

**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.

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| In the Matter of Atmos Energy Corporation's Tariff |) | |
| Revision Designed to Consolidate Rates and |) | <u>Case No. GR-2006-0387</u> |
| Implement a General Rate Increase for Natural Gas |) | Tariff No. YG-2007-0602 |
| Service in the Missouri Service Area of the Company. |) | |

ORDER DENYING MOTION TO REJECT TARIFF
AND ORDER APPROVING TARIFF

Issue Date: March 27, 2007

Effective Date: April 1, 2007

The Commission issued a Report and Order in this matter on February 22, 2007. On March 1, 2007, Atmos Energy Corporation filed a new tariff designed to implement the provisions of that Report and Order. Atmos filed substitute tariff sheets on March 9, March 16, and March 26, 2007. On March 19, 2007, the Office of the Public Counsel filed a Motion to Reject Tariff. On March 19, 2007, the Staff of the Missouri Public Service Commission filed its verified recommendation that the tariff be approved as substituted. On March 27, 2007, Staff filed a supplement to its recommendation. On March 23, 2007, Atmos responded to Public Counsel's motion.

Public Counsel cited two basic arguments in its motion. First, Public Counsel suggests that because no energy efficiency and conservation plan has been put in place, Atmos cannot use the Straight Fixed Variable rate design and be in compliance with the Commission's order. Second, Public Counsel argues that the Commission should rule on

its Application for Rehearing before approving the tariff or allowing it to become effective by operation of law.

The Commission has simultaneously ruled on the Application for Rehearing, and thus Public Counsel's motion with regard to that issue is moot. As for the energy efficiency and conservation program being in effect before the tariff is approved, the Commission has explained in its Order Denying Rehearing that the Commission intended for Atmos to file new tariffs which included the Straight Fixed Variable even before the energy efficiency plan was approved and in place.

By filing the tariffs, Atmos has committed to placing 1% of its gross non-gas revenues into an energy efficiency plan and the Commission finds that that commitment is sufficient for Atmos to go forward with its new rate design. Furthermore, the Commission determines that the new tariffs are in compliance with the Commission's Report and Order. The Commission, with the input of the other parties, including Public Counsel, further intends to approve the energy efficiency plan and intends to make certain that it is in place before the winter heating season begins. The Commission did not require that the plan be in place prior to the new rate design taking effect, and the Commission did not intend for its Report and Order to require the plan to be in place. The Commission has clarified that point in its Order Denying Rehearing issued simultaneously with this order.

Therefore, the Commission concludes that the tariff as filed complies with the Commission's Report and Order and shall be approved to become effective on April 1, 2007.

IT IS ORDERED THAT:

1. The Office of the Public Counsel's Motion to Reject Tariff filed on March 19, 2007, is denied.

2. The tariff filed on March 1, 2007, Tariff No. YG-2007-0602, by Atmos Energy Corporation is approved as substituted to become effective on April 1, 2007. The tariff sheets approved are:

P.S.C. MO. No. 2

Original SHEET NO. 1 through Original SHEET NO. 115

3. Atmos Energy Corporation's Tariff No. JG-2003-0046 is replaced in its entirety and is therefore canceled on April 1, 2007.

4. This order shall become effective on April 1, 2007.

BY THE COMMISSION



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