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August 20, 2007

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

VIA E-MAIL AND HAND DELIVERY

filed electronically in docket office on 08/20/07

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

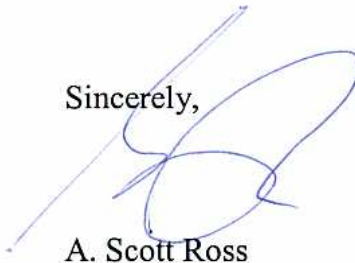
Dear Ms. Dillon:

Enclosed are the original and four copies of Atmos Energy Corporation's Update to Exhibit THP-3 to the Pre-Filed Testimony of Thomas H. Petersen. This update is non-confidential and is also being provided in .pdf format via e-mail.

If you have any questions, please feel free to call.

Best regards.

Sincerely,



A. Scott Ross

ASR:prd

Enclosures

xc: Vance Broemel (E-mail w/ Enclosure)
Henry M. Walker (E-mail w/ Enclosure)
John M. Dosker (E-mail w/ Enclosure)
D. Billye Sanders (E-mail w/ Enclosure)

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

IN RE:)	
)	
PETITION OF ATMOS ENERGY)	DOCKET NO. 07-00105
CORPORATION FOR APPROVAL OF)	
ADJUSTMENT OF ITS RATES AND)	
REVISED TARIFF)	

**ATMOS ENERGY CORPORATION'S UPDATE TO EXHIBIT THP-3 TO THE
PRE-FILED TESTIMONY OF THOMAS H. PETERSEN**

NON-CONFIDENTIAL

**Tennessee Distribution System
Cost of Gas
Twelve Months Ended October 31, 2008**

Line No.	Description (a)	May 2007 Amount (b)
1	Test year per books cost of gas [1]	\$136,629,859
2		
3	Adjustments:	
4	Change in per books gas cost through the 12 months ended May 2007	(9,323,437)
5		
6	Change in Net Elimination of Intercompany Leased Storage Property through the 12 months ended May 2007	(59,427)
7	Net Elimination of Intercompany Leased Storage Property	<u>(1,583,051)</u>
8		
9	Total Adjusted Gas Cost	125,663,944
10		
11	Change from Test Year to Attrition Year	<u>-</u>
12		
13	Projected Attrition Year Gas Cost	<u><u>125,663,944</u></u>

[1] Twelve months ended December 31, 2006