

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

IN RE:)
)
REQUEST OF ATMOS ENERGY) **Docket No.** 16-00008
CORPORATION FOR APPROVAL)
OF CONTRACT(S) REGARDING GAS)
COMMODITY REQUIREMENTS AND)
MANAGEMENT OF TRANSPORTATION/)
STORAGE CONTRACTS)
)

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

Atmos Energy Corporation (“Atmos Energy” 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 Energy has complied fully with the bidding procedures in its approved Tariff. The AMA provides significant benefit to Atmos Energy’s customers, including discount to index pricing, the Tennessee allocated portion of which will directly benefit Tennessee ratepayers. Atmos Energy respectfully requests that the AMA be approved so that gas commodity and asset management services may begin under the new AMA effective April 1, 2016.

In support of this Petition, Atmos Energy 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
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(615) 726-0573 – Facsimile

3. At the May 15, 2006 Authority conference in Docket No. 05-00253, the Authority directed Atmos Energy 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 Energy to develop a written RFP defining the Atmos Energy assets to be managed, detailing the Company's minimum service requirements, and describing the required content of bid proposals. *See* Atmos Energy Gas Tariff No. 1, 2nd Revised Sheet No. 45.3 and 45.4. The RFP is required

to be advertised twice in a thirty day period as part of a systematic notification process. 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 May 12, 2015, in Docket No. 15-00009. The current agreement expires March 31, 2016. In anticipation of its expiration, and in compliance with the RFP procedures in its Tariff, Atmos Energy developed an RFP for asset management and gas commodity requirement services. The RFP was issued on October 20, 2015.

5. The RFP called for a three-year agreement beginning April 1, 2016, to supply gas commodity requirements and manage the Company's transportation and storage contracts. In recognition of the fact that the Atmos Energy 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 Energy took several steps to disseminate and advertise its RFP. Atmos Energy initially sent in excess of 400 e-mails on October 20, 2015, providing electronic notification of its Request for Proposal through the Company's website found at www.AtmosEnergy.com/cs/gassupply/. In addition, Atmos Energy advertised the RFP twice in *Platt's Gas Daily* on October 26, 2015 and November 4, 2015. The RFP remained active for at least 30 days, with the deadline for bids at 4:00p.m. CT November 19, 2015.

7. In accordance with the RFP procedures set forth in its Tariff, Atmos Energy 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 Energy 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 Energy 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 Energy has submitted the direct testimony of Rebecca M. Buchanan and the exhibits thereto.

WHEREFORE, Atmos Energy respectfully prays:

1. That the AMA be approved so that it may begin on April 1, 2016.
2. That Atmos Energy be granted such other relief as may be warranted.

Respectfully submitted,

NEAL & HARWELL, PLC

By: 

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