

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

<b>IN RE:</b>	)	*filed electronically in the docket office on
	)	10/07/2013
<b>PETITION OF ATMOS ENERGY</b>	)	<b>DOCKET NO. 13-00111</b>
<b>CORPORATION TO REVISE</b>	)	
<b>PERFORMANCE BASED RATEMAKING</b>	)	
<b>MECHANISM RIDER IN TARIFF</b>	)	

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

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<b>To:</b> Atmos Energy Corporation c/o A. Scott Ross, Esq. Neal & Harwell, PLC 2000 One Nashville Place 150 Fourth Avenue North Nashville, TN 37219-2498	Patricia D. Childers Vice President, Rates & Regulatory Affairs Mid-States Division Atmos Energy Corporation 810 Crescent Centre Drive, Suite 600 Franklin, TN 37067-6226
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Douglas C. Walther, Esq.  
Associate General Counsel  
Atmos Energy Corporation  
P.O. Box 650205  
Dallas, TX 75265-0205

This First Discovery Request is hereby served upon Atmos Energy Corporation (hereafter "Atmos") pursuant to the Authority's Order Granting Consumer Advocate's Petition to Intervene & Establishing Procedural Schedule entered on September 18, 2013. The Consumer Advocate requests that full and complete responses be provided and supplemented, as necessary, in accordance with the Tennessee Rules of Civil Procedure and TRA Rule 1220-1-2-.11. Please produce the responses at the Office of the Attorney General, Consumer Advocate and Protection Division, 425 5th Avenue North, Nashville, Tennessee 37243, c/o Joe Shirley, Senior Counsel, on or before October 28, 2013.

## **PRELIMINARY MATTERS AND DEFINITIONS**

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.

If any objections to this discovery are raised on the basis of privilege or immunity, please include in your response a complete explanation concerning the privilege or immunity asserted. If you contend that you are entitled to refuse to fully answer any of this discovery, please state the exact legal basis for each such refusal.

The terms “you” and “your” as used herein mean Atmos Energy Corporation and all employees, agents, and representatives thereof.

The term “person” as used herein refers to any natural person, corporation, firm, company, sole proprietorship, partnership, business, unincorporated association, or other entity of any sort whatsoever.

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.

The term “document” as used herein shall have the broadest possible meaning under applicable law. “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, letter, note, report, electronic mail, memorandum (including memoranda, electronic mail, report, or note of a meeting or

communication), workpaper, spreadsheet, photograph, videotape, audio tape, computer disk or record, or any other data compilation in any form without limitation, which is in your possession, custody or control. If any such document was, but no longer is, in your possession, custody or control, please state what disposition was made of the document and when it was made.

### **FIRST DISCOVERY REQUEST**

**REQUEST NO. 1:** Please provide a comparison of the annual cost savings to Atmos and its customers under the Performance-Based Ratemaking Mechanism (PBRM) tariff rider with and without resetting of the deadband under the Gas Procurement Incentive Mechanism (GPIM) for the annual PBR review periods from April 2002 through March 2013. Include the deadband; the benchmark commodity costs; Atmos actual commodity cost; the total commodity cost savings for Tennessee broken down between Atmos and its customers; the total commodity cost savings outside of the deadband broken down between Atmos and its customers; any capacity release savings; any AMA savings; and any savings forfeited by Atmos.

#### **RESPONSE:**

**REQUEST NO. 2:** Please provide a comparison of the annual costs or savings to Atmos and its customers under the PBRM with and without the inclusion of the Natural Gas Intelligence (NGI) index under the GPIM for the annual PBR review periods from April 2002 through March 2013. Include the deadband; the benchmark commodity costs; Atmos actual commodity cost; the total commodity cost savings for Tennessee broken down between Atmos and its customers; the total commodity cost savings outside of the deadband broken down between Atmos and its customers; any capacity release savings; any AMA savings; and any savings forfeited by Atmos.

#### **RESPONSE:**

**REQUEST NO. 3:** Please provide a spreadsheet containing the calculation of the market price benchmark used in the GPIM for April 2002 through March 2013. Include the monthly values of each index used to compute the benchmark and sufficient detail to show the method of calculating the benchmark from the individual indexes.

#### **RESPONSE:**

**REQUEST NO. 4:** Please state, and explain in detail, all grounds and reasons that support your proposal to amend the GPIM section of the PBRM tariff rider by deleting the requirement that the deadband be reset at the end of each three-year period to 1% below the most recent annual audited results of the incentive plan.

**RESPONSE:**

**REQUEST NO. 5:** Please provide all workpapers, calculations, and documents that support your responses to Request Nos. 1 through 4, above. The workpapers and calculations should be in Excel working format with numbers, formulas, and linked files provided.

**RESPONSE:**

**REQUEST NO. 6:** Please provide all workpapers, calculations, and documents that support the opinions, conclusions, proposals, and recommendations made in the Direct Testimony of Rebecca M. Buchanan on Behalf of Atmos Energy Corporation filed in this docket on August 13, 2013. The workpapers and calculations should be in Excel working format with numbers, formulas, and linked files provided.

**RESPONSE:**

**REQUEST NO. 7:** Atmos proposes to change the “projected peak day requirement” in the Reserve Margin section of the tariff to be based upon “the coldest day on record since 1970” rather than “a five-year recurrence interval or the coldest day expected in a five-year period.” If approved and implemented, could this proposed change affect Atmos’ recovery of the cost of natural gas reserve from customers through the PGA? If such change could affect such recovery of cost from customers, please explain in detail how such change could affect such cost recovery.

**RESPONSE:**

**REQUEST NO. 8:** For the last three years beginning on July 1, 2010 and ending on June 30, 2013, please provide a comparison of the difference, if any, between (1) the cost of natural gas reserve recoverable from customers when projected peak day requirement is based upon the coldest day on record since 1970, and (2) the cost of natural gas reserve recoverable from customers when projected peak day requirement is based upon a five-year recurrence interval or the coldest day expected in a five-year period.

**RESPONSE:**

**REQUEST NO. 9:** Please state, and explain in detail, all grounds and reasons that support your proposal to base the projected peak day requirement upon the coldest day on record since 1970.

**RESPONSE:**

**REQUEST NO. 10:** Please provide all workpapers, calculations, and documents that support your responses to Request Nos. 7 through 9, above. The workpapers and calculations should be in Excel working format with numbers, formulas, and linked files provided.

**RESPONSE:**

**REQUEST NO. 11:** Please identify each person whom Atmos expects to call as an expert witness at the hearing on the merits of this matter, and for each such person state the subject matter on which the expert is expected to testify, the substance of the facts and opinions to which the expert is expected to testify, and the grounds for each opinion. Please provide a curriculum vitae for each such expert.

**RESPONSE:**

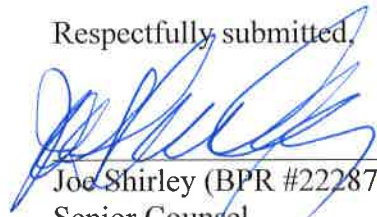
**REQUEST NO. 12:** Please provide all workpapers, calculations, and documents that support the opinions, conclusions, proposals, and recommendations made by each person that Atmos expects to call as an expert witness at the hearing on the merits of this matter. The workpapers and calculations should be in Excel working format with numbers, formulas, and linked files provided.

**RESPONSE:**

**REQUEST NO. 13:** Please produce copies of all hearing exhibits that you plan to introduce, use, or reference at the hearing on the merits of this matter.

**RESPONSE:**

Respectfully submitted,



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Joe Shirley (BPR #22287)  
Senior Counsel  
Office of the Attorney General  
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Nashville, TN 37202-0207  
(615) 741-8727  
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**CERTIFICATE OF SERVICE**

I hereby certify that a true copy of the foregoing was served by first-class U.S. Mail, postage prepaid, and by electronic mail upon A. Scott Ross, Neal & Harwell, PLC, 2000 One Nashville Place, 150 Fourth Avenue North, Nashville, TN 37219-2498, sross@nealharwell.com, *Attorneys for Atmos Energy Corporation*, this 7th day of October, 2013.



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Joe Shirley