

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

In the Matter of Atmos Energy Corporation's Tariff)
Revision Designed to Consolidate Rates and)
Implement a General Rate Increase for Natural Gas)
Service in the Missouri Service Area of the Company.)

Case No. GR-2006-0387
Tariff No. YG-2006-0762

CONCURRING OPINION OF COMMISSIONER CONNIE MURRAY

I write separately to express my disagreement with conditioning the fixed variable rate design on an annual contribution of one percent (1%) of Atmos' annual gross revenues to an energy efficiency and conservation program. Under the circumstances of this case, Atmos' rates are ripe for being redesigned, as the record supports. It is inappropriate and likely extrajudicial for the Commission to order an expenditure not proposed by any party on the record for a program neither proposed nor yet designed.

Atmos has committed to spend \$78,000 for low income weatherization and has agreed to institute a residential efficiency audit program for all residential customers. In addition, Atmos committed to educating customers about the delivery charge prior to and during the implementation. Atmos has further committed to participate in collaborative meetings with the Staff and Public Counsel.

The new fixed variable rate design will eliminate the inherent conflict in the traditional rate design between the shareholders whose fixed cost recovery decreases when less gas is sold and ratepayers who only save money by using less gas. The new rate design provides revenue stabilization that removes the disincentive from the Company to encourage energy efficiency and conservation.

Rather than create a new expenditure program from evidence aliunde and Commission speculation, the Commission could have addressed its concern for tangible results in energy efficiency and conservation in a simpler way. It should have merely directed Atmos to file and Staff to review annually reports tracing the effect of the new rate design upon energy efficiency and conservation. The rate design's effectiveness could be evaluated prior to Atmos' next rate case and collaborative discussions in the meantime could explore potential improvements to Atmos' energy efficiency and conservation programs.

Otherwise, I agree with the Report and Order.

Respectfully submitted,


Connie Murray, Commissioner

Dated at Jefferson City, Missouri
on this 22nd day of February 2007.