

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

**November 20, 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

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**BRIEF OF TRA INVESTIGATIVE STAFF  
CONCERNING ASSET MANAGEMENT ISSUES**

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Pursuant to the November 7, 2006 *Notice of Filing* of the Tennessee Regulatory Authority (“Authority”), the TRA Investigative Staff (“Staff”) files this Brief concerning the appropriate forum to address asset management issues presently being considered in Phase II of this docket.

To begin with, Staff agrees with the analysis set forth in the *Brief of Consumer Advocate and Protection Division on the Appropriate Forum to Address Asset Management Issues*, filed in this docket on November 20, 2006. While the Staff has previously suggested that there are several generic issues that should be addressed through a rulemaking,<sup>1</sup> in its brief the Consumer Advocate has listed other specific issues between Atmos Energy Corporation and its gas consumers in Tennessee that can only be resolved through a contested case proceeding. Whether that proceeding continues as Phase II in Docket No. 05-00258, or is heard as a result of the audit findings in Docket No. 05-00253 (similar to the *Review of Nashville Gas Company’s IPA Relating to Asset Management Fees*, Docket No. 05-00165), the Staff takes no position.

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<sup>1</sup> There are four areas that could be appropriately addressed in a rulemaking, as they encompass policies that may be applied industry-wide: (1) the request for proposal process (“RFP”); (2) the appropriate fee structure (fixed fee or percentage of gain, and sharing percentage); (3) periodic review by outside/independent consultant; and (4) third-party vs. affiliate manager considerations.

In any case, the Staff would like to take this opportunity to withdraw its formal intervention in Docket No. 05-00258 relative to Phase II issues.

Respectfully submitted,

By: 

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and exact copy of the foregoing has been forwarded by electronic mail or by hand delivery to the following parties on the 20th day of November, 2006.

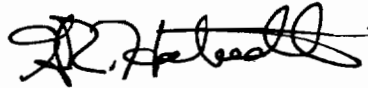
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