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NEWS RELEASE

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PSC to Take Public Comments in Atmos Energy Rate Case *Proposed natural gas rate increase subject of Feb. 22 meeting in Owensboro*

FRANKFORT, Ky. (Feb. 8, 2018) – The Kentucky Public Service Commission (PSC) will hold a public meeting to provide information and receive public comments on an increase to natural gas base rates proposed by Atmos Energy Corp.

Details of the meeting are as follows:

Thursday, February 22, 5:30 p.m. CST

Fiscal Court Room
Daviness County Court House
(USE ST. ANN STREET ENTRANCE)
212 St. Ann Street
Owensboro, KY 42303

The public comment period will be preceded by a presentation by PSC staff on the regulatory processes governing the case and an overview of the Atmos Energy application.

“This meeting is an opportunity for affected ratepayers to make their views known directly to the commissioners who must decide this case,” PSC Chairman Michael Schmitt said. “The PSC encourages ratepayers to attend the information session to gain a more complete understanding of how Kentucky law requires the PSC to evaluate rate increase applications and arrive at a decision in matters such as this.”

The presentation by PSC staff and a question-and-answer period will last an hour. Public comments will follow at about 6:30 p.m. CST.

Atmos Energy is seeking to increase its annual base revenue by approximately \$10.4 million, or about 6.1 percent. According to Atmos Energy estimates, the adjusted rates would increase a typical residential monthly natural gas bill by \$2.99, or about 5.74 percent.

In its application, Atmos Energy states that the reasons for requesting an increase include an inadequate rate of return on investment and the need for additional revenue to operate and maintain its distribution system. Atmos Energy also is requesting PSC approval of a mechanism that would adjust rates on an annual basis to reflect changes in operating costs.

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Atmos Energy's last rate increase took effect in August 2016.

The request for a rate increase applies only to Atmos Energy's base rate, which covers the utility's cost of operating and maintaining its system, as well as any profit margin. The commodity cost of the gas itself, which is adjusted quarterly to reflect market prices, is determined separately and is passed through to consumers on a dollar-for-dollar basis by Atmos Energy, with no additional profit for the utility.

The base rates also do not include additional surcharges, riders or local fees or taxes, although Atmos Energy is proposing, concurrent with the proposed base rate changes, to reset to zero the surcharge that funds a program to replace aging natural gas pipelines.

Atmos has about 176,000 customers – 156,700 of them residential customers - in central and western Kentucky.

In addition to the public meeting, the PSC will conduct a formal evidentiary hearing in the case, beginning at 9 a.m. EDT on Thursday, March 22. The hearing will be held at the PSC offices at 211 Sower Boulevard in Frankfort. It will be open to the public and may be viewed live on the PSC website, psc.ky.gov

Written comments will be accepted through the conclusion of the evidentiary hearing. They may be mailed to the PSC at P.O. Box 615, Frankfort, KY 40602, faxed to 502-564-3460, e-mailed from the PSC website or submitted in person at the public meeting or at the PSC offices.

Atmos Energy's application and other records in the case are available on the PSC website, psc.ky.gov. The case number is 2017-00349.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in Kentucky.

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