

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY	)	
CORPORATION FOR AN ADJUSTMENT OF	)	CASE NO. 2013-00148
RATES AND TARIFF MODIFICATIONS	)	

NOTICE OF FILING

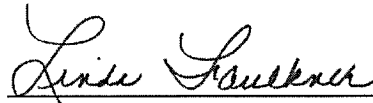
Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The revised digital video recording of the evidentiary hearing conducted on January 23, 2014 in this proceeding;
- Revised certification of the accuracy and correctness of the digital video recording;
- A revised exhibit list of all exhibits introduced at the evidentiary hearing conducted on January 23, 2014 in this proceeding;
- A revised written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on January 23, 2014.

A copy of this Notice, the revised certification of the digital video record, revised exhibit list and revised hearing log have been electronically served upon all persons listed at the end of this Notice. Parties desiring an electronic copy of the digital video recording of the hearing in Windows Media format may download a copy at http://psc.ky.gov/av_broadcast/2013-00148/2013-00148_23Jan14_Inter.aspx. Parties

wishing an annotated digital video recording may submit a written request by electronic mail to pscfilings@ky.gov. A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 25th day of February 2014.

A handwritten signature in cursive script, reading "Linda Faulkner", written over a horizontal line.

Linda Faulkner
Director, Filings Division
Public Service Commission of Kentucky

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY CORPORATION	)	
FOR AN ADJUSTMENT OF RATES AND TARIFF	)	CASE NO. 2013-00148
MODIFICATIONS	)	

CERTIFICATE

I, Sonya Harward, hereby certify that:

1. The attached DVD contains a digital recording of the Hearing conducted in the above-styled proceeding on January 23, 2014 (excluding confidential segments, which were recorded on a separate DVD and will be maintained in the non-public records of the Commission, along with the Confidential Exhibits and Hearing Log). Hearing Log, Exhibits, Exhibit List, and Witness List are included with the recording on January 23, 2014 (excluding confidential segments and Confidential Exhibits). The Notice of Filing and DVD submitted on January 29, 2014 inadvertently contained references to confidential information and has been removed from the case file. This revised Notice of Filing and attached DVD removes all confidential information that was previously referred to in the January 29, 2014 Notice of Filing.

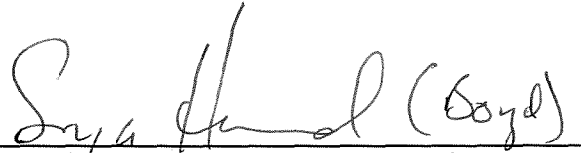
2. I am responsible for the preparation of the digital recording.

3. The digital recording accurately and correctly depicts the Hearing of January 23, 2014 (excluding confidential segments).

4. The "Exhibit List" attached to this Certificate correctly lists all Exhibits introduced at the Hearing of January 23, 2014 (excluding Confidential Exhibits).

5. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the Hearing of January 23, 2014 (excluding confidential segments) and the time at which each occurred.

Given this 24th day of February, 2014.

A handwritten signature in cursive script, reading "Sonya Harward (Boyd)", written over a horizontal line.

Sonya Harward (Boyd), Notary Public
State at Large
My commission expires: August 27, 2017



Date:	Type:	Location:	Department:
1/23/2014	General Rates	Public Service Commission	Hearing Room 1 (HR 1)

Judge: David Armstrong; Linda Breathitt; Jim Gardner

Witness: Josh Densman - Atmos; Mark Martin - Atmos; Pace McDonald - Atmos; Ernest Napier - Atmos; Bion Ostrander - for AG; Paul Raab - for Atmos; Jason Schneider - Atmos; Gary Smith - Atmos; James Vander Weide - for Atmos; Gregory Waller - Atmos; Glenn Watkins - for AG; Dane Watson - for Atmos

Clerk: Sonya Harward

Event Time	Log Event
9:44:37 AM	Session Started
9:44:39 AM	Session Paused
10:01:55 AM	Session Resumed
10:02:00 AM	Chairman Armstrong opening statements.
10:02:40 AM	Introductions of Parties's Attorneys Note: Harward, Sonya For Atmos - Jack Hughes and Randy Hutchinson; for AG - Gregory Dutton and Dennis Howard; for PSC - Virginia Gregg; for Stand Energy - John Dosker.
10:03:26 AM	Chairman Armstrong Note: Harward, Sonya Confirms that Public Notice has been given.
10:03:36 AM	Chairman Armstrong Note: Harward, Sonya Confirms that there are no outstanding Motions.
10:03:49 AM	Public Comments Note: Harward, Sonya No one present at this time.
10:04:31 AM	Witness Dr. James Vander Weide (for Atmos) takes the stand and is sworn in. Note: Harward, Sonya Retired Professor from Duke University and President of Financial Strategic Associates.
10:05:27 AM	Direct exam of Witness Vander Weide by Atty. Hutchinson Note: Harward, Sonya Witness has no changes to his testimony.
10:06:16 AM	Atty. Gregg cross exam. of Witness Weide Note: Harward, Sonya Referencing Supplemental Response to Item 48 of Staff's 2nd Request.
10:08:51 AM	POST HEARING DATA REQUEST by Atty. Gregg Note: Harward, Sonya Provide the reason for the exclusion of New Jersey Resources in the updated Discounted Cash Flow Analysis.
10:09:10 AM	Atty. Gregg to Witness Vander Weide Note: Harward, Sonya Referencing Revised Table 3, Modeled Results.
10:12:05 AM	PSC - Exhibit 1 Note: Harward, Sonya Regulatory Research Associates - Regulatory Focus - January 15, 2014 - Major Rate Case Decisions--Calendar 2013
10:13:34 AM	Atty. Gregg to Witness Vander Weide Note: Harward, Sonya Referencing page 8 of PSC - Exhibit 1 of this Hearing.
10:16:49 AM	Vice Chairman Gardner cross exam. of Witness Vander Weide Note: Harward, Sonya Asking about ROE analysis concerning differences due to location/jurisdiction.
10:19:11 AM	Commissioner Breathitt cross exam. of Witness Vander Weide Note: Harward, Sonya Asking what the average ROE is for the Atmos operating companies.
10:20:10 AM	Atty. Hutchinson Note: Harward, Sonya To Commissioner Breathitt, the answer may have been provided in a data request and they will research the location or they will provide as a POST HEARING DATA REQUEST.

10:20:59 AM	Atty. Hutchinson redirect. exam of Witness Vander Weide	
10:22:05 AM	Atty. Howard cross exam. to Witness Vander Weide	
10:23:00 AM	Vice Chairman recross of Witness Vander Weide	
10:23:20 AM	Atty. Howard recross of Witness Vander Weide	
10:24:26 AM	Witness Vander Weide dismissed.	
10:24:40 AM	Witness Dane Watson (for Atmos) takes the stand and is sworn in.	
	Note: Harward, Sonya	Managing Partner of Alliance Managament Group
10:25:36 AM	Direct exam. of Witness Watson by Atty. Hutchinson	
	Note: Harward, Sonya	No change to his testimony.
10:26:07 AM	No questions for this Witness.	
10:26:13 AM	Witness Watson dismissed.	
10:26:26 AM	Witness Mark Martin (Atmos) takes the stand and is sworn in.	
	Note: Harward, Sonya	Atmos Energy, Vice President of Rates and Regulatory Affairs
10:27:25 AM	Direct exam. of Witness Martin by Atty. Hutchinson	
	Note: Harward, Sonya	One addition to Witness's Tesitmony - presents Atmos - Exhibit 1 to this Hearing.
10:27:49 AM	Atmos - Exhibit 1	
	Note: Harward, Sonya	Current Rates and Proposed Rates Tables listing GCAs and Tariffs of Atmos, Columbia, Delta, Duke, and LG&E
10:29:47 AM	Atty. Dutton cross exam. of Witness Martin	
10:35:34 AM	Atty. Dutton to Witness Martin	
	Note: Harward, Sonya	Questioning about lost revenues recovered with DSM programs.
10:38:45 AM	Atty. Dutton to Witness Martin	
	Note: Harward, Sonya	Questioning about the request for a margin loss rider.
10:43:06 AM	Atty. Dutton to Witness Martin	
	Note: Harward, Sonya	Asking about Atmos's use of a future test year.
10:43:23 AM	Atty. Hutchinson Objection	
	Note: Harward, Sonya	Atty. Dutton asking for legal conclusion.
10:43:32 AM	Atty. Howard's Response to Objection	
	Note: Harward, Sonya	Suggesting that Witness should answer if he knows the answer.
10:44:34 AM	Atty. Hutchinson Objection	
	Note: Harward, Sonya	Again, Atty. Dutton is asking for legal conclusion.
10:44:41 AM	Atty. Dutton Response to Objection	
	Note: Harward, Sonya	Asking if there is a burden, not if Witness accepts that burden.
10:46:43 AM	Atty. Dutton to Witness Martin	
	Note: Harward, Sonya	Asking about NARUC and his knowledge of their research.
10:47:33 AM	Hearing going into Confidential Session.	
10:47:41 AM	Private Recording Activated	
11:15:11 AM	Public Recording Activated	
11:15:14 AM	Hearing Resuming in Public Session	
11:15:17 AM	Atty. Dutton to Witness Martin	
	Note: Harward, Sonya	Referencing Atmos - Exhibit 1 to this Hearing.
11:17:35 AM	Atty. Dosker cross exam. Witness Martin	
	Note: Harward, Sonya	Referencing Atmos - Exhibit 1 to this Hearing, and his inclusion of gas costs.
11:20:00 AM	Atty. Gregg to Witness Martin	
	Note: Harward, Sonya	Asking about Responses to Staff's 2nd Request for Information, Items 1, 7, 8, and 14 through 22.
11:21:30 AM	Atty. Gregg. to Witness Martin	
	Note: Harward, Sonya	Witness Martin agrees that the company will file tariff sheets with changes to comply with Commissions regulations.
11:23:40 AM	Atty. Gregg to Witness Martin	
	Note: Harward, Sonya	Referencing Response to Staff's 2nd Request, Item 3.

11:26:44 AM	Atty. Gregg to Witness Martin Note: Harward, Sonya	Referencing Response to Staff's 2nd Request, Item 26.b.
11:29:16 AM	Atty. Gregg to Witness Martin Note: Harward, Sonya	Referencing Witness's Direct Testimony, page 28.
11:33:22 AM	Atty. Gregg to Witness Martin Note: Harward, Sonya	Referencing Response to Staff's 3rd Request, Item 4.c.
11:34:57 AM	POST HEARING DATA REQUEST by Atty. Gregg Note: Harward, Sonya	Provide Atmos Mississippi's current bench mark return, including the performance adjustor discussed on page 20 of the tariff.
11:35:50 AM	Atty. Gregg to Witness Martin Note: Harward, Sonya	Referencing Response to Staff's 3rd Request, Item 4.d.
11:37:52 AM	Atty. Gregg to Witness Martin Note: Harward, Sonya	Referencing Response to Staff's 3rd Request, Item 5.
11:40:32 AM	Atty. Gregg to Witness Martin Note: Harward, Sonya	Referencing Witness's Direct Testimony, page 30.
11:41:26 AM	Atty. Gregg to Witness Martin Note: Harward, Sonya	Referencing Response to Staff's 3rd Request, Item 27.
11:43:39 AM	Atty. Gregg to Witness Martin Note: Harward, Sonya	Referencing Response to Staff's 2nd Request, Item 11.
11:46:20 AM	Atty. Gregg to Witness Martin Note: Harward, Sonya	Asking about door tag hanging program/fee.
11:48:05 AM	Chairman Armstrong interjects a question. Note: Harward, Sonya	Asking about the door hanger tag cost being eliminated.
11:51:00 AM	Commissioner Breathitt interjects a question. Note: Harward, Sonya	Asking how long West Texas Division has being doing the door hanger program.
11:52:08 AM	Atty. Gregg to Witness Martin Note: Harward, Sonya	Referencing Witness's Direct Testimony, page 24, and Response to Staff's 2nd Request, Item 29.
11:55:43 AM	Atty. Gregg to Witness Martin Note: Harward, Sonya	Referencing Witness's Rebuttal Testimony, page 3, lines 8-20.
11:57:19 AM	Atty. Gregg to Witness Martin Note: Harward, Sonya	Makes a reference to CN 95-10.
11:58:24 AM	Vice Chairman Gardner cross exam. of Witness Martin Note: Harward, Sonya	Referencing Witness's Direct Testimony, page 7.
12:01:09 PM	Vice Chairman Gardner to Witness Martin Note: Harward, Sonya	Referencing Witness's Direct Testimony, page 9.
12:02:26 PM	Vice Chairman Gardner to Witness Martin Note: Harward, Sonya	Referencing Witness's Direct Testimony, page 11.
12:04:55 PM	Vice Chairman Gardner to Witness Martin Note: Harward, Sonya	Asking about weather normalization.
12:09:16 PM	Vice Chairman Gardner to Witness Martin Note: Harward, Sonya	Asking about Economic Development Rider Customers.
12:14:17 PM	POST HEARING DATA REQUEST by Vice Chairman Gardner Note: Harward, Sonya	Provide the amount of the increase that you are requesting that relates merely to the rolling in of the BRP into base rates?
12:15:44 PM	Break	
12:15:52 PM	Session Paused	
1:30:22 PM	Session Resumed	
1:30:28 PM	Commissioner Breathitt cross exam. of Witness Martin Note: Harward, Sonya	Referencing Witness's Direct Testimony, page 5.
1:31:47 PM	Commissioner Breathitt to Witness Martin Note: Harward, Sonya	Referencing Witness's Direct Testimony, pages 7 - 8, and 19 - 20, concerning lack of growth.

1:34:32 PM	Commissioner Breathitt to Witness Martin Note: Harward, Sonya	Referencing Witness's Direct Testimony, page 29, regarding the System Development Rider.
1:36:00 PM	Commissioner Breathitt to Witness Martin Note: Harward, Sonya	Asking the difference between sales and transportation customers.
1:36:54 PM	Chairman Armstrong cross exam. of Witness Martin Note: Harward, Sonya	Asking clarifying questions about the door hanger program.
1:40:25 PM	Chairman Armstrong to Witness Martin Note: Harward, Sonya	Asking about how often there are inspections on pipelines.
1:41:45 PM	Chairman Armstrong to Witness Martin Note: Harward, Sonya	Asking about Pipe Replacement Program.
1:41:55 PM	Camera Lock Deactivated	
1:47:27 PM	Commissioner Breathitt to Witness Martin Note: Harward, Sonya	Asking about the purchase of the Livermore System and if they'd decline to purchase a smaller system in the future.
1:48:55 PM	Atty. Hutchinson redirect of Witness Martin	
1:48:58 PM	Atty. Hutchinson to Witness Martin Note: Harward, Sonya	Witness Martin is able to provide information requested earlier in the Hearing. ROE in Mississippi is 10.2, which contains a performance factor.
1:50:45 PM	Atmos - Exhibit 2 Note: Harward, Sonya	Atmos Energy Corporation, Kentucky/Mid-States Division, Kentucky Jurisdiction Case No. 2013-00148, Monthly Jurisdictional Operating Income by FERC Account, Base Period: Twelve Months Ended July 31, 2013
1:51:15 PM	Atty. Hutchinson to Witness Martin Note: Harward, Sonya	Asks Witness to describe Atmos - Exhibit 2 to this Hearing.
1:54:21 PM	Atty. Dutton recross of Witness Martin Note: Harward, Sonya	Asking about Riders in Mississippi and Virginia.
1:55:04 PM	Atty. Gregg recross of Witness Martin Note: Harward, Sonya	Asking about the 10.2 ROE number provided when questioned by Atty. Hutchinson.
1:57:41 PM	Witness Martin is dismissed.	
1:57:49 PM	Witness Paul Raab (for Atmos) takes the stand and is sworn in. Note: Harward, Sonya	Consultant
1:59:07 PM	Direct exam. of Witness Raab by Atty. Hutchinson Note: Harward, Sonya	No changes to Witness's testimony.
1:59:32 PM	Atty. Dutton cross exam. of Witness Raab	
2:00:34 PM	Atty. Dutton to Witness Raab Note: Harward, Sonya	Referencing Witness's Cost-of-Service Study.
2:08:34 PM	Atty. Dutton to Witness Raab Note: Harward, Sonya	Referencing Watkins Direct Testimony, page 22, Table 2, lines 20-23.
2:09:27 PM	Atty. Dutton to Witness Raab Note: Harward, Sonya	Referencing Witness's Rebuttal Testimony, pages 9-10.
2:10:53 PM	Atty. Dutton to Witness Raab Note: Harward, Sonya	Referencing Watkins Direct Testimony, chart on page 7.
2:11:27 PM	AG - Exhibit 8 Note: Harward, Sonya	Table 1. Source: Watkins Direct Testimony, page 7.
2:15:01 PM	Atty. Dutton to Witness Raab Note: Harward, Sonya	Referencing Witness's Rebuttal Testimony, page 5, lines 8-12.
2:18:06 PM	Atty. Dutton to Witness Raab Note: Harward, Sonya	Continuing to question about allocations of costs.

2:22:34 PM	Atty. Dutton to Witness Raab Note: Harward, Sonya	Referencing Witness's Rebuttal Testimony, page 15.
2:24:00 PM	Atmos - Exhibit 9 Note: Harward, Sonya	Gas Distribution Rate Design Manual, Prepared by the NARUC Staff Subcommittee on Gas, June 1989, National Association of Regulatory Utility Commissioners
2:28:28 PM	Atty. Dutton to Witness Raab Note: Harward, Sonya	Referencing Witness's Rebuttal Testimony, page 5, lines 15-17.
2:29:38 PM	Atty. Gregg cross exam. of Witness Rabb Note: Harward, Sonya	Referencing Witness's Rebuttal Testimony, page 24.
2:30:04 PM	POST HEARING DATA REQUEST by Atty. Gregg Note: Harward, Sonya	From page 24 of Witness's Rebuttal Testimony, line 9, provide supporting calculations of the \$15,22 amount and include the amounts taken from Mr. Watkins's Cost-of-Service Study and the location of those amounts in this study.
2:31:05 PM	Vice Chairman Gardner cross exam. of Witness Raab Note: Harward, Sonya	Asking about the Witness's reference to the radical departure if Commission adopted Mr. Watkins' approach compared to the Witness's approach.
2:35:47 PM	Commissioner Breathitt interjected with a question.	
2:37:38 PM	Vice Chairman Gardner to Witness Raab Note: Harward, Sonya	Asking if Witness looked at other PSC decisions concerning his Cost-of-Service Study.
2:39:54 PM	Vice Chairman Gardner to Witness Raab Note: Harward, Sonya	Referencing Martin Rebuttal Testimony, page 13.
2:42:30 PM	Witness Rabb Note: Harward, Sonya	References his Rebuttal Testimony, PHR-3, page 2 of 75.
2:45:57 PM	Atty. Dutton recross of Witness Rabb Note: Harward, Sonya	Asking how many Cost-of-Service Studies were presented in this case.
2:46:57 PM	Witness Rabb dismissed.	
2:47:43 PM	Witness Ernest Napier (Atmos) takes the stand and is sworn in. Note: Harward, Sonya	Atmos Energy, Vice President of Technical Services
2:48:43 PM	Direct exam. of Witness Napier by Atty. Hutchinson Note: Harward, Sonya	No changes to Witness's testimony.
2:50:20 PM	Atty. Howard cross exam. of Witness Napier Note: Harward, Sonya	Asking about meter reading program and the direction Atmos plans to move in for the future concerning this technology.
2:53:47 PM	Vice Chairman Gardner interjects.	
2:56:25 PM	Atty. Howard to Witness Napier Note: Harward, Sonya	Asking Witness to read question and answer to OAG 1-052.
2:58:33 PM	Atty. Howard to Witness Napier Note: Harward, Sonya	Asking if there will be a break-even point by discontinuing use of current meters.
3:00:23 PM	Vice Chairman Gardner cross exam. Witness Napier Note: Harward, Sonya	Referencing Witness's Direct Testimony, page 12.
3:03:09 PM	Vice Chairman Gardner to Witness Napier Note: Harward, Sonya	Asking about how many meters Atmos has in Kentucky, how many it will install per year, and how many years it will take to install them all.
3:07:40 PM	Vice Chairman Gardner to Witness Napier Note: Harward, Sonya	Referencing Witness's Direct Testimony, page 17,
3:08:41 PM	Vice Chairman Gardner to Witness Napier Note: Harward, Sonya	Referencing Witness's Direct Testimony, page 16.

3:09:40 PM	Atty. Howard recross of Witness Napier	
	Note: Harward, Sonya	Asking about battery power and reliability.
3:11:18 PM	Witness Napier dismissed.	
3:11:28 PM	Witness Jason Schneider (Atmos) takes the stand and is sworn in.	
	Note: Harward, Sonya	Atmos Energy, Director of Accounting Services
3:12:09 PM	Direct exam. of Witness Schneider by Atty. Hutchinson	
	Note: Harward, Sonya	No changes to Witness's testimony.
3:12:31 PM	Atty. Gregg cross exam. of Witness Schneider	
	Note: Harward, Sonya	Referencing Witness's Rebuttal Testimony, page 5, lines 11-13.
3:13:56 PM	Vice Chairman Gardner cross exam. of Witness Schneider	
	Note: Harward, Sonya	Asking about the sales of operations in other states and the gain from those sales.
3:16:49 PM	Witness Schneider	
	Note: Harward, Sonya	Response to AG's Request, 2-82, part G.
3:18:03 PM	POST DATA REQUEST HEARING by Vice Chairman Gardner [Answered later in the Hearing.]	
	Note: Harward, Sonya	Description of how much of proceeds of those divisions was spent on Kentucky?
3:19:11 PM	Commissioner Breathitt cross exam. to Witness Schneider	
	Note: Harward, Sonya	Referencing Witness's Direct Testimony, page 4.
3:20:31 PM	Witness Schneider dismissed.	
3:20:41 PM	Break	
3:20:45 PM	Session Paused	
3:23:59 PM	Session Resumed	
3:24:04 PM	Witness Napier taking the stand again.	
3:24:22 PM	Atty. Howard to Witness Napier	
	Note: Harward, Sonya	Asking about batteries being guaranteed to operate for 10 years.
3:24:30 PM	Camera Lock Deactivated	
3:25:18 PM	Witness Napier dismissed.	
3:25:23 PM	Break	
3:25:32 PM	Session Paused	
3:36:51 PM	Session Resumed	
3:36:56 PM	Witness Josh Densman (Atmos) takes the stand and is sworn in.	
	Note: Harward, Sonya	Atmos Energy, Vice Chairman of Finance
3:37:34 PM	Direct exam. of Witness Densman by Atty. Hutchinson	
	Note: Harward, Sonya	Witness has supplement to his Testimony - provides it as Atmos - Exhibit 3 to this Hearing.
3:38:06 PM	Atmos - Exhibit 3	
	Note: Harward, Sonya	Atmos Energy Corporation, Kentucky/Mid-States Division, Kentucky Jurisdiction Case No. 2013-00148, Monthly Jurisdictional Operating Income by FERC Account, Base Period: Twelve Months Ended July 31, 2013
3:38:57 PM	Atty. Dutton cross exam. of Witness Densman	
	Note: Harward, Sonya	Asking about Consumer Price Index.
3:41:51 PM	AG - Exhibit 10	
	Note: Harward, Sonya	What goods and services does the CPI cover? Source: http://www.bls.gov/cpi/cpifaq.htm
3:45:39 PM	Atty. Dutton to Witness Densman	
	Note: Harward, Sonya	Referencing Witness's Supplemental Testimony, page 5, line 9-16.
3:48:26 PM	AG - Exhibit 11	
	Note: Harward, Sonya	Case No. 2013-00148, Atmos Energy Corporation, Kentucky Division, AG DR Set No. 1, Question No. 1-111, page 1 of 2, page 2 of 2, and Attachment 1
3:54:38 PM	Atty. Gregg cross exam. of Witness Densman	
	Note: Harward, Sonya	Referencing Witness's Rebuttal Testimony, page 5, lines 17-21.

3:59:14 PM	Atty. Gregg to Witness Densman Note: Harward, Sonya	Referencing Response to Staff's 2nd Request, Item 62.h.
4:01:21 PM	Atty. Gregg to Witness Densman Note: Harward, Sonya	Referencing Response to Staff's 3rd Request, Item 11.c.
4:03:27 PM	Commissioner Breathitt interjected a clarifying question.	
4:04:38 PM	Atty. Gregg to Witness Densman Note: Harward, Sonya	Referencing Response to AG's Request 1-111, page 1 of Attachment 1, under Division of General Office.
4:06:30 PM	Atty. Gregg to Witness Densman Note: Harward, Sonya	Referencing Response to AG's Request 1-131, pages 4-6.
4:11:52 PM	Atty. Gregg to Witness Densman Note: Harward, Sonya	Referencing Witness's Rebuttal Testimony, page 13-14.
4:16:17 PM	Atty. Gregg to Witness Densman Note: Harward, Sonya	Asking about familiarity with rate recovery for employee incentives in cases that have come before this Commission.
4:17:18 PM	PSC - Exhibit 2 Note: Harward, Sonya	Commonwealth of Kentucky Before the Public Service Commission, In the Matter of: Application of the Union Light, Heat and Power Company to Adjust Electric Rates, Case No. 91-370, Final Order dated May 5, 1992
4:21:02 PM	PSC - Exhibit 3 Note: Harward, Sonya	Commonwealth of Kentucky Before the Public Service Commission, In the Matter of: Application of Kentucky-American Water Company for an Adjustment of Rates Supported by a Fully Forecasted Test Year, Case No. 2010-00036, Final Order dated Dec. 14, 2010
4:26:07 PM	Vice Chairman Gardner cross exam. of Witness Densman Note: Harward, Sonya	Asking about sales of Georgia, Illinois, Iowa, and Missouri assets.
4:28:24 PM	POST HEARING DATA REQUEST by Vice Chairman Gardner [Answered later in the Hearing.] Note: Harward, Sonya	What was the increase percentage of Kentucky's allocation as a result of these sales?
4:28:31 PM	Atty. Hutchinson redirect of Witness Densman	
4:29:05 PM	Witness Densman dismissed.	
4:29:22 PM	Witness Gregory Waller (Atmos) takes the stand and is sworn in.	
	Note: Harward, Sonya	Atmos Energy, Manager of Rates and Regulatory Affairs
4:30:12 PM	Direct exam. of Witness Waller by Atty. Hutchinson	
	Note: Harward, Sonya	No changes to Witness's Testimony.
4:30:34 PM	Atty. Dutton cross exam. of Witness Waller	
	Note: Harward, Sonya	Asking Witness if there is anywhere that he provided the exact amount of net operating loss carry forward included in this rate case in the accumulated deferred income tax account.
4:32:04 PM	AG - Exhibit 12 Note: Harward, Sonya	Case No. 2013-00148, Atmos Energy Corporation, Kentucky Division, AG DR Set No. 2, Question No. 2-78
4:37:12 PM	AG - Exhibit 13 Note: Harward, Sonya	Case No. 2013-00148, Atmos Energy Corporation, Kentucky Division, AG DR Set No. 1, Question No. 1-047
4:38:19 PM	AG - Exhibit 14 Note: Harward, Sonya	Case No. 2013-00148, Atmos Energy Corporation, Kentucky Division, Staff RFI Set No. 1, Question No. 1-47, page 2 of 3, page 3 of 3, and Attachment 1 to Staff No. 1-47 (4 pages)
4:42:13 PM	Chairman Armstrong interjects.	
	Note: Harward, Sonya	Can the calculation be provided now?

4:43:56 PM	AG - Exhibit 15 Note: Harward, Sonya	Exhibit BCO-2, Schedule A-10, Kentucky Office of Attorney General, Remove NOLC ADIT, Atmos Energy Corporation, Forecasted Test Period November 30, 2014
4:45:17 PM	POST HEARING DATA REQUEST by Atty. Dutton Note: Harward, Sonya	Provide the NOLC debit balance and ADIT for Kentucky Atmos for all of the years that there has been a debit balance included in the ADIT related detached losses.
4:46:36 PM	Atty. Gregg cross exam. of Witness Waller Note: Harward, Sonya	Referencing the Application (Schedule J-2) and Response to Staff's 3rd Request, Item 13.b.
4:52:50 PM	POST HEARING DATA REQUEST by Atty. Gregg Note: Harward, Sonya	Provide information about any short term debt that is not included in propose capital sturcture that is used for the purchase of gas that is stored.
4:54:08 PM	Vice Chairman Gardner cross exam. of Witness Waller Note: Harward, Sonya Note: Harward, Sonya	One answer to previously asked question provided in recorded at AG 1-82 - allocations for past 5 years. Answered the question about how much of proceeds was spent on Kentucky from sales of other operations. And the sale price?
5:00:45 PM	Vice Chairman Gardner to Witness Waller Note: Harward, Sonya	Questions concerning Accelerated Depreciation issue.
5:02:33 PM	Atty. Hutchinson redirect of Witness Waller	
5:04:06 PM	Session Paused	
5:04:14 PM	Session Resumed	
5:04:20 PM	Session Paused	
5:04:39 PM	Session Resumed	
5:05:28 PM	Witness Pace McDonald (Atmos) takes the stand and is sworn in. Note: Harward, Sonya	Atmos Energy, Vice President of Taxes
5:06:29 PM	Direct exam. of Witness McDonald by Atty. Hutchinson Note: Harward, Sonya	No change to Witness's Testimony.
5:06:41 PM	Atty. Dutton cross exam. of Witness McDonald Note: Harward, Sonya	Asking about tax calculations.
5:07:51 PM	Atty. Dutton to Witness McDonald Note: Harward, Sonya	Asking what the net operating loss carry forward included in the forecasted test period is.
5:08:31 PM	Atty. Dutton to Witness McDonald Note: Harward, Sonya	Referencing Witness's Testimony, page 6, lines 21-22.
5:10:52 PM	Atty. Dutton to Witness McDonald Note: Harward, Sonya	Discussing a private letter ruling from the IRS.
5:12:16 PM	AG - Exhibit 16 Note: Harward, Sonya	Public Service Commission of West Virginia, Charleston, February 11, 2013, Case No. 11-627-F-42T (Reopened), Commission Order
5:13:28 PM	Vice Chairman Gardner cross exam. of Witness McDonald Note: Harward, Sonya	Begins by asking about net operating loss carry forward.
5:21:15 PM	Commissioner Breathitt cross exam. of Witness McDonald	
5:24:39 PM	Atty. Dutton additional cross of Witness McDonald	
5:26:41 PM	Atty. Dutton to Witness McDonald Note: Harward, Sonya	Asking about violation being embedded into tax code.
5:28:35 PM	Vice Chairman Gardner recross of Witness McDonald Note: Harward, Sonya	Asking about tax filings and why amended return will be necessary.
5:31:12 PM	Commissioner Breathitt recross of Witness McDonald Note: Harward, Sonya	Asking about losing accelerated depreciation and bonus depreciation.
5:32:37 PM	Witness McDonald dismissed.	

5:32:49 PM	Witness Gary Smith (Atmos) takes the stand and is sworn in. Note: Harward, Sonya	Atmos Energy, Director of Rates and Regulatory Affairs
5:33:51 PM	Direct exam. of Witness Smith by Atty. Hutchinson Note: Harward, Sonya	No changes to Witness's Testimony.
5:34:02 PM	Atty. Dutton cross exam. of Witness Smith Note: Harward, Sonya	Referencing Witness's Testimony, page 1.
5:35:05 PM	Atty. Dutton to Witness Smith Note: Harward, Sonya	Referencing Witness's Testimony, page 7, lines 20-21.
5:41:15 PM	Atty. Dutton to Witness Smith Note: Harward, Sonya	Asking if Atmos has approached companies with special contracts to renegotiate their contracts.
5:49:04 PM	Atty. Gregg cross exam. of Witness Smith Note: Harward, Sonya	Explain the circumstances that made Atmos enter into special contracts with 17 companies.
5:52:20 PM	Atty. Gregg to Witness Smith Note: Harward, Sonya	Asking what factors Atmos considers for special contracts.
5:54:46 PM	Atty. Gregg to Witness Smith Note: Harward, Sonya	How often does Atmos revisit the price of the special contracts?
5:56:13 PM	Atty. Gregg to Witness Smith Note: Harward, Sonya	What happens at the end of the special contract terms?
5:58:30 PM	Atty. Gregg to Witness Smith Note: Harward, Sonya	Asking if the company feels these contracts are a net benefit.
5:59:41 PM	Atty. Dosker cross exam. of Witness Smith Note: Harward, Sonya	Asking if the special contract customers are served by Atmos's unregulated marketing arm.
6:01:12 PM	Atty. Hutchinson Objection Note: Harward, Sonya	Intervenor involvement is limited to threshold.
6:01:42 PM	Atty. Dosker to Witness Smith Note: Harward, Sonya	Asking if the special customers use the capacity every day of every year on that line.
6:03:13 PM	Atty. Dosker to Witness Smith Note: Harward, Sonya	Anyone other than AEM ever won that RFP and when?
6:04:21 PM	Atty. Dosker to Witness Smith Note: Harward, Sonya	Asking what happens to the capacity that is unused by special contract customers.
6:05:50 PM	Atty. Dutton recross of Witness Smith Note: Harward, Sonya	Asking if there were any negotiation or payback documents produced as part of the record in this case.
6:06:17 PM	Break	
6:06:21 PM	Session Paused	
6:17:48 PM	Session Resumed	
6:18:17 PM	Witness Smith dismissed.	
6:18:30 PM	Concludes Atmos's Witnesses	
6:18:43 PM	Witness Bion Ostrander (for AG) takes the stand and is sworn in. Note: Harward, Sonya	Regulatory Consultant and Certified Public Accountant
6:21:00 PM	Direct exam. of Witness Ostrander by Atty. Dutton Note: Harward, Sonya	Correction to Supplemental Amended Testimony, page 24, line 19, "Schedule A4" should say "Schedule A5".
	Note: Harward, Sonya	Correction to Supplemental Amended Testimony, page 40, both footnotes 14 and 16 refer to "BC04" but should refer to "BC05".
6:22:23 PM	Atty. Hughes cross exam. of Witness Ostrander	
6:23:15 PM	Atty. Hughes to Witness Ostrander Note: Harward, Sonya	Referencing Witness's Original Testimony, page 8.

6:25:43 PM	Atty. Hughes to Witness Ostrander Note: Harward, Sonya	Referencing Witness's Original Testimony, page 8, line 3.
6:28:19 PM	Atty. Hughes to Witness Ostrander Note: Harward, Sonya	Referencing BCO, Exhibit 1, Resume.
6:32:07 PM	Atty. Hughes to Witness Ostrander Note: Harward, Sonya	Referencing Witness's Original Testimony, page 9.
6:32:47 PM	Atty. Hughes to Witness Ostrander Note: Harward, Sonya	Referencing Witness's Original Testimony, page 17, line 6.
6:33:02 PM	Atty. Hughes to Witness Ostrander Note: Harward, Sonya	Referencing Response to Atmos's Request, Item 60.
6:34:37 PM	Atty. Hughes to Witness Ostrander Note: Harward, Sonya	Referencing Witness's Original Testimony, page 47.
6:36:49 PM	Atty. Hughes to Witness Ostrander Note: Harward, Sonya	Referencing Response to Staff's Request, Item 6.
6:38:41 PM	Atty. Hughes to Witness Ostrander Note: Harward, Sonya	Referencing Treasury Reg. 1.167, as it concerns NOLC.
6:40:22 PM	Witness Ostrander Note: Harward, Sonya	Referencing and reading from Treasury Regulation Section 1.167L-1H6II
6:47:06 PM	Atty. Gregg cross exam. of Witness Ostrander Note: Harward, Sonya	Referencing Witness's Supplemental Testimony, page 10.
6:49:02 PM	Vice Chairman Gardner cross exam. of Witness Ostrander Note: Harward, Sonya	Asking about cases he's worked on with respect to his position on ADIT NOLC.
6:54:25 PM	Vice Chairman Gardner to Witness Ostrander Note: Harward, Sonya	Asking about ADIT NOLC and his views versus Witness McDonald's views.
6:56:00 PM	Atty. Dutton redirect of Witness Ostrander	
7:00:21 PM	Witness Ostrander is dismissed.	
7:01:24 PM	Witness Glenn Watkins (for AG) takes the stand and is sworn in. Note: Harward, Sonya	Partner and Senior Economist with Technical Associates Incorporated
7:02:23 PM	Direct exam. of Witness Watkins by Atty. Dutton Note: Harward, Sonya	Correction to Direct Testimony, page 32, line 5, word "if" should be "is".
7:03:18 PM	Atty. Hughes cross exam. of Witness Watkins Note: Harward, Sonya	Referencing Witness's Direct Testimony, page 11, line 16.
7:06:11 PM	Atty. Hughes to Witness Watkins Note: Harward, Sonya	Referencing Response to Atmos's Request, Item 63.
7:09:41 PM	Atty. Hughes to Witness Watkins Note: Harward, Sonya	Referencing Response to Atmos's Request, Item 74.
7:13:17 PM	Atty. Hughes to Witness Watkins Note: Harward, Sonya Note: Harward, Sonya Note: Harward, Sonya	Referencing Witness Raab's Rebuttal Testimony, page 24, line 18. Referencing GAW-5. Referencing Response to Staff's Request, Item 13.
7:16:10 PM	Atty. Hughes to Witness Watkins Note: Harward, Sonya	Referencing Witness's Direct Testimony, page 15, line 13.
7:18:34 PM	Atty. Hughes to Witness Watkins Note: Harward, Sonya	Referencing Schedule GAW-2 and GAW-5.
7:19:25 PM	Atty. Hughes to Witness Watkins Note: Harward, Sonya	Referencing Witness's Testimony, page 32, line 16.
7:25:00 PM	Atty. Hughes to Witness Watkins Note: Harward, Sonya	Asking about variable cost information the company filed and if Witness did any similar analysis.

7:26:54 PM	Atty. Gregg cross exam. of Witness Watkins	
	Note: Harward, Sonya	Referencing Staff's Request to AG, Item 15.
7:29:01 PM	Atty. Gregg to Witness Watkins	
	Note: Harward, Sonya	Referencing Witness Martin's Rebuttal Testimony, concerning customer charge.
7:32:39 PM	Atty. Gregg to Witness Watkins	
	Note: Harward, Sonya	Referencing Witness's recommendation for Commission to not approve Atmos's proposed Margin Loss Recovery Rider, and his Response to Staff's Request to AG, Item 14.
7:34:24 PM	Atty. Dutton redirect of Witness Watkins	
	Note: Harward, Sonya	Referencing Schedule GAW-4 of Witness's Direct Testimony.
7:39:24 PM	Witness Watkins dismissed.	
7:40:01 PM	Break	
7:40:08 PM	Session Paused	
7:43:11 PM	Session Resumed	
7:43:19 PM	Deadlines	
	Note: Harward, Sonya	Feb 25 - Briefs
	Note: Harward, Sonya	Feb. 3 - Post Hearing Data Requests
7:45:44 PM	Chairman Armstrong - Closing Comments	
7:45:56 PM	Hearing Adjourned	
7:46:01 PM	Session Paused	
7:59:37 PM	Session Ended	



Exhibit List Report

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Atmos Energy Corporation

Judge: David Armstrong; Linda Breathitt; Jim Gardner

Witness: Josh Densman - Atmos; Mark Martin - Atmos; Pace McDonald - Atmos; Ernest Napier - Atmos; Bion Ostrander - for AG; Paul Raab - for Atmos; Jason Schneider - Atmos; Gary Smith - Atmos; James Vander Weide - for Atmos; Gregory Waller - Atmos; Glenn Watkins - for AG; Dane Watson - for Atmos

Clerk: Sonya Harward

Name:	Description:
AG - Exhibit 01	CN 2013-00148, Atmos Energy Corporation, Kentucky Division, AG DR Set No. 2, Question No. 2-87, Page 1 of 1
AG - Exhibit 02	CN 2013-00148, Atmos Energy Corporation, Kentucky Division, AG DR Set No. 2, Question No. 2-88, Page 1 of 1
AG - Exhibit 03	CN 2013-00148, Atmos Energy Corporation, Kentucky Division, AG DR Set No. 1, Question No. 1-212 (Supplemental 1), 3 pages
AG - Exhibit 04 - CONFIDENTIAL	Confidential Supplemental Schedule GAW-1, Atmos Special Contracts
AG - Exhibit 05 - CONFIDENTIAL	Case No. 2013-00148, Attachment 6, to OAG No. 1-212
AG - Exhibit 06 - CONFIDENTIAL	Case No. 2013-00148, Attachment 6, to OAG No. 1-212
AG - Exhibit 07 - CONFIDENTIAL	Case No. 2013-00148, Attachment 6, to OAG DR No. 1-212
AG - Exhibit 08	Table 1. Source: Watkins Direct Testimony, page 7.
AG - Exhibit 09	Gas Distribution Rate Design Manual, Prepared by the NARUC Staff Subcommittee on Gas, June 1989, National Association of Regulatory Utility Commissioners
AG - Exhibit 10	What goods and services does the CPI cover? Source: http://www.bls.gov/cpi/cpifaq.htm
AG - Exhibit 11	Case No. 2013-00148, Atmos Energy Corporation, Kentucky Division, AG DR Set No. 1, Question No. 1-111, page 1 of 2, page 2 of 2, and Attachment 1
AG - Exhibit 12	Case No. 2013-00148, Atmos Energy Corporation, Kentucky Division, AG DR Set No. 2, Question No. 2-78
AG - Exhibit 13	Case No. 2013-00148, Atmos Energy Corporation, Kentucky Division, AG DR Set No. 1, Question No. 1-047
AG - Exhibit 14	Case No. 2013-00148, Atmos Energy Corporation, Kentucky Division, Staff RFI Set No. 1, Question No. 1-47, page 2 of 3, page 3 of 3, and Attachment 1 to Staff No. 1-47 (4 pages)
AG - Exhibit 15	Exhibit BCO-2, Schedule A-10, Kentucky Office of Attorney General, Remove NOLC ADIT, Atmos Energy Corporation, Forecasted Test Period November 30, 2014
AG - Exhibit 16	Public Service Commission of West Virginia, Charleston, February 11, 2013, Case No. 11-627-F-42T (Reopened), Commission Order
Atmos - Exhibit 01	Current Rates and Proposed Rates Tables listing GCAs and Tariffs of Atmos, Columbia, Delta, Duke, and LG&E
Atmos - Exhibit 02	Atmos Energy Corporation, Kentucky/Mid-States Division, Kentucky Jurisdiction Case No. 2013-00148, Monthly Jurisdictional Operating Income by FERC Account, Base Period: Twelve Months Ended July 31, 2013
Atmos - Exhibit 03	Atmos Energy Corporation, Kentucky/Mid-States Division, Kentucky Jurisdiction Case No. 2013-00148, Monthly Jurisdictional Operating Income by FERC Account, Base Period: Twelve Months Ended July 31, 2013

- PSC - Exhibit 01 Regulatory Research Associates - Regulatory Focus - January 15, 2014 - Major Rate Case Decisions--Calendar 2013
- PSC - Exhibit 02 Commonwealth of Kentucky Before the Public Service Commission, In the Matter of: Application of the Union Light, Heat and Power Company to Adjust Electric Rates, Case No. 91-370, Final Order dated May 5, 1992
- PSC - Exhibit 03 Commonwealth of Kentucky Before the Public Service Commission, In the Matter of: Application of Kentucky-American Water Company for an Adjustment of Rates Supported by a Fully Forecasted Test Year, Case No. 2010-00036, Final Order dated Dec. 14, 201