

FILED

BEFORE THE PUBLIC SERVICE COMMISSION DEC 15 2003
OF THE STATE OF MISSOURI

Missouri Public
Service Commission

In the matter of Atmos Energy)
Corporation's Purchased Gas Adjustment)
Factors to be Reviewed in Its)
2000-2001 Actual Cost Adjustment.)

Case No. GR-2001-396

In the matter of United Cities Gas)
Company's Purchased Gas Adjustment)
Tariff Revisions to be Reviewed in Its)
2000-2001 Actual Cost Adjustment.)

Case No. GR-2001-397

UNANIMOUS STIPULATION AND AGREEMENT

COME NOW Atmos Energy Corporation ("Atmos" or "Company"), the Staff of the Missouri Public Service Commission ("Staff") and the Office of the Public Counsel ("OPC") (collectively, "the Parties"), and submit this Unanimous Stipulation and Agreement ("Stipulation and Agreement") for approval by the Missouri Public Service Commission ("Commission"). This Stipulation and Agreement resolves all remaining issues in this consolidated Actual Cost Adjustment ("ACA") proceeding as follows:

1. This case concerns the 2000-2001 ACA filing for Atmos Energy Corporation's "Atmos" division in Case No. GR-2001-396, and the 2000-2001 ACA filing for what was formerly Atmos' United Cities Gas Company division in Case No. GR-2001-397.¹ These cases were consolidated on November 27, 2002.

Exhibit No. 33
Case No(s) GR-2001-382, etc.
Date 12-24-03 Rptr xf

¹ Since October 1, 2002, Atmos Energy Corporation has operated all of its various divisions using the name "Atmos Energy." For purposes of the tariff currently in effect in Missouri, the former United Cities Gas Company division, which is the subject of Case No. GR-2001-397, is now referred to as "Area P" (Palmyra area) and "Area U" (remaining areas of United Cities division; i.e., Hannibal/Canton, Bowling Green, and Neelyville). The Atmos division, which is the subject of Case No. GR-2001-396, services the area formerly operated by Associated Natural Gas Company, and is now referred in the Atmos tariff as "Areas B, K, and S" (Butler, Kirksville, and SEMO areas, respectively).

2. The Parties agree that the following issues remained in dispute in this consolidated proceeding:

Case No. GR-2001-396

(a) Staff's proposed adjustment to disallow agency fees in the amount of \$4,886 and \$576 for firm and interruptible customers respectively;

(b) Staff's proposed adjustment to disallow overrun gas costs in the amount of \$5,500 and \$2,697 for firm and interruptible customers respectively;

(c) Staff's proposed adjustment to reduce gas costs by \$20,824, based upon Staff's concern about the Piedmont District's gas supply exceeding peak day requirements for the 2000/2001 ACA period;

(d) Staff's proposed adjustment to reduce gas costs by \$1,119,105, based upon Atmos' purchasing practices related to flowing gas and storage withdrawals during the 2000-2001 ACA period; and

(e) Staff's recommendation that the Company submit to the Staff, by January 1, 2003, a copy of the Company's policies and procedures for those employees responsible for nominating natural gas.

Case No. GR-2001-397

(a) Staff's proposed adjustment to reduce gas costs by \$15,875 in the Neelyville District, and by \$105,326 in the Consolidated District, based upon Staff's concern regarding Atmos' minimum hedging practices;

(b) Staff's proposed adjustment to reduce gas costs by \$454,763, based upon Atmos' purchasing practices related to flowing gas and storage withdrawals during the 2000-2001 ACA period; and

(c) Staff's recommendation that the Company submit to the Staff, by December 1, 2002, a copy of the Company's policies and procedures for those responsible for nominating natural gas.

3. The Parties initiated discussions to determine whether an amicable settlement of the above-noted contested issues was possible. As a result of those discussions, the Parties have now reached a resolution and settlement of these issues. The Parties believe the settlement to be reasonable and beneficial to ratepayers in this case, and therefore recommend that the Commission approve this Stipulation and Agreement as being in the public interest.

4. Specifically, in order to resolve the remaining issues in this proceeding, the Parties agree to the following:

(a) that the gas costs related to Case No. GR-2001-396 will be reduced by \$207,490, beginning with the Company's scheduled winter filing for 2003;

(b) that the gas costs related to Case No. GR-2001-397 will be reduced by \$137,911, beginning with the Company's scheduled winter filing for 2003;² and

(c) that the Company will submit to the Staff, by July 15, 2003, a copy of the Company's policies and procedures for those employees responsible for nominating natural gas.

5. The Parties further agree that, in addition, the following Staff recommendations were accepted by Atmos³:

² Specific, agreed-upon 2000-2001 ACA period adjustments and ending balances for Case Nos. GR-2001-396 and GR-2001-397 are respectively set forth in Appendix A and Appendix B, attached hereto.

³ See Staff Recommendation filed September 30, 2002 in Case No. GR-2001-396, and Staff Recommendation filed August 29, 2002 in Case No. GR-2001-397.

Case No. GR-2001-396

(a) ACA Adjustments

	<u>SEMO</u>	<u>Kirksville</u>	<u>Butler</u>
LNG Plant*	(\$423,774)		
Revenues	\$121,948	(\$100,712)	
DCCB**	(\$39,702)	(\$45,190)	(\$16,919)
Storage	(\$61,006)	\$12,814	

*Liquified Natural Gas Plant

**Deferred Carrying Cost Balance

(b) Atmos should be required to submit updated reliability information to Staff by February 3, 2003.

Case No. GR-2001-397

(a) ACA Adjustments

Consolidated Demand:	DCCB	(\$2,885)
Consolidated Commodity:	DCCB	(\$51,151)
	Propane	(\$2,164)

(b) Atmos should be required to submit updated reliability information to Staff by February 3, 2003.

The Parties note that Atmos has complied with the above-noted Staff recommendations regarding submission of reliability information.

6. This Stipulation and Agreement shall become effective upon Commission approval without modification by final Commission order. Such order becomes “final” either by issuance of a Commission order on rehearing or, if no rehearing request is filed, thirty (30) days after issuance of the Commission’s order approving the Stipulation and Agreement, or such other effective date selected by the Commission.

7. a. This Stipulation and Agreement has resulted from extensive negotiations among the Parties and the terms hereof are interdependent. In the event the Commission

does not adopt this Stipulation and Agreement in total, then this Stipulation and Agreement shall be void and no Party shall be bound by any of the agreements or provisions hereof. The stipulations herein are specific to the resolution of this proceeding, and all stipulations are made without prejudice to the rights of the Parties to take other positions in other proceedings.

b. This Stipulation and Agreement is being entered into for the purpose of disposing of all issues in this consolidated case. None of the Parties to this Stipulation and Agreement shall be deemed to have approved, accepted, agreed, consented or acquiesced to any accounting principle, ratemaking principle or cost of service determination underlying, or supposed to underlie any of the issues provided for herein.

c. The Parties further understand and agree that the provisions of this Stipulation and Agreement relate only to the specific matters referred to in the Stipulation and Agreement, and no Party waives any claim or right which it otherwise may have with respect to any matters not expressly provided for in this Stipulation and Agreement. The Parties further reserve the right to withdraw their support for the settlement in the event that the Commission modifies the Stipulation and Agreement in a manner which is adverse to the Party withdrawing its support and further, the Parties reserve the right to contest any such Commission order modifying the settlement in a manner which is adverse to the Party contesting such Commission order.

8. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the Parties waive, with respect to the issues resolved herein: their respective rights pursuant to Section 536.070(2) RSMo 2000 to call, examine and cross-examine witnesses; their respective rights to present oral argument or written briefs pursuant to Section 536.080.1 RSMo

2000; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2 RSMo 2000; their respective rights to seek rehearing pursuant to Section 386.500 RSMo 2000; and their respective rights to judicial review pursuant to Section 386.510 RSMo 2000.

9. The Staff shall, within fourteen (14) days of the filing of this Stipulation and Agreement, file with the Commission suggestions or a memorandum in support of this Stipulation and Agreement, and the other parties shall have the right to file responsive suggestions within seven (7) days of receipt of Staff's memorandum.

10. The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, promptly provide other parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to any Protective Order issued in this case.

11. To assist the Commission in its review of this Stipulation and Agreement, the Parties also request that the Commission advise them of any additional information that the Commission may desire from the Parties relating to the matters addressed in this Stipulation and Agreement, including any procedures for furnishing such information to the Commission.

WHEREFORE, the undersigned Parties respectfully request that the Commission issue its Order:

- a) Approving all of the specific terms and conditions of this Unanimous Stipulation and Agreement;
- b) Approving: (1) the balances for Case No. GR-2001-396, attached hereto as Appendix A; and (2) the balances for Case No. GR-2001-397, attached hereto as Appendix B;
- c) Closing this case; and,
- d) Granting such further relief as the Commission should find reasonable and just.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/ Dennis L. Frey

Dennis L. Frey
Senior Counsel
Mo. Bar No. 44697

Attorney for the Staff of the
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
(573) 751-8700 (Telephone)
(573) 751-9285 (Fax)
dennyfrey@psc.state.mo.us (email)

/s/ Douglas E. Micheel

Douglas E. Micheel
Senior Public Counsel
Missouri Bar No. 38371

Attorney for the
Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102
(573) 751-5560 (Telephone)
(573) 751-5562 (Fax)
dmicheel@ded.state.mo.us (email)

/s/ James M. Fischer

James M. Fischer
Attorney at Law
Missouri Bar No. 27543

Attorney for Atmos Energy Corporation
Fischer & Dority, P.C.
101 Madison Street – Suite 400
Jefferson City, MO 65101
(573) 636-6758 (Telephone)
(573) 636-0383 (Fax)
jfischerpc@aol.com (email)

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or e-mailed to all counsel of record this 4th day of April 2003.

/s/ Dennis L. Frey

Appendix A⁴

Atmos GR-2001-396 2000-01 ACA	Balances per 1999-00 Order	2000-01 ACA (over)/under recovery	Staff Adjustments	Ending Balances (over)/under recovery
SEMO district:				
Firm ACA	\$1,445,036	(\$3,687,986)	(\$629,375)	(\$2,872,325)
Interruptible ACA	\$270,528	(\$478,927)	\$23,450	(\$184,949)
Firm Refund	\$7,795	\$5,410	\$108	\$13,313
Interruptible Refund	\$1,345	\$627	(\$76)	\$1,896
Transportation transition cost	\$54,672	(\$81,436)		(\$26,764)
Kirksville district:				
Firm ACA	\$210,018	(\$1,585,398)	(\$35,691)	(\$1,411,071)
Interruptible ACA	\$69,787	(\$297,091)	(\$102,496)	(\$329,800)
Firm Refund	\$16,066	\$19,602	(\$13,615)	\$22,053
Interruptible Refund	\$5,455	\$6,744	(\$6,014)	\$6,185
Transportation transition cost	\$3,709	(\$4,313)	\$0	(\$604)
Butler district:				
Firm ACA	\$60,644	(\$713,725)	(\$16,155)	(\$669,236)
Interruptible ACA	\$2,265	(\$44,284)	(\$764)	(\$42,783)
Firm Refund	(\$456)	\$3,475	(\$1,063)	\$1,956
Interruptible Refund	\$5,086	(\$3,892)	(\$143)	\$1,051

⁴ The amounts shown in both Appendix A and Appendix B reflect both the settlement of the contested issues identified in Paragraph 2 of this Stipulation and Agreement and the Staff's recommended adjustments accepted by Atmos, as set forth in Paragraph 5 of this Stipulation and Agreement.

Appendix B

United Cities GR-2001-397 2000-01 ACA	Balance – UCGC Filing Adjusted for Staff Recommendations in Prior ACA Case	Staff Adjustments	Ending Balances
Consolidated District: Demand ACA	\$ (614,564)	\$ (2,887)	\$ (617,451)
Commodity ACA	\$ 316,810	\$ (183,447)	\$ 133,363
Take-or-Pay	\$ 10,655		\$ 10,655
Neelyville District: Demand ACA	\$ (6,003)	\$ 2	\$ (6,001)
Commodity ACA	\$ 45,554	\$ (7,778)	\$ 37,776
Take-or-Pay	\$ (79)		\$ (79)
Refund	\$ (263)		\$ (263)
Hannibal/Canton District: Refund	\$ (2,227)		\$ (2,227)
Palmyra District: Refund	\$ (14,235)		\$ (14,235)
Bowling Green District: Refund	\$ 789		\$ 789