

**IN THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**IN RE: TARIFF FILING TO MODIFY            )  
AND ADD LANGUAGE REGARDING            )   TRA Docket No. 07-00020  
TRANSPORTATION SERVICE                )**

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**ATMOS INTERVENTION GROUP'S SUPPLEMENTAL RESPONSE TO ATMOS  
ENERGY CORPORATION'S FIRST ROUND OF DISCOVERY**


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Atmos Intervention Group ("AIG") hereby submits the following supplemental response to the First Set of Discovery Requests from Atmos Energy Corporation (the "Company") propounded upon all parties filed in this docket. AIG filed its original responses on November 27, 2007.

In response to Question 7, AIG supplements its answer with the attached copy "AIG Draft Recommended Tariff Changes."

Respectfully submitted,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:   
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**CERTIFICATE OF SERVICE**

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

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on this the 29<sup>th</sup> day of November 2007.

  
Henry Walker

**EXHIBIT TO QUESTION 7**

**TRANSPORTATION SERVICE**

**Rate Schedule 260: All Service Areas**

**A. Availability**

This rate schedule provides for the transportation of gas received by the Company from the Connecting Pipeline Company for the Customer's account to that Customer's facilities. Service under this rate schedule is available to commercial and industrial customers using 25,000 Ccf or more per year. This rate schedule is offered as a companion to the customers existing rate schedule.

**B. Definitions**

For purposes hereof:

- i. "Connecting Pipeline Company" means a pipeline supplier to the Company whose facilities in the sole judgement of the Company can be utilized to transport gas to the Company's for delivery by the Company to the Customer under this rate schedule.
- ii. "Transportation Imbalance" occurs when more gas is received by the Company from the connecting Pipeline Company for the Customer's account than is delivered to that customer's facilities for the month.
- iii. "PGA Rider means the Company's Purchased Gas Adjustment Rider, as amended and approved by the Tennessee Regulatory Authority from time to time.
- iv. "Maximum Daily Quantity" (MDQ) means the maximum daily volume of gas, as determined by the Company based on the Customer's historical metered volumes, that a Customer under this Rate Schedule will be allowed to nominate and have delivered into the Company's system for the Customer's account.
- v. "Operational Flow Order" (OFO) is any order from the Company that requires the Company to require transportation customers to hold to their allocated volumes and requires the Company to curtail interruptible supply served under the Company's 250 Rate Schedule. An OFO is usually caused by a similar order issued by the interconnecting pipeline or local supply restriction whereby an order is required to maintain the integrity of the system.

**C. Terms and Provisions of Service Under this Rate Schedule**

- i. Except as expressly modified by the provisions of this rate schedule, all of the terms, provisions, and conditions of the rate schedule (as made effective by the Tennessee Regulatory Authority from time to time) applicable to Customers shall also apply to service by the Company to Customer under this rate schedule.
- ii. The Customer must notify the company on Company's standard form of the quantity of gas to be received by the Company from the Connecting Pipeline Company for the Customer's account during the billing month and the daily rate of delivery. This nomination must be received by the Company by the nomination deadline of the Connecting Pipeline Company for both first of the month nominations and mid-month changes. The quantity of gas received by the Company from the Connecting Pipeline Company for the Customer's account shall be based on the transportation nomination for that month. Adjustments will be made if the Connecting Pipeline Company's allocated volumes vary from the nominated volume. Daily nominations shall not exceed the customer's Maximum Daily Quantity (MDQ).

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- iii. The Customer is responsible for making all arrangements for transporting the gas from its source of supply to the Company's interconnection with the Connecting Pipeline Company unless other arrangements have been made between the Customer and the Company.
- iv. The Customer shall warrant that they have good and legal title to all gas which Customer causes to be delivered into the Company's facilities and Customer shall hold the Company harmless from any loss or claim in regard to the same.
- v. The Company shall have the obligation to balance receipts of transportation gas by the Company at the Company's applicable Receipt Point(s) with deliveries of such gas by the Company to the Customer's Point of Delivery plus retention amounts pursuant to item (vi) below. Cash outs for Positive and Negative imbalances will be levied as described below.
  - a. Imbalance equals the volume of gas received by the Company from the Connecting Pipeline Company for the Customer's account minus the volume of gas delivered to the Customer's Point of Delivery.
  - b. Imbalance percentage equals the difference of the volume of gas received by the Company from the Connecting Pipeline Company for the Customer's account minus the volume of gas delivered to the Customer's Point of Delivery divided by the volume of gas received by the Company from the Connecting Pipeline Company for the Customer's account.
  - c. Cash out of Monthly Imbalances
    - 1. If the volume of gas delivered to the Customer's point of delivery is greater than the volume of gas received by the Company from the Connecting Pipeline Company for the Customer's account (negative imbalance), the Company will sell the difference in gas volumes to the Customer based on the highest index price for the respective Connecting Pipeline Company for any week beginning in the calendar month as published in Natural Gas Week, plus applicable pipeline fuel and transportation charge. If the volume of gas delivered to the Customer's point of delivery is less than the volume of gas received by the Company from the Connecting Pipeline Company for the Customer's account (positive imbalance), the Company will buy the difference in gas volumes from the Customer based on a price equal to the lowest index price for the respective Connecting Pipeline Company for any week beginning in the calendar month as published in Natural Gas Week, plus applicable pipeline fuel and transportation charges.
    - 2. The monthly cash out bill will be based on the accumulated sum of the results of the formulas listed below such that and until the total monthly imbalance is fully accounted for:

**Cash Out Price**

| <u>% of Imbalance</u> | <u>For Positive Imbalances</u> | <u>For Negative Imbalances</u> |
|-----------------------|--------------------------------|--------------------------------|
| 0% up to 5%           | 100%                           | 100%                           |
| 5% up to 10%          | 85%                            | 115%                           |
| 10% up to 15%         | 70%                            | 130%                           |
| 15% up to 20%         | 60%                            | 140%                           |
| 20% and over          | 50%                            | 150%                           |

- d. Operational Flow Orders (OFO)

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1. Company will have the right to issue an Operational Flow Order that will require actions by the Customer to alleviate conditions that, in the sole judgement of the Company, jeopardize the operational integrity of Company's system required to maintain system reliability. Customer shall be responsible for complying with the directives set forth in the OFO.
2. Upon issuance of an OFO, the Company will direct Customer to comply with one of the following conditions:
  - a. Customer must take delivery of an amount of natural gas from the Company that is no more than the daily amount being received by the Company from the Connecting Pipeline Company for the Customer's account. All volumes delivered to the Customer in excess of the volumes received by the Company from the Connecting Pipeline Company for the Customer's account, that are in violation of the above condition, with the exception of a 5% daily tolerance, shall constitute an unauthorized overrun by Customer on the Company's system. Customer shall be charged a penalty of \$5.00 per dth, plus the Gas Daily Index price for the respective Connecting Pipeline Company for such unauthorized overruns during the OFO, or
  - b. Customer must take delivery of an amount of natural gas from the Company that is no less than the daily amount received by the Company from the Connecting Pipeline Company for the Customer's account. All volumes delivered to the Customer which are less than volumes received by the Company from the Connecting Pipeline Company for the Customer's account, that are in violation of the above condition, with the exception of a 5% daily tolerance, shall constitute an unauthorized delivery by Customer to Company, Customer shall be charged a penalty of \$5.00 per dth for such unauthorized deliveries to Company's system.
  - c. Company may increase the penalty for an unauthorized overrun (a) or unauthorized delivery (b) up to the penalty levied by the Connecting Pipeline Company if Customer by failing to comply with the OFO caused the Company to incur a higher penalty than the one specified in section a. and b.
  - d. Company will waive associated penalties for unauthorized overrun (a), if Company elects to continue to provide interruptible sales under Rate Schedule 250 during the OFO period, and Company does not incur a penalty from the Connecting Pipeline Company. Company will waive penalties for unauthorized delivery, (b), if Company does not incur penalty from Connecting Pipeline Company.
3. Any penalties charged due to unauthorized overruns or deliveries during an OFO will be in addition to any cash out charges described in Subsection C (2) above.
  - a. Customer's agents shall be allowed to aggregate their customer's usages for the purposes of balancing, pursuant to the Pooling Service in Section E.

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- vii If the rendition of service to Customer under this rate schedule causes the Company to incur additional charges from the Connecting Pipeline Company, Customer shall reimburse Company for such charges.
- viii All volumes transported under the terms of this rate schedule shall be included in the Purchased Gas Adjustment computations and included in the sales volumes of the Purchased Gas Adjustment computations.
- ix The Customers served under this Rate Schedule shall be required to pay for the cost of, installation of, replacement of, and maintenance of measurement data collection and verification equipment, including applicable income taxes. Customers shall also be required to pay the cost of installation, maintenance and any monthly usage charges associated with dedicated telephone, power or any utilities or energy sources required for the operation of the data collection and verification equipment, including applicable income taxes. Customer shall also be required to provide adequate space in new or existing facilities for the installation of the data collection equipment.
- x. Once a customer elects and has qualified for service under this rate schedule, all services will be provided under the terms and conditions of this rate schedule for a term of no less than 12 months. At any time following the first six months of service under this rate schedule, service may be terminated by either party following at least six months of written notice to the other party. After termination of this service, Customer may not re-elect for transportation service for a period of no less than 12 months after termination.

D. Rate

Customer Charge

A monthly customer charge of \$3.10 per meter is payable regardless of the usage of gas.

Monthly Demand Charge

The Customers eligible to receive service under the companion Rate Schedule 240 shall be billed the applicable Monthly Demand Charge.

Monthly Rate

The Customer shall be billed for the quantity of gas delivered under this rate schedule at the monthly rate of the companion rate schedule, plus any applicable taxes or fees.

Minimum Bill

The minimum monthly bill shall be the Customer Charge plus the Monthly Demand Charge, if any, as describe above.

E. Pooling Service

- i. For the purpose of this section, a Pool Manager is defined as an entity which has been appointed by a customer or group of customers served under this rate schedule to perform the functions and responsibilities of requesting information, nominating supply, and other related duties. The Pool Manager shall have all of the rights under this Transportation Service as does a Customer transporting gas supply directly under this Transportation Service.
- ii The Pool Manager will be responsible for arranging for volumes of transportation gas to meet the daily and monthly requirements of customers in the pool. The cash out provisions and daily scheduling provisions of Subsection Cv shall be applied against the aggregate volume of all customers in a specific pool. The Pool Manager will be responsible for the payment of any monthly cash out payments, scheduling fees and any penalties incurred by a specific pool as a result of monthly, daily, or hourly imbalances.