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February 28, 2002

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

FEB 2 8 2002

On Missouri Fublication

RE: In the matter of the Application of Atmos Energy Corporation for an order authorizing it to merge with Mississippi Valley Gas Company, Case No. GM-2002-295.

Dear Mr. Roberts:

Enclosed for filing in the above-referenced matter are the original and eight (8) copies of the Atmos Energy Corporation's Response To Staff Recommendation.

Thank you for your attention to this matter.

Sincerely,

James M. Fischer

ames Mr. Fisher

Enclosure

cc:

Office of the Public Counsel

Tim Schwarz

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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2002-295	. Injegion

In the matter of the Application of Atmos Energy Corporation for an order authorizing it to merge with Mississippi Valley Gas Company.

Case No. GM-2002-295

ATMOS ENERGY CORPORATION'S RESPONSE TO STAFF RECOMMENDATION

COMES NOW Atmos Energy Corporation ("Atmos") by and through their counsel, and, pursuant to 4 CSR 240-2.085, hereby files its Response to the Staff Recommendation filed on February 8, 2002. In support thereof, Atmos states as follows:

- 1. On February 8, 2002, the Staff filed its Staff Recommendation in this matter in which the Staff recommends approval of the Application, subject to the following conditions:
- a) That Atmos be ordered to adhere to the customer service performance measures and reporting requirements outlined in this Staff Recommendation through the year 2004;
- b) That Atmos be ordered to submit surveillance data reports on a stand alone basis for its Missouri operating units, which include United Cities Gas Company, Associated Natural Gas Company on a monthly basis and Greeley Gas Company on a quarterly basis. In addition, Atmos should be ordered to submit total company data on a consolidated basis monthly in conjunction with its separate submittals for UCG and ANG.
- c) That Atmos be ordered to comply with the tariffs filed with the Missouri Public Service Commission, or in the alternative, immediately file with the Commission a request for approval to consolidate the tariffs of UCG, Greeley and, those of ANG adopted by Atmos.

- d) That nothing in the Commission's order shall be considered a finding by the Commission of the value of this transaction for rate making purposes, and that the Commission reserves the right to consider the rate making treatment to be afforded this transaction in any subsequent proceeding.
- e) That the Commission's order shall not be deemed precedent for any future transaction even if the facts may be similar.
- f) That any adverse financial effects of this acquisition shall be borne by Atmos stockholders and not be Missouri ratepayers.
- g) That all records pertaining to these transactions shall be maintained at Atmos' headquarters and made available to the Staff as the Staff deems necessary.
- h) That no finding be rendered that would bind any party to any cost allocation or ratemaking principle in any future case.
- 2. Having reviewed the above-referenced conditions, Atmos believes the Staff's proposed conditions are acceptable. However, Atmos would clarify that it does not have an "Associated Natural Gas Company" division. The property and service area formerly served by Associated Natural Gas Company in Missouri has been merged in its entirety with Atmos Energy Corporation and is currently being operated as part of the United Cities Gas Company division. The tariffs of Associated Natural Gas Company (ANG), however, were adopted by Atmos Energy Company under the name "Atmos Energy Corporation", pursuant to the Commission's Order Approving Stipulation And Agreement in Case No. GM-2000-312, and are separate and distinct from the tariffs that apply to the rest of the United Cities Gas Company division. Atmos intends to file tariffs that will consolidate the United Cities Gas Company tariffs, the "Atmos Energy Corporation" tariffs that apply to the service area previously operated by ANG, and the

Greeley Gas Company division tariffs into a single set of tariffs that will apply throughout the Atmos Energy Corporation operating divisions in Missouri. Atmos has scheduled a meeting to discuss its proposed consolidation with the Commission Staff and Public Counsel for March 26, 2002, and intends to file consolidated tariffs shortly thereafter with the Commission.

3. Atmos will comply with the Staff's request that it submit surveillance data reports on a stand alone basis for its Missouri operating divisions, United Cities Gas Company and Greeley Gas Company. In addition, it will separate, to the extent possible, the accounting data that would be applicable to the service area formerly operated by ANG. However, since the former ANG property is merged with the United Cities Gas Company division, it will be necessary to allocate some costs which cannot be directly assigned to the former ANG property. Atmos also believes that it would be appropriate to eliminate this separate accounting requirement upon approval of the consolidation of the tariffs.

WHEREFORE, for the reasons set forth herein, Atmos Energy Corporation respectfully requests the Commission accept this Response, and approve the Company's Application as soon as reasonably convenient.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing Motion for Protective Order has been hand-delivered or mailed, First Class mail, postage prepaid, this 25 day of February, 2002, to:

Office of the Public Counsel P.O. Box 7800 Jefferson City MO 65102 Dana K. Joyce, General Counsel Missouri Public Service Commission P.O. Box 360 Jefferson City MO 65102

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