

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF ATMOS)	
ENERGY CORPORATION TO ESTABLISH PRP)	CASE NO.
RIDER RATES FOR THE TWELVE MONTH)	2022-00222
PERIOD BEGINNING OCTOBER 1, 2022)	

ORDER

On July 29, 2022, Atmos Energy Corporation (Atmos) submitted an application and tariff to revise its Pipeline Replacement Program (PRP) rates, effective October 1, 2022, based on a forecasted test period ending September 30, 2023. Among other things, Atmos requested a return on equity (ROE) for the PRP rates of 10.95 percent and calculated the net operating loss accumulated deferred income taxes (NOL ADIT) for the PRP by comparing the deferred tax liabilities arising from certain timing differences associated with the PRP investment against the projected annual PRP revenue.¹ Conversely, in the final Order in Atmos’s most recent rate case, which was issued on May 19, 2022, the Commission established an ROE for base rates of 9.23 percent and an ROE for PRP rates of 9.13 percent,² and stated that “the PRP calculation should only reflect an incremental increase in NOL ADIT if [Atmos] is able to establish that its

¹ See Application, Pipeline Replacement Filing, Exhibits F and G.

² Case No. 2021-00214, *Electronic Application of Atmos Energy Corporation for an Adjustment of Rates* (Ky. PSC May 19, 2022), Order at 48.

Kentucky operations and its PRP spend actually generated NOL ADIT during the relevant period.”³

KRS 278.030 provides that a utility may collect fair, just and reasonable rates and that the service it provides must be adequate, efficient and reasonable. Having reviewed the application and proposed tariff and being otherwise sufficiently advised, the Commission finds that an investigation is necessary to determine the reasonableness of the proposed PRP rates and that such investigation cannot be completed by October 1, 2022. Thus, pursuant to KRS 278.190(2), the Commission will suspend the effective date of the proposed PRP rates for one day until October 2, 2022 to give the Commission time to investigate the PRP rates but to allow Atmos to begin charging the PRP rate, pending a final Order and subject to refund, provided it provides written notice to Commission of its intention to do so as required by KRS 278.190(2).

The Commission further finds that a procedural schedule shall be established to ensure the orderly investigation of Atmos’s application and proposed tariff. To ensure a timely review of this matter, the Commission also finds that the procedural schedule shall initially include only a date for intervention, dates for request for information to Atmos, and a date for parties to request a hearing but that additional dates will be added if a request for intervention is granted.

IT IS THEREFORE ORDERED that:

1. Atmos’s proposed PRP rates are suspended for one day, October 1, 2022.
2. Atmos’s proposed PRP rates may be placed in effect by Atmos on or after October 2, 2022, pending the final Order in this matter and subject to refund, provided

³ Case No. 2021-00214, *Atmos* (Ky. PSC May 19, 2022), Order at 62.

Atmos provides written notice to the Commission of its intention to do so as required by KRS 278.190(2).

3. The procedural schedule set forth in the Appendix to this Order shall be followed.

4. Any party filing a paper with the Commission shall file an electronic copy in accordance with the electronic filing procedures set forth in 807 KAR 5:001, Section 8. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked. The Commission directs the parties to the Commission's July 22, 2021 Order in Case No. 2020-00085⁴ regarding filings with the Commission.

5. As set forth in 807 KAR 5:001, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding that is not adequately represented in the case, or (2) that the person requesting permissive intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Therefore, any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not otherwise adequately represented, or the issues and facts that the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of utility service consumed by the movant or a general statement

⁴ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

regarding a potential impact of possible modification of rates will not be deemed sufficient to establish a special interest. In addition, any motion to intervene filed after the date established in the procedural schedule shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

6. Atmos shall give notice of the hearing in accordance with the provisions set forth in 807 KAR 5:001, Section 9(2). In addition, the notice of hearing shall include the following statement: "This hearing will be streamed live and may be viewed on the PSC website, psc.ky.gov"; and "Public comments may be made at the beginning of the hearing. Those wishing to make oral public comments may do so by following the instructions listing on the PSC website, psc.ky.gov." At the time publication is requested, Atmos shall forward a duplicate of the notice and request to the Commission.

7. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

8. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video recording shall be made of the hearing.

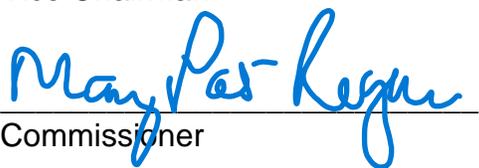
9. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

10. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner

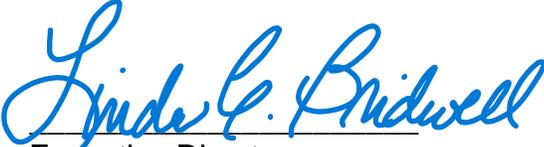
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AUG 12 2022

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KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2022-00222 DATED AUG 12 2022

Requests for intervention shall be filed no later than 08/23/2022

Initial requests for information to Atmos
shall be filed no later than 09/02/2022

Atmos shall file responses to
initial requests for information no later than.....09/16/2022

All supplemental requests for information to Atmos
shall be filed no later than 09/30/2022

Atmos shall file responses to supplemental requests
for information no later than 10/14/2022

Atmos or any Intervenor shall request either a
hearing or that the case be submitted for decision
based on the record no later than.....10/21/2022

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