

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the matter of Atmos Energy Corporation's       )  
2008-2009 Purchased Gas Adjustment and       )  
Actual Cost Adjustment                               )  
**Case No. GR-2009-0417**

**STAFF RECOMMENDATION REGARDING ATMOS ENERGY CORPORATION'S  
ACTUAL COST ADJUSTMENT**

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its Recommendation, and in support thereof, states as follows:

1. Staff has reviewed Atmos Energy Corporation's (Atmos or Company) 2008-2009 Actual Cost Adjustment (ACA) filings for Atmos's four service areas (Southeast, Kirksville, Northeast, and West). These filings were made on October 15, 2009 for rates to become effective on November 1, 2009 in all areas.

2. Staff's analysis consisted of a review and evaluation of the Company's billed revenues and its natural gas costs for the period of September 1, 2008 to August 31, 2009 for all service areas. The increased level of analysis and the length of Staff's Memorandum are the product of the uniqueness of Atmos having had six areas that have been consolidated to four areas as a result of the Report and Order in Case No. GR-2006-0387. These four areas are served by a combination of six different gas pipelines. The four areas that are the subject of this recommendation are:

- \* Southeast Area
- \* Kirksville Area
- \* Northeast Area
- \* West Area

3. Staff's Memorandum, attached as Appendix A and incorporated by reference, is composed of the following four sections:

Section	Begins on Page:	Recommendations on Page:
Section 1. Atmos Energy Corporation, General (includes Northeast Area)	2	8
Section 2. Southeast Area	9	9
Section 3. West Area	9	9
Section 4. Kirksville Area	9	9

Each section begins with a detailed explanation of Staff's concerns, followed by analysis and concluding with recommendations.

4. Based on the Company's advice, the Staff is filing its Memorandum as Highly Confidential (HC) in its entirety. Staff will file a public version of its Memorandum after the Company has had the opportunity for further review of the document for HC material.

WHEREFORE, for reasons more fully explained in the attached Memorandum, the Staff recommends the Commission issue an order directing Atmos to comply with Staff's recommendations found on pages 8 and 9 of Staff's Memorandum.

Respectfully submitted,

**/s/ Robert S. Berlin**

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## **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 30<sup>th</sup> day of December 2010.

**/s/ Robert S. Berlin**