

ATMOS ENERGY CORPORATION
1555 Blake St., Suite 400
Denver, Colorado 80202

Colo. P.U.C. No. 7 Gas
Original Sheet No. 35

NATURAL GAS RATES

Clean Heat Plan Cost Recovery Rider

Clean Heat Plan Cost Recovery Rider ("CHP Rider")

All sales rate schedules for natural gas service are subject to a Clean Heat Plan Cost Recovery Rider ("CHP Rider") designed to prospectively recover prudently incurred costs of the Company's authorized Clean Heat Plan ("CHP Programs"). The CHP Rider shall be separately calculated and applied to the Company's base rates schedules for residential, small commercial and commercial customers. The Company shall recover the annual CHP Authorized Recovery Cost Rate calculated for that year, including any over/under recovery from the prior year, over a one-year period with the CHP Rider.

CHP Filing

Annual CHP Rider Filings

Following the approval of the initial CHP Rider tariff, the CHP Rider tariff shall be filed each November 1 for a January 1 implementation to recover the Authorized CHP Recovery Revenues.

Beginning in 2025, on or before March 31 of each year when the CHP Rider is effective, the Company will file an application and a true-up report with the Commission that will match the applicable CHP Recovery Revenues to the Authorized CHP Recovery Revenues and identify any over/under recovery to be included as the True-up Cost in the next November 1 CHP Rider filing. In that report the Company will also report on actual CHP expenditures from the prior year and the amount of CHP revenues that will be retained for use in a subsequent year and the calculation of interest accumulated on any unspent balance.

Interim CHP Reporting

By March 31, 2025, and each March 31 in all calendar years that a CHP application is not submitted, an annual CHP report shall be filed in accordance with CHP Rule 4733. Any request made under Rule 4733(b) approved by the Commission will be incorporated into the next CHP Rider tariff filing.

CHP Rider Reconciliation

Any expected surplus or deficit in cumulative CHP cost recovery from the effective date of this tariff to December 31, 2027, will be addressed as part of the Company's next CHP application to be filed by May 1, 2027.

Definitions

CHP Recovery Revenues means the revenues collected from the aggregate rate components of the CHP Rider tariff, including Authorized CHP Portfolio Revenues, True-up Cost, and Lost Revenue Factor.

CHP Period means the upcoming calendar year period for recovery of the authorized CHP Recovery Revenues.

Authorized CHP Portfolio Revenues means the revenues to collect the authorized CHP portfolio program costs as approved by the Commission.

True-up Cost Factor means a rate component of the CHP Rider, which is designed to amortize over a one-year period the over/under collection of the Authorized CHP Portfolio Revenues during a previous period.

Lost Revenue Factor means a rate component of the CHP Rider, which is designed to amortize, over a one-year period, the revenues lost due to implementation of CHP Programs. The Lost Revenue Factor used for the CHP Rider will be the same as used for the Company's demand-side management cost adjustment.

Advice Letter No. _____
Decision No. _____

s/ Kathleen R Ocanas
Vice President Rates and
Regulatory Affairs

Issue Date: _____
Effective Date: _____

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Interest on under- or over-recovery. The amount of net interest accrued on the average monthly balance in sub-accounts of Account No. 186 reflecting the difference between the aggregate amounts recovered through the CHP Rider and aggregate CHP expenditures (whether positive or negative), determined by multiplying the monthly balance of that difference by an interest rate equal to the Commission-authorized after-tax weighted average cost of capital.

Authorized CHP Portfolio Program Costs. The amount approved by the Commission for recovery through the CHP Rider for the applicable CHP Period.

CHP Authorized Recovery Cost Rate

CHP Rider means a percentage adjustment for each service class applicable to all base rates for customers receiving service under the rate schedule for the service class. The following formula shall be used:

$$\text{CHP Rider} = \frac{(\text{Authorized CHP Portfolio Revenues} \pm \text{True-up Cost Factor} + \text{Lost Revenue Factor} \pm \text{Interest on under- or over-recovery})}{(\text{Sales} * \text{DSR})}$$

where:

- Sales is the forecasted sales gas quantity for the rate schedule in the CHP period
- DSR is the Distribution System Rate effective on the November 1 filing date

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	<u>Volumetric Charges</u>
<u>Residential</u>	\$0.02775
<u>Small Commercial and Commercial</u>	\$0.02146

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s/ Kathleen R Ocanas
Vice President Rates
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