

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

<b>IN RE:</b>	)	
	)	
<b>ATMOS ENERGY CORPORATION</b>	)	
<b>FOR APPROVAL OF ITS 2025 ANNUAL</b>	)	<b>DOCKET NO. 25-00007</b>
<b>RATE REVIEW FILING PURSUANT</b>	)	
<b>TO TENN. CODE ANN. § 65-5-103(d)(6)</b>	)	
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**CONSUMER ADVOCATE’S RESPONSES TO  
ATMOS’ FIRST SET OF DISCOVERY REQUESTS**

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Jonathan Skrmetti, Attorney General and Reporter for the State of Tennessee, by and through the Consumer Advocate Division of the Office of the Tennessee Attorney General (“Consumer Advocate”), pursuant to Rules 26, 33, and 34 of the Tennessee Rules of Civil Procedure, Tennessee Public Utility Commission (“TPUC” or The “Commission”) Rule 1220-01-02-.11, and the Agreed Procedural Schedule entered by the Hearing Officer in this Docket, hereby submits its responses to the *First Set of Discovery Request of Atmos Energy Corporation* (“Atmos” or the “Company”) filed on April 14, 2025.

**General Objections**

All of the General Objections made herein are applicable to and are hereby incorporated into each and every response herein, and each response herein is made subject to and without waiver of these General Objections.

- A. The Consumer Advocate objects to each of the Company’s requests on the grounds that each is overly broad, unduly burdensome, and oppressive.
- B. The Consumer Advocate objects to the Company’s discovery requests to the extent that they purport to impose the obligations upon the Consumer Advocate beyond those contemplated by the Tennessee Rules of Civil Procedure, TPUC Rules, and Tennessee law.

- C. The Consumer Advocate objects to each of the Company's requests to the extent that each purports to call for information and/or documents prepared in anticipation of litigation, and/or information and/or documents protected by the attorney-client privilege, the work product doctrine, the common-interest doctrine, or any other applicable protection or privilege.
- D. The Consumer Advocate objects to each of the Company's requests to the extent that they are not applicable in the context of a proceeding before the TPUC, cite an incorrect legal conclusion, or mischaracterize or improperly summarize statements made by the Consumer Advocate's expert witnesses in their pre-filed direct testimonies.
- E. By providing the objections contained herein, the Consumer Advocate does not waive or intend to waive, but rather, intends to preserve, all objections with regard to competence, relevance, materiality, and admissibility of the discovery information or documents in any subsequent proceeding on the related subject matter. Moreover, the Consumer Advocate intends by this set of responses to preserve all objections to vagueness, ambiguity, and undue burden in connection with requests to produce documents, including those that are not in the Consumer Advocate's possession, custody, or control.
- F. The responses made herein are made to the best of Consumer Advocate's present knowledge after a reasonably diligent search for responsive information. The Consumer Advocate will supplement its responses in line with the requirements of the Tennessee Rules of Civil Procedure as well as TPUC Rules and expressly reserves its right to supplement or amend its answers, if and as appropriate, including with respect to objections that may arise at a later time than this filing.

Without waiving these General Objections as they apply to each individual request, the Consumer Advocate presents the following responses:

#### **CONSUMER ADVOCATE'S RESPONSES**

- 1-01. Admit or deny that the Pension Expense discussed in the Pre-Filed Testimony of William H. Novak in this Docket represents an expense actually incurred by Atmos Energy during the test period. If you deny this statement, provide your factual basis for doing so.

#### **RESPONSE:**

**We admit in part. We admit that the Pension Expense incurred by Atmos during the test period represents an actual expense of the Company.**

**However, this Pension Expense also represents a discretionary expense on the part of the Company that is in excess of the requirements for its Pension Plan. As such, there is no mandatory requirement that Atmos make this contribution to the Pension Plan.**

- 1-02. Admit or deny that the Company's calculation of its Pension Expense in this Docket is in compliance with the Approved Methodology resulting from Docket No. 18-00112. If you deny this statement, specify in detail (i) the methodology changes which you believe the Company has made and (ii) when you contend Atmos Energy first made that methodology change in its annual ARM filings.

**RESPONSE:**

**We admit in part. We admit that the ARM from TPUC Docket No. 18-00112 provides for Approved Methodologies that allow the Company to recover its reasonable operating expenses including Pension Expense.**

**However, the ARM from TPUC Docket No. 18-00112 also provides for New Matters relating to "any issue, adjustment, and/or ambiguity in or for any account, method of accounting or estimation, or ratemaking topic that would directly or indirectly affect the Annual ARM Filing." The Consumer Advocate considers the Company's request to recover its Pension Expense contributions through the ARM that are more than the requirements for the Pension Plan to be such, a New Matter.**

- 1-03. Admit or deny that, as set forth in the Pre-Filed Testimony of William H. Novak filed in Docket 19-00076, the Consumer Advocate has previously opposed the recovery of Pension Expense at least partially on the same grounds that are raised here—namely, that the expense should not be recovered because the pension plan was overfunded at the time.
- If you deny this statement, explain your factual basis for doing so, including your contention regarding the difference between:

- (i) the arguments made, on the one hand, at:
  - a. Lines 4:9-13 (relying on the purported overfunded status of the pension plan);

- b. Footnote 21 on page 10 (arguing that there was no “valid business reason for funding” since “the pension plan was already fully funded”); and
- c. Lines 11:4-10 (relying upon the purported “overfunded” status of the pension plan);

of the Pre-Filed Direct Testimony of William H. Novak in Docket No. 19-00076 and

(ii) the arguments made, on the other hand, at

- a. Lines 9:6-9 (relying upon the purported “overfunded” status of the pension plan to establish that the contribution was “imprudent”)

of the Pre-Filed Direct Testimony of William H. Novak in this Docket

**RESPONSE:**

**We admit.**

- 1-04. Refer to the Commission’s August 25, 2020, Order in Docket 19-00076, rejected the arguments presented herein by the Consumer Advocate, stating at Page 10 of its Order: “the cash pension contributions made by Atmos in September 2018 and September 2019 in this ARM filing were reasonable and should be included for recovery.” Identify with specificity which circumstances, if any, make the cash pension contributions made in this case unreasonable and distinguishable from the cash pension contributions at issue in Docket 19-00076.

**RESPONSE:**

**Mr. Novak’s testimony in TPUC Docket No. 19-00076 recommended exclusion of Atmos’ overfunded Pension Expense contribution based on previous rate case precedent. A fine reading of the Commission’s Order in TPUC Docket No. 19-00076 shows that this argument was rejected based on the differing requirements for a Rate Case as opposed to an ARM Filing.**

**In the current Docket, Mr. Novak recommends that the Commission exclude recovery of Pension Expense contributions in excess of the requirements for the Pension Plan as an imprudent expenditure. These differences distinguish the arguments between these two dockets.**

- 1-05. State whether you contend that the Company's pension plan was "overfunded" in the previous ARM cases filed by the Company in TPUC Dockets 24-00006, 23-00008, and 22-00010.

**RESPONSE:**

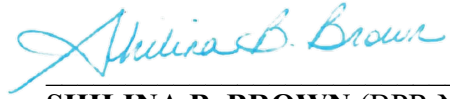
**The status of the Company's Pension Plan funding in these previous dockets is outside the scope of the current Docket and no reference to these dockets appear in Mr. Novak's testimony. As explained in Atmos Energy's DR 1-2 above, the recovery of the Company's Pension Expense contributions through the ARM that are more than the requirements for the Pension Plan to be such, is a New Matter.**

- 1-06. Admit or deny that the Company has recovered Pension Expense in the years in which it has made actual contributions in its ARM filings made in TPUC Dockets 24-00006, 23-00008, and 22-00010. If you deny this statement, identify the docket(s) in which this expense was not recovered and the date of the Commission Order by which excluded this expense.

**RESPONSE:**

**See the Consumer Advocate's response to Atmos Energy's DR 1-5 above.**

RESPECTFULLY SUBMITTED,



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**SHILINA B. BROWN** (BPR No. 020689)

Senior Assistant Attorney General

**VANCE L. BROEMEL** (BPR No. 011421)

Managing Attorney

Office of the Tennessee Attorney General

Consumer Advocate Division

P.O. Box 20207

Nashville, Tennessee 37202

Phone: (615) 741-2357

Fax: (615) 741-1026

Email: [Shilina.Brown@ag.tn.gov](mailto:Shilina.Brown@ag.tn.gov)

Email: [Vance.Broemel@ag.tn.gov](mailto:Vance.Broemel@ag.tn.gov)

**TPUC Docket No. 25-00007**

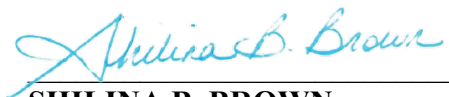
*CA Responds to Atmos DR's*

## **CERTIFICATE OF SERVICE**

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

Erik Lybeck, Esq.  
Sims Funk, PLC  
3102 West End Avenue, Suite 1100  
Nashville, TN 37203  
Phone: (615) 425-7030  
Email: [Elybeck@simsfunk.com](mailto:Elybeck@simsfunk.com)

This the 22<sup>nd</sup> day of April, 2025.



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**SHILINA B. BROWN**

Senior Assistant Attorney General