

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

IN RE: PETITION TO OPEN AN)	
INVESTIGATION TO DETERMINE)	Filed Electronically in Docket Office on 06/02/06
WHETHER ATMOS ENERGY CORP.)	
SHOULD BE REQUIRED BY THE TRA)	Docket No. 05-00258
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)	

**Atmos Energy Corporation's Objections to
First Discovery Request of the Consumer Advocate**

Pursuant to the May 25, 2006 Order Granting Interventions and Setting Procedural Schedule in this docket, Atmos Energy Corporation ("Atmos" or the "Company") files these Objections to the First Discovery Request of the Consumer Advocate.

I. GENERAL OBJECTIONS.

Atmos objects generally to any definitions or instructions to the extent they are inconsistent with the *Tennessee Rules of Civil Procedure*, and Atmos will respond consistent therewith. Atmos further objects to these discovery requests to the extent they seek information which is beyond the scope of legitimate discovery in this proceeding or subject to the attorney-client privilege or attorney work product doctrines. These General Objections shall be deemed to be continuing and incorporated throughout Atmos' responses to specific requests which follow, even if not specifically referenced therein. The statement of additional objections to specific requests shall not constitute a waiver of these General Objections.

II. OBJECTIONS TO DISCOVERY RESPONSES.

PART I

1. Pursuant to the Federal Energy Regulatory Commission's rule § 284.8(f), which took effect in February 2000 and which states:

"(f) Unless otherwise agreed by the pipeline, the contract of the shipper releasing capacity will remain in full force and effect, with the net proceeds from any resale to a replacement shipper credited to the releasing shipper's reservation charge;"

and pursuant to the FERC-approved pipeline tariffs implementing FERC's rule, such tariffs in part being:

- a. Tennessee Gas Pipeline Company, FERC Gas Tariff, Fifth Revised Volume No. 1, Original Sheet No. 337B, General Terms and Conditions, subsection (i), which states in part:

"The Releasing shipper will be billed for its full contractual reservation charge liability to Transporter but shall simultaneously receive a demand credit equaling the demand charges for which Transporter has invoiced the Replacement Shipper;"

- b. East Tennessee Natural Gas, LLC FERC Gas Tariff, Third Revised Volume No. 1, Sheet 339, General Terms and Conditions, Section 17.1, which states in part:

"Applicability - this Section 17 implements Section 284.8 of the commissions' regulations and is applicable to any Shipper that holds rights to firm transportation that elects to temporarily release or permanently assign all or a portion of such firm transportation rights("Releasing Shipper;")

c. Texas Eastern Transmission, LP. FERC Gas Tariff Seventh Revised Volume

No. 1, Sheet 536, General Terms and Conditions, Item 2, Obligations of Customer,

which states in part:

"The service agreement of the Customer will remain in full force and effect, with a portion of the proceeds attributable to any release and assignment credited to the existing Customer's bill as provided in Section 3.14(H). The Customer shall remain ultimately liable to Pipeline for all Reservation Charges and Reservation Surcharges under the terms of its service agreement with Pipeline;"

- 1.A. Provide for each month from January 2001 through March 2006 the credits rendered to Atmos/United Cities per FERC rule § 284.8(f) for capacity released by Atmos/United Cities from its firm transportation and firm storage contracts which Atmos/United Cities uses to meet the needs of its customers in its certificated-territory in Tennessee.

OBJECTION: Atmos objects to this request on the grounds that it is not reasonably calculated to lead to the discovery of relevant information and is thus beyond the scope of legitimate discovery in this proceeding. This docket was convened “for the purpose of establishing a fair and reasonable return for Atmos.” (Transcript of May 15, 2006 TRA Agenda Conference, p. 24.) This request seeks information related to gas costs, specifically, pipeline capacity and storage charges and other similar costs. Pursuant to the TRA’s Purchased Gas Adjustment (“PGA”) Rule, these costs have no bearing on Atmos’ rates, but are instead regulated through the PGA filings and the annual Actual Cost Adjustment (“ACA”) audits by TRA staff. Atmos further objects to this request on the grounds it is inconsistent with the TRA’s Orders in the

Company's PBR docket, Docket No. 97-01364, which waives the requirement of a prudency audit for each year the PBR is in effect.

Without waiving these objections, Atmos responds that it has communicated with the Consumer Advocate that the Company is in compliance with the cited FERC rule, and has offered to meet informally with the Consumer Advocate outside the confines of this docket to provide additional information and clarification to the Consumer Advocate on this issue. Atmos further notified the Consumer Advocate of the TRA's order in Docket No. 05-00253, the Company's most recent ACA audit docket, directing the Company to meet with Staff to discuss the effects of incorporating the Company's asset management arrangement into the PBR, and invited the Consumer Advocate to participate in those discussions.

- 1.B. Separate the credits rendered to Atmos/United Cities per FERC rule § 284.8(f) in the response to "A" above into credits by each of the following pipelines which are known to have firm transportation and firm storage contracts which Atmos/United Cities uses to deliver natural gas to its certificated-territory in Tennessee:

East Tennessee Gas
Columbia Gas Transmission
Tennessee Gas Pipeline
Texas Eastern Pipeline
Texas Gas Transmission.

OBJECTION: Atmos objects to this request on the grounds that it is not reasonably calculated to lead to the discovery of relevant information and is thus beyond the scope of legitimate discovery in this proceeding. This docket was convened "for the purpose of establishing a fair and reasonable return for Atmos." (Transcript of May 15, 2006 TRA Agenda

Conference, p. 24.) This request seeks information related to gas costs, specifically, pipeline capacity and storage charges and other similar costs. Pursuant to the TRA's Purchased Gas Adjustment ("PGA") Rule, these costs have no bearing on Atmos' rates, but are instead regulated through the PGA filings and the annual Actual Cost Adjustment ("ACA") audits by TRA staff. Atmos further objects to this request on the grounds it is inconsistent with the TRA's Orders in the Company's PBR docket, Docket No. 97-01364, which waives the requirement of a prudency audit for each year the PBR is in effect.

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- 1.C. For each pipeline listed above and for each month from January 2001 through March 2006, list the monthly reservation fees that Atmos/United Cities passed through to its customers in Tennessee via the PGA.

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establishing a fair and reasonable return for Atmos.” (Transcript of May 15, 2006 TRA Agenda Conference, p. 24.) This request seeks information related to gas costs, specifically, pipeline capacity and storage charges and other similar costs. Pursuant to the TRA’s Purchased Gas Adjustment (“PGA”) Rule, these costs have no bearing on Atmos’ rates, but are instead regulated through the PGA filings and the annual Actual Cost Adjustment (“ACA”) audits by TRA staff. Atmos further objects to this request on the grounds it is inconsistent with the TRA’s Orders in the Company’s PBR docket, Docket No. 97-01364, which waives the requirement of a prudence audit for each year the PBR is in effect.

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- 1.D. For each pipeline listed above and for each month from January 2001 through March 2006, list the credits rendered to Atmos/United Cities per FERC rule § 284.8(f) that Atmos/United Cities passed through to its customers in Tennessee via the PGA.

OBJECTION: Atmos objects to this request on the grounds that it is not reasonably calculated to lead to the discovery of relevant information and is thus beyond the scope of

legitimate discovery in this proceeding. This docket was convened “for the purpose of establishing a fair and reasonable return for Atmos.” (Transcript of May 15, 2006 TRA Agenda Conference, p. 24.) This request seeks information related to gas costs, specifically, pipeline capacity and storage charges and other similar costs. Pursuant to the TRA’s Purchased Gas Adjustment (“PGA”) Rule, these costs have no bearing on Atmos’ rates, but are instead regulated through the PGA filings and the annual Actual Cost Adjustment (“ACA”) audits by TRA staff. Atmos further objects to this request on the grounds it is inconsistent with the TRA’s Orders in the Company’s PBR docket, Docket No. 97-01364, which waives the requirement of a prudence audit for each year the PBR is in effect.

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- 1.E. For each firm transportation contract and each firm storage contract which Atmos/United Cities has used or is using to meet the needs of its customers in its certificated-territory in Tennessee, list the contract Atmos/United Cities temporarily or permanently assigned to a replacement shipper and name the replacement shipper.

OBJECTION: Atmos objects to this request on the grounds that it is not reasonably calculated to lead to the discovery of relevant information and is thus beyond the scope of legitimate discovery in this proceeding. This docket was convened “for the purpose of establishing a fair and reasonable return for Atmos.” (Transcript of May 15, 2006 TRA Agenda Conference, p. 24.) This request seeks information related to gas costs, specifically, pipeline capacity and storage charges and other similar costs. Pursuant to the TRA’s Purchased Gas Adjustment (“PGA”) Rule, these costs have no bearing on Atmos’ rates, but are instead regulated through the PGA filings and the annual Actual Cost Adjustment (“ACA”) audits by TRA staff. Atmos further objects to this request on the grounds it is inconsistent with the TRA’s Orders in the Company’s PBR docket, Docket No. 97-01364, which waives the requirement of a prudency audit for each year the PBR is in effect.

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- 1.F. Provide copies of any documents, petitions or correspondence where Atmos/United Cities informed the Tennessee Regulatory Authority or its staff of FERC's rule § 284.8(f).

OBJECTION: Atmos objects to this request on the grounds that it is not reasonably calculated to lead to the discovery of relevant information and is thus beyond the scope of legitimate discovery in this proceeding. This docket was convened “for the purpose of establishing a fair and reasonable return for Atmos.” (Transcript of May 15, 2006 TRA Agenda Conference, p. 24.) This request seeks information related to gas costs, specifically, pipeline capacity and storage charges and other similar costs. Pursuant to the TRA’s Purchased Gas Adjustment (“PGA”) Rule, these costs have no bearing on Atmos’ rates, but are instead regulated through the PGA filings and the annual Actual Cost Adjustment (“ACA”) audits by TRA staff. Atmos further objects to this request on the grounds it is inconsistent with the TRA’s Orders in the Company’s PBR docket, Docket No. 97-01364, which waives the requirement of a prudency audit for each year the PBR is in effect.

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- 1.G. Provide forecasts of the FERC rule § 284.8(f) credits Atmos/United Cities expects to receive from June 2006 through December 2007 for capacity which Atmos will release from its firm transportation

contracts and firm storage contracts which Atmos/United Cities is using to meet the needs of its customers in its certificated-territory in Tennessee.

OBJECTION: Atmos objects to this request on the grounds that it is not reasonably calculated to lead to the discovery of relevant information and is thus beyond the scope of legitimate discovery in this proceeding. This docket was convened “for the purpose of establishing a fair and reasonable return for Atmos.” (Transcript of May 15, 2006 TRA Agenda Conference, p. 24.) This request seeks information related to gas costs, specifically, pipeline capacity and storage charges and other similar costs. Pursuant to the TRA’s Purchased Gas Adjustment (“PGA”) Rule, these costs have no bearing on Atmos’ rates, but are instead regulated through the PGA filings and the annual Actual Cost Adjustment (“ACA”) audits by TRA staff. Atmos further objects to this request on the grounds it is inconsistent with the TRA’s Orders in the Company’s PBR docket, Docket No. 97-01364, which waives the requirement of a prudence audit for each year the PBR is in effect.

Without waiving these objections, Atmos responds that it has communicated with the Consumer Advocate that the Company is in compliance with the cited FERC rule, and has offered to meet informally with the Consumer Advocate outside the confines of this docket to provide additional information and clarification to the Consumer Advocate on this issue. Atmos further notified the Consumer Advocate of the TRA’s order in Docket No. 05-00253, the Company’s most recent ACA audit docket, directing the Company to meet with Staff to discuss the effects of incorporating the Company’s asset management arrangement into the PBR, and invited the Consumer Advocate to participate in those discussions.

1.H Atmos stated in its SEC form 10-K for the fiscal year ending September 30, 2002:

“Effective April 1, 1999, the Tennessee Regulatory Authority approved the Mid-States Division's request to continue its Performance-based Ratemaking mechanism related to gas procurement and gas transportation activities. The Tennessee Regulatory Authority revised the mechanism from the original two-year experimental period, by increasing the cap for incentive gains and/or losses to \$1.25 million per year. Under this agreement, the mechanism has no expiration date and can be amended or cancelled by either the Mid-States Division or the Tennessee Regulatory Authority according to the provisions of the agreement. Similar to Tennessee, the Georgia Public Service Commission renewed our Performance-based Ratemaking program for an additional three years effective May 1, 2002. The gas purchase and capacity release mechanisms of the Performance-based Ratemaking mechanism are designed to provide us incentives to find innovative methods to lower gas costs to our customers. We recognized other income of \$0.4 million, \$1.0 million and \$0.2 million in fiscal years 2002, 2001 and 2000 attributable to the Georgia and Tennessee Performance-based Ratemaking mechanisms.”

1.H(a). Explain how Atmos has revised its Performance based Ratemaking mechanism in Tennessee to include the credits rendered to Atmos/United Cities per FERC rule § 284.8(f).

OBJECTION: Atmos objects to this request on the grounds that it is not reasonably calculated to lead to the discovery of relevant information and is thus beyond the scope of legitimate discovery in this proceeding. This docket was convened “for the purpose of establishing a fair and reasonable return for Atmos.” (Transcript of May 15, 2006 TRA Agenda Conference, p. 24.) This request seeks information related to gas costs, specifically, pipeline capacity and storage charges and other similar costs. Pursuant to the TRA’s Purchased Gas Adjustment (“PGA”) Rule, these costs have no bearing on Atmos’ rates, but are instead regulated through the PGA filings and the annual Actual Cost Adjustment (“ACA”) audits by TRA staff.

Atmos further objects to this request on the grounds it is inconsistent with the TRA's Orders in the Company's PBR docket, Docket No. 97-01364, which waives the requirement of a prudency audit for each year the PBR is in effect.

Without waiving these objections, Atmos responds that it has communicated with the Consumer Advocate that the Company is in compliance with the cited FERC rule, and has offered to meet informally with the Consumer Advocate outside the confines of this docket to provide additional information and clarification to the Consumer Advocate on this issue. Atmos further notified the Consumer Advocate of the TRA's order in Docket No. 05-00253, the Company's most recent ACA audit docket, directing the Company to meet with Staff to discuss the effects of incorporating the Company's asset management arrangement into the PBR, and invited the Consumer Advocate to participate in those discussions.

1.H(b). For each year from 2001 to 2005 identify the income Atmos has achieved from its release of capacity meant to deliver natural gas to Atmos/United Cities' customers in the company's certificated-territory in Tennessee.

OBJECTION: Atmos objects to this request on the grounds that it is not reasonably calculated to lead to the discovery of relevant information and is thus beyond the scope of legitimate discovery in this proceeding. This docket was convened "for the purpose of establishing a fair and reasonable return for Atmos." (Transcript of May 15, 2006 TRA Agenda Conference, p. 24.) This request seeks information related to gas costs, specifically, pipeline capacity and storage charges and other similar costs. Pursuant to the TRA's Purchased Gas Adjustment ("PGA") Rule, these costs have no bearing on Atmos' rates, but are instead regulated

through the PGA filings and the annual Actual Cost Adjustment (“ACA”) audits by TRA staff. Atmos further objects to this request on the grounds it is inconsistent with the TRA’s Orders in the Company’s PBR docket, Docket No. 97-01364, which waives the requirement of a prudency audit for each year the PBR is in effect.

Without waiving these objections, Atmos responds that it has communicated with the Consumer Advocate that the Company is in compliance with the cited FERC rule, and has offered to meet informally with the Consumer Advocate outside the confines of this docket to provide additional information and clarification to the Consumer Advocate on this issue. Atmos further notified the Consumer Advocate of the TRA’s order in Docket No. 05-00253, the Company’s most recent ACA audit docket, directing the Company to meet with Staff to discuss the effects of incorporating the Company’s asset management arrangement into the PBR, and invited the Consumer Advocate to participate in those discussions.

3. Admit or Deny the following:

3.A. Atmos/United Cities is guaranteed passthrough of capacity reservation charges to its customers in Tennessee.

OBJECTION: Atmos objects to this request on the grounds that it is not reasonably calculated to lead to the discovery of relevant information and is thus beyond the scope of legitimate discovery in this proceeding. This docket was convened “for the purpose of establishing a fair and reasonable return for Atmos.” (Transcript of May 15, 2006 TRA Agenda Conference, p. 24.) This request seeks information related to gas costs, specifically, pipeline capacity and storage charges and other similar costs. Pursuant to the TRA’s Purchased Gas Adjustment (“PGA”) Rule, these costs have no bearing on Atmos’ rates, but are instead regulated

through the PGA filings and the annual Actual Cost Adjustment (“ACA”) audits by TRA staff. Atmos further objects to this request on the grounds it is inconsistent with the TRA’s Orders in the Company’s PBR docket, Docket No. 97-01364, which waives the requirement of a prudency audit for each year the PBR is in effect.

Without waiving these objections, Atmos responds that it has communicated with the Consumer Advocate that the Company is in compliance with the cited FERC rule, and has offered to meet informally with the Consumer Advocate outside the confines of this docket to provide additional information and clarification to the Consumer Advocate on this issue. Atmos further notified the Consumer Advocate of the TRA’s order in Docket No. 05-00253, the Company’s most recent ACA audit docket, directing the Company to meet with Staff to discuss the effects of incorporating the Company’s asset management arrangement into the PBR, and invited the Consumer Advocate to participate in those discussions.

3.B. The matters discussed or incorporated by Atmos in the current docket of the Tennessee Regulatory Authority may contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 or Section 21E of the Securities Exchange Act of 1934.

OBJECTION: Atmos objects to this request on the grounds it calls for a legal conclusion, is not reasonably calculated to lead to the discovery of relevant evidence, and is thus beyond the scope of legitimate discovery in this docket. Without waiving these objections, Atmos responds that it has discussed with the Consumer Advocate that under both the Tennessee doctrine of judicial privilege, which applies in administrative proceedings, and the federal law interpreting

the cited provisions, it appears that the information contained within this docket is not covered by the cited federal securities laws.

3.C. All statements by Atmos in the current docket, other than statements of historical fact, are forward-looking statements made in good faith by the Company and are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995.

OBJECTION: Atmos objects to this request on the grounds it calls for a legal conclusion, is not reasonably calculated to lead to the discovery of relevant evidence, and is thus beyond the scope of legitimate discovery in this docket. Without waiving these objections, Atmos responds that it has discussed with the Consumer Advocate that under both the Tennessee doctrine of judicial privilege, which applies in administrative proceedings, and the federal law interpreting the cited provisions, it appears that the information contained within this docket is not covered by the cited federal securities laws.

3.D. When used in this current docket by Atmos, the words “anticipate,” “believes,” “estimate,” “expect,” “forecast,” “goal,” “intends,” “objective,” “plans” “projection,” “seek,” “strategy” or similar words are intended to identify forward-looking statements.

OBJECTION: Atmos objects to this request on the grounds it calls for a legal conclusion, is not reasonably calculated to lead to the discovery of relevant evidence, and is thus beyond the scope of legitimate discovery in this docket. Without waiving these objections, Atmos responds that it has discussed with the Consumer Advocate that under both the Tennessee doctrine

of judicial privilege, which applies in administrative proceedings, and the federal law interpreting the cited provisions, it appears that the information contained within this docket is not covered by the cited federal securities laws.

3.E. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from forecast by Atmos.

OBJECTION: Atmos objects to this request on the grounds it calls for a legal conclusion, is not reasonably calculated to lead to the discovery of relevant evidence, and is thus beyond the scope of legitimate discovery in this docket. Without waiving these objections, Atmos responds that it has discussed with the Consumer Advocate that under both the Tennessee doctrine of judicial privilege, which applies in administrative proceedings, and the federal law interpreting the cited provisions, it appears that the information contained within this docket is not covered by the cited federal securities laws.

3.F. Atmos believes its forward-looking statements and forecasts made in this current docket will be reasonable, but there can be no assurance that they will approximate actual experience or that the expectations derived from them will be realized.

OBJECTION: Atmos objects to this request on the grounds it calls for a legal conclusion, is not reasonably calculated to lead to the discovery of relevant evidence, and is thus beyond the scope of legitimate discovery in this docket. Without waiving these objections, Atmos responds that it has discussed with the Consumer Advocate that under both the Tennessee doctrine

of judicial privilege, which applies in administrative proceedings, and the federal law interpreting the cited provisions, it appears that the information contained within this docket is not covered by the cited federal securities laws.

3.G. Atmos undertakes no obligation to update or revise forward-looking statements and forecasts made in the Authority's current docket, whether as a result of new information, future events or otherwise.

OBJECTION: Atmos objects to this request on the grounds it calls for a legal conclusion, is not reasonably calculated to lead to the discovery of relevant evidence, and is thus beyond the scope of legitimate discovery in this docket. Without waiving these objections, Atmos responds that it has discussed with the Consumer Advocate that under both the Tennessee doctrine of judicial privilege, which applies in administrative proceedings, and the federal law interpreting the cited provisions, it appears that the information contained within this docket is not covered by the cited federal securities laws.

3.H. Atmos is a "releasing shipper" as meant in FERC rule § 284.8(f).

OBJECTION: Atmos objects to this request on the grounds that it calls for a legal conclusion, is not reasonably calculated to lead to the discovery of relevant information and is thus beyond the scope of legitimate discovery in this proceeding. This docket was convened "for the purpose of establishing a fair and reasonable return for Atmos." (Transcript of May 15, 2006 TRA Agenda Conference, p. 24.) This request seeks information related to gas costs, specifically, pipeline capacity and storage charges and other similar costs. Pursuant to the TRA's Purchased Gas Adjustment ("PGA") Rule, these costs have no bearing on Atmos' rates, but are instead

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3.I. Atmos/United Cities’ firm transportation contracts and firm storage contracts, which Atmos/United Cities is using to meet the needs of its customers in its certificated-territory in Tennessee, are regulated assets.

OBJECTION: Atmos objects to this request on the grounds that it is vague, calls for a legal conclusion, is not reasonably calculated to lead to the discovery of relevant information and is thus beyond the scope of legitimate discovery in this proceeding. This docket was convened “for the purpose of establishing a fair and reasonable return for Atmos.” (Transcript of May 15, 2006 TRA Agenda Conference, p. 24.) This request seeks information related to gas costs, specifically, pipeline capacity and storage charges and other similar costs. Pursuant to the TRA’s

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3.J. Atmos/United Cities uses regulated assets to earn profits by releasing regulated assets, where “releasing” has the meaning in FERC rule § 284.8(f).

OBJECTION: Atmos objects to this request on the grounds that it is vague, calls for a legal conclusion, is not reasonably calculated to lead to the discovery of relevant information and is thus beyond the scope of legitimate discovery in this proceeding. This docket was convened “for the purpose of establishing a fair and reasonable return for Atmos.” (Transcript of May 15, 2006 TRA Agenda Conference, p. 24.) This request seeks information related to gas costs, specifically, pipeline capacity and storage charges and other similar costs. Pursuant to the TRA’s

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3.K. Atmos/United Cities’ customers in Tennessee share no portion of the profits earned by Atmos/United Cities from its release of regulated assets.

OBJECTION: Atmos objects to this request on the grounds that it is vague, is not reasonably calculated to lead to the discovery of relevant information and is thus beyond the scope of legitimate discovery in this proceeding. This docket was convened “for the purpose of establishing a fair and reasonable return for Atmos.” (Transcript of May 15, 2006 TRA Agenda Conference, p. 24.) This request seeks information related to gas costs, specifically, pipeline capacity and storage charges and other similar costs. Pursuant to the TRA’s Purchased Gas

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PART II

5. Please provide the expected replacement miles of Bare Steel/Cast Iron gas mains and services per year until all such mains and services are replaced (by state) served by ATMOS Energy.

OBJECTION: Atmos objects to this request on the grounds that to the extent it is unlimited in time and seeks information unrelated to Tennessee, the request is overbroad, unduly burdensome, is not reasonably calculated to lead to the discovery of relevant evidence and is thus beyond the scope of legitimate discovery in this proceeding. Without waiving those objections,

Atmos responds that it has communicated with the Consumer Advocate its willingness to provide the requested information for Tennessee dating back as far as the scope of the Minimum Filing Requirements, which is 3 years.

6. Please provide the data for the following categories of customer service:

(A) Customer Service (Call Center) since ATMOS purchased United Cities by year through 2005

1. Number of Calls received and percent answered;
2. Average Answer Time (in seconds);
3. Length of Call (in minutes);
4. After Call Processing time (in minutes or percent);
5. Number of Customer Service Walk-Ins;
6. Customer Call Backs;
7. Supervisor Referrals; and
8. Cash Transactions Processed by affiliated agencies.
9. Provide the total number of Call Center employees (by month/by title).
10. Provide the allocated employees by title/by month to Tennessee.

(B) Meter Services (Tennessee) by year (since ATMOS purchased United Cities through 2005):

1. Number of Meters Read;
2. Risers Inspected;
3. Estimated Readings;
4. Percent Estimated;
5. Meters Skipped;

6. Re-reads;

7. Door Tags or other “customer provided readings.”

(C) Service Department (Tennessee by month since ATMOS purchased United Cities Through 2005):

1. Orders Worked;

2. Appointment Orders;

3. Appointments Missed;

4. Emergency Orders;

5. Emergency Response Time (in minutes);

6. Meters Set.

(D) Construction Department (Tennessee by month since ATMOS purchased United Cities through 2005):

1. Service Orders Received;

2. Service Orders Installed;

3. Backlog (Weeks);

4. Damages;

5. Service Renewal/Relocate;

6. Services Retired; and

7. Survey Leaks.

OBJECTION: Atmos objects to this request on the grounds that to the extent it seeks information dating back approximately 10 years, the request is overbroad, unduly burdensome, is not reasonably calculated to lead to the discovery of relevant evidence and is thus beyond the scope of legitimate discovery in this proceeding. Without waiving these objections,

Atmos responds that it communicated to the Consumer Advocate that the Company would be willing to provide information dating back as far as the scope of the Minimum Filing Requirements, which is 3 years.

7. Provide the number of responses to customer complaints as sent to the Tennessee Regulatory Authority (by year) since ATMOS purchased United Cities through 2005.

OBJECTION: Atmos objects to this request on the grounds that to the extent it seeks information dating back approximately 10 years, the request is overbroad, unduly burdensome, is not reasonably calculated to lead to the discovery of relevant evidence and is thus beyond the scope of legitimate discovery in this proceeding. Without waiving these objections, Atmos responds that it communicated to the Consumer Advocate that the Company would be willing to provide information dating back as far as the scope of the Minimum Filing Requirements, which is 3 years.

8. Provide the number of customer complaints (by State, by year) sent to Commissions in States operated by ATMOS since ATMOS purchased United Cities through 2005.

OBJECTION: Atmos objects to this request on the grounds that to the extent it seeks information dating back approximately 10 years and seeks information unrelated to Tennessee, the request is overbroad, unduly burdensome, is not reasonably calculated to lead to the discovery of relevant evidence and is thus beyond the scope of legitimate discovery in this proceeding.

9. Provide the average number of residential customers by year since ATMOS purchased United Cities through 2005 for States operated in by ATMOS.

OBJECTION: Atmos objects to this request on the grounds that to the extent it seeks information dating back approximately 10 years and seeks information unrelated to Tennessee, the request is overbroad, unduly burdensome, is not reasonably calculated to lead to the discovery of relevant evidence and is thus beyond the scope of legitimate discovery in this proceeding. Without waiving those objections, Atmos responds that it has communicated with the Consumer Advocate its willingness to provide the requested information for Tennessee dating back as far as the scope of the Minimum Filing Requirements, which is 3 years.

10. Provide a detailed summary of any fines imposed by any regulatory authority in whose State ATMOS provides gas service since ATMOS purchased United Cities through May, 2006.

OBJECTION: Atmos objects to this request on the grounds that to the extent it seeks information dating back approximately 10 years and seeks information unrelated to Tennessee, the request is overbroad, unduly burdensome, is not reasonably calculated to lead to the discovery of relevant evidence and is thus beyond the scope of legitimate discovery in this proceeding. Without waiving those objections, Atmos responds that it has communicated with the Consumer Advocate its willingness to provide the requested information for Tennessee dating back as far as the scope of the Minimum Filing Requirements, which is 3 years.

11. Please summarize any safety violations and/or commission service reviews (by state) since ATMOS purchased United Cities through May, 2006.

OBJECTION: Atmos objects to this request on the grounds that to the extent it seeks information dating back approximately 10 years and seeks information unrelated to Tennessee, the request is overbroad, unduly burdensome, is not reasonably calculated to lead to the discovery of relevant evidence and is thus beyond the scope of legitimate discovery in this proceeding. Without waiving those objections, Atmos responds that it has communicated with the Consumer Advocate its willingness to provide the requested information for Tennessee dating back as far as the scope of the Minimum Filing Requirements, which is 3 years.

12. Provide the number of employees (by month, by State) for States served by ATMOS Energy since ATMOS purchased United Cities through May, 2006. (Please itemize allocated employees separately).

OBJECTION: Atmos objects to this request on the grounds that to the extent it seeks information dating back approximately 10 years and seeks information unrelated to Tennessee, the request is overbroad, unduly burdensome, is not reasonably calculated to lead to the discovery of relevant evidence and is thus beyond the scope of legitimate discovery in this proceeding. Without waiving those objections, Atmos responds that it has communicated with the Consumer Advocate its willingness to provide the requested information for Tennessee dating back as far as the scope of the Minimum Filing Requirements, which is 3 years.

13. Regarding billing for non-utility services and products: Please detail the types of services and products ATMOS bills and the number of bills issued for these services (by month) since ATMOS purchased United Cities through May, 2006. Please provide the dollar amount of all bills

issued by year through 2006. Please cite the docket authorizing approval of such third party billing in Tennessee.

OBJECTION: Atmos objects to this request on the grounds that to the extent it is seeks information dating back approximately 10 years, the request is overbroad, unduly burdensome, is not reasonably calculated to lead to the discovery of relevant evidence and is thus beyond the scope of legitimate discovery in this proceeding. Without waiving these objections, Atmos responds that it communicated to the Consumer Advocate that the Company would be willing to provide information dating back as far as the scope of the Minimum Filing Requirements, which is 3 years.

14. Please detail the same “non-utility billing” (from above) for all other states served by ATMOS.

OBJECTION: Atmos objects to this request on the grounds that to the extent it is seeks information dating back approximately 10 years and seeks information unrelated to Tennessee, the request is overbroad, unduly burdensome, is not reasonably calculated to lead to the discovery of relevant evidence and is thus beyond the scope of legitimate discovery in this proceeding. Without waiving these objections, Atmos responds that it communicated to the Consumer Advocate that the Company would be willing to provide information for Tennessee dating back as far as the scope of the Minimum Filing Requirements, which is 3 years.

16. Please provide all statement(s) provided by ATMOS Senior Executives since ATMOS purchased United Cities through May, 2006 providing a commitment of Service Quality to ATMOS customers in Tennessee.

OBJECTION: Atmos objects to this request on the grounds the request is vague, overbroad, unduly burdensome, is not reasonably calculated to lead to the discovery of relevant evidence and is thus beyond the scope of legitimate discovery in this proceeding. Without waiving these objections, Atmos responds that it has notified the Consumer Advocate of the transcripts of executive statements available on the Company's website, and is working to compile additional information for the Consumer Advocate on Atmos' commitment to customer service.

17. Please provide all statement(s) provided by ATMOS Senior Executives since ATMOS purchased United Cities through May, 2006 providing a commitment to profits/earnings to shareholders.

OBJECTION: Atmos objects to this request on the grounds the request is vague, overbroad, unduly burdensome, is not reasonably calculated to lead to the discovery of relevant evidence and is thus beyond the scope of legitimate discovery in this proceeding. Without waiving these objections, Atmos responds that it has notified the Consumer Advocate of the transcripts of executive statements available on the Company's website, and is working to compile additional information for the Consumer Advocate on this issue.

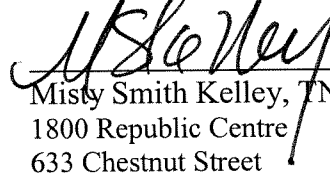
18. Please provide a copy of any settlement agreements between ATMOS and any State Regulatory Authority reducing rates since ATMOS purchased United Cities.

OBJECTION: Atmos objects to this request on the grounds that to the extent it seeks information unrelated to Tennessee, the request is overbroad, unduly burdensome, is not reasonably calculated to lead to the discovery of relevant evidence and is thus beyond the scope of

legitimate discovery in this proceeding. Subject to and without waiving these objections, Atmos will provide copies of orders and any related stipulations providing for rate reductions.

Respectfully Submitted,

BAKER, DONELSON, BEARMAN
CALDWELL & BERKOWITZ

A handwritten signature in black ink, appearing to read "Misty Smith Kelley", is written over a horizontal line.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been e-mailed or faxed and mailed to the following parties of interest this 9th day of June, 2006.

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