

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF ATMOS)	CASE NO.
ENERGY CORPORATION FOR AN)	2021-00214
ADJUSTMENT OF RATES)	

COMMISSION STAFF'S SIXTH 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 is due on January 6, 2022. The Commission directs Atmos to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made, and 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 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.

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

Atmos shall make timely amendment to any prior response if Atmos obtains information that indicates 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, Atmos 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 Atmos's response to Commission Staff's Second Request for Information, Items 26 and 54, regarding forecasted late payment fees and nonrecurring charges. Since Atmos used an average of fiscal years 2017-2019 to determine forecasted late payment fees, explain why Atmos would not have used an average of fiscal years 2017-2019 to forecast other nonrecurring charge revenue given the events of 2020.

2. Refer to Atmos's response to Commission Staff's Fifth Request for Information, Item 4, regarding the returned check charge.

- a. Confirm that while Amarillo National Bank does not charge Atmos for returned checks, Atmos would charge a customer whose payment was deposited into

Amarillo National Bank a returned check charge if the payment came back as insufficient funds.

b. Provide the number of returned payments by month for calendar years 2016 to 2020 and 2021 to date as well as the dollar amount of fees banks have charged Atmos by month for returned payments for those same periods.

3. Refer to Atmos's response to Commission Staff's Fifth Request for Information, Item 6. Indicate whether Atmos would consider changing its policy to waive previously assessed late fees when a pledge or notice of low income assistance is received for the bill the late fees applied to since not doing so drains the amount of funds available to low income assistance agencies.

4. Refer to Atmos's response to Commission Fifth Request for Information, Item 8, regarding the amount of revenue from each non-recurring charge by month for April 1, 2021, to present.

a. Confirm that Atmos did not assessed the following fees from April 1, 2021 to present: turn-ons, seasonal reconnects, delinquent service reconnects, and late payment charges.

b. If confirmed, explain why none of these fees were charged from April 1, 2021 to present?

c. Explain whether Atmos has any turn-ons or seasonal reconnects during the period April 1, 2021 to present.

d. If so, explain why Atmos has not charged for this service.

e. Explain whether Atmos has resumed disconnecting customers for non-payment.

f. If so, explain why Atmos has not charged for this service.

g. If not, explain when Atmos plans to resume disconnecting customers for non-payment

h. Explain whether Atmos has resumed assessing late payment charges.

i. If not, explain when Atmos plans to resume assessing late payment charges.

5. Refer to the Rebuttal Testimony of Joe T. Christian (Christian Rebuttal Testimony), pages 28 and 29 and Atmos's response to the Attorney General's First Request for Information, Item 2. Confirm that the amounts Atmos removed from American Gas Association and Chamber of Commerce dues are the amount estimated by these associations for lobbying expenses which are not tax deductible for federal income tax purposes. If confirmed, explain whether these amounts exclude all lobbying, regulatory advocacy and public relations expenses. If this cannot be confirmed, explain the basis for these adjustments.

6. Refer to the Direct Testimony of Joe T. Christian (Christian Direct Testimony), pages 36–37, the Christian Rebuttal Testimony, pages 29–31, and the Commission's September 21, 2020 in Case No. 2020-00085.²

a. Confirm that the Commission established a moratorium for disconnections for non-payment and late payment fees, not collections.

b. Confirm that all Commission moratoriums were lifted by December 31, 2020, at the latest. If confirmed, explain why moratoriums that expired in 2020 affect Atmos's forecasted test period.

² Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Sept. 21, 2020).

7. Refer to the Christian Direct Testimony, pages 36–37, the Christian Rebuttal Testimony, pages 29–31, and Atmos’s response to Commission Staff’s Second Request for Information in Case No. 2020-00085 (filed Jan. 14, 2021).

a. Confirm that Atmos’s on time payments did not vary significantly from 2017-2020. If this cannot be confirmed, explain what Atmos considers to be a significant deviation.

b. Provide the percentage of on time payments for all available months of 2021.

8. Refer to the Direct Testimony of Dylan W. D’Ascendis (D’Ascendis Testimony), page 7, lines 13–18, and pages 9–12, generally; to Atmos’s responses to Staff’s First Request for Information (Staff’s First Request), Item 35; and to Atmos’s responses to Staff’s Second Request for Information (Staff’s Second Request), Item 5. Explain whether any of Atmos’ business or financial risks have changed since Atmos’s last rate case filing, or the beginning of this proceeding, which would impact investor’s perceived required rate of return.

9. Refer to the D’Ascendis Testimony, pages 3–4, lines 13-18 and 1–2, respectively; and to Atmos’s responses to Staff’s First Request, Items 36a, 36b, and 37.

a. Explain the specific additional risks faced by pure-play gas distribution utilities that differ from combination (electric and gas) utilities and water utilities.

b. Provide an analysis into the overall risk of Atmos as compared to Louisville Gas and Electric Company - a combination gas and electric utility that similarly operates in Kentucky.

10. Refer to the D’Ascendis Testimony, generally.

a. Explain whether and how COVID-19 continues to affect investor decisions and the market.

b. Explain whether investors and ratings agencies read Commission Orders and are generally familiar with the regulatory climate in Kentucky.

c. Explain whether any ratings agency has downgraded, or marked a utility in a negative fashion as the result of a Commission approving a settlement ROE that is lower than what the utility originally requested. If so, provide the ratings report.

11. Refer to the D'Ascendis Testimony, pages 20–21, lines 3–21 and 1–11, respectively; and to Atmos's responses to Staff's Second Request, Item 38. Provide a list of states where the PRPM has been specifically addressed and a copy of the relevant Commission Order.

12. Refer to the D'Ascendis Testimony, pages 43–50. Explain whether Atmos is aware of any rating agencies or other similar industry observer singling out this Commission for awarding abnormally low or punitive ROEs.

13. File a copy of the most recent available RRA Regulatory Focus - Major Rate Case Decisions published by S&P Global Market Intelligence.

14. Refer to the Direct Testimony of Brannon C. Taylor, generally; and to Atmos's responses to Staff's Second Request, Item 56. Explain whether Atmos has ever conducted a study in Kentucky to quantify the likelihood of by-pass. If so, provide a copy of the study.

15. Refer to Atmos's response to Commission Staff's Third Request for Information, Item 25 in Case No. 2018-00281,³ including confidential Attachments 1 and 2 provided in response to that request.

a. Provide updated versions of Attachment 1 and Attachment 2 in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible for each of tax year ending in 2008 through 2021.

b. Assuming that all of the timing differences reflected in Attachment 1 and Attachment 2 for each year resulted in a net operating loss (NOL) carryforward (i.e. no portion of the timing differences were used to reduce federal tax expense), provide the total NOL carryforward that Atmos contends could have been generated in each year from the timing differences attributable to Atmos's Kentucky operations, and explain each basis for Atmos's contention.

³ Case No. 2018-00281, *Electronic Application of Atmos Energy Corporation for an Adjustment of Rates* (filed Jan. 11, 2019), Atmos's Responses to Commission Staff's Third Request for Information.



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cc: Parties of Record

Case No. 2021-00214

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