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 2006-2007 Period.

Case No. GR-2007-0403

STAFF RECOMMENDATION REGARDING ATMOS' ACTUAL COST ADJUSTMENT

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

1. Staff has reviewed Atmos Energy Corporation's (Atmos or Company) 2006-2007 Actual Cost Adjustment (ACA) filings for the former territories of Associated Natural Gas (Areas S, K, and B), United Cities Gas (Areas P and U) and Greeley Gas (Area G). These filings were made on October 17, 2007 for rates to become effective on November 1, 2007 in all areas.

2. Staff's analysis consisted of a review and evaluation of the Company's billed revenues and its natural gas costs for the period of September 1, 2006 to August 31, 2007 for Areas S, K, and B, and for the 15 month period, pursuant to tariff, of June 1, 2006 to August 31, 2007 for Areas G, P and U. The increased level of analysis and the length of Staff's Memorandum are the product of the uniqueness of Atmos having six areas served by a combination of six different gas pipelines.

3. Staff's Memorandum, attached as Appendix A and incorporated by reference, is composed of the following four sections:

Section	Begins on	Recommendation
	Page:	on Page:
Section 1. Atmos Energy Corporation, General	2	11
Section 2. Areas S, K, and B (formerly Associated Natural	12	13
Gas)		
Section 3. Areas P and U (formerly United Cities Gas)	14	14
Section 4. Area G (formerly Greeley Gas)	15	16

Each section begins with a detailed explanation of Staff's concerns, followed by analysis, and concluding with recommendations.

WHEREFORE, for reasons explained in the attached Memorandum, the Staff recommends the Commission issue an order directing Atmos to comply with Staff's recommendations found on pages 11, 13, 14, and 16 of Staff's Memorandum.

Respectfully submitted,

/s/ Robert S. Berlin

Robert S. Berlin Senior Counsel Missouri Bar No. 51709

Attorney for the Staff of the Missouri Public Service Commission P. O. Box 360 Jefferson City, MO 65102 (573) 526-7779 (Telephone) (573) 751-9285 (Fax) e-mail: <u>bobberlin@psc.state.mo.us</u>

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 29th day of December 2008.

/s/ Robert S. Berlin