

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



IN RE:

**ATMOS ENERGY CORPORATION
GENERAL RATE CASE AND
PETITION TO ADOPT ANNUAL
REVIEW MECHANISM AND ARM
TARIFF**

DOCKET NO. 14-00146

PETITION TO INTERVENE

Herbert H. Slatery III, Attorney General and Reporter for the State of Tennessee, by and through the Consumer Advocate and Protection Division of the Office of the Attorney General (“Consumer Advocate”), pursuant to Tenn. Code Ann. § 65-4-118, respectfully petitions the Tennessee Regulatory Authority (“TRA” or “Authority”) to grant the Consumer Advocate’s intervention into this proceeding because consumers’ interests, rights, duties or privileges may be determined or affected by the Petition of Atmos Energy Corporation for a General Rate Case and Petition to Adopt Annual Review Mechanism and ARM Tariff (“Petition”) filed in this TRA Docket by Atmos Energy Corporation (“Atmos” or “Utility”). For cause, Petitioner would show as follows:

1. The Consumer Advocate is authorized by Tenn. Code Ann. § 65-4-118 to represent the interests of Tennessee consumers of public utilities services by initiating and intervening as a party in any matter or proceeding before the

Authority in accordance with the Uniform Administrative Procedures Act (“UAPA”), Tenn. Code Ann. § 4-5-101 *et seq.*, and Authority rules.

2. Atmos is a public utility regulated by the Authority and provides natural gas service to approximately 132,000 residential, commercial, and industrial customers in Tennessee.¹ The Utility’s principal office and place of business is located at Atmos Energy Corporation, 5430 LBJ Freeway, Suite 1800, Dallas, Texas 75240.²

3. As background, in TRA Docket 14-00081, Atmos petitioned the TRA for approval of an annual rate review mechanism, under Tenn. Code Ann. § 65-5-103(d)(6).³ In that docket, after a motion to dismiss by the Consumer Advocate and argument by the parties, the TRA found that Atmos’ most recent rate case, TRA Docket 12-00064, did not establish a methodology as required for the implementation of an annual rate review under that alternative regulation provision.⁴ Atmos states that “[t]his Petition is being filed to solve that problem.”⁵

4. On November 25, 2014, Atmos filed the Petition, which Atmos describes as having two parts.⁶ Atmos characterizes the first part as a “traditional rate case petition” that seeks approval to adjust Atmos’ rates under Tenn. Code Ann. § 65-5-103(a).⁷ In that part, Atmos seeks approval of an increase in revenues

¹ Petition, page 3, paragraph 6.

² Petition, page 2, paragraph 4.

³ In Re: Petition of Atmos Energy Corporation to Establish an Annual Rate Review Mechanism Pursuant to Tenn. Code Ann. § 65-5-103(d)(6) as filed in TRA Docket 14-00081 on August 28, 2014.

⁴ See Order Granting Consumer Advocate’s Motion to Dismiss (December 8, 2014) in TRA Docket 14-00081.

⁵ Petition, page 1, paragraph 1.

⁶ Petition, page 1, paragraph 2, *et. seq.*

⁷ *Id.*

of approximately \$5.89 million. Atmos states that the increase to the bill of an average residential customer would be approximately \$2.09 per month.⁸ The requested rate increase, according to Atmos, would provide a projected rate of return of 8.58% on a projected total rate base of \$254,734,497, and a rate of return on projected common equity of 10.7%.⁹ Atmos asserts that its calculated return on equity as of June 30, 2014 was 9.02%, while the allowed return on equity granted in TRA Docket 12-00064 was 10.1%, with an overall return of 8.28%.¹⁰ Atmos further asserts that the current proportionate margin distribution among the various customer classes would be retained, while the fixed customer charge for certain rate schedules would be increased.¹¹

5. In the second part of its Petition, Atmos seeks to opt into an annual rate review mechanism under Tenn. Code Ann. § 65-5-103(d)(6). Atmos asserts that it “seeks to have its rates reviewed annually based upon the methodology adopted in the general rate case portion of this [TRA Docket 14-00146], with the [Utility’s] rates to be adjusted annually so as to enable Atmos . . . to earn the authorized return on equity that is established in the general rate case portion of this [TRA Docket 14-00146].”¹² The Utility seeks “approval to make its first annual review filing in September 2015, followed by an adjustment of rates pursuant to the annual review mechanism effective January 1, 2016, and each January 1 thereafter.”¹³

⁸ Petition, page 4, paragraph 10.

⁹ Petition, page 4, paragraph 11.

¹⁰ Direct Testimony of Patricia J. Childers, page 4, lines 9-11, as filed in TRA Docket 14-00146.

¹¹ Petition, page 4, paragraph 12.

¹² Petition, page 2, paragraph 3.

¹³ *Id.*

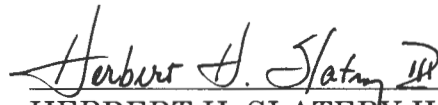
7. The interests of consumers, including without limitation the proposed increase in rates to be paid by the Utility's consumers under the general rate case part of the Petition and the potential increases in rates beginning January 1, 2016, along with the potential increases in rates every January 1 thereafter, under the annual rate review part of the Petition, may be affected by determinations and orders made by the Authority with respect to (i) the interpretation, application, and implementation of Tenn. Code Ann. § 65-5-103(a), Tenn. Code Ann. § 65-5-103(d)(6), and Tenn. Code Ann. § 65-5-103(d)(7), and other relevant statutory and regulatory provisions and (ii) the review and analysis of the documentation, financial spreadsheets, and materials provided by the Utility.

8. Only by participating in this proceeding can the Consumer Advocate work adequately to protect the interests of consumers.

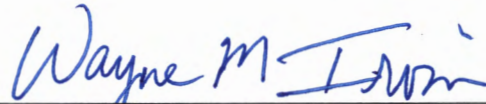
WHEREFORE, Petitioner respectfully asks the Authority to grant this Petition to Intervene.

[signature page follows]

RESPECTFULLY SUBMITTED,



HERBERT H. SLATTERY III (BPR #09077)
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Dated: December 22nd, 2014.

CERTIFICATE OF SERVICE

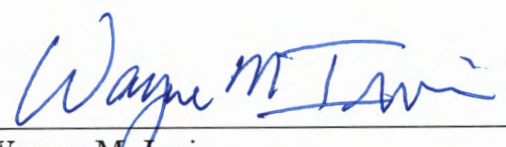
I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

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This the 22nd day of December, 2014.



Wayne M. Irvin