

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

March 22, 2007

IN RE: )  
)  
RULEMAKING REGARDING THE RECOVERY )  
OF THE GAS COST PORTION OF )  
UNCOLLECTIBLE ACCOUNTS UNDER )  
THE PURCHASE GAS ADJUSTMENT (PGA) )  
RULES )  
)

Docket No. 06-00225

**RECEIVED**

MAR 22 2007

TN REGULATORY AUTHORITY  
GENERAL COUNSEL'S OFFICE

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**JOINT COMMENTS OF CHATTANOOGA GAS COMPANY, NASHVILLE GAS  
COMPANY, A DIVISION OF PIEDMONT NATURAL GAS COMPANY, INC., AND  
ATMOS ENERGY CORPORATION TO PROPOSED RULEMAKING**

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At the August 7, 2006 agenda conference of the Tennessee Regulatory Authority ("TRA" or "Authority"), the presiding panel in Docket 03-00209 unanimously voted to authorize the General Counsel to forward a notice of rulemaking to the Office of the Secretary of State that would contain rules "consistent with the *procedures* for uncollected gas cost recovery in the annual ACA filing."<sup>1</sup> On January 30, 2007, a Notice of Rulemaking Hearing was published and filed in Docket 06-00225, scheduling a rulemaking hearing for March 26, 2007. The Notice promulgates amendments to Rules 1220-4-7-.01 and 1220-4-7-.03 and a proposed new rule 1220-4-7-.06 setting forth the procedures for the recovery of uncollected gas costs using the modified Refund Adjustment Formula of the Purchased Gas Adjustment ("PGA") Rules. Chattanooga Gas Company, Nashville Gas Company, a Division of Piedmont Natural Gas

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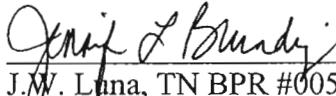
<sup>1</sup> See *Transcript of Authority Conference on Aug. 7, 2006*, TRA Docket No. 03-00209, at 15 (emphasis added). Before voting Director Miller clarified that "nothing in . . . [the] rulemaking proceeding will alter the action of the original panel in this docket [03-00209]." *Id.* at 16-17. This refers to the Authority's decision in Docket 03-00209 in which the Authority decided the underlying issue that the gas companies could recover the gas costs portion of uncollectible accounts through the PGA mechanism. See *Order Denying Consumer Advocate's Motion for Summary Judgment, Granting, in Part, and Denying, in Part, Petitioners' Motion for Summary Judgment, Denying Petition for a Declaratory Ruling and Modifying Refund Adjustment Formula*, TRA Docket No. 03-00209, (Feb. 9, 2005), p. 9.

Company, Inc., and Atmos Energy Corp. ("the Companies") are filing these joint comments in response to the proposed rulemaking.

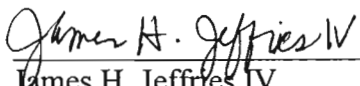
The Companies have reviewed the proposed rule amendments and new rule and support the procedures for the recovery of the uncollected gas costs in their current form as proposed by the Authority.<sup>2</sup> The Companies appreciate the opportunity to have worked with the Staff over the past several years to develop clear procedures that can be efficiently implemented by the Companies and the Staff, and the Companies welcome the continuing opportunity to work with the Staff to further implement these procedures.

Respectfully submitted,

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<sup>2</sup> The Companies incorporate by reference herein their filings in Docket 03-00209 which support their position and the decision by the Authority regarding the underlying issue that the PGA mechanism permits full recovery of the gas cost portion of uncollectible accounts as well as the procedures that have been developed to implement the recovery.

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing has been served on the following this 22nd day of March, 2007, via U.S. mail.

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