

September 22, 2023

Ms. Linda Bridwell, P.E.  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40601

RE: *Electronic Application of Atmos Energy Corporation for Approval of Special Contract Pursuant to its Economic Development Rider – 2023-00086*

Dear Ms. Bridwell:

Please find enclosed Atmos Energy Corporation's responses to Commission Staff's Frist Request for Information in the above-styled case.

This is to certify that the electronic filing was made on September 22, 2023 and there are no parties the Commission has excused from electronic filing procedures. Pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085, no paper copies of this filing are being made.

Sincerely,



L. Allyson Honaker

Enclosure

COMMONWEALTH OF KENTUCKY

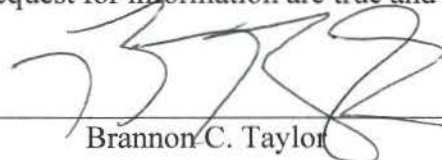
BEFORE THE PUBLIC SERVICE COMMISSION

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

CASE NO. 2023-00086

CERTIFICATE AND AFFIDAVIT

The Affiant, Brannon C. Taylor, being duly sworn, deposes and states that the attached responses to Commission Staff's first request for information are true and correct to the best of his knowledge and belief.

  
\_\_\_\_\_  
Brannon C. Taylor

STATE OF TENNESSEE  
COUNTY OF DAVIDSON

SUBSCRIBED AND SWORN to before me by Brannon C. Taylor on this the 21<sup>ST</sup> day of September, 2023.



  
\_\_\_\_\_  
Notary Public

My Commission Expires: 7/7/2027

My Commission Expires  
July 7, 2027

**Case No. 2023-00086**  
**Atmos Energy Corporation, Kentucky Division**  
**Staff DR Set No. 1**  
**Question No. 1-01**  
**Page 1 of 1**

**REQUEST:**

Refer to the Application, page 2 and the Large Volume Natural Gas Service Agreement, page 1.

- a. Confirm that Wieland North America Recycling, LLC (Wieland) is a new customer that is constructing new facilities that are the subject of this special contract. If confirmed, describe the new facilities that are being constructed, the location of those facilities, and provide when the construction will be completed. If this cannot be confirmed, explain why not.
- b. Refer to Atmos's Economic Development Rider (EDR) tariff which is attached to the application. The EDR tariff states that "[t]his 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." Identify the category that Wieland falls under to qualify it for the EDR discount and fully explain how Wieland's situation permits it to qualify for the EDR discount.

**RESPONSE:**

- a. Confirm. Wieland is a new customer. Wieland is constructing a \$100 million copper and copper alloy recycling facility at 369 McConnell Way in Shelbyville, Kentucky. Construction of the facility is estimated to be completed by November 2023.

Please also see announcements below from Kentucky Economic Development Office at the below links.

[https://ced.ky.gov/Newsroom/NewsPage/20210527\\_Wieland\\_Shelby\\_County#:~:text=FRANKFORT%2C%20Ky.,which%20could%20see%20future%20growth](https://ced.ky.gov/Newsroom/NewsPage/20210527_Wieland_Shelby_County#:~:text=FRANKFORT%2C%20Ky.,which%20could%20see%20future%20growth)

[https://ced.ky.gov/Newsroom/NewsPage/20220629\\_Wieland](https://ced.ky.gov/Newsroom/NewsPage/20220629_Wieland)

- b. Wieland falls under initial permanent service to new establishments. Wieland's situation permits it to qualify as it meets the conditions established in the EDR rider as approved by the PSC and included by the Company in its application.

Witness: Brannon Taylor

**Case No. 2023-00086**  
**Atmos Energy Corporation, Kentucky Division**  
**Staff DR Set No. 1**  
**Question No. 1-02**  
**Page 1 of 1**

**REQUEST:**

Refer to the Large Volume Natural Gas Service Agreement, page 2.

- a. State whether the Pipeline Replacement Program Rider rates will apply to Wieland. If not, explain why not.
- b. Provide Wieland's estimated bills over the EDR contract period with associated estimated billings in excel with all formulas unprotected, intact and visible. The estimated billing should be in sufficient detail to show how all tariff rates and the EDR discounts will be applied to estimated volumes.

**RESPONSE:**

- a. The PRP Rider rate will apply to Wieland.
- b. Please see Attachment 1

**ATTACHMENT:**

Staff\_1-02\_Att1 - Sample Bill.xlsx

Witness: Brannon Taylor



<b>Weiland</b>
<b>Shelbyville KY</b>

<b>Sample Natural Gas Bill</b>	
<b>Rate Schedule: T-4 EDR</b>	<b>Firm Commercial/Industrial Service</b>

Charge Description	Volume	Unit of Measure	Unit Amount	Amount
Monthly Customer Charge			\$520.00	\$ 520.00
Admin Fee			\$50.00	\$ 50.00
EFM Equipment			\$75.00	\$ 75.00
Cellular Fee			\$25.00	\$ 25.00
Distribution Cost- First 300 (Base Load)	300	MCF	\$1.5483	\$ 464.49
Distribution Cost- Next 450 (Base Load)	450	MCF	\$1.0762	\$ 484.29
<b>Distribution Cost- Next 14,250 (EDR Rate)</b>	<b>14,250</b>	<b>MCF</b>	<b>\$0.8072</b>	<b>\$ 11,501.89</b>
<b>Distribution Cost- Over 15,000 (EDR Rate)</b>	<b>6,000</b>	<b>MCF</b>	<b>\$0.6666</b>	<b>\$ 3,999.60</b>
PRP Rider First 300	300	MCF	\$0.0371	\$ 11.13
PRP Rider Next 14,700	14,700	MCF	\$0.0258	\$ 379.26
PRP Rider Over 15,000	6,000	MCF	\$0.0213	\$ 127.80
School Fee			3%	\$ 529.15
Sales Tax			6%	\$ 1,090.06

**Total Bill \$ 19,257.67**

\*\*Base Load charged at full T-4 Tariff  
 \*\*EDR Rate is T-4 Tariff with 25% Discount

**Case No. 2023-00086**  
**Atmos Energy Corporation, Kentucky Division**  
**Staff DR Set No. 1**  
**Question No. 1-03**  
**Page 1 of 1**

**REQUEST:**

Refer to Case No. 2022-00292, October 31, 2022 Order,<sup>2</sup> page 7, which stated: “For future EDR contracts, the Commission finds that Atmos should provide more specific support for Finding 5 than a blanket statement that Atmos has adequate system capacity and that the load served will not cause it to fall below a reserve margin considered essential for system reliability.” State whether Atmos has adequate capacity to service Wieland and provide any analysis that Atmos conducted to determine that it has adequate capacity, with a reserve margin for system reliability, to serve Wieland.

**RESPONSE:**

Exhibit D shows the Atmos Energy distribution system serving Shelbyville, KY and Lawrenceburg, KY. In the model, the “green” section of pipe operates at a 600 psig MAOP. The “light blue” section operates at 394 psig MAOP, the “darker blue” section of pipe operates at 175 psig MAOP and the yellow section operates at 175 psig MAOP as well. Typically, a model is loaded with known existing customer volumes (including residential, commercial and industrial customers), with the new projected customer volumes and the inlet pressures of the distribution system. The model then calculates the resulting outlet pressures of the system. If the resulting outlet pressures exceed what is needed to serve all existing customers, then the system has enough capacity to serve the new customer. The attached model was “loaded” with the existing customers’ volumes in the Shelbyville/Lawrenceburg distribution system, as well as Wieland’s projected volumes. The results of the model, with Wieland’s projected volumes, show resulting pressure at “Florida Tile” at 212 psig, which is more than adequate to provide the required pressure to operate the downstream “yellow” distribution system at 175 psig. Although, PSIG does not convert to Mcf, because the outlet pressure of the system at Florida tile is higher than needed to support the 175 psig system, Atmos knows the system has enough capacity to flow the Mcf of all the customers. The “circular point” at the far left of the model is the inlet of the distribution from the interstate transmission pipeline, Texas Gas Transmission. The second circular point is an inlet of gas from Benson Valley landfill. These are the two natural gas feeds into the distribution system. The Company, using actual system operating pressures, customer demand and pipeline capacity, has confirmed the adequacy of its Shelbyville/Lawrenceburg system by modeling those systems using the Synergi Gas model, which is a DNV product and is widely used among gas utilities.

The resulting pressure at Florida Tile of 212 psig is greater than the 175 psig needed on the yellow system, showing that the system has reserve margin capacity. Wieland, as a transportation customer, will not move gas on the interstate pipeline on any of the Company's contracts and therefore has no impact on the Company's interstate pipeline reserve margin.

Witness: Brannon Taylor

<sup>2</sup> Case No. 2022-00292, Electronic Application of Atmos Energy Corporation for approval of Special Contract Pursuant to Its Economic Development Rider (Ky. PSC Oct. 31, 2022), Order.

**Case No. 2023-00086**  
**Atmos Energy Corporation, Kentucky Division**  
**Staff DR Set No. 1**  
**Question No. 1-04**  
**Page 1 of 1**

**REQUEST:**

Provide copies of all correspondence between Atmos and Wieland regarding the EDR, including electronic mail messages and notes of telephone conversations.

**RESPONSE:**

Please see Attachment 1.

**ATTACHMENT:**

Staff\_1-04\_Att1 - Wieland Correspondence.pdf

Witness: Brannon Taylor

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**From:** David King <[david.king@wieland.com](mailto:david.king@wieland.com)>  
**Sent:** Wednesday, December 7, 2022 10:12 AM  
**To:** Thompson, Derrick <[Derrick.Thompson@atmosenergy.com](mailto:Derrick.Thompson@atmosenergy.com)>  
**Cc:** Phil Moody <[Phil.Moody@wieland.com](mailto:Phil.Moody@wieland.com)>; Jason Armstead <[Jason.Armstead@wieland.com](mailto:Jason.Armstead@wieland.com)>; Frank Billmayer <[Frank.Billmayer@wieland.com](mailto:Frank.Billmayer@wieland.com)>  
**Subject:** RE: [EXT] RE: Incentives Programs

**CAUTION: Don't be quick to click. This e-mail originated from outside of Atmos Energy. Do not click links or open attachments unless you recognize the sender and know the content is safe.**

Derrick,

Will Atmos classify Wieland under the EDR as a new customer with expected demand over 9,000 Mcf per year or as an existing customer? I ask because you had mentioned in the past that the application would be filed soon after we started our service but before full operations ramped up. I noted the program will require Wieland to enter into a "special contract" with Atmos. Do you have a template version of this contract that we could review now? I understand the contract will have a term of 8 years which is twice as long as our discount term.

Best regards | Freundliche Grüße,

David King  
Strategic Buyer NG & EP

P +15028733041- M +15023901295 [david.king@wieland.com](mailto:david.king@wieland.com)  
Wieland North America, Inc. | 4803 Olympia Park Plz, Suite 3000 | Louisville, KY 40241 | USA

[wieland.com](http://wieland.com)

[LinkedIn](#) [Twitter](#) [Facebook](#) [Youtube](#) [Instagram](#)

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**From:** Thompson, Derrick <[Derrick.Thompson@atmosenergy.com](mailto:Derrick.Thompson@atmosenergy.com)>  
**Sent:** Thursday, October 06, 2022 9:57 AM  
**To:** David King <[david.king@wieland.com](mailto:david.king@wieland.com)>  
**Cc:** Phil Moody <[Phil.Moody@wieland.com](mailto:Phil.Moody@wieland.com)>; Jason Armstead <[Jason.Armstead@wieland.com](mailto:Jason.Armstead@wieland.com)>; Frank Billmayer <[Frank.Billmayer@wieland.com](mailto:Frank.Billmayer@wieland.com)>  
**Subject:** RE: [EXT] RE: Incentives Programs

**CAUTION:** This email originated from outside of the organization Wieland. Do not click links or open attachments unless you recognize the sender and know the content is safe. **Sender address is:** [Derrick.Thompson@atmosenergy.com](mailto:Derrick.Thompson@atmosenergy.com)



David,

There is an Economic Development Rider, I have attached some general information on it, and we can discuss further when you have time.

This, if approved by the Kentucky PSC allows for a 25% discount on Wielands transportation rate for a term of four years.

Please review and let me know if you have any questions.

Thanks

Derrick Thompson | Sr Industrial Account Manager | Atmos Energy Corporation | Kentucky-Mid-States Division |  
270-685-8026 Office | [Derrick.Thompson@atmosenergy.com](mailto:Derrick.Thompson@atmosenergy.com) | [www.atmosenergy.com](http://www.atmosenergy.com)

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**From:** David King <[david.king@wieland.com](mailto:david.king@wieland.com)>

**Sent:** Tuesday, October 4, 2022 10:55 AM

**To:** Thompson, Derrick <[Derrick.Thompson@atmosenergy.com](mailto:Derrick.Thompson@atmosenergy.com)>

**Cc:** Phil Moody <[Phil.Moody@wieland.com](mailto:Phil.Moody@wieland.com)>; Jason Armstead <[Jason.Armstead@wieland.com](mailto:Jason.Armstead@wieland.com)>; Frank Billmayer <[Frank.Billmayer@wieland.com](mailto:Frank.Billmayer@wieland.com)>

**Subject:** RE: [EXT] RE: Incentives Programs

**CAUTION: Don't be quick to click. This e-mail originated from outside of Atmos Energy. Do not click links or open attachments unless you recognize the sender and know the content is safe.**

Hi Derrick,

Because our Shelbyville, KY facility will be a project of substantial size and economic impact to the surrounding community, Wieland is interested in hearing about any and all incentives Atmos can offer.

Thank you,

[wieland.com](http://wieland.com)

[LinkedIn](#) [Twitter](#) [Facebook](#) [Youtube](#) [Instagram](#)

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# Economic Development Tariff Rate for Kentucky



## Discount Natural Gas Rates Now Available to Help Grow Your Business

Atmos Energy is offering a special discount on natural gas service to qualifying businesses to encourage business expansion, spur economic development and create jobs in Kentucky.

New and existing commercial and industrial businesses that meet a minimum level of annual natural gas consumption could receive a **25 percent discount on Atmos Energy's tariff rate.**

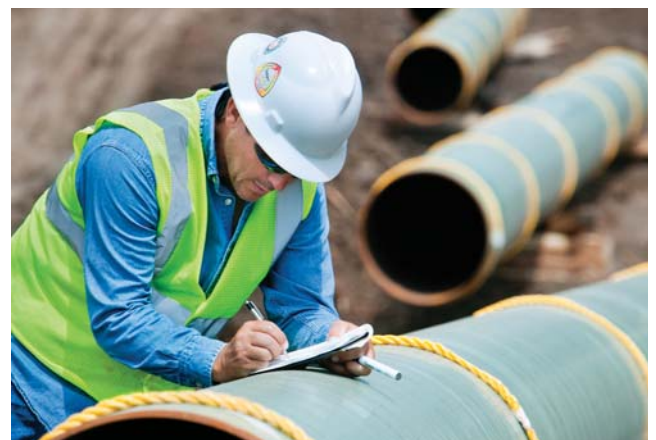
A qualifying business can contract with Atmos Energy for the discounted rate for up to four years, which is subject to approval by the Kentucky Public Service Commission.

Qualifications include natural gas service from Atmos Energy in the state of Kentucky; expected natural gas demand of 9,000 mcf annually for new business customers; or a contract for incremental gas demand of 4,500 mcf annually for existing Atmos Energy business customers.

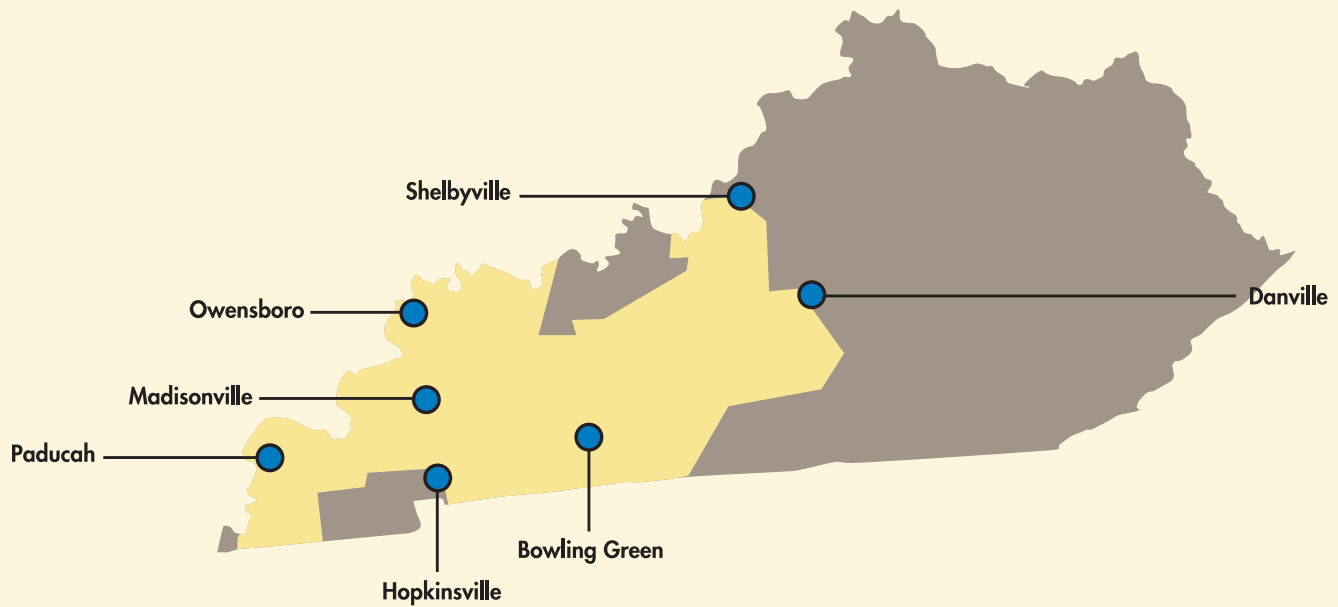
Contact your Atmos Energy representative for additional information.

Derrick Thompson  
Atmos Energy  
3275 Highland Pointe Drive  
Owensboro, Kentucky 42303  
derrick.thompson@atmosenergy.com  
270-685-8026

Ryan Bates  
Atmos Energy  
810 Crescent Centre Dr, Ste 600  
Franklin, Tennessee 37067  
ryan.bates@atmosenergy.com  
615-771-8311



# Areas Served by Atmos Energy



Adairville  
 Aetnaville  
 Alton  
 Anthoston  
 Anton  
 Auburn  
 Baskett  
 Beadlestown  
 Beaver Dam  
 Beda  
 Beulah  
 Boston  
 Bowling Green  
 Bremen  
 Briartown  
 Browns Valley  
 Buck Creek  
 Buford  
 Burgin  
 Cadiz  
 Calhoun  
 Calvert City  
 Calvary  
 Campbellsville  
 Carbondale  
 Cave City  
 Central City  
 Charleston

Cloverport  
 Crayne  
 Crofton  
 Danville  
 Dawson Springs  
 Deanfield  
 Dennis  
 Depoy  
 Dermont  
 Dixon  
 Earlington  
 Eddyville  
 Elkton  
 Ellmitch  
 Empire  
 Epley  
 Epperson  
 Evergreen  
 Farmdale  
 Fearsville  
 Feliciana  
 Finley  
 Fordsville  
 Franklin  
 Fredonia  
 Fruit Hill  
 Gilbertsville  
 Gishton

Glasgow  
 Glenville  
 Grahamville  
 Grand Rivers  
 Greensberg  
 Greenville  
 Habit  
 Hanson  
 Hardeman  
 Hardinsburg  
 Harned  
 Harrodsburg  
 Hartford  
 Hawesville  
 Heath  
 Hendron  
 Herbert  
 Hickory  
 Hill-n-dale  
 Hiseville  
 Hopkinsville  
 Horse Cave  
 Hustonville  
 Junction City  
 Knottsville  
 Lake City  
 Lancaster  
 Lawrenceburg

Lebanan  
 Livia  
 Logantown  
 Lone Oak  
 Luzerne  
 Maceo  
 Madisonville  
 Mannington  
 Marion  
 Masonville  
 Mayfield  
 McGowan  
 Memphis Junction  
 Midland  
 Milledgeville  
 Moreland  
 Mortons Gap  
 Mosleyville  
 Munfordsville  
 Niagara  
 Nortonville  
 Oak Ridge  
 Oakdale  
 Oakland  
 Oklahoma  
 Owensboro  
 Paducah  
 Park City

Perryville  
 Philpot  
 Pleasant Hill  
 Pleasant Ridge  
 Plum Springs  
 Poole  
 Powderly  
 Princeton  
 Pritchardsville  
 Pryorsburg  
 Reidland  
 Reidville  
 Reynolds  
 Robards  
 Rocky Hill  
 Rome  
 Rowletts  
 Rumsey  
 Russellville  
 Sacramento  
 Salmons  
 Saloma  
 Schochoh  
 Sebree  
 Sedalia  
 Shelby City  
 Shelbyville  
 Slaughters

Smiths Grove  
 Sorgho  
 S. Henderson  
 S. Highland  
 S. Union  
 Spottsville  
 Springfield  
 St. Charles  
 St. Joseph  
 Stanford  
 Stanley  
 Stringtown  
 Summersville  
 Sutherland  
 Symsonia  
 Thurston  
 Utica  
 Sta. Waddy  
 Water Valley  
 W. Louisville  
 Whitesville  
 Wingo  
 Woodburn  
 Woodlawn  
 Woodsonville  
 Yelvington  
 Zion

**Case No. 2023-00086**  
**Atmos Energy Corporation, Kentucky Division**  
**Staff DR Set No. 1**  
**Question No. 1-05**  
**Page 1 of 1**

**REQUEST:**

Refer to Application, page 4, which states “[t]he recitals of the Contract states that the Company does not anticipate any customer-specific fixed costs.” Explain why Atmos does not anticipate any customer-specific fixed costs.

**RESPONSE:**

The Company does not anticipate any additional customer-specific fixed costs beyond what was in the marginal cost of service study submitted as Confidential Exhibit C in which the Customer covers its cost of service. The total cost was less than estimated and no additional costs to complete construction are known. Please also see Company response to Staff 1-09(a).

Witness: Brannon Taylor

**Case No. 2023-00086**  
**Atmos Energy Corporation, Kentucky Division**  
**Staff DR Set No. 1**  
**Question No. 1-06**  
**Page 1 of 1**

**REQUEST:**

Explain why the Large Volume Natural Gas Service Agreement does not include a provision for recovery of EDR discounts in the event Wieland defaults prior to the expiration of the eight-year term.

**RESPONSE:**

The recovery of any potential EDR discount is not contemplated as part of the Company's approved EDR tariff by the Commission. As the Company's approved tariff states: "The 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." Please also see the Company's approved EDR Tariff submitted as Exhibit B as part of the Company's application.

Witness: Brannon Taylor

**Case No. 2023-00086**  
**Atmos Energy Corporation, Kentucky Division**  
**Staff DR Set No. 1**  
**Question No. 1-07**  
**Page 1 of 2**

**REQUEST:**

Refer to the Application, page 3, page 5 and Confidential Exhibit D.

- a. Describe in greater detail what is being shown on the map. Include in the explanation the pressure differences between the difference colored lines, confirmation that the psig numbers on what appears to be the main pipeline are the pressures at interconnection junctions, and a description of the two circular points on the main pipeline, how psig is converted to Mcf/Hour, and an explanation of how the information on the map demonstrates that “[w]ith the potential addition of Wieland, Exhibit D also indicated the Shelbyville system would have a remaining capacity of approximately 150 Mcf/Hour.”
- b. Explain and demonstrate in greater detail how the addition of Wieland will not cause Atmos to fall below its capacity reserve margin.
- c. Provide an update to the map showing the location of interstate natural gas pipelines or other entities that could supply natural gas to Wieland and the distance of the pipelines to Wieland.

**RESPONSE:**

- a. Exhibit D shows the Atmos Energy distribution system serving Shelbyville, KY and Lawrenceburg, KY. In the model, the “green” section of pipe operates at a 600 psig MAOP. The “light blue” section operates at 394 psig MAOP, the “darker blue” section of pipe operates at 175 psig MAOP and the yellow section operates at 175 psig MAOP as well. Typically, a model is loaded with known existing customer volumes (including residential, commercial and industrial customers), with the new projected customer volumes and the inlet pressures of the distribution system. The model then calculates the resulting outlet pressures of the system. If the resulting outlet pressures exceed what is needed to serve all existing customers, then the system has enough capacity to serve the new customer. The attached model was “loaded” with the existing customers’ volumes in the Shelbyville/Lawrenceburg distribution system, as well as Wieland’s projected volumes. The results of the model, with Wieland’s projected volumes, show resulting pressure at “Florida Tile” at 212 psig, which is more than adequate to provide the required pressure to operate the downstream “yellow” distribution system at 175 psig. Although, psig does not convert to Mcf, because the outlet pressure of the system at Florida Tile is higher than needed to support the 175 psig system, Atmos Energy knows the system has enough capacity to flow the Mcf of all the customers. The “circular point” at the far left of the model is the inlet of the distribution from the interstate transmission pipeline, Texas Gas Transmission. The second circular point is an inlet of gas from Benson Valley landfill. These are the two natural gas feeds into the distribution system. The Company, using actual system operating pressures, customer demand and pipeline capacity, has confirmed the adequacy of its Shelbyville/Lawrenceburg system by modeling those systems using the Synergi Gas model, which is a DNV product and is widely used among gas utilities. The Company also confirms that the psig numbers on the main pipeline are the pressures at the interconnection junctions

**Case No. 2023-00086**  
**Atmos Energy Corporation, Kentucky Division**  
**Staff DR Set No. 1**  
**Question No. 1-07**  
**Page 2 of 2**

- b. The resulting pressure at Florida tile of 212 psig is greater than the 175 psig needed on the yellow system, showing that the system has reserve margin capacity. Because 212 is higher than the 175 psi needed downstream, the model shows there is capacity available.
  
- c. The map is complete as filed. The circular point on the model shows the location of the Texas Gas pipeline, located approximately 11 miles to the west, it is the only transmission pipeline that could serve Wieland. There are not other entities that can serve Wieland.

Witness: Brannon Taylor

**Case No. 2023-00086**  
**Atmos Energy Corporation, Kentucky Division**  
**Staff DR Set No. 1**  
**Question No. 1-08**  
**Page 1 of 1**

**REQUEST:**

Refer to the Application, Large Volume Natural Gas Service Agreement, Section 2, Price.

- a. Explain whether the 25 percent discount to the tariffed rate applies only after Wieland consumes the first 750 Mcf per month. If not, explain how the discount is applied to the tariffed rate.
- b. Explain or point to the section of the Special Contract describing Wieland's obligation to repay any discounted amounts prior to the expiration of the eight year contract in the event of default.

**RESPONSE:**

- a. The 25 percent discount to the rate applies only after Wieland consumes the first 750 Mcf per month as shown in Section 2 of the Agreement in Exhibit A of the Application.
- b. Please see Company's response to Staff 1-06.

Witness: Brannon Taylor



**Case No. 2023-00086**  
**Atmos Energy Corporation, Kentucky Division**  
**Staff DR Set No. 1**  
**Question No. 1-09**  
**Page 1 of 1**

**REQUEST:**

Refer the Application, Exhibit B, Atmos's Economic Development Rider Tariff, Sheet No. 41.

- a. Explain whether Atmos has discounted or waived gas main extension costs. If so, explain the total cost of the gas main extension costs and the amounts discounted.
- b. If not explained above, confirm that no rates are discounted other than the EDR volumetric rate.

**RESPONSE:**

- a. The extension to Wieland was approximately 60', which is covered by the Company's distribution main extension policy, which applies to all customers, under its tariff. As shown on Confidential Exhibit C, the potential consumption and revenue will be of such amount and permanence as to warrant the capital expenditures involved to make the investment economically feasible. The total cost was approximately \$72,000, which is even less than initially contemplated in the Company's marginal cost of service study analysis provided in Confidential Exhibit C.
- b. Confirm.

Witness: Brannon Taylor

**Case No. 2023-00086**  
**Atmos Energy Corporation, Kentucky Division**  
**Staff DR Set No. 1**  
**Question No. 1-10**  
**Page 1 of 1**

**REQUEST:**

Explain whether Wieland is required to pay a deposit and if so, explain the amount.

**RESPONSE:**

Wieland is not required to pay a deposit.

Witness: Brannon Taylor

**Case No. 2023-00086**  
**Atmos Energy Corporation, Kentucky Division**  
**Staff DR Set No. 1**  
**Question No. 1-11**  
**Page 1 of 1**

**REQUEST:**

Refer to the Application, Confidential Exhibit C.

- a. Explain why there is no reflection of the cost to initially construct and install facilities to provide service to Wieland in the first year of service, which otherwise would be avoided but for the addition of Wieland.
- b. Explain why there is no reflection of meter reading, Maintenance and Billing costs.
- c. Explain why the PSC Assessment charge is applied only to the annual volumetric charge amount.

**RESPONSE:**

- a. Please see the Company's response to Staff 1-09(a). In addition, the Company has factored into the analysis \$100,000 of costs as shown on Page 2 of Confidential Exhibit C.
- b. No reflection is in there as those costs are not material. The meter reading is wireless, maintenance is minimal due to the small size of the extension, and billing is automated. Please also see Company's response to subpart (a) and Staff 1-09(a).
- c. The Assessment Charge is also applied to the other charges. Please see the formula on Page 1, Line 25 of Confidential Exhibit C.

Witness: Brannon Taylor