filed electronically in docket office on 07/20/12

IN THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

IN RE:	)	
	)	
PETITION OF ATMOS ENERGY	)	
CORPORATION FOR ADJUSTMENT	)	**DOCKET NO. 12-00064**
OF RATES	)	

FIRST DISCOVERY REQUEST OF THE CONSUMER ADVOCATE AND PROTECTION DIVISION TO ATMOS ENERGY CORPORATION

To: Atmos Energy Corporation
c/o A. Scott Ross, Esq.
Neal & Harwell, PLC
2000 One Nashville Place
150 Fourth Avenue North
Nashville, TN 37219-2498

And

Patricia Childers, Vice President
Rates & Regulatory Affairs
Mid-States Division
Atmos Energy Corporation
810 Crescent Centre Drive, Ste. 600
Franklin, TN 37067-6226

This Discovery Request is hereby served upon Atmos Energy Corporation ("Atmos" or "Company"), pursuant to Rules 26, 33, 34 and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-1-2-.11. We request that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Advocate and Protection Division, 425 Fifth Avenue North, Nashville, Tennessee 37243, c/o Ryan L. McGehee, Assistant Attorney General, on or before the date required by any Scheduling Order entered in this Docket.

PRELIMINARY MATTERS AND DEFINITIONS

Each discovery request calls for all knowledge, information and material available to Atmos, as a party, whether it be Atmos', in particular, or knowledge, information or material possessed or available to Atmos' attorney or other representative.

These discovery requests are to be considered continuing in nature, and are to be supplemented from time to time as information is received by Atmos which would make a prior response inaccurate, incomplete, or incorrect. In addition, the Attorney General requests that Atmos supplement responses hereto with respect to any question directly addressed to the identity and location of persons having knowledge of discoverable matters, and the identity of each person expected to be called as an expert at hearing, the subject matter on which the expert is expected to testify, and the substance of the expert's testimony.

These discovery requests are to be interpreted broadly to fulfill the benefit of full discovery. The singular of any discovery request includes the plural and the plural includes the singular. To assist you in providing full and complete discovery, the Attorney General provides the following definitional guidelines.

The terms "and" and "or" shall be construed conjunctively or disjunctively as necessary to include any information that might otherwise be construed outside the scope of these requests.

The term "communication" means any transmission of information by oral, graphic, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, or otherwise.

For purposes of these discovery requests, the term "you" shall mean and include: Atmos Energy Corporation and all employees, agents and representatives thereof.

The term "person" or "persons" as used herein refers to any natural person, corporation, firm, company, sole proprietorship, partnership, business, unincorporated association, or other entity of any sort whatsoever. Where a company or organization is the party being served, all responses must include the company's response. Moreover, the company's designated person for responding must assure that the company provides complete answers. *A complete answer must provide a response which includes all matters known or reasonably available to the company.*

The term "identity" and "identify" as used herein, with respect to any person, means to provide their name, date of birth, current residence address, current residence telephone number, current business address, current business telephone number, and the occupation or job title of that person; with respect to an entity, those terms mean to provide the name by which said entity is commonly known, the current address of its principal place of business, and the nature of business currently conducted by that entity; with respect to any document, those terms mean to provide the date of the document, the nature of the document, the title of the document, the reference number (if any) of the document, and the current location of the document, including the identity of the person or entity in possession of the document.

The term "document" as used herein, means any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded medium in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, work paper, spreadsheet, note, photograph, tape recording, computer disk or record, or other data compilation in any form without limitation. Produce the original and each copy, regardless of origin or location, of any book, pamphlet, periodical, letter, note, report, memorandum (including memoranda, note or report of a meeting or conversation), spreadsheet, photograph, videotape, audio tape, computer disk, e-mail, or any other written, typed, reported, transcribed, punched, taped, filmed, or graphic matter, however produced or reproduced, which is in your possession, custody or control or which was, but is no longer, in your possession, custody, or control. If any such document was, but no longer is, in your possession or control, state what disposition was made of it and when. If a document exists in different versions, including any dissimilar copies (such as a duplicate with handwritten notes on one copy), each version shall be treated as a different document and each must be identified and produced.

If you produce documents in response to these discovery requests, produce the original of each document or, in the alternative, produce a copy of each document and identify the location of the original document. If the "original" document is itself a copy, that copy should be produced as the original.

If any objections are raised on the basis of privilege or immunity, include in your response a complete explanation concerning the privilege asserted.

If you contend that you are entitled to refuse to fully answer any of this discovery, state the exact legal basis for each such refusal.

If any of the interrogatories are not answered on the basis of privilege or immunity, include in your response to each such interrogatory a written statement evidencing:

(a) the nature of the communication;

(b) the date of the communication;

(c) the identity of the persons present at such communication; and

(d) a brief description of the communication sufficient to allow the Authority to rule on a motion to compel.

If, for any reason, you are unable to answer a discovery request fully, submit as much information as is available and explain why your answer is incomplete. If precise information cannot be supplied, submit 1) your best estimate, so identified, and your basis for the estimate and 2) such information available to you as comes closest to providing the information requested. If you have reason to believe that other sources of more complete and accurate information exist, identify those sources.

If any information requested is not furnished as requested, state where and how the information may be obtained or extracted, the person or persons having knowledge of the procedure and the person instructing that the information be excluded.

Provide all responses in the format which they are maintained such as Microsoft Excel or Microsoft Word format with all formulas intact. Supplemental discovery requests may be submitted on Monday, July 23, 2012.

FIRST DISCOVERY REQUESTS

GENERAL

1. Update MFR 10 to provide a detailed monthly Trial Balance from October 2007 through September 2009 and from October 2011 through March 2012 in Excel format.

   RESPONSE:

2. Update MFR 11 to provide a Tennessee-only income statement for the fiscal year ended September 30, 2010 as well as the twelve months ended March 31, 2012.

   RESPONSE:

3. Identify the outside professional services provided in response to MFR 14 that are nonrecurring. For each nonrecurring professional service, explain the business reasons for acquiring the service.

   RESPONSE:

REVENUES

4. Update MFR 18 to provide the number of the Company's customers by rate classification and by month for the months of January 2006 through September 2008 and October 2011 through March 2012. In addition, provide the Company's sales volumes, billing demand and all other billing determinants by rate classification and by month for the months of January 2006 through March 2012 for each location identified in MFR 18.

   RESPONSE:

5. Update MFR 27 to provide special contract customers and their usage, billing demand and all other billing determinants by month for the months of October 2006 through March 2012. In addition, provide the executed contract for each customer along with the TRA Order approving the contract.

   RESPONSE:

6. Provide a history of determinants and rates that comprise Other Revenues by account by month, from October 2006 through March 2012.

   RESPONSE:

7. Provide a copy of the monthly NOAA reports for all weather stations used in the Company's weather normalization analysis showing the <u>daily</u> high temperature, <u>daily</u> low temperature and <u>daily</u> heating degree days from January 1980 through March 2012.

   RESPONSE:

8. Refer to the Company's response to the MFR 17 regarding gas consumption by the Company's 25 largest customers. For each customer identified in this response, provide the following information:

a. The contact name and phone number of the individual at each company that is most familiar with their gas consumption.

b. All correspondence with these customers from January 2009 through the most recent date regarding their historical, projected or anticipated changes to their gas consumption.

c. The monthly sales volumes at each meter point for each customer from January 2008 through March 2012.

d. A copy of each customer's monthly bill from January 2008 through March 2012.

RESPONSE:

9. Provide the following monthly 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) from October 2007 through March 2011:

a. Number of customers;

b. Sales Volumes;

c. Billing Demand; and

d All other billing determinants included in the Company's tariff.

RESPONSE:

10. Provide the number of customers receiving the senior citizens low-income discount by month and by customer location from October 2007 through March 2011.

RESPONSE:

EXPENSES

11. Please provide the regular salary and wage rate by employee for Company 093 as of March 31, 2012. Please denote in your response by hourly and salary employees; also identify any part time employees.

RESPONSE:

12. Please provide the following information by employee for Company 093 for each month of the fiscal year ended March 31, 2012.

    a. Total hours;

    b. Total pay;

    c. Regular hours;

    d. Regular pay;

    e. Overtime hours;

    f. Overtime pay;

    g. Hours transferred out to other jurisdictions;

    h. Pay transferred out to other jurisdictions; and

    i. Business reason for hours and pay transferred out to other jurisdictions.

RESPONSE:

13. Please provide the hiring date and termination date by employee for Company 093 from April 1, 2011 through March 31, 2012.

RESPONSE:

14. Please provide the total hours and total pay by employee and by jurisdiction transferred in to Tennessee from other jurisdictions for each month from April 2011 through March 2012. Please state the business reasons for hours and pay transferred in to Tennessee from other jurisdictions and identify the amount of transferred in pay that was capitalized and the amount of transferred in pay that was expensed.

RESPONSE:

15. Please provide the actual and forecasted FAS 87 pension amounts by FERC account charged directly to Tennessee (Company 093) and allocated to Tennessee (Companies 002, 012, and 091) for the fiscal years 2008 through 2012 and the attrition year ending November 30, 2013. Include in your response the expense amounts and the capitalized amounts by type of plan, by month, by period, and by company.

RESPONSE:

16. Please provide the actual and forecasted ERISA Pension Account Plan amounts by FERC account charged directly to Tennessee (Company 093) and allocated to Tennessee (Companies 002, 012, and 091) for the fiscal years 2008 through 2012 and the attrition year ending November 30, 2013. Include in your response the expense amounts and the

capitalized amounts by account, by month and by company.

RESPONSE:

17. Please provide the actual and forecasted Annual Incentive Plan for Management, Long-Term Incentive Plan, and Variable Pay Plan amounts by FERC account charged directly to Tennessee (Company 093) and allocated to Tennessee (Companies 002, 012, and 091) for the fiscal years 2008 through 2012 and the attrition year ending November 30, 2013. Include in your response the expense amounts and the capitalized amounts by type of plan, by month, by year, and by company.

RESPONSE:

18. 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 twelve months ended March 31, 2012.

RESPONSE:

19. Please supplement MFR 44 to provide the amount of lobbying expenses, charitable contributions, social club memberships and athletic events allocated to Tennessee from SSU and Division General Office or charged directly to Tennessee, by month, by FERC account, by payee, for the Company's test period ended March 31, 2012, and for the fiscal year ended September 30, 2011.

RESPONSE:

20. Please provide the following Company 093 Uncollectible Expense (Write Offs) information by month from October 2010 through March 2012:

a. Total write offs;

b. PGA write offs;

c. Customer payments;

d. PGA payments; and

e. Net write offs.

RESPONSE:

21. Please provide the 2011 property tax bills (due in March 2012) for each taxing jurisdiction in Tennessee.

RESPONSE:

22. Please update MFR 47.f. to provide the Employer's Quarterly Contribution Report to the Tennessee Department of Employment Security for the first quarter of 2012.

RESPONSE:

23. Please update MFR 48 to provide the following Federal Income Tax data for the Tennessee Operations for the fiscal year ended September 30, 2011:

a. The calculation of the LDC's federal income tax expense. The calculated amount should reconcile to the amount reported on the Tennessee PSC 3.03 surveillance reports;

b. A detailed calculation of the permanent book and tax differences;

c. A detailed calculation of the temporary book and tax differences;

d. Operating federal income taxes deferred – accelerated depreciation;

e. Federal income taxes – operating; and

f. Income credits resulting from prior deferrals of federal income taxes.

RESPONSE:

24. Please update MFR 29 to provide the gross and net expense after deducting salaries and wages, by month, for all NARUC and FERC accounts 700 through 932 for April 2011 through March 2012.

RESPONSE:

RATE BASE

25. Update MFR 51 to provide monthly plant additions and retirements by account number for July October 2007 through September 2008. Please provide the requested information in the same format as provided in your response to MFR 51.

RESPONSE:

26. Please provide the following information regarding Plant in Service and Accumulated Depreciation by company, by service area, by division, and by account or subsidiary account as of September 30, 2011 and March 31, 2012:

a. Account number;

b. Account name and description;

c. Plant account balance;

d. Current depreciation rate;

e. Proposed depreciation rate;

f. Accumulated depreciation balance; and

g. Net book value.

RESPONSE:

27. Please provide the forecasted plant additions, plant retirements, salvage, and costs of removal by company, by service area, by division, by account, and by month from December 2012 through November, 2013.

RESPONSE:

28. Please update MFR 29 to provide the gross and net expense after deducting salaries and wages, by month, for all NARUC and FERC accounts 700 through 932 for April 2011 through March 2012.

RESPONSE:

COST OF CAPITAL

29. Provide the actual capital structure of Atmos Energy Corporation, including dollar amounts and percentages of short term debt, long term debt, preferred stock, and common equity, for each of the twelve months ending March 31, 2008 and 2009. Also provide the accompanying cost rates for short term debt, long term debt, and preferred stock.

RESPONSE:

30. For each dividend on common stock paid by Atmos Energy Corporation from January 1, 2007, through June 30, 2012, please provide

a. the date on which each dividend was paid.

b. the dollar amount per share of each dividend payment.

c. the share price on the date of the dividend payment.

RESPONSE:

31. For all new issues of common stock since January 1, 2001, by Atmos Energy Corporation please provide the date of the issue, the price per share, the number of shares issued, the gross and net amounts realized from the issue.

RESPONSE:

32. Provide the historical Total Returns and Income Returns of Common Stocks, Long Term Government Bonds, Intermediate-Term Government Bonds, and Treasury Bills as reported in Morningstar's *Ibbotson SBBI 2012 Valuation Yearbook* referenced by Dr. Vander Weide in his Direct Testimony on page 38.

RESPONSE:

33. Provide copies of the relevant portions of the *2012 Ibbotson SBBI Valuation Yearbook* relied upon by Dr. Vander Weide in constructing his Table 3 found on page 40 of his Direct Testimony.

RESPONSE:

34. Provide a copy of and a citation for the source document for Dr. Vander Weide's I/B/E/S growth rates referenced on page 20 of his Direct Testimony.

RESPONSE:

LEGAL

35. 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:

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

RESPONSE:

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

RESPONSE:

38. 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:

39. 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:

40. 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.

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:

41. 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:

RESPECTFULLY SUBMITTED,

RYAN L. MCGEHEE (BPR# 25559)
Assistant Attorney General
Office of the Attorney General and Reporter
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, TN 37202-0207
(615) 532-5512

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing is being forwarded via U.S. mail, to:

A. Scott Ross, Esq.
Neal & Harwell, PLC
2000 One Nashville Place
150 Fourth Avenue North
Nashville, TN 37219-2498

Patricia Childers, Vice President
Rates & Regulatory Affairs
Mid-States Division
Atmos Energy Corporation
810 Crescent Centre Drive, Ste. 600
Franklin, TN 37067-6226

Ellen T. Weaver, Esq.
Senior Attorney
Atmos Energy Corporation
P.O. Box 650205
Dallas, TX 75265-0205

on this the 20th day of July, 2012.

Ryan L. McGehee