

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

January 12, 2015

IN RE:)	
)	
PETITION OF ATMOS ENERGY)	DOCKET NO.
CORPORATION FOR A GENERAL RATE)	14-00146
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))	

ORDER ESTABLISHING PROCEDURAL SCHEDULE

This matter is before the Hearing Officer of the Tennessee Regulatory Authority (“Authority” or “TRA”) to establish a procedural schedule for the orderly administration of these proceedings. The goal and design of any procedural schedule is to efficiently move the proceedings forward to a hearing and final conclusion on the merits. Nevertheless, a procedural schedule’s effectiveness directly depends on cooperation by the parties in meeting the individual benchmark dates.

RELEVANT BACKGROUND

On October 10, 2014, in Docket No. 14-00081, the panel assigned to that docket considered Atmos Energy Corporation’s (“Atmos” or “Company”) *Petition to Adopt Statutory Annual Review of Rates and Tariff with Procedures for Statutory Annual Rate Review*.¹ The panel determined that Atmos had not met all of the statutory requirements to be eligible for annual rate review. Specifically, Atmos expressly did not adopt a ratemaking methodology

¹ See *In re: Petition of Atmos Energy Corporation to Establish an Annual Rate Review Mechanism Pursuant to Tenn. Code Ann. 65-5-103(D)(6)* (August 28, 2014).

in the Settlement Agreement of its' most recent rate case.² Based on its findings, the panel granted a motion to dismiss filed by the Consumer Advocate and dismissed Atmos' petition.³

On November 25, 2014, Atmos filed a *Petition* containing two parts, a general rate case and a request to opt into an annual rate review mechanism ("ARM") pursuant to Tenn. Code Ann. § 65-5-103(a). In its *Petition*, Atmos seeks to have its rates reviewed annually based on the methodology adopted in the general rate case portion of this docket.

The Consumer Advocate and Protection Division of the Tennessee Attorney General ("Consumer Advocate") filed a Petition to Intervene on December 23, 2014, which was granted by the Hearing Officer in an Order issued January 7, 2015.

JANUARY 7, 2015 STATUS CONFERENCE

A Status Conference was held on January 7, 2015 for the purpose of establishing a procedural schedule to completion. The parties in attendance were as follows:

Atmos Energy Corporation - C. Scott Ross, Esq., Neal and Harwell, PLC, 150 Fourth Avenue North, Suite 2000, Nashville, TN 37219.

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.

The parties submitted a proposed procedural schedule to the Hearing Officer via email on January 6, 2015. At the Status Conference, the Hearing Officer agreed with most of the dates on the proposed schedule but expressed concerns regarding holding the hearing on the ARM portion of the *Petition* on May 11, 2015, which would be well after the 120-day deadline for deciding an ARM petition. While Atmos agreed to waive putting the rates in under bond up until June 15, 2015 for the general rate case, the ARM deadline cannot be waived. The Hearing Officer explained that the Authority has interpreted the 120-day deadline on ARM requests as a strict

² *Id.* at 13-15.

³ *Id.* at 18.

deadline, and the statute does not allow for a waiver of that deadline. Filing the *Petition* with both a general rate case, which has a nine month deadline, and an ARM portion is problematic due to the differing deadlines.


After considering Atmos' concerns, the Hearing Officer suggested Atmos withdraw the ARM portion of the *Petition* and re-file it later in this same docket so that a hearing and determination on the ARM could be made after the panel had deliberated the general rate case. Atmos stated that the timeline suggested by the Hearing Officer would not give the Company enough time for the rates proposed by the ARM to go into effect January 2016. The Hearing Officer instructed the parties to continue to work in accordance with the deadlines listed in the Proposed Procedural Schedule up until the date of the Pre-Hearing Conference, and the issue regarding the ARM would be taken under advisement.

After considering the arguments of the parties and the statutory requirements, the Hearing Officer rules as follows:

1. The proposed procedural schedule is adopted only with regard to the general rate case and is set forth in **Exhibit A** attached to this Order;
2. The remainder of the procedural schedule pertaining to the ARM will be adopted if Atmos files a motion to withdraw the ARM portion of its *Petition*;
3. In order to comply with the 120-day statutory deadline, if Atmos fails to withdraw the ARM in a timely manner, it will be placed on the March 9, 2015 Authority Conference agenda for consideration;
4. If Atmos chooses to withdraw the ARM, Atmos should designate the portions of the *Petition* and Pre-Filed testimony to be withdrawn; and

5. If Atmos re-files the ARM, it may do so in this docket file. Only the parts of the *Petition* and Pre-Filed testimony pertaining to the ARM should be re-filed.

IT IS HEREBY ORDERED.


Monica Smith-Ashford, Hearing Officer

Procedural Schedule

Docket No. 14-00146 (January 7, 2015)
General Rate Case Portion of the Petition

Due Date	Filing/Action
January 15, 2015	Consumer Advocate's Discovery Requests Due Copies of all discovery exchanged between the parties shall be filed with the Authority within 3 days of the exchange of information. All spreadsheets shall be filed in Excel format with working formulas.
February 16, 2015	Atmos Discovery Responses Due
March 23, 2015	Consumer Advocate Pre-Filed Testimony Due
March 30, 2015	Atmos Discovery Requests Due
[TBD]	Status Conference on Discovery (if needed)
April 13, 2015	Consumer Advocate's Discovery Responses Due
April 27, 2015	Atmos Pre-Filed Rebuttal Testimony Due
April 29, 2015	Pre-Hearing Conference
May 11, 2015	Target Date for Hearing on the Merits

Exhibit A