

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

ORDER CONCERNING TEST YEAR AND TRUE-UP
AND ADOPTING PROCEDURAL SCHEDULE WITH MODIFICATIONS

Issue Date: June 2, 2006

Effective Date: June 2, 2006

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. On April 13, 2006, the Commission suspended the proposed tariff sheets until March 4, 2007, and directed the parties to file recommendations concerning the proper test year and true-up proceeding. Atmos, Staff, and Public Counsel timely filed pleadings concerning the test year and true-up.

The Commission also directed the parties to file a proposed procedural schedule. On May 24, 2006, Atmos filed a Joint Procedural Schedule and Joint Motion Requesting Adoption of Certain Other Procedural Matters on behalf of all the parties. In addition to proposing the procedural schedule for this case, the motion set out certain agreements the parties reached at the early prehearing conference held on May 17, 2006, and asked the Commission to reflect those agreements in its order setting the procedural schedule. The agreements are detailed in subparagraph 4(a) through (f) of the joint motion.

The Test Year

Atmos, Staff, and Public Counsel filed recommendations regarding the proper test year to be utilized in this case. Atmos recommended that the Commission establish the 12 months ending September 30, 2005, as the test year, with an update period for known and measurable changes through June 30, 2006. Staff and Public Counsel concurred in Atmos' recommendation. No other party filed a recommendation.

The Commission will establish the test year as recommended by Atmos.

True-up

In its Suspension Order and Notice, the Commission reserved the dates of January 3-4, 2007, for a possible true-up hearing. The parties' Joint Procedural Schedule stated that during the early prehearing conference held on May 17, 2006, the parties agreed to submit their respective recommendations regarding the necessity of a true-up hearing on September 13, 2006, as part of the revenue requirement direct testimony filing. The Joint Procedural Schedule stated that the nonutility parties have not had sufficient time to perform their audits, discovery, and other analyses necessary to be able to make a recommendation regarding whether a true-up process is warranted. The pleading further indicated that Atmos agrees to submit to the Staff and interested parties an update of its direct revenue requirement and rate design calculations, as well as necessary data to update the test year to June 30, 2006, by mid-August, 2006.

The Commission finds it is reasonable to postpone the decision regarding a possible true-up and allow the parties to file their recommendations as requested in the Joint Procedural Schedule.

The Procedural Schedule

The Commission has reviewed the proposed procedural schedule and finds it to be appropriate with the modification of the filing date for prehearing briefs. The proposed procedural schedule contains some unusual features. The parties have agreed to shorten the interval allowed for responding to discovery after the October 27, 2006 filing of rebuttal testimony. The parties have also agreed to serve copies of Data Requests upon all parties. The parties have also made arrangements as to the provision of copies of work papers and of electronic copies of prefiled testimony.

The Commission finds that the following conditions should be applied to the schedule:

(A) The procedural agreements of the parties set out in paragraph 4 of the Joint Procedural Schedule and Joint Motion Requesting Adoption of Certain Other Procedural Matters are adopted.

(B) The Commission will require the prefiling of testimony as defined in 4 CSR 240-2.130. All parties shall comply with this rule, including the requirement that testimony be filed on line-numbered pages. The practice of prefiling testimony is designed to give parties notice of the claims, contentions and evidence in issue and to avoid unnecessary objections and delays caused by allegations of unfair surprise at the hearing.

(C) The parties shall agree on and file a joint list of issues to be determined herein by the Commission. The requirements for issue format set forth in 4 CSR 240-2.080(21) are waived. Staff shall be responsible for actually drafting and filing the list of issues and the other parties shall cooperate with Staff in the development thereof. Any

issue not included in the issues list will be presumed to not require determination by the Commission.

(D) Each party shall file a list of the witnesses to appear on each day of the hearing and the order in which they shall be called. The parties shall establish the order of cross-examination and file a joint pleading indicating the same.

(E) Each party shall file a statement of its position on each disputed issue, including a summary of the factual and legal points relied on by the party. Such statement shall be simple and concise, shall follow the issues set out in the issues list, and shall not contain argument about why the party believes its position to be the correct one. Each statement of position shall include, for each issue upon which a party intends to adduce evidence, the names of each witness offering testimony on that issue and a specific reference to the pages of the prefiled testimony containing that evidence.

(F) Because much of the evidence will have been filed before the hearing, the Commission will require prehearing briefs that address all the issues in dispute and all the relevant prefiled testimony. Since the prehearing briefs will cover most of the record, posthearing briefs will not need to be very lengthy, and will be limited to ten pages in length. Posthearing briefs will generally just need to update the prehearing briefs for new evidence adduced at the hearing.

(G) All pleadings and briefs shall be filed in accordance with 4 CSR 240-2.080. The briefs to be submitted by the parties shall follow the same list of issues as filed in the case. The briefs must set forth and cite the proper portions of the record concerning the unresolved issues that are to be decided by the Commission.

(H) All parties are required to bring an adequate number of copies of exhibits which they intend to offer into evidence at the hearing. If an exhibit has been prefiled, only one copy of the exhibit is necessary for the court reporter. If an exhibit has not been prefiled, the party offering it should bring, in addition to the copy for the court reporter, copies for the five Commissioners, the Regulatory Law Judge, and all counsel.

(I) Each party shall prepare and file proposed findings of fact and conclusions of law, including citations to prefiled testimony and other evidence, to be filed during the post-hearing briefing schedule.

(J) The hearing transcript will be expedited to be available **no later than the fifth working day after the close of the evidence**. If any party seeks to expedite the filing of the transcript further, such request shall be tendered in writing to the Presiding Judge at least five days prior to the date of the hearing.

(K) In the event that the parties reach a settlement of all of the issues, such settlement shall not be grounds for a continuance of the hearing unless the agreement is final, has been submitted to the Commission in writing, and there are no objections to the agreement.

Local Public Hearings:

The Suspension Order also required the parties to file recommendations as to the dates, times and locations of local public hearings by May 24, 2006. The parties timely filed a proposed procedural schedule on that date, including recommendations for local public hearings. The parties suggest the dates of September 26, 28, and 29, 2006, for public hearings. The Commission will set public hearings, and provide specific details as to the date, time, and venue in a later order.

IT IS ORDERED THAT:

1. The test year in this matter shall be the 12 months ending September 30, 2005, updated and adjusted for known and measurable changes through June 30, 2006.

2. Recommendations regarding a true-up hearing shall be filed no later than September 13, 2006.

3. The procedural schedule is adopted as follows:

Rate design technical conference	June 14 and 15, 2006 (10:00 a.m. and 8:30 a.m., respectively)
Revenue requirement direct testimony	September 13, 2006
Rate design direct testimony	September 26, 2006
Public hearings	September 26, 28, and 29, 2006
Settlement conference	October 2-6, 2006
List of issues; list of witnesses; order of cross-examination	October 13, 2006
Simultaneous rebuttal testimony (all issues)	October 27, 2006
Simultaneous surrebuttal testimony	November 13, 2006
Prehearing briefs	November 14, 2006
Evidentiary hearing	November 27 – December 8, 2006 9:00 a.m. (first day)
Transcripts due	December 15, 2006
Simultaneous briefs; proposed findings of fact and conclusions of law	January 12, 2007

4. The evidentiary hearing will be held at the Commission's offices in the Governor Office Building, 200 Madison Street, Room 310, Jefferson City, Missouri, a facility which meets the accessibility standards of the Americans with Disabilities Act (ADA). Any

person who needs additional accommodations to participate in the hearing should call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing.

5. The parties are directed to comply with the conditions set out in this order, including their agreements in paragraph 4 of the Joint Procedural Schedule and Joint Motion Requesting Adoption of Certain Other Procedural Matters.

6. This order shall become effective on June 2, 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 2nd day of June, 2006.