

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT) CASE NO.
FILING OF ATMOS ENERGY CORPORATION) 2022-00188

ORDER

On June 29, 2022, Atmos Energy Corporation (Atmos) filed its Gas Cost Adjustment (GCA) to be effective August 1, 2022. Atmos filed an amended GCA report on July 20, 2022. Atmos's previous GCA rate was approved in Case No. 2022-00086.¹

LEGAL STANDARD

The Commission's standard of review for GCA rates is well settled as stated in KRS 278.274(1):

In determining whether proposed natural gas utility rates are just and reasonable, the commission shall review the utility's gas purchasing practices. The commission may disallow any costs or rates which are deemed to result from imprudent purchasing practices on the part of the utility.

Further, the utility has the burden to prove the rates are just and reasonable and the Commission may reduce the purchased gas component of the utility's rates or the rates charged by an affiliated company to the extent the amount is deemed to be unjust or unreasonable.²

DISCUSSION

¹ Case No. 2022-00086, *Electronic Purchased Gas Adjustment Filing of Atmos Energy Corporation* (Ky. PSC Apr. 29, 2022).

² KRS 278.274(2); KRS 278.274(3)(c), and KRS 278.274(3)(d).

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that Atmos's amended report includes revised rates designed to pass on to its sales customers its expected change in wholesale gas costs. Atmos's amended Expected Gas Cost (EGC) for firm sales customers is \$8.6217 per Mcf, which is an increase of \$1.9131 per Mcf from the previous EGC of \$6.7096 per Mcf. Atmos's amended EGC for interruptible sales customers is \$7.4735 per Mcf, which is an increase of \$1.9131 per Mcf from the previous EGC of \$5.5604 per Mcf. Atmos's amended report sets out no Refund Factor. Atmos's amended report sets out a Performance-Based Rate Recovery (PBRR) Factor of \$0.1431 per Mcf. Atmos's amended report sets out a Correction Factor (CF) of \$0.7959 per Mcf, which is an increase of \$0.1595 per Mcf from its previous CF of \$0.6364 per Mcf.

Based on the calculations above, the Commission finds that Atmos's GCAs are \$9.5607 per Mcf for firm sales customers and \$8.4125 per Mcf for interruptible sales customers. The impact on firm sales customers is an increase of \$2.0726 per Mcf from the previous GCA of \$7.4881 per Mcf. The impact on interruptible sales customers is an increase of \$2.0726 per Mcf from the previous GCA of \$6.3399 per Mcf. The Commission further finds that the rates proposed set forth in the Appendix to this Order are fair, just and reasonable and are approved for final meter readings by Atmos on and after August 1, 2022.

For the purpose of transparency and to maintain a record of information for future use, the Commission finds that Atmos shall submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files its future GCA rate reports. Should Atmos purchase sustainable natural gas from a renewable source

during the reporting period of any future GCA reports then the supplier, cost, and amount must be documented in its cover letter to the Commission.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Atmos and set forth in the Appendix to this Order are approved for final meter readings on and after August 1, 2022.

2. Atmos shall submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files future GCA rate reports.

3. Within 20 days of the date of the entry of this Order, Atmos shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

4. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION



Chairman

Vice Chairman



Commissioner



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2022-00188 DATED JUL 28 2022

The following rates and charges are prescribed for the customers in the area served by Atmos Energy Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

RATES:

Applicable to General Sales Service Rate G-1:

Gas Cost Adjustment

To each bill rendered under the above-named rate schedule, there shall be added an amount equal to \$9.5607 per Mcf of gas used during the billing period.

Applicable to Interruptible Sales Service Rate G-2:

Gas Cost Adjustment

To each bill rendered under the above-named rate schedule, there shall be added an amount equal to \$8.4125 per Mcf of gas used during the billing period.

*Atmos Energy Corporation
3275 Highland Pointe Drive
Owensboro, KY 42303

*Christina Vo
Atmos Energy Corporation
810 Crescent Centre Drive, Suite 600
Franklin, TN 37067