

**IN THE MATTER OF THE INVESTIGATION)
INTO ATMOS ENERGY CORPORATION)
REGARDING FEBRUARY 2021 WINTER)
WEATHER EVENTS, AS CONTEMPLATED)
BY DOCKET NO. 21-GIMX-303-MIS)**

DOCKET NO. 21-ATMG-333-GIG

**DIRECT TESTIMONY OF
ROB R. LEIVO**

SEPTEMBER 14, 2021

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- Exhibit RRL-1
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1 **DIRECT TESTIMONY OF ROB R. LEIVO**

2 **I. INTRODUCTION AND PURPOSE OF TESTIMONY**

3 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

4 A. My name is Rob R. Leivo. My business address is 1555 Blake Street, Suite 400,
5 Denver, Colorado 80202.

6 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT POSITION?**

7 A. I am employed by Atmos Energy Corporation (“Atmos Energy” or “Company”) as
8 Vice President of Marketing for the Company’s Colorado-Kansas Division.

9 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

10 A. I am testifying on behalf of Atmos Energy’s Colorado-Kansas Division.

11 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND**
12 **EXPERIENCE.**

13 A. I received a B.S. in Business Administration from New Mexico State University in
14 May of 1992. I was hired by Atmos Energy in March of 2009 as a Marketing
15 Development Specialist and I was promoted to Sales Manager of the West Texas
16 Division in March 2013. I became an Operations Manager in the Mid-Tex Division
17 in October 2016. I assumed my current role in May of 2018.

18 **Q. HAVE YOU EVER SUBMITTED TESTIMONY BEFORE THIS OR ANY**
19 **OTHER REGULATORY COMMISSION?**

20 A. I have never testified before the State Corporation Commission of Kansas
21 (“Commission”). I have previously filed testimony on behalf of the Company
22 before the Colorado Public Utilities Commission.

1 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

2 A. I provide testimony regarding the Company's experience during the February 2021
3 Winter Weather Event ("Winter Event") and how Atmos Energy division Marketing
4 worked with Operations, Engineering, Gas Supply, and Legal personnel to
5 effectuate the Company's curtailment plan. I will also describe Atmos Energy's
6 subsequent analysis of how its curtailment process in Kansas worked during the
7 Winer Event.

8 **II. OVERVIEW OF ATMOS ENERGY'S CURTAILMENT PLAN**

9 **Q. PLEASE DESCRIBE ATMOS ENERGY'S CURTAILMENT PRIORITY.**

10 A. Atmos Energy's Order of Priorities is listed in Schedule I, Section 11 of its Tariff,
11 which begins on Tariff Sheet No. 73. The Tariff states that the Company may "fully
12 or partially restrict service to Customers when, in the Company's sole
13 determination, restriction is necessary to protect the supply and/or delivery of gas
14 to Customers with higher priority uses." Interruptible service is the lowest priority.
15 Firm Residential service is the highest priority.

16 **Q. IN YOUR OWN WORDS CAN YOU ARTICULATE THE DISTINCTION
17 BETWEEN INTERRUPTION AND CURTAILMENT?**

18 A. Yes. Interruption is what happens when an interruptible customer is restricted from
19 using natural gas. Curtailment is the term used when a firm customer is restricted
20 from using natural gas. I would not describe an interruptible customers' service as
21 "curtailed," I would instead consider it to be "interrupted." Regardless of the word
22 used, the end result is the same – a customer is not able to use natural gas that they
23 otherwise would.

1 **Q. HAS THE COMPANY EVER HAD TO CURTAIL OR INTERRUPT**
2 **CUSTOMERS UNDER ITS CURTAILMENT PLAN BEFORE?**

3 A. The Company has had to previously restrict customer usage for events of limited
4 duration and geographic scope, like routine maintenance or pipeline replacement.
5 To my knowledge, we have never had to restrict usage under our Order of Priorities
6 on a system-wide basis for several consecutive days in Kansas.

7 **III. OPERATION OF CURTAILMENT PLAN DURING WINTER EVENT**

8 **Q. WHEN DID ATMOS ENERGY BEGIN OPERATING ITS CURTAILMENT**
9 **PLAN?**

10 A. Southern Star Central Gas Pipeline, Inc. (“Southern Star”) issued an Operational
11 Flow Order (“OFO”) on Thursday, February 11, 2021, to be effective February 13,
12 2021 at 9:00 AM. The Company began contacting its customers served downstream
13 of Southern Star on Friday, February 12, 2021, asking them to reduce usage heading
14 into that weekend.

15 **Q. WHAT WAS THE COMPANY’S COMMUNICATION TO AFFECTED**
16 **CUSTOMERS?**

17 A. The Company interrupted interruptible transportation customers and asked large
18 volume bundled sales customers to voluntarily curtail in response to concerns about
19 adequacy of supply for higher-priority customers. These interruptions and
20 voluntary curtailments reduced overruns and helped ensure capacity remained
21 available to human needs customers.

1 **Q. WHAT ADDITIONAL SUBSEQUENT ACTIONS WERE TAKEN UNDER**
2 **THE CURTAILMENT PLAN?**

3 A. Kansas Gas Service, a Division of ONE Gas Inc. (“KGS”) issued a curtailment on
4 February 15, 2021, effective immediately. Atmos Energy responded to KGS’
5 curtailment by interrupting our interruptible customers served downstream of KGS
6 and curtailing our firm transportation customers down to a plant protection level,
7 which means they could only use natural gas to preserve their facilities and not for
8 regular industrial processes.

9 **Q. HOW WERE AFFECTED CUSTOMERS CONTACTED?**

10 A. Over 300 phone calls were made to affected customers. Additionally, e-mails were
11 sent to 4,884 non-residential customers asking for voluntary curtailment. A copy of
12 the e-mail requesting voluntary curtailment is included as Exhibit RRL-1 to my
13 Testimony.

14 **Q. WHAT ROLE DID INTERRUPTION & CURTAILMENT PLAY FOR**
15 **ATMOS ENERGY DURING THE WINTER EVENT?**

16 A. The interruption and curtailment of our customers contributed to the maintenance
17 of system pressures and the overall integrity of the system, ensuring that natural gas
18 service remained uninterrupted to higher priority human needs customers.
19 Additionally, for our systems that were served off of KGS, mirroring KGS’ level
20 and duration of curtailment helped maintain KGS system pressures as well.

1 **Q. HOW DID CONSERVATION MESSAGING IMPACT OVERALL SYSTEM**
2 **DEMAND DURING THE WINTER EVENT?**

3 A. While it is not possible to quantify the impact of conservation messaging, any
4 reduction in overall system usage, whether through adjusting a thermostat or
5 improving a building envelope, will reduce operational constraints and the amount
6 of natural gas that is needed. So while I cannot say how much of a role conservation
7 played, it definitely helped.

8 **IV. ACTIONS TAKEN AFTER THE WINTER EVENT**

9 **Q. WHAT ACTIONS DID YOU TAKE AFTER THE WINTER EVENT?**

10 A. The Company performed its imbalance resolution, calculated possible penalties,
11 and reviewed its interruption and curtailment procedures.

12 **Q. WAS IMBALANCE RESOLUTION AFFECTED BY THE WINTER**
13 **EVENT?**

14 A. Imbalance resolution followed our tariff procedures. While the dollar amounts were
15 larger than usual, the actual imbalance process was the same. The imbalance
16 resolution from February 2021 is included as Confidential Exhibit RRL-2 to my
17 testimony.

18 **Q. WERE PENALTIES ASSESSED OR PASSED THROUGH TO ANY**
19 **TRANSPORTATION CUSTOMERS AND/OR MARKETERS?**

20 A. Atmos Energy's Tariff allows for the pass through of penalties to transportation
21 customers and marketers that cause or contribute to those penalties being incurred.
22 As of the filing of this testimony, no penalties from the Winter Event have been
23 assessed to Atmos Energy. However, we anticipate charges from KGS will be

1 assessed to the Company, some of which will be passed through to marketers. A
2 projection of these charges and the pass through is included as Confidential Exhibit
3 RRL-3 to my testimony.

4 **Q. WHAT DID YOU LEARN FROM YOUR REVIEW OF INTERRUPTION**
5 **AND CURTAILMENT PROCEDURES?**

6 A. Prior to the Winter Event, Atmos Energy did not have any written procedures
7 governing the contacting of customers for interruption or curtailment, outside of
8 the priorities outlined in its Tariff. The Company has since created a list of
9 interruptible customers and large volume bundled sales customers that it would use
10 in a subsequent event. The Company intends to update that list on an annual basis.
11 We have additionally created formal customer contact worksheets to use in the
12 event of a subsequent interruption or curtailment event. Lastly, there is a
13 recognition that for transport customers without functional real-time telemetry,
14 there is no ability to see what they are using in real time and ascertain if they are
15 complying with interruption or curtailment requests.

16 **V. CONCLUSION**

17 **Q. WILL YOU PLEASE SUMMARIZE YOUR THOUGHTS ON ATMOS**
18 **ENERGY'S INTERRUPTIONS AND CURTAILMENT PROCESSES**
19 **DURING THE WINTER EVENT?**

20 A. Yes. The Winter Event required Atmos Energy to engage in an unprecedented level
21 of customer outreach across its entire service territory, and coordinate with
22 customers in real time to respond to serious weather conditions that affected the
23 availability of both gas supply and pipeline capacity. While we have come away

1 with many process improvements and considerations, it was only through our
2 employees' continuous efforts during the Winter Event that we were able to help
3 reduce overall system demand to ensure the continued reliable serve to the highest
4 priority customers.

5 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

6 A. Yes, it does.

VERIFICATION

STATE OF TEXAS)
)
COUNTY OF OCHILTREE)

Rob R. Leivo, being duly sworn upon his oath, deposes and states that he is Vice President of Marketing of Atmos Energy Corporation's Colorado-Kansas Division; that he has read and is familiar with the foregoing Direct Testimony filed herewith; and that the statements made therein are true to the best of his knowledge, information and belief.

Rob R. Leivo
Rob R. Leivo

Subscribed and sworn before me this 2 day of September, 2021.

Sara Shae Lingo
Notary Public



My appointment expires: 2-16-2025

**EXHIBIT C:**

Dear Atmos Energy Customer -

Below freezing temperatures will continue for several days, and Atmos Energy is focused on providing safe and reliable natural gas service to its most critical customers including homes, hospitals, churches, and other human needs organizations.

We are asking all customers, particularly **industrial-sized business customers** to take small steps to conserve energy over the next several days.

Take these steps to reduce energy usage now:

- **Businesses and large utility consumers should minimize energy usage** as much as possible.
- **Lower your thermostat to at least 68 degrees.** Consider wearing additional layers of clothing and turning down the thermostat even lower.
- **Refrain from using large appliances** like a boiler, washer, dryer, oven, and dishwasher for the next few days.
- **Lower the water heater temperature to 120 degrees,** because it can account for as much as 25 percent of the energy consumed in your building.
- **Reduce shower time and avoid baths.** Showering accounts for about 40 percent of your building's hot water use.
- **Large consumers of electricity should consider shutting down** or reducing non-essential production processes.
- **Unplug electronic devices and turn off lights that are not in use.** By conserving electricity, you are also helping to conserve natural gas which keeps the power on.

Atmos Energy reminds customers to heed the guidance of local leaders and stay alert to changing weather conditions in their area. Our “all hands-on deck” teams are working to provide safe and reliable service, and we appreciate your patience during this historic weather event.

For additional information, please visit our website at <https://www.atmosenergy.com/safety/weather-safety>



[Weather Safety |](#)

[Atmos Energy](#)

Remove Snow Buildup from Gas Meters, Pipes, and Vents. Snow and ice buildup can damage gas meters and pipes and make them difficult to reach in an emergency. Blocked vents for dryers and other gas appliances can lead to a dangerous buildup of carbon monoxide gas. To help keep your home and family safe during snowy or icy weather:

www.atmosenergy.com

For more immediate information please contact:

Tony Benedict: Tony.Benedict@atmosenergy.com

Bruce Palmer: Bruce.Palmer@atmosenergy.com

CONFIDENTIAL

EXHIBIT RRL-2

CONFIDENTIAL

EXHIBIT RRL-3