

**IN THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:

**UNITED CITIES GAS COMPANY,
a Division of ATMOS ENERGY
CORPORATION INCENTIVE PLAN
ACCOUNT (IPA) AUDIT**

**UNITED CITIES GAS COMPANY,
a Division of ATMOS ENERGY
CORPORATION, PETITION
TO AMEND THE PERFORMANCE
BASED RATEMAKING
MECHANISM RIDER**

**CONSOLIDATED DOCKET NOS.
01-00704 and 02-00850**

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**CONSUMER ADVOCATE’S RESPONSE TO MOTION FOR TRA REVIEW OF
HEARING OFFICER ORDER**

Comes now Paul G. Summers, Attorney General and Reporter for the State of Tennessee, through the Consumer Advocate and Protection Division of the Office of the Attorney General (“Consumer Advocate”), and hereby respectfully requests that the Tennessee Regulatory Authority (“Authority”) deny Atmos Energy Corporation’s motion for review of the hearing officer’s order.

INTRODUCTION & ARGUMENT

This matter is before the Authority for review of consolidated dockets. In TRA Docket No. 01-00704 Atmos Energy Corporation (“AEC”) objects to the TRA Staff’s audit finding regarding the performance based ratemaking mechanism (“PBR”) approved by the TRA in TRA Docket No. 97-01364. In TRA Docket No. 02-00850 AEC seeks to amend the PBR. Each request attempts to establish the maximum rate for transportation of natural gas allowed by the Federal Energy

Regulatory Commission ("FERC") as a market proxy. The Consumer Advocate objects to the extraordinary relief sought by AEC in these dockets.

On March 14, 2006, the hearing officer ruled against AEC on all matters at issue. On March 29, 2006, AEC filed a motion requesting the hearing officer to reconsider her decision. The hearing officer denied AEC's motion on April 18, 2006.

The Consumer Advocate objects to the relief sought by AEC in its motion for review of the hearing officer's order, filed May 3, 2006, and specifically requests that issue therewith, both procedural and substantive, be preserved for presentation at which time as AEC decides to offer support for its motion for review.¹

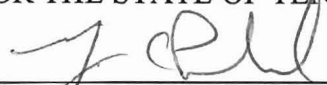
AEC's motion for review offers nothing new to justify a further look into these matters. The positions set forth by AEC have been weighed in painstaking fashion by the hearing officer. AEC knew from the very beginning of this process that it had to show that the maximum FERC rate could in some manner function as a proxy to the market for the transportation of natural gas. AEC has failed to make this necessary threshold showing, even though it has had over five (5) years to generate support for its extraordinary positions.

CONCLUSION

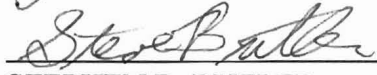
The foregoing considered, the Consumer Advocate respectfully requests that the motion for reconsideration filed by AEC be denied.

¹ AEC has had five (5) years to present support for its position in these dockets. Further, it has more recently had approximately two (2) months to develop support for its present motion for review of the Hearing Officer's decision. To date, AEC's efforts have been insufficient and unorthodox. This trend continues with AEC's reliance on rules and statutes as authority for its motion for review, when the rules and statutes cited clearly require a petition for reconsideration. To the extent AEC has had in excess of two (2) months to develop the pleadings it intends to file in support of the motion for review offered on May 3, 2006, the Consumer Advocate requests that it be allowed at least thirty (30) days to respond.

FOR THE STATE OF TENNESSEE:



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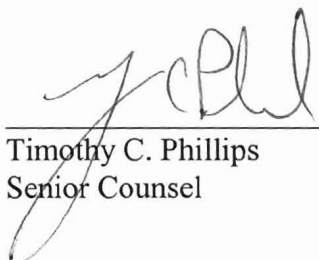
CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail, and either facsimile or hand delivery on Wednesday, May 10, 2006.

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