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January 26, 2001

FILED³

JAN 26 2001

**Missouri Public
Service Commission**

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

**RE: Atmos Energy Corporation,
Case No. GR-2001-396**

Dear Mr. Roberts:

Enclosed for filing in the above referenced case, please find the original and 8 copies of **Office of the Public Counsel's Request for an Emergency Actual Cost Adjustment (ACA) Review of Atmos Energy Corporation's Purchasing Practices for the Winter 2000-2001 and Motion for Expedited Treatment**. Please "file stamp" the extra enclosed copy and return it to this office. I have on this date mailed, faxed, or hand-delivered the appropriate number of copies to all counsel of record.

Thank you for your attention to this matter.

Sincerely,

Douglas E. Micheel
Senior Public Counsel

DEM:kh

cc: Counsel of Record

Enclosure

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

FILED²
JAN 26 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

**OFFICE OF THE PUBLIC COUNSEL'S REQUEST FOR
AN EMERGENCY ACTUAL COST ADJUSTMENT (ACA)
REVIEW OF ATMOS ENERGY CORPORATION'S GAS
PURCHASING PRACTICES FOR THE WINTER 2000-2001
AND MOTION FOR EXPEDITED TREATMENT**

COMES NOW the Office of the Public Counsel ("Public Counsel") and requests that the Commission order an emergency Actual Cost Adjustment review of Atmos Energy Corporation's gas procurement practices relating to the winter of 2000–2001. In support of this request Public Counsel states as follows:

1. On January 17, 2001 Atmos filed a request with the Commission to make an unscheduled winter adjustment to the PGA rate for its three Missouri districts. The new PGA rates proposed are as follows: Southeast Missouri \$1.08576 per Ccf; Kirksville \$1.03839 per Ccf; and Butler \$1.14783 per Ccf. Atmos requested the rates be effective February 1, 2001. These proposed rates reflect a 40.2% increase for the Southeast Missouri district; a 39.82% increase for the Kirksville district and a 64.55% increase for the Butler District.

2. Due to the magnitude of the increases in the PGA rate during the winter heating season, November 1, 2000 to April 1, 2001, Public Counsel requests the Commission order an emergency actual cost adjustment ("ACA") review of Atmos's gas procurement practices related to the winter heating season November 1, 2000 to April 1, 2001.

3. Under traditional Commission practice, the gas procurement practices of Atmos during the winter of 2000-2001 would be reviewed in an ACA period from September 2000 through August 2001. However, the review of this ACA period would not begin until Atmos places its ACA rate into effect in November 2001. After Atmos's ACA rate is approved the Staff procurement analysis department takes seven to ten months to audit the September 2000 through August 2001 ACA period. Under traditional practice, Staff's recommendation regarding Atmos's procurement practices during the winter of 2000-2001 would not be made until June 2002. Only after Staff's recommendation is made regarding the ACA period from September 2000 through August 2001 will the Commission begin the open-ended hearing process. Thus under traditional practice Atmos's gas procurement processes for the winter of 2000-2001 will not be reviewed by the Commission until 2003.

4. Public Counsel believes this Commission should order an emergency ACA review of Atmos's gas procurement practices relating to the winter PGA period November 1, 2000 through April 1, 2001, for the following reasons: 1) the extraordinary increases in Atmos's PGA rate; 2) the impact these increases have had on Atmos's customers and 3) the substantial regulatory lag engendered by the traditional ACA review process.

5. This emergency ACA review would allow the Commission to expeditiously review Atmos's gas procurement practices to determine whether or not Atmos acted prudently in procuring its natural gas supplies for the winter of 2000-2001. In light of the hardships experienced by Atmos's customers as a result of the extraordinarily high natural gas prices customers should not be made to wait nearly three years for a determination regarding the reasonableness of Atmos's purchase gas adjustment rates.

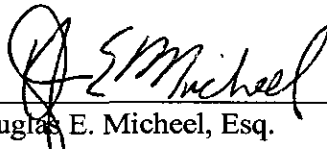
6. Public Counsel requests that the Commission order a procedural schedule to be established so that the Commission's order reviewing Atmos's gas procurement practices related to the winter of 2000-2001 is effective no later than October 1, 2001.

WHEREFORE, Public Counsel requests the Commission order an emergency actual cost adjustment review relating to Atmos Energy Corporation's gas purchasing practices related to the winter heating season November 1, 2000 to April 1, 2001. Public Counsel requests the Commission order a procedural schedule established so the Commission can resolve this matter no later than October 1, 2001.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

BY:



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been faxed, mailed or hand-delivered to the following counsel of record on this 26th day of January, 2001:

Thomas Schwarz
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

James M. Fischer
Fischer & Dority
101 Madison, Suite 400
Jefferson City, MO 65101

