

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 29th day of
April, 2009.

In the Matter of the PGA/ACA Filing of Atmos)	
Energy Corporation for the West Area (Old Butler),)	<u>File No. GR-2008-0364</u>
West Area (Old Greeley), Southeastern Area (Old)	Tariff No. YG-2009-0741
SEMO), Southeastern Area (Old Neelyville),)	
Kirksville Area and the Northeastern Area)	

**ORDER APPROVING REVISED ACA FACTOR, GRANTING WAIVER OF
TARIFF PROVISIONS, AND APPROVING PGA RATE CHANGES**

Issue Date: April 29, 2009

Effective Date: May 1, 2009

On April 17, 2009, Atmos Energy Corporation filed a motion and accompanying tariff that would discontinue the Actual Cost Adjustment (ACA) factor for the Kirksville Purchased Gas Adjustment (PGA) rate district. In Atmos' last rate case, GR-2006-0387, the Commission authorized Atmos to consolidate its six PGA areas into four PGA areas. As part of that consolidation, the Kirksville district was consolidated with another district. However, Atmos maintained separate ACA factors for the old district until the ACA balance for the old district could be zeroed out. Atmos indicated the ACA balance for the Kirksville district would be approaching zero around May 1. For that reason, Atmos asked the Commission to approve its tariff expeditiously to accomplish the elimination of the separate Kirksville district ACA factor. Atmos also asked the Commission to waive any provisions of Atmos' tariff that would preclude the filing of the tariff.

Atmos' tariff also substantially decreases the PGA rates for all its service areas in Missouri:

1. For Atmos' West Area (Butler District, served by Panhandle Eastern Pipe Line Company), the effect of this filing is to decrease the firm PGA rate from \$0.91570 to \$0.34860 per Ccf. This represents a \$0.56710 per Ccf decrease.

2. For Atmos' West Area (Rich Hill / Hume District, served by the Southern Star Central Gas Pipeline Company), the effect of this filing is to decrease the total firm PGA rate from \$0.73185 per Ccf to \$0.16475 per Ccf. This represents a \$0.56710 per Ccf decrease.

3. For Atmos' Kirksville Area, served by ANR Pipeline Company, the effect of this filing is to decrease the firm PGA rate from \$0.96310 per Ccf to \$0.49080 per Ccf. This represents a \$0.47230 per Ccf decrease.

4. For Atmos' Northeast Area (Hannibal, Canton, Bowling Green and Palmyra or Combined District, served by the Panhandle Eastern Pipeline Company), the effect of this filing is to decrease the firm PGA rate from \$0.95430 per Ccf to \$0.37690 per Ccf. This represents a \$0.57740 per Ccf decrease.

5. For Atmos' Southeast Area (SEMO District, served by the Natural Gas Pipeline Company of America, Texas Eastern Pipeline Company, Missouri River Transmission, and Ozark Gas Transmission), the effect of this filing is to decrease the firm PGA rate from \$0.96760 per Ccf to \$0.37590 per Ccf. This represents a \$0.59170 per Ccf decrease.

6. For Atmos' Southeast Area (Neelyville District, served by Natural Gas Pipeline Company of America), the effect of this filing is to decrease the firm PGA rate from \$0.92210 per Ccf to \$0.33040 per Ccf. This represents a \$0.59170 per Ccf decrease.

In response to Atmos' filing, the Commission directed its Staff to file a recommendation by April 24. The Commission also ordered any other party wishing to

respond to Atmos' filing to do so no later than April 24. Staff filed its recommendation on April 24. No other party has filed a response.

Staff confirms Atmos' ACA level for the Kirksville district will be near zero by May 1. By making the requested ACA change now, Atmos will avoid over-collection of these costs for its upcoming regular ACA filing in November 2009. Since Atmos has already filed an ACA factor during the last twelve months, Atmos will need a waiver of its tariff to allow it to make the additional ACA filing. Staff advises the Commission to grant the requested waiver.

Staff's Memorandum and Recommendation also supports the change in the costs and in the PGA rates and supports Commission approval and incorporation of the change in rates. Any rate change at this time is subject to true-up in the ACA process. Staff notes that, because Atmos' PGA clause allows for PGA change filings to take effect on ten days' notice, good cause has been shown pursuant to Section 393.140(11), RSMo 2000, to permit the tariff to become effective on less than 30 days' notice. Staff recommends that the rates be approved on an interim basis, subject to refund, pending final Commission decisions in ACA File Nos. GR-2008-0364 and GR-2007-0403.

The Commission has reviewed the proposed tariff sheet and Staff's Memorandum and Recommendation. The Commission finds that the proposed tariff sheet conforms to the Company's Commission-approved PGA Clause. After considering Staff's recommendation, and for good cause shown pursuant to Section 393.140(11), RSMo 2000, the Commission concludes the proposed tariff sheet should be approved to become effective on May 1, 2009, with the rates established in the tariff to be effective on an interim basis, subject to refund, pending final Commission decisions in ACA File Nos. GR-2008-

0364 and GR-2007-0403. The Commission will also grant the requested waiver of Atmos' tariff.

THE COMMISSION ORDERS THAT:

1. The proposed tariff sheet submitted under Tariff File No. YG-2009-0741 by Atmos Energy Corporation, is approved, effective on and after May 1, 2009. The rates changes incorporated in the tariff are approved on an interim, subject to refund basis, pending final Commission decisions in ACA File Nos. GR-2008-0364 and GR-2007-0403. The specific tariff sheet approved is:

P.S.C. Mo No. 2
6th Revised Sheet No. 44, Canceling 5th Revised Sheet No. 44

2. Atmos Energy Corporation is granted a waiver from any provision of its tariff that would preclude the filing of the tariff change approved in the previous paragraph.
3. This order shall become effective May 1, 2009.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Clayton, Chm., Murray, Davis, Jarrett,
and Gunn, CC., concur.

Woodruff, Deputy Chief Regulatory Law Judge