

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:

ATMOS ENERGY CORPORATION	)	
GENERAL RATE CASE AND PETITION	)	
TO ADOPT ANNUAL REVIEW	)	Docket No. 14-00146
MECHANISM AND ARM TARIFF	)	

**NOTICE OF WITHDRAWAL WITHOUT PREJUDICE FOR LATER
REINSTATEMENT OF CERTAIN PORTIONS OF PETITION AND ARM TARIFF**

In Authority Docket No. 14-00081, Atmos Energy petitioned for approval of an annual rate review mechanism as authorized under Tennessee Code Annotated § 65-5-103(d)(6), relying on the Company's most recent general rate case, Docket No. 12-00064. The Authority ultimately held in Docket No. 14-00081 that the resolution of Docket No. 12-00064 did not establish a methodology so as to allow implementation of the statutory annual rate review mechanism authorized under Section 65-5-103(d)(6). Atmos filed the Petition in this case to solve that problem.

Accordingly, the Petition had two parts. First, it started a traditional general rate case. Atmos seeks approval to adjust its rates pursuant to Tennessee Code Annotated § 65-5-103(a). As per the usual course in a general rate case, Atmos Energy respectfully requests that the TRA approve the Company's new rates and charges and tariffs incorporating the revised rates.

Second, the Petition includes a request for Atmos to opt into the annual rate review mechanism authorized under Tennessee Code Annotated § 65-5-103(d)(6). Atmos Energy seeks to have its rates reviewed annually based upon the methodology adopted in the general rate case portion of this case, with the Company's rates to be adjusted annually so as to enable Atmos

Energy to earn the authorized return on equity that is established in the general rate case portion of this case. Atmos Energy 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. To provide for an orderly annual review pursuant to the statute, the Company filed a proposed Annual Review Mechanism Tariff to implement procedures for the statutory annual review and seeks approval of this tariff.

Following the filing of the Petition, the Consumer Advocate and Protection Division of the Attorney General petitioned to intervene, and intervention was granted without objection. No other party has intervened, leaving Atmos and the Consumer Advocate as the only parties to this case. On January 7, 2015, at a status conference in this matter, the parties jointly presented an agreed proposed procedural schedule to the hearing officer. The joint agreed schedule was as follows:

January 15, 2015	Intervenor's Discovery Requests Due;
February 16, 2015	Utility's Discovery Responses Due;
March 23, 2015	Intervenor's Pre-Filed Testimony Due;
March 30, 2015	Utility's Discovery Requests Due;
[TBD]	Status Conference;
April 13, 2015	Intervenor's Discovery Responses Due;
April 27, 2015	Utility's Pre-Filed Rebuttal Testimony Due;
April 29, 2015	Pre-Hearing Conference;
May 11, 2015	Hearing on the Merits. Issues to be determined:
	1. As to the general rate case portion of the Petition, determine and set rates that are fair and reasonable, and approve a revised tariff for the Company implementing the new rates.
	2. In connection with the general rate case portion of the Petition, set-forth the methodologies adopted by the TRA.
	3. As to the annual rate review mechanism portion of the Petition, act on the Company's request to opt into the annual rate review mechanism provided by Tenn. Code Ann. § 65-5-103(d)(6), with the first revision to rates under the annual review mechanism to be effective January 1, 2016, and act on the Company's proposed Annual Review Mechanism tariff.

	4. Determine whether the Company is entitled to any alternative relief, including any relief that may be afforded under Tenn. Code Ann. § 65-5-103(d)(7).
June 1, 2015	Post-Hearing Briefs Due;
June 15, 2015	TRA Deliberations and Decision.

At the January 7 status conference in this matter, the Hearing Officer raised concern that the June 15, 2015 decision date proposed by the parties would run afoul of Tenn. Code Ann. § 65-5-103(d)(1)(B), which states: “For all alternative regulatory methods, the authority is authorized to develop minimum filing requirements and procedural schedules; provided, however, that a final determination of the authority pursuant to any alternative regulatory method be made by the authority no later than one hundred twenty (120) days from the initial filing by the public utility.” For its part, on the record at the January 7 hearing, Atmos Energy expressly waived this 120 day completion deadline to the extent of the agreed proposed procedural schedule set-forth above. The Consumer Advocate similarly confirmed that it stood by its agreement to the provisions of the joint proposed procedural schedule. The Hearing Officer opined, however, that the 120 day statutory maximum completion period could not be waived, and so held in a subsequent order entered on January 12, 2015.

Completion of both parts of this docket according to the proposed timetable is necessary in order to allow the Company to make its first annual review filing on September 1, 2015, for new rates to be implemented January 1, 2016. Any significant delay in resolution could foreclose implementation of the annual review mechanism for another year.

At the status conference, Atmos Energy suggested a possible solution to the problem presented by the 120 day completion deadline, which would allow the parties’ agreed procedural schedule to be implemented as proposed. Atmos offered to temporarily withdraw without prejudice the second part of its Petition in this matter and its proposed ARM tariff, with the

understanding that the Company could then reinstate those parts of the Petition 120 days before the proposed June 15, 2015 decision date. That date would be February 16, 2015. In that manner, as of February 16, 2015, Atmos Energy would have on file a Petition identical to the one that the Company initially filed in this docket, including both the general rate case portion of the Petition, and the request for implementation of the annual rate review mechanism and ARM tariff. However, the Company's request for implementation of the annual rate review mechanism would have a filing date of February 16, 120 days before the proposed June 15, 2015 decision date, which would thus be timely under Tenn. Code Ann. § 65-5-103(d)(1)(B). The Hearing Officer took the Atmos proposal under advisement.

On January 12, 2015, the Hearing Officer issued an order adopting the Atmos proposal. The Order gives Atmos the option to withdraw without prejudice the annual review mechanism portions of its petition and to re-file them in this docket at a subsequent time, so that the re-filing date is within 120 days of the June 15 proposed decision date. The Order states that if Atmos does so, then the remainder of the parties joint proposed procedural schedule (pertaining to the ARM) will be adopted. This would allow the hearing to be conducted on May 11, 2015 on the issues set-forth in the joint proposed procedural schedule (above), and for the TRA's deliberations and decision of these issues to be rendered on the June 15, 2015 target date.

In accordance with all of the foregoing, and in compliance with the Hearing Officer's January 12, 2015 Order, Atmos Energy now therefore temporarily withdraws without prejudice only the portions of its Petition in this manner that seek approval of an annual rate review mechanism under Tenn. Code Ann. § 65-5-103(d), as well as the Company's proposed ARM tariff. Specifically, this affects the following paragraphs of the Petition only: 13-16, Exhibit GKW-2 (ARM tariff), and requested relief paragraphs 5 and 6, and the phrase following the

comma in 7. No testimony and no other exhibits are being withdrawn. Pursuant to the January 12, 2015 Order, these portions of the Petition and the proposed ARM tariff will be re-filed in this docket on February 16, 2015, so as to permit a decision on all portions of the Petition originally filed in this matter on June 15, 2015.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served, via the method(s) indicated below, on the following counsel of record, this the 13th day of January, 2015.

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