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February 9, 2022

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:

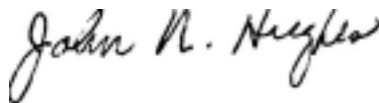
Atmos Energy Corporation submits its responses to the order of January 25th. I certify that the electronic documents are true and correct copies of the original documents and that no party has been excused from electronic service.

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

Submitted By:

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Wilson, Hutchinson and Littlepage
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Owensboro, KY 42301
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And



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Attorneys for Atmos Energy Corporation

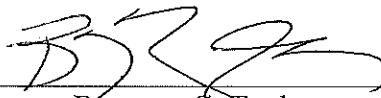
COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

APPLICATION OF ATMOS ENERGY)
CORPORATION FOR A DEMAND-SIDE) Case No. 2021-00401
MANAGEMENT PROGRAM)

CERTIFICATE AND AFFIDAVIT

The Affiant, Brannon C. Taylor, being duly sworn, deposes and states that the attached responses to Commission Staff's first request for information are true and correct to the best of his knowledge and belief.



Brannon C. Taylor

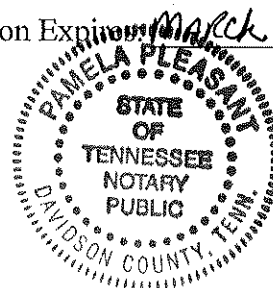
STATE OF TENNESSEE
COUNTY OF WILLIAMSON

SUBSCRIBED AND SWORN to before me by Brannon C. Taylor on this the 9th day of February, 2022.



Notary Public

My Commission Expires March 6, 2024



Case No. 2021-00401
Atmos Energy Corporation, Kentucky Division
Staff DR Set No. 1
Question No. 1-01
Page 1 of 1

REQUEST:

Refer to the Application, paragraph 6. Atmos requested approval of its Demand-Side Management (DSM) Program to be effective May 1, 2021, or as determined by the Commission, but the Application was not filed until October 28, 2021.

- a. Confirm that Atmos is requesting retroactive approval of the DSM tariff.
- b. Refer to KRS 278.180, which requires a minimum of 20 days' notice to the Commission prior to the effective date of a tariff. Explain Atmos's position regarding the applicability of KRS 278.180 to Atmos's request.

RESPONSE:

- a. Confirm. The Company is requesting retroactive approval of the DSM tariff, or, in the alternative, a prospective order authorizing the unwinding of the DSM program.
- b. KRS 278.180 is applicable to the Company's request; however, the Company is seeking an overall reduction in rates, which the Commission has the discretion to grant on less than 20 days' notice.

Case No. 2021-00401
Atmos Energy Corporation, Kentucky Division
Staff DR Set No. 1
Question No. 1-02
Page 1 of 1

REQUEST:

Refer to the Application, paragraph 8. Explain whether Atmos has prepared a cost-benefit analysis for the DSM Program since the filing of this Application.

RESPONSE:

The Company has not prepared a cost-benefit analysis for the DSM Program since the filing of this Application since this application concerns only the low-income weatherization component. In the Company's Order in 2017-00424, the Commission stated that "[it] recognizes that low-income weatherization programs provide valuable assistance to income-eligible customer by reducing their heating bills, and has consistently approved such programs despite unfavorable TRC scores."

The Company is willing to prepare a cost-benefit analysis for TRC or the low-income weatherization component based on the Commission's guidance. Any analysis may potentially take longer than the standard two-week turnaround for data requests but the Company would promptly provide the analysis once prepared.

Case No. 2021-00401
Atmos Energy Corporation, Kentucky Division
Staff DR Set No. 1
Question No. 1-03
Page 1 of 1

REQUEST:

Refer to Atmos's Motion for Waiver (Motion) filed on October 28, 2021, contemporaneously with the Application, which does not identify the regulation for which Atmos is requesting a waiver. Identify the regulation for which Atmos is requesting a waiver and state with specificity the basis for Atmos's request.

RESPONSE:

Atmos Energy is requesting waiver from the requirements of KRS 278.285, to the extent necessary, to grant the relief requested.

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Atmos Energy Corporation, Kentucky Division
Staff DR Set No. 1
Question No. 1-04
Page 1 of 1

REQUEST:

Refer to the Motion, paragraph 4. Confirm that the \$37,000 spent on qualifying DSM projects between May 1, 2021, and September 30, 2021, was not paid for with funds received from the DSM rider.

RESPONSE:

The ultimate answer to this question will depend upon the relief granted in this docket. As currently recorded and if the Company's request is granted, the \$37,000 spent on qualifying DSM projects between May 1, 2021, and September 30, 2021, has been charged to accounts in accordance with other authorized DSM expenditures and therefore will have been paid for with funds received from the DSM rider.

However, if the relief requested is not granted, the Company will make an adjustment to remove the otherwise qualifying DSM projects between May 1, 2021, and September 30, 2021, and not recover through the DSM rider.

Case No. 2021-00401
Atmos Energy Corporation, Kentucky Division
Staff DR Set No. 1
Question No. 1-05
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REQUEST:

Refer to the Motion, paragraph 6. Atmos requests to continue the program at a rate of \$0.0000/Ccf until April 30, 2023.

- a. Explain why Atmos did not file a balancing calculation and a forecast of sales to determine the DSM rider rates.
- b. Provide a rate which includes the estimated expenses for a DSM rider effective May 1, 2022, through April 30, 2023, and a balancing adjustment.

RESPONSE:

- a. Atmos Energy did make a DSM tariff filing on November 1, 2021 (TF S2021-00446), which included Attachment 1 (2021 DSM Balancing Adjustment) and the Tenth Revised Sheet No. 36, that were also filed in this case. On December 15, 2021, Atmos Energy withdrew its DSM tariff filing based on its understanding from a discussion with Commission Staff that that since the Tenth Revised Sheet No. 36 was also filed in Case No. 2021-00401 (Atmos Energy DSM Motion and Application) on October 28, 2021, the DSM tariff sheet would be addressed in that proceeding. Please see Attachment 1 for a copy of Atmos Energy's DSM tariff withdrawal letter.
- b. Please see Attachment 2.

ATTACHMENTS:

Staff_1-05_Att1 - Atmos DSM Tariff Withdrawal Letter.pdf
Staff_1-05_Att2 - Atmos DSM Balancing Adjustment Estimate.xlsx



December 15, 2021

Ms. Linda Bridwell, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

Subject: Withdrawal of DSM Tariff Filing TFS2021-00446

Dear Ms. Bridwell:

I am respectfully requesting to withdraw the Atmos Energy Corporation ("Atmos") **Tenth Revised Sheet No. 36, Cancelling Ninth Revised Sheet No. 36** (DSM Tariff Filing in TFS2021-00446) that was filed on November 1, 2021.

Based upon a discussion with Commission Staff, it is my understanding that since the Tenth Revised Sheet No. 36 was also filed in Case No. 2021-00401 (Atmos DSM Motion and Application) on October 28, 2021, that tariff sheet will be addressed in that proceeding.

Please contact me at (972) 855-3076 if you have any further questions regarding this matter.

Sincerely,

A handwritten signature in cursive script that reads "Patty Nelson".

Patty Nelson
Supv Accounting

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

DSMRC = DCRC + DLSA + DIA + DBA

	(a)		(b)	(c)	(d)
	DSMRC Recoveries	DSMRC Costs	DSMRC Costs	DIA + DLSA Revenue	Under/(Over) DSMRC Balance
1 Previous DBA Balancing Adjustment					(\$140,650.47)
2					
3 Sep-20	\$573.90	\$ 14,445.71		(\$12.15)	\$15,007.46
4 Oct-20	\$1,067.18	\$ 5,802.34		(\$37.63)	\$6,831.89
5 Nov-20	\$2,619.95	\$ 5,596.61		(\$121.29)	\$8,095.27
6 Dec-20	\$5,888.28	\$ -		(\$278.51)	\$5,609.77
7 Jan-21	(\$762.51)	\$ 2,956.94		(\$3.68)	\$2,190.75
8 Feb-21	(\$10,999.60)	\$ 2,558.68		(\$431.88)	(\$8,872.80)
9 Mar-21	(\$9,046.94)	\$ 4,252.35		(\$355.24)	(\$5,149.83)
10 Apr-21	(\$4,354.48)	\$ 3,000.00		(\$171.49)	(\$1,525.97)
11 May-21	(\$2,275.74)	\$ 1,569.23		(\$89.88)	(\$796.39)
12 Jun-21	(\$1,234.54)	\$ 5,738.38		(\$49.30)	\$4,454.54
13 Jul-21	(\$857.73)	\$ 12,000.00		(\$34.68)	\$11,107.59
14 Aug-21	(\$733.38)	\$ 7,347.41		(\$30.43)	\$6,583.60
15	<u>(\$20,115.61)</u>	<u>\$ 65,267.65</u>	<u>\$ (1,616.16)</u>		<u>(\$97,114.59)</u>
17 Annual Average Commercial Paper Rate at September 2021			0.10%		\$ (97.11)
18 Total Residential DSMRC Balance					(\$97,211.70)
19 Sep-21	(\$843.54)	\$10,660.75			\$9,817.21
20 Oct 21 -Apr 22	\$0.00	\$0.00			\$0.00
21 May 22 - Apr 23	\$0.00	\$100,311.81			\$100,311.81
22 Adjusted Total Residential DSMRC Balance	(\$843.54)	\$ 176,240.21			\$12,917.32
23					
24 Annual Expected Residential Sales (Mcf)					8,795,049
25					
26 DBA = DSM Balancing Adjustment					0.0015
27					
28 DCRC = DSM Cost Recovery - Current					0.0123
29					
30 DLSA = DSM Lost Sales Adjustment					0.0001
31					
32 DIA = DSM Incentive Adjustment					0.0000
33					
34 DSMRC Residential Rate G-1					<u>0.0139</u>
35					
36					
37					

Notes:

- 38 This schedule includes the balance carry forward prior to Sep-20 and activity from Sep-20 through Sep-21 (Lines 1-19)
- 39 Estimated expenses is based on a two year average from 2019 and 2020 filing. (Line 21)
- 40 The DCRC is based on cost recovery of \$108,000 which is based on an average of 36 homes weatherized in 2020 and 2021 (\$ 3,000 x 36) (Line 28)
- 41 This schedule assumes no billings from October 2021 through April 2023 (Lines 20 and 21, Column a)

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

DSMRC = DCRC + DLSA + DIA + DBA

G-1 Commercial	(a)	(b)	(c)	(d)
				Under/(Over) DSMRC Balance
	DSMRC Recoveries	DSMRC Costs	DIA + DLSA Revenue	
42	Previous DBA Balancing Adjustment			(\$21,290.40)
43				
44	Sep-20 (\$1,999.89)	\$ -	\$0.00	(\$1,999.89)
45	Oct-20 (\$2,632.53)	\$ -	\$0.00	(\$2,632.53)
46	Nov-20 (\$3,209.89)	\$ -	\$0.00	(\$3,209.89)
47	Dec-20 (\$6,261.64)	\$ -	\$0.00	(\$6,261.64)
48	Jan-21 (\$2,849.30)	\$ -	\$0.00	(\$2,849.30)
49	Feb-21 \$4,163.92	\$ -	\$0.00	\$4,163.92
50	Mar-21 \$3,494.33	\$ -	\$0.00	\$3,494.33
51	Apr-21 \$1,725.83	\$ -	\$0.00	\$1,725.83
52	May-21 \$995.77	\$ -	\$0.00	\$995.77
53	Jun-21 \$731.77	\$ -	\$0.00	\$731.77
54	Jul-21 \$670.66	\$ -	\$0.00	\$670.66
55	Aug-21 \$599.28	\$ -	\$0.00	\$599.28
56				
57				
58	Annual Average Commercial Paper Rate at September 2021		0.10%	\$ (25.86)
59	Total Commercial DSMRC Balance			(\$25,887.95)
60	Sep-21 \$1,014.50	\$0.00		\$1,014.50
61	Oct 21 -Apr 22 \$0.00	\$0.00		\$0.00
62	May 22 - Apr 23 \$0.00	\$0.00		\$0.00
63	Adjusted Total Residential D:	\$1,014.50	\$0.00	(\$24,873.45)
64				
65	Annual Expected Commercial Sales (Mcf)			4,180,859
66				
67	DBA = DSM Balancing Adjustment			(0.0059)
68				
69	DCRC = DSM Cost Recovery - Current			0.0000
70				
71	DLSA = DSM Lost Sales Adjustment			0.0000
72				
73	DIA = DSM Incentive Adjustment			0.0000
74				
75	DSMRC Commercial Rate G-1			<u>(0.0059)</u>

Notes:

78 **This schedule includes the balance carry forward prior to Sep-20 and activity from Sep-20 through Sep-21 (Lines 42-60)**
79 **This schedule assumes no refund activity from October 2021 through April 2023 (Lines 61 and 62, Column a)**

Case No. 2021-00401
Atmos Energy Corporation, Kentucky Division
Staff DR Set No. 1
Question No. 1-06
Page 1 of 1

REQUEST:

Refer to the Motion, Atmos Energy KY DSM Application Attachment 1 – 2021 DSM Balancing Adjustment. Also refer to the Application, paragraph 4.

- a. Explain whether the over collection of funds of approximately \$5,900 that occurred between May 1, 2021, and September 30, 2021, is not included in the over collection as calculated in the Atmos Energy KY DSM Application Attachment 1–2021 DSM Balancing Adjustment for the residential class.
- b. Explain whether the over collection of funds of approximately \$(4,000) that occurred between May 1, 2021, and September 30, 2021, is not included in the over collection as calculated in the Atmos Energy KY DSM Application Attachment 1 – 2021 DSM Balancing Adjustment for the commercial class.

RESPONSE:

- a. Since the Atmos Energy DSM program ended April 30, 2021, the \$5,900 of over collected funds that occurred between May 1, 2021 and September 30, 2021 was **not** included in the over collection as calculated for the residential class in Attachment 1 (2021 DSM Balancing Adjustment) to Atmos Energy's DSM Application.
- b. Since the Atmos Energy DSM program ended April 30, 2021, the \$4,000 of over collected funds that occurred between May 1, 2021 and September 30, 2021 was **not** included in the over collection as calculated for the commercial class in Attachment 1 (2021 DSM Balancing Adjustment) to Atmos Energy's DSM Application.

Case No. 2021-00401
Atmos Energy Corporation, Kentucky Division
Staff DR Set No. 1
Question No. 1-07
Page 1 of 1

REQUEST:

Confirm that the DSM Program ceased October 15, 2021.

RESPONSE:

The Company did zero-out the DSM program rates effective October 15, 2021, however the answer to this question of whether or not the DSM Program is "ceased" will depend upon the Commission's order in this proceeding.