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October 25, 2000

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DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE
General Counsel

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Case No. GR-2000-573

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF RECOMMENDATION**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Dennis L. Frey
Associate General Counsel
(573) 751-8700
(573) 751-9285 (Fax)

DLF/lb
Enclosure
cc: Counsel of Record

FILED²
OCT 25 2000
Missouri Public
Service Commission

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

FILED²
OCT 25 2000
Missouri Public
Service Commission

In the Matter of Atmos Energy)
Corporation's Purchased Gas Adjustment)
Factors to be Reviewed in its 1999-2000)
Actual Cost Adjustment.)

Case No. GR-2000-573

STAFF RECOMMENDATION

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission") and for its Recommendation in the above-captioned case, respectfully states as follows:

1. On October 18, 2000, Atmos Energy Corporation ("Atmos" or "Company") filed with the Commission a proposed tariff sheet for the Company's Butler, Kirksville and Southeast Missouri ("SEMO") Districts, carrying an effective date of November 1, 2000. The tariff sheet was filed to reflect scheduled changes in Atmos's Purchased Gas Adjustment ("PGA") factors, as a result of changes in the cost of natural gas for the upcoming winter season. A substitute tariff sheet was filed on October 23rd to reflect a modification in the PGA factors for the SEMO District.

2. Based on its review, the Staff recommends in the attached Memorandum (Appendix A) that the Commission issue an Order approving the following tariff sheet on an "interim subject to refund" basis, effective November 1, 2000:

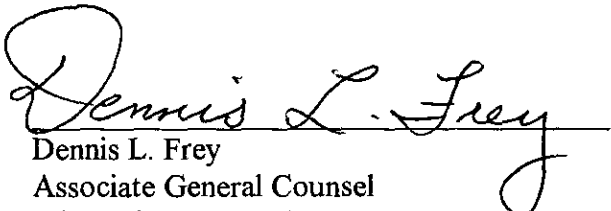
P.S.C. MO. No. 6

21st Revised Sheet No. 16T, Canceling 20th Revised Sheet No. 16T.

WHEREFORE, Staff respectfully requests that the Commission issue its Order in accordance with the Staff's Memorandum attached hereto.

Respectfully submitted,

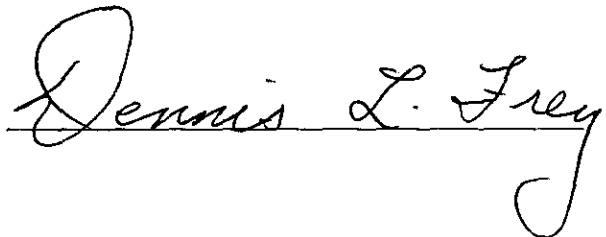
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 25th day of October 2000.



M E M O R A N D U M

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2000-573, File No. 200100458,
Atmos Energy Corporation

FROM: Tom Imhoff, ^{DM} Gas Department - Tariffs/Rate Design

Wes Henderson 10-24-00 Thomas L. Schwab Jr. 10/25/00 D.L.F. 10-25-00
Utility Operations Division/Date General Counsel's Office/Date

SUBJECT: Staff Recommendation for Atmos Energy Scheduled Winter Season PGA
Filing Effective November 1, 2000.

DATE: October 24, 2000

On October 18, 2000, Atmos Energy Corporation (Atmos or Company) of Franklin, Tennessee, filed a tariff sheet proposed to become effective November 1, 2000. On October 23, 2000, Atmos filed a substitute tariff sheet to reflect a recalculation of its Southeast Missouri (SEMO) District Purchased Gas Adjustment (PGA) factors. The tariff sheets were filed to reflect scheduled changes in Atmos's PGA factors as the result of changes in the estimated cost of natural gas for the upcoming winter season. Additionally, this tariff filing reflects changes in the Actual Cost Adjustment (ACA), Transition Cost (TC), and Refund Factors.

For Atmos's Butler District, the effect of these changes will increase the firm PGA factor for the 2000-2001 winter season to \$0.70837 per Ccf from an unscheduled summer season firm PGA factor of \$0.55439 per Ccf.

For Atmos's Kirksville District, the effect of these changes will increase the firm PGA factor for the 2000-2001 winter season to \$0.76588 per Ccf from an unscheduled summer season firm PGA factor of \$0.59917 per Ccf.

For Atmos's SEMO District, the effect of these changes will increase the firm PGA factor for the 2000-2001 winter season to \$0.78282 per Ccf from an unscheduled summer season firm PGA factor of \$0.62001 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

MO PSC Case No. GR-2000-573
OFFICIAL CASE FILE MEMORANDUM
PAGE 2 OF 2

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 this filing and has determined that it 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 following tariff sheet to become effective November 1, 2000, be approved, interim subject to refund:

P.S.C. MO. No. 6

21st Revised Sheet No. 16T, Cancelling 20th Revised Sheet No. 16T.

Copies: Director - Utility Operations Division
Director - Research and Public Affairs Division
Director - Utility Services Division
General Counsel
Manager - Financial Analysis Department
Manager - Procurement Analysis Department
Manager - Gas Department
Mark G. Thessin, Vice President, Regulatory Affairs
Bobby J. Cline, Manager, Rate Administration
Douglas Walther, Attorney (Atmos)
James M. Fischer - Attorney with Fischer & Dority P.C. (Atmos)
Office of the Public Counsel

Service List for
Case No. GR-2000-573
Revised: October 25, 2000 (lb)

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