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February 19, 2008

VIA HAND DELIVERY

Honorable Ron Jones, Hearing Officer
c/o Sharla Dillon, Docket & Records Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

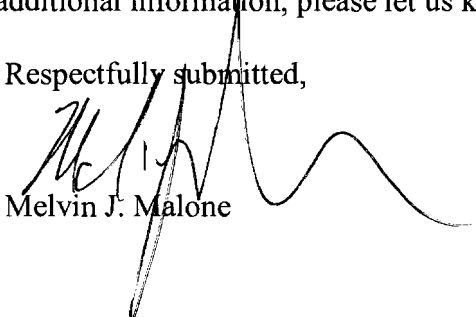
**RE: Docket to Evaluate Atmos Energy Corporation's Gas Purchases and Related
Sharing Incentives, TRA Docket No. 07-00225**

Dear Hearing Officer Jones:

Enclosed please find one (1) original and thirteen (13) copies of *Atmos Energy Marketing, LLC's Responses to Factual Issues List* for filing in the above-captioned docket. Also enclosed is a copy of this filing to be file-stamped for our records.

If you have any questions or require additional information, please let us know.

Respectfully submitted,


Melvin J. Malone

clw

c: Parties of Record

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

IN RE:)	
)	
DOCKET TO EVALUATE)	
ATMOS ENERGY CORPORATION'S)	
GAS PURCHASES AND RELATED)	DOCKET NO. 07-00225
SHARING INCENTIVES)	
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ATMOS ENERGY MARKETING, LLC's RESPONSES TO FACTUAL ISSUES LIST

Pursuant to the Tennessee Regulatory Authority's ("TRA" or "Authority") *Order on December 13, 2007 Status Conference ("Order")*¹ in the above-captioned matter, Atmos Energy Marketing, LLC ("AEM"), by and through its undersigned counsel, hereby respectfully submits the following responses to the Factual Issues List set forth in Attachment A to the *Order*.

Number 13 from the Factual Issues List:

13. What assets (firm transportation and storage) of the Atmos Energy Company does Atmos Energy Marketing use to serve gas transportation customers?

RESPONSE:

Atmos Energy Corporation's ("AEC") response to Factual Issues List item Number 5 contains AEC's storage and transportation contracts managed by AEM as AEC's asset manager in Tennessee and Virginia. AEM manages various pipeline and storage assets for AEC and, subject to the utility's recallable rights and available capacity, is able to use those assets to effect transactions for AEM's own customers. However, AEM also holds its own proprietary pipeline

¹ *Order on December 13, 2007 Status Conference*, TRA Docket No. 07-00225 (Dec. 21, 2007).

and storage assets, and also manages assets for customers other than AEC. Accordingly, each transaction effected by AEM is different and depends upon economic and well as operational considerations based upon AEM's asset portfolio as a whole. For example, on colder days (*e.g.* peak days) when the utility requires most, if not all, of its capacity to meet its system needs, then AEM will rely almost entirely upon its own proprietary assets and other managed capacity to serve AEM customers. In fact, when the utility's system needs exceed its available capacity, AEM (although not contractually required to do so) may be called upon to provide additional capacity, subject to mutually agreeable terms, to the utility to ensure that the utility's system needs are met. When the utility has excess capacity available, and depending upon the economics of a transaction, AEM may use part of that capacity or in combination with its own proprietary assets or other managed assets to serve its customers. As stated previously, AEM's rights as asset manager to use any of the utility's pipeline or storage capacity is always subject to the utility's paramount rights to those assets, and if the utility calls on that capacity, then AEM must maintain operational flexibility to be able to call upon replacement capacity from its asset portfolio (whether proprietary and/or other managed capacity) to effect transactions for its other customers. AEM's right as asset manager to use any of the utility's assets also carries with it the obligation to keep the utility whole from any imbalance cash-outs that may arise as a result of AEM's use of those assets, and this obligation has a significant bearing upon whether and when any of the utility's capacity will in fact be utilized to effect a transaction by AEM for customers other than the utility.

Number 14 from the Factual Issues List:

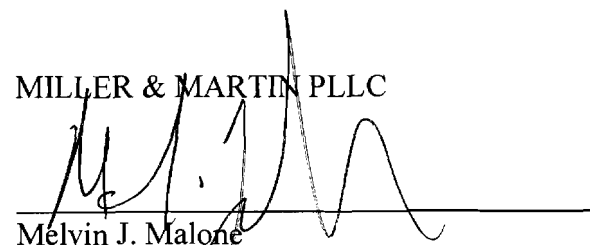
14. On Atmos Energy Corporation's peak day, what capacity does Atmos Energy Marketing use to serve its transportation customers?

RESPONSE:

As a point of clarification, AEM does not have transportation customers, meaning customers who seek only transportation service from AEM, because AEM is not a pipeline or distribution company. Instead, AEM may provide supply or other services to its customer's facilities that are located behind an AEC or other utility city gate. If AEM provides gas commodity to such a customer, then the utility is usually the transporter. With respect to the specific question, please see AEM's Response to Number 13 above.

Respectfully Submitted,

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Attorneys for Atmos Energy Marketing, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been e-mailed and mailed to the following parties of interest this 9th day of February , 2008.

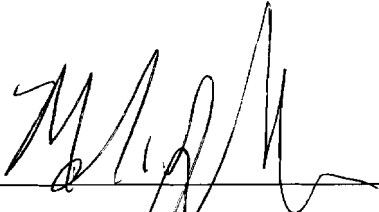
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