

**Docket No. 26-00009**  
**Atmos Energy Corporation, Tennessee Division**  
**Consumer Advocate DR Set No. 1**  
**Question No. 1-05**  
**Page 1 of 1**

Electronically Filed in TPUC Docket  
Room on March 9, 2026 at 4:19 p.m.

**REQUEST:**

Provide a copy of Atmos Energy-Tennessee's Distribution Integrity Management Plan ("DIMP") for the years 2023 through 2026. If such plan is done by region rather than by state, provide the regional DIMP that incorporates Tennessee.

**RESPONSE:**

Atmos Energy objects to this request on the grounds that it is overly broad and not relevant to any issue in this case. The Company's safety related procedures constitute trade secrets and critical energy infrastructure information which the Company must protect from becoming available in the public domain. Balanced against the highly sensitive nature of this document is the fact that it is unclear how this document, which is not addressed in either the Company's ARM Tariff or the Approved Methodologies and has never been requested in any previous ARM proceeding, is relevant to whether Company properly applied the Approved Methodologies, particularly insofar as this request seeks such plans for the years 2023 through 2026 when this proceeding relates only to the 12 month test year ending September 30, 2025.

Subject to and without waiver of the foregoing objections, the Company is willing to meet and confer with the Consumer Advocate regarding the grounds for which this document is being sought and whether those issues may be addressed through means that will protect the Company's confidentiality interests in unrelated portions or versions of the document being requested. Responsive materials are being withheld based on this objection.

**SUPPLEMENTAL RESPONSE:**

By way of further response, the Company states that the DIMP is part of Atmos Energy's safety compliance procedures that outlines how Atmos Energy complies with 49 CFR 192.1007. This section of the federal code requires natural gas operators to have a procedure for maintaining knowledge of their system, identifying the threats to the system, evaluating and ranking the risk of those threats, and identifying and implementing measures to address those risks. While Atmos Energy's adherence to the DIMP does ultimately require capital investments in the system, the establishment of the capital budget and the selection of specific capital projects is a separate process. Atmos Energy does not maintain historic copies of the DIMP, but the document contains a change log from which its contents at various times may be ascertained.

The Company will make a copy of its current DIMP available for inspection through a secure "view only" platform to individuals identified by the Consumer Advocate and/or TPUC Staff.

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**REQUEST:**

Provide a copy of all contracts or Agreements Atmos Energy has entered with real estate developers and builders in (a) 2023, (b) 2024 or (c) 2025.

**RESPONSE:**

Atmos Energy objects to this Request on the grounds that it is overly broad, unduly burdensome, and not relevant. Neither the ARM Tariff nor the Approved Methodologies require submission of agreements with real estate developers and builders, as evidenced by the fact that they have never been requested or provided in any prior ARM proceeding. Moreover, agreements from 2023 and the first three quarters of 2024 are not relevant to this proceeding, which relates exclusively to the test year ending September 30, 2025. In addition, this request is not limited to contracts or agreements regarding any particular subject matter or the agreements related to the State of Tennessee. Further, these documents contain confidential and proprietary information which Atmos Energy has an interest in protecting from public disclosure. Finally, Atmos Energy does not store these documents in a central repository; as such, responding to this request would require manually searching for and locating dozens (or more) of separate documents from a variety of locations. The Company is withholding responsive materials based on these objections.

Subject to and without waiver of the foregoing objections, Atmos Energy generally enters into one of three kinds of contracts with real estate developers and builders depending upon a variety of factors, including geographic location, size of the development, and projected numbers of customers. First, in some instances, Atmos Energy enters into contracts under which the developer pays the contractor directly to install natural gas within the development subject to an agreement that Atmos Energy will reimburse the developer in a negotiated "per" lot amount based upon a feasibility study. In many cases, the overall cost of construction exceeds Atmos Energy's reimbursement ability, in which case the difference in costs is borne by the developer. Second, in other cases, the developer will agree to pay the contractor directly to install natural gas in the development without any reimbursement from Atmos Energy. Third, Atmos Energy will enter into an agreement under which the Company will directly pay the contractor. Where the estimated cost of the project exceeds what Atmos Energy can invest while still meeting its approved return on equity, the Developer agrees to pay Atmos Energy a certain amount as aid-in-construction.

**SUPPLEMENTAL RESPONSE:**

By way of further response, for examples of the first type of contract described above, please see Confidential Attachments 1 and 2. In each of these examples, the developer hired a qualified gas contractor to install natural gas facilities in the development. Following a feasibility study, Atmos determined the amount it could reimburse the developer on a "per lot" basis to meet the Company's allowable return rate, in a total

amount not to exceed the amount the developer paid to the contractor. The agreements oblige the developer to install a minimum number of natural gas appliances in each dwelling and to provide a Bill of Sale for the sum of \$1 to transfer ownership of facilities back to Atmos Energy once gas is in the system.

For examples of the second type of contract described above, please see Confidential Attachments 3 and 4. In each of these examples, the developer agreed to pay the contractor directly to purchase and install all materials with no direct investment from Atmos Energy. The developer agreed to provide a Bill of Sale for the sum of \$1 to transfer ownership of facilities back to Atmos Energy once gas is in the system.

For examples of the third type of contract described above, please see Confidential Attachments 5, 6, and 7. In each of these examples, Atmos Energy hired a contractor to install natural gas facilities to serve new companies. In Confidential Attachment 5, Atmos Energy agreed to install nearly two miles of pipe and is collecting AIC before the construction begins. In Confidential Attachment 6, a feasibility study determined that the projected return exceeded the allowable return rate. As a result, no AIC was required. In Confidential Attachment 7, the feasibility study resulted in a determination that collection of AIC was necessary, so developer was required to make a payment prior to construction of facilities..

#### ATTACHMENT:

- CA\_1-16\_Att1 – Developer Installed Natural Gas Piping Agreement (CONFIDENTIAL)
- CA\_1-16\_Att2 – Developer Installed Natural Gas Piping Agreement (CONFIDENTIAL)
- CA\_1-16\_Att3 – Developer Installed Natural Gas Piping Agreement (CONFIDENTIAL)
- CA\_1-16\_Att4 – Developer Installed Natural Gas Piping Agreement (CONFIDENTIAL)
- CA\_1-16\_Att5 – Contract for Extension of Distribution Gas Main (CONFIDENTIAL)
- CA\_1-16\_Att6 – Residential Development Agreement (CONFIDENTIAL)
- CA\_1-16\_Att7 – Residential Development Agreement (CONFIDENTIAL)

**Docket No. 26-00009**  
**Atmos Energy Corporation, Tennessee Division**  
**Consumer Advocate DR Set No. 1**  
**Question No. 1-28**  
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**REQUEST:**

Provide the underlying cost per new service line by year for the three-year periods ended September 30, 2023, September 30, 2024, and September 30, 2025. Also, provide the underlying documentation supporting these annual installation costs.

**RESPONSE:**

Atmos Energy objects to the portion of this request related to underlying documentation as overly broad and irrelevant. To comply with this request, Atmos Energy would be required to locate all invoices, work orders, and other documents related to all installation costs over a three year period. This work would have to be performed manually on a per-project basis. Moreover, this document is not relevant to whether Atmos Energy properly followed the Approved Methodologies in the test year at issue, which did not even begin until October 1, 2024. The Company is withholding responsive materials based on these objections.

**SUPPLEMENTAL RESPONSE**

Please see Attachment 1 showing the annual cost of service lines associated with customers.

By way of further response, Atmos Energy states that does not track the costs of service lines on a “per line” basis.

**ATTACHMENT**

CA\_1-28\_Att1 – KMD Annual Cost of Services associated with Growth FY23-FY25.xlsx

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

IN RE:

PETITION OF ATMOS ENERGY CORPORATION )
FOR APPROVAL OF ITS 2026 ANNUAL RATE ) DOCKET NO. 26-00009
REVIEW FILING PURSUANT TO TENN. )
CODE ANN. § 65-5-103(d)(6) )

VERIFICATION

STATE OF TEXAS )
COUNTY OF DALLAS )

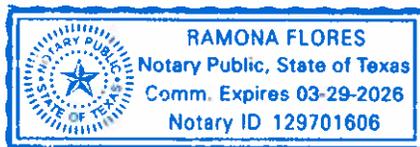
I, Maureen H. Melson, being first duly sworn, state that I am the Manager of Rates and Regulatory Affairs for Atmos Energy Corporation, that I am authorized to testify on behalf of Atmos Energy Corporation in the above referenced docket, and the supplemental responses to the Consumer Advocate’s first set of discovery requests are true and correct to the best of my knowledge, information and belief.

Maureen H Melson
Maureen H. Melson

Sworn and subscribed before me this 9th day of March, 2026.

[Signature]
Notary Public

My Commission Expires: March 29, 2026



**CERTIFICATE OF SERVICE**

I certify that a true and correct copy of the foregoing Responses to the Consumer Advocate's First Set of Discovery Requests has been served by electronic mail on this 9<sup>th</sup> day of March, 2026, upon the following:

Shilina B. Brown ([shilina.brown@ag.tn.gov](mailto:shilina.brown@ag.tn.gov))  
Vance L. Broemel ([vance.broemel@ag.tn.gov](mailto:vance.broemel@ag.tn.gov))  
Office of the Tennessee Attorney General  
Consumer Advocate Division

*/s/ Erik C. Lybeck* \_\_\_\_\_