

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC APPLICATION OF) CASE NUMBER: 2024-00205
ATMOS ENERGY CORPORATION)
FOR PERFORMANCE BASED)
RATEMAKING MECHANISM)

MOTION FOR DEVIATION

Comes now Atmos Energy Corporation (“Atmos Energy”) by and through the undersigned counsel, pursuant to 807 KAR 5:001, Section 15 and other applicable law, and respectfully **requests an Order by July 19, 2024** on the issue of the customer notice required pursuant to 807 KAR 5:011, Section 8, so that it may file its Application in this matter. As grounds for its Motion for Deviation in the above-styled proceeding Atmos Energy respectfully states as follows:

1. On June 24, 2024, Atmos Energy filed its Notice of its Intent to File an Application for Performance Based Ratemaking (“PBR”) mechanism.
2. Atmos Energy intends to file its application to extend its PBR mechanism on July 22, 2024. Atmos Energy is requesting to renew the PBR mechanism for five years and is not requesting any changes to its PBR mechanism.
3. Atmos Energy has reviewed recent orders from the Commission regarding customer notice. The Commission recently held in Case No. 2024-00012, *Electronic Application of Columbia Kentucky to Extend Performance Based Ratemaking Mechanism*,¹ in its March 11, 2024 Order, that customer notice pursuant to 807 KAR 5:011, Section 8 would apply to the changes

¹ Case No. 2024-00012, *Electronic Application of Columbia Kentucky to Extend Performance Based Ratemaking Mechanism* (Ky. PSC Mar.11, 2024).

to a tariff required when extending a PBR mechanism. Atmos Energy is not requesting a change to the PBR mechanism, and therefore it is not changing “a charge, fee, condition of service, or rule regarding the provision of service”² that will “affect the amount that customer pays for service or the quality, delivery, or rendering of a customer’s service.”³ Any customer notice will only be notice of the extension of the PBR mechanism and a zero dollar amount change for any customer bill. The Commission’s March 11, 2024 Order stated:

The Commission notes that, in the future, PBR mechanism renewals will require customer notice pursuant to 807 KAR 5:011, Section 8, because the expiration of the term of a rate calculation ends that rate and a renewal of that rate calculation is a new “charge” being “initiated” under 807 KAR 5:011, Section 8, regardless of whether the calculation is the same. Due to the variable nature of the natural gas market and its relation to set PBR benchmarks, the Commission and customers should receive adequate notice in order to have the opportunity to review the appropriateness of re-establishing the calculated rate.⁴

3. Based upon the Commission’s Order in Case No. 2024-00012, Atmos Energy intends to publish notice in the newspapers of general circulation in its service area pursuant to 807 KAR 5:011, Section 8(2)(b)(3), and requests a deviation from the requirement to publish notice for two additional weeks. 807 KAR 5:011, Section 8(2)(b)(3) states that,

If a utility has more than twenty (20) customers, it shall provide notice by...Publishing notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made no later than the date the tariff filing is submitted to the commission;⁵

² 807 KAR 5:011 Section 8.

³ *Id.*

⁴ Case No. 2024-00012, *Electronic Application of Columbia Kentucky to Extend Performance Based Ratemaking Mechanism* (Ky. PSC Mar.11, 2024) at 3.

⁵ 807 KAR 5:011 Section 8(2)(b)(3).

4. Atmos Energy also plans to post the customer notice on its website and at its office to satisfy this customer notice requirement.

5. Atmos Energy has attached its proposed customer notice as Exhibit A, which alerts customers to the extension application for its PBR mechanism and the fact that there is a \$0.00 dollar increase or decrease in the average customer's bill as a result of the application to extend the PBR mechanism.

6. Atmos Energy has also attached a quote for the cost of publishing customer notice for one week in the newspaper of general circulation in its service territory as Exhibit B. The cost of publishing the customer notice for one week is estimated at \$8,629.40 by the Kentucky Press Service. The total cost would be \$25,888.20, should the Commission find that Atmos Energy is required to publish the customer notice for three consecutive weeks.

7. Based upon the fact that there is no change to the average customer's bill and the high cost of publishing notice in the newspapers of general circulation in Atmos Energy's service territory, Atmos Energy requests the Commission grant a deviation from the requirement and only require Atmos to publish the customer notice for one week as well as to post the customer notice on its website and at its offices.

8. Atmos Energy would publish the customer notice on its web site and at its office. Atmos Energy would keep the notices on its web site and at its office until a final decision is rendered by the Commission in this matter.

WHEREFORE, based on the foregoing, Atmos Energy requests a deviation of the notice requirements in 807 KAR 5:011 Section 8 pursuant to 807 KAR 5:001, Section 15.

Dated this 2nd day of July 2024.

Respectfully submitted,



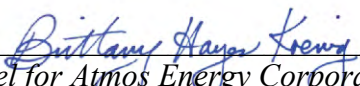
L. Allyson Honaker
Brittany Hayes Koenig
Heather S. Temple
HONAKER LAW OFFICE, PLLC
1795 Alysheba Way, Suite 6202
Lexington, Kentucky 40509
(859) 368-8803
allyson@hloky.com
brittany@hloky.com
heather@hloky.com

John N. Hughes
7106 Frankfort Rd.
Versailles, KY 40383
(502) 223-7033
jnhughes@johnhughespsc.com

Counsel for Atmos Energy Corporation

CERTIFICATE OF SERVICE

This is to certify that foregoing electronic filing was transmitted to the Commission on July 2, 2024; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085, no paper copies of the filing will be made.



Counsel for Atmos Energy Corporation

EXHIBIT A

NOTICE

Atmos Energy Corporation (“Atmos Energy”) intends to propose revisions to its tariff extending its Gas Cost Performance Based Ratemaking mechanism (“PBR”) on file with the Kentucky Public Service Commission (“Commission”) by applying for an extension for five years with the Commission on or after July 22, 2024. The tariff filing will request that the proposed revisions become effective on September 1, 2024.

Rate Class	Rates			
	Present	Proposed	Dollars Increase	Percent Increase
G-1 PBR Charge	\$0.1680 per Mcf	\$0.1680 per Mcf	\$0	0%
G-2 PBR Charge	\$0.1680 per Mcf	\$0.1680 per Mcf	\$0	0%
Total Impact to Atmos Revenues			\$0	0%

Atmos Energy intends to propose an extension of five years to its PBR mechanism revising Sheet No. 18 of its Commission-approved tariff until May 25, 2030. Atmos Energy is also proposing updating Sheet No. 29 for the annual reports date to begin in 2025 and the review date to begin in 2029 to match the proposed five-year extension proposal. Atmos Energy believes the PBR has been a benefit to its customers and its shareholders. The PBR mechanism is explained in detail in Sheets Nos. 18-29 of its tariff and Atmos Energy is not requesting that it be revised.

Additional information, links, and a copy of Atmos Energy’s tariff revisions can be found at Atmos Energy’s principal office (3275 Highland Pointe Drive, Owensboro, KY 42303) and on its website (<https://www.atmosenergy.com/utility-operationsrates/tariffs-kentucky/>) A person may submit a timely written request for intervention to the Commission, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. The Commission’s phone number is (502) 564-3940 and its website is <http://psc.ky.gov>. The revisions contained in this notice are the revisions proposed by Atmos Energy but the Commission may order revisions that differ from the proposed revisions contained in this notice. Atmos Energy is not proposing any changes to any rate schedules and the average customer bill will not change.

¹ For additional informational purposes, the total customer bill impact by rate class without current PBR rate and with the current PBR should be extended is below.

Customer Class	Average Monthly Usage (Mcf)	Average Monthly Bill (\$)	Average Monthly Bill (Present and Proposed Rate) (\$)	Average Monthly Bill (Without PBR Rates) (\$)	Average PBR Impact Monthly Bill (\$)	Average PBR Impact Monthly Bill (%)		
G-1 Firm Service - Residential	5.2	\$	45.43	\$	44.56	\$	0.87	1.9%
G-1 Firm Service - Non Residential	27.5	\$	202.37	\$	197.75	\$	4.62	2.3%
G-2 Interruptible	2,7545.0	\$	8,989.45	\$	8,52.26	\$	461.16	5.1%
T-4 Firm Transportation	5,162.1	\$	6,540.29	\$	6,540.29	\$	-	0.0%
T-3 Interruptible	9,956.8	\$	10,531.78	\$	10,531.78	\$	-	0.0%

EXHIBIT B



KENTUCKY PRESS SERVICE

101 CONSUMER LANE
FRANKFORT, KY 40601
Voice (502) 223-8821 Fax (502) 226-3867

Friday, June 28, 2024 02:34 PM

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Advertising Quote

Agency Brannon Taylor
ATMOS ENERGY
3275 Highland Pointe Drive
Owensboro, KY 42303

PO Number
Order 24072AA0

Client Atmos Energy
Reps

Position classifieds
Copy web page

Vendor	Run Date	Ad Size Physical Ad Size	Rate Name Color Rate Name	Rate Color Rate	Total	Circulation
BOWLING GREEN DAILY NEWS	7/10/2024	4 x 6.5 6.555 x 6.5	Publ. Day Su,M,Tu,W,Th,F CLDIS	# Columns 6 \$53.34 \$0.00	Page Depth 21.0000 \$1,386.84	21.0000 7,779
		Caption Notice Atmos				
CAMPBELLVILLE CENTRAL KY NEWS JOURNAL	7/11/2024	4 x 6.5 6.56 x 6.5	Publ. Day Th CLDIS	# Columns 6 \$12.82 \$0.00	Page Depth 21.5000 \$333.32	21.5000 1,854
		Caption Notice Atmos				
CAVE CITY BARREN CO. PROGRESS	7/10/2024	5 x 6.5 6.125 x 6.5	Publ. Day W CLDIS	# Columns 8 \$9.00 \$0.00	Page Depth 21.0000 \$292.50	21.0000 5,108
		Caption Notice Atmos				
GREENSBURG RECORD-HERALD	7/10/2024	5 x 6.5 6.14 x 6.5	Publ. Day W CLDIS	# Columns 8 \$13.40 \$0.00	Page Depth 21.5000 \$435.50	21.5000 2,072
		Caption Notice Atmos				
HOPKINSVILLE KENTUCKY NEW ERA	7/11/2024	4 x 6.5 6.875 x 6.5	Publ. Day Tu,Th,Sa CLDIS	# Columns 6 \$24.52 \$0.00	Page Depth 21.5000 \$637.52	21.5000 1,879
		Caption Notice Atmos				
LAWRENCEBURG ANDERSON NEWS	7/11/2024	4 x 6.5 6.56 x 6.5	Publ. Day Th CLDIS	# Columns 6 \$12.04 \$0.00	Page Depth 21.5000 \$313.04	21.5000 2,292
		Caption Notice Atmos				
MADISONVILLE MESSENGER	7/11/2024	4 x 6.5 6.375 x 6.5	Publ. Day Tu,Th,Sa CLDIS	# Columns 6 \$22.49 \$0.00	Page Depth 21.0000 \$584.74	21.0000 1,370
		Caption Notice Atmos				
MAYFIELD MESSENGER	7/10/2024	4 x 6.5 6.292 x 6.5	Publ. Day W,Sa CLDIS	# Columns 6 \$12.21 \$0.00	Page Depth 19.7130 \$317.46	19.7130 2,219
		Caption Notice Atmos				
OWENSBORO MESSENGER-INQUIRER	7/10/2024	4 x 6.5 6.653 x 6.5	Publ. Day M,Tu,W,Th,F,Sa CLDIS	# Columns 6 \$44.28 \$0.00	Page Depth 21.0000 \$1,151.28	21.0000 8,050
		Caption Notice Atmos				
PADUCAH SUN	7/10/2024	4 x 6.5	Publ. Day Tu,W,Th,F,Sa CLDIS	# Columns 6 \$68.73	Page Depth 19.7130	19.7130

As of MAY 1, 2017, a 2.5 percent convenience fee will be added if paying by Credit Card. RATES GUARANTEED FOR 30 DAYS ONLY FROM ORIGINATION DATE.



KENTUCKY PRESS SERVICE

101 CONSUMER LANE
 FRANKFORT, KY 40601
 Voice (502) 223-8821 Fax (502) 226-3867

Friday, June 28, 2024 02:34 PM

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Advertising Quote

Agency Brannon Taylor
 ATMOS ENERGY
 3275 Highland Pointe Drive
 Owensboro, KY 42303

PO Number
Order 24072AA0

Client Atmos Energy
Reps

Position classifieds
Copy web page

Run Date	Ad Size Physical Ad Size	Rate Name Color Rate Name	Rate Color Rate	Total	Circulation
	6.292 x 6.5		\$0.00	\$1,786.98	7,760
Caption	Notice Atmos				
RUSSELLVILLE NEWS DEMOCRAT & LEADER		Publ. Day Th	# Columns 6	Page Depth 21.0000	
7/11/2024	4 x 6.5	CLDIS	\$10.00		
	6.375 x 6.5		\$0.00	\$260.00	734
Caption	Notice Atmos				
SHELBYVILLE SENTINEL-NEWS		Publ. Day Th	# Columns 6	Page Depth 21.5000	
7/11/2024	4 x 6.5	CLDIS	\$13.69		
	6.56 x 6.5		\$0.00	\$355.94	2,484
Caption	Notice Atmos				
THE ADVOCATE-MESSENGER		Publ. Day Tu,F	# Columns 6	Page Depth 21.0000	
7/9/2024	4 x 6.5	CLDIS	\$17.78		
	6.6233 x 6.5		\$0.00	\$462.28	1,497
Caption	Notice Atmos				
Times Leader- Princeton		Publ. Day W,Sa	# Columns 9	Page Depth 21.5000	
7/10/2024	6 x 6.5	CLDIS	\$8.00		
	6.375 x 6.5		\$0.00	\$312.00	1,294
Caption	Notice Atmos				

Number of Vendors	14	Totals	\$8,629.40	46,392
		Discounts	\$0.00	
		Misc. Charges	\$0.00	
		USA Tax	\$0.00	
		Net	\$8,629.40	

As of MAY 1, 2017, a 2.5 percent convenience fee will be added if paying by Credit Card. RATES GUARANTEED FOR 30 DAYS ONLY FROM ORIGINATION DATE.