PSC Issues Order in Atmos Kentucky Rate Case Filing

FRANKFORT, Ky (May 20, 2022) – The Public Service Commission (PSC/Commission) issued a Final Order in the rate case filing of Atmos Energy Corporation, authorizing a $2.6 million (1.51 percent) increase in base rates.

Atmos Kentucky filed an application for an adjustment of rates in the summer of 2021 (with a final complete application submitted on July 20, 2021). Atmos Energy Corporation provides natural gas service to approximately three million households and businesses in eight states, and has six gas utility operating divisions, including one that serves Kentucky. Atmos Energy’s regulated gas distribution operation in Kentucky serves approximately 176,000 residential, commercial, and industrial customers in central and western Kentucky.

Atmos Kentucky’s application requested an overall rate increase of 3.8 percent or approximately $6.5 million in annual revenue and an increase of 9.6 percent for the average residential customer. Upon discovery, the requested increase was reduced to $4.9 million or a 2.8 percent increase.

The Commission conducted two public comment meetings on Dec. 6, 2021. Originally, a three-day hearing was scheduled for December 14-16, 2021; however, the hearing was canceled due to an emergency created by tornadoes in the utility’s service territory.

The Commission authorized a 9.23 percent Return on Equity for Atmos Kentucky’s base rates and a 9.13 percent ROE for its Pipeline Replacement Program. Today’s Order authorizes a $19.30 per month residential service charge, denying the original requested increase of $24.29 per month. Authorized distribution charges are $1.5483 per Mcf for the first 300 Mcf, $1.0762 for the next 14,700 Mcf, and $0.8888 for usage over 15,000 Mcf.

The Commission denied the company’s proposed Tax Adjustment Factor Rider and reduced several nonrecurring customer charges to ensure these charges only reflect the cost to conduct specific services. The Commission directed Atmos Kentucky to discontinue the residential late payment fee and the charge it imposes on customers who request temporary service disconnection. The Commission will open a separate proceeding to investigate Atmos Kentucky’s imposition of some nonrecurring charges that are not included in the company’s tariff, as required by PSC governing statutes and regulations.

The Attorney General of the Commonwealth of Kentucky is an intervenor in this proceeding. Today’s Order and additional case files are available at https://psc.ky.gov/Case/ViewCaseFilings/2021-00214. The Case number is 2021-00214.