

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:)
)
 ELECTRONIC APPLICATION OF) **Case No. 2024-00276**
 ATMOS ENERGY CORPORATION FOR)
 AN ADJUSTMENT OF RATES;)
 APPROVAL OF TARIFF REVISIONS;)
 AND OTHER GENERAL RELIEF)
)

**ATMOS ENERGY’S RESPONSE TO THE OCTOBER 2, 2024 DEFICIENCY NOTICE
AND MOTION FOR DEVIATION**

Comes now Atmos Energy Corporation (“Atmos Energy” or “the Company”), by counsel, pursuant to 807 KAR 5:001, Section 22 and other applicable law and respectfully requests the Kentucky Public Service Commission (“Commission”) grant a deviation from the notice requirements in 807 KAR 5:001, Section 17(2) and accept the Application. Atmos Energy respectfully states as follows:

1. On September 27, 2024, Atmos Energy submitted an Application for an adjustment of rates and other general relief. Included in the Application, Volume 2, FR 16(1)(b)5, Atmos Energy provided a copy of customer notice.¹

2. On October 2, 2024, the Commission issued a Deficiency Letter stating the customer notice was deficient pursuant to 807 KAR 5:001, Section 17 (4)(c) because the, “amount of change requested in dollar amounts and percentage change for each customer classification to which change will apply: A dollar amount change in present rate to proposed rate is incorrectly

¹ The customer notice is ultimately located at Application, Volume 3, FR 17(4)(a)-(j).

stated for a G-2 usage rate.”²

3. Upon reviewing the customer notice after the Deficiency Letter, Atmos Energy discovered the present rate for customers taking service under “Rate G-2, Interruptible Sales Service, First 15,000 Mcf or less per month” was incorrect. The customer notice stated the present charge was \$3.8755 per McF. The customer notice should have indicated the present rate for these customers is **\$3.8775**. The proposed rate and the increase in dollar amount and percentage for that rate are correct in the customer notice included in the Application.

4. There are only six customers that take service on Rate G-2, Interruptible Sales Service. On October 2, 2024, Atmos Energy was able to make this correction to the customer notice and mail this notice to the customers that take service on this rate schedule. Attachment A to this Motion includes a copy of the notice that was mailed to the six customers that take service on Rate G-2.

5. Atmos Energy contacted the Kentucky Press Association and was able to correct the customer notice. The Kentucky Press Association has confirmed that the corrected customer notice will run the week of October 6, 2024, as the third printing. Attachment A to this Motion is the customer notice that will be published in the newspapers. Attachment B to this Motion includes correspondence with a representative from the Kentucky Press Association confirming the corrected customer notice will be published.

6. As noted in the Application, a majority of Atmos Energy’s customers take service on the Rate G-1, General Sales Service. This portion of the notice was correct and will have been published in newspapers of general service for three consecutive weeks. Meaning a majority of Atmos Energy’s customers will have received correct customer notice as required by 807 KAR

² PSC Deficiency Letter (Ky. PSC Oct. 2, 2024).

5:001, Section 17(2)(b)3. The customers affected by the incorrect present rate in the customer notice in Rate G-2 have now received correct notice by mail as permitted by 807 KAR 5:001, Section 17(2)(b)2.

7. Based upon the minor correction that was required to correct the published customer notice, and the fact that there are only six customers that take service on this rate schedule, Atmos Energy is requesting the Commission grant a deviation of 807 KAR 5:001, Section 17(2)(b)3 pursuant to 807 KAR 5:001, Section 22.

WHEREFORE, on the basis of the foregoing, Atmos Energy respectfully requests the Commission grant a deviation of 807 KAR 5:001, Section 17(2)(b)3 pursuant to 807 KAR 5:001, Section 22 for the published newspaper notice and permit the six customers that take service on Rate G-2 to receive notice by 807 KAR 5:001, Section 17(2)(b)2 and to deem the Application filed as of October 3, 2024.

This the 3rd day of October 2024.

Submitted by:

Heather S. Temple

L. Allyson Honaker
Brittany Hayes Koenig
Heather Temple
HONAKER LAW OFFICE, PLLC
1795 Alysheba Way, Suite 1203
Lexington, KY 40509
(859) 368-8803 Ph
No Fax
allyson@hloky.com
brittany@hloky.com
heather@hloky.com

John N. Hughes
7106 Frankfort Rd.
Versailles, KY
502 223-7033
No Fax
jnhughes@johnnhughespsc.com

Attorneys for Atmos Energy Corporation

CERTIFICATE OF SERVICE

This is to certify that the electronic filing has been transmitted to the Commission on October 3, 2024 and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means. Pursuant to prior Commission Orders no paper copies of this filing will be made.

Heather S. Temple

Counsel, Atmos Energy Corporation

ATTACHMENT A

NOTICE OF PROPOSED CHANGES IN GAS TARIFFS WHICH WILL RESULT IN INCREASED CHARGES

Notice is hereby given, pursuant to the requirements of the Kentucky Public Service Commission, ("KPSC" or "Commission"), as set forth in 807 KAR 5:001, Section 17(2)(b), of the Commission's Rules and Regulations, that Atmos Energy Corporation ("Atmos Energy" or "Company"), a public utility furnishing natural gas service within the Commonwealth of Kentucky, will be filing a general rate adjustment, pursuant to Kentucky Revised Statute 278.180. Atmos Energy plans to file an application styled, *The Electronic Application of Atmos Energy Corporation for an Adjustment of Rates; Approval of Tariff Revisions; and Other General Relief*, with the KPSC on or after September 27, 2024. Atmos Energy will be proposing to change its gas rates effective on or after November 1, 2024 in Case No. 2024-00276. Atmos Energy is also proposing to make the following changes to its existing tariffs:

*The revision of the Rate Book Index on Sheet No. 1 to reflect the changes described below. There is no revenue impact associated with this change.

*Modification of the Company's Pipeline Replacement Program ("PRP") tariff to permit inclusion of Aldyl-A pipe on Sheet No. 38. This tariff modification would amend the PRP applicable under the Company's Rate Schedules G-1, G-2, T-3, and T-4.

*Proposal of the Pipeline Modernization Rider ("PM Rider") on Sheet Nos. 42, 42A, and 42B that will enable the Company to recover costs associated with compliance with regulations promulgated by the U.S. Department of Transportation Pipeline and Hazardous Materials Administration, as approved by the Kentucky Public Service Commission. The PM Rider tariff will be set at zero until the effective date of approval by the Commission of a PM Rider rate. This tariff modification would be applicable under the Company's Rate Schedules G-1, G-2, T-3 and T-4. Any future adjustments to the PM Rider rate would require Kentucky Public Service Commission approval.

*Proposal of the Tax Rider ("Tax Rider") on Sheet Nos. 43, 43A, 43B, 43C and 43D to be utilized to capture the effects of Public Law 117-169, 136 STAT. 1818 of August 16, 2022 ("Tax Act 2022") and certain other tax-related costs that will change from the amounts included in the base revenue requirement in Case No. 2024-00276. These effects include the return on the Corporate Alternative Minimum Tax ("CAMT") deferred tax asset ("DTA") resulting from the Tax Act 2022, and income tax credits resulting from the Tax Act 2022 included in rate base and in the base revenue requirement in Case No. 2024-00276. The Tax Rider tariff will be set at zero until the effective date of approval by the Commission of a Tax Rider rate. This tariff modification would be applicable under the Company's Rate Schedules G-1, G-2, T-3 and T-4. Any future adjustments to the Tax Rider rate would require Kentucky Public Service Commission approval.

The present and proposed rates charged in all territory served by Atmos Energy are as follows:

Rate Classifications	Present Rates ²		Proposed Rates		Rate Change	
	Charge	Unit	Charge	Unit	\$/% Increase/(Decrease) Change	Change
Rate G-1, General Sales Service						
Residential Service						
Monthly Base Charge:	\$19.30	Per meter	\$25.00	Per meter	\$5.70	29.5%
Commodity Charge						
First 300 Mcf or less per month	\$5.6298	Per Mcf	\$6.3766	Per Mcf	\$0.7468	13.3%
Next 14,700 Mcf per month	\$5.1577	Per Mcf	\$5.6768	Per Mcf	\$0.5191	10.1%
Over 15,000 Mcf per month*	\$4.9703	Per Mcf	\$5.3990	Per Mcf	\$0.4287	8.6%
Minimum Charge: The Base Charge						
Pipeline Replacement Rider Charge						
First 1-300 Mcf per month	\$0.2494	Per Mcf	\$0.2494	Per Mcf	\$0.0000	0.0%
Next 301-15,000 Mcf per month	\$0.2494	Per Mcf	\$0.2494	Per Mcf	\$0.0000	0.0%
Over 15,000 Mcf per month	\$0.2494	Per Mcf	\$0.2494	Per Mcf	\$0.0000	0.0%
Non-Residential Service						
Monthly Base Charge:	\$66.00	Per meter	\$75.00	Per meter	\$9.00	13.6%
Commodity Charge						
First 300 Mcf or less per month	\$5.6298	Per Mcf	\$6.3766	Per Mcf	\$0.7468	13.3%
Next 14,700 Mcf per month	\$5.1577	Per Mcf	\$5.6768	Per Mcf	\$0.5191	10.1%
Over 15,000 Mcf per month*	\$4.9703	Per Mcf	\$5.3990	Per Mcf	\$0.4287	8.6%
Minimum Charge: The Base Charge						
Pipeline Replacement Rider Charge						
First 1-300 Mcf per month	\$0.1831	Per Mcf	\$0.1831	Per Mcf	\$0.0000	0.0%
Next 301-15,000 Mcf per month	\$0.1273	Per Mcf	\$0.1273	Per Mcf	\$0.0000	0.0%
Over 15,000 Mcf per month	\$0.1273	Per Mcf	\$0.1273	Per Mcf	\$0.0000	0.0%
Rate G-2, Interruptible Sales Service						
Monthly Base Charge:	\$520.00	Per Delivery	\$685.00	Per Delivery	\$165.00	31.7%
Commodity Charge						
First 15,000 Mcf or less per month	\$3.8775	Per Mcf	\$4.2174	Per Mcf	\$0.3399	8.8%
Over 15,000 Mcf per month	\$3.7055	Per Mcf	\$3.9842	Per Mcf	\$0.2787	7.5%
Minimum Charge:						
The Base Charge plus any Transportation Fee and EFM facilities charge						
Pipeline Replacement Rider Charge						
First 1-15,000 Mcf per month	\$0.0640	Per Mcf	\$0.0640	Per Mcf	\$0.0000	0.0%
Over 15,000 Mcf per month	\$0.0525	Per Mcf	\$0.0525	Per Mcf	\$0.0000	0.0%
Rate T-3, Interruptible Transportation Service						
Transportation only service						
Monthly Base Charge:	\$520.00	Per Delivery	\$685.00	Per Delivery	\$165.00	31.7%
Meter Charge						
Administrative Charge	\$50.00					
Commodity Charge						
First 15,000 Mcf or less per month	\$0.9557	Per Mcf	\$1.2956	Per Mcf	\$0.3399	35.6%
Over 15,000 Mcf per month	\$0.7837	Per Mcf	\$1.0624	Per Mcf	\$0.2787	35.6%
Pipeline Replacement Rider Charge						
First 1-15,000 Mcf per month	\$0.0448	Per Mcf	\$0.0448	Per Mcf	\$0.0000	0.0%
Over 15,000 Mcf per month	\$0.0367	Per Mcf	\$0.0367	Per Mcf	\$0.0000	0.0%
Rate T-4, Firm Transportation Service						
Transportation only service						
Monthly Base Charge:	\$520.00	Per Delivery	\$685.00	Per Delivery	\$165.00	31.7%
Meter Charge						
Administrative Charge	\$50.00					
Commodity Charge						
First 300 Mcf or less per month	\$1.5483	Per Mcf	\$2.2951	Per Mcf	\$0.7468	48.2%
Next 14,700 Mcf per month	\$1.0762	Per Mcf	\$1.5953	Per Mcf	\$0.5191	48.2%
Over 15,000 Mcf per month*	\$0.8888	Per Mcf	\$1.3175	Per Mcf	\$0.4287	48.2%
Pipeline Replacement Rider Charge						
First 1-300 Mcf per month	\$0.0744	Per Mcf	\$0.0744	Per Mcf	\$0.0000	0.0%
Next 301-15,000 Mcf per month	\$0.0516	Per Mcf	\$0.0516	Per Mcf	\$0.0000	0.0%
Over 15,000 Mcf per month	\$0.0427	Per Mcf	\$0.0427	Per Mcf	\$0.0000	0.0%

¹Mcf = 1,000 cubic feet

²Present Rates include Pipeline Replacement Rider. The proposed PRP rates are not changing from the present PRP rates; however, Atmos Energy is not proposing to roll the PRP into base rates in this proceeding. The Company is currently before the Commission in Case No. 2024-00226 seeking approval of an increase in Pipeline Replacement Rider rates. The Company's requested Pipeline Replacement Rider rates in the proceeding are as follows: Rate G-1 (Residential) all volumes - \$0.4362 per 1000 cubic feet; Rate G-1 (Non-Residential) 1-300 - \$0.3198 per 1000 cubic feet; 301-15,000 and over 15,000 - \$0.2223 per Mcf; Rate G-2 1-15,000 - \$0.1289 per 1000 cubic feet, over 15,000 - \$0.1057 per 1000 cubic feet; Rate T-3 1-15,000 - \$0.0821 per 1000 cubic feet, over 15,000 - \$0.0673 per 1000 cubic feet; Rate T-4 1-300 - \$0.1248 per 1000 cubic feet, 301-15,000 \$0.0867 per 1000 cubic feet, over 15,000 - \$0.0716 per 1,000 cubic feet. Present Rates also include R&D Rider and Demand Side Management ("DSM") Rider. R&D Unit Charge is \$0.0174 per 1,000 cubic feet and The R&D Rider applies to the distribution charge applicable to all gas transported by Atmos Energy other than Rate T-3 and T-4 Transportation Service. The DSM Rider is applicable to Rate G-1 Sales Service, residential and commercial classes only and the current rate for G-1 Residential is (\$0.0007) per Mcf and for G-1 Commercial is (\$0.0000) per Mcf. No changes to the R&D Rider or the DSM Rider rates are being proposed by the Company.

All other charges not specifically mentioned herein shall remain the same as those presently in effect. The proposed rates will result in an overall approximate increase in the amount of \$33,001,164 or 17.9% with increases of approximately \$18,397,622 or 17.9% for G-1 residential customers, \$7,226,668 or 11.5% for G-1 non-residential customers, \$78,371 or 7.3% for G-2 interruptible sales customers, \$2,860,131 or 35.0% for T-3 interruptible transportation customers, and \$4,276,976 or 46.1% for T-4 firm transportation customers. Charges from other gas revenue will increase \$161,396 or 37.9%. The average monthly bill for G-1 residential customers will increase approximately \$9.58 or 19.7%. The average monthly bill for G-1 non-residential customers will increase approximately \$31.11 or 13.4%. The average monthly bill for T-3 interruptible transportation customers will increase approximately \$3,601.69 or 35.2%. The average monthly bill for T-4 firm transportation customers will increase approximately \$3,134.82 or 46.6%.

Customer Class	Proposed Rate Increase by Customer Class (\$)	Proposed Rate Increase by Customer Class (%)	Average Monthly Usage (Mcf)	Average Monthly Bill (Present Rates)	Average Monthly Bill (Proposed Rates)	Increase in Average Monthly Bill (\$)	Increase in Average Monthly Bill (%)
G-1 Firm Services Residential	\$18,397,622	17.9%	5.2	\$48.57	\$58.16	\$9.58	19.7%
G-1 Firm Services Non-Residential	\$7,226,668	11.5%	29.6	\$232.64	\$263.75	\$31.11	13.4%
G-2 Interruptible Sales	\$78,371	7.3%	2,025.9	\$8,375.43	\$9,229.03	\$853.60	10.2%
T-3 Interruptible Transportation	\$2,860,131	35.0%	10,110.9	\$10,232.99	\$13,834.68	\$3,601.69	35.2%
T-4 Firm Transportation	\$4,276,976	46.1%	5,589.5	\$6,727.05	\$9,861.87	\$3,134.82	46.6%

The impact on each customer's average bill will vary according to individual consumption or transportation levels. However, this impact can be determined by each customer by applying the proposed rates listed above to their respective average consumption or transportation levels.

The rates contained in this notice are the rates proposed by Atmos Energy Corporation, however, the KPSC may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for customers higher or lower than the rates included in this notice.

Atmos Energy's application for rate adjustment is available for examination at its offices listed below. Any person may obtain a copy of the application, testimony or other documents or examine the rate application and any related filings at the offices of Atmos Energy listed below or at its website www.atmosenergy.com or the Commission office or its website listed below. A person that wishes to examine the application and any related documents may also call Atmos Energy at 1-888-286-6700 and arrangements will be made to make a copy available for examination.

A person may also examine the application at the Public Service Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's website at <http://psc.ky.gov>. Comments regarding the application may be submitted to the Public Service Commission through its website or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602.

A person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Public Service Commission does not receive a written request for intervention within thirty (30) days of initial publication of this Notice, the Commission may take final action on Atmos Energy's application. Any comments regarding this application may be submitted through the Commission's website at <http://psc.ky.gov> or by mail to P.O. Box 615, Frankfort, Kentucky 40602.

Atmos Energy Corporation
 Attention: Mr. Brannon C. Taylor
 810 Crescent Centre Dr., STE 600
 Franklin, TN 37067
 (615) 771-8330
brannon.taylor@atmosenergy.com
www.atmosenergy.com

Atmos Energy Corporation has the following local offices:

Atmos Energy 3275 Highland Pointe Drive Owensboro, KY 42303	Atmos Energy 188 E 9 th Street Hopkinsville, KY 42240	Atmos Energy 105 Hudson Blvd Shelbyville, KY 40065	Atmos Energy 449 Whirlaway Drive Danville, KY 40422	Atmos Energy 3510 Coleman Road Paducah, KY 42001	Atmos Energy 470 W. James St. Mayfield, KY 42066
Atmos Energy 638 W. Broadway Madisonville, KY 42431	Atmos Energy 108 Carroll Knically Drive Glasgow, KY 42141	Atmos Energy 307 Marion Road Princeton, KY 42445	Atmos Energy 2850 Russellville Road Bowling Green, KY 42101	Atmos Energy 336 Commonwealth Drive Campbellsville, KY 42718	

Public Service Commission
 211 Sower Blvd.
 P.O. Box 615
 Frankfort, KY 40602
 (502) 564-3940
www.psc.ky.gov

ATTACHMENT B

From: [Taylor, Brannon](#)
To: [Allyson Honaker](#); [Heather Temple](#); jnhughes@johnnhughespsc.com
Subject: FW: revised ad received
Date: Thursday, October 3, 2024 11:36:34 AM

From: Rachel McCarty <rmccarty@kypress.com>
Sent: Thursday, October 3, 2024 10:26 AM
To: Taylor, Brannon <Brannon.Taylor@atmosenergy.com>
Subject: [EXT] revised ad received

CAUTION: Don't be quick to click. This e-mail originated from outside of Atmos Energy. Do not click links or open attachments unless you recognize the sender and know the content is safe.

I have emails from all but one confirming they received revised ad and have changed it out.

Greensburg Record Herald is closed on Thursday, but I called the publisher at home. They know the revision is in both their emails and will get it changed out for next week.

Let me know if you need anything else.

Thanks

Rachel McCarty
KY Press Service
Phone: 502-223-8821
Fax: 502-875-2624