

Decision No. C25-0326

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 25A-0111G

IN THE MATTER OF ATMOS ENERGY CORPORATION'S APPLICATION FOR AN ORDER APPROVING SYSTEM SAFETY AND INTEGRITY COSTS RECOVERED THROUGH THE SYSTEM SAFETY AND INTEGRITY RIDER FROM JANUARY 1, 2024 THROUGH DECEMBER 31, 2024.

**COMMISSION DECISION DEEMING APPLICATION
COMPLETE AND GRANTING APPLICATION**

Issued Date: May 1, 2025
Adopted Date: April 23, 2025

I. BY THE COMMISSION

A. Statement

1. By this Decision, we grant the Verified Application (“Application”), filed on March 17, 2025, by Atmos Energy Corporation (“Atmos” or the “Company”). The Application requested a Commission decision approving treatment of actual costs incurred for work performed under Atmos’ System Safety and Integrity Rider (“SSIR”) during the 2024 construction cycle.

2. The Application was filed in compliance with Proceeding No. 15AL-0299G¹, in which Atmos’ SSIR mechanism was first approved, and more recently extended in Commission Decision No. C18-0311,² which ultimately permitted a five-year extension of the SSIR and a 2.5 percent per year limit on bill impact for sales customers.

¹ Decision No. C15-1187 which confirmed Decision No. R15-1146 in Proceeding 15AL-0299G

² Decision No. C18-0311 was issued on May 3, 2018, in Proceeding No. 17AL-0429G.

3. Decision No. R23-0181 at ¶¶ 49-51; Decision No. C23-0293 at ¶ 25, Proceeding No. 22AL-0348G, the Commission approved a two-year extension to the SSIR with a return on SSIR investments during the two-year extension period (2024-2025) at the Company's weighted average cost of long-term debt.

4. The Application requests Commission approval for capital expenditures incurred by Atmos for system safety and integrity investments that were incurred between January 1, 2024, through December 31, 2024. To justify its request, the Application included a cost prudence report (labeled Confidential Attachment A 2024 SSIR Cost Prudence Review) that documented nine SSIR bare steel replacement projects in and around Durango, Greeley, Canyon City, Evans, McClave, and Lamar Colorado as well as a separate field verification project that verified 513 miles of pipe material and/ or external coating. All projects were completed within the calendar year 2024.

5. The Application reflects that combined actual expenditures for the nine 2024 SSIR projects were \$25,888,963 which was \$2,893,128 more than the \$22,995,835 pre-construction estimate file with the Commission in November 2023. The actual 2024 SSIR expenditures represented a 1.09 percent annual bill increase for Atmos customers which was below the 2.5% annual billing cap set forth in Commission Decision No. C18-0311.

6. The Application also reflects that Atmos under collected \$424,638 in revenues from its consumers during calendar year 2024 and commits the Company to trueing up this amount as part of its 2025 SSIR cycle as applicable.

7. The Application further establishes the actual cost revenue requirement underlying the Company's 2024 SSIR approval request to be \$4,996,742 which was slightly higher than the forecasted amount of \$4,845,038.

8. If granted, the request will have no immediate impact on customer rates, as any additional rate change associated with further SSIR investments and true ups discussed in this filing will occur via an Advice Letter filed with the Commission on November 1, 2025, wherein projected 2026 SSIR rates, if any, will be established.

9. The Commission has reviewed Atmos' 2024 SSIR costs through actions of its Staff. No party has intervened or opposed the Application, and therefore the Commission concludes submitted 2024 SSIR costs were prudently incurred.

II. ORDER

A. The Commission Orders That:

1. The Application for Approval of 2024 System Safety and Integrity Rider Costs filed by Atmos Energy Corporation in its March 17, 2025 Application is deemed complete, for purposes of § 40-6-109.5, C.R.S., and is granted, consistent with the discussion above.

2. The 20-day time period provided by § 40-6-114, C.R.S., to file an application for rehearing, reargument, or reconsideration shall begin on the first day after the effective date of this Decision.

3. This Decision is effective upon its Issued Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING-
April 23, 2025.**

(S E A L)



ATTEST: A TRUE COPY

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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MEGAN M. GILMAN

TOM PLANT

Commissioners

Rebecca E. White,
Director