

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 FIRST REQUEST FOR INFORMATION
TO THE ATTORNEY GENERAL OF THE COMMONWEALTH OF KENTUCKY,
BY AND THROUGH THE OFFICE OF RATE INTERVENTION

Attorney General of the Commonwealth of Kentucky, by and through the Office of Rate Intervention (Attorney General), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on February 24, 2025. The Commission directs the Attorney General 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

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).

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.

The Attorney General shall make timely amendment to any prior response if the Attorney General 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 the Attorney General fails or refuses to furnish all or part of the requested information, the Attorney General 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, the Attorney General 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 Amended Testimony of Lane Kollen, page 9. State whether you included any NOLC DTAs not allocated to Kentucky in your adjustment calculations. If so, state why.

2. Refer to Amended Testimony of Lane Kollen, page 43. State the time frame for Aldyl-A pipeline replacement required by PHMSA, citing relevant regulations.

3. Refer to Testimony of Randy A. Futral, page 8.
 - a. State whether and how you factored in increases in overtime or contractor labor to offset vacant positions.
 - b. If you did not factor in increases in overtime or contractor labor to offset vacant positions, explain why.
4. Refer to Testimony of Randy A. Futral, page 20. State the reason for your recommendation of a 50/50 split of Director's & Officer's insurance and Board of Directors compensation and retirement expenses between ratepayers and shareholders as opposed to a different ratio, and identify any other Commission cases or cases in other jurisdictions involving Atmos that support the adjustment.
5. Refer to Testimony of Randy A. Futral, page 25. State whether you recommend further updating the composite allocation factors based on the base period update.
6. Refer to the Direct Testimony and Exhibits of Richard A. Baudino (Baudino Direct Testimony), page 14, lines 8–11.
 - a. Explain whether a proxy group of seven natural gas distribution utilities represents a large enough representative sample on which to derive statistically significant ROE estimates.
 - b. In addition to using gas utilities, explain whether using water utilities as additional proxy companies would be appropriate in the DCF and CAPM analyses and, if not, explain why.

7. Refer to the Baudino Direct Testimony, page 26, lines 9–13. Explain why it is appropriate to use 20-year treasury bonds to determine the historical market risk premium, but use 30-year Treasury bonds to determine the risk free rate.

8. Refer to the Baudino Direct Testimony, page 4. Explain how a 52.5 percent common equity ratio was derived from Columbia Gas of Kentucky and Delta Gas Company. Explain why the Attorney General did not recommend using the average common equity ratio of the proxy group.

 PP

Linda C. Bridwell, PE
Executive Director
Public Service Commission
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DATED FEB 10 2025

cc: Parties of Record

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