

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

|   |   |                       |
|---|---|-----------------------|
| In the Matter of the Application of Atmos     | ) |                       |
| Energy Corporation for Authority to Sell Part | ) | Case No. GO-2011-0281 |
| of its Works or System Located at the         | ) |                       |
| Hannibal, Missouri Propane Air Plant.         | ) |                       |

**STAFF'S RECOMMENDATION TO COMMISSION TO  
APPROVE ATMOS' APPLICATION TO SELL PROPANE FACILITIES**

**COMES NOW** the Staff of the Missouri Public Service Commission, and, for its Recommendation to Approve Atmos Application to Sell Propane Facilities, recommends the Commission permit Atmos to sell its propane tanks and other equipment listed in Atmos' Application and states Staff does not oppose Atmos' request for expedited treatment.

1. On March 4, 2011, Atmos Energy Corporation (Atmos or Company), of Franklin, Tennessee, filed its *Application and Motion for Expedited Treatment and Waiver* to sell portions of its Propane Air Plant facility.

2. Atmos noted the Propane facility was "designed and constructed to be a peak shaving plant, meaning it was designed to supplement other gas supplies in the event of a peak day event.

3. Atmos states it is no longer economically efficient to operate this plant.

4. Staff has investigated and recommends approval of the sale as not detrimental to the public interest based on the reasons listed in the attached Recommendation.

5. Specifically the cost to repair the plant is no longer economical and Atmos has replaced the capacity for peak shaving provided by the propane plant with capacity on an interstate natural gas pipeline.

6. In its Recommendation, Staff lists conditions it requests the Commission include in its Order.

7. Nothing in Staff's Recommendation in this case should be considered a waiver or preapproval of Atmos' prudence in obtaining natural gas supplies for peak shaving, which will be considered by the Commission's Procurement Analysis Department in Atmos' Actual Cost Accounting Case for 2010/2011.

WHEREFORE based on the reasons stated above, Staff recommends Commission approval of the *Application* with the conditions contained in Staff's Recommendation, and with notice that approval of the *Application* does not constitute preapproval of Atmos' costs to obtain a contract with an interstate supplier to replace the peak shaving capacity as prudent.

Respectfully submitted,

/s/ Lera L. Shemwell

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### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 13<sup>th</sup> day of April, 2011.

/s/ Lera L. Shemwell