

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 24th of
February, 2010.

Verified Application and Petition of)
Atmos Energy Corporation)
to Change its)
Infrastructure System Replacement Surcharge)

Case No. GO-2010-0168
Tracking No. YG-2010-0369

**ORDER SETTING ISRS AMOUNTS,
REJECTING TARIFFS, AND DIRECTING THE FILING OF TARIFFS**

Issue Date: February 24, 2010

Effective Date: February 24, 2010

The Missouri Public Service Commission is granting the petition of Atmos Energy Corporation (“Atmos”) to change Atmos’ infrastructure system replacement surcharge (“ISRS”). The Commission is also setting Atmos’ ISRS rates, requiring Atmos to file new tariffs in compliance with such rates, and rejecting the pending tariffs. Atmos’ petition seeks an ISRS increase to recover costs related to eligible plant placed in service from April 1, 2008, through June 30, 2009, in each of the three districts of its service territory.

On December 1, 2010, Atmos filed the petition with supporting documents including an affidavit and a tariff. The Commission suspended the tariff until March 31, 2010.¹ In the same order, the Commission gave notice of such filing as the law requires;² and set the time to file an application for intervention, but the Commission received no application for intervention.

¹ Order dated December 8, 2009.

² Section 393.1015.1(2), RSMo Supp. 2009.

The suspension of the tariff initiated a contested case.³ A contested case decision need not include conclusions of law and separately stated findings of fact if a stipulation, consent order or agreed settlement disposes of the action.⁴ Such is the case here for the following reasons.

The Commission's staff ("Staff") filed Staff's Recommendation with a memorandum and supporting affidavit. In the recommendation, Staff adjusts Atmos' incremental revenue requirement by \$33,102. Staff filed the recommendation on February 1, 2010. On February 2, 2010, Atmos filed a Notice of Agreement. In that notice, Atmos asks the Commission to decide the petition in accordance with Staff's Recommendation. February 11, 2010, was the due date for any response to the recommendation,⁵ but the Commission received no other response.⁶

Therefore, the Commission finds and concludes that the parties consent to an order in accordance with Staff's Recommendation. The Commission also independently finds and concludes that:

- The petition complies with the requirements of sections 393.1009 to 393.1015, RSMo;⁷
- An ISRS in accordance with Staff's Recommendation is sufficient to recover appropriate pretax revenue;⁸ and
- The rates as adjusted are just and reasonable.⁹

³ Section 393.150.1, RSMo 2000.

⁴ Section 536.090, RSMo 2000.

⁵ 4 CSR 240-2.080(15).

⁶ Though made a party under 4 CSR 240-2.010(11), the Office of the Public Counsel has exercised its discretion under Section 386.710.1(2) and (3), RSMo 2000, in favor of entering no appearance.

⁷ Section 393.1015.1(4), RSMo Supp. 2009.

⁸ *Id.*

Therefore, the Commission will reject the pending tariff, and direct Atmos to file a tariff with ISRS rates authorized in accordance with Staff's Recommendation as set forth below.

THE COMMISSION ORDERS THAT:

1. The tariff sheet that Atmos Energy Corporation ("Atmos") issued and filed on December 1, 2009, to which the Commission assigned tracking number YG-2010-0369, is rejected. The specific tariff sheet rejected is:

P.S.C. MO. No. 2
2nd Revised Sheet No. 19, Canceling 1st Revised Sheet No. 19

2. The Commission authorizes Atmos to impose an infrastructure system replacement surcharge ("ISRS") as set forth in the Staff Recommendation. Such ISRS shall include incremental ISRS surcharge revenues, in the amount of annual pre-tax revenues, as follows.

District	Current Amount (\$)	Incremental Increase (\$)	Cumulative Amount (\$)
West	10,332	24,952	35,284
Southeast	99,622	118,879	218,501
Northeast	298,226	419,634	717,860
Total	408,108	563,465	971,645

Atmos shall set an ISRS rate for each customer class in each district as set forth in the Staff Recommendation, Appendix B.

3. No later than March 11, 2010, Atmos shall file any revised tariff sheets ("tariff") necessary to collect an ISRS as described in paragraph 2, and the Commission's staff shall file a recommendation as to such tariff no later than March 18, 2010.

⁹ Section 393.150, RSMo 2000.

4. This file shall remain open for the filings described in paragraph 3 and the Commission's final decision.

5. This order shall become effective immediately upon issuance.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'S. Reed', is positioned above the printed name of the Secretary.

Steven C. Reed
Secretary

(S E A L)

Clayton, Chm., Davis, Jarrett,
Gunn and Kenney, CC., concur.

Jordan, Regulatory Law Judge