

Before the

TENNESSEE REGULATORY AUTHORITY

IN RE:

PETITION OF TENNESSEE - ATMOS ENERGY COPORATION

DOCKET NO. 05-00258

**REBUTTAL TESTIMONY
OF
MICHAEL D. CHRYSLER**

August 18, 2006

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE**

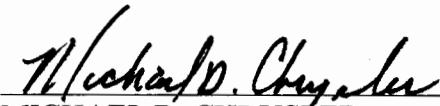
IN RE: ATMOS ENERGY COPORATION

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DOCKET NO. 05-00258

AFFIDAVIT

I, Michael D. Chrysler, Regulatory Analyst, for the Consumer Advocate Division of the Attorney General's Office, hereby certify that the attached Rebuttal Testimony represents my opinion in the above-referenced case and the opinion of the Consumer Advocate Division.

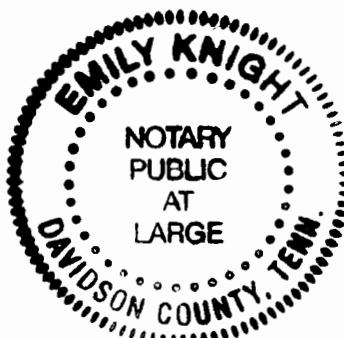

MICHAEL D. CHRYSLER

Sworn to and subscribed before me
this 17th day of August, 2006.



NOTARY PUBLIC

My commission expires: Sept. 22, 2007



My Commission Expires SEPT. 22, 2007

CAPD Rebuttal Testimony - Michael D. Chrysler

August 18, 2006

- 1 **Q.** **What is the scope and purpose of your rebuttal testimony?**
- 2 **A.** My testimony represents the views of the Consumer Advocate and Protection
3 Division (CAPD) regarding certain Operating Processes and Procedures of
4 ATMOS and rebuts the testimony filed by Ms. Childers and Mr. Paris.
- 5 **Q.** **Please provide a summary of your testimony.**
- 6 **A.** The following testimony provides an overview of the company's operating
7 perspective since last reviewed in general rate proceedings as "United Cities Gas
8 Company". The perspective covers: 1) a proposal for achieving replacement of
9 the approximate 85 miles of bare steel without the need for an additional tracking
10 mechanism; 2) a proposal for requesting ATMOS to report monthly regarding
11 certain pre-determined service metrics covering a cross section of the operating
12 functions including: Call Center (Customer Service) operations, Field Services,
13 Construction, and Meter Services; 3) requesting an investigation of ATMOS shut
14 off operating procedures in view of the potential high energy costs this
15 forthcoming heating season in the spirit of the mitigation strategies in TRA
16 Docket 05 - 00281; 4) establishment of a TRA order regarding third- party billing
17 on Tennessee Regulated energy and water utilities and the responsibilities of the
18 utility's currently billing for third parties without TRA approval to insure
19 customer protections; and 5) analysis of customer service issues.

1

1. Bare Steel Pipeline Replacement:

2 **Q. Please address the issues regarding completion of the bare steel mains in**
3 **Tennessee**

4 A. ATMOS has approximately 85 miles of bare steel pipe in various states of
5 condition. Replacement quantity of the pipe has taken place through negotiations
6 between the TRA Gas Pipeline Safety Division and ATMOS and reflects the
7 operational priorities of the utility, as exhibited by the varying lengths of pipe
8 replaced on CAPD Rebuttal MDC-1. From 1997 to 2004, the company (ATMOS
9 and United Cities) replaced from 6,403 to some 44,658 feet per year of main.

10 **Q. Do the Operational Priorities for bare steel replacement vary between the**
11 **utilities in Tennessee?**

12 A. Yes, ATMOS, Chattanooga Gas, and Nashville each had about 100 miles of bare
13 steel pipe as presented in my exhibits in the CGC 04-00034 docket in 2004. Since
14 that time, Nashville Gas made a management decision to complete the
15 replacement of their approximate 90 miles of main in one year, Chattanooga Gas
16 has 82 miles¹ of main and ATMOS approximately 85 miles remaining to be
17 replaced.

18 **Q. What is your recommendation regarding the remaining unprotected bare**
19 **steel pipe of ATMOS in Tennessee?**

20 A. My recommendation is that the TRA mandate the replacement of the approximate

¹ Testimony of Richard Lonn in TRA Docket 06-00175, p.2

1 85 miles of remaining bare steel pipe (at a rate of 45,000 feet per year) in keeping
2 with the 45,000 feet being replaced in fiscal year 2006 following discussions
3 between ATMOS and the Gas Pipeline Safety Division of the TRA (**CAPD**
4 **MDC Exhibit BS 2**). The 45,000 feet per year mandate would equate to a 10-
5 year replacement completion of all bare steel pipe (**CAPD Exhibit MDC AA**).
6 Further, this recommendation fits the response by ATMOS to my CAPD Data
7 Request #1, Part II, 4 (**CAPD MDC Exhibit BS1**): “Please provide the expected
8 miles of Bare Steel/Cast Iron gas mains and services per year until all such mains
9 and services are replaced in Tennessee.” ATMOS response: “In TN jurisdiction
10 Company projects to replace approximately 45,000 ft. of bare steel over the next
11 10-year period.”

12 **Q. Is your proposal viable for ATMOS?**

13 A. Yes, as referenced previously, the forecasted replacement reflects the discussions
14 between the TRA Pipeline Safety Division and ATMOS and memorialized in my
15 exhibit, (CAPD Exhibit MDC BS 2) to replace 45,000 feet of bare steel pipe in
16 FY 2006 with an estimated annual cost of approximately \$1.3 million. (See
17 attached Rebuttal Exhibit MDC-1). Also, the Company itself acknowledges that
18 it plans to replace 45,000 feet of pipe annually for the next ten years. My proposal
19 simply requests the Authority to formalize this commitment through the orders
20 that it enters in this docket.

21 **Q. How would the bare steel replacement schedule work?**

22 A. As the current practice, the TRA Gas Pipeline Safety Staff would meet in

1 consultation with company officials and develop an annual replacement schedule
2 of 8.5 miles per year with specific replacement projects prioritized on the analysis
3 of the system needs.

4 **Q. Do you have an opinion regarding the appropriateness of the recovery of**
5 **Pipeline Replacement Costs?**

6 A. As will be discussed by CAPD witness Mr. Buckner, the Consumer Advocate and
7 Protection Division is using ATMOS provided replacement costs of \$1,455,000
8 for FY 2006 (*vs. \$1.3 million proposed to the TRA on 4/21/06*) and \$1,800,000 for FY
9 2007.

10 **Q. Has Nashville Gas completed its replacement of bare steel pipe?**

11 A. Yes.

12 **Q. Did Nashville Gas use a tracker?**

13 A. No. Nashville Gas was able to complete its replacement program without the use
14 of a tracker in 2005. We believe that ATMOS can too.

15 **Q. Do you have an opinion regarding ATMOS' Recovery Tracker?**

16 A. From the CAPD perspective, please review the attached chart (CAPD Rebuttal
17 MDC - 2) from Dr. Brown's initial filing reflected in column "ATMOS R.O.E. In
18 TN" indicating the returns by ATMOS compared with the miles of pipe replaced.
19 There is no correlation between replacement and return by the Company. The
20 CAPD is alleging overearnings of over \$12 million annually. Further, according
21 to ATMOS' own records (as reflected in my Rebuttal Exhibit 1), ATMOS has
22 replaced \$4,034,617 in pipe (replacing 151,376 feet of pipe) during the past 8-

1 years without the need for a tracker. Further, according to Dr. Brown's testimony
2 (CAPD Rebuttal MDC - 2) that during those 8 years, ATMOS continued to over
3 earn in Tennessee. ATMOS should have no difficulty adequately absorbing the
4 modest annual depreciation and interest costs associated with main replacement
5 costs while continuing to maintain adequate returns. However, ATMOS would
6 continue to have the option of utilizing traditional ratemaking principles should
7 any additional revenues be necessary.

8

2. Service Metrics:

9 **Q. Could you summarize the CAPD proposal for Service Metrics and**
10 **Reporting?**

11 A. Yes, consumers need the assurance of service quality commitment and reporting
12 on a going forward basis. The need for regulators and utility commitment to
13 Service Quality is referenced by the NASUCA Resolution: "Minimum Service
14 Quality Standards Resolution" identified in CAPD EXHIBIT MDC SQ which I
15 sponsored as Chair of the NASUCA Consumer Protection Committee. The TRA
16 should adopt the proposed service metrics identified in CAPD Exhibits CS, SD,
17 DC, And MS and request the company report on a monthly basis.

18 **Q. Is it true that ATMOS and other Tennessee utilities internally report**
19 **functions (service quality reporting) on a regular basis?**

20 A. Yes, in response to CAPD Second Discovery Requests, "ATMOS does maintain
21 Call Center metrics and has provided this information to the TRA upon request.

1 We believe our metrics in this area are some of the best in the industry”².

2 Certainly Tennessee consumers, and the CAPD should have access to the reported
3 statistics to these metrics.

4 **Q. Why do other functions besides the Call Center need to report performance
5 in keeping with established metrics?**

6 A. Call Center service metrics are important but only encompass one aspect of the
7 utility business. Other service functions need to report performance based on
8 metrics applicable to their functions; i.e., Field Services, Meter Reading, and
9 Construction are areas that also need to report performance so that the Company
10 can objectively report service levels to their customers, the Authority, and
11 interested parties.

12 **Q. Do you have an opinion about the frequency that ATMOS should report the
13 service metrics in your proposal?**

14 A. Yes, ATMOS responses (as reflected on CAPD Exhibits CS, SD, CD, MS)
15 indicate that the Company could regularly respond to most of the metrics
16 proposed. We urge the Authority to adopt service metrics and ask that they be
17 reported monthly. As bills get larger and larger and as service reliability questions
18 arise, coupled with out-of-state and out-of-the country service moves, service
19 metrics and reporting will help assure that the Company’s service commitment
20 remains at an acceptable level.

21
2 ATMOS response to CAPD data request #2, Part III, Q. 12, 3 p. 15

3. Shut off Procedures:

2 Q. Why is the Consumer Advocate and Protection Division requesting a TRA
3 Investigation of ATMOS' Shutoff Procedures?

ATMOS supplied guidelines consistent with the discussions by the three regulated gas utilities and the Directors of the Tennessee Regulatory

³Gas Companies Monthly Terminations and budget Billing Customers, October 2005 - March 2006 including prior Year Information 05-00281, TRA website 4/26/06

1 *Authority. Customers were allowed to roll in arrears and enter the*
2 *budget billing program during the winter season to avoid disconnection.*
3 *Disconnections were made only after customers defaulted on leniency in*
4 *the Company's policy. ATMOS would not have any information on*
5 *Chattanooga Gas Company's and/or Piedmont Natural Gas Company's*
6 *operations with regards to disconnect this past winter season and is*
7 *unable to provide any explanation as to the differences in % of*
8 *disconnections by one utility to the other.*

10 *It has always been the Company's practice to communicate with its*
11 *customers in the fall and throughout the winter about the potential cost*
12 *of natural gas. In addition to news releases, bill inserts, etc. We also*
13 *print message lines promoting conservation and/or to encourage budget*
14 *billing. In special circumstances, the Company will allow payment*
15 *arrangements to avoid disconnection. (CAPD Data Request #1,15)*

17 **Q. What is your concern with respect to shut offs for low-income ATMOS**
18 **customers for the forthcoming heating season?**

19 A. The Company response indicates its failure to adequately develop management
20 procedures in keeping with the “mitigation spirit” to assist low-income customers
21 last Fall. If the Company is unable to improve on its performance from last
22 heating season, the TRA needs to fill the gap. Consumers served by ATMOS
23 need every opportunity to keep the heat on this Winter and disconnections need to
24 fall in concert with the statistics exhibited by CGC and Nashville Gas.

25 **4. Third-Party Billing:**

26 **Q. Why is the CAPD calling for rules for Third-Party Billing?**

27 A. ATMOS has billed⁴ Tennessee consumers for a third party's non-utility related
28 charges since 2001. Since there was no filing by the Company, the TRA may not

⁴ CAPD Exhibit MDC MI, filed with MDC Direct Testimony (ATMOS response to CAPD Data Request #1, Part II, Q. 13 & 14)

1 even know of the billing practice, the extent in Tennessee, or the nature of any
2 problems facing Tennessee consumers.

3 **Q. Can you provide a brief summary of the billing for third parties by ATMOS**
4 **in Tennessee?**

5 A. Yes, currently, ATMOS is billing⁵ 518 Tennessee consumers for “Auto Club,”
6 “Home Protection” and “Shop at Home” charges from \$5.99 to \$9.99 per month,
7 amounting to some \$46,000 per year.

8 **Q. What are the issues facing Tennessee consumers, the TRA, and interested**
9 **parties?**

10 A. The CAPD has the following concerns:

11 1) Tennessee rate payers have charges for non-utility, non-regulated service
12 included on their ATMOS bill.

13 2) Since no filing of the practice was made by ATMOS, the details of these
14 third-party billing arrangements have never been examined.

15 3) ATMOS does not independently verify customer approval before placing
16 the charge on the gas bill.

17 4) Charges placed on the bill may not be understood or authorized by the
18 billed customer.

19 5) If the billed customer has a question about the charge, ATMOS will not
20 answer the customer and will direct the customer to an “800” number.

21 6) The customer will have to call an “800” number and have the biller

⁵ Ibid

1 request removal from the ATMOS bill.

2 7) An accounting for any fees charged by ATMOS for its Third-Party billing
3 service has not been conducted.

4 **Q. Should the TRA take any action regarding third-party billing?**

5 A. Yes. The TRA should open a docket and conduct an in-depth investigation of this
6 practice. The Authority should assure proper customer protections, and require
7 advanced approval of Third party billing arrangements, and treat any revenues
8 from such activities as regulated revenues.

9 **5. Customer Service Issues:**

10 **Q. Do you have rebuttal comments to Mr. Paris' pre-filed testimony?**

11 A. Yes, Mr. Paris comments: "there have been a number of statements made
12 previously in this docket and publicly that has incorrectly implied that the
13 Company closed local offices and/or reduced the number of local employees as a
14 result of a 1997 merger with ATMOS".⁶

15 **Q. Has ATMOS closed local office and/or reduced the number of employees
16 since the 1997 merger?**

17 A. That depends on how one defines "closed" and what "employees" mean?

18 **Q. Can you give an example?**

19 A. Yes, ATMOS suggests that it has local offices in 10 separate locations to serve its
20 Tennessee customers. These offices include: Union City, Franklin, Columbia,

⁶ Prepared Direct Testimony of John Paris On Behalf of ATMOS Energy Corporation., p.6

1 Shelbyville, Murfreesboro, Maryville, Morristown, Johnson City, Greenville, and
2 Bristol⁷. However, in response to CAPD Data Request #2, Part III, 10(a) John
3 Paris stated: "Please see the responses to the several related questions above that
4 ask about our Murfreesboro Office. The company has not closed any local office
5 in Murfreesboro."

6 Using Murfreesboro as an example, of the 13 employees/job
7 functions reduced since 1997, 6 were Customer Service agents
8 who answered telephones, took payments, etc. - functions that have
9 been replaced by our 24/7 Customer Support Center or by the four
10 payment centers in Murfreesboro. 4 more of these 13 were
11 associated with appliance installations, (another non-utility-related
12 function of appliance sales we no longer offer.), 2 were
13 construction employees, and 1 was in sales⁸.
14

15 **Q. Is ATMOS saying that they reduced 13 employees in Murfreesboro?**

16 A. Yes, 6 Customer Service Clerks, 4 Servicemen, 2 Construction employees, and 1
17 Salesman.

18 **Q. Could some of those jobs be absorbed by the Call Center or elsewhere?**

19 A. Potentially, the 6 Customer Service Clerks positions (or some portion) may have
20 moved to Texas; however the "field Service Personnel"; i.e., Servicemen,
21 Construction personnel were lost.

22 **Q. What is your analysis of Total Tennessee employees⁹ ?**

23 A. The attached employee level summary by year by State for contiguous states,

⁷ Ibid, p.5,6

⁸ ATMOS response to Second Set of Discovery Requests of the CAPD , Part III, Q10(a) p. 12, 13

⁹ CAPD Rebuttal MDC-5, ATMOS response to CAPD Data Request #1, Part III, Q 12

1 indicate that total ATMOS employees in Tennessee fell by 46% since 1999, from
2 388 to 210 employees.

3 **Q. Are the employees summarized, employees of the utility only?**

4 A. No. The ATMOS employees include employees of the utility and its affiliates.

5 **Q. What is the number of utility employees?**

6 A. Mr. Buckner has used 151 employees in his direct labor price out.

7 **Q. Did the CAPD ask for a monthly reporting reconciliation between the Total
8 employee levels from 1999 to present and the utility employee levels?**

9 A. Yes, the ATMOS response to CAPD Data Request #2, Part V, Q 2: "Please
10 provide a revised response reconciling the two (2) sets of employees (referenced
11 above) by State, By Month, By Year for ATMOS originally provided in response
12 to CAPD Data Request #1, Part H, Question 12". ATMOS response:

13 To clarify, the number given in response to 12 included those
14 employees physically located in TN that work for Mid States, also
15 included are Becky Buchanan and Allen Ashburn, considered
16 shared service out of Dallas, but they are located here. Also are the
17 Gas Control folks which are down in Franklin but are technically
18 shared service and the ATMOS Energy Services folks which are
19 not utility but are located in Franklin as well. In contrast to
20 information provided relative to titles and salaries, that only
21 included UTILITY employees (TN town employees, Cool Springs,
22 Regional offices).

23
24 **Q. Was the 830 Memorial Blvd. office closed?**

25 A. Yes, according to ATMOS response to CAPD Data Request #2¹⁰, "In 1998, 830
26 Memorial Avenue location was closed and these employees and functions were

¹⁰ Ibid, p. 10

moved across the street to the present location on Lokey Avenue.” (Emphasis Added.)

Q. Did the 830 Memorial Avenue have a local number to answer telephone inquiries?

A. Yes, see CAPD Rebuttal MDC Exhibit 4a, 4b¹¹ detailing United Cities Gas Company 1998 phone number for 830 Memorial Blvd. ((615) 893-5544). Thus, gas customers in 1998 were provided with a number that they could call locally for service inquiries, but no local number is provided today.

Q. Can an ATMOS customer call the Lokey Avenue office and get the same service as a walk-in customer?

A. No, there is no published local number.¹² The only published numbers are for the Texas Call Center.

Q. Does the Lokey Avenue office provide the same “in-office” functions that the 1998 Memorial Office provided?

A. No. The current Lokey Avenue office does not field local telephone calls from rate payers (number is unlisted) and will not take payments¹³.

Q. Please describe the services provided at the other Tennessee offices.

A. With the two exceptions (Maryville, TN where we have a separate Customer service center downtown and an Operations Center in another location and in our Division Headquarters in Cool Springs,

¹¹ LaVergne Local Phone White Pages dated January, 1998

¹² CAPD Rebuttal MDC-3 from the current Murfreesboro White Pages

¹³ ATMOS response to Second Set of Discovery Request of the CAPD, PART III, Q6) p.10

1 all of ATMOS' Tennessee offices are places where customers can
2 come in, during normal business hours on week days for all the
3 services listed in the question, except the payment of bills. In all
4 our office locations (exceptions noted) customers may come in and
5 "request new or discontinue service, have questions about their
6 bills answered and corrected¹⁴.
7

8 **Q. Are the services in the other ATMOS Tennessee offices similar to the services**
9 **provided by the Lokey Avenue office in Murfreesboro?**

10 A. Yes, they don't have local phone numbers or take payments. Other services are
11 available to walk-in traffic.

12 **Q. Does ATMOS monitor the quantity of "walk-in" customers in Tennessee?**

13 A. No, in response to CAPD Data Request #1, Part II, Question 6(A)5: "ATMOS
14 does not track customer service walk-ins."

15 **Q. In your opinion are the services provided on the local level the same as that**
16 **provided prior to the merger with United Cities?**

17 A. Without Service Metrics and reporting results for various functions of the
18 business, unbiased analysis of adequate, consistent service levels will be unknown
19 and subject to conjecture. The Authority should therefore order the reporting of
20 service metrics so that service quality issues can be adequately monitored.

21 **Q. Does that complete your rebuttal testimony?**

22 A. Yes, it does.

98177

¹⁴ Ibid, Q2, p. 9

Before the

TENNESSEE REGULATORY AUTHORITY

IN RE:

PETITION OF TENNESSEE - ATMOS ENERGY COPORATION

DOCKET NO. 05-00258

EXHIBITS

August 18, 2006

Pipeline Replacement Schedule
ATMOS Energy
05-00258

CAPD Rebuttal MDC - 1

ATMOS Main Replacement Statistics*

	Pipe Replaced Feet	Miles	Cost Per Ft.	Annual Replacement Cost	Cost Inflation	ATMOS R.O.E. In TN**
1997	44,658	8.458	\$ 25.08	\$ 1,119,984		11.8%
1998	26,616	5.041	25.59	681,129	2.03%	18.3%
1999	8,739	1.655	26.11	228,203	2.03%	8.2%
2000	7,738	1.466	26.65	206,188	2.07%	9.7%
2001	6,403	1.213	27.09	174,097	1.65%	20.7%
2002	14,500	2.746	27.74	402,300	2.40%	20.3%
2003	19,839	3.757	28.31	561,653	2.05%	18.3%
2004	22,883	4.334	28.89	661,063	2.05%	14.2%
2005	51,484	9.751	29.48	1,517,666	2.04%	
2006	44,707	8.467	30.08	1,344,787	2.04%	
2007	60,000	11.364	30.68	1,840,800	1.99%	
1997-2004 average	151,376	3.6	\$ 26.65	\$ 4,034,617	2.04%	
10 yr.avg.	18,922	3.6	26.93	504,327		
	27,961	5.3	27.79	794,352		
Total 10-Year	307,567	58.251	28.41	\$ 8,737,870		

Forecasted Replacement @ 45,000 Feet Per Year

2007	45,000	8.523
2008	45,000	8.523
2009	45,000	8.523
2010	45,000	8.523
2011	45,000	8.523
2012	45,000	8.523
2013	45,000	8.523
2014	45,000	8.523
2015	45,000	8.523
2016	45,000	8.523

Total 10-Year **450,000** **85.227**

*Data Source ATMOS Response to CAPD data request II, Part IV, Question 5

** Dr. Brown's Schedule 7 from initial petition filing in the docket (attached)

Atmos/United Audited Consolidated Capitalization Per Annual SEC 10-K Filings (in thousands of \$)											
	2004 Sep 30	2003 Sep 30	2002 Sep 30	2001 Sep 30	2000 Sep 30	1999 Sep 30	1998 Sep 30	1997 Sep 30	1996 Sep 30	1995 Dec 31	CAPD Expected
Capital Structure Components As Of:											
Short Term Debt Notes Due	\$0	\$118,595	\$145,911	\$201,247	\$150,047	\$168,704	\$17,911	\$167,700	\$155,668	\$12,311	2005 Sep 30
Short Term Debt Current Portion of Long-Term Debt	\$5,908	\$9,345	\$21,980	\$17,566	\$17,848	\$61,783	\$7,679	\$16,201	\$17,619	\$9,155	
Long Term Debt	\$8,613,111	\$8,613,110	\$670,463	\$592,339	\$150,567	\$362,675	\$377,380	\$297,303	\$161,859	\$161,160	
Common Equity	\$1,133,459	\$851,517	\$573,235	\$583,864	\$192,466	\$377,663	\$271,158	\$227,760	\$157,284	\$146,071	
Preferred	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total	\$2,000,578	\$1,849,375	\$1,411,469	\$1,498,205	\$1,010,646	\$926,450	\$823,812	\$807,054	\$785,510	\$350,999	
RATIOS											
A1 Short Term Debt Notes Due	0.0%	6.4%	10.3%	13.4%	24.7%	18.2%	2.1%	17.1%	20.7%	9.2%	0.0%
A2 Short Term Debt Current Portion of Long-Term Debt	0.3%	0.5%	1.6%	1.4%	1.7%	1.9%	7.0%	1.9%	2.0%	2.6%	0.0%
A3 Long Term Debt	43.1%	46.7%	47.5%	46.2%	34.7%	39.1%	45.8%	36.1%	40.0%	46.5%	59.8%
A4 Common Equity	56.7%	46.4%	40.6%	39.0%	38.8%	40.8%	45.1%	40.5%	40.9%	41.7%	40.2%
A5 Preferred	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A6 Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Atmos/United Equity Return In Tennessee 2004-1995											
OR Reported Overall Return In Tennessee - On Sep 30 For 1RA JDI Form	2004 Sep 30	2003 Sep 30	2002 Sep 30	2001 Sep 30	2000 Sep 30	1999 Sep 30	1998 Sep 30	1997 Sep 30	1996 Sep 30	1995 Dec 31	2005 Sep 30
B1 Interest Rate On Short Term Debt**	11.00%	9.04%	9.48%	10.29%	9.35%	7.42%	5.28%	5.44%	5.41%	9.19%	11.00%
B2 Calculated Short Term Debt Cost =Line B1 X A1	N/A	1.02%	1.73%	2.98%	6.41%	0.96%	0.12%	1.14%	0.20%	N/A	
B3 Interest Rate On Long Term Debt	0.00%	0.07%	0.18%	0.40%	1.61%	8.14%	8.01%	8.73%	8.91%	0.53%	0.09%
B4 Calculated Long Term Debt Cost =Line B3 X A3	0.02%	0.84%	7.65%	7.58%	8.01%	3.97%	3.13%	2.99%	3.26%	1.52%	6.82%
Atmos's Equity Return In Tennessee=Line OR - Line B2 - Line B3) / (Line A4) [Common Equity Ratio]											
B5	14.2%	18.2%	20.3%	20.7%	9.7%	8.2%	18.3%	11.8%	14.3%	12.7%	17.3%

**CAPD Estimate Based On Federal Reserve Board's Listing of Short Term Costs For The Month Ending The Fiscal Year. September or December Compare To The Prepared Testimony Of The Company's witness

*The cost of short-term debt that is appropriate for this proceeding is 8.5%
Prepared Testimony Of Company Witness Dr. Murry Page 7 Line 10, May 15, 1995

TURNER A—UNITED

Turner Amanda 415 W Northfield Blvd 867-1628
 Turner Andrea 910 S Tennessee Blvd 848-3093
 Turner Andrew S 5058 Leanna Rd 895-1655
 Turner Brad 5309 Grassland Dr 867-7011
 Turner Brian & Tonya 130 Chesapeake Tr 898-0795
 Turner Bryan 910 S Tennessee Blvd 895-0442
 Turner C & E 209 Apollo Dr 907-1853
 Turner C M 1326 Lakeshore Dr 893-1345
 Turner Carpet Cleaning 898-7578
 Turner Charles R 3652 Betty Ford Rd 890-3875
 Home Computer 3652 Betty Ford Rd 893-3165
 Turner Chris T & Kam 606 Kings Ridge Dr 896-4172
 Turner David Dr 6470 Lascassas Pke 896-2045
 Turner David & Lanae
 11240 S Greenwood Rd College Grove Tn - 931 364-3445
 Turner Denise 3376 Cranor Rd 849-7692
 Turner Denise 2606 Floyd Av 896-3737
 Turner Designs Inc 908 Parkwood Ct 904-0548
 Turner Don H 1106 Taylor Pl 896-0460
 Turner Donald Scott 635 Greystone Dr 893-7359
 Turner Doug & Jan 4425 Betty Ford Rd 849-3992
 Turner Estelle B 4018 Woodbury Rd 890-4521
 Turner Fran 1302 Mercury Blvd 890-7103
 Turner Frank 1311 Leaf Av 893-4106
 Turner Gracie Mrs 308 First Av 893-8956
 Turner Gregory 1764 Irby Ln 849-7439
 Turner Herbert M Chaplain 4526 Mitchell Dr 896-2942
 Turner J L 3603 Lavender Tr 890-8844
 Turner J S 2408 River Oaks Dr 896-2263
 Turner J W 1514 Clydeway Dr 896-3754
 Turner John 2325 Willowbrook Dr 867-6891
 Turner John D 1210 Hazelwood St 895-7765
 Turner John L 1811 Kings Ct 890-3364
 Turner Joyce 618 Staley St 907-8896
 Turner Judy 323 N Spring St 898-0978
 Turner Kristie & Benny 8251 Short Creek Rd 895-9315
 Turner L 801 Naylor Av 895-5638
 Turner Larry W 8010 Sunset Cir 896-8616
 Turner Lena 847 Holly Grove Rd 904-2590
 Turner Lori & Eric 1110 Grantland Av 849-9723
 Turner Lucille 606 Johnson 896-7130
 Turner M 867-1487
 Turner M L 1821 Jordan Av 896-6922
 Turner Machine Inc 896-9888
 Turner Mark & Kim 2710 Amber Dr 890-5564
 Turner Marta 623 Palisade Dr 895-9407
 Turner Mary 831 Double Springs Rd 896-5504
 Turner Mavis 1210 Hazelwood St 867-3371
 Turner Micheal 207 National Dr 904-7153
 Turner Mike 546 Campfire Dr 890-4131
 Turner Morris & Gail 7200 Highway 64 E
 Beech Grove Tn - Murfreesboro Tel No - 890-0999
 Turner Nancy 1306 Haynes Dr 867-0778
 Turner Nicole 2031 O'Brien Dr 896-8839
 Turner Paul 2710 Blackman Rd 867-1575
 Turner R 613 N Maney Av 867-8655
 Turner Randall C 1937 Cross Creek Dr 896-9115
 Turner Ray & Patricia 1110 Grantland Av 896-6490
 Turner Richard 310 Mandella Way 896-1187
 Turner Rita 330 Battle Av 896-8330
 Turner Robert 617 Foxfire Ct 896-1026
 Turner Robert L 903 Sloan 893-6917
 Turner Ruby 257 McNeil Dr 867-9647
 Turner Sam 1019 Walton Dr 893-4780
 Turner Shemeka 1706 N Tennessee Blvd 893-3404
 Turner Sherry 5353 Candy Cane Ct 904-2207
 Turner Steve 6912 Timberlake Dr 896-0144
 Turner Summer 1620 Battleground Dr 867-2535
 Turner Tawana 518 Vaughn St 867-4545
 Turner Tiffany 1210 Hazelwood St 904-6660
 Turner Tim 5353 Candy Cane Ct 895-6505
 Turner Tonja M 815 Fairview Av 849-3242
 Turner Willis S 302 Tyne Av 893-7131
 Turney James C 3828 Lascassas Pke 893-0411
 Turney Willie Mae 600 Carver Av 893-2119
 Turnham Kyle & Diane 106 Ramsey Rd 895-7595
 Turnham William I 207 National Dr 867-1800
 Turnham M L 5502 Jernigan Ln 848-1055
 Turnham T L Manson Pke 893-3488
 Turnham William I 207 National Dr 898-0112
 896-3861
 896-0992
 892-1234
 896-9999

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Twomey Carolyn 2106 Ravenwood Dr 849-8243
 Tyler B B 2411 Anchor 890-5961
 Tyler Melody 910 S Tennessee Blvd 867-7625
 Tyndall Timothy 106 S University St 896-4671
 Tyner Bruce 607 Thatcher Ct 895-9671
 Tyner William G 2260 Pitts Ln 890-5929
 Tynes Chris 2251 Dominion Dr 848-6770
 Tynes Edward M 679 Alsip Mill Rd Murfreesboro 890-7543
 Tynes Edward M 679 Alsip Mill Rd 904-0743
 Tyre Rich 1841 Lascassas Pike 904-7756
 Tyree Clyde 4742 Webb Rd 890-3698
 Tyree Kenneth 4710 Hickory Ln 896-3730
 Tyree Teyo 314 Fourth Av 895-4348
 Tyring Edward 305 Highfield Dr 896-0260
 Tyson Jimmy Reverend 2019 Carolyn Ct 896-5818
 Tyson Leroy Colonial Estates 893-8570
 Tyson Virginia W 2019 Carolyn Ct 848-0596

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 1229 NW Broad St 890-5305
 511 SE Broad St 895-5482
 909 Old Fort Pkwy 896-5157
 Lascassas 890-9302
 U-Lock-It 931 New Salem Rd 890-4040
 U A S 333 NW Broad 890-3976
 UCG Energy See United Cities Propane Gas
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 1003-1/2 Memorial Blvd 890-2635
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 Toll Free-Dial '1' & Then 800 943-5436
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 District Marketing Office 826-7181
 U S Filter Distribution Group 2353 S Church 893-0900
 U S Machine & Tool Inc 73 Old Salem Rd 893-8984
 USA Financial Services Inc
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 U TT Independent Consultants
 2418 River Oaks 893-1946
 Uber Mike & Shannon
 4643 Barfield Crescent Rd 895-1856
 Uchida Kensuke 1747 Kensington Dr 848-0635
 Udart L 161 Stones River Ln 896-7089
 Udelhoven Leroy 600 Dusan Blvd 867-9748
 Udovich Alex & Chad 2840 S Church St 867-6371
 Uhl Gerald 3030 Arthur Dr 896-2175
 Uhl Gerald 3030 Arthur Dr 896-5888
 Uhles Ronnie 6321 Sunnyside Dr 893-4346
 Ullom D R 2048 Winslow Ct 895-5413
 Ulrich J W 1315 E Castle St 907-1248
 Ulrich Heidi S 1315 E Castle St 896-6210
 Ultimate Audio & Security 333 NW Broad 890-3976
 Ultimate 1 2767 Asbury Ln 867-4852
 UltraSoft 1540 S Church St 895-0291
 Umboh Jay 1510 Huntington Dr 849-6918
 Ummel Louis & Patricia 3461 Mary Av 896-9901
 Umphenour Chip 2840 S Church St 867-4386
 Umphenour Chip 2840 S Church St 890-7355
 Umstead Mike 556 Hutchinson Ln 867-3097
 Uncle Bud's 1145 NW Broad St 898-1404
 Uncle Sandy's Truck/Auto Plaza
 2021 S Church 890-1941
 Underhill Amy 425 Warrior Dr 867-8642
 Underhill Billy & C B 3014 Argyle Av 895-3133
 Underhill David 2231 Reidhurst Dr 895-9910
 Computer and Fax Line 2231 Reidhurst Dr 893-0142
 Underhill Gladys M 423 Double Springs Rd 895-1698
 Underhill Gneis L 3301 Compton Rd East 890-3684
 Underhill J D 2133 Wimbleton Rd 890-3366
 Underhill Lemuel 577 Cason Ln 890-5342
 Underhill S J 3544 Sanford Dr 896-0714
 Underhill Norman 678 Deerfield Dr 895-4823
 Underhill Tanya E 6826 Jap Johnson Rd 867-1642
 Underhill Vickie M Michelle 890-3168
 890-4826
 907-0063

Underwood Bill 1820 Fox Spring Ct 893-4189
 Underwood Brandi 2311 E Main St 895-1895
 Underwood C P 2554 Concord Ct 898-0010
 Underwood Cathy 6826 Jap Johnson Rd 895-9834
 Underwood Craig 2718 Crazy Horse 898-7564
 Underwood Donna 1099 Christy Ct 898-1044
 Underwood Fred A 148 Gresham Ln 890-4710
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 Underwood J L 2718 Crazy Horse 895-7080
 Underwood J S 507 Eventide Dr 849-3733
 Underwood James T 1910 Russell Dr 895-4692
 Underwood Jerry L 2718 Crazy Horse 893-5451
 FAX Line 2718 Crazy Horse 848-6726
 Underwood Jesse 1210 Glaze Ct 893-7918
 Underwood John C 2024 Stonebrook Dr 895-7146
 Underwood John T 5770 Franklin Rd 895-0421
 Underwood M Andrew 3906 Southridge Blvd 890-4314
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 Underwood Olene 3977 Lebanon Pke 893-4091
 Underwood Ray 315 Black Bear T 893-6855
 Underwood Richard 1430 River Rock Blvd 895-9095
 Underwood Robert 478 Barfield Crescent Rd 890-8947
 Underwood Robert L 1811 Brighton Dr 893-7809
 Underwood Roger 5266 Midland Rd 895-5839
 Underwood S 205 Warrior Dr 896-2909
 Underwood Susan 817 Lillard Rd 895-3261
 Underwood Terry 506 Kings Ridge Dr 849-9338
 Underwood Thomas R 6926 Jap Johnson Rd 895-4389
 Uni Distribution 1928 Ivy Glen Dr 896-8992
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 Union Planters Bank—
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 Customer Service 726-4358
 706 S Church St 895-3055
 259 N Main St Eagleville Tn 274-6285
 Union Planters Mortgage
 One Burton Hills Blvd Nashville 665-1060
 Unionville Termite & Pest Control 849-3063
 Unique Properties 142 Heritage Park Dr 890-8004
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 1303 W College St 848-1202
 United Cellular Inc 517 W Main 849-1420
 United Cities Gas Co 830 Memorial Blvd 893-5544
 United Cities Propane Gas
 850 N Thompson Ln 890-9354
 United Grocery Outlet 117 SE Broad St 849-3545
 United Hometown Builders LLC
 316 W Lytle St 890-4479
 United Pentecostal Church
 1800 Lascassas Pke 893-5906
 United Service Equipment
 Company-Division Of Standex
 International Corp 1152 Park Av 893-8432
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 Agriculture Department—
 Agriculture Service Center—
 Agriculture Stabilization & Conservation Service
 410 New Salem Rd 893-9295
 Natural Resources Conservation Service 410 New Salem Rd 893-9297
 USDA—
 National Appeals Division
 2220 Sassafras Dr 895-2707
 Air Force Recruiting Service
 272 Heritage Park Dr 896-0248
 Army Department Of—
 Recruiting Station 272 Heritage Park Dr 890-1810
 Health & Human Services Department
 Of—
 Medicare—
 Medicare Part A Information—
 Dialysis Only—
 Blue Cross Blue Shield Of Georgia Inc—
 For Beneficiary Use Only 706 322-4082
 For Provider Use Only
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Summary of ATMOOS Employee Count By State, By Month

June, 1999 - June, 2006

Response to CAPD Data Request 1, Part II, Question 12 Employee count by month

State	Year-Month	Total	KY	Mississippi		Tennessee		Virginia	
				Mo/Yr	Employee Count	Mo/Yr	Employee Count	Mo/Yr	Employee Count
GA	1999-06	95	1999-06	268	509	1999-06	388	1999-06	388
	1999-07	95	1999-07	267	534	1999-07	363	1999-07	379
	1999-08	93	1999-08	260	596	1999-08	229	1999-08	381
	1999-09	93	1999-09	247	630	1999-09	223	1999-09	379
	1999-10	93	1999-10	248	583	1999-10	223	1999-10	377
	1999-11	93	1999-11	241	530	1999-11	221	1999-11	378
	1999-12	93	1999-12	238	481	1999-12	221	1999-12	378
	2000-01	93	2000-01	239	443	2000-01	210	2000-01	381
	2000-02	93	2000-02	238	66	1999-06	178	1999-06	388
	2000-03	92	2000-03	260	11%	1999-07	1	1999-07	379
	2000-04	92	2000-04	261	13%	1999-08	1	1999-08	381
	2000-05	92	2000-05	260	11%	1999-09	1	1999-09	379
	2000-06	92	2000-06	260	13%	1999-10	1	1999-10	377
	2000-07	92	2000-07	259	11%	1999-11	1	1999-11	378
						1999-12	1	1999-12	378
						2000-01	1	2000-01	381
						2000-02	1	2000-02	378
						2000-03	1	2000-03	374
						2000-04	1	2000-04	369
						2000-05	1	2000-05	366
						2000-06	1	2000-06	363
						2000-07	1	2000-07	368