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April 2, 2007

VIA HAND DELIVERY

Chairman Sara Kyle
c/o Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

***Re: Tariff Filing to Modify and Add Language Regarding Transportation
Service; Docket No. 07-00020***

Dear Chairman Kyle:

Enclosed please find the original and 15 copies of Southstar Energy Services LLC
d/b/a Georgia Natural Gas Complaint for filing today.

Please return two copies of the Complaint, which I would appreciate your
stamping as "filed," and returning to me by way of our courier.

Should you have any questions with respect to this filing, please do not hesitate to
contact me at the telephone number listed above.

Very truly yours,



R. Dale Grimes

RDG/ms

Enclosures

cc: Robert B. Remar, Esq.

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

IN RE:

ATMOS ENERGY CORPORATION)	
TARIFF FILING TO MODIFY AND)	
ADD LANGUAGE REGARDING)	Docket No. 07-00020
TRANSPORTATION SERVICE)	
(TARIFF NO. 2007-0021))	

**COMPLAINT OF PROPOSED INTERVENOR SOUTHSTAR ENERGY
SERVICES LLC d/b/a GEORGIA NATURAL GAS**

Pursuant to Rules 1220-1-2-.02 and 1220-1-2-.09 of the Rules of the Tennessee Regulatory Authority and the Tennessee Guidelines for United Cities Gas Company's Affiliate Transactions, Proposed Intervenor SouthStar Energy Services LLC d/b/a Georgia Natural Gas ("SouthStar"), by and through counsel, respectfully alleges as follows:

PARTIES

1. Atmos Energy Corporation is incorporated under the laws of Texas and maintains a place of business at 810 Crescent Centre Drive, Suite 600, Franklin, Tennessee 37067.

2. SouthStar is organized under the laws of Delaware and maintains its principal place of business at 817 W. Peachtree Street N.W., Suite 1000, Atlanta, Georgia 30308.

JURISDICTION

3. The Authority has jurisdiction over this matter pursuant to Tenn. Code Ann. § 65-4-104 and § 65-4-117, which vest the Authority with general jurisdiction over

all public utilities in Tennessee, including jurisdiction to accept complaints, conduct investigations and hearings, and provide appropriate relief.

NATURE OF SOUTHSTAR'S INTEREST

4. SouthStar transports natural gas to a number of customers in Tennessee by way of the facilities operated by Atmos Energy. In marketing and selling natural gas to Tennessee customers, SouthStar competes with a number of entities, including Atmos Energy's affiliate, Atmos Energy Marketing, LLC.

5. SouthStar provides services to customers pursuant to the Transportation Service Tariff that is the subject of this proceeding. Atmos Energy's proposed changes to the tariff will adversely affect the terms and conditions under which SouthStar and other non-affiliated pool managers utilize gas transportation services because the revised tariff will result in a rate increase to SouthStar's and other non-affiliated pool managers' customers without cost justification.

6. The proposed changes will also result in unfair rate discrimination by Atmos Energy between its affiliate, Atmos Energy Marketing, and SouthStar in violation of Tennessee statute and the Tennessee Guidelines for United Cities Gas Company's Affiliate Transactions. This rate discrimination would affect both SouthStar and other non-affiliated pool managers (in their ability to compete with Atmos Energy Marketing whose customers would be subject to lower rates) and SouthStar's and other non-affiliated pool managers' customers (in the form of higher, discriminatory rates).

FACTUAL BACKGROUND

7. On January 10, 2007, Atmos Energy filed with the Authority proposed revisions to its Transportation Service Tariff. This tariff governs the rates and terms by

which SouthStar and other pool managers transport natural gas to their customers by means of Atmos Energy's facilities.

8. The proposed revisions require the customer or its pool manager to notify Atmos Energy of the quantity of gas, as well as the daily rate of delivery, to be received for the customer's account during each month. SouthStar and other gas marketers purchase the gas that is transported through Atmos Energy's facilities, subject to the Transportation Service Tariff, for delivery to the customer's facilities

9. The revised tariff seeks to impose a daily "scheduling" or "balancing" fee for any imbalance greater than 10% between the customer's nominated amount and the actual amount delivered to the customer's receipt point during each day. For agents representing multiple customers, customer usage may be pooled, and the daily balancing fee will be applied to the aggregated volumes in the pool.

10. Upon information and belief, Atmos Energy incurs no "daily balancing" penalty or fee from the natural gas pipelines that provide service to Atmos, even though its proposed tariff seeks to impose such a fee on consumers. There is thus no cost basis for the proposed daily balancing fees. Based on historical data compiled by SouthStar, even taking into account the ability to pool customer usage, SouthStar's customers may incur significant rate increases if the Authority permits daily balancing fees to be included in the tariff.

11. The revised tariff proposes a monthly "cash out" of imbalances between the customer's nominated amount of gas and the volume of gas actually delivered. If the volume of gas actually delivered to the customer each month is greater than the nominated amount (a negative imbalance), the revised tariff authorizes Atmos Energy to

sell the difference in volume at a premium to the average index price for such gas. If the volume of gas delivered to the customer each month is less than the nominated amount (a positive imbalance), the revised tariff authorizes Atmos Energy to buy from the customer the difference in volume at a premium to the average index price for such gas.

12. The monthly cash out is based on a set of formulas set forth in the proposed revisions to the tariff. Based on historical data, SouthStar's customers may incur significant rate increases if the Authority permits the monthly cash out provisions to be included in the tariff.

13. The revised tariff also proposes that Atmos Energy be allowed to issue Operational Flow Orders ("OFO") to alleviate conditions that, in the sole judgment of Atmos Energy, jeopardize the operational integrity of the company's system. The proposed tariff provides for penalties of \$25 per dekatherm for unauthorized overruns during the OFO. SouthStar is unaware of any cost justification for the \$25 per dekatherm penalty. Based on historical data, SouthStar's customers may incur significant rate increases if the Authority permits the proposed OFO penalties to be included in the tariff.

14. Atmos Energy's affiliate, Atmos Energy Marketing, which competes with SouthStar and other pool managers in Tennessee, provides services pursuant to a reallocation of volumes. This means that at the conclusion of each month, Atmos Energy Marketing matches up and reconciles deliveries with actual customer usage. Accordingly, Atmos Energy Marketing and their customers will essentially be exempt from the daily balancing fees, monthly cash out fees, and potential OFO penalties to which SouthStar and its customers will be subjected.

15. The proposed daily balancing fee constitutes a rate increase without cost justification in violation of Tennessee statutes.

16. In addition, as a result of the daily balancing fee, monthly cash outs, and OFO penalties contained in the proposed tariff, SouthStar and other gas marketing entities (other than Atmos Energy's affiliate, Atmos Energy Marketing), as well as their customers, will be subjected to rate discrimination that will confer an unfair competitive advantage on Atmos Energy's affiliate.

17. The proposed tariff would unfairly discriminate in rates among the same class of customers. This rate discrimination will affect Tennessee consumers, through discriminatory pricing, and SouthStar and other unaffiliated pool managers, through the unfair and anticompetitive advantage conferred upon Atmos Energy's affiliate.

COUNT I – VIOLATION OF TENN. CODE ANN. § 65-4-115

18. Paragraphs 1 through 17 of the Complaint are incorporated herein by this reference.

19. The proposed tariff violates Tenn. Code Ann. § 65-4-115, which provides that “[n]o public utility shall adopt, maintain, or enforce any regulation, practice, or measurement which is unjust, unreasonable, unduly preferential or discriminatory.”

20. The daily balancing fee and OFO penalties proposed in the tariff, which upon information and belief do not offset daily costs incurred by Atmos Energy, are rate increases without cost justification that are unjust and unreasonable under the provisions of the statute.

21. The proposed daily balancing fee, monthly cash outs, and OFO penalties constitute unduly preferential or discriminatory rates under the provisions of the statute.

COUNT II – VIOLATION OF TENN. CODE ANN. § 65-4-122

22. Paragraphs 1 through 17 of the Complaint are incorporated herein by this reference.

23. The proposed tariff violates Tenn. Code Ann. § 65-4-122(a), which prohibits any public service company, directly or indirectly, from “charg[ing], demand[ing], collect[ing], or receiv[ing] from any person a greater or less compensation for any service within this state than it charges, demands, collects or receives from any other person for service of a like kind under substantially like circumstances and conditions.”

24. The proposed tariff also violates subsection (c) of Tenn. Code Ann. § 65-4-122, which makes it unlawful “for any such corporation to make or give an undue or unreasonable preference or advantage to any particular person or locality, or any particular description of traffic or service, or to subject any particular person, company, firm, corporation, or locality, or any particular description of traffic or service to any undue or unreasonable prejudice or disadvantage.”

25. The daily balancing fee and OFO penalties proposed in the tariff, which upon information and belief do not offset costs incurred by Atmos Energy, are rate increases without cost justification that give “an undue or unreasonable preference or advantage” to its affiliate, Atmos Energy Marketing, and subjects SouthStar and others to an “undue or unreasonable prejudice or disadvantage.”

26. The proposed daily balancing fee, monthly cash outs, and OFO penalties constitute illegal rate discrimination in violation of Tenn. Code Ann. § 65-4-122(a) and give “an undue or unreasonable preference or advantage” to Atmos Energy’s affiliate,

Atmos Energy Marketing, and subjects SouthStar and others to an “undue or unreasonable prejudice or disadvantage.”

COUNT III – VIOLATION OF TENN. CODE ANN. § 65-5-104

27. Paragraphs 1 through 17 of the Complaint are incorporated herein by this reference.

28. The proposed tariff violates Tenn. Code Ann. § 65-5-104(a)(1), which provides that no public utility shall “make, impose, or exact any unreasonable, unjustly discriminatory or unduly preferential individual or joint rate, or special rate, toll, fare, charge, or schedule for any product, or service supplied or rendered by it within this state.”

29. The daily balancing fee and OFO penalties proposed in the tariff, which upon information and belief do not offset costs incurred by Atmos Energy, are rate increases without cost justification that are unreasonable under the provisions of the statute.

30. The proposed daily balancing fee, monthly cash outs, and OFO penalties constitute illegal rate discrimination under the provisions of the statute.

COUNT IV – VIOLATION OF GUIDELINES FOR AFFILIATE TRANSACTIONS

31. Paragraphs 1 through 17 of the Complaint are incorporated herein by this reference.

32. The proposed tariff violates the Tennessee Guidelines for United Cities Gas Company’s Affiliate Transactions. “United Cities” is the name under which Atmos Energy conducts transportation services and other functions in Tennessee.

33. The proposed daily balancing fee, monthly cash outs, and OFO penalties violate Section 2 of the Guidelines' Standards of Conduct, which provides that "[t]he Company [Atmos Energy] must strictly enforce a tariff provision for which there is no discretion in the application of the provision."

PRAYER FOR RELIEF

WHEREFORE, SouthStar prays that the Authority:

1. Reject Atmos Energy's proposed revisions to the Transportation Service Tariff or, alternatively, require the deletion or modification of the daily balancing fee, monthly cash out, and OFO penalty provisions;
2. Grant such other and further relief to SouthStar as the Authority deems fair and equitable.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served via e-mail and hand-delivery on this the 2nd day of April, 2007, upon the following:

Henry M. Walker, Esq.
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