BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION NASHVILLE, TENNESSEE

IN RE:		
RESPOSNE OF ATMOS ENERGY)	

CORPORATION TO THE COMMISSION'S)
ORDER OPENING AN INVESTIGATION)
Docket No. 18-00034

AND REQUIRING DEFERRED
ACCOUNTING TREATMENT

PRE-FILED TESTIMONY OF JOE. T CHRISTIAN ON BEHALF OF ATMOS ENERGY CORPORATION

I. <u>INTRODUCTION OF WITNESS</u>

- 2 Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.
- 3 A. My name is Joe T. Christian. My business address is 5420 LBJ Freeway, 1600
- 4 Lincoln Centre, Dallas, TX 75240.
- 5 Q. WHAT ARE YOUR JOB RESPONSIBILITIES?
- 6 A. I am employed by Atmos Energy Corporation ("Atmos Energy" or "the Company")
- as Director of Rates & Regulatory Affairs. I am responsible for leading and
- 8 directing the rates and regulatory activity in Atmos Energy's eight-state service
- 9 area. This responsibility includes developing the strategy, preparing the revenue
- deficiency filings, and managing the overall ratemaking process for the Company.
- I have managed Company-specific dockets and other commission proceedings in
- 12 Colorado, Kansas, Kentucky, Louisiana, Mississippi, Tennessee, and Texas. I also
- managed Company-specific dockets in Georgia, Illinois, Iowa, and Missouri
- relating to regulated assets that the Company has since sold.

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1	Q.	PLEASE OUTLINE YOUR EDUCATIONAL AND PROFESSIONAL		
2		QUALIFICATIONS.		
3	A.	I graduated from East Texas State University in 1985 with a Bachelor of Business		
4		Administration Degree, majoring in Accounting. In 1987, I received a Masters of		
5		Business Administration from East Texas State University. I am a Certified Public		
6		Accountant in the State of Texas and a member of the American Institute of		
7		Certified Public Accountants. I have made presentations before industry groups		
8		and the NARUC Staff Subcommittee on Accounting and Finance.		
9		My professional experience includes approximately two years of public		
10		accounting experience with a large local accounting firm based in Dallas, Texas.		
11		In 1989, I accepted a position in the internal audit group with Atmos Energy. I was		
12		promoted to positions of increasing responsibility within the Atmos Energy finance		
13		team during my first nine years with the Company. I joined Atmos Energy's		
14		Colorado-Kansas operations as Vice President & Controller in June of 1998 and,		
15		effective December 1, 2001, was named Vice President of Rates & Regulatory		
16		Affairs. I assumed my current position on August 1, 2007.		
17	Q.	HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE TENNESSEE		
18		PUBLIC UTILITY COMMISSION ("COMMISSION") OR OTHER		
19		REGULATORY COMMISSIONS?		
20	A.	I have not testified before the Commission before. I have submitted testimony on		
21		the Company's behalf in Colorado, Kansas, Kentucky, and Mississippi.		
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II. PURPOSE OF TESTIMONY

- 2 Q. HAVE YOU REVIEWED THE STIPULATION AND SETTLEMENT
- 3 AGREEMENT JOINTLY FILED BY ATMOS ENERGY AND THE
- 4 CONSUMER ADVOCATE (COLLECTIVELY "THE PARTIES") IN THIS
- 5 CASE?

- 6 A. Yes, I have reviewed the Stipulation and Settlement Agreement filed in this Case
- on November 4, 2020 ("Settlement Agreement").
- **Q.** WHAT IS THE PURPOSE OF YOUR PRE-FILED TESTIMONY?
- 9 A. First, I adopt and incorporate by reference the Direct Testimony and Rebuttal
- Testimony filed in this proceeding by Ms. Jennifer K. Story. Ms. Story has since
- left Atmos Energy for a position at another company, and so I am adopting as my
- own the direct testimony and rebuttal testimony previously submitted by Ms. Story
- in this matter. Second, I am testifying in support of the Settlement Agreement filed
- in this Case.
- 15 Q. PLEASE BRIEFLY DESCRIBE THE SETTLEMENT AGREEMENT.
- 16 A. The Settlement Agreement filed on November 4th, 2020 is the second settlement
- filed this docket and modifies and implements the one remaining item from the first
- stipulation and settlement agreement approved by the Commission in an Order
- issued June 24, 2019 resolving certain issues regarding the classification of
- 20 excess Accumulated Deferred Income Tax ("ADIT") into the two classes of
- 21 Protected and Unprotected excess ADIT. Following the issuance of IRS Rev. Proc.
- 22 2020-039 in August of 2020 the Parties agree that as a result of this guidance and
- 23 the methodology the Company has proposed for computing the excess deferred

l	taxes related to the Repair Deduction, the previous concerns related to a potential
2	normalization violation have been alleviated and a full resolution to this Case is
3	possible.

Q. PLEASE BRIEFLY DISCUSS THE SPECIFIC PROVISION OF THE 4 SETTLEMENT AGREEMENT RELATED TO EXCESS ADIT? 5

- 6 A. The primary provisions of the Settlement Agreement related to excess are:
- Unprotected excess ADIT associated with the Repair Deduction and with the 7 Corporate Overhead deduction may be amortized over a period at the discretion of the Commission. The Parties recommend that such amortization period shall be 3 years. (Paragraph 19) 10
 - Amortization Expense credit shall be reflected as such on the books of the Company beginning with the first month subsequent to approval of this Agreement by the Commission. Thus, if the Settlement Agreement is approved at the Commission's February meeting the Company will implement with March 2021 business. (Paragraph 20)
 - The specific amounts of Unprotected and Protected excess ADIT on pre-tax and grossed up for taxes basis to be amortized on the Company's books and records and reflected on customers' bills. (Paragraphs 21-23)
 - Treatment of net operating loss as being included with Protected excess ADIT and agreement that a Private Letter Ruling with the Internal Revenue Service is no longer needed. (Paragraphs 24-25)

Q. DOES THIS CONCLUDE YOUR TESTIMONY? 22

23 Α. Yes.

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BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

VERIFICATION					
ACCOUNTING TREATMENT)				
AND REQUIRING DEFERRED)				
ORDER OPENING AN INVESTIGATION)	Docket No. 18-00034			
CORPORATION TO THE COMMISSION'S)				
RESPONSE OF ATMOS ENERGY)				
IN RE:					

STATE OF TEXAS COUNTY OF POTTER

I, Joe T. Christian, being first duly sworn, state that I am Director, Rates and Regulatory Affairs for Atmos Energy Corporation, that I am authorized to testify on behalf of Atmos Energy Corporation in the above referenced docket, that the Pre-Filed Testimony of Joe T. Christian in support of Atmos Energy Corporation's filing is true and correct to the best of my knowledge, information and belief.

Sworn and subscribed before me this <u>//</u> day of February, 2021.

My Commission Expires: 10 - 4 - 2021

Notary Public, State of Texas My Commission Expires 10-04-202