

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

IN RE: )  
 )  
DOCKET TO EVALUATE ATMOS ENERGY ) No. 07-00225  
CORPORATION'S GAS PURCHASE AND )  
RELATED SHARING INCENTIVES )

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**RESPONSE OF ATMOS ENERGY CORPORATION  
TO THE HEARING OFFICER'S NOVEMBER 9, 2010  
REQUEST FOR COMMENTS**

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Atmos Energy Corporation respectfully submits these comments in response to the Hearing Officer's November 9, 2010 Notice of Filing Comments, which requested that the parties submit comments on the applicability of rulings in the recently-concluded Chattanooga Gas Company dockets, 07-00224, and 09-00183, the status of settlement negotiations between the parties, and the parties' suggestions for a path forward toward final resolution of this matter.

Atmos and the Consumer Advocate have engaged in settlement discussions toward the adoption of a triennial review procedure modeled on the one adopted in the Chattanooga Gas Company dockets referenced above. It appears at this point that there is general agreement on the text of a provision to be adopted for Atmos, although there are two areas of disagreement that may ultimately necessitate resolution by the Authority. The first involves the timing of the review procedure and the scheduled duration of the review. Atmos has proposed a schedule under which its first triennial review would occur following those already scheduled for Nashville Gas Company and Chattanooga Gas Company, and would be completed in a period of less than a year. The Consumer Advocate has proposed that the review begin sooner, and that the review period extend for a period of eighteen months or more. The second issue involves the recovery of attorneys fees incurred in this docket, and those that may be incurred in connection

with the triennial review process.

Atmos and the Consumer Advocate would ask that negotiations be permitted to continue for a period of at least 45 days so as to allow the parties time to attempt to narrow, and perhaps find a way to resolve, these remaining issues. If issues do remain for resolution following further negotiations, the parties anticipate that they will jointly present the Authority with an agreed set of triennial review procedures which they would ask be adopted, and that they will at that time identify a specific set of remaining issues for the Authority to resolve (e.g. attorneys' fee recovery and timing of the review procedure). At that time, the parties would ask for leave to brief the remaining issues prior to resolution by the Authority, but the parties do not anticipate the need to conduct discovery or to hold an extensive evidentiary hearing on these issues.

Respectfully submitted,

**NEAL & HARWELL, PLC**

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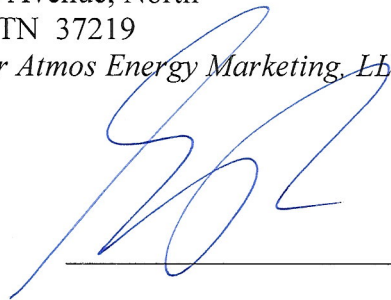
**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing has been served, via the method(s) indicated below, on the following counsel of record, this the 14 day of December, 2010.

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