

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

**IN RE: TARIFF FILING TO MODIFY            )  
AND ADD LANGUAGE REGARDING            )   TRA Docket No. 07-00020  
TRANSPORTATION SERVICE                )**

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**CONSUMER ADVOCATE’S RESPONSES TO FIRST DISCOVERY REQUEST OF  
ATMOS ENERGY CORPORATION TO ALL PARTIES**

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Robert E. Cooper, Jr., the Attorney General & Reporter for the State of Tennessee, through the Consumer Advocate and Protection Division of the Office of Attorney General (“Consumer Advocate”), pursuant to Tenn. Code Ann. § 65-4-118 and the Tennessee Rules of Civil Procedure, respectfully submits these responses to the First Discovery Request of Atmos Energy Corporation to All Parties.

**GENERAL OBJECTIONS**

1.       The Consumer Advocate objects to the data requests to the extent they call for information and the production of documents which are protected from disclosure by the attorney-client privilege, the attorney work product doctrine or any other applicable privilege or protection. The Consumer Advocate objects to the data requests to the extent that the Company is attempting to impose on the Consumer Advocate obligations with regard to identification of privileged documents beyond those required by the Tennessee Rules of Civil Procedure and applicable statutes and regulations governing contested case hearings.

2.       The Consumer Advocate objects to the Company’s data requests to the extent they seek information relating to matters not at issue in this litigation or to the extent they are not reasonably calculated to lead to the discovery of admissible evidence. By providing information

in response to these requests, The Consumer Advocate does not concede that such information is relevant, material or admissible in evidence. The Consumer Advocate reserves all rights to object to the use of such information as evidence.

3. The Consumer Advocate objects to the Company's data requests to the extent that the Company is attempting to require the Consumer Advocate to provide information and produce documents beyond those in its possession, custody or control as that phrase is used in the Tennessee Rules of Civil Procedure and applicable statutes and regulations governing contested case hearings.

4. The Consumer Advocate objects to the Company's data requests to the extent they seek information and documents that are readily available through public sources or are in the Company's own possession, custody or control. It is unduly burdensome and oppressive to require the Consumer Advocate to respond or produce documents that are equally available to the Company.

5. The Consumer Advocate objects to the production of any document prepared by it subsequent to the filing of this litigation or contested case.

6. The Consumer Advocate's objections and responses to these requests are based on information now known to it. The Consumer Advocate reserves the right to amend, modify or supplement its objections and responses if it learns of new information.

7. The Consumer Advocate's responses to these requests are made without waiving or intending to waive the right to object to the use of any information provided in response to any subsequent proceeding or trial of this or any other action. The Consumer Advocate's responses to these requests are also not a waiver of any of the foregoing objections or any objections it has made or may make with respect to any similar, related, or future data request, and the Consumer

Advocate specifically reserves the right to interpose any objection to further requests notwithstanding any response or lack of objection made in this response.

8. The Consumer Advocate expressly incorporates these general objections into its responses set forth below.

### RESPONSES

1. Identify each person whom you expect to call as an expert witness at the hearing on the merits in this docket, and for each such expert witness:

**RESPONSE:** Daniel W. McCormac

- (a) Provide a current and complete CV for the witness, including a list of citations to all of the expert's publications and presentations;

**RESPONSE:** Attached.

- (b) Identify the subject matter on which the witness is expected to testify, and state the substance of the facts and opinions to which the expert is expected to testify and a summary of the grounds for each opinion;

**RESPONSE:** Unknown at this time. This response will be supplemented, if Mr. McCormac testifies.

- (c) Produce any exhibits to be used in conjunction with the expert's testimony;

**RESPONSE:** Unknown at this time. This response will be supplemented, if Mr. McCormac testifies.

- (d) Produce all transcripts of the expert's prior testimony or, if not available, identify the matters in which the expert has testified with sufficient specificity that transcripts can be obtained by counsel for Atmos;

**RESPONSE:** Attached.

- (e) Describe all of the expert's financial interests in the litigation, including, without limitation, financial terms under which the expert is to be compensated for his work in connection with this case;

**RESPONSE:** Compensation is not connected to this specific case.

- (f) Produce all documents, summaries, charts, trade articles, journals, treatises, publications, workpapers, file notes, chart notes, tests, test results, interview notes, and consultation notes provided to, reviewed by, utilized by, relied upon, created by, or produced by the expert in evaluating, reaching conclusions or formulating an opinion in this matter. Produce electronic versions of the files (e.g. Excel and Power Point) where such versions exist.

**RESPONSE:** Unknown at this time. This response will be supplemented, if Mr. McCormac testifies.

2. Identify the name and location of all persons having knowledge of discoverable matters in this case.

**RESPONSE:** Unknown to the Consumer Advocate.

3. Produce all documents that you plan to introduce, use, or reference at the hearing on the merits in this docket.

**RESPONSE:** The Consumer Advocate objects to the extent that this discovery request seeks the production of documents protected by the work product doctrine. Without waiving this objection, the Consumer Advocate believes that all such documents will already be available to, or in the possession of, Atmos Energy Corporation, or will be produced through the normal course of discovery in this matter. When the Consumer Advocate decides to introduce, use, or reference any documents during its direct proof at the hearing on the merits the same shall be attached to pre-filed testimony or will be exchanged with the parties at the appropriate time.

4. If you oppose any of the tariff amendments requested in this matter identify each tariff amendment that you oppose and explain the grounds for your opposition.

**RESPONSE:** Unknown at this time. This response will be supplemented, if the Consumer Advocate decides to oppose any of the requested tariff amendments.

5. If you contend that any of the tariff amendments requested in this matter would cause an adverse financial impact on you or any of your members or customers, explain your

contention and quantify the adverse financial impact to the extent that you are able to do so.

**RESPONSE:** The Consumer Advocate objects that “any of your members or customers” does not apply to the Consumer Advocate, because the Consumer Advocate does not have members or customers. Without waiving this objection, the Consumer Advocate does not allege an adverse financial impact on the Consumer Advocate.

6. Produce all documents that evidence communications from Atmos customers that addresses any of the terms or provisions of the tariff at issue in this proceeding or any of the requested amendments thereto.

**RESPONSE:** None.

7. Do you agree that a transportation customer and/or its agent should accurately nominate quantities of natural gas for delivery to the Company’s city gate?

**RESPONSE:** Unknown at this time. This response will be supplemented, if the Consumer Advocate takes a position on this question.

8. If your answer to the preceding question is anything other than an unqualified “yes,” explain what you believe to be the a transportation customer’s (or his agent’s) obligation, if any, with respect to managing nominations.

**RESPONSE:** Unknown at this time. This response will be supplemented, if the Consumer Advocate takes a position on this question.

9. If a transportation customer’s daily volume usage is available electronically through the Atmos website and the customer is permitted by Atmos to make intra-month changes to its nominations, do you agree that a transportation customer then has the ability to manage its nominations more frequently than once a month?

**RESPONSE:** Unknown at this time. This response will be supplemented, if the

Consumer Advocate takes a position on this question.

10. If your answer to the preceding question is anything other than an unqualified “yes,” explain in the basis for your position.

**RESPONSE:** Unknown at this time. This response will be supplemented, if the Consumer Advocate takes a position on this question.

11. Do you contend that a tolerance of 10%, before the Company can assess daily scheduling fees, is unreasonable? If so, explain the basis for your contention.

**RESPONSE:** Unknown at this time. This response will be supplemented, if the Consumer Advocate takes a position on this question.

12. Are you aware of any interstate pipelines that are permitted to charge daily scheduling fees or penalties to a shipper with respect to differences (outside of a prescribed tolerance) between the shipper’s scheduled deliveries at a delivery point and the quantities actually taken by the shipper at the delivery point? If so, please identify the pipeline(s), and describe the terms under which they charge daily scheduling fees or penalties.

**RESPONSE:** No.

13. If storage is used by the Company to maintain daily balances on an interstate pipeline in order to avoid pipeline imbalance charges, then explain why transportation customers who cause or contribute to cause pipeline imbalances should not be required to contribute to the costs of storage through daily scheduling fees.

**RESPONSE:** Unknown at this time. This response will be supplemented, if the Consumer Advocate takes a position on this question.

14. If the Company agreed to modify the language in the proposed tariff to make imposition of daily scheduling fees mandatory, would you oppose this modified provision of the

tariff? If so, explain the basis for your opposition.

**RESPONSE:** Unknown at this time. This response will be supplemented, if the Consumer Advocate takes a position on this question.

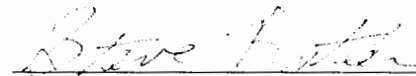
RESPECTFULLY SUBMITTED,



STEPHEN R. BUTLER, B.P.R. #14772  
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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served on the parties of record via U.S. Mail, commercial delivery, facsimile, e-mail or hand delivery on November 27, 2007.



Stephen R. Butler

112857

## **Daniel McCormac, Coordinator of Regulatory Analyst**

### Experience

**2003 to present** Tennessee Attorney General's Office, Consumer Advocate & Protection Division - Coordinator of Analysts.  
Supervise and provide management analysis and expert testimony as needed in all major rate cases, earnings reviews, and other investigations.

**2001 to 2003** Tennessee Regulatory Authority - Chief of Energy and Water Division.  
Provide management analysis and assisted the public, the utilities, and others as needed in all rate cases, earnings reviews, requests for certificates of convenience and necessity, tariffs, audits, and other energy and water utility matters.

**1994 to 2001** Tennessee Attorney General's Office, Consumer Advocate & Protection Division - Senior Regulatory Analyst.  
Provided management analysis and expert testimony as needed in all major rate cases, earnings reviews, and other investigations.

**1987 to 1994** Tennessee Public Service Commission (TPSC) - Manager of Revenue Requirements and Special Studies  
Supervised seven professionals, coordinated rate cases, earnings reviews, and other financial investigations of telephone, gas, electric, water, and sewer utilities. Testified on major issues.

**1984 to 1987** Wilson, Work, Fossett & Greer, CPAs - Supervisor  
Consulted and assisted public utilities in preparing rate cases, cost of capital studies, cost of service studies, Purchased Gas Adjustment rule proposal, capital structure study, valuation study, computer software, research.

**1983 to 1984** TPSC - Technical Assistant to Commissioners  
Chosen as first Technical Assistant to review and summarize all rate case filings, provide commissioners with research reports, prepare issues lists and analyze those issues. Also assisted in administrative accounting and budgeting by computerizing office records.

**1976 to 1983** TPSC - Financial Analyst / Supervisor  
Audited and analyzed rate case filings, testified and prepared exhibits for the TPSC.

### Education & Certification

1973 - 1976	David Lipscomb University, B.S., Accounting
March 1979	Certified Public Accountant
1981	TSU, Business Finance, Business Management



Oral and written testimony in numerous rate proceeding before the TPSC and the Tennessee Regulatory Authority including the following dockets listed below with references to PDF format web links:

**Docket 01-00704: AUDIT OF UNITED CITIES GAS COMPANY'S INCENTIVE PLAN ACCOUNT (IPA) FOR THE PERIOD OF APRIL 1, 2000, THROUGH MARCH 31, 2001.**

7/30/04 - Direct Testimony of Dan McCormac:  
<http://www.state.tn.us/tra/orders/2001/0100704cq.pdf>

10/5/04 - Rebuttal Testimony of Dan McCormac:  
<http://www.state.tn.us/tra/orders/2001/0100704dk.pdf>

**Docket 03-00313: APPLICATION OF NASHVILLE GAS COMPANY, A DIVISION OF PIEDMONT NATURAL GAS COMPANY, INC. FOR AN ADJUSTMENT OF ITS RATES AND CHARGES, FOR APPROVAL OF REVISED TARIFFS AND APPROVAL OF REVISED SERVICE REGULATIONS**

08/18/03 - Direct Testimony of Dan McCormac:  
<http://www.state.tn.us/tra/orders/2003/0300313w.pdf>

**04-00034 PETITION OF CHATTANOOGA GAS COMPANY FOR APPROVAL OF ADJUSTMENT OF ITS RATES AND CHARGES AND REVISED TARIFF.**

7/26/04 - Direct Testimony of Dan McCormac  
<http://www.state.tn.us/tra/orders/2004/0400034do.pdf>

3/30/05 - Supplemental Testimony of Dan McCormac  
<http://www.state.tn.us/tra/orders/2004/0400034fh.pdf>

**Docket 05-00258: PETITION OF THE CONSUMER ADVOCATE TO OPEN AN INVESTIGATION TO DETERMINE WHETHER ATMOS ENERGY CORP. SHOULD BE REQUIRED BY THE TENNESSEE REGULATORY AUTHORITY 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**

9/15/05 - Direct Testimony of Dan McCormac  
<http://www.state.tn.us/tra/orders/2005/0500258.pdf>

**Docket 06-00175: PETITION OF CHATTANOOGA GAS COMPANY TO  
INCREASE RATES, INCLUDING A COMPREHENSIVE RATE DESIGN  
PROPOSAL AND REVISED TARIFF**

10/16/06 - Direct Testimony of Dan McCormac

<http://www.state.tn.us/tra/orders/2006/0600175jp.pdf>

# 97062

**Q. What is your educational background and what degrees and licenses do you hold?**

A. I have a Bachelor of Science Degree in Accounting from David Lipscomb College and I am a licensed Certified Public Accountant in the State of Tennessee.

**Q. What is your experience in the field of ratemaking and regulatory accounting?**

A. I have 31 years of experience in the field of utility ratemaking and regulatory accounting including more than two years with the Certified Public Accounting firm of Wilson, Work, Fossett & Greer as the supervisor in the utility consulting segment. I served sixteen years with the Tennessee Public Service Commission, including one year as Technical Assistant to the Commissioners. I served two years as Chief of Energy and Water at the Tennessee Regulatory Authority ("TRA") and eleven years with the Tennessee Attorney General's Office. While employed by the Commission and the Attorney General's Office, I supervised the preparation of many utility rate cases and earnings reviews. As part of these investigations, we developed financial exhibits to present to the Commission or TRA. These investigations supplied evidence to the TRA to enable it to set just and reasonable rates for utility services. In addition, I participated in various special studies and provided technical assistance in other cases in which I did not testify.

As the Technical Assistant to the Commissioners I observed hearings and analyzed the issues in each case from an independent technical perspective. I responded to the Commissioners' requests for expert assistance in evaluating and interpreting the financial evidence in the record. I also provided and checked calculations based on that evidence. In each position, my responsibilities have included making decisions on whether the information provided was adequate and suitable for deciding

the questions presented.

My duties with the Consumer Advocate and Protection Division ("CAPD") are similar, but also include the review of various tariffs filed before the TRA. I assist in the decision making process as to whether the terms and conditions of the numerous filings are just and reasonable or whether additional evidence is needed to support the filings. When significant consumer interests appear to be in jeopardy, we investigate further and provide expert testimony before the TRA when needed.

**Q. What expertise do you have related to the natural gas industry?**

A. Since 1976 I have been involved in auditing gas companies, reviewing testimony, tariffs and exhibits, negotiating rates and preparing testimony and exhibits relating to various revenue, expense and rate base issues of all major Tennessee gas distribution companies. I have prepared testimony in every major case involving a gas utility since my employment with the Attorney General's office in 1994.