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LARRY W. LINDEEN

February 14, 2014



Sharla Dillon, Dockets Manager Tennessee Regulatory Authority Andrew Jackson State Office Building Fourth Floor 500 Deaderick Street Nashville, TN

> RE: Amended Petition for Approval of Contract Regarding Gas Commodity Requirements and Management of Transportation/Storage Contract TRA Docket No. 14-00009

Dear Ms. Dillon:

JAMES F. NEAL (1929-2010)

AUBREY B. HARWELL, JR.

JAMES F. SANDERS THOMAS H. DUNDON

RONALD G. HARRIS

ALBERT F. MOORE

PHILIP N. ELBERT

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PHILIP D. IRWIN
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AUBREY B. HARWELL, III

JAMES G. THOMAS WILLIAM T. RAMSEY

MARC T. McNAMEE GEORGE H. CATE, III

W. DAVID BRIDGERS KENDRA E. SAMSON DAVID G. THOMPSON

LISA PAIGE BINDER ELIZABETH S. TIPPING

JON D. ROSS

Enclosed are the original and four copies of an Amended Petition in this matter. The original Petition in this matter sought Authority approval of two contracts. The first contract includes an asset management agreement, for which advance Authority approval is required. That contract was properly included in the Petition.

The second contract, referred to in the Petition as the ETNG Delivered Supply Agreement, does not include asset management. This Agreement is a gas supply agreement. Gas supply agreements are not supposed to be submitted to the Authority for advance approval. See, e.g., Notice of Clarification, Docket No. 05-00253 (January 30, 2007). The ETNG Delivered Supply Agreement should not have been included in the Petition in this matter.

To correct the error, I have prepared an Amended Petition, which is enclosed for filing. The Amended Petition removes the ETNG Agreement from this matter. Please file the Amended Petition and this letter of explanation in the docket in this matter.

Sharla Dillon, Dockets Manager Page 2 February 14, 2014

Best regards.

Sincerely

A. Scott Ross

ASR:prd

Enclosures

BEFORE THE TENNESSEE REGULATORY AUTHORITY NASHVILLE, TENNESSEE

IN RE:)	
)	
REQUEST OF ATMOS ENERGY)	Docket No. 14-00009
CORPORATION FOR APPROVAL)	
OF CONRACT REGARDING GAS)	
COMMODITY REQUIREMENTS AND)	
MANAGEMENT OF TRANSPORTATION/)	
STORAGE CONTRACT)	
)	

AMENDED PETITION FOR APPROVAL OF CONTRACT REGARDING GAS COMMODITY REQUIREMENTS AND MANAGEMENT OF TRANSPORTATION/STORAGE CONTRACT

Atmos Energy Corporation ("Atmos" or "Company") respectfully requests that the Tennessee Regulatory Authority approve a contract with Atmos Energy Marketing, LLC ("AEM") (hereinafter referred to as the "Asset Management Agreement" or "AMA") regarding the Company's gas commodity requirements and management of its transportation and storage contracts.

Atmos has complied fully with the bidding procedures in its approved Tariff. The AMA provides significant benefit to Atmos' customers, including a substantial annual up front payment, the Tennessee allocated portion of which will directly benefit Tennessee ratepayers. Atmos respectfully requests that this agreement be approved without delay so that gas commodity and asset management services may begin under the new agreement effective April 1, 2014.

In support of this Petition, Atmos respectfully submits the following:

1. Full name and address of the principal place of business of the company are:

Atmos Energy Corporation 5430 LBJ Freeway S 1800 Dallas, TX 75240

2. All correspondence and communications with respect to this Petition should be sent to the following:

Patricia D. Childers
Vice President, Rates & Regulatory Affairs
Mid-States Division
Atmos Energy Corporation
810 Crescent Centre Drive, Suite 600
Franklin, TN 37067-6226
(615) 771-8301 – Facsimile

A. Scott Ross, Esq. Neal & Harwell, PLC 2000 One Nashville Place 150 Fourth Avenue, North Nashville, TN 37219-2498 (615) 726-0573 – Facsimile

Douglas C. Walther, Esq. Associate General Counsel Atmos Energy Corporation P. O. Box 650205 Dallas, TX 75265-0205 (972) 855-3080 – Facsimile

3. At the May 15, 2006 Authority conference in Docket No. 05-00253, the Authority directed Atmos to file all future proposed asset management agreements or renewals for pre-approval by the Authority. By Order dated December 6, 2007 in Docket No. 05-00253, the Tennessee Regulatory Authority memorialized its prior approval of Atmos Energy Corporation's Request for Tariff Amendment to Incorporate Implementation of RFP Procedures for the Selection of an Asset Manager. The new Tariff provisions set forth RFP procedures for the selection of an asset manager. The procedures require Atmos to develop a written RFP defining

the Atmos assets to be managed, detailing AEC's minimum service requirements, and describing the required content of bid proposals. *See* Atmos Gas Tariff No. 1, 2nd Revised Sheet No. 45.3 and 45.4. The RFP is required to be advertised for a minimum of thirty days through a notification process that includes contacting potential asset managers, including past bidders and other asset managers, and publication in trade journals as reasonably available. The procedures also specify criteria to be used in evaluating the bids, including: the total value of the bid proposal; the bidder's ability to perform the RFP requirement; the bidder's asset management qualifications and experience; and the bidder's financial stability and strength.

- 4. The new agreement replaces the current asset management agreement and delivered supply agreement previously approved by the Authority. The current agreement expires March 31, 2014. In anticipation of the contractual expiration, and in compliance with the RFP procedures in its Tariff, Atmos developed RFPs for the asset management and delivered supply services covered by the AMA. The AMA RFP was issued on October 3, 2013.
- 5. The RFP for the AMA called for a one-year agreement beginning April 1, 2014, to provide the natural gas commodity requirements, delivered services and asset management of AEC's transportation and storage contracts. In recognition of the fact that the Atmos system overlaps the Tennessee-Virginia state line in Bristol, the AMA agreement is being filed not only in Tennessee, but also in Virginia.
- 6. In accordance with the RFP procedures, Atmos took reasonable steps to disseminate and advertise its RFP.
- 7. In accordance with the RFP procedures set forth in its Tariff, Atmos evaluated the bids received, and determined that Atmos Energy Marketing had submitted the bid providing the highest overall value to consumers, and that the contract should be awarded to AEM. In making

this evaluation, Atmos considered the criteria set forth in the RFP Tariff. The Company's analysis of the qualifying bids received and the bases for awarding the contract to AEM are fully set forth in documents that will be submitted with the testimony of Rebecca M. Buchanan.

- 8. The AMA provides significant benefit to Atmos customers. The winning bid was without question the highest value bid received, the result of a competitive bidding process conducted in accordance with the TRA-approved RFP procedures.
- 9. In support of this Petition, Atmos relies upon the direct testimony of Rebecca M. Buchanan and the exhibits thereto.

WHEREFORE, Atmos respectfully prays:

- 1. That the AMA be approved so that it may begin on April 1, 2014.
- 2. That Atmos be granted such other relief as may be warranted.

Respectfully submitted,

NEAL & HARWELL, PLA

By:

A Scott Ross, #15634

2000 One Nashville Place 150 Fourth Avenue, North

Nashville, TN 37219-2498

 $(615)\ 244-1713-Telephone$

(615) 726-0573 - Facsimile

Counsel for Atmos Energy Corporation