Exhibit No.:

Issue: Abandonment of Service

Witness: Mark A. Martin
Type of Exhibit: Direct Testimony

Sponsoring Party: Atmos Energy Corporation
Case No.: GM-2012-____

Date Testimony Prepared: August 1, 2011

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: GM-2012-___

DIRECT TESTIMONY

OF

MARK A. MARTIN

ON BEHALF OF

ATMOS ENERGY CORPORATION

Owensboro, Kentucky August 2011

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

| In the Matter of the Joint Application of Atmos Energy Corporation and Liberty Energy (Midstates) Corp. for Authority to Sell Certain Missouri Assets To Liberty Energy (Midstates) Corp. and, in Connection Therewith, Certain Other Related Transactions. |)) Case No. GM-2012)) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| AFFIDAVIT OF MARK A. MARTIN | |
| Commonwealth of Kentucky.) | |
| City of Owensboro) ss | |
| Mark A. Martin, being first duly sw | orn on his oath, states: |
| • | ployed by Atmos Energy Corporation as Vice My business address is 3275 Highland Point |
| on behalf of Atmos Energy Corporation, c | ereof for all purposes is my Direct Testimony onsisting of + wo (2) pages and all of which having been prepared in written bove-captioned docket. |
| my answers contained in the attached testincluding any attachments thereto, are truinformation and belief. | t forth therein. I hereby swear and affirm that stimony to the questions therein propounded, he and correct to the best of my knowledge, Mark A. Martin |
| Subscribed and sworn before me this / 3t d | Jacquet, 2011 Jacqueline Turcell Notary Public |
| My commission expires: 11/15/R011 | • |

1 Q. Please state your name, position and business address?

- 2 A. I am Mark A. Martin, Vice President -- Rates and Regulatory Affairs of Atmos Energy
- 3 Corporation ("Atmos" or the "Company"), Kentucky/Mid-States Division. My business
- 4 address is 3275 Highland Point Drive, Owensboro, KY 42303-2114.

5 Q. Please describe your professional and educational background?

- 6 A. I received a Bachelor of Science degree in Accounting from Eastern Illinois University. I
- 7 have been with United Cities Gas Company and subsequently Atmos since September
- 8 1995. I have served in a variety of progressive positions in both Gas Supply and Rates
- 9 prior to assuming my current responsibilities. I am presently responsible for Rates and
- 10 Regulatory Affairs matters in the states of Illinois, Iowa, Kentucky, and Missouri.

11 Q. What is the purpose of your testimony?

- 12 A. The purpose of my testimony is to provide support for Atmos' need to abandon service in
- 13 Missouri.

14 Q. Please briefly describe Atmos?

- 15 A. Atmos is a corporation duly organized and existing under the laws of the State of Texas
- and the Commonwealth of Virginia, with principal offices located at 1800 Three Lincoln
- 17 Centre, 5430 LBJ Freeway, Dallas, Texas 75240. It is a public utility within the meaning
- of the Public Service Commission Law. It is engaged in the business of distributing and
- selling natural gas in Missouri as well as in the States of Illinois, Georgia, Tennessee,
- Virginia, Missouri, Mississippi, Iowa, Kansas, Texas, Louisiana, Colorado and Kentucky.

21 Q. Please briefly describe Atmos' operations in Missouri?

- Atmos provides natural gas distribution service to approximately 55,000 customers in four operating areas in Missouri: West, Kirksville, Northeast and Southeast. The gas supply for these service areas is received through separate interstate pipelines: Panhandle Eastern Pipe Line Co., LP; Southern Star Central Gas Pipeline, Inc.; ANR Pipeline Co.; Natural Gas Pipeline Co. of America; Mississippi River Transmission Corp.; Texas Eastern Transmission, LP and Ozark Gas Transmission, LLC.
- Q. Please describe why Atmos is requesting permission from the Commission to abandon all gas distribution service?
- Atmos has entered into a Purchase Agreement in which Atmos will sell all of its Missouri natural gas distribution assets to Liberty Energy Midstates. Upon closing of this transaction, Atmos will cease to provide service to any ratepayers in Missouri. All of Atmos' current customers will have natural gas service provided by Liberty Energy Midstates without interruption in a reliable, safe, and cost efficient manner. Since all of Atmos' former customers will be receiving service from Liberty Energy Midstates, it will no longer be necessary for Atmos to remain a public utility in Missouri.
- 16 Q. Does this conclude your testimony?
- 17 A. Yes.