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January 16, 2015

DOCKET NO.

15-00009

T.R.A. DOCKET ROOM

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MEGAN N. DEARDORFF

OF COUNSEL  
LARRY W. LINDEEN

Sharla Dillon, Docket Manager  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37238

VIA E-MAIL AND HAND DELIVERY

RE: *Atmos Energy Corporation*  
Contract for Approval of Contract(s) Regarding Gas Commodity Requirements  
and Management of Transportation/Storage Contracts

Dear Ms. Dillon:

Enclosed is a Petition for Approval of Contract(s) Regarding Gas Commodity Requirements and Management of Transportation/Storage Contracts being filed by Atmos Energy Corporation.

The testimony of Rebecca Buchannan and the exhibits thereto, will be filed separately, likely next week. Ms. Buchannan's testimony and exhibits will contain analysis of the sealed bids and other matters that are CONFIDENTIAL and should not be included in the public record.

I also enclose a proposed Protective Order.

In accordance with TRA practice, I have enclosed an original and four hard copies and a PDF version of the filing.

Please feel free to contact me if you have any questions.

Sharla Dillon, Docket Manager  
Page 2  
January 16, 2015

Best regards.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Scott Ross', with a stylized, cursive script.

A. Scott Ross

ASR:prd

Enclosure

cc: Cynthia Kinser, Esq. (w/ Enclosure by email)  
Patricia Childers (w/ Enclosure by email)  
Erikka L. Hise, Esq. (w/ Enclosure by email)

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BEFORE THE TENNESSEE REGULATORY AUTHORITY  
2015 JAN 16 PM 3:04 NASHVILLE, TENNESSEE

IN RE: DOCKET ROOM

REQUEST OF ATMOS ENERGY )  
CORPORATION FOR APPROVAL )  
OF CONTRACT(S) REGARDING GAS )  
COMMODITY REQUIREMENTS AND )  
MANAGEMENT OF TRANSPORTATION/ )  
STORAGE CONTRACTS )

Docket No. 15-00009

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**PETITION FOR APPROVAL OF CONTRACT REGARDING GAS  
COMMODITY REQUIREMENTS AND MANAGEMENT OF  
TRANSPORTATION/STORAGE CONTRACTS**

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Atmos Energy Corporation ("Atmos" or "Company") respectfully requests that the Tennessee Regulatory Authority approve its contract with Atmos Energy Marketing, LLC ("AEM") (hereinafter referred to as the "Asset Management Agreement" or "AMA") regarding the Company's gas commodity requirements and management of its transportation and storage contracts.

Atmos has complied fully with the bidding procedures in its approved Tariff. The AMA provides significant benefit to Atmos' customers, including monthly fixed capacity utilization credits and discount to index pricing, the Tennessee allocated portion of which will directly benefit Tennessee ratepayers. Atmos respectfully requests that the AMA be approved so that gas commodity and asset management services may begin under the new AMA effective April 1, 2015.

In support of this Petition, Atmos respectfully submits the following:

1. Full name and address of the principal place of business of the company are:

Atmos Energy Corporation  
5430 LBJ Freeway S 1800  
Dallas, TX 75240

2. All correspondence and communications with respect to this Petition should be sent to the following:

Patricia D. Childers  
Vice President, Rates & Regulatory Affairs  
Mid-States Division  
Atmos Energy Corporation  
810 Crescent Centre Drive, Suite 600  
Franklin, TN 37067-6226  
(615) 771-8301 – Facsimile

A. Scott Ross, Esq.  
Neal & Harwell, PLC  
2000 One Nashville Place  
150 Fourth Avenue, North  
Nashville, TN 37219-2498  
(615) 726-0573 – Facsimile

Erikka L. Hise, Esq.  
Atmos Energy Corporation  
P. O. Box 650205  
Dallas, TX 75265-0205  
(972) 855-3080 – Facsimile

3. At the May 15, 2006 Authority conference in Docket No. 05-00253, the Authority directed Atmos to file all future proposed asset management agreements or renewals for pre-approval by the Authority. By Order dated December 6, 2007 in Docket No. 05-00253, the Tennessee Regulatory Authority memorialized its prior approval of Atmos Energy Corporation's Request for Tariff Amendment to Incorporate Implementation of RFP Procedures for the Selection of an Asset Manager. The new Tariff provisions set forth RFP procedures for the selection of an asset manager and/or gas provider. The procedures require Atmos to develop a written RFP defining the Atmos assets to be managed, detailing AEC's minimum service

requirements, and describing the required content of bid proposals. *See* Atmos Gas Tariff No. 1, 2<sup>nd</sup> Revised Sheet No. 45.3 and 45.4. The RFP is required to be advertised twice in a thirty day period through a notification process that includes contacting potential asset managers, including past bidders and other asset managers, and publication in trade journals as reasonably available. The procedures also specify criteria to be used in evaluating the bids, including: the total value of the bid proposal; the bidder's ability to perform the RFP requirement; the bidder's asset management qualifications and experience; and the bidder's financial stability and strength.

4. The new AMA replaces the current asset management agreement approved by the Authority Order dated June 24, 2014, in Docket No. 14-00009. The current agreement expires March 31, 2015. In anticipation of its expiration, and in compliance with the RFP procedures in its Tariff, Atmos developed an RFP for asset management and gas commodity requirement services. The RFP was issued on October 29, 2014.

5. The RFP called for a one-year agreement beginning April 1, 2015, to supply gas commodity requirements and manage AEC's transportation and storage contracts. In recognition of the fact that the Atmos system overlaps the Tennessee / Virginia state line in Bristol, and that a number of the transportation and storage assets benefit customers in both states, the agreement was to cover not only Tennessee, but also Virginia.

6. Atmos took several steps to disseminate and advertise its RFP. Atmos initially sent in excess of 450 e-mails on October 29, 2014, providing electronic notification of its Request for Proposal through the Company's website found at [www.AtmosEnergy.com/cs/gassupply/](http://www.AtmosEnergy.com/cs/gassupply/). In addition, Atmos advertised the RFP in *Platt's Gas Daily* on November 3, 2014 and November 11, 2014. The RFP remained active for at least 30 days, with the deadline for bids at noon CT December 2, 2014.

7. In accordance with the RFP procedures set forth in its Tariff, Atmos evaluated the bids received, and determined that Atmos Energy Marketing had submitted the bid providing the highest overall value to consumers, and that the contract should be awarded to AEM. In making this evaluation, Atmos considered the criteria set forth in the RFP Tariff. The Company's analysis of the qualifying bids received and the bases for awarding the Contract to AEM is fully set forth in bid analysis documents that will be submitted with the testimony of Rebecca M. Buchanan.

8. The AMA will result in significant savings to Atmos sales customers. The winning bid was the highest value bid received, the result of a competitive bidding process conducted in accordance with the TRA-approved RFP procedures.


9. In support of this Petition, Atmos will rely upon the direct testimony of Rebecca M. Buchanan and the exhibits thereto.

WHEREFORE, Atmos respectfully prays:

1. That the AMA be approved so that it may begin on April 1, 2015.
2. That Atmos be granted such other relief as may be warranted.

Respectfully submitted,

**NEAL & HARWELL, PLC**

By: 

A. Scott Ross, #15634  
2000 One Nashville Place  
150 Fourth Avenue, North  
Nashville, TN 37219-2498  
(615) 244-1713 – Telephone  
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*Counsel for Atmos Energy Corporation*