

FISCHER & DORITY
PROFESSIONAL CORPORATION

James M. Fischer
Larry W. DORITY

Attorneys at Law
Regulatory & Governmental Consultants

101 Madison, Suite 400
Jefferson City, MO 65101
Telephone: (573) 636-6758
Fax: (573) 636-0383

November 27, 2000

FILED

NOV 27 2000

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison Street, Suite 100
P.O. Box 360
Jefferson City, Missouri 65102

Missouri Public
Service Commission

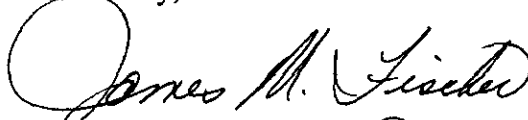
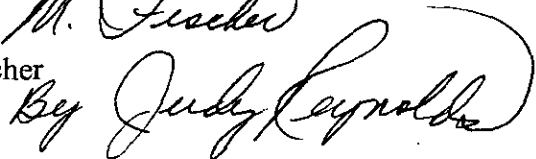
RE: *In the Matter of Associated Natural Gas Company's Purchased Gas Adjustment
Factors to be Reviewed in its 1998-1999 Actual Cost Adjustment,
Case No. GR-99-392*

Dear Mr. Roberts:

Enclosed for filing in the above-referenced matter are the original and eight (8) copies of the Response of Atmos Energy Corporation to Staff Recommendation. A copy of the foregoing Response has been hand-delivered or mailed this date to parties of record.

Thank you for your attention to this matter.

Sincerely,


James M. Fischer


/jr
Enclosure(s)

cc: Office of the Public Counsel
Tim Schwarz
Dana K. Joyce
Gary Duffy
Mark S. Kidd

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

FILED³
NOV 27 2000

Missouri Public
Service Commission

In the Matter of Associated Natural Gas)
Company's Purchased Gas Adjustment)
Factors to be Reviewed in its 1998-1999)
Actual Cost Adjustment.)

Case No. GR-99-392

Response of Atmos Energy Corporation to Staff Recommendation

COMES NOW Atmos Energy Corporation, through its United Cities Gas Company Division, (Atmos) and pursuant to 4 CSR 240-2.080 respectfully files its Response to the Staff Recommendation filed on August 1, 2000. In support of this response, Atmos states as follows:

1. On October 26, 2000, Senior Regulatory Law Judge Bill Hopkins issued an Order Granting Application to Intervene and Order Directing Filing. In this Order, Atmos was directed to file by November 27, 2000, its response to the Staff's recommendation for peak day analysis included in its August 1, 2000 Recommendation filed in this proceeding. In the Staff's recommendation, Staff recommended, *inter alia*, that Associated Natural Gas Company (ANG) "continue to (1) provide an estimation of the peak day demand and annual demand for each of the five districts/pipeline service areas with each year's ACA submittal, (2) review and update Company assumptions made to estimate the peak and annual demand, (3) provide an explanation of how the capacity will meet this demand and (4) include the following information:

- a. For the Integrated system, include a discussion of how capacity would meet the demand of a peak day occurrence in February when the TETCO Storage volume may be at a reduced inventory level.

15

- b. For each of the five ANG districts/pipeline service areas, (1) submit, with the 1999/2000 ACA filing, a comparison of actual sendout and heating degrees days for two or more recent peak days to the estimated demand for those conditions (heating degreed days and number of customers) and (2) provide an explanation when the model does not reasonably agree with the actual load encountered.
- c. For each of the five ANG districts/pipeline service areas, estimate, and submit with the 1999/2000 ACA filing, the reserve margin for the 1999/2000 ACA period and for three to five years beyond that.”

Staff Recommendation, pp. 4-5.

2. Since Atmos, through its United Cities Gas Company division, is currently operating the service area formerly operated by ANG, it would be logical for Atmos to address any reporting requirements related to the former ANG properties. Upon review of the Staff Recommendation, Atmos has determined that it is appropriate and reasonable for it to provide the peak day analysis and related information requested by Staff. Atmos will agree to perform the analysis requested by the Commission Staff to be filed with its next scheduled filing for the 1999/2000 ACA period, as requested by Staff.

WHEREFORE, Atmos Energy Corporation, through its United Cities Gas Company Division, having responded to the Order Granting Application to Intervene and Order Directing Filing, and the Staff Recommendation filed on August 1, 2000, requests that the Commission consider its Response and its agreement to conduct the peak day analysis as requested by the Staff.

Respectfully submitted,



James M. Fischer Mo. Bar No. 27543
Fischer & Dority, P.C.
101 Madison, Suite 215
Jefferson City, Missouri 65101
Telephone: (573) 636-6758
Fax: (573) 636-0383
E-mail: jfischerpc@aol.com

ATTORNEYS FOR
ATMOS ENERGY CORPORATION

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered or mailed, First Class, postage prepaid, this 27th day of November, 2000, to:

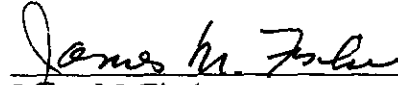
Office of the Public Counsel
P.O. Box 7800
Jefferson City, Missouri 65102

Tim Schwarz
Deputy General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

Dana K. Joyce
General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

Gary Duffy
Brydon, Swearingen & England
P.O. Box 456
Jefferson City, MO 65102

Mark S. Kidd
Associated Natural Gas Company
1001 Sain Street
P.O. Box 3578
Fayetteville, AR 72720-3578



James M. Fischer