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October 28, 2021

Linda C. Bridwell
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Re: Atmos Energy Corporation
Case No. 2021-00401

Dear Ms. Bridwell:

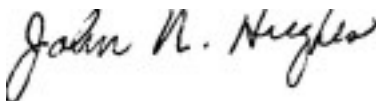
Atmos Energy Corporation submits its Motion and Application for approval of its Demand Side Management Program. I certify that the electronic documents are true and correct copies of the original documents and that no party has been excused from electronic service.

If you have any questions about this filing, please contact me.

Submitted By:

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And



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Attorneys for Atmos Energy Corporation

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

APPLICATION OF ATMOS ENERGY)
CORPORATION TO EXTEND ITS) CASE NO. 2021-00401
DEMAND-SIDE MANAGEMENT)
PROGRAM, AS AMENDED, AND)
COST RECOVERY MECHANISM)
AS AMENDED FOR TWO (2) YEARS)

**ATMOS ENERGY CORPORATION’S MOTION TO FILE ITS APPLICATION TO
EXTEND ITS DEMAND -SIDE MANAGEMENT PROGRAM OR IN THE
ALTERNATIVE AN ORDER AUTHORIZING THE UNWINDING OF ITS DEMAND
SIDE MANAGEMENT PROGRAM**

Atmos Energy Corporation (“Company”), by counsel, pursuant to KRS 278.285 and the Commission’s Order of April 27, 2018 (“Order”) in Case No. 2017-00424 moves for an order from the Kentucky Public Service Commission (“Commission”) to grant it leave to file an application to extend its Demand-Side Management Program (DSM) or, in the alternative, for an order authorizing the unwinding of the Demand Side Management Program (“DSM”).

1. In the Order dated April 27, 2018 in Case 2017-00424, the Commission found that “Atmos's Low-Income Weatherization Program is approved through April 30, 2021.”¹

2. The Company inadvertently failed to timely file for a renewal of its DSM and has continued to administer the program pursuant to the filed tariff, which has remained in effect since April 30, 2021.

3. Residential customers have continued to be billed and have been paying a volumetric charge of \$0.0053/ccf and Commercial customers were receiving a volumetric credit

¹ Order at 6 (Ky. PSC April 27, 2018).

of \$0.0044/ccf. Upon realizing that the DSM program had not been renewed, the Company promptly ceased assessing DSM charges and credits on October 15, 2021.

4. From the period of May 1, 2021 through September 30, 2021, the Company collected approximately \$5,900 from residential customers and credited approximately \$4,000 to commercial customers. The Company also spent approximately \$37,000 on what would have been qualifying DSM projects had the program not terminated on April 30, 2021.

5. Given the Commission's prior findings that "low-income weatherization programs provide valuable assistance to income-eligible customers by reducing their heating bills"² and the fact that gas commodity costs are significantly higher now than they were in 2018 when the current DSM was approved, the Company submits that good cause exists to allow the filing of the application to renew and extend the current DSM program, which consists solely of low-income weatherization, until April 30, 2023.

6. The Company is currently over-recovered on its DSMRC balance, and as such, would propose to continue the program at a \$0.0000/ccf rate until April 30, 2023. For an accounting of the DSM program balances as of April 30, 2021, please see Attachment 1.

7. Such an extension would create sufficient time for the Company and the Commission to determine if the current prevailing gas costs continue, and if they permit favorable Total Resource Cost scores for alternative DSM programs which would signify benefits for Kentuckians in excess of the costs of DSM.

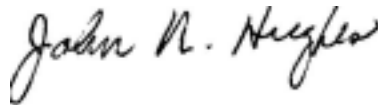
8. In the alternative, if the Commission chooses not to allow the Company to file its application for the DSM program to continue and allows the termination of the program pursuant to the Order of April 27, 2018, the Company asks that it be allowed to take the over-recovered

² Order at 5.

balances as of April 30, 2021, as well as the approximately \$5,900 collected from residential customers since May 1, 2021, and return those amounts to customers through its Gas Cost Adjustment for the period. The Company would propose to not recover its approximately \$37,000 of program expenses incurred after April 30, 2021.

For the reasons stated, Atmos Energy Corporation moves for: (1) an order allowing the filing of its application extending its DSM until April 30, 2023 or in the alternative; (2) an order from the Commission authorizing placing both the \$5,900 collected from residential customers since May 1, 2021 and the over-recovered DSM balances as of April 30, 2021 into FERC Account No. 191 and allowing them to be returned to customers on a volumetric basis through the Gas Cost Adjustment.

Submitted this 28th day of October, 2021.

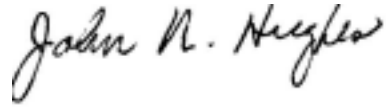


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CERTIFICATE

In accordance with the requirements of 807 KAR 5:001, I certify that this electronic filing is a true and accurate copy of the original documents the electronic filing has been transmitted to the Commission on October 28, 2021 and that no party has been excused from participation by electronic means.

A handwritten signature in black ink that reads "John N. Hughes". The signature is written in a cursive style with a large initial "J" and "H".

John N. Hughes

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF ATMOS ENERGY CORPORATION)
TO EXTEND ITS DEMAND-SIDE MANAGEMENT PROGRAM,) Case No. 2021-00401
AS AMENDED, AND COST RECOVERY MECHANISM,)
AS AMENDED FOR TWO (2) YEARS)

APPLICATION

Atmos Energy Corporation ("Atmos"/"Company") by counsel, applies to the Kentucky Public Service Commission ("Commission") for an Order authorizing it to extend its Demand-Side Management Program ("DSM Program") and its DSM Cost Recovery Mechanism ("DSMCR") for two (2) years, through April 30, 2023.

In support of this application, Atmos states as follows:

1. Atmos is a corporation duly qualified under the laws of the Commonwealth of Kentucky to carry on its business in the Commonwealth.
2. Atmos is an operating public utility engaged in the business of supplying natural gas to the public in numerous cities, towns, and communities in Western and South Central Kentucky.
3. A certified copy of Applicant's Amended and Restated Articles of Incorporation is already on file with the Commission in the Matter of: The Application of Atmos Energy Corporation for An Adjustment of Rates and Tariff Modifications, Case No. 2021-00214. Atmos is certified to operate in Kentucky and is in good standing with the Office of Secretary of State. It has no assumed name.
4. This Application is filed pursuant to KRS 278.285 which authorizes the Commission to determine the reasonableness of demand-side management plans proposed by utilities subject to its jurisdiction.

5. Atmos' DSM Program and Cost Recovery Mechanism were initially approved as a three (3) year pilot program, to run through 2002, as part of Atmos' general rate case proceeding in Case No. 1999-00070. In Case No. 2002-00405, the program was approved for an additional three (3) years, to run through 2005. Additionally, in Case No. 2005-00515, the program, as modified, was approved for three (3) more years to run through December 31, 2008. In Case No. 2008-00499, the program, as modified, was approved for three (3) more years to run through December 31, 2011. In Case No. 2010-00305, the Commission approved a settlement between Atmos and the Attorney General's office, but the settlement did not alter the termination date. In Case No. 2011-00395, the program, as modified, was approved for three (3) more years to run through April 30, 2015. In Case No. 2014-00382, the program, as modified, was approved for three (3) more years to run through April 30, 2018 and in April 2018 it was approved through April 30, 2021 in Case No. 2017-00424.

6. As a result of the Company's unintentional failure to seek approval to renew the program, the current DSM Program expired as of April 30, 2021. Because Atmos failed to timely seek approval to renew the Program, it has continued to collect the previously approved rates pursuant to the still effective tariff. Atmos seeks renewal of the Program effective May 1, 2021 or as determined by the Commission. The following information is provided in support of continuation of the Program.

7. The DSM program is designed to provide annual funding for weatherization services to eligible, low-income households served by the Company. Day to day administration of the program (applicant screening, energy audits, contract hiring, etc.) is conducted by various community action agencies and invoiced back to the Company on a per household basis. The Company then reimburses the agency from the funds it has collected under tariffs for this purpose.

8. The Company is proposing to continue the existing low-income weatherization program without any changes exactly as it was approved in Case No. 2017-00424. As in that prior case, Atmos has not prepared a cost-benefit analysis for this program due to the inability to assess the savings accruing to individual customers.

9. The Company is currently over recovered under its DSM program, and could continue the program without charging a DSM rate under the approved Cost Recovery Mechanism for the remainder of the program. Any funds not used in the remainder of the program could be returned to customers on a volumetric basis through inclusion in the Company's Gas Cost Adjustment. Please refer to the Motion filed contemporaneously with this Application in the above-captioned docket for a further description of the program's financials.

10. Under Tab #1 is attached the proposed Tenth Revised Sheet No 36 cancelling Ninth Revised Sheet No. 36.

11. Correspondence and communications with respect to this Application should be directed to:

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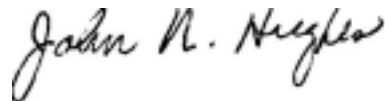
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For these reasons, Atmos requests the Commission to enter an Order granting the extension and extending Atmos' DSM program and Cost Recovery Mechanism as requested for a period of two (2) years; for an order approving the tariffs attached under Tab #1; and for an order continuing the current DSM Program and funding until the Commission has entered *an* order taking final action in this proceeding.

Submitted this 28th day of October 2021.

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Certificate:

In accordance with the requirements of 807 KAR 5:001(8), I certify that this electronic filing is a true and accurate copy of the original documents; that the electronic filing has been transmitted to the Commission on October 28, 2021 and that no party has been excused from participation by electronic means.

John N. Hughes

Atmos Energy Corporation
Kentucky/Mid-States Division
Demand Side Management
Lost Sales Adjustment (DLSA) Calculation
To Be Effective January 1, 2022

Overview

To effectively promote and execute the program, the Company shall recover the annual lost sales attributable to customer conservation/efficiency created as a result of the Program. This aligns the Company's interest with that of its customers by reducing the correlation between volume and revenue for those customers who elect to participate in the program. The lost sales are the estimated conservation, per participant, times the base rate for the applicable customer. The goal is to make the Company whole for promoting the program. Lost sales are based on the cumulative lost sales since the program inception and will reset when the Company completes a general rate case.

G-1 Residential

Line	Month	Ccf Savings	Distribution Charge	Lost Sales
	(a)	(b)	(c)	(d)
1	Sep-20	1,264.50	0.1386	175.20
2	Oct-20	505.80	0.1386	70.08
3	Nov-20	505.80	0.1386	70.08
4	Dec-20	0.00	0.1386	0.00
5	Jan-21	252.90	0.1386	35.04
6	Feb-21	252.90	0.1386	35.04
7	Mar-21	505.80	0.1386	70.08
8	Apr-21	252.90	0.1386	35.04
9				
10				
11				
12				
13	Total			<u>\$490.56</u>
14	Annual Expected Residential Sales (Mcf)			7,754,286
15	DLSA (per Mcf)			\$0.0001

G-1 Commercial Line	Month (a)	Ccf Savings (b)	Distribution Charge (c)	Lost Sales (d)
1	Sep-20	0.00	0.1386	0.00
2	Oct-20	0.00	0.1386	0.00
3	Nov-20	0.00	0.1386	0.00
4	Dec-20	0.00	0.1386	0.00
5	Jan-21	0.00	0.1386	0.00
6	Feb-21	0.00	0.1386	0.00
7	Mar-21	0.00	0.1386	0.00
8	Apr-21	0.00	0.1386	0.00
9				
10				
11				
12				
13	Total			<hr/> \$0.00
14	Annual Expected Commercial Sales (Mcf)			4,180,859
15	DLSA (per Mcf)			\$0.0000

ATMOS ENERGY CORPORATION
 Kentucky/Mid-States Division
 DSM Balancing Adjustment

DSMRC = DCRC + DLSA + DIA + DBA

G-1 Residential

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	<u>DSMRC Recoveries</u>	<u>DSMRC Costs</u>	<u>DIA + DLSA Revenue</u>	<u>Under/(Over) DSMRC Balance</u>	<u>Residential Sales</u>	<u>Billed Rate</u>	<u>Filed Rate</u>	<u>Rate Difference</u>
Previous DBA Balancing Adjustment				(\$140,650.47)	(Mcf)			
Sep-20	\$573.90	\$ 14,445.71	(\$12.15)	\$15,007.46	58,303	\$ (0.0098)	\$ (0.0044)	\$ (0.0054)
Oct-20	\$1,067.18	\$ 5,802.34	(\$37.63)	\$6,831.89	180,533	\$ (0.0059)	\$ (0.0044)	\$ (0.0015)
Nov-20	\$2,619.95	\$ 5,596.61	(\$121.29)	\$8,095.27	581,927	\$ (0.0045)	\$ (0.0044)	\$ (0.0001)
Dec-20	\$5,888.28	\$ -	(\$278.51)	\$5,609.77	1,336,309	\$ (0.0044)	\$ (0.0044)	\$ (0.0000)
Jan-21	(\$762.51)	\$ 2,956.94	(\$3.68)	\$2,190.75	17,671	\$ 0.0432	\$ 0.0053	\$ 0.0379
Feb-21	(\$10,999.60)	\$ 2,558.68	(\$431.88)	(\$8,872.80)	2,072,153	\$ 0.0053	\$ 0.0053	\$ 0.0000
Mar-21	(\$9,046.94)	\$ 4,252.35	(\$355.24)	(\$5,149.83)	1,704,422	\$ 0.0053	\$ 0.0053	\$ 0.0000
Apr-21	(\$4,354.48)	\$ 3,000.00	(\$171.49)	(\$1,525.97)	822,800	\$ 0.0053	\$ 0.0053	\$ (0.0000)
May-21					431,257			
Jun-21					236,558			
Jul-21					166,373			
Aug-21					145,982			
	<u>(\$15,014.22)</u>	<u>\$ 38,612.63</u>	<u>\$ (1,616.16)</u>	<u>(\$118,463.93)</u>	<u>7,754,286</u>			

Annual Average Commercial Paper Rate at September 2021	0.10%	\$	<u>(78.98)</u>					
Total Residential DSMRC Balance			<u>(\$118,542.91)</u>					
Annual Expected Residential Sales (Mcf)				7,754,286				
DBA = DSM Balancing Adjustment				(0.0153)				
DCRC = DSM Cost Recovery - Current				0.0000	Rate set to zero - see CASE NO. 2021-00401			
DLSA = DSM Lost Sales Adjustment				0.0001				
DIA = DSM Incentive Adjustment				0.0000				
DSMRC Residential Rate G-1				<u>0.0000</u>	Rate set to zero based on proposed tariff sheet file in CASE NO. 2021-00401			

ATMOS ENERGY CORPORATION
 Kentucky/Mid-States Division
 DSM Balancing Adjustment

DSMRC = DCRC + DLSA + DIA + DBA
G-1 Commercial

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	<u>DSMRC Recoveries</u>	<u>DSMRC Costs</u>	<u>DIA + DLSA Revenue</u>	<u>Under/(Over) DSMRC Balance</u>	<u>Commercial Sales</u>	<u>Billed Rate</u>	<u>Filed Rate</u>	<u>Rate Difference</u>
Previous DBA Balancing Adjustment				(\$21,290.40)	(Mcf)			
Sep-20	(\$1,999.89)	\$ -	\$0.00	(\$1,999.89)	192,319	\$ 0.0104	\$ 0.0104	\$ (0.0000)
Oct-20	(\$2,632.53)	\$ -	\$0.00	(\$2,632.53)	253,293	\$ 0.0104	\$ 0.0104	\$ (0.0000)
Nov-20	(\$3,209.89)	\$ -	\$0.00	(\$3,209.89)	308,741	\$ 0.0104	\$ 0.0104	\$ (0.0000)
Dec-20	(\$6,261.64)	\$ -	\$0.00	(\$6,261.64)	602,305	\$ 0.0104	\$ 0.0104	\$ (0.0000)
Jan-21	(\$2,849.30)	\$ -	\$0.00	(\$2,849.30)	6,186	\$ 0.4606	\$ (0.0044)	\$ 0.4650
Feb-21	\$4,163.92	\$ -	\$0.00	\$4,163.92	956,733	\$ (0.0044)	\$ (0.0044)	\$ 0.0000
Mar-21	\$3,494.33	\$ -	\$0.00	\$3,494.33	793,528	\$ (0.0044)	\$ (0.0044)	\$ (0.0000)
Apr-21	\$1,725.83	\$ -	\$0.00	\$1,725.83	400,211	\$ (0.0043)	\$ (0.0044)	\$ 0.0001
May-21					222,735			
Jun-21					162,393			
Jul-21					149,264			
Aug-21					133,152			
	<u>(\$7,569.17)</u>	<u>\$0.00</u>	<u>\$ -</u>	<u>(\$28,859.57)</u>	<u>4,180,859</u>			

Annual Average Commercial Paper Rate at September 2021	0.10%	\$ (19.24)
Total Commercial DSMRC Balance		(\$28,878.81)
Annual Expected Commercial Sales (Mcf)		4,180,859
DBA = DSM Balancing Adjustment		(0.0069)
DCRC = DSM Cost Recovery - Current		0.0000
DLSA = DSM Lost Sales Adjustment		0.0000
DIA = DSM Incentive Adjustment		0.0000
DSMRC Commercial Rate G-1		<u>0.0000</u>

Rate set to zero based on proposed tariff sheet file in CASE NO. 2021-00401

ATMOS CARES ANNUAL TOTALS

Weatherization				Residential Rebates						Education			Monthly Totals				Commercial Rebates				
Payment Month	Expenses	Ccf Savings	Houses	Rebate Expenses	Rebates Issued	Ccf Savings	Promo & Misc.	Qty. Fees	Monthly Totals	Presentations	# of Students	Expenses	Expenditures	Ccf Savings	Rebate Expenses	Rebates Issued	Ccf Savings	Promo & Misc.	Qty. Fees	Monthly Totals	
Cum. Totals	\$ 3,476,265.73	344,493	1,955	\$ 3,565,964.61	13,552	1,055,443	\$ 460,561.43	\$ 129,556.42	\$ 4,156,082.46	142	11,308	\$ 35,760.53	\$ 7,941,644.48	1,445,345	\$ 136,773.41	453	48,032	\$ 38,923.88	\$ 11,143.92	\$ 186,841.21	
Jan-20	\$ 17,559.31	1,517	6	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ 17,559.31	1,517	\$ -	0	\$ -	\$ -	\$ -	\$ -	
Feb-20	\$ 9,812.06	1,012	4	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ 9,812.06	1,012	\$ -	0	\$ -	\$ -	\$ -	\$ -	
Mar-20	\$ 7,364.22	759	3	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ 7,364.22	759	\$ -	0	\$ -	\$ -	\$ -	\$ -	
Apr-20	\$ -	0	0	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -	
May-20	\$ -	0	0	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -	
Jun-20	\$ -	0	0	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -	
Jul-20	\$ -	0	0	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -	
Aug-20	\$ 2,946.83	253	1	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ 2,946.83	253	\$ -	0	\$ -	\$ -	\$ -	\$ -	
Sep-20	\$ 14,445.71	1,265	5	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ 14,445.71	1,265	\$ -	0	\$ -	\$ -	\$ -	\$ -	
Oct-20	\$ 5,802.34	506	2	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ 5,802.34	506	\$ -	0	\$ -	\$ -	\$ -	\$ -	
Nov-20	\$ 5,596.61	606	2	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ 5,596.61	506	\$ -	0	\$ -	\$ -	\$ -	\$ -	
Dec-20	\$ -	0	0	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -	
2020 Totals	\$ 63,527.08	5,817	23	\$ -	0	\$ -	\$ -	\$ -	\$ 4,156,082.46	142	11,308	\$ 35,760.53	\$ 63,527.08	5,817	\$ -	0	\$ -	\$ -	\$ -	\$ -	
Cum. Totals	\$ 3,539,792.81	350,399	1,978	\$ 3,565,964.61	13,552	1,055,443	\$ 460,561.43	\$ 129,556.42	\$ 4,156,082.46	142	11,308	\$ 35,760.53	\$ 7,995,171.56	1,451,162	\$ 136,773.41	453	48,032	\$ 38,923.88	\$ 11,143.92	\$ 186,841.21	
Jan-21	\$ 2,956.94	253	1	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ 2,956.94	253	\$ -	0	\$ -	\$ -	\$ -	\$ -	
Feb-21	\$ 2,558.68	253	1	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ 2,558.68	253	\$ -	0	\$ -	\$ -	\$ -	\$ -	
Mar-21	\$ 4,252.35	506	2	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ 4,252.35	506	\$ -	0	\$ -	\$ -	\$ -	\$ -	
Apr-21	\$ 3,000.00	253	1	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ 3,000.00	253	\$ -	0	\$ -	\$ -	\$ -	\$ -	
May-21	\$ 1,569.23	506	2	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ 1,569.23	506	\$ -	0	\$ -	\$ -	\$ -	\$ -	
Jun-21	\$ 5,738.38	506	2	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ 5,738.38	506	\$ -	0	\$ -	\$ -	\$ -	\$ -	
Jul-21	\$ 12,000.00	1,012	4	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ 12,000.00	1,012	\$ -	0	\$ -	\$ -	\$ -	\$ -	
Aug-21	\$ 7,347.41	1,012	4	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ 7,347.41	1,012	\$ -	0	\$ -	\$ -	\$ -	\$ -	
Sep-21	\$ 10,660.75	1,012	4	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ 10,660.75	1,012	\$ -	0	\$ -	\$ -	\$ -	\$ -	
Oct-21	\$ -	0	0	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -	
Nov-21	\$ -	0	0	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -	
Dec-21	\$ -	0	0	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -	
2021 Totals	\$ 50,083.74	5,311	21	\$ -	0	\$ -	\$ -	\$ -	\$ -	0	0	\$ -	\$ 50,083.74	5,311	\$ -	0	\$ -	\$ -	\$ -	\$ -	
Cum. Totals	\$ 3,589,876.55	355,620	1,999	\$ 3,565,964.61	13,552	1,055,443	\$ 460,561.43	\$ 129,556.42	\$ 4,156,082.46	142	11,308	\$ 35,760.53	\$ 7,995,255.30	1,456,473	\$ 136,773.41	453	48,032	\$ 38,923.88	\$ 11,143.92	\$ 186,841.21	

DSM Incentive Adjustment 9/1/2020 - 8/31/2021

Factors	Residential	Commercial
<i>Program Costs</i>	\$ 65,267.65	\$ -
<i>Ccf Rate</i>	\$ 0.461	\$ 0.461
<i>Ccf Saved</i>	6,575	0
<i>Measure Life</i>	17.3	16.4
<i>Commodity Savings</i>	\$ 52,412.93	\$ -
<i>Present Value CS</i>	\$ 48,652.00	\$ 0.00
<i>Program Benefit</i>	(\$16,615.65)	\$ 0.00
<i>Discount Rate</i>	7.73%	7.73%
<i>Incentive</i>	15%	15%
Annual DSM Incentive Adjustment	\$ (2,492.35)	\$ -
Cumulative DSM Incentive Adjustment	\$ 1,186,050.83	\$ 73,218.27
DSM Lost Sales Adjustment	\$ 876.19	\$ -

Cell B3 = Atmos Cares Report tab "Total" Column N Sep20-Aug21

Cell C3 = Atmos Cares Report "Total" tab Column U Sep20-Aug21

Cell B5 = Atmos Cares Report tab "Total" Column O Sep20-Aug21

Cell C5 = Atmos Cares Report "Total" tab Column R Sep20-Aug21

Residential Measure Life Weighted Average

Measure	# of Units	Years	Total
Furnaces	950	18	17,100
Thermostats	400	15	6,000
Tank Water Heaters	300	13	3,900
Tankless Water Heaters	250	20	5,000
Weatherization	114	25	2,850
Totals	2,014		34,850
Weighted Average	17.3		

Commercial Measure Life Weighted Average

Measure	# of Units	Years	Total
Furnaces	100	18	1,800
Thermostats	10	15	150
Tank Water Heaters	10	13	130
Tankless Water Heaters	5	20	100
Commercial Fryer	5	8	40
Commercial Griddle	5	12	60
Commercial Oven	5	10	50
Commercial Steamer	5	10	50
Totals	145		2,380
Weighted Average	16.4		

ATMOS ENERGY CORPORATION
(NAME OF UTILITY)

Demand-Side Management Cost Recovery Mechanism

DSM

DSM Cost Recovery Component (DSMRC-R):

DSM Cost Recovery – Current:	\$0.0000 per Mcf	(R)
DSM Lost Sales Adjustment	\$0.0000 per Mcf	(-)
DSM Incentive Adjustment	\$0.0000 per Mcf	(-)
DSM Balance Adjustment:	<u>\$0.0000 per Mcf</u>	(R)
DSMRC Residential Rate G-1	\$0.0000 per Mcf	(R)

DSM Cost Recovery Component (DSMRC-C):

DSM Cost Recovery – Current:	\$0.0000 per Mcf	(-)
DSM Lost Sales Adjustment	\$0.0000 per Mcf	(-)
DSM Incentive Adjustment	\$0.0000 per Mcf	(-)
DSM Balance Adjustment:	<u>\$0.0000 per Mcf</u>	(R)
DSMRC Commercial Rate G-1	\$0.0000 per Mcf	(R)

DATE OF ISSUE October 14, 2021
Month/Date/Year

DATE EFFECTIVE May 1, 2021
Month/Date/Year

Issued by Authority of an Order of the Public Service Commission in
Case No. 2017-00424

ISSUED BY /s/ Brannon C. Taylor
Signature of Officer

TITLE Vice President – Rates and Regulatory Affairs