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September 11, 2006

Hon. Sara Kyle
Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

In Re: Atmos Energy Corporation Actual Cost Adjustment ("ACA") Audit, Docket No. 05-00253

Dear Chairman Kyle:

At the May 15, 2006 agenda conference, the presiding panel in this docket ordered the Company to meet with Authority Staff to discuss issues raised by Staff in the audit report concerning the Company's asset management arrangement. For ease of reference, I am enclosing a copy of the transcript excerpt containing the panel's May 15, 2006 ruling.

While the Company anticipates the issuance of a written order memorializing the panel's ruling, we recognize that the Authority's decision is effective when announced, and the Company stands ready to fully comply. We appreciate the opportunity the panel has given the Company to work with Staff on these issues, and the Company is prepared to provide whatever additional information is necessary to resolve the questions and concerns Staff has raised and reach resolution of the various issues through mutual agreement.

However, I am unsure which Staff members have been assigned to this issue, and due to the pending nature of other dockets in which both Staff and the Company are parties, I have been hesitant to contact any Staff member directly. Instead, I am writing to notify the Authority that the Company is ready to meet at Staff's earliest convenience, and to seek direction as to who I should contact to begin that process.

Thank you for your attention to this matter. Please let me know if you have any questions, or if there are any additional steps I should take to comply with the Authority's ruling.

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Very truly yours,

*Misty Smith Kelley/ by express
permission
CPS*
Misty Smith Kelley

Enclosures