

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

IN RE:)	
)	
ATMOS ENERGY CORPORATION)	
FOR APPROVAL OF ITS 2023 ANNUAL RATE)	DOCKET NO. 23-00008
REVIEW FILING PURSUANT TO TENN.)	
CODE ANN. § 65-5-103(d)(6))	

**CONSUMER ADVOCATE’S SECOND SET OF DISCOVERY REQUESTS
TO ATMOS ENERGY CORPORATION**

This Second Set of Discovery Requests is hereby served upon Atmos Energy Corporation (“Atmos Energy” or the “Company”), pursuant to Rules 26, 33, 34 and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Regs. 1220-01-02-.11. The Consumer Advocate Division of the Attorney General’s Office (“Consumer Advocate”) requests that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Advocate Division, 500 Dr. Martin L. King Jr. Blvd., Nashville, Tennessee 37243, c/o Victoria B. Glover, on or before Monday, March 20, 2023 at 2:00 p.m. (CDT),

PRELIMINARY MATTERS AND DEFINITIONS

These additional discovery requests incorporate the same Preliminary Matters and Definitions set forth in the First Set of Discovery Requests the Consumer Advocate served on the Company and counsel to the Company on February 22, 2023, and are to be considered continuing in nature, and are to be supplemented from time to time as information is received by Atmos Energy, and any Atmos Energy affiliate, which would make a prior response inaccurate, incomplete, or incorrect.

SECOND SET OF DISCOVERY REQUESTS

- 2-1. **Source & Support.** Refer to the <t.Gas in Storage Sep-21-Sep-22> spreadsheet included with the Company's filing, specifically the "ETN Allocation 7.21 thru 6.22" and "ETN Allocation 7.22 thru 9.22" tabs. Further, refer to the monthly Bristol, TN and Bristol, VA Sales Volumes (Ccf) provided on rows 81 and 82 of these spreadsheets. Provide the source and support for these sales volumes that appear as hard-coded amounts.

RESPONSE:

- 2-2. **Source & Support.** Refer to the <t.Gas in Storage Sep-21-Sep-22> spreadsheet included with the Company's filing, specifically the "ETN Allocation 7.21 thru 6.22" and "ETN Allocation 7.22 thru 9.22" tabs. Provide this same monthly data from January 2019 (ledger month) through June 2021 (ledger month).

RESPONSE:

- 2-3. **Source & Support.** Refer to the "FY22 SERP CAP to Div093" tab of the <V. TN Minimum Filing Requirement #38 FY22> spreadsheet included with the Company's filing. Specifically refer to the "Cost Center 1908 CAP OH Rate" of 80.89% on Row 10 and the "CC1910 ATM-Corporate Overhead Capitalized" Rate of 4.09% on Row 13 of this spreadsheet. Provide the source and support for both of these factors that appear as hard-coded amounts.

RESPONSE:

- 2-4. **Explanation.** Refer to the <SSU & KMD Detail Trial Balance FY22> spreadsheet included with the Company's filing. Specifically refer to Account No. 1070.14218 for Division 93

which is a component of CWIP and labeled as “Rule 8209”. Provide a narrative description of this account.

RESPONSE:

- 2-5. Explanation. Refer to the “Div 002” tab of the <P. ADIT TN ARM FY22> spreadsheet included with the Company’s filing. Specifically refer to Account 2550-28001 for Deferred Investment Tax Credits on Row 158 of this spreadsheet which wasn't included in previous ARM Filings and has an opening balance of \$-1,120,717 in December 2021. Provide a narrative description of this account along with an explanation of why it is appropriate to include in this ARM filing.

RESPONSE:

- 2-6. Source & Support. Refer to the <TN 2023 Annual Review Mechanism Schedules FY22> spreadsheet included with the Company’s filing, specifically the “WP 4-4” tab regarding the “Pension Benchmark Calculation” and provide the following information:
- a. Provide the source and support for the \$8,500,000 pension contribution in Cell F19 that appears as a hard-coded number; and
 - b. Provide the source and support for the “Composite Labor Capitalization Rates” of 60.33% and 50.22% in Column I that appear as hard-coded numbers.

RESPONSE:

- 2-7. Source & Support. Refer to the <SSU & KMD Detail Trial Balance FY22 > spreadsheet included with the Company’s filing, specifically the “WP 4-1” tab regarding the “Div 091 Legal Invoices Adjustment”. Provide the source and support for the “Legal Invoices Amount” of \$6,815 in Cell C7 that appears as a hard-coded number along with a narrative support for this adjustment.

RESPONSE:

- 2-8. Source & Support. Refer to the <TN 2023 Annual Review Mechanism Schedules FY22> spreadsheet included with the Company’s filing, specifically the “WP 7-10” tab regarding the calculation for the Depreciation Expense Deferral Adjustment of \$5,617,701 included in Cell J19. Provide the schedules supporting the data on this spreadsheet that appear here as hard-coded numbers.

RESPONSE:

- 2-9. Explanation and Support. Refer to the <10) 23-XXXXXX - 2023 Atmos Energy TN ARM Filing - SSU and KMD Trial Balance> spreadsheet. Therein, refer to FERC account 9020 for Division 02; specifically, subaccount 1000 – Non-Project Labor. Provide the following:
- a. A narrative response detailing why charges in this account have increased 364% over the prior reconciliation period; and
 - b. The ledger detail supporting these charges.

RESPONSE:

- 2-10. Explanation and Support. Refer to the <10) 23-XXXXXX - 2023 Atmos Energy TN ARM Filing - SSU and KMD Trial Balance> spreadsheet. Therein, refer to FERC account 8560 for Division 02; specifically, subaccount 6111 – Contract Labor. Provide the following:
- a. A narrative response detailing what these charges relate to.
 - b. Ledger detail supporting these charges totaling \$177,462.

RESPONSE:

- 2-11. Explanation and Support. Refer to the <10) 23-XXXXXX - 2023 Atmos Energy TN ARM Filing - SSU and KMD Trial Balance> spreadsheet. Therein, refer to FERC account 8800 for Division 02; specifically, subaccount 6111 – Contract Labor. Provide the following:

- a. A narrative response detailing what these charges relate to.
- b. Ledger detail supporting these charges totaling \$51,743.

RESPONSE:

2-12. Explanation. Refer to the <10) 23-XXXXXX - 2023 Atmos Energy TN ARM Filing - SSU and KMD Trial Balance> spreadsheet. Therein, refer to FERC account 9210 for Division 02; specifically, refer to subaccount 7510 – Association Dues. Provide a listing of the associations and related costs included in this account. For each association, explain how the dues are essential in the provision of natural gas service.

RESPONSE:

2-13. Identification and Explanation. Refer to the <10) 23-XXXXXX - 2023 Atmos Energy TN ARM Filing - SSU and KMD Trial Balance> spreadsheet. Therein, refer to FERC account 9210 for Division 02; specifically, refer to subaccount 6111 – Contract Labor. Provide a listing of the contract labor firms hired and the task contracted to each firm. Additionally, provide a narrative response detailing the cause(s) driving the large increase in this subaccount over the prior reconciliation period.

RESPONSE:

2-14. Identification and Explanation. Refer to the <10) 23-XXXXXX - 2023 Atmos Energy TN ARM Filing - SSU and KMD Trial Balance> spreadsheet. Therein, refer to FERC account 9210 for Division 02; specifically, refer to subaccount 5415 – Membership Dues. Provide a listing of the associations and related costs included in this account. For each association, explain how the dues are essential in the provision of natural gas service.

RESPONSE:

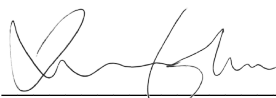
2-15. Explanation. Refer to the <10) 23-XXXXXX - 2023 Atmos Energy TN ARM Filing - SSU and KMD Trial Balance> spreadsheet. Therein, refer to FERC account 9210 for Division 02; specifically, refer to subaccount 5411 – Meals and Entertainment. The Consumer Advocate notes that charges to this account have increased 512% over the prior reconciliation period. Provide a narrative answer detailing the cause(s) driving the increase in this subaccount.

RESPONSE:

2-16. Explanation. Refer to the <10) 23-XXXXXX - 2023 Atmos Energy TN ARM Filing - SSU and KMD Trial Balance> spreadsheet. Therein, refer to FERC account 9210 for Division 12; specifically, refer to subaccount 4130 – Bank Service Charge. Provide a narrative answer detailing what these charges relate to along with the ledger support for these charges.

RESPONSE:

RESPECTFULLY SUBMITTED,



VICTORIA B. GLOVER (BPR No. 037954)

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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, with a courtesy copy by electronic mail, provided upon:

Erik Lybeck, Esq.
Sims Funk, PLC
3322 West End Avenue, #200
Nashville, TN 37203
Phone: (615) 425-7030
Email: Elybeck@simsfunk.com

This the 13th day of March, 2023.



VICTORIA B. GLOVER
Assistant Attorney General