

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF ATMOS)	CASE NO.
ENERGY CORPORATION FOR PERFORMANCE)	2024-00205
BASED RATEMAKING MECHANISM)	

ORDER

On July 23, 2024, Atmos Energy Corporation (Atmos) filed a motion seeking an informal conference or, in the alternative, deviation from the notice requirements in 807 KAR 5:011, Section 8, for the proposed customer notice for Atmos’s Performance-Based Ratemaking (PBR) filing. This is Atmos’s second motion regarding a deviation from the notice requirements in its proposed and upcoming PBR filing. The first motion requested deviation from the 807 KAR 5:011, Section 8(2)(b)(3),¹ requirement that utilities publish public notices for a three-week period.² The Commission denied Atmos’s first motion for deviation.³

In its motion, Atmos argued that an informal conference was necessary because Atmos was “uncertain how to indicate the dollar amount and percentage of change and the impact on the average customer’s bill” given that Atmos was not requesting any

¹ Commission regulation 807 KAR 5:011, Section 8(2)(b)(3) requires “[p]ublishing notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility’s service area, the first publication to be made no later than the date the tariff filing is submitted to the commission[.]”

² Atmos’s Motion for Deviation and Informal Conference (filed July 23, 2024) at 3.

³ Order (Ky. PSC July 19, 2024).

changes to the PBR and only asking to have the mechanism extended.⁴ Alternatively, Atmos requested that if the Commission denied its request for an informal conference, that the proposed public notice attached as Exhibit A to its motion, be granted a deviation if the Commission found that the proposed notice did not “sufficiently demonstrate the present and proposed rates.”⁵ Commission regulation 807 KAR 5:011, Section 15, gives the Commission the discretion to grant deviations “[i]n special cases, for good cause shown.”

Having considered both requests presented in the motion and being otherwise sufficiently advised, the Commission denies both the request for an informal conference and the deviation. As an initial matter, the Commission does not believe that an informal conference regarding the proposed public notification is necessary to address Atmos’s uncertainty as to the bill impact of the PBR application.

Regarding the request for deviation, the Commission finds that the proposed notice attached to Atmos’s motion as Exhibit A, is deficient and that the single sentence request in Atmos’s motion does not satisfy the “for good cause shown” requirement in 807 KAR 5:011, Section 15.⁶ The notice proposed by Atmos includes information sufficient to show that the PBR application, which requested approval to continue the mechanism without modification, will result in no change to how the PBR component is reflected in customer

⁴ Atmos’s Motion for Deviation and Informal Conference at 2.

⁵ Atmos’s Motion for Deviation and Informal Conference at 2.

⁶ Atmos’s Motion for Deviation and Informal Conference at 2 (stating that: “Atmos Energy has included all the information required pursuant to 807 KAR 5:011, Section 8(4)(a)-(j); however, due to the mechanics of the PBR calculations Atmos Energy is requesting the Commission grant a deviation pursuant to 807 KAR 5:011, Section 15, if the notice provided in Attachment A does not sufficiently demonstrate the present and proposed rates”).

bills. The Commission takes issue with the footnote presented in Atmos's proposed public notice because it could be misinterpreted by customers. The intent of the PBR mechanism is to provide incentives to save ratepayers money by lowering the gas cost passed through to customers via the Gas Cost Adjustment (GCA) rate. While the Commission requires all the notice content requirements housed in 807 KAR 5:011, Section 8(4), be satisfied, the Commission is concerned that the footnote as presented may lead customers to believe that the PBR only acts to increase their total bill, instead of reflecting the actual relationship between the PBR and ratepayers' costs.

IT IS THEREFORE ORDERED that:

1. Atmos's request for an informal conference is denied.
2. Atmos's request for a deviation regarding its proposed public notice is denied.

PUBLIC SERVICE COMMISSION



Chairman

Vice Chairman



Commissioner



ATTEST:



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