

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
JEFFERSON CITY  
May 3, 2001**

**CASE NO: GR-99-392**

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

**Sincerely,**



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

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

In the Matter of Associated Natural Gas	)	
Company's Purchased Gas Adjustment	)	<u>Case No. GR-99-392</u>
Factors to be Reviewed in its 1998-1999	)	
Actual Cost Adjustment	)	

**SECOND ORDER DIRECTING FILING OF ADDITIONAL DATA, ANALYSIS AND  
DOCUMENTATION REGARDING PEAK DAY REQUIREMENTS AND RESOURCES**

In case number GM-2000-312, on April 20, 2000, the Missouri Public Service Commission issued an order approving a unanimous stipulation and agreement by which Atmos Energy Corporation was permitted to acquire the assets of Arkansas Western Gas Company, d/b/a Associated Natural Gas Company, and to provide natural gas service in the areas previously served by ANG. Paragraph b(5) of the stipulation and agreement provides that Atmos agreed to conduct a thorough, detailed, well-documented peak day study, to be completed by December 31, 2000, with regard to the SEMO, Kirksville, and Butler systems/districts and contracts, which it purchased from ANG. Atmos filed a peak day study on January 2, 2001. On January 30, 2001, the Staff of the Commission filed a pleading entitled Response to Atmos' Peak Day Report.

In this case, i.e., case number GR-99-392, on February 9, 2001, Staff filed a pleading entitled Response to Atmos' Peak Day Study asking for the relief set forth in Attachment A, which was the pleading Staff had filed on January 30, 2001, in case number

GM-2000-312. Atmos did not responded to Staff's pleading within the ten days permitted by Commission Rule 4 CSR 240-2.080(16).

Staff's response indicates dissatisfaction with the peak day study filed by Atmos and recommends that the Commission direct Atmos to file additional data, analysis and documentation not later than May 1, 2001. The particular data, analysis and documentation sought by Staff, as set forth in its Response to Atmos' Peak Day Report, is as follows:

### **Problems Common to All System Reports**

1. The study for each system contained an estimate of peak day requirements, actual comparisons of usage on actual days to the estimated usage obtained by application of Atmos' model. The study did not contain work papers, or calculations supporting Atmos' estimates. The Staff had requested in its Staff Recommendation filed on August 1, 2000, in Atmos' ACA Case No GR-99-392, that Atmos provide specific information and analysis regarding peak day use.

2. The Staff recommends that a Peak Day study for each of the five systems contain the following items in addition to the items already provided:

- (a) An estimate of annual demand;
- (b) An explanation of the supply, transportation, and storage resources to meet the peak and annual demand;
- (c) An explanation of the disparity between the demand predicted by Atmos' model and the actual demand on the sample days;

(d) The reserve margin for the current ACA period and the expected margins for the next three ACA periods;

(e) Copies of all gas supply, transportation, storage, and propane contracts (including service agreements, letter agreements, term sheets, etc.) in effect for the peak day study period;

(f) A summary of the major provisions of such contracts, including maximum daily quantities (MDQ), maximum daily injection quantities (MDIQ), maximum daily withdrawal quantities (MDWQ);

(g) A summary of contract assignments for each Missouri service area;

(h) For storage and peak shaving facilities:

1. Documents showing MDWQ at the beginning of the heating season, storage capacity, and cushion gas volumes;

2. Documents showing constraints in use of such facilities;

3. Supporting documentation, studies, reports and calculations;

(i) An explanation of the reasonableness of reserve margins;

(j) A copy of the criteria and procedures for ensuring reliable supply;

(k) A copy of the procedures for ensuring adequate pressure for firm customers on a peak day; and

(1) A copy of the curtailment plans and any other contingency plans for supply or transportation interruptions.

3. Supporting information should be provided in hard copy and in Excel spreadsheet, to include:

(a) Two years of December through February daily pipeline receipts, daily pipeline deliveries, daily interruptible deliveries, monthly sales volumes by customer class, and monthly heating degree-days;

(b) The 30-year series of the daily heating degree-days used;

(c) The customer growth estimates used, and supporting data and calculations; and

(d) Regression analysis and data used to estimate base load factors and heat load factors.

4. If capacity is not sufficient to meet 30-year historical peak heating degree-days, provide an economic explanation comparing the cost of additional capacity to the cost of contract penalties.

5. Atmos excluded unreasonably high or low peak heating degree-days, but provided no explanation. Further, Atmos based its calculations on a single peak day for each year. Atmos should provide an explanation for these practices, and show the calculations.

## **System-specific Concerns**

### **Jackson System**

6. Please explain the discrepancies between the estimate demand and actual demand on 1/4/99.

7. The commercial usage calculation for 1/25/00 appears incorrect. Please explain.

8. Atmos states that Poplar Bluff weather is used for the Jackson estimates, but the attached sheet appears to be Kirksville weather. Please explain.

### **Piedmont System**

9. The Piedmont daily base/commercial customer peak day is shown as zero. Please explain.

10. Please explain the discrepancies between the estimated 1/4/99 and 1/27/00 estimated firm sales and actual firm sales.

11. Atmos states that Poplar Bluff weather is used for the Piedmont review, but the attached sheet appears to be Kirksville weather. Please explain.

### **Butler System**

12. The commercial usage calculation for 12/20/99 appears incorrect. Please explain.

13. Atmos shows 72 heating degree-days as the peak, based on Kansas City, Missouri, weather data. Atmos states that 30+ years of weather data is reviewed. The attached list includes only 28 years of data shown as Kirksville,

and three of those 28 years have peak days colder than 72.  
Please explain.

#### **Kirksville System**

14. The commercial usage calculation for 1/26/00 appears incorrect. Please explain.

15. The weather data includes 40 data points, five of which are colder than 75 heating degree days, but the Company uses 75 HDD as the peak day. Please explain.

#### **SEMO or Integrated System**

16. Please explain how the usage for the 8 industrial firm customers was estimated for 12/20/98 and 12/22/99.

17. Please explain why Paducah, Kentucky, weather data is more appropriate than data for Cape Girardeau or Poplar Bluff, Missouri.

18. Using Paducah weather data Atmos has determined a 68 heating degree-day peak. The data shows a greater peak day in December 1989. Please explain.

The Commission found that the additional data, analysis, and documentation sought by Staff appear to be reasonably calculated to permit Staff to make a meaningful review of Atmos' peak day requirements and resources. Furthermore, Atmos has not indicated any opposition to providing the additional information. Thus, Atmos was directed to provide the additional information requested by Staff in an order issued by the Commission on February 20, 2001. The deadline for the filing was May 1, 2001. Atmos did not comply with that order and will once again be ordered to provide the additional information.

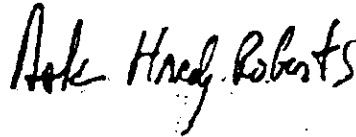
**IT IS THEREFORE ORDERED:**

1. That Atmos Energy Corporation is directed to provide the additional data, analysis and documentation requested by the Staff of the Commission in its Response to Atmos' Peak Day Report, as set out above.

2. That Atmos Energy Corporation shall provide the additional data, analysis and documentation requested by the Staff of the Commission in the form of a Supplemental Peak Day Report to be filed on or before May 14, 2001.

3. That this order shall become effective on May 13, 2001.

**BY THE COMMISSION**



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

( S E A L )

Bill Hopkins, Senior Regulatory Law  
Judge, by delegation of authority under  
Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,  
on this 3rd day of May, 2001.



**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 3<sup>rd</sup> day of May 2001.

*Dale Hardy Roberts*

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

