

# TENNESSEE REGULATORY AUTHORITY



502 Deaderick Street, 4<sup>th</sup> Floor  
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April 21, 2015

A. Scott Ross, Esq.  
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VIA E-MAIL and U.S. MAIL

RE: Docket No. 14-00146 – *Petition of Atmos Energy Corporation for a General Rate Increase Under T.C.A. 65-5-103(a) and Adoption of an Annual Rate Review Mechanism under T.C.A. 65-5-103(d)(6).*

Dear Mr. Ross:

To assist the Authority in its evaluation of the above-captioned *Petition* filed on November 25, 2014, it is requested that Atmos Energy Corporation provide responses to the attached TRA Second Data Request.

It is requested that all responses be provided no later than 4:00 p.m., April 29, 2015. In accordance with TRA rules, submit either (1) original and thirteen written copies of your response or (1) original and four written copies and an electronic version. Should you have any questions or need clarification regarding any requested item, please contact me at (615) 770-6884.

Sincerely,

David Foster, Chief  
Utilities Division

Attachment

cc: Docket File  
Patricia Childers (via E-Mail)  
Ellen T. Weaver, Esq. (via E-Mail)  
Wayne M. Irvin, Esq. (via E-mail)

### **TRA Second Data Request**

Reference Jason L. Schneider testimony on page 12; “Q. DOES THE CAM DESCRIBE HOW TO ALLOCATE BALANCE SHEET AMOUNTS? **No.** [emphasis added] The CAM describes how to allocate expense items from Atmos Energy’s income statement. Investment or balance sheet items are not allocated within Atmos Energy’s books and records. Investment amounts are allocated only for ratemaking purpose in the context of a rate filing or certain regulatory reports.”

Also, reference Exhibit JLS-1, Atmos Energy Corporation Cost Allocation manual page 2; “Atmos account coding structure enables it to capture the costs for allocable activities. Expenses, assets, and liabilities for Atmos’ shared services and other operating division general office divisions are coded to applicable location codes and cost centers as necessary, and are then allocated to the appropriate rate divisions based upon the methodologies described herein. Allocations recorded in the books and records of the Company are primarily for management control purposes **and may not reflect the allocation methodology used for rate making purposes** [emphasis added].”

1. Given this testimony and description in the CAM, provide the methodology utilized to allocate investment amounts, balance sheet items and expenses to Atmos Operating Divisions and/or affiliates and/or non-regulated operations.
2. Provide calculations and cites for amounts used in calculations for the following amounts from Atmos Response to Staff’s First Data Request 1-06, WP 8-2:  
.011045 and .001870
3. Please reference Atmos Petition Exhibit GKW-1, Schedule 1 “Net Revenue Deficiency \$5,888,612.” Also reference Atmos Response to Staff’s First Data Request 1-06, Schedule 1, “Revenue Deficiency (Surplus) \$5,046,861”.
  - A. Is Atmos revising its Petition in this docket to recover \$5,046,861?
  - B. If so, please provide a revised set of schedules with the requested \$5,046,861, as filed with the Petition Exhibit GKW-1, Schedules 1 through 7 (including workpapers attached to schedules) and
  - C. Please provide a reconciliation between the \$5,888,612 and \$5,046,861 with detailed explanations and calculations.