

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2012-0129, File No. YG-2013-0191
Liberty Utilities

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

/s/ Thomas M. Imhoff 10/26/12 Robert S. Berlin 10/26/12
Utility Operations Division/Date General Counsel's Office/Date

SUBJECT: Staff Recommendation for Liberty Utilities' Winter PGA Filing Effective
November 1, 2012

DATE: October 26, 2012

On October 16, 2012, Liberty Utilities (Liberty or Company) of Jackson, Missouri, filed a tariff sheet requesting an effective date of November 1, 2012. This tariff sheet was filed to reflect changes in the Liberty's PGA factors as a result of estimated changes in the cost of natural gas for the upcoming winter heating season and changes in the Company's ACA factor. On October 17, the Company filed a substitute sheet to correct a minor error. In accordance with Liberty's tariffs, the winter heating season includes the months of November through March. This system was formerly operated as Atmos Energy Corp.

For the Liberty West Area (WEMO) including Butler, Rich Hill and Hume served by Panhandle Eastern Pipe Line Company (PEPL) and Southern Star Central Gas Pipeline Company (SCC), the effect of this change will be to increase the firm PGA rate from the current \$0.42245 per Ccf (100 cubic feet) to \$0.44912 per Ccf. This represents a \$0.02667 per Ccf increase.

For the Liberty Kirksville Area including Kirksville and Lancaster, served by the ANR Pipeline Company (ANR), the effect of these changes will increase the firm PGA rate from the current \$0.50787 per Ccf to \$0.52046 per Ccf. This represents a \$0.01259 per Ccf increase.

For the Liberty Northeast Area (NEMO) including Hannibal, Canton, Bowling Green and Palmyra or Combined District served by the PEPL, the effect of this change will be to decrease the firm PGA rate from the current \$0.48103 per Ccf to \$0.45687 per Ccf. This represents a \$0.02416 per Ccf decrease.

For the Liberty Southeast Area (SEMO) including Jackson, Charleston, New Madrid, Caruthersville, Neelyville and Kennett, served by the Natural Gas Pipeline Company of America, Texas Eastern Pipeline Company, Mississippi River Transmission, and Ozark Gas Transmission, the effect of these changes will increase the firm PGA rate from the current \$0.49250 per Ccf to \$0.56741 per Ccf. This represents a \$0.07491 per Ccf increase.

Case No. GR-2012-0129, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2011-2012 ACA filing. Case No. GR-2011-0161

was established to track the Company's PGA factors to be reviewed in its 2010-2011 ACA filing. This rate change should be on an interim, subject to refund status pending final Commission decisions in ACA Case Nos. GR-2012-0129 and GR-2011-0161.

Due to the limited time available to review the documentation supporting the ACA factor represented in this filing, the Procurement Analysis Unit (PAU) has requested permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 20, 2013.

Staff has verified that the Company's predecessor has filed its annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

Staff has reviewed this filing and has determined that it was calculated in conformance with Liberty's PGA Clause. Staff is of the opinion that good cause for approval of this tariff sheet on less than thirty (30) days notice is demonstrated by Liberty's Commission-approved PGA clause allowing for ten (10) business days notice for PGA change filings. Therefore, Staff recommends that the following tariff sheet be approved, interim, subject to refund:

P.S.C. MO. No. 2

18th Revised Sheet No. 44, Cancelling 17th Revised No. 44

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

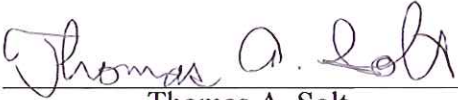
In the Matter of Atmos Energy)
Corporation's Purchased Gas Adjustment)
Tariff Filing)

Case No. GR-2012-0129
File No. YG-2013-0191

AFFIDAVIT OF THOMAS A. SOLT

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Thomas A. Solt, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



Thomas A. Solt

Subscribed and sworn to before me this 25th day of October, 2012.



Notary Public

