

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

IN RE:)
)
PETITION OF ATMOS ENERGY) **DOCKET NO. 07-00081**
CORPORATION FOR APPROVAL)
OF TARIFF ESTABLISHING)
ENVIRONMENTAL COST RECOVERY)
RIDER)

**MOTION TO APPROVE REVISED
ENVIRONMENTAL COST RECOVERY TARIFF**

Atmos Energy respectfully moves for approval of a revised Environmental Cost Recovery Rider (ECRR) Tariff. This Motion is filed pursuant to TRA Rule 1220-4-1-106 and the December 10, 2007 Order Approving Settlement in this docket. The proposed Revised Tariff is attached as Exhibit GKW-5 to the testimony of Gregory K. Waller, filed herewith.

In its Order Approving Settlement (entered December 10, 2007), the Authority approved the Company's ECRR Tariff. The Order contemplated the future revision of this Tariff for two reasons. First, \$350,000 of costs to be recovered under the Tariff were estimated costs, as the Johnson City environmental remediation had not yet been completed. As a result, Paragraph 4 of the Order Approving Settlement called for Atmos to submit a revised Tariff once the project was completed, adjusting the environmental cost recovery factor upward or downward to reflect actual costs.

Second, the Order Approving Settlement provides that, in accordance with Paragraph 12 of the Settlement Agreement, beginning 48 months after implementation of the ECRR (i.e. beginning November 1, 2011), Atmos will impose a balancing adjustment to bring actual

recovery into line with authorized recovery. The Order directs Atmos to file a Revised Tariff with supporting documentation showing the calculation of the balancing adjustment.

The Johnson City site cleanup has now been completed. Actual costs exceeded the \$350,000 estimate for a number of reasons including the discovery of coal tar vaults on the site. These changes are explained more fully in the testimony of Gregory K. Waller.

Under the terms of the Order, Atmos would be authorized to adjust the ECR factor upward to recover these additional costs within the original 48-month period of the ECRR Tariff. However, this would require a near doubling of the ECR factor from the \$0.0021 per CCF currently being recovered to \$0.0038 per CCF. Rather than make such a large increase in the ECR factor, Atmos proposes to extend the recovery period by one year. Atmos would make the Johnson City site adjustment proscribed in Paragraph 4 of the Order Approving Settlement by calculating an ECR factor to recover the remaining adjusted balance through October 31, 2012, or 60 months following the initial implementation of the ECR Tariff. At that time, the Company would calculate the balancing adjustment called for under Paragraph 6 of the Order Approving Settlement.

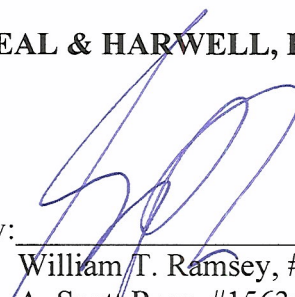
Extending the recovery period would minimize the impact to consumers, and essentially should result in continuing the current ECR factor for one additional year. Atmos does not propose to recover any carrying costs associated with this extension of the recovery period.

In support of this motion, Atmos has filed the Testimony of Gregory K. Waller, and exhibits GKW 1-5 thereto. The exhibits to Mr. Waller's testimony include supporting documentation for the additional remediation expenditures, which are attached as Exhibit GKW-2 to Mr. Waller's testimony.

For these reasons, Atmos respectfully requests that the Authority approve the revised ECR Tariff attached as Exhibit GKW-5 to the Testimony of Gregory K. Waller, filed herewith.

Respectfully submitted,

NEAL & HARWELL, PLC



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served, via the method(s) indicated below, on the following counsel of record, this the 8 day of October, 2010.

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