

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of Atmos Energy)	<u>Case No. GR-2005-0311</u>
Corporation's Purchased Gas Adjustment)	File No. YG-2005-0729
Factors to be Audited in its 2004-2005)	
Actual Cost Adjustment)	

STAFF RECOMMENDATION

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission") in the above-captioned matter, and for its Recommendation respectfully states as follows:

1. On March 17, 2005, Atmos Energy Corporation ("Atmos" or "Company") filed the following tariff sheets bearing a proposed effective date of April 1, 2005.

P.S.C. MO. No. 1

7th Revised SHEET No. 113, Cancelling 6th Revised SHEET No. 113, For Area P
7th Revised SHEET No. 188, Cancelling 6th Revised SHEET No. 188, For Area U

2. The tariff sheets reflect optional changes in Atmos' Purchased Gas Adjustment ("PGA") factors for the upcoming summer season, for the Company's Area U-Bowling Green and Hannibal/Canton Districts, its Area P-Palmyra District, and its Area U-Neelyville District.

2. As stated in the attached Memorandum (Appendix A), the Staff has reviewed the proposed tariff sheets and recommends that they be approved, effective April 1, 2005, on an interim-subject-to-refund basis. Staff notes that good cause has been shown, pursuant to

§393.140(11) RSMo 2000, to permit the tariff sheets to become effective on less than thirty days' notice.

WHEREFORE, the Staff recommends that the Commission approve the proposed tariff sheets, interim subject to refund and effective April 1, 2005.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/ Dennis L. Frey

Dennis L. Frey
Senior Counsel
Missouri Bar No. 44697

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Certificate of Service

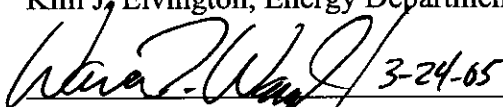
I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or e-mailed to all counsel of record this 24th day of March 2005.

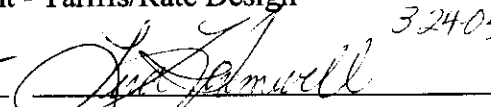
/s/ Dennis L. Frey

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2005-0311, File No. YG-2005-0729, Atmos Energy Corporation

FROM: Kim J. Elvington, Energy Department - Tariffs/Rate Design

 3-24-05
Energy Department/Date

 3-24-05
General Counsel's Office/Date

SUBJECT: Staff Recommendation for Atmos Energy Corporation's Bowling Green,
Hannibal/Canton, Palmyra, and Neelyville Districts Optional Purchased Gas
Adjustment Filing Effective April 1, 2005

DATE: March 22, 2005

On March 17, 2005, Atmos Energy Corporation (Atmos or Company) of Franklin, Tennessee, filed tariff sheets proposed to become effective April 1, 2005. The tariff sheets were filed to reflect changes in their Purchased Gas Adjustment (PGA) factors as the result of estimated changes in the cost of natural gas for the upcoming summer season. This tariff filing reflects changes in the Regular Purchased Gas Adjustment (RPGA) factor. The summer season includes the months of April through October.

For Atmos' Area U, Bowling Green and Hannibal/Canton Districts, the effect of these changes will decrease the firm PGA factor for the 2005 summer season to \$0.5698 per Ccf (hundred cubic feet) from the current firm PGA factor of \$0.5992 per Ccf. This proposal would decrease a residential heating customer's bill for 312 Ccf of usage approximately \$9 or 3%, for the April through October period, when compared to the rates currently in effect.

For Atmos' Area P, Palmyra District, the effect of these changes will decrease the firm PGA factor for the 2005 summer season to \$0.5698 per Ccf from the current firm PGA factor of \$0.5992 per Ccf. This proposal would decrease a typical residential heating customer's bill for 312 Ccf of usage approximately \$9 or 3%, for the April through October period, when compared to the rates currently in effect.

For Atmos' Area U, Neelyville District, the effect of these changes will decrease the firm PGA factor for the 2005 summer season to \$0.5534 per Ccf from the current firm PGA factor of \$0.6361 per Ccf. This proposal would decrease a typical residential heating customer's bill for 312 Ccf of usage approximately \$26 or 8%, for the April through October period, when compared to the rates currently in effect.

Appendix A

Case No. GR-2005-0311, under which this PGA was filed, was established to track the Company's PGA factors to be reviewed in its 2004-05 Actual Cost Adjustment (ACA) filing. Case Numbers GR-2004-0479 and GR-2003-0219 were established to track the Company's PGA factors to be reviewed in its 2003-04 and 2002-03 ACA filings respectively. Interim subject to refund status should be maintained pending final Commission decisions in Case Nos. GR-2003-0219, GR-2004-0479 and GR-2005-0311.

The Commission's Energy Department – Tariffs/Rate Design Staff (Staff) has verified that the Company has filed its annual report and is not delinquent on any assessment. Staff is unaware of any issue currently pending before the Commission that affects or is affected by this filing however the following open cases involving this Company are before the Commission at this time:

GR-2003-0219	GR-2004-0479
GO-2004-0195	

The Staff has reviewed this PGA filing and has determined this filing 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 a minimum of ten (10) business days notice for PGA filings. Therefore, Staff recommends that the following tariff sheets, to become effective April 1, 2005, be approved, interim subject to refund:

P.S.C. MO. No. 1

7th Revised SHEET No. 113, Cancelling 6th Revised SHEET No. 113, For Area P
7th Revised SHEET No. 188, Cancelling 6th Revised SHEET No. 188, For Area U

Copies: Director - Utility Operations Division
 Director - Utility Services Division
 General Counsel
 Manager - Procurement Analysis Department
 Manager - Energy Department
 Bobby J. Cline, Manager, Rate Administration (Atmos)
 James M. Fischer - Attorney with Fischer & Dority P.C. (Atmos)
 Office of the Public Counsel