

# TENNESSEE RECEIVED AUTHORITY



502 Deaderick Street, 4<sup>th</sup> Floor  
Nashville, Tennessee 37243

September 17, 2014

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

Dear Mr. Ross:

In order to assist the Authority in its evaluation of Docket No. 14-00081, *Petition of Atmos Energy Corporation to Establish an Annual Rate Review Mechanism Pursuant to Tenn. Code Ann. § 65-5-103(d)(6)*, it is requested that you respond to the following:

On August 28, 2014, Atmos Energy Corporation (“Atmos” or “Company”) filed a petition to establish an annual rate review mechanism, pursuant to Tenn. Code Ann. § 65-5-103 which allows for the implementation of alternative regulatory methods in lieu of general rate case proceedings.<sup>1</sup> Pursuant to the petition, Atmos has requested the annual rate review process set forth specifically in Tenn. Code Ann. § 65-5-103(d)(6) which provides in part:

**(6) (A) A public utility may opt to file for an annual review of its rates based upon the methodology adopted in its most recent rate case pursuant to § 65-5-101 and subsection (a), if applicable.**

**(B) In order for a public utility to be eligible to make an election to opt into an annual rate review, the public utility must have engaged in a general rate case pursuant to § 65-5-101 and subsection (a) within the last five (5) years; provided, however, that the authority may waive such requirement or increase the eligibility period upon a finding that doing such would be in the public interest. (Emphasis added).**

Below is a list of Atmos’ direct testimonial references in this case to methodology adopted in Docket No. 12-00064, Atmos’ most recent rate case:

Childers, page 6, lines 9-11;  
Childers, page 6, lines 16-17;  
Childers, page 7, lines 3-11;  
Childers, page 7, lines 15-16;

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<sup>1</sup> *Petition*, p. 1 (August 28, 2014).

Childers, page 8, lines 1-4;  
Childers, page 8, lines 6-8  
Childers, page 8, lines 11-12;  
Waller, page 4, lines 21-23  
Waller, page 5, lines 1-6  
Waller, page 6, lines 8-10;  
Waller, page 8, lines 16-18;  
Waller, page 7, lines 7-9;  
Waller, page 7, lines 17-18;  
Waller, page 8, lines 10-11;  
Waller, page 8, lines 22-23;  
Waller, page 9, lines 3-5;  
Waller, page 9, lines 7-9;  
Waller, page 9, lines 13-14;  
Waller, page 9, lines 17-18;  
Waller,, page 10, lines 3-4;  
Waller, page 10, lines 18-23;  
Waller, page 11, lines 1-2;  
Waller, page 11, lines 4-18,  
Waller, page 12, lines 7-9;  
Waller, page 12, lines 21-22;  
Waller, page 12, lines 22-23;  
Waller, page 13, lines 1-2;  
Waller, page 13, lines 8-9;  
Waller, page 13, lines 14-16;  
Waller, page 15, lines 5-6;  
Waller, page 15, lines 9-11;  
Waller, page 15, lines 20-22,  
Waller, page 16, lines 11-13;  
Waller, page 17, lines 1-3;  
Waller, page 17, line 6;  
Waller, page 18, lines 3-6;  
Waller, page 18, lines 15-18;  
Waller, page 18, lines 20-22;  
Waller, page 19, lines 1-2;  
Waller, page 19, lines 8-10;  
Waller, page 19, lines 12-14; and  
Waller, page 33, lines 16-19.

For each instance in Atmos' testimony filed in this case that refers to and/or relies upon a methodology adopted in Docket No. 12-00064, provide the date such methodology was filed with the Authority in Docket No. 12-00064 and the specific citation to the Authority's adoption of each methodology. If Atmos is unable to cite to the Authority's adoption of any methodology used in any calculation referenced in testimony in this case, please explain the Company's

rationale for use of such methodology in light of the requirements set forth in Tenn. Code Ann. § 65-5-103(d)(6)(A).

Also, please discuss the basis for using calculations and results from the *Stipulation and Settlement Agreement* in Docket No. 12-00064 in light of

(1) the Authority's finding that, "...in accepting the *Stipulation and Settlement Agreement*, the Authority was not adopting any specific means, models or methodologies used to calculate the resulting agreed-upon terms.<sup>2</sup>"

(2) the parties' requested language contained in paragraphs 14-16 of the *Stipulation and Settlement Agreement* in Docket No. 12-00064 and the Authority's ordering clause 2 contained in the Order approving the *Stipulation and Settlement Agreement*, which provides

The settlement of any issue pursuant to the *Stipulation and Settlement Agreement* shall not be cited by the Parties or any other entity as binding precedent in any other proceeding before the Authority or any court, state or federal.

(3) Language contained in the *Stipulation and Settlement Agreement* contained in paragraphs 8 – 10 stating that the revenue deficiency, revenue requirement and rates are fair and reasonable for the limited purpose of settling/resolving the docket/proceeding.

It is requested that you respond fully to this request no later than 2:00 p.m. on September 24, 2014, and that Docket No. 14-00081 be referenced on the response. If there is need for clarification of this request, please contact me at (615) 770-6884 or Joe Shirley at 770-6888.

Sincerely,



David Foster  
Chief, Utilities Division

C: Patricia Childers, Vice President  
Rates and Regulatory Affairs  
Mid-States Division  
Atmos Energy Corporation  
810 Crescent Centre Drive, Suite 600  
Franklin, TN 37067-6226

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<sup>2</sup> Order Approving Settlement Agreement, Docket No. 12-00064, p.4 (December 4, 2012).

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

Docket No. 14-00081: