

COMMONWEALTH OF KENTUCKY
BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF ATMOS ENERGY CORPORATION FOR)
APPROVAL OF SPECIAL CONTRACT PURSUANT) Case No. 2023-00086
TO ITS ECONOMIC DEVELOPMENT RIDER)

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 highlighted portions of Exhibit C and all of Exhibit D of the application.

BACKGROUND

Atmos Energy has entered into a special Economic Development Rider 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. Exhibit D provides details of critical infrastructure.

CONFIDENTIAL PROTECTION

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

The highlighted 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 in Exhibit C 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.

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 Confidential Exhibit D. Exhibit D is exempt from public disclosure as provided in KRS 61.878(1)(m). It is a schematic map of the names and locations of Atmos Energy customers and their connection points to the pipeline system. Under the Kentucky Open Records Act, the Commission is entitled to withhold from public disclosure information disclosed to it to the extent that open disclosure would “have a reasonable likelihood of threatening the public safety by exposing a vulnerability in preventing, protecting against, mitigating, or responding to a terrorist act and limited to: . . . ,

(f) infrastructure records that expose a vulnerability referred to in this subparagraph through the disclosure of the location, configuration, or security of critical systems, including

public utility critical systems. These critical systems shall include but not be limited to information technology, communications, electrical, fire suppression, ventilation, water, wastewater, sewage, and **gas systems** and;

(g) The following records when their disclosure will expose a vulnerability referred to in this subparagraph: **detailed drawings, schematics, maps**, or specifications of structural elements, floor plans, and **operating**, utility, or security systems of any building or facility owned, occupied, leased, or maintained by a public agency.”

The disclosure of operating pressures and reserve margin also is exempt. The information provides pipeline capacity, reserve margins, current and expected customer volumes, all of which are company and customer specific and which would provide competitors information about Atmos Energy’s existing system and capabilities as well as future expansion potential. This information would give competitors information critical to their competitive activity against Atmos Energy.

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 these reasons, calculation of the margins associated with the contract is exempt from public disclosure pursuant to KRS 61.878(c)(1).

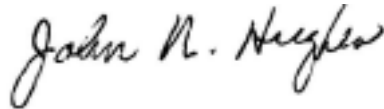
Atmos Energy requests that the information marked Confidential be held confidentially indefinitely. The statutes cited above do not allow for disclosure at any time. Given the

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 Exhibits C and D be treated as confidential.

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