

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**May 4, 2015**

**IN RE:**

**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)**

**DOCKET NO.  
14-00146**

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**PRE-HEARING ORDER**

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This matter came before the Hearing Officer of the Tennessee Regulatory Authority ("Authority" or "TRA") during a Pre-hearing Conference held on April 30, 2015, as noticed, with the parties, Atmos Energy Corporation ("Atmos") and the Consumer Advocate and Protection Division of the Tennessee Attorney General's Office ("Consumer Advocate"). In accordance with Tenn. Code Ann. § 4-5-306 and TRA Rule 1220-1-2-.12, the Pre-Hearing Conference was held to resolve certain matters prior to the commencement of a hearing on the merits, including any outstanding procedural matters or pending motions, and to establish the orderly conduct of the hearing, which is scheduled to be heard at 9:00 a.m. CDT on May 11, 2015.

All parties had representatives participating. The parties in attendance were as follows:

**For Atmos:**

A. Scott Ross, Esq., Neal and Harwell, PLC, 150 Fourth Avenue North, Suite 2000, Nashville, TN 37219.

**For the Consumer Advocate:**

Wayne Irvin, Esq., Office of the Attorney General, 425 Fifth Avenue North, Fourth Floor, John Sevier Building, P.O. Box 20207, Nashville, TN 37202.

## **I. Preliminary Issues**

On April 21, 2015, the Consumer Advocate filed a *Motion for Leave to File Supplemental Testimony*, and Atmos filed a *Response in Opposition to the Consumer Advocate's Motion for Leave to File Supplemental Testimony* on April 23, 2014. On April 29, 2015, the Consumer Advocate filed a *Memorandum in Support of its Motion for Leave to File Supplemental Testimony*. At the Pre-Hearing Conference, the parties requested that a determination on the Consumer Advocate's motion be delayed because the parties had filed a *Stipulation and Settlement Agreement* ("Settlement Agreement") on April 29, 2015. The Hearing Officer agrees to delay a decision on the motion and if necessary, the *Motion for Leave to File Supplemental Testimony* will be heard prior to the commencement of the hearing on the merits.

## **II. PROCEDURAL MATTERS**

During the Pre-Hearing Conference, the length and timing of the order of proof was discussed. The following order of the hearing was then established and agreed upon:

### **A. NOTICE OF HEARING & PUBLIC COMMENT**

On April 30, 2015, a *Notice of Hearing* was issued notifying the public that a hearing will be held at **9:00 a.m. CDT on Monday, May 11, 2015**. Members of the public are encouraged to participate by filing written comments in the docket file and/or presenting verbal comments during the hearing. The purpose of the hearing is to consider the *Settlement Agreement* filed by the parties in this docket. If the *Settlement Agreement* is not approved by the voting panel, a hearing on the merits will begin immediately following the panel's deliberation of the *Settlement Agreement*.

### **B. OPENING STATEMENTS**

After any preliminary matters are considered, each party is permitted a maximum of ten (10) minutes to present an opening statement. Atmos will present its opening statement first, followed by the Consumer Advocate.

### **C. EXHIBITS & DOCUMENTS**

The parties should exchange any demonstrative exhibits related to a witness's pre-filed testimony before that witness appears on the stand. Each party should have its own copy of all exhibits, including those appended to pre-filed testimony, available for reference during the hearing and is responsible for supplying a sufficient number of copies of any exhibits that it intends to reference or discuss with a witness. A party should use its own judgment and discretion in determining the total number of copies to have on hand, but at a minimum, copies of an exhibit should be provided to the court reporter, each Director on the panel, Legal Staff, and the Utilities Division Chief.

### **D. TECHNOLOGICAL AND OTHER SPECIAL REQUESTS**

The parties should inform the Hearing Officer of any requirements as to visual display aids and technology that might be needed during the hearing. So that the appropriate arrangements may be made, all such requests and information should be provided via email to the Hearing Officer at [monica.smith-ashford@tn.gov](mailto:monica.smith-ashford@tn.gov) by 2:00 p.m. CDT on May 7, 2015.

### **E. WITNESSES**

During direct examination, each witness will be permitted ten (10) minutes to fifteen (15) minutes to summarize his/her pre-filed testimony. In addition, each witness remains subject to recall for rebuttal purposes and should remain available throughout the length of the proceedings.

- Atmos will present six (6) witnesses:
  - 1) **Gregory Waller**- Manager of Rates, Regulatory Affairs
  - 2) **Patricia J. Childers**-Vice-President Rates, Regulatory Affairs, Kentucky Mid/States
  - 3) **Pace McDonald**- Vice President of Taxes
  - 4) **James H. Vander Weide**- President Financial Strategy Associates
  - 5) **Joe T. Christian**- Director of Rates and Regulatory Affairs

6) **Jason L. Schneider**- Director of Accounting Services

- Consumer Advocate will present two (2) witnesses:

1) **William H. Novak** – President, WHN Consulting

2) **Christopher C. Klein** – Professor, Middle Tennessee State University Economics and Finance Department

**F. EXAMINATION OF WITNESSES AND QUESTIONS BY THE AUTHORITY**

While redirect examination of a witness is allowed, the parties are reminded to limit questions on redirect to matters elicited during cross-examination that require clarification. It is not appropriate to raise new issues during redirect examination. Re-cross examination is not permitted except in the event that a new issue is raised during the immediately preceding redirect examination. The Authority's Advisory Staff has the opportunity to ask questions following cross-examination, before redirect examination. The parties should be aware that the Directors might ask questions at any time during a witness's testimony, as well as following cross-examination.

**G. CLOSING ARGUMENTS**

The parties will present closing arguments and forgo filing post-hearing briefs. Closing arguments will be presented first by the Consumer Advocate, then Atmos. Each party will be given a maximum of ten (10) to fifteen (15) minutes to present closing arguments.

**H. PRELIMINARY MATTERS/MOTIONS**

The parties should make the Hearing Officer aware of any preliminary matters as soon as possible in advance of the hearing. Any motions or requests related to such matters are to be filed with the Authority and served upon the other party by 4:30 p.m. on Wednesday, May 6, 2015. Such motions shall include a statement concerning efforts made to contact adverse counsel and whether there is opposition to the motion. Any responses in opposition shall be filed and served by 4:30 p.m. on Friday, May 8, 2015.

## **I. SUMMARY OUTLINE OF HEARING**

For the convenience of the presiding panel and the parties, a *Procedural Outline of Hearing* has been provided as an attachment to this Order.

### **IT IS THEREFORE ORDERED THAT:**

1. Requests for visual aids, the use of technology, and information concerning the technical requirements of the parties shall be provided by electronic mail to the Hearing Officer at [monica.smith-ashford@tn.gov](mailto:monica.smith-ashford@tn.gov) by **2:00 p.m. CDT on May 7, 2015**.
2. Any preliminary motions or requests related to such matters are to be filed with the Authority and served upon the other party by **4:30 p.m. on Wednesday, May 6, 2015**. Such motions shall include a statement concerning efforts made to contact adverse counsel and whether there is opposition to the motion. Any responses in opposition shall be filed and served by **4:30 p.m. on Friday, May 8, 2015**.
3. The hearing scheduled for **9:00 a.m. CDT on May 11, 2015**, shall be conducted in accordance with this Pre-Hearing Order unless otherwise ordered by the Vice Chairman/Presiding Director.

  
Monica Smith-Ashford, Hearing Officer

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

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**PROCEDURAL OUTLINE OF HEARING**

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First, there will be a Hearing on the Settlement Agreement. If the Settlement Agreement is rejected, the Hearing on the Merits will immediately follow.

Time/Date: **9:00 a.m. CDT on May 11, 2015**

- Location: Hearing Room G.201  
Andrew Jackson State Office Building  
500 Deaderick Street, Nashville, TN

**Hearing on Settlement Agreement**

- A. Hearing Convened by Vice Chairman/Presiding Director & Introductions
- B. Preliminary Matters (if any)
- C. Presentation of Settlement Agreement
- D. Public Comment
- E. Deliberations on Settlement Agreement

**Hearing on the Merits** (if the Settlement Agreement is rejected)

- A. Hearing Convened by Vice Chairman/Presiding Director & Introductions
- B. Preliminary Matters

1) *Consumer Advocate's Motion for Leave to File Supplemental Testimony*

2) Other Preliminary Matters

C. Public Comment

D. Opening Statements (10 minutes each):

1) Atmos Energy Corporation

2) Tennessee Attorney General-Consumer Advocate & Protection Div.

E. Witness Testimony

1) **Atmos Witness:**

**Gregory Waller, Manager of Rates, Regulatory Affairs**

- Oath Administered/Witness Sworn -

Witness Summary of Direct Pre-Filed Testimony (10-15 minutes)

Cross-examination by Consumer Advocate

Questions by TRA Advisory Staff (if any)<sup>1</sup>

Re-direct examination by Atmos

2) **Atmos Witness:**

**Patricia J. Childers, Vice-President Rates, Regulatory Affairs, Kentucky Mid/States**

- Oath Administered/Witness Sworn -

Witness Summary of Direct Pre-Filed Testimony (10-15 minutes)

Cross-examination by Consumer Advocate

Questions by TRA Advisory Staff (if any)

Re-direct examination by Atmos

3) **Atmos Witness:**

**Pace McDonald, Vice President of Taxes**

- Oath Administered/Witness Sworn -

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<sup>1</sup> Witnesses should anticipate questions from Directors at any time throughout the proceedings.

Witness Summary of Direct Pre-Filed Testimony (10-15 minutes)

Cross-examination by Consumer Advocate

Questions by TRA Advisory Staff (if any)

Re-direct examination by Atmos

**4) Atmos Witness:**

**James H. Vander Weide, President Financial Strategy Associates**

- Oath Administered/Witness Sworn -

Witness Summary of Direct Pre-Filed Testimony (10-15 minutes)

Cross-examination by Consumer Advocate

Questions by TRA Advisory Staff (if any)

Re-direct examination by Atmos

**5) Atmos Witness:**

**Joe T. Christian, Director of Rates and Regulatory Affairs**

- Oath Administered/Witness Sworn -

Witness Summary of Direct Pre-Filed Testimony (10-15 minutes)

Cross-examination by Consumer Advocate

Questions by TRA Advisory Staff (if any)

Re-direct examination by Atmos

**6) Atmos Witness:**

**Jason L. Schneider, Director of Accounting Services**

- Oath Administered/Witness Sworn -

Witness Summary of Direct Pre-Filed Testimony (10-15 minutes)

Cross-examination by Consumer Advocate

Questions by TRA Advisory Staff (if any)

Re-direct examination by Atmos



**7) Consumer Advocate Witness:**  
**William H. Novak, President, WHN Consulting**

- Oath Administered/Witness Sworn -

Witness Summary of Direct Pre-Filed Testimony (10-15 minutes)

Cross-examination by Atmos

Questions by TRA Advisory Staff (if any)

Re-direct examination by Consumer Advocate

**8) Consumer Advocate Witness:**  
**Christopher C. Klein, Professor, Economics & Finance Dept., Middle Tenn. State Univ.**

- Oath Administered/Witness Sworn -

Witness Summary of Direct Pre-Filed Testimony (10-15 minutes)

Cross-examination by Atmos

Questions by TRA Advisory Staff (if any)

Re-direct examination by Consumer Advocate

F. Closing Statements (10-15 minutes each)

1) Consumer Advocate

2) Atmos

G. Final Public Comment

H. Consideration of Final Matters/Issues (if any)

I. Hearing Adjourned