

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

In the Matter of Atmos Energy Corporation's )  
Tariff Revision Designed to Consolidate Rates )  
and Implement a General Rate Increase for )  
Natural Gas Service in the Missouri Service )  
Area of the Company. )

Case No. GR-2006-0387  
Tariff No. YG-2007-0602

**MOTION TO REJECT TARIFF**

COMES NOW the Office of the Public Counsel (Public Counsel) and for its Motion to Reject Tariff states as follows:

1. On February 22, 2007, the Missouri Public Service Commission (“Commission”) issued its Report and Order with an effective date of March 4, 2007. The Report and Order (“Order”) conditionally approves the Missouri Public Service Commission Staff (“Staff”) proposal to implement a straight fixed-variable (SFV) rate design for residential firm service and small general firm service .

2. On March 9, 2007, Atmos Energy Corporation filed proposed tariff sheets. Atmos states that the proposed tariff sheets are in compliance with the Commission’s Order and include a SFV rate design, which eliminates the volumetric element and raises the fixed rate for residential firm service and small firm general service to \$20.61 Northeast, \$13.92 Southeast, and \$19.43 West. Proposed tariff P.S.C. MO. No. 2, Sheets Nos. 22 through 25 include these changes and are attached as Attachment A. The Commission directed the parties to file objections to the tariff sheets no later than March 19, 2007.

3. Atmos' tariff filing number YG-2007-0602 is premature and should be rejected because the conditions for approving the SFV rate design have not been met. The Commission found that the SFV rate design would be in the public interest with the right conservation and efficiency program. (Order, p. 21). "Without a substantial energy efficiency and conservation program," the Commission stated that the "fixed delivery charge is not acceptable." (Order, p. 11). The Commission issued the following finding in its Report and Order:

The Commission finds that an energy and conservation program must be approved by the Commission and must be the result of a collaborative process involving the Staff, Public Counsel, Atmos, the other parties to this case (that wish to participate), the Energy Center of the Missouri Department of Natural Resources, and other parties that the Commission shall designate. (Order, p. 22).

The Commission gave Atmos until June 30, 2007 to submit such a program. To date, no collaborative meetings have been held, no efficiency or conservation program has been developed, and no conservation and efficiency program has been approved by the Commission. The first collaborative meeting is scheduled for March 22-23, 2007. Atmos' tariff filing is not in compliance with the Commission's Order.

4. The Commission concluded that the SFV rate design is not in the public interest without the "right" conservation and efficiency program and that such program must be "meaningful." The Commission has not determined that Atmos' conservation and efficiency program is meaningful or that it will encourage efficiency and conservation. The Commission specifically concluded that it could *not* "find that Atmos and Staff have shown that the fixed delivery charge rate design as presented will encourage efficiency and conservation." (Order, p. 20). With no program, the status of the SFV rate design is that the Commission has found it to be against the public interest.

Atmos' is putting the cart before the horse by proposing tariffs to implement a SFV rate design with an effective date of April 1, 2007. The Commission should reject the proposed tariff because it contains a SFV rate design without a conservation and efficiency program approved by the Commission. Approving the proposed tariff would allow rates to go into effect without considering all relevant factors as required by law. Section 393.270 (RSMo 2000); Utility Consumers Council, Inc. v. P.S.C., 585 S.W.2d 41 (Mo. 1979).

5. Public Counsel filed a Motion for Rehearing on March 2, 2007. Until such time that the Commission rules upon Public Counsel's motion, it is premature to allow the tariff implementing the Report and Order to go into effect.

WHEREFORE, the Office of the Public Counsel respectfully requests that the Commission reject the proposed tariff filing.

**Respectfully submitted,**

OFFICE OF THE PUBLIC COUNSEL

By: /s/ Marc D. Poston  
Marc D. Poston (#45722)  
Senior Public Counsel  
P. O. Box 2230  
Jefferson City MO 65102  
(573) 751-5558  
(573) 751-5562 FAX  
[marc.poston@ded.mo.gov](mailto:marc.poston@ded.mo.gov)

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been sent via email on this 19th day of March 2007:

**Missouri Public Service Commission**

Service List for Case No. **GR-2006-0387** Last Updated: **8/11/2006**

Office General Counsel  
Missouri Public Service Commission  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102  
GenCounsel@psc.mo.gov

Bob Berlin  
Missouri Public Service Commission  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102  
Bob.Berlin@psc.mo.gov

Douglas Walther  
Atmos Energy Corporation  
P.O. Box 650205  
Dallas, TX 75265-0205  
douglas.walther@atmosenergy.com

Larry Dority  
Atmos Energy Corporation  
101 Madison--Suite 400  
Jefferson City, MO 65101  
lwdority@sprintmail.com

James Fischer  
Atmos Energy Corporation  
101 Madison--Suite 400  
Jefferson City, MO 65101  
jfisherpc@aol.com

Stuart Conrad  
Hannibal Regional Hospital  
3100 Broadway, Suite 1209  
Kansas City, MO 64111  
stucon@fcplaw.com

David Woodsmall  
Hannibal Regional Hospital  
428 E. Capitol Ave., Suite 300  
Jefferson City, MO 65102  
dwoodsmall@fcplaw.com

Robin Fulton  
Noranda Aluminum, Inc.  
135 E Main St  
P.O. Box 151  
Fredericktown, MO 63645  
rfulton@charterinternet.com

**/s/ Marc D. Poston**

Marc D. Poston

Atmos Energy Corporation

Name of Issuing Corporation

Community, Town or City

**RESIDENTIAL FIRM SERVICE**AVAILABILITY:

To domestic Customers consuming gas for space heating, water heating, cooking, air conditioning and other proper purposes in private residences, individual apartments and in a multi-family dwelling. Service may not be shared or resold.

CHARACTER OF SERVICE:

Service hereunder will not normally be subject to curtailment except as may become necessary under the Curtailment Provisions, Sheet Numbers 106 through 108 of the Company's tariffs. Gas supplied will have a nominal heating value of approximately 1000 Btu's per cubic foot.

MONTHLY DELIVERY CHARGE RATES:

	<u>Northeast</u>	<u>Southeast</u>	<u>West</u>
Delivery Charge (per meter)	\$20.61	\$13.92	\$19.43

Minimum Bill is equal to the monthly Delivery Charge plus applicable rate adjustments.

RATE ADJUSTMENTS:

1. Purchased Gas Adjustment: To the rates stated above the Total Purchased Gas Adjustment (PGA) factor will be billed to recover the cost of gas pursuant to the Company's Purchased Gas Adjustment Clause.
2. Taxes: Any franchise, gross receipts, license or occupation tax levied by any city, town, community, or other taxing authority on the amounts billed under this tariff, including applicable adjustments, will be added to bills rendered to Customers in such community or tax district.
3. Utility Related Charges: Service charges may be applicable pursuant the terms of utility Related Charges tariff, Sheet Numbers 20 through 21.

ENERGY EFFICIENCY AND CONSERVATION PROGRAMS

In accordance with the Commission's Report and Order ("Order") issued February 22, 2007, in Case No. GR-2006-0387, whereas Company is filing tariff pages in compliance with the Order designed to implement a fixed delivery charge, Company hereby enters into a significant energy and conservation program as set out in the Order to be approved by the Commission. Company shall contribute annually, one percent (1%) of its annual gross non-gas revenues (currently approximately \$165,000) to be used for the energy efficiency and conservation program.

DATE OF ISSUE: March 1, 2007  
month day year

DATE EFFECTIVE: April 1, 2007  
month day year

ISSUED BY: Patricia Childers  
name of officer

Vice President-Rates and Regulatory Affairs  
title

Franklin, TN  
address

Atmos Energy Corporation

FOR – All Areas

Name of Issuing Corporation

Community, Town or City

**RESIDENTIAL FIRM SERVICE (CONT'D)****ENERGY EFFICIENCY AND CONSERVATION PROGRAMS (CONT'D):**

Company shall set up its energy efficiency and conservation program as outlined in the body of the order (incorporating the collaborative process as fully set forth therein and any further orders, to design such program) to be implemented no later than August 31, 2007, and shall present such program to the Commission for consideration no later than June 30, 2007. (Ordered Paragraph 7).

Beginning on April 1, 2007, Company shall report to the Commission no later than the first day of every month as to the status of the collaborative process set out in the Order. (Ordered Paragraph 8).

Company shall file on an annual basis a report with the Commission for the purpose of evaluating the effectiveness of a fixed delivery charge rate design on energy efficiency and conservation. (Ordered Paragraph 9).

**RECONNECT CHARGE:**

This schedule is a continuous service schedule. If service is disconnected and thereafter restored at the same location for the same occupant within a seven (7) month period following the date of the service disconnection, a reconnection charge will become due and payable when service is restored. The charge, as outlined on Sheet Number 20, is \$24.00. If the reconnection is required outside normal working hours, an additional charge of \$26.00 will be levied to cover overtime costs. In addition to the applicable reconnection charge a cumulative forgone Delivery Charge will be assessed based on the number of days off divided by thirty (30) multiplied by the applicable Delivery Charge. The maximum amount of days off of the system for which the customer can be assessed this charge shall be 105 days (three and one half months).

**TERMS OF PAYMENT:**

The Customers' monthly bills will be computed at the approved rates plus any applicable adjustments and will be considered delinquent if not paid within 21 days after the rendition of the bill. The Company shall add to any delinquent unpaid bill a sum equal to one and one half percent (1 ½ %) of the outstanding balance. In calculating the outstanding balance for these purposes, the Company may not include any amounts due to deposit arrears and amounts agreed to be paid under any deferred payment agreement. This late payment charge may not apply in certain circumstances where it is restricted by lawful statute or regulation. An unpaid bill shall be any undisputed amount that remains owing to the Company at the time of rendition of the next bill. Failure to pay the late payment charge is grounds for discontinuance of service.

**RULES AND REGULATIONS:**

Service will be rendered in accordance with the Company's standard Rules and Regulations for Gas Service on file with the Missouri Public Service Commission.

DATE OF ISSUE: March 1, 2007  
month day year

DATE EFFECTIVE: April 1, 2007  
month day year

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**SMALL FIRM GENERAL SERVICE****AVAILABILITY:**

This schedule is available to Customers consuming gas for Commercial and Industrial purposes, as defined in the Company's Rules and Regulations and whose use is *less than* 2,000 Ccf per year. Service may not be shared or resold.

**CHARACTER OF SERVICE:**

Service hereunder will not normally be subject to curtailment except as may become necessary under the Curtailment Provisions, Sheet Numbers 106 through 108 of the Company's tariffs. Gas supplied will have a nominal heating value of approximately 1000 Btu's per cubic foot.

**MONTHLY DELIVERY CHARGE RATES:**

	<u>Northeast</u>	<u>Southeast</u>	<u>West</u>
Delivery Charge (per meter)	\$20.61	\$13.92	\$19.43

Minimum Bill is equal to the monthly Delivery Charge plus applicable rate adjustments.

**RATE ADJUSTMENTS.**

1. Purchased Gas Adjustment: To the rates stated above, the total Purchased Gas Adjustment (PGA) factor for firm service will be applicable for the SGS Customer receiving firm sales service and the total PGA factor for interruptible sales service will be applicable for the SGS Customer receiving interruptible sales service. The firm and interruptible sales total PGA factors are billed to recover the cost of gas pursuant to the Company's PGA Clause. The SGS Customer may not switch between the firm and interruptible sales services except after at least six months notice to the Company.
2. Taxes: Any franchise, gross receipts, license or occupation tax levied by any city, town, community, or other taxing authority on the amounts billed under this tariff including applicable adjustments, will be added to bills rendered to Customers in such community or tax district.
3. Utility Related Charges: Service charges may be applicable pursuant the terms of utility Related Charges tariff, Sheet Numbers 20 through 21.

**ENERGY EFFICIENCY AND CONSERVATION PROGRAMS**

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**TERMS OF PAYMENT:**

The Customers' monthly bills will be computed at the approved rates plus any applicable adjustments and will be considered delinquent if not paid within 14 days after the rendition of the bill. The Company shall add to any delinquent unpaid bill a sum equal to one and one half percent (1 ½ %) of the outstanding balance. In calculating the outstanding balance for these purposes, the Company may not include any amounts due to deposit arrears and amounts agreed to be paid under any deferred payment agreement. This late payment charge may not apply in certain circumstances where it is restricted by lawful statute or regulation. An unpaid bill shall be any undisputed amount that remains owing to the Company at the time of rendition of the next bill. Failure to pay the late payment charge is grounds for discontinuance of service.

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