

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

IN RE:	January 11, 2008)	
)	
ATMOS ENERGY CORPORATION'S TARIFF)	DOCKET NO.
FILING TO MODIFY AND ADD LANGUAGE)	07-00020
REGARDING TRANSPORTATION SERVICE)	
(TARIFF NO. 2007-0021))	

**ORDER ACCEPTING HEARING OFFICER'S RECOMMENDATION,
DENYING MOTION TO CONSOLIDATE AND APPOINTING HEARING OFFICER TO
HEAR CASE ON THE MERITS**

This matter came before Chairman Eddie Roberson, Director Sara Kyle and Director Ron Jones of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on July 9, 2007 for consideration of the *Recommendation of the Hearing Officer Regarding Convening a Contested Case Proceeding* ("Recommendation") filed on July 3, 2007 and the *Motion to Consolidate* ("Motion") filed by the Consumer Advocate and Protection Division of the Office of the Attorney General ("Consumer Advocate") on June 26, 2007.

BACKGROUND

The Authority has before it at this time three separate dockets initiated by Atmos Energy Corporation ("Atmos" or the "Company"). The filings by Atmos in each docket were made separate and independent of one another on different dates. The instant case was opened on January 10, 2007 with the filing of proposed tariff changes to the Company's Transportation Service Schedule 260. Docket No. 07-00081 was opened on March 29, 2007 upon the filing of a petition by Atmos seeking approval of a tariff which would establish an environmental cost

recovery rider.¹ On May 4, 2007, Docket No. 07-00105 was opened when Atmos filed a petition to increase rates and charges for natural gas services in the amount of \$11 million dollars.²

The Consumer Advocate's *Motion* requested that the Authority consolidate the three pending dockets. The Consumer Advocate argued that the issues are essentially the same as they involve general ratemaking and rate design issues.

At the March 26, 2007 Authority Conference, the Authority appointed a Hearing Officer to make recommendations regarding whether a contested case should be convened in the instant case. On July 3, 2007, the Hearing Officer submitted her *Recommendation* which advocated that a contested case proceeding be convened because, among other things, the parties seeking intervention have raised disputed factual issues, and the changes to the transportation tariff may impact the legal interests of interested parties.

On July 6, 2007, Atmos filed its *Opposition to Motion to Consolidate* for consideration by the Authority. Atmos argued that consolidating the dockets would result in a confusion of issues and proof. Also on that date, Atmos Intervention Group filed a letter notifying the Authority that it joins in the motion of the Consumer Advocate in support of consolidation of the dockets.

Also on July 6, 2007, SouthStar Energy Services LLC ("SouthStar"), an entity seeking intervention in this docket, filed a memorandum in opposition to the Consumer Advocate's *Motion*. SouthStar stated that the issues in the dockets are "separate and distinct" and that SouthStar has not sought intervention in Docket Nos. 07-00081 and 07-00105 because the issues in those dockets are not within the scope of SouthStar's interests.

FINDINGS AND CONCLUSIONS

At the regularly scheduled Authority Conference held on July 9, 2007, the panel considered the *Recommendation*, the *Motion* and the responses to the *Motion*.

¹ See *In re: Petition of Atmos Energy Corporation for Approval of Tariff Establishing Environmental Cost Recovery Rider*, Docket No. 07-00081.


² See *In re: Petition of Atmos Energy Corporation for Approval of a General Rate Increase*, Docket No. 07-00105.

As to the *Motion*, the panel found that consolidation would hamper efficiency, would not promote judicial economy or administrative economy and could lead to delays. The panel further found that the parties were near the end of discovery in Docket No. 07-00105 and that the other two dockets which the Consumer Advocate seeks to consolidate were in varying stages of pre-hearing preparation. Additionally, the panel found that there were different attorneys representing different parties in each of the dockets, and the issues were not all overlapping. The panel agreed with the Hearing Officer's findings and adopted the recommendation to convene a contested case and re-suspend the tariff until October 1, 2007.

Based upon these findings, the panel voted unanimously to deny the *Motion*, accept the *Recommendation*, re-suspend the tariff until October 1, 2007 and appoint Director Ron Jones as Hearing Officer to hear the case on the merits.

IT IS THEREFORE ORDERED THAT:

1. The *Recommendation of the Hearing Officer Regarding Convening a Contested Case Proceeding* is accepted and thereby:
 - a. a contested case is hereby convened and
 - b. the tariff is re-suspended until October 1, 2007.
2. The *Motion to Consolidate* filed by the Consumer Advocate and Protection Division of the Office of the Attorney General is denied.
3. Director Ron Jones is appointed as the Hearing Officer to hear this case on the merits.


Eddie Roberson, Chairman


Sara Kyle, Director


Ron Jones, Director