

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

IN RE:)	
)	
PETITION OF ATMOS ENERGY)	
CORPORATION TO REVISE)	DOCKET NO. 16-00028
PERFORMANCE BASED)	
RATEMAKING MECHANISM TARIFF)	
)	

**FIRST DISCOVERY REQUESTS OF ATMOS ENERGY CORPORATION TO EXETER
ASSOCIATES, INC.**

TO: Exeter Associates, Inc.
c/o Jerry Mierzwa

1. In its response to TRA-1, Exeter stated that it “cannot envision an event that would trigger the 90/10 percent sharing to revert back to a 75/25 percent sharing.”

If the Company entered into a new five-year discounted-rate contract, for three years that contract’s associated savings would be shared on a 75/25 percentage basis, while in years four and five, that contract’s associated savings would be shared at a 90/10 percentage basis.

- a. Is this correct?
- b. If that contract was then replace in year six with a delivered gas arrangement that was cheaper than the discounted-rate contract, on what basis would those savings be shared?
- c. In lieu of changing the sharing percentage in years 4 and 5 from a 75/25 percentage down to a 90/10 percentage, would Exeter consider it appropriate to instead use a fixed percentage for all categories of savings that would not adjust based on the number of years an arrangement had been in place?
- d. Does Exeter think that a fixed percentage that did not adjust would be easier to administrate than its initial proposal of two different percentage sharing tiers?

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RESPONSE:

- a. Yes.
- b. The savings associated with the delivered arrangement compared to the discounted rate contract would be shared on a 75/25 percentage basis. TRA-1 identifies a situation where delivered supply arrangement was renewed or replaced by another delivered supply arrangement contract. The question posed in his request envisions replacing a standard firm transportation agreement with delivered supply management.
- c. Please see the response to TRA Party Staff request 4 in Docket No. 16-00028.
- d. Yes, from an administrative standpoint.

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2. In its response TRA-2, Exeter stated that “A new avoided cost arrangement would be a citygate gas supply arrangement that eliminated current pipeline demands [SIC] charges. A replacement arrangement would eliminate current pipeline demand charges by [SIC] would be replacing an existing citygate gas supply arrangement.”

Would Exeter also consider the replacement of an upstream gas supply arrangement that did not involve a citygate, a potential avoided cost arrangement?

RESPONSE:

Yes.