

COMMONWEALTH OF KENTUCKY

BEFORE THE KENTUCKY STATE BOARD ON ELECTRIC GENERATION
AND TRANSMISSION SITING

In the Matter of:

ELECTRONIC REQUEST OF ATMOS ENERGY CORPORATION FOR MODIFICATION AND EXTENSION OF ITS GAS COST ADJUSTMENT PERFORMANCE BASED RATEMAKING MECHANISM)))))	CASE NO. 2020-00289
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NOTICE OF FILING

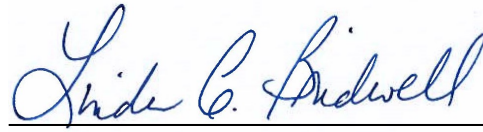
Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on January 27, 2022 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- A 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 27, 2022.

A copy of this Notice, the certification of the digital video record, and hearing log have been served upon all persons listed at the end of this Notice. Parties desiring to view the digital video recording of the hearing may do so at <https://youtu.be/5RdAN4Lz-7M>.

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 10th day of February 2022.

A handwritten signature in blue ink that reads "Linda C. Bridwell". The signature is written in a cursive style with a horizontal line underneath it.

Linda C. Bridwell
Executive Director
Public Service Commission of Kentucky

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:


ELECTRONIC REQUEST OF ATMOS ENERGY CORPORATION FOR MODIFICATION AND EXTENSION OF ITS GAS COST ADJUSTMENT PERFORMANCE BASED RATEMAKING MECHANISM)))))	CASE NO. 2020-00289
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CERTIFICATION

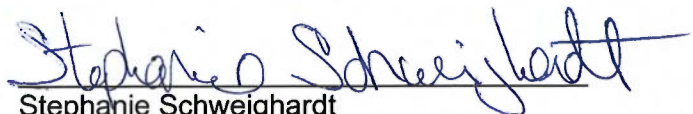
I, Candace H. Sacre, hereby certify that:

1. The attached flash drive contains a digital recording of the Formal Hearing conducted in the above-styled proceeding on January 27, 2022. The Formal Hearing Log is included with the recording on January 27, 2022;
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the Formal Hearing of January 27, 2022; and
4. The Formal Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Formal Hearing of January 27, 2022, and the time at which each occurred.

Signed this 8th day of February, 2022.



Candace H. Sacre
Administrative Specialist III



Stephanie Schweighardt
Notary Public State at Large
Commission Expires: January 14, 2023
ID#: 614400



Date:	Type:	Location:	Department:
1/27/2022	Public Hearing\Public Comments	Hearing Room 1	Hearing Room 1 (HR 1)

Witness: Rebecca Buchanan; Trisha Young
 Judge: Marianne Butler; Kent Chandler; Amy Cabbage
 Clerk: Candace Sacre

Event Time	Log Event	
9:06:12 AM	Session Started	
9:06:45 AM	Chairman Chandler Note: Sacre, Candace	Good morning. We are on the record in Case No. 2020-00289. Electronic Request of Atmos Energy Corporation for Modification and Extension of Its Gas Cost Adjustment Performance-Based Ratemaking Mechanism.
9:07:03 AM	Chairman Chandler Note: Sacre, Candace	My name is Kent Chandler. I am Chairman of the Kentucky Public Service Commission. I am joined today virtually by Vice Chair Amy Cabbage and Commissioner Marianne Butler.
9:07:09 AM	Chairman Chandler Note: Sacre, Candace	COVID and videoconferencing recommendations. (Click on link for further comments.)
9:08:03 AM	Chairman Chandler Note: Sacre, Candace	The hearing today is for the purpose of taking evidence on Atmos' Performance Based Ratemaking Mechanism.
9:08:08 AM	Chairman Chandler Note: Sacre, Candace	Entry of appearance. (Click on link for further comments.)
9:08:21 AM	Atty Hughes Atmos Energy Note: Sacre, Candace	Jack Hughes, with me today is Kevin Frank, two witnesses, Rebecca Buchanan and Trisha Young.
9:08:49 AM	Chairman Chandler Note: Sacre, Candace	Pro hac vice motion still before Commission. (Click on link for further comments.)
9:09:02 AM	Asst Atty General Goad Note: Sacre, Candace	Angela Goad, do not have witness.
9:09:22 AM	Chairman Chandler Note: Sacre, Candace	Public notice. (Click on link for further comments.)
9:09:41 AM	Chairman Chandler Note: Sacre, Candace	Pending motions. (Click on link for further comments.)
9:10:38 AM	Chairman Chandler Note: Sacre, Candace	Public comments. (Click on link for further comments.)
9:11:58 AM	Chairman Chandler Note: Sacre, Candace	Anything take under consideration?
9:12:14 AM	Chairman Chandler Note: Sacre, Candace	First witness?
9:12:16 AM	Atty Frank Atmos Energy Note: Sacre, Candace	Rebecca Buchanan.
9:12:25 AM	Chairman Chandler Note: Sacre, Candace	Witness is sworn.
9:12:33 AM	Chairman Chandler - witness Buchanan Note: Sacre, Candace	Examination. Name and address?

9:12:53 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Direct Examination. Documents in front of you?

9:13:22 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace By whom employed, what capacity?

9:13:49 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Job responsibilities?

9:14:15 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Describe educational background and professional experience?

9:15:16 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Purpose of testimony?

9:15:53 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace What area of PBRM be testifying to?

9:16:35 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Involved in creation of 2020 Request to Modify?

9:16:58 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Filing quantify previous benefits of PBRM?

9:17:33 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace All information in exhibit contained in application?

9:17:39 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Explain how the PBRM works?

9:18:23 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Aware other states have programs comparable to PBRM?

9:19:07 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace How company generate savings under PBRM in Kentucky?

9:20:08 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace All information in chart included in application?

9:20:41 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace In filing, appears certain components PBRM company not use, should be retained?

9:21:26 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Turn to contracting practices and relate PBRM and pricing, why PBRM use NYMEX index pricing as component of benchmark pricing for baseload purchases?

9:23:12 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Why beneficial Kentucky customers marketers hedge sales to Atmos Energy?

9:24:00 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Do company contract pricing terms in current contract reflect current PBRM?

9:24:25 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Company's contracts with suppliers specifically for PBRM?

9:25:37 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Contracts long term, why company use long-term contracts natural gas commodity purchases?

9:26:37 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Current term of commodity contracts?

9:27:32 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace What happen Commission change PBRM benchmark pricing prior end of current commodity contracts?

9:28:16 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Relating to pricing, PBRM benchmark gas purchases be based upon weighted average of firm pipeline contract entitlements and simple average of index prices?

9:30:58 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Think existing PBRM beneficial for Kentucky customers?

9:32:42 AM Chairman Chandler
Note: Sacre, Candace Questions? (Click on link for further comments.)

9:33:11 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Cross Examination. Listed as witness on Third Request, familiar with responses First and Second Requests?

9:33:28 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace In front of you right now?

9:34:11 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Response to Staff First Request, Item 4(d), reading (click on link for further comments), Response in (d), reading (click on link for further comments), agree with statement?

9:35:37 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Based on statement, Atmos intent establishing PBR benchmarks represent reasonably prudent cost of gas?

9:35:54 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Atmos contends PBR incentivizes it to achieve results that are lower?

9:36:07 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Should benchmarks be based on actual market prices?

9:36:24 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Atmos PBRM adopted in 1998?

9:36:32 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Since 1998, not single month Atmos total gas cost exceeded its benchmark cost?

9:37:06 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Assuming Response in (d) correct, benchmark be market price, past 20 years every month Atmos beat market in gas purchases for 20 years?

9:37:37 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Unusual for commodity purchaser able beat market for 20 years?

9:37:55 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Another explanation why beat benchmarks for 20 years be benchmarks not represent market price of gas in areas where Atmos purchasing gas?

9:38:20 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Not agree with that?

9:38:33 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Looking at Response to AG First Request, Item 2(a), summarize what says (click on link for further comments), Atmos intention level of sharing necessary continue current efforts lower cost of gas on behalf of customers?

9:41:41 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace How company proven PBRM generated that level of savings, any evidence incentives cause of company taking actions to beat benchmarks?

9:42:38 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Would assume benchmarks set appropriately, match market?

9:42:59 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Aware studies indicate PBRMs actually result in savings for gas customers?

9:43:19 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Post-hearing data request Atmos aware of studies support PBR mechanisms result in lower cost to utility customers.

9:43:20 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	STAFF ATTY BELLAMY PSC - WITNESS BUCHANAN PROVIDE COPIES OF ANY STUDIES OF WHICH ATMOS AWARE THAT SUPPORT PBR MECHANISMS RESULT IN LOWER COST TO CUSTOMERS
9:43:51 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Response to AG Second Request, Item 6(f), first sentence, reading (click on link for further comments), percentage shares, how total cost dropped \$148 million in June 2006 to May 2007, not \$65 million June 2015 to May 2016, savings increased, explain factors causing gas prices drop between year ending 2007 and year ending 2016?
9:47:48 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Between those periods, general cost of gas and market as whole drop, drop in cost specific to Atmos?
9:48:51 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Overall total cost of gas, think understand response.
9:49:11 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Response, Staff First Request, Item 2(a), refer to this so knew context, describes relatively recent form of capacity utilization called segmentation, resulted in transportation savings, state when pipeline segmentation first began?
9:50:47 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	2012 sound correct?
9:50:58 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Describe pipeline segmentation and source of savings provides?
9:53:16 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	How decide portion of cost assigned which utility division between Mississippi and Kentucky?
9:53:36 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Split savings 50/50, capacity split, too?
9:54:00 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Chart talking about?
9:54:15 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Attachment 1, with respect segmentation, shows started in 2012, segmentation resulted in \$165,000 transportation savings in 2012?
9:55:20 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	About six percent, segmentation savings in 2018-19 increased to 30 percent, segmenting more, how increasing over that period?
9:56:45 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Atmos expect report transportation savings in perpetuity related to pipeline segmentation?
9:57:31 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Response, Staff First Request, Item 4(e), reading (click on link for further comments), generates value by incentivizing company, how Atmos determine transportation capacity and storage assets needed to meet demand?
10:00:27 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Design day, what mean by that?
10:00:53 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Basically, peak demand day?
10:02:13 AM	Chairman Chandler Note: Sacre, Candace	Recess, back at 10:10.
10:02:32 AM	Session Paused	
10:13:52 AM	Session Resumed	

10:13:55 AM	Chairman Chandler Note: Sacre, Candace	Back on in Case No. 2020-00289.
10:14:01 AM	Chairman Chandler Note: Sacre, Candace	Mr. Bellamy?
10:14:22 AM	Staff Atty Bellamy PSC - witness Note: Sacre, Candace	Buchanan Cross Examination (cont'd). Atmos obtains gas long-term contracts asset managers supply gas specified rate over term of contract?
10:14:47 AM	Staff Atty Bellamy PSC - witness Note: Sacre, Candace	Buchanan How would you paraphrase?
10:15:07 AM	Staff Atty Bellamy PSC - witness Note: Sacre, Candace	Buchanan Specified rate, I meant rate in the contract, rate in contract normally indexed based off NYMEX price and Inside FERC supply area gas being obtained?
10:15:42 AM	Staff Atty Bellamy PSC - witness Note: Sacre, Candace	Buchanan Baseload FOM purchases, RFPs received from asset managers be some amount less or plus that average amount?
10:16:26 AM	Staff Atty Bellamy PSC - witness Note: Sacre, Candace	Buchanan Atmos evaluates bids and determines lowest, that one accept?
10:16:48 AM	Staff Atty Bellamy PSC - witness Note: Sacre, Candace	Buchanan All else being equal, price be deciding factor?
10:17:01 AM	Staff Atty Bellamy PSC - witness Note: Sacre, Candace	Buchanan Transportation and storage contracts on own with pipeline?
10:17:17 AM	Staff Atty Bellamy PSC - witness Note: Sacre, Candace	Buchanan When request bids, identifies firm transportation entitlements on various pipelines to asset managers?
10:17:46 AM	Staff Atty Bellamy PSC - witness Note: Sacre, Candace	Buchanan Atmos transfers storage and transportation entitlement on pipeline to asset manager providing gas supply on particular pipeline?
10:18:11 AM	Staff Atty Bellamy PSC - witness Note: Sacre, Candace	Buchanan Storage and transportation capacity not necessary supply Atmos, asset manager permitted release capacity and retain revenue from lease?
10:18:44 AM	Staff Atty Bellamy PSC - witness Note: Sacre, Candace	Buchanan As long serving customers and providing necessary supply, additional transportation/storage capacity not necessary serve Atmos, say optimize, allowed to release it for revenue to third parties?
10:19:14 AM	Staff Atty Bellamy PSC - witness Note: Sacre, Candace	Buchanan What other things can do?
10:19:47 AM	Staff Atty Bellamy PSC - witness Note: Sacre, Candace	Buchanan Using capacity serve someone else and allow generate more revenue not purchase capacity serve that party?
10:20:07 AM	Staff Atty Bellamy PSC - witness Note: Sacre, Candace	Buchanan To extent assets managers bid gas prices at discount from NYMEX and Inside FERC, understanding do this based on revenue receive releasing storage/transportation capacity Atmos assigned to them, providing discount in part use Atmos capacity optimize their operations?
10:21:31 AM	Staff Atty Bellamy PSC - witness Note: Sacre, Candace	Buchanan Page 4 in report filed with application, reading (click on link for further comments), storage and transportation beyond actual supply of market, what referring to?
10:22:45 AM	Staff Atty Bellamy PSC - witness Note: Sacre, Candace	Buchanan Atmos obtain more capacity than necessary serve Kentucky customers and release to asset managers?

10:23:01 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Mechanism in PBR tariff prevent Atmos purchasing transportation/storage capacity beyond necessary meet Kentucky needs generate additional cost discounts from asset manager?

10:23:55 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace What Atmos do ensure not obtaining transportation capacity and storage assets in excess necessary serve Kentucky customers?

10:24:20 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Refer to her for that?

10:24:32 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Any internal controls ensure activity not occur?

10:25:00 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Not sure if margin requirement, what referring to?

10:25:40 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Included in tariff, limits ability to obtain savings if transportation capacity beyond certain point?

10:25:55 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Previous questions, Tennessee tariff, post-hearing request Atmos file its PBR tariff for Tennessee, able provide?

10:25:57 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace STAFF ATTY BELLAMY PSC - WITNESS BUCHANAN
Note: Sacre, Candace ATMOS PBR TARIFF FOR TENNESSEE

10:26:38 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Attachment 1, Response, Third Request, Item 2, share screen, commodity cost of gas, familiar?

10:27:48 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Attachment 1 summarized contractual transportation/storage entitlements Atmos has on Texas Gas Transmission pipeline, Trunkline pipeline, and A&R pipeline?

10:28:16 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Attachment 2, Tennessee pipeline?

10:28:27 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Same type information?

10:28:31 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Texas Gas first contract, here, as example, have contract demand of 43,500, familiar with receipt points?

10:29:12 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace What are receipt points?

10:29:30 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Nominated receipt points, allowed to take gas on a given day under contract with Texas Gas pipeline?

10:29:58 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace These are amounts allowed take in given period?

10:30:22 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Zone, Texas Gas pipeline, zones on pipeline where receipt points located?

10:30:40 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Bulk in Zone SL, Southern Louisiana?

10:31:20 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Other contract, split Zone 1 and Zone SL, Zone 1 SL, Zone 4 another segment of Tennessee Gas pipeline?

10:31:58 AM Staff Atty Bellamy PSC - witness Buchanan
Note: Sacre, Candace Values represent zones where receipt points located, delivery points connect Atmos system where take gas?

10:32:35 AM	Staff Atty Bellamy PSC - witness Buchanan	
	Note: Sacre, Candace	Each of zones represents distinct segment of pipeline?
10:33:04 AM	Staff Atty Bellamy PSC - witness Buchanan	
	Note: Sacre, Candace	Familiar benchmarks used purchases on Texas Gas pipeline IMEX price and Inside FERC price for Zone 1?
10:33:40 AM	Staff Atty Bellamy PSC - witness Buchanan	
	Note: Sacre, Candace	Bulk coming from Zone SL, would Inside FERC benchmark better or worse benchmark?
10:34:34 AM	Staff Atty Bellamy PSC - witness Buchanan	
	Note: Sacre, Candace	Zone 1 delivery points, not receipt points?
10:35:11 AM	Staff Atty Bellamy PSC - witness Buchanan	
	Note: Sacre, Candace	Receipt point is point where receiving gas, receipt point at which receive gas from supplier?
10:36:22 AM	Staff Atty Bellamy PSC - witness Buchanan	
	Note: Sacre, Candace	Kentucky customers paying cost of transportation capacity to Zone SL at least for receipt points in Zone SL, are they not?
10:37:03 AM	Chairman Chandler - witness Buchanan	
	Note: Sacre, Candace	Examination. Offset in entirety or to just a degree?
10:37:20 AM	Chairman Chandler - witness Buchanan	
	Note: Sacre, Candace	For the cost of demand charge being entire length down to SL?
10:37:40 AM	Chairman Chandler - witness Buchanan	
	Note: Sacre, Candace	Company maintaining Atmos requires capacity all the way down to SL receipt point, maintaining requires capacity exclusively Kentucky operations all the way to SL?
10:38:40 AM	Staff Atty Bellamy PSC - witness Buchanan	
	Note: Sacre, Candace	Cross Examination (cont'd). Inside FERC provides FOM price?
10:38:52 AM	Staff Atty Bellamy PSC - witness Buchanan	
	Note: Sacre, Candace	Provides it not at every receipt/delivery point, provides for various zones or supply areas on pipelines?
10:39:08 AM	Staff Atty Bellamy PSC - witness Buchanan	
	Note: Sacre, Candace	Familiar with zones Inside FERC reports prices?
10:39:29 AM	Staff Atty Bellamy PSC - witness Buchanan	
	Note: Sacre, Candace	Know whether Inside FERC FOM price for Zone SL?
10:39:52 AM	Staff Atty Bellamy PSC - witness Buchanan	
	Note: Sacre, Candace	How Inside FERC determine FOM price?
10:40:41 AM	Staff Atty Bellamy PSC - witness Buchanan	
	Note: Sacre, Candace	Inside FERC FOM price based on price first day of month, prices week leading up to first of month?
10:41:21 AM	Staff Atty Bellamy PSC - witness Buchanan	
	Note: Sacre, Candace	Platts publisher of Inside FERC?
10:41:39 AM	Staff Atty Bellamy PSC - witness Buchanan	
	Note: Sacre, Candace	Same S&P/Platts also publish Gas Daily?
10:41:46 AM	Staff Atty Bellamy PSC - witness Buchanan	
	Note: Sacre, Candace	What Gas Daily prices based on?
10:42:11 AM	Staff Atty Bellamy PSC - witness Buchanan	
	Note: Sacre, Candace	S&P/Platts have methodology document explains methodology how calculate Inside FERC and Gas Daily price?
10:42:29 AM	Staff Atty Bellamy PSC - witness Buchanan	
	Note: Sacre, Candace	List various supply locations at which offer prices?
10:42:40 AM	Staff Atty Bellamy PSC - witness Buchanan	
	Note: Sacre, Candace	Post-hearing data request most recent methodology published by S&P Platts with respect to Inside FERC and Gas Daily prices along with zones in which offer prices.
10:42:41 AM	POST-HEARING DATA REQUEST	
	Note: Sacre, Candace	STAFF ATTY BELLAMY PSC - WITNESS BUCHANAN

	Note: Sacre, Candace	PROVIDE MOST RECENT METHODOLOGY PUBLISHED BY S&P/PLATTS WITH RESPECT TO INSIDE FERC AND GAS DAILY PRICES WITH ZONES IN WHICH EACH OF THE PRICES ARE OFFERED
10:43:23 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Post-hearing data request, receipt points for Texas Gas, listed by zones, some others receipt points not necessarily zone, to extent attachments not include zone, identify receipt points and which zone or which supplier located in, understand that?
10:43:27 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	STAFF ATTY BELLAMY PSC - WITNESS BUCHANAN IDENTIFY RECEIPT POINTS AND IN WHICH ZONE EACH SUPPLIER LOCATED
10:44:37 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Share screen, Response, AG First Request, Item 2, tariff sheets, current tariff sheets, familiar with tariff sheets PBR mechanism?
10:46:01 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Tariff Sheet 22, explaining delivery area index factor for baseload purchases, what types purchases benchmarked against delivery area index factor for baseload?
10:47:40 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Gas be something purchased on daily basis?
10:47:53 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	If need exceeds what planned for firm entitlements, this factor come into play?
10:48:06 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Why referred to as delivery index for baseload, be baseload purchase?
10:49:21 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	During over summer, but no firm transportation capacity fill need?
10:49:59 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Something bid first of month or is this daily?
10:50:25 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Mentioned swing load supply, mentioned on page 23, inside and outside firm transportation requirements, explain swing load purposes?
10:51:38 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Daily purchases?
10:51:47 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Still be within firm transportation entitlements?
10:52:16 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	If swing load purchasers within firm transportation entitlements and baseload purchases within firm transportation entitlements, how distinguish based on language of tariff?
10:53:13 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Explained anywhere in tariff?
10:53:23 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Are distinguished?
10:53:48 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Delivered supply, two benchmarks averaging, what is the average?
10:54:28 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	There using index price for zone in which gas delivered to Atmos?
10:55:26 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	What basis for distinction delivered zone verses above with benchmarks specific indexes listed?

10:55:45 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Distinction between benchmarks used in SAIDL page 21 and benchmarks used below for DAIDL?
10:57:25 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Third component of commodity cost, discounts provided by asset manager, explain that component, discounts not related to cost of gas being bid?
10:58:21 AM	Staff Atty Bellamy PSC - witness Buchanan Note: Sacre, Candace	Gas acquisition index factor for asset management, explain in more detail what referring to?
10:59:43 AM	Chairman Chandler Note: Sacre, Candace	Questions?
10:59:48 AM	Vice Chairman Cabbage - witness Buchanan Note: Sacre, Candace	Examination. PBRM 24 years old, Atmos never more than benchmark, lot of market changes, Atmos position that in 24 years nothing changed such a few tweaks not make better for customers?
11:01:00 AM	Vice Chairman Cabbage - witness Buchanan Note: Sacre, Candace	Has benchmark changed way calculated?
11:01:45 AM	Chairman Chandler Note: Sacre, Candace	Questions?
11:01:51 AM	Chairman Chandler - witness Buchanan Note: Sacre, Candace	Examination. In direct, other states have PBRs, only mentioned Tennessee?
11:02:17 AM	Chairman Chandler - witness Buchanan Note: Sacre, Candace	Kentucky Mid-States only includes Kentucky and Tennessee?
11:02:22 AM	Chairman Chandler - witness Buchanan Note: Sacre, Candace	Virginia have PBR?
11:02:25 AM	Chairman Chandler - witness Buchanan Note: Sacre, Candace	Know if Mississippi have PBR?
11:02:35 AM	Chairman Chandler - witness Buchanan Note: Sacre, Candace	Ask post-hearing data request states in which Atmos operates have a PBR, company provide that?
11:02:36 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	CHAIRMAN CHANDLER - WITNESS BUCHANAN LIST OF STATES IN WHICH ATMOS ENERGY OPERATES WHICH HAVE A PBR
11:02:52 AM	Chairman Chandler - witness Buchanan Note: Sacre, Candace	Trackers, modernization riders?
11:03:03 AM	Chairman Chandler - witness Buchanan Note: Sacre, Candace	Comment about trackers, modernization riders approved through FERC?
11:03:26 AM	Chairman Chandler - witness Buchanan Note: Sacre, Candace	Your testimony, restate what discussing with regard to costs and trackers and modernization riders, point you were trying to make?
11:03:56 AM	Chairman Chandler - witness Buchanan Note: Sacre, Candace	Atmos have concern about costs trackers and modernization riders lead to?
11:04:21 AM	Chairman Chandler - witness Buchanan Note: Sacre, Candace	Tennessee, A&R, and Texas pipelines discussing?
11:04:34 AM	Chairman Chandler - witness Buchanan Note: Sacre, Candace	Increased rates as result of trackers/modernization riders, not applicable to three pipelines that serve Atmos Kentucky?
11:05:13 AM	Chairman Chandler - witness Buchanan Note: Sacre, Candace	When mentioned, what it was trying to address as relates to filing,

11:05:40 AM Chairman Chandler - witness Buchanan
Note: Sacre, Candace Cost for capacity with segmenting is split 50/50 between Kentucky and Mississippi or Kentucky Mid-States and Mississippi?

11:06:03 AM Chairman Chandler - witness Buchanan
Note: Sacre, Candace Know what utilization of capacity is?

11:06:20 AM Chairman Chandler - witness Buchanan
Note: Sacre, Candace Cost being split, what actual utilization?

11:06:46 AM Chairman Chandler - witness Buchanan
Note: Sacre, Candace Aware utilization tracts allocation of cost?

11:07:17 AM Chairman Chandler - witness Buchanan
Note: Sacre, Candace What basis of split is, by contract, by agreement, in company's cost allocation manual, what on paper splits cost 50/50?

11:08:05 AM Chairman Chandler - witness Buchanan
Note: Sacre, Candace Not splitting cost, Kentucky and Mississippi getting two separate bills?

11:08:16 AM Chairman Chandler
Note: Sacre, Candace Redirect?

11:08:30 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Redirect Examination. Segmented releases, publicly available?

11:08:46 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Remember asking asset managers release capacity?

11:09:03 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Allowed rerelease capacity to third parties?

11:09:08 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Possible releases to asset managers not allow rerelease?

11:09:21 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Allowed optimize capacity generate revenue, not allowed release contract to another entity?

11:09:36 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Where receive gas, familiar with FERC shipper have title policy?

11:09:49 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Where company take legal title to gas asset managers sell?

11:10:00 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Not release contracts to managers, where take legal title gas bought?

11:10:14 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Primary receipt point entitlements, Zone SL and Zone 1 Texas Gas?

11:10:30 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Commodity charges on pipeline, based on zone?

11:10:50 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Higher commodity charge more zones?

11:11:01 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Staff Data Request 1-04, company gas prices ever exceeded benchmark prices on any day?

11:11:30 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Gas cost compared to benchmarks, adjustments made to it?

11:11:57 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace Asset manager payment, capacity utilization credit reflected in gas cost?

11:12:10 AM Atty Frank Atmos Energy - witness Buchanan
Note: Sacre, Candace If paid above benchmark, capacity utilization credit took below benchmark, appear beat benchmark price that day?

11:12:30 AM	Atty Frank Atmos Energy - witness Buchanan Note: Sacre, Candace	If not have asset management arrangements in place, call marketers and get price for gas in market any day?
11:12:49 AM	Chairman Chandler Note: Sacre, Candace	Recess until 11:20.
11:13:21 AM	Session Paused	
11:24:39 AM	Session Resumed	
11:24:51 AM	Chairman Chandler Note: Sacre, Candace	Back on the record in Case No. 2020-00289, Electronic Request of Atmos Energy Corporation for Modification and Extension of its Gas Cost Adjustment Performance-Based Ratemaking Mechanism.
11:25:07 AM	Chairman Chandler Note: Sacre, Candace	Additional witnesses?
11:25:12 AM	Atty Frank Atmos Energy Note: Sacre, Candace	Trisha Young.
11:25:16 AM	Chairman Chandler Note: Sacre, Candace	Witness is sworn.
11:25:30 AM	Chairman Chandler - witness Young Note: Sacre, Candace	Examination. Name and address?
11:25:47 AM	Atty Frank Atmos Energy - witness Young Note: Sacre, Candace	Direct Examination. Documents in front of you?
11:26:04 AM	Atty Frank Atmos Energy - witness Young Note: Sacre, Candace	By whom employed, in what capacity?
11:26:14 AM	Atty Frank Atmos Energy - witness Young Note: Sacre, Candace	What are job responsibilities?
11:26:33 AM	Atty Frank Atmos Energy - witness Young Note: Sacre, Candace	Educational background and professional experience?
11:27:02 AM	Atty Frank Atmos Energy - witness Young Note: Sacre, Candace	Purpose of testimony today?
11:27:37 AM	Atty Frank Atmos Energy - witness Young Note: Sacre, Candace	How company determine amount of pipeline entitlements?
11:28:12 AM	Atty Frank Atmos Energy - witness Young Note: Sacre, Candace	Methodology in Kentucky, comparable used in other states?
11:28:30 AM	Atty Frank Atmos Energy - witness Young Note: Sacre, Candace	Once determined amount pipeline entitlements to hold, how choose what primary receipt point entitlements seek on contracts?
11:29:19 AM	Atty Frank Atmos Energy - witness Young Note: Sacre, Candace	Primary receipt point entitlements on contract reflective where buy natural gas?
11:29:59 AM	Atty Frank Atmos Energy - witness Young Note: Sacre, Candace	What typical contract length of transportation/storage agreement?
11:30:55 AM	Atty Frank Atmos Energy - witness Young Note: Sacre, Candace	If PBRM discontinued, change way evaluate pipeline capacity and receipt point entitlements to hold?
11:31:36 AM	Atty Frank Atmos Energy - witness Young Note: Sacre, Candace	Any points with greater supply price volatility related to segmented contracts?
11:31:46 AM	Atty Frank Atmos Energy - witness Young Note: Sacre, Candace	Pipeline discounts, how negotiate pipeline discounted contracts?
11:32:37 AM	Atty Frank Atmos Energy - witness Young Note: Sacre, Candace	Briefly explain what understanding FERC discount policy is?
11:33:18 AM	Atty Frank Atmos Energy - witness Young Note: Sacre, Candace	Referenced convince pipelines not at risk granting discount next rate proceeding, how FERC pipeline rate case environment changed?

11:34:38 AM	Atty Frank Atmos Energy - witness Young Note: Sacre, Candace	If signed long-term transportation contract and pipeline instituted modernization tracker, have to pay charges?
11:34:53 AM	Atty Frank Atmos Energy - witness Young Note: Sacre, Candace	How existing PBRM provide benefits for Kentucky customers for pipeline charges?
11:35:48 AM	Chairman Chandler Note: Sacre, Candace	Questions?
11:35:58 AM	Staff Atty Bellamy PSC - witness Young Note: Sacre, Candace	Cross Examination. Pull up spreadsheet, contract demand winter 4,350, total amount Atmos take off pipeline at its delivery point listed in contract?
11:37:12 AM	Staff Atty Bellamy PSC - witness Young Note: Sacre, Candace	Rate NNS combined storage and transportation contract?
11:37:25 AM	Staff Atty Bellamy PSC - witness Young Note: Sacre, Candace	The 4,350 can take off in winter at delivery point, nominated daily quantity, amount Atmos can receive at various nominated receipt points on a daily basis?
11:37:56 AM	Staff Atty Bellamy PSC - witness Young Note: Sacre, Candace	Unnominated daily quantity, again, for winter 18,212, amount Atmos can take out of storage on pipeline?
11:38:14 AM	Staff Atty Bellamy PSC - witness Young Note: Sacre, Candace	Sum nominated daily quantity for winter and unnominated daily quantity for winter be equal to contract demand price?
11:38:28 AM	Staff Atty Bellamy PSC - witness Young Note: Sacre, Candace	Nominated daily quantities under transportation contracts, receipt points, point at which Atmos can take gas from third party under contract?
11:39:18 AM	Staff Atty Bellamy PSC - witness Young Note: Sacre, Candace	Question about pricing for commodity for transportation cost, commodity cost based on route gas takes, location of two points determine price paying on pipeline?
11:39:56 AM	Staff Atty Bellamy PSC - witness Young Note: Sacre, Candace	Gas travel further or between multiple zones from point of receipt to delivery, increase commodity cost on pipeline?
11:40:28 AM	Staff Atty Bellamy PSC - witness Young Note: Sacre, Candace	In PBR case, Atmos provided calculations of transportation cost savings compared to benchmarks for commodity cost of gas and transportation discounts, when calculate transportation discounts, using contract receipt points to calculate cost and tariff costs to determine difference two benchmarks?
11:41:24 AM	Staff Atty Bellamy PSC - witness Young Note: Sacre, Candace	Post-hearing data request show how transportation discounts calculated with respect to routes taken on pipelines, figure out are Kentucky customers paying for full route or paying for route from Zone 1.
11:41:25 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	STAFF ATTY BELLAMY PSC - WITNESS YOUNG SHOW HOW TRANSPORTATION DISCOUNTS CALCULATED WITH RESPECT TO ROUTES TAKEN ON PIPELINES
11:41:57 AM	Staff Atty Bellamy PSC - witness Young Note: Sacre, Candace	Familiar with locations, Zone SL, Southern Louisiana?
11:42:12 AM	Staff Atty Bellamy PSC - witness Young Note: Sacre, Candace	Generally, Texas Gas Transmission pipeline from Southern Louisiana up through Kentucky maybe beyond?

11:42:34 AM	Staff Atty Bellamy PSC - witness Young Note: Sacre, Candace	Moves up, Southern Louisiana, then Zone 1, Zone 2, Zone 3, and Zone 4, moving north?
11:42:55 AM	Staff Atty Bellamy PSC - witness Young Note: Sacre, Candace	Direct, mentioned how Atmos determines pipeline capacity, assuming transportation and storage how much obtain, based on full design day, projected peak demand day, how determine how much transportation/storage capacity purchase?
11:43:43 AM	Staff Atty Bellamy PSC - witness Young Note: Sacre, Candace	Detail, based on design day or project peak demand day and get exact amount?
11:44:44 AM	Staff Atty Bellamy PSC - witness Young Note: Sacre, Candace	Some sort of reserve margin where projecting design day of X and ensure meet that make sure get transportation capacity including effects of storage able reduce design day, some percentage look at beyond what need meet design day?
11:45:51 AM	Staff Atty Bellamy PSC - witness Young Note: Sacre, Candace	Know what typical reserve margin been for Kentucky distribution system?
11:46:12 AM	Staff Atty Bellamy PSC - witness Young Note: Sacre, Candace	Post-hearing data request for design day for last several years and what purchased in reserve margin and used and why.
11:46:14 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	STAFF ATTY BELLAMY PSC - WITNESS YOUNG DESIGN DAY FOR LAST SEVERAL YEARS AND WHAT PURCHASED IN RESERVE MARGIN AND USED AND WHY
11:46:48 AM	Staff Atty Bellamy PSC - witness Young Note: Sacre, Candace	Also do purchases for Tennessee distribution system?
11:47:12 AM	Staff Atty Bellamy PSC - witness Young Note: Sacre, Candace	Previous witness mentioned Tennessee PBR mechanism limitation purchase transportation capacity beyond design day, how affect decisions purchasing capacity for Tennessee compared to Kentucky?
11:48:31 AM	Chairman Chandler Note: Sacre, Candace	Questions?
11:48:49 AM	Chairman Chandler Note: Sacre, Candace	Redirect?
11:49:01 AM	Chairman Chandler Note: Sacre, Candace	Witness excused.
11:49:11 AM	Chairman Chandler Note: Sacre, Candace	Recall Buchanan?
11:49:25 AM	Chairman Chandler Note: Sacre, Candace	Additional witnesses?
11:49:35 AM	Chairman Chandler Note: Sacre, Candace	Documents in record, no need to make exhibits. (Click on link for further comments.)
11:49:53 AM	Chairman Chandler Note: Sacre, Candace	Motions take under submission. (Click on link for further comments.)
11:50:07 AM	Chairman Chandler Note: Sacre, Candace	Post-hearing data requests. (Click on link for further comments.)
11:51:12 AM	Chairman Chandler Note: Sacre, Candace	Briefs. (Click on link for further comments.)
11:54:53 AM	Chairman Chandler Note: Sacre, Candace	Related motion different case. (Click on link for further comments.)

11:55:12 AM	Chairman Chandler Note: Sacre, Candace	Anything else?
11:55:26 AM	Chairman Chandler Note: Sacre, Candace	Hearing adjourned.
11:55:37 AM	Session Ended	

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