

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 27th day  
of March, 2007.

In the Matter of Atmos Energy Corporation's Tariff	)	
Revision Designed to Consolidate Rates and	)	<b><u>Case No. GR-2006-0387</u></b>
Implement a General Rate Increase for Natural Gas	)	
Service in the Missouri Service Area of the Company.	)	

**ORDER DENYING APPLICATION FOR REHEARING  
AND CLARIFYING REPORT AND ORDER**

Issue Date: March 27, 2007

Effective Date: March 27, 2007

On February 22, 2007, the Commission issued its Report and Order in which it rejected the general rate increase tariff of Atmos Energy Corporation and authorized Atmos to file new tariffs with a Straight Fixed Variable rate design to be accompanied by a commitment to implement a substantial energy efficiency and conservation program. The Commission's order was given an effective date of March 4, 2007. On March 2, 2007, the Office of the Public Counsel filed a timely application for rehearing. On March 9, 2007, Atmos filed a response in opposition to Public Counsel's application.

Public Counsel makes numerous arguments that the evidentiary record does not support the Commission's findings. The Commission fully considered the substantial and competent evidence in the case and it is unnecessary to repeat those findings and arguments in this order.

Public Counsel also argues that the Commission unlawfully left the record open for the addition of evidence with regard to the energy and conservation plan to be implemented. Public Counsel argues that the Report and Order suggests that the Straight Fixed Variable Rate Design cannot be put in place without the Commission first having approved the energy efficiency and conservation program. That was not the Commission's intention and any contradictory language by the Commission in its Report and Order should be clarified.

The Commission fully contemplated that the Fixed Rate Design tariffs might be filed and become effective before the final details of the energy and conservation program were established. However, the Commission required that Atmos make a commitment to contribute 1% of its annual gross non-gas revenues to be used for the program and to have the program in place no later than August 31, 2007. The Commission determined that 1% of non-gas revenues contributed to such a program would result in a substantial program. Atmos has clearly made the commitment to contribute the required funds to the energy conservation and efficiency program.<sup>1</sup> Both Public Counsel and Atmos informed the Commission via its pleadings that the preliminary meetings for setting up the program have taken place. The Commission is satisfied that Atmos has complied with the Commission's Report and Order.

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<sup>1</sup> See, *Atmos Energy Corporation*, P.S.C. MO. No. 2, Sheet No. 24, Energy Efficiency and Conservation Programs.

Section 386.500.1, RSMo 2000, provides that the Commission shall grant an application for rehearing if “in its judgment sufficient reason therefor be made to appear.” In the judgment of the Commission, Public Counsel has failed to establish sufficient reason to grant its application for rehearing. The application for rehearing shall be denied.

**IT IS ORDERED THAT:**

1. The Office of the Public Counsel’s Motion for Rehearing is denied.
2. The Report and Order is clarified as stated herein.
3. This order shall become effective on March 27, 2007.

**BY THE COMMISSION**

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale  
Secretary

( S E A L )

Davis, Chm., Murray, and Appling, CC., concur.  
Gaw and Clayton, CC., dissent.

Dippell, Deputy Chief Regulatory Law Judge