

In the Matter of Atmos Energy)
Corporation's Purchased Gas Adjustment) File No. GR-2010-0238
Tariff Filing.)

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), and files this *Recommendation* with the Missouri Public Service Commission (“Commission”) for its information and consideration. For its *Recommendation*, the Staff respectfully states the following:

2. The proposed tariff sheet initiates a Filing Adjustment Factor (“FAF”) to Atmos’ Purchased Gas Adjustment (“PGA”) to decrease the amount of under-recovery that may occur before the next Actual Cost Adjustment (“ACA”) filing. The FAF will increase the PGA rate by \$0.05 per Ccf for the following Districts: Butler, Rich Hill/Hume, and the Combined District of Hannibal, Canton, Bowling Green, and Palmyra. The rates for the Southeast and Kirksville areas will remain unchanged.

3. The Staff of the Commission's Energy Department—Tariffs/Rate Design reviewed the proposed tariff sheet and determined that Atmos calculated the proposed rates in conformance with the Company's PGA Clause. The Staff asserts that Atmos' Commission-approved PGA clause demonstrates good cause for approval of the proposed tariff sheet on less than thirty (30) days notice.

5. The Commission established this case file to track Atmos' PGA factors, which the Staff will review further in the Company's 2009-2010 ACA filing. Therefore, the Staff recommends that the Commission approve the proposed tariff sheet rates interim subject to refund. Attached is the Staff's *Memorandum* for this matter.

WHEREFORE, the Staff recommends that the Commission issue an order that approves Atmos Energy Corporation's proposed tariff sheet, P.S.C. MO No. 2, 10th Revised Sheet No. 44, effective on March 1, 2010, with the rates interim and subject to refund only, and cancel the Company's tariff sheet P.S.C. MO No. 2, 9th Revised Sheet No. 44.

Respectfully submitted,

/s/ Jennifer Hernandez

Jennifer Hernandez
Staff Legal Counsel
Missouri Bar No. 59814

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Certificate of Service

I hereby certify that copies of the foregoing have been emailed, mailed, hand-delivered, or transmitted by facsimile to all parties of record this 22nd day of February, 2010.

/s/ Jennifer Hernandez

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2010-0238, File No. JG-2010-0499
Atmos Energy Corporation

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

/s/ Thomas M. Imhoff 02/22/10
Utility Operations Division/Date

/s/ Jennifer Hernandez 02/22/10
General Counsel's Office/Date

SUBJECT: Staff Recommendation for Atmos Energy Corporation's Optional PGA Filing
Effective March 1, 2010

DATE: February 22, 2010

On February 16, 2010, Atmos Energy Corporation (Atmos or Company) of Owensboro, Kentucky, filed a tariff sheet requesting an effective date of March 1, 2010. This tariff sheet was filed to initiate a PGA Filing Adjustment Factor (FAF) in the Atmos PGA factors to lessen the amount of under-recovery which may otherwise occur before the next ACA filing. The amount of the FAF is \$0.05, which is provided for in its tariff.

For the Atmos West Area - Butler District served by Panhandle Eastern Pipe Line Company (PEPL), including the cities of Butler and Harrisonville, the effect of this change will be to increase the firm PGA rate from the current \$0.40375 per Ccf (100 cubic feet) to \$0.45375 per Ccf. This represents a \$0.05 per Ccf increase.

For the Atmos West Area - Rich Hill / Hume District, served by the Southern Star Central Gas Pipeline Company (SSC), the effect of this change will be to increase the firm PGA rate from the current \$0.39615 per Ccf, to \$0.44615 per Ccf. This represents a \$0.05 per Ccf increase.

For the Atmos Northeast Area (Hannibal, Canton, Bowling Green and Palmyra or Combined District) served by the Panhandle Eastern Pipe Line Company, the effect of this change will be to increase the firm PGA factors from the current \$0.42070 per Ccf to \$0.47070 per Ccf. This represents a \$0.05 per Ccf increase.

The Southeast Area and the Kirksville area remain unchanged.

Case No. GR-2010-0238, under which these changes were filed, 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 2010-0238, GR-2008-0364, and GR-2009-0417.

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, except that Staff found a typographical error in the clause that will be addressed in the Company's current rate case. 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

10th Revised Sheet No. 44, Canceling 9th Revised No. 44

Susan L. Sundermeyer
Notary Public