# JOHN N. HUGHES

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August 29, 2022

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

> Re: Atmos Energy Corporation Case No. 2022-00292

Dear Ms. Bridwell:

Atmos Energy Corporation submits its application for a special contract and a petition for confidentiality. I certify that the electronic documents are true and correct copies of the original documents.

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

Submitted By:

Mark R. Hutchinson Wilson, Hutchinson & Littlepage 611 Frederica Street Owensboro, KY 42301 (270) 926-5011 randy@whplawfirm.com

And

John N. Hugles

John N. Hughes 124 West Todd St. Frankfort, KY 40601 (502) 227-7270 jnhughes@johnnhughespsc.com

Attorneys for Atmos Energy Corporation

# COMMONWEALTH OF KENTUCKY BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

## IN THE MATTER OF:

# APPLICATION OF ATMOS ENERGY CORPORATION FOR APPROVAL OF SPECIAL CONTRACT PURSUANT TO ITS ECONOMIC DEVELOPMENT RIDER

) ) Case No. 2022-00292

## PETITION FOR CONFIDENTIALITY

Atmos Energy Corporation ('Atmos Energy" or "Company"), by counsel, pursuant to KRS 61.878 and 807 KAR 5:001(13) petitions the Commission for confidential protection of Exhibit C of the application.

## BACKGROUND

Atmos Energy has entered into a special Economic Development Rider ("EDR") contract with one of its industrial customers, subject to approval by the Commission. Consistent with prior orders of the Commission, Atmos Energy performed a cost analysis related to this special contract to determine whether the anticipated revenue from this customer will cover all variable costs incurred in serving this customer and also contribute toward the Company's fixed costs. The results of that cost analysis are provided in Exhibit C.

## **CONFIDENTIAL PROTECTION**

The information contained Exhibit C, is a cost study for the calculation of the margin generated as a result of the EDR being charged to this industrial customer.

The information for which confidential protection is sought is commercial information that if disclosed could cause substantial competitive harm to Atmos Energy. This information is not publicly available. Marginal energy production cost is not publicly disclosed. Disclosure would give market participants insight into the prices at which it is willing to buy and sell natural gas. These market participants could use that information to manipulate the bidding process, leading to higher costs or lower revenues. It would be difficult or impossible for someone to discover this information from other sources. If this information were available to competitors in this form, they could use it to the competitive detriment of Atmos Energy. This information is not generally disclosed to non-management employees of Atmos Energy and is protected internally by the Company as proprietary information. The disclosure of this proprietary information would result in significant or irreparable competitive harm to Atmos Energy by providing its competitors with non-reciprocal competitive advantage. No public purpose is served by the disclosure of such information.

KRS 61.878 (1)(c) provides that "records confidentially disclosed to an agency or required by any agency to be disclosed to it, generally recognized as confidential or proprietary, which is openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records "shall remain confidential unless otherwise ordered by a court of competent jurisdiction." The natural gas industry is very competitive. Atmos Energy has active competitors, who could use this information to their advantage and to the direct disadvantage of Atmos. Atmos would be at a competitive threat of loss of business due to the ability of its competitors to leverage the information to their advantage. The public disclosure of the critical monetary terms would permit an unfair advantage to those competitors. For

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these reasons, calculation of the margins associated with the contract is exempt from public disclosure pursuant to KRS 61.878(c)(1). Similar information related to an EDR contract was granted confidential treatment in Atmos Case No. 2019-00145 and in Big Rivers Case No. 2021-00282.

Atmos Energy requests that the information marked Confidential be held confidentially indefinitely. The statutes cited above do not allow for disclosure at any time. Given the competitive nature of the natural gas business and the efforts of non-regulated competitors to encroach upon traditional markets, it is imperative that regulated information remain protected and that the integrity of the information remain secure.

For those reasons, Atmos Energy requests that the information contained in the Exhibit be treated as confidential.

Submitted by:

Mark R. Hutchinson Wilson, Hutchinson & Littlepage 611 Frederica Street Owensboro KY 42303 (270) 926-5011 Fax: (270) 926-9394 Randy@whplawfirm.com

John N. Hughes 124 West Todd Street Frankfort, KY 40601 (502) 227-7270 Fax: None inhughes@ johnnhughespsc.com

Attorneys for Atmos Energy Corporation

# COMMONWEALTH OF KENTUCKY BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

#### IN THE MATTER OF:

#### APPLICATION OF ATMOS ENERGY CORPORATION FOR APPROVAL OF SPECIAL CONTRACT PURSUANT TO ITS ECONOMIC DEVELOPMENT RIDER

) Case No. 2022-00292

## APPLICATION

Atmos Energy Corporation ("Atmos Energy" or "Company"), by counsel, petitions the

Kentucky Public Service Commission ("Commission") for approval of a special contract

("Contract") entered into by and between the Company and Matalco Kentucky, LLC.

("Customer") dated as of August 18, 2022, a true and correct copy of which is attached as

EXHIBIT A, (the "Contract").

The Company is an operating public utility engaged in the business of supplying natural gas to the public in numerous cities, towns and communities in western and south central Kentucky. Correspondence and communications with respect to this Application should be directed to:

Brannon C. Taylor, Atmos Energy Corporation, 810 Crescent Centre Dr. STE 600, Franklin, TN 37067 (615) 771-8330 Ph (615) 771-8301 fax (brannon.taylor@atmosenergy.com)

Mark R. Hutchinson, Wilson, Hutchinson & Littlepage, 611 Frederica Street, Owensboro, Kentucky 42301 270 926 5011 Ph (270) 926-9394 fax (randy@whplawfirm.com)

And

John N. Hughes 124 W. Todd St. Frankfort, KY 40601 (502) 227 7270 Ph (jnhughes@johnnhughespsc.com)

The Company is a corporation duly qualified under the laws of the Commonwealth of Kentucky to carry on its business in the Commonwealth. A certified copy of Company's restated Articles of Incorporation, as amended, together with all amendments thereto, is on file in the records of the Commission and the same are incorporated herein by reference. See Case No. 2021-00214. The Company was initially incorporated in Texas on February 6, 1981 and in Virginia on July 21, 1997. Applicant attests that it is a foreign corporation in good standing to operate in Kentucky. Atmos Energy does not operate under an assumed name in Kentucky.

The Company's filed tariffs contain an Economic Development Rider ("EDR") which became effective May 1, 2012. A copy of the Company's EDR tariff is attached as **EXHIBIT B**.

The stated purpose of the Company's EDR is to enhance its system utilization while encouraging industrial development and job growth within its service areas. The EDR is available for both qualifying new customers and expansion of existing establishments.

As reflected in the attached Contract, Customer, which will be a new customer served by Atmos Energy, is anticipated to require a capital investment of approximately \$56,500,000 and will create approximately sixty (60) jobs. With this construction, an increase in natural gas consumption of at least 9,000 Mcf per year is projected. In accordance with the Company's EDR tariff, a discount of 25% per year is provided, with a four (4) year discount period. The Customer Contract's term is for eight (8) years.

The attached Contract fully complies with Atmos Energy's' EDR Special Terms and Conditions appearing on First Revised Sheet No. 40 and Original Sheet No. 41. All information required by Item 2 of the Special Terms and Conditions are contained in the attached contract, other than the Company's current marginal cost of service study, which is filed in this

Application as Confidential Exhibit C.

The Contract is to become effective on November 1, 2022 or the first day of the month following the month in which the agreement is approved by the Commission, whichever is later.

WHEREFORE, Company petitions the Commission for approval of the attached Agreement.

Respectfully submitted this 29 day of Avgest, 2022.

Mark R. Hutchinson Wilson, Hutchinson & Littlepage 611 Frederica Street Owensboro, KY 42301 (270) 926-5011 randy@whplawfirm.com

And John M. Hugles

John N. Hughes 124 West Todd St. Frankfort, KY 40601 (502) 227-7270 jnhughes@johnnhughespsc.com

Attorneys for Atmos Energy Corporation

#### **CERTIFICATE**

In accordance with the requirements of 807 KAR 5:001, I certify that this electronic filing is a true and accurate copy of the documents filed, that the electronic filing has been transmitted to the Commission on August 29, 2022 and that no party has been excused from participation by electronic means.

John N. Higher

John N. Hughes

#### VERIFICATION

I, Brannon C. Taylor, being duly sworn under oath, state that I am Vice President of Rates and Regulatory Affairs for Atmos Energy Corporation, and that the statements contained in the foregoing Petition are true as I verily believe.

Brannon C. Taylor

STATE OF TENNESSEE Williamson COUNTY OF <del>DAVIDSON</del> SUBSCRIBED AND SWORN to before me by Brannon C. Taylor, on this the 22day of MUGUNT, 2022. TATABARANA A C. Notary Public Mar 40 My Commission Expires: TENNESSEE NOTARY MOSON COU THREE

ATMOS/MATALCO KENTUCKY, LLC. /APPLICATION 2022

# LARGE VOLUME NATURAL GAS SERVICE AGREEMENT

THIS LARGE VOLUME NATURAL GAS SERVICE AGREEMENT ("<u>Service Agreement</u>") is made and entered into as of <u>August 18</u>, 2022, to be effective as of the Effective Date as defined in Section 4, by and between **ATMOS ENERGY CORPORATION**, a Texas and Virginia Corporation ("<u>Atmos Energy</u>"), and Matalco Kentucky LLC.., a Delaware Limited Liability Company ("<u>Customer</u>"). Atmos Energy and Customer may also be referred to herein as a Party and collectively as the "Parties".

# WITNESSETH:

WHEREAS, in anticipation of construction by Customer that will create approximately sixty (60) jobs, and require a capital investment of approximately \$56,500,000, and result in a projected annual consumption of at least 9,000 Mcf per year, Atmos has agreed to enter into this Service Agreement; and,

WHEREAS, Atmos Energy does not anticipate any customer-specific fixed costs associated with servicing the Customer; and

WHEREAS, the estimated load factor of Customer is expected to be approximately 68.5%; and

WHEREAS, Atmos Energy desires to provide to Customer, and Customer desires to obtain natural gas service from Atmos Energy, in accordance with the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the Parties hereto agree as follows:

1. **Natural Gas Service Type and Volume Levels**. Customer agrees to deliver to Atmos Energy for transportation all of, Customer's natural gas service requirements for Customer's facility located at or near Franklin, KY ("*Customer's Facility*"). Atmos Energy agrees to provide service to Customer of the type specified below, subject to: (i) the provisions of Atmos Energy's then current tariff as approved by the Kentucky Public Service Commission ("*Tariff*"); (ii) the rate schedule referenced under the Tariff (the "*Rate Schedule*"); and (iii) the related General Rules and Regulations governing natural gas service as set forth in the Tariff and this Service Agreement (including **Exhibit A** (General Terms and Conditions) and **Exhibit B** (Receipt Point(s)), both of which are attached hereto and for all purposes made a part hereof).

Atmos Energy shall have no obligation to provide for deliveries in excess of the maximum daily and hourly volumes hereinafter specified, or to provide sales gas to Customer in the event Customer chooses a transportation service only. Atmos Energy shall not receive volumes for transportation service in excess of the daily volume hereinafter specified (MDQ):

Service	Туре	Maximum Mcf/Day Delivery	Maximum Mcf/Hr. Delivery	Maximum Mcf/Day Receipt(MDQ)
Transportation	T-4	4,200	175	2,800

2. <u>Price</u>. The price to be paid by Customer shall be in accordance with the Rate Schedule under which and in effect at the time the service is rendered. Without limiting Atmos Energy's obligation to furnish Customer with true and correct copies of the applicable Rate Schedule in accordance with Section 2 above, such rates, including gas cost adjustments, shall be subject to change as required by law. Any federal, state or other legal taxes, other than those based upon or measured by Atmos Energy's income which apply now or may hereafter be imposed, shall be paid by Customer, in addition to the rates as specified in the applicable Rate Schedule.

The Economic Development Rider to the Tariff (the "Rider") may be applicable to Customer's service hereunder, provided that, as specified in the Rider, Customer contracts for sufficient natural gas demand to produce an annual consumption of 9,000 Mcf per year. For purposes of the Rider, Customer's normalized base load is 750 Mcf per month. Any volumes in excess of 750 Mcf per month will qualify for the Rider's 25% discount to the then-current tariff rate for the first four (4) years of this Service Agreement, so long as the 9,000 Mcf annual consumption threshold referenced above is met.

The minimum monthly bill for Customer, under current applicable tariff rates, shall consists of the Base Charge, Transportation Administration Fee, EFM Charge and Cellular fee, plus any applicable taxes and franchise fees. The total minimum bill shall be \$670, plus applicable taxes and franchise fees. This amount is subject to change in accordance with the applicable tariffs.

3. <u>Term</u>. This Service Agreement shall become effective on November 1, 2022 (the "Effective Date") or the first day of the month following the month in which this Service Agreement is approved by the Kentucky Public Service Commission ("KPSC"), whichever is later, and shall continue in full force and effect for a period of eight (8) years from and after the Effective Date (the "*Primary Term*"), and shall continue for successive five (5) year terms following the expiration of the Primary Term (each a "*Rollover Term*"), provided that either Party may terminate this Service Agreement at the end of the Primary Term, or at the end of any subsequent Rollover Term upon providing ninety (90) days prior written notice to the other Party. The Primary Term and subsequent Rollover Terms may be referred to collectively as the "*Term*". Customer agrees that during the Term of this Service Agreement, all natural gas consumed by Customer at Customer's Facility shall be delivered by Atmos Energy. Notwithstanding anything herein to the contrary, the Term of this Service Agreement is expressly made subject to the provisions of Section 7 (Event of Default) of **Exhibit A to this Service Agreement**.

During the Term of this Service Agreement, if Customer plans to make a filing, or direct another party to make such filing on its behalf, with the Federal Energy Regulatory Commission or any other regulatory body, seeking authority to receive direct gas service following the termination of this Service Agreement, Customer agrees to notify Atmos Energy of such plans not less than

thirty (30) days prior to the date of such filing.

During the Term of this Service Agreement, Atmos Energy and Customer may mutually agree to amend this Service Agreement to change the type of service provided hereunder—*i.e.*, sales, transportation, firm or interruptible service—if Customer's needs or qualifications change. Any amendment changing the type of service provided hereunder must be in writing and executed by a duly authorized representative of Atmos Energy and Customer, and will not, unless mutually agreed by the Parties in such amendment, change the Term of this Service Agreement.

Electronic Flow Measurement and Communications Equipment. Under the 4. Tariff, it will be the responsibility of Customer to pay all reasonable and necessary costs for additional facilities and/or equipment (collectively, the "Additional Facilities") that will be required as a result of receiving transportation service, including such reasonable and necessary costs for the installation, repair, maintenance and replacement of such Additional Facilities. The Additional Facilities shall include electronic flow measurement ("EFM") equipment and cellular communications support services, which shall be installed, maintained, operated, and owned by Atmos Energy. Customer shall be responsible for all costs related to the installation, maintenance, repair and replacement of the EFM equipment. If Customer paid the initial cost of EFM in full by one-time payment it will not be required to pay the \$75.00 Monthly Facilities Charge until such time as the EFM requires replacement. If Customer is providing and maintaining a land line for communication support it may continue to utilize such land line until such time as Atmos Energy determines that such land line is no longer providing reliable communication service, at which time Customer shall begin paying the \$25.00 Monthly Cellular Charge to cover the cost of cellular communications support service.

5. **Notices**. Any notice required to be given under this Service Agreement, or any notice that either Party hereto may desire to give the other Party, shall be in writing and shall be considered duly delivered when deposited in the United States mail, postage prepaid, registered or certified, or sent by facsimile and addressed as follows:

If to Atmos Energy:	If to Customer:
ATMOS ENERGY CORPORATION (Kentucky/Mid-States Division) 5430 LBJ Freeway, Suite 160 Dallas, Texas 75240-2601 Attention: Contract Administration Telephone: (214) 206-2574 Facsimile: (214) 206-2101	Giampaolo Group Inc. VP Supply Chain 850 Intermodal Drive Brampton, Ontario, Canada L6T 0B5 Phone: (905) 790-3095
Duplicate to:	Duplicate to:
Atmos Energy Corporation 810 Crescent Centre Dr. Ste 600 Franklin, TN 37067 Attn: Danny Bertotti (615) 771-8335	General Manager Matalco Kentucky LLC 300 Brown Road Franklin, KY 42134

or such other address as Atmos Energy, Customer or their respective successors or permitted assigns shall designate by written notice given in the manner described above. Routine communications, including monthly invoices, may be mailed by ordinary mail, postage prepaid, and addressed to the above-designated name and address.

6. **<u>Regulatory Approval</u>**. The Parties acknowledge that this Agreement, and Atmos Energy's obligations thereunder, shall be subject to any regulatory approval that Atmos Energy, in its sole discretion, determines are necessary or appropriate. If such regulatory approval is not received, Atmos Energy will promptly notify Customer.

# 7. <u>Miscellaneous</u>.

(a) <u>Attachments</u>. <u>Exhibit A</u> (General Terms and Conditions) and <u>Exhibit B</u> (Receipt Point(s) and Delivery Point(s)) attached hereto are expressly incorporated herein and made a part of this Service Agreement for all purposes, and all references herein and therein to "this Service Agreement" include the same and their respective terms and provisions. This Service Agreement, <u>Exhibit A</u> (General Terms and Conditions) and <u>Exhibit B</u> (Receipt Point(s) and Delivery Point(s)) shall be read and interpreted together as a single agreement with full effect being given to the terms and conditions of each; in no event shall the terms of any one of this Service Agreement, <u>Exhibit A</u> (General Terms and Conditions) or <u>Exhibit B</u> (Receipt Point(s) and Delivery Point(s)) take precedence over the terms of the other(s).

(b) <u>Waiver of Certain Damages</u>. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL, INDIRECT, OR SPECIAL DAMAGES: (1) IN THE EVENT OF ITS BREACH OF THIS SERVICE AGREEMENT, (2) AN EVENT OF DEFAULT, OR (3) FOR ANY OTHER CLAIM RELATED TO THIS SERVICE AGREEMENT.

(c) <u>Governing Law</u>. This Service Agreement is governed by and will be construed in accordance with the laws of the Commonwealth of Kentucky without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any other jurisdiction.

(d) <u>No Waiver</u>. No waiver by either Party of any one or more defaults of the other in the performance of any of the provisions of this Service Agreement will operate or be construed as a waiver of any other default or defaults whether of a like kind or different nature.

(e) <u>No Third Party Beneficiaries</u>. The provisions of this Service Agreement will not impart rights enforceable by any person, firm or organization not a Party or not bound as a Party, or not a permitted successor or assignee of a Party bound to this Service Agreement.

(f) <u>No Partnership</u>. Each Party acknowledges and agrees that no partnership, joint venture or fiduciary relationship of any kind whatsoever is created by this Service Agreement.

(g) <u>Severability</u>. If any provision of this Service Agreement is determined to be invalid, void or unenforceable by any governmental authority having jurisdiction, then such determination will not invalidate, void or make unenforceable any other provision of this Service Agreement so long as the economic benefits or legal obligations of this Service Agreement are not affected in any manner materially adverse to either Party. Upon such determination that any

provision is invalid, void or unenforceable, the Parties shall negotiate in good faith to modify this Service Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner such that the transactions contemplated hereby are fulfilled to the extent possible,

(h) <u>Binding Effect</u>. This Service Agreement shall be binding upon the Parties hereto and their respective successors and assigns.

(i) <u>Headings</u>. The headings and captions used in this Service Agreement are for convenience and reference purposes only and will in no way affect the meaning or interpretation of the provisions of this Service Agreement.

(j) <u>Entire Agreement</u>. This Service Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral and written, between the Parties hereto with respect to the subject matter hereof.

(k) <u>Counterparts</u>. This Service Agreement may be signed in any number of counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK/ SIGNATURE PAGES AND EXHIBITS FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have executed this Service Agreement as of the date first above written to be effective for all purposes as of the Effective Date.

## CUSTOMER:

MATALCO KENTUCKY, LLC.

ATMOS ENERGY:

# ATMOS ENERGY CORPORATION

K. Bildfell By:

Printed Name: <u>Kim Bildfell</u>
Title: <u>VP Supply Chain</u>

-DocuSigned by: Vanny Bertotti By -3C1218A0B501427...

Danny Bertotti Vice President, Marketing

Kentucky/Mid-States Division

#### EXHIBIT A

#### TO LARGE VOLUME NATURAL GAS SERVICE AGREEMENT

## **GENERAL TERMS AND CONDITIONS**

Attached to and for all purposes made a part of that certain Large Volume Natural Gas Service Agreement effective November 1, 2022 by and between Atmos Energy Corporation and Matalco Kentucky, LLC.

1. This Service Agreement is subject to approval by, and to all applicable and valid statutes, ordinances, and the rules, regulations and orders of, the Kentucky Public Service Commission.

2. If not presently installed, the necessary regulating and metering equipment constructed to Atmos Energy' specifications shall be installed for delivery of the gas as specified herein, and the Customer shall install or cause to be installed additional regulating equipment to provide suitable operating pressure at the various points of utilization. A suitable location for the regulating and metering equipment shall be provided by the Customer without charge, and Atmos Energy shall have the right to operate, maintain and alter this equipment as is necessary or desirable. Each Party hereto agrees to maintain any equipment operating condition and repair.

3. Title to sales gas shall pass from Atmos Energy to Customer, upon the delivery thereof, at the Customer's service address. The title to all gas transported hereunder shall remain with the Customer while such gas is on Atmos Energy's local distribution facilities. The Receipt Point(s) at which the Customer will deliver transportation gas to Atmos Energy and the Delivery Point(s) at which Atmos Energy will redeliver transportation gas to Customer are designated on Exhibit "B" attached hereto.

4. As between the Parties hereto solely for transportation services, Atmos Energy shall be deemed in exclusive control and possession of the gas after the delivery thereof at the Receipt Point(s) and prior to the redelivery thereof, to or for the account of Customer at the Delivery Point(s). At all other times, as between the Parties hereto solely, Customer shall be deemed in exclusive control and possession of the gas and responsible for any damages, losses or injuries caused by Customer's handling, delivery or receipt thereof. For sales services, Atmos Energy shall be deemed in exclusive control and possession of the gas prior to the delivery thereof, to or for the account of Customer at the Customer's service address. Upon delivery thereof, as between the Parties hereto solely, Customer shall be deemed in exclusive control and possession of the gas and responsible for any damages, losses or injuries caused by Customer's handling, delivery or receipt thereof. Each Party agrees to indemnify, defend and hold harmless the other Party from and against any and all claims, liabilities, damages, losses, costs and expenses incurred by such other Party arising from or relating to any damages, losses or injuries for which the indemnifying Party is responsible pursuant to the provisions of this paragraph, except to the extent such damages, losses or expenses shall have been caused by the negligence or intentional acts or omissions of the indemnified Party.

5. In the event that either Atmos Energy or Customer is rendered unable, wholly or in part, by reason of an event of force majeure, to perform its obligations under this Service

Agreement, other than to make payment due hereunder, and such Party has given notice and full particulars of such force majeure in writing to the other Party as soon as possible after the occurrence of the cause relied on, then the obligations of the Parties, insofar as they are affected by such force majeure, shall be suspended during the continuance of such inability, but for no longer period, and such cause shall, insofar as possible, be remedied with all reasonable dispatch; provided, however, that the settlement of strikes or lock-outs shall be entirely within the discretion of the Party having such difficulty, and the above requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes or lock-outs by acceding to the demands of the opposing party when such course is inadvisable in the discretion of the Party having the difficulty.

The term "force majeure" as used herein shall mean any cause not reasonably within the control of the Party claiming suspension and includes, but is not limited to, acts of God; strikes; lock-outs; wars; acts of terrorism; riots; orders or decrees of any lawfully constituted federal, state or local body; fires; storms; floods; wash-outs; explosions; breakage or accident to machinery or lines of pipe; inability to obtain or delay in obtaining rights-of-way, materials, supplies or labor permits; temporary or permanent failure of gas supply or transportation services; capacity constraints; repair, maintenance or replacement of facilities used in the performance of the obligations contained in this Service Agreement; or any other cause of a similar nature whether of the kind herein enumerated or otherwise.

6. During each billing period involving transportation services, Customer agrees to maintain its deliveries of gas to Atmos Energy and its receipt of gas from Atmos Energy in continuous balance or as near thereto as practicable on an Mcf or MMBtu basis, as designated by Atmos Energy. Further, the Customer agrees to be liable to Atmos Energy for all cost, expense and liability incurred by Atmos Energy, which directly relates to the Customer's transportation activities on the interstate pipeline system. When the volume of gas taken by Customer during a billing period exceeds Customer's transportation nomination volumes, Customer shall pay Atmos Energy for such overrun volumes at the applicable cash out rate.

7. In the event of default hereunder by either Party, in addition to all rights and remedies at law or in equity to which the non-defaulting Party may be entitled, the defaulting Party agrees to reimburse the non-defaulting Party for all court costs and other expenses incurred, including reasonable attorney fees Further, each Party agrees to indemnify and hold the other Party harmless with regard to any and all fees, costs and expenses incurred by the non-defaulting Party in relation to all third party claims, disputes and suits which arise under or are related to the defaulting Party's default under this Service Agreement, except to the extent such claims, disputes and suits shall have been caused by the negligence of the non-defaulting Party. In no event shall either Party be liable for indirect, special, consequential or punitive damages.

8. This Service Agreement shall be binding upon the Parties hereto and their respective successors and assigns.

9. This Service Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral and written, between the Parties hereto with respect to the subject matter hereof.

# <u>Ехнівіт В</u>

# TO LARGE VOLUME NATURAL GAS SERVICE AGREEMENT

# RECEIPT POINT(S) AND DELIVERY POINT(S)

Attached to and for all purposes made a part of that certain Large Volume Natural Gas Service Agreement effective November 1, 2022 by and between Atmos Energy Corporation and Matalco Kentucky, LLC.

# Receipt Point(s)

A metering station located in Simpson County, Kentucky, at Longitude 86 Degrees, 32 minutes, 41 seconds, Latitude 36 degrees, 50 minutes, 01 seconds, approximately 8.0 miles North of Franklin, Kentucky, (Meter No. 1918).

**Delivery Point(s)** 

300 Brown Road Franklin, Kentucky 42134 ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

# FOR ENTIRE SERVICE AREA PSC KY. No. 2 First Revised SHEET No. 40 Cancelling

**Original SHEET No. 40** 

# Economic Development Rider EDR

# 1. <u>Applicable:</u>

This Rider may apply to any customer with an expected demand of at least 9,000 Mcf per year. Existing customers served under another rate schedule to be eligible for service under this rate schedule must contract for sufficient natural gas demand to produce an increase in consumption of 4,500 Mcf per year.

## 2. <u>Purpose:</u>

This Rider is intended to allow the Company to offer incentive or discount type rates designed to enhance the Company's system utilization while encouraging industrial development and job growth within the Company's service areas. Under the terms of this Rider, qualifying customers are required to enter into a Special Contract with the Company. The Special Contract shall be subject to approval by the Kentucky Public Service Commission (Commission). This Rider is available for load associated with initial permanent service to new establishments, expansion of existing establishments or new customers in existing establishments. This Rider may also be available for existing customers that are experiencing financial hardship, if certain conditions can be met.

## 3. <u>Term:</u>

Any Special Contract shall extend for a period at least twice the length of the discount period. The (T) discount period shall not extend beyond four (4) years.

## 4. Gas Cost Adjustment:

For G-1 and G-2 customers, bills for service are subject to the cost of purchased gas in accordance with the Gas Cost Adjustment (GCA) Rider approved by the Kentucky Public Service Commission.

DATE OF ISSUE	November 23, 2015			
	Month/Date/Year			
DATE EFFECTIV	VE August 15, 2016			
	Month/Date/Year			
Issued by Authority of an Order of the Public Service Commission in				
Case No. 2015-00343				
ISSUED BY	/s/ Mark A. Martin			
	Signature of Officer			
TITLE	Vice President – Rates and Regulatory Affairs			

#### **Original SHEET No. 41**

#### ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

# Economic Development Rider EDR

## 5. Discount Terms:

Contract Year	Tariff Margin Discounted by:
1	25%
2	25%
3	25%
4	25%
After 4 <sup>th</sup> Year	0%

## 6. Special Terms and Conditions:

- a. The Company may discount or waive gas main extension costs.
- b. The Special Contract shall include, but not be limited to, the applicable rate discount and other discount provisions, the number of jobs and capital investment to be created, customer-specific fixed costs associated with serving the customer, minimum bill, a current marginal cost-of-service study, provision for the recovery of EDR customer-specific fixed costs, estimated load, estimated load factor, and contract length.
- c. The Special Contract shall contain additional load that would be subject to suitable service being available from existing facilities.
- d. The Company will file annual reports that detail revenues received from EDR customers and the marginal costs associated with serving those individual customers as well as replicating Appendix A to the Commission's Order in Administrative Case No. 327.
- e. A Special Contract designed to retain load of an existing customer shall be accompanied by an affidavit of the customer stating that, without the rate discount, operations will cease or be severely restricted. In addition, the utility must demonstrate the financial hardship experienced by the customer.
- f. For new industrial customers, an EDR should apply on to load which exceeds a minimum base level. For existing industrial customers, an EDR shall apply only to new load which exceeds an incremental usage level above a normalized base load.
- g. The major objectives of the EDR are job creation and capital investment. However, job creation and capital investment requirements shall not be imposed on EDR customers.

DATE OF ISSUE	May 13, 2013 Month/Date/Year	
DATE EFFECTIVE	January 24, 2014 Month/Date/Year	
Issued by Authority of an Order of the Public Service Commission in Case No. 2013-00148		
ISSUED BY	/s/ Mark A. Martin Signature of Officer	
TITLE V	Vice President – Rates and Regulatory Affairs	