

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

September 12, 2006

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

PHASE 2 ISSUES LIST FROM ATMOS INTERVENTION GROUP


The Atmos Intervention Group ("AIG") submits the following response to the Hearing Officer's request for a list of issues likely to arise in Phase 2 of this docket. This response is not intended to be a comprehensive list since other parties will likely have issues in addition to these.

AIG believes that one of the main purposes of Phase 2 is to investigate the asset management practices of Atmos Energy Corp. and the relationship between Atmos and its affiliate, Atmos Energy Marketing ("AEM"). While it is not possible at this time to envision all the possible ramifications of that investigation, this case could result in the imputation to Atmos of all or part of the profits earned by AEM under its current contract with Atmos; the cancellation of the current contract between AEM and Atmos and the rebidding of that contract, the examination of how the revenue from that contract should be treated; the examination of both Atmos' bidding practices and the affiliate transaction rules; consideration of whether any future contract for asset management and gas procurement agreements (or the renewal of all current such contracts) should be submitted to the TRA for review and approval, and other issues raised arising from Atmos' asset management practices and affiliate relationships as pointed out by the TRA Staff in its most recent ACA audit report on Atmos. This proceeding will also involve an

investigation of the related issue whether Atmos has oversubscribed to storage and capacity assets to handle the company's jurisdictional requirements and whether the company is currently utilizing its gas storage assets to maximize benefits to its ratepayers.

Respectfully submitted,

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CERTIFICATE OF SERVICE

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

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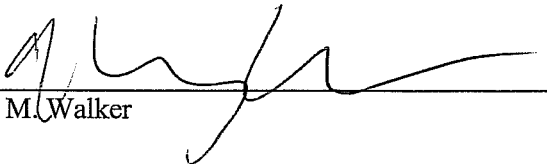
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on this the 12th day of August 2006.


Henry M. Walker