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October 18, 2022

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

Re: Atmos Energy Corporation Case No. 2022-00343

Dear Ms. Bridwell:

Atmos Energy Corporation submits its 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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Attorneys for Atmos Energy Corporation

## COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

IN THE	MAT	TER	OF:

APPLICATION OF ATMOS ENERGY CORPORATION TO EXTEND ITS DEMAND-SIDE MANAGEMENT PROGRAM AND COST RECOVERY MECHANISM, FOR THREE (3) YEARS	) ) )	Case No. 2022-00343
APPLICATION		

Atmos Energy Corporation ("Atmos Energy" or "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 three (3) years, through April 30, 2026.

In support of this application, Atmos Energy states as follows:

- 1. Atmos Energy is a corporation duly qualified under the laws of the Commonwealth of Kentucky to carry on its business in the Commonwealth.
- 2. Atmos Energy 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 Atmos Energy'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 Energy is certified to operate in Kentucky and is in good standing with the Officed 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 Energy's 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 Energy 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. In Case No. 2021-00401, the program, as modified, was approved to run through April 30, 2023.
- 6. 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.
- 7. The Company is proposing to continue the existing low-income weatherization program without any changes as it was approved in <u>Case Nos. 2017-00424 and 2021-00401</u>. As in those prior cases, Atmos Energy has not prepared a cost-benefit analysis for this program due to the inability to assess the savings accruing to individual customers. Per the final Order in Case No. 2017-00424 the budget of the low-income weatherization program is \$180,000 with a funding level of up to \$3,000 per qualifying low-income household, which the Company proposes to maintain beginning May 1, 2023.

The order in Case No. 2021-00401 states that Atmos Energy will submit in its next DSM filing for rates effective May 1, 2023 the over- or under-recovery balance for the commercial class. The Company would like to clarify that while the effective period of the DSM Program is through April 30, 2023, the actual recovery period for the DSM program is based on a January through December calendar year timeframe. Since the current refund rate for the commercial class will remain in effect through December 2022, the actual balance to be refunded or collected from customers will not be available until January 2023. The Company proposes to return this amount through the Company's Gas Cost Adjustment that will be effective May 1, 2023.

- 8. If the Commission is unable render approval by the current expiration date of April 30, 2023, the Company respectfully requests the Commission to allow the current benefits and funding of the DSM program to continue until final action by the Commission on this request.
- 9. Correspondence and communications with respect to this Application should be directed to:

Brannon Taylor, Atmos Energy Corporation, 810 Crescent Centre Dr. Ste 600 Franklin, Tennessee, 37067 (615) 771-8330 Fax (615) 771-8301 Brannon.Taylor@atmosenergy.com

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For these reasons, Atmos requests the Commission to enter an Order granting the extension and extending Atmos Energy's DSM program and Cost Recovery Mechanism as requested for a period of three (3) years.

Submitted this 18th day of October 2022.

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John N. Negles

## Certificate:

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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 18, 2022 and that no party has been excused from participation by electronic means.