

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File,  
Case No. GR-2011-0161 File No. YG-2011-0634  
Atmos Energy Corporation

FROM: Tom Solt, Energy Department – Tariffs/Rate Design

/s/ Thomas M. Imhoff 06/22/11  
Utility Operations Division/Date

/s/ Robert S Berlin 06/22/11  
General Counsel's Office/Date

SUBJECT: Staff Recommendation in the Matter of Atmos Energy Corporation's Motion for Waiver of Tariff Provisions Related to the Filing of Revised ACA Factors and Motion for Expedited Treatment

DATE: June 22, 2011

On June 15, 2011, Atmos Energy Corporation (Atmos or Company) of Franklin, Tennessee, filed a Purchased Gas Adjustment (PGA) tariff sheet with the Missouri Public Service Commission (PSC) with a proposed effective date of July 1, 2011. In addition, Atmos filed a Motion for Waiver of Tariff Provisions (Waiver) to the filing of a revised Actual Cost Adjustment (ACA) Factor and Motion for Expedited Treatment (Motion). On June 15, 2011 the Commission issued an ORDER DIRECTING STAFF TO FILE RECOMMENDATION AND ESTABLISHING TIME FOR RESPONSE (ORDER) directing its recommendation by June 24, 2011. This memorandum is in response to that ORDER.

Atmos seeks a Waiver from its PGA tariff provisions to file a revised ACA factor for its Kirksville Area customers. Atmos' ACA level for its Kirksville Area will be nearly \$0 by the end of July. By making this change now, Atmos will have a *de minimus* ACA balance and avoid an over-collection of these costs for the upcoming regular ACA filing in November 2011. The Commission's Energy Tariff/Rate Design Staff (Staff) has reviewed the estimated Kirksville ACA balance and is of the opinion this change should be made. Atmos requests that the tariff sheets go into effect on July 1, 2011.

The effect of the change would be to increase the Total PGA factor for the Kirksville Area from \$0.56770 to \$0.63580 for its firm sales customers, an increase of approximately 12 percent.

Staff has reviewed the Company's tariff filing and has determined that the tariff sheet has been filed in compliance with Atmos' PGA Clause, Commission rules and regulations. Staff is of the opinion that good cause for approval of these tariff sheets on less than thirty (30) days notice is demonstrated by Atmos' Commission-approved PGA clause allowing for ten (10) business days notice for PGA change filings and its Motion. Staff has no objection to Atmos' request because the Kirksville Area is expected to achieve a *de minimus* ACA balance by the end of July 2011 that will avoid under-collection of gas costs. Staff has reviewed this filing and is not aware of any issue currently pending before the Commission that affects, or is affected by, this filing. Staff has verified that Atmos has filed its annual report and is not delinquent on any assessment.

Therefore, Staff recommends that the following tariff sheet be approved, interim subject to refund:

P.S.C. MO. No. 2

15<sup>th</sup> Revised Sheet No. 44, Canceling 14<sup>th</sup> Revised No. 44