

December 13, 2024

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 – 2024-00340*

Dear Ms. Bridwell:

Please find enclosed Atmos Energy Corporation's responses to Commission Staff's Initial Requests for Information and Motion for Confidential Treatment in the above-styled case.

This is to certify that the electronic filing was made on December 13, 2024 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

BEFORE THE PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

APPLICATION OF ATMOS ENERGY )  
CORPORATION FRO APPROVAL OF )  
SPECIAL CONTRACT PURSUANT TO ITS ) Case No. 2024-00340  
ECONOMIC DEVELOPMENT RIDER )

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 WILLIAMSON

SUBSCRIBED AND SWORN to before me by Brannon C. Taylor on this the 5<sup>th</sup> day of December, 2024.



Notary Public

My Commission Expires: JANUARY 24, 2028



**Case No. 2024-00340**  
**Atmos Energy Corporation, Kentucky Division**  
**Staff DR Set No. 1**  
**Question No. 1-01**  
**Page 1 of 1**

**REQUEST:**

Refer to Application, page 4 (Finding 9) and Confidential Exhibit D.

- a. State whether the \$10,820 included in Confidential Exhibit D is the sum of all amounts “[t]he Company has included some customer-specific fixed costs in Confidential Exhibit D for potential meter sets if necessary and for analysis purposes.”
- b. Provide an explanation of how the “Measurement/Regulation Station” line item was calculated.
- c. State how the estimated Mcf usage was determined in Confidential Exhibit D.

**RESPONSE:**

- a. Confirm. Also see the response to Staff 1-05.
- b. See footnotes 1 and 2 to Confidential Exhibit D. The line item calculates the depreciation expense, capital cost, and income tax amounts for the capital investment for the year.
- c. Mcf usage is estimated based on the long-term anticipated needs on the customer should the customer continue to expand. See confidential Attachment 2 for projected volumes. See confidential Attachment 1 for a marginal cost of service study reflecting this estimate for additional information based on current information.

**ATTACHMENTS:**

Staff\_1-01\_Att1 - Owens-Brockway Glass Container Fixed Cost Contribution (CONFIDENTIAL) Exhibit D update

Staff\_1-01\_Att2 - Projected Volumes (CONFIDENTIAL).pdf

Respondent: Brannon Taylor

**Case No. 2024-00340**  
**Atmos Energy Corporation, Kentucky Division**  
**Staff DR Set No. 1**  
**Question No. 1-02**  
**Page 1 of 1**

**REQUEST:**

Refer to Application, page 2 and the Large Volume Natural Gas Service Agreement, attached to the Application as Exhibit A, page 1. Confirm that Owens-Brockway Glass Container Inc. (OBCI) 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.

**RESPONSE:**

Confirm. OBCI is a new customer. OBCI has constructed an approximately \$240 million facility in Bowling Green, KY that was completed in October 2024.

Also see the announcements from the Kentucky Economic Development Office and Bowling Green Chamber of Commerce at the below links:

[https://ced.ky.gov/Newsroom/NewsPage/20220728\\_OIGlass](https://ced.ky.gov/Newsroom/NewsPage/20220728_OIGlass)

<https://www.bgchamber.com/news/2022/07/28/main/o-i-glass-to-build-new-plant-in-the-kentucky-transpark/>

Respondent: Brannon Taylor

**Case No. 2024-00340**  
**Atmos Energy Corporation, Kentucky Division**  
**Staff DR Set No. 1**  
**Question No. 1-03**  
**Page 1 of 1**

**REQUEST:**

Refer to Atmos's Economic Development Rider (EDR) tariff, attached to the Application as Exhibit C. 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 OBCI falls under to qualify it for the EDR discount and fully explain how OBCI's situation permits it to qualify for the EDR discount.

**RESPONSE:**

OBCI qualifies under initial permanent service to a new establishment. OBCI has constructed a new facility and has an expected demand of at least 9,000 Mcf per year, which meets the load requirements in the EDR Tariff. Also see the response to Staff 1-02.

Respondent: Brannon Taylor

**Case No. 2024-00340**  
**Atmos Energy Corporation, Kentucky Division**  
**Staff DR Set No. 1**  
**Question No. 1-04**  
**Page 1 of 1**

**REQUEST:**

Refer to the Large Volume Natural Gas Service Agreement, attached to Application as Exhibit A.

- a. Explain why it does not include a claw-back provision for recovery of EDR discounts in the event OBCI defaults prior to the expiration of the eight-year term.
- b. State whether the Pipeline Replacement Program Rider rates will apply to OBCI. If not, explain why not.

**RESPONSE:**

- a. The terms of the EDR Tariff approved by the Commission do not require or contemplate subsequent recovery of the discount defined in the tariff. 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." See the Company's approved EDR Tariff submitted as Exhibit C as part of the Company's application.
- b. Pipeline Replacement Program Rider rates will apply to OBCI.

Respondent: Brannon Taylor

**Case No. 2024-00340**  
**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 D in which the Customer covers its cost of service. The total cost provided of the \$76,962 in fixed costs was the actual cost to complete construction.

Respondent: Brannon Taylor

**Case No. 2024-00340**  
**Atmos Energy Corporation, Kentucky Division**  
**Staff DR Set No. 1**  
**Question No. 1-06**  
**Page 1 of 1**

**REQUEST:**

Refer to the Application, Exhibit E.

- a. Provide the minimum pressure on the line to be able to continue to serve that end of the line customers.
- b. Provide the maximum additional load on this line that could be served with the current configuration and supply.

**RESPONSE:**

- a. 125# is the minimum pressure.
- b. Current configuration of the line can carry 2,500 Mcf/hr. Current max volume of 1,044 Mcf/hr leaves 1,456 Mcf/hr available.

Respondent: Brannon Taylor