

**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-) Case No. GR-2007-0403
2007 period.)

STAFF'S RECOMMENDATION

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

1. On October 17, 2007, Atmos Energy Corporation (Atmos or Company) of Franklin, Tennessee, filed its 2007 PGA Tariff Filing and Workpapers (NP and HC versions) with a proposed effective date of November 1, 2007.

2. The revised tariff sheet was filed to reflect required changes 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 (November through March) and changes in the Actual Cost Adjustment (ACA) factor.

3. Staff has determined that the revised tariff sheet was calculated in conformance with Atmos' PGA clause.

4. 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.

WHEREFORE the Staff recommends that the tariff sheet be approved interim subject to refund only (P.S.C. MO. No. 2/2nd Revised Sheet No. 44, canceling 1st Revised No. 44), to become effective November 1, 2007.

Respectfully submitted,

/s/ Lera L. Shemwell

Lera L. Shemwell
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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 29th day of October, 2007.

/s/ Lera L. Shemwell

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2007-0403, File No. YG-2007-0243, Atmos Energy Corporation

FROM: Michael Ensrud, Energy Department – Tariffs/Rate Design

<u>/s/ Thomas M. Imhoff 10/26/07</u> Energy Department/Date	<u>/s/ Lera Shemwell 10/26/07</u> General Counsel's Office/Date
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SUBJECT: Staff Recommendation on Atmos Energy Corporation's Scheduled PGA Filing
Effective November 1, 2007

DATE: October 26, 2007

On October 17, 2007, Atmos Energy Corporation (Atmos or Company) of Franklin, Tennessee filed a tariff sheet proposed to become effective November 1, 2007. The tariff sheet was filed to reflect required changes 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 and changes in the Actual Cost Adjustment (ACA) factor. The winter season includes the months of November through March. Atmos requests that the tariff sheets go into effect on November 1, 2006.

For Atmos' West Area - Butler District, the net effect of this filing is to increase the firm PGA factors for the 2007 /2008 winter season to \$0.69970 per Ccf (100 cubic feet) from the current, summer firm PGA factor of \$0.58550 per Ccf. This represents a \$0.1142 per Ccf increase.

For Atmos' West Area - Rich Hill / Hume District, the net effect of this filing is to decrease the firm PGA factors for the 2007 /2008 winter season to \$1.00880 per Ccf (100 cubic feet) from the current, summer firm PGA summer factor of \$1.02590 per Ccf. This represents a \$0.0171 per Ccf decrease

For Atmos' Kirksville Area, the net effect of this filing is to increase the firm PGA factors for the 2007 / 2008 winter season to \$0.78750 per Ccf from the current, summer firm PGA factor of \$0.59020 per Ccf. This represents a \$0.1973 per Ccf increase.

For Atmos' Northeast Area (Hannibal, Canton, Bowling Green and Palmyra or Combined District), the net effect of this filing is to increase the firm PGA factors for the 2007 / 2008 winter season to \$0.78760 per Ccf, from the current, summer firm PGA factor of \$0.69040 per Ccf. This represents a \$0.0972 per Ccf increase.

For Atmos' Southeast Area - SEMO District, the net effect of this filing is to increase the firm PGA factors for the 2007 / 2008 winter season to \$0.92330 per Ccf from the current firm, summer PGA factor of \$0.8171 per Ccf. This represents a \$0.1062 per Ccf increase.

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For Atmos' Southeast Area - Neelyville District, the net effect of this filing is to decrease the firm PGA factors for the 2007 / 2008 winter season to \$0.8355 per Ccf from the current firm, summer PGA factor of \$1.0423 per Ccf. This represents a \$0.20680 per Ccf decrease.

Case No. GR-2007-0403, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2006-2007 ACA filing. Case No. GR-2006-0330 was established to track the Company's PGA factors to be reviewed in its 2005-2006 ACA filing. Interim subject to refund status should be maintained pending final Commission decisions in ACA Case Nos GR-2006-0330 and GR-2007-0403.

Due to the limited time available to review the documentation supporting the ACA factor represented in this filing, the Procurement Analysis Department (PAD) has requested permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 31, 2007.

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. 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

2nd Revised Sheet No. 44, Canceling 1st Revised No. 44

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

In the Matter of Atmos Energy
Corporation's Purchased Gas
Adjustment Tariff Filing.

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Case No. GR-2007-0403

AFFIDAVIT OF MICHAEL ENSRUD

STATE OF MISSOURI)
) ss
COUNTY OF COLE)


Michael Ensrud, of lawful age, on oath states: that he has participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.


Michael Ensrud

Subscribed and sworn to before me this 26th day of October, 2007.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086


Notary Public

My commission expires 9-21-10