

MEMORANDUM

FILED<sup>2</sup>

JUL 25 2000

Missouri Public  
Service Commission

TO: Missouri Public Service Commission Official Case File  
Case No. GR-2000-573, File No. 200100047,  
Atmos Energy Corporation

FROM: Tom Imhoff, Gas Department - Tariffs/Rate Design *bm*

*7/24/00* *7-24-00* *928-7-24-00*  
Utility Operations Division/Date General Counsel's Office/Date

SUBJECT: Staff Recommendation for Atmos Energy Corporation's Request for a  
One-time Waiver and an Unscheduled Summer Season PGA Filing  
Effective August 1, 2000.

DATE: July 24, 2000

On July 17, 2000, Atmos Energy Corporation (Atmos or Company) of Franklin, Tennessee, filed a tariff sheet proposed to become effective August 1, 2000. The tariff sheet was filed to reflect unscheduled changes in Atmos's Purchased Gas Adjustment (PGA) factors as the result of changes in the estimated cost of natural gas for the remaining summer season. The summer season includes the months of April through October.

In conjunction with the filing of this tariff sheet, Atmos filed a REQUEST FOR VARIANCE FROM TARIFF PROVISIONS (Motion). This Motion requests a one-time waiver from the PGA Clause of Atmos's tariff due to escalations in the market price of gas since its scheduled summer filing. In addition, Atmos cites the following reasons for approval of this one-time waiver:

1. Send the correct price signal to its customers that will more closely reflect current gas costs;
2. Mitigate the under-recovery of gas costs this summer which would reduce the possibility of a higher Actual Cost Adjustment (ACA) for the next ACA period; and
3. Raise consumer awareness of the possible increases in gas prices this winter.

For Atmos's Butler District, the effect of these changes will increase the firm PGA factor for the remainder of the 2000 summer season to \$0.55439 per Ccf from a summer season firm PGA factor of \$0.36248 per Ccf.

For Atmos's Kirksville District, the effect of these changes will increase the firm PGA factor for the remainder of the 2000 summer season to \$0.59917 per Ccf from a summer season firm PGA factor of \$0.41375 per Ccf.

For Atmos's Southeast Missouri (SEMO) District, the effect of these changes will increase the firm PGA factor for the remainder of the 2000 summer season to \$0.62001 per Ccf from a summer season firm PGA factor of \$0.43721 per Ccf.

Case No. GR-2000-573, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 1999-2000 ACA filing. Atmos purchased the Missouri properties of Associated Natural Gas Company (ANG) in Case No. GM-2000-312 effective June 1, 2000. Atmos assumed all responsibilities for the former ANG Missouri properties pursuant to the Commission ORDER APPROVING STIPULATION AND AGREEMENT issued in Case No. GM-2000-312. Case No. GR-99-392 was established to address the PGA factors that will be reviewed in the 1998-1999 ACA filing. Case No. GR-98-399 was established to address the PGA factors that will be reviewed in the 1997-1998 ACA filing. Interim subject to refund status should be maintained pending final Commission decisions in Case Nos. GR-98-399, GR-99-392 and GR-2000-573.

The Commission's Gas Department - Tariffs/Rate Design Staff (Staff) has reviewed the Motion and agrees that the one-time waiver request be granted. Staff has also reviewed the PGA filing and has determined that, with the exception of the one-time waiver request to file an unscheduled summer PGA, this filing was calculated in conformance with Atmos's PGA Clause. Staff is of the opinion that good cause for approval of this tariff sheet on less than thirty days notice is demonstrated by Atmos's Commission-approved PGA clause allowing for ten (10) business days notice for PGA change filings. Therefore, Staff recommends that the Commission grant the one-time waiver as requested by the Company on July 17, 2000, and approve the following tariff sheet to become effective August 1, 2000, interim subject to refund:

P.S.C. MO. No. 6

20th Revised Sheet No. 16T, Cancelling 19th Revised Sheet No. 16T.

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