

NEAL & HARWELL, PLC

LAW OFFICES

150 FOURTH AVENUE, NORTH

SUITE 2000

NASHVILLE, TENNESSEE 37219-2498

TELEPHONE

(615) 244-1713

FACSIMILE

(615) 726-0573

JAMES F. NEAL
AUBREY B. HARWELL, JR.
JON D. ROSS
JAMES F. SANDERS
THOMAS H. DUNDON
RONALD G. HARRIS
ALBERT F. MOORE
PHILIP N. ELBERT
JAMES G. THOMAS
WILLIAM T. RAMSEY
JAMES R. KELLEY
MARC T. McNAMEE
GEORGE H. CATE, III
PHILIP D. IRWIN
A. SCOTT ROSS
GERALD D. NEENAN
AUBREY B. HARWELL, III
W. DAVID BRIDGERS
KENDRA E. SAMSON
DAVID G. THOMPSON
LISA B. TAPLINGER

CYNTHIA S. PARSON
ELIZABETH S. TIPPING
J. AARON MORRIS
CHANDRA N.T. FLINT
MASAMI I. TYSON
LYNDSEY C. SMITH
JONATHAN H. WARDLE
BRIAN T. BOYD

STAFF ATTORNEY
KRISTEN V. DYER

OF COUNSEL
LARRY W. LINDEEN
ALAN MARK TURK

September 17, 2007

Sharla Dillon, Docket Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

VIA HAND DELIVERY and E-MAIL

filed electronically in docket office on 09/17/07

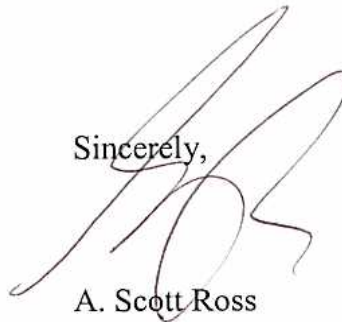
**RE: Petition of Atmos Energy Corporation for Approval of Tariff Establishing
Environmental Cost Recovery Rider, TRA Docket No. 07-00081**

Dear Ms. Dillon:

Enclosed for filing is an amended version of the Environmental Cost Recovery Rider Tariff in this matter. This ECRR Tariff has been amended to conform to the terms of the Settlement Agreement in this matter, and is being filed as directed at the September 10, 2007 Authority conference.

Best regards.

Sincerely,



A. Scott Ross

ASR:prd

Enclosure

xc: Via E-mail:
Joe Shirley (w/ Enclosure)
Henry Walker (w/ Enclosure)

Environmental Cost Recovery RiderIntent and Applicability

This Environmental Cost Recovery Rider (ECRR) is intended to authorize the Company to recover costs related to compliance with environmental control requirements imposed by various federal and state agencies concerning its operations in the state of Tennessee. The ECRR will provide for recovery of these costs by adjusting the rates per Ccf (100 cubic feet) of gas set forth in all of the Company's rate schedules by an amount equal to the Environmental Costs Recovery Factor (the "ECR Factor"), as hereinafter described.

Computation and Application

- A. The ECR Factor shall be computed to the nearest one-hundredth cent per Ccf in the following manner:
1. The actual expense of \$1,650,000 shall be recovered over a four year period for an amount of \$412,500 annually.
 2. The annual expense shall be divided by the adjusted test period volumes of 193,251,300 Ccf approved in the Company's most recent general rate proceeding by the Tennessee Regulatory Authority (Docket No. 05-00258).
 3. The ECR Factor shall be \$0.0021/Ccf.
- B. The ECR Factor shall be applied to all volumes delivered by the Company (sales and transportation) no earlier than the effective date of approval of this Rider.

Balancing Adjustment

- A. Commencing with the period forty-eight (48) months after implementation of the ECRR, the Company shall calculate the amount by which the revenue recovered by the Company under the ECRR during each twelve (12) month period was greater or less than the actual expense. This amount shall hereinafter be referred to as the "Balancing Adjustment".
- B. The "Balancing Adjustment" if positive (over-recovery) or if negative (under-recovery) shall be divided by the adjusted test period sales utilized in the initial computation of the ECRR to derive a factor to the nearest one-hundredth cent per Ccf to be applied to all volumes¹ delivered (sales and transportation) by the Company during the ensuing twelve month period.

Additional Adjustments

Inasmuch as the deferral costs include actual expenditures as well as \$350,000 of anticipated expenditures, the total deferral costs of \$1,650,000 initially included within the ECRR will be adjusted upward or downward to reflect total actual expenditures once those total actual costs become known. Any difference, positive or negative, will be applied over the remaining term of the tariff, and the ECR factor will be appropriately adjusted to reflect the difference. Furthermore, if the Atmos receives any payments or credits of any kind for the cleanup of sites at issue in this tariff, the Company shall adjust the total deferral amount downward to reflect these payments or credits.

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs
Date Issued: September 17, 2007

Effective Date: November 1, 2007

¹ Other than special contract or Saturn automobile plant volumes.

Environmental Cost Recovery Rider (Continued)

Filing with the Tennessee Regulatory Authority

The Company will file as directed by the Tennessee Regulatory Authority a copy of each computation of the ECR Factor as well as any reasonable periodic reporting which the TRA may prescribe in connection with the Company's administration of the ECRR.

TABLE OF CONTENTSSheet No.

Table of Contents	1
Preliminary Statement	3
Service Areas.....	3
Rate Schedules	
210 Residential Gas Service.....	4
211 Residential and Small Commercial/Industrial Heating and Cooling Services	6
220 Commercial/Industrial Gas Service.....	8
221 School Gas Service.....	10
225 Public Housing Authority.....	12
230 Large Commercial/Industrial	14
240 Demand/Commodity Gas Service (Comm./Ind.)	16
250 Optional Gas Service.....	19
260 Transportation Service	21
280 Economic Development Rate	25
291 Negotiated Gas Service	28
292 Cogeneration, Compressed Natural Gas,	30
Prime Mover, Fuel Cell Service	
293 Large Tonnage Air Conditioning Gas Service	32
294 Emergency Service.....	34
Purchased Gas Adjustment Rider.....	35
Margin Loss Recovery Rider	44
Capacity Assignment Credit Rider.....	45
Weather Normalization Adjustment (WNA) Rider.....	50
Environmental Cost Recovery Rider (ECRR).....	51.2