BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

October 4, 2007

In re: Petition of Atmos Energy Corporation	)	
for Approval of Adjustment of Its Rates and	)	
Revised Tariff	)	Docket No. 07-00105

MOTION TO FILE SUPPLEMENTAL EXHIBIT

The Atmos Intervention Group ("AIG") moves to file the attached supplemental exhibit to the pre-filed testimony of Hal Novak. The exhibit was prepared in light of the proposed settlement among the parties which was filed with the Authority on September 27, 2007. The exhibit shows Mr. Novak's recommended rate design based on the settlement agreement.

In his pre-filed direct testimony, Mr. Novak said that after the TRA makes its decision on the total amount of a rate increase, AIG "would then like to present the TRA through either supplemental testimony or post hearing briefs with specific recommendations that will produce this new level of revenue." Pre-filed testimony at 11.

This supplemental exhibit is that document. It shows how the tariffs of Atmos should be designed to produce $3,990,000 in additional annual revenue and shows Mr. Novak's proposed changes to the commercial and industrial rates, assuming that the TRA agrees, (as all parties recommend) to spread the increase across-the-board.[1] Of course, if the TRA rejects the settlement amount, the supplemental exhibit would be moot.

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[1] The exhibit describes how Atmos' tariffs should be structured to produce additional annual revenue of $3.9 million, spread evenly among the customer classes. The exhibit does not address residential rates but only that portion of the increase which would be allocated to the commercial and industrial classes. The exhibit is based on the estimated volume of gas sold during the test period, as agreed upon in the settlement. Since AIG was not able to obtain a current volume distribution analysis from Atmos, Mr. Novak used the distribution analysis provided by Atmos in their last case. Before approving final tariffs for

(footnote continued on following page ...)

AIG supports the settlement agreement and believes it likely that the TRA will approve the agreement. Therefore, to expedite the TRA's consideration of the rate design issue raised by Mr. Novak and to allow the TRA and the other parties to view this information prior to the hearing, as opposed to reading it in a post-hearing brief, AIG moves to submit these exhibits at this time.

Respectfully submitted,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: Henry Walker /bc

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Nashville, Tennessee 37203
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(... footnote continued from previous page)
Atmos, the TRA should require the company to provide a current distribution analysis to make sure that the proposed rate will likely generate the company's annual revenue requirement.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing is being forwarded via U.S. mail, postage prepaid, to:

William T. Ramsey
Neal & Harwell
150 4th Avenue North
Suite 2000
Nashville, TN 37219

Robert E. Cooper
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D. Billye Sanders
Waller Landsen Dortch & Davis, LLP
511 Union Street, Ste. 2700
Nashville, TN 37216

on this the 4th day of October 2007.

Henry M. Walker

Atmos Energy Corporation
Analysis of Commercial Rate Design (Rate Schedules 211, 220, 230 and 265)

AIG Stand Energy
Rebuttal Exhibit
Schedule 1

Rate Schedule	Settlement Customer Count	Settlement Ccf Sales Volumes	Settlement Rates	Settlement Margin
Company/Consumer Advocate Proposed Rate Design:				
Customer Charges:				
211 - HVAC	2		$10.00	$20.00
220 - Small Commercial/Industrial Service	188,005		27.50	5,170,141.02
230 - Medium Commercial/Industrial Service	253		200.00	50,600.00
260/220 - Transportation Small Commercial/Industrial Service	21		310.00	6,510.00
260/230 - Transportation Medium Commercial/Industrial Service	390		310.00	120,900.00
265 - Low Volume Transportation with Firm Backup	0		0.00	0.00
Total Customer Charges	188,671			$5,348,171.02
Volumetric Charges:				
211 - HVAC		21	$0.0770	$1.62
220 - Small Commercial/Industrial Service		54,002,786	0.2049	11,065,170.76
230 - Medium Commercial/Industrial Service		2,685,713	0.1758	472,148.37
260/220 - Transportation Small Commercial/Industrial Service		122,740	0.2049	25,149.43
230/260 - Transportation Medium Commercial/Industrial Service		8,222,986	0.1758	1,445,600.90
265 - Low Volume Transportation with Firm Backup		0	0.0000	0.00
Total Volumetric Charges		65,034,246		$13,008,071.08
Total Commercial Revenue				$18,356,242.10
Atmos Intervention Group/Stand Energy Proposed Rate Design:				
Customer Charges:				
211 - HVAC	2		$10.00	$20.00
220 - Small Commercial/Industrial Service	188,005		27.50	5,170,141.02
230 - Medium Commercial/Industrial Service	253		200.00	50,600.00
260/220 - Transportation Small Commercial/Industrial Service	21		310.00	6,510.00
230/260 - Transportation Medium Commercial/Industrial Service	390		310.00	120,900.00
265 - Low Volume Transportation with Firm Backup	0		310.00	0.00
Total Customer Charges	188,671			$5,348,171.02
Volumetric Charges (All Tariffs):				
Step 1 Volumes (0 - 3,000 Ccf/Month)	65.31%	42,473,866	$0.2370	$10,066,306.24
Step 2 Volumes (3,001 - 5,000 Ccf/Month)	7.01%	4,558,901	0.1778	810,572.60
Step 3 Volumes (Over 5,000 Ccf/Month)	27.68%	18,001,479	0.1185	2,133,175.26
Total Volumetric Charges	100.00%	65,034,246		$13,010,054.10
Total Commercial Revenue				$18,358,225.12
Difference				$1,983.02

Atmos Energy Corporation
Analysis of Industrial Rate Design (Rate Schedules 240, 250, 280, 291, 292, 293 and 294)

AIG Stand Energy
Rebuttal Exhibit
Schedule 2

Rate Schedule	Settlement Customer Count	Settlement Ccf Sales Volumes	Settlement Rates	Settlement Margin
Company/Consumer Advocate Proposed Rate Design:				
Customer Charges:				
240 - Demand/Commodity Service	12		$310.00	$3,720.00
250 - Interruptible Gas Service	575		310.00	178,166.30
280 - Economic Development Service	12		310.00	3,720.00
292 - Cogeneration, CNG, Prime Movers, Fuel Cell Service	36		27.50	990.00
293 - Large Tonnage A/C Service	12		27.50	330.00
260/240 - Demand Commodity Transportation Service	12		310.00	3,720.00
260/250 - Interruptible Transportation Service	594		310.00	184,140.00
260/280 - Economic Development Transportation Service	37		310.00	11,470.00
Total Customer Charges	1,290			$386,256.30
Volumetric Charges:				
240/250/292/293 - Step 1 (First 20,000 Ccf/Month)		17,672,993	$0.0983	$1,737,255.21
240/250/292/293 - Step 2 (Next 480,000 Ccf/Month)		35,597,459	0.0640	2,278,237.38
240/250/292/293 - Step 3 (Over 500,000 Ccf/Month)		0	0.0279	0.00
Total Volumes (Rate Schedules 240/250/292/293)		53,270,452		$4,015,492.59
280 - Step 1 (First 20,000 Ccf/Month)		960,000	$0.0737	$70,752.00
280 - Step 2 (Next 480,000 Ccf/Month)		3,817,410	0.0480	183,235.68
280 - Step 3 (Over 500,000 Ccf/Month)		0	0.0209	0.00
Total Volumes (Rate Schedule 280)		4,777,410		$253,987.68
Total Volumetric Charges (All Rate Schedules)		58,047,862		$4,269,480.27
Demand Charges:				
240 - Billing Demand		96,093	$1.6293	$156,564.32
240/280 - Billing Demand		33,817	1.2220	41,324.37
Total Billing Demand		129,910		$197,888.69
Total Industrial Revenue				$4,853,625.26
Atmos Intervention Group/Stand Energy Proposed Rate Design:				
Customer Charges:				
240 - Demand/Commodity Service	12		$310.00	$3,720.00
250 - Interruptible Gas Service	575		310.00	178,250.00
280 - Economic Development Service	12		310.00	3,720.00
292 - Cogeneration, CNG, Prime Movers, Fuel Cell Service	36		310.00	11,160.00
293 - Large Tonnage A/C Service	12		310.00	3,720.00
260/240 - Demand Commodity Transportation Service	12		310.00	3,720.00
260/250 - Interruptible Transportation Service	594		310.00	184,140.00
260/280 - Economic Development Transportation Service	37		310.00	11,470.00
Total Customer Charges	1,290			$399,900.00
Volumetric Charges (All Tariffs):				
Step 1 Volumes (0 - 10,000 Ccf/Month)	16.68%	9,682,383	$0.1207	$1,168,663.63
Step 2 Volumes (10,001 - 31,000 Ccf/Month)	27.12%	15,742,580	0.0905	1,424,703.49
Step 3 Volumes (31,001 - 91,000 Ccf/Month)	37.87%	21,982,725	0.0604	1,327,756.59
Step 4 Volumes (Over 91,000 Ccf/Month)	18.33%	10,640,173	0.0302	321,333.22
Total Volumetric Charges	100.00%	58,047,861		$4,242,456.93
Demand Charges:				
240 - Billing Demand		96,093	$1.6293	$156,564.32
240/280 - Billing Demand		33,817	1.6293	55,098.04
Total Billing Demand		129,910		$211,662.36
Total Industrial Revenue				$4,854,019.29
Difference				$394.03

AIG/Stand Energy
Rebuttal Exhibit
Schedule 3

Atmos Energy Corporation
Analysis of Commercial Rates 220 and 230 Combined Usage
For the 12 Months Ended September 30, 2005

Monthly Usage	Rate 220	Rate 230	Rate 260	Total	Percentage	Cumulative Percentage	
0 - 100 Ccf	8,855,457	20,664	32,700	8,908,821	12.78%	12.78%	
101 - 200 Ccf	5,401,871	20,245	32,700	5,454,816	7.82%	20.60%	
201 - 300 Ccf	4,022,692	20,199	32,700	4,075,591	5.85%	26.45%	
301 - 400 Ccf	3,208,453	20,019	32,610	3,261,082	4.68%	31.13%	
401 - 500 Ccf	2,642,590	19,621	32,600	2,694,811	3.87%	34.99%	
501 - 600 Ccf	2,218,820	19,271	32,600	2,270,691	3.26%	38.25%	
601 - 700 Ccf	1,885,605	18,989	32,600	1,937,194	2.78%	41.03%	Block 1
701 - 800 Ccf	1,620,731	18,830	32,540	1,672,101	2.40%	43.43%	
801 - 900 Ccf	1,408,796	18,800	32,500	1,460,096	2.09%	45.52%	
901 - 1000 Ccf	1,230,180	18,638	32,500	1,281,318	1.84%	47.36%	
1001 - 2000 Ccf	7,611,448	182,562	325,000	8,119,010	11.65%	59.01%	
2001 - 3000 Ccf	3,890,996	178,983	324,530	4,394,509	6.30%	65.31%	
3001 - 4000 Ccf	2,339,915	174,684	323,468	2,838,067	4.07%	69.38%	Block 2
4001 - 5000 Ccf	1,551,856	171,700	322,350	2,045,906	2.93%	72.32%	
5001 - 6000 Ccf	1,096,875	168,662	320,314	1,585,851	2.27%	74.59%	
6001 - 7000 Ccf	807,862	160,899	317,599	1,286,360	1.85%	76.44%	
7001 - 8000 Ccf	614,031	156,263	314,070	1,084,364	1.56%	77.99%	
8001 - 9000 Ccf	484,382	150,885	309,646	944,913	1.36%	79.35%	
9001 - 10000 Ccf	365,913	139,976	303,048	808,937	1.16%	80.51%	
10001 - 11000 Ccf	333,256	427,466	936,164	1,696,886	2.43%	82.94%	
11001 - 21000 Ccf	1,382,440	533,756	1,425,358	3,341,554	4.79%	87.73%	
21001 - 31000 Ccf	780,450	244,125	845,395	1,869,970	2.68%	90.42%	
31001 - 41000 Ccf	376,529	92,035	526,387	994,951	1.43%	91.84%	Block 3
41001 - 51000 Ccf	167,307	47,660	197,540	412,507	0.59%	92.44%	
51001 - 61000 Ccf	95,610	0	159,280	254,890	0.37%	92.80%	
61001 - 71000 Ccf	64,220	0	116,920	181,140	0.26%	93.06%	
71001 - 81000 Ccf	50,040	0	60,000	110,040	0.16%	93.22%	
81001 - 91000 Ccf	37,810	0	60,000	97,810	0.14%	93.36%	
91001 - 101000 Ccf	26,320	0	60,000	86,320	0.12%	93.48%	
101001 - 111000 Ccf	10,490	0	60,000	70,490	0.10%	93.58%	
Over 111000 Ccf	51,507	5,600	4,415,740	4,472,847	6.42%	100.00%	
Total	54,634,453	3,030,531	12,048,860	69,713,843			

SOURCE: Company response to Atmos Intervention Group's 2nd Data Request in Docket 05-00258, Items 3, 4 and 7.

Block 1 =	65.31%	of Total Volumes.
Block 2 =	7.01%	of Total Volumes.
Block 3 =	27.68%	of Total Volumes.
	100.00%	

AIG/Stand Energy
Rebuttal Exhibit
Schedule 4

Atmos Energy Corporation
Analysis of Industrial Rates 240, 250. 280, 291, 292, 293 and 294 Combined Usage (Ccf)
For the 12 Months Ended September 30, 2005

Monthly Usage	Rate 240	Rate 250	Rate 280	Rate 291	Rate 292	Rate 293	Rate 294	Total	Percentage	Cumulative Percentage	
0 - 100 Ccf	2,400	106,972	4,700	0	2,400	1,200	0	117,672	0.19%	0.19%	
101 - 200 Ccf	2,400	105,320	4,700	0	2,400	1,200	0	116,020	0.19%	0.37%	
201 - 300 Ccf	2,400	104,790	4,700	0	2,400	1,200	0	115,490	0.18%	0.56%	
301 - 400 Ccf	2,400	104,390	4,700	0	2,400	1,200	0	115,090	0.18%	0.74%	
401 - 500 Ccf	2,400	103,990	4,700	0	2,400	1,200	0	114,690	0.18%	0.93%	
501 - 600 Ccf	2,400	103,470	4,700	0	2,400	1,200	0	114,170	0.18%	1.11%	
601 - 700 Ccf	2,400	103,020	4,700	0	2,400	1,200	0	113,720	0.18%	1.29%	
701 - 800 Ccf	2,400	102,740	4,700	0	2,400	1,200	0	113,440	0.18%	1.47%	
801 - 900 Ccf	2,400	102,610	4,700	0	2,400	1,200	0	113,310	0.18%	1.65%	
901 - 1000 Ccf	2,400	102,450	4,700	0	2,400	1,200	0	113,150	0.18%	1.83%	
1001 - 2000 Ccf	24,000	1,013,352	47,000	0	24,000	12,000	0	1,120,852	1.79%	3.63%	Block 1
2001 - 3000 Ccf	24,000	990,300	47,000	0	24,000	12,000	0	1,097,600	1.76%	5.38%	
3001 - 4000 Ccf	24,000	979,742	47,000	0	24,000	12,000	0	1,086,742	1.74%	7.12%	
4001 - 5000 Ccf	24,000	957,563	47,000	0	23,478	11,392	0	1,063,533	1.70%	8.82%	
5001 - 6000 Ccf	24,000	936,177	47,000	0	20,161	10,407	0	1,037,745	1.66%	10.49%	
6001 - 7000 Ccf	24,000	903,249	47,000	0	17,032	10,000	0	1,001,281	1.60%	12.09%	
7001 - 8000 Ccf	24,000	881,847	47,000	0	13,273	8,677	0	974,797	1.56%	13.65%	
8001 - 9000 Ccf	24,000	865,610	46,560	0	12,368	8,000	0	956,538	1.53%	15.18%	
9001 - 10000 Ccf	**24,000**	**849,960**	**46,000**	**0**	**12,000**	**8,000**	**0**	**939,960**	**1.50%**	**16.68%**	
10001 - 11000 Ccf	24,000	1,608,428	53,230	0	56,352	8,000	0	1,750,010	2.80%	19.48%	
11001 - 21000 Ccf	239,780	7,547,049	449,200	0	31,581	61,671	0	8,329,281	13.33%	32.81%	Block 2
21001 - 31000 Ccf	**187,990**	**6,221,751**	**440,000**	**0**	**0**	**23,496**	**0**	**6,873,237**	**11.00%**	**43.80%**	
31001 - 41000 Ccf	133,610	5,418,500	411,430	0	0	1,317	Block 3	5,964,857	9.54%	53.35%	
41001 - 51000 Ccf	120,000	4,478,081	374,340	0	0	0	0	4,972,421	7.96%	61.30%	
51001 - 61000 Ccf	120,000	3,527,062	324,450	0	0	0	0	3,971,512	6.35%	67.66%	Block 3
61001 - 71000 Ccf	120,000	3,017,070	283,560	0	0	0	0	3,420,630	5.47%	73.13%	
71001 - 81000 Ccf	120,000	2,507,730	260,000	0	0	0	0	2,887,730	4.62%	77.75%	
81001 - 91000 Ccf	**120,000**	**2,066,410**	**260,000**	**0**	**0**	**0**	**0**	**2,446,410**	**3.91%**	**81.67%**	
91001 - 101000 Ccf	116,340	3,697,880	694,150	0	0	0	0	4,508,370	7.21%	88.88%	
101001 - 111000 Ccf	103,870	831,870	124,440	0	0	0	0	1,060,180	1.70%	90.58%	Block 4
Over 111000 Ccf	307,001	5,009,083	574,060	0	0	0	0	5,890,144	9.42%	100.00%	
Total	1,952,591	55,349,366	4,717,420	0	282,245	198,960	0	62,500,582	100.00%		

SOURCE: Company response to Atmos Intervention Group's 2nd Data Request in Docket 05-00258, Items 5, 6, 7, 8, 9, 10, 11 and 12.

Block 1 =	16.68%	of Total Volume
Block 2 =	27.12%	of Total Volume
Block 3 =	37.86%	of Total Volume
Block 4 =	18.33%	of Total Volume
	100.00%	

Atmos Intervention Group Schedule 5

Comparison of Monthly Usage Blocks for Commercial Customers

	Dkt	%
Chattanooga Gas Company:		
Step 1 - First 300 Dkt/Month	26,264,295	68.91%
Step 2 - Next 200 Dkt/Month	2,964,805	7.78%
Step 3 - Next 1000 Dkt/Month	4,931,720	12.94%
Step 4 - Over 1500 Dkt/Month	3,950,550	10.37%
Total	**38,111,370**	**100.00%**

Rate Design Volumes Adopted by the TRA in Docket 06-00175.

	Dkt	%
Nashville Gas Company:		
SGS Value (332)		
Step 1 - First 200 Dkt/Month	2,271,641	82.57%
Step 2 - Over 200 Dkt/Month	479,549	17.43%
Total	**2,751,190**	**100.00%**
SGS Standard (302)		
All Consumption	**3,828,338**	**100.00%**
MGS Value (362)		
Step 1 - First 500 Dkt/Month	141,928	61.49%
Step 2 - Over 500 Dkt/Month	88,871	38.51%
Total	**230,799**	**100.00%**
MGS Standard (352)		
All Consumption	**24,323**	**100.00%**
Total Commercial	**6,834,650**	

Rate Design Volumes Adopted by the TRA in Docket 03-00313.

Atmos Energy Corporation:

Current Tariff:

No Usage Blocks

AIG/Stand Energy Proposed Tariff:	Ccf	%
Step 1 - First 3000 Ccf/Month	42,473,866	65.31%
Step 2 - 3001 - 5000 Ccf/Month	4,558,901	7.01%
Step 3 - Over 5000 Ccf/Month	18,001,479	27.68%
Total	**65,034,246**	**100.00%**

Source: Schedule 3

Atmos Intervention Group Schedule 6
Comparison of Monthly Usage Blocks for Industrial Customers

	Dkt	%
Chattanooga Gas Company:		
Step 1 - First 1500 Dkt/Month	11,404,376	14.72%
Step 2 - Next 2500 Dkt/Month	15,566,488	20.09%
Step 3 - Next 11000 Dkt/Month	25,769,410	33.26%
Step 4 - Over 15000 Dkt/Month	24,744,556	31.93%
Total	**77,484,830**	**100.00%**

Rate Design Volumes Adopted by the TRA in Docket 06-00175.

	Dkt	%
Nashville Gas Company:		
Step 1 - First 1500 Dkt/Month	2,637,903	27.58%
Step 2 - Next 2500 Dkt/Month	1,791,305	18.73%
Step 3 - Next 5000 Dkt/Month	1,400,506	14.64%
Step 4 - Over 9000 Dkt/Month	3,736,442	39.06%
Total	**9,566,156**	**100.00%**

Rate Design Volumes Adopted by the TRA in Docket 03-00313.

Atmos Energy Corporation:

	Ccf	%
Current Tariff:		
Step 1 - First 20000 Ccf/Month	18,632,993	32.10%
Step 2 - Next 480000 Ccf/Month	39,414,869	67.90%
Step 3 - Over 500000 Ccf/Month	0	0.00%
Total	**58,047,862**	**100.00%**

	Ccf	%
AIG/Stand Energy Proposed Tariff:		
Step 1 - First 10000 Ccf/Month	9,682,383	16.68%
Step 2 - Next 21000 Ccf/Month	15,742,580	27.12%
Step 3 - Next 60000 Ccf/Month	21,982,725	37.87%
Step 4 - Over 91000 Ccf/Month	10,640,173	18.33%
Total	**58,047,861**	**100.00%**

Source: Schedule 4