

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

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 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 Shilina B. Brown, on or before Tuesday, March 25, 2025, 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 20, 2025, 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. **Cost of Capital Supporting Calculation.** Refer to the Company's file <Capital Structure 09-30-24 Consolidated>, Tab "Consolidated Balance Detail" that was included with the filing. Provide the following information related to the average equity balance of \$11.6 billion shown in Column F of this spreadsheet:
- a. Provide a reconciliation by account to the monthly balances included on this spreadsheet to the specific accounts in the trial balance in the same format as in TPUC Docket No. 24-00006, Company's Response to Consumer Advocate DR No. 1-26; and
 - b. Provide a monthly trial balance from September 2023 to September 2024 for all divisions reporting equity balances that were not already included with the Company's filing. This response should include footnote support to the equity balances reported in item (a).

RESPONSE:

- 2-2. **Cost of Capital Supporting Calculation.** Refer to the Company's file <Capital Structure 09-30-24 Consolidated>, Tab "Consolidated Balance Detail" that was included with the filing. Specifically refer to the short-term debt average daily balance of \$7.3 million shown in Column I of this spreadsheet. Provide the source and support for the average daily balance of short-term debt for each month of the review period in the same format as in TPUC Docket 24-00006, Company's Response to Consumer Advocate DR No. 1-27.

RESPONSE:

- 2-3. **Cost of Capital Supporting Calculation.** Refer to the Company's file <Capital Structure 09-30-24 Consolidated>, Tab "2260 LTDebt Discount" that was included with the filing. Specifically refer to the manual adjustments in Cells G35 to H35 that total to \$23,042. Provide the following related to these manual adjustments:
- a. Provide the source and support for these adjustments which appear as unreferenced hard-coded amounts; and

- b. Provide a narrative explanation as to why these manual adjustments should be recognized in the ARM filing.

RESPONSE:

- 2-4. **Cost of Capital Supporting Calculation.** Refer to the Company’s file <Capital Structure 09-30-24 Consolidated>, Tab “2241 Unamort Debt Exp” that was included with the filing. Specifically refer to the manual adjustments in Row 38 that total \$305,120. Provide the following related to these manual adjustments:
- a. Provide the source and support for these adjustments which appear as unreferenced hard-coded amounts; and
 - b. Provide a narrative explanation as to why these manual adjustments should be recognized in the ARM filing.

RESPONSE:

- 2-5. **O&M Expense Adjustment Acceptance.** Refer to the Company’s response to Consumer Advocate DR No. 1-15 regarding a charge to bad debt for Division 91 during the ARM Review Period. The Company’s response appears to indicate that this charge was in error and was reversed in December 2024 (out of period). Does the Company agree to adjust its cost of service model to reflect this error correction?

RESPONSE:

- 2-6. **Deferred Interest Supporting Calculation.** Refer to the Company’s file <CA 1-04 Att1 – Deferred Interest Detail Sep ‘23 through Sep ‘24> that was included with the Company’s response to Consumer Advocate DR No. 1-4 regarding the Deferred Infrastructure calculation and provide the following information:
- a. Refer to the “4310-30310” tab of this spreadsheet and provide the source and support of the monthly “Additions” on Line 2 which are presented as unreferenced hard-coded amounts;

- b. Refer to the “4310-30310” tab of this spreadsheet and provide the source and support of the monthly “Current Month Depr Adjustment (+)” on Line 5 which are presented as unreferenced hard-coded amounts;
- c. Refer to the “4310-30310” tab of this spreadsheet and provide the source and support of the monthly “Closed RWIP Additions” on Line 18 which are presented as unreferenced hard-coded amounts;
- d. Refer to the “ADIT Factor” tab of this spreadsheet and provide the source and support for the 2022 and 2023 “Return on Rate Base” amounts of 7.58% and 7.64% which are presented as unreferenced hard-coded amounts;
- e. Refer to the “ADIT Factor” tab of this spreadsheet and provide the source and support for the 2022 and 2023 “Statutory Tax Rate” amounts of 24.89% and 26.14% which are presented as unreferenced hard-coded amounts;
- f. Refer to the “Reg Asset Calc FY23” tab of this spreadsheet and provide the source and support for the “Income Tax Gross Up on Taxable Portion” of 1.331339 on Line 25 which is presented as an unreferenced hard-coded amount; and
- g. Refer to the “Reg Asset Calc FY24” tab of this spreadsheet and provide the source and support for the “Income Tax Gross Up on Taxable Portion” of 1.353821 on Line 25 which is presented as an unreferenced hard-coded amount.

RESPONSE:

RESPECTFULLY SUBMITTED,



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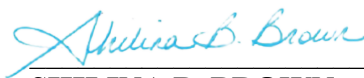
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CERTIFICATE OF SERVICE

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.
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This the 12th day of March, 2025.



SHILINA B. BROWN
Senior Assistant Attorney General