

MEMORANDUM

To: Missouri Public Service Commission Official Case File, Case No. GT-2011-0335,
Tariff File No. JG-2011-0517

From: Michael Stahlman, Energy Department – Tariffs/Rate Design

/s/ Thomas M. Imhoff 04/18/11
Utility Operations Division/Date

/s/ Lera Shemwell 04/18/11
General Counsel's Office/Date

Subject: Staff Recommendation for **Expedited Approval** of the Tariff Sheets Filed to Establish *Energize Atmos Energy Homes* and Amend Existing Rebate Programs, Proposed Effective April 27, 2011.

Date: 04/18/2011

On April 11, 2011, Atmos Energy Corporation (Atmos or Company) filed tariff sheets proposing to implement an Energize Atmos Energy Homes Program (Proposed Program) and amend an existing rebate program. Atmos also filed a *Motion for Expedited Treatment*. On April 13, 2011, the Missouri Public Service Commission (Commission) issued an *Order Directing Filing* requiring the Commission Staff (Staff) to respond to the Company's filing no later than April 18, 2011.

Atmos filed the tariff sheets to introduce *Energize Atmos Energy Homes* (the Proposed Program) as a new component to the Atmos Energy Conservation and Efficiency Program, which is designed to address building shell measures (e.g., insulation and air infiltration measures) for Atmos' residential customer class. This program satisfies the requirements of paragraph 12 e on page 7 of the Commission approved Unanimous Stipulation and Agreement for Case No. GR-2010-0192. The filed tariff sheets also introduce tiered rebates for natural gas furnaces, boilers, and water heaters. The Proposed Program and the tiered rebates were developed with the assistance of the Cadmus Group and have also been approved by the Atmos Energy Efficiency Advisory Group. These program changes will assist Atmos in achieving its goal of annual expenditures in cost-effective energy efficiency programs of one-half percent of annual operating revenues.

Atmos states the Proposed Program promotes energy efficiency for eligible residential natural gas customers through financial incentives for energy audits and installation of natural gas energy-efficiency measures that improve home energy performance. The incentives are structured using a performance model, where participants are eligible to receive rebates covering 100 percent of the cost of an energy audit, up to \$500, as well as additional incentives to offset the cost of eligible building shell upgrades and equipment, if modeled energy savings resulting from the installed upgrades meet the program's energy savings performance levels.

As the Company explains in their *Motion for Expedited Treatment*, the expeditious approval of the Proposed Program will have no negative effect on Atmos' customers or the general public

and benefit eligible customers by providing Atmos with the authority to implement the program sooner.

Staff Recommendation

The Commission's Energy Department Staff (Staff) has reviewed the filed tariff sheets and recommends expedited approval of the following tariff sheets, as filed on April 11, 2011, with an effective date of April 27, 2011:

P.S.C. MO. No. 2

First Revised Sheet No. 112.2 canceling Original Sheet No. 112.2

First Revised Sheet No. 112.3 canceling Original Sheet No. 112.3

Original Sheet No. 112.4

Third Revised Sheet No. 116 canceling Second Revised Sheet No. 116

Third Revised Sheet No. 117 canceling Second Revised Sheet No. 117

Third Revised Sheet No. 118 canceling Second Revised Sheet No. 118

Second Revised Sheet No. 119 canceling First Revised Sheet No. 119

Staff participated in the Energy Efficiency Advisory Group and approved implementation of The Proposed Program.

Staff has reviewed the Company's tariff filing and has determined that the tariff sheets have been filed in compliance with Commission rules and regulations. Staff is of the opinion that good cause for approval of these tariff sheets on less than thirty (30) days notice is demonstrated by Atmos in its Motion for Expedited Treatment.

The Staff has verified that this Company has filed its annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

cc: Mark A. Martin
Lewis Mills

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

In the Matter of Atmos Energy)	
Corporation's Tariff Revisions)	
Regarding Its Energy Conservation and)	Case No. GT-2011-0335
Efficiency Program)	

AFFIDAVIT OF MICHAEL STAHLMAN

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Michael Stahlman, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



Michael Stahlman

Subscribed and sworn to before me this 18th day of April, 2011.





Notary Public