

Decision No. C24-0639-I

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 24A-0303G

IN THE MATTER OF THE APPLICATION FILED BY ATMOS ENERGY CORPORATION
FOR APPROVAL OF ITS 2025-2026 GAS DEMAND-SIDE MANAGEMENT PLAN.

**INTERIM COMMISSION DECISION REFERRING
MATTER TO AN ADMINISTRATIVE LAW JUDGE**

Issued Date: September 6, 2024

Adopted Date: August 28, 2024

I. BY THE COMMISSION

A. Statement

1. On July 8, 2024, Atmos Energy Corporation (“Atmos”) filed an Application for approval of its 2025-2026 Gas Demand-Side Management Plan (“Application”).

2. Through this Decision, the Commission refers the matter to an Administrative Law Judge (“ALJ”) for determination of its merits, including disposition of motions for intervention.

B. Discussion

3. As explained in its Application, Atmos seeks Commission approval to implement six gas efficiency programs to achieve the savings goals established by the Commission in the Company’s most recent Demand Side Management (“DSM”) Strategic Issues proceeding, Proceeding No. 23A-0216G. The programs, to be implemented in 2025 and 2026, include an Air Sealing and Insulation Program, an Efficient Natural Gas Rebate Program, an Income-Qualified Program, an Energy Efficiency Kits Program, a Home Energy Reports Program, and a Commercial & Industrial Program.

4. Atmos proposes a total budget of \$3,976,728 over the plan period, allocating \$1,927,031 to 2025 and \$2,049,697 to 2026. It estimates 128,701 dekatherms (“Dths”) of savings over the plan period (62,583 Dths in 2025 and 66,118 Dths in 2026), and estimates 995 Dths of peak day savings (484 Dths in 2025 and 511 Dths in 2026). The budget and saving goals were set forth in the Unanimous Non-Comprehensive Stipulation Settlement Agreement approved by the Commission through Decision No. C24-0221 in Proceeding No. 23A-0216G.

5. The Commission issued a Notice of Application filed on July 11, 2024, setting the deadline for filing of intervention pleadings on or before August 12, 2024.

6. On August 12, 2024, Energy Outreach Colorado timely filed an Unopposed Motion to Intervene in this matter.

7. On August 19, 2024, Trial Staff of the Colorado Public Utilities Commission (“Staff”) timely filed a Notice of Intervention as of Right in this matter with a request for hearing. Staff seeks to examine:

- a. Whether the proposed budgets for the DSM programs are appropriate and justified, given historical program performance and cost trends.
- b. Whether the cost-effectiveness calculations, including the use of the Modified Total Resource Cost (“TRC”) test, are accurate and reflect realistic assumptions about savings and costs.
- c. Whether the proposed DSM programs, including the Air Sealing and Insulation Program, Efficient Natural Gas Rebate Program, and Income-Qualified Program, are designed to effectively achieve the stated savings goals, and whether new programs streams are likely to be successful based on market conditions and customer needs.
- d. Whether the proposed DSM programs are accessible and beneficial to all customer segments, including low-income and disproportionately impacted communities, and whether the incentives and rebates offered are sufficient to encourage participation without placing undue financial burden on participants.
- e. Whether the application complies with all relevant Commission rules and past decisions, including those related to DSM program requirements and strategic issues.

- f. Whether the proposed strategies for increasing customer awareness and effectiveness of contractor education and outreach efforts are sufficient to enhance program participation and success.
- g. Whether the implementation of the DSM plan will cause unreasonable rate impacts on Atmos Energy's residential and nonresidential customers, and whether the proposed cost recovery mechanisms are appropriate and fair to all customer classes.
- h. Any and all other issues not raised herein that, after investigation and analysis, are worthy of consideration by the Commission, are in the public interest, and are likely to assist the Commission to render its decision in this proceeding.

8. The Application was deemed complete by operation of law on August 27, 2024, for purposes of § 40-6-109.5, C.R.S.

C. Findings and Conclusions

9. We find good cause to set the Application for hearing.

10. We refer this matter to an ALJ.

11. We request that the assigned ALJ, as part of its review of the Application, assess the best strategy to coordinate Atmos' future filings addressing DSM Strategic Issues (*e.g.*, the Application filed in Proceeding No. 23A-0216G), DSM plans (*e.g.*, the instant Application), and Clean Heat Plans (*e.g.*, the Application filed in Proceeding No. 23A-0632G) given the interrelated issues and expected outcomes in these separate application proceedings.

II. ORDER

A. It Is Ordered That:

1. The Application filed by Atmos Energy Corporation on July 8, 2024, for approval of its 2025-2026 Gas Demand-Side Management Plan, is set for hearing.

2. This matter is referred to an Administrative Law Judge ("ALJ"). The ALJ shall set a hearing date, rule on interventions, and establish other procedures by separate decision(s).

3. This Decision is effective on its Issued Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
August 28, 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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MEGAN M. GILMAN

TOM PLANT

Commissioners