JOHN N. HUGHES

Attorney at Law 124 West Todd Street Frankfort, Kentucky 40601

Telephone: (502) 227-7270

Email: jnhughes@johnnhughespsc.com

March 10, 2023

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

Re:

Atmos Energy Corporation Case No.2023-00086

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. Hugher

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:

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

) Case No. 2023-00086

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 Wieland North America Recycling,

LLC. ("Customer") dated as of February 21, 2023, 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. In the Administrative Case 327 Order, the Commission directed utilities filing an EDR contract to comply with Findings 3– 17. Finding 13 is not relevant to this proceeding because it applies to contracts designed to retain the load of existing customers, not to attract new customers such as the Customer. Findings 15 and 16 are not relevant to this proceeding as they apply to gas main extension costs, which are not a part of the proposed special contract. Finding 17, while relevant to this proceeding, merely states that comments submitted by the Cabinet or other interested parties pertaining to an EDR contract should be filed with the Commission no more than 20 days following the filing of an EDR. As a summary, the Company has listed below the other Findings and the Company's response to each:

• Finding 3: EDRs should be implemented by special contract negotiated between the utilities and their large commercial and industrial customers.

Response: The Contract is with an industrial customer.

• Finding 4: An EDR contract should specify all terms and conditions, including the rate discount and related provisions, jobs and capital investment created, customer-specific fixed costs, minimum bill, estimated load and load factor, and length of contract.

Response: The Contract specifies all terms and conditions.

• Finding 5: An EDR contract should only be offered during periods of excess capacity for the utility, and the utility must demonstrate that the EDR contract will not cause it to fall below a reserve margin essential for system reliability.

Response: Atmos Energy has excess capacity and the attached Confidential Exhibit D confirms it will not fall below essential reserve margins.

• Finding 6: A utility should demonstrate that the EDR exceeds the marginal cost associated with serving the customer.

Response: Confidential Exhibit C confirms the Contract exceeds the marginal cost of serving the customer.

• Finding 7: A utility should file an annual report with the Commission detailing revenues received and marginal costs from EDRs.

Response: Atmos Energy will file an annual report.

• Finding 8: A utility should demonstrate that nonparticipating ratepayers are not adversely affected by the EDR through a cost-of-service analysis.

Response: Exhibit C shows no adverse effect on non-participating ratepayers.

• Finding 9: The EDR should include a provision providing for the recovery of EDR customer-specific fixed costs over the life of the contract.

Response: The recitals of the Contract states that the Company does not anticipate any customer-specific fixed costs. The Company has included some customer-specific fixed costs in Confidential Exhibit C for potential meter sets if necessary and for analysis purposes. Please also see the Company's response above to Finding 6 requirement.

• Finding 10: The major objectives of EDRs are job creation and capital investment. However, specific job creation and capital investment requirements should not be imposed on EDR customers.

Response: New jobs are associated with this agreement, but no specific job creation or capital investment is imposed on the customer.

 Finding 11: All utilities with active EDR contracts should file an annual report with the Commission providing information shown in Appendix A to the Administrative Case 327 Order.

Response: Atmos Energy has filed the required annual reports.

• Finding 12: For new industrial customers, an EDR should apply only to load which exceeds a minimum base level. For existing industrial customers, the EDR should apply only to load which exceeds a minimum base load. At the time an EDR contract is filed, a

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utility should identify and justify the minimum incremental usage level and normalized base load for an existing customer or the minimum usage level required for a new customer.

Response: The information is listed in the Contract.

• Finding 14: The term of an EDR contract should be for a period twice the length of the discount period, with the discount period not exceeding five years.

Response: The Contract meets this requirement.

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 \$100,000,000 and will create approximately sixty-five to seventy (65-70) jobs. With this construction, an additional natural gas sales 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**. To offer support that Atmos Energy has adequate system capacity and that the load served will not cause it to fall below a reserve margin considered essential for system reliability, the Company has also included a diagram of the system as **Confidential Exhibit D**.¹ The Company's system planning team takes all existing

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¹ See Case No. 2022-00292, Electronic Application of Atmos Energy Corporation for Approval of Special Contract Pursuant to its Economic Development Rider, Order at 6-7 (Ky. PSC October 31, 2022).

residential, commercial, and industrial loads and analyzes how its system operates. The Company evaluates the system for potential, additional capacity and how pressures react as the Company adds theoretical or proposed volumetric flowrates. When the Company added the Customer's proposed load, the system planning team verified that the Company had significant, additional volumetric flowrates available while still maintaining the pressure requirements to operate reliably.

The Contract is to become effective on May 1, 2023 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 10th day of MARCK 2023.

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

And John M. Higher

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 March 10, 2023 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

COUNTY OF WILLIAMSON

SUBSCRIBED AND SWORN to before me by Brannon C. Taylor, on this the <u>10</u> day of <u>(Marck</u>, 2023.

amela Aleasant

Notary Public My Commission Expires: MARch. 6, 2024



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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>Sec6</u>, 2/, 2023, 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 Wieland North America Recycling 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 65-70 jobs, and require a capital investment of approximately \$100,000,000, and result in a projected annual consumption of at least 9,000 Mcf per year, Atmos Energy 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 78.2%; and

WHEREAS, Atmos Energy desires to provide to Customer, and Customer desires to obtain natural gas delivery 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:

Natural Gas Service Type and Volume Levels. Throughout the Term (as defined below), 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 Shelbyville, KY ("Customer's Facility"), which quantities of natural gas shall not be purchased by Customer from Atmos Energy pursuant to this Service Agreement (unless otherwise agreed by the Parties as contemplated in the last paragraph of Section 3 below), but shall be purchased and arranged by or for Customer from one or more sellers of natural gas of Customer's choosing. Nothing contained in this Service Agreement shall constitute a commitment by Customer to: (a) consume any particular quantities of natural gas at or in Customer's Facility at any time(s) or for any period(s); (b) operate Customer's Facility at any particular time(s) or for any particular period(s); or (iii) deliver or cause to be delivered to Atmos Energy, for redelivery to Customer for Customer's Facility, any particular quantities of natural gas at any time(s) or for any period(s). Throughout the Term, Atmos Energy agrees to provide service to Customer of the type specified below and up to the maximum quantities 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) and Delivery 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 this Service Agreement contemplates a transportation service only. Atmos Energy shall not receive volumes for transportation service in excess of the daily volume hereinafter specified (MDQ):

| Service | Service Type M | | Maximum | Maximum |
|----------------|----------------|-------|----------|--------------|
| | M | | Mcf/Hr. | Mcf/Day |
| | De | | Delivery | Receipt(MDQ) |
| Transportation | T-4 | 1,350 | 55 | 1,350 |

2. **Price**. 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 \$520 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 May 1, 2023 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 (the "<u>Effective Date</u>"), and shall continue in full force and effect for a period of eight (8) years from and after the Effective Date (the "<u>Primary Term</u>"), and shall continue for successive five (5) year terms following the expiration of the Primary Term (each a "<u>Rollover Term</u>"), 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 "<u>Term</u>". Each Party agrees,

at its own expense, to reasonably cooperate with and provide reasonable assistance to the other Party in connection with its or their efforts to obtain KPSC approval of this Service Agreement (as contemplated above) at the earliest practicable time. In the event this Service Agreement has not been approved by the KPSC as contemplated above on or before December 31, 2023, then either Party shall thereafter be entitled in its sole discretion, without further obligation to the other Party, to terminate this Service Agreement by written notice of termination delivered to the other Party at any time prior to the issuance by the KPSC of an order approving this Service Agreement. Customer agrees that during the Term of this Service Agreement, and except in the case where a force majeure event (as contemplated in the General Terms and Conditions) prevents Atmos Energy from delivering natural gas to the Delivery Point(s), all natural gas consumed by Customer at Customer's Facility shall be delivered by Atmos Energy; provided, that if Atmos Energy fails to deliver Customer's full requirements for transportation gas (or, if applicable, sales gas) at Customer's Facility for any reason(s) other than a breach by Customer of this Service Agreement. then Customer will be free to obtain services with respect to the gas not so delivered by Atmos Energy from any other source(s) without obligation to 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.

4. Electronic Flow Measurement and Communications Equipment. Under the 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:

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 If to Customer:

Wieland North America Recycling, LLC 4803 Olympia Park Plaza Suite 3000 Louisville, KY Attention: General Counsel

Duplicate to:

Atmos Energy Corporation 810 Crescent Centre Dr. Ste 600 Franklin, TN 37067 Attn: Danny Bertotti (615) 771-8335

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. **Regulatory Approval.** 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. Miscellaneous.

(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; Assignments</u>. This Service Agreement shall be binding upon the Parties hereto and their respective successors and assigns. Customer shall be entitled at any time to assign, in whole or in part, its rights and/or obligations under this Service Agreement to: (i) any entity that is controlled by, controlling or under common control with Customer; and/or (ii) any successor in interest to Customer's title to Customer's Facility; in each case without the need for any prior consent or approval from Atmos Energy. No such permitted assignment shall, however, release Customer of or from any of its obligations under this Service Agreement.

(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:

ATMOS ENERGY:

WIELAND NORTH AMERICA RECYCLING, LLC. ATMOS ENERGY CORPORATION

By: Printed Name: Title: Genera

DocuSigned by: Danny Bertotti By:

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 dated as of <u>Fcb 21</u>, 2023, by and between Atmos Energy Corporation and Wieland North America Recycling, LLC.

 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 owned by it and used in the performance of its obligations herein in good, safe and efficient operating condition and repair.

3. Title to sales gas (if any) provided by Atmos Energy pursuant to this Service Agreement shall pass from Atmos Energy to Customer, upon the delivery thereof, at the Customer's service address. The title to all gas transported hereunder (to the extent this Service Agreement contemplates only gas transportation services) shall be with Customer and remain with the Customer while such gas is on Atmos Energy's local distribution facilities. The Receipt Point(s) at which the Customer (or its supplier or other transporter on its behalf) 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 where this Service Agreement contemplates only gas transportation services, Atmos Energy shall be deemed in exclusive control and possession of the gas, to bear all risk of loss or damage to the gas, and to be responsible for any damages, losses or injuries caused by Atmos Energy's or its employee's, agent's or contractor's handling, delivery or receipt thereof, 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 where this Service Agreement contemplates only gas transportation services, as between the Parties hereto, Customer shall be deemed in exclusive control and possession of the gas, to bear all risk of loss or damage to the gas, and to be responsible for any damages, losses or injuries caused by Customer's or its employee's, agent's or contractor's handling, delivery or receipt thereof. To the extent this Service Agreement contemplates gas sales services, Atmos Energy shall be deemed to be in exclusive control and possession of the gas, to bear all risk of loss or damage to the gas, and to be responsible for any damages, losses or injuries caused by Atmos Energy's or its employee's, agent's or contractor's handling, delivery or receipt thereof, prior to the delivery thereof to or for the account of Customer at the Customer's designated service address or the Delivery Point(s), as applicable. To the extent this Service Agreement contemplates gas sales services, upon delivery of the relevant gas to the Customer's designated service address of the Delivery Point(s) (as applicable), as between the Parties hereto, Customer shall be deemed to be in exclusive control and possession of the gas, to bear all risk of loss or damage to the gas, and to be responsible for any damages, losses or injuries caused by Customer's or its employee's, agent's or contractor'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 or its employee, agent or contractor (other than, where Customer is the indemnified Party, Atmos Energy as its contractor under this Service Agreement).

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 result from, 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.

[End of Exhibit A]

EXHIBIT B

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 dated as of $\underline{5eb} \frac{\partial I}{\partial I}$, 2023, by and between Atmos Energy Corporation and Wieland North America Recycling, LLC.

Receipt Point(s)

A metering station located in Jefferson County, Kentucky, at Longitude 85 Degrees, 29 minutes, 15 seconds, Latitude 38 degrees, 16 minutes, 15 seconds, approximately 2.0 miles East of Anchorage, Kentucky. (Meter No. 1981)

Delivery Point(s)

369 McConnell Way Shelbyville, Kentucky 40065

[End of Exhibit B]

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 | 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 th 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 EFFECTIV | E 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 | Vice President – Rates and Regulatory Affairs | | | |

| | CONFIDENTIAL | | | | | | |
|---|---|--|----------|------------------------------|--|--|--|
| | Wieland | | | | | | |
| Analysis of Contribution to Fixed Cost Applying EDR | | | | | | | |
| Annual Mcf {1} | (in excess of 9,000 Mcf Base - Eligi 9,000 Base volume - not eligible for EDR Total | | | | | | |
| Annual Revenue {1}: | | | | | | | |
| Monthly Base Charges, @ Tariff Transportation Adm. Fee, @ Tariff Commodity Gas Cost, @ Tariff Non-Commodity Charges, @ Tariff Simple Margin, special contract rates ap to annual deliveries: | plied | 12 mo. X \$520 12 mo. X \$50/r | | \$6,240 600 - * - * | | | |
| Base - 1st 300 Mcf/mo @ Base - >300 Mcf/mo @ EDR - < 15,000 Mcf/mo | \$1.5483 \$1.0762 \$0.8072 \$0.6666 | per Mcf per Mcf per Mcf per Mcf | TOTAL | | | | |
| * - Excluding non-commodity charges and gas costs as noted. | | | | | | | |
| Less Variable/Avoidable Costs: | | | | | | | |
| Lost & Unaccounted For {2} | | - | | | | | |
| Odorant {3} | | 155 | | | | | |
| KPSC Assessment {3} | | 408 | | | | | |
| Measurement/Regulation Station {3} | | 10,732 | | | | | |
| Meter Reading, Maintenance and Billing | | | <u> </u> | \$11,296 | | | |
| Cor | | | | | | | |

Notes:

- {1} Projected 12-month volumes. Annual Revenue applying rate structures and service mix in pending special contract.
- {2} In accordance with tariffs, Company retains a portion of Customers supplies to compensate for the L&U experienced in Atmos' distribution system. Thus, the variable cost of L&U is, in effect, recovered through gas-in-kind retention.
- {3} Calculations shown on Page 2 of this Exhibit.



Notes:

 Investment in Measurement/Regulation Station tires 6.82% rate of return on investment.

{2} - Equity return on investment grossed up for Composite State and Federal income tax rate (24.95%) less after tax return on equity investment.

EXHIBIT D