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January 25, 2001

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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

FILED

JAN 25 2001

RE: Case No. GR-2001-396

Missouri Public
Service Commission

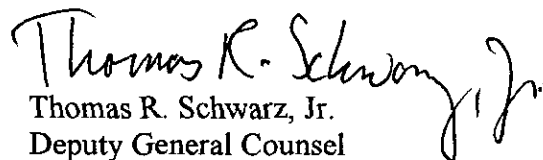
Dear Mr. Roberts:

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,



Thomas R. Schwarz, Jr.
Deputy General Counsel
(573) 751-5239
(573) 751-9285 (Fax)

TRS:sw
Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED

JAN 25 2001

Missouri Public
Service Commission

In the matter of Atmos Energy)
Corporation's Purchased Gas Adjustment)
factors to be reviewed in its 2000-2001)
Actual Cost Adjustment.)

Case No. GR-2001-396

STAFF RECOMMENDATION

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission")
and for its recommendation in the above-captioned matter states as follows:

1. Atmos Energy Corporation ("Atmos") filed a tariff on January 18, 2001, proposing to
increase its Purchased Gas Adjustment ("PGA") factor for service provided on and after
February 1, 2001.

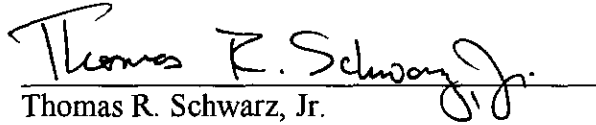
2 Staff has reviewed the tariff and has found that the filing complies with the provisions
of Atmos' tariffs for unscheduled winter PGA filings. Staff finds that good cause has been
shown for making the tariff effective on less than thirty days notice, as reflected by the provision
for a ten day effective date in Atmos' tariff. See the Staff Memorandum attached hereto as
Attachment A.

3. Staff emphasizes that it has not audited the books and records of Atmos, and that it
will conduct a thorough review of Atmos' gas purchases during the Actual Cost Adjustment
audit.

WHEREFORE, Staff recommends that the rates proposed by Atmos be approved, effective for service on and after February 1, 2001, and that these rates remain interim, subject to refund.

Respectfully submitted,

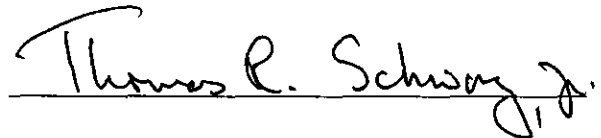
DANA K. JOYCE
General Counsel


Thomas R. Schwarz, Jr.
Deputy General Counsel
Missouri Bar No. 29645

Attorney for the Staff of the
Missouri Public Service Commission
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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 25th day of January, 2001.



MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2001-396, File No. 200100751,
Atmos Energy Corporation

FROM: ^{WWS} Tom Imhoff, Gas Department - Tariffs/Rate Design

WWS Hendler 1-25-01 Thomas R. Schwan Jr. 1/25/01
Utility Operations Division/Date General Counsel's Office/Date

SUBJECT: Staff Recommendation for Atmos Energy's Unscheduled Winter Season
PGA Filing Effective February 1, 2001.

DATE: January 25, 2001

On January 18, 2001, Atmos Energy Corporation (Atmos or Company) of Franklin, Tennessee, filed a tariff sheet proposed to become effective February 1, 2001. The tariff sheets were filed to reflect unscheduled changes in Atmos's Purchased Gas Adjustment (PGA) factors as the result of changes in the estimated cost of natural gas for the remaining winter season.

For Atmos's Butler District, the effect of these changes will increase the firm PGA factor for the 2000-2001 winter season to \$1.16519 per Ccf from an scheduled winter season firm PGA factor of \$0.70837 per Ccf. The PGA factor would increase by 64.5% under this proposal.

For Atmos's Kirksville District, the effect of these changes will increase the firm PGA factor for the 2000-2001 winter season to \$1.07076 per Ccf from an scheduled winter season firm PGA factor of \$0.76588 per Ccf. The PGA factor would increase by 39.8% under this proposal.

For Atmos's SEMO District, the effect of these changes will increase the firm PGA factor for the 2000-2001 winter season to \$1.13726 per Ccf from an scheduled winter season firm PGA factor of \$0.78282 per Ccf. The PGA factor would increase by 45.2% under this proposal.

The effect of the proposed increase on a typical residential heating customer's bill for February and March are 49%, 35% and 37% for Atmos's Butler, Kirksville and SEMO Districts respectively when compared to the rates that are currently in effect. When comparing the current PGA winter rates with the Company's proposed PGA winter rates, the effect of the proposed increase on a typical residential customer's bill for the November 2000 to March 2001 heating season are approximately 21%, 15% and 16% increase for Atmos's Butler, Kirksville and SEMO Districts respectively. A typical residential customer's usage is assumed to be based on a year with normal weather. Deviations from normal weather could lessen or exacerbate the impact of this increase.

Atmos's Deferred Carrying Cost Balance (DCCB) is currently increasing at over \$44,000 per day for its combined districts due to the difference between the current rates and the market price for gas. This DCCB plus interest will be included in the rate calculations used to compute the Company's next ACA factor and could significantly increase next year's PGA rate if the DCCB continues to grow. In addition, this DCCB, if it grows large enough, could negatively impact the Company's ability to borrow money and procure supply. Staff has not weighed the impact of the increase on either rate payers or the Company when determining if these tariffs should be approved. Staff's recommendation is based solely whether this filing is in compliance with the existing tariffs.

Case No. GR-2001-396, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2000-2001 ACA filing. Atmos purchased the Missouri properties of Associated Natural Gas Company (ANG) in Case No. GM-2000-312 effective June 1, 2000. Atmos assumed all responsibilities for the former ANG Missouri properties pursuant to the Commission ORDER APPROVING STIPULATION AND AGREEMENT issued in Case No. GM-2000-312. Case NO. GR-2000-573 was established to address the PGA factors that will be reviewed in the 1999-2000 ACA filing. Case No. GR-99-392 was established to address the PGA factors that will be reviewed in the 1998-1999 ACA filing. Case No. GR-98-399 was established to address the PGA factors that will be reviewed in the 1997-1998 ACA filing. Interim subject to refund status should be maintained pending final Commission decisions in Case Nos. GR-98-399, GR-99-392, GR-2000-573 and GR-2001-396.

The Commission's Gas Department - Tariffs/Rate Design Staff (Staff) has reviewed this filing and has determined that it was calculated in conformance with Atmos'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 Atmos's Commission-approved PGA clause allowing for ten (10) business days notice for PGA change filings. Therefore, Staff recommends that the following tariff sheet to become effective February 1, 2001, be approved, interim subject to refund:

P.S.C. MO. No. 6

22nd Revised Sheet No. 16T, Cancelling 21st Revised Sheet No. 16T.

Copies: Director - Utility Operations Division
Director - Research and Public Affairs Division
Director - Utility Services Division
General Counsel
Manager - Financial Analysis Department
Manager - Procurement Analysis Department
Manager - Gas Department

MO PSC Case No. GR-2001-396

OFFICIAL CASE FILE MEMORANDUM

PAGE 3 OF 3

Mark G. Thessin, Vice President, Regulatory Affairs

Bobby J. Cline, Manager, Rate Administration

Douglas Walther, Attorney (Atmos)

James M. Fischer - Attorney with Fischer & Dority P.C. (Atmos)

Office of the Public Counsel

WINTER SEASON

Approximate Billing Impact Of 888 Ccf per Winter Season

Atmos Energy Corporation - Butler District

Residential Heating Customer

	Prior Winter Season (Months)	Ccf Usage	Total Fuel Bill (\$)
*	November 2000	97	93.13
*	December	179	165.94
*	January 2001	236	216.55
*	February	217	199.68
*	March	159	148.18
	5 Month Winter Season Total	888.0	\$823.48

	Forecasted Winter Season (Months)	Ccf Usage	Total Fuel Bill (\$)
*	November 2000	97	93.13
*	December	179	165.94
*	January 2001	236	216.55
#	February	217	298.81
#	March	159	220.81
	5 Month Winter Season Total	888.0	\$995.24

49%

REMARKS

For a typical residential customer using approximately 888 Ccf's during the winter season (November - March), natural gas rates will increase by \$171.76 or approximately 21% when comparing the fuel bills for the prior winter season ending March 2000 with the fuel bills for the forecasted winter season ending March 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. 12: Customer Charge = \$7.00; Delivery Charge = \$0.17954 per Ccf;
Tariff Sheet No. 16T: PGA Charge = \$.70837 per Ccf
- # (4) Tariff Sheet No. 12: Customer Charge = \$7.00; Delivery Charge = \$0.17954 per Ccf;
Tariff Sheet No. 16T: PGA Charge = \$1.16519 per Ccf

Missouri Public Service Commission

February 2001

Atmos Energy Corporation - Butler
2000-2001 Winter Season Revenue Impact from 01/18/01 Filing

Month	PGA Factor	Month	PGA Factor	PGA Change (11/01/99)	Revenue Impact (Winter Season)
Nov 1999	\$0.37454	Nov 2000	\$0.70837	\$0.33383	\$148,584
Dec	\$0.37454	Dec	\$0.70837	\$0.33383	\$221,443
Jan 2000	\$0.37454	Jan 2001	\$0.70837	\$0.33383	\$251,354
Feb	\$0.37454	Feb	\$1.16519	\$0.79065	\$473,402
Mar	\$0.37454	Mar	\$1.16519	\$0.79065	\$346,336

Annual Firm Sales (ATM Workpapers - BUTLER , File No.200100751)

3,868,640 Ccf

Winter Season Revenue Change:

\$1,441,119 Increase

- 1) Docket GR-2001-396
- 2) File No. 200100751
- 3) Prepared By: Tom Imhoff
- 4) Date Prepared: 1/23/01

Month	Estimated Customer Usage Ccf/Mnth	Estimated % Ccf/Yr	Estimated Company Sales Ccf/Mnth
Nov	97	8%	445,090
Dec	179	15%	663,340
Jan	236	20%	752,940
Feb	217	18%	598,750
Mar	159	13%	438,040
Apr	96	8%	250,440
May	53	4%	131,570
Jun	36	3%	82,920
Jul	28	2%	79,370
Aug	27	2%	79,780
Sep	30	3%	113,310
Oct	42	4%	233,090
TOTAL	1200	100%	3,868,640

WINTER SEASON

Approximate Billing Impact Of 888 Ccf per Winter Season
Atmos Energy Corporation - Kirksville District
Residential Heating Customer

	Prior Winter Season (Months)	Ccf Usage	Total Fuel Bill (\$)
*	November 2000	97	88.57
*	December	179	157.52
*	January 2001	236	205.45
*	February	217	189.47
*	March	159	140.7
	5 Month Winter Season Total	888.0	\$781.71

	Forecasted Winter Season (Months)	Ccf Usage	Total Fuel Bill (\$)	
*	November 2000	97	88.57	
*	December	179	157.52	
*	January 2001	236	205.45	
#	February	217	255.63	
#	March	159	189.18	35%
	5 Month Winter Season Total	888.0	\$896.35	

REMARKS

For a typical residential customer using approximately 888 Ccf's during the winter season (November - March), natural gas rates will increase by \$114.64 or approximately 15% when comparing the fuel bills for the prior winter season ending March 2000 with the fuel bills for the forecasted winter season ending March 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. 8: Customer Charge = \$7.00; Delivery Charge = \$0.07500 per Ccf;
Tariff Sheet No. 16T: PGA Charge = \$.76588 per Ccf
- # (4) Tariff Sheet No. 8: Customer Charge = \$7.00; Delivery Charge = \$0.07500 per Ccf;
Tariff Sheet No. 16T: PGA Charge = \$1.07076 per Ccf

Missouri Public Service Commission

February 2001

Atm Energy Corporation - Kirksville
2000-2001 Winter Season Revenue Impact from 01/18/01 Filing

Month	PGA Factor	Month	PGA Factor	PGA Change (11/01/98)	Revenue Impact (Winter Season)
Nov 1999	\$0.44061	Nov 2000	\$0.76588	\$0.32527	\$278,197
Dec	\$0.44061	Dec	\$0.76588	\$0.32527	\$412,790
Jan 2000	\$0.44061	Jan 2001	\$0.76588	\$0.32527	\$461,646
Feb	\$0.44061	Feb	\$1.07076	\$0.63015	\$731,358
Mar	\$0.44061	Mar	\$1.07076	\$0.63015	\$564,079

Annual Firm Sales (ATM Workpapers - KIRK , File No. 200100751)

7,591,290 Ccf

Winter Season Revenue Change:

\$2,448,070 Increase

- 1) Docket GR-2001-396
- 2) File No. 200100751
- 3) Prepared By: Tom Imhoff
- 4) Date Prepared: 1/24/01

Month	Estimated Customer Usage Ccf/Mnth	Estimated % Ccf/Yr	Estimated Company Sales Ccf/Mnth
Nov	97	8%	855,280
Dec	179	15%	1,269,070
Jan	236	20%	1,419,270
Feb	217	18%	1,160,610
Mar	159	13%	895,150
Apr	96	8%	521,700
May	53	4%	293,800
Jun	36	3%	165,420
Jul	28	2%	150,750
Aug	27	2%	155,720
Sep	30	3%	234,270
Oct	42	4%	470,250
TOTAL	1200	100%	7,591,290

WINTER SEASON

Approximate Billing Impact Of 888 Ccf per Winter Season
Atmos Energy Corporation - SEMO District
Residential Heating Customer

	Prior Winter Season (Months)	Ccf Usage	Total Fuel Bill (\$)
*	November 2000	97	95.09
*	December	179	169.55
*	January 2001	236	221.31
*	February	217	204.06
*	March	159	151.39
	5 Month Winter Season Total	888.0	\$841.40

	Forecasted Winter Season (Months)	Ccf Usage	Total Fuel Bill (\$)
*	November 2000	97	95.09
*	December	179	169.55
*	January 2001	236	221.31
#	February	217	280.97
#	March	159	207.75
	5 Month Winter Season Total	888.0	\$974.67

37%

REMARKS

For a typical residential customer using approximately 888 Ccf's during the winter season (November - March), natural gas rates will increase by \$133.27 or approximately 16% when comparing the fuel bills for the prior winter season ending March 2000 with the fuel bills for the forecasted winter season ending March 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 = \$7.00; Delivery Charge = \$0.12529 per Ccf;
Tariff Sheet No. 16T: PGA Charge = \$.78282 per Ccf
- # (4) Tariff Sheet No. 2: Customer Charge = \$7.00; Delivery Charge = \$0.12529 per Ccf;
Tariff Sheet No. 16T: PGA Charge = \$1.13726 per Ccf

Missouri Public Service Commission

February 2001

Altos Energy Corporation - SEMO
2000-2001 Winter Season Revenue Impact from 01/18/00 Filing

Month	PGA Factor	Month	PGA Factor	PGA Change (11/15/97)	Revenue Impact (Winter Season)
Nov 1999	\$0.44647	Nov 2000	\$0.78282	\$0.33635	\$1,347,970
Dec	\$0.44647	Dec	\$0.78282	\$0.33635	\$2,067,379
Jan 2000	\$0.44647	Jan 2001	\$0.78282	\$0.33635	\$2,408,841
Feb	\$0.44647	Feb	\$1.13726	\$0.69079	\$3,996,600
Mar	\$0.44647	Mar	\$1.13726	\$0.69079	\$2,968,629

Annual Firm Sales (ATM Workpapers - SEMO , File No. 200100751)

37,110,050 Ccf

\$12,789,418 Increase

Winter Season Revenue Change:

- 1) Docket GR-2001-396
- 2) File No. 200100751
- 3) Prepared By: Tom Imhoff
- 4) Date Prepared: 1/24/01

Month	Estimated Customer Usage Ccf/Mnth	Estimated % Ccf/Yr	Estimated Company Sales Ccf/Mnth
Nov	97	8%	4,007,640
Dec	179	15%	6,146,510
Jan	236	20%	7,161,710
Feb	217	18%	5,785,550
Mar	159	13%	4,297,440
Apr	96	8%	2,372,730
May	53	4%	1,257,970
Jun	36	3%	958,200
Jul	28	2%	936,570
Aug	27	2%	932,480
Sep	30	3%	1,093,460
Oct	42	4%	2,159,790
TOTAL	1200	100%	37,110,050

Service List for
Case No. GR-2001-396
Revised: January 25, 2001 (SW)

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