

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF ATMOS)	
ENERGY CORPORATION FOR AN ADJUSTMENT)	CASE NO.
OF RATES AND TARIFF MODIFICATIONS)	2017-00349

ORDER

On May 17, 2018, Atmos Energy Corporation (“Atmos”) filed a Petition for Rehearing (“Petition”) of the Commission’s May 3, 2018 final Order pursuant to KRS 278.400. Atmos avers that the purpose of the Petition is to obtain clarification as to the Commission’s allowable annual Amortization of Excess Accumulated Deferred Income Taxes (“ADIT”), and that the clarification of this adjustment will have no effect on the revenue requirement or on the rates approved in the May 3, 2018 final Order.¹ Atmos states that the Commission allowed rates were placed into effect on May 3, 2018.²

DISCUSSION AND FINDINGS

Atmos seeks clarification as to whether the allowable annual amortization of excess ADIT is \$1,471,233 as cited on pages 12 and 13 of the May 3, 2018 final Order, or \$1,981,192 as cited on page 13 and contained in Appendix A of the May 3, 2018 final Order.³ Atmos explains that its proposed revenue requirement adjustment for the amortization of excess ADIT of \$1,471,233 was already grossed-up for taxes, as

¹ Atmos Energy Corporation’s Petition for Rehearing (filed May 17, 2018) at 1.

² *Id.*

³ *Id.* at 1–2.

reflected in Atmos's response to the Attorney General's Post-Hearing Request for Information, Item 4, Attachment 1.⁴ Therefore, the Commission's adjustment to Atmos's revenue requirement of \$1,981,192, which grossed-up the amortization amount for taxes, double counted the tax impact of this adjustment. Atmos states that it does not propose an adjustment to the rates approved in the May 3, 2018 final Order because the clarification has "no effect" on the revenue requirement or allowed rates⁵ or the error has "no significant impact" on the allowed rates.⁶

Having reviewed Atmos's Petition and being otherwise sufficiently advised, the Commission finds that rehearing should be granted in order to further investigate and develop the record with regard to the allowable annual amortization of excess ADIT and determine the correct revenue requirement and rates.

Further, on May 22, 2018, the Attorney General of the Commonwealth of Kentucky, by and through the Office of Rate Intervention ("Attorney General"), filed a Motion to Schedule an Informal Conference ("Motion").⁷ In support of the Motion, the Attorney General states that a conference would be helpful in identifying and discussing the nature of the issues that Atmos raised in its Petition.⁸ However, since the Commission is issuing a procedural schedule to further investigate Atmos's Petition, the

⁴ *Id.* at 2.

⁵ *Id.* at 1.

⁶ *Id.* at 2.

⁷ Attorney General's Motion to Set an Informal Conference Regarding Atmos's Motion for Rehearing (filed May 22, 2018) at 1.

⁸ *Id.*

Commission finds that the Attorney General's request for an informal conference is not necessary at this time, and therefore should be denied.

IT IS THEREFORE ORDERED that:

1. Atmos's Petition for Rehearing is granted.
2. The Attorney General's Motion is denied.
3. The procedural schedule set forth in the Appendix shall be followed in this case.

4. a. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed and shall include the name of the witness who will be responsible for responding to questions related to the information provided, with one copy in paper medium and an electronic version to the Commission.

- b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or an association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

- c. A party shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any request to which a party fails or refuses to furnish all or part of the requested information that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

e. Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

f. Any party filing a paper containing personal information shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that the personal information cannot be read.

g. Any party filing a paper with the Commission shall file an electronic copy in accordance with the electronic filing procedures set forth in 807 KAR 5:001, Section 8, and shall also file one copy in paper medium. The copy in paper medium should be appropriately bound, tabbed, and indexed.

h. Atmos shall give notice of any hearing in accordance with the provisions set out in 807 KAR 5:001, Section 9(2)(b). In addition, the notice of hearing shall include the following statement: "This hearing will be streamed live and may be viewed on the PSC website, psc.ky.gov." At the time publication is requested, Atmos shall forward a duplicate of the notice and request to the Commission.

i. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), the official record of any hearing shall be by video only.

j. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

k. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

5. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

By the Commission

ENTERED
JUN 04 2018
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2017-00349

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2017-00349 DATED **JUN 04 2018**

- All initial requests for information to Atmos shall
be filed no later than06/11/18
- Atmos shall file responses to requests for
information no later than.....06/25/18
- All supplemental requests for information to Atmos
shall be filed no later than.....07/09/18
- Atmos shall file responses to supplemental requests
for information no later than.....07/23/18
- Atmos or Intervenors shall request a hearing or file a
statement that this case may be submitted for a decision
based on the existing record no later than.....07/31/18

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