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November 6, 2026

Via Electronic Filing System

Mr. Justin McNeil
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: *Electronic Application of Atmos Energy Corporation for a Certificate of Public Convenience and Necessity to Construct Gas Distribution Lines in Muhlenberg County, Kentucky and Other General Relief*
Case No. 2026-00294

Dear Mr. McNeil:

Enclosed, please find for filing, Atmos Energy Corporation's Responses to Commission Staff's First Request Information and Motion for Confidential Treatment in the above styled case.

This is to certify that the electronic filing was made on November 6, 2026, and there are no parties the Commission has excused from electronic filing procedures. Pursuant to the Commission's July 22, 2022 Order in Case No. 2020-00085, no paper copies of filings will be made.

If you have any questions, please let me know.

Sincerely,

Heather Temple
Heather S. Temple

Enc.

BEFORE THE PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

ELECTRONIC APPLICATION OF ATMOS ENERGY CORPORATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT GAS DISTRIBUTION LINES IN MUHLENBERG COUNTY, KENTUCKY, AND OTHER GENERAL RELIEF	))))))	**CASE NO. 2026-00294**

CERTIFICATE AND AFFIDAVIT

The Affiant, Chase Downing, 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.

Chase Downing

STATE OF KENTUCKY

COUNTY OF DAVIESS

SUBSCRIBED AND SWORN to before me by Chase Downing on this the 4th day of November, 2026.

Masden Riney

Notary Public

My Commission Expires: August 12, 2029

Masden L. Riney
NOTARY PUBLIC
STATE AT LARGE, KENTUCKY
COMMISSION NUMBER # KYNP103813
MY COMMISSION EXPIRES AUGUST 12, 2029

REQUEST:

Refer to the Application, Direct Testimony of Chase Downing (Downing Direct Testimony), page 4.

a. Provide a breakdown of the estimated cost of the project in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.
b. Provide a cost-benefit analysis of the alternative source for the current active customers comparing the recommended project.
c. Provide the amount of the current operation and maintenance (O&M) costs annually.
d. Provide the rate impact of the recommended project on the monthly rate for Atmos's customers.
e. Provide the monthly customer usage and bill amount for the last three years.

RESPONSE:

a. See confidential Attachment 1.

b. See Downing Direct Testimony pages 3-5. The estimated initial cost to convert a single customer to an alternate energy source (Liquefied Propane) would be approximately $20,000 per customer or $520,000 for the 26 customers. This includes the purchase and installation of new appliances and acquisition of a 500-gallon propane tank delivered, installed, and filled. After conversion, a customer could expect to pay over $550 in additional annual cost for equivalent usage of propane in lieu of natural gas, assuming a full 400-gallon tank of propane is utilized during the year. See Attachment 2 for a breakdown for propane versus natural gas equivalent usage cost comparison.

   The estimated cost difference of propane over the useful life of the proposed pipeline comes to approximately $38,500 per customer or $1,001,000 total in additional energy expense. This compares to the estimated project cost of $1,639,191.

c. Refer to Downing Direct Testimony at page 4. Atmos Energy does not anticipate that this O&M could be separately tracked, as the Company anticipates that any annual O&M costs associated with this line would be de minimis to the overall O&M costs for Kentucky.

d. Refer to the Application at paragraph 13. Atmos Energy does not anticipate that there will be a rate impact as the project would be funded through the general capital construct budget which was approved by the Commission in Case No. 2024-00276.[1]

e. See confidential Attachment 2.

[1] Case No. 2024-00276, *Electronic Application of Atmos Energy Corporation for an Adjustment of Rates; Approval of Tariff Revisions; and Other General Relief,* Order (Ky. PSC. September 18, 2026).

ATTACHMENTS:

Staff_1-01_Att1 - 2026-00294 Greenville Estimate (CONFIDENTIAL).xlsx
Staff_1-01_Att2 - Customer Monthly Usage and Bills (CONFIDENTIAL).xlsx

Respondent: Chase Downing

REQUEST:

Refer to the Application, ATTACHMENT CD-1. Explain whether Atmos contacted community line or shared line owners or customers regarding this issue.

RESPONSE:

Atmos Energy contacted its customers that are being served from these community or shared lines via a letter. Refer to the Application, Direct Testimony of Chase Downing, Attachment CD-3 for a copy of the correspondence.

Respondent: Chase Downing

REQUEST:

Refer to the Application, Downing Direct Testimony, page 4. Confirm that Atmos employees would install the main line extension and service lines. If not confirmed, state who would install the extension.

RESPONSE:

Atmos Energy will utilize contractor resources for the installation of the main and service facilities. The contractor would be determined by competitive bids for the project utilizing existing Atmos Energy approved contractors. This is consistent with Atmos Energy's capital project practices.

Respondent: Chase Downing

REQUEST:

Refer to the Application, Downing Direct Testimony, pages 2 to 3, stating that the community lines are "owned, operated, and maintained, by free gas users – not by Texas Gas or Atmos Energy" and that "[t]wenty-six Atmos Energy customers will be affected by Texas Gas's abandonment of service."

a. State whether the "Atmos Energy customers" who will lose service (Affected Customers) are served from the community lines, and if so, explain why the customers would be considered Atmos customers if they are not served from lines owned by Atmos.
b. Identify all rates that the Affected Customers are currently charged for service, and if applicable, the tariff page(s) on which each such rate is located.
c. Provide the date on which each affected customer first began receiving service from the line or lines at issue, whether provided by Atmos or some other entity.
d. Explain whether, and if so how, other potential customers could obtain service like the service provided to the affected customers and explain who would be eligible to receive such service.

RESPONSE:

a. Yes, the Affected Customers are served from the community lines and have Atmos Energy meters and regulators. They are billed by Atmos Energy under its applicable tariff schedules. Ownership of the upstream community lines is distinct from the service that Atmos Energy provides to these customers.

b. The Affected Customers take service under the applicable tariff and rate schedule appropriate for the type of service they receive. All of the Affected Customers take service pursuant to Atmos Energy Tariff, General Firm Sales Service, Rate G-1.

c. See Attachment 1. The Installation Start Date column signifies the date the installation was first created for the property address referenced.

d. No new community line customers will be accepted because Texas Gas will no longer accept this type of connection. If Atmos Energy's application in this matter is granted, Atmos Energy will accept potential customers currently taking service from Texas Gas who are also being abandoned by the loss of the community lines. These potential customers would have to meet all eligibility requirements of Atmos Energy's tariff

ATTACHMENT:

Staff_1-04_Att1 - 2026-00294 Meter Inception Dates.xlsx

Respondent: Chase Downing

REQUEST:

Refer to the Application, Downing Direct Testimony, page 5, lines 8-11. State whether Atmos has contacted other customers served by Texas Gas that are being removed from the community lines. If yes, state whether any of those customers indicated they were interested in taking service from Atmos.

RESPONSE:

Atmos Energy has not directly contacted other customers served by Texas Gas that are being removed from the community lines. However, the Company has been contacted by several existing Texas Gas customers who are served from these lines inquiring about receiving natural gas service from local systems.

Respondent: Chase Downing

REQUEST:

Provide the estimated time for Atmos to install a main line extension and the 26 service lines.

RESPONSE:

The Company estimates the actual construction time for a contractor to complete this project would be approximately four (4) months after all necessary permits and materials are acquired.

Respondent: Chase Downing

REQUEST:

Refer to the Application, Downing Direct Testimony, page 4. State whether Atmos discussed conversion with the 26 customers in addition to the letter provided. If yes, state whether any of the 26 customers indicated whether they would like to convert to another energy source or to continue with natural gas service.

RESPONSE:

No, Atmos Energy has not spoken with the Affected Customers about conversion to another energy source. Accordingly, the Company has not obtained the Affected Customers' preferences. The Company proposes this project to provide the least disruption necessary for the Affected Customers while continuing to provide safe and reliable service.

Respondent: Chase Downing

REQUEST:

State whether Atmos contends that the Affected Customers are regulated utility customers with rates and conditions of service subject to KRS 278.160, KRS 278.180, KRS 278.190, and other related provisions of KRS Chapter 278, and explain each basis for Atmos's response.

RESPONSE:

Atmos Energy does not have a legal position on whether these customers are regulated utility customers under the authorities cited. The Affected Customers receive metered service from Atmos Energy under its filed tariffs. The ownership of the community lines does not, by itself, determine the Company's treatment or service of these customers. Continuing service to the Affected Customers is consistent with public policy and good customer service. Atmos Energy determined that it can continue providing service to the Affected Customers through a relatively modest capital investment, thereby preserving access to an essential utility service for the Affected Customers. Continuing service also allows the Company to maintain its existing customer relationships in the area. Atmos Energy recognizes that a different analysis could be warranted if the costs of extending or maintaining service were substantially higher. Under the circumstances presented here, however, continued service is reasonable and appropriate.

Respondent: Chase Downing

REQUEST:

Provide a copy of all contracts between any of the Affected Customers or their predecessors in interest, and Texas Gas or Atmos, or any of their predecessors in interest concerning the affected customers' service or receipt of gas at the locations at issue.

RESPONSE:

Atmos Energy is not in possession, custody, or control of any contracts between the Affected Customers, their predecessors in interest, and Texas Gas or their respective predecessors in interest. Accordingly, Atmos Energy cannot produce such agreements, if any exist. Subject to that limitation, see bookmarked confidential Attachment 1, which contains the agreements in Atmos Energy's possession concerning service in the affected area between Atmos Energy and Texas Gas.

ATTACHMENT:

Staff_1-09_Att1 - Kentucky Contracts (CONFIDENTIAL).pdf

Respondent: Chase Downing

REQUEST:

Refer to Atmos's distribution main and service line extension policies in Atmos's tariff, which are primarily located at P.S.C. KY. No. 2, Original SHEET No. 83 and 84.

a. State whether Atmos's distribution main extension policy or service line extension policy would be applicable to the extension to the Affected Customers proposed in this case and explain each basis for your response.
b. Notwithstanding whether or not those extension policies are applicable, explain whether, and if so, why it would be reasonable to allocate the cost of extensions proposed in this case to all customers instead of allocating the costs to Affected Customers given the size of the necessary investment as compared to the number customers that are expected to be served.

RESPONSE:

a. The extension policy would not be applicable in this circumstance because this is not a request to extend service to new customers. Original SHEET No. 83 and No. 84 "Distribution Main Extensions," govern requests for *new* customers – ones that are establishing service for the first time. The Affected Customers have received metered service from Atmos Energy under the Company's tariffs. The service type must change because of Texas Gas' decision to discontinue the community line arrangement, not by a request for new service.

b. It is reasonable to allocate the costs if this project across customer classes in the same manner as other distribution system investments. The project is a utility plant investment that will be owned, operated, and maintained by Atmos Energy as part of its distribution system. As with other distribution infrastructure projects, the costs are appropriately recovered through rates from the customer classes served by the system.

   In addition, the project provides support for Atmos Energy's system and allows Atmos Energy to continue service to the Affected Customers and provides Atmos Energy the opportunity to serve future customers in the area using Company-owned distribution facilities.

   The amount of the required investment is also relevant. As discussed in testimony, the cost of the project is not substantially more than the amount to convert the Affected Customers to an alternate fuel source. Under these circumstances, funding the project as a system investment is reasonable

Respondent: Chase Downing

REQUEST:

Provide any contracts between Atmos and Texas Gas, or their predecessors in interest, related to the provision of service to the Affected Customers, including contracts delineating responsibilities for the customers between the parties or contracts taking over service from previous owners, regardless of whether the contracts are "current" or not.

RESPONSE:

See confidential Attachment 1 in response to Staff 1-09.

Respondent: Chase Downing

REQUEST:

Explain any corporate relationships between Texas Gas and Atmos.

RESPONSE:

There is no corporate relationship between Texas Gas Transmission, LLC and Atmos Energy Corporation. The companies are separate entities and are not affiliated through common ownership or control.

Respondent: Chase Downing

REQUEST:

Explain any contractual relationships or other agreements between Atmos and Texas Energy related to the Affected Customers.

RESPONSE:

Atmos Energy and Texas Gas have contractual relationships under which Texas Gas provides natural gas transportation and storage services to Atmos Energy. Other than those commercial service arrangements, Atmos Energy is not aware of any contract or agreement between Atmos Energy and Texas Gas that is specific to the Affected Customers, outside of the transmission obligation with the community line. To the extent responsive agreements are in Atmos Energy's possession, custody, or control, they are provided in confidential Attachment 1 in response to Staff 1-09.

Respondent: Chase Downing.