

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

In the Matter of Atmos Energy)
Corporation's 2010-2011 Purchased)
Gas Adjustment and Actual Cost)
Adjustment)

Case No. GR-2011-0161

STAFF RECOMMENDATION REGARDING 2010-2011 ACTUAL COST ADJUSTMENT

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its Recommendation, states as follows:

1. On October 17, 2011, Atmos Energy Corporation (Atmos) filed its 2010-2011 Actual Cost Adjustment (ACA) filing for rates to become effective on November 1, 2011 for all areas served in Missouri.

2. As a result of the Commission's March 14, 2012 Order Approving Unanimous Stipulation and Agreement in Case No. GM-2012-0037, the Commission authorized Liberty Energy (Midstates) Corp. (now known as "Liberty Utilities" and referred to as "Liberty") to purchase the assets of Atmos' Missouri service areas, including the granting of new certificates of convenience and necessity.

3. Though Liberty is the successor in interest to Atmos, the Staff Memorandum, attached hereto as Appendix A, refers to Atmos because Atmos made the decisions for this ACA period. Staff's recommendations regarding this filing are to be addressed by Liberty because it is administering Atmos' previously filed ACA filings.

4. The Procurement Analysis Unit (Staff) has reviewed Atmos' ACA filing and submits its recommendation as explained in Staff's Memorandum (Appendix A in both Highly Confidential and Public versions). Staff's review included a comparison of billed

revenue recovery with actual gas costs to determine whether there exists an over-recovery or under-recovery of the ACA balance.

5. Staff's review did not identify any accounting adjustments to the ACA balances. However, the Staff makes recommendations regarding the final ACA account balances, Reliability Analysis/Gas Supply Plan Review, and Hedging and Cash-out areas (see Section 1 and Table 1 of App. A). Staff also makes recommendations regarding the Southeast and West areas (see Sections 2 and 3 of App. A).

6. Staff suggests the Commission order Liberty Utilities, as successor in interest to Atmos, to file a written response to Staff's recommendations, summarized in the Recommendation section of App. A, pages 8-9, within 30 days.

WHEREFORE, based on the reasons stated above and in Staff's Memorandum, the Staff recommends the Commission order Liberty Utilities to respond to Staff's Recommendation within 30 days.

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, transmitted by facsimile or electronically mailed to all counsel of record this 21st day of December 2012.

/s/ Robert S. Berlin
