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July 9, 2007

VIA HAND DELIVERY

Eddie Robertson, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37219

Re: In Re: Tariff Filing to Modify
And Add Language Regarding
Transportation Service
Docket No. 07-00020

In Re: Petition of Atmos Energy
Corporation for Approval of Tariff Establishing
Environmental Cost Recovery Rider
Docket No. 07-00081

In Re: Atmos Energy Corporation
Petition for Approval of Adjustment
Of its Rates and Revised Tariff
Docket No. 07-00105

Dear Chairman Robertson:

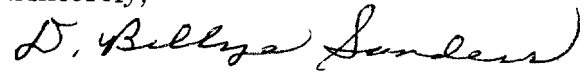
Enclosed you will find the original and thirteen copies of Stand Energy Company's Reply to Atmos Energy Corporation's Opposition to Motion to Consolidate Docket.

Please contact me if you need additional information.

WALLER LANSDEN DORTCH & DAVIS, LLP

July 9, 2007
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Sincerely,

A handwritten signature in cursive script, reading "D. Billye Sanders".

D. Billye Sanders
Attorney for Stand Energy Corporation

cc: John M. Dosker, General Counsel, Stand Energy Corporation
Parties of Record

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

**IN RE: TARIFF FILING TO MODIFY)
AND ADD LANGUAGE REGARDING) TRA DOCKET NO. 07-00020
TRANSPORTATION SERVICE)**

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

**IN RE: PETITION OF ATMOS ENERGY)
CORPORATION FOR APPROVAL OF A) TRA DOCKETNO. 07-00105
GENERAL RATE INCREASE)**

**STAND ENERGY COMPANY'S REPLY TO ATMOS ENERGY
CORPORATION'S OPPOSITION TO MOTION TO CONSOLIDATE
DOCKETS**

Stand Energy Company ("Stand Energy") has filed Petitions to Intervene in Tennessee Regulatory Authority ("TRA") Docket Nos. 07-00020 and 07-00105 and has indicated to the TRA in a prior filing that it supports the Motion of the Consumer Advocate and Protection Division of the Office of Attorney General ("Consumer Advocate") to consolidate the three dockets in the above referenced caption. On July 6, 2007, Stand Energy was served with a copy of Atmos Energy Corporation's Opposition to Motion to Consolidate Dockets. Stand Energy Corporation respectfully submits this response in support of the Consumer Advocate's Motion to Consolidate.

Governing Rules

As stated by Atmos, the TRA has authority to consolidate the cases in question pursuant to TRA Rule 1220-1-2-.22. The Federal Court case cited by Atmos regarding the standard for consolidation is not binding on the TRA.¹ That case is a "Comprehensive Environmental Response, Compensation and Liability Act of 1980" (CERCLA) case out of New York State which stands, inter alia, for the proposition that CERCLA doesn't preempt New York State law, except when (and where) it specifically preempts.

Confusion of Issues and Proof

Stand Energy believes that the TRA, its Staff, the intervening parties, and Atmos employees are all capable of giving separate treatment (assuming separate treatment is deemed appropriate) to issues as warranted. In every rate case there are many issues. For example, most issues involve elements of base rates, but some may involve riders and other short-term adjustments, quality of service or rate design. Identifying and addressing issues, whether complex or simple, is what this agency and the parties that appear and practice before it do professionally. Addressing the issues in one docket puts the whole picture of the company in prospective.

Absence of Significant Overlapping Evidence

The extent of the overlapping evidence will not be known until all of the discovery/evidence has been presented in the proceedings. If Tennessee is

¹ *Solvent Chem Co. ICC v. E.I. DuPont de Nemours*, 242 F. Supp. 2d 196,221 (W. D.N.Y. 200).

to foster a competitive market for natural gas transportation, policies of incumbent utilities, like those at issue here, must be considered in a big picture context (rate case) rather than a snapshot of one issue at a time. It has been Stand Energy's experience that consolidation of issues leads to resolution in a holistic context.

Different Counsel

Consolidation would not prejudice Atmos by "defeating its choice of counsel". Consolidation does not prevent counsel of choice from representing Atmos on the various issues they have been hired to address. Just as the parties may weigh in on the issues for which they have an interest, counsel can address the issues they have been hired by Atmos to address.

Different Parties

It is a simple matter for any party to remove itself from discussions relating to issues in which it has no interest. However, if the discovery/evidence reveals issues that overlap or are related or have an impact on other issues, the concerns can be resolved in the context of a holistic approach. Again, Stand Energy is confident that the TRA can manage the case, the issues, and the parties.

Different Case Expense Treatment

Stand Energy would be glad to supply Atmos' attorneys with a billing spreadsheet to use in recording time spent on the various regulatory matters herein. Attorney fee cost tracking does not have to be "incredibly difficult"

nor does it necessarily result in a net increase in the level of expense. In Stand Energy's experience, legal cost tracking usually results in more rapid settlement of contested business issues and therefore expense reduction.

A Streamlined Case is Easier To Resolve

The TRA has extensive experience with outlining issues in complex cases, such that evidence and arguments can be presented on distinct issues and that the issues can be resolved individually or collectively as dictated by the circumstances of the case. Consolidation will give the parties and the agency the flexibility to determine whether there is overlapping impact and the ability to resolve the issues accordingly.

Respectfully Submitted,

Stand Energy Corporation

By: *D. Billye Sanders*

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Attorneys for Stand Energy Corporation

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing has been mailed by first class mail or emailed to the following parties of record on this 9th day of July, 2007.

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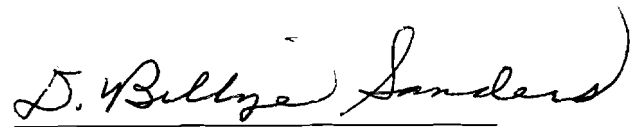
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A handwritten signature in cursive script, reading "D. Billye Sanders", written over a horizontal line.

D. Billye Sanders