

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Atmos Energy)	
Corporation's 2008-2009 Purchased Gas)	<u>Case No. GR-2009-0417</u>
Adjustment and Actual Cost Adjustment)	

**STAFF'S REVISED RECOMMENDATION REGARDING ATMOS' ENDING
BALANCES FOR THE 2008-2009 ACA PERIOD**

COMES NOW the Staff of the Missouri Public Service Commission (Staff), pursuant to the Commission's December 21, 2011 Report And Order (Order), and submits its recommendation, stating as follows:

1. In ordered paragraph 2 of its Order, the Commission directed, "No later than January 5, 2012, Staff shall file a revised recommendation regarding Atmos' ending balances for the 2008-2009 ACA period incorporating the adjustments ordered in this Report and Order and in the Report and Order issued in GR-2008-0364. This ordered paragraph shall take effect immediately upon issuance."

2. In ordered paragraph 2 of the Commission's Report And Order in GR-2008-0364, the Commission established the ending (over)/under recovery balances for Atmos' 2007-2008 Actual Cost Adjustment. The GR-2008-0364 Report and Order is a final order of the Commission.¹

3. In accordance with the Commission's Order in this case, the Staff has revised its recommendation regarding Atmos' ending balances for the 2008-2009 ACA period incorporating the adjustments ordered in this Order and the final balances ordered by the Commission in GR-2008-0364 for the 2007-2008 ACA. Staff's revised recommendation is attached hereto as Appendix A.

4. However, in the process of conducting its review of ending ACA balances, the Staff has identified inconsistencies in the final 2007-2008 ACA balances ordered by the Commission in its GR-2008-0364 Report and Order. Those inconsistencies affect the setting of correct 2008-2009 ACA balances in GR-2009-0417.

5. On page 29 of the GR-2008-0364 Report and Order, the Commission states “On December 28, 2009, Staff recommended various adjustments to Atmos’ ACA filing in addition to the affiliate transaction disallowances that the Commission is rejecting in this report and order. Atmos accepted those other adjustments in its response to Staff’s recommendation, which it filed on January 28, 2010.” If, as it appears, the Commission based its ordered ACA amounts on Staff’s December 2009 staff recommendation, then it established its ordered amounts using outdated information.

6. At issue in December 2009 were certain prior period adjustments and an affiliate transaction disallowance in Atmos’ 2006-2007 ACA, Case No. GR-2007-0403, that Staff carried over into its recommendation filed December 28, 2009 in GR-2008-0364. The Staff and Atmos later settled the matter of prior period adjustments and the affiliate transaction in GR-2007-0403 at a lesser amount than Staff had originally proposed. The Commission issued its GR-2007-0403 Order Approving Unanimous Stipulation And Agreement, effective February 13, 2010, which settled all issues between Staff and Atmos in Atmos’ 2006-2007 ACA. That Order also established the final ACA balances for the 2006-2007 Atmos ACA.

7. The Commission’s GR-2008-0364 Report and Order and the established ACA table does not take into consideration the February 2010 order in GR-2007-0403 approving the stipulation and agreement and establishing the correct 2006-2007 ACA balances.

¹ The Office of Public Counsel filed a Notice of Appeal in GR-2008-0364 on December 29, 2011.

8. Therefore, in recognition of the Commission's February 2010 Order Approving Unanimous Stipulation And Agreement which established Atmos' 2006-2007 ACA balances, the Staff has also prepared a *modified* revised recommendation regarding Atmos' ending balances for the 2008-2009 ACA period incorporating the adjustments ordered in the Report and Order in GR-2009-0417 and in the Report and Order issued in GR-2008-0364.

9. The end result of Staff's modified revised recommendation for Atmos' 2008-2009 ACA is that it includes the *corrected* 2007-2008 ACA balances based on the Order Approving Unanimous Stipulation And Agreement in GR-2007-0403. Staff's modified revised recommendation is attached hereto as Appendix B and is offered for the purpose of aiding the Commission in setting the final ACA balances in GR-2009-0417.

10. In summary, Staff is guided by the finality of both Commission orders in GR-2008-0364 and GR-2007-0403 as Staff addresses the problem posed by the outdated information used in establishing the ACA account balances in GR-2008-0364. Therefore, Staff offers for the Commission's consideration both its revised and modified revised recommendations in the spirit of complying with both Commission orders in its response to the GR-2009-0417 Report and Order. To that end, the Staff believes it would be appropriate for Atmos to have the opportunity to file a response to this pleading.

WHEREFORE, based on the reasons discussed above, the Staff prays the Commission accept this pleading in response to its Report and Order.

Respectfully submitted,

/s/ Robert S. Berlin

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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 6th day of January, 2012.

/s/ Robert S. Berlin

Appendix A

Case No. GR-2009-0417

12 mos end 8-31-09

(over)/under-recovery

Description	8-31-09 Ending Balances per Filing 08-09	Scheduling Fee	Prior Period	Neelyville & Butler Additions	Staff Rec. ACA Bal. for 08-09
SEMO					
Demand ACA	(\$634,905)		331		(\$634,574)
Commodity ACA	(\$3,762,136)	\$8,531	(\$15,177)	(\$2,579)	(\$3,771,361)
Kirksville					
Demand ACA	\$22,071				\$22,071
Commodity ACA	(\$896,044)	\$1,570	(\$42,573)		(\$937,047)
West					
Demand ACA	\$44,403				\$44,403
Commodity ACA	(\$718,360)	\$0	(\$88,159)	(\$50,380)	(\$856,899)
NEMO					
Demand ACA	\$33,803		-163		\$33,640
Commodity ACA	(\$2,549,115)	\$2,725	(\$136,006)		(\$2,682,396)

SEMO now includes Neelyville

West now includes Butler and Greeley area

Appendix B

Case No. GR-2009-0417

12 mos end 8-31-09

(over)/under-recovery

Description	8-31-09 Ending Balances per Filing 08-09	Scheduling Fee	Prior Period Adj	Mo. School Revenue Recovery	Cashout	Neelyville & Butler Addition	Staff Rec. ACA Bal. for 08-09
SEMO							
Demand ACA	(\$634,905)						(\$634,905)
Commodity ACA	(\$3,762,136)	\$8,531		(\$3,580)	(\$16,459)	(\$2,579)	(\$3,776,223)
Kirksville							
Demand ACA	\$22,071						\$22,071
Commodity ACA	(\$896,044)	\$1,570		(\$797)	(\$1,119)		(\$896,390)
West							
Demand ACA	\$44,403						\$44,403
Commodity ACA	(\$718,360)	\$0	(\$1,621)			(\$18,494)	(\$738,475)
NEMO							
Demand ACA	\$33,803						\$33,803
Commodity ACA	(\$2,549,115)	\$2,725	(\$30,000)	(\$2,270)	(\$26,188)		(\$2,604,848)

SEMO now includes Neelyville

West now Includes Butler and Greeley area