

MEMORANDUM

TO: Missouri Public Service Commission Official Case File, Case No. GR-2009-0417
File No. JG-2010-0027
Atmos Energy Corporation

FROM: Thomas M. Imhoff, Energy Department - Tariffs/Rate Design

/s/ Thomas M. Imhoff 07/23/09

Energy Department/Date

/s/ Robert S. Berlin 07/23/09

General Counsel's Office/Date

SUBJECT: Staff Recommendation in the Matter of Atmos Energy Corporation's Motion for Waiver of Tariff Provisions Related to the Filing of a Revised ACA

DATE: July 23, 2009

On July 16, 2009, Atmos Energy Corporation (Atmos or Company), of Franklin, Tennessee, filed a Purchased Gas Adjustment (PGA) tariff sheet with the Missouri Public Service Commission (Commission) with a proposed effective date of August 1, 2009. In addition, Atmos filed a Motion for Waiver of Tariff Provisions (Waiver) to the filing of a revised Actual Cost Adjustment (ACA) Factor. On July 16, 2009, the Commission issued an ORDER DIRECTING STAFF TO FILE RECOMMENDATION AND ESTABLISHING TIME FOR RESPONSE (ORDER) for Staff to file its recommendation no later than July 23, 2009. This memorandum is in response to that ORDER.

Atmos seeks a Waiver from its PGA tariff provisions to file a revised ACA factor for its Neelyville District customers in its Southeast Area. Atmos' ACA level for its Neelyville District will be nearly \$0 by the end of July. By making this change now, Atmos will have a *de minimus* ACA balance and avoid an over-collection of these costs for the upcoming regular ACA filing in November 2009. The Commission's Energy Tariff/Rate Design Staff (Staff) has reviewed Neelyville's ACA balance and is of the opinion this change should be made.

Staff has reviewed the Company's tariff filing and has determined that the tariff sheet has been filed in compliance with Atmos' PGA Clause, Commission rules and regulations. Staff is of the opinion that good cause for approval of these tariff sheets on less than thirty (30) days notice is demonstrated by Atmos' Commission-approved PGA clause allowing for ten (10) business days notice for PGA change filings and its Motion. Staff has no objection to Atmos' request due to the Neelyville District's minimal ACA balance by the end of July 2009, and the avoidance of an over-collection of these gas costs. Staff has reviewed this filing and is not aware of any issue currently pending before the Commission that affects, or is affected by, this filing.

Therefore, Staff recommends that the following tariff sheet and Waiver be approved, as filed on July 16, 2009, and be allowed to become effective on August 1, 2009.

P.S.C. MO. No. 2

7th Revised SHEET NO. 44, Cancelling 6th SHEET NO. 44

Staff has verified that Atmos has filed its annual report and is not delinquent on any assessment.

