



Kevin C. Frank
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VIA ELECTRONIC MAIL

October 19, 2020

Mr. Kent Chandler
Acting Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
PO Box 615
Frankfort, Kentucky 40602

RE: Atmos Energy Corporation – Case No. 2020-00229

Dear Vice-Chairman Chandler:

Atmos Energy Corporation submits the accompanying Motion for Rehearing.

Please feel free to contact me at 214.906.9827 if you have any questions and/or need any additional information about this matter.

Sincerely,

A handwritten signature in black ink that reads "Kevin C. Frank". The signature is written in a cursive style with a large initial "K" and a stylized "F".

Kevin C. Frank
Senior Attorney
Atmos Energy Corporation

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)	
ATMOS ENERGY CORPORATION)	CASE NO. 2020-00229
FOR PRP RIDER RATES)	

ATMOS ENERGY CORPORATION’S MOTION FOR REHEARING

Atmos Energy Corporation (“Atmos Energy” or “Company”), by counsel, pursuant to KRS 278.400, moves for rehearing of the final order dated September 30, 2020 (“Order”). The purpose of the rehearing is to (1) clarify the Commission’s calculation of the Cost of Removal; (2) clarify the Commission’s calculation of Accumulated Deferred Income Taxes (“ADIT”); and (3) request reconsideration or limitation of the requirement to establish an overall rate of return in the annual PRP rate application.

Atmos Energy placed the rates allowed in the Order into effect on October 1, 2020. In the event that the requested clarification of the Cost of Removal and/or ADIT has an effect on the revenue requirement allowed or on the rates approved in the Order, Atmos Energy requests that it either be allowed to implement corrected PRP Rider rates following such clarification or that the impacts of any changes be reflected in next year’s PRP Rider filing.

In Appendix A of the Order, the line item “Cost of Removal to Accumulated Depr.” reduces the revenue requirement proposed by Atmos by \$663,165, down to \$2,014,401. No explanation is provided for this adjustment. Atmos Energy seeks clarification and confirmation that the allowable accumulated depreciation for Cost of Removal is \$2,677,567. In the alternative, Atmos Energy asks the Commission to clarify the source of this adjustment.

On Page 7 of the Order, the Commission states: “Thus, the ADIT offset for PRP plant in this matter should include Atmos’s ADIT as of September 30, 2020, in the amount of \$(1,175,016), as well as any

change in the ADIT during the forecasted period.” In Appendix A of the Order, the line item “Accumulated Deferred Income Taxes” reflects an ADIT of \$(1,930,185). There is an inconsistency between the text of the Order and Exhibit A. Atmos Energy seeks clarification that \$(1,175,016) is the correct amount of ADIT to be reflected in rates.

On Page 8 of the Order, the Commission states: “the Commission finds that no public purpose is served by the continuation of a previously approved ROE without regard to the reasonableness of the rate.” While Atmos Energy understands that an ROE could become “stale” such that the public interest requires it to be refreshed, there should be some reasonable period of time after the Commission establishes an ROE when the public’s interest in relitigating the issue is outweighed by the cost of doing so. In the case of Atmos Energy, its allowed annual PRP investment is limited to \$28,000,000. Therefore, a change of even 50 basis points, would only produce a change in revenue requirement of approximately \$80,000 at the Company’s current debt equity ratio – an amount that would be largely, if not entirely, offset by the cost of the needed ROE analysis and prepared testimony.

The Company’s requested revision would also resolve some possible timing issues. It would be very difficult to conduct a full inquiry into ROE in the time between the filing of a PRP Rider and the implementation of PRP Rider rates. Moreover, if a rate proceeding was taking place at the same time as a PRP application, the Commission could end up adjudicating an identical issue (ROE for Atmos Energy) simultaneously in two separate proceedings.

Atmos Energy respectfully requests the Commission to reconsider and revise its Order so that the Company is not required to establish a new overall rate of return if the ROE it is seeking to use has been awarded by the Commission in the prior 24-month period.

For the foregoing reasons, Atmos seeks clarification of the Order as requested.

Dated: October 19, 2020

Respectfully submitted,

Mark R. Hutchinson

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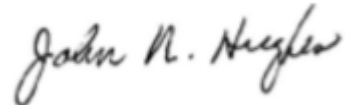
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Attorneys for Atmos Energy Corporation

CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing is a true and accurate copy of the document being filed in paper medium; that the electronic filing was transmitted to the Commission on October 19, 2020; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and the original filing in paper medium will be delivered to the Commission pending further instruction from Case No. 2020-00085:

A handwritten signature in cursive script that reads "John N. Hughes".

John N. Hughes

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