

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF ATMOS)	CASE NO.
ENERGY CORPORATION FOR PRP RIDER)	2020-00229
RATES)	

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION
TO ATMOS ENERGY CORPORATION

Atmos Energy Corporation (Atmos), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested herein is due within ten days of the date of entry of this request. The Commission directs Atmos to the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085¹ regarding filings with the Commission. The Commission expects the original documents to be filed with the Commission within 30 days of the lifting of the current state of emergency. All responses in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

preparer or the 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.

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

Careful attention shall 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. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Atmos shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the application, Exhibits B and C.
 - a. Explain why Atmos did not use a 13-month average of net plant during the forecasted period of October 1, 2020, through September 30, 2021, to calculate the Pipeline Replacement Rider (PRP) rate base.
 - b. Confirm that calculating the PRP rate base to include all additions to and retirements from plant in service projected to occur during the forecasted period as if they had occurred on October 1, 2020, allows Atmos to earn a return on capital

expenditures that, based on Atmos's own projections, will not yet have been made. If this cannot be confirmed, explain each basis for the response.

2. Refer to the application, Exhibit F.

a. Explain why Atmos compares the Accumulated Deferred Income Taxes from a two-year period to the revenue from a one-year period to determine that it is in a net operating loss position and calculate a net operating loss carryforward adjustment.

b. Explain why the book and tax depreciation are constant monthly amounts for each year.

3. Refer to the application, Exhibit I. Confirm that the rates presented as those ordered in Case No. 2018-00281² are incorrect. If this cannot be confirmed, explain.

4. Provide a revised PRP rate calculation that uses a 13-month average of net plant during the forecasted period to calculate the PRP rate base, the correct rates from Case No. 2018-00281, and any other revisions Atmos believes are appropriate. Provide this in Excel spreadsheet format, with formulas intact and unprotected and all rows and columns accessible, including the calculation of the 13-month average of net plant. If Atmos makes any other revisions it believes are appropriate when providing a revised rate calculation using a 13-month average of net plant during the forecasted period to calculate the PRP rate base and the correct rates from Case No. 2018-00281, describe each such revision and explain the basis for each such revision.

² Case No. 2018-00281, *Electronic Application of Atmos Energy Corporation for an Adjustment of Rates* (Ky. PSC May 7, 2019).



Kent A. Chandler
Acting Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED SEP 04 2020

cc: Parties of Record

Case No. 2020-00229

*Honorable John N Hughes
Attorney at Law
124 West Todd Street
Frankfort, KENTUCKY 40601

*Atmos Energy Corporation
3275 Highland Pointe Drive
Owensboro, KY 42303

*Randy Hutchinson
Wilson, Hutchinson & Littlepage
611 Frederica Street
Owensboro, KENTUCKY 42301

*Eric Wilen
Project Manager-Rates & Regulatory Affairs
Atmos Energy Corporation
5420 LBJ Freeway, Suite 1629
Dallas, TEXAS 75420