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June 26, 2006

Filed Electronically in Docket Office on 06/26/06 @ 8:00am

VIA HAND DELIVERY

Honorable Ron Jones, Chairman
c/o Sharla Dillon, Docket & Records Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

RE: *In Re: Petition 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, TRA Docket No. 05-00258*

Dear Chairman Jones:

Please find enclosed thirteen (13) copies and one (1) original of the *Affidavit of Mark H. Johnson*. An additional copy of this filing is enclosed to be "file stamped" for our records. All parties of record have been served.

Respectfully submitted,


Melvin J. Malone

clw
Enclosures

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

IN RE: PETITION TO OPEN AN)
INVESTIGATION TO DETERMINE)
WHETHER ATMOS ENERGY CORP.)
SHOULD BE REQUIRED BY THE)
TENNESSEE REGULATORY) Docket No. 05-00258
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)

AFFIDAVIT OF MARK H. JOHNSON

STATE OF TEXAS)
COUNTY OF Harris)

I, Mark H. Johnson, hereby swear and affirm that I have personal knowledge of the following statements and that they are true to the best of my knowledge, information and belief:

1. I am over the age of eighteen (18) and competent to testify to the matters contained herein.
2. I am the President of Atmos Energy Marketing, LLC ("AEM" or the "Company"), a full-service natural gas marketing company that provides supply and asset management services to various types of natural gas users. I have served in this capacity since about April 2005.
3. I have worked in the energy sector for over twenty (20) years.
4. As President of AEM, I am familiar with the services that AEM provides. I am also familiar with AEM's credit policies and practices.

5. I am generally familiar with the issues presented in TRA Docket No. 05-00258.

6. I have reviewed the June 16, 2006, letter of the Atmos Intervention Group ("AIG") filed in this docket, TRA Docket No. 05-00258, and the accompanying Affidavit of Earl Burton.

7. There is no credible basis for any assertion that AEM would undertake any retaliatory measures against a customer of either Atmos Energy Corporation or AEM that chooses to participate in TRA Docket No. 05-00258.

8. As a prudent business entity, AEM must balance the aim of profitably selling natural gas to existing and potential customers, while effectively managing potential credit risk that customers may pose to the Company. AEM's credit policies and procedures are not arbitrary. On the contrary, AEM's credit policies and procedures, which are properly applied on a consistent and neutral basis, are written and well-defined. AEM's Credit Department has a credit risk management process that, in my opinion, meets or exceeds industry standards. Both the established credit policies and processes have been approved by the Company's Credit and Risk Committees.

9. Credit evaluation tools generally utilized within the industry are employed by AEM to appropriately weigh credit risk. The Company's Credit Department utilizes various information sources and credit analysis tools to assess potential credit risk in an objective and disciplined manner. Some of the information sources and tools utilized are as follows:

- Payment History;
- Publicly available credit ratings for Ratings Agencies (such as Standard & Poor's, Moody's, and Fitch);
- Estimated Default Frequencies from Moody's KMV;

- Financial Statement analysis;
- Publicly available Bond Yield information;
- Publicly available Stock Price information;
- Ratings and data from credit organizations (such as Dun & Bradstreet, Experian, and Equifax);
- Publicly available industry, macro economic, and company specific data; and
- Attorneys (both inside and outside of AEM) as needed for reviewing agreements or other issues that may arise.

All of this information is combined to set a fair and objective level of credit risk (the credit limit).

These credit limits are then cross-referenced with the amount of credit exposure for each customer.

Collateral is customarily required for customers whose credit risk exceeds the credit limit assigned by the Credit Department. In the event collateral is required, the amount is set at what would be sufficient to bring the net credit risk within the credit limit assigned by the Credit Department.

10. In managing its credit risk and setting credit limits, AEM may, or may not, require its customers to post collateral depending upon the risk exposure that a customer poses to the Company. Since AEM operates in the competitive market, a potential customer can choose to conduct business with other suppliers if they are unable or unwilling to meet AEM's credit requirements.

11. It would be inconsistent with AEM's credit policies and procedures to consider whether a customer of either Atmos Energy Corporation or AEM participated in TRA Docket No. 05-00258 in determining such customer's credit worthiness. As President of AEM, I can assure the Tennessee Regulatory Authority that AEM would not condone such a material deviation from clearly established Company policy.


12. In the current environment within the industry, it is completely inaccurate to represent that AEM has a monopoly on gas supply and delivery or that AEM's customers are captive. To the best of my knowledge, there are over 50 or so similar marketers throughout the country, and about thirteen (13) marketers with capacity on East Tennessee Natural Gas

Company's pipeline. Further, East Tennessee Natural Gas Company is currently accepting requests for capacity from different points of receipt and delivery on its pipeline. Tennessee customers have transportation options other than through AEM, and an assertion to the contrary would be unequivocally false.

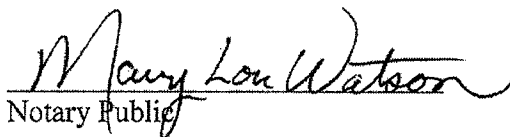
13. As a prudent business, AEM values each of its customers, as our future success depends upon them. The Company cannot survive without its customers, and it cannot maintain its customer base without servicing its customers well. With this in mind, we value those AEM customers who are also customers of Atmos Energy Corporation. Given our investment in asset management, we have a compelling incentive to serve all of our customers fairly. Otherwise, AEM would risk having a significant, non-producing stranded asset.

14. Needless to say, it would be contrary to the business interests of AEM to discontinue serving any customer of either Atmos Energy Corporation or AEM due to such customers participation in TRA Docket No. 05-00258. As President of AEM, I can assure the Tennessee Regulatory Authority that AEM would not engage in such a practice.

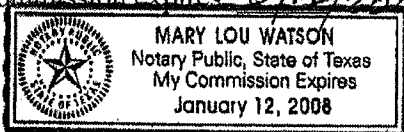
15. I base the foregoing on my personal knowledge, information and belief.
Further the affiant saith not.


Mark H. Johnson

Sworn to and subscribed
before me this 23rd day
of June 2006.


Notary Public

My commission expires: 6/12/2008



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 26th day of June, 2006.

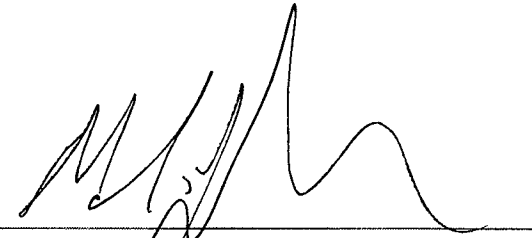
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