

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
JEFFERSON CITY  
February 28, 2002**

**CASE NO: GR-2000-573**

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**Enclosed find certified copy of an ORDER in the above-numbered case(s).**

Sincerely,



**Dale Hardy Roberts**  
**Secretary/Chief Regulatory Law Judge**

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service  
Commission held at its office in  
Jefferson City on the 28th day of  
February, 2002.

In the Matter of Atmos Energy Corporation's Purchased	)	
Gas Adjustment to be Reviewed in its 1999-2000	)	<b><u>Case No. GR-2000-573</u></b>
Actual Cost Adjustment	)	

**ORDER REQUIRING ADJUSTMENT OF ACA BALANCE**

This case was opened for the purpose of receiving the 1999-2000 Actual Cost Adjustment (ACA) filing of Associated Natural Gas Company (ANG) for its Southeast Missouri District (SEMO), its Kirksville District, and its Butler District. On June 1, 2000, Atmos Energy Corporation (Atmos) became the owner and operator of these districts under a transaction approved by the Commission in Case No. GM-2000-312.

On November 2, 2001, the parties filed their First Amended Settlement Agreement and Release in this case. The agreement divides the 12-month review period into two time periods, one 9-month period relating to ANG's natural gas purchasing practices and operations in Missouri (September 1, 1999 to May 31, 2000) and one 3-month period relating to the natural gas purchasing practices and operations in Missouri of Atmos (June 1, 2000 to August 31, 2000). The agreement compromised and resolved the issues related to ANG. The Commission approved the agreement on November 27, 2001.

In their agreement the parties recommended that a new case be established to address the issues related to Atmos. However, in the intervening time period, the parties

32

have been able to resolve all remaining issues and now agree that there is no need to open a new case if the Commission accepts and approves Staff's Revised Recommendations filed on February 15, 2002. (Joint Motion to Close Case, filed February 20, 2002) The parties further advise the Commission that ANG has discharged all its obligations under the agreement and that Atmos is processing and distributing refunds due to ANG customers from funds provided by ANG.

Staff filed its original recommendation regarding Atmos on November 1, 2001. Atmos responded on December 6, 2001. A prehearing and settlement conference was held on January 23, 2002. The parties indicated that Staff and Atmos had had extensive discussions to resolve their differences of the adjustments proposed by Staff. Staff was directed at the prehearing and in an order issued on January 24, 2002, to file a revised recommendation.

Staff filed its revised recommendation on February 15, 2002, addressing all of the remaining issues which are the adjustments relating to Atmos for (over)/under recovered ACA, transition cost and refund balances. In the February 20 Joint Motion to Close case, Atmos accepts Staff's adjustments and all the parties request that the Commission order approval of Staff's adjustments and recommendations and that this case be closed.

Staff has audited the billed revenues and actual gas costs for Atmos' 1999/2000 filing and proposed the following:

1. That Atmos reduce gas costs for firm sales ACA by \$83,778 and interruptible sales ACA by \$31,592, for a total reduction of \$115,370 to eliminate certain expenses for Liquefied Natural Gas services;

2. That Atmos include NGPL cash out credits totaling \$54,600 in adjustments to SEMO gas costs. This results in a reduction to SEMO gas costs for the firm sales ACA of \$47,682 and \$6,918 for the interruptible sales ACA;
3. That Atmos make adjustments related to a calculation error of the interest component of the Deferred Carrying Cost Balance. The correction results in a \$12,848 adjustment to the SEMO District's interruptible customer ACA balance; a \$1,289 adjustment to the Kirksville District's interruptible customer ACA balance; and a 1,543 adjustment to the Butler District's interruptible customer ACA balance.
4. Staff noted that it had previously requested and the Commission had previously ordered Atmos to submit to Staff information necessary to complete a reliability analysis. This information is due on February 28, 2002.

Staff recommended that the Commission issue an order approving and requiring the adjustments relating to Atmos for (over)/under recovered ACA, transition cost and refund balances.

The Commission has reviewed Staff's recommendations and the Parties Joint Motion to Close Case. The Commission concludes that ANG has discharged its obligations under the previously approved settlement agreement, that Staff's recommendations should be implemented and this case should be closed.

**IT IS THEREFORE ORDERED:**

1. That Associated Natural Gas Company, a division of Arkansas Western Gas Company, has discharged its obligations under the First Amended Settlement Agreement and Release approved by the Commission on November 27, 2001.
2. That Atmos Energy Corporation shall make the adjustments approved in this order and adjust the ACA balances accordingly in its next ACA filing to reflect the adjustments proposed by the Staff of the Commission.
3. That this order shall become effective on March 10, 2002.
4. That this case may be closed on March 11, 2002.

**BY THE COMMISSION**



**Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge**

( S E A L )

Simmons, Ch., Murray, Lumpe, Gaw and Forbis, CC., concur

Mills, Deputy Chief Regulatory Law Judge

AL/Secretary:

*Mills/Bryce*

Date Circulated

*2-25*

CASE NO.

*CR-2000-573*

*KS*  
Simmons, Chair

*LM*  
Murray, Commissioner

*LS*  
Lumpke, Commissioner

*BP*  
Gaw, Commissioner

*BP*  
Forbis, Commissioner

Agenda Date

*2-28*

Action taken:

*5-0 45*

Must Vote Not Later Than

## STATE OF MISSOURI

### OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and

I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,

Missouri, this 28<sup>ST</sup> day of February 2002.

*Dale Hardy Roberts*

Dale Hardy Roberts

Secretary/Chief Regulatory Law Judge

