

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

In the Matter of Atmos Energy Corporation's )  
Tariff Revision Designed to Consolidate Rates )  
and Implement a General Rate Increase for )  
Natural Gas Service in the Missouri Service )  
Area of the Company. )

Case No. GR-2006-0387

**PUBLIC COUNSEL'S RESPONSE TO STAFF'S REPLY  
SUPPORTING ATMOS ENERGY CORPORATION'S ANNUAL REPORT**

COMES NOW the Office of the Public Counsel (Public Counsel) and for its response to Staff's Reply supporting Atmos Energy Corporation's (Atmos) Annual Report filing states:

1. On December 4, 2008, the Office of the Public Counsel filed its Response To The Annual Report Of Atmos Energy Corporation Regarding The Fixed Delivery Charge Rate Design And Its Impact On Energy Efficiency And Conservation. On January 5, 2009, the Commission's Staff filed a Reply to Public Counsel's filing. Public Counsel offers this response to the Staff's Reply.

2. The Staff asserts that Public Counsel's challenge to Atmos' Report is "a continuation of its challenge to the Commission's adoption of the SFV rate design." In response, Public Counsel's challenge to the Atmos' Report is for no other purpose than to fulfill Public Counsel's duty to represent Atmos' customers. When the Commission makes a change to a longstanding and historical method of designing rates, regardless of which party supported or opposed such change, consumers deserve assurances that these

new changes will be analyzed to determine whether the purported benefits of the change have been realized.

3. The Staff correctly points out that the Collaborative Group determined certain parameters to analyze the success of energy efficiency and conservation programs. However, these parameters do not contemplate the impacts of the rate design. As stated in Public Counsel's original response, an analysis of the rate design should look at usage levels and the removal of the price signal that was inherent in the volume-based margin rates under the prior rate design. Without this analysis, the Commission will have no basis for "evaluating the effect of a fixed delivery charge rate design on energy efficiency and conservation." The Staff misinterprets this language to mean that an analysis of the particular energy efficiency and conservation programs is sufficient, when it is clear from the Order that the Commission envisioned a larger analysis that considers the impacts caused by the change in rate design. The Staff confuses the impacts caused by the *programs* with the impacts caused by the *rate design*. The analysis envisioned by the Staff would be satisfied by simply understanding the impact of the programs on the consumers that benefited directly from the programs without an analysis of the impacts on all consumers. Consumers deserve a better and more thorough analysis as the Commission recognized in its Report and Order. Without this analysis, the Commission will have no basis for determining whether the SFV rate design achieved its purported benefits.

4. Public Counsel agrees with the Staff that opening a new docket to investigate may not be necessary at this stage. However, an order from the Commission interpreting its Report and Order is necessary to provide guidance to the parties by

outlining the Commission's expectations regarding the analysis of the straight-fixed variable rate design.

WHEREFORE, the Office of the Public Counsel respectfully offers this response to the Staff's reply.

**Respectfully submitted,**

OFFICE OF THE PUBLIC COUNSEL

By: /s/ Marc D. Poston

Marc D. Poston (#45722)

Senior Public Counsel

P. O. Box 2230

Jefferson City MO 65102

(573) 751-5558

(573) 751-5562 FAX

[marc.poston@ded.mo.gov](mailto:marc.poston@ded.mo.gov)

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been sent via email on this 15<sup>th</sup>  
day of January 2009:

Office General Counsel  
Missouri Public Service Commission  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102  
GenCounsel@psc.mo.gov

Bob Berlin  
Missouri Public Service Commission  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102  
Bob.Berlin@psc.mo.gov

Douglas Walther  
Atmos Energy Corporation  
P.O. Box 650205  
Dallas, TX 75265-0205  
douglas.walther@atmosenergy.com

Larry Dority  
Atmos Energy Corporation  
101 Madison--Suite 400  
Jefferson City, MO 65101  
lwdority@sprintmail.com

James Fischer  
Atmos Energy Corporation  
101 Madison--Suite 400  
Jefferson City, MO 65101  
jfischerpc@aol.com

Stuart Conrad  
Hannibal Regional Hospital  
3100 Broadway, Suite 1209  
Kansas City, MO 64111  
stucon@fcplaw.com

David Woodsmall  
Hannibal Regional Hospital  
428 E. Capitol Ave., Suite 300  
Jefferson City, MO 65102  
dwoodsmall@fcplaw.com

Robin Fulton  
Noranda Aluminum, Inc.  
135 E Main St  
P.O. Box 151  
Fredericktown, MO 63645  
rfulton@charterinternet.com

**/s/ Marc D. Poston**

Marc D. Poston