

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

In the Matter of the Joint Application of Atmos)	
Energy Corporation and Liberty Energy)	
(Midstates) Corp. for Authority to Sell Certain)	<u>Case No. GM-2012-0037</u>
Missouri Assets To Liberty Energy)	JG-2013-0069
(Midstates) Corp. and, in Connection Therewith)	
Certain Other Related Transactions.)	

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and, pursuant to the Commission’s Order Directing Filing (Order) issued August 6, 2012 in the above captioned case, states as follows:

1. On March 14, 2012, the Commission issued its Order Approving Unanimous Stipulation and Agreement in which Liberty Energy (Midstates) Corp. (Liberty) agreed, among other things, to maintain and adopt Atmos Energy Corporation’s (Atmos) current tariffs and to make certain revisions under the terms of the stipulation and agreement.

2. On August 3, 2012, Liberty filed two tariff sheets. Tariff Sheet 42a updates Liberty’s Purchased Gas Adjustment (PGA)/Actual Cost Adjustment (ACA) tariff language to reflect the agreement Liberty made concerning recovery of a transportation charge that Atmos could charge Liberty’s Missouri customers. Tariff Sheet 117 reflects a change from the Atmos website to the Liberty website.

3. The Commission’s Order directed the Staff to file its recommendation regarding the tariff sheets no later than August 23, 2012. Staff has reviewed the tariff sheets and has determined that the sheets are in compliance with the Commission’s

Order Approving Unanimous Stipulation and Agreement. Please see Staff's recommendation contained in its Memorandum attached as Appendix A.

WHEREFORE, for the reasons stated above and in Staff's Memorandum, Staff recommends the Commission issue an order approving Liberty's tariff sheets in file JG-2013-0069.

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, transmitted by facsimile or electronically mailed to all counsel of record this 17th day of August 2012.

/s/ Robert S. Berlin

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GM-2012-0037, File No. JG-2013-0069, Liberty Energy (Midstates)
Corporation

FROM: Kory Boustead, Energy Unit - Tariffs/Rate Design Section

/s/ Thomas M. Imhoff 08/17/12
Energy Unit/Date

/s/ Robert S. Berlin 08/17/12
General Counsel's Department/Date

SUBJECT: Staff Recommendation On Liberty Energy (Midstates) Corporation d/b/a Liberty Utilities
Tariff Filing to Reflect Purchased Gas Adjustment/Actual Cost Adjustment tariff
language Agreed to by Liberty Utilities in GM-2012-0037, and Liberty Utilities Contact
Information.

DATE: August 17, 2012

Background

On August 1, 2011, Atmos Energy Corporation and Liberty Energy (Midstates) Corporation ("Liberty") filed a Joint Application of Atmos Energy Corporation ("Atmos") and Liberty for Authority to Sell Certain Missouri Assets to Liberty and, in Connection Therewith, Certain Other Related Transactions with Liberty as the surviving entity. On February 17, 2012, a Unanimous Stipulation and Agreement (S&A) was filed in the case. In that S&A, Liberty agreed to maintain Atmos' current tariffs and to formally adopt Atmos' tariffs upon Commission approval of the sale. On March 14, 2012, the Missouri Public Service Commission ("Commission") issued its Order Approving Unanimous Stipulation and Agreement.

On July 2, 2012, Liberty filed Case No. GN-2013-0001 for a name change to Liberty Energy (Midstates) Corporation d/b/a Liberty Utilities ("Liberty Utilities"). On July 23, 2012 the Commission issued its Order Recognizing Name Change and Approving Tariff Sheets.

On August 3, 2012, Liberty Utilities filed two tariff sheets to update its Purchased Gas Adjustment (PGA)/Actual Cost Adjustment (ACA) tariff language to reflect the agreement Liberty Utilities made concerning recovery of a transportation charge that Atmos could charge Liberty Utilities Missouri customers. Tariff sheet 42A was added to the tariff to reflect a new paragraph (2) stating Liberty will not seek recovery in Missouri rates for transportation charges resulting from the Gas Transportation Agreement between Atmos and Liberty. There shall be no recovery of these transportation charges until Liberty Utilities' next rate case, with parties having the ability to contest recovery under the Stipulation and Agreement in GM-2012-0037. If recovery of transportation rate charges is allowed in the next rate

case, the rate shall not exceed \$0.075 per MMBtu on a usage basis for a period of eight (8) years. On Tariff sheet 117, Liberty Utilities made a change to the Company's website from www.atmosenergy.com/MissouriECEProgram to http://www.libertyutilities.com/central/saving/ee_missouri.html.

Staff Recommendation

The Missouri Public Service Commission Energy-Tariff/Rate Design Staff (Staff) has reviewed the filed tariff sheets, and is of the opinion that they were timely filed and are in compliance with the Commission's Order in GM-2012-0037. Staff therefore recommends that the Commission issue an order approving the following proposed tariff sheets to become effective on September 2, 2012, the requested effective date:

P.S.C. MO. No. 2

1st Revised Sheet No. 42

Canceling Original Sheet No. 42

Original Sheet No. 42A

3rd Revised Sheet No. 117

Canceling 2nd Revised Sheet No. 117

The Commission's Energy Tariffs-Rate Design Staff (Staff) has verified that this company has filed its annual report and is not delinquent on any assessment.

