



Commissioners

SHEILA LUMPE  
Chair

CONNIE MURRAY

KELVIN L. SIMMONS

STEVE GAW

Missouri Public Service Commission

POST OFFICE BOX 360  
JEFFERSON CITY, MISSOURI 65102  
573-751-3234  
573-751-1847 (Fax Number)  
<http://www.psc.state.mo.us>

June 26, 2001

WESS A. HENDERSON  
Director, Utility Operations

ROBERT SCHALLENBERG  
Director, Utility Services

DONNA M. KOLILIS  
Director, Administration

DALE HARDY ROBERTS  
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE  
General Counsel

FILED<sup>3</sup>

JUN 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: Case No. GR-2001-394

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF RECOMMENDATION**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Dennis L. Frey  
Associate General Counsel  
(573) 751-8700  
(573) 751-9285 (Fax)  
[dfrey03@mail.state.mo.us](mailto:dfrey03@mail.state.mo.us)

DLF:ccl  
Enclosure  
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED<sup>2</sup>

JUN 26 2001

Missouri Public  
Service Commission

In the matter of Greeley Gas Company's )  
Purchased Gas Adjustment Factors to be )  
Reviewed in Its 2000-2001 Actual Cost )  
Adjustment. )

Case No. GR-2001-394

**STAFF RECOMMENDATION**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and respectfully states:

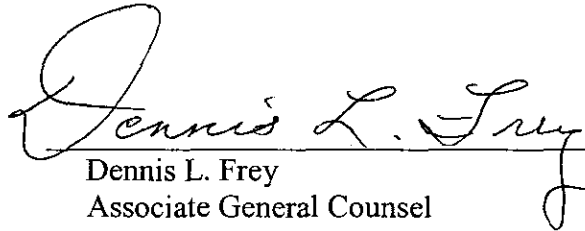
1. On June 15, 2001, Greeley Gas Company ("Greeley" or "Company") filed with the Missouri Public Service Commission ("Commission") a tariff sheet reflecting unscheduled changes in Greeley's Purchased Gas Adjustment ("PGA") factors as a result of changes in the cost of natural gas for the remainder of the summer season. In conjunction with the tariff sheet, which is proposed to become effective on July 1, 2001, Greeley also filed on June 15 a request for a one-time variance from the PGA clause of the Company's tariff.

2. In the attached Memorandum, which is labeled Appendix A, the Staff recommends that the Commission grant Greeley's request for a variance and approve the Company's proposed tariff sheet on an interim-subject-to-refund basis.

WHEREFORE, the Staff respectfully requests that the Commission issue an order in accordance with the recommendations in the Staff's Memorandum attached hereto.

Respectfully submitted,

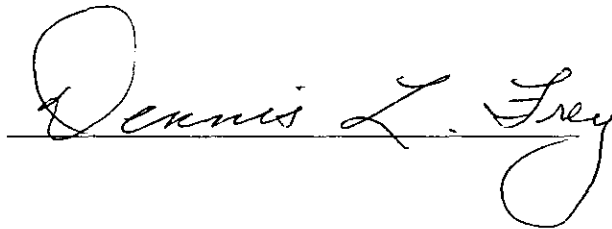
DANA K. JOYCE  
General Counsel

  
Dennis L. Frey  
Associate General Counsel  
Missouri Bar No. 44697

Attorney for the Staff of the  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102  
(573) 751-8700 (Telephone)  
(573) 751-9285 (Fax)  
e-mail: dfrey03@mail.state.mo.us

**Certificate of Service**

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 26th day of June 2001.



MEMORANDUM

TO: Missouri Public Service Commission Official Case File,  
Case No. GR-2001-394, File No. 200101190,  
Greeley Gas Company, a Division of Atmos Energy Corporation

FROM: Daniel I. Beck, Energy Department - Engineering Analysis

*DB WW*  
Wes Henderson 6.22.01  
Utility Operations Division/Date

*DLJ 6-24-01*  
Thomas R. Schwan Jr 6/24/01  
General Counsel's Office/Date

SUBJECT: Staff Recommendation for Greeley Gas Company's Request for a One-time Variance and an Unscheduled Summer Season PGA Filing Effective July 1, 2001.

DATE: June 21, 2001

On June 15, 2001, Greeley Gas Company (Greeley or Company), a Division of Atmos Energy Corporation of Dallas, Texas, filed a tariff sheet proposed to become effective July 1, 2001. The tariff sheet was filed to reflect unscheduled summer changes in Greeley's Purchased Gas Adjustment (PGA) factors as the result of estimated changes in the cost of natural gas. The summer season includes the months of April through October.

In conjunction with the filing of this tariff sheet, Greeley filed a REQUEST FOR VARIANCE FROM TARIFF PROVISIONS (Motion). This Motion requests a one-time variance from the PGA Clause of Greeley's tariff due to a lowering of the market price of gas since its last change in PGA rates on February 1, 2001. In addition, Greeley cites the following reasons for approval of this one-time variance:

1. Give a more accurate price signal to consumers regarding the current cost of natural gas; and
2. Help keep the Deferred Carrying Cost Balance (DCCB) and the Actual Cost Adjustment (ACA) balances at appropriate levels and not create significant over-collections or under-collections that would need to be reflected in future periods.

The net effect of these changes will decrease the firm PGA factor for the remainder of the 2001 summer season to \$0.5736 per Ccf from the unscheduled 2000-2001 winter season firm PGA factor of \$0.7339 per Ccf. The firm PGA factor would decrease 21.8% under this proposal.

Case No. GR-2001-394 under which this change was filed, was established to track the Company's PGA factors to be reviewed in its 2000-2001 ACA filing. Case No. GR-2001-36 was established to track the Company's PGA factors to be reviewed in its 1999-2000 ACA filing. Interim subject to

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OFFICIAL CASE FILE MEMORANDUM  
Page 2 of 2

refund status should be maintained pending final Commission decisions in Case Nos. GR-2001-394 and GR-2001-36.

The Commission's Energy Department - Tariffs/Rate Design Staff (Staff) has reviewed the Motion and agrees that a one-time variance request should be granted. Staff has also reviewed the PGA filing and has determined that, with the exception of the one-time variance request to file an unscheduled summer PGA, this filing was calculated in conformance with Greeley's PGA Clause. Staff is of the opinion that good cause for approval of this tariff sheet on less than thirty days notice is demonstrated by Greeley's Commission-approved PGA clause allowing for a minimum of ten (10) business days notice for PGA change filings. Therefore, Staff recommends that the Commission grant the one-time variance as requested by the Company on June 15, 2001 and approve the following tariff sheet to become effective July 1, 2001, interim subject to refund:

P.S.C. MO. No. 1

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Forty-eighth Revised Sheet No. 6 Cancelling Forty-seventh Revised Sheet No. 6.

Copies: Director - Utility Operations Division  
Public Information Administrator  
Director - Utility Services Division  
General Counsel  
Manager - Procurement Analysis Department  
Manager - Energy Department  
Bob J. Cline, Manager, Rate Administration (Greeley)  
James M. Fischer, Attorney with Fischer & Dority, P.C. (Greeley)  
Office of the Public Counsel

**Service List for**  
**Case No. GR-2001-394**  
**Revised: June 26, 2001 (ccl)**

**Office of the Public Counsel**  
**P.O. Box 7800**  
**Jefferson City, MO 65102**

**James M. Fischer**  
**Fischer & Dority, P.C.**  
**101 Madison Street, Suite 400**  
**Jefferson City, MO 65101**

**Bobby J. Cline**  
**Greeley Gas Company**  
**Penn Center, Suite 800**  
**1301 Pennsylvania Street**  
**Denver, CO 80203-5015**