

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

IN RE:)	
)	
PETITION OF ATMOS ENERGY)	DOCKET NO. 08-00197
CORPORATION FOR APPROVAL OF)	
ADJUSTMENT OF ITS RATES AND)	
REVISED TARIFF)	

**ATMOS ENERGY CORPORATION'S OBJECTIONS TO
FIRST DISCOVERY REQUESTS OF
THE CONSUMER ADVOCATE AND PROTECTION DIVISION**

Atmos Energy Corporation hereby submits its objections to the First Discovery Requests of the Consumer Advocate and Protection Division. These objections are submitted in order to comply with the November 7, 2008 deadline set by order of the hearing officer. However, there has not yet been sufficient time for AEC to identify all of the issues and problems that it may face in attempting to obtain and provide the information and documents requested by the Advocate's 97 numbered discovery requests. Nor has there been sufficient time to negotiate with the Advocate and try to resolve all issues raised by these requests. It is the Company's sincere hope that the parties will be able to resolve all discovery issues in this case without the need for intervention by the Hearing Officer. The Company does not mean to suggest that any objection included herein is ripe for ruling at this time.

GENERAL OBJECTIONS

A. AEC objects to the definitions and instructions contained in the requests to the extent that the definitions and instructions attempt to impose on AEC a burden or obligation greater than that required by the *Tennessee Rules of Civil Procedure* and applicable statutes and regulations governing contested case hearings.

B. AEC objects to the requests to the extent they call for information or documents protected from disclosure by the attorney-client privilege, common interest privilege, work product doctrine, or any other applicable privilege or protection. AEC objects to the requests to the extent that the CAPD is attempting to impose on AEC 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.

C. AEC objects to CAPD's 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, AEC does not concede that such information is relevant, admissible, or discoverable, or that other information on the same or similar subjects would be discoverable. AEC expressly reserves the right to: (a) object to other discovery requests, despite their involving or relating to the subject matter of any of the requests responded to here; and (b) object to the introduction into evidence of any answer or produced document on relevancy or any other grounds. AEC further objects to CAPD's requests on the grounds that they are overly broad, excessive in number, and unduly burdensome. While AEC will provide certain information and documents in response to these requests, for purposes of the record it should be understood that AEC objects on these grounds to CAPD's requests to the extent

that they seek information or documents beyond what is produced by AEC.

D. AEC objects to CAPD's requests to the extent that CAPD is attempting to require AEC 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.

E. AEC objects to CAPD's requests to the extent they seek information and documents that are available through public sources or are in CAPD's own possession, custody or control. It is unduly burdensome to require AEC to respond or produce documents that are equally available to CAPD.

F. AEC's objections and responses to these requests are and will be based on information then known to it. AEC reserves the right to amend, modify or supplement its objections and responses if it learns of new information.

G. AEC's objections and responses to these requests are and will be made without waiving or intending to waive the right to object to the use of any information provided in any subsequent proceeding or trial of this or any other action. AEC'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 request, and AEC specifically reserves the right to interpose any objection to further requests notwithstanding any response or lack of objection made in this response.

H. AEC objects to requests that seek "all" documents pertaining to a certain issue or falling into a certain category. Such requests by their nature are unduly burdensome, and unreasonably cumulative and duplicative. When served on a corporate or other institutional

defendant, literal compliance with such a request is impossible to assure. Requiring a party to produce "all" documents showing a certain fact when one document will do is, by its nature, unreasonably cumulative and duplicative. And such requests are often vague and indefinite. Where documents are produced in response to such a request, Atmos has interpreted the request in light of reason and the matters at issue in this case, and has made a reasonable search for responsive documents. In so doing, Atmos has complied with its discovery obligations.

I. Because these objections must be made in advance of the actual production of documents and responses by AEC, the Company is unable at this time to identify or list every possible problem that it may encounter in connection with the production of the information and documents requested herein, although it has done its best to do so in the time available to this point. Out of an abundance of caution, therefore, in order to preclude any argument that it has waived the right to object to literal and unbending compliance with each and every request as written, AEC objects to these requests as unreasonably burdensome, both individually and in total.

J. For the sake of brevity, AEC expressly incorporates these general objections in response to each of the CAPD's discovery requests in this case, whether or not separately listed below.

SPECIFIC OBJECTIONS TO FIRST DISCOVERY REQUESTS

14. Please provide the following WNA information by customer class (Residential/PA and Commercial) for each of the four locations described in the Company's WNA Rider (T.R.A. No. 1, 2nd Revised Sheet No. 51) for each of the last four fiscal years ended September 30, 2008:
- a. Volumes;
 - b. Actual degree days; and
 - c. Normal degree days.

RESPONSE:

In addition to its general objections, AEC objects to this request on the grounds that it is unreasonably burdensome, and that the same or substantially the same information may be derived by reviewing AEC's annual WNA audit filings with the TRA.

15. Please provide the following information by customer location or town, by class (Residential, Commercial, Industrial, Public Authority, Transportation, and Special Contract), by rate structure (Rate Schedule 210 through Rate Schedule 293), and by rate block (Block 1 through Block 3) for each of the last four fiscal years ended September 30, 2008.
- a. Number of customers; and
 - b. Volumes.

RESPONSE:

In addition to its general objections, AEC objects to this request on the grounds that it is overly broad and unreasonably burdensome.

34. Please provide all employee expense reports with invoices and receipts for the fiscal year ended September 30, 2008 for the Company, the Division General Office, and SSU.

RESPONSE:

In addition to its general objections, AEC objects to this request on the grounds that it is unreasonably burdensome.

35. Please provide all vouchers in excess of \$5,000 charged to Company 093 for nonrecurring items by FERC account, by month, by payee, for the fiscal year ended September 30, 2008.

RESPONSE:

In addition to its general objections, AEC objects to this request on the grounds that it is unreasonably burdensome.

53. For Atmos and the comparable companies chosen by Dr. Vander Weide, provide the EPS growth estimates made by I/B/E/S on March 31, June 30, September 30 and December 31 for each year from 2004 through 2008.

RESPONSE:

In addition to its general objections, AEC objects to this request as unreasonably burdensome. I/B/E/S is a subscription service, and any data that may be available online through this subscription service is not within the possession, custody, or control of AEC. Subject to and without waiving this objection, any I/B/E/S data figures actually utilized will be part of Dr. Vander Weide's workpapers in this case.

55. Provide a copy of all documents, studies, and reports where Atmos or Dr. Vander Weide estimated the actual returns to Atmos shareholders for each fiscal year from 2004-2008 and for each calendar year from 2004-2008.

RESPONSE:

In addition to its general objections, AEC objects on the ground that this request is vague and indefinite in its reference to “estimated actual returns,” which seems inherently inconsistent.

57. Provide copies of all business plans prepared by Atmos from 2004 through 2008.

RESPONSE:

In addition to its general objections, AEC objects to this request on the grounds that it is vague and indefinite and, depending upon how broad it is intended to be, unreasonably burdensome.

59. Provide copies of all forecasts prepared by Atmos since October 1, 2003 where Atmos forecasted its earnings per share, dividends per share and share price.

RESPONSE:

In addition to its general objections, AEC objects to this request on the grounds that it is vague and indefinite and, depending upon how broadly it is intended to be, unreasonably burdensome.

62. Provide copies of all of Dr. Vander Weide's testimonies, reports, and opinions filed in any jurisdiction since January 1 2005.

RESPONSE:

In addition to its general objections, AEC objects to this request on the grounds that it is unreasonably burdensome, particularly in light of the fact that the burden of responding to this request will fall upon Dr. Vander Weide, who is not even an AEC employee. AEC will produce a list of the cases since January 1, 2005, in which Dr. VW has participated and the parties can discuss the production of relevant materials from those prior cases.

68. Are investors only concerned with the future stream of cash flows they expect to receive from their investment? Provide a detailed explanation of your response, including all supportive documents.

RESPONSE:

In addition to its general objections, AEC objects on the ground that this request is vague and indefinite.

69. Do investors value an investment in a firm's stock because they expect to receive a sequence of dividend payments and, perhaps, expect to sell the stock at a higher price sometime in the future? Provide a detailed explanation of your response, including all supportive documents.

RESPONSE:

In addition to its general objections, AEC objects on the ground that this request is vague and indefinite.

70. Do investors who buy a stock that pays dividends always expect to make a capital gain on a sale of the stock? Provide a detailed explanation of your response, including all supportive documents.

RESPONSE:

In addition to its general objections, AEC objects on the ground that this request is vague and indefinite.

71. Do investors who always expect to make a capital gain on a sale of the stock see the stock as having any risk? Provide a detailed explanation of your response, including all supportive documents.

RESPONSE:

In addition to its general objections, AEC objects on the ground that this request is vague and indefinite.

72. Do investors, in practice, recognize a stock's actual returns when they value stock? Provide a detailed explanation of your response, including all supportive documents.

RESPONSE:

In addition to its general objections, AEC objects on the ground that this request is vague and indefinite.

74. In practice, do investors' change their expected returns when the investors' actual returns do not match the investors' expected returns? Provide a detailed explanation of your response,

including all supportive documents.

RESPONSE:

In addition to its general objections, AEC objects on the ground that this request is vague and indefinite.

75. In general, when investors sell Atmos's stock, is the stock's buyer Atmos? Provide a detailed explanation of your response, including all supportive documents.

RESPONSE:

In addition to its general objections, AEC objects on the ground that this request is vague and indefinite.

77. In general, is the percentage of earnings that Atmos pays out as dividends uncertain? Provide a detailed explanation of your response, including all supportive documents.

RESPONSE:

In addition to its general objections, AEC objects on the ground that this request is vague and indefinite.

78. Is it reasonable to expect that investors place greater weight on a single Value Line's beta rather than an average of betas from different sources? Provide a detailed explanation of your response, including all supportive documents.

RESPONSE:

In addition to its general objections, AEC objects on the ground that this request is vague and

indefinite.

79. Should Dr. Vander Weide make an adjustment to lower Value Line's betas for the comparable-company-group to account for their lower financial risk, since he calculated the comparable companies' capital structure from their market values instead of their book values? Provide a detailed explanation of your response, including all supportive documents.

RESPONSE:

In addition to its general objections, AEC objects on the ground that this request is vague and indefinite.

80. Does Atmos expect its equity return in Tennessee to decline? Provide a detailed explanation of your response, including all supportive documents.

RESPONSE:

In addition to its general objections, AEC objects to this request on the ground that it is vague and indefinite.

81. Do analysts rely on company-management's word for the company's forecasted earnings? Provide a detailed explanation of your response, including all supportive documents.

RESPONSE:

In addition to its general objections, AEC objects on the ground that this request is vague and indefinite.

82. Are analysts forecasts sometimes unreliable. Provide a detailed explanation of your response, including all supportive documents.

RESPONSE:

In addition to its general objections, AEC objects on the ground that this request is vague and indefinite.

85. Do companies with the same beta necessarily have the same uncertainty about future cash flows? Provide a detailed explanation of your response, including all supportive documents.

RESPONSE:

In addition to its general objections, AEC objects on the ground that this request is vague and indefinite.

88. Do investors have a start date and an end date when they employ a strategy of buying and holding a stock? Provide a detailed explanation of your response, including all supportive documents.

RESPONSE:

In addition to its general objections, AEC objects on the ground that this request is vague and indefinite.

89. How long does an investor have to hold a stock to have a predictable long-run return on the stock? Provide a detailed explanation of your response, including all supportive documents.

RESPONSE:

In addition to its general objections, AEC objects on the ground that this request is vague and indefinite.

90. There are several points consisting of opinion, facts and sometimes a mixture of both in Dr. Vander Weide's testimony for which he provides no supporting material. If there is such support, provide such, describing in detail how the material supports Dr. Vander Weide's statement.

RESPONSE:

In addition to its general objections, AEC objects to this request on the ground that it is vague and indefinite and assumes facts not in evidence.

91. Please identify each person who you expect to call as an expert witness at the hearing on the merits in this docket, and for each such expert witness:

- (a) Identify the field in which the witness is to be offered as an expert;
- (b) Provide complete background information, including the witness's current employer, as well as his or her educational, professional and employment history, and qualifications within the field in which the witness is expected to testify;
- (c) Identify all publications written or presentations presented in whole or in part by the witness, including either a copy of all such publications and presentations or a reference to where such publications and presentations may be publicly obtained;
- (d) Provide the grounds for the opinions to which the witness is expected to testify, and provide a summary of the grounds for each such opinion;
- (e) Identify any matter in which the expert has testified (through deposition or otherwise) by specifying the name, docket number and forum of each case, the dates of the prior testimony and the subject of the prior testimony, and

identify the transcripts of any such testimony;

- (f) Identify the terms of the retention or engagement of each expert including but not limited to the terms of any retention or engagement letters or agreements relating to his/her engagement, testimony, and opinions as well as the compensation to be paid for the testimony and opinions;
- (g) Identify any exhibits to be used as a summary of or support for the testimony or opinions provided by the expert; and
- (h) Please produce copies of 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 any proposed expert witness in evaluating, reaching conclusions or formulating an opinion in this matter.

RESPONSE:

In addition to its general objections, AEC objects to this request on the grounds that it exceeds the permissible bounds of written expert discovery under Rule 26.02(4), which states that a party may, through interrogatories, require any other party to identify each person whom the other party expects to call as an expert witness at trial, to state the subject matter on which the expert is expected to testify, and to 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. AEC further objects to subpart (g) on the grounds that it is premature, and to subparts (b) and (c) on the grounds that they are unduly burdensome to the extent that they seek more than a CV and list of publications with appropriate citations. AEC objects to subpart (e) on the further grounds that it is unduly burdensome as written.

92. Please identify the name and location of all persons having knowledge of discoverable matters in this case.

RESPONSE:

In addition to its general objections, AEC objects to this request on the grounds that it is so vague and indefinite in the context of a case of this nature that it could not possibly be answered as written. To the extent that it was meant to be answered as written, it is unduly burdensome in that it would require the identification of thousands of people, including all Atmos employees and customers.

93. Please produce copies of all documents referred to or relied upon in responding to these discovery requests.

RESPONSE:

In addition to its general objections, AEC objects to this request as vague and indefinite, overly broad, and unduly burdensome. To the extent that it is meant to include documents containing communications with counsel, or reflecting the advice of counsel, AEC objects on grounds of attorney client privilege.

94. Please produce copies of all hearing exhibits that you plan to introduce, use, or reference at the hearing on the merits in this docket.

RESPONSE:

In addition to its general objections, AEC objects to this request as premature.

95. Please produce copies of all documents -- including, without limitation, work papers, spreadsheets, summaries, charts, notes, exhibits, articles, journals, treatises, periodicals,

publications, reports, records, statements, Internet web pages, or financial information – relied upon by any of your witnesses in evaluating, reaching conclusions, or formulating an opinion in this matter.

RESPONSE:

In addition to its general objections, AEC objects to this request as unreasonably cumulative and duplicative, and unduly burdensome.

96. a. Identify all information, documents and things filed in the present docket record, including all responses to discovery of the parties and data request from the TRA Staff, which Atmos produced in this docket and does not agree to stipulate to the authenticity of such information, documents and things in this proceeding.
- b. For each separate piece of information, documents and things which Atmos produced in this docket and Atmos contends is not admissible as evidence describe in specific detail any objection(s) Atmos claims as to admissibility into the evidentiary record in this docket.

RESPONSE:

In addition to its general objections, AEC objects to this request on the grounds that it is vague and indefinite in its reference to “information, documents and things.” AEC further objects to this request on the grounds that it is unduly burdensome. Compliance with this request would involve a legal analysis of the admissibility of likely tens of thousands of pages of documents and all of the other “information” that may be produced in discovery, much of which may never be offered into evidence. The legal cost of such an effort could be enormous, and almost totally unproductive. Initial legal analysis of the admissibility of

documents and other "information" that the CAPD may wish to introduce into evidence should not be shifted onto counsel for AEC. Subject to and without waiving these objections, at an appropriate time after the parties have narrowed the documents they may actually offer at trial, AEC counsel will work with the CAPD in an effort to stipulate the authenticity of such documents, and resolve other evidentiary questions.

97. Please provide all working Excel (or other data files) containing the information provided in response to these request items and those provided previously in the MFR items.

RESPONSE:

In addition to its general objections, AEC objects to this request on the grounds that in asking for "all" Excel or other data files it is unreasonably cumulative and duplicative and unduly burdensome.

Respectfully submitted,

NEAL & HARWELL, PLC

By: 

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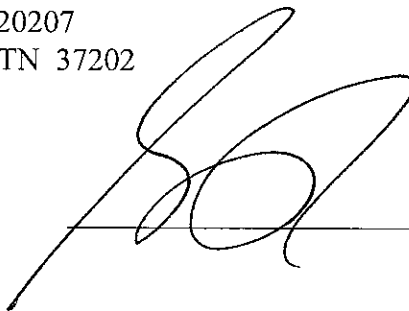
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Counsel for Atmos Energy Corporation

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served, via the method(s) indicated below, on the following counsel of record, this the 7 day of November, 2008.

<input type="checkbox"/> Hand	Timothy Phillips, Esq.
<input checked="" type="checkbox"/> Mail	Vance Broemel, Esq.
<input type="checkbox"/> Fax	Joe Shirley, Esq.
<input type="checkbox"/> Fed. Ex.	Office of the Attorney General
<input checked="" type="checkbox"/> E-Mail	Consumer Advocate and Protection Division
	P. O. Box 20207
	Nashville, TN 37202

A handwritten signature in black ink, appearing to be 'Vance Broemel', is written over a horizontal line.