

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2006-0300, File No. YG-2006-0553, Atmos Energy Corporation

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

/s/ Tom Imhoff 01/18/06
Energy Department/Date

/s/ Lera Shemwell 01/18/06
General Counsel's Office/Date

SUBJECT: Staff Recommendation on Atmos Energy Corporation's Unscheduled Winter Season
PGA Filing Effective February 1, 2006

DATE: January 18, 2006

On January 17, 2006, Atmos Energy Corporation (Atmos or Company) of Franklin, Tennessee filed tariff sheets proposed to become effective February 1, 2006. The tariff sheets were 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 remainder of the current winter season.

For Atmos' Area U, Bowling Green and Hannibal/Canton Districts, the net effect of this filing is to decrease the firm PGA factors for the remaining portion of the 2005 – 2006 winter season to \$0.8955 per Ccf (100 cubic feet) from the current firm PGA factor of \$1.1630 per Ccf. This represents a \$0.26750 per Ccf decrease.

For Atmos' Area P, Palmyra District, the net effect of this filing is to decrease the firm PGA factors for the remaining portion of the 2005 – 2006 winter season to \$0.8955 per Ccf from the current firm PGA factor of \$1.1630 per Ccf. This represents a \$0.26750 per Ccf decrease.

For Atmos' Area N, Neelyville District, the net effect of this filing is to decrease the firm PGA factors for the remaining portion of the 2005 – 2006 winter season to \$0.7279 per Ccf from the current firm PGA factor of \$.8653 per Ccf. This represents a \$0.13740 per Ccf decrease.

Case No. GR-2006-0300, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2005-2006 ACA filing. Case Nos. GR-2004-0479 and GR-2005-0311 were established to track the Company's PGA factors to be reviewed in its 2003-2004 and 2004-2005 ACA filings. Interim subject to refund status should be maintained pending final Commission decisions in ACA Case Nos. GR-2004-0479 GR-2005-0311, and GR-2006-0300.

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 following Cases involving this Company are pending before the

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Commission:

GR-2005-0311
GX-2006-0181

GR-2004-0479

GW-2006-0110

Although Atmos filed its sheets with a requested effective date of February 1, 2006, the Commission may approve them before that date and order an earlier effective date. While Staff has not had an opportunity to verify the numbers contained in the instant filing, given the interim nature of the filing, the amount of the decreases contained therein, and the need to assist Missouri consumers by promptly implementing a decrease in natural gas rates, which Staff believes constitutes good cause, Staff recommends that the filing be approved on an expedited basis. Therefore, Staff recommends that the following tariff sheets, filed on January 17, 2006, be approved, interim subject to refund:

P.S.C. MO. No.1

9th Revised Sheet No. 113, Canceling 8th Revised Sheet No. 113, For Area P
9th Revised Sheet No. 188, Canceling 8th Revised Sheet No. 188, For Area U

My commission expires _____