

ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

Demand-Side Management Cost Recovery Mechanism

DSM

1. Applicable

Applicable to Rate G-1 Sales Service, residential and commercial classes only.

The Distribution Charge under Residential and Commercial Rate G-1 Sales Service, shall be increased or decreased beginning each January and continuing through December 31 of each year by the DSM Cost Recovery Component (DSMRC) at a rate per Mcf in accordance with the following formula:

$$DSMRC = DCRC + DLSA + DIA + DBA$$

Where:

DCRC = DSM Cost Recovery-Current. The DCRC shall include all actual costs, direct and indirect, under this program which has been approved by the Commission. This includes all direct costs associated with the program including rebates paid under the program, the cost of educational supplies, and customer awareness related to conservation/efficiency. In addition, indirect costs shall include the costs of planning, developing, implementing, monitoring, and evaluating DSM programs. In addition, all costs incurred by or on behalf of the program, including but not limited to costs for consultants, and administrative expenses, will be recovered through the DCRC.

DLSA = DSM Lost Sales Adjustment. To effectively promote and execute the program, the Company shall recover the annual lost sales attributable to customer conservation/efficiency created as a result of the Program. This aligns the Company's interest with that of its customers by reducing the correlation between volume and revenue for those customers who elect to participate in the program. The lost sales are the estimated conservation, per participant, times the base rate for the applicable customer. The goal is to make the Company whole for promoting the program. Lost sales are based on the cumulative lost sales since the program inception and will reset when the Company completes a general rate case.

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ISSUED BY /s/ Mark A. Martin
Signature of Officer

TITLE Vice President – Rates and Regulatory Affairs

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Gwen R. Pinson
Executive Director



**EFFECTIVE
5/8/2019**
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