

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

2006 SEP 12 PM 2:24  
T.R.A. DOCKET ROOM

In re: Petition to Open an Investigation to Determine )  
Whether Atmos Energy Corp. Should be Required by )  
the TRA 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

**CONSUMER ADVOCATE AND PROTECTION DIVISION'S PROPOSED ISSUES LIST  
FOR PHASE II**

The Office of the Tennessee Attorney General, by and through the Consumer Advocate and Protection Division, hereby submits its proposed issues list for Phase II of this docket pursuant to the Hearing Officer's order.


**ISSUES**

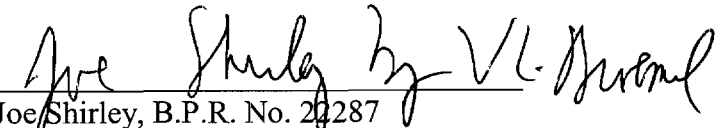
1. How is Atmos compensated for the sale, lease or release of capacity and is that compensation fair to consumers? This issue includes a number of sub-issues such as: what is the bidding process for the sale, lease or release of capacity; what asset management arrangements or contracts are or have been in place with regard to capacity; and how are FERC-mandated payments handled?
2. What exactly is the amount of total capacity and what amount of capacity is available for the sale, lease, or release to third parties or affiliates or divisions of Atmos? This issue includes a number of sub-issues such as: what is the appropriate level of capacity; what has been the record of capacity planning in the past; and what are the future plans?

3. What is the relation between Atmos and AEM and any other affiliate or division of Atmos? This issue includes a number of sub-issues such as the appropriate relation between parent and affiliate or division; communications between parent and affiliate or division; the number of overlapping employees; and the record keeping of the parent and affiliate or division.
4. Are consumers receiving fair compensation for the assets related to the sale, lease or release of capacity for which they have paid?
5. Other issues as raised in discovery.

Respectfully submitted,

Paul G. Summers  
Attorney General  
State of Tennessee

  
Vance L. Broemel, B.P.R. No. M421  
Senior Counsel

  
Joe Shirley, B.P.R. No. 22287  
Assistant Attorney General  
Office of the Attorney General  
Consumer Advocate and Protection Division  
P.O. Box 20207  
Nashville, TN 37202  
(615) 741-8733

99392

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing is being forwarded via electronic mail and U.S. mail, to:

Henry Walker  
1600 Division Street, Suite 700  
P.O. Box 340025  
Nashville, Tennessee 37203

Gary Hotvedt  
Tennessee Regulatory Authority  
460 James Robertson Pkwy.  
Nashville, TN 37243-0505

Joe A. Conner  
Misty Smith Kelley  
Baker, Donelson, Bearman & Caldwell  
1800 Republic Centre  
633 Chestnut Street  
Chattanooga, TN 37450-1800

Patricia J. Childers  
VP-Regulatory Affairs  
Atmos/United Cities Gas Corp.  
810 Crescent Centre Drive, Ste. 600  
Franklin, TN 37064-5393

J.W. Luna  
Farmer & Luna  
333 Union Street Suite 300  
Nashville, Tennessee 37201

Melvin J. Malone  
Miller & Martin  
2300 One Nashville Place  
150 4th Avenue North  
Nashville, Tennessee 37219

on this the 12<sup>th</sup> day of September 2006

Vance L. Broemel  
Vance L. Broemel