

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF ADVICE LETTER NO. 605 FILED BY ATMOS ENERGY CORPORATION TO ELIMINATE THE CONSTRUCTION ALLOWANCES CURRENTLY INCLUDED IN COLORADO P.U.C. NO. 7, TO BECOME EFFECTIVE JANUARY 1, 2024.

Proceeding No. 23AL-0579G

STIPULATION AND SETTLEMENT AGREEMENT

This unanimous and comprehensive Stipulation and Settlement Agreement (“Stipulation”) is entered into by and between Atmos Energy Corporation (“Atmos Energy” or the “Company”), Trial Staff of the Colorado Public Utilities Commission (“Staff”), and the Office of Utility Consumer Advocate (“UCA”) (each a “Settling Party,” and collectively the “Settling Parties”). The Settling Parties submit that this Stipulation is a just and reasonable resolution of all issues that were or could have been raised in this proceeding and note that this Stipulation includes the Settling Parties’ agreement regarding a procedural path forward to expeditiously resolve the issues in dispute.

Background

1. On November 30, 2023, Atmos Energy filed Advice Letter No. 605. The stated purpose of the advice letter was to remove language in Atmos Energy’s tariff regarding construction allowances for new main and service line installations as required by C.R.S. § 40-3.2-104.3(2)(c).

2. On December 15, 2023, Staff filed a Protest Letter. Staff did not object to the removal of the tariff provisions as proposed in the advice letter. However, Staff objected to the advice letter because “Atmos’s proposed tariff revisions do not include removal of the incentives

of a utility-provided meter and other infrastructure associated with the addition of a new customer, such as a service regulator.”

3. On December 22, 2023, Colorado Natural Gas (“CNG”) filed a Protest Letter. While CNG filed a Protest Letter, CNG did not intervene in the suspended proceeding and is not a party to this proceeding.

4. On December 29, 2023, the Commission issued Decision No. C23-0872 suspending Advice Letter No. 605 and setting this matter for hearing.

5. On January 11, 2024, the UCA filed its notice of intervention of right, request for hearing, and entry of appearances. In support of its intervention, UCA indicated that it, “has concerns similar to those raised by Staff and recognized by the Commission in [Decision No. C23-0872].”

6. On January 29, 2024, Staff filed its notice of intervention as of right, entry of appearance, notice pursuant to Rule 1007(a) and Rule 1401, and request for hearing.

Settlement Terms and Conditions

7. To resolve the issues raised in this proceeding regarding the elimination of incentives to establish gas service to a property as required by § 40-3.2-104.3(2)(a), the Settling Parties agree to the following:

a. The effective date of Tariff Sheet Nos. R23 and R25 included with Advice Letter No. 605 should be permanently suspended. No later than five calendar days after the final decision approving this Stipulation, Atmos Energy shall file a new compliance advice letter with the amended tariff sheets included with this Stipulation as Attachment A. The amendments are intended to make clear that customers initiating service to a new location will be required to pay the cost of any main extensions, the service line, regulator, and meter. The cost charged to

customers for any main extension, the service line, and regulator will be based on the actual costs of the equipment and installation. The cost charged to customers for the meter will be based on the Company's cost to purchase and install a meter and that amount is set forth in the amended tariff sheets. Three versions of the amended tariff sheets are included as Attachment A to this Stipulation: a redline version comparing the proposed amended tariffs as compared to those currently in effect, a redline version comparing the proposed amended tariffs as compared to those proposed with Advice Letter No. 605, and a clean version of the tariff sheets. The workpaper supporting the charges for new meters is included as Attachment B.

b. Gas main and service line installations that qualify for the exemption from the updated tariffs at C.R.S. § 40-3.2-104.3(2)(d) shall be subject to the applicable terms and conditions of the following Atmos Energy tariff sheets Original Sheet No. R23, Fourth Revised Sheet No R25, and Original Sheet R26. Those tariff sheets are included with this Stipulation as Attachment C. As such, the revised tariff sheets approved as a result of this proceeding shall not apply to gas main and service line installations qualifying for the exemption at C.R.S. § 40-3.2-104.3(2)(d).

c. Contemporaneously with the filing of this Stipulation, Atmos Energy shall file a motion requesting a variance from its current tariff such that it is permitted to no longer provide construction allowances to customers seeking to establish gas service to a property, allowing Atmos Energy to satisfy the intent of C.R.S. § 40-3.2-104.3 until the revised tariffs eliminating incentives for establishing gas service and establishing the charge for new meters are in effect.

d. This unanimous and comprehensive Stipulation should be approved without a hearing.

The Public Interest

8. The Settling Parties agree that this Stipulation is in the public interest because it meets the statutory intent and requirements. Further, the intervening parties have reviewed the statute and resolved their differences in the proceeding. Therefore, approving this Stipulation will avoid litigation and result in judicial economy by conserving the Commission's resources. The Settling Parties agree to support the Stipulation as being in the public interest in proceedings before the Commission and to advocate in good faith that the Commission approve the Stipulation in its entirety.

General Terms and Conditions

9. This Stipulation represents a compromise of the Settling Parties' positions and has been negotiated as a comprehensive settlement. As such, the Settling Parties acknowledge that their support and advocacy for the Stipulation is based upon the Stipulation as a whole and not based upon its individual components viewed in isolation.

10. All negotiations relating to this Stipulation are subject to CRE 408, and that no party will be bound by any position asserted in the negotiations, except to the extent expressly stated in this Stipulation.

11. Except as otherwise expressly noted in this Stipulation: (a) the execution of this Stipulation will not be deemed to constitute an acknowledgment of any Settling Party of the validity or invalidity of any particular method, theory or principle of ratemaking or regulation, and no Settling Party will be deemed to have agreed that any principle, method or theory of regulation employed in arriving at this Stipulation is appropriate for resolving any issue in any other proceeding; (b) the execution of the Stipulation will not constitute the basis of estoppel or waiver in future proceedings by any Settling Party; and (c) no Settling Party will be deemed to be bound by any position asserted by any other Settling Party.

12. The Settling Parties acknowledge that their support and advocacy of the Stipulation may be compromised by material alterations thereto. If the Commission rejects or materially alters the Stipulation, within seven days of such Commission decision any Settling Party may provide notice to the other Settling Parties of its objection to the Stipulation as modified. Upon such objection, the Settling Parties will no longer be bound by its terms and will not be deemed to have waived any of their respective procedural or due process rights under Colorado law. If a Settling Party objects to the Stipulation as modified, it may withdraw from the Stipulation.

13. This Stipulation, if adopted and approved by the Commission, resolves all disputed matters related to this proceeding between the Settling Parties except as explicitly noted otherwise. Any disputed matters will be deemed resolved to the extent that the Stipulation is not compromised by material alterations.

14. Except as otherwise expressly provided in this Stipulation, the issuance of a decision approving this Stipulation will not be deemed to work as an estoppel upon the Settling Parties or the Commission, or otherwise establish, or create any limitation on or precedent of the Commission, in future proceedings.

15. This Stipulation will not become effective and will be given no force and effect until the issuance of a final written Commission decision that accepts and approves this Stipulation.

16. This Stipulation may be executed in one or more counterparts and each counterpart will have the same force and effect as an original document and as if all the Settling Parties had signed the same document. Any signature page of this Stipulation may be detached from any counterpart of this Stipulation without impairing the legal effect of any signatures thereon and may be attached to another counterpart of the Stipulation identical in form hereto but having attached

to it one or more signature page(s), and “pdf” signature pages exchanged by e-mail and electronic signatures will satisfy the requirements for execution.

[Signature Page Follows]

Dated this 27th day of February 2024.

**Agreed on behalf of:
Atmos Energy Corporation**

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**Agreed on behalf of:
Trial Staff of the Colorado Public Utilities
Commission**

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*Attorneys for Trial Staff of the Public
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**Agreed on behalf of:
The Office of the Utility Consumer
Advocate**

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Attorney General

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Attorneys for the Utility Consumer Advocate

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Attachment A - Tariffs

Redline Tariffs of Proposed Tariffs Against Those Filed With Advice Letter No. 605

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

Colo. P.U.C. No. 7 Gas
First Revised Sheet No. R23
Cancels Original Sheet No. R23

Rules, Regulations or Extension Policy

RULES AND REGULATIONS

NATURAL GAS SERVICE

SERVICE LINE AND MAIN EXTENSION POLICY

Definition of Terms

Construction Costs of Main & Service Lines

The construction cost of Main Extensions & Service Lines Extensions shall include the Company's ~~estimate of the combined costs of, together with~~ all ~~facilities~~ incidental expenses connected therewith, necessary to the ~~main extension~~ Main Extension and/or reinforcement, ~~including satisfactory rights of way. The construction cost for Service Lines shall include the Company's estimated cost to install the service line~~ or Service Line Extension.

Construction Payment

The required amount advanced by Subscriber to pay all ~~construction costs~~ Construction Costs, including gross-up for taxes, related ~~to a new main extension~~ Main Extension or Service Line Extension.

Extension Completion Date

The date on which the construction of a main extension is completed as shown by the Company's records.

Main Extension

Distribution or supply mains, including all facilities, necessary to supply service to additional customers. Appurtenant facilities are short stop fittings, tees, caps, tracer wire, anodes, markers, cathodic protection, risers, etc. required to complete the main line ~~or service line~~.

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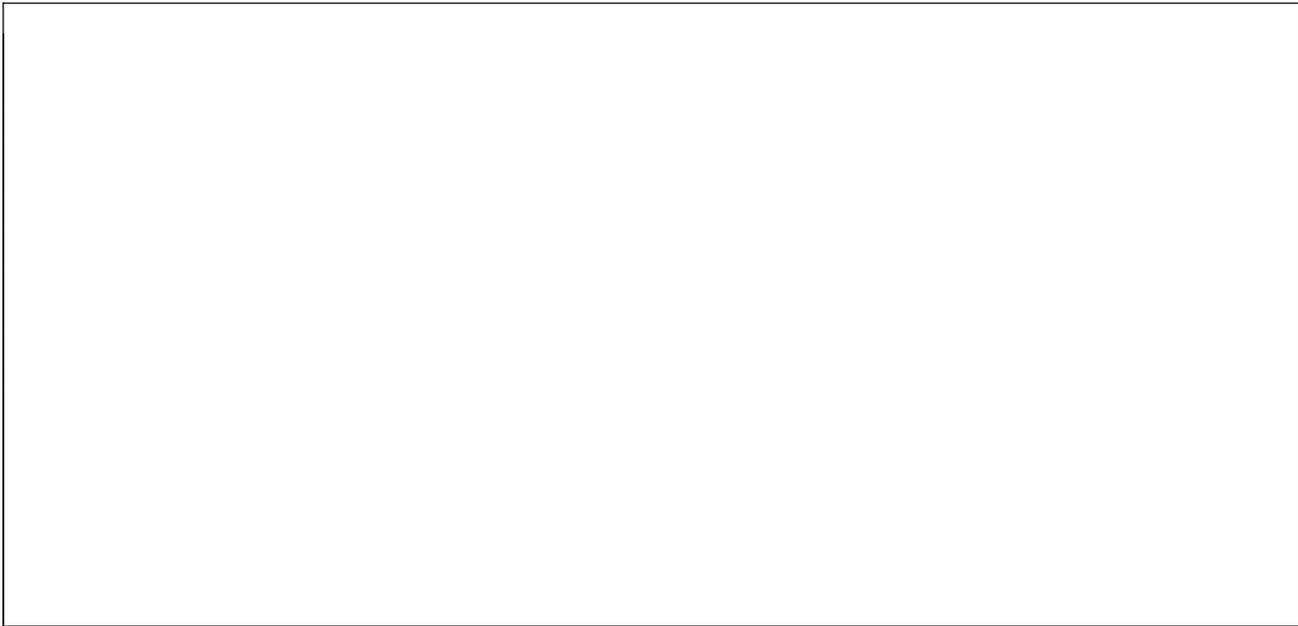
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Advice Letter No. 605
Decision No. _____

s/ Kathleen R. Ocanas
**Vice President Rates and
Regulatory Affairs**

Issue Date: November 30, 2023
Effective Date: January 1, 2024

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

Colo. P.U.C. No. 7 Gas
Fifth Revised Sheet No. R25
Cancels Fourth Revised Sheet No. R25

Rules, Regulations or Extension Policy

RULES AND REGULATIONS

NATURAL GAS SERVICE

SERVICE LINE AND MAIN EXTENSION POLICY

Gas Main and Service Line Installations

SERVICE LINES

For gas service of a permanent character, the Company will install the necessary gas service meter, service regulator, and Service Line as set out herein.

The ownership of the Service Line and meter shall be vested in the Company and the control of same shall remain with the Company while customer is connected to Company's distribution main. As a condition of receiving service, the customer and/or Subscriber shall be deemed to have granted an easement to the Company for all necessary facilities. The Subscriber is responsible for the cost of the Service Line- Extension and meter. The cost of the meter will be billed to the Subscriber in the following amounts:

Residential - \$276.

Small Commercial¹ - \$443.

Commercial - \$1,766.

Irrigation - \$1,766

GAS MAIN EXTENSIONS

The Subscriber is responsible for the cost of the Main Extension.

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s/ Kathleen R. Ocanas
Vice President Rates and
Regulatory Affairs

Issue Date: November 30, 2023
Effective Date: January 1, 2024

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

Colo. P.U.C. No. 7 Gas
First Revised Sheet No. R26
Cancels Original Sheet No. R26

Rules, Regulations or Extension Policy

RULES AND REGULATIONS

NATURAL GAS SERVICE

SERVICE LINE AND MAIN EXTENSION POLICY

Gas Main and Service Line Installations (continued)

Reinforcements

The Subscriber requesting service, including requests for new developments, of such a size and magnitude as to effect the integrity and reliability of the gas distribution system without additional reinforcement shall be responsible for the reinforcement costs and said costs will be included as part of the overall Service Line and Main Extension cost to the Subscriber. Such reinforcement costs will be entitled to a Construction Deposit Refund in a manner similar to other Service Line & Main Extension refunds. Where gas distribution system reinforcements are required to supply an applicant for residential or commercial gas service, the Company will make such reinforcement at its expense. For other classes of service any reinforcement shall be made in accordance with individual agreements between applicant and the Company based upon the amount, character and permanency of the load.

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Temporary and Intermittent Service

When service under any rate will be temporary or intermittent in character, the connection and extension shall be made at option of the Company, and only where the Company has adequate capacity available for the class of service applied for. Applicant shall pay to the Company, in advance, its estimated cost of labor, material, supervision, etc., incidental to installing and removing necessary mains, service meters, and other equipment required, less the salvage value of such materials and equipment.

Advice Letter No. 605
Decision No. _____

s/ Kathleen R. Ocanas
Vice President Rates and
Regulatory Affairs

Issue Date: November 30, 2023
Effective Date: January 1, 2024

Redline Tariffs of Proposed Tariffs Against Currently Effective Tariffs

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

Colo. P.U.C. No. 7 Gas
Original Sheet No. R22

Rules, Regulations or Extension Policy

RULES AND REGULATIONS

NATURAL GAS SERVICE

SERVICE LINE AND MAIN EXTENSION POLICY

These Rules and Regulations set forth the Service Line and Main Extension Policy of the Company available in all territory served by the Company. Extension of the Company's facilities shall be made in accordance with the rates and rules and regulations set forth in the Company's tariff, as well as in accordance with the public utilities law of the State of Colorado.

General Provisions

Where natural gas service is to be supplied from a transmission main, all requests for such service are subject to the approval of the pipeline company owning the particular transmission main and to the rules of such pipeline company pertinent to the location of the transmission main, tap, etc. The Company also reserves the right to limit the location and number of or to reject applications for service requiring transmission main taps. Inasmuch as the Company does not own, operate and maintain transmission mains, the Company is not responsible for the continued delivery of gas to customers served therefrom should the pipeline company re-route, abandon, or otherwise discontinue use of the transmission main or should operating conditions be so changed as to make the supplying of service directly therefrom too hazardous, difficult, or impractical, in the opinion of the Company, to be continued.

In all cases, the facilities provided will be constructed by the Company, or Company approved Contractors, in accordance with the Company's specifications and shall be, at all times, the property of the Company to the point of delivery. Main ~~extension-Extension~~ and transmission main regulator station contracts and Service Line Extension arrangements will be based upon the Company's estimate of the cost of constructing and installing the facilities necessary to adequately supply the service requested by ~~Customer~~Subscriber. Such cost will include the cost of all materials, labor, rights-of-way, etc., together with all incidental and overhead expenses connected therewith. Where special items, not incorporated in said specifications, are required to meet local construction conditions, the cost thereof will also be included.

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Advice Letter No. 465-Third Amended

s/ Kathleen R. Ocanas~~Karen~~
Wilkes

Issue Date: June 9, 2009

Decision No. _____

Vice President Rates and
Regulatory Affairs

Effective Date: July 25, 2009

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

Colo. P.U.C. No. 7 Gas
First Revised Sheet No. R23
Cancels Original Sheet No. R23

Rules, Regulations or Extension Policy

RULES AND REGULATIONS

NATURAL GAS SERVICE

SERVICE LINE AND MAIN EXTENSION POLICY

Definition of Terms

Construction Allowance

~~The amount of Construction Costs of Main and Service Line that is refundable to the Subscriber upon conditions prescribed in the Construction Deposit Refund section.~~

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Construction Costs of Main & Service Lines

~~The construction cost of Main Extensions & Service Lines Extensions shall include the Company's costs, together with all incidental expenses connected therewith, estimate of the combined costs of all facilities necessary to the main Main extension Extension and/or reinforcement or Service Line Extension, including satisfactory rights-of-way. The construction cost for Service Lines shall include the Company's estimated cost to install the service line.~~

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Construction Payment

~~The required amount advanced by Subscriber to pay all construction Construction costs Costs, including gross-up for taxes, related ~~to a new main extension~~ Main Extension or Service Line Extension.~~

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Extension Completion Date

The date on which the construction of a main extension is completed as shown by the Company's records.

Main Extension

Distribution or supply mains, including all facilities, necessary to supply service to additional customers. Appurtenant facilities are short stop fittings, tees, caps, tracer wire, anodes, markers, cathodic protection, risers, etc. required to complete the main line ~~or service line~~.

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Advice Letter No. 605
Decision No. _____

s/ Kathleen R. Ocanas
Vice President Rates and
Regulatory Affairs

Issue Date: November 30, 2023
Effective Date: January 1, 2024

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

Colo. P.U.C. No. 7 Gas
Original Sheet No. R24

Rules, Regulations or Extension Policy

RULES AND REGULATIONS

NATURAL GAS SERVICE

SERVICE LINE AND MAIN EXTENSION POLICY

Definition of Terms (continued)

Main Reinforcement

Increase in size or number of existing facilities necessitated by Subscriber's estimated gas or pressure requirements.

Point of Delivery

Point where the Company's gas service connection is connected to the gas meter.

Service line

The supply pipe extending from the distribution main to and including the first valve or cock past the meter.

Service Line Extension

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The Service Line and regulator necessary to supply service to an additional customer.

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Subscriber

The individual or entity that requests a Main Extension, and/or Service Line ~~extension~~Extension.

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Advice Letter No. 465-Third Amended

s/ Kathleen R. Ocanas~~Karen~~
~~Wilkes~~

Issue Date: June 9, 2009

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Effective Date: July 25, 2009

ATMOS ENERGY CORPORATION
 1555 Blake St., Suite 400
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Colo. P.U.C. No. 7 Gas
 Fifth Revised Sheet No. R25
 Cancels Fourth Revised Sheet No. R25

Rules, Regulations or Extension Policy

RULES AND REGULATIONS

NATURAL GAS SERVICE

SERVICE LINE AND MAIN EXTENSION POLICY

Gas Main and Service Line Installations

SERVICE LINES

For gas service of a permanent character, the Company will install the necessary gas service meter, service regulator, and Service Line as set out herein.

The ownership of the Service Line and meter shall be vested in the Company and the control of same shall remain with the Company while customer is connected to Company's distribution main. As a condition of receiving service, the customer and/or Subscriber shall be deemed to have granted an easement to the Company for all necessary facilities. The Subscriber is responsible for the cost of the Service Line Extension and meter, in excess of the Construction Allowance. The Construction Allowances are: The cost of the meter will be billed to the Subscriber in the following amounts:

- 1- Residential ~~Service⁽¹⁾~~ - ~~\$929,276~~.
- 2- Small Commercial ~~Service⁽²⁾~~ - ~~\$1,540,443~~.
- Commercial ~~Service⁽²⁾~~ - ~~\$1,540,766~~.
- 3- Irrigation - \$1,766

GAS MAIN EXTENSIONS

The Subscriber is responsible for the cost of the Main Extension ~~in excess of the Construction Allowance. The Construction Allowances are:~~

- 1. ~~Residential Service⁽¹⁾~~ - ~~\$500~~.
- 2. ~~Small Commercial Service⁽²⁾~~ - ~~\$2,070~~.
- 3. ~~Commercial Service⁽²⁾~~ - ~~\$2,500~~.

~~Note 1 - Applicable to applicants having expected annual consumption of less than or equal to 2,500 Ccf.~~

~~Note 2 - Applicable to applicants having expected annual consumption greater than 2,500 Ccf and less than or equal to 5,000 Ccf.~~

~~Note 3 - Applicable to applicants having expected annual consumption greater than 5,000 Ccf.~~

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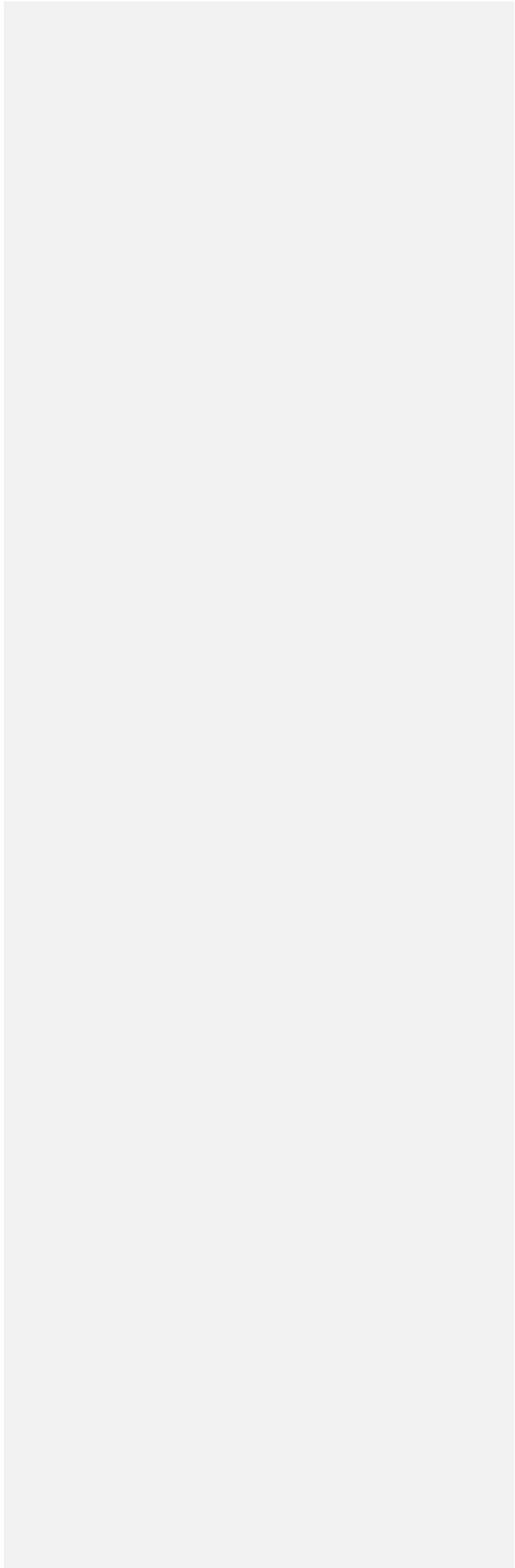
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Decision No. _____

Vice President Rates and
Regulatory Affairs

Effective Date: January 1, 2024



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

Colo. P.U.C. No. 7 Gas
First Revised Sheet No. R26
Cancels Original Sheet No. R26

Rules, Regulations or Extension Policy

RULES AND REGULATIONS

NATURAL GAS SERVICE

SERVICE LINE AND MAIN EXTENSION POLICY

Gas Main and Service Line Installations (continued)

Construction Payment Refunds

~~Under a Main Extension Agreement, the Subscriber is to be eligible for a refund amount equal to the Construction Allowance as provided in this tariff. Within a five (5) year refund period, with said period commencing on the date of the Main Extension Agreement, the Subscriber can also receive an additional Construction Allowance payment for each new customer meter connection, provided that the connection is to a location where service has not been previously rendered and that additional main construction or extension is not required. A refund is considered earned at the time a gas meter is originally connected at any point on a main extension covered by the Main Extension Agreement. The refund will be calculated and paid at least once a year at a time determined by the Company. The aggregate amount of all refunds shall not, in any event, exceed the amount of the Construction Payment. The right to a refund of any deposit remaining unrefunded at the end of the specified refund period (5 years) shall cease.~~

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Reinforcements

The Subscriber requesting service, including requests for new developments, of such a size and magnitude as to effect the integrity and reliability of the gas distribution system without additional reinforcement shall be responsible for the reinforcement costs and said costs will be included as part of the overall Service Line and Main Extension cost to the Subscriber. Such reinforcement costs will be entitled to a Construction Deposit Refund in a manner similar to other Service Line & Main Extension refunds. Where gas distribution system reinforcements are required to supply an applicant for residential or commercial gas service, the Company will make such reinforcement at its expense. For other classes of service any reinforcement shall be made in accordance with individual agreements between applicant and the Company based upon the amount, character and permanency of the load.

Temporary and Intermittent Service

When service under any rate will be temporary or intermittent in character, the connection and extension shall be made at option of the Company, and only where the Company has adequate capacity available for the class of service applied for. Applicant shall pay to the Company, in advance, its estimated cost of labor, material, supervision, etc., incidental to installing and removing necessary mains, service meters, and other equipment required, less the salvage value of such materials and equipment.

Decision No. _____

**Vice President Rates and
Regulatory Affairs**

Effective Date: January 1, 2024

Clean Versions of Proposed Tariffs

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

Colo. P.U.C. No. 7 Gas
Original Sheet No. R22

Rules, Regulations or Extension Policy

RULES AND REGULATIONS

NATURAL GAS SERVICE

SERVICE LINE AND MAIN EXTENSION POLICY

These Rules and Regulations set forth the Service Line and Main Extension Policy of the Company available in all territory served by the Company. Extension of the Company's facilities shall be made in accordance with the rates and rules and regulations set forth in the Company's tariff, as well as in accordance with the public utilities law of the State of Colorado.

General Provisions

Where natural gas service is to be supplied from a transmission main, all requests for such service are subject to the approval of the pipeline company owning the particular transmission main and to the rules of such pipeline company pertinent to the location of the transmission main, tap, etc. The Company also reserves the right to limit the location and number of or to reject applications for service requiring transmission main taps. Inasmuch as the Company does not own, operate and maintain transmission mains, the Company is not responsible for the continued delivery of gas to customers served therefrom should the pipeline company re-route, abandon, or otherwise discontinue use of the transmission main or should operating conditions be so changed as to make the supplying of service directly therefrom too hazardous, difficult, or impractical, in the opinion of the Company, to be continued.

In all cases, the facilities provided will be constructed by the Company, or Company approved Contractors, in accordance with the Company's specifications and shall be, at all times, the property of the Company to the point of delivery. Main Extension and transmission main regulator station contracts and Service Line Extension arrangements will be based upon the Company's estimate of the cost of constructing and installing the facilities necessary to adequately supply the service requested by Subscriber. Such cost will include the cost of all materials, labor, rights-of-way, etc., together with all incidental and overhead expenses connected therewith. Where special items, not incorporated in said specifications, are required to meet local construction conditions, the cost thereof will also be included.

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Advice Letter No. 465-Third Amended
Decision No. _____

s/ Kathleen R. Ocanas
Vice President Rates and
Regulatory Affairs

Issue Date: June 9, 2009
Effective Date: July 25, 2009

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

Colo. P.U.C. No. 7 Gas
First Revised Sheet No. R23
Cancels Original Sheet No. R23

Rules, Regulations or Extension Policy

RULES AND REGULATIONS

NATURAL GAS SERVICE

SERVICE LINE AND MAIN EXTENSION POLICY

Definition of Terms

Construction Costs of Main & Service Lines

The construction cost of Main Extensions & Service Lines Extensions shall include the Company's costs, together with all incidental expenses connected therewith, necessary to the Main Extension and/or reinforcement or Service Line Extension.

Construction Payment

The required amount advanced by Subscriber to pay all Construction Costs, including gross-up for taxes, related Main Extension or Service Line Extension.

Extension Completion Date

The date on which the construction of a main extension is completed as shown by the Company's records.

Main Extension

Distribution or supply mains, including all facilities, necessary to supply service to additional customers. Appurtenant facilities are short stop fittings, tees, caps, tracer wire, anodes, markers, cathodic protection, risers, etc. required to complete the main line.

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

Colo. P.U.C. No. 7 Gas
Original Sheet No. R24

Rules, Regulations or Extension Policy	
RULES AND REGULATIONS	
NATURAL GAS SERVICE	
SERVICE LINE AND MAIN EXTENSION POLICY	
<u>Definition of Terms (continued)</u>	
<u>Main Reinforcement</u>	
Increase in size or number of existing facilities necessitated by Subscriber's estimated gas or pressure requirements.	
<u>Point of Delivery</u>	
Point where the Company's gas service connection is connected to the gas meter.	
<u>Service line</u>	
The supply pipe extending from the distribution main to and including the first valve or cock past the meter.	
Service Line Extension	(N)
The Service Line and regulator necessary to supply service to an additional customer.	(N)
<u>Subscriber</u>	
The individual or entity that requests a Main Extension, and/or Service Line Extension.	(C)

Advice Letter No. 465-Third Amended
Decision No. _____

s/ Kathleen R. Ocanas
Vice President Rates and
Regulatory Affairs

Issue Date: June 9, 2009
Effective Date: July 25, 2009

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

Colo. P.U.C. No. 7 Gas
Fifth Revised Sheet No. R25
Cancels Fourth Revised Sheet No. R25

Rules, Regulations or Extension Policy

RULES AND REGULATIONS

NATURAL GAS SERVICE

SERVICE LINE AND MAIN EXTENSION POLICY

Gas Main and Service Line Installations

SERVICE LINES

For gas service of a permanent character, the Company will install the necessary gas service meter, service regulator, and Service Line as set out herein.

The ownership of the Service Line and meter shall be vested in the Company and the control of same shall remain with the Company while customer is connected to Company's distribution main. As a condition of receiving service, the customer and/or Subscriber shall be deemed to have granted an easement to the Company for all necessary facilities. The Subscriber is responsible for the cost of the Service Line Extension and meter. The cost of the meter will be billed to the Subscriber in the following amounts:

- Residential - \$276.
- Small Commercial¹ - \$443.
- Commercial - \$1,766.
- Irrigation - \$1,766

(D,T)
(D,T)

(T)
(D,T)
(D,T)
(D,T)

GAS MAIN EXTENSIONS

The Subscriber is responsible for the cost of the Main Extension.

(D)
(D)
(D)
(D)
(D)
(D)
(D)
(D)

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

Colo. P.U.C. No. 7 Gas
First Revised Sheet No. R26
Cancels Original Sheet No. R26

Rules, Regulations or Extension Policy

RULES AND REGULATIONS

NATURAL GAS SERVICE

SERVICE LINE AND MAIN EXTENSION POLICY

Gas Main and Service Line Installations (continued)

Reinforcements

The Subscriber requesting service, including requests for new developments, of such a size and magnitude as to effect the integrity and reliability of the gas distribution system without additional reinforcement shall be responsible for the reinforcement costs and said costs will be included as part of the overall Service Line and Main Extension cost to the Subscriber. Such reinforcement costs will be entitled to a Construction Deposit Refund in a manner similar to other Service Line & Main Extension refunds. Where gas distribution system reinforcements are required to supply an applicant for residential or commercial gas service, the Company will make such reinforcement at its expense. For other classes of service any reinforcement shall be made in accordance with individual agreements between applicant and the Company based upon the amount, character and permanency of the load.

(D)
(D)
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(D)

Temporary and Intermittent Service

When service under any rate will be temporary or intermittent in character, the connection and extension shall be made at option of the Company, and only where the Company has adequate capacity available for the class of service applied for. Applicant shall pay to the Company, in advance, its estimated cost of labor, material, supervision, etc., incidental to installing and removing necessary mains, service meters, and other equipment required, less the salvage value of such materials and equipment.

Advice Letter No. 605
Decision No. _____

s/ Kathleen R. Ocanas
Vice President Rates and
Regulatory Affairs

Issue Date: November 30, 2023
Effective Date: January 1, 2024

Attachment B - Workpaper Supporting Changes

Atmos Energy Corporation
Colorado Division
Meter Set Costing

Rate Schedule				
	Residential	Small Comm	Large Comm	Irrigation
Material	\$ 179.71	\$ 311.52	\$ 1,356.51	\$ 1,356.51
Labor	\$ 38.30	\$ 38.30	\$ 38.30	\$ 38.30
Direct Cost	\$ 218.01	\$ 349.82	\$ 1,394.81	\$ 1,394.81
Overhead	\$ 58.01	\$ 93.09	\$ 371.16	\$ 371.16
Total	\$ 276	\$ 443	\$ 1,766	\$ 1,766

Cost of Meters ¹	
Residential	\$ 180
Small Commercial	\$ 312
Large Commercial	\$ 1,357
Irrigation	\$ 1,357

1) Costs inclusive of meter and WMR unit

Sr. Service Tech
 Non-exempt grade 4
 45 minute meter set order

Grade	Minimum	Midpoint	Maximum
NEX1	\$17.21	\$21.52	\$25.84
NEX2	\$19.03	\$23.79	\$28.54
NEX3	\$21.44	\$26.83	\$32.18
NEX4	\$24.40	\$30.49	\$36.59
NEX5	\$27.74	\$34.69	\$41.63
NEX6	\$31.64	\$39.55	\$47.44
NEX7	\$36.70	\$45.87	\$55.06

Cost per hour	\$ 30.49
Cost per order (3/4 of hr)	<u>\$ 22.87</u>

FY24 Colorado Capital Budget	
Labor	\$ 3,453
Benefits	\$ 809
Benefits Rate	<u>23.42%</u>

Capitalized Rent, Vehicles, Heavy Equip, Utilities (RHUTTS)	
	\$ 1,521
Rhutts % of Direct Lbr	<u>44.05%</u>

Labor	\$ 22.87
Benefits	\$ 5.36
RHUTTs	\$ 10.07
Total	<u>\$ 38.30</u>

FY24 Colorado Overhead budget	
BU/State/SSU	<u>26.61%</u>

Attachment C -

Currently Effective Sheet Nos.
R23, R25, and R26

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

Colo. P. U. C. No. 7 Gas
Original Sheet No. R23

Rules, Regulations or Extension Policy

**RULES AND REGULATIONS
NATURAL GAS SERVICE
SERVICE LINE AND MAIN EXTENSION POLICY**

Definition of Terms

Construction Allowance

The amount of Construction Costs of Main and Service Line that is refundable to the Subscriber upon conditions prescribed in the Construction Deposit Refund section.

Construction Costs of Main & Service Lines

The construction cost of Main Extensions & Service Lines shall include the Company's estimate of the combined costs of all facilities necessary to the main extension and/or reinforcement, including satisfactory rights-of-way. The construction cost for Service Lines shall include the Company's estimated cost to install the service line.

Construction Payment

The required amount advanced by Subscriber to pay all construction costs, including gross-up for taxes, related to a new main extension.

Extension Completion Date

The date on which the construction of a main extension is completed as shown by the Company's records.

Main Extension

Distribution or supply mains, including all facilities, necessary to supply service to additional customers. Appurtenant facilities are short stop fittings, tees, caps, tracer wire, anodes, markers, cathodic protection, risers, etc. required to complete the main line or service line.

Main Reinforcement

Increase in size or number of existing facilities necessitated by Subscriber's estimated gas or pressure requirements.

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Advice Letter No. 465

Decision or Authority No. _____

Karen P. Wilkes

Title: Vice-President Regulatory
and Public Affairs

Issue Date: June 9, 2009

Effective Date: July 11, 2009

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

Colo. P. U. C. No. 7 Gas
Fourth Revised Sheet No. R25
Cancels Third Revised Sheet No. R25

Rules, Regulations or Extension Policy

RULES AND REGULATIONS

NATURAL GAS SERVICE

SERVICE LINE AND MAIN EXTENSION POLICY

Gas Main and Service Line Installations

SERVICE LINES

For gas service of a permanent character, the Company will install the necessary gas service meter, service regulator, and Service Line as set out herein.

The ownership of the Service Line and meter shall be vested in the Company and the control of same shall remain with the Company while customer is connected to Company's distribution main. As a condition of receiving service, the customer and/or Subscriber shall be deemed to have granted an easement to the Company for all necessary facilities. The Subscriber is responsible for the cost of the Service Line in excess of the Construction Allowance. The Construction Allowances are:

1. Residential Service ⁽¹⁾ - \$920.00
2. Small Commercial Service ⁽²⁾ - \$1,540.00
3. Commercial Service ⁽³⁾ - \$1,540.00

GAS MAIN EXTENSIONS

The Subscriber is responsible for the cost of the Main Extension in excess of the Construction Allowance. The Construction Allowances are:

1. Residential Service ⁽¹⁾ - \$500.00
2. Small Commercial Service ⁽²⁾ - \$2,070.00
3. Commercial Service ⁽³⁾ - \$2,590.00

Note 1 – Applicable to applicants having expected annual consumption less than or equal to 2,500 Ccf.

Note 2 – Applicable to applicants having expected annual consumption greater than 2,500 Ccf and less than or equal to 5,000 Ccf.

Note 3 – Applicable to applicants having expected annual consumption greater than 5,000 Ccf.

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

Colo. P. U. C. No. 7 Gas
Original Sheet No. R26

Rules, Regulations or Extension Policy

**RULES AND REGULATIONS
NATURAL GAS SERVICE
SERVICE LINE AND MAIN EXTENSION POLICY**

Gas Main and Service Line Installations (continued)

Construction Payment Refunds

Under a Main Extension Agreement, the Subscriber is to be eligible for a refund amount equal to the Construction Allowance as provided in this tariff. Within a five (5) year refund period, with said period commencing on the date of the Main Extension Agreement, the Subscriber can also receive an additional Construction Allowance payment for each new customer meter connection, provided that the connection is to a location where service has not been previously rendered and that additional main construction or extension is not required. A refund is considered earned at the time a gas meter is originally connected at any point on a main extension covered by the Main Extension Agreement. The refund will be calculated and paid at least once a year at a time determined by the Company. The aggregate amount of all refunds shall not, in any event, exceed the amount of the Construction Payment. The right to a refund of any deposit remaining unrefunded at the end of the specified refund period (5 years) shall cease.

Reinforcements

The Subscriber requesting service, including requests for new developments, of such a size and magnitude as to effect the integrity and reliability of the gas distribution system without additional reinforcement shall be responsible for the reinforcement costs and said costs will be included as part of the overall Service Line and Main Extension cost to the Subscriber. Such reinforcement costs will be entitled to a Construction Deposit Refund in a manner similar to other Service Line & Main Extension refunds. Where gas distribution system reinforcements are required to supply an applicant for residential or commercial gas service, the Company will make such reinforcement at its expense. For other classes of service any reinforcement shall be made in accordance with individual agreements between applicant and the Company based upon the amount, character and permanency of the load.

Temporary and Intermittent Service

When service under any rate will be temporary or intermittent in character, the connection and extension shall be made at option of the Company, and only where the Company has adequate capacity available for the class of service applied for. Applicant shall pay to the Company, in advance, its estimated cost of labor, material, supervision, etc., incidental to installing and removing necessary mains, service meters, and other equipment required, less the salvage value of such materials and equipment.

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