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June 26, 2007

Director Eddie Roberson
Tennessee Regulatory Authority
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Nashville, TN 37243-0505

HAND DELIVERY

filed electronically in docket office on 06/26/07

**RE: Petition of Atmos Energy Corporation for Approval of Adjustment of its
Rates and Revised Tariff, TRA Docket No. 07-00105**

Dear Director Roberson:

As instructed at the July 25 status conference in this matter, counsel for Atmos Energy Corporation (AEC) and the Consumer Advocate have had further discussions regarding Atmos Energy Corporation's Objections To The First Discovery Request Of The Consumer Advocate And Protection Division. The parties have reached agreements on several of the objections. Those agreements are summarized below. Setting aside objections related to whether the "Phase II" or "Transportation Tariff" issues will be subject to discovery in this matter, the parties are pleased to report that at present they do not believe that any of AEC's objections will ripen into a discovery dispute that needs to be resolved by the Hearing Officer. If any such disputes do arise, they will be presented in the form of a motion to compel.

Taking the requests in numerical order, the parties reached the following additional agreements regarding the CAPD's discovery requests:

25. In addition to the agreement stated in Paragraph II.D of AEC's objections, the parties further note that after AEC's initial responses are received, CAPD retains the right to request that AEC provide copies of specific invoices, and if such a request is made, the parties will work to resolve any issues that may arise in connection therewith.

52. CAPD's request for "internal management meeting minutes" will be restricted to its terms, and only documents labeled as meeting minutes will be considered responsive. AEC will make reasonable inquiry with its witnesses for any responsive documents.

53. AEC will make reasonable inquiry with its witnesses for documents on the listed subjects during the indicated period (2001 - 2006).

54. AEC will make reasonable inquiry with its witnesses and Mr. Roff on the listed issues.

55. AEC will make reasonable inquiry with its witnesses and Mr. Roff for statistics from the American Gas Association or other industry groups on gas or general plant depreciation rates.

61. The request is modified by inserting the phrase “in the AEC depreciation policy and conventions used to depreciate fixed assets” between “changes” and “since,” making the request read, “Please identify and explain all changes in the AEC depreciation policy and conventions used to depreciate fixed assets since the last depreciation study(ies) which might affect depreciation rates.” AEC will make reasonable inquiry to identify and explain any such changes.

62. The reference to “Asset Management Plan” is amended to refer to plans that AEC may have for managing AEC’s physical assets. This request does not seek agreements between AEC and Atmos Energy Marketing.

64. This request is modified by replacing the request for “any and all” documents with a request for documents sufficient to show the matters requested.

65. This request is modified by replacing the request for “all guidelines, assumptions, documentation” with a request for “documents sufficient to show the guidelines, and assumptions . . .”

75. If AEC intends to introduce at the hearing in this matter updates of information it provided in response to the minimum filing requirements, AEC will provide the CAPD with such updated documents promptly after they are completed.

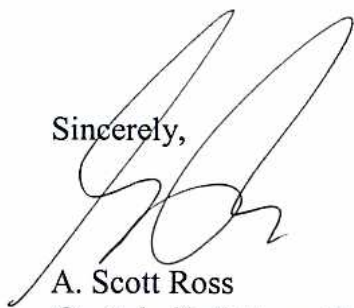
92. The request for “all internal service metrics . . .” is modified to state “the internal service metrics . . .”

105. The stated objection to this paragraph should fall under number 125. By agreement, the objection to question 105 is moved to fall under question 125. This “objection” merely references the prior agreement reached by AEC and CAPD as stated in paragraph II.A of AEC’s objections.

127 – 135. Counsel have discussed both party’s objections to these catch-all discovery requests and do not anticipate that any discovery disputes will ripen to the point that they need to be resolved by the hearing officer. If particular issues do arise, they will be presented in the form of a motion to compel.

Director Eddie Roberson
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Sincerely,



A. Scott Ross

On Behalf of Atmos Energy Corporation

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Vance L. Broemel

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Consumer Advocate and Protection Division*

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