

Decision No. C20-0450

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 20A-0105G

IN THE MATTER OF THE APPLICATION OF ATMOS ENERGY CORPORATION FOR AN ORDER APPROVING SYSTEM SAFETY AND INTEGRITY COSTS RECOVERED THROUGH THE SYSTEM SAFETY AND INTEGRITY RIDER FROM JANUARY 1, 2019 THROUGH DECEMBER 31, 2019.

DECISION GRANTING VERIFIED APPLICATION

Mailed Date: June 19, 2020

Adopted Date: June 17, 2020

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

I. BY THE COMMISSION

A. Statement

1. On March 16, 2020, Atmos Energy Corporation (Atmos Energy or Company) filed a Verified Application (Application) seeking Commission approval of the system safety and integrity costs incurred by the Company from January 1, 2019, through December 31, 2019, that have been reflected in the System Safety and Integrity Rider (SSIR).

2. We grant Atmos Energy's Application and approve the SSIR costs incurred during 2019.

B. Findings and Conclusions

3. The Commission created the SSIR program in Proceeding No. 15AL-0299G.¹ Initially, the Commission approved the SSIR program for a three-year term that began in January

¹ Proceeding No. 15AL-0299G, Decision No. C15-1187.

2016.² In 2018, the Commission approved a five-year extension of the SSIR in Proceeding No. 17AL-0429G.³ The SSIR is currently set to expire on December 31, 2023.⁴

4. Under the SSIR program, Atmos Energy must file on or before November 1 of each year an advice letter and SSIR Cost Recovery Request detailing the estimated project costs and the revenue requirement calculation of the surcharge to be implemented beginning on January 1 of the following year.⁵ On or before March 15 of each year, Atmos Energy must file a SSIR Cost Prudency Review describing the projects completed in the prior year, their associated costs, and the true-up of revenues collected.⁶

5. On November 1, 2018, Atmos Energy filed Advice Letter No. 545 and SSIR Cost Recovery Request in Proceeding No. 18AL-0770G. The revised tariffs proposed in Advice Letter No. 545 reflect the SSIR-eligible costs that Atmos Energy anticipated incurring during the 2019 calendar year and went into effect by operation of law on January 1, 2019.⁷

6. On March 28, 2019, Atmos Energy filed Advise Letter No. 555 and SSIR Cost Recover Request in Proceeding No. 19AL-0154G to implement the SSIR cost recovery of a geographical information system (GIS) integrity project consistent with Decision No. R19-0198 in Proceeding No. 18A-0765G.⁸ The revised tariffs associated with this GIS integrity project went into effect on April 1, 2019.⁹

² *Id.*

³ Proceeding No. 17AL-0429G, Decision No. C18-0311.

⁴ *Id.* at 11.

⁵ Proceeding No. 17AL-0429G, Decision No. R18-0014 at ¶ 74.

⁶ *Id.*; *see also* Proceeding No. 18A-0765G, Decision No. R19-0198 at ¶ 12.

⁷ *See* Application at ¶ 11.

⁸ *See id.* at ¶ 12.

⁹ *Id.*

7. On March 16, 2020, Atmos Energy filed its Application in this proceeding along with its 2019 SSIR Cost Prudency Review (2019 SSIR Review).¹⁰ The 2019 SSIR Review looks back at the 2019 calendar year and examines the activities that Atmos Energy undertook pursuant to its SSIR-eligible programs and any deviations between previously forecasted and actual costs.

8. On March 18, 2020, the Colorado Public Utilities Commission (Commission) issued a Notice of Application Filed (Notice). The Notice set a 30-day intervention period that ran through April 17, 2020.

9. No parties sought to intervene in this matter.

10. On May 4, 2020, was deemed complete for purposes of § 40-6-109.5, C.R.S.

11. Atmos Energy's Application and 2019 SSIR Review show that Atmos Energy undertook seven SSIR projects in 2019. Six of the projects replaced bare steel and PVC mains and were classified as high-risk projects.¹¹ In connection with these six projects, during 2019 Atmos Energy retired approximately 96,000 feet of bare steel pipe, 16,438 feet of PVC, and 1,300 associated service lines.¹² The seventh project is the GIS integrity project that involves scanning, indexing, and entering paper pipeline integrity records into a GIS system.¹³ In 2019, Atmos Energy scanned and indexed "all 230,748 available installation records" and entered 24,785 records into its GIS system.¹⁴

¹⁰ Although Atmos Energy filed its 2019 SSIR Review on March 16, 2020, it is still timely since March 15, 2020, fell on a Sunday.

¹¹ 2019 SSIR Review at page 2.

¹² Application at ¶ 14.

¹³ See Proceeding No. 18A-0765G, Decision No. R19-0198 at ¶ 14.

¹⁴ 2019 SSIR Review at page 2.

12. Based on its anticipated expenditures, Atmos Energy collected \$18,456,382 through the SSIR in 2019.¹⁵ However, the 2019 SSIR expenditures actually totaled only \$18,190,777, which is 1.4% or \$417,545 less than anticipated.¹⁶

13. In its Application, Atmos Energy states that the \$417,545 that it over collected in 2019 will be returned to customers through a true-up credit reflected in the Company's 2021 SSIR filing.¹⁷ Atmos Energy asks us to approve the prudence of the SSIR costs incurred during the 2019 calendar year, including the proposed \$417,545 true-up credit.¹⁸

14. We find good cause to approve Atmos Energy's uncontested Application. In addition to the information provided in the Application and the 2019 SSIR Review, we find it significant that neither Staff nor OCC filed interventions in this proceeding. Staff and OCC rely on the SSIR filing requirements to object to any SSIR spending that appears to be out of line or contrary to the previous Commission orders and settlement agreements. Based on their election not to intervene in this matter, we conclude that neither Staff nor OCC object to the granting of the Application as filed. Moreover, it is procedurally appropriate under Rule 1403(a) of the Rules of Practice and Procedure for the Commission to grant this Application, given that the Application is uncontested, a hearing is not required by law, and the fact that the Application is supported by the sworn verification of Jared N. Geiger.

II. ORDER

A. It Is Ordered That:

1. The Verified Application (Application) filed by Atmos Energy Corporation (Atmos Energy or Company) on March 16, 2020, seeking Commission approval of the system safety and

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ Application at ¶¶ 14-15.

¹⁸ *Id.* at ¶ 15.

integrity costs incurred by the Company from January 1, 2019, through December 31, 2019, that have been reflected in the System Safety and Integrity Rider (SSIR) is granted.

2. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
June 17, 2020.**

(S E A L)



ATTEST: A TRUE COPY

A handwritten signature in cursive script that reads 'Doug Dean'.

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JEFFREY P. ACKERMANN

JOHN GAVAN

MEGAN M. GILMAN

Commissioners