



July 2, 2018

Ms. Kari French
Director, Oversight & Safety Division
Railroad Commission of Texas
P.O. Box 12967
Austin, Texas 78711-2967

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JUL 02 2018

GAS SERVICES DIVISION
AUSTIN, TEXAS

Dear Ms. French:

Atmos Energy Corporation plans to further accelerate its pipe replacement efforts throughout its Mid-Tex Division as part of the company's ongoing commitment to safety by continuing to upgrade its natural gas distribution system in Texas.

This Supplement detailing those further acceleration plans follows the "Safety-Related Condition Report" that Atmos Energy submitted to the Railroad Commission on March 6, 2018, related to the abnormal, sudden, and unexplained leak activity in a defined geographic area in Northwest Dallas. As reported, in direct response to this leak activity, on March 1, 2018, Atmos Energy initiated a pipeline replacement project involving a planned outage of an area affecting approximately 2,800 residences and continued to closely monitor the area outside of the physical boundaries of the planned outage by conducting continuous leak surveys. These further accelerated pipeline replacement efforts will be in addition to those previously described in our March 15, 2018, letter pursuant to the requirements of the Railroad Commission's Distribution Facilities Replacement Rule under 16 TAC 8.209.

Ultimately, a number of factors will influence the rate at which further accelerated pipeline replacement may be accomplished. As we work towards these goals, the most-influential factors will be the availability of qualified construction crews to perform the work and their ability to scale as we further accelerate pipe replacement; however, it may also be influenced by the availability of materials; trained and qualified employees to design, coordinate, and inspect the level of construction activity; contractors and fill material to conduct street repairs; and city resources to support the increased level of activity. Keeping these factors in mind, we present this supplement to Atmos Energy Mid-Tex Division's Distribution Facilities Replacement Work Plan to the Railroad Commission for your review, comment, and approval.

As we know, and have seen in this instance, a risk model cannot quantify unknown, undiscovered, or unranked risk. As we have done here, we will continue to take into account any "unknown" conditions as they present themselves and may retire or replace facilities in order to mitigate these risks.

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We appreciate the Railroad Commission's consideration of our replacement plans. We look forward to your response and welcome the opportunity to discuss these matters with you in the future.

Sincerely,

A handwritten signature in cursive script that reads "Marlo A. Sutton". The signature is written in dark ink and is positioned above the typed name and title.

Marlo A. Sutton
Director, Regulatory & Compliance
Mid-Tex Division

Enclosure

Distribution Facilities Replacing Reporting
 Atmos Energy Mid-Tex Division
 Supplement - July 2, 2018

Work Plan (2018) - Submitted

Material	Distribution Piping		Service Lines	Components
	feet	miles	each	each
Steel	750,000	142	17,000	-
Cast Iron	424,000	80	-	-
Plastic	200,000	38	6,000	-
Misc	-	-	-	36,000
Grand Total	1,374,000	260	23,000	36,000

Work Plan (2018) - Supplement

Material	Distribution Piping		Service Lines	Components
	feet	miles	each	each
Steel	158,000	30	13,000	-
Cast Iron	10,000	2	-	-
Plastic	-	-	-	-
Misc	-	-	-	-
Grand Total	168,000	32	13,000	-

Work Plan (2018) - Total Including Supplement

Material	Distribution Piping		Service Lines	Components
	feet	miles	each	each
Steel	908,000	172	30,000	-
Cast Iron	434,000	82	-	-
Plastic	200,000	38	6,000	-
Misc	-	-	-	36,000
Grand Total	1,542,000	292	36,000	36,000

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