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Secretary/General Counsel

KEVIN A. THOMPSON
Chief Staff Counsel

April 12, 2011

Mr. Steve Reed, Secretary
Missouri Public Service Commission
200 Madison Street
P.O. Box 360
Jefferson City, MO 65102

RE: GR-2009-0417 Request for Subpoenas Duces Tecum

Dear Mr. Reed:

The Staff of the Missouri Public Service Commission (Staff) requests that you in your capacity as the Secretary of the Missouri Public Service Commission (Commission) and pursuant to Sections 386.040, 386.250(1) and (7), 386.320.3, 386.390.4, 386.420.2, 386.440(a) and (2), 393.140.8, 393.140.9, 393.140.10 and 4 CSR 240-2.100 issue a subpoena duces tecum to Atmos Energy Marketing LLC, a wholly owned subsidiary company of Atmos Energy Corporation, in an effort to obtain information relevant to Staff's inquiry and assessment of the utility management's planning and its decisions affecting the area of natural gas supply procurement from its affiliate, Atmos Energy Marketing, LLC.

The documents that Staff seeks are listed on Attachment 1.

The purpose of obtaining these documents and questioning the designated officer, director, managing agent, or other persons, is to examine and understand the gas supply decisions, policies, and activities of Atmos Energy Marketing, LLC in the provision of gas supplies to its parent local gas distribution company (LDC), Atmos Energy Corporation.

On April 6, 2011, the Staff attempted personal service of a subpoena duces tecum to Mr. Mark Bergeron of Atmos Energy Marketing, LLC, on the attorney representatives of Atmos Energy Corporation. On April 8, 2011, Atmos Energy Corporation, by and through its counsel, informed Staff counsel that the company would not accept service of a subpoena duces tecum to its affiliate, Atmos Energy Marketing, LLC.

These documents are essential to Staff's analysis and are expected to lead to evidence relevant to Staff's inquiry and examination of the performance of the LDC's affiliate Atmos Energy Marketing, LLC during the 2008-2009 ACA period.

Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert S. Berlin", written in a cursive style.

Robert S. Berlin

Senior Counsel

(573) 526-7779 (Telephone)

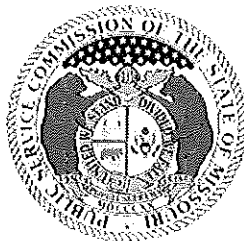
(573) 751-9285 (Fax)

w/Attachment 1

RSB:sw

SUBPOENA DUCES TECUM

**Order to Produce Documents
Order to Appear for Deposition**



THE STATE OF MISSOURI

To: **Atmos Energy Marketing, LLC**, 13430 Northwest Freeway, Suite 700, Houston, TX 77040

SERVE at: CSC- Lawyers Incorporating Service Company, 221 Bolivar Street, Jefferson City, MO 65101

You are hereby commanded, pursuant to Sections 386.040, 386.250(1) and (7), 386.320.3, 386.390.4, 386.420.2, 386.440(a) and (2), 393.140.8, 393.140.9, 393.140.10, CSR 240-2.100, and Supreme Court Rules 57.03(4), 57.09(b) and 58.01, to designate one or more officers, directors, or managing agents, or other persons who consent to testify on behalf of Atmos Energy Marketing, LLC, and appear personally before The Public Service Commission of the State of Missouri on the **21st day of April, 2011 at 1:00pm** o'clock of that day, and *continuing daily thereafter until completed* in accord with Rule 57.03 at the offices of the Commission at **200 Madison St., Conference Room 810, Jefferson City, 65102**, in the State of Missouri, to produce documents and to testify concerning, among other things, on the subject of the gas supply decisions, policies, and activities of Atmos Energy Marketing, LLC in the provision of gas supplies to its parent local gas distribution company, Atmos Energy Corporation, during the 2008-2009 ACA period, in the matter of Atmos Energy Corporation's 2008-2009 Purchased Gas Adjustment and Actual Cost Adjustment, PSC Case No. GR-2009-0417.

Missouri Supreme Court Rule 57.03(b)(4), requires Atmos Energy Marketing, LLC, "to designate one or more officers, directors, or managing agents, or other person who consent to testify on its behalf and may set forth,

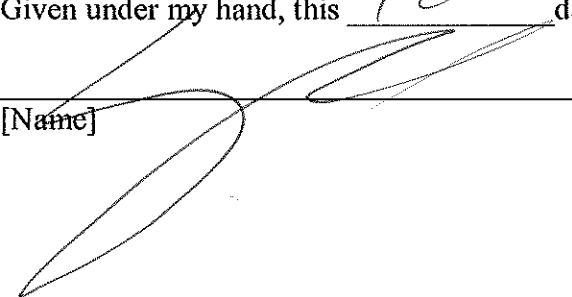
for each person designated, the matters on which the person will testify...", regarding information described below.

You are further commanded to bring with you and produce on **April 21, 2011 at 1:00pm** at said deposition the documents listed on **Attachment 1**.

If you wish to avoid making an appearance you may produce the requested documents, certified as to authenticity with business record affidavit BEFORE the date of the deposition, to Robert S. Berlin, Staff Counsel's Office, Missouri Public Service Commission, 200 Madison St., P.O. Box 360, Jefferson City, MO 65102.

Upon receipt of all certified records and documents listed on **Attachment 1**, *prior to April 21, 2011*, your appearance will NOT be required.

Hereof fail not at your peril. The person or officer serving this writ is commanded to have the same at the time and place aforesaid, certifying thereon its return.

Given under my hand, this 12th day of APRIL, 2011
 SECRETARY
[Name] [Title]

RETURN

I HEREBY CERTIFY that I have served the within writ by reading the same in the presence and hearing of the within named Shelly Lewis ^{Agent of CSC Lawyers R/A to Atmos Energy} on the 12th day of April, 2011, in Cole County, in the State of Missouri.
Ratus R. Harmon, Process Server
[Name] [Title]

1. Please provide documentation or communications supporting the rational or basis for why AEM contracted and obtained baseload supplies from Ultra Resources in January 2009 and March 2009, Gavilon in February 2009, and Noble in February 2009. Include all documentation regarding the AEM evaluation of the credit worthiness of these suppliers.

Rationale for this request:

Staff is seeking all information regarding the AEM evaluation of these suppliers/vendors. Staff seeks AEM information regarding its consideration of the credit worthiness and reliability of these suppliers/vendors.

2. For AEM natural gas supply for September 2008 through March 2009 used in the portfolio to serve all AEM's Panhandle Eastern business, please provide:
 - a. A copy of all RFP letter(s) and all other requests (e.g. emails, instant messages, notes regarding phone calls, notes regarding negotiations, etc.) used to solicit bids and/or quotes.
 - b. A list of the suppliers/vendors AEM contacted.
 - c. A monthly summary of all bids and/or quotes received and any indication of whether the bid/quote was conforming or non-conforming.
 - d. Identification of which bids and/or quotes AEM accepted.
 - e. A copy of all vendor responses.
 - f. A copy of all documents between the parties in the supply negotiation/selection process.
 - g. A copy of the AEM bid/quote evaluation including all functional spreadsheets used to evaluate the bids/quotes, in Excel if possible.
 - h. A copy of any other documents regarding AEM supply selection.
 - i. If any bid and/or quote response was non-conforming, please explain why it was non-conforming.

Rationale for this request:

Staff is trying to understand why AEM obtains responses from vendors/suppliers for natural gas that is ultimately used in AEM's portfolio to serve the LDC, but those same AEM suppliers do not respond to AEC's RFP process.

3. For the AEC RFP dated 2/14/2008 for natural gas supplies for April 2008 through March 2009, AEM was awarded the supply contract. Please provide all AEM documents (e.g. emails, instant messages, notes regarding phone calls, etc.) regarding the AEM review of this AEC RFP.

Rationale for this request:

Staff is trying to understand why AEC obtained a response from AEM for the RFP dated 2/14/2008, but received no response from AEM to the RFP dated 2/13/2009. Additionally Staff is seeking documents regarding the service level of these AEM contracts. The

AEC/AEM NAESB agreement does not list the service level; it simply refers to firm or interruptible service. The service level should be specified in the AEC/AEM transaction confirmation. However, for the period of 4/1/2008 through 4/1/2009, the AEC/AEM three-page transaction confirmation does not specify the level of service; it is left blank.

4. For the AEC RFP dated 2/13/2009 for natural gas supplies for April 2009 through March 2010, AEM did not respond to the RFP. Please provide all AEM documents (e.g. emails, instant messages, notes regarding phone calls, etc.) regarding the AEM review of this AEC RFP.

Rationale for this request:

AEC indicates the RFP yielded only two responses, and it indicates one of these was a non-conforming response. Staff is seeking to understand the limited response to this RFP. Staff is trying to understand why AEC obtained a response from AEM for the RFP dated 2/14/2008, but received no response from AEM to the RFP dated 2/13/2009.

5. For the Data Request (DR) Number 104.1 workpaper provided by Atmos Energy Marketing to Missouri Public Service Commission Staff, received 8/6/2010 titled "pepl-trader atmos ms sept08-aug09.xls" the December 2008 tab (Dec08) indicates supplies obtained to serve your affiliate, Atmos Energy (LDC) in cell E41 as 76,300 dth. However, the invoiced amount to AEC was 116,250 dth which is greater than the supplies that AEM shows for the month of December.
 - a. Please explain why the 76,300 dth was not equal to or greater than the invoice amount.
 - b. Please supplement the response to include all AEM supplies for December that were used to serve the Atmos Mid-States Division.
 - c. Please supplement the response to include any other data missing from AEM's response received 8/6/2010.
 - d. For the response to parts (b) and (c), provide fully functioning electronic spreadsheets and workpapers (in Excel, if possible), including source data and output data.

Rationale for this request:

AEM has a profit and loss calculation for December 2008 which it previously provided to Staff. However, the information is incomplete as noted in the information request above. Staff is requesting complete information.

6. For the DR No. 104.1 workpaper provided by Atmos Energy Marketing to Missouri Public Service Commission Staff, received 8/6/2010 titled "pepl-trader atmos ms sept08-aug09.xls":
 - a. Please clarify whether this is the same as AEM's "Panhandle book of business" for the September 2008 through March 2009 timeframe.
 - b. If these are not the same, please provide the AEM "Panhandle book of business" for the September 2008 through March 2009.

- c. For the response to part (b), provide fully functioning electronic spreadsheets and workpapers (in Excel, if possible), including source data and output data.

Rationale for this request:

AEM has a profit and loss calculation that it previously provided to Staff. Staff is requesting complete information regarding AEM's calculation of net costs.

7. For the DR No. 104.1 workpaper provided by Atmos Energy Marketing to Missouri Public Service Commission Staff, received 8/6/2010 titled "pepl-trader atmos ms sept08-aug09.xls", for gas supplied to AEC for the September 2008 through March 2009 timeframe, please provide:
 - a. All policies and procedures for AEM's methodology in calculating AEM profit and loss, including the treatment of demand fees.
 - b. All information explaining AEM's philosophy for its supply portfolio to serve the baseload and swing components of its supply agreement with AEC.
 - c. Documents explaining whether AEM must have a certain portion of the AEC baseload nomination locked in as a firm baseload agreement.
 - d. All information explaining how AEM ensures it has sufficient volumes to serve the Mid-States Division each month.
8. Were there any curtailments, cuts or reductions of natural gas supplies to AEC, the LDC, during the period of September 1, 2008 through August 31, 2009 by AEM? If yes, please provide:
 - a. A detailed explanation of all curtailments, cuts or reductions, including, but not limited to, information such as the cause of the curtailments, the timing of the curtailments, and actions taken by AEM to mitigate potential negative impacts to the LDC.
 - b. Any types of documented communications (e-mails, phone calls, texts, instant messages, faxes, etc.) regarding reductions of contracted natural gas supplies between AEM and AEC during the period.

Rationale for this request:

Staff is seeking documents regarding the service level of the AEM contracts and actions AEM undertook to assure firm and warranted supply as stated in the RFP. The AEC/AEM NAESB agreement does not list the service level; it simply refers to firm or interruptible service. The service level should be specified in the AEC/AEM transaction confirmation. However, for the period of 4/1/2008 through 4/1/2009, the AEC/AEM three-page transaction confirmation does not specify the level of service; it is left blank.

9. Please provide a copy of the following Atmos (including AEM) documents as referenced in the affiliate transaction rule for the documentation that pertains to the Hannibal/Bowling Green and Butler transactions during the 2008-2009 ACA period, September 2008 through August 2009:

(5) Records of Affiliated Entities.

(A) Each regulated gas corporation shall ensure that its parent and any other affiliated entities maintain books and records that include, at a minimum, the following information regarding affiliate transactions:

1. Documentation of the costs associated with affiliate transactions that are incurred by the parent or affiliated entity and charged to the regulated gas corporation;
2. Documentation of the methods used to allocate and/or share costs between affiliated entities, including other jurisdictions and/or corporate divisions;
3. Description of costs that are not subject to allocation to affiliate transactions and documentation supporting the nonassignment of these costs to affiliate transactions;
4. Descriptions of the types of services that corporate divisions and/or other centralized functions provided to any affiliated entity or division accessing the regulated gas corporation's contracted services or facilities;
5. Names and job descriptions of the employees from the regulated gas corporation that transferred to a nonregulated affiliated entity;
6. Evaluations of the effect on the reliability of services provided by the regulated gas corporation resulting from the access to regulated contracts and/or facilities by affiliated entities;
7. Policies regarding the availability of customer information and the access to services available to nonregulated affiliated entities desiring use of the regulated gas corporation's contracts and facilities; and
8. Descriptions of, and supporting documentation related to, any use of derivatives that may be related to the regulated gas corporation's operation even though obtained by the parent or affiliated entity.