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September 16, 2002

**FILED<sup>2</sup>**  
**SEP 16 2002**

Missouri Public  
Service Commission

Mr. Dale Hardy Roberts  
Executive Secretary  
Missouri Public Service Commission  
200 Madison Street, PO Box 360  
Jefferson City, MO 65102-0360

RE: In the Matter of the Tariff Filing Of Atmos Energy  
Corporation Case No. GT-2003-0037  
Tariff No. JG-2003-0044

Dear Mr. Roberts:

Enclosed please find for filing the original plus eight (8) copies of the Statement of Position to be filed on behalf of Missouri School Boards' Association in the above-captioned matter.

If you should have any questions concerning the enclosed filing, please do not hesitate to contact me. Thank you.

Very truly yours,

HENDREN AND ANDRAE, L.L.C.

*Richard S. Brownlee III*  
Richard S. Brownlee, III

RSB\s  
Enclosures  
All Counsel of Record  
Melissa Randol  
Louie R. Ervin

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED<sup>2</sup>  
SEP 16 2002  
Missouri Public  
Service Commission

In the Matter of the Tariff       )  
Filing Of Atmos Energy            )  
Corporation                         )  
Case No. GT-2003-0037  
Tariff No. JG-2003-0044

MISSOURI SCHOOL BOARDS' ASSOCIATION'S  
POSITION STATEMENT

COMES NOW, Missouri School Boards' Association (hereafter  
"MSBA") by and through its Counsel, Hendren and Andrae, L.L.C.,  
Richard S. Brownlee, III, and for its Position Statement  
respectfully submits as follows:

A. Do the tariffs filed by Atmos provide for the aggregate  
purchasing of natural gas supplies and pipeline transportation  
service on behalf of eligible school entities in accordance with  
aggregate purchasing contracts negotiated by and through a not-  
for-profit school association as required by Section  
393.310.4(1) RSMo Supp. 2002?

**MSBA'S POSITION:** MSBA notes that Section 393.310 RSMo  
Supp. 2002 defines the term "aggregate," and provides for  
pooling or aggregating of natural gas purchases by eligible  
school entities. The statute also addresses purchases of  
natural gas. The proposed experimental tariff filing for the  
eligible school entities allows aggregation at multiple meter  
locations, as required by the statute. MSBA believes that

aggregation is adequately defined in Atmos proposed tariffs sheets and accordingly complies with Section 394.310.4(1).

B. Do the tariffs filed by Atmos provide for the resale of such natural gas supplies, including related transportation service costs, to the eligible school entities at the gas corporation's cost of purchasing such gas supplies and transportation, plus all applicable distribution costs, plus an aggregation and balancing fee to be determined by the Commission, not to exceed four-tenths of one cent per therm delivered during the first year as required by Section 393.310.4(2) RSMo Supp. 2002?

**MSBA'S POSITION:** MSBA believes that the tariffs filed by Atmos do comply with Section 393.310.4(2) RSMo Supp. 2002. The Company is compensated for aggregating and balancing gas by charging a fee per therm of natural gas sales delivered to an eligible school entity's various locations as allowed by the statute. The statute allows a \$.004 cent per therm charge to be assessed on gas delivered to each eligible school entity. Atmos has broken the \$.004 per therm charge down into two components (\$.001 per Ccf for aggregation and \$.003 per Ccf for balancing). Atmos's proposed aggregation and balancing fees do not exceed the maximum charge set by statute.

C. Do the Atmos tariffs not require telemetry or special metering, except for individual school meters over one hundred

thousand therms annually as required by Section 393.310.4(3)  
RSMo Supp. 2002?

**MSBA'S POSITION:** MSBA believes that Atmos's proposed experimental tariff sheets comply with 393.310.4(3) RSMo Supp. 2002.

**D.** Is there sufficient evidence for the Commission to find that implementation of the aggregation program set forth in the Atmos tariffs will not have any negative financial impact on Atmos as required by Section 393.310.5 RSMo Supp. 2002?

**MSBA'S POSITION:** MSBA is not aware of any detriment to Atmos caused by its proposed aggregation tariffs. However, MSBA believes that the \$.004 per therm fee allowed for aggregation and balancing services in the first year may not be sufficient for Atmos to recover all of its incremental costs. Atmos can be allowed to charge more, up to its actual incremental cost of providing aggregation and balancing services in subsequent years.

**E.** Is there sufficient evidence for the Commission to find that implementation of the aggregation program set forth in the Atmos tariffs will not have any negative financial impact on Atmos's other customers as required by Section 393.310.5 RSMo Supp. 2002?

**MSBA'S POSITION:** MSBA is not aware of any detriment to the other customers of Atmos. However, the other customers of Atmos

could face a potential detriment if Atmos is not able to recover all of its costs related to the Experimental School Transportation Program. It is conceivable that Atmos would attempt to pass any un-recovered gas costs on to other customers through the Actual Cost Adjustment (ACA) process.

**F.** Is there sufficient evidence for the Commission to find that implementation of the aggregation program set forth in the Atmos tariffs will not have any negative financial impact on local taxing authorities as required by Section 393.310.5 RSMo Supp. 2002?

**MSBA'S POSITION:** Yes. MSBA believes that the method of calculation, collection and remittance of franchise taxes as stated in the testimony of witness Ervin will minimize any detriment, provided that Atmos implements the methods described. The amount of franchise taxes will vary from heating season to heating season, reflecting the volume of gas sold and the price of natural gas.

**G.** Is there sufficient evidence for the Commission to find that the aggregation charge is sufficient to generate revenue at least equal to all incremental costs caused by the experimental aggregation program as required by 393.310.5 RSMo Supp. 2002?

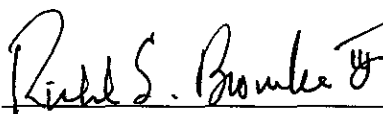
**MSBA'S POSITION:** MSBA believes that the aggregation and balancing charge of \$.004 per therm may be insufficient. There could also be some unforeseen matters in this new program.

Staff has proposed and set forth a true-up mechanism that would allow Staff to audit the program after the first year and after the second year and any over or under recovery of the program costs can be dealt with in the second and third years.

WHEREFORE, for the foregoing reasons, MSBA respectfully requests that the Commission accept MSBA's Position Statement.

Respectfully submitted,

HENDREN AND ANDRAE, L.L.C.



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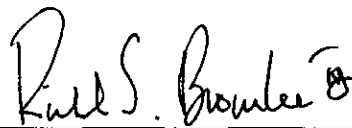
CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing has been mailed or and-delivered to the following on this 16<sup>th</sup> day of September, 2002:

James M. Fischer  
101 Madison Street  
Suite 400  
Jefferson City, MO 65101

Doug Michael  
Office of Public Counsel  
P.O. Box 7800  
Jefferson City MO 65102

Dana K. Joyce  
General Counsel  
MO Public Service Commission  
P.O. Box 360  
Jefferson City MO 65102

A handwritten signature in cursive script, reading "Richard S. Brownlee, III", written over a horizontal line.

Richard S. Brownlee, III