

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

December 6, 2007

IN RE:)	
)	
ATMOS ENERGY CORPORATION'S ANNUAL)	DOCKET NOS.
COST ADJUSTMENT (ACA) FOR THE TWELVE)	05-00253
MONTHS ENDED JUNE 30, 2005)	

ORDER APPROVING TARIFF

This matter came before Chairman Sara Kyle, Director Pat Miller and Director Ron Jones of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on June 25, 2007 for consideration of *Atmos Energy Corporation's Request for Tariff Amendment to Incorporate Implementation of RFP Procedures for the Selection of an Asset Manager*.

Background

An ACA Compliance Audit Report of Atmos Energy Corporation ("Atmos" or "Company") for the twelve months ending June 30, 2005 was filed on April 21, 2006. During a regularly scheduled Authority Conference held on May 15, 2006, the panel voted unanimously to adopt the findings and recommendations contained in the report with the exception of recommendations 1 through 2(c). With respect to those recommendations the panel concluded that "in the course of developing revisions in accordance with 2(d) that our audit staff and the company meet to discuss the effects of incorporating the asset management arrangement into the performance-based ratemaking mechanism."¹ Recommendation 2(d) states that "[t]he Authority should direct Staff and the company to submit a proposed revision of the affiliate rules currently included in the PBR to provide guidance to the Company in the selection of the asset manager."²

¹ Transcript of Authority Conference, pp.7-8 (May 15, 2006).

² Notice of Filing by the Utilities Division of the Tennessee Regulatory Authority, Exhibit A, p.16 (April 21, 2006).

On April 5, 2007 Atmos Energy Corporation ("Atmos") filed a request to amend its Performance Based Ratemaking Rider ("PBR") tariff to incorporate and implement RFP procedures for the selection of an asset manager.³ Atmos states that due to the pendency of Docket No. 05-00258,⁴ Atmos has not had the opportunity to meet with TRA audit staff to discuss revisions to affiliate rules.⁵ Nevertheless, Atmos states that the proposed RFP procedures are identical to the procedures previously approved by the Authority in Docket No. 04-00402.⁶


June 25, 2007 Authority Conference


During the June 25, 2007 Authority Conference, the panel voted unanimously to approve the tariff given the fact that these RFP procedures are in essence the RFP procedures that were approved for Chattanooga Gas Company and given the time frame in which Atmos seeks to issue its RFP.⁷

IT IS THEREFORE ORDERED THAT:

Atmos Energy Corporation's Request for Tariff Amendment to Incorporate Implementation of RFP Procedures for the Selection of an Asset Manager is approved.


Sara Kyle, Chairman

 11-29-07
Pat Miller, Director


Ron Jones, Director

³ *Atmos Energy Corporation's Request for Tariff Amendment to Incorporate Implementation of RFP Procedures for the Selection of an Asset Manager* (April 5, 2007) ("Request").

⁴ *In re: Petition of the Consumer Advocate to Open an Investigation to Determine Whether Atmos Energy Corp. Should be Required by the Tennessee Regulatory Authority to Appear and Show Cause that Atmos Energy Corp. is not Overearning in Violation of Tennessee Law and that It is Charging Rates that are Just and Reasonable*, Docket No. 05-00258 (September 16, 2005).

⁵ Request at p.1.

⁶ *In re: Summary of the Transactions in Chattanooga Gas Company's Deferred Gas Cost Account for the Twelve Months Ended June 30, 2004 and the Computation of ACA Factor Effective January 1, 2005*, Docket No. 04-00402, Order Adopting Tariff Revisions (December 5, 2006).

⁷ Atmos expects to begin the RFP process to select an asset manager no later than August 2007. Request at p.2.