

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

In the matter of PGA / ACA filing of Atmos)
Energy Corporation for the West Area (Old)
Butler), West Area (Old Greeley),)
Southeastern Area (Old SEMO), Southeastern)
Area (Old Neelyville), Kirksville Area, and in)
the Northeastern Area)

Case No. GR-2008-0364
YG-2008-0679

STAFF RECOMMENDATION

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

1. On May 15, 2008, Atmos Energy Corporation (Atmos or Company) filed a proposed tariff sheet bearing an effective date of June 1, 2008. This tariff sheet was filed to reflect changes in Atmos' Purchased Gas Adjustment (PGA) factors as a result of an estimated change in the cost of natural gas for the current summer season. The above-captioned case was established to track the company's PGA factors to be reviewed in its 2007-2008 Actual Cost Adjustment (ACA) filing. Case No. GR-2007-0403 was established to track the Company's PGA factors to be reviewed in its 2006-2007 ACA filing.

2. For reasons explained in Staff's Memorandum, attached hereto as Appendix A and incorporated by reference, the PGA factor rate changes should be approved on an interim, subject to refund status, pending final Commission decisions in ACA Case Nos. GR-2008-0364 and GR-2007-0403.

WHEREFORE, for the reasons stated in Staff's Memorandum, the Staff respectfully requests that the Commission issue an order approving Atmos' tariff sheet in File No. YG-2008-0679, on an interim, subject to refund basis.

Respectfully submitted,

/s/ Robert S. Berlin

Robert S. Berlin

Senior Counsel

Missouri Bar No. 51709

Attorney for the Staff of the

Missouri Public Service Commission

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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 27th day of May 2008.

/s/ Robert S. Berlin

MEMORANDUM

TO: Missouri Public Service Commission Official Case File No. GR-2008-0364,
File No. YG-2008-0679, Atmos Energy Corporation

FROM: Tom Solt, Energy Department – Tariffs/Rate Design

<u>/s/ Thomas Imhoff 05/27/08</u>	<u>/s/ Robert S. Berlin 05/27/08</u>
Energy Department/Date	General Counsel's Office/Date

SUBJECT: Staff Recommendation on Atmos Energy Corporation's Optional PGA Filing
Effective June 1, 2008

DATE: May 27, 2008

On May 15, 2008, Atmos Energy Corporation (Atmos or Company), of Franklin, Tennessee, filed a tariff sheet proposed to become effective June 1, 2008. The tariff sheet was filed to reflect changes in Atmos' Purchased Gas Adjustment (PGA) factors as the result of an estimated change in the cost of natural gas for the summer season. On May 22, 2008, at the request of the Commission's Energy Department Tariffs/Rate Design Staff (Staff), Atmos filed a substitute sheet revising its filed rates, and another to correct some page sequencing errors. On May 23, 2008, Atmos submitted an additional tariff sheet correcting a minor error.

For Atmos' West Area – Butler District, the net effect of this filing is to increase the total firm PGA factor to \$0.91800 per Ccf (hundred cubic feet), from the current total firm PGA factor of \$0.69970. This represents an increase of \$0.21830 per Ccf.

For Atmos' West Area – Rich Hill/Hume District, the net effect of this filing is to increase the total firm PGA factor to \$1.22710 per Ccf from the current total firm PGA factor of \$1.00880. This represents an increase of \$0.21830 per Ccf.

For Atmos' Kirksville Area, the net effect of this filing is to increase the firm PGA factor for to \$1.03340 from the current \$0.78750 per Ccf. This represents an increase of \$0.24590 per Ccf.

For Atmos' Northeast Area (Hannibal, Canton, Bowling Green, and Palmyra or Combined District), the net effect of this filing is to increase the firm PGA factors to \$1.01240 from \$0.78760 per Ccf. This represents an increase of \$0.22480 per Ccf.

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For Atmos' Southeast Area – SEMO District, the net effect of this filing is to increase the firm PGA factor to \$1.17539 from \$0.92330 per Ccf. This represents an increase of \$0.25200 per Ccf.

For Atmos' Southeast Area – Neelyville District, the net effect of this filing is to increase the total firm PGA factor to \$1.08750 from \$0.83550 per Ccf. This represents an increase of \$0.25200 per Ccf.

Case No. GR-2008-0364, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2007-2008 ACA filing. Case No. GR-2007-0403 was established to track the Company's PGA factors to be reviewed in its 2006-2007 ACA filing. Interim subject to refund status should be maintained pending final Commission decisions in ACA Case Nos. GR-2007-0403 and GR-2008-0364.

Staff has verified that this company has filed its annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects, or is affected by, this filing.

The Staff has reviewed this filing and has determined that it was calculated in conformance with Atmos' PGA clause. Staff is of the opinion that good cause for approval of this tariff sheet on less than thirty (30) days notice is demonstrated by Atmos' Commission-approved PGA clause allowing for ten (10) Business days notice for PGA change filings. Therefore, Staff recommends that the following tariff sheet, as substituted, be approved, interim subject to refund.

P.S.C. MO. No. 2

3rd Revised SHEET NO. 44, Cancelling P.S.C. MO. No. 2 2nd Revised SHEET NO. 44

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Area (Old SEMO), Southeastern Area (Old)
Neelyville), Kirksville Area, and in the)
Northeastern Area)

Case No. GR-2008-0364

AFFIDAVIT OF THOMAS A. SOLT

STATE OF MISSOURI)
) ss:
COUNTY OF COLE)

Thomas A. Solt, employee of the Missouri Public Service Commission, being of lawful age and after being duly sworn, states that he has participated in preparing the accompanying Staff Recommendation, and that the facts therein are true and correct to the best of his knowledge and belief.

Thomas A. Solt

Thomas A. Solt

Subscribed and affirmed before me this 27th day of May 2008.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086

Susan L. Sundermeyer
NOTARY PUBLIC