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February 28, 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

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T.R.A. DOCKET ROOM

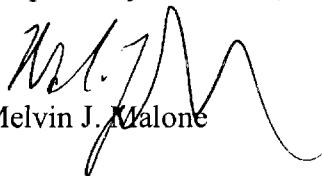
**RE: Docket to Evaluate Atmos Energy Corporation's Gas Purchases and Related
Sharing Incentives, TRA Docket No. 07-00225**

Dear Hearing Officer Jones:

Enclosed please find one (1) original and thirteen (13) copies of *Atmos Energy Marketing, LLC's Responses to Atmos Intervention Group's First Set of Discovery Requests* 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

**IN THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE**

IN RE: DOCKET TO EVALUATE)	
ATMOS ENERGY CORPORATION'S)	DOCKET NO. 07-00225
GAS PURCHASES AND RELATED)	
SHARING INCENTIVES)	
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**RESPONSES OF ATMOS ENERGY MARKETING, LLC TO THE ATMOS
INTERVENTION GROUP'S FIRST DISCOVERY REQUESTS**

Atmos Energy Marketing, LLC ("AEM"), by and through counsel, hereby responds to the First Discovery Requests of the Atmos Intervention Group ("AIG").

Confidential Information

Where designated, certain written responses and documents responsive to AIG's First Discovery Requests contain information that constitutes confidential, proprietary information or trade secrets of AEM. This information is therefore subject to the terms of the Protective Order entered by the Authority in this matter. Consistent with the Protective Order, such responses and documents are either marked as "CONFIDENTIAL INFORMATION" or as "HIGHLY CONFIDENTIAL – AEM MATERIAL (Outside Counsel Only)."¹

¹ The marks "HIGHLY CONFIDENTIAL" or "HIGHLY CONFIDENTIAL – AEM MATERIAL (Outside Counsel Only)" shall have the same meaning herein and shall be given the same treatment with respect to the Protective Order.

General Objections

AEM objects to AIG's list of "Definitions" and "General Instructions" that purport to govern AEM's responses to the discovery requests. AEM, rather, responds to the discovery requests in accordance with Rules 26, 33, and 34 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-1-2-.11. AEM further objects to all requests that seek information pertaining to other jurisdictions, as such information is irrelevant to a determination of the issues in this matter, and is not reasonably calculated to lead to the discovery of admissible evidence. Without waiving these general objections and subject to more specific objections set forth below, AEM responds to AIG's discovery requests as follows:

DISCOVERY REQUESTS

1. Provide a copy of all requests for documents and documents provided to the FERC enforcement office dealing with their investigation of Atmos for possible violations of posting and competitive bidding regulations.

RESPONSE

AEM objects to this request because the data requests received by AEM from FERC do not concern interstate pipeline or storage capacity used to supply Tennessee and Virginia customers, and this request therefore seeks information that is neither relevant to this proceeding nor reasonably calculated to disclose or lead to the discovery of relevant evidence. AEM further objects to this request because the investigation is being conducted by the FERC under applicable federal law and the investigation, as well as all information provided by AEM (which is highly confidential, non-public information) to

FERC in connection with such investigation is nonpublic under the provisions of 18 CFR Sec. 1b.9.

2. 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

For its response to the first subpart of this request, AEM states that it has not provided any documents to TRA Staff and that the documents provided by AEM to the Consumer Advocate and Protection Division either will be attached to Atmos Energy Marketing, LLC's Responses to the Consumer Advocate and Protection Division's First Discovery Requests to be filed in this docket or are attached to Atmos Energy Corporation's Responses to the Consumer Advocate and Protection Division's First Discovery Requests filed in this docket. For its response to the second subpart of this request, AEM states that it has not met with TRA Staff. AEM objects to the request regarding the Consumer Advocate and Protection Division on the grounds that such information is protected from discovery by the settlement privilege. Without waiving its objections, see AEC's response to this request.

3. Provide a copy of the Company's current asset management contracts in all jurisdictions where the Company owns and operates a gas distribution utility.

RESPONSE

This request is not directed to AEM and, as such, no response is required.

4. 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

This request is not directed to AEM and, as such, no response is required.

5. For the past five years, provide copies of the Company’s gas supply plans for its Tennessee regulated customers and the reserve margin associated with the peak day demand requirements.

RESPONSE

This request is not directed to AEM and, as such, no response is required.

6. 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

This request is not directed to AEM and, as such, no response is required.

7. From January 1, 2004 to November 30, 2007, provide the monthly total volumes transported and profits realized by Company's affiliated Asset Manager from sales to transport customers and non-jurisdictional customers whose gas was transported using the Company's Tennessee ratepayer assets.

RESPONSE

AEM objects to this request on the grounds that it is overly burdensome and the costs to produce such information exceed the benefit to AIG. Specifically, the information as requested does not exist in the designated format and is not kept in the normal course of AEM's business practices.

8. From January 1, 2004 to November 30, 2007, provide the total 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

AEM objects to this request on the grounds that it is overly burdensome and the costs to produce such information exceed the benefit to AIG. Specifically, the information as requested is not kept in the normal course of AEM's business practices. Without waiving such objections, AIG is referred to Atmos Energy Marketing, LLC's response to Request No. 5 of the Consumer Advocate and Protection Division's First Discovery Requests. The information provided in Request No. 5 to the CAD's First Discovery Requests, including the referenced documents and the information contained, constitute HIGHLY CONFIDENTIAL – AEM MATERIAL (Outside Counsel Only) that is subject to the Protective Order entered in this matter.

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

RESPONSE

This request is not directed to AEM and, as such, no response is required.

10. From January 1, 2004 through November 30, 2007, please provide a copy of all invoices for gas supply and related interstate pipeline and storage charges that are billed to the Company by the Company's affiliate asset manager.

RESPONSE

For copies of such invoices billed from AEM to AEC, see AEC's response to Request No. 20 of the CAD's First Discovery Requests to AEC.

11. From January 1, 2004 through November 30, 2007, provide all communications/directions between the Company and Company's affiliate asset manager related monthly natural gas purchases that direct the asset manager on the volumes of gas to purchase, storage injections/withdrawals, and pricing.

RESPONSE

See AEC's response to this request.

12. From January 1, 2004 through November 30, 2007, please provide transaction details on any storage hedges/derivatives that were purchased by the Company or Company's

affiliate asset manager to lock in storage arbitrage value. Please identify the proceeds of these hedges/derivatives and how this value was credited to Purchased Gas Adjustment.

RESPONSE

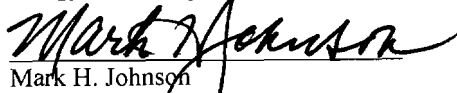
AEC receives the full benefit of storage arbitrage value derived from injecting volume into storage at lower summer prices and withdrawing said volume from storage during higher priced winter months and passes the same to AEC ratepayers. To the extent there is idle storage capacity available, AEM has the opportunity to optimize that idle capacity, which would have no negative impact upon either AEC or AEC ratepayers. The value from any storage opportunities to AEM is reflected in AEM's response to Request No. 5 of the CAD's First Discovery Requests. The information provided in Request No. 5 to the CAD's First Discovery Requests, including the referenced documents and the information contained therein constitute HIGHLY CONFIDENTIAL – AEM MATERIAL (Outside Counsel Only) that is subject to the Protective Order entered in this matter.

VERIFICATION

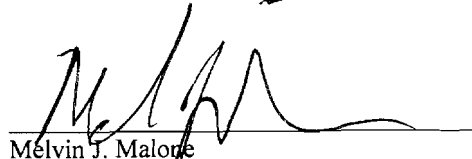
I hereby swear or affirm that the answers to the foregoing discovery requests are true and accurate to the best of my knowledge and based upon information reasonably available to me.

Atmos Energy Marketing, LLC

By:


Mark H. Johnson

Its: PRESIDENT



Melvin J. Malone

E. Todd Presnell

MILLER & MARTIN PLLC

150 Fourth Avenue North

Suite 1200

Nashville, Tennessee 37219

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via first-class U.S. Mail, postage prepaid, or electronic mail upon:

Patricia Childers Vice President, Rates & Regulatory Affairs Mid-States Division Atmos Energy Corporation 810 Crescent Centre Drive, Suite 600 Franklin, TN 37067-6226 pat.childers@atmosenergy.com	William T. Ramsey A. Scott Ross Neal & Harwell PLC One Nashville Place, Suite 2000 150 Fourth Avenue North Nashville, TN 37219 ramseywt@nealharwell.com ross@nealharwell.com
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Henry M. Walker Boult, Cummings, Conners & Berry PLC 1600 Division Street, Suite 700 P.O. Box 340025 Nashville, TN 37203 hwalker@boultcummings.com	Vance L. Broemel Joe Shirley Tim Phillips Assistant Attorney General Office of the Attorney General Consumer Advocate and Protection Division P.O. Box 20207 Nashville, TN 37202
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This the 28th day of February, 2008.



Melvin J. Malone