

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

In the Matter of:

APPLICATION OF ATMOS ENERGY	)	
CORPORATION TO ESTABLISH PRP	)	CASE NO.
RIDER RATES FOR THE TWELVE MONTH	)	2026-00200
PERIOD BEGINNING OCTOBER 1, 2026	)	

ATMOS ENERGY CORPORATION'S VERIFIED RESPONSE
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
ENTERED AUGUST 12, 2026

Comes now Atmos Energy Corporation ("Atmos Energy"), by counsel, and does hereby tender its Verified Response to Commission Staff's First Request for Information entered August 12, 2026.

FILED: August 21, 2026

BEFORE THE PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

APPLICATION OF ATMOS ENERGY)
CORPORATION TO ESTABLISH PRP)
RIDER RATES FOR THE TWELVE MONTH)
PERIOD BEGINNING OCTOBER 1, 2026)

Case No. 2026-00200

CERTIFICATE AND AFFIDAVIT

The Affiant, Ryan A. Chastain, 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.

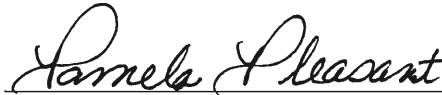


Ryan A. Chastain

STATE OF TENNESSEE

COUNTY OF WILLIAMSON

SUBSCRIBED AND SWORN to before me by Ryan A. Chastain on this the 19th day of August, 2026.



Notary Public

My Commission Expires: JANUARY 24, 2028



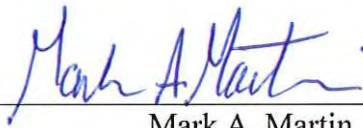
BEFORE THE PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

APPLICATION OF ATMOS ENERGY)
CORPORATION TO ESTABLISH PRP)
RIDER RATES FOR THE TWELVE MONTH) Case No. 2026-00200
PERIOD BEGINNING OCTOBER 1, 2026)

CERTIFICATE AND AFFIDAVIT

The Affiant, Mark A. Martin, 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.



Mark A. Martin

STATE OF TENNESSEE
COUNTY OF WILLIAMSON

SUBSCRIBED AND SWORN to before me by Mark A. Martin on this the 17th day of August, 2026.



Notary Public

My Commission Expires: JANUARY 24, 2028



Case No. 2026-00200
Atmos Energy Corporation, Kentucky Division
Staff DR Set No. 1
Question No. 1-01
Page 1 of 3

REQUEST:

Refer to the Direct Testimony of Mark Martin (Martin Direct Testimony), page 3, lines 14-15. Provide a description of Atmos's Distribution Integrity Management Program (DIMP) and Transmission Integrity Management Program (TIMP) risk assessment processes, along with any policies, procedures, manuals, or other documentation that describe these processes.

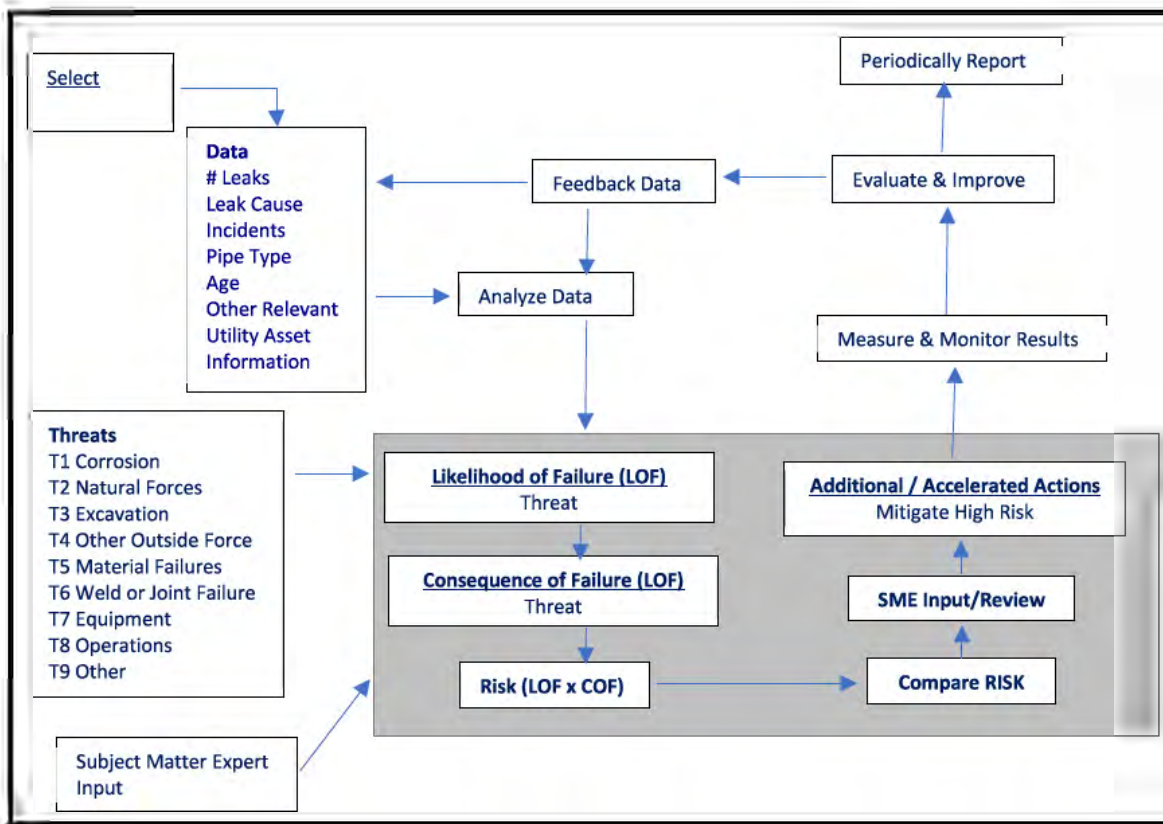
RESPONSE:

Atmos Energy's safety related procedures constitute trade secrets and critical energy infrastructure information. These highly sensitive documents have been marked accordingly and are being filed with the Commission under seal pursuant to a motion for confidential treatment. See highly sensitive Attachment for the Risk Methodology section and related Appendix in the current Distribution Integrity Management Program ("DIMP"), and highly sensitive Attachment 2 for the Risk Methodology section of the Transmission Integrity Management Program ("TIMP").

Pursuant to 49 C.F.R. Part 192 subpart P, entitled "Gas Distribution Pipeline Integrity Management," each operator is required to develop and implement its own unique DIMP to mitigate risks on its system. The DIMP specifies how the utility will identify, assess, prioritize, and evaluate risks to the integrity of distribution lines and the manner in which those risks will be mitigated or eliminated. Under Department of Transportation, Part 192, Subpart P regulations, every distribution operator is required to have a DIMP in place. The seven key elements of a DIMP are:

- Knowledge of distribution system
- Identify threats
- Evaluate relative risk
- Identify and implement measures to reduce risk
- Measure performance, monitor results, and evaluate effectiveness
- Periodic evaluation and improvement
- Report results

A diagram of the DIMP process is provided below:



Rather than simply rely on an existing list of potential threats that must be identified and mitigated, PHMSA requires that “[a]n operator must consider . . . [any] other issues that could threaten the integrity of its pipeline [and] reasonably available information to identify existing and potential threats.” Risk must then be evaluated and ranked, and measures must be implemented to address those risks. DIM results are a component in identifying high relative risk areas of the Tennessee system and in prioritizing replacement activities. Atmos Energy uses the principles of integrity management to know our system and identify risks based on system characteristics, performance, and industry information. The Risk Methodology is described in Section 04.II, and the Risk Factors are listed in Appendix B.

Pursuant to 49 C.F.R. Part 192 subpart O, entitled “Gas Transmission Pipeline Integrity Management,” each pipeline operator must identify, prioritize, assess, evaluate, repair and validate the integrity of gas transmission pipelines that could, in the event of a leak or failure, affect High Consequence Areas (HCAs) which include certain populated and occupied areas. Subpart O prescribes minimum requirements for an integrity management program on any gas transmission pipeline covered segment within an HCA. The Atmos Energy TIMP also applies to certain transmission line segments outside of HCAs with a maximum allowable operating pressure of greater than or equal to 30% of the specified minimum yield strength and are located in a Class 3 or Class 4 location as defined by 192.710, entitled “Transmission lines: Assessments outside of high consequence areas”. The key elements of the TIMP include:

- Identification of HCAs
- Threat Identification and Evaluation
- Risk Analysis and Prioritization
- Assessment Plan Development
- Conducting Assessments
- Remediation
- Preventive and Mitigative Measures
- Continual Evaluation and Reassessment

The risk assessment used in TIMP is used initially to prioritize covered pipeline segments for assessment. The risk analysis methodology is described in highly sensitive Staff_1-01_Att2. The risk analysis process is used to prioritize HCA segments for use in the Assessment Plan and the evaluation of Preventive and Mitigative Measures for pipeline segments covered under the TIMP.

ATTACHMENTS:

Staff_1-01_Att1 - Enterprise DIM Plan Risk Section 2026 (HIGHLY SENSITIVE).pdf

Staff_1-01_Att2 - Enterprise TIM Plan Risk Analysis 2026 (HIGHLY SENSITIVE).pdf

Respondents: Ryan Chastain and Mark Martin

Case No. 2026-00200
Atmos Energy Corporation, Kentucky Division
Staff DR Set No. 1
Question No. 1-02
Page 1 of 1

REQUEST:

Refer to the Direct Testimony of Ryan A. Chastain (Chastain Direct Testimony), page 3, paragraph one. Refer also to Exhibit K-5. Provide all data requested in Parts (a) and (b) in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

- a. Identify and explain all main pipe materials that are eligible for replacement under Atmos's Pipeline Replacement Program (PRP). For each material type, describe its characteristics, the risks or operational concerns associated with the material, the basis for its inclusion in the PRP, and the criteria used to prioritize its replacement.
- b. Provide the total original mileage, the mileage replaced to date, and the remaining mileage to be replaced with the estimated replacement date for each main pipe material included in Atmos's PRP.

RESPONSE:

Material	Bare Steel	Aldyl-A
Characteristics	uncoated steel, installed in the 1930s-1950s	early generation plastic, installed in the 1960s-1980s
Risks and Operational Concerns	deteriorates with age, susceptible to corrosion, prone to leaks	deteriorates with age, susceptible to brittle-like cracking, prone to leaks on body of pipe and fittings including service tees, difficult to locate
Basis for Inclusion in PRP	impact to system safety and reliability	PHMSA advisory bulletins: ADB-07-01, ADB-02-07, ADB-99-02, ADB-99-01; impact to system safety and reliability
Criteria to Prioritize Replacement	age, leak history, MAOP, population density, impervious surface, proximity to critical facilities	age, leak history, population density, impervious surface, proximity to critical facilities
Original Total Mileage	345	205
Mileage Replaced to Date	309	7
Remaining Mileage	36	198
Estimated Completion Date	September 30, 2027	2036

Respondent: Ryan Chastain

Case No. 2026-00200
Atmos Energy Corporation, Kentucky Division
Staff DR Set No. 1
Question No. 1-03
Page 1 of 1

REQUEST:

Refer to Application, Exhibit 4, Exhibit B, Lines 18-22. Provide all calculations, assumptions, and workpapers supporting the projected Depreciation Expense, Operations & Maintenance Savings, Ad Valorem Tax Increase, and Income Tax Adjustments.

RESPONSE:

The projected Depreciation Expense is calculated entirely on Exhibit C-1 of Exhibit 4.

The Operations & Maintenance Savings calculations are provided in Attachment 1. In the course of responding to this DR, the Company noticed it inadvertently linked the cumulative O&M Savings for 2026 instead of 2027 on Exhibit 4, Exhibit B, Line 19. This correction results in a \$8,866 reduction to the Total Rate Adjustment.

The Ad Valorem Tax Increase is calculated as the Net Change in Gross Plant multiplied by the Ad Valorem Tax rate (Exhibit F-1, Line Number 135) from the latest approved Rate Case. The Ad Valorem Tax rate was calculated in Case No. 2024-00276 on WP C.2.3 F as the Adjusted Base Period Ad Valorem divided by Ending Base Period Gross Plant. In our originally filed Exhibit 4, the Company incorrectly used the previously pending Ad Valorem Tax Rate from Case No. 2024-00276 of 1.317% instead of the final Ad Valorem Tax Rate of 1.000%. Correcting this Ad Valorem Tax Rate reduces the Total Rate Adjustment by \$392,087.

Income Taxes on Cost of Service Items is calculated as the sum of the prior three adjustments multiplied by the statutory state and federal tax rates on Exhibit F-1. Income Taxes on Adjusted Interest Expense is calculated as Net Change to Rate Base multiplied by the weighted cost of debt (Exhibit G), multiplied by the statutory tax rate on Exhibit F-1.

Attachment 2 provides an updated Exhibit 4 reflective of the two changes outlined above. The net impact of these two adjustments is a reduction to Total Rate Adjustment of \$400,953.

ATTACHMENT:

Staff_1-03_Att1 - KY PRP OM Savings.xlsx
Staff_1-03_Att2 - 2027 KY PRP Model - Errata.xlsx

Respondent: Mark Martin