

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 23AL-0579G

IN THE MATTER OF ADVICE LETTER NO. 605 FILED BY ATMOS ENERGY CORPORATION TO ELIMINATE THE CONSTRUCTION ALLOWANCES CURRENTLY INCLUDED IN COLORADO P.U.C. NO. 7, TO BECOME EFFECTIVE JANUARY 1, 2024.

**COMMISSION DECISION SUSPENDING EFFECTIVE
DATE OF TARIFF SHEETS AND
ESTABLISHING NOTICE AND INTERVENTION PERIOD**

Mailed Date: December 29, 2023

Adopted Date: December 27, 2023

IMPORTANT NOTICE: ANY PERSON DESIRING TO PARTICIPATE ONLY BY MAKING A STATEMENT MAY DO SO BY SUBMITTING A WRITTEN COMMENT THROUGH <https://puc.colorado.gov/> INDICATING PROCEEDING NO. 23AL-0579G. IF YOU DESIRE TO ASK QUESTIONS OF A WITNESS OR OTHERWISE PARTICIPATE AS A PARTY IN THIS MATTER, YOU MUST REQUEST PERMISSION FROM THE COMMISSION TO BE AN INTERVENOR (EVEN IF YOU HAVE ALREADY FILED AN OBJECTION). ANYONE DESIRING TO INTERVENE MUST CAREFULLY FOLLOW THE LAW AND COMMISSION RULES FOR BECOMING AN INTERVENOR. FOR FURTHER INFORMATION ON HOW TO INTERVENE, CALL (303) 894-2070 (PUC EXTERNAL AFFAIRS OFFICE).

I. BY THE COMMISSION

A. Statement

1. Senate Bill (SB) 23-291 includes provisions that require each of Colorado's four investor-owned gas utilities to file with the Commission, no later than December 31, 2023, an updated tariff to reflect the removal of any incentives for establishing gas service. Specifically, § 40-3.2-104.3, C.R.S., states that a gas utility shall not provide "a person that requests natural gas service and that owns the real property requiring the service" an incentive, including a line extension allowance, to establish gas service to a property. SB 23-291 further defines a line

extension allowance to mean: “a bundle of costs that includes construction allowances for new service lines, meters, and other infrastructure associated with the addition of a new customer to a gas utility's distribution system.”

2. On November 30, 2023, Atmos Energy Corporation (Atmos or Company) filed Advice Letter No. 605 with modified tariff sheets addressing its Service Line and Main Extension Policy for effect January 1, 2024. The proposed changes to the tariff sheets include: (1) the elimination of the construction allowance as a defined term; (2) the striking of the dollar amounts of the allowances for service lines and main extensions; and (3) the removal of the provisions governing construction payment refunds and additional construction allowance payments pursuant to an applicable Main Extension Agreement. Atmos’s advice letter is brief, and the filing includes no Direct Testimony in support of the proposed tariff changes.

3. This Decision sets for hearing the tariff sheets filed under Advice Letter No. 605 and suspends their effective date to **April 30, 2024**.

4. A pleading to intervene in this matter may be filed by any person, firm, or corporation desiring to be a party and fully participate in this Proceeding no later than **January 29, 2024**.

B. Discussion

5. On December 15, 2024, Staff of Colorado Public Utilities Commission (Staff) filed a protest to Advice Letter No. 605. Staff claims that while Atmos’ filing eliminates the Company’s construction allowances for service lines from its tariff, the construction allowances for service lines constitute only one component of the incentives that must be removed from a gas utility’s tariff pursuant to SB 23-291. Staff states that it is concerned that Atmos’s filing may not satisfy

the statutory requirement to file an “updated tariff to reflect the removal of any incentives for an applicant to establish gas service to a property.” § 40-3.2-104.3(2)(c), C.R.S. For example, according to Staff, Atmos’s proposed tariff revisions do not include removal of the incentives of a utility-provided meter and other infrastructure associated with the addition of a new customer, such as a service regulator. Staff thus requests that the Commission suspend the tariff sheets and set the matter for hearing to provide ample opportunity for the Commission to consider this question of statutory compliance.

6. On December 22, 2023, Colorado Natural Gas, Inc. (CNG), another investor-owned gas utility in Colorado, also filed a protest to Advice Letter No. 605. CNG asserts that the revised tariff sheets eliminate only the Company’s construction allowances for service and that it is unclear whether the Commission will find that these revisions fully comply with the requirements in SB 23-291. CNG explains that it seeks to participate in this proceeding to determine what the Commission intends to require of the Colorado investor-owned gas utilities regarding these statutory provisions.

C. Conclusions and Findings

7. Pursuant to § 40-6-111(1), C.R.S., the Commission may suspend tariff sheets for 120 days. Based on Staff’s and CNG’s protests, we find good cause to suspend the tariff sheets submitted with Advice Letter No. 605 for 120 days through **April 30, 2024**, and set the matter for hearing.

8. A pleading to intervene may be filed by any person, firm, or corporation desiring to be a party and fully participate in this proceeding, as ordered below. The filing of any other document protesting the tariff sheets shall not allow participation as an intervenor in this matter.

II. ORDER

A. The Commission Orders That:

1. The proposed January 1, 2024 effective date of the tariff sheet filed with Advice Letter No. 605 by Atmos Energy Corporation (Atmos) on November 30, 2023, is suspended until **April 30, 2024**, or until further order of the Commission.

2. Any person, firm, or corporation, including any who have previously filed a document protesting the proposed tariff pages, who desire to intervene and participate as a party in this proceeding shall file a motion to intervene with the Commission no later than **January 29, 2024**, and shall serve a copy of the notice or motion on Atmos' Attorney of Record.

3. This Decision is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
December 27, 2023.**

(S E A L)



ATTEST: A TRUE COPY

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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MEGAN M. GILMAN

TOM PLANT

Commissioners