

Docket No. 26-00009
Atmos Energy Corporation, Tennessee Division
Consumer Advocate DR Set No. 3
Question No. 3-01
Page 1 of 1

Electronically Filed in TPUC Docket
Room April 2, 2026 at 1:10 p.m.

REQUEST:

According to the National Transportation Safety Board (NTSB) report,¹ DNV GL, a global risk management firm, now known as DNV, was the service contractor for Atmos Energy's Risk Assessment model. Is DNV still providing the service?

RESPONSE:

Atmos Energy objects to this request on two grounds. First, it is beyond the agreed upon scope of this Third Set of Discovery Requests, which was to be limited to information provided in the Company's Supplemental Responses to the First Set of Discovery Requests. Because nothing in the Supplemental Responses referenced this NTSB report, this request is beyond the agreed upon scope of this Third Set of Discovery Requests.

Second, this request is not relevant to any issue in this proceeding. The identity of the service contractor for Atmos Energy's Risk Assessment model has no bearing on whether Atmos Energy complied with the Approved Methodologies in performing its Annual Rate Review Mechanism calculations. This is particularly true given that this question asks about current contractors whereas this filing relates to a test period that concluded on September 30, 2025.

Subject to and without waiver of the forgoing objections, DNV continues to support Atmos Energy's DIMP risk model tool.

¹ National Transportation Safety Board, Office of Railroad, Pipeline and Hazardous Materials Investigations, Integrity Management Factual Report, November 8, 2024.
<https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwiCvfTirbmTAxUBI2oFHe6gOvgQFnoECB8QAQ&url=https%3A%2F%2Fdata.nts.gov%2FDocket%2FDocument%2FdocBL%2FID%3D18187046%26FileExtension%3Dpdf%26FileName%3DIntegrity%2520Management%2520Factual%2520Report%2520-%2520Jackson%2520MS%2520PLD24FR003-Rel.pdf&usg=AOvVaw1f8ghL4vqtyJQPcOxsFeDr&opi=89978449>

Docket No. 26-00009
Atmos Energy Corporation, Tennessee Division
Consumer Advocate DR Set No. 3
Question No. 3-02
Page 1 of 1

REQUEST:

In the report, Section 2.0 Integrity Management Program, Atmos Energy told the NTSB there was no formal documentation that describes how the DNV relative risk model works. Is this still the case today?

RESPONSE:

Atmos Energy objects to this request on three grounds. First, it is beyond the agreed upon scope of this Third Set of Discovery Requests, which was to be limited to information provided in the Company's Supplemental Responses to the First Set of Discovery Requests. Because nothing in the Supplemental Responses referenced this NTSB report, this request is beyond the agreed upon scope of this Third Set of Discovery Requests.

Second, this request is not relevant to any issue in this proceeding. Whether Atmos Energy has formal documentation concerning a particular model has no bearing on whether Atmos Energy complied with the Approved Methodologies in performing its Annual Rate Review Mechanism calculations. This is particularly true given that this question asks about the status of this issue "today," whereas this filing relates to a test period that concluded on September 30, 2025.

Third, the term "formal documentation" is vague and undefined and subject to multiple interpretations.

Subject to and without waiver of the foregoing objections, please see Atmos Energy's DIMP and related appendices, such as Appendix B, which describes the risk factors.

Docket No. 26-00009
Atmos Energy Corporation, Tennessee Division
Consumer Advocate DR Set No. 3
Question No. 3-03
Page 1 of 1

REQUEST:

If there is formal documentation from DNV that describes how the relative risk model works, who within the Company is the expert on this process and do they have a verification process which provides assurance that the model output accurately reflects the specific risks for the Atmos Energy IM regions? If there is no formal documentation from DNV, how does Atmos Energy know and/or verify that the model output accurately reflects the specific risks for the Atmos Energy IM regions?

RESPONSE:

Atmos Energy objects to this request on third grounds. First, it is beyond the agreed upon scope of this Third Set of Discovery Requests, which was to be limited to information provided in the Company's Supplemental Responses to the First Set of Discovery Requests. Because nothing in the Supplemental Responses referenced DNV or this issue, this request is beyond the agreed upon scope of this Third Set of Discovery Requests.

Second, this request is not relevant to any issue in this proceeding. Generalized questions regarding the nature of risk assessments have no bearing on whether Atmos Energy complied with the Approved Methodologies in performing its Annual Rate Review Mechanism calculations. This is particularly true given that this question is not limited in time to the relevant test period.

Third, the term "formal documentation" is vague and undefined and subject to multiple interpretations.

Subject to and without waiver of the foregoing objections, Atmos Energy has a team of experts that conducts an annual review of the effectiveness of its DIMP and regularly participates in audits conducted by the safety regulators in each of its states, including Tennessee. Any questions that the safety regulators have regarding the risk model are addressed in those audits. Adjustments are made to the risk analyses conducted pursuant to DIMP based on both of these processes.

Docket No. 26-00009
Atmos Energy Corporation, Tennessee Division
Consumer Advocate DR Set No. 3
Question No. 3-04
Page 1 of 1

REQUEST:

If Atmos Energy believes that the data from the model accurately reflects the specific risks for the Atmos Energy IM regions, is that data shared with the IM region operational managers for their use in planning and budgeting? If not, why has Atmos Energy decided not to provide that data to IM region operational managers?

RESPONSE:

The Vice President of Technical Services and Technical Services and Operations team members carefully review the results of the DIM risk analysis and choose the measures that will be used to mitigate the risks identified. DIM outputs are also included in the information taken into in the budgeting and planning process.

Docket No. 26-00009
Atmos Energy Corporation, Tennessee Division
Consumer Advocate DR Set No. 3
Question No. 3-05
Page 1 of 1

REQUEST:

In the NTSB report, changes were made in Mississippi related to leak survey, and the re-evaluation time frame of Grade 2 and 3 leaks. Were those changes made throughout the Atmos Energy properties or only in Mississippi? If only in Mississippi, did the remainder of Atmos Energy properties remain at the minimum requirement stated in the Federal regulations?

RESPONSE:

Atmos Energy objects to this request on two grounds. First, it is beyond the agreed upon scope of this Third Set of Discovery Requests, which was to be limited to information provided in the Company's Supplemental Responses to the First Set of Discovery Requests. Because nothing in the Supplemental Responses referenced this NTSB report, this request is beyond the agreed upon scope of this Third Set of Discovery Requests.

Second, this request is not relevant to any issue in this proceeding. Whether changes made in one jurisdiction were made companywide has no bearing on whether Atmos Energy's Tennessee division complied with the Approved Methodologies in performing its Annual Rate Review Mechanism calculations.

Subject to and without waiver of the foregoing objections, Atmos Energy's O&M Manual and Leak Procedures are compliant with all state and federal regulations and are applicable throughout the entire Atmos Energy service territory.

Docket No. 26-00009
Atmos Energy Corporation, Tennessee Division
Consumer Advocate DR Set No. 3
Question No. 3-06
Page 1 of 1

REQUEST:

In the NTSB report, the time frame for repair of Grade 2 and 3 leaks was also changed. Respond to the following:

- a. Were those changes made throughout the Atmos Energy properties or only in Mississippi?
- b. If only in Mississippi, did the remainder of Atmos Energy properties remain at the minimum requirement stated in the Federal regulations?

RESPONSE:

Atmos Energy objects to this request on two grounds. First, it is beyond the agreed upon scope of this Third Set of Discovery Requests, which was to be limited to information provided in the Company's Supplemental Responses to the First Set of Discovery Requests. Because nothing in the Supplemental Responses referenced this NTSB report, this request is beyond the agreed upon scope of this Third Set of Discovery Requests.

Second, this request is not relevant to any issue in this proceeding. Whether changes made in one jurisdiction were made companywide has no bearing on whether Atmos Energy's Tennessee division complied with the Approved Methodologies in performing its Annual Rate Review Mechanism calculations.

Subject to and without waiver of the foregoing objections, Atmos Energy's O&M Manual and Leak Procedures are compliant with all state and federal regulations and are applicable throughout the entire Atmos Energy service territory.

Docket No. 26-00009
Atmos Energy Corporation, Tennessee Division
Consumer Advocate DR Set No. 3
Question No. 3-07
Page 1 of 1

REQUEST:

According to Atmos Energy, training is occurring everyday throughout the Atmos Energy properties related to the DIMP and specifically Operator Qualification and Safety. Respond to the following:

- a. How many qualified trainers does Atmos have in, or available to, Tennessee?
- b. Are third party trainers used in this process?
- c. If yes to b. above
 - i. What is the name of the company?
 - ii. What specific DIMP and OQ areas do they provide training?
 - iii. What specific DIMP and OQ areas do Atmos Energy trainers provide?

RESPONSE:

- a. Atmos Energy has 21 qualified trainers available to Tennessee employees.
- b. Five third-party trainers supplement the Atmos Energy training staff. In addition, Atmos Energy engages numerous equipment manufacturers to provide training to employees on specific equipment provided by the manufacturer.
- c.
 - i. The five third-party trainers are employed TJ Inspection, Inc.
 - ii. The third-party trainers, employed by TJ Inspection, primarily provide training in the areas of construction and welding inspection.
 - iii. Atmos Energy trainers provide training in the areas of construction, corrosion control, damage prevention, measurement, safety, and service.

Docket No. 26-00009
Atmos Energy Corporation, Tennessee Division
Consumer Advocate DR Set No. 3
Question No. 3-08
Page 1 of 1

REQUEST:

How many employees does Atmos Energy have in Tennessee that require training on the DIMP, Operator Qualification and Safety issues raised in CA DR No. 3-7 above?

RESPONSE:

Atmos Energy has 119 employees in Tennessee that require training on the DIMP, Operator Qualification, and Safety.

Docket No. 26-00009
Atmos Energy Corporation, Tennessee Division
Consumer Advocate DR Set No. 3
Question No. 3-09
Page 1 of 1

REQUEST:

Does Atmos Energy conduct the DIMP and OQ training for third party contractors that provide service to Atmos Energy?

RESPONSE:

Atmos Energy does not directly oversee the training of such contractors; however, all contractors must (i) conduct training for their employees that meets the requirements Part 192 Subpart N and (ii) maintain the status of the training of their employees through a network available to operators who use those contractors. Atmos Energy uses ISNetworld Certification to confirm that all individuals performing covered tasks are in compliance with Operator Qualification requirements.

Docket No. 26-00009
Atmos Energy Corporation, Tennessee Division
Consumer Advocate DR Set No. 3
Question No. 3-10
Page 1 of 1

REQUEST:

Refer to the DIMP, Section 8, Item 4, p. 44. It states that Atmos Energy will make a copy of its DIMP available to Federal and/or State regulatory authorities upon request and as required subject to code, law or act. Has TPUC requested or been provided with a copy of the DIMP?

RESPONSE:

Yes. TPUC requested and was provided with a copy of the DIMP ahead of its most recent Distribution Integrity Management inspection in Tennessee.

Docket No. 26-00009
Atmos Energy Corporation, Tennessee Division
Consumer Advocate DR Set No. 3
Question No. 3-11
Page 1 of 1

REQUEST:

Refer to the DIMP, Section 8, Item 5, p. 44. It states that communication of changes to the plan will be made to State regulatory authorities as required subject to code, law, or act. Does Atmos Energy inform TPUC when changes are made to the DIMP?

RESPONSE:

Yes. Changes to the DIMP are documented in the written plan, which is subject to review by TPUC inspectors.

Docket No. 26-00009
Atmos Energy Corporation, Tennessee Division
Consumer Advocate DR Set No. 3
Question No. 3-12
Page 1 of 1

REQUEST:

Confirm or deny that one of the goals of Customer Advances for Construction provisions in the tariff is to ensure that installations for new customers do not pose an undue cost burden for legacy customers. Provide a narrative explanation of your response.

RESPONSE:

Atmos Energy objects to this request to the extent it calls for a legal conclusion regarding the purpose of tariff provisions, which speak for themselves. Subject to and without waiver of the foregoing objections, Atmos Energy follows the tariff requirements for main extensions and services lines for installations for new customers and, in so doing, keeps down costs for both new and existing customers.

Docket No. 26-00009
Atmos Energy Corporation, Tennessee Division
Consumer Advocate DR Set No. 3
Question No. 3-13
Page 1 of 1

REQUEST:

Refer to Atmos Energy's Tariff, Sheet 67 and the Company's Response to Consumer Advocate DR No. 1-19. Explain how the Company's existing tariff language is related to service lines coupled with the manner in charges for excess footage (refer to CA DR No. 1-19 response) sufficiently protects Atmos Energy's existing customer base from significant negative cost implications from adding new customers. Provide the underlying analysis supporting the conclusions reached in this response.

RESPONSE:

Refer to the response in Consumer Advocate 2-09, which is incorporated by reference.

Additionally, by charging new customers the rate charged by the contractors, the existing customer base is protected from any negative cost implications that might otherwise result from adding new customers.

Docket No. 26-00009
Atmos Energy Corporation, Tennessee Division
Consumer Advocate DR Set No. 3
Question No. 3-14
Page 1 of 1

REQUEST:

Refer to the Company's CONFIDENTIAL Response to Consumer Advocate DR No. 1-16 (Supplemental) and provide the following:

- a. Provide the underlying calculations supporting the Aid-in-Construction amount contained in this response.
- b. Provide the underlying estimated cost of this project split between the following:
 - i. Installation of Mains, inclusive of all overheads
 - ii. Installation of Service line, inclusive of overheads
 - iii. All Other costs

RESPONSE:

In Atmos Energy's response to Consumer Advocate 1-16, two agreements included Aid-in-Construction (AIC). See confidential Attachment 1.

ATTACHMENT:

CA_3-14_Att1 - AIC Calculations (CONFIDENTIAL).pdf

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)

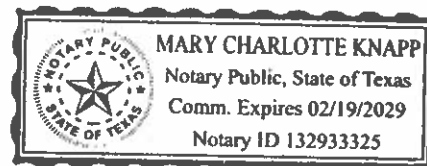
I, Maureen H. Melson, being first duly sworn, state that I am the Manager of Rates and Regulatory Affairs for Atmos Energy Corporation, that I am authorized to testify on behalf of Atmos Energy Corporation in the above referenced docket, and the responses to the Consumer Advocate’s third set of discovery 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 2nd day of April, 2026.

Charlotte Knapp
Notary Public

My Commission Expires: 02/19/2029



CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Responses to the Consumer Advocate's Second Set of Discovery Requests has been served by electronic mail on this 2nd day of April, 2026, upon the following:

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

/s/ Erik C. Lybeck _____