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PRE-FILED TESTIMONY OF ERIC SINGLETARY

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, JOB TITLE AND BUSINESS ADDRESS.

A. My name is Eric Singletary. I am the Vice President of Technical Services for the Louisiana Division of Atmos Energy Corporation (“Atmos Energy” or “Company”). My business address is 68388 Compass Way East, Mandeville, LA 70471.

Q. WHAT ARE YOUR RESPONSIBILITIES AS VICE PRESIDENT OF TECHNICAL SERVICES?

A. I am responsible for and have oversight of engineering, safety, construction management, compliance, damage prevention, geographic information systems, information technology, and procurement for the Louisiana Division. My duties include providing technical advice and direction to our operations. It is my responsibility to oversee that Atmos Energy’s pipes, regulators, and other facilities in Louisiana are kept in good working order to enable the Company to continue to provide safe and reliable service to our customers throughout our authorized service territory. My department is responsible for designing, budgeting, and managing all capital projects, including our System Integrity Investment Program (“SIIP”), managing contractor resources, filing Annual DOT filings, and various other activities related to supporting the continued safe operation of our natural gas systems.

Q. WHAT IS YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE?

A. I earned a Bachelor of Science degree in Mechanical Engineering from Mississippi State University in 1994. I am a Registered Professional Engineer in the State of Mississippi. I have been employed by Atmos Energy for 30 years. During my time at Atmos Energy I

1 have held engineering and operation positions of increasing responsibility in Atmos
2 Energy's Mississippi Division (Engineer 1995-1999, Operations Supervisor 1999-2003,
3 and Senior Engineer 2003-2005), Mid-TX Division (Engineering Manager 2005-2007),
4 and Louisiana Division (Engineering Manager 2007-2016, VP of Technical Services 2016-
5 present). I have served on a variety of teams at Atmos Energy, including chairing the
6 Engineering Managers Team and serving on the initial DIMP (Distribution Integrity
7 Management Program) Team that was responsible for writing our initial procedures and
8 developing processes to meet this important PHMSA regulation. In addition, I have served
9 as a senior sponsor on the Compliance Managers team, Engineering Managers Team,
10 Safety Managers team, Damage Prevention team, and other teams during my time as VP
11 of Technical Services. My engineering and construction departments have been
12 responsible for managing the SIIP since its inception in 2014.

13 **Q. HAVE YOU EVER TESTIFIED BEFORE THIS COMMISSION OR OTHER**
14 **PUBLIC UTILITY SERVICE COMMISSIONS?**

15 A. Yes.

16 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

17 A. The purpose of my testimony is primarily to explain how Atmos Energy has executed its
18 System Integrity Investment Program ("SIIP") during the term of the current Rate
19 Stabilization Clause ("RSC") and support continuation of the current pace. I also explain
20 why this continuation requires an increase in the three-year budget for planned specific
21 SIIP projects to reflect increasing costs over that time period.

1 **Q. DO YOU HAVE ANY EXHIBITS?**

2 A. No.

3 **II. DESCRIPTION OF CURRENT SIIP PARAMETERS IN THE RSC**

4 **Q. WHAT IS SIIP?**

5 A. SIIP is a capital program initiated to accomplish Atmos Energy’s response to federal and
6 state safety regulations through a proactive risk-based systematic assessment and
7 remediation of its distribution facilities in Louisiana. The Company did not originally
8 construct the majority of its system in Louisiana, and, with Commission approval and
9 annual oversight, the Company has been and is replacing and updating the systems
10 constructed by its predecessors through the SIIP. The Commission first reviewed the
11 purpose of the SIIP and authorized updates to our RSC tariff to facilitate the acceleration
12 of the Company’s safety projects in LPSC Order No. U-32987 (“First SIIP Order”). Since
13 the program was originally approved by the Commission in 2014, the Company has
14 included with its annual RSC filings both the detail on its safety expenditures for the prior
15 year and forecasts on expected future safety expenditures.

16 **Q. HAVE THERE BEEN ANY CHANGES IN THE RSC TARIFF SINCE 2014**
17 **REGARDING SIIP?**

18 A. Yes. The Stipulated Settlement Term Sheet approved on Docket’s U-35937 and U-36658,
19 updated the terms of the RSC and provided some additional parameters therein regarding
20 Atmos Energy’s SIIP for the historical test periods of CY2023 through CY2025. In those
21 dockets, it was helpful to the LPSC Staff and Atmos Energy to discuss the SIIP investment
22 in three separate categories.

1 Category 1 is “Risk based Specific Safety Projects.” Category 1 projects are to
2 address safety hazards and PHMSA requirements through pre-planned projects on Atmos
3 Energy’s system. LPSC Staff and Atmos Energy agreed to define in the RSC tariff the
4 total budget that could be recovered for these Risk based Specific Safety Projects over the
5 three-year term of the RSC as \$322,000,000. Atmos Energy confirmed that this amount
6 would support an appropriate pace of planned replacement projects known at that time to
7 proactively address relative risk on the Louisiana system.

8 Category 2 is “Functional Safety Projects and Work.” Category 2 projects are to
9 address safety hazards and PHMSA requirements through functional, programmatic
10 activities on Atmos Energy’s systems. Category 2 includes functional, programmatic
11 spending only and cannot include specific, pre-planned projects that are properly included
12 in Category 1.

13 Category 3 includes investment for facility relocations required by federal, state, or
14 local government projects. In recognition of the nature of this work, there is no cap on
15 recovery for Category 2 or Category 3.

16 **Q. ARE THERE ANY REPORTING REQUIREMENTS CURRENTLY IN PLACE**
17 **REGARDING SIIP?**

18 A. Yes. The Settlement in 2024 stipulated Atmos Energy would submit two reports for the
19 work completed each calendar year. Beginning in 2024, a report of proposed SIIP work
20 for calendar year 2024, including budgeted costs was submitted by June 15, 2024.
21 Beginning in 2025, Atmos Energy began providing an annual variance report by March 31
22 that shows actual expenditures and explains any material variances from the filed budget.

III. EXECUTION OF SIIP – CY2023-CY2025

1
2 **Q. FOR CY2023-CY2025, DID ATMOS ENERGY EXECUTE THE SIIP AS**
3 **PLANNED?**

4 A. Yes. Atmos Energy planned its Category 1 Projects to replace the highest relative risk
5 assets across the Louisiana system. Atmos Energy entered into long-term Master Service
6 Agreements with qualified contractors with natural gas experience, so the skilled
7 workforce was available locally at competitive rates. We replaced approximately 380
8 miles of distribution main over that time period, in addition to other distribution facilities
9 that warranted replacement based upon relative risk assessments. Ultimately, the actual
10 capital expenditures over the three-year period totaled approximately \$308 million, with a
11 compound annual growth rate of about 5.10 percent per year. In other words, the costs
12 increased each year of this three-year period by about 5.10 percent on average.

13 **Q. HOW DOES ATMOS ENERGY DEFINE PACE FOR PIPE REPLACEMENT?**

14 A. When discussing Atmos Energy's SIIP, it is helpful to think about the pace of replacement
15 as being determined by the resources (qualified crews, available materials, and logistical
16 considerations) necessary to accomplish capital work to address relative risk that are
17 planned to be completed in a year rather than a calculation of number of miles of assets
18 replaced. The size, material, and location of an asset will drive the cost of the work. For
19 example, replacing 2-inch, vintage plastic pipe in the Town of Many is a type of project
20 that requires less resources (time, labor, and materials) to complete than the 12" HDPE
21 installed to replace 18-inch vintage steel pipe joined with dresser couplings in downtown
22 Gretna.

1 **Q. WAS ATMOS ENERGY ABLE TO COMPLETE ITS PLANNED CATEGORY 1**
2 **PROJECTS SUCCESSFULLY OVER THIS 3-YEAR PERIOD?**

3 A. Yes. Atmos Energy accurately determined the resources needed to complete the planned
4 projects and had the appropriate number of experienced and qualified crews available to
5 do the work. We also effectively planned for the materials that would be needed through
6 our procurement process, including materials with long lead times. Another consideration
7 that Atmos Energy properly managed during this period is the impact on the public rights
8 of way and the need for coordination and planning with cities and towns within which
9 Atmos Energy operates. Consideration must be given to a city's ability to grant permits,
10 allow for road closures, and disrupt residents. The municipalities in which our projects took
11 place were satisfied with how we conducted our work in a manner that did not overly
12 impact traffic patterns or other inconveniences to the cities or their residents and
13 businesses. Ultimately, the cost of the completed projects totaled \$308 million, or \$14
14 million less than the budget authorized by the Commission for recovery through the RSC.
15 This difference was primarily due to timing of the completion of projects that had not yet
16 been placed in service by December 31, 2025.

17 In order to be cost effective, Atmos Energy enters into long-term Master Service
18 Agreements with qualified contractors so that the skilled workforce will be available
19 locally at competitive rates to complete this specialized work. There is a ramp up period
20 to develop the number of crews needed to complete this work. Once the crews are in place,
21 it is in the public interest to continue to use those crews at a steady pace to complete needed
22 work. In Atmos Energy's experience, it is not possible to drastically increase and decrease
23 qualified crews on a regular basis, and it is also not cost effective to do so. Further, as the

1 section below regarding inflation demonstrates, this industry historically has experienced
2 a very high rate of inflation. Therefore, delaying a project just one year means that it will
3 cost significantly more in the future than it would by doing it now.

4 **IV. CONTINUATION OF RSC SIIP PROVISIONS – CY2026-CY2028**

5 **Q. BASED ON THE FOREGOING, WHAT IS ATMOS ENERGY REQUESTING IN**
6 **THIS RSC RENEWAL WITH REGARD TO SIIP?**

7 A. Atmos Energy is requesting to renew the RSC with substantially the same terms regarding
8 SIIP. The only requested change is to set the three-year investment amount on Category 1
9 “Risk based Specific Safety Projects” from \$322 million to \$357 million.

10 **Q. HOW DID ATMOS ENERGY ARRIVE AT \$357 MILLION AS THE**
11 **APPROPRIATE AMOUNT FOR CATEGORY 1 PROJECTS?**

12 A. First, as described above, Atmos Energy believes that maintaining the current amount of
13 resources dedicated to these Category 1 “Risk based Specific Safety Projects” is
14 appropriate, as this pace has worked well over the last three years. Second, Atmos Energy
15 looked at the average annual growth rate of the capital expenditures in this category, which
16 was approximately 5.10 percent. Since the resources dedicated to these projects remained
17 roughly at the same level in terms of number of crews, the year-over-year increase was
18 primarily a result of inflationary pressures on the costs of construction. Assuming a similar
19 annual growth rate based on inflationary pressures in 2026-2028, Atmos Energy began
20 with the \$308 million of actual expenditures from 2023-2025 and applied an average
21 annual growth rate of 5.10 percent, which is approximately \$357 million.

22 Next Atmos Energy compared this amount to the estimated costs of
23 currently identified Risk based Specific Safety Projects for completion over that three-year

1 time frame. While that list of projects will continue to be updated based on ongoing risk
2 assessments, Atmos Energy determined that the costs of planned projects roughly aligns
3 with the \$357 million calculated using the 5.10 percent average annual growth rate.

4 **Q. IS THIS ANNUAL GROWTH RATE CONSISTENT WITH DATA REGARDING**
5 **INFLATIONARY PRESSURES ON PROJECT COSTS DUE TO MATERIALS,**
6 **LABOR, AND OTHER INPUTS?**

7 A. Yes. For example, the Bureau of Labor Statistics producer price indices for pipeline
8 transportation (PCU486210) and for steel pipe and tubular products (WPU10170652) have
9 shown multi-year increases reflecting material and fabrication cost pressure.¹ Similarly,
10 the Producer Price Index for plastic products spiked in 2021-2022 and has remained
11 roughly 20-30 percent above pre-2021 levels through 2023-2025, demonstrating sustained
12 material cost pressure for plastic components.² Additionally, construction cost indices
13 document sustained labor and onsite construction inflation over the past three years.³
14 Additionally, the latest wage index is 4.84 percent higher than the previous year's index.⁴

15 **V. CONCLUSION**

16 **Q. DO YOU HAVE ANY CLOSING STATEMENTS?**

17 A. Atmos Energy's vision to be the safest provider of natural gas services is what drives
18 everything we do. The terms of the RSC over the past three years have supported

1 See generally: Producer Price Index by Commodity: Metals and Metal Products: Steel Pipe and Tube, Carbon. (Updated Jan. 30, 2026). Stlouisfed.org. <https://fred.stlouisfed.org/series/WPU10170652>; see also Producer Price Index by Industry: Pipeline Transportation of Natural Gas: Primary Services. (Updated Jan. 30, 2026). Stlouisfed.org. <https://fred.stlouisfed.org/series/PCU486210486210P>

2 Producer Price Index by Commodity: Rubber and Plastic Products. (2025). Stlouisfed.org. <https://fred.stlouisfed.org/series/WPU07#> (Retrieved January 30, 2026).

3 Zevin, A. (2023, March 29). *2023 1Q Cost Report: Materials Costs Remained Elevated Overall at Year's End*. Enr.com; Engineering News-Record. <https://www.enr.com/articles/56182-2023-1q-cost-report-materials-costs-remained-elevated-overall-at-years-end>. Retrieved January 30, 2026.

4 Social Security Administration. (2023). *National Average Wage Index*. www.ssa.gov. <https://www.ssa.gov/OACT/COLA/AWI.html> (Retrieved January 30, 2026).

1 improvement through the steady, systematic replacement and modernization of our
2 distribution system. These terms have also balanced system safety and reliability with
3 affordability. It is in the public interest to continue the RSC using these terms with the
4 budget for Category 1 Risk based Specific Safety Projects of \$357 million over the three-
5 year period.

6 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

7 **A.** Yes.

**BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION**

ATMOS ENERGY CORPORATION
ex parte

DOCKET NO. _____

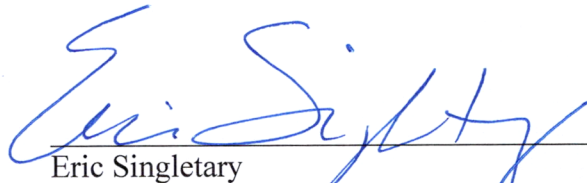
In Re: Application of Atmos Energy Corporation for Renewal of Rate Stabilization Clause Rider.

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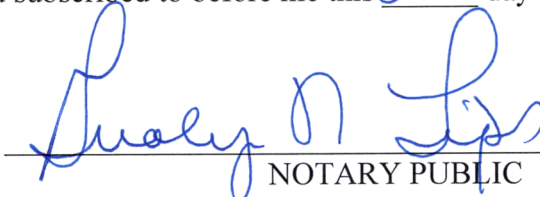
STATE OF LOUISIANA

PARISH OF ST. TAMMANY

I, Eric Singletary, Vice President of Technical Services for Atmos Energy Corporation – Louisiana Division, being duly sworn, do hereby state that all representations contained in my Direct Testimony are true and accurate to the best of my knowledge, information, and belief.


Eric Singletary
Vice President, Technical Services, Atmos
Energy, Louisiana Division

Sworn and subscribed to before me this 2ND day of February, 2026.



NOTARY PUBLIC

My Commission expires: WITH LIFE

GERALYN N. LIPS
Notary Public - State of Louisiana
Notary ID Number 134206