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July 6, 2007

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

VIA HAND DELIVERY

filed electronically in docket office on 07/06/07

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

Dear Ms. Dillon:

Enclosed please find the responses of Atmos Energy Corporation to the first discovery requests served by the Consumer Advocate and Protection Division, along with AEC's responses to the first discovery requests served by Atmos Intervention Group. An original and four copies of everything is enclosed. I also have enclosed the documents on CD Rom.

Also enclosed is a Notice of Filing the discovery responses (original and four copies).

The responses are divided into three categories, pursuant to the Protective Order entered in this case:

1. Non-confidential responses and documents;
2. Confidential responses and documents; and
3. Responses and documents that are confidential and not to be shared with Earl Burton, Tennessee Energy Consultants, or any employee of either.

To simplify things, all of the confidential documents and CDs (both confidential and confidential/no Earl Burton) have been enclosed in sealed envelopes marked "Confidential Filed Under Seal." These documents should be filed under seal.

Electronic copies are being served on counsel for AIG and the Consumer Advocate. In addition, a hard copy of the responses to AIG's request is being served.

Sharla Dillon, Docket Manager


July 6, 2007

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If you have any questions, please do not hesitate to contact me.

Best regards.

Sincerely,



A. Scott Ross

ASR:meh

Enclosures

cc: Vance Broemel, Esq. (via hand-delivery)  
Henry M. Walker, Esq.(via e-mail)

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

**IN RE:**

**PETITION OF ATMOS ENERGY  
CORPORATION FOR APPROVAL OF  
ADJUSTMENT OF ITS RATES AND  
REVISED TARIFF**

**DOCKET NO. 07-00105**

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**NOTICE OF FILING DISCOVERY RESPONSES**

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Atmos Energy Corporation ("AEC") respectfully files herewith its responses to the First Discovery Requests of the Consumer Advocate and Protection Division and the Atmos Intervention Group's First Round of Discovery. Specifically, the following documents are being filed:

A. AEC's Responses to the First Discovery Requests of the Consumer Advocate and Protection Division:

1. Non-confidential responses;
2. Attachments designated Confidential under the Protective Order in this matter. These are being FILED UNDER SEAL;
3. Attachments designated Confidential and not to be shared with Earl Burton, Tennessee Energy Consultants, or any employee of either, pursuant to the Protective Order in this matter. These are being FILED UNDER SEAL;

B. AEC's Responses to Atmos Intervention Group's First Round of Discovery

1. Non-confidential discovery responses.

The referenced documents are being filed herewith.

Respectfully submitted,

NEAL & HARWELL, PLC

By: 

William T. Ramsey, #9245

A. Scott Ross, #15634

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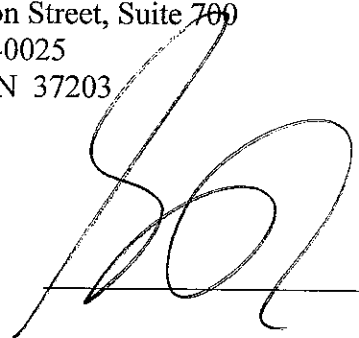
*Counsel for Atmos Energy Corporation*

**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 6th day of July 2007.

<input checked="" type="checkbox"/> Hand	Vance Broemel, Esq.
<input type="checkbox"/> Mail	Office of the Attorney General
<input type="checkbox"/> Fax	Consumer Advocate and Protection Division
<input type="checkbox"/> Fed. Ex.	P. O. Box 20207
<input type="checkbox"/> E-Mail	Nashville, TN 37202

<input checked="" type="checkbox"/> Hand	Henry M. Walker, Esq.
<input type="checkbox"/> Mail	Boult, Cummings, Conners, & Berry, PLC
<input type="checkbox"/> Fax	1600 Division Street, Suite 700
<input type="checkbox"/> Fed. Ex.	P. O. Box 340025
<input type="checkbox"/> E-Mail	Nashville, TN 37203



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

**IN RE:**

**PETITION OF ATMOS ENERGY  
CORPORATION FOR APPROVAL OF  
ADJUSTMENT OF ITS RATES AND  
REVISED TARIFF**

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**DOCKET NO. 07-00105**

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**NON-CONFIDENTIAL  
RESPONSES OF ATMOS ENERGY CORPORATION  
TO  
ATMOS INTERVENTION GROUP'S FIRST ROUND OF DISCOVERY**

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**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

1. Provide a copy of all documents already provided to the TRA Staff and Consumer Advocate & Protection Division to date during the course of this docket. Also provide a description of all meetings with either the TRA Staff or Consumer Advocate & Protection Division where the filing of this present rate case was discussed, including the date of meeting, topics discussed and individuals attending.

**Response:**

In addition to its general objections, AEC objects to this request on the grounds that it is compound. AEC further objects to the second sentence of this request on the grounds that it is unduly burdensome and is not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving these objections, AEC responds to the request as follows:

Prior to March 1, representatives of Atmos Energy Corporation (Patricia Childers, John Paris and Greg Coker) met briefly with Directors advising them that Atmos would be filing for an increase in rates on or around March 1, 2007. These meetings were less than 15 or 20 minutes and did not discuss the case at any level of detail. Atmos representatives again met with Directors in mid-March (best of recollection) to advise them that a case would not be filed prior to May 1, 2007. Again, there were no details discussed and these meetings were short.

Witness: Kevin Akers

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

2. Provide an income statement for the 12 months ended December 31, 2005 and December 31, 2006 and balance sheet at December 31, 2005 and December 31, 2006 for each state regulated utility owned or operated by Atmos. Also provide an income statement for the 12 months ended December 31, 2005 and December 31, 2006 and a balance sheet at December 31, 2005 and December 31, 2006 for each unregulated affiliate of Atmos. Finally, aggregate and reconcile the individual income statements and balance sheets referred to above with the consolidated income statement and balance sheet contained in the Company's most recent stockholder's annual report.

**RESPONSE:**

In addition to its general and categorical objections listed in Atmos Energy Corporation's Objections To The First Discovery Request Of The Consumer Advocate And Protection Division, AEC objects to this request as unduly burdensome to the extent that it seeks to require AEC to prepare income statements, balance sheets, or other documents in response. A document request may not require a party to create documents that do not already exist. AEC does not object to the extent that the request can be satisfied by producing Forms 10-K and 10-Q filed with the SEC, which have the additional advantage of already being reconciled to the annual report to shareholders.

Subject to and without waiving these objections, AEC responds to the request as follows:

Please see the Company's 2005 and 2006 10-K's and 10-Q's attached to its response to Minimum Filing Requirement #6.

Witness: D. Meziere

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

3. Identify and provide the monthly sales volumes by rate classification for each of the Company's 50 largest Tennessee customers from January 1, 2004 through December 31, 2006. Also provide a contact person, telephone number and mailing address for each customer identified. Finally provide copies of all correspondence, other than billing statements, and notes of discussions or meetings with these customers concerning gas usage or rates between January 1, 2004 and May 1, 2007.

Response:

In addition to its general and categorical objections listed in Atmos Energy Corporation's Objections To The First Discovery Request Of The Consumer Advocate And Protection Division (particularly objections I.C and II.A), AEC objects to this request on the grounds that it is overly broad and unduly burdensome. AEC further objects that this request seems more calculated to obtain information that would be useful to Earl Burton and his company in its business, than to obtain information that would be admissible in this case or is reasonably calculated to lead to the discovery of admissible evidence.

In addition, the Protective Order in this case includes protections for confidential information produced by the parties and others in this case. The Protective Order additionally prohibits that "any CONFIDENTIAL INFORMATION be disclosed to or discussed with anyone associated with the marketing of services in competition with the products, goods or services of the producing party" and additionally prohibits that "any CONFIDENTIAL INFORMATION related to Atmos Energy Marketing be disclosed to or discussed with Tennessee Energy Consultants, Earl Burton, or any employee of either." It appears that some of the documents and information requested in AIG's requests would cause competitive harm to AEC if shared with Earl Burton, Tennessee Energy Consultants, or any of their employees. (Some requests appear calculated to obtain information that would be of primary use to Mr. Burton in his business.) If and when produced, such documents and information will be identified as being restricted under the above-referenced Protective Order provisions. For the record, AEC objects to AIG's requests to the extent that they seek, directly or indirectly, to provide such documents and information to Mr. Burton, Tennessee Energy Consultants, or any employee of either.

Subject to and without waiving these objections, AEC responds to the request as follows:

Please see AEC's response to Minimum Filing Requirement No. 17, as well as customer lists provided in response to AIG discovery requests in case 05-000258. THOSE RESPONSES ARE CONFIDENTIAL AND SHOULD NOT BE SHARED WITH EARL BURTON.

Witness: Mike Ellis



**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

4. Provide a copy of the Company's current asset management contracts applicable to Tennessee.

Response:

In addition to its general objections, AEC incorporates by reference categorical objections I.B and I.C of its Objections. This question involves "Phase II issues," which are pending in at least two other dockets (05-00253 and 05-00258). AEC objects to the inclusion of Phase II issues in this docket and to engaging in discovery on those issues in this case. In the alternative, if Phase II issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues.

In addition, for the record, AEC incorporates by reference its objections to requests that were made in docket 05-00258. Subject to and without waiving these objections, to the extent that AEC's objections were overruled in that case, AEC is willing to produce the same information again in this case, subject to acceptable protection of confidential information.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

Witness:

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

5. Provide a copy of the latest Request for Proposal ("RFP") that was issued by the Company for the management of the Company's Tennessee pipeline and storage assets and procurement of gas. Provide a copy of all responses to the Company's latest RFP.

**Response:**

In addition to its general objections, AEC incorporates by reference categorical objections I.B and I.C of its Objections. This question involves "Phase II issues," which are pending in at least two other dockets (05-00253 and 05-00258). AEC objects to the inclusion of Phase II issues in this docket and to engaging in discovery on those issues in this case. In the alternative, if Phase II issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues.

In addition, for the record, AEC incorporates by reference its objections to requests that were made in docket 05-00258. Subject to and without waiving these objections, to the extent that AEC's objections were overruled in that case, AEC is willing to produce the same information again in this case, subject to acceptable protection of confidential information.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

Witness:

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

6. Provide a copy of the Company's latest gas supply plan for its Tennessee customers and the reserve margin associated with the peak day demand requirements.

Response:

In addition to its general objections, AEC incorporates by reference categorical objections I.B and I.C of its Objections. This question involves "Phase II issues," which are pending in at least two other dockets (05-00253 and 05-00258). AEC objects to the inclusion of Phase II issues in this docket and to engaging in discovery on those issues in this case. In the alternative, if Phase II issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues.

In addition, for the record, AEC incorporates by reference its objections to requests that were made in docket 05-00258. Subject to and without waiving these objections, to the extent that AEC's objections were overruled in that case, AEC is willing to produce the same information again in this case, subject to acceptable protection of confidential information.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

Witness:

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

7. Provide a listing of all pipeline and storage assets, along with their related costs, that are contracted for in providing gas supply for Tennessee ratepayers. Please identify the FERC tariff or negotiated costs of each asset and the contract number of each asset.

Response:

In addition to its general objections, AEC incorporates by reference categorical objections I.B and I.C of its Objections. This question involves "Phase II issues," which are pending in at least two other dockets (05-00253 and 05-00258). AEC objects to the inclusion of Phase II issues in this docket and to engaging in discovery on those issues in this case. In the alternative, if Phase II issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues.

In addition, for the record, AEC incorporates by reference its objections to requests that were made in docket 05-00258. Subject to and without waiving these objections, to the extent that AEC's objections were overruled in that case, AEC is willing to produce the same information again in this case, subject to acceptable protection of confidential information.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

Witness:

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

8. From January 1, 2004 to May 1, 2007, provide by month the total number of customers served under the Company's Rate 260 transportation rate schedule that are also served by the Company's affiliated Asset Manager. Also provide the monthly total volume and profits realized by the Asset Manager that transport gas with the Company's Tennessee ratepayers.

Response:

In addition to its general objections, AEC incorporates by reference categorical objections I.B and I.C of its Objections. This question involves "Phase II issues," which are pending in at least two other dockets (05-00253 and 05-00258). AEC objects to the inclusion of Phase II issues in this docket and to engaging in discovery on those issues in this case. In the alternative, if Phase II issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues.

In addition, for the record, AEC incorporates by reference its objections to requests that were made in docket 05-00258. Subject to and without waiving these objections, to the extent that AEC's objections were overruled in that case, AEC is willing to produce the same information again in this case, subject to acceptable protection of confidential information.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

Witness:

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

9. From January 1, 2004 to May, 2007, provide the monthly total volumes and profits realized by Company's affiliated Asset Manager from sales to non-jurisdictional customers that transport gas using the Company's Tennessee ratepayer assets.

Response:

In addition to its general objections, AEC incorporates by reference categorical objections I.B and I.C of its Objections. This question involves "Phase II issues," which are pending in at least two other dockets (05-00253 and 05-00258). AEC objects to the inclusion of Phase II issues in this docket and to engaging in discovery on those issues in this case. In the alternative, if Phase II issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues.

In addition, for the record, AEC incorporates by reference its objections to requests that were made in docket 05-00258. Subject to and without waiving these objections, to the extent that AEC's objections were overruled in that case, AEC is willing to produce the same information again in this case, subject to acceptable protection of confidential information.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

Witness:

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

10. From January 1, 2004 to May 1, 2007, provide the monthly profits realized by the Company's affiliated Asset Manager that are attributable to the management of the Company's pipeline capacity and storage assets.

Response:

In addition to its general objections, AEC incorporates by reference categorical objections I.B and I.C of its Objections. This question involves "Phase II issues," which are pending in at least two other dockets (05-00253 and 05-00258). AEC objects to the inclusion of Phase II issues in this docket and to engaging in discovery on those issues in this case. In the alternative, if Phase II issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues.

In addition, for the record, AEC incorporates by reference its objections to requests that were made in docket 05-00258. Subject to and without waiving these objections, to the extent that AEC's objections were overruled in that case, AEC is willing to produce the same information again in this case, subject to acceptable protection of confidential information.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

Witness:

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

11. Provide a copy of any performance incentive plan applicable to Tennessee and any associated reports produced in 2005, 2006 or 2007.

Response:

In addition to its general objections, AEC incorporates by reference categorical objections I.B and I.C of its Objections. This question involves "Phase II issues," which are pending in at least two other dockets (05-00253 and 05-00258). AEC objects to the inclusion of Phase II issues in this docket and to engaging in discovery on those issues in this case. In the alternative, if Phase II issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues.

In addition, for the record, AEC incorporates by reference its objections to requests that were made in docket 05-00258. Subject to and without waiving these objections, to the extent that AEC's objections were overruled in that case, AEC is willing to produce the same information again in this case, subject to acceptable protection of confidential information.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

Witness:



**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

12. For the time period of Jan 1, 2006 through April 2007, provide the net storage injections and withdrawals for each FERC storage account on all of the Company's regulated assets. (Regulated assets are defined as those assets whose fixed costs are recovered through the Company's PGA for the purpose serving Tennessee customers)

Response:

In addition to its general objections, AEC incorporates by reference categorical objection I.A of its Objections. This question involves issues arising from AEC's request to modify certain provisions of its transportation tariff, which are pending in docket 07-0020. AEC objects to the inclusion of these transportation tariff issues in this docket, and to engaging in discovery on those issues in this case. In the alternative, if transportation tariff issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

Witness:

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

13. For the time period of Jan 1, 2006 through April 30, 2007, provide the daily pipeline imbalances for each day for each connecting pipeline serving Tennessee ratepayers. For each imbalance, provide any daily imbalance charges assessed to the Company attributable to the imbalance. (The aggregate imbalance should be provided wherever pipelines allow pooling of delivery points through a Operating Balance Agreement).

Response:

In addition to its general objections, AEC incorporates by reference categorical objection I.A of its Objections. This question involves issues arising from AEC's request to modify certain provisions of its transportation tariff, which are pending in docket 07-0020. AEC objects to the inclusion of these transportation tariff issues in this docket, and to engaging in discovery on those issues in this case. In the alternative, if transportation tariff issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

Witness:

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

14. Provide copies of the balancing tariffs of any connecting pipelines that assess penalties to the Company for daily imbalances.

Response:

In addition to its general objections, AEC incorporates by reference categorical objection I.A of its Objections. This question involves issues arising from AEC's request to modify certain provisions of its transportation tariff, which are pending in docket 07-0020. AEC objects to the inclusion of these transportation tariff issues in this docket, and to engaging in discovery on those issues in this case. In the alternative, if transportation tariff issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

Witness:

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

15. Provide copies of all communications including emails between Company employees and with Atmos Energy Marketing employees related to the Company's proposal to amend the Rate 260 Transportation Tariff.

Response:

In addition to its general objections, AEC incorporates by reference categorical objection I.A of its Objections. This question involves issues arising from AEC's request to modify certain provisions of its transportation tariff, which are pending in docket 07-0020. AEC objects to the inclusion of these transportation tariff issues in this docket, and to engaging in discovery on those issues in this case. In the alternative, if transportation tariff issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues. AEC further objects that this request is unduly burdensome.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

Witness:

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

16. Provide a sample of a balancing worksheet for Rate 260 customer served by a non-affiliate gas marketer and one served by Atmos Energy Marketing. Please explain the billing process and the Company's employees who produce the balancing worksheets that are used to calculate cashout. Please indicate whether or not employees of Atmos Energy Marketing are involved with the process.

Response:

In addition to its general objections, AEC incorporates by reference categorical objection I.A of its Objections. This question involves issues arising from AEC's request to modify certain provisions of its transportation tariff, which are pending in docket 07-0020. AEC objects to the inclusion of these transportation tariff issues in this docket, and to engaging in discovery on those issues in this case. In the alternative, if transportation tariff issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

Witness:

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

17. For the time period of January 1, 2006 through April 30, 2007, provide any cashout penalties/incentives that were charged to transportation customers served by Atmos Energy Marketing. Please indicate the number of customers whose volumes were reallocated by Atmos Energy Marketing. Please explain how reallocation allows Atmos' transport customers to avoid any cashout penalties/incentives. Provide the tariff language that allows the Company affiliate or asset manager to reallocate volumes in this manner. If not included in the tariff, please explain why this is not a violation of the Company's affiliate guidelines filed with the TRA.

**Response:**

In addition to its general objections, AEC incorporates by reference categorical objection I.A of its Objections. This question involves issues arising from AEC's request to modify certain provisions of its transportation tariff, which are pending in docket 07-0020. AEC objects to the inclusion of these transportation tariff issues in this docket, and to engaging in discovery on those issues in this case. In the alternative, if transportation tariff issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues. AEC further objects on the grounds that this request is unduly burdensome.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

**Witness:**

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

18. For the Company's service area in Georgia, explain the daily balancing fees and tariff applicable to transportation customers.

**Response:**

In addition to its general objections, AEC incorporates by reference categorical objection I.A of its Objections. This question involves issues arising from AEC's request to modify certain provisions of its transportation tariff, which are pending in docket 07-0020. AEC objects to the inclusion of these transportation tariff issues in this docket, and to engaging in discovery on those issues in this case. In the alternative, if transportation tariff issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

**Witness:**

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

19. For the Company's service area in Georgia, quantify the number of customers that are served by the Company's transportation tariffs. How many of these customers are served by Atmos Energy Marketing? Please calculate the market share by percentage of total.

Response:

In addition to its general objections, AEC incorporates by reference categorical objection I.A of its Objections. This question involves issues arising from AEC's request to modify certain provisions of its transportation tariff, which are pending in docket 07-0020. AEC objects to the inclusion of these transportation tariff issues in this docket, and to engaging in discovery on those issues in this case. In the alternative, if transportation tariff issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

Witness:



**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

20. For the Company's service area in Georgia, please provide a sample copy of the balancing worksheet for a transportation customer, and provide a description of how daily balancing fees are calculated. Does the Company allow Atmos Energy Marketing to reallocate volumes to avoid daily balancing fees?

Response:

In addition to its general objections, AEC incorporates by reference categorical objection I.A of its Objections. This question involves issues arising from AEC's request to modify certain provisions of its transportation tariff, which are pending in docket 07-0020. AEC objects to the inclusion of these transportation tariff issues in this docket, and to engaging in discovery on those issues in this case. In the alternative, if transportation tariff issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

Witness:

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

21. Are the Company's Rate 250 non-transportation customers required to make any contributions towards the fixed costs of capacity and storage under current PGA rule? Please explain why storage costs are proposed to be assessed to transportation customers only and not to Rate 250 sales customers that swing on supply and use the Company's capacity and storage assets.

Response:

In addition to its general objections, AEC incorporates by reference categorical objection I.A of its Objections. This question involves issues arising from AEC's request to modify certain provisions of its transportation tariff, which are pending in docket 07-0020. AEC objects to the inclusion of these transportation tariff issues in this docket, and to engaging in discovery on those issues in this case. In the alternative, if transportation tariff issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

Witness:

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

22. For the time period of January 1, 2006 through May 1, 2007, please identify the number of days on each connecting pipeline that Rate 250 non-transportation customers were curtailed?

Response:

In addition to its general objections, AEC incorporates by reference categorical objection I.A of its Objections. This question involves issues arising from AEC's request to modify certain provisions of its transportation tariff, which are pending in docket 07-0020. AEC objects to the inclusion of these transportation tariff issues in this docket, and to engaging in discovery on those issues in this case. In the alternative, if transportation tariff issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

Witness:

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

23. Does the Company subscribe to the Storage Delivery Option (SDO) offered by East Tennessee Pipeline (Spectra Energy). If so, explain how this service mitigates potential penalties incurred by the Company.

Response:

In addition to its general objections, AEC incorporates by reference categorical objection I.A of its Objections. This question involves issues arising from AEC's request to modify certain provisions of its transportation tariff, which are pending in docket 07-0020. AEC objects to the inclusion of these transportation tariff issues in this docket, and to engaging in discovery on those issues in this case. In the alternative, if transportation tariff issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

Witness:

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

24. Please identify the total Tennessee thru-put volumes for the past five calendar years. For each year, quantify the volumes were transported or subscribe to Company's Rate Schedule 260. If transport volumes have increased has the Company made changes to their capacity plan to reflect the reduced sales?

Response:

In addition to its general objections, AEC incorporates by reference categorical objection I.A of its Objections. This question involves issues arising from AEC's request to modify certain provisions of its transportation tariff, which are pending in docket 07-0020. AEC objects to the inclusion of these transportation tariff issues in this docket, and to engaging in discovery on those issues in this case. In the alternative, if transportation tariff issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

Witness:

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

25. For the last five years, please provide copies of all related documentation of Company's review of asset (pipeline and storage) requirements to meet gas supply requirements for Tennessee customers? If more customers are transporting and not contributing to the Demand Gas Cost Adjustment of the PGA, would this increase the level of stranded capacity and storage assets. If Atmos Energy Marketing is providing their gas supply with ratepayer assets, does this not increase profits for Atmos Energy Corporation at the expense of sales customers?

Response:

In addition to its general objections, AEC incorporates by reference categorical objections I.A and I.B of its Objections. This question involves "Phase II issues," which are pending in at least two other dockets (05-00253 and 05-00258). AEC objects to the inclusion of Phase II issues in this docket and to engaging in discovery on those issues in this case. In the alternative, if Phase II issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues.

In addition, this question involves issues arising from AEC's request to modify certain provisions of its transportation tariff, which are pending in docket 07-0020. AEC objects to the inclusion of these transportation tariff issues in this docket, and to engaging in discovery on those issues in this case. In the alternative, if transportation tariff issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

Witness:

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

26. We have concerns regarding the proper rate tiers or steps for Rate Schedule 220. Currently this particular rate schedule has no rate steps. In order to properly evaluate the need for rate tiers or steps for this rate schedule, please provide an average monthly cumulative distribution analysis for Rate Schedule 220 for the 12 months ended September 30, 2005 in 10 Mcf increments. This analysis should show the average amount of monthly sales volumes and the cumulative percentage of sales volumes for each increment, beginning with 10 Mcf, then 20 Mcf, then 30 Mcf, etc. If you have any questions regarding this item, please contact us before proceeding.

Response:

For the record, AEC incorporates by reference its objections to requests that were made in docket 05-00258. Subject to and without waiving these objections, to the extent that AEC's objections were overruled in that case, AEC is willing to produce the same information again in this case, subject to acceptable protection of confidential information.

Subject to and without waiving these objections, AEC responds to the request as follows:

Please see the information provided in response to DR 12 of the AIG's Second Round of Discovery in Docket No. 05-00258.

Witness: M. Ellis

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

27. We have concerns regarding the proper rate tiers or steps for Rate Schedule 230. Currently this particular rate schedule has no rate steps. In order to properly evaluate the need for rate tiers or steps for this rate schedule, please provide an average monthly cumulative distribution analysis for Rate Schedule 230 for the 12 months ended September 30, 2005 in 10 Mcf increments. This analysis should show the average amount of monthly sales volumes and the cumulative percentage of sales volumes for each increment, beginning with 10 Mcf, then 20 Mcf, then 30 Mcf, etc. If you have any questions regarding this item, please contact us before proceeding.

Response:

For the record, AEC incorporates by reference its objections to requests that were made in docket 05-00258. Subject to and without waiving these objections, to the extent that AEC's objections were overruled in that case, AEC is willing to produce the same information again in this case, subject to acceptable protection of confidential information.

Subject to and without waiving these objections, AEC responds to the request as follows:

Please see the information provided in response to DR 12 of the AIG's Second Round of Discovery in Docket No. 05-00258.

Witness: M. Ellis



**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

28. We have concerns regarding the proper rate tiers or steps for Rate Schedule 240. Currently this particular rate schedule has monthly rate steps at 0 Ccf, and 50,000 Ccf. In order to properly evaluate the need for rate tiers or steps for this rate schedule, please provide an average monthly cumulative distribution analysis for Rate Schedule 240 for the 12 months ended September 30, 2005 in 10 Mcf increments. This analysis should show the average amount of monthly sales volumes and the cumulative percentage of sales volumes for each increment, beginning with 10 Mcf, then 20 Mcf, then 30 Mcf, etc. If you have any questions regarding this item, please contact us before proceeding.

Response:

For the record, AEC incorporates by reference its objections to requests that were made in docket 05-00258. Subject to and without waiving these objections, to the extent that AEC's objections were overruled in that case, AEC is willing to produce the same information again in this case, subject to acceptable protection of confidential information.

Subject to and without waiving these objections, AEC responds to the request as follows:

Please see the information provided in response to DR 12 of the AIG's Second Round of Discovery in Docket No. 05-00258.

Witness: M. Ellis

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

29. We have concerns regarding the proper rate tiers or steps for Rate Schedule 250. Currently this particular rate schedule has monthly rate steps at 0 Ccf, 20,000 Ccf and 50,000 Ccf. In order to properly evaluate the need for rate tiers or steps for this rate schedule, please provide an average monthly cumulative distribution analysis for Rate Schedule 250 for the 12 months ended September 30, 2005 in 10 Mcf increments. This analysis should show the average amount of monthly sales volumes and the cumulative percentage of sales volumes for each increment, beginning with 10 Mcf, then 20 Mcf, then 30 Mcf, etc. If you have any questions regarding this item, please contact us before proceeding.

Response:

For the record, AEC incorporates by reference its objections to requests that were made in docket 05-00258. Subject to and without waiving these objections, to the extent that AEC's objections were overruled in that case, AEC is willing to produce the same information again in this case, subject to acceptable protection of confidential information.

Subject to and without waiving these objections, AEC responds to the request as follows:

Please see the information provided in response to DR 12 of the AIG's Second Round of Discovery in Docket No. 05-00258.

Witness: M. Ellis

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

30. We have concerns regarding the proper rate tiers or steps for Rate Schedule 260. Currently this particular rate schedule has monthly rate steps at 0 Ccf, 20,000 Ccf, and 50,000 Ccf. In order to properly evaluate the need for rate tiers or steps for this rate schedule, please provide an average monthly cumulative distribution analysis for Rate Schedule 260 for the 12 months ended September 30, 2005 in 10 Mcf increments. This analysis should show the average amount of monthly sales volumes and the cumulative percentage of sales volumes for each increment, beginning with 10 Mcf, then 20 Mcf, then 30 Mcf, etc. If you have any questions regarding this item, please contact us before proceeding.

Response:

For the record, AEC incorporates by reference its objections to requests that were made in docket 05-00258. Subject to and without waiving these objections, to the extent that AEC's objections were overruled in that case, AEC is willing to produce the same information again in this case, subject to acceptable protection of confidential information.

Subject to and without waiving these objections, AEC responds to the request as follows:

Please see the information provided in response to DR 12 of the AIG's Second Round of Discovery in Docket No. 05-00258.

Witness: M. Ellis

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

31. We have concerns regarding the proper rate tiers or steps for Rate Schedule 280. Currently this particular rate schedule has monthly rate steps at 0 Ccf, 20,000 Ccf and 50,000 Ccf. In order to properly evaluate the need for rate tiers or steps for this rate schedule, please provide an average monthly cumulative distribution analysis for Rate Schedule 280 for the 12 months ended September 30, 2005 in 10 Mcf increments. This analysis should show the average amount of monthly sales volumes and the cumulative percentage of sales volumes for each increment, beginning with 10 Mcf, then 20 Mcf, then 30 Mcf, etc. If you have any questions regarding this item, please contact us before proceeding.

Response:

For the record, AEC incorporates by reference its objections to requests that were made in docket 05-00258. Subject to and without waiving these objections, to the extent that AEC's objections were overruled in that case, AEC is willing to produce the same information again in this case, subject to acceptable protection of confidential information.

Subject to and without waiving these objections, AEC responds to the request as follows:

Please see the information provided in response to DR 12 of the AIG's Second Round of Discovery in Docket No. 05-00258.

Witness: M. Ellis

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

32. We have concerns regarding the proper rate tiers or steps for Rate Schedule 291. Currently this particular rate schedule has monthly rate steps at 0 Ccf, 20,000 Ccf and 50,000 Ccf. In order to properly evaluate the need for rate tiers or steps for this rate schedule, please provide an average monthly cumulative distribution analysis for Rate Schedule 291 for the 12 months ended September 30, 2005 in 10 Mcf increments. This analysis should show the average amount of monthly sales volumes and the cumulative percentage of sales volumes for each increment, beginning with 10 Mcf, then 20 Mcf, then 30 Mcf, etc. If you have any questions regarding this item, please contact us before proceeding.

Response:

For the record, AEC incorporates by reference its objections to requests that were made in docket 05-00258. Subject to and without waiving these objections, to the extent that AEC's objections were overruled in that case, AEC is willing to produce the same information again in this case, subject to acceptable protection of confidential information.

Subject to and without waiving these objections, AEC responds to the request as follows:

Please see the information provided in response to DR 12 of the AIG's Second Round of Discovery in Docket No. 05-00258.

Witness: M. Ellis

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

33. We have concerns regarding the proper rate tiers or steps for Rate Schedule 292. Currently this particular rate schedule has monthly rate steps at 0 Ccf, 20,000 Ccf and 50,000 Ccf. In order to properly evaluate the need for rate tiers or steps for this rate schedule, please provide an average monthly cumulative distribution analysis for Rate Schedule 292 for the 12 months ended September 30, 2005 in 10 Mcf increments. This analysis should show the average amount of monthly sales volumes and the cumulative percentage of sales volumes for each increment, beginning with 10 Mcf, then 20 Mcf, then 30 Mcf, etc. If you have any questions regarding this item, please contact us before proceeding.

Response:

For the record, AEC incorporates by reference its objections to requests that were made in docket 05-00258. Subject to and without waiving these objections, to the extent that AEC's objections were overruled in that case, AEC is willing to produce the same information again in this case, subject to acceptable protection of confidential information.

Subject to and without waiving these objections, AEC responds to the request as follows:

Please see the information provided in response to DR 12 of the AIG's Second Round of Discovery in Docket No. 05-00258.

Witness: M. Ellis

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

34. We have concerns regarding the proper rate tiers or steps for Rate Schedule 293. Currently this particular rate schedule has monthly rate steps at 0 Ccf, 20,000 Ccf and 50,000 Ccf. In order to properly evaluate the need for rate tiers or steps for this rate schedule, please provide an average monthly cumulative distribution analysis for Rate Schedule 293 for the 12 months ended September 30, 2005 in 10 Mcf increments. This analysis should show the average amount of monthly sales volumes and the cumulative percentage of sales volumes for each increment, beginning with 10 Mcf, then 20 Mcf, then 30 Mcf, etc. If you have any questions regarding this item, please contact us before proceeding.

Response:

For the record, AEC incorporates by reference its objections to requests that were made in docket 05-00258. Subject to and without waiving these objections, to the extent that AEC's objections were overruled in that case, AEC is willing to produce the same information again in this case, subject to acceptable protection of confidential information.

Subject to and without waiving these objections, AEC responds to the request as follows:

Please see the information provided in response to DR 12 of the AIG's Second Round of Discovery in Docket No. 05-00258.

Witness: M. Ellis

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

35. We have concerns regarding the proper rate tiers or steps for Rate Schedule 294. Currently this particular rate schedule has monthly rate steps at 0 Ccf, 20,000 Ccf and 50,000 Ccf. In order to properly evaluate the need for rate tiers or steps for this rate schedule, please provide an average monthly cumulative distribution analysis for Rate Schedule 294 for the 12 months ended September 30, 2005 in 10 Mcf increments. This analysis should show the average amount of monthly sales volumes and the cumulative percentage of sales volumes for each increment, beginning with 10 Mcf, then 20 Mcf, then 30 Mcf, etc. If you have any questions regarding this item, please contact us before proceeding.

Response:

For the record, AEC incorporates by reference its objections to requests that were made in docket 05-00258. Subject to and without waiving these objections, to the extent that AEC's objections were overruled in that case, AEC is willing to produce the same information again in this case, subject to acceptable protection of confidential information.

Subject to and without waiving these objections, AEC responds to the request as follows:

Please see the information provided in response to DR 12 of the AIG's Second Round of Discovery in Docket No. 05-00258.

Witness: M. Ellis



**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

36. What is the tax impact of the Company's proposed change in inventory methodology from FIFO to WACOG.

Response:

In addition to its general objections, AEC objects on the grounds that this request is vague and indefinite. Subject to and without waiving this objection, AEC responds to the request as follows:

For tax purposes the Company is required by the Internal Revenue Code, Treasury Regulations and related IRS rulings to maintain its inventory on a FIFO basis for tax purposes. As a result, the Company will have a difference between the book basis and the tax basis of its inventory. In accordance with US generally accepted accounting principles (GAAP), deferred taxes are recorded for any differences between the book basis and the tax basis of assets or liabilities. Such deferred tax asset or liability will be either a positive or negative adjustment to the Company's Tennessee rate base.

Witness: Petersen

**Atmos Energy Corporation, Tennessee**  
**Docket No. 07-00105**  
**Responses to AIG First Discovery Request**

37. For the company's service area in Tennessee, quantify the number of customers that are served by the Company's transportation tariffs. How many of these customers are served by Atmos Energy Marketing? Please calculate the market share by percentage of total. How many different suppliers transport gas to Tennessee transport customers?

Response:

In addition to its general objections, AEC incorporates by reference categorical objection I.A of its Objections. This question involves issues arising from AEC's request to modify certain provisions of its transportation tariff, which are pending in docket 07-0020. AEC objects to the inclusion of these transportation tariff issues in this docket, and to engaging in discovery on those issues in this case. In the alternative, if transportation tariff issues are to be included in this docket, AEC would move to bifurcate and defer discovery on those issues.

Pursuant to the Order Deferring Discovery Concerning Transportation Tariff and Asset Management Issues and Amending the Procedural Schedule issued by the Hearing Officer on July 2, 2007, any further response to this request is deferred.

Witness: