BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Atmos Energy Corporation's filing for Purchased Gas Adjustment in the 2006-2007 period.

) Case No. GR-2007-0403

STAFF'S RECOMMENDATION

)

COMES NOW the Staff of the Missouri Public Service Commission and for its Recommendation, at Appendix A, states:

1. On April 16, 2007, Atmos Energy Corporation (Atmos or Company) of Franklin, Tennessee, filed a tariff sheet proposed to become effective May 1, 2007.

2. The tariff sheet was filed to reflect an optional change in Atmos' Purchased Gas Adjustment (PGA) factors as the result of an estimated change in the cost of natural gas for the upcoming summer season.

3. Implementation of the tariff rates results in reductions in gas costs in all four of Atmos' PGA areas.

4. Staff is of the opinion that good cause for approval of these tariff sheets on less than thirty days notice is demonstrated by Atmos' Commission approved PGA clause allowing for ten (10) business days notice for PGA change filings. Staff further recommends that good cause exists for prompt implementation of these new rates because the filing reduces rates to the Company's natural gas customers.

5. Staff will review the tariffs and determine whether they are in conformance with Atmos' tariffs in the subsequent ACA process.

6. These rates should be approved interim, subject to refund only.

WHEREFORE the Staff recommends that the tariffs be approved on an interim basis subject to refund.

Respectfully submitted,

<u>/s/ Lera L. Shemwell</u> Lera L. Shemwell Deputy General Counsel Missouri Bar No. 43792

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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 20th day of April, 2007.

/s/ Lera L. Shemwell