

STATE OF TENNESSEE

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May 19, 2008

Hon. Ron Jones, Hearing Officer
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

filed electronically in docket office on 05/19/08

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

Dear Hearing Officer Jones:

On behalf of the parties, I am writing to update you on the pending discovery and procedural issues in the above-styled matter. The Consumer Advocate is continuing its evaluation of the supplemental discovery response provided by Atmos Energy Marketing ("AEM") on May 7, 2008. To further this evaluation, the Consumer Advocate and AEM have agreed to additional discussions in the near future, with the hope of resolving the remaining discovery issues.

Because the discovery phase is ongoing and because the parties are continuing to make progress on outstanding matters, the parties agree that establishing a procedural schedule at this time would be premature. Rather, the parties request the opportunity to proceed with their work on this case without establishing a formal procedural schedule, but will immediately notify the Hearing Officer of any impasse in our discussions. The parties also will provide a report to the Hearing Officer in two weeks informing him of the status of this case.

The parties are available for the status conference scheduled for tomorrow morning if the Hearing Officer deems it necessary to convene the conference. Do not hesitate to contact us should you have any questions.

Respectfully submitted,

A handwritten signature in cursive script that reads "Joe Shirley".

Joe Shirley
Assistant Attorney General

c: Parties of Record