

# BEFORE THE PUBLIC SERVICE COMMISSION

## OF THE STATE OF MISSOURI

In the Matter of Atmos Energy	)	
Corporation's Filing for a	)	<b><u>Case No. GR-2008-0364</u></b>
Purchased Gas Adjustment	)	Tariff No. YG-2009-0275

### **ORDER APPROVING INTERIM RATES**

Issue Date: October 30, 2008

Effective Date: November 1, 2008

On October 17, 2008, Atmos Energy Corporation (Atmos or Company) filed a tariff sheet proposed to become effective November 1, 2008. The tariff sheet was filed to reflect required changes in Atmos' Purchased Gas Adjustment (PGA) factors as the result of an estimated change in the cost of natural gas for the upcoming winter season and changes in the ACA factor.

Implementation of the tariff rates results in changes in gas costs in all of Atmos' PGA areas:

1. For Atmos' West Area (Butler District, served by Panhandle Eastern Pipe Line Company), the effect of this filing is to decrease the total firm PGA rate for the 2008/2009 winter to \$0.86520 per Ccf (100 cubic feet) from the current, firm PGA factor of \$0.91800 per Ccf. This represents a \$0.05280 per Ccf decrease. The PGA rate for the 2007/2008 winter season was \$0.69970 Ccf. The changes are an increase in the firm PGA rate of \$0.16550 per Ccf above the rate for last winter. Based on average

winter usage, a residential customer's winter bill for the five months is expected to be approximately \$101.00 higher compared with last winter, or an approximate 19% increase.

2. For Atmos' West Area (Rich Hill / Hume District, served by the Southern Star Central Gas Pipeline Company), the effect of this filing is to decrease the total firm PGA rate for the 2008/2009 winter to \$0.73185 per Ccf from the current firm PGA factor of \$1.22710 per Ccf. This represents a \$0.49525 per Ccf decrease. The PGA rate for the 2007/2008 winter was \$1.00880 per Ccf. The changes are a decrease in the firm PGA rate of \$0.27695 per Ccf below last winter. Based on average winter usage, a residential customer's bill for the five winter months is expected to be approximately \$170.00 lower than last year, or an approximate 24% decrease.

3. For Atmos' Kirksville Area, served by ANR Pipeline Company, the effect of this filing is to decrease the firm PGA factors for the 2008/2009 winter to \$0.96310 per Ccf from the current, firm PGA factor of \$1.03340 per Ccf. This represents a \$0.07030 per Ccf decrease. The PGA rate for the 2007/2008 winter was \$0.78750 per Ccf. The changes are an increase in the firm PGA rate of \$0.17560 per Ccf above last winter. Based on average winter usage, a residential customer's bill for the five winter months is expected to be approximately \$114.00 higher compared with the previous winter, or an approximate 19% increase.

4. For Atmos' Northeast Area (Hannibal, Canton, Bowling Green and Palmyra or Combined District, served by the Panhandle Eastern Pipeline Company), the effect of this filing is to decrease the firm PGA factors for the 2008/2009 winter to \$0.95430 per Ccf from the current, firm PGA factor of \$1.0124 per Ccf. This represents a \$0.05810

Ccf decrease. The PGA rate for the 2007/2008 winter was \$0.78760 per Ccf. The changes reflect an increase in the firm PGA rate of \$0.16670 per Ccf above last winter. Based on average winter usage, a residential customer's bill for the five winter months is expected to be approximately \$108.00 higher than last winter, or an approximate 18% increase.

5. For Atmos' Southeast Area (SEMO District, served by the Natural Gas Pipeline Company of America, Texas Eastern Pipeline Company, Missouri River Transmission, and Ozark Gas Transmission), the effect of this filing is to decrease the firm PGA factors for the 2008/2009 winter to \$0.96760 per Ccf from the current, firm PGA factor of \$1.17539 per Ccf. This represents a \$0.20779 per Ccf decrease. The PGA rate for the 2007/2008 winter was \$0.92330 per Ccf. The changes reflect an increase in the firm PGA rate of \$0.04430 per Ccf above last winter. Based on average winter usage, a residential customer's bill for the five winter months is expected to be approximately \$22.00 higher than last winter, or an approximate 4% increase.

6. For Atmos' Southeast Area (Neelyville District, served by Natural Gas Pipeline Company of America), the effect of this filing is to decrease the firm PGA factors for the 2008/2009 winter to \$0.92210 per Ccf from the current, firm PGA factor of \$1.08750 per Ccf. This represents a \$0.16540 per Ccf decrease. The PGA rate for the 2007/2008 winter was \$0.83550 per Ccf. The changes reflect an increase in the firm PGA rate of \$0.08660 per Ccf above last winter. Based on average winter usage, a residential customer's bill for the five winter months is expected to be approximately \$44.00 higher than last winter, or an approximate 9% increase.

The Commission's Staff filed its Memorandum and Recommendation on

October 28, 2008. In its Memorandum and Recommendation, Staff supports the change in the costs and in the ACA factor and supports Commission approval and incorporation of the change in rates, in that any rate change at this time is subject to true-up in the ACA process. Staff notes that, because Atmos' PGA clause allows for PGA change filings to take effect on ten days' notice, good cause has been shown pursuant to Section 393.140(11), RSMo 2000, to permit the tariff to become effective on less than 30 days' notice. Staff recommends that the rates be approved on an interim basis, subject to refund, pending final Commission decisions in ACA Case Nos. GR-2008-0364 and GR-2007-0403.

Staff also recommends the Commission grant all other relief requested by the Procurement Analysis Department in Staff's Recommendation Memorandum of the October 28, 2008 Staff Recommendation, to wit: permit Staff to submit its results and recommendation regarding the information included in this ACA filing to the Commission on or before December 31, 2009.

The Commission has reviewed the proposed tariff sheet and Staff's Memorandum and Recommendation. The Commission finds that the proposed tariff sheet conforms to the Company's Commission-approved PGA Clause. After considering Staff's recommendation, and for good cause shown pursuant to Section 393.140(11), RSMo 2000, the Commission concludes that the proposed tariff sheet should be approved to become effective on November 1, 2008, on an interim basis, subject to refund, pending final Commission decisions in ACA Case Nos. GR-2008-0364 and GR-2007-0403.

**IT IS ORDERED THAT:**

1. The proposed tariff sheet filed on October 17, 2008, by Atmos Energy Corporation is approved on an interim basis, subject to refund, pending final Commission decisions in ACA Case Nos. GR-2008-0364 and GR-2007-0403, for service rendered on and after November 1, 2008. The specific tariff sheet approved is:

**P.S.C. MO. No. 2**

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**4th Revised Sheet No. 44, Canceling 3rd Revised Sheet No. 44**

2. This order shall become effective on November 1, 2008.

**BY THE COMMISSION**



Colleen M. Dale  
Secretary

( S E A L )

Colleen M. Dale, Chief Regulatory  
Law Judge, Pursuant to  
Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,  
on this 30<sup>th</sup> day of October, 2008.