

R. DALE GRIMES
TEL: (615) 742-6244
FAX: (615) 742-2744
dgrimes@bassberry.com

BASS, BERRY & SIMS PLC
A PROFESSIONAL LIMITED LIABILITY CORPORATION
ATTORNEYS AT LAW

AMSOUTH CENTER
315 DEADERICK STREET, SUITE 2700
NASHVILLE, TN 37238-3001
(615) 742-6200

www.bassberry.com

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July 6, 2007

VIA HAND DELIVERY

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

***Re: Atmos Energy Corporation's Tariff Filing to Modify and Add Language
Regarding Transportation Service (Tariff No. 2007-0021);
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' Memorandum in Opposition to the Consumer Advocate and Protection Division's Motion to Consolidate Dockets for filing today.

Please return two copies of the Memorandum, 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.
Shilina Chatterjee, Esq.

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

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

**SOUTHSTAR ENERGY LLC d/b/a GEORGIA NATURAL GAS’
MEMORANDUM IN OPPOSITION TO THE CONSUMER ADVOCATE AND
PROTECTION DIVISION’S MOTION TO CONSOLIDATE DOCKETS**

On June 26, 2007, the Consumer Advocate and Protection Division (the “Consumer Advocate”) filed a Motion to Consolidate the above-captioned docket with Docket Numbers 07-00081 and 07-00105. The Consumer Advocate contends that this docket, involving proposed modifications to Atmos Energy’s transportation service, Docket No. 07-00081, requesting establishment of an environmental cost recovery rider, and Docket No. 07-00105, a general ratemaking proceeding, involve common issues of ratemaking and rate design that should be considered in one consolidated proceeding. Intervenor SouthStar Energy Services LLC d/b/a Georgia Natural Gas (“SouthStar”) submits this memorandum in opposition to the Motion to Consolidate because the issues in the proposed transportation service tariff are separate from the general ratemaking proceeding and because this proceeding lags behind the ratemaking proceeding in its procedural posture.

This docket should not be consolidated with the general ratemaking and environmental cost recovery proceedings because the issues in each are separate and distinct. This proceeding concerns only the provision of transportation service, not environmental cost recovery or the diverse considerations at issue in a rate case. Proposed tariffs generally implicate a public utility’s overall “rate design,” but that does not counsel in favor of treating them as ratemaking proceedings. Atmos Energy has forcefully alleged that the proposed transportation service tariff

“will not result in additional revenue for Atmos.” Atmos Energy Corp.’s Response to Complaint of SouthStar Energy Services (filed Apr. 9, 2007), at ¶ 4 (emphasis in original). This proceeding will test Atmos Energy’s claim that the tariff is revenue neutral and fair in its treatment of customers. Those issues can be addressed separately from the ratemaking proceeding and do not require inquiry onto Atmos Energy’s overall rate design in order to resolve them.

The Motion to Consolidate should also be denied because the general ratemaking proceeding is at a more advanced procedural stage than this tariff proceeding. In the ratemaking proceeding, Docket No. 07-00105, the parties and intervenors have entered a protective order, exchanged discovery requests, and considered and resolved discovery disputes. See Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule (entered July 2, 2007). Although discovery on transportation service issues has been deferred pending resolution of the Motion to Consolidate, it appears that discovery on more general issues, which may be relevant to SouthStar’s claims in this proceeding, has already gone forward. Because SouthStar should be allowed to participate in discovery relevant to its claims to the full extent allowed under the Authority’s rules, the Motion to Consolidate should be denied.

In the alternative, in the event that the Authority grants the motion to consolidate, SouthStar respectfully requests that the Authority consider two important factors in conducting a consolidated proceeding. First, as the Consumer Advocate’s motion properly recognizes, SouthStar has not intervened in the other two dockets because they generally involve issues beyond the purview of SouthStar’s interests. See Motion to Consolidate Dockets (filed June 26, 2007), at ¶ 5. Because SouthStar’s interests pertain to the proposed modifications to Atmos

Energy's transportation service, the consolidated proceeding should be structured to allow SouthStar to pursue this interest without being required to participate fully in all aspects of the environmental cost recovery and general ratemaking proceedings. To the extent possible, SouthStar requests that the Authority structure scheduling, discovery, hearing, and argument in a manner that limits SouthStar's obligations to participate in proceedings that lie outside its interests in transportation service.

Second, with respect to the Consumer Advocate's suggestion that the consolidated docket adopt the procedural schedule established in Docket No. 07-00105, SouthStar notes that Docket No. 07-00105 has advanced well beyond the proceedings conducted in this docket. If the consolidated docket adopts the procedural schedule in Docket No. 07-00105, SouthStar should be allowed to benefit from the proceedings already conducted, including participation in the Protective Order to the same extent as the Consumer Advocate and the Atmos Intervention Group and access to discovery already conducted by the parties. The procedural schedule should also allow SouthStar sufficient time, as a new party to the proceedings, to participate fully in the discovery and pre-hearing process and to be heard on issues that pertain to SouthStar's interest in transportation service that may have been considered by the parties and Hearing Officer prior to consolidation.

CONCLUSION

The Authority should deny the Motion to Consolidate because this tariff proceeding raises separate and discrete issues from the general ratemaking and environmental cost recovery proceedings. This proceeding also lags behind the ratemaking proceeding in its procedural posture. In the alternative, if the Authority grants the Consumer Advocate's motion and

consolidates these dockets, SouthStar asks that the Authority take into account the foregoing considerations as part of a consolidated proceeding.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "R. Dale Grimes", written over a horizontal line.

R. Dale Grimes (#6223)
David R. Esquivel (#21459)
BASS, BERRY & SIMS PLC
315 Deaderick Street, Suite 2700
Nashville, TN 37238-3001
(615) 742-6200

*Counsel for Petitioner
SouthStar Energy Services LLC d/b/a
Georgia Natural Gas*

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served via the method(s) indicated, on this the 6th day of July, 2007, upon the following:

<input type="checkbox"/> Hand	Henry M. Walker, Esq.
<input checked="" type="checkbox"/> Mail	Boult, Cummings, Conners & Berry, PLC
<input type="checkbox"/> Facsimile	1600 Division Street, Suite 700
<input type="checkbox"/> Overnight	Nashville, TN 37203
<input checked="" type="checkbox"/> Email	
<input type="checkbox"/> Hand	William T. Ramsey, Esq.
<input checked="" type="checkbox"/> Mail	Neal & Harwell, PLC
<input type="checkbox"/> Facsimile	One Nashville Place, Suite 2000
<input type="checkbox"/> Overnight	150 4th Avenue North
<input checked="" type="checkbox"/> Email	Nashville, TN 37219-2498
<input type="checkbox"/> Hand	Misty Smith Kelley, Esq.
<input checked="" type="checkbox"/> Mail	Baker, Donelson, Bearman, Caldwell, & Berkowitz, PC
<input type="checkbox"/> Facsimile	1800 Republic Centre
<input type="checkbox"/> Overnight	633 Chestnut Street
<input checked="" type="checkbox"/> Email	Chattanooga, Tennessee 37450
<input type="checkbox"/> Hand	Vance L. Broemel, Esq.
<input checked="" type="checkbox"/> Mail	Joe Shirley, Esq.
<input type="checkbox"/> Facsimile	Office of the Attorney General
<input type="checkbox"/> Overnight	Consumer Advocate and Protection Division
<input checked="" type="checkbox"/> Email	P. O. Box 20207
	Nashville, TN 37202


