

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 16th day
of September, 2009.

In the Matter of the Application of Atmos Energy
Corporation for a Variance and Waiver from the
Provisions of 4 CSR 240-3.235.

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File No. GE-2009-0443

**ORDER APPROVING UNANIMOUS STIPULATION
AND GRANTING WAIVER**

Issue Date: September 16, 2009

Effective Date: September 26, 2009

On June 19, 2009, Atmos Energy Corporation filed an Application for Variance and Waiver from the portion of 4 CSR 240-3.235 requiring Atmos to file a new depreciation study in its next general rate case.¹ The Office of the Public Counsel objected to the waiver, the Staff of the Missouri Public Service Commission recommended that the waiver be granted with certain conditions, and Noranda Aluminum, Inc., objected to one of the conditions proposed by Staff.

The Commission set this matter for hearing, but prior to the hearing Atmos and Public Counsel reached a settlement and the hearing was cancelled. On August 26, 2009, Atmos and Public Counsel filed a stipulation and agreement which purports to settle all the issues in this case. The major terms and conditions of the agreement are as follows:

¹ The Commission granted Atmos a waiver regarding vintaging of the same records in File No. GE-2008-0342 without objection.

- a. Atmos agrees to remove the negative amortization of the depreciation reserve from the cost of service in its next rate case filed in 2009.
- b. Atmos will not offer testimony in said rate case supporting a negative amortization of the depreciation reserve.
- c. Public Counsel hereby withdraws its opposition to the granting of the subject waiver in this proceeding.
- d. Atmos and Public Counsel agree that the Commission's approval of the requested waiver is subject to the following conditions recommended by the Staff: (1) the waiver will apply only to a rate case filed in calendar year 2009; and (2) Atmos will not propose changes to its depreciation rates as a part of its 2009 rate case.²

Atmos and Public Counsel requested that the Commission approve the stipulation and agreement and grant Atmos a waiver as requested.

Commission Rule 4 CSR 240-2.115 provides that if no party objects to a non-unanimous stipulation and agreement within seven days of its filing, the stipulation and agreement may be treated as unanimous. Since no party has filed a timely objection to the stipulation and agreement, it will be treated as a unanimous agreement.

The stipulation and agreement is a reasonable resolution of all the issues in this matter. The Commission will approve the stipulation and agreement.

Atmos has been working with Staff to vintage its asset retirements and has done so for a majority of those records but will require substantial work to complete the process. A depreciation study cannot be completed until the vintaging is completed. Under the conditions of the stipulation and agreement Atmos will not request a change to its depreciation rates in a rate case filed by the end of 2009. Staff has indicated that in its opinion, granting this waiver will not harm the ratepayers or the utility. For these reasons,

² *Stipulation and Agreement*, filed August 26, 2009, para. 9.

the Commission finds that good cause exists to grant a waiver of the depreciation study requirement for a rate case filed in 2009.

THE COMMISSION ORDERS THAT:

1. The unanimous stipulation and agreement filed on August 26, 2009, is approved. A copy of the stipulation and agreement is attached to this order.
2. The signatory parties are ordered to comply with the terms of the stipulation and agreement.
3. Atmos Energy Corporation is granted a waiver from 4 CSR 240-3.235 so that it may file its next rate case without the inclusion of a new depreciation study subject to the terms and conditions as set out in the Stipulation and Agreement.
4. This order shall become effective on September 26, 2009.
5. This file shall be closed on September 27, 2009.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Clayton, Chm., Davis, Jarrett,
Gunn, and Kenney, CC., concur.

Dippell, Deputy Chief Regulatory Law Judge