

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 23AL-0235G

IN THE MATTER OF COMPLIANCE ADVICE LETTER NO. 595 FILED BY ATMOS ENERGY CORPORATION IN COMPLIANCE WITH DECISION NO. C23-0293 IN PROCEEDING NO. 22AL-0348G TO IMPLEMENT A BASE RATE REVENUE REQUIREMENT TO DECREASE EXPENSES, TO BECOME EFFECTIVE MAY 13, 2023.

**COMMISSION DECISION SUSPENDING EFFECTIVE
DATE OF TARIFF SHEETS**

Mailed Date: May 12, 2023

Adopted Date: May 12, 2023

I. BY THE COMMISSION

A. Statement, Findings, and Conclusions

1. On May 10, 2023, Atmos Energy Corporation (Atmos or Company) filed Advice Letter No. 595 to make changes to its tariffs in Colo. P.U.C. No. 7 Gas in accordance with the Decisions issued in Proceeding No. 22AL-0348G (Atmos' recently concluded rate case).¹ The effective date of the tariff sheets is May 13, 2023.

2. On May 11, 2023, the Colorado Office of the Utility Consumer Advocate (UCA) filed a protest to Advice Letter No. 595, asking the Commission to set the tariff pages pertaining to the Gas Cost Adjustment (GCA) for hearing and to suspend those tariff pages. Among several criticisms, the UCA contends that Atmos improperly added a state and federal tax gross-up to the costs of financing gas storage inventories.

¹ On May 12, 2023, Atmos filed an amended Advice Letter No. 595 which did not change the disputed GCA calculation.

3. On May 12, 2023, Commission Trial Staff filed a protest letter raising the same concerns as UCA. Trial Staff recommends that the Commission allow the filed rates to go into effect in order to effectuate the rate decrease that is reflected in base rates, but set an evidentiary hearing to examine the GCA provisions subject to refund if the GCA provisions are ultimately determined to not be just and reasonable. In the alternative, Trial Staff recommends suspending the tariffs and setting the matter for hearing.

4. On May 12, 2023, Atmos filed a Response to Staff and UCA Protests. Atmos contends that the GCA issue should be raised on RRR in the underlying rate case proceeding, not in this separate proceeding. Atmos argues that it is improper to suspend part of an advice letter and that in any event the gross-up was approved in the rate case proceeding. The Company also argues that the GCA issue can be solved through the GCA true-up in the event that it is determined that the state and federal tax gross up should not be applied to the costs of financing gas storage inventories. The Company contends that the rates should go into effect as planned on May 13, 2023.

5. Pursuant to § 40-6-111(1), C.R.S., the Commission may suspend tariff sheets for 120 days. Based on UCA and Trial Staff's protests, we find good cause to suspend the GCA-related tariff sheets (Sheets 5, 6, and 6A, all of which are included in Attachment A) submitted with Advice Letter No. 595 for 120 days through September 10, 2023, and set the matter for hearing.

6. A hearing date and other procedures will be determined by separate decision(s).

II. ORDER

A. The Commission Orders That:

1. The proposed May 13, 2023 effective date of Tariff Sheet Nos. 5, 6, and 6A in Colo. P.U.C. No. 7 Gas filed with Advice Letter No. 595 by Atmos Energy Corporation on May 13, 2023, is suspended until September 10, 2023, or until further order of the Commission.

2. A hearing date and other procedures will be determined by separate decision.

3. This Decision is effective on its Mailed Date.

B. **ADOPTED IN COMMISSIONERS' DELIBERATIONS MEETING May 12, 2023.**

(S E A L)



ATTEST: A TRUE COPY

Rebecca E. White

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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MEGAN M. GILMAN

TOM PLANT

Commissioners