

**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**  
Tariff No. YG-2006-0762

**SUSPENSION ORDER AND NOTICE,**  
**ORDER SETTING HEARINGS,**  
**AND ORDER DIRECTING FILING**

Issue Date: April 13, 2006

Effective Date: April 13, 2006

***Procedural History***

On April 7, 2006, Atmos Energy Corporation submitted to the Missouri Public Service Commission certain proposed tariff sheets, Tariff File No. YG-2006-0762. The purpose of the filing, according to Atmos, is to implement a general rate increase for retail natural gas service provided by the Company. Atmos states that the new natural gas service rates are designed to produce an additional \$3.4 million annually in new natural gas revenues, a 5.88 percent increase over existing revenues.

Atmos states that the "proposed rate increase is necessary generally to offset or reflect increases in certain operating costs, as well as return requirements on approximately \$56 million in rate base." The tariff sheets attached to Atmos' pleading bear an issue date of April 7, 2006, and are proposed to become effective on May 7, 2006. Together with its proposed tariff sheets and other minimum filing requirements, Atmos also filed prepared direct testimony in support of its requested rate increase.

***The Commission's Authority to Suspend Proposed Tariffs:***

Section 393.150, RSMo 2000, authorizes the Commission to suspend the effective date of a proposed tariff of a gas corporation for 120 days plus an additional six months so that the Commission may have a hearing on the matter. The same statute further imposes the burden of proof on the company to show that its proposed increased rate is just and reasonable. In order to allow sufficient time to study the effect of the proposed tariffs and to determine if they are just, reasonable, and in the public interest, the proposed tariffs will be suspended for a period of 120 days beyond the requested effective date. Furthermore, because a hearing on the proposed tariffs cannot be concluded within the 120-day suspension, the proposed tariffs will be suspended for an additional six months.

***Test Year and True-up Recommendations:***

The Commission is required by law to give rate increase cases preference over all other questions pending before it and to decide such cases as quickly as possible.<sup>1</sup> Since the burden of proof that the proposed rates are just and reasonable is upon the company proposing the rates, the Commission shall direct the Company to file both its recommendation concerning the proper test year to be used in these proceedings and any request for a true-up no later than two weeks after the date of this order. Any true-up request must include a proposed date to which the Company's financial data is to be brought forward. The Company's proposal should also specify a complete list of accounts or items of expense, revenues, and rate base designed to prevent any mismatch in those

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<sup>1</sup> Section 393.150, RSMo 2000.

areas. The Commission will not consider a true-up of isolated adjustments, but will examine only a “package” of adjustments designed to maintain the proper revenue-expense-rate base match at a proper point in time.<sup>2</sup>

The Staff, the Public Counsel, and all intervenors must state their positions regarding the Company’s true-up and test year proposals as hereinafter ordered. The test year is the 12-month period used to audit a company’s books to determine the proper amounts of rate base, expenses, and revenues to use in calculating a revenue requirement for a company. A resolution of the test year issue must be made early in the proceedings so that the parties’ testimony can be reconciled to the same period. The test year involves an audit of all books and records of a company so that a total revenue requirement can be calculated.

All test year proposals must include a specific 12-month period as a test year and should include any additional period for which a party has updated significant items from the test year. The test year with the additional period will be called a “test year as updated” or “updated test year.” In addition to a proposed test year or a proposed updated test year, a party may request isolated changes, such as those imposed by governmental bodies, as part of its case and the Commission will consider whether those isolated changes are known and measurable and whether they should be included in the Company’s revenue requirement. An issue to be considered in this determination is whether the proposed adjustment affects the matching of rate base, expenses and revenue.

***Hearing Dates, Customer Notice, and Prehearing Conference:***

The Commission will schedule the evidentiary hearing dates in this order and will reserve dates for a true-up hearing. By establishing the hearing dates now, the

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<sup>2</sup> See *In re Kansas City Power & Light company*, 26 Mo. P.S.C. (N.S.) 104, 110 (1983).

Commission will ensure that this matter is heard as expeditiously as possible. Additionally, the early establishment of the hearing dates will allow ample time for notice to be sent to customers. The Company must give notice to customers as directed in the ordered paragraphs below.

The Commission will also set an early prehearing conference and require the parties to file a proposed procedural schedule, with additional filing dates for testimony, a second prehearing conference, the statement of issues, the position statements of the parties and/or pretrial briefs, and the reconciliation. The Staff of the Commission will have primary responsibility for preparing the proposed procedural schedule. Staff shall coordinate the proposed schedule with the Company, the Office of the Public Counsel, and any intervenors, where possible.

In addition, the Commission will direct the parties to file recommendations as to the number, date, time, and location of local public hearings to be held in this matter. Local public hearings should not be scheduled until at least one week has passed after the filing of all direct testimony; that is, both revenue requirement and rate design.

***Intervention:***

The Commission finds that proper persons should be allowed 20 days from the issuance of this order to file an application to intervene. The Commission's Data Center must serve a copy of this order upon the county commission of each county in the Company's service area, as well as upon every party to Atmos' last rate case. In addition, the Commission's Public Information Office shall make notice of this order available to the media serving the Company's service area and to the members of the General Assembly representing the residents of the Company's service area.

**IT IS ORDERED THAT:**

1. The proposed natural gas service tariff sheets submitted under Tariff File No. YG-2006-0762 on April 7, 2006, by Atmos Energy Corporation for the purpose of increasing rates for retail natural gas service to customers are suspended for 120 days, from May 7, 2006, to September 4, 2006. The specific sheets suspended are:

**P.S.C. MO. No. 2**  
**Original Sheet No. 1 through Original Sheet No. 113**

2. The proposed natural gas service tariff sheets suspended in ordered paragraph 1, above, under Tariff File No. YG-2006-0762, are suspended an additional six months beyond September 4, 2006, to March 4, 2007, unless otherwise ordered by the Missouri Public Service Commission.

3. Any proper person or entity desiring to intervene in this matter must file an application no later than May 9, 2006, with:

Colleen M. Dale, Secretary  
Missouri Public Service Commission  
Post Office Box 360  
Jefferson City, Missouri 65102-0360

and send copies to:

James M. Fischer  
Larry W. DORITY  
FISCHER & DORITY, P.C.  
101 Madison Street, Suite 400  
Post Office Box 456  
Jefferson City, Missouri 65101  
Attorneys for Atmos District Energy Corporation

and to:

Office of the Public Counsel  
Post Office Box 7800  
Jefferson City, Missouri 65102-7800

4. Atmos Energy Corporation must file, on or before April 27, 2006, a pleading stating its recommendation concerning the proper test year for use in this case.

5. Atmos Energy Corporation must file any request for a true-up audit and hearing in a separate pleading on or before April 27, 2006.

6. The Staff of the Missouri Public Service Commission, the Office of the Public Counsel, and any persons or entities requesting intervention must file, on or before May 11, 2006, a pleading either indicating concurrence in Atmos Energy Corporation's recommended test year or recommending alternatives to Atmos Energy Corporation's recommended test year.

7. The Staff of the Missouri Public Service Commission, the Office of the Public Counsel, and any intervenors must file, on or before May 11, 2006, a pleading stating their recommendation concerning a true-up.

8. An early prehearing conference is hereby scheduled for this case on May 17, 2006, at 10:00 a.m. The early prehearing conference will be held in Room 305 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri.

9. The parties must file a proposed procedural schedule as described in this order on or before May 24, 2006.

10. The Missouri Public Service Commission will conduct local public hearings on the proposed rate increase and will set the times, dates, and locations of these local public hearings in a subsequent order. The parties and intervenors, if any, shall file recommendations as to the times, dates and locations for local public hearings in this case on or before May 24, 2006.

11. An evidentiary hearing is hereby scheduled for this case as follows: November 30, 2006, through December 1, 2006; and December 4, 2006, through

December 8, 2006. The hearing will commence at 9:00 a.m. on November 30, 2006. The evidentiary hearing will be held in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri.

12. January 3, 2007, through January 4, 2007, are reserved for a true-up hearing in this case, in the event that such a hearing is requested, and the Missouri Public Service Commission grants the request. The true-up hearing will be held in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri.

13. Atmos Energy Corporation must notify each affected customer of the hearings scheduled in this case, either by a notice on or accompanying a bill or by a separate notice, at least ten days, but not more than 45 days, prior to any public comment hearings or the evidentiary hearing, unless otherwise ordered by the Missouri Public Service Commission. The company is hereby authorized to provide notice either less than ten days or more than 45 days prior to a hearing if by doing so the notice may be included on or with a regular billing. The notice must be substantially in the following form, unless otherwise ordered:

#### NOTICE

Atmos Energy Corporation has filed revised natural gas service tariff sheets with the Missouri Public Service Commission (PSC) which would increase the company's Missouri jurisdictional annual gross revenues by approximately 5.88 percent. For the average residential customer using natural gas for heating, the proposed increase would be approximately \$4.68 each month.

A public comment hearing (or evidentiary hearing) has been set before the PSC at \_\_\_ o'clock \_\_.m., \_\_\_\_\_, at \_\_\_\_\_ Street, \_\_\_\_\_, Missouri. If you wish to comment or secure information, you may contact the Office of the Public Counsel, Post Office Box 7800, Jefferson City, Missouri 65102, telephone (573) 751-4857.

The building where the hearing will be held meets accessibility standards required by the Americans with Disabilities Act. If a customer needs additional accommodations to participate in these

hearings, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing.

14. The Data Center of the Missouri Public Service Commission must serve a copy of this order upon the county commission of each county in Atmos Energy Corporation's Missouri service area and upon every party to Atmos' last rate case.

15. The Missouri Public Service Commission's Public Information Office must make notice of this order available to the members of the General Assembly representing the residents of Atmos Energy Corporation's Missouri service area and to the news media serving the residents of Atmos Energy Corporation's Missouri service area.

16. All hearings ordered or contemplated herein will be held in a building that meets accessibility standards required by the Americans with Disabilities Act. If any person needs additional accommodations to participate in any hearing, please call the Missouri Public Service Commission's Hotline at 800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing.

17. This order shall become effective on April 13, 2006.

**BY THE COMMISSION**



Colleen M. Dale  
Secretary

( S E A L )

Nancy Dippell, Deputy Chief Regulatory  
Law Judge, by delegation of authority pursuant  
to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,  
on this 13th day of April, 2006.