



4. K.S.A. 66-1,202 requires all natural gas public utility rates to be just and reasonable.

**Analysis**

5. Commission Staff submitted a Report and Recommendation in regards to Application on July 13, 2015, attached hereto and made a part hereof by reference. Staff explains that the revisions to Rate Schedule FT 900 allow irrigation customers the option of taking Firm Transportation Service from Atmos Energy. The Facilities Charge for potential Irrigation Firm Transportation customers of \$86.93 per month will be equal to the Facilities Charge billed to the Commercial/Public Authority General and Industrial customers. Additionally, Irrigation customers will pay the same Delivery Charge of \$.09820/Ccf that they are currently billed under the Irrigation Sales Service tariff.

6. Staff finds in its Report and Recommendation that the proposed tariff revisions and accompanying rates are just and reasonable. Staff notes that the method of setting Firm Transportation Facilities Charges and Delivery Charges equal to or quite close to the Rate Class Sales Service Delivery Charge was approved in Atmos Energy's last rate case Docket No. 14-ATMG-320-RTS. Furthermore, Staff believes that Atmos Energy's proposed method of setting Firm Transportation rates for Irrigation customers to be a fair and logical method to use to set rates for new Irrigation Firm Transportation customers between rate cases. Staff recommends approval of Atmos Energy's Application.

7. The Commission finds Staff's findings and recommendation to be reasonable and hereby adopts the same.

**IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:**

A. Atmos Energy's Application, and the proposed tariff revisions identified in Exhibit A attached to the Atmos Energy's Application are approved. Irrigation Engine Sales Service Rate Schedule 965 customers shall now have the option to take service on the Firm Transportation Service Rate Schedule FT 900 at the rates proposed by Atmos Energy.

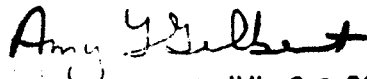
B. The parties have fifteen (15) days, plus three (3) days if service of this order is by mail, from the date this order was served in which to petition the Commission for reconsideration of any issue or issues decided herein. K.S.A. 66-118b; K.S.A. 77-529(a)(1).

C. The Commission retains jurisdiction over the subject matter and parties for the purpose of issuing such further order, or orders, as it may deem necessary.

**BY THE COMMISSION IT IS SO ORDERED.**

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Dated:           **JUL 21 2015**          

  
**ORDER MAILED JUL 22 2015**  
\_\_\_\_\_  
Amy L. Gilbert  
Secretary

MRN

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Shari Feist Albrecht, Chair  
Jay Scott Emler, Commissioner  
Pat Apple, Commissioner

Sam Brownback, Governor

## **REPORT AND RECOMMENDATION UTILITIES DIVISION**

**TO:** Chair Shari Feist Albrecht  
Commissioner Jay Scott Emler  
Commissioner Pat Apple

**FROM:** Pat Renner, Senior Research Analyst  
Lana Ellis, Deputy Chief of Economic Policy and Planning  
Robert Glass, Chief of Economic Policy and Planning  
Jeff McClanahan, Director of Utilities

**DATE:** July 13, 2015

**SUBJECT:** 15-ATMG-424-TAR  
In the Matter of an Application by Atmos Energy to Amend its General  
Service Firm Transportation Service Tariff (Rate Schedule FT 900).

### **EXECUTIVE SUMMARY:**

Atmos filed the Application in this Docket to permit Irrigation Engine Sales Service Rate Schedule 965 (Irrigation Sales Service) customers the option to obtain Firm Transportation Service Rate Schedule FT 900 (Firm Transportation). Staff recommends approval.

### **BACKGROUND:**

Atmos filed the Application in this Docket to give its Irrigation customers the option to participate in Firm Transportation Service. Currently, Commercial/Public Building, Schools and Industrial Sales Service customers have the option of taking Firm Transportation Service. Atmos has proposed to set the Facilities Charge for potential Irrigation Firm Transportation customers equal to the Facilities Charge billed the Commercial/Public Authority General and Industrial customers. The Facilities Charge for these customers is \$86.93 per month. The Facilities Charge for Schools Firm Transportation Service is only slightly higher (2.21%) at \$88.85 per month.

Atmos is proposing to charge Irrigation customers that choose the Firm Transportation option the same Delivery Charge of \$.09820/Ccf that they are billed under the current Irrigation Sales Service tariff.

Under Sales Service, Atmos buys the natural gas for these customers while Firm Transportation customers either purchase the natural gas themselves or hire a marketer to buy the natural gas for them.

### **ANALYSIS:**

#### **Jurisdiction and Standard of Review**

The Commission derives its authority to review applications modifying tariffs from K.S.A. 66-117(d), which states in part:

(d) Except as provided in subsection (c), no change shall be made in any rate, toll, charge, classification or schedule of charges or joint rates, or in any rule or regulation or practice pertaining to the service or rates of any such public utility or common carrier, without the consent of the commission.

In addition, K.S.A. 66-1,202 requires every natural gas public utility to make just and reasonable rules, classifications, and regulations. Commission Staff evaluates any proposed tariff revisions made by electric public utilities to determine the reasonableness of the proposed changes.

#### **Staff's Analysis**

The proposed Facilities Charge for Irrigation Firm Transportation customers is set at the same rate that Commercial/Public Authority General Sales Service and Industrial Sales Service Firm Transportation customers pay. Atmos proposes to set the Irrigation Firm Transportation Delivery Charge at the same rate that Irrigation Sales Service customers pay under their Sales Service tariff. This pattern of setting a common Firm Transportation Facilities Charge and a Delivery Charge equal to or quite close to the Rate Class Sales Service Delivery Charge was approved in Atmos' last rate case Docket 14-ATMG-320-RTS. Staff believes that Atmos' proposed method of setting Firm Transportation rates for Irrigation customers is both a fair and logical method to use to set rates for new Irrigation Firm Transportation customers between rate cases. Therefore, Staff believes that Atmos' proposed changes in this Docket are in the public interest and are just and reasonable.

### **RECOMMENDATION:**

Staff recommends that Irrigation Engine Sales Service Rate Schedule 965 customers be allowed the option of taking service on the Firm Transportation Service Rate Schedule FT 900 at the rates proposed by Atmos.

PLEASE FORWARD THE ATTACHED DOCUMENT (S) ISSUED IN THE ABOVE-REFERENCED DOCKET TO THE FOLLOWING:

NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
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KAREN P. WILKES, DIVISION VICE PRESIDENT OF REGULATORY AND PUBLIC AFFAIRS ATMOS ENERGY CORPORATION 1555 BLAKE ST STE 400 DENVER, CO 80202		
MICHAEL NEELEY, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604-4027 ***Hand Delivered***		

**ORDER MAILED JUL 22 2015**

The Docket Room hereby certified that on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, it caused a true and correct copy of the attached ORDER to be deposited in the United States Mail, postage prepaid, and addressed to the above persons.