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OVERNIGHT DELIVERY

May 7, 2018

Gwen R. Pinson
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, Kentucky 40602

RE: **KPSC Case #2017-00424**

Dear Ms. Pinson:

Attached is an original plus ten (10) copies of a Motion For Rehearing/Modification of the Commission's Order of April 27, 2018.

If there are questions or issues relating to this filing please advise, Thank you.

Very truly yours,



Mark R. Hutchinson

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PUBLIC SERVICE
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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY)	
CORPORATION TO EXTEND ITS DEMAND)	
SIDE MANAGEMENT PROGRAM, AS)	CASE NO.
AMENDED, AND COST RECOVERY)	2017-00424
MECHANISM, AS AMENDED FOR THREE (3))	
YEARS)	

MOTION OF ATMOS ENERGY CORPORATION
FOR REHEARING/MODIFICATION
OF ORDER

Comes now, Atmos Energy Corporation (Atmos), by counsel, and respectfully moves the Commission to modify its Order entered in this proceeding on April 27, 2018, to allow a phase out period for submission/redemption of appliance rebates.

BACKGROUND

The Commission approved Atmos' current Demand-Side Management ("DSM") program on April 29, 2015, in Case No. 2014-00382 for a period of three (3) years. On October 31, 2017, Atmos Energy Corporation ("Atmos") submitted an application to extend the DSM program for three years beyond the April 30, 2018 scheduled termination date with certain modifications. There were no intervenors and no discovery in this proceeding.

Atmos' DSM program consists of a residential low-income weatherization component, rebate programs for certain high-efficiency appliances and programmable thermostats, and an education component. Atmos' rebate disbursements are handled by a third party vendor.

The Commission's Order of April 27, 2018 denied Atmos' request to extend and revise its DSM program, other than the Low Income Weatherization component which was continued with various limitations. The rebate program for high-efficiency appliances accordingly expired on April 30, 2018.

Although Atmos believes all components of its DSM Program should have been extended, it understands and respects the Commission's decision to discontinue those programs given the current market situation. However, Atmos respectfully requests the Commission to amend or modify its April 27 Order to provide a phase-out period for the high-efficiency appliance rebate program for the reasons set forth below.

RELIEF SOUGHT

Atmos' DSM program providing rebates for high-efficiency appliances and programmable thermostats has existed since 2009. Atmos has actively promoted the program over the years through printed material, bill board advertising, web-site advertising, Atmos personnel promoting the rebate program at numerous homes shows in its service area, etc. The Company ceased all such promotional activities immediately upon receipt of the Commission's Order. However, there are no less than five categories of customers who relied on the rebate program and who will be adversely affected, through no fault of their own, if a phase-out period for the program is not allowed.

The following are the five categories of customers who are affected:

1. Qualifying purchase made (on/before April 30, 2018) and equipment installed – **REBATE FORM SUBMITTED, BUT NOT YET REDEEMED**
2. Qualifying purchase made (on/before April 30, 2018) and equipment installed – **REBATE FORM NOT YET SUBMITTED**
3. Qualifying purchase made (on/before April 30, 2018) but equipment not yet installed – **REBATE FORM NOT YET SUBMITTED**

4. Qualifying purchase made after April 30, 2018, with full expectation of available rebates - **REBATE FORM NOT YET SUBMITTED**
 - a. **Background:** Atmos has aggressively publicized the availability of rebates, up until Monday Apr 30th. Atmos just completed a sweep of home shows across its service area and actively promoted the availability of rebates to hundreds of individual customers. Customers will not immediately know that rebates are no longer available, even though Atmos is no longer promoting them.
5. Builders who have an executed agreement with a homebuyer, stipulating specific, qualifying equipment to be installed and sales price of new home or existing home remodel. Builder and/or homebuyer executed this agreement with full expectation of rebate availability. The agreement was executed prior to April 30, 2018 - **REBATE FORM NOT YET SUBMITTED**

Additionally, Atmos has been advised by the third party rebate processor that there are over 400 rebates under Atmos' DSM program that have been submitted since October 1, 2017 that have yet to be processed due to minor deficiencies in the filing.

Atmos respectfully requests the Commission to allow a reasonable period of time for the customers referenced above to qualify their purchases for the rebate. Atmos believes that a period of ninety (90) days would be a reasonable amount of time to allow for the Company to take reasonable steps to notify those categories of customers who the Commission determines should be allowed additional time to complete their rebate process, of the impending deadline. Atmos is unable to provide any guidance to its customers until the Commission renders a decision on whether there should be a phase-out period and if so, for which categories of customers and for what period(s) of time.

Atmos is currently holding \$579,240.96 in its DSM funding account that could be used to pay qualifying rebates.

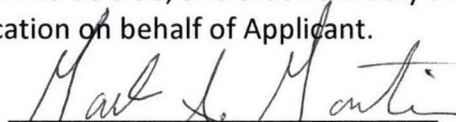
Respectfully submitted,



Mark R. Hutchinson
611 Frederica Street
Owensboro, Kentucky 42301
Attorney for Applicant

COMMONWEALTH OF KENTUCKY)
COUNTY OF DAVIESS)

The undersigned Affiant, Mark A. Martin, being first duly sworn, deposes and says that he is Vice President of Rates and Regulatory Affairs of Atmos Energy Corporation, Kentucky/Mid-States Division having its principal office in Owensboro, Kentucky, which is the Applicant in this proceeding; that he has read the foregoing and knows the contents thereof; that the same is true of his own knowledge, except as to the matters which are therein stated on information or belief, and that as to those matters he believes them to be true; and that he is duly authorized to sign, execute, verify and file the foregoing application on behalf of Applicant.


Mark A. Martin

SUBSCRIBED AND SWORN to before me by Mark A. Martin as Vice President of Rates and Regulatory Affairs of Atmos Energy Corporation, Kentucky/Mid-States Division, on this the 7 day of May, 2018.



Notary Public
Notary ID: 529633
My Commission Expires: 3-12-19