BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter of the Complaint Against Atmos Energy)	
by DH Pace Company Located At: 1901 E. 119th)	Docket No. 16-ATMG-049-COM
Street, Olathe, Kansas 66061)	

ATMOS ENERGY'S REPLY TO DH PACE'S RESPONSE

Atmos Energy provides the following reply to the response filed by DH Pace on September 11, 2015, in this matter.

- 1. DH Pace agrees at paragraph 1 of its response that it began to occupy 1901 E. 119th Street, Olathe, Kansas, 66061 ("1901") on October 18, 2013.
- 2. At paragraph 2 of its response, DH Pace says that International Paper Company's ("IPC") lease did not expire until October 31, 2013, and presumably is suggesting that DH Pace was not responsible for any gas usage at 1901 for the month of October 2013. DH Pace was not charged for any gas usage at 1901 by Atmos Energy prior to November 12, 2013, so the expiration date of IPC's lease is not relevant. As indicated in Atmos Energy's Answer, DH Pace was not charged for any gas usage at 1901 prior to when the meter was read on November 12, 2013, as shown on Exhibit A to Atmos Energy's Answer. This means that any gas usage between October 18, 2013, and November 12, 2013, was not charged to DH Pace.
- 3. At paragraphs 3, 10 and 18 of its response, DH Pace contends that the meter reading taken on November 12, 2013, was in Mcf units and not Ccf units as indicated by Atmos Energy. DH Pace provides no basis for this contention. Atmos Energy has confirmed that the meter reading on November 12, 2013, was in Ccf as was the meter reading done on January 13, 2015, by Atmos Energy. If DH Pace is suggesting that the meter at 1901 measured gas in Mcf and not Ccf, then that would mean the meter reading performed by Atmos Energy on January 13, 2015, by Atmos Energy would have been 86,327 Mcf, which is certainly not the case.

- 4. At paragraph 4 of its response, DH Pace suggests that the statement made by Atmos Energy in paragraph 6 of its Answer is inconsistent with the statement made by Atmos Energy in paragraph 5 of its Answer. However, DH Pace reads the statement in paragraph 6 of Atmos Energy's Answer out of context. Paragraph 6 explains the reason why 1901 was not on a meter reading route and that no monthly meter readings were taken and no bills were issued to DH Pace once it began taking service at 1901 because the meter was not placed on a regularly scheduled meter route. The statement "no meter readings were taken and no bills issued to DH Pace between October 18, 2013, and January 18, 2015," as taken in the context of the other language in paragraph 6 is not inconsistent with the language in paragraph 5 that indicated that a meter reading was done at the time DH Pace requested that the account be placed in its name and another reading was done once DH Pace notified Atmos Energy it had not received a bill for over a year. There is a distinction between regularly scheduled monthly metering readings assigned to specific meter routes and requested meter readings taken at the time a new customer calls in to place an account into their name. With respect to the account relating to 1901, there was a requested meter reading that occurred on November 12, 2013, in connection with DH Pace's request that the account relating to 1901 be placed in its name and another requested meter reading on January 13, 2015, after DH Pace had notified Atmos Energy that it had not received a bill for over a year.
- 5. At paragraphs 5 and 11 of DH Pace's response it indicates that the period of "October 2014 (sic) through December 2014, is a 15 month period, not 13." DH Pace likely meant to refer to the period October 2013 to December 2014, because the period of October 2014 through December 2014 is only three months. Assuming DH Pace meant to refer to October 2013, the reference to the 13-month period at paragraph 7 of Atmos Energy's Answer relates to the number of bills that DH Pace should have received during that period. Since Atmos Energy did not charge DH Pace for any gas usage prior to the date the meter was first read in connection with the account being placed in DH

Pace's name, the first bill would have been for November 2013 usage and would have been issued to DH Pace in December 2013. In January, 2015, when DH Pace notified Atmos Energy that it had not received a bill for service, Atmos Energy provided DH Pace will bills that covered the period November 12, 2013, through January 13, 2015, which is the reference to the 13-month period in paragraph 7 of Atmos Energy's Answer.

- 6. At paragraphs 6 and 15 of DH Pace's response it suggests that the battery on the meter located at 1901 would have been dead and could not have metered the gas between November 12, 2013, and January 13, 2015. Atmos Energy's records show that the battery on the meter and the meter were tested on the following dates: November 20, 2012; August 8, 2013; July 30, 2014; April 23, 2015. According to Atmos Energy's technicians, if there had been a low voltage on the meter on any of those dates, they would have changed the battery. The current instrument message pointed to by DH Pace does not mean the battery on the meter at 1901 was dead. This was a message by the Atmos Energy representative asking the technician to determine if the meter was dead because the utility had no monthly meter readings for 1901 shown in its billing system. As indicated by Atmos Energy's business records the battery on the meter was not dead. Atmos Energy would also note that the July 30, 2014, test information shows the meter read 57,516 Ccf, which is consistent and in line with the two other recorded readings. Copies of Atmos Energy's records showing that the battery on the meter and meter were tested on the above-mentioned dates are attached hereto as Exhibit E and incorporated herein by reference.
- 7. At paragraphs 7 and 12 DH Pace says it disagrees that Atmos Energy allocated the actual usage by (1) taking the total metered usage between November 12, 2013, and January 13, 2015; (2) dividing the total usage by the number of days during that period to arrive at a daily allocated usage; and (3) using that daily usage to allocate the usage to each month. This is exactly the method used by Atmos Energy to allocate the actual usage between November 12, 2013, and January 13, 2015,

among the months included in that period. If Atmos Energy had done an allocation of the actual usage based upon degree days and adjusting the two partial months to prorate the days of those months, such would have resulted in the PGA costs being reduced by \$157.81 and a change of \$861.87 in the hedge factor charge, which would have resulted in a net change of \$1,019.68 plus another \$100 for sales tax and franchise tax. If the Commission were to find that the allocation should be done based upon degree days, then the amount by DH Pace for the gas would have been reduced by \$1,120.00.

- 8. In response to DH Pace's comments in paragraphs 8 and 20 regarding the estimated bill it received for April 2015, according to Atmos Energy's billing records, only the usage for April 2015 was estimated. As explained at paragraph 11 of Atmos Energy's answer, Atmos Energy has corrected the April 2015 bill and DH Pace does not challenge that such has occurred in its response.
- 9. DH Pace states at paragraph 9 of its response that "actual (usage) amounts cease to exist." This statement is incorrect. As indicated by Atmos Energy in its Answer, and as shown the business records attached to Atmos Energy's Answer as Exhibits A and B, actual meter readings were performed on November 12, 2013, and on January 13, 2015. Therefore, actual metered usage during that meter is known and does exist.
- 10. At paragraph 16 of its response DH Pace refers to Atmos Energy's tariff dealing with the proration of customer charges to argue Atmos Energy's failure to read the meter and bill for the usage at 1901 does not fall within that tariff provision. The Atmos Energy tariff provision only addresses when it is appropriate for Atmos Energy to prorate the monthly customer charge. That tariff provision does not deal with the current situation when a utility has failed to read the meter and issue a bill to a customer for a period of time. In that situation, the Kansas Supreme Court decision in the Thomas case referred to by Atmos Energy in paragraph 15 of its Answer applies, and because in this case Atmos Energy has documentation of actual usage by DH Pace between November 12, 2013, and January 13, 2015, based upon the meter readings taken on those two dates, then DH Pace is obligated

by law to pay for that actual usage.

11. Atmos Energy disagrees with DH Pace' statement at paragraph 21 that Atmos Energy

chose not to review the invoices with DH Pace and not explain how they allocated the actual usage

over the months in which DH Pace did not receive a bill. As indicated in Atmos Energy's Answer in

paragraph 22, Atmos Energy's representatives had several discussions with DH Pace regarding how

the actual usage was prorated over the 13-month period for billing purposes.

12. Atmos Energy disagrees that DH Pace is entitled to recover any consulting fees. The

method used by Atmos Energy to allocate the actual usage during the months where no bills were

issued is reasonable and DH Pace is not entitled to any adjustment in those bills. Should the

Commission decide the allocation should have been done on a degree day basis, then such allocation

would reduce the amount that DH Pace paid for the actual gas usage by \$1,120.00, but such does not

entitle DH Pace to recovery of any consulting fees. DH Pace cites to no statute or regulation that

allows it to recover its consulting fees and none exists, and therefore, it should not be allowed to

recover such fees.

For the reasons set forth herein and in Atmos Energy's Answer, Atmos Energy requests that

the Commission issue an order denying the complaint filed by DH Pace.

James G. Flaherty, #11177

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Ottawa, Kansas 66067

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Attorneys for Atmos Energy

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VERIFICATION

STATE OF KANSAS, COUNTY OF FRANKLIN, ss:

James G. Flaherty, of lawful age, being first duly sworn on oath, states:

That he is the attorney for Atmos Energy, named in the foregoing Reply to DH Pace's Response, and is duly authorized to make this affidavit; that he has read the foregoing Reply, and knows the contents thereof; and that the facts set forth therein are true and correct.

James G. Flaherty

SUBSCRIBED AND SWORN to before me this 28th day of September, 2015.

NOTARY PUBLIC - State of Kansas RONDA ROSSMAN My Appt. Exp. 9300018

Notary Public

Appointment/Commission Expires:

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing was mailed, postage prepaid, this 28th day of September, 2015, addressed to: Chris Mann, Executive Vice President /CIO, DH Pace Door Company, Inc., 1901 E. 119th Street, Olathe, Kansas 66061, Michael J. Duenes, Litigation Counsel, Kansas Corporation Commission, 1500 SW Arrowhead Road, Topeka, Kansas 66604-4027 and Leah Mullin, Managed Energy Systems, 6600 College Blvd., Ste. 125, Overland Park, Kansas 66211.

James G. Flaherty



ATMOS Energy - Colorado / Kansas Division 120 S. 6th Street Canon City, Colorado 81212

9/25/2015 10:36 AM Hershberger, Melissa-COKS

Turbine/PD Meter Test Report

Meter ID 580177 Meter Name	RESOURCENET INTERNATIONAL
Company Name ATMOS ENERGY COLORADO/KANSAS	Report Date <u>11/20/2012 1:39:00 PM</u>
Address 1901 119TH ST	Test Calendar Annually - December 2010
City OLATHE State KANSAS Zip _	Map Code Ambient Temp
✓ Flowing Non-Flowing Technician FRYATT, TIME	
General Meter Information	Gas Quality
Meter Status Active	Water Vapor
Meter Make Dresser	H2S
Meter Model 2M	Oxygen
Meter Serial No. 1017345	Static Pressure
Temperature	Atmospheric Pressure 14.400
Temperature Range <u>-40.00</u> <u>150.00</u> Calibration Device:	Static Pressure Range0.00
Standard As Found As Left	Standard As Found As Left
Deg F Deg F	PSIG PSIA PSIG PSIA PSIG PSIA
69.8069.8069.80	<u>58.43</u> <u>72.83</u> <u>58.43</u> <u>72.83</u> <u>58.43</u> <u>72.83</u>
Left Out Of Tolerance	Left Out Of Tolerance
Remarks	Remarks
Tomano	Romano
Test Information Initial Final	Recorder & Meter Information
Mechanical Index <u>15469</u> <u>15469</u>	Recording Device Flow Computer
Computer Index <u>15479</u> <u>15479</u>	Flow Chart Make Rotation
Corrected Index 8032 8032	Temp Chart Make Rotation
Dial Rate Mcf/hr	Press Comp (Y/N) Yes Temp Comp (Y/N) Yes Number of Dials 6 Units of Dials 1.000
Test Type: TE TT TCF TSN TDP TS	Chart Feet Per Cycle
	Recorder Make Mercury
Spin Rea'd Found Left	Recorder Model <u>Mini Max AT-PT</u>
Main Rotor	Serial Number 1002346
Sensor Rotor	Software Version
DP Test Max Allowed Found Left	Meter Factor <u>1.000000</u>
DP	Level (Y/N) No Lubricated (Y/N) No Instrument Volume CALC Volume
Pass	Fixed Factor No CALC volume
Remarks	Compensating No Battery Changed No
Initial Test	Final Test
Test Flow Rate	
% Meter Capacity	07.46 57.55 20.27
Pressure (PSIG) 97.39 57.47 3 Temperature (Deg F) 65.6	<u>97.46</u> <u>57.55</u> <u>22.37</u> <u>70.56</u>
Elec. Prover	10.00
Percent Error	
Left Out Of Tolerance Remarks	

REMARKS



Tester <u>11005</u> Witness <u>10950</u>



Tester <u>11005</u>

ATMOS Energy - Colorado / Kansas Division 120 S. 6th Street Canon City, Colorado 81212

9/25/2015 10:36 AM Hershberger, Melissa-COKS

	Te/PD Meter Test Report
	ne RESOURCENET INTERNATIONAL
Company Name ATMOS ENERGY COLORADO/KANSAS	S Report Date <u>8/8/2013 1:31:00 PM</u>
Address <u>1901 119TH ST</u>	Test Calendar Annually - December 2010
City <u>OLATHE</u> State <u>KANSAS</u> Zip	Map Code Ambient Temp
✓ Flowing Non-Flowing Technician FRYATT, TIM	MOTHY Report Type Multiple Reports
General Meter Information	Gas Quality
Meter Status Active	Water Vapor
Meter Make Dresser	H2S
Meter Model 2M	Oxvaen
Meter Serial No. <u>1017345</u>	Static Pressure
Temperature	Atmospheric Pressure 14.400
Temperature Range <u>-40.00</u> <u>150.00</u>	Static Pressure Range 0.00 - 100.00
Calibration Device:	Calibration Device:
Standard As Found As Left Deg F Deg F Deg F	Standard As Found As Left PSIG PSIA PSIG PSIA PSIG PSIA
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Left Out Of Tolerance	Left Out Of Tolerance
Remarks	Remarks
Test Information Initial Final	Recorder & Meter Information
Mechanical Index 12446 12446	Recording Device Flow Computer Flow Chart Make Rotation
Computer Index <u>24020</u> <u>24020</u>	Flow Chart Make Rotation Temp Chart Make Rotation
Corrected Index <u>24020</u> <u>24020</u> Dial Rate Mcf/hr	Press Comp (Y/N) Yes Temp Comp (Y/N) Yes
Diai Rate WC//III	Number of Dials 6 Units of Dials 100
Test Type: DE DT DCF DSN DP DS	Chart Feet Per Cycle
	Recorder Make <u>Mercury</u>
Spin Rea'd Found Left	Recorder Model Mini Max ATX
Main Rotor	Serial Number 1002346
Sensor Rotor	Software Version
DP Test Max Allowed Found Left	Meter Factor <u>1.000000</u>
DP	Level (Y/N) No Lubricated (Y/N) No
□Pass	Instrument Volume CALC Volume
	Fixed Factor No
Remarks	Compensating No Battery Changed No
Initial Test Test Flow Rate	Final Test
% Meter Capacity	
	<u>35.28</u> <u>99.5</u> <u>62.52</u> <u>35.42</u>
Temperature (Deg F) 78.45	77.83
Elec. Prover	
Percent Error	
Left Out Of Tolerance Remarks	
REMARKS	

Witness



Tester <u>11005</u>

ATMOS Energy - Colorado / Kansas Division 120 S. 6th Street Canon City, Colorado 81212

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Tester <u>11005</u>

ATMOS Energy - Colorado / Kansas Division 120 S. 6th Street Canon City, Colorado 81212

9/25/2015 10:36 AM Hershberger, Melissa-COKS

Meter ID 580177	Mater Name	INTERNATION	IAI DADER-Y	DUEX	
Company Name ATMOS ENERGY CO		<u> </u>	Report Date	4/23/2015 9:4	L3:00 AM
Address 1901 119TH ST	LONADO/NANOAO		•	ar Annually - De	
	KANSAS Zip _	Map (nt Temp
✓ Flowing Non-Flowing Technic		•	Report		ent Inspection
General Meter Information	<u> </u>	Gas Quality		Type <u>monum</u>	пороской
Meter Status Active		Water Vapor			
Meter Make Dresser		H2S			
Meter Model 2M		Oxygen			
Meter Serial No. 1017345		Static Press	ure		_
Temperature		Atmospheric Pr	essure 14	.400	
Temperature Range40.00 - 150.00	<u>) </u>	Static Pressure	Range _	0.00 1	00.00
Calibration Device:		Calibration Dev			
Standard As Found Deg F Deg F	As Left Deg F	Standard PSIG P		As Found	As Left
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			<u> </u>	70.44	
Left Out Of Tolerance ✓		Left Out Of Tole	erance 🗌		
Remarks		Remarks			
Test Information Initial	Final	Record	ler & Meter	Information	
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Mechanical Index 46381 Computer Index 46381	46381 46381	Flow Cha		W Combator	— Rotation
Corrected Index 116325	116325				Rotation
Dial Rate Mcf/hr	<u> </u>	Press Co	mp (Y/N) <u>Y</u>	es Temp	Comp (Y/N) Yes
	-	Number		Units	of Dials <u>100</u>
Test Type:	N □DP □S		et Per Cycle	Mercury	
Spin Rea'd Found					
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	Left	Recorder	Model	Mini Max ATX	
Main Rotor Sensor Rotor	Left 	Recorder Serial Nu	Model Imber		
Main Rotor Sensor Rotor		Recorder Serial Nu Software	Model Imber Version	Mini Max ATX 1002346	
Main Rotor Sensor Rotor DP Test Max Allowed Found	Left Left Left	Recorder Serial Nu	Model Imber Version ctor	Mini Max ATX	
Main Rotor Sensor Rotor DP Test Max Allowed Found DP		Recorder Serial Nu Software Meter Fa Level (Y/	Model Imber Version ctor	Mini Max ATX 1002346 1.000000 Lubricat	
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Main Rotor Sensor Rotor DP Test Max Allowed Found DP Pass Remarks Interpretation Test Flow Rate % Meter Capacity Pressure (PSIG) 100	Left - —— nitial Test	Recorder Serial Nu Software Meter Fa Level (Y/ Instrumed	Model Imber Version ctor N) No nt Volume ctor N sating N	Mini Max ATX 1002346 1.000000 Lubricat	ed (Y/N) No ALC Volume Battery Changed No
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Main Rotor Sensor Rotor DP Test Max Allowed Found DP Pass Remarks In Test Flow Rate % Meter Capacitv Pressure (PSIG) 100 Temperature (Deq F) 59.15	Left - —— nitial Test	Recorder Serial Nu Software Meter Fa Level (Y/ Instrume) Fixed Fac Compens	Model Imber Version ctor N) No nt Volume ctor N sating N	Mini Max ATX 1002346 1.000000 Lubricat Co o Final T	ed (Y/N) No PALC Volume Batterv Changed No est

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<u>Justine</u>