

In the Matter of the Application of )  
 Atoms Energy Corporation for a Variance ) **Case No. GE-2008-0342**  
 and Waiver from the Provisions of )  
 4 CSR 240-40.040(3). )

**IN SUPPORT OF VARIANCE AND WAIVER**

1. Atmos Energy Corporation (Atmos) made this request in its Application for a Variance and Waiver as a result of a requirement in the Stipulation and Agreement (Stipulation) in Case No. GR-2006-0387. On February 22, 2007, the Commission issued its Report and Order accepting the Stipulation in Case No. GR-2006-0387.

Maintain records which classify, for each plant account, the amounts of annual additions and retirements so as to show the number and cost of various record units or retirement units by vintage year.

3. In section VI of the Agreement in Case No. GR-2006-0387, Atmos agreed to update the vintage portion of the continuing property records.

4. The application for Variance, paragraph 7, states; “the Company (Atmos) was able to identify the vintages for 7,742 of 8,848 asset records.” For the remaining assets with no vintage record, Atmos requests that the Commission enter an order granting a waiver from the provisions of 4 CSR 240-40.040(3). Atmos proposes to record retirements based on average cost per unit for these assets with no vintage record.

5. Commission rule 4 CSR 240-40.040(3) sets forth certain requirements for gas utilities with respect to maintaining and keeping records. Specifically subpart (J) requires a gas utility to “...maintain records which classify, for each plant account, the amounts of the annual additions and retirements so as to show the number and cost of the various record units or retirement units by vintage year...” Commission Rule 4 CSR 240-40.040(5) states: “The Commission may waive or grant a variance from the provision of this rule, in whole or in part, for good cause shown, upon a utilities written application.”

6. For the acquired assets with no vintage record, Atmos attempted a revintaging process. Atmos reviewed with Commission Staff the revintaging process and the process for retirement value related to assets that will continue to have no vintage. Atmos was able to extract information from legacy accounting systems to allow revintaging 7,742 of 8,848 asset records. For assets with no vintage record, Atmos will record retirements into appropriate accounts based on the average cost per unit of the retirements by business segment and account for the date of retirement.

7. The Commission Staff is in agreement with the actions taken, and supports the granting of a waiver from the provisions of 4 CSR 240-40.040(3) as requested in Case No. GE-2008-0342. The Commission Staff agrees that no harm to the ratepayer or to the company (Atmos) will occur by the granting of this waiver. Depreciation expense will be consistent with the expenditure of capital, and excessive cost to continue to find "lost" records will be avoided. Staff understands the difficulty and cost associated with trying to recreate these remaining records. For all other plant capital records, Atmos will maintain plant additions and retirements by vintage year per 4 CSR 240-40.040(3).

**WHEREFORE**, for the reasons stated above, Staff recommends the Commission enter an Order affirming the Commission's March 22, 2007 Report and Order in its entirety.

Respectfully submitted,

/s/ Lera L. Shemwell

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**Certificate of Service**

The undersigned certifies that a true and correct copy of the foregoing pleading was served on all parties to this case on this 21<sup>st</sup> day of May, 2008, by United States mail, hand-delivery, electronic mail, or facsimile.

/s/ Lera L. Shemwell