	Non-unanimous stipulation re: credit support and other riders; financial stability of utility, holding company.
02/17	45414	TX	Cities of Midland, McAllen, and Colorado City	Sharyland Utilities, LP, Sharyland Distribution & Transmission Services, LLC	Income taxes, depreciation, deferred costs, affiliate expenses.

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Date	Case	Jurisdic.	Party	Utility	Subject
03/17	2016-00370 2016-00371	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Company, Louisville Gas and Electric Company	AMS, capital expenditures, maintenance expense, amortization expense, depreciation rates and expense.
06/17	29849 (Panel with Philip Hayet)	GA	Georgia Public Service Commission Staff	Georgia Power Company	Vogtle 3 and 4 economics.
08/17	17-0296-E-PC	WV	West Virginia Energy Users Group	Monongahela Power Company, The Potomac Edison Power Company	ADIT, OPEB.
10/17	2017-00179	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Weather normalization, Rockport lease, O&M, incentive compensation, depreciation, income taxes.
10/17	2017-00287	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Fuel cost allocation to native load customers.
12/17	2017-00321	KY	Attorney General	Duke Energy Kentucky (Electric)	Revenues, depreciation, income taxes, O&M, regulatory assets, environmental surcharge rider, FERC transmission cost reconciliation rider.
12/17	29849 (Panel with Philip Hayet, Tom Newsome)	GA	Georgia Public Service Commission Staff	Georgia Power Company	Vogtle 3 and 4 economics, tax abandonment loss.
01/18	2017-00349	KY	Kentucky Attorney General	Atmos Energy Kentucky	O&M expense, depreciation, regulatory assets and amortization, Annual Review Mechanism, Pipeline Replacement Program and Rider, affiliate expenses.
06/18	18-0047	OH	Ohio Energy Group	Ohio Electric Utilities	Tax Cuts and Jobs Act. Reduction in income tax expense; amortization of excess ADIT.
07/18	T-34695	LA	LPSC Staff	Crimson Gulf, LLC	Revenues, depreciation, income taxes, O&M, ADIT.
08/18	48325	TX	Cities Served by Oncor	Oncor Electric Delivery Company	Tax Cuts and Jobs Act; amortization of excess ADIT.
08/18	48401	TX	Cities Served by TNMP	Texas-New Mexico Power Company	Revenues, payroll, income taxes, amortization of excess ADIT, capital structure.
08/18	2018-00146	KY	KIUC	Big Rivers Electric Corporation	Station Two contracts termination, regulatory asset, regulatory liability for savings
09/18	20170235-EI 20170236-EU	FL	Office of Public Counsel	Florida Power & Light Company	FP&L acquisition of City of Vero Beach municipal electric utility systems.
10/18	Direct Supplemental Direct				

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Date	Case	Jurisdic.	Party	Utility	Subject
09/18	2017-370-E Direct	SC	Office of Regulatory Staff	South Carolina Electric & Gas Company and Dominion Energy, Inc.	Recovery of Summer 2 and 3 new nuclear development costs, related regulatory liabilities, securitization, NOL carryforward and ADIT, TCJA savings, merger conditions and savings.
10/18	2017-207, 305, 370-E Surrebuttal Supplemental Surrebuttal				
12/18	2018-00261	KY	Attorney General	Duke Energy Kentucky (Gas)	Revenues, O&M, regulatory assets, payroll, integrity management, incentive compensation, cash working capital.
01/19	2018-00294 2018-00295	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Company, Louisville Gas & Electric Company	AFUDC v. CWIP in rate base, transmission and distribution plant additions, capitalization, revenues generation outage expense, depreciation rates and expenses, cost of debt.
01/19	2018-00281	KY	Attorney General	Atmos Energy Corp.	AFUDC v. CWIP in rate base, ALG v. ELG depreciation rates, cash working capital, PRP Rider, forecast plant additions, forecast expenses, cost of debt, corporate cost allocation.
02/19	UD-18-17 Direct	New Orleans	Crescent City Power Users Group	Entergy New Orleans, LLC	Post-test year adjustments, storm reserve fund, NOL ADIT, FIN48 ADIT, cash working capital, depreciation, amortization, capital structure, formula rate plans, purchased power rider.
04/19	Surrebuttal and Cross-Answering				
03/19	2018-0358	KY	Attorney General	Kentucky American Water Company	Capital expenditures, cash working capital, payroll expense, incentive compensation, chemicals expense, electricity expense, water losses, rate case expense, excess deferred income taxes.
03/19	48929	TX	Steering Committee of Cities Served by Oncor	Oncor Electric Delivery Company LLC, Sempra Energy, Sharyland Distribution & Transmission Services, L.L.C., Sharyland Utilities, L.P.	Sale, transfer, merger transactions, hold harmless and other regulatory conditions.
06/19	49421	TX	Gulf Coast Coalition of Cities	CenterPoint Energy Houston Electric	Prepaid pension asset, accrued OPEB liability, regulatory assets and liabilities, merger savings, storm damage expense, excess deferred income taxes.
07/19	49494	TX	Cities Served by AEP Texas	AEP Texas, Inc.	Plant in service, prepaid pension asset, O&M, ROW costs, incentive compensation, self-insurance expense, excess deferred income taxes.
08/19	19-G-0309 19-G-0310	NY	New York City	National Grid	Depreciation rates, net negative salvage.

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Date	Case	Jurisdct.	Party	Utility	Subject
10/19	42315	GA	Atlanta Gas Light Company	Public Interest Advocacy Staff	Capital expenditures, O&M expense, prepaid pension asset, incentive compensation, merger savings, affiliate expenses, excess deferred income taxes.
10/19	45253	IN	Duke Energy Indiana	Office of Utility Consumer Counselor	Prepaid pension asset, inventories, regulatory assets and liabilities, unbilled revenues, incentive compensation, income tax expense, affiliate charges, ADIT, riders.
12/19	2019-00271	KY	Attorney General	Duke Energy Kentucky	ADIT, EDIT, CWC, payroll expense, incentive compensation expense, depreciation rates, pilot programs
05/20	202000067-EI	FL	Office of Public Counsel	Tampa Electric Company	Storm Protection Plan.
06/20	20190038-EI	FL	Office of Public Counsel	Gulf Power Company	Hurricane Michael costs.
07/20	PUR-2020-00015 Direct	VA	Old Dominion Committee for Fair Utility Rates	Appalachian Power Company	Coal Amortization Rider, storm damage, prepaid pension and OPEB assets, return on joint-use assets.
09/20	Surrebuttal				
07/20	2019-226-E Direct	SC	Office of Regulatory Staff	Dominion Energy South Carolina	Integrated Resource Plan.
09/20	Surrebuttal				
10/20	2020-00160	KY	Attorney General	Water Service Corporation of Kentucky	Return on rate base v. operating ratio.
10/20	2020-00174	KY	Attorney General and Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Rate base v. capitalization, Rockport UPA, prepaid pension and OPEB, cash working capital, incentive compensation, Rockport 2 depreciation expense, EDIT, AML, grid modernization rider.
11/20	2020-125-E Direct	SC	Office of Regulatory Staff	Dominion Energy South Carolina	Summer 2 and 3 cancelled plant and transmission cost recovery; TCJA; regulatory assets.
12/20	Surrebuttal				
12/20	2020172-EI	FL	Office of Public Counsel	Florida Power & Light Company	Hurricane Dorian costs.
12/20	29849 (Panel with Philip Hayet, Tom Newsome)	GA	Georgia Public Service Commission Staff	Georgia Power Company	VCM23, Vogtle 3 and 4 rate impact analyses.
02/21	2019-224-E	SC	Office of Regulatory Staff	Duke Energy Carolinas, LLC, Duke Energy Progress, LLC	Integrated Resource Plans.
04/21	2019-225-E Direct Surrebuttal				
03/21	51611	TX	Steering Committee of Cities Served by Oncor	Sharyland Utilities, L.L.C.	ADIT, capital structure, return on equity.

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Date	Case	Jurisdct.	Party	Utility	Subject
03/21	2020-00349 2020-00350	KY	Attorney General and Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Company and Louisville Gas and Electric Company	Rate base v. capitalization, retired plant costs, depreciation, securitization, staffing + payroll, pension + OPEB, AMI, off-system sales margins.
04/21 Direct	18-857-EL-UNC 19-1338-EL-UNC 20-1034-EL-UNC 20-1476-EL-UNC	OH	The Ohio Energy Group	First Energy Ohio Companies	Significantly Excessive Earnings Test; legacy nuclear plant costs.
07/21	Supplemental Direct				
05/21	2021-00004 Direct	KY	Attorney General and Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	CPCN for CCR/ELG Projects at Mitchell Plant.
06/21	Supplemental Direct				
06/21	29849 (Panel with Philip Hayet, Tom Newsome)	GA	Georgia Public Service Commission Staff	Georgia Power Company	VCM24, Vogtle 3 and 4 rate impact analyses.
06/21	2021-00103	KY	Attorney General and Nucor Steel Gallatin	East Kentucky Power Cooperative, Inc.	Revenues, depreciation, interest, TIER, O&M, regulatory asset.
07/21	U-35441	LA	Louisiana Public Service Commission Staff	Southwestern Electric Power Company	Revenues, O&M expense, depreciation, retirement rider.
09/21	2021-00190	KY	Attorney General	Duke Energy Kentucky	Revenues, O&M expense, depreciation, capital structure, cost of long-term debt, government mandate rider.
09/21	43838	GA	Public Interest Advocacy Staff	Georgia Power Company	Vogtle 3 base rates, NCCR rates; deferrals.

EXHIBIT __ (LK-2)

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Atmos Energy Corporation, Kentucky Division
AG DR Set No. 1
Question No. 1-20
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REQUEST:

Refer to electronic workpapers "WP B.5 B" and "WP B.5 F" submitted with the Company's filing that depicts monthly ADIT balances by FERC account for all applicable Atmos divisions during the base year and the test year. Line 10 of "WP B.5 B" shows the balance of FERC account 190 ADIT for Division 02 of \$620.421 million as of February 2021 and a balance of \$1,003.365 million as of March 2021, an increase of \$382.944 million, and that balance continuing unchanged through the end of the test year. Refer also to the Company's March 31, 2021 10-Q at page 18 provided as FR 16(7)(p) Attachment 3 with the Company's filing that discusses the Company's recordation of various regulatory asset and income tax entries as of March 31, 2021 related to Winter Storm Uri that impacted customers in Kansas and Texas and the efforts to potentially securitize those costs.

- a. Describe how the Company's use of the March 31, 2021 asset NOL ADIT for each month during the test year complies with the "consistency" rule under the IRS regulations. Cite all authorities relied on for your response.
- b. Confirm that the March 31, 2021 asset NOL ADIT is specific to that date and the circumstances that gave rise to that ADIT through that date and that it does not reflect any subsequent changes in temporary differences or taxable income or losses through the end of the test year or after the end of the test year.
- c. Confirm that the AEC asset NOL ADIT is not specific to individual rate divisions and that the actual balance fluctuates each month based on the taxable income from each and, in the aggregate, all of the AEC divisions.
- d. Confirm that the AEC maintains separate accounting records for each temporary difference and the related asset and liability ADIT amounts for each rate division, except for the asset NOL ADIT. If denied, then identify all other temporary differences, other than those incurred by or through the SSU divisions.
- e. Indicate whether the increase in NOL Carryforward ADIT shown on WP B.5 B as of March 2021 was related solely or in part to the accounting entries involving the impacts from Winter Storm Uri that impacted customers in Kansas and Texas. As part of the response, describe and identify the portion of the FERC account 190 balance change that is related to Winter Storm Uri and the part that is not.
- f. Provide the amount of the NOL Carryforward ADIT in FERC account 190 related to Winter Storm Uri that was allocated to Atmos – Kentucky Division in the filing. Provide the calculations in an Excel spreadsheet in live format with all formulas intact.
- g. Identify the division(s) by name and number for which the ADIT in FERC accounts 282 and 283 was impacted by the costs and accounting entries due to Winter Storm Uri that affected customers in Kansas and Texas. As part of your response, detail the changes to balances in those accounts.

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Atmos Energy Corporation, Kentucky Division
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- h. Describe the current status and near term potential status of the securitization legislation and any other securitization efforts in Kansas and Texas regarding recovery for these extraordinary costs. Mr. Christian states at page 54 of his Direct Testimony that securitization of Winter Storm Uri gas costs is expected in the spring of 2022. In your response, address the fact that Texas HB 1520 is now law and the Railroad Commission of Texas has issued a Notice to Operators pursuant to the requirements of HB 1520.
- i. Describe in detail what accounting entries would be required for each of the ADIT balances in each FERC account for each division should the contemplated securitization occur. If any accounting entries have already been made related to securitization of these costs, detail those entries by month and by division.

RESPONSE:

- a. The Company confirms that it must comply with the normalization provisions contained in the IRC, including the consistency rule.

To use a normalization method of accounting, section 168(i)(9)(A) requires that in calculating its tax expense for ratemaking purposes a taxpayer must use the same method of depreciation and a depreciation period that is no shorter than that used to compute its depreciation expense. The use of an estimate or projection of a taxpayer's tax expense, depreciation expense or reserve for deferred taxes for ratemaking purposes would not satisfy the consistency rules if a consistent estimate or projection were not also used with respect to rate base. Simply stated, the consistency rules of section 168(i)(9)(B) require consistency in the treatment of projected costs for rate base, regulated depreciation expense, tax expense and the reserve for deferred taxes. Numerous PLRs have been issued addressing the consistency rule.

- b. The Company confirms the March 31, 2021 NOL ADIT is specific to that date and does not incorporate subsequent changes.
- c. The Company confirms that the NOL ADIT is not specific to individual rate divisions, except in circumstances where a specific one off event, such as Winter Storm Uri, can be identified and isolated from the general NOL ADIT calculations. The Company would note that 'as filed', the NOL ADIT did not isolate the impact of Winter Storm Uri but is supplementing its response to Staff DR No. 1-55 to isolate and remove the impact of Winter Storm Uri on deficiency.
- d. The Company confirms that accounting records are maintained for each temporary difference at a rate division level, including the Shared Service division, except the NOL ADIT.
- e. The increase in NOL carryforward as shown on WP B.5 B does relate in part to the impacts from Winter Storm URI. As noted in response to subpart c. that our filed case did not isolate this impact but we are updating the filing to isolate this impact. Please refer to the revised relied file "ADIT for KY 04-30-21 updated NOL for URI 8-17-21.xlsx" provided in the Company's supplemental response to Staff DR No. 1-55 for summary of impact to FERC account 190 in the balance of \$439,642,155.

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- f. Upon the revision of the KY ADIT balances discussed in subpart (e), there is zero balance allocated to Kentucky relating to Winter Storm Uri. Please refer to the revised relied file referenced in the responses to subparts (c) and (e).
- g. The total impact of Winter Storm Uri recorded to FERC account 282 and 283 totaled \$469,412,209, of which zero balance is, with the supplement to Staff DR No. 1-55, allocated to Kentucky. Refer to the response to subpart (f).
- h. Please see the Company's response to Staff DR No. 2-21 concerning the status of the Company's securitization efforts in Kansas and Texas regarding extraordinary costs. As indicated in that response, the Company now anticipates that securitization in Texas could be completed in late summer 2022 if the maximum procedural schedule allowed by statute is utilized at both the Railroad Commission of Texas and the Texas Financing Authority.
- i. The securitization is still in progress and to date the accounting entries have not been made. The Company is still finalizing the impacts for securitization and confirm that zero balances will be recorded to Kentucky.

Respondent: Joe Christian

EXHIBIT __ (LK-3)

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Atmos Energy Corporation, Kentucky Division
AG DR Set No. 1
Question No. 1-17
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REQUEST:

If there is a temporary difference due to an identifiable event, such as a specific storm, confirm that the Company agrees that the taxable losses and the related effects on the AEC liability ADIT and the offsetting asset NOL carryforward ADIT should be assigned to the same rate division, not assigned or allocated to rate divisions in a disparate manner. If denied, then explain why the Company disagrees with this premise. Provide all authoritative support for your response.

RESPONSE:

The Company agrees to the extent the consistency rule is not violated under section 168(i)(9)(B), that temporary differences relating to specific one-off events can be identified and assigned to that applicable rate division.

Respondent: Joe Christian

EXHIBIT __ (LK-4)

Case No. 2021-00214
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-18
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REQUEST:

Confirm that AEC has a forecast of its nonregulated and utility fiscal/tax year 2021 taxable income. If confirmed, then provide a copy of the most recent forecast including income and deduction line items. If denied, then explain why AEC does not have such a forecast and explain how AEC calculates its estimated federal income tax.

RESPONSE:

While the Company does prepare forecasted income statements as part of its five year plan, including a high level projection for fiscal year 2021, a nonregulated and utility future fiscal/tax year taxable income forecast by income and deduction line items and by month is not prepared because it is not required for external reporting purpose based on the IRS, FERC, GAAP and SEC disclosure requirements.

Respondent: Joe Christian

EXHIBIT __ (LK-5)

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Atmos Energy Corporation, Kentucky Division
AG DR Set No. 1
Question No. 1-15
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REQUEST:

Provide a schedule showing the history of the taxable income and losses for AEC in total and separated into utility, nonregulated, and other for each month, each quarter, each fiscal year, and each calendar year since January 2015 through the end of the test year in this proceeding. Indicate whether AEC maintains sufficiently detailed records to record the taxable income and losses by: i) utility, nonregulated, and other, and/or ii) rate division, or if these determinations must be determined after the fact.

RESPONSE:

Please see confidential Attachment 1 for a schedule of taxable income and losses by year separated into Utility, Nonregulated and other.

Please see Attachment 2 for a schedule to taxable income and losses by month and quarter separated by Utility, Nonregulated and other.

The Company confirms that sufficient details are maintained to record taxable income and losses by utility, nonregulated and other. This is determined through the filing of consolidated tax returns, which includes taxable income and loss calculations by both utility and nonregulated operations.

GAAP reporting requirements differ from tax return calculations of the NOL Carryforward ("NOLC"). These differences result in both increases and decreases to the Company's NOLC deferred tax asset recorded on the Company's books. These differences have resulted in a net increase to the Company's NOLC deferred tax asset recorded on its books. This net increase is reflected as Book/Tax Differences NOL on the NOL Carryforward Schedule and titled FD-NOL Credit Carryforward - Other in the referenced workpaper. This decrease has no impact on the Company's tax filings.

ATTACHMENTS:

ATTACHMENT 1 - AG_1-15_Att1 - NOL Rollforward (CONFIDENTIAL).xls, 1 Page.

ATTACHMENT 2 - AG_1-15_Att2 - NOL Rollforward ADIT.xlsx, 7 Pages.

Respondent: Joe Christian

KY 2021-00214 AG 1-15 ATTACHMENT 2
 Atmos Energy Corporation, Inc.
 ADIT NOL Carryforward Balances

Beta Division:
 002DNY

Adjustment Description	Fiscal 2019 2/29/2019	Fiscal 2019 3/31/2019	Fiscal 2019 4/30/2019	Fiscal 2019 5/31/2019	Fiscal 2019 6/30/2019	Fiscal 2019 7/31/2019	Fiscal 2019 8/31/2019	Fiscal 2019 9/30/2019	Fiscal 2019 10/31/2019	Fiscal 2019 11/30/2019	Fiscal 2019 12/31/2019	Fiscal 2020 1/31/2020	Fiscal 2020 2/29/2020
FD-NOL Credit Carryforward - Non Reg	(160,946,676)	(162,486,414)	(162,486,414)	(163,689,568)	(163,689,568)	(163,689,568)	(163,689,568)	(163,689,568)	(163,689,568)	(163,689,568)	(163,689,568)	(163,689,568)	(165,616,606)
FD-NOL Credit Carryforward - Utility	517,072,455	589,212,411	599,212,411	589,212,411	586,870,622	586,870,622	586,870,622	609,990,361	609,990,361	609,990,361	609,990,361	613,554,225	613,554,225
FD-NOL Credit Carryforward - Other	5,502,549	5,502,949	5,502,949	5,502,949	5,502,949	5,502,949	5,502,949	5,820,648	5,820,648	5,820,648	5,820,648	5,820,648	5,820,648
Total NOL Carryforward	461,628,778	432,248,946	432,248,946	432,248,946	428,704,003	428,704,003	428,704,003	451,829,262	451,829,262	451,829,262	451,829,262	453,758,267	453,758,267

KY 2021-00214 AG 1-15 ATTACHMENT 2
 Amex Energy Corporation, Inc.
 ADT NOL Carryforward Balances

Rate Division
 00201V

Adjustment Description	Fiscal 2021	Fiscal 2021	Fiscal 2021
	4/30/2021	5/31/2021	6/30/2021
FD-NOL Credit Carryforward - Non Reg	(170,609,458)	(170,609,458)	(171,811,030)
FD-NOL Credit Carryforward - Utility	537,424,569	537,424,569	530,205,732
URI FD-NOL Credit Carryforward - Utility	439,642,155	439,642,155	439,642,155
FD-NOL Credit Carryforward - Other	6,650,598	6,650,598	6,650,598
Total NOL Carryforward	813,117,864	813,117,864	804,897,955

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Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-17
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REQUEST:

Refer to Attachment 2 to the response to AG 1-15 regarding the monthly NOL carryforward amounts.

- a. Confirm that the amounts shown in this attachment are federal NOL ADIT amounts. If this is not correct, then provide a correct statement and provide a schedule showing the federal and individual state NOL ADIT amounts separately.
- b. If the response to part (a) of this question is that the amounts on Attachment 2 are NOL ADIT amounts, not taxable income and losses, then provide a revised Attachment 2 that is responsive to AG 1-15, which sought income and loss information, and that corrects the Company's response, which asserts that the attachment provides the income and loss information.
- c. Provide an entity chart showing each AEC entity. Identify each AEC entity on this chart that is included in the AEC consolidated federal income tax return.
- d. Refer to the response to part (c) of this question. Identify each of the nonregulated entities and each of the utility entities. For each nonregulated entity, describe the entity's business activities and provide the criteria and a narrative description of AEC's determination that the entity is nonregulated. For each utility entity, describe the entity's business activities and provide the criteria and a narrative description of AEC's determination that the entity is a utility.
- e. Confirm that the AEC determination that an entity is nonregulated is not guided or mandated by the federal tax code, but rather is the result of AEC applying its own criteria to make this determination. If this is not correct, then provide a correct statement, cite to relevant sections of the federal tax code, and provide a copy of each authority, including the specific sections of the federal tax code, Treasury Regulations, and all other authorities relied on by AEC to determine whether an entity is nonregulated or a utility.
- f. Confirm that the AEC utility rate divisions are not taxable entities and that AEC does not file a separate federal income tax return for each rate division. If this is not correct, then provide a correct statement and provide a copy of the separate tax returns for rate divisions 009, 091, 002 and 012 for each of the most recent ten fiscal years.
- g. Confirm that it is the Company's position that the NOL ADIT must be included in the rate base in order to avoid a so-called "normalization violation" and that the amount of the NOL ADIT that could or would cause a normalization violation is based on the presumption that the tax depreciation deduction is considered to be on the margin, meaning the last deduction in the calculation of taxable income.
- h. Provide a copy of all AEC intercompany tax allocation agreements that have been in effect since 2017, including all revisions and/or supplements.

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AG DR Set No. 2
Question No. 2-17
Page 2 of 3

- i. Provide a copy of all internal memos, analyses, reports, and all other writings that address the allocation of the NOL ADIT between nonregulated and utility entities.
- j. Provide a copy of all internal memos, analyses, reports, and all other writings that address the claimed necessity to separate the NOL ADIT into nonregulated and utility to avoid a so-called normalization violation.

RESPONSE:

- a. The Company confirms the balances included in Attachment 2 are federal NOL ADIT amounts.
- b. Attachment 1 to the Company's response to AG DR No. 1-15 lists the history of the taxable income and losses for AEC and its affiliates in total and separated into utility, nonregulated by year per income tax return filing frequencies.
- c. Please see the Direct Testimony of Michelle Faulk, Exhibit 1, Page 40 for a copy of the Company's organizational structure. All the AEC entities on the organization chart are included in the AEC consolidated federal income tax return.
- d. Please see the Direct Testimony of Michelle Faulk, Exhibit 1, Page 5 - 7 for a description of the separate legal entities within Atmos Energy Corporation. These business entities, with the exception of WKG Storage, Inc., are non-regulated because the rates that these entities charge their customers are not established or subject to approval by any agency or instrumentality of the United States, by a public service or public utility commission or other similar body of any State or political subdivision thereof, or by a foreign country or an agency or instrumentality or political subdivision thereof, or Federal Energy Regulatory Commission as defined in Code Sec. 7701(a)(33). See the response to subpart (e) for definition of Code Sec. 7701(a)(33). WKG Storage, Inc.'s rates are regulated by the Kentucky Public Service Commission.
- e. The Company's determination that an entity is regulated or nonregulated is guided by the definition of "Regulated Public Utility" according to Code Sec. 7701(a)(33). See Attachment 1 starting on page 8 regarding the definition for "Regulated Public Utility".
- f. The Company confirms that AEC does not file separate federal income tax returns for each of its rate division within the entity.

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AG DR Set No. 2
Question No. 2-17
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- g. The Company confirms it is the Company's position that the NOL ADIT must be included in the rate base. This is necessary because it represents tax deductions for which no cash tax benefit has been received, and also to avoid a so-called "normalization violation" to the extent attributable to accelerated tax depreciation. This position has been confirmed by the IRS issuance of a PLR. Please refer to Attachment 2 to the Company's response to AG DR No. 2-16. The Company would note that it established an additional NOL detail item for Winter Storm Uri within Division 002, similar to non-regulated NOL detail item for purposes of excluding the impact of Winter Storm Uri on jurisdictions such as Kentucky, that had no direct extraordinary gas costs related to the storm.
- h. The Company does not have intercompany tax allocation agreements.
- i. With the exception noted in subpart (g), the allocation of the NOL ADIT between nonregulated and utility entities are based on the standalone taxable income or loss calculation on an entity by entity basis. Refer to the responses to subparts (c) - (f) regarding the determination of nonregulated business and Regulated Public Utility business.
- j. A "normalization violation" is a concept only applicable to regulated public utility business regarding its ratemaking process. Comingle the NOL ADIT between nonregulated and Regulated Public Utility will result incorrect calculation of the NOL ADIT in rate base. Thus, it is necessary to separate the NOL ADIT into nonregulated and Regulated Public Utility businesses.

ATTACHMENT:

ATTACHMENT 1 - AG_2-17_Att1 - 7701 Definitions.pdf, 33 Pages.

Respondent: Joe Christian

EXHIBIT __ (LK-6)

Two Excel Files Filed With Testimony and Exhibits

EXHIBIT __ (LK-7)

ATO-CWC1 A

Atmos Energy Corporation-Kentucky
Cash Working Capital Lead/Lag Analysis
For Forecast Test Year Ended December 31, 2022

Line No.	Description	Test Year Expenses	Average Daily Expense (b) / 365 days	Revenue Lag	Expense Lag	Net Lag (d) - (e)	CWC Requirement (c) x (f)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Gas Supply Expense						
2	Purchased Gas	77,873,656	213,352 CWC2	34.16 CWC3	38.74	(4.58)	(977,152)
3							
4	Operation and Maintenance Expense						
5	O&M, Labor	11,642,074	31,896 CWC2	34.16 CWC4	14.08	20.08	640,472
6	O&M, Non-Labor	17,514,353	47,985 CWC2	34.16 CWC5	28.06	6.10	292,709
7	Total O&M Expense	29,156,427					933,180
8							
9	Taxes Other Than Income						
10	Ad Valorem	8,660,652	23,728 CWC2	34.16 CWC6	346.39	(312.23)	(7,408,624)
11	Taxes Property and Other	19,475	53 CWC2	34.16 CWC6	58.82	(24.66)	(1,307)
12	Payroll Taxes	559,730	1,534 CWC2	34.16 CWC6	83.63	(49.47)	(75,879)
13	Franchise and other pass through	8,874,645	24,314 CWC2	34.16 CWC6	40.19	(6.03)	(146,568)
14	Public Service Commission	390,531	1,070 N/A	0.00 CWC6	0.00	0.00	0
15	DOT	145,406	398 CWC2	34.16 CWC6	59.00	(24.84)	(9,886)
16							
17	Allocated Taxes-Shared Services						
18	Ad Valorem	110,118	302 CWC2	34.16 CWC6	213.50	(179.34)	(54,161)
19	Payroll Taxes	258,445	708 CWC2	34.16 CWC6	83.63	(49.47)	(35,021)
20							
21	Allocated Taxes-Business Unit						
22	Ad Valorem	0	0 CWC2	34.16 CWC6	346.39	(312.23)	0
23	Payroll Taxes	134,837	369 CWC2	34.16 CWC6	83.63	(49.47)	(18,253)
24	Total Taxes Other Than Income	19,153,840					(7,749,699)
25							
26	Federal Income Tax	9,332,908					
27	Current Taxes	0	0 CWC2	34.16 CWC7	(61.75)	95.91	0
28	Deferred Taxes	9,332,908	25,570 CWC2	34.16 CWC7	0.00	34.16	873,471
29							
30	State Income Tax	2,358,158					
31	Current Taxes	0	0 CWC2	34.16 CWC8	(61.75)	95.91	0
32	Deferred Taxes	2,358,158	6,461 CWC2	34.16 CWC8	0.00	34.16	220,708
33							
34	Depreciation	20,604,447	56,451 CWC2	34.16	0	34.16	1,928,366
35							
36	Interest Expense - STD	298,065	817 CWC2	34.16 (1)	19.40	14.76	12,059
37							
38	Interest Expense - LTD	10,198,592	27,941 CWC2	34.16 CWC9	91.25	(57.09)	(1,595,152)
39							
40	Return on Equity	35,171,670	96,361 CWC2	34.16	0	34.16	3,291,692
41							
42	TOTAL	204,147,764					(3,062,527)
43							

44 (1) Please see relied file labeled "CWC1 STD Days Outstanding.pdf (Page 9)" for calculation of average days held

EXHIBIT __ (LK-8)

Case No. 2021-00214
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 1
Question No. 1-37
Page 1 of 1

REQUEST:

Refer to Exhibit JTC-2, which shows base year and test year allocated O&M amounts by division and cost element. Provide a similar schedule which reflects the actual O&M costs by cost element for the fiscal years ended September 30, 2018, September 30, 2019, September 30, 2020, and for all actual months during the fiscal year ended September 30, 2021 with available information.

RESPONSE:

Please see Attachment 1.

ATTACHMENT:

ATTACHMENT 1 - AG_1-37_Att1 - O&M Expense by Division.xlsx, 3 Pages.

Respondent: Michelle Faulk

Atmos Energy Corporation

Operation & Maintenance Expenses

Atmos Energy-KY/Mid-States

Directly Charged to Kentucky

	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
	YTD September	YTD September	YTD September	YTD July
Labor	\$ 5,641,605	\$ 5,516,488	\$ 5,156,195	\$ 4,221,068
Benefits	1,757,155	1,591,960	1,393,600	1,285,912
Employee Welfare	121,339	100,887	112,564	112,769
Insurance	184,269	211,480	178,036	156,214
Rent, Maint., & Utilities	686,894	614,067	1,129,721	922,257
Vehicles & Equip	1,053,581	1,087,354	822,924	636,948
Materials & Supplies	885,200	849,371	763,393	647,177
Information Technologies	13,964	60,926	16,422	7,049
Telecom	376,761	410,788	220,220	171,145
Marketing	203,342	185,407	187,853	269,762
Directors & Shareholders & PR	156	134	1,679	249
Dues & Membership Fees	149,453	141,008	172,288	144,161
Print & Postages	15,943	14,348	53,162	37,377
Travel & Entertainment	622,169	735,409	305,324	47,425
Training	27,190	120,325	11,410	10,370
Outside Services	4,596,872	5,940,892	4,286,915	4,244,404
Provision for Bad Debt	911,822	1,011,886	1,183,719	1,445,873
Miscellaneous	117,502	148,789	148,606	76,694
Total O&M Expenses	\$ 17,365,214	\$ 18,741,520	\$ 16,144,027	\$ 14,436,854

Atmos Energy Corporation

Operation & Maintenance Expenses

Atmos Regulated Shared Services

Allocated to Kentucky from Shared Services

	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
	YTD September	YTD September	YTD September	YTD July
Labor	\$ 3,728,584	\$ 4,043,478	\$ 4,162,614	\$ 3,330,358
Benefits	1,205,731	1,130,127	1,285,682	1,064,793
Employee Welfare	1,838,394	1,881,815	2,138,222	2,080,436
Insurance	1,105,144	1,088,258	1,415,183	1,198,694
Rent, Maint., & Utilities	401,349	419,333	418,519	311,259
Vehicles & Equip	2,996	5,760	4,900	2,159
Materials & Supplies	52,175	71,959	49,621	35,757
Information Technologies	1,131,691	1,308,937	1,554,467	1,284,755
Telecom	129,179	132,288	143,280	116,620
Marketing	13,244	16,192	11,995	8,770
Directors & Shareholders & PR	327,492	327,252	311,131	300,881
Dues & Membership Fees	26,355	16,856	38,596	30,648
Print & Postages	9,084	9,736	16,257	22,050
Travel & Entertainment	148,738	191,569	79,365	13,097
Training	65,650	78,070	47,044	30,144
Outside Services	916,237	1,114,644	1,050,016	738,674
Provision for Bad Debt	-	-	-	-
Miscellaneous	(2,018,811)	(3,702,526)	(4,584,115)	(3,809,748)
Total O&M Expenses	\$ 9,083,233	\$ 8,133,749	\$ 8,142,778	\$ 6,759,344

Atmos Energy Corporation

Operation & Maintenance Expenses

Atmos Energy-KY/Mid-States

Allocated to Kentucky from Division General Office

	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
	YTD September	YTD September	YTD September	YTD July
Labor	\$ 1,327,342	\$ 1,312,150	\$ 1,758,273	\$ 1,401,299
Benefits	304,205	41,556	437,698	356,623
Employee Welfare	734,180	721,967	775,714	745,245
Insurance	31,347	19,246	10,027	8,181
Rent, Maint., & Utilities	163,146	187,440	196,723	142,570
Vehicles & Equip	24,045	35,495	37,366	38,230
Materials & Supplies	86,780	63,438	54,253	19,571
Information Technologies	36,304	70,023	71,031	69,543
Telecom	141,132	156,038	150,901	104,394
Marketing	157,042	170,427	181,262	112,448
Directors & Shareholders & PR	-	-	182	-
Dues & Membership Fees	6,947	8,006	5,771	4,873
Print & Postages	6,705	6,058	7,277	5,411
Travel & Entertainment	252,282	337,886	160,075	35,291
Training	29,015	34,942	28,438	11,978
Outside Services	687,159	1,011,128	1,186,558	905,697
Provision for Bad Debt	-	-	-	-
Miscellaneous	(107,966)	(89,826)	(126,096)	(98,323)
Total O&M Expenses	\$ 3,879,667	\$ 4,085,972	\$ 4,935,453	\$ 3,863,031

EXHIBIT __ (LK-9)

Case No. 2021-00214
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-11
Page 1 of 1

REQUEST:

Refer to the following: (i) the Company's response to AG 1-37 Attachment 1; (ii) the O&M expenses by cost element for the costs allocated to the Kentucky Division from the KY/Mid States Division; and (iii) the Outside Services line for each of the following fiscal years:

Fiscal 2018	\$687,159
Fiscal 2019	\$1,011,128
Fiscal 2020	\$1,186,558
First 10 Months of Fiscal 2021	\$905,697

Additionally, refer to Exhibit JTC-2, which shows the base year and test year Outside Services costs allocated to the Kentucky division of \$1,489,349.

- a. Describe all reasons why the base year and test year Outside Services costs allocated to the Kentucky Division from the KY/Midstates Division are projected to increase by \$302,791, or 25.5%, over the costs allocated to it in Fiscal Year 2020 (\$1,489,349-\$1,186,558).
- b. Refer to the response to subpart (a). The annualized effect of the Outside Services costs allocated in the first 10 months of Fiscal Year 2021 through July 2021 is \$1,086,836 (\$905,697/10 x 12). Describe all reasons why the base year and test year Outside Services costs allocated to the Kentucky Division from the KY/Midstates Division are projected to increase by \$402,513, or 37.0%, over the annualized effect of costs allocated to it in Fiscal Year 2021 (\$1,489,349-\$1,086,836).

RESPONSE:

Please see the below sub-account comparison of base period to FY 2020 and base period to Annualized FY 2021. As can be seen in the detail, the primary driver is due to increase in Payment Services due to increasing usage of credit cards by customers. In addition, the Company continues to focus on the update of its maps and records which is the driver of the estimated Contract Labor increase.

	Base	FY 2020	Variance	Annualized FY21	Variance
Contract Labor	522,270	428,774	93,496	361,858	160,411
Collection Fees	15,475	24,653	(9,178)	13,937	1,538
Payment Services	875,011	631,210	243,802	634,516	240,495
Bill Print	16,683	12,465	4,218	12,151	4,532
Legal	59,911	89,456	(29,545)	64,374	(4,463)
	1,489,349	1,186,558	302,792	1,086,836	402,513

Respondent: Joe Christian

EXHIBIT __ (LK-10)

Case No. 2021-00214
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 2
Question No. 2-04
Page 1 of 1

REQUEST:

Refer to the Direct Testimony of Joe Christian at 37 wherein he describes the Company's proposal to defer bad debt expense in excess of that baseline allowed in the base revenue requirement as a regulatory asset or the bad debt expense reduction compared to the baseline as a regulatory liability.

- a. Indicate whether the Company presently uses bad debt reserve accounting whereby it credits the allowed bad debt expense accrual to the reserve and debits the actual chargeoffs, net of recoveries to the reserve. If it does not, then explain why it does not. If it does, then explain how the Company's proposal differs from the use of reserve accounting.
- b. Provide a schedule showing the beginning bad debt reserve balance, bad debt expense accrual, chargeoff, net recoveries, and ending bad debt reserve balance for each month January 2018 through the most recent month for which actual information is available.

RESPONSE:

- a. For GAAP purposes, the Company does use bad debt reserve accounting. Please see Note 2. Summary of Significant Accounting Policies, Accounts receivable and allowance for doubtful accounts of the Company's 10-K for more information regarding the Company's allowance for doubtful accounts. The Company's proposal is to provide a benchmark with which to measure actual accounts written off. To the extent actual write-offs, net of subsequent collections exceeds \$363,216 on an annual basis a regulatory asset would be recorded. To the extent less than \$363,216, on an annual basis is, is recorded a regulatory liability would be recorded. The Company's GAAP books would recognize the benchmark expense. At the time of the Company's next rate case a new benchmark could be established based on actual net write-offs and any asset/liability built between cases would be amortized through to customers.
- b. Please see Attachment 1.

ATTACHMENT:

ATTACHMENT 1 - AG_2-04_Att1 - Bad Debt.xlsx, 1 Page.

Respondent: Joe Christian

Atmos Energy-KY/Mid-States
Kentucky Division - 009DIV
January 2018- August 2021

Acctg Month	Beginning Balance	Bad Debt Provision	Recoveries	Charge Offs	Ending Balance
Jan-18	470,633.51	47,272.00	16,484.00	(45,893.68)	488,495.83
Feb-18	488,495.83	43,913.00	29,117.89	(115,508.78)	446,017.94
Mar-18	446,017.94	37,532.00	14,425.86	(43,715.38)	454,260.42
Apr-18	454,260.42	54,899.00	7,763.14	(75,593.33)	441,329.23
May-18	441,329.23	22,112.00	8,429.82	(60,014.35)	411,856.70
Jun-18	411,856.70	145,471.00	6,223.11	(46,406.98)	517,143.83
Jul-18	517,143.83	22,562.00	8,284.68	(74,207.98)	473,782.53
Aug-18	473,782.53	22,016.00	5,888.03	(115,968.02)	385,718.54
Sep-18	385,718.54	413,203.87	9,672.83	(143,720.03)	664,875.21
Oct-18	664,875.21	27,566.00	28,001.60	(216,930.61)	503,512.20
Nov-18	503,512.20	37,137.00	40,917.07	(156,629.03)	424,937.24
Dec-18	424,937.24	49,860.00	19,023.54	(103,994.44)	389,826.34
Jan-19	389,826.34	52,332.00	17,771.40	(53,523.05)	406,406.69
Feb-19	406,406.69	49,889.00	14,656.90	(38,816.43)	432,136.16
Mar-19	432,136.16	82,946.00	14,632.04	(49,649.03)	480,065.17
Apr-19	480,065.17	30,762.00	7,531.27	(49,476.18)	468,882.26
May-19	468,882.26	27,335.00	7,607.63	(45,389.21)	458,435.68
Jun-19	458,435.68	136,884.00	5,817.90	(150,600.50)	450,537.08
Jul-19	450,537.08	25,876.00	6,963.19	(107,040.94)	376,335.33
Aug-19	376,335.33	26,100.00	9,366.36	(151,085.86)	260,715.83
Sep-19	260,715.83	465,198.76	16,905.92	(169,604.49)	573,216.02
Oct-19	573,216.02	46,859.00	53,944.34	(207,166.04)	466,853.32
Nov-19	466,853.32	58,843.00	60,150.43	(113,238.48)	472,608.27
Dec-19	472,608.27	76,215.00	26,530.61	(92,254.00)	483,099.88
Jan-20	483,099.88	84,149.00	15,451.99	(76,200.58)	506,500.29
Feb-20	506,500.29	74,104.00	20,152.85	(367,079.89)	233,677.25
Mar-20	233,677.25	65,885.00	14,027.51	(82,387.06)	231,202.70
Apr-20	231,202.70	52,186.00	11,106.75	(97,654.43)	196,841.02
May-20	196,841.02	40,918.00	8,764.67	(106,943.05)	139,580.64
Jun-20	139,580.64	521,576.00	(73,148.51)	200,255.43	788,263.56
Jul-20	788,263.56	39,917.00	5,031.39	24,262.28	857,474.23
Aug-20	857,474.23	618,562.00	3,233.86	(93,857.72)	1,385,412.37
Sep-20	1,385,412.37	(495,494.78)	(4,280.93)	115,528.04	1,001,164.70
Oct-20	1,001,164.70	65,873.00	17,708.72	(35,767.98)	1,048,978.44
Nov-20	1,048,978.44	83,619.00	13,188.00	(28,390.97)	1,117,394.47
Dec-20	1,117,394.47	111,162.00	11,907.14	(49,140.88)	1,191,322.73
Jan-21	1,191,322.73	113,424.00	8,629.16	(33,690.51)	1,279,685.38
Feb-21	1,279,685.38	126,691.00	8,555.28	(46,917.51)	1,368,014.15
Mar-21	1,368,014.15	196,530.00	11,036.83	(52,557.21)	1,523,023.77
Apr-21	1,523,023.77	335,420.00	8,420.60	(40,640.16)	1,826,224.21
May-21	1,826,224.21	247,172.00	6,299.55	(1,744.20)	2,077,951.56
Jun-21	2,077,951.56	45,484.00	5,875.23	(102,695.63)	2,026,615.16
Jul-21	2,026,615.16	120,498.00	3,447.14	(111,306.82)	2,039,253.48
Aug-21	2,039,253.48	43,549.00	5,630.15	(133,916.84)	1,954,515.79

EXHIBIT __ (LK-11)

Case No. 2021-00214
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 1
Question No. 1-55
Page 1 of 3

REQUEST:

Provide a description of the major terms for each of the short-term debt instruments available to the Company, especially the one that requires the commitment fee reflected on Schedule J-2.

RESPONSE:

As of March 31, 2021 Atmos Energy Corporation had four short term lines of credit as described below:

Atmos Energy Corporation lines of credit:

1. \$1.5 Billion Corporate Credit Facility

- Amount: \$1,500,000,000
- Term: March 31, 2021 – March 31, 2026
- Interest Rate (2 options at Company's discretion):
 - Base Rate Loan are at the highest of: (i) Prime lending rate, (ii) Federal Funds Rate plus 50 basis points and (iii) one month Adjusted LIBO Rate plus 100 basis points
 - Euro Dollar loan rate is determined by LIBOR for the period of time of the loan divided by percentage equal to 1.00 minus the Eurodollar Reserve Percentage plus the Applicable Margin which is currently 100 basis points.
- Other relevant terms:
 - This facility has a commitment fee of 0.10% (Please see ratings-based commitment fee levels below)
 - This facility can be increased by \$250MM

APPLICABLE MARGINS AND APPLICABLE PERCENTAGES

Level	Rating Category: Moody's/S&P	Applicable Margin for Eurodollar Advances	Applicable Margin for Base Rate Advances	Applicable Commitment Fee Percentage
I	Aa3/AA- or higher	0.750%	0.000%	0.060%
II	A1/A+	0.875%	0.000%	0.080%
III	A2/A	1.000%	0.000%	0.100%
IV	A3/A-	1.125%	0.125%	0.125%
V	Baa1/BBB+ or lower	1.250%	0.250%	0.175%

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2. \$900 Million Corporate Credit Facility

- Amount: \$900,000,000
- Term: March 31, 2021 – March 31, 2024
- Interest Rate (2 options at Company's discretion):
 - Base Rate Loan are at the highest of: (i) Prime lending rate, (ii) Federal Funds Rate plus 50 basis points and (iii) one month Adjusted LIBO Rate plus 100 basis points
 - Euro Dollar loan rate is determined by LIBOR for the period of time of the loan divided by percentage equal to 1.00 minus the Eurodollar Reserve Percentage plus the Applicable Margin which is currently 100 basis points.
- Other relevant terms:
 - This facility has a commitment fee of 0.09% (Please see ratings-based commitment fee levels below)

APPLICABLE MARGINS AND APPLICABLE PERCENTAGES

Level	Rating Category: Moody's/S&P I	Applicable Margin for Eurodollar Advances	Applicable Margin for Base Rate Advances	Applicable Commitment Fee Percentage
I	Aa3/AA+ or higher	0.750%	0.000%	0.050%
II	A1/A+	0.875%	0.000%	0.070%
III	A2/A	1.000%	0.000%	0.090%
IV	A3/A-	1.125%	0.125%	0.115%
V	Baa1/BBB+ or lower	1.250%	0.250%	0.165%

3. \$50 Million Committed Facility with Amarillo National Bank

- Counterparty: Amarillo National Bank
- Amount: \$50,000,000
- Term: April 1, 2021 – March 31, 2022
- This facility has a commitment fee of 0.125%
- Interest Rate: An agreed upon negotiated rate by and between Atmos Energy Corporation and Amarillo National Bank. This rate will be effective for one 24 hour period and will be negotiated for the next 24 hour period and each subsequent 24 hour period unless the next 24 hour period falls on a nationally proclaimed holiday.

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4. **\$50 Million Committed Facility with Bank of Texas**
- Counterparty: Bank of Texas
 - Amount: \$50,000,000
 - Limit of \$10,000,000 for Letters of Credit
 - Term: April 30, 2020 – April 29, 2021
 - Interest Rate: One month LIBOR plus 80 basis points
 - This facility is primarily used for Letters of Credit
 - Other relevant terms:
 - This facility has a commitment fee of 0.125%

Respondent: Joe Christian

EXHIBIT __ (LK-12)

**Case No. 2021-00214
Atmos Energy Corporation, Kentucky Division
Staff DR Set No. 2
Question No. 2-31
Page 1 of 2**

REQUEST:

Refer to the Austin Testimony, page 29, lines 18–21, and Case No. 2021-00304, Application, Exhibit B, line 1.

- a. Explain the difference between the \$2.79 million in Adyl-A replacements in Mr. Austin's testimony and the amount included in the PRP Application.
- b. Provide a comparison of leakage rates per mile of pipe over the past five years for bare steel and Adyl-A pipe.

RESPONSE:

- a. Please see the below chart for comparison of proposed Adyl-A replacement in the current proceeding (Case No. 2021-00214) versus the annual PRP filing in Case No. 2021-00304. The cost estimates for Adyl-A replacement in the general rate proceeding were prepared in advance of the formal budget entry process which typically generates the estimates for the annual PRP filing. Changes can and do occur in assumed pricing, calculated overhead percentages, etc. when you have a timing gap such as this.

	2021-00214	2021-00304
Name	Rate Case Filing	PRP Filing
Adyl.2635.2nd St	\$ 322,650	\$313,402
Adyl.2635.Westend St	\$ 384,883	\$373,032
Adyl.2635.Sunset Circle	\$ 387,193	\$380,027
Adyl.2635.Hillview Dr	\$ 477,283	\$478,999
Adyl.Services Replacement	<u>\$ 1,221,984</u>	<u>\$1,190,415</u>
	\$ 2,793,992	\$2,735,875

Notes:

General Rate Filing: Please see Staff DR 1-55 and relied upon file "Kentucky - CapEx 5 Year Plan - RATE CASE FILING.xlsx"

PRP Filing: Please see 2021-00304_KY_PRP_Model_(Filing_Copy).xlsx and tab Exhibit K-3.

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Staff DR Set No. 2
Question No. 2-31
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b. Please see the below tables.

Year	Total Miles	Below Ground Leaks	Below Leaks / 100 Miles
2016	3,977.2	749	18.83
2017	4,019.6	621	15.45
2018	4,062.4	652	16.05
2019	4,081.3	586	14.36
2020	4,161.0	587	14.11

Year	Total Miles Bare PRP	Below Ground Leaks	Below Leaks / 100 Miles
2016	264.4	121	45.76
2017	235.0	114	48.51
2018	202.6	104	51.33
2019	172.3	88	51.07
2020	142.6	68	47.69

Year	Total Miles Aldyl-A	Below Ground Leaks	Below Leaks / 100 Miles
2016	205.8	73	35.47
2017	205.8	54	26.24
2018	205.8	65	31.58
2019	205.8	62	30.13
2020	205.8	56	27.21

Respondents: Ryan Austin and Joe Christian

EXHIBIT __ (LK-13)

**Case No. 2021-00214
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 1
Question No. 1-24
Page 1 of 1**

REQUEST:

Refer to the Direct Testimony of Mr. Austin at pages 27 and 28 regarding the potential timeline for the Aldyl-A pipe replacement. What is the average annual investment currently estimated in order to replace the known Aldyl-A pipe problems.

RESPONSE:

Please see the Company's response to AG DR No. 1-23. The Company estimates from its operating plan approximately \$47.4 million in Aldyl-A replacement as part of the annual PRP filing.

	FY22	FY23	FY24	FY25	FY26	Total
Bare Steel	\$ 28.1	\$ 28.6	\$ 28.0	\$ 28.0	\$ 28.0	\$ 140.7
Aldyl-A	\$ 2.8	\$ 5.2	\$ 9.3	\$ 13.0	\$ 17.1	\$ 47.4
Total PRP	\$ 30.9	\$ 33.9	\$ 37.3	\$ 41.0	\$ 45.1	\$ 188.1

Respondent: Ryan Austin