

**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 of its Works or System Located at the) Case No. GO-2011-0281
Hannibal, Missouri Propane Air Plant.)

NOTICE OF AGREEMENT

COMES NOW Atmos Energy Corporation (“Atmos” or “Company”), pursuant to Commission Rule 4 CSR 240-2.080, and hereby notifies the Commission of Atmos’ Agreement with *Staff’s Recommendation To Commission To Approve Atmos’ Application To Sell Propane Facilities* (“Staff Recommendation”) filed herein, and respectfully states as follows:

1. On April 13, 2011, the Commission Staff (“Staff”) filed its Staff Recommendation that described Staff’s examination and investigation of Atmos’ verified *Application and Motion For Expedited Treatment and Waiver* (“Application”), supporting documentation and data regarding Atmos’ sale of certain assets listed in Atmos’ Application and the accompanying Bill of Sale and Agreement incorporated by reference therein.

2. Based upon its investigation, the Staff recommends approval of the sale as not detrimental to the public interest based on the reasons listed in the attached Memorandum to Staff’s Recommendation, and Staff further states that it does not oppose Atmos’ request for expedited treatment.

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

1. For accounting purposes, the retirement date for the Propane Air Plant shall be recorded as December 31, 2010.
2. The revenue received from the sale of equipment shall be treated as salvage and recorded to the appropriate FERC USOA account or subaccounts as salvage.
3. Any cost of removal incurred by the Company as direct result of activities related to the removal of the equipment sold shall be treated as cost of removal and recorded to the appropriate FERC USOA account or subaccounts.
4. The Company shall make adjustments to the appropriate FERC USOA account or subaccounts to reverse any depreciation recorded since December 31, 2010.
5. The Company shall remove the cost of propane inventory from its books (consistent with the retirement of Propane Air Plant). All propane inventory shall be removed from rate base in the Company's next general rate case filing.
6. The decisions and costs associated with the renegotiated pipeline contract (to replace the propane plant) shall be reviewed for prudence in Atmos' 2010/2011 ACA.

4. Having reviewed the April 13, 2011 Staff Recommendation, Atmos hereby notifies the Commission that it is in agreement with the above-referenced conditions recommended therein, and asks that the Commission issue an order as requested by Staff, as expeditiously as possible.

WHEREFORE, Atmos respectfully requests that the Commission consider this Notice of Agreement and, thereafter, issue an order approving the Application and the relief requested therein, consistent with the Staff Recommendation.

Respectfully submitted,

/s/ Larry W. Dority

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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing Notice of Agreement was served on the General Counsel of the Staff of the Missouri Public Service Commission and the Office of the Public Counsel on this 15th day of April, 2011 by hand-delivery, fax, electronic or regular mail.

/s/ Larry W. Dority