

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

In the Matter of Atmos Energy)	
Corporation's 2008-2009 Purchased Gas)	<u>File No. GR-2009-0417</u>
Adjustment and Actual Cost Adjustment)	

**RESPONSE OF
ATMOS ENERGY CORPORATION**

COMES NOW Atmos Energy Corporation ("Atmos" or "Company"), pursuant to the Missouri Public Service Commission's ("Commission") *Order Establishing Time For Response* issued in this matter on January 9, 2012, and submits its Response to Staff's Revised Recommendation Regarding Atmos' Ending Balances for the 2008-2009 ACA Period ("Staff's Revised Recommendation"). In support of its Response, Atmos respectfully states as follows:

1. Staff's Revised Recommendation was filed in this proceeding on January 6, 2012, pursuant to the Commission's December 21, 2011 Report and Order ("Order").
2. As noted by the Commission in Paragraph 2 of its Findings of Fact set forth in its Order: "The disallowance Staff has proposed in this case is closely related to the disallowances it proposed in File No. GR-2008-0364, Atmos' ACA for the previous year. By agreement of the parties, the evidentiary record from that earlier case was incorporated into the record for this case. (Footnote omitted)."
3. While the Commission rejected the affiliate transaction disallowances in both the GR-2008-0364 and GR-2009-0417 proceedings, Staff had recommended various other adjustments to the respective Atmos ACA filings, many of which Atmos had accepted. Indeed, certain prior period adjustments in Atmos' 2006-2007 ACA, Case No.

GR-2007-0403, were not resolved until the Commission issued its GR-2007-0403 Order Approving Unanimous Stipulation and Agreement, effective February 13, 2010, which settled all issues between Staff and Atmos in Atmos' 2006-2007 ACA.

4. Given the interrelationships and continuity of these successive adjustments, it is certainly understandable that the Commission would acknowledge the lack of clarity regarding the appropriate "ending balances," thereby directing its Staff to file a revised recommendation regarding those balances.¹

5. As the Staff's Revised Recommendation reveals, it appears that the above-referenced February 2010 Order in GR-2007-0403 was not taken into account in determining the 2007-2008 ACA balances. Accordingly, and to its credit, the Staff acknowledges: "Those inconsistencies affect the setting of correct 2008-2009 ACA balances in GR-2009-0417."²

6. As a result, the Staff prepared its *Modified* Revised Recommendation (attached as Appendix B to its pleading) regarding Atmos' ending balances for the 2008-2009 ACA period incorporating the adjustments ordered in the Report and Order in GR-2009-0417 and in the Report and Order issued in GR-2008-0364 as well as reflecting adjustments ordered in previous ACA dockets which have already been made by the Company. "The end result of Staff's modified revised recommendation for Atmos' 2008-2009 ACA is that it includes the *corrected* 2007-2008 ACA balances based on the Order Approving Unanimous Stipulation and Agreement in GR-2007-0403." (Staff Revised Recommendation, page 3).

¹ "It is not clear to the Commission how the adjustments ordered in GR-2008-0364 are reflected in the adjustments Staff proposed in this case." Order, page 25.

² Staff Revised Recommendation, page 2, emphasis added.

7. Atmos has reviewed the Staff's filing and concurs that Appendix B reflects the correct 2008-2009 ACA balances to be set in this proceeding, and respectfully requests that the Commission use the amounts reflected in said Appendix B in setting the final ACA balances in GR-2009-0417.

WHEREFORE, Atmos Energy Corporation respectfully submits its Response and prays that the Commission grant the relief set forth herein.

Respectfully submitted,

/s/ Larry W. Dority

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand delivered, emailed or mailed, postage prepaid, this 10th day of January, 2012, to all counsel of record.

/s/ Larry W. Dority

Larry W. Dority