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March 3, 2011

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

RE: *Atmos Energy Corporation*
Contract for Approval of Contract(s) Regarding Gas Commodity Requirements
and Management of Transportation/Storage Contracts

Dear Ms. Dillon:

Enclosed is a Petition for Approval of Contract(s) Regarding Gas Commodity Requirements and Management of Transportation/Storage Contracts being filed by Atmos Energy Corporation. In accordance with TRA practice, I have enclosed an original and four copies and am also submitting an electronic version of the filing.

I also enclose a proposed Protective Order. Atmos cannot file its testimony in this matter until a Protective Order has been entered.

Please feel free to contact me if you have any questions.

Best regards.

Sincerely,


A. Scott Ross

ASR:prd

Enclosures

xc: Vance L. Broemel, Esq. (w/ Enclosure)

IN RE:)
)
REQUEST OF ATMOS ENERGY) **Docket No.** 11-00034
CORPORATION FOR APPROVAL)
OF CONTRACT(S) REGARDING GAS)
COMMODITY REQUIREMENTS AND)
MANAGEMENT OF TRANSPORTATION/)
STORAGE CONTRACTS)
)

Atmos Energy Corporation (“Atmos” or “Company”) respectfully requests that the Tennessee Regulatory Authority approve its contract with Atmos Energy Marketing, LLC (“AEM”) (hereinafter referred to as the “Asset Management Agreement” or “AMA”) regarding the Company’s gas commodity requirements and management of its transportation and storage contracts.

Atmos has complied fully with the bidding procedures in its approved Tariff. The AMA provides significant benefit to Atmos' customers, including a substantial annual up front payment, the Tennessee allocated portion of which will directly benefit Tennessee ratepayers. Atmos respectfully requests that the AMA be approved without delay so that gas commodity and asset management services may begin under the new AMA effective April 1, 2011.

In support of this Petition, Atmos respectfully submits the following:

1. Full name and address of the principal place of business of the company are:

Atmos Energy Corporation
5430 LBJ Freeway S 1800
Dallas, TX 75240

2. All correspondence and communications with respect to this Petition should be sent to the following:

Patricia D. Childers
Vice President, Rates & Regulatory Affairs
Mid-States Division
Atmos Energy Corporation
810 Crescent Centre Drive, Suite 600
Franklin, TN 37067-6226
(615) 771-8301 – Facsimile

A. Scott Ross, Esq.
Neal & Harwell, PLC
2000 One Nashville Place
150 Fourth Avenue, North
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Douglas C. Walther, Esq.
Associate General Counsel
Atmos Energy Corporation
P. O. Box 650205
Dallas, TX 75265-0205
(972) 855-3080 – Facsimile

3. At the May 15, 2006 Authority conference in Docket No. 05-00253, the Authority directed Atmos to file all future proposed asset management agreements or renewals for pre-approval by the Authority. By Order dated December 6, 2007 in Docket No. 05-00253, the Tennessee Regulatory Authority memorialized its prior approval of Atmos Energy Corporation's Request for Tariff Amendment to Incorporate Implementation of RFP Procedures for the Selection of an Asset Manager. The new Tariff provisions set forth RFP procedures for the selection of an asset manager and/or gas provider. The procedures require Atmos to develop a

written RFP defining the Atmos assets to be managed, detailing AEC's minimum service requirements, and describing the required content of bid proposals. See Atmos Gas Tariff No. 1, 2nd Revised Sheet No. 45.3 and 45.4. The RFP is required to be advertised for a minimum of thirty days through a notification process that includes contacting potential asset managers, including past bidders and other asset managers, and publication in trade journals as reasonably available. The procedures also specify criteria to be used in evaluating the bids, including: the total value of the bid proposal; the bidder's ability to perform the RFP requirement; the bidder's asset management qualifications and experience; and the bidder's financial stability and strength.

4. The new AMA replaces the current asset management agreement approved by the Authority on July 9, 2008 in Docket No. 08-00024. The current agreement expires March 31, 2011. In anticipation of its expiration, and in compliance with the RFP procedures in its Tariff, Atmos developed an RFP for asset management and gas commodity requirement services. The RFP was issued on December 6, 2010.

5. The RFP called for a three-year agreement beginning April 1, 2011, to supply gas commodity requirements and manage AEC's transportation and storage contracts. In recognition of the fact that the Atmos system overlaps the Tennessee / Virginia state line in Bristol, the agreement was to cover not only Tennessee, but also Virginia.

6. Atmos took several steps to disseminate and advertise its RFP. Atmos initially sent in excess of 300 e-mails providing electronic notification of its Request for Proposal through the Company's website found at www.AtmosEnergy.com/cs/gassupply/. In addition, Atmos advertised the RFP in *Platt's Gas Daily* on December 8 and December 22.

7. In accordance with the RFP procedures set forth in its Tariff, Atmos evaluated the bids received, and determined that Atmos Energy Marketing had submitted the bid providing the

highest overall value to consumers, and that the contract should be awarded to AEM. In making this evaluation, Atmos considered the criteria set forth in the RFP Tariff. The Company's analysis of the qualifying bids received and the bases for awarding the Contract to AEM is fully set forth in bid analysis documents that will be submitted with the testimony of Rebecca M. Buchanan.

8. The AMA provides significant benefit to Atmos customers. The gas supply portion of the Contract will result in significant savings to Atmos gas customers. The winning bid was without question the highest value bid received, the result of a competitive bidding process conducted in accordance with the TRA-approved RFP procedures.

9. In support of this Petition, Atmos relies upon the direct testimony of Rebecca M. Buchanan and the exhibits thereto.

WHEREFORE, Atmos respectfully prays:

1. That the AMA be approved so that it may begin on April 1, 2011.
2. That Atmos be granted such other relief as may be warranted.

Respectfully submitted,

NEAL & HARWELL, PLC

By: 

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