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September 21, 2009

Sharla Dillon, Docket Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

VIA HAND DELIVERY

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SEP 21 PM 3:37
T.R.A. DOCKET ROOM
OF COUNSEL
LARRY W. LINDEEN
ALAN MARK TURK

RE: Docket No. 09-00065, Appropriateness of Implementation of PURPA Standard 5 (Rate Design and Modification) for Piedmont Natural Gas Company, Chattanooga Gas Company, and Atmos Energy Corporation

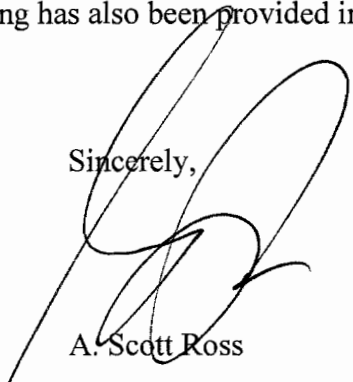
Dear Ms. Dillon:

Enclosed for filing are the original and four copies of the response of Atmos, as requested at the September 9 status conference in this matter.

An electronic version of this filing has also been provided in .pdf format via e-mail.

Best regards.

Sincerely,


A. Scott Ross

ASR:meh

cc: Mr. Archie Hickerson
J. W. Luna, Esq.
Elizabeth Wade, Esq.
Ryan L. McGehee, Esq.
R. Dale Grimes, Esq.
James H. Jeffries, IV, Esq.

Enclosure

September 21, 2009

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2009 SEP 21 PM 1:37
T.R.A. DOCKET ROOM

Mr. Gary Hotvedt
Legal Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

RE: Docket No. 09-00065, Appropriateness of Implementation of PURPA Standard 5
(Rate Design and Modification) for Piedmont Natural Gas Company, Chattanooga
Gas Company, and Atmos Energy Corporation

Dear Mr. Hotvedt:

In accordance with the request made at the September 9th Status Conference in the above referenced Docket, Atmos Energy Corporation (Atmos) submits the following response.

As stated in our comments filed with the Tennessee Regulatory Authority (Authority) on August 3, 2009, Atmos believes that both the Authority and the Tennessee General Assembly have addressed and/or endorsed policies that establish energy efficiency as a priority in the plans and planning processes of the natural gas utility. Section 303(b) (6) of the Public Utility Regulatory Policies Act states that rates allowed to be charged by a natural gas utility shall align utility incentives with the deployment of cost effective energy efficiency.

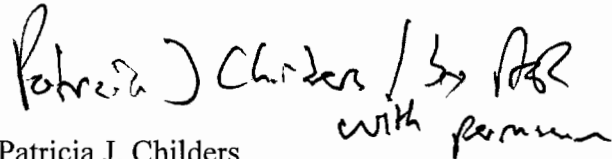
In response to the specific question as to how Atmos will propose and/or implement tariff provisions designed to implement Section 303 (b) (6), the Company at present plans to incorporate any such proposal in the context of a general rate proceeding. However, the Company is following the filing by Piedmont Natural Gas Company to implement a "decoupling mechanism," and a ruling by the Authority may influence the nature of any proposal Atmos might make or influence the timing of any such request. As to the projected timing of the filing of a general rate proceeding, the Company has no plans to file prior to the Spring of 2010. As stated at the status conference, Atmos believes that "utility specific proposals" are appropriate, rather than a "one size fits all" approach, recognizing that both "decoupling mechanisms" and/or

Mr. Gary Hotvedt
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"annual rate review mechanisms" can equally address the goals of promoting energy efficiency and aligning the interests of all parties.

Should the Authority need any additional information, please contact me at 615-771-8332. Atmos appreciates the opportunity to participate in this Docket before the Authority.

Sincerely,

A handwritten signature in black ink that reads "Patricia J. Childers / by AGR with permission". The signature is written in a cursive, flowing style.

Patricia J. Childers
VP – Rates & Regulatory Affairs

cc: Mr. Archie Hickerson
J. W. Luna, Esq.
Elizabeth Wade, Esq.
Ryan L. McGehee, Esq.
R. Dale Grimes, Esq.
James H. Jeffries, IV, Esq.