

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

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| IN RE: |) | |
| |) | |
| ATMOS ENERGY CORPORATION |) | |
| FOR APPROVAL OF ITS 2025 ANNUAL RATE |) | DOCKET NO. 25-00007 |
| REVIEW FILING PURSUANT TO TENN. |) | |
| CODE ANN. § 65-5-103(d)(6) |) | |

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

This First 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 Tennessee 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 Shilina B. Brown, on or before Friday, February 28, 2025, by 2:00 p.m. (CDT).

PRELIMINARY MATTERS AND DEFINITIONS

1. **Continuing Request.** These discovery requests are to be considered continuing in nature and are to be supplemented from time to time as information is received by the producing party and any of its affiliates which would make a prior response inaccurate, incomplete, or incorrect.

2. **Clear References.** To the extent that the data or information requested is incorporated or contained in a document, identify the document including page/line number if applicable.
3. **Format of Responses.** Provide all responses in the format in which they were created or maintained, for example, Microsoft Word or Microsoft Excel format with all cells and formulas intact and in working order. If a document (including without limitation a financial or other spreadsheet or work paper) is not created or maintained in Microsoft Excel format, convert the document to Microsoft Excel format or provide the document in a format that enables or permits functionality like or similar to Microsoft Excel (including without limitation the functionality of working cells and formulas), or provide the software program(s) that will enable the Consumer Advocate to analyze the data and information in the same manner as would be enabled or permitted if the document were provided in Microsoft Excel format.
4. **Objections.** If any objections to this discovery are raised based on privilege or immunity, include in your response a complete explanation concerning the privilege or immunity asserted. If you claim a document is privileged, identify the document, and state the basis for the privilege or immunity asserted. If you contend that you are entitled to refuse to fully answer any of this discovery, state the exact legal basis for each such refusal.
5. **Singular/Plural.** The singular includes the plural, and vice-versa, where appropriate.
6. **Definitions.** As used in this request:
 - (a) “You,” “Your,” “Company,” or “Atmos Energy” shall mean Atmos Energy Corporation and all employees, agents, attorneys, representatives, or any other person acting or purporting to act on its behalf.
 - (b) “Affiliate” shall mean any entity who, directly or indirectly, is in control of, is controlled by, or is under common control with the Company. For greater clarification, “control” is the ownership of 20% or more of the shares of stock entitled to vote for the election of directors in the case of a

corporation, or 20% or more of the equity interest in the case of any other type of entity, or status as a director or officer of a corporation or limited liability company, or status as a partner of a partnership, or status as an owner of a sole proprietorship, or any other arrangement whereby a person has the power to choose, direct, or manage the board of directors or equivalent governing body, officers, managers, employees, proxies, or agents of another person. In addition, the term “Affiliate” shall mean any entity that directly or indirectly provides management or operational services to the Company or any affiliate (as defined in the preceding sentence) of the Company, or to which the Company provides management or operational services. Further, the payment of money to the Company or receipt by the Company of money from an entity with which the Company has any relationship, other than such payment or receipt, shall include the payor or recipient of such money as an “Affiliate”.

(c) “Communication” shall mean any transmission of information by oral, graphic, written, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, meetings, and personal conversations, or otherwise.

(d) “Document” shall have the broadest possible meaning under applicable law. “Document” shall mean any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded medium in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, letter, note, report, electronic mail, memorandum (including memoranda, electronic mail, report, or note of a meeting or communication), work paper, spreadsheet, photograph, videotape, audio tape, computer disk or record, or any other data compilation in any form without limitation, which is in your possession, custody or control. If any such document was, but no longer is, in your possession, custody or control, state what disposition was made of the document and when it was made.

(e) “Person” shall mean any natural person, corporation, firm, company, proprietorship, partnership, business, unincorporated association, or other business or legal entity of any sort whatsoever.

(f) “Identify” with respect to:

- i. Any natural person, means to state the full name, telephone number, email address and the current or last known business address of the person (if no business address or email address is available provide any address known to you) and that person’s

relationship, whether business, commercial, professional, or personal with you;

- ii. Any legal person, business entity or association, means to state the full name, the name of your contact person with the entity, all trade name(s), doing business as name(s), telephone number(s), email address(es), and current or last known business address of such person or entity (if no business address is available provide any address known to you);
- iii. Any document, means to state the type of document (e.g., letter), the title, identify the author, the subject matter, the date the document bears and the date it was written; and
- iv. Any oral communication, means to state the date when and the place where it was made, identify the person who made it, identify the person or persons who were present or who heard it, and the substance of it.

(g) “And” and “or” shall be construed conjunctively or disjunctively as necessary to make the discovery request inclusive rather than exclusive.

(h) “Including” shall be construed to mean including but not limited to.

FIRST SET OF DISCOVERY REQUESTS

1-1. Supporting Calculation. Refer to the Company’s file <V. TN Minimum Filing Requirements #38 FY24>, Tab “FY24 Summary” that was included with the filing. Specifically refer to Cell G8 of this spreadsheet which contains a value of \$20,216,894 as the 2024 Variable Pay and Management Incentive Plan costs for Account 002.9260.07452. However, a query of this account from the <SSU & KMD Detail Trial Balance FY24>, Tab “SSU Income Statement Accounts” which shows that this account has a 2024 balance of \$20,716,894 for a difference of \$500,000. Provide a reconciliation between these two amounts. If the Company believes that the amount included here is in error, then provide an updated calculation.

RESPONSE:

1-2. Change from Prior Data. Refer to the Company File <TN 2025 Atmos Energy TN ARM Filing – Revenue Requirements Schedules>, Tab “WP 7-7” that was included with the filing. Specifically refer to Cell G15 of this spreadsheet which has a value of 29.49 lag days for O&M, Non-Labor Expense. In the ARM authorization in Docket No. 14-00146, this value was set at 29.40 lag days. Provide a reconciliation of the difference between these two amounts. If the Company believes that the lag days used here are in error, then provide an updated calculation.

RESPONSE:

1-3. Change from Prior Data. Refer to the Company File <TN 2025 Atmos Energy TN ARM Filing – Revenue Requirements Schedules>, Tab “WP 7-7” that was included with the filing. Specifically refer to Cell G29 of this spreadsheet which has a value of 14.53 lag days for Payroll Taxes. In the ARM authorization in Docket No. 14-00146, this value was set at 16.55 lag days. Provide a reconciliation of the difference between these two amounts. If the Company believes that the lag days used here are in error, then provide an updated calculation.

RESPONSE:

1-4. Source & Support. Refer to the Company File <SSU & KMD Detail Trial Balance FY24>, Tab “WP 7-10” that was included with the filing. Specifically refer to Row 13 of this spreadsheet which contains the monthly values for the “Deferred Interest Infrastructure” from October 2023 to September 2024. Provide the source and support for how these monthly amounts are specifically calculated. To be clear, we are looking for how these amounts are calculated – not where they are located on the Company’s ledger.

RESPONSE:

1-5. Source & Support. Refer to the Company File <T. Gas in Storage Sep-23 -Sep-24>, Tabs “ETN Alloc 07_23_06_24” and “ETN Alloc 07_24” that was included with the filing. Specifically refer to Rows 81 and 82 of these two spreadsheets which contain the Bristol TN and Bristol VA sales volumes. Provide the source and support for these sales volumes which appear as unreferenced hard-coded values. For a template on this request, refer to TPUC Docket No. 24-00006, Company’s Response to Consumer Advocate DR No. 1-11.

RESPONSE:

1-6. Source & Support. Refer to the Company File <S. Intercompany Leased Property FY24>, Tab “232 Act & Bal 13m” that was included with the filing. Provide a complete monthly trial balance that supports “Company 232” in the same format as Workpaper 10 for the 13 months ended September 2024. For a template on this request, refer to TPUC Docket No. 24-00006, Company’s Response to Consumer Advocate DR No. 1-12.

RESPONSE:

1-7. Source & Support. Refer to the Company File <P. ADIT TN ARM FY24 >, Tabs “Winter Storm URI Fed NOL TN” and “Winter Storm URI State NOL TN” that was included with the filing and provide the following information:

- a. Provide the source and support for the monthly amounts of the “FD-NOL Credit Carryforward-Utility (URI)” with a September 2024 value of \$19,558,524 shown on Row 13 of the “Fed” spreadsheet tab. For a template on this request, refer to TPUC Docket No. 24-00006, Company’s Response to Consumer Advocate DR No. 1-16.
- b. Provide the source and support for the monthly amounts of the “ST-State Net Operating Loss” with a September 2024 value of \$276,357 shown on Row 15 of the “State” spreadsheet tab. For a template on this request, refer to TPUC Docket No. 24-00006, Company’s Response to Consumer Advocate DR No. 2-5.

RESPONSE:

1-8. Source & Support. Refer to the Company File <V.TN Minimum Filing Requirements #38 FY24>, Tab “FY24 Cap OH Expense Alloc” that was included with the filing. Specifically, refer to Column E of this spreadsheet which contains the Division 02 and 12 values for Sub Accounts 7452, 7458, 7460, and 7463 by Cost Center. Provide an update to Workpaper 10 (FY 24 Trial Balance Schedules) that includes the details for Cost Center Codes and Cost Center Descriptions that tie to the individual hard-coded amounts used by the Company on Workpaper V. For a template on this request, refer to TPUC Docket No. 24-00006, Company’s Response to Consumer Advocate DR No. 1-18.

RESPONSE:

1-9. Calculation Error. Refer to the Company File <V.TN Minimum Filing Requirements #38 FY24>, Tab “FY24 Cap OH Expense Alloc” that was included with the filing. Specifically, refer to Cell O126 of this spreadsheet. It appears that there should have been a formula calculation in this Cell that was omitted. Provide an updated schedule that corrects this omission.

RESPONSE:

1-10. Calculation Error. Refer to the Company File <V.TN Minimum Filing Requirements #38 FY24>, Tab “FY24 Summary” that was included with the filing. Specifically, refer to Cell L35 of this spreadsheet which calculates a value of \$2,012,292 for Capitalized Incentive Costs allocated to Division 93. It appears that the Company has omitted the value in Cell L15 (\$35,782) from this formula. Provide an updated schedule that corrects this omission.

RESPONSE:

1-11. Source & Support. Refer to the Company File <V.TN Minimum Filing Requirements #38 FY24>, Tab “FY24 SERP CAP to Div093” that was included with the filing and provide the following information. Specifically, refer to Cell R10 of this spreadsheet which contains the Cost Center 1908 CAP OH Rate of 82.50%. Provide the source and support for this amount which contains an unreferenced hard-coded value.

RESPONSE:

1-12. Calculation Error. Refer to the Company File <SSU & KMD Detail Trial Balance FY24>, Tab “Reconciliation revenue” that was included with the filing. Specifically, refer to Cell K12 of this spreadsheet which contains a value of \$6,727,514 for Net Margin for June 2024. It appears that the Company has omitted Account 4950.31388 with a value of \$-335 from this total. Provide an updated schedule that corrects this omission or an explanation as to why this omission is appropriate:

RESPONSE:

1-13. Supporting Data. Refer to the Company File <L. O&M Summary FY24 >, Tab “093” that was included with the filing. Specifically, refer to Cell N122 of this spreadsheet which contains a value of \$80,263 for fiscal 2024 to Outside Services in Division 93 related to Sub Account 5418 for “Settlement”. Provide a full narrative description for the purpose and nature of this account.

RESPONSE:

1-14. Supporting Data. Refer to the Company File <L. O&M Summary FY24 >, Tab “093” that was included with the filing. Specifically, refer to Cell N130 of this spreadsheet which contains a value of \$335 for fiscal 2024 to Miscellaneous in Division 93 related to Sub

Account 4028 for “Carbon Credits”. Provide a full narrative description for the purpose and nature of this account.

RESPONSE:

- 1-15. Supporting Data.** Refer to the Company File <L. O&M Summary FY24 >, Tab “091” that was included with the filing. Specifically, refer to Cell N141 of this spreadsheet which contains a value of \$1,555 for fiscal 2024 to Provision for Bad Debt in Division 91. Provide a full narrative description for the purpose and nature of this account along with the rationale as to why it is appropriate to allocate these costs to Tennessee.

RESPONSE:

- 1-16. Supporting Data.** Refer to the Company File <L. O&M Summary FY24 >, Tabs “002 CC1903” and “012 CC1903” that was included with the filing. Provide an update to Workpaper 10 (FY 24 Trial Balance Schedules) that includes the details for Cost Center Codes and Cost Center Descriptions that tie to the individual hard-coded amounts shown here. For a template on this request, refer to TPUC Docket No. 24-00006, Company’s Response to Consumer Advocate DR No. 1-23.

RESPONSE:

- 1-17. Cost Rationalization.** Refer to the Company File <G. TN-FY24 – Allocation with Assets>, Tab “TN FY24” that was included with the filing. This file includes journal entry support for the Company’s \$5 million payment for its Pension Contribution. This file also includes a letter from the Company’s actuary showing existing pension plan assets of \$502 million and a pension benefit obligation of \$432 million. Given that the pension assets already exceed the plan obligations by \$70 million (\$502 million less \$432 million) explain

why the Company would make a \$5 million contribution at this time along with an explanation of why this excess contribution is appropriate to recover from Tennessee customers.

RESPONSE:

1-18. Supporting Data. Refer to the Company File <O. Plant Balances 2025 TN Case>, Tab “02” that was included with the filing. Specifically refer to Column P of this spreadsheet the September 2024 Plant Balances. It appears that certain accounts in Column P have been adjusted from the Trial Balance data as shown in the table below:

| Account | Sep-24 Plant Balance | Adjustment | Adjusted Plant Balance |
|-------------------------------|-------------------------------------|-------------------|---------------------------------------|
| 39907 – PC Software | \$82,728 | \$-222,395 | \$-139,667 |
| 39908 – Application Software | 95,726,842 | 222,395 | 95,949,237 |
| 39922 – Servers-Software-AEAM | 5,425,529 | -10,638 | 5,414,891 |
| 39923 – Network Hardware-AEAM | 576,066 | 10,638 | 586,704 |
| 39926 – PC Hardware-AEAM | 146,532 | 129,694 | 276,226 |
| 39928 – Application SW-AEAM | 29,590,572 | -129,694 | 29,460,878 |

Explain the nature of these adjustments. If the Company believes that these adjustments are in error, then provide an updated calculation.

RESPONSE:

RESPECTFULLY SUBMITTED,



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TPUC Docket No. 25-00007

CA's 1st DR to Atmos

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. (BPR No. 35233)
Sims Funk, PLC
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Nashville, TN 37203
Phone: (615) 425-7030
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This the 20th day of February 2025.



SHILINA B. BROWN
Senior Assistant Attorney General