

Decision No. C24-0259

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 24M-0061G

IN THE MATTER OF THE GAS INFRASTRUCTURE PLAN OF ATMOS ENERGY CORPORATION FILED PURSUANT TO 4 CODE OF COLORADO REGULATIONS 723-4-4552 OF THE COMMISSION'S RULES REGULATING GAS UTILITIES.

**COMMISSION DECISION OPENING PROCEEDING,
ESTABLISHING NOTICE AND INTERVENTION PERIOD,
SETTING COMMENT DEADLINES, REQUIRING
CONFERRAL ON DISCOVERY PROCEDURES,
SCHEDULING WORKSHOP, REFERRING PUBLIC
COMMENT HEARING TO AN ADMINISTRATIVE LAW
JUDGE, AND DIRECTING FILING OF STAFF REPORT**

Mailed Date: April 22, 2024

Adopted Date: April 10, 2024

TO THE PARTIES IN THIS MATTER AND ALL INTERESTED PERSONS, FIRMS, OR CORPORATIONS:

I. BY THE COMMISSION

A. Statement

1. On March 1, 2024, Atmos Energy Corporation (Atmos or the Company) filed its initial Gas Infrastructure Plan (GIP). Atmos made the filing consistent with provisions in the Commission's Rules Regulating Gas Utilities, 4 *Code of Colorado Regulations* (CCR) 723-4-4550 to 4555 (Gas Infrastructure Planning Rules), that require the filing of gas infrastructure plans (GIPs) as part of the Commission's updated regulatory framework for gas utilities, adopted through Proceeding No. 21R-0449G (the Gas Rulemaking).

2. By this Decision, we open this Proceeding to examine the GIP filed by Atmos and to provide guidance for the filing of future GIPs required by Rule 4552.

3. Through this Decision, we also establish a notice and intervention period ending May 10, 2024, require the filing of proposed discovery parameters ten days after the Commission's decision establishing parties, require that initial comments be filed no later than August 13, 2024, and responsive comments be filed no later than September 10, 2024, refer the scheduling and convening of a public comment hearing to an Administrative Law Judge (ALJ), direct Commission staff¹ to conduct a workshop on Atmos' GIP on August 27, 2024, direct Staff to file into this Proceeding a report with recommendations on Atmos' GIP following all comment deadlines and workshops, and require any comments on staff's report to be submitted no later than 30 days after the report is filed.

B. Discussion

4. The Commission opened the Gas Rulemaking proceeding on October 1, 2021, explaining that significant changes to the Commission's Rules Regulating Gas Utilities were necessary to implement numerous statutory changes and additions adopted in the 2021 Colorado legislative session, establish new regulatory requirements for gas utility planning, and fulfill the express rulemaking requirements placed on the Commission. Included in the final rules adopted through Decision Nos. C22-0760 and C23-0117 are the Gas Infrastructure Planning Rules, which set forth the requirements relating to GIPs. As explained in our Decisions in the Gas Rulemaking, the Gas Infrastructure Rules are intended to work in conjunction with Rules 4725-4734 (the Clean Heat Plan Rules) in the coming years when gas utilities will transition their businesses to achieve the substantial reductions in statewide greenhouse gas emissions required by § 25-7-102(2)(g), C.R.S. Through the filing and consideration of GIPs, the Commission expects to better understand

¹ In the event Trial Staff of the Colorado Public Utilities Commission files an intervention in this Proceeding, the Commission staff who will be charged with conducting the workshop and developing and filing the report required by this Decision shall comprise only the Advisory Staff identified in the intervention pleading.

the current gas system and gain additional insights into system planning, forecasting, possible project alternatives, and investments.

5. Rule 4552(c) allows utilities to file initial GIPs in miscellaneous proceedings that will not be fully adjudicatory, in accordance with the procedures set forth in Rule 4552(b). This Proceeding is intended to provide opportunities for the refinement of future GIP filings from Atmos, and we anticipate issuing guidance for such filings, including future adjudicated filings, in our final decision in this Proceeding, as necessary. Notably, the Gas Infrastructure Rules allow Atmos to file its next GIP in a miscellaneous proceeding that, like this Proceeding, will also not be fully adjudicatory but will instead be governed by the specific procedures set forth in Rule 4552(b).

6. Atmos's initial GIP covers the utility's planned projects for the years 2024-2029. Broadly, the GIP discusses Atmos's methodology, criteria, and assumptions to identify applicable planned facilities, extension of existing facilities, or defined programmatic expenses.

7. Atmos's initial GIP has an "action period" from January 1, 2024 to December 1, 2026 and an "informational period" through 2029. Planned projects are categorized as system safety and integrity, new business, capacity expansion, mandatory relocation, and defined programmatic expenses. Pursuant to 4 *Code of Colorado Regulations* (CCR) 723-4-4551, reported projects also have a cost estimate that exceeds \$3 million.

8. Atmos explains that, consistent with the GIP Rules, the information presented in the GIP pertains solely to planned projects as enumerated by 4 *Code of Colorado Regulations* (CCR) 723-4-4550 through 4555 and does not encompass the entirety of the Company's annual capital investment in Colorado. Atmos states that it is not seeking approval for advanced mobile

leak detection, hydrogen blending, mandatory relocation projects, capacity expansion projects, or new business projects in this GIP.

9. Atmos presents ten projects in this GIP—five within the action period, and five within the informational period. All of the projects are categorized as system safety and integrity related. Atmos states that because the GIP presents no new business or capacity expansion Planned Projects, no alternatives analysis is presented.

10. Atmos did not hold any stakeholder meetings to inform this GIP, stating that the GIP did not meet the requirements needed to host a meeting.

C. Findings and Conclusions

11. We find good cause to open this Proceeding for the purpose of examining the GIP filed by Atmos on March 1, 2024.

12. Consistent with Rule 4552(b), we establish by this Decision a notice and intervention period. Atmos's initial GIP is available for public inspection by accessing the Commission's E-Filing system at:

https://www.dora.state.co.us/pls/efi/EFI.Show_Docket?p_session_id=&p_docket_id=24M-0061G.

This Decision is the notice that Atmos has filed its initial Gas Infrastructure Plan.

13. The Commission notice period for Atmos's GIP shall extend through May 10, 2024. The intervention period will run concurrent with the notice period. Intervention pleadings, including any notice of intervention of right filed by Trial Staff of the Colorado Public Utilities Commission (PUC), shall be filed no later than May 10, 2024.

14. Rule 4552(b) further states that the parties may conduct discovery on Atmos's GIP filing and any prefiled testimony submitted with the filing. Atmos shall confer with the parties on proposed discovery parameters in this Proceeding and file a Consensus Proposal (or Conferral

Report) no later than ten business days following the Commission's decision establishing the parties. Unless Atmos and the parties otherwise agree to a different time period for discovery, the discovery period shall be limited to no more than six weeks and shall be timed to facilitate the filing of initial written comments on the GIP.

15. Consistent with Rule 4552(b), we set deadlines for written comments from the parties to this Proceeding. Initial written comments shall be filed no later than August 13, 2024, and reply or additional written comments shall be filed no later than September 10, 2024.

16. Rule 4552(b) states that the Commission may request additional supporting information from the utility or the parties to the proceeding. Accordingly, we schedule a workshop where Atmos will present the GIP to the Commission staff charged with developing and filing the report required by this Decision and where the Company will answer questions from Commission staff. The workshop is scheduled on August 27, 2024. The workshop will be conducted with representatives from Atmos using the web platform Zoom. Consistent with Commission practice, the workshop will be webcast on the Commission's website that links to the webcast on the PUC YouTube Channel at puc.colorado.gov/webcasts. Staff may schedule additional workshops as necessary.

17. Rule 4552(b) contemplates the procedures for this GIP proceeding to include one or more public comment hearings. Because this is the utility's first GIP, the Commission finds it prudent to schedule at least one public comment hearing to understand impacted stakeholders' perspectives on the Company's GIP. We refer the scheduling and convening of a public comment hearing in this matter to an ALJ, to be scheduled by the ALJ's separate decision. In scheduling the public comment hearing, we intend that the ALJ, assisted by staff as necessary, will: give the public at least one month's notice of this hearing; post a plain language notice of the hearing to the

Commission's website – including a description of the application and the proceeding's timeline; and describe in the notice and the public comment registration form the scope of the proceeding, for the public to consider in preparing oral and written comments. The transcript of the public comment hearing will be filed into this Proceeding's administrative record.

18. Rule 4552(b)(V) states that the Commission will issue a written decision regarding the adequacy of the utility's filed GIP and the methods and processes the utility used in formulating the gas infrastructure plan and providing guidance to be used in the preparation of the biennial filings required in the future. For regulatory efficiency and considering that Atmos's next biennial GIP filing may also be addressed in a non-adjudicated proceeding, we direct Commission staff to complete and file a report in this Proceeding to facilitate the issuance of such a decision. Staff's report should consider all written and oral comments and should address: (1) the adequacy of the GIP; (2) the methods and processes the Company used in formulating the GIP; and (3) any guidance the Commission should provide to Atmos for its preparation of future biennial GIP filings.

19. Written comments on staff's report may be filed no later than 30 days following its posting in the administrative record of this Proceeding in the Commission's E-Filing system. No decision on the GIP addressing the adequacy of Atmos's GIP and the methods and processes the Company used in formulating the GIP and any suggested guidance for the Company's future GIP filings will be rendered until after that 30-day period following the posting of Commission staff's report. Based on these procedures, we anticipate our decision on the adequacy and methods and processes of the GIP, which Rule 4552(b)(V) states shall be issued within 150 days if practicable, will not issue within 150 days of the filing of the GIP.

20. The procedures we therefore adopt by this Decision are summarized as follows:

Procedural Activity	Date
Atmos GIP Filing	March 1, 2024
End of Notice and Intervention Period	Friday, May 10, 2024
Discovery Parameters Filing	Due ten business days after mailed date of decision establishing the parties to proceeding
Initial Written Comments	August 13, 2024
Workshop with Commission Staff	August 27, 2024
Responsive or Additional Written Comments	September 10, 2024
Public Comment Hearing	To be scheduled by ALJ by separate decision
Commission Staff Report	After public comment hearing and deadline for responsive and additional written comments
Comments on Staff's Report	Due 30 business days after report uploaded into this Proceeding's administrative record in the Commission's E-Filing system
Commission Decision	After the close of the comment period on Staff's report

II. ORDER

A. The Commission Orders That:

1. This Proceeding is opened to commence the Commission's examination of the Gas Infrastructure Plan filed by Atmos Energy Corporation (Atmos) on March 1, 2024.

2. This Decision serves as notice of the Gas Infrastructure Plan filed by Atmos on March 1, 2024, which notice period shall extend through May 10, 2024.

3. Any person desiring to intervene or participate as a party in this Proceeding shall file a petition for leave to intervene, or under the Commission's Rules of Practice and Procedure, file other appropriate pleadings to become a party no later than May 10, 2024.

4. Alternatively, persons who do not wish to intervene or become a party, but desire to file comments, may submit written comments through the Commission's website at: colorado.gov/dora/puc. All persons who file an objection, notice of intervention as of right, motion to permissively intervene, or any other appropriate pleading shall do so in accordance with the instructions set forth in the Commission's Rules of Practice and Procedure and this Decision.

5. Consistent with the discussion above, Atmos shall confer with the parties on proposed discovery parameters in this Proceeding and file a consensus proposal (or conferral report) no later than ten business days following the Commission's decision establishing the parties.

6. Consistent with the discussion above, Commission staff will conduct a workshop with Atmos on August 27, 2024.

7. Initial written comments on Atmos's Gas Infrastructure Plan shall be filed no later than July 23, 2024. Reply comments shall be filed no later than August 20, 2024.

8. Consistent with the discussion above, we refer the convening of a public comment hearing in this matter to an Administrative Law Judge (ALJ). The ALJ shall schedule the public comment hearing by separate decision.

9. Consistent with the discussion above, Commission staff shall complete and file a report in this Proceeding. The report will address: (1) the adequacy of Atmos's Gas Infrastructure Plan; (2) the methods and processes the Company used in formulating the Gas Infrastructure Plan; and (3) any guidance the Commission should provide to Atmos for its preparation of future biennial Gas Infrastructure Plan filings.

10. Written comments on Staff's report may be filed no later than 30 days following its posting in the administrative record of this Proceeding in the Commission's E-Filing system.

11. This Decision is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
April 10, 2024**

(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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Commissioners