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October 26, 2001

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WESS A. HENDERSON
Director, Utility Operations
ROBERT SCHALLENBERG
Director, Utility Services
DONNA M. KOLILIS
Director, Administration
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-2001-394

FILED³
OCT 26 2001
Missouri Public
Service Commission

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)
dfrey03@mail.state.mo.us

DLF:ccl
Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³

OCT 26 2001

In the matter of Greeley Gas Company's)
Purchased Gas Adjustment Factors to be)
Reviewed in Its 2000-2001 Actual Cost)
Adjustment.)

Case No. GR-2001-394

Missouri Public
Service Commission

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and respectfully states:

1. On October 16, 2001, Greeley Gas Company ("Greeley" or "Company") filed with the Missouri Public Service Commission ("Commission") a tariff sheet reflecting scheduled changes in Greeley's Purchased Gas Adjustment ("PGA") factors as a result of changes in the cost of natural gas for the upcoming winter season, along with changes in the Actual Cost Adjustment and Refund factors that determine the net PGA.

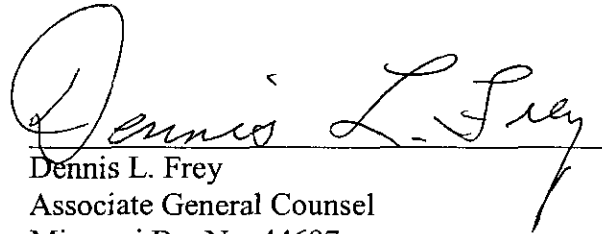
2. In the attached Memorandum, which is labeled Appendix A, the Staff recommends that the Commission approve the Company's proposed tariff sheet on an interim-subject-to-refund basis, and, based on good cause shown, on less than thirty days' notice.

WHEREFORE, the Staff respectfully requests that the Commission issue an order in accordance with the recommendations in the Staff's Memorandum attached hereto.

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Respectfully submitted,

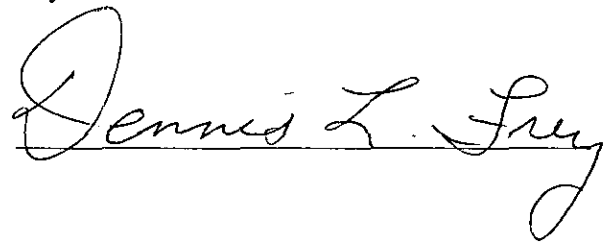
DANA K. JOYCE
General Counsel


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Associate General Counsel
Missouri Bar No. 44697

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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 26th day of October 2001.



MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2001-394, File No. 200200291,
Greeley Gas Company, a Division of Atmos Energy Corporation

FROM: *HW*
Henry Warren, Gas Department - Tariffs/Rate Design

W. Z. Ward / 10-25-01
Energy Department / Date

Thomas R. Schwan, Jr. 10/26/01
General Counsel's Office / Date

D. L. F.
10-26-01

SUBJECT: Staff Recommendation for Greeley Gas Company's Scheduled Winter Season PGA
Filing Effective November 1, 2001.

DATE: October 25, 2001

On October 16, 2001, Greeley Gas Company (Greeley or Company), a Division of Atmos Energy Corporation of Dallas, Texas, filed a tariff sheet proposed to become effective November 1, 2001. The tariff sheet was filed to reflect scheduled changes in Greeley's Purchased Gas Adjustment (PGA) factors as the result of estimated changes in the cost of natural gas for the upcoming winter season. The winter season includes the months of November through March. Additionally, this tariff filing also reflects changes in the Actual Cost Adjustment (ACA) and Refund factors that determine the net PGA.

The effect of these changes will decrease the net PGA factor for the 2001-2002 winter season to \$0.2781 per Ccf from the unscheduled 2001 summer season firm PGA factor of \$0.5736 per Ccf. There is a decrease in the cost of natural gas for the upcoming winter season; there is a decrease in the ACA factor to correct an over-collection in gas costs, and an increase in the refund factor. These contribute to an over-all decrease in the cost of gas to consumers. The effect of the proposed rate on a typical residential heating customer for the winter season is a decrease of approximately \$262 or 32% when compared to the rates currently in effect.

Case No. GR-2001-394 under which this change was filed, was established to track the Company's PGA factors to be reviewed in its 2000-2001 ACA filing. Case No. GR-2001-36 was established to track the Company's PGA factors to be reviewed in its 1999-2000 ACA filing. Interim subject to refund status should be maintained pending final Commission decisions in Case Nos. GR-2001-394 and GR-2001-36.

Because of the short time available to review the documentation supporting the ACA factor represented in this filing, the Procurement Analysis Department (PAD) has requested permission to

submit its results and recommendations regarding information included in this ACA filing to the Commission on or before May 1, 2002.

The Energy Department - Tariffs/Rate Design Staff (Staff) has reviewed this filing and has determined that it was calculated in conformance with Greeley'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 Greeley's Commission-approved PGA clause allowing for a minimum of 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. 1

Forty-ninth Revised Sheet No. 6 canceling Forty-eighth Revised Sheet No. 6.

Copies: Director - Utility Operations Division
 Director - Utility Services Division
 General Counsel
 Manager - Financial Analysis Department
 Manager - Procurement Analysis Department
 Manager - Energy Department
 Bob J. Cline, Manager, Rate Administration (Greeley)
 Douglas C. Walther, Senior Attorney (Greeley)
 Office of the Public Counsel

WINTER SEASON

Approximate Billing Impact Of 888 Ccf per Winter Season

Greeley Gas Company

Residential Heating Customer

	Winter Season (2001-2002) (Months)	Ccf Usage	Total Fuel Bill (\$)
+	November 2001	97	91.60
+	December	179	164.81
+	January 2002	236	215.70
+	February	217	198.74
+	March	159	146.96
	5 Month Winter Season Total	888	\$817.81

	Winter Season (2001-2002) (Months)	Ccf Usage	Total Fuel Bill (\$)
*	November 2001	97	62.94
*	December	179	111.92
*	January 2002	236	145.96
*	February	217	134.61
*	March	159	99.97
	5 Month Winter Season Total	888	\$555.40

REMARKS

For a typical residential customer using approximately 888 Ccf during the winter season (November - March), natural gas rates will decrease by \$262.41 or approximately 32% when comparing the fuel bills for the forecasted winter season ending March 2002 using the PGA in effect prior to November 1, 2001 with the fuel bills for the forecasted winter season ending March 2002 using the PGA going into effect November 1, 2001.

Notes:

- (1) Total fuel bill does not include gross receipts or local sales taxes.
- (2) Monthly usage priced at the rates in effect during the appropriate time period.
- (3) Tariff Sheet No. 2: Customer Charge = \$5.00; Non-gas Component Charge = \$0.3192 per Ccf.
 - + Tariff Sheet No. 6: PGA Charge = \$.5736 per Ccf.
 - * Tariff Sheet No. 6: PGA Charge = \$.2781 per Ccf.

Missouri Public Service Commission
November 2001

**Service List for
Case No. GR-2001-394
Revised: October 26, 2001 (ccl)**

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