

**IN THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

IN RE: PETITION TO OPEN AN	)	Filed Electronically in Docket Office on 06/02/06
INVESTIGATION TO DETERMINE	)	
WHETHER ATMOS ENERGY CORP.	)	
SHOULD BE REQUIRED BY THE TRA	)	Docket No. 05-00258
TO APPEAR AND SHOW CAUSE THAT	)	
ATMOS ENERGY CORP. IS NOT	)	
OVEREARNING IN VIOLATION OF	)	
TENNESSEE LAW AND THAT IT IS	)	
CHARGING RATES THAT ARE JUST	)	
AND REASONABLE	)	

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**Atmos Energy Corporation's Objections to  
Atmos Intervention Group's First Round of Discovery**

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Pursuant to the May 25, 2006 Order Granting Interventions and Setting Procedural Schedule in this docket, Atmos Energy Corporation ("Atmos" or the "Company") files these Objections to Atmos Intervention Group's First Round of Discovery to Atmos Energy Corporation.

**I. GENERAL OBJECTIONS.**

Atmos objects generally to any definitions or instructions to the extent they are inconsistent with the *Tennessee Rules of Civil Procedure*. Accordingly, Atmos will respond consistent with and to the extent required by the *Tennessee Rules of Civil Procedure*. Atmos further objects to these discovery requests to the extent they seek information which is beyond the scope of legitimate discovery in this proceeding, is duplicitous or redundant of information sought pursuant to the AIG, Consumer Advocate and Staff's joint discovery request, or subject to the attorney-client privilege or attorney work product doctrines. These General Objections shall be deemed to be continuing and incorporated throughout Atmos' responses to specific requests which follow,

even if not specifically referenced therein. The statement of additional objections to specific requests shall not constitute a waiver of these General Objections.

## **II. OBJECTIONS TO DISCOVERY RESPONSES.**

1. Provide an income statement for the 12 months ended September 30, 2005 and December 31, 2005 and balance sheet at September 30, 2005 and December 31, 2005 for each state regulated utility owned or operated by Atmos. Also provide an income statement for the 12 months ended September 30, 2005 and December 31, 2005 and a balance sheet at September 30, 2005 and December 31, 2005 for each unregulated affiliate of Atmos. Finally, aggregate and reconcile the individual income statements and balance sheets referred to above with the consolidated income statement and balance sheet contained in the Company's most recent stockholder's annual report.

**OBJECTION:** Atmos objects to that portion of Request No. 1 seeking income statements and balance sheets for each unregulated affiliate of Atmos on the grounds that portion of Request No. 1 seeks confidential and trade secret information protected by Tennessee law, is overly broad, unduly burdensome, not reasonably calculated to lead to the discovery of relevant information, and thus beyond the scope of legitimate discovery in this proceeding.

2. In order for the TRA to verify the Company's gas sales, identify and provide the monthly sales volumes by rate classification for each of the Company's 50 largest Tennessee customers from January 1, 2003 through December 31, 2005. Also provide a contact person, telephone number and mailing address for each customer identified. Finally provide copies of all correspondence, other than billing statements, and notes of discussions or meetings with these customers concerning gas usage or rates between January 1, 2004 through May 1, 2006.

**OBJECTION:** Atmos objects to this request on the grounds that the request seeks confidential and trade secret information protected by Tennessee law, and further that to the extent the request exceeds the customer information required by the Minimum Filing Requirements, the request is overbroad and unduly burdensome and not reasonably calculated to lead to the discovery of relevant information and is thus beyond the scope of legitimate discovery in this proceeding.

3. Provide a copy of the Company's current asset management contracts applicable to Tennessee.

**OBJECTION:** Atmos objects to this request on the grounds the request seeks confidential and trade secret information protected by Tennessee law, and further that the request is not reasonably calculated to lead to the discovery of relevant information and is thus beyond the scope of legitimate discovery in this proceeding. This docket was convened "for the purpose of establishing a fair and reasonable return for Atmos." (Transcript of May 15, 2006 TRA Agenda Conference, p. 24.) This request seeks information related to gas costs, specifically, pipeline capacity and storage charges and other similar costs. Pursuant to the TRA's Purchased Gas Adjustment ("PGA") Rule, these costs have no bearing on Atmos' rates, but are instead regulated through the PGA filings and the annual Actual Cost Adjustment ("ACA") audits by TRA staff. Atmos further objects to this request on the grounds it is inconsistent with the TRA's Orders in the Company's PBR docket, Docket No. 97-01364, which waives the requirement of a prudency audit for each year the PBR is in effect, and with the TRA's order in Docket No. 05-00253, the Company's most recent ACA audit docket.

4. Provide a copy of the latest Request for Proposal (“RFP”) that was issued by the Company for the management of the Company’s Tennessee pipeline and storage assets and procurement of gas. Provide a copy of all responses to the Company’s latest RFP.

**OBJECTION:** Atmos objects to this request on the grounds the request seeks confidential and trade secret information protected by Tennessee law, and further that the request is not reasonably calculated to lead to the discovery of relevant information and is thus beyond the scope of legitimate discovery in this proceeding. This docket was convened “for the purpose of establishing a fair and reasonable return for Atmos.” (Transcript of May 15, 2006 TRA Agenda Conference, p. 24.) This request seeks information related to gas costs, specifically, pipeline capacity and storage charges and other similar costs. Pursuant to the TRA’s Purchased Gas Adjustment (“PGA”) Rule, these costs have no bearing on Atmos’ rates, but are instead regulated through the PGA filings and the annual Actual Cost Adjustment (“ACA”) audits by TRA staff. Atmos further objects to this request on the grounds it is inconsistent with the TRA’s Orders in the Company’s PBR docket, Docket No. 97-01364, which waives the requirement of a prudency audit for each year the PBR is in effect, and with the TRA’s order in Docket No. 05-00253, the Company’s most recent ACA audit docket.

5. Provide a copy of the Company’s latest gas supply plan for its Tennessee customers and the reserve margin associated with the peak day demand requirements.

**OBJECTION:** Atmos objects to this request on the grounds the request seeks confidential and trade secret information protected by Tennessee law, and further that the request is not reasonably calculated to lead to the discovery of relevant information and is thus beyond the scope of legitimate discovery in this proceeding. This docket was convened “for the purpose of establishing a fair and reasonable return for Atmos.” (Transcript of May 15, 2006 TRA Agenda

Conference, p. 24.) This request seeks information related to gas costs, specifically, pipeline capacity and storage charges and other similar costs. Pursuant to the TRA's Purchased Gas Adjustment ("PGA") Rule, these costs have no bearing on Atmos' rates, but are instead regulated through the PGA filings and the annual Actual Cost Adjustment ("ACA") audits by TRA staff. Atmos further objects to this request on the grounds it is inconsistent with the TRA's Orders in the Company's PBR docket, Docket No. 97-01364, which waives the requirement of a prudency audit for each year the PBR is in effect, and with the TRA's order in Docket No. 05-00253, the Company's most recent ACA audit docket.

6. Provide a listing of all pipeline and storage assets, along with their related costs, that are contracted for in providing gas supply for Tennessee ratepayers. Please identify the FERC tariff or negotiated costs of each asset and the contract number of each asset.

**OBJECTION:** Atmos objects to this request on the grounds the request seeks confidential and trade secret information protected by Tennessee law, and further that the request is not reasonably calculated to lead to the discovery of relevant information and is thus beyond the scope of legitimate discovery in this proceeding. This docket was convened "for the purpose of establishing a fair and reasonable return for Atmos." (Transcript of May 15, 2006 TRA Agenda Conference, p. 24.) This request seeks information related to gas costs, specifically, pipeline capacity and storage charges and other similar costs. Pursuant to the TRA's Purchased Gas Adjustment ("PGA") Rule, these costs have no bearing on Atmos' rates, but are instead regulated through the PGA filings and the annual Actual Cost Adjustment ("ACA") audits by TRA staff. Atmos further objects to this request on the grounds it is inconsistent with the TRA's Orders in the Company's PBR docket, Docket No. 97-01364, which waives the requirement of a prudency audit

for each year the PBR is in effect, and with the TRA's order in Docket No. 05-00253, the Company's most recent ACA audit docket.

7. From January 1, 2004 to May 1, 2006, provide by month the total number of Tennessee customers served under the Company's Rate 260 transportation rate schedule that also purchase gas from Atmos Energy Marketing LLC ("Atmos Energy Marketing"). Also provide the monthly total volumes and profits realized by Atmos Energy Marketing attributable to transporting these volumes using the Company's regulated pipeline assets. For purposes of questions 7, 8, and 9, the term "regulated assets" refers to those assets which are paid for by the Company's Tennessee customers and the costs of which are recovered through the TRA's Purchased Gas Adjustment rules.

**OBJECTION:** Atmos objects to this request on the grounds the request seeks confidential and trade secret information protected by Tennessee law, and further that the request is not reasonably calculated to lead to the discovery of relevant information and is thus beyond the scope of legitimate discovery in this proceeding. This docket was convened "for the purpose of establishing a fair and reasonable return for Atmos." (Transcript of May 15, 2006 TRA Agenda Conference, p. 24.) This request seeks information related to gas costs, specifically, pipeline capacity and storage charges and other similar costs. Pursuant to the TRA's Purchased Gas Adjustment ("PGA") Rule, these costs have no bearing on Atmos' rates, but are instead regulated through the PGA filings and the annual Actual Cost Adjustment ("ACA") audits by TRA staff. Atmos further objects to this request on the grounds it is inconsistent with the TRA's Orders in the Company's PBR docket, Docket No. 97-01364, which waives the requirement of a prudency audit for each year the PBR is in effect, and with the TRA's order in Docket No. 05-00253, the Company's most recent ACA audit docket. This request also seeks confidential and proprietary

information regarding a non-party to this proceeding which is not relevant hereto nor reasonably calculated to lead to the discovery of relevant information.

8. From January 1, 2004 to May 1, 2006, provide the total monthly volumes and profits realized by Atmos Energy Marketing on sales to non-jurisdictional customers attributable to transporting this gas using the Company's regulated pipeline assets.

**OBJECTION:** Atmos objects to this request on the grounds the request seeks confidential and trade secret information protected by Tennessee law, and further that the request is not reasonably calculated to lead to the discovery of relevant information and is thus beyond the scope of legitimate discovery in this proceeding. This docket was convened "for the purpose of establishing a fair and reasonable return for Atmos." (Transcript of May 15, 2006 TRA Agenda Conference, p. 24.) This request seeks information related to gas costs, specifically, pipeline capacity and storage charges and other similar costs. Pursuant to the TRA's Purchased Gas Adjustment ("PGA") Rule, these costs have no bearing on Atmos' rates, but are instead regulated through the PGA filings and the annual Actual Cost Adjustment ("ACA") audits by TRA staff. Atmos further objects to this request on the grounds it is inconsistent with the TRA's Orders in the Company's PBR docket, Docket No. 97-01364, which waives the requirement of a prudence audit for each year the PBR is in effect, and with the TRA's order in Docket No. 05-00253, the Company's most recent ACA audit docket. This request also seeks confidential and proprietary information regarding a non-party to this proceeding which is not relevant hereto nor reasonably calculated to lead to the discovery of relevant information.

9. From January 1, 2004 to May 1, 2006, provide the total monthly profits realized by Atmos Energy Marketing that are attributable to the management of the Company's regulated storage assets.

**OBJECTION:** Atmos objects to this request on the grounds the request seeks confidential and trade secret information protected by Tennessee law, and further that the request is not reasonably calculated to lead to the discovery of relevant information and is thus beyond the scope of legitimate discovery in this proceeding. This docket was convened “for the purpose of establishing a fair and reasonable return for Atmos.” (Transcript of May 15, 2006 TRA Agenda Conference, p. 24.) This request seeks information related to gas costs, specifically, pipeline capacity and storage charges and other similar costs. Pursuant to the TRA’s Purchased Gas Adjustment (“PGA”) Rule, these costs have no bearing on Atmos’ rates, but are instead regulated through the PGA filings and the annual Actual Cost Adjustment (“ACA”) audits by TRA staff. Atmos further objects to this request on the grounds it is inconsistent with the TRA’s Orders in the Company’s PBR docket, Docket No. 97-01364, which waives the requirement of a prudency audit for each year the PBR is in effect, and with the TRA’s order in Docket No. 05-00253, the Company’s most recent ACA audit docket. This request also seeks confidential and proprietary information regarding a non-party to this proceeding which is not relevant hereto nor reasonably calculated to lead to the discovery of relevant information.



Respectfully Submitted,

BAKER, DONELSON, BEARMAN  
CALDWELL & BERKOWITZ

A handwritten signature in black ink, appearing to read "M. Kelley", is written over a horizontal line.

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Attorneys for Atmos Energy Corporation

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing has been e-mailed or faxed and mailed to the following parties of interest this 2nd day of June, 2006.

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