

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
January 30, 2001**

CASE NO: GR-2001-396

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

Mark A. Martin
Atmos Energy Corporation
381 Riverside Drive, Suite 440
Franklin, TN 37064

General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Enclosed find certified copy of an ORDER in the above-numbered case(s).

Sincerely,

A handwritten signature in black ink that reads "Dale Hardy Roberts". The signature is written in a cursive, slightly slanted style.

**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 30th
day of January, 2001.

In the Matter of Atmos Energy	)	
Corporation Purchased Gas Adjustment	)	<u>Case No. GR-2001-396</u>
Factors to be Audited in Its 1999-2000	)	Tariff No. 200100751
Actual Cost Adjustment	)	

ORDER APPROVING INTERIM RATES

Atmos Energy Corporation (Atmos) filed a tariff sheet with the Commission on January 18, 2001, carrying an effective date of February 1, 2001. The tariff sheet reflects unscheduled changes in Atmos' Purchased Gas Adjustment (PGA) factors as the result of changes in the estimated cost of natural gas for the remaining winter heating season. The winter heating season includes the months of November through March. Additionally, the proposed tariff sheet reflects a change in Atmos' Actual Cost Adjustment (ACA) factors.

On January 25, 2001, the Staff of the Missouri Public Service Commission (Staff) filed its Memorandum and Recommendation in this case. Staff recommended that Atmos' proposed tariff sheet be approved for service on and after February 1, 2001, as an interim rate, subject to refund. Staff further advised the Commission that Atmos has shown good cause such that its tariff sheet should be approved on less than 30 days' notice.

For Atmos' Butler District, the effect of these changes will increase the firm PGA factor for the 2000-2001 winter season to

\$1.16519 per Ccf from a scheduled winter season firm PGA factor of \$0.70837 per Ccf. For Atmos' Kirksville District, the effect of these changes will increase the firm PGA factor for the 2000-2001 winter season to \$1.07076 per Ccf from a scheduled winter season firm PGA factor of \$0.76588 per Ccf. For Atmos' SEMO District, the effect of these changes will increase the firm PGA factor for the 2000-2001 winter season to \$1.13726 per Ccf from a scheduled winter season firm PGA factor of \$0.78282 per Ccf.

Staff stated that Atmos' Deferred Carrying Cost Balance (DCCB) is increasing at over \$44,000 per day due to the difference between the current rates and the market price for natural gas. Staff noted that any DCCB plus interest will be included in the rate calculations used to compute Atmos' next Actual Cost Adjustment (ACA) factor and could significantly increase next year's PGA rate if the DCCB continues to grow. Staff also stated that a large DCCB could adversely impact Atmos' credit and procurement arrangements.

Staff stated that Atmos' proposed PGA factor changes were calculated in conformity with Atmos' PGA Clause. Staff further stated that Atmos' PGA Clause allows for 10 business days' notice for filings reflecting PGA changes and that, under the circumstances, good cause exists to approve the proposed tariff sheet on less than 30 days' notice. Staff recommended that the Commission approve the tariff sheet to become effective February 1, 2001, on an interim basis, subject to refund, pending a final Commission decision in Atmos' ACA Case Nos. GR-98-399, GR-99-392, GR-2000-573 and GR-2001-396.

The Commission has reviewed the proposed tariff sheet and Staff's Memorandum and Recommendation. The Commission finds that the tariff sheet conforms to the company's Commission-approved PGA Clause and is therefore reasonable. This unscheduled increase in Atmos' rates is necessary because of the current extraordinarily high price of natural gas. If the price of natural gas drops in coming months, the Commission encourages Atmos to file for an unscheduled reduction in its PGA tariffs.

After considering Staff's recommendation, and for good cause shown pursuant to Section 393.140(11), RSMo 1994, the Commission concludes that the proposed tariff sheet should be approved to become effective on and after the requested effective date of February 1, 2001, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That Tariff No. 200100751, submitted in Case No. GR-2001-396, by Atmos Energy Corporation, is approved on an interim basis, subject to refund, for service rendered on and after February 1, 2001. The tariff sheet approved is:

P.S.C. Mo. No. 1
22nd Revised Sheet No. 16T, Canceling 21st Revised Sheet No. 16T

2. That this order shall become effective on February 1, 2001.

BY THE COMMISSION

A handwritten signature in black ink, reading "Dale Hardy Roberts". The signature is written in a cursive, slightly slanted style.

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Drainer, and Murray, CC., concur
Schemenauer and Simmons, CC., dissent with dissenting opinions
attached

Register, Regulatory Law Judge

Adj/Sec'y:

Registy/Spice

Date Circulated

1-26
CASE NO. *CR-2001-396*

X
Laupre, Chair

W
Drainer, Vice Chair

W
Murray, Commissioner

AS
Schemenauer, Commissioner

VS
Simmons, Commissioner

1-30
Agenda Date

Action taken:

3-2 AS

Must Vote Not Later Than

W

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and

I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,

Missouri, this 30th day of Jan. 2001.

Dale Hardy Roberts

Dale Hardy Roberts

Secretary/Chief Regulatory Law Judge

