

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF ATMOS)	
ENERGY CORPORATION FOR AN)	CASE NO.
ADJUSTMENT OF RATES; APPROVAL OF)	2024-00276
TARIFF REVISIONS; AND OTHER GENERAL)	
RELIEF)	

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

Atmos Energy Corporation (Atmos), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on December 6, 2024. 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

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).

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 Atmos obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete 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 and scanned 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 Testimony of Gregory K. Waller (Waller Direct Testimony), pages 27–28.
 - a. Provide the actual bad debt margins for the past five years.
 - b. Explain Atmos's write off policy for delinquent bills.
 - c. Provide a step-by-step explanation of how Atmos seeks to collect delinquent bills before writing them off.

2. Refer to Waller Direct Testimony, pages 26–27. Explain why Atmos uses a fixed load percentage of labor expense to calculate benefits expense.

3. Refer to Testimony of T. Ryan Austin, page 33. Refer also to Exhibits TRA-6 and TRA-7. Provide a discussion detailing the anticipated increases in capital spending on non-PRP projects beyond the 2025 and 2026 projections, absent of inflation.

4. Refer to Testimony of Joel J. Multer (Multer Direct Testimony), pages 3–4, and Exhibit JJM-1.

a. Provide an update to Exhibit JJM-1 in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible through the most current month for which information is available.

b. Provide work papers in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible, with updates through the most current month for which information is available, showing the calculation of “Pre Tax Book Income” in each fiscal year (FY) reflected in Exhibit JJM-1.

c. Provide workpapers in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible showing the monthly accumulated deferred income tax (ADIT) balances associated with all of the ADIT balances reflected on page two of Exhibit JJM-1, including adjustments to the balances, beginning in the month prior to FY 2022 through the most current month for which information is available, and include in such work papers the calculation of such ADIT balances and changes thereto from book/tax timing differences in each month.

5. Refer to Multer Direct Testimony, pages 3-4, and Exhibit JJM-1.

State whether the “Pre Tax Book Income” balances reflected on page two of Exhibit JJM-1 include income from Atmos’s performance based rate mechanism, and if they do not, explain why such income is not reflected in the calculation of Atmos’s “Pre Tax Book Income.”

Provide a breakdown showing the extent to which Atmos has shared in savings pursuant to its performance based rate mechanism in each fiscal year from 2021 to present.

State whether the “Pre Tax Book Income” balances reflected on page two of Exhibit JJM-1 include income from Atmos’s pipeline replacement mechanism and if they do not, explain why such income is not reflected in the calculation of Atmos’s “Pre Tax Book Income.”

Explain whether ADIT changes arising from investments recovered through Atmos’s pipeline replacement mechanism are included in the ADIT balances reflected in Exhibit JJM-1.

6. Refer to Multer Direct Testimony, pages 3-4, and Exhibit JJM-1.

Describe each of the adjustments to the ADIT balances reflected on page two of Exhibit JJM-1, and explain separately and in detail why each adjustment was made.

Explain why the ADIT balance for Division 02 in FY 2022 increased at a significantly higher rate than in other years, and include in your response whether that reflected, in whole or in part, ADIT from Atmos’s pipeline replacement program being added to the ADIT used to calculate base rates.

c. Explain why the ADIT balance for Division 09 in FY 2022 increased at a significantly higher rate than in other years.

d. Provide an itemized breakdown by account of each adjustment to the ADIT balances reflected on page two of Exhibit JJM-1.

7. Refer to the Excel spreadsheet titled “Copy_of_2024_KY_Rev_Req_Model_-_Filing_Copy.xlsx” filed by Atmos in response to Commission Staff’s First Request for Information.

a. Provide work papers in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible showing the calculation of the monthly ADIT balances in tabs WP B.5 B and WP B.5 F from Atmos’s book/tax timing differences in each month, and include in such workpapers the months between the base and forecasted periods.

b. Explain why the deferred tax asset balances reflected in Account 190 for the four divisions in tabs WP B.5 B and WP B.5 F do not correspond to the “NOLC ADIT” balances reflected on page one of Exhibit JJM-1.

c. Identify where the utilization and generation of “NOLC ADIT” reflected in Exhibit JJM-1 is reflected in the revenue model, and explain how it is reflected in the revenue model.

Linda Bridwell RP

Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED DEC 16 2024

cc: Parties of Record

Case No. 2024-00276

*L. Allyson Honaker
Honaker Law Office, PLLC
1795 Alysheba Way
Suite 1203
Lexington, KENTUCKY 40509

*John G Horne, II
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Angela M Goad
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Honorable Kurt J Boehm
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

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

*Lawrence W Cook
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Brittany H. Koenig
Honaker Law Office, PLLC
1795 Alysheba Way
Suite 1203
Lexington, KENTUCKY 40509

*J. Michael West
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Eric Wilen
Atmos Energy Corporation
810 Crescent Centre Drive, Suite 600
Franklin, TN 37067

*Heather Temple
Honaker Law Office, PLLC
1795 Alysheba Way
Suite 1203
Lexington, KENTUCKY 40509

*John N. Hughes
Attorney at Law
7106 Frankfort Road
Versailles, KENTUCKY 40383