



**Andy Beshear**  
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**Rebecca W. Goodman**  
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Commonwealth of Kentucky  
**Public Service Commission**  
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**Angie Hatton**  
Chair

**Mary Pat Regan**  
Commissioner

**John Will Stacy**  
Commissioner

November 22, 2024

## PARTIES OF RECORD

Re: Case No. 2024-00276

Notice is given to all parties that the attached Atmos Energy Informal Conference Memorandum and attendance sign in sheet has been filed into the record of this proceeding.

If you have any comments you would like to make regarding the contents of the document, please do so within five days of receipt of this letter. If you have any questions, please contact Jason Colyer, Staff Attorney, at [Jason.Colyer@ky.gov](mailto:Jason.Colyer@ky.gov).

Sincerely,

A handwritten signature in blue ink that reads "Linda C. Bridwell".

Linda C. Bridwell, PE  
Executive Director

Attachment

## INTRA-AGENCY MEMORANDUM

### KENTUCKY PUBLIC SERVICE COMMISSION

**TO:** Case File No. 2024-00276

**FROM:** Jason Colyer, Staff Attorney III

**DATE:** November 6, 2024

**RE:** Informal Conference of October 31, 2024

Pursuant to an Order issued on October 25, 2024, an informal conference (IC) was conducted on October 31, 2024. Attached is a copy of the attendance roster.

The purpose of the IC was to allow Atmos Energy Corporation (Atmos) to summarize its general rate case application and provide a technical presentation on the financial schedules included with the application.

Atmos personnel stated that its revenue requirement was based on a forecasted test period using a base period of one year ending December 31, 2024. As reasons for filing for rate increase, Atmos cited a rate of return on rate base for the test year of 4.12 percent at current rates, accounting for excess deferred income tax, addressing capital expenditure requirements, and addressing cloud computing expense. Atmos pointed out its proposed tax and Pipeline and Hazardous Materials Safety Administration (PHMSA) rider tariffs and noted that its Pipeline Replacement Project (PRP) expenditures would not be rolled into general rates.

Atmos then summarized how it allocates expenses to Kentucky using its Cost Allocation Manual. Atmos stated that its corporate structure does not utilize separate affiliates for each state, so it allocates to Atmos Kentucky 100 percent of expenses used only for Kentucky operations and uses other allocation percentages for its regional (Kentucky/Mid-States) office and company-wide services.

Atmos then reviewed a spreadsheet containing its revenue requirement model,<sup>1</sup> including tabs for Summary Rate Base, Operating Income (Revenues & Expenses), Adjustments to Operating Income by Account, Income Tax Calculation, Rule F Compliance Adjustments, Payroll Analysis, Gross Revenue Conversion Factor, Comparative Income Statements, Cost of Capital, and Comparative Financial Data. Atmos reviewed each of these elements of the model, briefly discussing allocation, calculations, and supporting documents. Atmos then reviewed another spreadsheet,<sup>2</sup>

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<sup>1</sup> Atmos's Response to Commission Staff's First Request for Information (Staff's First Request) (filed Oct. 25, 2024), "Copy of 2024 KY Rev Req Model - Filing Copy.xlsx".

<sup>2</sup> Atmos's Response to Staff's First Request "KY Revenue Billing Unit Forecast TYE 6.30.2024.xlsx".

which included test year revenues, load forecast, and other information used to determine rate design.

There being no further discussion, the IC was then adjourned.

cc: Parties of Record

# PSC INFORMAL CONFERENCE SIGN IN SHEET

CASE NUMBER: IC 2024-00276 Atmos Energy

LOCATION: Microsoft Teams/ ~~RAFF~~ Hearing room #1 #2

DATE: October 31, 2024 2:00pm – 4:00pm

NAME	COMPANY
JASON COLYER	PSC
John West	PSC
Sarah Jankowski	PSC
William Coston	PSC
Christian Every	PSC
Jurgens van Zyl	PSC
Sangeetha Mahadevaswamy	PSC
Bentley Jarboe	PSC
Kayleigh Hiley	PSC
Joe Christman	Atmos Energy
Brannon Taylor	Atmos Energy
Shelly Bass	Atmos Energy
Allyson Honaker	Honaker Law Office - Atmos Energy
Ryan Austin	Atmos Energy

Name	Company
Noah Abner	PSC
Mary Whitky	PSC
Jack Hughes	Atmos counsel
Linda Bridwell	PSC
Ben Bellamy	PSC
William Matthews	Atmos Energy
Greg Waller	Atmos Energy
Thomas Troup	Atmos Energy
Jack Hughes	Atmos Energy
LARRY COOK	AG
RANDY FUTRAL	AG - CONSULTANT
BRIAN THOMAS	PSC
LEAH FAULKNER	PSC
MOLLY BERGERON	ATMOS
HEATHER TEMPLE	MONAKER LAW OFFICE - ATMOS

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