

**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

AMENDMENT TO PUBLIC COUNSEL'S RESPONSE

COMES NOW the Office of the Public Counsel (Public Counsel) and 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 (Response).

2. The Response mistakenly includes the word "reservations" instead of the word "revenue" in the sentence in Footnote 2 on Page 6 of the Response. Attached to this Motion is an amended Page 6, filed pursuant to 4 CSR 240-2.080(20).

WHEREFORE, the Office of the Public Counsel respectfully amends its Response with the attached Page 6.

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

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been sent via email on this 5th day of December 2008:

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

six percent kilowatt hour growth factor to account for the expected increase in customer usage. The Commission's December 20, 2007 Report and Order concluded:

National public policy regarding energy efficiency requires Aquila and its customers to at least attempt to reduce the growth in use of electric power. Aquila's proposed fixed bill pilot program would instead have the perverse effect of encouraging residential customers to use electricity without regard to the price signal otherwise associated with increased usage.

...

Based on the facts as it has found them, and its conclusions of law, the Commission finds that Aquila's proposed expansion and extension of its fixed bill pilot program would not give proper pricing signals to customers and would therefore encourage the wasteful use of electricity. This may result in unnecessary increases in Aquila's residential load, causing harm to Aquila's customers as well as to the public.

The Commission's rationale for rejecting Aquila's attempt to expand its fixed bill program illustrates the Commission's concern with improper price signals caused by fixed charges and the load-building impact of fixed charges. For this reason, Public Counsel believes the Commission in the present case expected Atmos' annual report to contain an analysis that allows the Commission to assess the impacts of the improper price signals caused by the SFV rate design, not simply a report that says dollars were spent. Atmos' Report, therefore, fails to comply with the Commission's *Report and Order*, and Atmos should be ordered to comply. Atmos' Report should have provided an analysis of whether there was an increase in usage resulting from the removal of the price signal.² At a minimum, Atmos should begin its analysis with a study of the weather normalized usage per customer before the SFV rate design, after the first year of the SFV

² Most states that have moved to a decoupling rate design included provisions that retained the price signal of keeping volumes tied to rates and adopted a true-up mechanism to account for lost revenue associated with consumer conservation.