

December 12, 2024

Ms. Linda C. Bridwell, P.E.  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

*Re: In the Matter of: Electronic Application of Atmos Energy Corporation for an Adjustment of Rates; Approval of Tariff Revisions; and Other General Relief-  
Case No. 2024-00276*

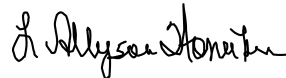
Dear Ms. Bridwell:

Please find attached Atmos Energy Corporation's Supplemental Response to Commission Staff's Requests for Information Item 1-48 and Motion for Confidential Treatment in the above-styled case.

This is to certify that the foregoing electronic filing was transmitted to the Commission on December 13, 2024 that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085, no paper copies of this filing will be made.

If you have any questions, please let me know.

Very truly yours,



L. Allyson Honaker

Enclosure

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:** )  
 )  
 **ELECTRONIC APPLICATION OF** ) **Case No. 2024-00276**  
 **ATMOS ENERGY CORPORATION FOR** )  
 **AN ADJUSTMENT OF RATES;** )  
 **APPROVAL OF TARIFF REVISIONS;** )  
 **AND OTHER GENERAL RELIEF** )  
 )

**ATMOS ENERGY’S MOTION FOR CONFIDENTIAL TREATMENT**

Comes now Atmos Energy Corporation (“Atmos Energy”), by and through counsel, pursuant to KRS 61.878, 807 KAR 5:001, Section 13 and other applicable law, and requests that the Kentucky Public Service Commission (“Commission”) afford confidential treatment to certain information filed in its Supplemental Response to Commission Staff’s First Request for Information (“Staff’s First Request”), Item 48. In support of the motion Atmos Energy respectfully states as follows:

1. On October 8, 2024, Commission Staff issued its First Request for Information to Atmos Energy in the above styled proceeding.
2. As part of Atmos Energy’s responses, Atmos Energy is providing detailed information that Atmos Energy believes is confidential and should not be publicly disclosed. Specifically, the information is being provided in its supplemental response to Request No. 48 Attachment 2.
3. Request No. 48, Attachment 2 required Atmos Energy to provide its written compensation policy and incentive compensation policy. This information is referred to as the “Confidential Information” for which confidential protection is sought.

4. The Kentucky Open Records Act and applicable precedent exempts the Confidential Information from disclosure, including KRS 61.878(1)(a); KRS 61.878(1)(c)(1); KRS 61.878(1)(k); KRS 61.878(1)(l); *Zink v. Department of Workers Claims, Labor Cabinet*, 902 S.W.2d 825 (Ky. App. 1994); and, *Hoy v. Kentucky Industrial Revitalization Authority*, 907 S.W.2d 766, 768 (Ky. 1995). The public disclosure of the Confidential Information would potentially harm Atmos Energy's competitive position in the marketplace which would be to the detriment of Atmos Energy. Additionally, the Confidential Information is publicly unavailable, and its confidentiality is critical to Atmos Energy's effective execution of business decisions and strategy. For these reasons, the Confidential Information satisfies both the statutory and common law standards for affording confidential treatment.

5. Request No. 48 required Atmos Energy to provide its Board approved compensation policy. Atmos Energy provided information for this response in its original responses. However, Atmos Energy discovered that the Long Term Incentive Plan ("LTIP") provided did not contain the most recent revision. Atmos Energy is providing the most recent revision to the LTIP as a supplemental response Attachment 2. Atmos Energy believes this information should be granted confidential treatment pursuant to KRS 61.878(1)(c)(1). This document contain extensive internal analysis of employee benefits and compensation. If disclosed this information would provide competitors with access to exclusive information regarding employee compensation and internal compensation strategies. This would harm Atmos Energy's ability to retain and hire employees. The Commission has granted confidential treatment to this information in the past.<sup>1</sup>

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<sup>1</sup> Case No. 2018-00281, *Electronic Application of Atmos Energy Corporation for an Adjustment of Rates*, February 3, 2021 Order (Ky. PSC February 3, 2021) and Case No. 2021-00214, *Electronic Application of Atmos Energy Corporation for an Adjustment of Rates*, October 1, 2021 Order (Ky. PSC October 1, 2021).

6. Atmos Energy does not object to limited disclosure of the Confidential Information, pursuant to an acceptable confidentiality and nondisclosure agreement, to any intervenors with a legitimate interest in reviewing the same for the sole purpose of participating in this case. However, as it is unknown who may or may not eventually intervene in the case, Atmos Energy reserves the right to object to sharing the Confidential Information with any party that may have a mixed-motive for accessing the Confidential Information, that may be a competitor of Atmos Energy in any market, who may have a commercial conflict of interest or for any other reason.

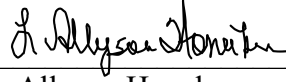
7. In accordance with the provisions of 807 KAR 5:001, Section 13(2), Atmos Energy is providing one copy of the Confidential Information separately under seal. Since Atmos Energy is requesting confidential treatment for the entirety of the documents, a redacted copy is not being provided in the public record and the copies being filed under seal with the Commission do not contain highlights. The filing of the Confidential Information is noted in the public version of Atmos Energy's responses.

8. In accordance with the provisions of 807 KAR 5:001, Section 13(3), Atmos Energy respectfully requests that the documents be granted indefinite confidential protection. Given the competitive nature of the natural gas business it is necessary that the information remain confidential indefinitely.

WHEREFORE, on the basis of the foregoing, Atmos Energy respectfully requests the Commission to enter an Order granting this Motion for Confidential Treatment and to so afford such protection from public disclosure to the unredacted copies of Confidential Information, which is filed herewith under seal, for the periods set forth herein.

This the 12<sup>th</sup> day of December, 2024.

Respectfully submitted,



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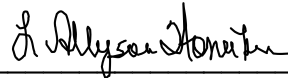
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*Attorneys for Atmos Energy Corporation*

**CERTIFICATE OF SERVICE**

This is to certify that the electronic filing has been transmitted to the Commission on December 12, 2024 and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means. Pursuant to prior Commission Orders no paper copies of this filing will be made.



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*Counsel, Atmos Energy Corporation*

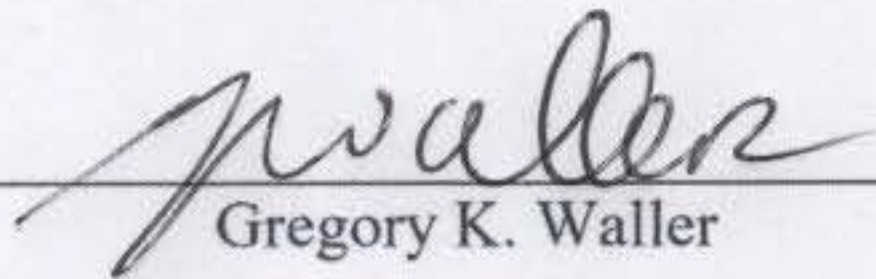
BEFORE THE PUBLIC SERVICE COMMISSION

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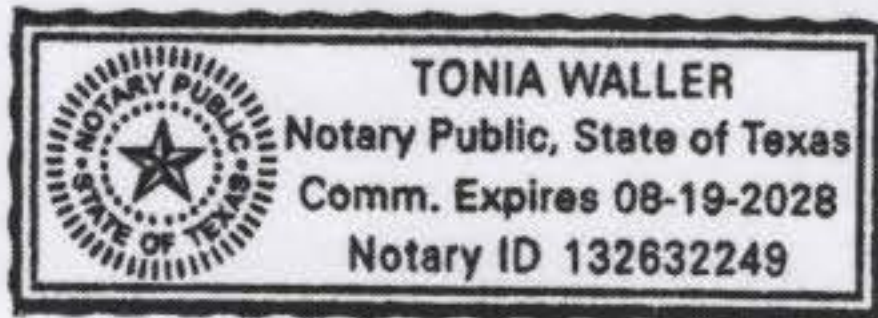
CERTIFICATE AND AFFIDAVIT

The Affiant, Gregory K. Waller, being duly sworn, deposes and states that the attached supplemental response to Commission Staff's first request for information is true and correct to the best of his knowledge and belief.

  
\_\_\_\_\_  
Gregory K. Waller

STATE OF TEXAS  
COUNTY OF DENTON

SUBSCRIBED AND SWORN to before me by Gregory K. Waller on this the 12<sup>th</sup> day of December, 2024.



  
\_\_\_\_\_  
Notary Public  
My Commission Expires: 8-19-2028



**Case No. 2024-00276**  
**Atmos Energy Corporation, Kentucky Division**  
**Staff DR Set No. 1**  
**Question No. 1-48 Supplement 1**  
**Page 1 of 2**

**REQUEST:**

Regarding Atmos's employee compensation policy:

- a. Provide the utility's written compensation policy as approved by the board of directors.
- b. Provide a narrative description of the compensation policy, including the reasons for establishing the policy and Atmos's objectives for the policy.
- c. Explain whether the compensation policy was developed with the assistance of an outside consultant. If the compensation policy was developed or reviewed by a consultant, provide any study or report provided by the consultant.
- d. Explain when Atmos's compensation policy was last reviewed or given consideration by the board of directors.
- e. Explain whether Atmos's expenses for wages, salaries, benefits and other compensation included in the base period, and any adjustments to the base period, are compliant with the board of director's compensation policy.

**ORIGINAL RESPONSE:**

- a. See bookmarked confidential Attachment 1 for merit increase letter from Willis Towers Watson ("WTW") and Meridian Compensation Partners, LLC ("Meridian"). See bookmarked confidential Attachment 2 for the Variable Pay Plan, Incentive Plan for Management, and Long-Term Incentive Plan documents.
- b. Atmos Energy's compensation program is comprised of several pay components that make up the Company's Total Rewards strategy. The Total Rewards program was developed in 1998 and has been subject to appropriate changes or revisions to allow the Company to remain competitive within the marketplace. The pay portion of Total Rewards includes a combination of a fixed component in the form of base salary and the variable components of incentive compensation, which are comprised of STI and LTI. Annual merit increases are also part of the Total Rewards strategy. Taken as a whole, the Total Rewards compensation package is targeted at the 50th percentile (median) of pay for comparable positions at peer companies that are similar in size and/or industry to Atmos Energy. Stated differently, the Company aims to compensate its employees at the midpoint between the highest and lowest compensation levels of peer companies. The Company's goal is to ensure that Atmos Energy is able to compete in the marketplace to attract and retain the caliber of employees necessary to operate a safe and reliable gas utility system. Toward that end, the Company aims to maintain a pay program that is externally competitive with employers with whom the Company competes for talent, internally equitable among the Company's employees, and allows the Company to attract, retain, and motivate a quality workforce that will operate the utility in a safe, reliable and efficient manner.

**Case No. 2024-00276**  
**Atmos Energy Corporation, Kentucky Division**  
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- c. The Total Rewards program was developed in 1998 and has been subject to appropriate changes or revisions to allow the Company to remain competitive within the marketplace. Atmos Energy engages an independent third-party consultant, Willis Towers Watson, to give a merit increase recommendation based on survey data. This recommendation is performed annually by WTW to ensure Atmos Energy remains competitive. Atmos Energy also annually engages Meridian to review officer compensation and to provide a recommendation for merit increase budget. See confidential Attachment 1 for merit increase letters from WTW and Meridian, respectively.
- d. The Total Rewards program was developed in 1998 and has been subject to appropriate changes or revisions to allow the Company to remain competitive within the marketplace. The program is reviewed by the Board of Directors on an annual basis.
- e. The expenses for wages, salaries, benefits and other employee compensation included in the Company's filing are consistent with the compensation policies approved by the Board of Directors as described above.

**ATTACHMENTS:**

Staff\_1-48\_Att1 - Atmos WTW and Meridian Merit Letters (CONFIDENTIAL).pdf  
Staff\_1-48\_Att2 - Incentive Comp Plans (CONFIDENTIAL).pdf

Respondents: Shele Boles and Greg Waller

**SUPPLEMENTAL RESPONSE**

Staff\_1-48\_Att2\_Suppl – Incentive Comp Plans (CONFIDENTIAL).pdf – is the most recent version of the Long Term Incentive Plan (“LTIP”). The latest revision was completed in 2021. The prior version was filed in the original response to this request. Atmos Energy is filing this LTIP under seal pursuant to the motion for confidential treatment that was previously filed for the original response. A motion to incorporate this attachment into the original motion for confidential treatment is being filed contemporaneously with this supplemental response.

**ATTACHMENT:**

Staff\_1-48\_Att2\_Suppl – Incentive Comp Plans (CONFIDENTIAL).pdf

Respondent: Greg Waller