

# Attachment A -

# Stipulation and Settlement Agreement with Exhibits

**Colorado PUC E-Filings System**

NOTICE OF CONFIDENTIALITY: A PORTION OF THIS  
DOCUMENT HAS BEEN FILED UNDER SEAL.

Exhibit B1, pages 5, 7, 9, 11, 13, 15, 17, and 19  
Exhibit B2, in its entirety  
Exhibit C, in its entirety

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO**

PROCEEDING NO. 18A-0756G

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IN THE MATTER OF THE APPLICATION OF ATMOS ENERGY CORPORATION FOR AN ORDER APPROVING ITS GIS IMPROVEMENT PROJECT AND RECOVERY OF THE ASSOCIATED COSTS THROUGH THE SYSTEM SAFETY AND INTEGRITY RIDER.

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**STIPULATION AND SETTLEMENT AGREEMENT**

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This Stipulation and Settlement Agreement (“Stipulation”) is entered into by and between Atmos Energy Corporation (“Atmos Energy” or the “Company”), the Colorado Office of Consumer Counsel (“OCC”) and Trial Staff of the Colorado Public Utilities Commission (“Staff”), each of which is a “Settling Party” and collectively are the “Settling Parties.” The Settling Parties submit this Stipulation in resolution of all issues which were or could have been raised between the Settling Parties in this Proceeding and respectfully request that the Colorado Public Utilities Commission (“Commission”) approve this Stipulation for the purpose of resolving the issues in this Proceeding between the Settling Parties.

**Procedural Background**

1. On November 1, 2018, and pursuant to Decision R18-0818 in Proceeding No. 18A-0165G, Atmos Energy filed a Verified Application, along with supporting testimony requesting Commission approval of a proposed initiative to update, improve, and incorporate the Company’s pipeline data into its existing Geographical Information System (“GIS”) and recover the GIS improvement project capitalized costs associated with this new initiative through the Company’s existing System Safety and Integrity Rider (“SSIR”).

2. In Proceeding No. 18A-0165G, Atmos Energy filed an application for an order approving system safety and integrity costs recovered through the SSIR for the period January 1,

2017 through December 31, 2017. The Company and Staff entered into a stipulation and settlement which required Atmos Energy to file an application requesting Commission approval of a project designed to improve the Company's integrity data systems. The purpose of the GIS Integrity Data Initiative is to digitize, fortify, and incorporate the Company's existing paper pipeline integrity data and legacy records into a more functional and accurate electronic platform thus allowing easier accessibility and usability by the Company's operating, engineering, and maintenance/construction personnel from both office and field environments.

3. Atmos Energy proposed a three-step process to incorporate existing integrity data and legacy records into its existing GIS system. The three steps are: (1) scanning and indexing historical paper files, (2) inputting the indexed records into the GIS, and (3) record completion by filling in missing data in the GIS. Steps 1 and 2 are "non-field work," while Step 3 is "field work."

4. On December 12, 2018 and December 20, 2018, the Settling Parties participated in settlement conferences.

5. Through a series of negotiations, the Settling Parties arrived at this Stipulation which resolves all of the issues that were or could have been raised by the Settling Parties in this Proceeding.

### **Settlement Terms and Conditions**

6. The Settling Parties agree that the Commission should approve inclusion of Atmos Energy's proposed GIS Integrity Data Initiative as set forth below.

### **A. Modification to Existing SSIR Mechanism**

7. The Settling Parties agree that step one and step two of the Company's proposed three-step process to incorporate existing integrity data and legacy records into the GIS may be appropriately conducted under the SSIR Mechanism. Prior to filing an Application to initiate the third step, the Company shall meet and confer with the OCC and Staff regarding the proper content of that Application.

8. The Settling Parties agree that the Company will file amended Revised Tariff Sheet Nos. 27 & 28 to reflect the inclusion of only step one and step two (the non-field work) of the Company's proposed GIS Integrity Data Initiative. Those Tariff Sheets will be attached to this Settlement as Exhibit A. In addition, the Company will refile portions of their modified 2019 SSIR November filing (both the 2019 SSIR Annual Projects and the Company's SSIR five year plan) with inclusion of the appropriate portions of the GIS Integrity Data Initiative which will include defined yearly project scopes and capital budget costs for individual projects which collectively complete steps one and two for each of the Atmos Energy operating regions. Those documents are attached to this Settlement as Confidential Exhibit B.

9. The Settling Parties agree that the Company shall implement new SSIR rates to reflect the inclusion of the GIS Integrity Data Initiative as described above within 30 days of a Commission order accepting this Stipulation. Any difference between the as-filed revenue requirement and the actual revenue requirement shall be addressed in the true-up portion of the November 2020 filing.

## **B. Future Changes to the SSIR Mechanism**

10. The Settling Parties agree that the Company may seek via an Application to include capitalized costs associated with step three of the Company's GIS Integrity Data Initiative into its current SSIR mechanism when the Company has completed (or is close to completing) steps one and two for a given region or regions.

## **C. The 2.5% Threshold for SSIR Rates**

11. The Company's Tariff states that the total bill increase for sales customers associated with the SSIR shall not exceed 2.5 percent per year ("2.5% Cap"). The Settling Parties agree that capitalized costs associated with the inclusion of the GIS Integrity Data Initiative's step one and step two will be subject to the 2.5% Cap. Confidential Exhibit C is the Company's most recent SSIR Five Year Plan cost projections, anticipated 2.5% Cap limitations, and the proposed costs associated with steps one and two.

## **General Terms and Conditions**

12. The Settling Parties agree that this Stipulation is in the public interest and will be supported by the Settling Parties' testimony and/or statements of counsel in this proceeding. The Settling Parties agree to support this Stipulation as being in the public interest in proceedings before the Commission and to advocate in good faith that the Commission approve this Stipulation in its entirety.

13. The Settling Parties agree that this Stipulation represents a compromise in the positions of the Settling Parties and has been negotiated as a comprehensive settlement. As such, the Settling Parties acknowledge that their support and advocacy of the Stipulation is based upon the Stipulation as a whole and not based upon its individual components viewed in isolation.

14. The Settling Parties agree that all negotiations relating to this Stipulation are subject to CRE Rule 408, and that no party will be bound by any position asserted in the negotiations, except to the extent expressly stated in this Stipulation.

15. The Settling Parties agree that except as otherwise expressly noted in this Stipulation: (a) the execution of this Stipulation will not be deemed to constitute an acknowledgment of any Settling Party of the validity or invalidity of any particular method, theory or principle of ratemaking or regulation, and no Settling Party will be deemed to have agreed that any principle, method or theory of regulation employed in arriving at this Stipulation is appropriate for resolving any issue in any other proceeding; (b) the execution of the Stipulation will not constitute the basis of estoppel or waiver in future proceedings by any Settling Party; and (c) no Settling Party will be deemed to be bound by any position asserted by any other Settling Party. Any specific reservation of future litigation rights contained in the Stipulation should not be deemed to waive the applicability of this general reservation of litigation rights in future proceedings as to all matters contained in the Stipulation.

16. The Settling Parties acknowledge that their support and advocacy of the Stipulation may be compromised by material alterations thereto. In the event the Commission rejects or materially alters the Stipulation, the Settling Parties agree that within seven days of such Commission Decision any Settling Party may provide notice to the other Settling Parties of its objection to the Stipulation as modified. Upon such objection, the Settling Parties will no longer be bound by its terms and will not be deemed to have waived any of their respective procedural or due process rights under Colorado law. If a Settling Party objects to the Stipulation as modified, it may withdraw from the Stipulation.

17. If the Commission chooses to adopt and approve the Stipulation, this Stipulation resolves all disputed matters relative to this proceeding between the Settling Parties. Any disputed matters will be deemed resolved to the extent that the Stipulation is not compromised by material alterations.

18. Except as otherwise expressly provided in this Stipulation, the issuance of a Decision approving this Stipulation will not be deemed to work as an estoppel upon the Settling Parties or the Commission, or otherwise establish, or create any limitation on or precedent of the Commission, in future proceedings.

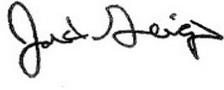
19. This Stipulation will not become effective and will be given no force and effect until the issuance of a final written Commission decision that accepts and approves this Stipulation.

20. This Stipulation may be executed in one or more counterparts and each counterpart will have the same force and effect as an original document and as if all the Settling Parties had signed the same document. Any signature page of this Stipulation may be detached from any counterpart of this Stipulation without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of the Stipulation identical in form hereto but having attached to it one or more signature page(s). The Settling Parties agree that “pdf” signature pages exchanged by e-mail will satisfy the requirements for execution.

BASED ON THE FOREGOING, the Settling Parties respectfully request that the Commission issue a Decision approving this Stipulation and adopting the terms and conditions of this Stipulation.

DATED this 30<sup>th</sup> day of January 2019.

ATMOS ENERGY CORPORATION

By 

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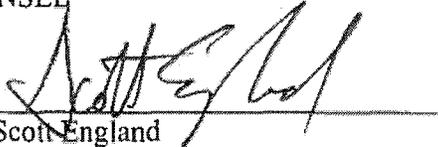
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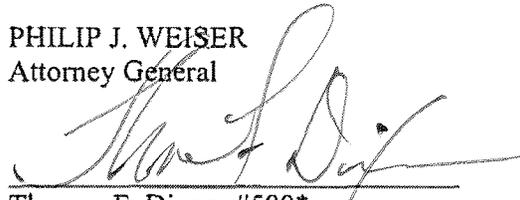
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Colo. P.U.C. No. 7 Gas  
Fifth Revised Sheet No. 27  
Cancels Fourth Revised Sheet No. 27

**NATURAL GAS RATES  
SYSTEM SAFETY AND INTEGRITY RIDER**

1. APPLICABILITY. Rate Schedules for natural gas service are subject to a System Safety Integrity Rider (“SSIR”) designed to collect Eligible System Safety and Integrity Costs, as defined herein. The SSIR rates ~~Will will~~ be subject to annual changes to be effective on January 1 of each year. The SSIR will ~~be implemented~~ For an initial three year term beginning January 1, 2016 and ending end on December 31, 2023 and recover capital ~~i~~ investments made between September 1, 2015 and December 31, 2023. The SSIR rates to be applied to each rate schedule are as set forth on Sheet Nos. 9 and 11 (exclude special contracts and other revenue).

2. ANNUAL FILINGS. Each proposed revision in the SSIR rates will be accomplished by filing an ~~advice—~~ Advice Letter on November 1 of each year to take effect on the following January 1, ~~except for the initial filing. On November 2, 2015, the company will make as advice letter filing to be effective January 1, 2016 with the first SSIR Cost Recovery Request. On February 1, 2016, the Company will submit the SSIR 5 Year Forecast and Company’s confidential DIM Plan.~~ The Company will include in its annual SSIR filings all pertinent information and supporting data, including a 5 Year Forecast Document, related to Eligible System Safety and Integrity Costs, including but not limited to: ~~SSIR prioritization results;~~ project name; project scope; ~~— project prioritization score;~~ estimated ~~construction~~ start and completion dates, project cost estimate; ~~discussion of risk modifiers; diagram of proposed replacement project; change of right-of-way; change of capacity;~~ and status update. When applicable, the Company will also include: SSIR prioritization results; project prioritization score; discussion of risk modifiers; diagram of proposed replacement project; change of right-of-way; and change of capacity. On or before March 15 of each year the Company will file a true-up report with the Commission that will match final costs with revenues collected and the Company will file the SSIR Cost Prudency Review describing the Projects completed in the prior year and their associated costs.

3. DEFINITIONS.

3.1 “Deferred SSIR Balance” shall be equal to the balance, positive or negative, of SSIR revenues at the end of the 12-month period for the year prior to the annual SSIR filing less the Eligible System Safety and Integrity Costs as projected by the Company for that 12-month period.

3.2 “Eligible System Safety and Integrity Costs” shall mean (1) a return, at a percentage equal to the Company’s weighted average cost of capital grossed up for taxes, approved in Proceeding No. 17AL-0429G on the projected increase in the average 12 month-ending net plant in-service balances associated with the projects for the following 12-month period in which the SSIR rates will be in effect, exclusive of all plant in-service included in the determination of the revenue requirements approved in the Company’s last general rate case; (2) the plant-related ownership costs associated with such incremental plant investment, including depreciation, accumulated deferred income taxes (if the Company has no regulated net operation loss), and all taxes including income taxes

**DO NOT WRITE  
IN THIS SPACE**

ATMOS ENERGY CORPORATION  
1555 Blake St., Suite 400  
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Colo. P.U.C. No. 7 Gas  
Fourth Revised Sheet No. 28  
Cancels Third Revised Sheet No. 28

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**NATURAL GAS RATES**  
**SYSTEM SAFETY AND INTEGRITY RIDER (continued)**

- 3.3 “System Safety Integrity Rider Projects” (“SSIR Projects”)- are defined as the bare steel and PVC SSIR Projects approved in Proceeding Nos. 15AL-0299G and 17-AL-0429G (“Bare Steel & PVC Projects”) and the non-field work components of the GIS Improvement Project approved in Proceeding No. 18A-0765G. SSIR Projects shall ~~mean~~ be system high and moderate risk integrity projects that are (a) identified by the Company and approved on a preliminary basis by the Commission based on filing made on or before ~~November 2, 2015 (for 2016 Projects) and on or before~~ each November 1 ~~thereafter (for 2017 and beyond Projects)~~, (b) implemented in consultation with the Staff of the Commission and the Office of Consumer Counsel, and (c) ultimately approved for inclusion in the SSIR by the Commission through a filing made on or before ~~November 2, 2015 (for 2016 Projects) and~~ each November 1 ~~thereafter (for 2017 and beyond Projects)~~. Such SSIR Projects shall be consistent with the Company’s compliance with federal and state regulatory requirements including, but not limited to, 49 CFR Part 192, final rules and regulations of the Department of Transportation’s Pipeline and Hazardous Materials Safety Administration (PHMSA) and the Environmental Protection Agency (EPA) that become effective on or after the effective date of the SSIR.
- 3.4 “SSIR True-Up Amount” shall be equal to the difference, positive or negative, between the Eligible System Safety Integrity Rider Costs as projected for the 12-month period for the year prior to the annual SSIR filing and the actual Eligible System Safety Integrity Rider Costs incurred by the Company for that 12-month period.

SSIR RATES CALCULATION.

- 4.
- 4.1 The SSIR shall be equal to the Eligible System Safety Integrity Rider Costs, plus or minus the SSIR True-Up Amount, plus or minus the Deferred SSIR Balance (SSIR Deficiency). SSIR rates will be calculated by first taking the SSIR Deficiency and allocating it to each rate class based on the Company’s most recent rate case allocation. Each customer class’s portion of deficiency will then be volumetric component. The total bill increase for sales customers associated with the SSIR shall not exceed 2.5 percent per year as calculated — below. In each annual SSIR filing. Atmos Energy will calculate the total revenue from sales customers for the 12 months ending four months prior to the date of the filing. Atmos Energy will further calculate the revenue increase associated with the proposed SSIR for its sales customers.

5. SSIR ADJUSTMENT WITH CHANGES IN BASE RATES.

Any costs approved by the Commission allocated and collected volumetrically via the SSIR will be shifted to base rates only in the context of a rate case filing that included a class cost of service and rate design component analysis, including a full cost of service study.

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Advice Letter No. ~~521-AmendedXXX~~  
Decision or Authority No. ~~C15-118718A-0765G~~  
~~2016X~~

s/~~Jared N. Geiger~~~~Jennifer Ries~~  
Title: Vice-President

Issue Date: ~~December 4, 2015X~~  
Effective Date: ~~January 1,~~

Rates & Regulatory Affairs







**Atmos Energy Corporation**  
**System Safety & Integrity Rider**  
**2019 Cost Recovery Request**  
**Reflecting Addition of GIS Integrity Data Initiative**

\_\_\_\_\_, 2019

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## Introduction

Atmos Energy Corporation's ("Atmos Energy" or the "Company") System Safety and Integrity Rider ("SSIR") tariff allows the Company to recover system safety integrity costs associated with integrity projects. The SSIR was approved in Proceeding No. 15AL-0299G and is currently set to expire on December 31, 2023 after the Colorado Public Utilities Commission ("Commission") approved a five-year extension of the SSIR in Proceeding No. 17AL-0429G.

On or before November 1st of each year, the Company must file an advice letter and SSIR Cost Recovery Request detailing the estimated project costs and the revenue requirement calculation of the surcharge to be implemented beginning on January 1st of the following year. Additionally, on or before March 15th, the Company must file its SSIR Cost Prudency Review and True-Up Report describing the projects completed in the prior year, their associated costs, and the true-up of revenues collected.

Atmos Energy also meets with Trial Staff and the Office of Consumer Counsel in April and October to discuss project progress and completion.

This 2019 Cost Recovery Request provides:

- An explanation of the 2019 SSIR revenue requirement calculation;
- A summary of the six proposed bare steel and PVC projects to be completed in 2019, including scope, project line details, construction schedule, estimated costs; and GIS Integrity Project including project scope, schedule and estimated costs; and
- A five-year forecast (2019-2023) of anticipated bare steel and PVC and GIS Integrity projects, including estimated costs and completion year.

The Company's Project Prioritization Model and Distribution Integrity Management plan are not included with this filing because no changes have been made to either document.<sup>1</sup>

<sup>1</sup> The Project Prioritization Model and DIM plan were included as Attachment 2 and Attachment 7, respectively, to Advice Letter 533-Amended in Proceeding 17AL-0728G and are incorporated by reference in this filing.

## 2019 SSIR Revenue Requirement

The Company estimates to spend \$16.9 million for the 2019 SSIR Projects which results in a total revenue requirement of \$5,160,207 for all SSIR capital expenditures. \$1,082,939 are attributable to the new capital investment of \$16.9 million and \$4,077,268 are attributable to the investments placed into service prior to 2019.

The revenue requirement shown in Attachment 1 reflects the lower statutory tax rate of 21% was used.

The revenue requirement also reflects the changes in capital structure and property tax based on the results of the Company's last general rate case in Proceeding 17AL-0429G. The Company used an authorized rate of return of 7.55%, based on a return on equity of 9.45%, a cost of debt of 5.17%, and a capital structure consisting of 44.42% debt and 55.58% equity.<sup>2</sup>

In addition, the adjusted revenue requirement includes the annualized return of excess deferred income tax of \$10,935 and the 2017 SSIR Year 2 True-Up Amount of \$608,091<sup>3</sup>. The total adjusted revenue requirement is \$5,757,362.

The Company's total Colorado operating revenue as of June 30, 2018 was \$94,008,601.<sup>4</sup> The estimated increase in revenue requirement over 2018 is \$1,548,980, resulting in an increase of 1.6%, which is under the 2.5% cap as defined in the SSIR tariff.

<sup>2</sup> ROE, cost of debt, and capital structure are shown on the Assumption tab in Revenue Requirement workpapers.

<sup>3</sup> Final 2017 SSIR Revenue Requirement as approved in Decision R18-0818, see line 29.

<sup>4</sup> Approved in Commission Decision C18-0868 in Proceeding 18L-0627G. Total operating revenue is stated on Exhibit 11, column (b), line 1.

## 2019 Bare Steel and PVC Projects

Atmos Energy proposes six projects for the 2019 SSIR program. All projects proposed for 2019 replace bare steel or PVC main and associated services, which are classified as high-risk projects. The specific projects were selected based on the prioritization score calculated using the Company's Project Prioritization Model and other outside factors impacting Atmos Energy's ability to complete the projects in the planned construction year.

The Company proposes to retire approximately 71,195 feet of bare steel, 16,350 feet of PVC, and 1,105 associated services in 2019.

Project No.	Project Rank	2019 Capital Project Name	Location	Estimated Amount	Estimated Footage Retired	Estimated Services Retired
1	1 (tied)	Platteville Bare Steel Replacement	Platteville	██████████	2,656	20
2	1 (tied)	Greeley Cowan Subdivision Steel Replacement	Greeley	██████████	13,006	192
3	2	Ault Bare Steel Replacement	Ault	██████████	17,655	322
4	4	North Lamar 4 Bare Steel Replacement	Lamar	██████████	21,242	320
5	10	Greeley Sunrise Bare Steel Replacement	Greeley	██████████	16,636	248
6	49	Lamar Bridge PVC Replacement	Lamar	██████████	16,350	3
<b>Total</b>				<b>\$16,973,830</b>	<b>87,635</b>	<b>1,105</b>

## **Project 1 – Platteville Bare Steel Replacement**

### **Overview**

This project is located in Platteville, CO in a Class 3 location. The bare steel pipe was installed prior to 1970. This project contains both protected and unprotected bare steel main. This area has had 6 leaks per mile over the last 10 years. Multiple breaches in the cathodic protection section on the bare steel began in late 2013 and were mitigated. A breach in late 2017 was unable to be resolved. The bare steel breach is impacting the cathodic protection of the coated steel main in this area of the system. Completion of this project removes all bare steel mains and services from the Platteville area.

### **Scope of Work**

<b>Pipe Retired</b>	<b>Estimated Amount<sup>5</sup></b>	<b>Actual Amount<sup>6</sup></b>	<b>Variance</b>
Services	20		
1.5" bare steel	358		
2" bare steel	2,158		
3" bare steel	140		
<b>Total</b>	<b>2,656</b>		
<b>Pipe Installed</b>	<b>Estimated Amount</b>	<b>Actual Amount</b>	<b>Variance</b>
Services	20		
2" HDPE	2,650		
4" HDPE	280		
<b>Total</b>	<b>2,930</b>		
Estimated Construction Start Date	09/10/2019		
Estimated Construction Completion Date	10/05/2019		
Total Estimated Calendar Days	25		

<sup>5</sup> Estimated amount in feet included in the November 1, 2018 filing.

<sup>6</sup> Actual amount and variance will be updated and included in the March 15, 2020 filing.

**Prioritization Score**

5.000/5.000

**Project Rank**

1 (tied)

**Prioritization Score Modifiers**

This project score was originally 2.858. This project score has been modified to 5.000 due to a breach on the cathodic protection of the main within the project. Despite several attempts to cathodically protect the pipe, it still remains out of compliance.

**Change of ROW**

There are no right-of-way changes. All facilities will be placed in existing public right-of-way or existing easements.

**Pipeline Capacity Change**

The sum of the equivalent diameters of the pipelines that will be retired are less than or equal to the sum of the equivalent diameters of the pipelines that will be installed. The project is also located in a well-developed area. Atmos Energy does not believe it will see an increase in gas deliveries as the result of this project.

**Financial Impact**

<b>Charge Type</b>	<b>Estimated Amount<sup>7</sup></b>	<b>Actual Amount<sup>8</sup></b>	<b>Variance</b>
Company Labor	██████████		
Materials	██████████		
Permit Fees	██████████		
Installation Contractor Labor	██████████		
Inspector (onsite inspections, NDE, etc.)	██████████		
<b>Total Project Direct Costs</b>	██████████		
Project Overheads	██████████		
<b>Total Project Costs with Overheads</b>	██████████		

<sup>7</sup> Estimated amount included in the November 1, 2018 filing.

<sup>8</sup> Actual amount and variance will be updated and included in the March 15, 2020 filing.

## **Project 2 – Greeley Cowan Subdivision Steel Replacement**

### **Overview**

This project is located in Greeley, CO in a Class 3 location. The bare steel pipe was installed prior to 1970 without cathodic protection. This area has had over 5 leaks per mile over the last 10 years. This project contains mains and services that are located within a mobile home community that have become inaccessible for operations, maintenance, or emergency activities due to the location of above ground structures such as trailers. The mobile home community has structures over the existing mains and services that increase the risk of migration and accumulation of natural gas underneath the skirting of the mobile homes. The main will be relocated from no longer accessible rear-easements and above ground structures to public right-of-way, thus increasing the pipe installed footage.

### **Scope of Work**

<b>Pipe Retired</b>	<b>Estimated Amount<sup>9</sup></b>	<b>Actual Amount<sup>10</sup></b>	<b>Variance</b>
Services	192		
1.25" bare steel	567		
2" bare steel	11,932		
3" bare steel	507		
<b>Total</b>	<b>13,006</b>		
<b>Pipe Installed</b>	<b>Estimated Amount</b>	<b>Actual Amount</b>	<b>Variance</b>
Services	192		
2" HDPE	13,750		
<b>Total</b>	<b>13,750</b>		
Estimated Construction Start Date	07/22/2019		
Estimated Construction Completion Date	11/23/2019		
Total Estimated Calendar Days	124		

### **Prioritization Score**

5.000/5.000

<sup>9</sup> Estimated amount in feet included in the November 1, 2018 filing.

<sup>10</sup> Actual amount and variance will be updated and included in the March 15, 2020 filing.

**Project Rank**

1 (tied)

**Prioritization Score Modifiers**

The project score was originally 3.154. During the March 2018 annual review meeting, field employees reported a compliance breach. Atmos Energy is unable to perform compliance patrols on the mains and services located in the mobile home community. This project score has been modified to that of 5.000 due to the mobile home community that has trailers and sheds sitting over the mains and services.

**Change of ROW**

There are no right-of-way changes. All facilities will be placed in existing public right-of-way or existing easements, away from existing above ground structures.

**Pipeline Capacity Change**

The sum of the equivalent diameters of the pipelines that will be retired are less than or equal to the sum of the equivalent diameters of the pipelines that will be installed. The project is also located in a well-developed area. Atmos Energy does not believe it will see an increase in gas deliveries as the result of this project.

**Financial Impact**

<b>Charge Type</b>	<b>Estimated Amount<sup>11</sup></b>	<b>Actual Amount<sup>12</sup></b>	<b>Variance</b>
Company Labor	██████████		
Materials	██████████		
Permit Fees	██████████		
Front End Engineering & Design Costs	██████████		
Installation Contractor Labor	██████████		
Inspector (onsite inspections, NDE, etc.)	██████████		
<b>Total Project Direct Costs</b>	██████████		
Project Overheads	██████████		
<b>Total Project Costs with Overheads</b>	██████████		

<sup>11</sup> Estimated amount included in the November 1, 2018 filing.

<sup>12</sup> Actual amount and variance will be updated and included in the March 15, 2020 filing.

## **Project 3 – Ault Bare Steel Replacement**

### **Overview**

This project is located in Ault, CO in a Class 3 location. The pipe was installed prior to 1970 with sections that do not have cathodic protection. This area had 10 leaks per mile over the last 10 years. This project involves intermediate pressure piping that is at shallow depths which could result in third-party damage. The prioritization score is impacted by the leak history factor. The main will be relocated from no longer accessible rear-easements to public right-of-way, thus increasing the pipe installed footage. Completion of this project removes all bare steel mains and services from the Ault area.

### **Scope of Work**

<b>Pipe Retired</b>	<b>Estimated Amount<sup>13</sup></b>	<b>Actual Amount<sup>14</sup></b>	<b>Variance</b>
Services	322		
1.25" bare steel	637		
2" bare steel	12,335		
4" bare steel	4,683		
<b>Total</b>	<b>17,655</b>		
<b>Pipe Installed</b>	<b>Estimated Amount</b>	<b>Actual Amount</b>	<b>Variance</b>
Services	322		
2" HDPE	15,538		
4" HDPE	5,082		
<b>Total</b>	<b>20,620</b>		
Estimated Construction Start Date	03/01/2019		
Estimated Construction Completion Date	<b>09/27/2019</b>		
Total Estimated Calendar Days	210		

### **Prioritization Score**

3.286/5.000

### **Project Rank**

2

<sup>13</sup> Estimated amount in feet included in the November 1, 2018 filing.

<sup>14</sup> Actual amount and variance will be updated and included in the March 15, 2020 filing.

**Prioritization Score Modifiers**

There are no prioritization score modifiers associated with this project.

**Change of ROW**

There are no right-of-way changes. All facilities will be placed in existing public right-of-way or existing easements.

**Pipeline Capacity Change**

The sum of the equivalent diameters of the pipelines that will be retired are less than or equal to the sum of the equivalent diameters of the pipelines that will be installed. The project is also located in a well-developed area. Atmos Energy does not believe it will see an increase in gas deliveries as the result of this project.

**Financial Impact**

<b>Charge Type</b>	<b>Estimated Amount<sup>15</sup></b>	<b>Actual Amount<sup>16</sup></b>	<b>Variance</b>
Company Labor	██████████		
Materials	██████████		
Permit Fees	██████████		
Installation Contractor Labor	██████████		
Inspector (onsite inspections, NDE, etc.)	██████████		
<b>Total Project Direct Costs</b>	██████████		
Project Overheads	██████████		
<b>Total Project Costs with Overheads</b>	██████████		

<sup>15</sup> Estimated amount included in the November 1, 2018 filing.

<sup>16</sup> Actual amount and variance will be updated and included in the March 15, 2020 filing.

## **Project 4- North Lamar 4 Bare Steel Replacement**

### **Overview**

This project is located in Lamar, CO in a Class 3 location. The bare steel pipe was installed prior to 1970 with no cathodic protection. This area has had over 20 leaks per mile over the last 10 years. This project involves intermediate pressure piping that serves a nursing home, which is a critical customer. The project is being performed in 2019, rather than 2020, because four SSIR projects will already be conducted in Weld Co. and the need to balance work with resources in the that area.

### **Scope of Work**

<b>Pipe Retired</b>	<b>Estimated Amount<sup>17</sup></b>	<b>Actual Amount<sup>18</sup></b>	<b>Variance</b>
Services	320		
1" bare steel	580		
1.25" bare steel	587		
2" bare steel	11,905		
3" bare steel	1,019		
4" bare steel	5,612		
6" bare steel	1,539		
<b>Total</b>	<b>21,242</b>		
<b>Pipe Installed</b>	<b>Estimated Amount</b>	<b>Actual Amount</b>	<b>Variance</b>
Services	320		
2" HDPE	13,598		
4" HDPE	7,155		
6" HDPE	1,404		
<b>Total</b>	<b>22,157</b>		
Estimated Construction Start Date	05/13/2019		
Estimated Construction Completion Date	11/03/2019		
Total Estimated Calendar Days	174		

### **Prioritization Score**

3.322/5.000

<sup>17</sup> Estimated amount in feet included in the November 1, 2018 filing.

<sup>18</sup> Actual amount and variance will be updated and included in the March 15, 2020 filing.

**Project Rank**

4

**Prioritization Score Modifiers**

There are no prioritization score modifiers associated with this project. The project is being in 2019 rather than its originally ranked year of 2020.

**Change of ROW**

There are no right-of-way changes. All facilities will be placed in existing public right-of-way or existing easements.

**Pipeline Capacity Change**

The sum of the equivalent diameters of the pipelines that will be retired are less than or equal to the sum of the equivalent diameters of the pipelines that will be installed. The project is also located in a well-developed area. Atmos Energy does not believe it will see an increase in gas deliveries as the result of this project.

**Financial Impact**

<b>Charge Type</b>	<b>Estimated Amount<sup>19</sup></b>	<b>Actual Amount<sup>20</sup></b>	<b>Variance<sup>2</sup></b>
Company Labor	██████████		
Materials	██████████		
Permit Fees	██████████		
Front End Engineering & Design Costs	██████████		
Installation Contractor Labor	██████████		
Inspector (onsite inspections, NDE, etc.)	██████████		
<b>Total Project Direct Costs</b>	██████████		
Project Overheads	██████████		
<b>Total Project Costs with Overheads</b>	██████████		

<sup>19</sup> Estimated amount included in the November 1, 2018 filing.

<sup>20</sup> Actual amount and variance will be updated and included in the March 15, 2020 filing.

**Project 5 – Greeley Sunrise Bare Steel Replacement**

**Overview**

This project is located in Greeley, CO in a Class 3 location. The bare steel pipe was installed prior to 1970 with sections that do not have cathodic protection. This area has had 6 leaks per mile over the last 10 years. The City of Greeley plans to resurface the roads in this neighborhood and requested that Atmos Energy complete this project in 2019 instead of 2020.

**Scope of Work**

<b>Pipe Retired</b>	<b>Estimated Amount<sup>21</sup></b>	<b>Actual Amount<sup>22</sup></b>	<b>Variance</b>
Services	248		
2" bare steel	13,632		
3" bare steel	366		
5" bare steel	106		
6" bare steel	2,532		
<b>Total</b>	<b>16,636</b>		
<b>Pipe Installed</b>	<b>Estimated Amount</b>	<b>Actual Amount</b>	<b>Variance</b>
Services	248		
2" HDPE	14,294		
4" HDPE	978		
6" HDPE	2,611		
<b>Total</b>	<b>17,883</b>		
Estimated Construction Start Date	03/01/2019		
Estimated Construction Completion Date	08/22/2019		
Total Estimated Calendar Days	174		

**Prioritization Score**

3.034/5.000

<sup>21</sup> Estimated amount in feet included in the November 1, 2018 filing.

<sup>22</sup> Actual amount and variance will be updated and included in the March 15, 2020 filing.

**Project Rank**

10

**Prioritization Score Modifiers**

There are no prioritization score modifiers associated with this project. Atmos Energy is planning to perform the project in 2019 instead of the originally scheduled date of 2020 in response to the City of Greeley’s request and to aid with Greeley’s public improvement plans.

**Change of ROW**

There are no right-of-way changes. All facilities will be placed in existing public right-of-way or existing easements.

**Pipeline Capacity Change**

The sum of the equivalent diameters of the pipelines that will be retired are less than or equal to the sum of the equivalent diameters of the pipelines that will be installed. The project is also located in a well-developed area. Atmos Energy does not believe it will see an increase in gas deliveries as the result of this project.

**Financial Impact**

<b>Charge Type</b>	<b>Estimated Amount<sup>23</sup></b>	<b>Actual Amount<sup>24</sup></b>	<b>Variance</b>
Company Labor	██████████		
Materials	██████████		
Permit Fees	██████████		
Front End Engineering & Design Costs	██████████		
Installation Contractor Labor	██████████		
Inspector (onsite inspections, NDE, etc.)	██████████		
<b>Total Project Direct Costs</b>	██████████		
Project Overheads	██████████		
<b>Total Project Costs with Overheads</b>	██████████		

<sup>23</sup> Estimated amount included in the November 1, 2018 filing.

<sup>24</sup> Actual amount and variance will be updated and included in the March 15, 2020 filing.

## **Project 6 – Lamar Bridge PVC Replacement**

### **Overview**

This project is located in Lamar, CO in a Class 3 location. The pipe was installed prior to 1970. This project contains PVC mains that have glued couplings which are no longer approved for natural gas service. Much of the PVC main involved in this project will be abandoned in place and not replaced due to a customer that no longer requires service. The City of Lamar had a public improvement project that required the rerouting of main located in this project area. This project was originally scheduled for 2024. This project includes the retirement of three regulator stations and the installation of a new regulator station.

### **Scope of Work**

<b>Pipe Retired</b>	<b>Estimated Amount<sup>25</sup></b>	<b>Actual Amount<sup>26</sup></b>	<b>Variance</b>
Services	3		
2" PVC	16,350		
<b>Total</b>	<b>16,350</b>		
<b>Pipe Installed</b>	<b>Estimated Amount</b>	<b>Actual Amount</b>	<b>Variance</b>
Services	2		
2" HDPE	1,273		
4" HDPE	639		
6" HDPE	156		
4" coated steel	36		
6" coated steel	1,360		
<b>Total</b>	<b>3,464</b>		
Estimated Construction Start Date	01/07/2019		
Estimated Construction Completion Date	03/18/2019		
Total Estimated Calendar Days	70		

### **Prioritization Score**

2.092/5.000

<sup>25</sup> Estimated amount in feet included in the November 1, 2018 filing.

<sup>26</sup> Actual amount and variance will be updated and included in the March 15, 2020 filing.

**Project Rank**

49

**Prioritization Score Modifiers**

There are no prioritization score modifiers associated with this project. However, Atmos Energy is planning to perform the project in 2019 instead of 2024 due to the city of Lamar’s public improvement project. This project requires a regulator station and canal crossing relocation as a result of the widening of a bridge at that location.

**Change of ROW**

New easement agreement is required to cross canal and a new easement agreement with the City of Lamar to cross city property due to the required relocation of main. This relocation allows for the abandonment of the vast majority of the PVC main without replacement.

**Pipeline Capacity Change**

The installation of the 6 inch coated steel main is necessary to replace three regulator stations with one regulator station and to retire the vast majority of PVC main while maintaining service for existing customers being served from the existing PE system. Atmos Energy does not believe it will see an increase in gas deliveries as the result of this project.

**Financial Impact**

<b>Charge Type</b>	<b>Estimated Amount<sup>27</sup></b>	<b>Actual Amount<sup>28</sup></b>	<b>Variance</b>
Company Labor	██████████		
Materials	██████████		
Permit Fees	██████████		
Installation Contractor Labor	██████████		
Inspector (onsite inspections, NDE, etc.)	██████████		
<b>Total Project Direct Costs</b>	██████████		
Project Overheads	██████████		
<b>Total Project Costs with Overheads</b>	██████████		

<sup>27</sup> Revised estimated amount included in the \_\_\_\_\_, 2019 filing.

<sup>28</sup> Actual amount and variance will be updated and included in the March 15, 2020 filing.

## **Project 7 – GIS Integrity Project**

### **Overview**

This project is a part of the GIS Integrity Program that has been established under the SSIR in proceeding 18A-0756G. The information provided details the GIS Integrity activities being proposed in the 2019 SSIR program year.

For Step 1, scanning and indexing, Atmos Energy estimates that all installation records will be scanned by the end of 2019. The Company will also have completed indexing and entry of metadata into its electronic document repository for the 3034 Cost Center area, which is Atmos Energy’s service territory in Weld County, CO. It will have also started the indexing and entry of metadata for Cost Center 3040, the SE CO service territory.

The Step 2 activity, GIS Entry, will have begun in the 3034 Cost Center area during the 2019 SSIR program year.

### **Scope of Work**

<b>Cost Center / Service Center Location</b>	<b>Activity</b>	<b>Estimated Records</b>	<b>Variance</b>
3034 / Greeley, CO	Record Scanning	67,317	
3040 / Lamar, CO	Record Scanning	24,949	
3041 / Durango & Cortez, CO	Record Scanning	22,507	
3037 / Canon City, CO	Record Scanning	19,806	
3038 / Gunnison & Salida, CO	Record Scanning	67,317	
3035 / Craig & Steamboat Springs, CO	Record Scanning	17,590	
3034 / Greeley, CO	Record Indexing	67,317	
3040 / Lamar, CO	Record Indexing	16,632	
3034 / Greeley, CO	GIS Entry	15,239	

**Financial Impact**

<b>Charge Type</b>	<b>Estimated Amount<sup>29</sup></b>	<b>Actual Amount<sup>30</sup></b>	<b>Variance</b>
Company Labor	██████████		
Contractor Labor	██████████		
<b>Total Project Direct Costs</b>	██████████		
Project Overheads	██████████		
<b>Total Project Costs with Overheads</b>	██████████		

<sup>29</sup> Estimated amount included in this \_\_\_\_\_, 2019 filing.

<sup>30</sup> Actual amount and variance will be updated and included in the March 15, 2020 filing.

**NOTICE OF CONFIDENTIALITY:  
THIS DOCUMENT HAS BEEN FILED  
UNDER SEAL**

**Confidential Exhibit B2**

**5 Year SSIR Plan**

**NOTICE OF CONFIDENTIALITY:  
THIS DOCUMENT HAS BEEN FILED  
UNDER SEAL**

**Confidential Exhibit C**

**SSIR Five Year Plan Cost Projections**