

RECEIVED
2015 JAN -8 PM 4:28
T.C.A. DOCKET ROOM

IN THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE

IN RE:

PETITION OF ATMOS ENERGY)
CORPORATION FOR A GENERAL)
RATE INCREASE UNDER T.C.A.) DOCKET NO. 14-00146
65-5-103(A) AND ADOPTION OF AN)
ANNUAL RATE REVIEW)
MECHANISM UNDER T.C.A. 65-5-)
103(D)(6))

FIRST DISCOVERY REQUEST
OF THE CONSUMER ADVOCATE AND PROTECTION DIVISION TO
ATMOS ENERGY CORPORATION

To: Atmos Energy Corporation
c/o A. Scott Ross, Esq.
Neal & Harwell, PLC
2000 One Nashville Place
150 Fourth Avenue North
Nashville, TN 37219-2498

Patricia Childers
Vice President
Rates & Regulatory Affairs
Mid-States Division
Atmos Energy Corporation
810 Crescent Centre Drive, Ste. 600
Franklin, TN 37067-6226

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

This Discovery Request is hereby served upon Atmos Energy Corporation
("Atmos" or "Company"), pursuant to Rules 26, 33, 34 and 36 of the Tennessee Rules

of Civil Procedure and Tenn. Comp. R. & Reg. 1220-1-2-.11. We request that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Advocate and Protection Division, 425 Fifth Avenue North, Nashville, Tennessee 37243, c/o Wayne Irvin, on or before 4:00 p.m. (CDT), on February 16, 2015.

PRELIMINARY MATTERS AND DEFINITIONS

These discovery requests are to be considered continuing in nature, and are to be supplemented from time to time as information is received by Atmos which would make a prior response inaccurate, incomplete, or incorrect.

If any objections to this discovery are raised on the basis of privilege or immunity, please include in your response a complete explanation concerning the privilege or immunity asserted. If you contend that you are entitled to refuse to fully answer any of this discovery, please state the exact legal basis for each such refusal.

The terms “you” and “your” as used herein mean Atmos Energy Corporation and all employees, agents, and representatives thereof.

The term “person” as used herein refers to any natural person, corporation, firm, company, sole proprietorship, partnership, business, unincorporated association, or other entity of any sort whatsoever.

The term “communication” means any transmission of information by oral, graphic, pictorial or otherwise perceptible means, including but not limited to

personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, or otherwise.

The term "document" as used herein shall have the broadest possible meaning under applicable law. "Document" as used herein means any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded medium in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, letter, note, report, electronic mail, memorandum (including memoranda, electronic mail, report, or note of a meeting or communication), workpaper, spreadsheet, photograph, videotape, audio tape, computer disk or record, or any other data compilation in any form without limitation, which is in your possession, custody or control. If any such document was, but no longer is, in your possession, custody or control, please state what disposition was made of the document and when it was made.

FIRST DISCOVERY REQUESTS

GENERAL

1. Refer to the Company's response to MFR #10. Please update this response to provide a detailed monthly Trial Balance from March 2012 through September 2012.

RESPONSE:

2. Refer to the Company's response to MFR #10. Please update the monthly Trial Balance schedules to include the detailed subaccounts for gas plant in service from March 2012 through June 2014. In the Company's response to MFR #10, the subaccount detail is rolled up into summary totals for general, transmission and distribution plant.

RESPONSE:

3. Refer to the Company's response to MFR #11. Please update this response to provide a Tennessee-only income statement for the fiscal years ended September 30, 2012, 2013 and 2014 as well as the twelve months ended December 31, 2013.

RESPONSE:

4. Refer to Page 27 of the 2013 Atmos stockholder's annual report provided in response to MFR #4. Specifically refer to the following selected items from the twelve months ended September 30, 2013:

Net Property, Plant & Equipment	\$6,030,655,000
Operating Revenues	\$3,886,257,000
Consolidated Distribution Gas Sales Volumes	272,773 MMcF
Consolidated Distribution Gas Transportation Volumes	124,264 MMcF
Meters in Service	3,011,980

Employees	4,720
-----------	-------

Please provide segment reconciliation for each of these items from all state jurisdictions including Tennessee for fiscal years 2009 through 2014.

RESPONSE:

REVENUES

5. Refer to the Company's response to MFR #18. Please update this response to provide the Company's sales and transportation volumes, billing demand and all other billing determinants by rate classification and by month from March 2012 through September 2014 for each location identified in MFR #18.

RESPONSE:

6. Refer to the Company's response to MFR #27. Please update this response to provide the special contract customers and their usage, billing demand and all other billing determinants by month from March 2012 through August 2013. In addition, please provide the executed contract for each customer along with the TRA Order approving the contract.

RESPONSE:

7. Please provide a schedule of monthly determinants and revenues that comprise Other Revenues by account from March 2012 through September 2014.

RESPONSE:

8. Please provide a copy of the monthly NOAA reports for all weather stations used in the Company's weather normalization analysis showing the daily high temperature, daily low temperature and daily heating degree days from March 2012 through September 2014.

RESPONSE:

9. Refer to the Company's response to MFR #17 regarding gas consumption by the Company's 25 largest customers. For each customer identified in this response, please provide the following information:

- a. The contact name and phone number of the individual at each company that is most familiar with their gas consumption.
- b. All correspondence with these customers from March 2012 through the most recent date regarding historical, projected or anticipated changes to their gas consumption.
- c. The monthly sales or transportation volumes at each meter point for each customer from March 2012 through September 2014.
- d. A copy of each customer's monthly bill from March 2012 through September 2014.

RESPONSE:

10. Provide the following monthly information by customer location or town, by class (Residential, Commercial, Industrial, Public Authority, Transportation, and Special Contract), by rate structure (Rate Schedule 210 through Rate Schedule 293), and by rate block (Block 1 through Block 3) from March 2012 through September 2014:

- a. Number of customers;
- b. Sales Volumes;
- c. Billing Demand; and
- d. All other billing determinants included in the Company's tariff.

RESPONSE:

11. Provide the monthly number of customers and sales volumes related to the senior citizen low-income discount by customer location or town from March 2012 through September 2014.

RESPONSE:

12. Refer to the Company's "30 Year Smoothed Normal Bristol Weather" spreadsheet that was included with the filing. Please update this schedule to include missing data for September 2013 and October 2013.

RESPONSE:

13. Provide a copy of the PGA Rate Summary Sheet (only the summary sheet and not the entire PGA filing) at June 30, 2014 (end of test period) for each PGA area.

RESPONSE:

EXPENSES

14. Identify the outside professional services provided in response to MFR 14 that are nonrecurring. For each nonrecurring professional service, explain the business reasons for acquiring the service.

RESPONSE:

15. Please provide the regular salary and wage rate by employee for Company 093 as of September 30, 2014. Please denote in your response by hourly and salary employees; also identify any part time employees.

RESPONSE:

16. Please provide the following information by employee for Company 093 for each month of the fiscal year ended September 30, 2014.

- a. Total hours;
- b. Total Pay;
- c. Regular hours;
- d. Regular Pay;

- e. Overtime hours;
- f. Overtime pay;
- g. Hours transferred out to other jurisdictions;
- h. Pay transferred out to other jurisdictions; and
- i. Business reason for hours and pay transferred out to other jurisdictions.

RESPONSE:

17. Please provide the hiring date and termination date by employee for Company 093 from Oct 1, 2013 through September 30, 2014.

RESPONSE:

18. Please provide the total hours and total pay by employee and by jurisdiction transferred in to Tennessee from other jurisdictions for each month from October 2013 through September 2014. Please state the business reasons for hours and pay transferred in to Tennessee from other jurisdictions and identify the amount of transferred in pay that was capitalized and the amount of transferred in pay that was expensed.

RESPONSE:

19. Please provide the actual and forecasted FAS 87 pension amounts by FERC account charged directly to Tennessee (Company 093) and allocated to Tennessee (Companies 002, 012, and 091) for the fiscal years 2012 through 2014 and

the attrition year ending May 31, 2016. Include in your response the expense amounts and the capitalized amounts by type of plan, by month, by period, and by company.

RESPONSE:

20. Please provide the actual and forecasted ERISA Pension Account Plan amounts by FERC account charged directly to Tennessee (Company 093) and allocated to Tennessee (Companies 002, 012, and 091) for the fiscal years 2012 through 2014 and the attrition year ending May 31, 2016. Include in your response the expense amounts and the capitalized amounts by type of plan, by month, by period, and by company.

RESPONSE:

21. Please provide the actual and forecasted Annual Incentive Plan for Management, Long-Term Incentive Plan, and Variable Pay Plan amounts by FERC account charged directly to Tennessee (company 093) and allocated to Tennessee (Companies 002, 012, and 091) for the fiscal years 2012 through 2014 and the attrition year ending May 31, 2016. Include in your response the expense amounts and the capitalized amounts by type of plan, by month, by period, and by company.

RESPONSE:

22. Please provide all vouchers in excess of \$5,000 charged to Company 093 for nonrecurring items by FERC account, by month, by payee, from July 2013 through September 2014.

RESPONSE:

23. Please supplement MFR 44 to provide the amount of lobbying expenses, charitable contribution, social club memberships, and athletic events allocated to Tennessee from SSU and Division General Office or charged directly to Tennessee, by month, by FERC account, by payee, for the Company's test period ended June 30, 2014, and for the fiscal year ended September 30, 2014.

RESPONSE:

24. Please provide the following Company 093 Uncollectible Expense (Write Offs) information by month from October 2012 through September 2014.

- a. Total write offs;
- b. PGA write offs;
- c. Customer payments;
- d. PGA payments; and
- e. Net write offs.

RESPONSE:

25. Please provide the 2013 property tax bills (due March 2014) for each taxing jurisdiction in Tennessee.

RESPONSE:

26. Please update MFR 47.f. to provide the Employer's Quarterly contribution Report to the Tennessee Department of Employment Security for the third quarter of 2014.

RESPONSE:

27. Please update MFR 48 to provide the following Federal Income Tax data for the Tennessee Operations for the fiscal year ended September 30, 2014.

- a. The calculation of the LDC's federal income tax expense. The calculated amount should reconcile to the amount reported on the Tennessee PSC 3.03 surveillance reports;
- b. A detailed calculation of the permanent book and tax differences;
- c. A detailed calculation of the temporary book and tax differences;
- d. Operating federal income taxes deferred – accelerated depreciation;
- e. Federal income taxes – operating; and
- f. Income credits resulting from prior deferrals of federal income taxes.

RESPONSE:

28. Please update MFR 29 to provide the gross and net expenses after deducting salaries and wages, by month, for all NARUC and FERC accounts 700 through 932 for fiscal year 2014.

RESPONSE:

RATE BASE

29. Refer to the Company's response to MFR #51 regarding historical plant additions for division 93. Please provide this same information included in MFR #51 for divisions 2, 12, 91, CKV and Greeneville.

RESPONSE:

30. Please provide the following information regarding Plant in Service and Accumulated Depreciation by company, by service area, by division and by account or subsidiary account as of December 31, 2013, June 30, 2014 and September 30, 2014:

- a. Account number;
- b. Account name and description;
- c. Plant account balance;
- d. Depreciation rate;
- e. Accumulated depreciation balance; and
- f. Net book value.

RESPONSE:

31. Refer to the "Plant Balances 2015 TN Case" spreadsheet that was included with the Company's filing. Provide the source and support for the June 2013 plant balances included on the Division 2, 12, 91 and 93 tabs of this spreadsheet.

RESPONSE:

32. Refer to the "Plant Balances 2015 TN Case" spreadsheet that was included with the Company's filing. Provide the source and support for the July 2013 through June 2014 plant additions included on the Division 2, 12, 91 and 93 tabs of this spreadsheet.

RESPONSE:

33. Refer to the "Plant Balances 2015 TN Case" spreadsheet that was included with the Company's filing. Provide the source and support for the July 2013 through June 2014 plant retirements included on the Division 2, 12, 91 and 93 tabs of this spreadsheet.

RESPONSE:

34. Refer to the "Plant Balances 2015 TN Case" spreadsheet that was included with the Company's filing. Provide the source and support for the July 2013

through June 2014 plant transfers/adjustments included on the Division 2, 12, 91 and 93 tabs of this spreadsheet.

RESPONSE:

35. Refer to the "Plant Balances 2015 TN Case" spreadsheet that was included with the Company's filing. Provide the source and support for the July 2013 through June 2014 depreciation expense amounts included on the Division 2, 12, 91 and 93 tabs of this spreadsheet.

RESPONSE:

36. Refer to the "Plant Balances 2015 TN Case" spreadsheet that was included with the Company's filing. Provide the source and support for the July 2013 through June 2014 depreciation reserve amounts included on the Division 2, 12, 91 and 93 tabs of this spreadsheet.

RESPONSE:

37. Refer to the "Plant Balances 2015 TN Case" spreadsheet that was included with the Company's filing. Specifically refer to the "Non-Reg ADIT" tab of this spreadsheet. Please provide a cumulative schedule on Net Operating Losses (NOL) by fiscal year through September 30, 2014. In addition, please provide the source and support for the taxable income/loss for both utility and non-reg operations for all fiscal years on this schedule along with a side comparison with book

income/loss for this same period. Finally, please explain the Company's process and rationale for classifying NOL between regulated and non-regulated.

RESPONSE:

COST OF CAPITAL

38. Provide the actual consolidated capital structure of Atmos Energy Corporation, including dollar amounts and percentages of short term debt, long term debt, preferred stock, and common equity, for each of the twelve months ending June 30, 2010, 2011, 2012 and 2013. Also provide the accompanying cost rates for short term debt, long term debt, and preferred stock.

RESPONSE:

39. For each dividend on common stock paid by Atmos Energy Corporation from January 1, 2009, through December 31, 2014, please provide

- a. the date on which each dividend was paid.
- b. the dollar amount per share of each dividend payment.
- c. the share price on the date of the dividend payment.

RESPONSE:

40. For all new issues of common stock since January 1, 2001, by Atmos Energy Corporation please provide the date of the issue, the price per share, the number of shares issued, the gross and net amounts realized from the issue.

RESPONSE:

41. On page 37 of his Direct Testimony, Dr. Vander Weide cites both the *Ibbotson SBBI 2014 Yearbook* and the *SBBI 2013 Valuation Yearbook*. For the source used by Dr. Vander Weide for his CAPM risk premium calculation, provide the arithmetic mean historical Total Returns and Income Returns of Common Stocks, Long Term Government Bonds, Intermediate-Term Government Bonds, and Treasury Bills.

RESPONSE:

42. Provide copies of the relevant portions of the *2014 Ibbotson SBBI Valuation Yearbook* relied upon by Dr. Vander Weide in constructing his Exhibit JVW-1, Schedule 7.

RESPONSE:

43. Provide a copy of and a citation for the source document for Dr. Vander Weide's I/B/E/S growth rates referenced on page 21 of his Direct Testimony.

RESPONSE:

44. Exhibit JVW-1, Schedule 3-5, and Exhibit JVW-1, Schedule 8-5, use different formulas for the DCF quarterly model. Provide an explanation for how and why the two formulas differ and a justification for not using the same formula in both cases.

RESPONSE:

LEGAL

45. Please identify each person who you expect to call as an expert witness at the hearing on the merits in this docket, and for each such expert witness:

- a. Identify the field in which the witness is to be offered as an expert;
- b. Provide complete background information, including the witness's current employer, as well as his or her educational, professional and employment history, and qualifications within the field in which the witness is expected to testify;
- c. Identify all publications written or presentations presented in whole or in part by the witness, including either a copy of all such publications and presentations or a reference to where such publications and presentations may be publicly obtained;
- d. Provide the grounds for the opinions to which the witness is expected to testify, and provide a summary of the grounds for each such opinion;
- e. Identify any matter in which the expert has testified (through deposition or otherwise) by specifying the name, docket number and forum of each case, the dates of the prior testimony and the subject of the prior testimony, and identify the transcripts of any such testimony;
- f. Identify the terms of the retention or engagement of each expert including but not limited to the terms of any retention or engagement letters or

agreements relating to his/her engagement, testimony, and opinions as well as the compensation to be paid for the testimony and opinions;

- g. Identify any exhibits to be used as a summary of or support for the testimony or opinions provided by the expert; and
- h. Please produce copies of all documents, summaries, charts, trade articles, journals, treatises, publications, workpapers, file notes, chart notes, tests, test results, interview notes, and consultation notes provided to, reviewed by, utilized by, relied upon, created by, or produced by any proposed expert witness in evaluating, reaching conclusions or formulating an opinion in this matter.

RESPONSE:

46. Please identify the name and location of all persons having knowledge of discoverable matters in this case.

RESPONSE:

47. Please produce copies of all documents referred to or relied upon in responding to these discovery requests.

RESPONSE:

48. Please produce copies of all hearing exhibits that you plan to introduce, use, or reference at the hearing on the merits in this docket.

RESPONSE:

49. Please produce copies of all documents -- including, without limitation, work papers, spreadsheets, summaries, charts, notes, exhibits, articles, journals,

treatises, periodicals, publications, reports, records, statements, Internet web pages, or financial information -- relied upon by any of your witnesses in evaluating, reaching conclusions, or formulating an opinion in this matter.

RESPONSE:

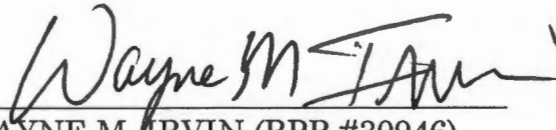
50. Identify all information, documents and things filed in the present docket record, including all responses to discovery of the parties and data request from the TRA Staff, which Atmos produced in this docket and does not agree to stipulate to the authenticity of such information, documents and things in this proceeding. For each separate piece of information, documents and things which Atmos produced in this docket and Atmos contends is not admissible as evidence describe in specific detail any objection(s) Atmos claims as to admissibility into the evidentiary record in this docket.

RESPONSE:

51. Please provide all working Excel (or other data files) containing the information provided in response to these request items and those provided previously in the MFR items.

RESPONSE:

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, appearing to read "Wayne M. Irvin", written over a horizontal line.

WAYNE M. IRVIN (BPR #30946)

Assistant Attorney General

Office of the Attorney General

Consumer Advocate and Protection Division

P.O. Box 20207

Nashville, Tennessee 37202-0207

(615) 532-5512

Dated: January 8th, 2015.

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:

Patricia Childers
Vice President
Rates & Regulatory Affairs
Mid-States Division
Atmos Energy Corporation
810 Crescent Centre Drive, Ste. 600
Franklin, TN 37067-6226

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

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

This the 8th day of January, 2015.



WAYNE M. IRVIN