## BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter of a General Investigation	)	
Regarding the Acceleration of Replacement of	)	
Natural Gas Pipelines Constructed of Obsolete	)	Docket No. 15-GIMG-343-GIG
Materials Considered to be a Safety Risk.	)	

# RESPONSE OF ATMOS ENERGY CORPORATION TO THE STAFF MEMORANDUM

Atmos Energy Corporation ("Atmos Energy" or the "Company") hereby files its Response to the Staff Memorandum filed in the above referenced proceeding on December 19, 2018 ("Memorandum"), and states as follows:

- 1. Atmos Energy has reviewed the Memorandum and discussed the recommendations contained therein with the Staff. Specifically, Atmos Energy requested clarification regarding the Staff's recommendation on page 7 of the Memorandum that "the Utilities provide a summary of progress made to adopt/implement [a Pipeline Safety Management System (PSMS) as described in API Recommended Practice 1173] as part of their annual progress report." The Staff clarified that its recommendation is not to require that the PSMS be adopted by any certain date but rather to request an update on the status of the Utilities' activities informed by the Recommended Practice. As discussed with the Staff, Atmos Energy is currently engaged in such preparations.
- 2. After receiving that clarification, Atmos Energy fully supports the recommendations. Atmos Energy will continue to provide the annual reports and updates contemplated in the Staff's recommendations as the Company continuously evaluates and refines its pipeline replacement program to balance the interests of all its stakeholders and continue to provide safe, affordable natural gas service to the Kansas customers and communities it serves. Atmos Energy's commitment to the safety of its customers recognizes that modernizing a gas distribution system requires a long-term

view of the pace at which the system is replaced that will allow flexibility for systematic, risk-based approach at a practicable pace that will not result in the need for an untenable replacement rate in long term when the safety risk becomes unacceptably high on a large quantity of pipe. The Commission's support for the steady growth of Atmos Energy's pipe replacement every year will allow the Commission and the Company to ensure customers receive what they want - a safe, modern system in their neighborhood providing them the environmentally responsible natural gas they prefer to heat their home at a price they can afford.

Respectfully submitted, this the 15<sup>th</sup> day of January, 2019.

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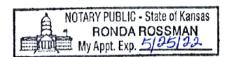
#### **VERIFICATION**

#### 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 Corporation; that he has read the forgoing Response of Atmos Energy Corporation to the Staff Memorandum, and the statements contained therein are true.

James G. Flaherty

SUBSCRIBED AND SWORN to before me this 15th day of January, 2019.



Rouda Rossnoge

Notary Public

Appointment/Commission Expires:

### **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the above and foregoing was sent via U. S. Mail, postage prepaid, hand-delivery, or electronically, this 15<sup>th</sup> day of January, 2019, addressed to:

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