BEFORE THE PUBLIC SERVICE COMMISSON OF THE STATE OF MISSOURI

In the Matter of Atmos Energy)	
Corporation's 2010-2011 Purchased Gas)	Case No. GR-2011-0161
Adjustment and Actual Cost Adjustment.)	Tariff No. YG-2012-0165

STAFF RECOMMENDATION

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

- 1. On October 17, 2011, the Commission issued its *Order Directing Staff*To File Recommendation (Order). That Order directed Staff to file its recommendation regarding Atmos Energy Corporation's (Atmos) proposed tariff sheet filed that same day no later than October 21, 2011.
- 2. Atmos' proposed tariff sheet reflects downward changes in Atmos' Purchased Gas Adjustment (PGA) factor as a result of estimated changes in the cost of natural gas for the upcoming winter season.
- 3. Staff has reviewed Atmos' proposed tariff sheet and submits its recommendation contained in Staff's Memorandum, attached hereto as Appendix A, and incorporated by reference for all purposes.
- 4. For reasons more fully explained in its Memorandum, the Staff recommends the Commission approve Atmos' proposed tariff sheet on an interim, subject to refund status pending final Commission decisions in ACA Case Nos. GR-2011-0161, GR-2010-0238, GR-2009-0417, and GR-2008-0364.

WHEREFORE, for the above stated reasons, the Staff recommends the Commission approve tariff YG-2012-0165 as filed on October 17, 2011, on an interim subject to refund basis, allowing the tariff to become effective on November 1, 2011.

Respectfully submitted,

/s/ Robert S. Berlin

Robert S. Berlin Senior Counsel Missouri Bar No. 51709

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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 21st day of October 2011.

/s/ Robert S. Berlin

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,

Case No. GR-2011-0161, File No. YG-2012-0165

Atmos Energy Corporation

FROM: Kim Cox, Energy Department – Tariffs/Rate Design

/s/ Thomas M. Imhoff 10/22/11 /s/ Robert S. Berlin 10/22/11
Utility Operations Division/Date General Counsel's Office/Date

SUBJECT: Staff Recommendation for Atmos Energy Corporation's Winter PGA Filing

Effective November 1, 2011

DATE: October 22, 2011

On October 17, 2011, Atmos Energy Corporation (Atmos or Company) of Owensboro, Kentucky, filed a tariff sheet requesting an effective date of November 1, 2011. This tariff sheet was filed to reflect changes in Atmos' PGA factors as a result of estimated changes in the cost of natural gas for the upcoming winter heating season and changes in the Company's ACA factor. In accordance with Atmos' tariffs, the winter heating season includes the months of November through March.

For the Atmos West Area (WEMO) including Butler, Rich Hill and Hume served by Panhandle Eastern Pipeline Company (PEPL) and Southern Star Central Gas Pipeline Company (SCC), the effect of this change will be to decrease the firm PGA rate from the current \$0.58670 per 100 cubic feet (Ccf) to \$0.53755 per Ccf. This represents a \$0.04915 per Ccf decrease.

For the Atmos Northeast Area (NEMO) including Hannibal, Canton, Bowling Green and Palmyra or Combined District served by PEPL, the effect of this change will be to decrease the firm PGA rate from the current \$0.65050 per Ccf to \$0.60233 per Ccf. This represents a \$0.04817 per Ccf decrease.

For the Atmos Kirksville Area including Kirksville and Lancaster, served by the ANR Pipeline Company (ANR), the effect of these changes will decrease the firm PGA rate from the current \$0.63580 per Ccf to \$0.61637 per Ccf. This represents a \$0.01943 per Ccf decrease.

For the Atmos Southeast Area (SEMO) including Jackson, Charleston, New Madrid, Caruthersville, Neelyville and Kennett, served by the Natural Gas Pipeline Company of America, Texas Eastern Pipeline Company, Mississippi River Transmission, and Ozark Gas Transmission, the effect of these changes will decrease the firm PGA rate from the current \$0.64490 per Ccf to \$0.61340 per Ccf. This represents a \$0.03150 per Ccf decrease.

Case No. GR-2011-0161, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2010-2011 ACA filing. Case No. GR-2010-0238

MO PSC CASE NO. GR-2011-0161, File No. YG-2012-0165 OFFICIAL CASE FILE MEMORANDUM PAGE 2 OF 2

was established to track the Company's PGA factors to be reviewed in its 2009-2010 ACA filing. Case No. GR-2009-0417 was established to track the Company's PGA factors to be reviewed in its 2008-2009 ACA filing. Case No. GR 2008-0364 was established to track the Company's PGA factors to be reviewed in its 2007-2008 ACA filing. This rate change should be on an interim, subject to refund status pending final Commission decisions in ACA Case Nos. GR 2011-0161, GR 2010-0238, GR-2009-0417, and GR-2008-0364.

Due to the limited time available to review the documentation supporting the ACA factor represented in this filing, the Procurement Analysis Unit (PAU) has requested permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 31, 2012.

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.

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 be approved, interim subject to refund:

P.S.C. MO. No. 2

16th Revised Sheet No. 44, Canceling 15th Revised No. 44

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Atmos Energy Corporation's Purchased Gas Adjustment Tariff Filing) Case No. GR-2011-0161 File No. YG-2012-0165		
AFFIDAVIT OF KIM COX			
STATE OF MISSOURI)) ss COUNTY OF COLE)			
Kim Cox, of lawful age, on oath states: that she has participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was given by her; that she has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of her knowledge and belief.			
	Kim Cox		
Subscribed and sworn to before me this 21 day of October, 2011.			
SUSAN L. SUNDERMEYER Notary Public - Notary Seal State of Missouri Commissioned for Callaway County My Commission Expires: October 03, 2014 Commission Number: 10942086	Musan J Sundermeyer Notary Public		