

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 AND INFORMAL CONFERENCE

Comes now Atmos Energy Corporation (“Atmos Energy”) by and through the undersigned counsel, pursuant to 807 KAR 5:011, Section 15 and 807 KAR 5:001, Section 9(4) and other applicable law, and respectfully requests to hold a virtual informal conference with Commission Staff before August 2, 2024 regarding customer notice for the Performance Based Ratemaking (“PBR”) mechanism. As grounds for the request for deviation and an informal conference Atmos Energy respectfully states as follows:

1. On July 2, 2024, Atmos Energy filed a motion requesting a deviation from customer notice for its upcoming PBR filing. In the motion Atmos Energy indicated it was requesting a deviation from the notice requirements in 807 KAR 5:011, Section 8(2)(b)(3) that required newspaper publication for three (3) consecutive weeks and for an abbreviated notice.¹

2. On July 19, 2024, the Commission entered an Order denying Atmos Energy’s request to deviate from 807 KAR 5:011, Section 8(2)(b)(3) and required Atmos Energy to publish

¹ Motion for Deviation at 2 and Exhibit A (filed July 2, 2024).

notice for three (3) consecutive weeks.² However, the Commission did not address whether the abbreviated notice provided in Exhibit A to the Motion for Deviation was acceptable.³

3. In Case No. 2024-00012, the Commission found that notice pursuant to 807 KAR 5:011, Section 8 is required for a PBR mechanism renewal.⁴ Due to the complicated nature of the PBR mechanism calculations, Atmos Energy is requesting an informal conference with Commission Staff to address the content required for newspaper notice for a PBR filing. Atmos Energy is not requesting any changes to the PBR mechanism and therefore is uncertain how to indicate the dollar amount and percentage of change and the impact on the average customer's bill.

4. The Commission did not address what type of notice it was now requiring for a PBR mechanism renewal in Case No. 2024-00012, Atmos Energy is requesting a virtual informal conference pursuant to 807 KAR 5:001, Section 9(4) to discuss the form of notice Atmos Energy is proposing. In order to expedite this process, Atmos Energy is providing a copy of its proposed notice as Attachment A.

5. In the alternative, Atmos Energy is requesting the Commission review the proposed notice provided as Attachment A. Atmos Energy has included all the information required pursuant to 807 KAR 5:011, Section 8(4)(a)-(j); however, due to the mechanics of the PBR calculations Atmos Energy is requesting the Commission grant a deviation pursuant to 807 KAR 5:011, Section 15 if the notice provided in Attachment A does not sufficiently demonstrate the present and proposed rates.⁵

² July 19, 2024 Order (Ky. PSC July 19, 2024).

³ July 19, 2024 Order.

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

⁵ 807 KAR 5:011, Section 8(4)(b) and (c).

WHEREFORE, based on the foregoing, Atmos Energy requests a virtual information conference with Commission Staff pursuant to 807 KAR 5:001, Section 9(4) before August 2, 2024, or in the alternative requests the Commission approve the proposed notice for the PBR mechanism filing that is attached to this Motion as Attachment A.

Dated this 23rd day of July 2024.

Respectfully submitted,

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CERTIFICATE OF SERVICE

This is to certify that foregoing electronic filing was transmitted to the Commission on July 23, 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.

Heather S. Temple

Counsel for Atmos Energy Corporation

ATTACHMENT 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 August 5, 2024. The tariff filing will request that the proposed revisions become effective on September 5, 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 the current PBR rate and with the current PBR rate should it 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	\$ 44.56	0.87	1.9%
G-1 Firm Service - Non Residential	27.5	\$ 202.37	\$ 197.75	\$ 197.75	4.62	2.3%
G-2 Interruptible	2,745.0	\$ 8,989.45	\$ 8,528.26	\$ 8,528.26	461.16	5.1%
T-4 Firm Transportation	5,162.1	\$ 6,540.29	\$ 6,540.29	\$ 6,540.29	-	0.0%
T-3 Interruptible	9,956.8	\$ 10,531.78	\$ 10,531.78	\$ 10,531.78	-	0.0%