

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

In the Matter of Atmos Energy)	
Corporation's Purchased Gas Adjustment)	
Factors to be Audited in its 2004-2005)	Case No. GR-2005-0311
Actual Cost Adjustment)	

STAFF'S RESPONSE TO COMMISSION'S JANUARY 19, 2007 ORDER

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission") and recommends that the Commission order the balances set forth in the Staff Recommendation, filed in this proceeding on December 20, 2006. In support thereof, the Staff respectfully states as follows:

1. On January 18, 2007, Atmos Energy Corporation ("Atmos" or "Company") filed its Response to the above-mentioned Staff Recommendation. On January 19, the Commission issued an order directing the Staff to reply to Atmos' Response by February 9, 2007.

2. Upon reviewing Atmos' Response, the Staff's Procurement Analysis Department concluded that Atmos has accepted all of Staff's recommendations. Counsel for Atmos subsequently confirmed that conclusion. In addition, the Office of the Public Counsel stated that it has no objection to the Staff's recommendations.

WHEREFORE, there being no issue in dispute among all of the parties to this proceeding, the Staff respectfully requests that the Commission issue an order directing Atmos to: a) comply with the recommendation concerning hedging, which appears on page 5 of the Memorandum attached as Appendix A to the Staff's December 20, 2006 Recommendation; and b) adjust its account balances as recommended by Staff in the aforementioned Memorandum, and as set forth again in Appendix A attached hereto.

Respectfully submitted,

/s/ Dennis L. Frey

Dennis L. Frey

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or emailed to all counsel of record this 9th day of February 2007.

/s/ Dennis L. Frey

TABLE 1

(ANG) Areas B, K, and S	8-31-05 Ending Balances per Filing for 2004-2005	Staff Adjustments	Staff Recommended Ending Balances for 2004-2005
SEMO District (Area S)			
Firm ACA	(\$1,607,280)	(\$61,819)(A) \$117 (B)	(\$1,668,982)
Interruptible ACA	\$188,330	(\$5,500)(A) (\$656) (B)	\$182,174
Transition Cost	(\$696)	(\$338)(C)	(\$1,034)
Kirksville District (Area K):			
Firm ACA	(\$ 358,795)	(\$38,000) (A) (\$233) (B)	(\$ 397,028)
Interruptible ACA	(\$ 86,076)	\$2,119 (A) \$229 (B)	(\$ 83,728)
Transition Cost	\$0	\$0	\$0
Butler District (Area B):			
Firm ACA	(\$183,466)	\$66,533 (A) \$107 (B)	(\$116,826)
Interruptible ACA	(\$63,030)	\$37,687 (A) \$44 (B)	(\$25,299)
Transition Cost	\$0	\$0	\$0

Notes to Staff Adjustments:

- A) ACA beginning balances August 31, 2004 adjusted to prior year ending balances
- B) Adjustments to carrying costs on the under and over-recoveries of PGA/ACA costs
- C) Adjustment to recovery of transition costs to correct error in computation

TABLE 2

(UNITED CITIES) Areas P and U	5-31-05 Ending Balances per Filing for 2004-2005	Staff Adjustments	Staff Recommended Ending Balances for 2004-2005
Consolidated District:			
Demand ACA	(\$403,728)	\$583 (B)	(\$403,145)
Commodity ACA	(\$1,124,620)	\$4,986 (A) \$9,964 (B) (\$13,236)(C)	(\$1,122,906)
Neelyville District:			
Demand ACA	(\$ 4,166)	(\$10)(B)	(\$ 4,176)
Commodity ACA	(\$ 46,392)	\$376 (B)	(\$ 46,016)

Notes to Staff Adjustments:

A) ACA beginning balances May 31, 2004 adjusted to prior year ending balances

B) Adjustments to carrying costs on the under and over-recoveries of PGA/ACA costs

C) Adjustment to storage costs to eliminate duplicate entries

TABLE 3

(GREELEY) Area G	5-31-05 Ending Balance per Filing for 2004- 2005	Staff Adjustments	Staff Recommended Ending Balances for 2004-2005
Area G Total ACA Balance	\$65,344	(\$3,005) (A)	\$62,339

Notes to Staff Adjustments:

A) ACA beginning balances May 31, 2004 adjusted to prior year ending balances