

My commission expires 9-21-10

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2006-0300, File No. YG-2007-0255, Atmos Energy Corporation

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

/s/ Thomas Imhoff 10/25/06
Energy Department/Date

/s/ Lera Shemwell 10/25/06
General Counsel's Office/Date

SUBJECT: Staff Recommendation for Atmos Energy Corporation's Scheduled Purchased Gas
Adjustment Filing effective November 1, 2006

DATE: October 25, 2005

On October 17, 2006, Atmos Energy Corporation (Atmos or Company) of Franklin, Tennessee, filed tariff sheets proposed to become effective November 1, 2006. The tariff sheets were filed to reflect scheduled changes in Atmos' PGA factors as the result of estimated changes in the cost of natural gas for the upcoming winter season. This tariff filing reflects changes in the Regular Purchased Gas Adjustment (RPGA) factors. In addition, this filing reflects changes in the Actual Cost Adjustment (ACA) factors. The winter season includes the months of November through March.

For Atmos' Area B (Old Butler District), the effect of these changes will decrease the firm PGA factor for the 2006-2007 winter season to \$0.74340 per hundred cubic feet (Ccf) from \$1.01106 per Ccf. This represents a \$0.26766 per Ccf decrease. The ACA factor, a component of the PGA factor decreased to <\$0.13540> from <\$0.05540>, representing a decrease of \$0.0800 per Ccf.

For Area K (Old Kirksville District), the effect of these changes will decrease the firm PGA factor for the 2006-2007 winter season to \$0.68600 per Ccf from \$1.13537 per Ccf. This represents a \$0.44937 per Ccf decrease. The ACA factor decreased to <\$0.21690> from <\$0.05990>, a decrease of \$0.15700 per Ccf.

For Area S (Old SEMO District), the effect of these changes will decrease the firm PGA factor for the 2006-2007 winter season to \$0.95130 per Ccf from \$1.11451 per Ccf. This represents a \$0.16321 per Ccf decrease. The ACA factor remained at <\$0.05970> per Ccf.

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.

OFFICIAL CASE FILE MEMORANDUM

PAGE 2 OF 3

The Staff has verified that the Company has filed its annual report and is not delinquent on any assessment. Staff is not aware of any issue currently pending before the Commission that affects or is affected by this filing.

The Staff has reviewed this PGA 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 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. Therefore, Staff recommends the following tariff sheets, to become effective November 1, 2006, be approved, interim subject to refund:

P.S.C. MO. No. 1

9th Revised Sheet No. 37, canceling 8th Revised Sheet No. 37, For Area B

9th Revised Sheet No. 81, cancelling 8th Revised Sheet No. 81, For Area K

9th Revised Sheet No. 149, cancelling 8th Revised Sheet No. 149, For Area S

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2006-0300, File No. YG-2007-0256, Atmos Energy Corporation

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

/s/ Thomas Imhoff 10/25/06

Energy Department/Date

/s/ Lera Shemwell 10/25/06

General Counsel's Office/Date

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

DATE: October 25, 2006

On October 17, 2006, Atmos Energy Corporation (Atmos or Company) of Franklin, Tennessee filed a tariff sheet proposed to become effective November 1, 2006. The tariff sheet was filed to reflect a scheduled change in Atmos' Purchased Gas Adjustment (PGA) factors as the result of an estimated change in the cost of natural gas for the upcoming winter season.

For the Atmos' Area G, Greeley Gas District, the net effect of this filing is to decrease the firm PGA factors for the upcoming 2006 – 2007 winter season to \$1.1529 per Ccf (100 cubic feet) from the current firm PGA factor of \$1.2775 per Ccf. This represents a \$0.1246 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 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 Staff has reviewed this PGA 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 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. Therefore, Staff recommends that the following tariff sheets, filed on October 17, 2006, be approved, interim subject to refund:

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2006-0300, File No. YG-2007-0257, Atmos Energy Corporation

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

/s/ Thomas Imhoff 10/25/06

Energy Department/Date

/s/ Lera Shemwell 10/25/06

General Counsel's Office/Date

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

DATE: October 25, 2006

On October 17, 2006, Atmos Energy Corporation (Atmos or Company) of Franklin, Tennessee filed tariff sheets proposed to become effective November 1, 2006. The tariff sheets were filed to reflect a scheduled 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. In addition, this filing reflects changes in the Actual Cost Adjustment (ACA) factors. The winter season includes the months of November through March.

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 upcoming 2006 – 2007 winter season to \$0.8407 per Ccf (100 cubic feet) from the current firm PGA factor of \$0.8955 per Ccf. This represents a \$0.0548 per Ccf decrease. The ACA factor, a component of the PGA factor, increased to \$0.0997 from <\$0.0900>, an increase of \$0.1897 per Ccf.

For Atmos' Area P, Palmyra District, the net effect of this filing is to decrease the firm PGA factors for the upcoming 2006 – 2007 winter season to \$0.8407 per Ccf from the current firm PGA factor of \$0.8955 per Ccf. This represents a \$0.0548 per Ccf decrease. The ACA factor increased to \$0.0997 from <\$0.0900>, an increase of \$0.1897 per Ccf.

For Atmos' Area N, Neelyville District, the net effect of this filing is to increase the firm PGA factors for the upcoming 2006 – 2007 winter season to \$1.1779 per Ccf from the current firm PGA factor of \$0.7279 per Ccf. This represents a \$0.4500 per Ccf increase. The ACA factor for this district increased to \$0.1655 from <\$0.1604>, an increase of \$0.3529.

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-

MO PSC CASE NO. GR-2006-0300
OFFICIAL CASE FILE MEMORANDUM
PAGE 2 of 2

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 Staff has reviewed this PGA 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 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. Therefore, Staff recommends that the following tariff sheets, filed on October 17, 2006, be approved, interim subject to refund:

P.S.C. MO. No.1

10th Revised Sheet No. 113, Canceling 9th Revised Sheet No. 113, For Area P
10th Revised Sheet No. 188, Canceling 9th Revised Sheet No. 188, For Area U