NEAL & HARWELL, PLC
LAW OFFICES
150 FOURTH AVENUE, NORTH
SUITE 2000
NASHVILLE, TENNESSEE 37219-2498

TELEPHONE
(615) 244-1713

FACSIMILE
(615) 726-0573

July 11, 2008

Sharla Dillon, Docket Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

VIA HAND DELIVERY
AND E-MAIL

RE: Tiff Tariff/Consolidated Docket Nos. 01-00704 and 02-00850

Dear Ms. Dillon:

Enclosed are the original and four copies of Atmos Energy Corporation's Response to Joint Discovery Request of the Consumer Advocate and the TRA Staff. Also enclosed is a CD containing the non-confidential attachments in electronic format, and a sealed envelope containing a CD of the confidential portion of the attachments. The confidential material is to be filed **under seal** pursuant to the Agreed Protective Order, which the parties will file today.

Pursuant to your conversation with my secretary, the required hard copies of the attachments will be filed no later than Monday morning.

Please feel free to give me a call if you have any questions.

Best regards.

Sincerely,

A. Scott Ross

ASR:prd

Enclosures

xc: Timothy C. Phillips, Esq. (w/ Enclosures)
Gary R. Hotvedt, Esq. (w/ Enclosures)

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

IN RE:	)	
UNITED CITIES GAS COMPANY,	)	
a Division of ATMOS ENERGY	)	
CORPORATION INCENTIVE PLAN	)	
ACCOUNT (IPA) AUDIT	)	CONSOLIDATED DOCKET NOS. 01-00704 and 02-00850
	)	
UNITED CITIES GAS COMPANY,	)	
a Division of ATMOS ENERGY	)	
CORPORATION, PETITION	)	
TO AMEND THE PERFORMANCE	)	
BASED RATEMAKING	)	
MECHANISM RIDER	)	

ATMOS ENERGY CORPORATION'S RESPONSE TO JOINT DISCOVERY REQUEST OF THE CONSUMER ADVOCATE AND THE TRA STAFF

Atmos Energy Corporation ("AEC") respectfully submits its responses and objections to the First Discovery Requests of the Consumer Advocate and Protection Division ("CAPD").

GENERAL OBJECTIONS

A. AEC objects to the definitions and instructions contained in the requests to the extent that the definitions and instructions attempt to impose on AEC a burden or obligation greater than that required by the *Tennessee Rules of Civil Procedure* and applicable statutes and regulations governing contested case hearings.

B. AEC objects to the requests to the extent they call for information or documents protected from disclosure by the attorney-client privilege, common interest privilege, work product doctrine, or any other applicable privilege or protection. AEC objects to the requests to the extent that the CAPD is attempting to impose on AEC obligations with regard to the identification of privileged documents beyond those required by the *Tennessee Rules of Civil Procedure* and applicable statutes and regulations governing contested case hearings.

C. AEC objects to CAPD's requests to the extent they seek information relating to matters not at issue in this litigation or to the extent they are not reasonably calculated to lead to the discovery of admissible evidence. By providing information in response to these requests, AEC does not concede that such information is relevant, admissible, or discoverable, or that other information on the same or similar subjects would be discoverable. AEC expressly reserves the right to: (a) object to other discovery requests, despite their involving or relating to the subject matter of any of the requests responded to here; and (b) object to the introduction into evidence of any answer or produced document on relevancy or any other grounds.

D. AEC objects to CAPD's requests to the extent that CAPD seeks to require AEC to provide information and produce documents beyond those in its possession, custody, or control as that phrase is used in the *Tennessee Rules of Civil Procedure* and applicable statutes and regulations governing contested case hearings.

F. AEC's objections and responses to these requests are and will be based on information then known to it. AEC reserves the right to amend, modify or supplement its objections and responses if it learns of new information.

G. AEC's objections and responses to these requests are and will be made without waiving or intending to waive the right to object to the use of any information provided in any subsequent proceeding or trial of this or any other action. AEC's responses to these requests are also not a waiver of any of the foregoing objections or any objections it has made or may make with respect to any similar, related, or future request, and AEC specifically reserves the right to interpose any objection to further requests notwithstanding any response or lack of objection made in this response.

H. AEC objects to requests that seek "all" documents pertaining to a certain issue or falling into a certain category. Such requests by their nature are unduly burdensome, and unreasonably cumulative and duplicative. When served on a corporate or other institutional defendant, literal compliance with such a request is impossible to assure. Requiring a party to produce "all" documents showing a certain fact when one document will do is, by its nature, unreasonably cumulative and duplicative. And such requests are often vague and indefinite. Where documents are produced in response to such a request, Atmos has interpreted the request in light of reason and the matters at issue in this case, and has made a reasonable search for responsive documents. In so doing, Atmos has complied with its discovery obligations.

K. For the sake of brevity, AEC expressly incorporates these general objections in response to each of the CAPD's discovery requests in this case, whether or not separately listed below.

I. FIRST DISCOVERY REQUESTS TO ATMOS ENERGY CORPORATION ("AEC")

DISCOVERY REQUEST 1:

Please provide a list of the transportation contracts from 1995 through 2008 applicable to Tennessee operations.

RESPONSE:

Subject to and without waiving its General Objections, AEC responds as follows:

Please see confidential documents referencing this discovery request.

DISCOVERY REQUEST 2:

For each contract identified, where it is not self evident from review of the contract, in Request No. 1, identify:

a. the name of the pipeline;

b. the contract number;

c. the term of the contract;

d. the pipeline's meter number and name for the city gate;

e. the pipeline's meter number and name for the receipt point from which the city-gate is supplied as the receipt point;

f. the amount of firm transportation from the receipt point to the city gate;

g. pipeline's tariff which applies(d) to the amount transported from the receipt point to the city gate;

h. the maximum rate in the FERC tariff which the pipeline had the discretion to apply to the amount transported;

i. the minimum rate in the FERC tariff which the pipeline had the discretion to apply to the amount transported; and

j. the rate at which Atmos secured the service (the contract price).

RESPONSE:

Subject to and without waiving its General Objections, AEC responds as follows:

Please see the Company's response to Discovery Request 1.

DISCOVERY REQUEST 3:

In his 2008 Direct Testimony, Mr. Creamer describes how the new tariff proposed in TRA Docket No. 02-00850 would operate if approved.' On page 18, line 431, he states that the net incentive savings or costs under the Gas Procurement Incentive Mechanism (GP) would be 50% / 50% subject to a 2% deadband. The tariff originally filed in Docket No. 02-00850 contained a deadband of 97.7%-102%. Please explain the discrepancy between the tariff and Mr. Creamer's testimony.

RESPONSE:

Subject to and without waiving its General Objections, AEC responds as follows:

The tariff originally filed in Docket No. 02-00850, which contained a deadband of 97.7%-102%, is correct. Mr. Creamer in his 2008 testimony rounded off the 97.7% to 98% and did not intend to modify or change the original tariff.

DISCOVERY REQUEST 4:

Under the Transportation Index Factor Incentive Mechanism (TIF) of the tariff, Mr. Creamer states that net incentive savings generated, if any, would be shared 50% to Atmos and 50% to its customers. The hypothetical example provided shows a net benefit of $40,821, with $20,410.50 (50%) going to Atmos and $20,410.50 (50%) going to the customers. The original tariff filed in Docket No. 02-00850 provides for a sliding scale, whereby the greater the discount achieved from Maximum FERC Rate, the greater the percentage earned by Atmos. A 50% / 50% sharing would not take place until savings achieved were greater or equal to a 20% discount. Since Mr. Creamer's testimony removed the sliding scale, does this mean Atmos has changed its position with regard to the TIF savings sharing percentages? Please explain your answer.

RESPONSE:

Subject to and without waiving its General Objections, AEC responds as follows:

No. The tariff originally filed in Docket No. 02-00850 is correct. Mr. Creamer's testimony should have noted, for clarity and accuracy, the sliding scale benefit sharing formula.

DISCOVERY REQUEST 5:

Please provide a copy of the tariff that Atmos is seeking approval of at this time.

RESPONSE:

Subject to and without waiving its General Objections, AEC responds as follows:

Please see the original proposed tariff produced herewith.

DISCOVERY REQUEST 6:

Provide a listing, with resource references, of all known purchases below the maximum FERC rate known to Atmos or its witness(es).

RESPONSE:

Subject to and without waiving its General Objections, AEC responds as follows:

Atmos can provide the requested information for its own discounted rates, but Atmos does not have such information relative to other shippers on interstate pipelines. The requested information is contained in the documents produced in response to Discovery Request 1. Also, see response to Discovery Request 7.

DISCOVERY REQUEST 7:

How does the Atmos' discount(s) compare with discounts received by other customers of the same pipelines? Explain differences in discounts (if any).

RESPONSE:

Subject to and without waiving its General Objections, AEC responds as follows:

Atmos does not have contract discount information between a pipeline and other customers from which to make such a comparison.

DISCOVERY REQUEST 8:

Under what circumstances would Atmos ever pay "above the maximum FERC rate?"

RESPONSE:

Subject to and without waiving its General Objections, AEC responds as follows:

Atmos would, under certain circumstances, negotiate a higher than FERC rate for winter season firm transport in exchange for discounted summer rates, such that overall yearly transport cost would be neutral or less for the consumer than maximum FERC rates all year.

DISCOVERY REQUEST 9:

Does the testimony filed by Mr. Creamer on May 20, 2008 vary from his previous testimony filed in this docket? If so, explain fully the differences.

RESPONSE:

Subject to and without waiving its General Objections, AEC responds as follows:

The purpose of Mr. Creamer's May 20, 2008 testimony was to provide an updated opinion regarding the proposed Transportation Index Factor (TIF) Tariff amendments, including further discussion regarding the use of maximum FERC rates as benchmarks, and the sharing percentages.

Mr. Creamer:

1. Provided a review of the current Atmos and AEM gas procurement and transportation functions to determine if the TIF program continues to be compatible with an incentive program that provides benefits to the consumer.

2. Reviewed the gas commodity market and the downstream transportation services market to form an opinion as to whether or not these two markets continue to be separate, distinct and dissimilar, and whether comparing them continues to be comparing apples and oranges.

3. Searched for the national, market based FERC transportation index that Mr. Brown, in his previous testimony in this docket, had predicted would now exist, and if it did exist, whether such an index would be meaningful and relevant in

providing market intelligence for the determination of negotiated transportation rates.

4. Provided a detailed review of the current gas transportation and gas storage marketplace, particularly as it affects Atmos' customers, to determine if changes in the marketplace that have occurred since 2004 warrant changes in the TIF. This review included factors affecting the pipeline capacity and storage markets since 2004, the implications of those factors for Tennessee, how gas flows into the Tennessee corridor, any changes in pipeline capacity that have occurred along that corridor since 2004, the storage capacity available to Tennessee, any new pipeline construction projects that may benefit Tennessee, and any known major storage fields planned that will benefit Tennessee

DISCOVERY REQUEST 10:

Has Atmos attempted to gain approval of a similar TIF proposal in any other state? If so, identify the state and docket number.

RESPONSE:

Subject to and without waiving its General Objections, AEC responds as follows:

Yes.

The Kentucky Public Service Commission in 2002, Case No. 2001-00317, extended the initial three year experimental gas procurement performance-based rate-making mechanism ("PBR") for Western Kentucky Gas Company ("Western"), now Atmos Energy, for an additional four years. [1] The PBR benchmarked all components of Western's gas cost and provided for a 50/50 sharing between ratepayers and shareholders of the amounts by which Western's gas costs varied from the benchmarks. The gas cost/gas procurement components contained in the PBR are: (1) Gas Acquisition Index Factor ("GAIF"); (2) Transportation Index Factor ("TIF"); and (3) Off-System Sales Index Factor ("OSSIF").

On February 8, 2006, the Commission entered an Order in case no. 2005-00321 approving an extension of Atmos' PBR program for a period of five (5) years.

---

1 Kentucky Public Service Commission Case No. 1997-00513, Modification to Western Kentucky Gas Company, then a Division of Atmos Energy Corporation, Gas Cost Adjustment to Incorporate an Experimental Performance-Based Ratemaking Mechanism, Order dated June 1, 1998.

DISCOVERY REQUEST 11:

How has Atmos treated the claimed "savings" (provide dollar amounts) regarding the TIF tariff in its reports to its shareholders and the Securities and Exchange Commission for each year since 2001?

RESPONSE:

Subject to and without waiving its General Objections, AEC responds as follows:

The following summarizes the disclosures made by Atmos Energy in its SEC filings with respect to the Company's performance-based rate program in Tennessee.

For the fiscal years ended 2001-2007, the Company disclosed in its Form 10-K the fact that it had a performance-based rate program in Tennessee with respect to gas procurement and gas transportation activities. These disclosures evolved during this time from a brief narrative discussion of the program to a simple tabular presentation of whether performance-based rates existed in each of our jurisdictions.

In fiscal years 2001-2003, the Company disclosed in its Form 10-K the amount of miscellaneous income earned in Tennessee and Georgia on a combined basis under its PBR rate mechanisms in our ratemaking activity discussions for the Kentucky / Mid-States Divisions (referred to at that time as the Mid-States Division), and in total for all jurisdictions in the Results of Operations section of the Management's Discussion and Analysis. There was no separate discussion of the "claimed 'savings' regarding the TIF tariff" in Tennessee.

In fiscal 2006, the Company disclosed in its Form 10-K the fact that the Company had recorded a $3.3 million charge associated with the Tennessee Regulatory Authority's determination that it had disagreed with the way we calculated amounts under the performance-based rate mechanism and the fact that we had appealed this decision. These disclosures were made in the ratemaking activity discussions presented in the 10K as well as in the results of operations section of the Management's Discussion and Analysis. Similar disclosures appeared in the results of operations section of the Management's Discussion and Analysis contained in the Forms 10-Q for the periods ended March 31, 2006 and June 30, 2006.

In the fiscal 2007 Form 10-K, the Company disclosed the $3.3 million charge in the results of operations section of the Management's Discussion and Analysis when discussing the comparison of 2007 results to 2006 results.

DISCOVERY REQUEST 12:

Identify each "Discount Transportation Report" reviewed by Mr. Creamer in his 2004 testimony and his May 20, 2008 testimony at pages 12-13, and provide an electronic copy of each report which he reviewed. If an electronic report is not in Mr. Creamer's custody then provide a paper copy of such reports.

RESPONSE:

Subject to and without waiving its General Objections, AEC responds as follows:

The Discount Transportation Report (DTR) reviewed by Mr. Creamer was provided by Dr. Brown in 2002 as evidence of using the FERC Order 636 Discount Transportation Rates Reports as a relevant market index and/or proxy for the transportation marketplace.

Mr. Creamer reviewed that information to determine the appropriateness and accuracy of the reports and the ability of the index to replicate market conditions.

DISCOVERY REQUEST 13:

With respect to Mr. Creamer's assertion that "the reported discounted transportation arrangements were not differentiated between firm, forward haul, backhaul, interruptible and/or winter only service" fully explain the procedures Mr. Creamer used to recognize, identify, and distinguish firm, forward haul, backhaul, interruptible and/or winter only service transactions from each other.

RESPONSE:
Subject to and without waiving its General Objections, AEC responds as follows:

Mr. Creamer did not redo Dr. Brown's study or perform his own study. He identified errors in Dr. Brown's study.

Based on the report information provided by Dr. Brown as evidence of a market based index for transportation costs, Mr. Creamer found significant errors in the information provided by Dr. Brown. For example:

1. Capacity Release was included – a clear flaw in the use of the reports as a market index:

    a. For the October, 1997 period, Dr. Brown concluded that the first transaction is Reservation, with a posted a posted price of $7.17 and an actual price of $1.4 demonstrating a discount of 80% off post. In fact this transaction is a Capacity Release transaction and not relevant for the purposes of determining the market price of firm transportation services.

2. Maximum Posted Rates were found to be inaccurate:

    a. For December, 1997 period, Dr. Brown concluded that for UCG on Columbia Gulf posted FERC rates of $3.4424; however, this rate is incorrect and significantly higher than the actual maximum FERC approved rate and, therefore, not reliable or credible for the purposes of calculating discounts for transportation services.

3. No differentiation was made between interruptible and/or winter only service.

    a. Mr. Creamer found that a key element affecting the price of any transportation contract is the "firmness" and seasonality of the pipeline capacity rights. In the absence of any contract information that supports each of the reported transactions, it was impossible to perform an "apples-to-apples" comparison.

4. Transactions are reported incorrectly.

    a. A discounted contract was found to be reported as undiscounted.

Dr. Brown's analysis attempted to demonstrate that the actual discounts on Atmos' pipelines, both commodity and reservation, ranged from 0% to 100%. Dr. Brown performed a simple average of the discounts to demonstrate that the reservation discounts, for example, ranged from 40% - 50% over the approximate 4-1/2 year time frame (March 1996 - July 2000).

The order of magnitude of the discount stretches credibility and indeed, is contrary to the contracts and transportation costs reported to the TRA.

Furthermore, even if the reported transactions were correct, and the contract specifics provided, the average should be segmented by contract type, and weighted by volume. A simple arithmetic average gives equal value to a small contract vs. a large volume contract and therefore skews conclusions of market pricing discounts.

Based on the above, Mr. Creamer concluded that:

1. The use of the Discounted Transportation Rate Reports as a market index does not meet the design criteria of any index (i.e. reliable, credible, accurate, etc.).

2. Its use as an index would be misleading and inaccurate in assessing Atmos' performance in negotiating pipeline discounts.

DISCOVERY REQUEST 14:

Regarding Mr. Creamer's testimony from lines 132 - 135, for each of the "approximately 20" city gates which Mr. Creamer has referred to as places where AEM delivers gas supply to Atmos, identify the receipt point(s) which would have been in the logical path that Atmos "would have used had it [Atmos] been utilizing its capacity itself."

RESPONSE:

Subject to and without waiving its General Objections, AEC responds as follows:

Atmos' logical path for its interstate pipeline delivery points and delivery quantities are set out in its gas supply plan and were included as part of its request for proposals (RFP) issued in connection with the recently approved asset management agreement in TRA Docket No. 08-00024. A copy of the RFP is on file in that docket.

DISCOVERY REQUEST 15:

Regarding Mr. Creamer's testimony from lines 389-391, provide copies of all documents and cite to the source pages and lines numbers where "direct firm capacity" is explained.

RESPONSE:

Subject to and without waiving its General Objections, AEC responds as follows:

Generally speaking, pipelines may offer various levels of transportation service for shippers that subscribe to those services with the pipeline such as primary firm, secondary firm and interruptible. Direct firm capacity is intended to refer to primary firm capacity that a shipper obtains directly from the pipeline, as opposed to the shipper obtaining released firm capacity in the secondary market.

There was no intention to create any new category or definition of "firm capacity". The various levels of transportation service offered may vary by pipeline and can usually be found in their FERC-approved tariffs.

DISCOVERY REQUEST 16:

Is there a difference between "direct firm capacity" and "firm capacity"? If so, fully explain Mr. Creamer's reasoning.

RESPONSE:

Subject to and without waiving its General Objections, AEC responds as follows:

The capacity is the same, but the method by which the shipper obtains it is different. See also response to Discovery Request 15.

DISCOVERY REQUEST 17

In FERC's Final Order 637, at page 81, FERC stated:

> "CNG cites to a study commissioned by AGA and INGAA analyzing 17 major pipeline corridors, which showed that the average value of capacity release transactions varied from 31% to 76% of the maximum rate tariff rate applicable to the corridor."

Are capacity release prices set by the market? If not, explain fully.

RESPONSE

Subject to and without waiving its General Objections, AEC responds as follows:

Yes. FERC's general policy concerning the secondary capacity market is that released capacity should be made available to all prospective shippers and should go to the shipper that values it the most. As noted in Discovery Request 13, a Capacity Release transaction is not relevant for the purposes of determining the market price of a Firm Transportation transaction. Therefore, while interesting, the capacity release discounts off max rate are not an indicator of the price for a long-term, fixed contract.

DISCOVERY REQUEST 18:

Has a formal forward or options market for transportation capacity like the commodity market developed? If so, fully explain your reasoning.

RESPONSE:

Subject to and without waiving its General Objections, AEC responds as follows:

No. Forward or options, as well as futures, are derivatives for a financial instrument, a commodity, or other fungible items, and are used as a means of hedging against sharp fluctuations in their prices.

Financial instruments include financing or investment instruments (some negotiable, others not) bought and sold in financial markets, such as bonds, debentures, notes, options, shares (stocks), and warrants.

Commodities are easily transferrable and are a reasonably homogenous good or material, bought and sold freely as an article of commerce. Commodities include oil, natural gas, agricultural products, fuels, metals, etc., and are traded in bulk on a commodity exchange or on spot market.

However, transportation capacity is neither a homogenous good, nor a fungible item, and therefore, not traded on the exchanges. While theoretically one might construct standard contracts for released capacity, capacity releases vary by delivery and receipt points, volumes, durations, recallabilty provisions, and other terms and conditions. Thus, it would require many different types of contracts and very few of each type would be sold, making it an unsuitable candidate for a forward or options market. However, FERC has provided a posting and bidding process for released capacity through the interstate pipeline electronic bulletin boards.

DISCOVERY REQUEST 19:

FERC Order 637, at page 125, expresses the following:

> In Order No. 636, the Commission established two principles -- flexible point rights and segmentation -- that are important to creating efficient competition in the market, both between shippers releasing capacity and the pipeline as well as between releasing shippers. Flexible point rights refer to the rights of firm shippers to change receipt or delivery point so they can receive and deliver gas to any point within the firm capacity rights for which they pay.

As a consequence, does the TIF act as an impediment to Atmos exercising its flexible points rights? If not, fully explain.

RESPONSE:

Subject to and without waiving its General Objections, AEC responds as follows:

No. As noted in Mr. Creamers 2008 testimony, beginning on line 121, Atmos holds capacity on the interstate pipelines that serve its markets in Tennessee and, in conjunction with the new asset management agreement, that capacity has been released to AEM through the applicable pipeline's capacity release mechanism. Therefore, Atmos pays AEM the logical path price of transportation, whether or not AEM utilizes an Atmos transportation asset or one of AEM's other transportation assets that are components of AEM's asset portfolio.

The TIF in itself has no bearing or affect on AEM's operating plan for determining its transportation delivery paths in satisfying Atmos' full requirements obligations. The TIF is but an incentive mechanism that provides a reward to Atmos for achieving transportation discounts.

DISCOVERY REQUEST 20:

Provide copies of all documents identified in your response to these requests.

RESPONSE:

Subject to and without waiving its General Objections, AEC responds as follows:

The documents responsive to each of the requests are identified and provided in response to each request.

DISCOVERY REQUEST 21:

Provide copies of all documents reviewed to prepare your responses to these requests.

RESPONSE:

In addition to and without waiving its General Objections, AEC objects to this request on the grounds that it is vague and indefinite and seeks information protected by the attorney client privilege and as work product. Subject to and without waiving these objections, AEC refers to the documents produced with these responses.

DISCOVERY REQUEST 22:

Provide supplemental discovery to the following requests served in this docket: Consumer Advocate Requests filed April 30, 2004, requests Nos. 5, 7, and 8; and Consumer Advocate Requests filed on August 13, 2004, all requests, adapting Request No. 9 to include the years 2005-2008;

RESPONSE:

Subject to and without waiving its General Objections, AEC responds as follows:

Supplemental Response to Consumer Advocate Requests filed April 30, 2004, requests Nos. 5, 7, and 8:

Discovery Request 5:

Identify each state where the incentive program set out in the proposed settlement has been approved, by state and docket or matter number. Provide copies of the documents and things filed in each.

Supplemental Response:

There have been no new programs approved in the states in which Atmos Energy operates.

Supplemental Response to Consumer Advocate Requests filed April 30, 2004, requests Nos. 5, 7, and 8:

Discovery Request 7:

State the amount of savings you claim or will claim for the audit years: 97-98, 98-99, 99-00, 01-02, 02-03, 03-04 and 04-05 under the incentive plan proposed in Docket No. 02-00850; under the incentive plan approved in 97-01364 as you claim in 01-00704; and under the incentive plan as originally interpreted by the TRA Staff in 01-00704 in its audit report filed on April 10, 2004. Separate and detail all components of the savings you claim.

Supplemental Response:

Please see attached updated PBR savings through 2008. Please note that in updating the response minor corrections have been made to the previously reported amounts.

Supplemental Response to Consumer Advocate Requests filed April 30, 2004, requests Nos. 5, 7, and 8:

Discovery Request 8:

Provide a detailed description of the amount of savings that will occur if the TRA does not approve a change in the current tariff that established the current incentive plan for Atmos.

Supplemental Response:

No update to the original response.

Supplemental Response to Consumer Advocate Requests filed August 13, 2004:

Discovery Request 2:

Identify all persons known to you, your attorney, or other agent who have knowledge, information or possess any document(s) or claim to have knowledge, information or possess any document(s) which support your answer to Interrogatory number one (1) above.

Supplemental Response:

Patricia Childers, Vice President of Rates and Regulatory Affairs, Kentucky/Mid-States Division, Atmos Energy Corporation, 801 Crescent Centre Dr., Suite 600, Franklin, TN 37067.

Kenneth Malter, Director of Gas Supply and Services, Atmos Energy Corporation, 1100 Poydras St., Suite 3400, New Orleans, LA 70163.

Rebecca Buchanan, Manager of Regional Gas Supply, 377 Riverside Drive, Suite 201, Franklin, TN 37064.

Ronald McDowell, Vice President of New Business Ventures – Wholesale, Atmos Energy Corporation, 13430 Northwest Freeway, Suite 700, Houston, Texas 77040.

John Hack, Franklin, Kentucky - Retired

Pat Murphy, Tennessee Regulatory Authority, 460 James Robertson Parkway, Nashville, TN 37238

Frank Creamer, 178 Old Wick Lane, Inverness, IL 60067

Hal Novak, Houston, TX

Supplemental Response to Consumer Advocate Requests filed August 13, 2004:

Discovery Request 4:

With respect to each person you expect to call as an expert witness, or provide any form of testimony from, regarding this matter, state:

a. their full name and work address:
b. each subject matter about which such witness is expected to testify;
c. the substance of the facts and opinions to which the expert is expected to testify
d. a summary of the grounds or basis of each opinion to which such witnesses expected to testify; and
e. whether or not the expert has prepared a report, letter of memorandum of his findings, conclusions, or opinions.

Supplemental Response:

Atmos intends to call Frank Creamer to provide expert testimony in this matter. Atmos' answers to the remaining questions in the interrogatory are contained in the testimony of Mr. Creamer.

Supplemental Response to Consumer Advocate Requests filed August 13, 2004:

Discovery Request 8:

How much compensation is being provided to Mr. Frank Creamer in relation to testimony, exhibits, or other consulting work for AEC?

Supplemental Response:

Atmos objects to this interrogatory in that is not limited to any particular period of time. Without waiving that objection, Mr. Creamer's total fees to date for this current effort are $15,615.

Supplemental Response to Consumer Advocate Requests filed August 13, 2004:

Discovery Request 9:

Identify all employees of AEC and affiliates who have received or will receive compensation associated with PBR plan results. How much compensation was and will be provided to each of these employees for the years 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, and 2008? Will the compensation to any of these individuals be reduced should AEC not prevail in TRA Dockets 01-00704 and 02-008507?

Supplemental Response:

No Atmos employees receive compensation associated with PBR plan results.

Supplemental Response to Consumer Advocate Requests filed August 13, 2004:

Discovery Request 10:

Identify all AEC and affiliate personnel or agents who are involved in gas purchasing or transportation decisions and the duties of each employee and/or agent. Provide the salaries, bonuses, and any other compensation provided to each of these and identify how much of this compensation is allocated to Tennessee expenses or investments.

Supplemental Response:

The Company does not believe that the requested information is relevant to the current proceeding, and therefore this response has not been updated. As described in the supplemental response to Discovery Request 9 (of requests filed 8-13-04), no Atmos employee receives compensation associated with PBR plan results.

Respectfully submitted,

NEAL & HARWELL, PLC

By:____________________________________

William T. Ramsey, #9245
A. Scott Ross, #15634
2000 One Nashville Place
150 Fourth Avenue, North
Nashville, TN 37219-2498
(615) 244-1713 – Telephone
(615) 726-0573 – Facsimile

Counsel for Atmos Energy Corporation

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served, via the method(s) indicated below, on the following counsel of record, this the 11th day of July, 2008.

( ) Hand	Timothy C. Phillips, Esq.
( ) Mail	Office of the Attorney General
( ) Fax	Consumer Advocate and Protection Division
( ) Fed. Ex.	P. O. Box 20207
(✓) E-Mail	Nashville, TN 37202
	timothy.Phillips@state.tn.us

( ) Hand	Gary R. Hotvedt, Esq.
( ) Mail	Deputy General Counsel
( ) Fax	Tennessee Regulatory Authority
( ) Fed. Ex.	460 James Robertson Parkway
(✓) E-Mail	Nashville, TN 37243-0505
	gary.hotvedt@state.tn.us