

**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 ASSOCCOATES, 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 replaced 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?

RESPONSE:


2. In its response to TRA-2, Exeter stated that “A new avoided cost arrangement would be a citygate gas supply arrangement that eliminated current pipeline demand charges. A replacement arrangement would not eliminate current pipeline demand charges by 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:

Respectfully submitted,

NEAL & HARWELL, PLC



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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 14th day of November, 2016.

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