

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

IN RE:

**PETITION OF ATMOS ENERGY
CORPORATION FOR TARIFF
CHANGE TO PERFORMANCE
BASED RATEMAKING
MECHANISM RIDER**

Docket No. 21-00104

**DIRECT TESTIMONY OF
CHRISTOPHER M. HUNT
ON BEHALF OF ATMOS ENERGY CORPORATION**

Q: Please state your name and business address.

A: My name is Christopher M. Hunt. I am a Gas Supply Representative with Atmos Energy Corporation ("Atmos Energy" or the "Company"). My business address is 377 Riverside Dr, suite 201, Franklin, TN 37064-5393.

Q: Please briefly describe your current responsibilities, and professional and educational background.

A. I am responsible for evaluating gas supply requirements and developing supply portfolios for the Company's operations in Tennessee and Virginia. I graduated from Millikin University in 2011 with a Bachelor's degree in Organizational Management and Communication. I most recently completed an MBA from Louisiana State University in 2020. I have worked in the Company's Gas Supply department since joining the company in 2016.

1 **Q: Have you previously submitted testimony before the Tennessee Public Utility**
2 **Commission (“Commission”) or any other state commission?**

3 A: No, I have not previously filed testimony before any commission.

4 **Q: What is the purpose of your testimony in this case?**

5 A: I am testifying on behalf of Atmos Energy in support of the petition filed to remove
6 certain language from the Performance Based Ratemaking Mechanism Rider.
7 Specifically, the filing would remove the existing RFP Procedures for Selection of Asset
8 Manager and/or Gas Provider (“RFP Procedures”).

9 **Q: In your capacity as a Gas Supply Representative, are you familiar with the RFP**
10 **Procedures?**

11 A: Yes. As part of my regular duties, I help in the issuance of Requests for Proposals and
12 the selection of Asset Managers and gas suppliers for the Company.

13 **Q: Will you describe the existing RFP Procedures that the Company is seeking to**
14 **remove from its Tariff?**

15 A: The existing RFP Procedures require the Company to conform to numerous requirements
16 in connection with its RFP process and file a Petition with the Commission for approval
17 of the Company’s compliance with all of the RFP Procedures no later than December 1st
18 for agreements becoming effective the following April 1st.

19 **Q: Please explain your rationale for the removal of the existing RFP Procedures.**

20 A: It is my understanding that section of the Performance Based Ratemaking Mechanism
21 Rider existed because in the past, the Company had an affiliated natural gas marketing
22 company that would submit offers in response to Atmos’ RFPs for Natural Gas Supply
23 and Asset Management. There were more concerns about potential conflicts of interest in

1 the RFP process when an affiliated marketer was regularly participating in the process.
2 However, the Company sold its affiliated gas marketing company in January 2017, and
3 has no plans to reenter that business. Thus, the concern that led to the imposition of the
4 existing RFP Procedures is no longer present.

5 **Q: When did the Company's affiliate most recently participate in responding to RFPs**
6 **for Tennessee natural gas supply and asset management?**

7 A: The most recent RFP in Tennessee in which the marketing affiliate was still owned by the
8 Company and submitted responses was issued October 20, 2015 with bids submitted
9 November 19, 2015. We had to follow the RFP procedures in part to ensure that
10 unaffiliated marketers had the same opportunity to respond to RFPs as our affiliated
11 marketing company did.

12 **Q: If the existing RFP Procedures are removed from the tariff, would this impair the**
13 **Commission's ability to exercise a review over the Company's decisions in awarding**
14 **contracts pursuant to RFPs?**

15 A: No. The PBRM is subject to a triennial review by an outside consultant and the awarding
16 of natural gas supply and asset management contracts pursuant to RFPs would be within
17 the scope of that review. Additionally, as stated on Tariff Sheet No. 45.9, "the
18 Commission is still allowed to continue its annual audits of performance-based
19 ratemaking..." The removal of the RFP Procedures from the tariff would not impair the
20 Commission's ability to review the Company's RFPs and subsequent contracts with third
21 parties.

22 **Q: Why should the Commission approve the requested Tariff change?**

1 A: The existing RFP Procedures require the Company to conduct RFPs far in advance of the
2 starting dates of the services to be provided because of the need to publish multiple
3 notices and receive formal Commission approval that the RFP Procedures were followed.
4 Additionally, the existing language does not contemplate any possible alternative
5 arrangement than a contract beginning on April 1st. While the Company customarily does
6 enter into gas supply arrangements on an annual or multi-year basis beginning on April
7 1st, it should have the flexibility to use RFPs for other time frames. Approving this Tariff
8 change would provide greater flexibility to the Company and avoid the unnecessary step
9 of the Commission needing to approve that the RFP Procedures were followed. The
10 Company's contract decisions would remain subject to Commission oversight as I
11 previously discussed. To the extent that the removal of the administrative burden of filing
12 for and receiving Commission approval that the RFP Procedures were followed resulted
13 in lower costs, the benefit would flow through to customers.

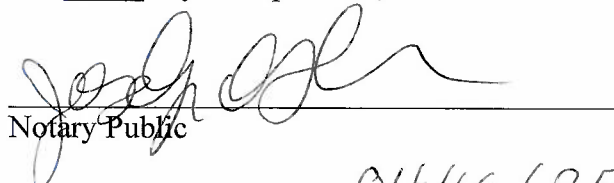
14 **Q: Do you have anything further to add to your testimony?**

15 A: Not at this time.



Christopher M. Hunt
Gas Supply Representative

Sworn to and subscribed before me
this 2 day of September, 2021


Notary Public

My Commission Expires: 04/16/25

