

MEMORANDUM

TO: Missouri Public Service Commission Official Case File, Case No. GR-2009-0417
File No. JG-2010-0191
Atmos Energy Corporation

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

Thomas M. Imhoff 09/24/09

Energy Department/Date

Robert S. Berlin 09/24/09

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 and Motion for Expedited Treatment

DATE: September 24, 2009

On September 15, 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 October 1, 2009. In addition, Atmos filed a Motion for Waiver of Tariff Provisions and Motion for Expedited Treatment (Motion) to the filing of a revised Actual Cost Adjustment (ACA) Factor. On September 16, 2009, the Commission issued an ORDER DIRECTING STAFF TO FILE ECOMMENDATION AND ESTABLISHING TIME FOR RESPONSE (ORDER) for Staff to file its recommendation no later than September 25, 2009. This memorandum is in response to that ORDER.

Atmos seeks a Waiver from its PGA tariff provisions to file revised ACA factors for its SEMO, NEMO and Rich Hill/Hume (Greeley or West Area) Districts. Atmos' ACA levels for its SEMO and NEMO Districts will be nearly \$0 by the end of September 2009. By making these changes now, Atmos will have *de minimus* ACA balances 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 SEMO and NEMO's ACA balances and is of the opinion these changes should be made. This change will eliminate the separate ACA balances of the SEMO and Neelyville Districts and will complete the consolidation of the SEMO PGA district pursuant to the Commission's Report and Order in Case No. GR-2006-0387.

In Atmos' Greeley District, the Company will not be able to refund all of the ACA balance before the winter PGA/ACA filing. Atmos is proposing a one-time refund to its Greeley customers in order to zero out the unconsolidated Greeley District ACA balance. This balance reflects Greeley's ACA balance prior to its consolidation with the Butler District. The amount of the refund will be approximately \$10.56 per customer. This change will eliminate the separate ACA balances and complete the consolidation of the West PGA district.

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 because the SEMO and NEMO's District's ACA balances are nearing zero by end of September 2009, thereby avoiding an over-collection of gas costs. Staff also has no objection to Atmos' request for a one time credit to customers in the old Greeley District, because the one time credit will complete the consolidation of the old Greeley and Butler PGA Districts. 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.

The consolidation of PGA districts was authorized by the Commission in Atmos' last rate case, GR-2006-0387. That issue was not taken up on appeal.

Therefore, Staff recommends that the following tariff sheet and Motion be approved, as filed on September 15, 2009, and be allowed to become effective on October 1, 2009.

P.S.C. MO. No. 2

8th Revised SHEET NO. 44, Cancelling 7th SHEET NO. 44

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

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

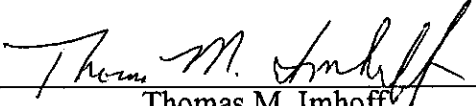
In the Matter of Atmos Energy)
Corporation's Purchased Gas)
Adjustment)

Case No. GR-2009-0417

AFFIDAVIT OF THOMAS M. IMHOFF

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Thomas M. Imhoff, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



Thomas M. Imhoff

Subscribed and sworn to before me this 24th day of September, 2009.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086



Notary Public