

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

In the Matter of Atmos Energy Corporation's Tariff)
Revision Designed to Consolidate Rates and)
Implement a General Rate Increase for Natural Gas) Case No. GR-2006-0387
Service in the Missouri Service Area of the Company.)

ATMOS ENERGY CORPORATION'S RECOMMENDATION REGARDING TRUE-UP PROCEEDING

COME NOW Atmos Energy Corporation ("Atmos"), and respectfully state as follows:

1. On April 7, 2006, Atmos Energy Corporation ("Atmos" or "Company") filed with the Commission proposed tariff sheets bearing an effective date of May 7, 2006, which are designed to produce a gross annual revenue increase of \$ 3.4 million for natural gas service provided to retail customers in Atmos' Missouri service area

2. On April 13, 2006, the Commission issued its Suspension Order And Notice, Order Setting Hearings, and Order Directing Filing ("April 13 Order"). Among other things, the Commission's April 13 Order directed that Atmos file by April 27, 2006 in a separate pleading its request for a true-up audit. In addition, the April 13 Order reserved January 3, 2007 and January 4, 2007, for hearings in this case, in the event that such a true-up hearing is requested and granted.

3. In response to the Order Directing Filing, Atmos hereby requests that a true-up hearing be scheduled to allow the parties to provide the Commission with most recent information available. Atmos would like to discuss the package of items to be true-up with the Staff, Public Counsel, and Intervenors at the Early Prehearing Conference scheduled for May 17, 2006. Initially, the Company believes that a true-up proceeding should consider the following package of items:

- Revenues/billing determinants for any significant changes beyond the update period of June 30, 2006;
- Rate Case Expenses;
- Bad debt expenses;
- Storage Gas; (thirteen month average as of June 30, 2006 re-priced at current available prices for NYMEX months of April 2007 – October 2007);
- Capital Structure.

WHEREFORE, Atmos Energy Corporation respectfully submits its Recommendation Regarding True-Up Proceeding.

Respectfully submitted,

/s/ James M. Fischer

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing Recommendation has been hand-delivered, emailed or mailed, First Class mail, postage prepaid, this 27th day of April, 2006, to the Office of the Public Counsel: opcservice@ded.mo.gov, the General Counsel of the Missouri Public Service Commission: gencounsel@psc.mo.gov, and Rob Fulton: RFulton@i1.net.

/s/ James M. Fischer

James M. Fischer