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January 31, 2007

Chairman Sara Kyle
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37214

Attention: Ms. Sharla Dillon
Dockets Manager

RE: Atmos' Response to Staff Data Requests Pertaining to the Company's Tariff Filing
to Modify and Add Language Regarding Transportation Service, Docket No. 07-00020
(Tariff No. 2007-0021)

Dear Chairman Kyle:

Atmos respectfully submits its responses to Staff data requests issued on January 26,
2007 concerning the above referenced tariff. Please find attached an original and thirteen
(13) copies.

Sincerely,

A handwritten signature in black ink, appearing to read "Josh Stull", written over a horizontal line.

Josh Stull
Rate Analyst

Cc: Darlene Standley
Pat Murphy
Mike Warner

Staff Data Requests submitted January 26th concerning Docket No. 07-00020 (Tariff No. 2007-0021:

- 1. Does the expanded language found in the Imbalance provision section of the tariff on 2nd Revised Sheets No. 22 and 23 result in increased rates to customers over the applicable rates in the current tariff? If so, please estimate the additional annual revenue generated by the provisions of the proposed tariff.**

Company Response:

No, customers are already cashed out at the balancing provisions of the respective Connecting Pipeline Company or the closest Connecting Pipeline Company. These current Pipeline balancing provisions are tiered rates based on the lowest or highest index price for that Pipeline. The new language merely clarifies in the tariff what these balancing provisions are. Any dollars collected through the imbalance provisions go back to our customers as a credit to gas costs.

- 2. Under the provisions of the Operational Flow Order, customers will be charged a penalty of \$25.00 per Dth for unauthorized overruns or unauthorized deliveries to the Company in violation of the Company's order. Does Atmos incur any costs in connection with these violations of its Operational Flow Order? If so, please estimate the annual cost to the Company.**

Company Response:

The penalty is designed to discourage customers from not obeying the parameters of the Operational Flow Order (OFO). If customers do not obey the terms of an OFO, the Company could be subject to penalties from the pipelines.

- 3. Please estimate the annual revenue generated from assessed penalties relating to Operational Flow Orders.**

Company Response:

Atmos hopes there will be no annual revenue from penalties to Operational Flow Orders. Customers will be notified of all OFO periods and will have an opportunity to change their nominations (deliveries) or usage patterns in order to stay within the 5% daily tolerance. In addition, Atmos is offering a Pooling Service which should help minimize OFO penalties for customer in a given pool. Any dollars collected through the OFO penalties go back to our customers as a credit to gas costs.