

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**April 19, 2006**

**IN RE:**

**STIPULATIONS OF NATURAL GAS COMPANIES  
REGARDING CUT-OFF PROCEDURES**

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**DOCKET NO.  
05-00281**

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**ORDER GRANTING PETITION**

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This matter came before Chairman Ron Jones, Director Pat Miller and Director Sara Kyle of the Tennessee Regulatory Authority (the “Authority” or “TRA”), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on November 7, 2005 for consideration of the *Petition of Chattanooga Gas Company, Nashville Gas Company, a Division of Piedmont Natural Gas Company, Inc. and Atmos Energy Corporation for Approval of Stipulation (“Petition”)* filed on October 14, 2005.

**BACKGROUND**

At a regularly scheduled Authority Conference on September 26, 2005, representatives of Atmos Energy Corporation, Chattanooga Gas Company and Nashville Gas Company (collectively, the “Companies”) appeared at the request of the Authority to address each utility’s efforts to educate consumers concerning increasing gas prices and the affordability of rates. The Companies presented information that included projected gas costs for the upcoming winter, programs in place to help customers pay their bills and notification procedures that the

Companies follow prior to the disconnection of a customer's natural gas service for the non-payment of a bill.<sup>1</sup>

On October 14, 2005, the Companies filed the *Petition*, which set forth stipulations regarding the equal payment plans of the Companies to be effective November 1, 2005 through March 31, 2006. According to the Companies, an equal payment plan allows customers to mitigate the impact of seasonal variations in their natural gas bills by agreeing to make equal monthly payments over a twelve (12) month period, thereby reducing the risk that winter heating bills will be higher than the amount of income available for the payment of these expenses and the potential for customer disconnection. The stipulations would put into place temporary procedures to modify the prerequisites for entering into such equal payment plans and to prevent unnecessary service disconnection due to non-payment of bills for customers who, except for the extremely high cost of natural gas predicted for the upcoming winter, would be able to pay their bills. Specifically, the stipulations provide as follows:

1. All available options and programs to mitigate the seasonal costs of gas or to assist in the payment of natural gas bills for customers experiencing difficulty in making payments this winter, as reflected in each of the company's existing tariffs, shall remain in effect and be fully available in accordance with their terms.
2. For customers who are in good standing as of November 1, 2005, and who fail or are unable to make full payment of amounts due for natural gas service rendered on or after November 1, 2005, the billing methodology shall be automatically adjusted to an equal payment plan methodology. For a customer

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<sup>1</sup> See Transcript of Authority Conference, pp. 35-86 (September 26, 2005).

to be in good standing, the customer must be either current on his or her account or in compliance with an existing payment arrangement.

3. For customers who are in good standing as of November 1, 2005, and who elect to convert to an equal payment plan on or after November 1, 2005, the equal payment plan methodology shall apply.
4. The calculation of monthly amounts due under such equal payment plan methodology shall include any past due balance and shall be calculated in conformance with the serving natural gas utility's existing equal payment provisions.
5. Notice to the customers of this change in billing methodology shall be provided by bill insert or bill notice in the customer's next monthly bill or by separate written notice.
6. This billing methodology shall continue in effect until October 1, 2006, subject to the customer's ability to opt out of the methodology at any time provided that the customer pays all amounts due for service previously rendered by the serving utility as of that date (or otherwise enters into an arrangement for payment of such amounts acceptable to the serving utility).
7. As long as customers pay the charge due under the equal payment plan methodology, service to such customers will remain in effect and shall not be terminated.

8. To the extent that a customer defaults on payment under the equal payment plan, any unpaid gas cost amount shall be collected consistent with the methodology established in TRA Docket No. 03-00209.<sup>2</sup>

In addition, the Companies agree to amend their respective tariffs, as necessary, to provide that no service terminations will occur during any 24 hour period, as measured from 8:00 a.m. on the planned date of termination, where the forecasted low temperature is 32 degrees Fahrenheit or below, as determined by the National Weather Service. Further, the Companies agree to report monthly from November 15, 2005 to April 15, 2006 the following customer metrics: (1) the number of residential customers whose service was terminated for non-payment during the preceding calendar month; (2) the number of residential customers whose service was terminated for non-payment during the same calendar month of the prior year; (3) the number of residential customers participating in the company's equal payment plan during the preceding calendar month; and (4) the number of residential customers participating in the company's equal payment plan during the same month for the preceding year.

#### **OCTOBER 17, 2005 AUTHORITY CONFERENCE**

At a regularly scheduled Authority Conference held on October 17, 2005, the Companies presented the stipulations contained in the *Petition* and answered questions from the panel. The panel voted unanimously to require the Companies to file their proposed amended tariffs by October 19, 2005, to give the public until October 24, 2005 to comment on the *Petition* and the

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<sup>2</sup> See *In re: Petition of Chattanooga Gas Company, Nashville Gas Company, a Division of Piedmont Natural Gas Company, Inc., and United Cities Gas Company, a Division of Atmos Energy Corporation, for a Declaratory Ruling Regarding the Collectibility of the Gas Cost Portion of Uncollectible Accounts Under the Purchased Gas Adjustment (PGA) Rules*, Docket No. 03-00209, *Order Denying CAD's Motion for Summary Judgment, Granting in Part and Denying in Part Petitioners' Motion for Summary Judgment, Denying Petition for a Declaratory Ruling and Modifying Refund Adjustment Formula* (February 9, 2005).

proposed amended tariffs, and to set the panel's deliberations on the merits of the *Petition* and the proposed amended tariffs for November 7, 2005.<sup>3</sup>


**NOVEMBER 7, 2005 AUTHORITY CONFERENCE**

The panel considered the *Petition* at a regularly scheduled Authority Conference held on November 7, 2005. Based on the discussions the Authority had with the Companies during the October 17, 2005 Authority Conference and consideration of the provisions of the stipulations and the proposed tariff revisions, the panel voted unanimously to grant the *Petition*, but to change the effective date of the stipulations and the tariff revisions to November 7, 2005.

**IT IS THEREFORE ORDERED THAT:**

1. The *Petition of Chattanooga Gas Company, Nashville Gas Company, a Division of Piedmont Natural Gas Company, Inc. and Atmos Energy Corporation for Approval of Stipulation* is granted and the stipulations and provisions contained therein shall become effective November 7, 2005.

2. Tariff No. 2005-0879 filed by Atmos Energy Corporation, Tariff No. 2005-0884 filed by Chattanooga Gas Company, and Tariff No. 2005-0883 filed by Nashville Gas Company, a Division of Piedmont Natural Gas Company, Inc., are approved and shall become effective November 7, 2005.



Ron Jones, Chairman



Pat Miller, Director



Sara Kyle, Director

<sup>3</sup> See Transcript of Authority Conference, pp. 45-64 (October 17, 2005).