

Decision No. C23-0264

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 23A-0124G

IN THE MATTER OF ATMOS ENERGY CORPORATION'S APPLICATION FOR AN ORDER APPROVING SYSTEM SAFETY AND INTEGRITY COSTS RECOVERED THROUGH THE SYSTEM SAFETY AND INTEGRITY RIDER FROM JANUARY 1, 2022 THROUGH DECEMBER 31, 2022.

**COMMISSION DECISION GRANTING
APPROVAL OF COSTS**

Mailed Date: April 26, 2023

Adopted Date: April 26, 2023

I. BY THE COMMISSION

A. Statement

1. By this Decision, we grant the Verified Application (Application), filed on March 15, 2023, by Atmos Energy Corporation (Atmos or Company). The Application requested a Commission decision approving treatment of actual costs incurred for work performed under Atmos' System Safety and Integrity Rider (SSIR) during the 2022 construction cycle.

2. The Application was filed in compliance with Proceeding No. 15AL-0299G, in which Atmos' SSIR mechanism was first approved, and more recently extended in Commission Decision No. C18-0311,¹ which ultimately permitted a five-year extension of the SSIR and a 2.5 percent per year limit on bill impact for sales customers.

¹ Decision No. C18-0311 was issued on May 3, 2018, in Proceeding No. 17AL-0429G.

3. The Application requests the Commission approve capital expenditures incurred by Atmos for system safety and integrity investments between January 1, 2022, through December 31, 2022. To justify its request, the Application included a report (labeled Confidential Attachment B) that documented six SSIR bare steel and PVC replacement projects in and around Durango, Greeley and Lamar Colorado as well as a separate project that incorporated 26,940 scanned paper records into Atmos' existing GIS system. All projects were placed into commercial operation in calendar year 2022.

4. The Application reflects that combined actual expenditures for the 2022 SSIR projects were \$18,904,522 which was \$2,273,821 less than the \$21,178,343 pre-construction estimate file with the Commission in November 2021. The Application also reflects that Atmos over collected \$1,077,724 in revenues from its consumers during calendar year 2022 and commits the Company to trueing up this amount as part of its 2024 SSIR cycle as applicable. The 2022 SSIR expenditures represented a 2.47 percent annual bill increase for Atmos customers which was below the 2.5 percent annual billing cap set forth in Commission Decision No. C18-0311.

5. The Application further establishes the actual cost revenue requirement underlying the Company's 2022 SSIR approval request to be \$10,094,043 which was slightly higher than the forecasted amount of \$10,044,860.

6. If granted, the request will have no immediate impact on customer rates, as any additional rate change associated with further SSIR investments and true ups discussed in this filing will occur via an Advice Letter filed with the Commission on November 1, 2023, wherein projected 2023 SSIR rates will be established.

7. The Commission has reviewed Atmos' 2022 SSIR costs through actions of its Staff. No party has intervened or opposed the Application, and therefore the Commission concludes submitted 2022 SSIR costs were prudently incurred.

II. ORDER

A. The Commission Orders That:

1. The Application for Approval of 2022 System Safety and Integrity Rider costs filed by Atmos Energy Corporation in its March 15, 2023, Application is deemed complete and granted, consistent with the discussion above.

2. The 20-day time period provided by § 40-6-114, C.R.S., to file an application for rehearing, reargument, or reconsideration shall begin on the first day after the effective date of this Decision.

3. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING-
April 26, 2023.**

(S E A L)



ATTEST: A TRUE COPY

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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MEGAN M. GILMAN

Commissioners

G. Harris Adams,
Interim Director

COMMISSIONER TOM PLANT ABSENT