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August 28, 2018

Gwen R. Pinson
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

RE: Case No. 2015-00298

Dear Ms. Pinson,

Atmos Energy Corporation (Company) herewith submits an original and ten copies of the annual PBR report to be in compliance with the Order in the above referenced case. Pursuant to Ordering Paragraph 4, the Company shall file annual reports of its activity under the extended PBR including the same information as contained in the report filed in the proceeding. These reports shall be filed by August 31 of each calendar year, commencing in 2016. Please note that the format of the report has been updated, but it mirrors the information provided in Exhibit A which was filed with the Company's renewal application. The Company is providing data from June 2017 through May 2018. Since the information contained is CONFIDENTIAL, the Company requests that the report be treated as TRADE SECRET. Please do not hesitate to call me at 270.685.8024 if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Mark A. Martin".

Mark A. Martin
Vice President – Rates & Regulatory Affairs

Enclosures

pc: Randy Hutchinson
Becky Buchanan

AUG 29 2018

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

REQUEST OF ATMOS ENERGY CORPORATION)
FOR MODIFICATION AND EXTENSION OF ITS)
GAS COST ADJUSTMENT PERFORMANCE BASED) CASE NO.
RATEMAKING MECHANISM) 2015-00298

**PETITION FOR CONFIDENTIALITY OF CERTAIN INFORMATION
BEING FILED WITH THE KENTUCKY PUBLIC SERVICE COMMISSION
WITH THE ANNUAL REPORT ON ATMOS ENERGY CORPORATION'S
PERFORMANCE BASED
RATEMAKING MECHANISM**

Atmos Energy Corporation ("Atmos Energy" or "Company"), by counsel, respectfully petitions the Kentucky Public Service Commission ("Commission"), pursuant to 807 KAR 5:001, Section 13, and all other applicable law, for confidential treatment of the information contained in the Company's Annual Report on its Performance Base Ratemaking Mechanism being filed herewith. In support of this petition, Atmos Energy states as follows:

1. On March 31, 2016, the Commission entered an Order in Case No. 2015-00298 approving an extension, as modified, of Atmos' Experimental Performance Based Ratemaking Mechanism ("PBR") for a period of five (5) years through May 31, 2021. The Commission's Order required Atmos to file annual reports of its activities under the PBR program by August 31 of each year. Atmos is filing herewith the annual report for 2018, covering the period from June, 2017 through May, 2018.

2. The Company's current gas supply contracts contain significant pricing discounts. In order to fully report to the Commission the results of the Company's current

PBR program, disclosure of the discounts on gas purchases provided in the current supply contracts is required. In order to protect the confidentiality of that information, not only must the discounts themselves be redacted, but all information from which the discount could be calculated, must likewise be redacted. Since this information is both disclosed in, and determinable from, data appearing throughout the quantitative results contained in the Annual Report, it has been redacted in its entirety.

3. This type of information has been determined by the Commission in Atmos' prior PBR proceedings and in Case Nos. 2015-00348 and 2016-00052 to be entitled to confidential protection. Nothing has occurred since the Commission granted confidential protection to this type of information that would now disqualify it from protection.

4. The information for which confidentiality is sought is entitled to protection under KRS 61.878 (1)(c) 1. which provides that "...records confidentially disclosed to an agency or required by any agency to be disclosed to it, generally recognized as confidential or proprietary, which is openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records..."shall remain confidential unless otherwise ordered by a court of competent jurisdiction.

The natural gas industry is very competitive. Atmos Energy has active competitors, who could use this information to their advantage and to the direct disadvantage of Atmos. All of the information sought to be protected as confidential, if publicly disclosed, would have serious adverse consequences to Atmos and its customers. Public disclosure of this information would impose an unfair commercial disadvantage on Atmos. Atmos has successfully negotiated extremely advantageous gas supply contracts that are very beneficial to Atmos and its ratepayers. Detailed information concerning those contracts,

including commodity costs, demand and transportation charges, reservations fees, etc. on specifically identified pipelines, if made available to Atmos' competitors, (including specifically non-regulated gas marketers), would clearly put Atmos to an unfair commercial disadvantage. Those competitors for gas supply would be able to gain information that is otherwise confidential about Atmos' gas purchases and transportation costs and strategies.

5. Atmos would not, as a matter of company policy, disclose any of the information for which confidential protection is sought herein to any person or entity, except as required by law or pursuant to a court order or subpoena. Atmos' internal practices and policies are directed towards non-disclosure of this information. In fact, the information contained in the attached report is not disclosed to any personnel of Atmos except those who need to know in order to discharge their responsibility. Atmos has never disclosed such information publicly. This information is not customarily disclosed to the public and is generally recognized as confidential and proprietary in the industry.

6. There is no significant interest in public disclosure of the attached information. Any public interest in favor of disclosure of the information is outweighed by the competitive interest in keeping the information confidential.

7. The attached information is also entitled to confidential treatment because it constitutes a trade secret under the two prong test of KRS 365.880: (a) the economic value of the information as derived by not being readily ascertainable by other persons who might obtain economic value by its disclosure; and, (b) the information is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The economic value of the information is derived by Atmos maintaining the confidentiality of the information since competitors and entities with whom Atmos transacts business could obtain economic

value by its disclosure.

8. Pursuant to 807 KAR 5:001 (13) confidentiality of the attached information should be maintained indefinitely. The statutes cited above do not allow for disclosure at any time. Given the competitive nature of the natural gas business and the efforts of non-regulated competitors to encroach upon traditional markets, it is imperative that regulated information remain protected and that the integrity of the information remain secure.

For these reasons, Atmos Energy requests that the items identified in this petition be treated as confidential. Should the Commission determine that some or all of the material is not to be given confidential protection, Atmos Energy requests a hearing prior to any public release of the information to preserve its rights to notice of the grounds for the denial and to preserve its right of appeal of the decision.

WHEREFORE, Atmos petitions the Commission to treat as confidential all of the material and information which is included in the Company's Annual Report being filed herewith.

Respectfully submitted this 28 day of August, 2018.



Mark R. Hutchinson
611 Frederica Street
Owensboro, Kentucky 42301
(270) 926-5011
Fax: (270) 926-9394
randy@whplawfirm.com

John N. Hughes

124 W. Todd Street
Frankfort, Kentucky 40601
(502) 227-7270
jnhughes@johnhughespsc.com

Attorneys for Atmos Energy Corporation

VERIFICATION

I, Mark A. Martin, being duly sworn under oath state that I am Vice President of Rates and Regulatory Affairs Kentucky Midstates Division for Atmos Energy Corporation, and that the statements contained in the foregoing Petition are true as I verily believe.



Mark A. Martin

CERTIFICATE OF SERVICE

I hereby certify that on the 28th day of August, 2018, the original of this Petition, with the Confidential Information for which confidential treatment is sought, together with ten (10) copies of the Petition without the confidential information, were filed with the Kentucky Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, and a true copy thereof mailed by first class mail to the following named persons:

Lawrence W. Cook
Assistant Attorney General
Office of Rate Intervention
700 Capitol Ave.
Frankfort, Kentucky 40601
www.ag.ky.gov



Mark R. Hutchinson

