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February 14, 2008

VIA HAND DELIVERY

filed electronically in docket office on 03/06/08

Eddie Roberson, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37219

Re: Request of Atmos Energy Corporation for Approval of Contract(s)
Regarding Gas Commodity Requirements and Management of
Transportation Storage Contracts
TRA Docket No. 08-00024
Stand Energy Corporation's Request for Leave to file Reply and
Reply of Stand Energy Corporation to Atmos Energy Corporation's
Response to Stand Energy Corporation's Petition to Intervene

Dear Chairman Roberson:

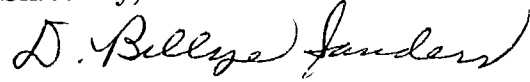
Enclosed you will find the Stand Energy Corporation's Request for Leave to File the attached Reply to Atmos Energy Corporation's Response to Stand Energy Corporation's Petition to Intervene. Stand Energy Corporation respectfully requests that the TRA grant its Petition to Intervene in this docket. This filing has also been made electronically.

Please contact me if you need additional information.

March 5, 2008

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Sincerely,

A handwritten signature in cursive script, reading "D. Billye Sanders".

D. Billye Sanders

Attorney for Stand Energy Corporation

cc: John M. Dosker, Esq.
A. Scott Ross, Esq.
Consumer Advocate and Protection Division
Henry Walker, Esq.

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

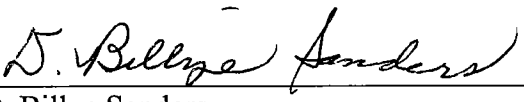
**IN RE: REQUEST OF ATMOS ENERGY)
CORPORATION FOR APPROVAL OF)
CONTRACT(S) REGARDING GAS)
COMMODITY REQUIREMENTS AND)
MANAGEMENT OF TRANSPORTATION)
STORAGE CONTRACTS)**

TRA Docket No. 08-00024

STAND ENERGY CORPORATION'S REQUEST FOR LEAVE TO FILE REPLY

Comes now Stand Energy Corporation ("Stand Energy") before the Tennessee Regulatory Authority and files this Request for Leave to file a reply to Atmos Energy Corporation's Response to Stand Energy Corporation's Petition to Intervene. In support of Stand Energy's request, Stand Energy submits that leave should be granted as to the attached Reply because it addresses issues and erroneous assumptions raised in Atmos' Response and statements of the Hearing Officer in its Order Denying Stay that will assist the TRA in ruling upon the Petition to Intervene at issue.

Respectfully Submitted,
Stand Energy Corporation

By: 
D. Billye Sanders
Attorney for Stand Energy Corporation

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing motions were served upon the following parties of record or as a courtesy, via U.S. Mail postage prepaid, express mail, hand delivery, or electronic transmission, on March 5, 2008.

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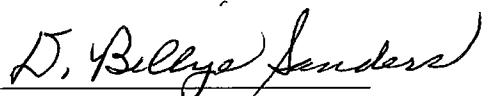
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D. Billye Sanders

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

IN RE: REQUEST OF ATMOS ENERGY)	
CORPORATION FOR APPROVAL OF)	
CONTRACT(S) REGARDING GAS)	
COMMODITY REQUIREMENTS AND)	TRA Docket No. 08-00024
MANAGEMENT OF TRANSPORTATION)	
STORAGE CONTRACTS)	

**STAND ENERGY CORPORATION’S REPLY TO ATMOS ENERGY
CORPORATION’S RESPONSE TO STAND ENERGY CORPORATION’S
PETITION TO INTERVENE**

Comes now Stand Energy Corporation (“Stand Energy”) before the Tennessee Regulatory Authority and files this Reply to Atmos Energy Corporation’s (“AEC” or “Atmos”) Response to Stand Energy Corporation’s Petition to Intervene. In support of Stand Energy’s Petition to Intervene, Stand Energy respectfully states as follows:

On February 29, 2008, an Order was entered denying Stand Energy’s motion to stay. In addition to denying Stand Energy’s motion, the Order provided that it interpreted Stand Energy’s attempt to intervene in the RFP process as an attempt to “prevent the RFP process from moving forward.” The Order further provided that Atmos Intervention Group (“AIG”) and the Consumer Advocate and Protection Division of the Office of the Attorney General (“CAPD”) have now filed petitions to intervene, which only seek to intervene “in the contract approval process and not in the RFP process.” Based on this distinction, the Order concluded that Stand Energy’s attempt to intervene was premature and stated that it would consider all pending petitions to

intervene at a later date.¹ In light of these assumptions regarding the nature and purpose of Stand Energy's Petition to Intervene, Stand Energy is filing this reply in an attempt to clarify both why it seeks to intervene in Docket No. 08-00024, as well as why it should be permitted to intervene in this matter.

Before addressing the specifics of Stand Energy's petition, however, it is important to note that a "hearing officer shall grant one (1) or more petitions for intervention if:

(2) The petition states facts demonstrating that the petitioner's legal rights, duties, privileges, immunities or other legal interest may be determined in the proceeding or that the petitioner qualifies as an intervenor under any provision of law; and

(3) The administrative judge or hearing officer determines that the interests and the orderly and prompt conduct of the proceedings shall not be impaired by allowing the intervention.

T.C.A. § 4-5-310 (2007). Historically, the TRA has liberally granted intervention and allowed interested parties to be heard in proceedings before this agency. The standard for intervention is not whether a petitioner's participation is "necessary" to the resolution of the docket, as Atmos suggests. It is whether the petitioner's legal rights, duties, privileges, immunities or other legal interest may be determined in the proceeding or that the petitioner qualifies as an intervenor under any provision of law. Stand's legal interest in having a level playing field for marketers in the state of Tennessee will be impacted by the terms of the contract between the local distribution company ("LDC") and the company that manages its assets. Typically, the intervention of parties in administrative proceedings provides the agency with insight into issues and concerns in the market place that may not otherwise be addressed and thus provides the

¹ The Order also raised concerns regarding Stand Energy being a potential bidder to the RFP. However, the bid deadline has passed and Stand Energy did not bid on the RFP.

agency with an opportunity to make a more informed decision. Stand Energy's intervention will not impair the prompt and orderly conduct of the proceedings. Stand Energy intervened early, well before the 7 days required before a hearing. To rule otherwise would mean that intervention in any case that might cause a hearing to be held where one was not contemplated or cause issues to be considered that were not raised by the petitioner would impair the prompt and orderly conduct of the proceedings. Such an interpretation or ruling would be a new direction for this agency and a travesty to justice and the interests of due process.

Stand Energy petitioned to intervene for the purpose of (1) staying the RFP process (which is why Stand Energy filed its motion to stay) and (2) raising issues relating to the contract and the contract approval process and their potential effect on the market. As Stand Energy has stated repeatedly in each of the related dockets, the policies and decisions of the TRA regarding the management and use of AEC's assets affect the competitive environment for independent marketers such as Stand Energy. Accordingly, Stand Energy should be permitted to intervene in Docket No. 08-00024, because it will address issues that will directly affect Stand Energy's "legal rights, duties, privileges, immunities, or other legal interests."

The Hearing Officer stated in its Order Denying Motion to Stay, that Stand's intervention is "premature." Stand Energy intervened in the docket early because of the timing of responses to the RFP (which were due by Feb. 29, 2008), hoping there would be any opportunity to address issues with the RFP before Atmos chose an asset manager. That way the issues could be addressed on a more neutral basis. Once the contract is awarded, whether to Atmos Energy Marketing ("AEM") or a non-Atmos affiliate, there will be another party who has a vested interest in the status quo. In his Order, the hearing officer stated that: "The RPF process is

merely one factor which will be considered in reviewing the proposed agreement.”² Therefore, there are still issues in this docket, which may affect Stand Energy’s interest. This is the docket that will determine the terms of Atmos’ asset management agreement for the next three years. Thus, the contract approved in this docket will have a long-term impact on the gas market in Tennessee. In addition, Stand is concerned that if Atmos awards the new contract to a bidder other than AEM, AEC may argue that the relationship between AEC and AEM that is being investigated in TRA Docket No. 07-00225 is moot. If the TRA agrees with such an argument, Stand Energy will be precluded from raising its concerns about the asset management arrangement before the TRA.

Furthermore, at a recent oral argument in Docket No. 08-00012, wherein the CAPD was challenging the terms of the asset management agreement awarded by Chattanooga Gas Company to its affiliate, the TRA raised concerns regarding the timing of the CAPD’s intervention. Specifically, the TRA intimated that CAPD should have raised its concerns sooner. Accordingly, if Stand Energy’s effort to intervene is premature in this instance, there appears to be neither an appropriate time nor means to raise issues regarding an LDC’s RFP and asset management contract before the TRA.

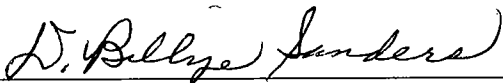
AEC’s response raised concerns that Stand Energy’s intervention would permit it to gain access to confidential bids. However, first, Stand Energy has no desire to review the bids in response to AEC’s RFP. Second, Stand Energy does not see how or why access to bids would be a prerequisite for Stand Energy’s intervention. AEC’s response also states that Stand Energy’s goal is to “promote a concept that AEC’s pipeline transportation and storage capacity should be ‘unbundled’” as if unbundling is a novel “concept” that Stand Energy recently invented. However, unbundling was first accepted as a viable option over 15 years ago in FERC

² Order Denying Motion to Stay at p. 6.

Order 636. See Summary of FERC Order 636 attached hereto.³ Since that time, unbundling has become the preferred approach of many LDC's who manage their own pipeline and storage capacity. These LDC's have been able to promote competition among gas sellers while earning their allowed rate of return. Stand Energy does not deny that it is a proponent of unbundling, however, Stand Energy does struggle to understand how or why this is relevant to the issue currently before the TRA – whether Stand Energy's petition to intervene should be granted.

Based on the above-stated reasons, Stand Energy respectfully requests that the TRA grant Stand Energy's Petition to Intervene.

Respectfully Submitted,
Stand Energy Corporation

By: 
D. Billye Sanders
Attorney for Stand Energy Corporation

³ This summary may also be accessed at the Energy Information Agency's website: http://www.eia.doe.gov/oil_gas/natural_gas/analysis_publications/ngmajorleg/ferc636.html. Stand Energy respectfully requests that the TRA take official notice of this summary pursuant to T.C.A. § 4-5-313.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing motions were served upon the following parties of record or as a courtesy, via U.S. Mail postage prepaid, express mail, hand delivery, or electronic transmission, on March 5, 2008.

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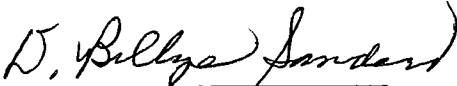
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