

STATE OF TENNESSEE

Office of the Attorney General



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October 4, 2018

VIA ELECTRONIC FILING

Hon. Robin L. Morrison, Chairwoman
c/o Sharla Dillon
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243

RE: Tennessee Public Utility Commission Docket No. 18-00067, *Petition of Atmos Energy Corporation For Approval of Its 2018 Annual Rate Review Filing Pursuant to Tenn. Code Ann. §65-5-103(d)(6)*

Dear Chairwoman Morrison:

Since the submission of Atmos Energy Corporation (Atmos) Petition in the above-referenced matter, Atmos and the Consumer Protection and Advocate Division of the Office of the Tennessee Attorney General (Consumer Advocate) have been involved in cooperative discussions and have exchanged various information related to the Petition. With the recent submission of the Atmos' Rebuttal Testimony, the parties hereby jointly represent that there are no outstanding procedural matters requiring resolution by the Hearing Officer.

Atmos' Petition

After considering the entire record, including Atmos responses to discovery, and consistent with the streamlined approach contemplated in the annual review mechanism approved in TPUC Docket No. 14-00146, it is the joint position of the Parties that this matter is ripe for consideration on the merits by the Tennessee Public Utility Commission. At this time, there remain no outstanding disputes between the Parties with respect to the Petition, as clarified by and through discovery and the parties' communications, although the Consumer Advocate Witness, Mr. Novak

recommends that Atmos be required to disclose the basis and resulting impact of capital expenditure projects. As reflected in the Pre-Filed Direct Testimony of Mr. Novak and Rebuttal Testimony of Mr. Waller, there are no contested issues between the Parties on the merits of the Petition, and it is the position of the parties that this matter should be resolved in favor of the positions set forth in Atmos' Petition.

Furthermore, the Hearing Officer determined that tax issues other than the reduction in Income Tax Expense resulting from the change in the rate from 35% to 21% pursuant to the Tax Cut and Jobs Act will be addressed in the separate Atmos tax case, TPUC Docket No. 18-00034.

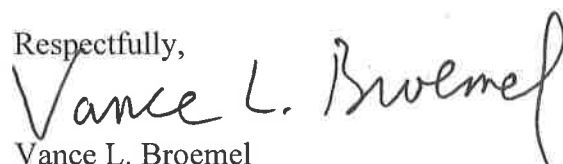
Questions Posed to Parties by Staff

The Hearing Officer issued a Procedural Schedule that included three detailed questions regarding the Annual Review Mechanism. The Parties were required to file responses in the form of testimony and/or legal briefs. Both Parties provided pre-filed testimony/briefs and rebuttal testimony/briefs to the questions presented. In its pre-filed and rebuttal testimony, Atmos expressed interest in continuing discussions on modifications to the ARM tariff that would result in a single filing per year. The Consumer Advocate is also open to continuing such discussions. The Parties await further direction from the Commission.

Consistent with agency practice, the Parties hereby jointly request that the entire official record in this docket, including discovery, be made a part of the evidentiary record. With the foregoing in mind, unless otherwise requested by the Commission, the Parties hereby waive their cross-examination of witnesses. The attorneys for the Parties will have the opportunity for an opening statement. Then the Consumer Advocate's witnesses, Hal Novak and David Dittmore, and Atmos' witness, Gregory Waller, will provide summaries of their testimony and will be available for questions by Commissioners or Staff for the Hearing set for October 15, 2018. However, Atmos requests, and the Consumer Advocate does not object, to Ms. Jennifer Story participating in the Hearing by telephone. Ms. Story will not provide a summary of her testimony, but her testimony will be entered into the official record and she will be available by telephone for questions by Commissioners or Staff.

As required, an original of this filing, along with four (4) hard copies, will follow. Should you have any questions concerning this filing, or require additional information, please do not hesitate to contact me.

Respectfully,



Vance L. Broemel

Senior Assistant Attorney General

cc: A. Scott Ross, Esq. (by email)
Blind Akrawi, Es. (by email)