

Decision No. C23-0451

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 23V-0304G

IN THE MATTER OF ATMOS ENERGY CORPORATION'S VERIFIED PETITION FOR A PARTIAL VARIANCE FROM THE COMPANY'S GAS HEDGING PROGRAM FOR THE 2023-2024 HEATING SEASON.

**COMMISSION DECISION GRANTING VERIFIED
PETITION**

Mailed Date: July 13, 2023
Adopted Date: June 21, 2023

I. BY THE COMMISSION

A. Statement

1. This Decision grants the Verified Petition filed by Atmos Energy Corporation (Atmos) on June 6, 2023.

B. Discussion

2. Through its Petition, Atmos is seeking a partial variance from Decision No. C19-0563 issued in Proceeding No. 19A-0223G on July 2, 2019, in order to increase the size of the utility's gas hedging program to \$3 million from \$1.5 million. Atmos indicates that it has conferred with the Colorado Office of the Utility Consumer Advocate and Trial Staff of the Commission and that neither opposes the requested variance.

3. Given the lack of opposition, Atmos requested that we forgo setting a notice and intervention period where interested parties could intervene in this proceeding. The Commission

declined that request, and through Decision No. C23-0405 set a six-day notice and intervention period. No party filed any comment or sought to intervene.

4. We turn now to the merits of the Petition. Atmos contends that good cause exists under Rule 1003 to grant a variance from our previous decision that set a \$1.5 million budget for Atmos' hedging program for the 2023-2024 heating season. Each year, under its approved hedging program, the company hedges between 20 percent and 60 percent of its normal winter requirements. This year, the company indicates that as a result of greater volatility and higher prices for natural gas, the cost to hedge 60 percent of its normal winter purchases has increased to \$3 million. And the third-party consultant it is working with is recommending that the company hedge 60 percent for the upcoming heating season. Atmos is seeking this variance in order to allow for the full implementation of financial hedge volumes at current market price.

C. Findings and Conclusions

5. We find the reasons Atmos puts forth in its Petition constitute good cause under Rule 1003 to grant the requested variance. Neither the Office of the Utility Consumer Advocate nor Commission Trial Staff oppose the modest increase to the company's hedging budget. And after the past few winters with high natural gas prices, insulating customers from volatility in the natural gas market is a valuable and worthwhile endeavor.

II. ORDER

A. The Commission Orders That:

1. The Verified Petition filed by Atmos on June 6, 2023, is granted.

2. This Decision is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' DELIBERATIONS MEETING
June 21, 2023.**

(SEAL)



ATTEST: A TRUE COPY

A handwritten signature in cursive script that reads 'Rebecca E. White'.

Rebecca E. White,
Director

THE PUBLIC UTILITIES
COMMISSION
OF THE STATE OF COLORADO

ERIC BLANK

MEGAN M. GILMAN

TOM PLANT

Commissioners