

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY	)	
CORPORATION FOR AN ADJUSTMENT OF	)	CASE NO. 2015-00343
RATES AND TARIFF MODIFICATIONS	)	

ORDER

On November 23, 2015, Atmos Energy Corporation (“Atmos”) tendered for filing an application to revise certain gas rates and tariffs. By letter dated December 4, 2015, the Commission notified Atmos that its application was being rejected for failure to satisfy the minimum filing requirements set forth in certain Commission regulations. Atmos subsequently cured the filing deficiencies and its application was accepted for filing on January 15, 2016.

By letter dated January 26, 2016, the Commission Chairman, James W. Gardner, gave notice that Atmos’s pending application included a request for an increase in the rate set forth in its Research and Development (“R&D”) Rider, which is used by Atmos to support the research of the Gas Technology Institute (“GTI”), and that since 2010, the Chairman has been a member of GTI’s Public Interest Advisory Committee (“PIAC”). He further invited the filing of comments or objections to his participation in adjudicating this case.

The Attorney General’s Office of Rate Intervention (“AG”), an intervenor in this case, filed on February 3, 2016, a response to the Chairman’s letter. The AG asserts that the Chairman’s “affiliation with GTI will create the appearance of impropriety should

he participate in any determination of the R&D Rider,” and the AG requests that either Atmos withdraw its proposed increase in the R&D Rider or the Chairman recuse himself from adjudicating this case.

The Commission, having considered the issue of the appearance of impropriety raised by the AG relating to the Chairman’s participation in the Atmos R&D Rider, and being otherwise sufficiently advised, hereby finds that the R&D Rider is a stand-alone rate set forth in a tariff designated PSC Ky. No. 2, Original Sheet No. 37,<sup>1</sup> and designed to recover only the funding level involved in Atmos’s support of the research of GTI. Since no revenues or expenses related to the R&D Rider are included in, or otherwise impact, base rates or the adjustments thereto proposed in this case, we find that the R&D Rider should be spun off from this docket and considered by itself in a separate case that will be investigated on a schedule parallel to that of this rate case.

By separate Order entered today, we initiate that case. It will be processed electronically, and the AG will be made a party thereto. As set forth in a letter filed in that case by the Chairman, he has elected to recuse himself from participating in the R&D Rider case.

IT IS THEREFORE ORDERED that Atmos’s proposed R&D Rider, designated PSC Ky. No. 2, First Revised Sheet No. 37, shall not be considered in this case and shall be transferred to and be investigated in Case No. 2016-00070.

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<sup>1</sup> Atmos’s proposed rate increase is reflected in a tariff designated PSC Ky. No. 2, First Revised Sheet No. 37.

By the Commission

ENTERED <sup>91</sup>  
FEB 08 2016  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

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Executive Director

Case No. 2015-00343

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