



January 10, 2012

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PUBLIC SERVICE
COMMISSION

Mr. Dennis Howard II
Assistant Attorney General
Attorney General of Kentucky
1024 Captial Center Drive
Suite 200
Frankfort, KY 40601

RE: Case No. 2011-00395

Dear Mr. Howard:

Atmos Energy Corporation (Company) herewith submits responses to the requests for information of the Attorney General in the above referenced case.

Please contact myself at 270.685.8024 if the Attorney General's office has any questions regarding this matter.

Sincerely,

A handwritten signature in black ink that reads "Mark A. Martin".

Mark A. Martin
Vice President, Rates & Regulatory Affairs

Enclosures

cc: Collaborative Board Members
Mr. Mark R. Hutchinson

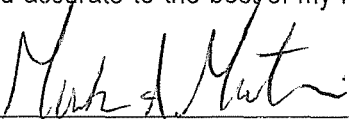
Atmos Energy Corporation Kentucky

Case No. 2011-00395

RESPONSES TO ATTORNEY GENERAL'S DATA REQUESTS

VERIFICATION

I, Mark A. Martin, being duly sworn under oath, state that I am Vice President of Rates and Regulatory Affairs for Atmos Energy Corporation, Kentucky/Midstates Division, and that the statements contained in the following Responses are true and accurate to the best of my knowledge, information and belief formed after a reasonable inquiry.



Mark A. Martin

CERTIFICATE OF SERVICE

I hereby certify that on the 10 day of January, 2012, the original of the Company's attached Responses, together with seven (7) copies were filed with the Kentucky Public Service Commission, 211 Sower Blvd, P.O. Box 615, Frankfort, Kentucky 40206 and a copy was also served on Dennis Howard, Office of the Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.



Mark R. Hutchinson

Atmos Energy Corporation
Attorney General's Supplemental Data Request Dated December 8, 2011
Case No. 2011-00395
Question No. 1
Witness: Mark A. Martin

REQUEST:

Reference the company's response to PSC 1-2b. Is there any audit or accounting of the moneys spent to measure the accuracy of the costs for the implementation of any DSM component, whether it be an energy audit, weatherization, etc.

- a. If so, please provide copies of any and all such documents.
- b. If not, why not?

RESPONSE:

- a. Attached is the "On-Site Audit Verification Form" we use to verify weatherization improvements. Ten percent (10%, which we believe to be accepted industry practice) of all weatherization projects are audited. Local Atmos Energy Operations Supervisors are provided the form and responsible for getting it completed. For appliance rebates, the applicant and contractor certify the installation when a rebate is submitted. Energy Federation, Inc. (EFI), our rebate processor, verifies the information and handles any deficiencies. Please see the attached "Kentucky High-Efficiency Rebate Program Installation Verification Form."
- b. Not Applicable.

ATMOS CARES

On-Site Audit Verification Form

Customer Information

Name	<input type="text"/>	Customer Number	<input type="text"/>
Address 1	<input type="text"/>	Application Date	<input type="text"/>
Address 2	<input type="text"/>	Work Completed Date	<input type="text"/>
City	<input type="text"/>	Phone	<input type="text"/>
State	<input type="text"/>	Zip Code	<input type="text"/>
Fax	<input type="text"/>		<input type="text"/>
Audit Number	<input type="text"/>	Auditor Name	<input type="text"/>

Response Codes

- | | |
|-----------------|--------------------|
| 1. Busy Signal | 2. Call Back |
| 3. Wrong Number | 4. No Answer |
| 5. Refused | 6. Left Message |
| 7. Completed | 8. Out of Business |
| 9. Disconnected | 10. Other |

Contact Record				
Attempts	Interviewer	Date	Time	Response
1				
2				
3				
4				
5				

Audit Appointment: Date Time am/pm

Notes

<input type="text"/>
<input type="text"/>
<input type="text"/>

Name Account Number

Information on General Measures Installed

Attic Insulation	<input type="text"/>	Duct Repair	<input type="text"/>
Clean/Tune Furnace	<input type="text"/>	Duct Insulation	<input type="text"/>
Gas to Gas W/H Replacement	<input type="text"/>	Ceiling Insulation	<input type="text"/>
Elec to Gas W/H Replacement	<input type="text"/>	Air Infiltration	<input type="text"/>
Water Heater Repair	<input type="text"/>	Floor Insulation	<input type="text"/>
Wall Insulation	<input type="text"/>	New Furnace	<input type="text"/>

Information on Heating System Measures Installed

Primary Replace or Repair Complete?

Primary Problem = Inoperable	<input type="text"/>
Primary Problem = Venting	<input type="text"/>
Primary Problem = Combustion Air	<input type="text"/>
Primary Problem = Clearance	<input type="text"/>
Primary Problem = Heat Exchanger	<input type="text"/>
Primary Problem = Mechanical	<input type="text"/>

Secondary Replace or Repair Complete?

Secondary Problem = Inoperable	<input type="text"/>
Secondary Problem = Venting	<input type="text"/>
Secondary Problem = Combustion Air	<input type="text"/>
Secondary Problem = Clearance	<input type="text"/>
Secondary Problem = Heat Exchanger	<input type="text"/>
Secondary Problem = Mechanical	<input type="text"/>

See attached for work performed.

Name Account Number

On-site Customer Satisfaction Survey

Are you aware that the weatherization work you received was partially paid for by Atmos?

Yes No

Were the Agency contractors courteous and professional during the installation of the work?

Yes No

Did they clean up the areas where they were working and leave them neat?

Yes No

Did you notice any increased comfort in your home since the work was completed?

Yes No

Did you notice a change in your utility bill since the work was completed?

Yes No

Were you satisfied with the work you received?

Yes

What were some of the benefits of the work in your home?

No

Why not?



Mail rebate form to:

Energy Federation Inc.
Atmos Energy Kentucky Rebate Offer
40 Washington St, Suite 2000
Westborough, MA 01581-1088
Phone: 1-877-313-8805

**KENTUCKY HIGH-EFFICIENCY REBATE PROGRAM
INSTALLATION VERIFICATION FORM**

(all information is required)

Customer Name: _____

Customer Address (street, city, state, zip, and county): _____

Daytime Phone: _____ Evening Phone: _____

Rebate check will be mailed in the Customer's Name at Address listed above, unless alternate is provided below. If rebate is for new construction, the builder or homeowner is qualified to receive the rebate.

If new construction, check box at left.
Copy of Atmos Energy bill is not required.

Builder Name (only for new construction): _____

Alternate Mailing Address: _____

Check box for Equipment Type installed and Rebate Amount requested. Only 1 rebate request per application.

Check Here	Equipment Type	Minimum Efficiency Level	Product Specifications	Rebate Amount
	Natural Gas Forced Air Furnace	90% AFUE	30,000 BTU or higher	\$200.00
	Natural Gas Boiler	85% AFUE	30,000 BTU or higher	\$200.00
	Natural Gas Tankless Water Heater	.82 EF	n/a	\$300.00
	Natural Gas Tank Water Heater	.62 EF	40 gallon or higher	\$200.00

- Equipment must be installed in customer's name at address listed on Atmos Energy bill (unless new construction).
- Include a recent copy of Atmos Energy bill (under customer's name and address listed).
- Submit a separate form for each rebate requested

New Equipment Information:

Manufacturer: _____ AFUE or EF Rating: _____

Serial Number: _____ Model Number: _____

Old Equipment Information:

Estimated Installation Date of Old Equipment: _____

Manufacturer: _____ AFUE or EF Rating: _____

Serial Number: _____ Model Number: _____

Proof of New Equipment Installation:

Installer Name: _____

Installer Address: _____

Installer Signature: _____ Date Installed: _____

By signing, the installer/inspector attests this information accurately reflects the equipment has been installed in compliance with the manufacturer's specifications for the new equipment. Any and all equipment associated with this rebate must be installed in compliance with required local, state and federal codes. Any tests or inspections that may be required for the verification of such are the responsibility of the customer or installing contractor.

Customer Signature: _____	Date: _____
<i>By signing, the customer acknowledges having read and understood the terms and conditions of Atmos Energy's High-Efficiency Rebate Program. The customer certifies that all the information provided is true and correct and that the products for which the customer is requesting a rebate meet the requirements of the program.</i>	

TERMS AND CONDITIONS

Program provided by Atmos Energy Corporation (AEC) and administered by Energy Federation Incorporated (EFI) for AEC. Rebate payments will be issued by EFI after all appropriate documentation has been received. This rebate is offered to AEC Kentucky customers who are served under AEC's Firm Residential G-1 Rate. Funding for this program may be limited; eligible rebate applications will be processed pending available funds. AEC offers this program in cooperation with the Kentucky PSC. AEC reserves the right to conduct field inspections to verify equipment installations. AEC does not guarantee the performance of the installed equipment either expressly or implicitly. Copyright 2010 Atmos Energy Corporation. All rights reserved.

Atmos Energy Corporation
Attorney General's Supplemental Data Request Dated December 8, 2011
Case No. 2011-00395
Question No. 2
Witness: Mark A. Martin

REQUEST:

Reference the company's response to PSC 1-3. Please provide documentation, or a reference to same if it is included in the filing, to support the company's assertion that the \$375,000 will be sufficient to address the needs of the anticipated participants applying for the DSM program.

RESPONSE:

Please see our response to Staff's Supplemental DR 2b. Based on these annual averages over the 12 year period, it is apparent to us that \$375,000 should be adequate to address the needs of the expected applicants in a given year.

Atmos Energy Corporation
Attorney General's Supplemental Data Request Dated December 8, 2011
Case No. 2011-00395
Question No. 3
Witness: Mark A. Martin

REQUEST:

Reference the company's response to PSC1- 5. Will the expiration of the American Recovery and Reinvestment Act create a need to expand the total dollars requested by Atmos for its DSM program in the future based on the history of the DSM program's expenditures prior to the Act?

RESPONSE:

It may; however, we believe the current request is adequate and Atmos Energy will reevaluate the need when we file our next DSM renewal application.

Atmos Energy Corporation
Attorney General's Supplemental Data Request Dated December 8, 2011
Case No. 2011-00395
Question No. 4
Witness: Mark A. Martin

REQUEST:

Reference the company's response to PSC 1-6. Will the company commit to account for the company's employee related DSM expenses in the DSM program only and not include them as a "double count" as additional employee expenses related to general services? If not, why not?

RESPONSE:

The Company would be amenable to such a request; however, the Company cannot explicitly state that 100% of its employees costs are recovered through base rates since its most recent rate case was a "black box" settlement. As discussed in the response to Staff's 1-6 from its initial set of data requests, the Company has estimated \$12,900 in costs associated with its employees administering its overall DSM Program. While the Company views this estimated cost as minimal to the overall program, the Company would be amenable to the exclusion of such costs if that is the Commission's preference.

Atmos Energy Corporation
Attorney General's Supplemental Data Request Dated December 8, 2011
Case No. 2011-00395
Question No. 5
Witness: Mark A. Martin

REQUEST:

Reference the company's response to PSC1- 7. Does the company have any actual, verifiable data to demonstrate that the education component as filed is effective? If so, please provide copies of any and all such data.

RESPONSE:

No, the Company does not have any verifiable data; however, the Company has received high praise from teachers after an education program has been presented.

Atmos Energy Corporation
Attorney General's Supplemental Data Request Dated December 8, 2011
Case No. 2011-00395
Question No. 6
Witness: Mark A. Martin

REQUEST:

Reference the company's response to PSC 1-8. Please provide the average retail cost for:

- a. a tankless water heater with an energy factor of .67 or greater and
- b. tankless water heater with an energy factor of .82 or greater.

RESPONSE:

- a. See Tab 2, page 8 of the application. The average retail cost of a tank water heater with an energy factor of .67 or greater is \$1,020.
- b. See Tab 2, page 8 of the application. The average retail cost of a tankless water heater with an energy factor of .82 or greater is \$1,325.

Atmos Energy Corporation
Attorney General's Supplemental Data Request Dated December 8, 2011
Case No. 2011-00395
Question No. 7
Witness: Mark A. Martin

REQUEST:

Reference the company's response to PSC 1-10. Confirm that the commercial DSM costs will be borne exclusively by the commercial class.

RESPONSE:

The information in the application and our response confirm that the commercial DSM costs will be borne exclusively by the commercial class.

Atmos Energy Corporation
Attorney General's Supplemental Data Request Dated December 8, 2011
Case No. 2011-00395
Question No. 8
Witness: Mark A. Martin

REQUEST:

Reference the company's response to PSC 1-13.

- a. Why is the ten year period more appropriate in this application?
- b. Why was a high discount rate used in this filing versus the prior filing? Please justify the answer.
- c. Provide a list of the energy programs as referenced in the response which fail the RIM test?

RESPONSE:

- a. See Atmos Energy's response to Staff's Initial Data Request 17c.
- b. We would not classify the discount rate as high. In both the 2008 and this DSM renewal application, the discount rate reflects capital structure contained in our most recent rate cases. For this DSM filing, the discount rate contained in our 2009 rate case was 8.81%. For the 2008 DSM filing the discount rate contained in our 2006 rate case was 8.48%. To our knowledge this is standard practice in DSM filings.
- c. Since we did not evaluate each program separately, our assumption is that each component would fail the RIM test. When the entire portfolio was evaluated the program as a whole failed to achieve a RIM ratio of one or greater.

Atmos Energy Corporation
Attorney General's Supplemental Data Request Dated December 8, 2011
Case No. 2011-00395
Question No. 9
Witness: Mark A. Martin

REQUEST:

Reference the company's response to PSC 1-14. Is Atmos aware that other PSC jurisdictional utilities perform the California tests on the individual components of the DSM programs? If not, why not?

- a. Does the company agree that the purpose or goal of a DSM program's component is to promote energy efficiency? If not, why not?
- b. Does the company agree that the purpose or goal of a DSM program's component is to actually achieve energy efficiency? If not, why not?
- c. Would the company dispute the argument that a component could fail all the tests and not actually promote energy efficiency?
- d. If the answer to the prior question is in the affirmative, then why should such a component be approved by the PSC?
- e. Is it the company's position that a component could fail all tests yet be bootstrapped to an overall DSM program that actually achieves energy efficiency?
- f. Does the company view those program components which fail one, several or all of the California tests as profit centers?
- g. If the company refuses to conduct California tests on all program components, or if it refuses to provide copies of the results of California tests conducted for each program component in the subject filing, then please provide any and all data and internal studies indicating how much profit the company stands to make from any and all such program components.

RESPONSE:

Atmos Energy does not monitor all other jurisdictional utilities DSM filings or programs. However, the Company did mirror Delta Gas' filing when we filed our 2008 DSM renewal application. Each local distribution company (LDC) is different and what may work for one may not for another.

- a. Yes.
- b. Yes.
- c. Yes we would dispute this argument as it relates to our DSM filing. Please see our response to Staff's Initial DR-14.
- d. Although we disputed the argument in the prior question Atmos Energy would also cite the following from the PSC final order in Case 2010-00305 dated June 21, 2011: "Atmos and the AG should keep in mind that we have consistently approved cost-effective DSM programs in order to benefit utility customers through decreases in energy usage and bills. The collaborative process used in Atmos' future filings for changes to its DSM program should seek the maximum benefit to all customers, but not ignore the neediest consumers for whom an investment in cost-effective DSM would result in the greatest improvement in living conditions and financial situations."
- e. The Company believes serving all customers, including those least able to afford energy efficiency improvements, and spreading the message concerning natural gas energy efficiency measures are the hallmarks of a comprehensive DSM program. Doing

Atmos Energy Corporation
Attorney General's Supplemental Data Request Dated December 8, 2011
Case No. 2011-00395
Question No. 9
Witness: Mark A. Martin

programs that only pass the cost effectiveness tests as determined in the California tests would most likely exclude any whole house/weatherization program or education efforts. The results would be no programs for our customers with the greatest need and a customer base not having the information they need to comfortably and effectively reduce their natural gas consumption. The Company certainly would not describe our efforts as being bootstrapped.

- f. No. The Company does not view any aspect of its current and/or proposed DSM program to be a profit center. The Company's DSM goals are to increase awareness, decrease consumption and recover associated costs in a timely fashion. While the Company does have an incentive component of its DSM program, the incentive is purely based on the net resource savings of the program's participants.
- g. The Company is not refusing to conduct such tests, but it is the Company's opinion that the industry standard is to review results by aggregating all of the programs together. This approach is consistent to the approach used in case No. 2008-00499. In regards to profit, there appears to be some confusion over the Company's DSM program. The Company's DSM program has a balancing adjustment similar to the Correction Factor within the Company's GCA mechanism to either refund any over-collections or to collect any under-collections. From the Company's point-of-view, there is no profit associated with its current and/or proposed DSM program.

Atmos Energy Corporation
Attorney General's Supplemental Data Request Dated December 8, 2011
Case No. 2011-00395
Question No. 10
Witness: Mark A. Martin

REQUEST:

Reference the company's response to PSC 1-15. Please provide the data since 2000 in the form illustrated in the response.

- a. Could the data currently listed in the response be skewed given the financial infusion from the American Recovery and Reinvestment Act? If not, why not?
- b. Does Atmos have the actual number of participants of the programs since its inceptions? If not, why not?
- c. If the answer to the above question is in the affirmative, please provide same
- d. If the answer to the above question, please provide supporting documentation.

RESPONSE:

The table in PSC 1-15 represents the monthly results for our rebate program since the program's inception. For our weatherization program please see the Company's response to Staff DR 2-2b. This table provides the weatherization results since the program's inception in 2000.

- a. As a hypothetical, of course the numbers could be skewed as a result of the financial infusion from the American Recovery and Reinvestment Act. Increased federal weatherization assistance and tax credits for energy efficient appliances may well have played some role. What that role is or may have been cannot be determined.
- b. Yes.
- c. Please see our responses to PSC 1-15 and 2-2b. Also the Atmos Energy Collaborative has been receiving the Atmos Cares monthly report since our DSM efforts started in 2000.
- d. Not Applicable.

Atmos Energy Corporation
Attorney General's Supplemental Data Request Dated December 8, 2011
Case No. 2011-00395
Question No. 11
Witness: Mark A. Martin

REQUEST:

Reference the company's response to PSC 1-16. Please provide the "industry accepted algorithms adjusted for Kentucky" in excel with cells intact. If no such calculations are available in excel, please provide as much supporting data that is available.

RESPONSE:

Please see the enclosed CD-ROM that contains the Excel workbook containing the requested information.

Atmos Energy Corporation
Attorney General's Supplemental Data Request Dated December 8, 2011
Case No. 2011-00395
Question No. 12
Witness: Mark A. Martin

REQUEST:

Reference the company's response to PSC 1-17c. Please provide the revised tariff noted therein by the company.

RESPONSE:

Please see the attached tariff sheets.

ATMOS ENERGY CORPORATION

Demand-Side Management Cost Recovery Mechanism	
DSM	
1. <u>Applicable</u>	<p>Applicable to Rate G-1 Sales Service, residential and commercial classes only. (T)</p> <p>The Distribution Charge under Residential and Commercial Rate G-1 Sales Service, shall be increased or decreased for nine annual periods beginning January 2012 and continuing through December 31, 2016 by the DSM Cost Recovery Component (DSMRC) at a rate per Mcf in accordance with the following formula: (T)</p> $\text{DSMRC} = \text{DCRC} + \text{DLSA} + \text{DIA} + \text{DBA}$ <p style="text-align: right;">(T)</p> <p>Where:</p> <p>DCRC = DSM Cost Recovery-Current. The DCRC shall include all actual costs, direct and indirect, under this program which has been approved by the Commission. This includes all direct costs associated with the program including rebates paid under the program, the cost of educational supplies, and customer awareness related to conservation/efficiency. In addition, indirect costs shall include the costs of planning, developing, implementing, monitoring, and evaluating DSM programs. In addition, all costs incurred by or on behalf of the program, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the DCRC. (T)</p> <p>DLSA = DSM Lost Sales Adjustment. To effectively promote and execute the program, the Company shall recover the annual lost sales attributable to customer conservation/efficiency created as a result of the Program. This aligns the Company's interest with that of its customers by reducing the correlation between volume and revenue for those customers who elect to participate in the program. The lost sales are the estimated conservation, per participant, times the base rate for the applicable customer. The goal is to make the Company whole for promoting the program. Lost sales are based on the cumulative lost sales since the program inception and will reset when the Company completes a general rate case (N)</p>

ISSUED: September 26, 2011

EFFECTIVE: January 1, 2012

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

ATMOS ENERGY CORPORATION

Demand-Side Management Cost Recovery Mechanism	
DSM	
DIA =	DSM Incentive Adjustment. As a result of the program, the customers who participate in the program will save on their gas bills due to decreased usage, which results in decreased commodity charges. As an incentive for the Company to devote the necessary monetary and physical resources to promote and administer the program, the Company will earn a fifteen percent (15%) incentive based on the net resource savings of the Program participants. (N)
	Net resource savings are defined as Program benefits less utility Program costs and participant costs where Program benefits will be calculated on the basis of the present value of Atmos' avoided commodity costs over the expected life of the Program. For the purpose of calculating the Program benefits, a specific measure's life as defined in DEER (Database for Energy Efficient Resources) is assumed with future gas costs over a corresponding period based on projection in the Department of Energy's <i>Annual Energy Outlook</i> . The present value is calculated based on Atmos' discount rate used for financial reporting purposes which is based on the rates of high-quality fixed-income investment. (T)
DBA =	DSM Balance Adjustment. The DBA shall be calculated on a calendar year basis and be used to reconcile the difference between the amount of revenues actually billed through the DSMRC and the revenues which should have been billed. (T)
	The DBA for the upcoming twelve-month period shall be calculated as the sum of the balance adjustments for the DCRC, DLSA and DIA. For the DCRC, DLSA and DIA, the balance adjustment shall be the difference between the amount billed in a twelve-month period and the actual cost of the DSM Program during the same twelve-month period. (T)
	The balance adjustment amounts calculated will include interest to be calculated at a rate equal to the average of "3-month Commercial Paper Rate" for the immediately preceding twelve-month period. (D)
	The Company will file modifications to the DSMRC on an annual basis at least two months prior to the beginning of the effective upcoming twelve-month period for billing. This annual filing shall include detailed calculations of the DCRC, DLSA, DIA and the DBA, as well as data on the total cost of the DSM Program over the twelve-month period. The calculations plus interest shall be divided by the expected Mcf sales for the upcoming twelve-month period to determine the DSMRC. (T)

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Twelfth Revised Sheet No. 41
Canceling
Eleventh Revised Sheet No. 41

ATMOS ENERGY CORPORATION

Demand-Side Management Cost Recovery Mechanism		
DSM		
<u>DSM Cost Recovery Component (DSMRC-R):</u>		(T)
DSM Cost Recovery – Current:	\$0.0950 per Mcf	(I)
DSM Lost Sales Adjustment	\$0.0040 per Mcf	(I)
DSM Incentive Adjustment	\$0.0150 per Mcf	(I)
DSM Balance Adjustment:	<u>(\$0.0391) per Mcf</u>	(I)
DSMRC Residential Rate G-1	\$0.0749 per Mcf	(I)
 <u>DSM Cost Recovery Component (DSMRC-C):</u>		 (N)
DSM Cost Recovery – Current:	\$0.0700 per Mcf	(N)
DSM Lost Sales Adjustment	\$0.0030 per Mcf	(N)
DSM Incentive Adjustment	\$0.0240 per Mcf	(N)
DSM Balance Adjustment:	<u>(\$0.0000) per Mcf</u>	(N)
DSMRC Commercial Rate G-1	\$0.0970 per Mcf	(N)

ISSUED: September 26, 2011

EFFECTIVE: January 1, 2012

BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Atmos Energy Corporation
Attorney General's Supplemental Data Request Dated December 8, 2011
Case No. 2011-00395
Question No. 13
Witness: Mark A. Martin

REQUEST:

Reference the company's response to PSC 1-21. The response does not appear to answer the question. Please reference AG 1-9 above and provide an answer to the question.

RESPONSE:

No, the Company did not prepare Participant Tests for the residential and commercial classes separately. The reference to PSC1-14 was meant to provide the response to the why not portion of the data request.

Atmos Energy Corporation
Attorney General's Supplemental Data Request Dated December 8, 2011
Case No. 2011-00395
Question No. 14
Witness: Mark A. Martin

REQUEST:

Reference the company's response to PSC 1-23. The response does not appear to answer the question. Please reference AG 1-9 above and provide an answer to the question.

RESPONSE:

Atmos Energy did not perform separate Ratepayer Impact Measure Tests for residential and commercial customers. The reference to PSC1-14 was meant to provide the response to the why not portion of the data request.

Atmos Energy Corporation
Attorney General's Supplemental Data Request Dated December 8, 2011
Case No. 2011-00395
Question No. 15
Witness: Mark A. Martin

REQUEST:

Reference the company's response to PSC 1-24. Please reference AG 1-9 above and provide an answer to the question.

RESPONSE:

Based on the information and knowledge we have, the company believes we have responded to this question.

Atmos Energy Corporation
Attorney General's Supplemental Data Request Dated December 8, 2011
Case No. 2011-00395
Question No. 16
Witness: Mark A. Martin

REQUEST:

Does the company believe it prudent for the PSC to approve a DSM program if the company cannot support actual accounting for the DSM program's components, whether in whole or in part?

RESPONSE:

The Company can and does support the actual accounting of its DSM renewal application presently before the Commission. The information and data supplied in the application and during the discovery process clearly illustrate this point. The portfolio of measures as submitted clearly shows that the program meets the most critical test of cost effectiveness (the Total Resource Cost test) as well as meeting the Participant and Program Administrator Cost tests. The oversight, administration, accounting, and verification of the programs have been demonstrated in several discovery requests.