

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE**

IN RE:)	
)	
ATMOS ENERGY CORPORATION)	DOCKET NO. 19-00018
FOR APPROVAL OF ITS 2019 ANNUAL RATE)	
REVIEW FILING PURSUANT TO TENN.)	
CODE ANN. § 65-5-103(d)(6))	

PETITION TO INTERVENE

Herbert H. Slatery III, Attorney General and Reporter for the State of Tennessee, by and through the Consumer Advocate Unit in the Financial Division of the Office of the Attorney General (Consumer Advocate), pursuant to Tenn. Code Ann. § 65-4-118, respectfully petitions the Tennessee Public Utility Commission (TPUC or Commission) to grant the Consumer Advocate's intervention into this proceeding because consumers' interests, rights, duties or privileges may be determined or affected by the *Petition of Atmos Energy Corporation for Approval of Its 2019 Annual Rate Review Filing Pursuant to Tenn. Code Ann. § 65-5-103(d)(6)* (Petition) filed in TPUC Docket 19-00018. For cause, Petitioner would show as follows:

1. The Consumer Advocate is authorized by Tenn. Code Ann. § 65-4-118 to represent the interests of Tennessee consumers of public utility services by initiating and intervening as a party in any matter or proceeding before the Authority in accordance with the Uniform Administrative Procedures Act, Tenn. Code Ann. § 4-5-101 *et seq.*, and Authority rules.
2. Atmos Energy Corporation (Atmos Energy or Utility) is a public utility regulated by the Commission and provides natural gas service to approximately 132,000 residential, commercial, and industrial customers in Tennessee.

3. The Utility's principal place of business is located at 5430 LBJ Freeway, Suite 1800, Dallas, Texas 75240.¹

4. Atmos Energy's Petition requests an increase in rates to be paid by Atmos' customers in Tennessee in the amount of \$861,355.²

5. The Petition also requests approval to modifications of the methodologies established in the approved *Stipulation and Settlement Agreement*³ in TPUC Docket No. 14-00146 as follows:

a. Deviation to Approved Methodologies affecting Schedule 7. Removal of Accumulated Deferred Income Tax (ADIT) items not reflected in cost of services proposed by the Consumer Advocate's Testimony in TPUC Docket Nos. 18-0034⁴ and 18-00097⁵ and agreed to by Atmos in Rebuttal Testimony⁶ in TPUC Docket No. 18-00034.⁷

b. Deviation to Approved Methodologies affecting WP 8.2. In partial agreement with the Consumer Advocate in TPUC Docket No. 18-00097, Atmos used the

¹ *Petition of Atmos Energy Corporation for a General Rate Case and Petition to Adopt Annual Review Mechanism and ARM Tariff* filed on November 25, 2014, in TPUC Docket No. 14-00146, pg. 2, ¶4.

² *Pre-Filed Testimony of Gregory K. Waller on Behalf of Atmos Energy Corporation*, pg. 4, lines 5-6, TPUC Docket No. 19-00018 (February 1, 2019). Mr. Waller explained the detail of Atmos' deficiency calculation as follows: (1) a revenue deficiency for the Forward-Looking Test Year ending May 31, 2020 will be \$5,117,771; (2) the Annual Reconciliation Revenue Requirement over sufficiency of \$3,219,825 from Docket No. 18-00097, which is still pending; and the expense credit for the amortization of Excess Accumulated Deferred Income Tax amounting to \$1,036,590. *Id.* at pg. 3, line 18 – pg. 4, line 6.

³ *Order Approving Settlement, In Re: Petition of Atmos Energy Corporation for a General Rate Increase Under T.C.A. 65-5-103(a) and Adoption of An Annual Rate Review Mechanism Under T.C.A 65-5-103(d)(6)*, TPUC Docket No. 14-00146 (November 4, 2015).

⁴ David Dittmore Direct Testimony, pg. 19, lines 1-9 and Table DND-3, TPUC Docket No. 18-00034 (December 21, 2018).

⁵ David Dittmore Direct Testimony, pg. 5, lines 13-16 (including table), TPUC Docket No. 18-00097 (January 9, 2019).

⁶ Jennifer K. Story Rebuttal Testimony, pg. 3, lines 4-6.

⁷ Gregory K. Waller Direct Testimony, pg. 11, lines 17-21 and Attachment A to the Certification included in the filing, TPUC Docket No. 19-00018 (February 1, 2019).

“total revenues as the denominator in calculating the portion of the gross-up factor relating to forfeited discounts.”⁸

6. In the Petition, Atmos Energy explained a recent change in its accounting in how it values its storage accounts that serve Tennessee and Virginia areas.⁹ Specifically, Atmos Energy changed from its First-In-First-Out inventory methodology to the Weighted Average Cost of Gas methodology.¹⁰ Atmos Energy explained that prior to the change, “substantially all of the Company’s storage fields” used the average cost method with Tennessee and Virginia being exceptions.¹¹ Atmos Energy does not expect that this accounting change will increase its gross margin revenue requirement.¹²

7. The interests of consumers, including without limitation the proposed increase in rates to be paid by consumers under the *Petition*, may be affected by determinations and orders made by the Commission with respect to (i) the interpretation, application, and/or implementation of Tenn. Code Ann. § 65-5-103(a), Tenn. Code Ann. § 65-5-103(d), and other relevant statutory and regulatory provisions, (ii) the review and analysis of the documentation, financial spreadsheets, and materials provided by Atmos Energy, and (iii) the interpretation, application, and/or implementation of the terms and conditions of the Commission’s Orders in TPUC Docket Nos. 14-00146, 15-00089, 16-00013, 16-00105, 17-00012, 17-00091, 18-00067, and 18-00097 as well as the related settlement agreements as applicable in those Dockets.

8. Only by participating as a party to this proceeding can the Consumer Advocate adequately carry out its statutory duty to represent the interests of Tennessee consumers.

⁸ *Id.* at pg. 12, lines 18-22 and Attachment A to the Certification included in the filing.

⁹ *Id.* at pg. 15, lines 5-6.

¹⁰ *Id.* at pg. 15, lines 9-10.

¹¹ *Id.* at pg. 15, lines 12-16.

¹² *Id.* at pg. 15, lines 17-20

Wherefore, the Consumer Advocate requests the Authority to grant this Petition to Intervene.

RESPECTFULLY SUBMITTED,

Handwritten signature of Herbert H. Slattery III in black ink.

HERBERT H. SLATTERY III (BPR No. 09077)
Attorney General and Reporter
State of Tennessee

Handwritten signature of Karen H. Stachowski in blue ink.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

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This the 21 day of February, 2019.



KAREN H. STACHOWSKI