

Decision No. R25-0078

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

PROCEEDING NO. 24G-0303G

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IN THE MATTER OF THE APPLICATION FILED BY ATMOS ENERGY CORPORATION  
FOR APPROVAL OF ITS 2025-2026 GAS DEMAND-SIDE MANAGEMENT PLAN.

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**RECOMMENDED DECISION  
APPROVING SETTLEMENT**

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Issued Date: February 11, 2025

**I. STATEMENT.**

1. On July 8, 2024, Atmos Energy Corporation ("Atmos") filed an Application for approval of its 2025-2026 Gas Demand-Side Management Plan ("Application").

2. Atmos seeks Commission approval to implement six gas efficiency programs to achieve the savings goals established by the Commission in the Company's most recent Demand Side Management ("DSM") Strategic Issues proceeding, Proceeding No. 23A-0216G. The programs, to be implemented in 2025 and 2026, include an Air Sealing and Insulation Program, an Efficient Natural Gas Rebate Program, an Income-Qualified ("IQ") Program, an Energy Efficiency Kits Program, a Home Energy Reports Program, and a Commercial & Industrial Program.

3. Atmos proposes a total budget of \$3,976,728 over the plan period, allocating \$1,927,031 to 2025 and \$2,049,697 to 2026. It estimates 128,701 dekatherms ("Dths") of savings over the plan period ("62,583 Dths in 2025 and 66,118 Dths in 2026"), and estimates 995 Dths of peak day savings ("484 Dths in 2025 and 511 Dths in 2026"). The budget and saving goals were

set forth in the Unanimous Non-Comprehensive Stipulation Settlement Agreement approved by the Commission through Decision No. C24-0221 in Proceeding No. 23A-0216G.

4. The Commission issued a Notice of Application filed on July 11, 2024, setting the deadline for filing of intervention pleadings on or before August 12, 2024.

5. On August 12, 2024, Energy Outreach Colorado (“EOC”) filed its Unopposed Motion to Intervene and Entry of Appearance (“Unopposed Motion”). EOC is a Colorado nonprofit corporation in good standing whose mission is to ensure that income-qualified Colorado households can meet their home energy needs.

6. On August 19, 2024, Trial Staff of the Public Utility Commission (“Staff”) filed its Notice of Intervention as of Right, Entry of Appearance and Notice Pursuant to Rule 1007(a) and Rule 1401, and Request for Hearing.

7. On September 6, 2024, by Decision No. C24-0639-I, the matter was referred to an Administrative Law Judge.

8. On September 16, 2024, by Decision No. R24-0660-I, interventions were granted, and a prehearing conference was scheduled for September 26, 2024.

9. On September 23, 2024, Atmos filed its Unopposed Motion to Adopt Procedural Schedule, Vacate Prehearing Conference and Waiver of Response Time.

10. October 2, 2024, by Decision No. R24-0700-I, a procedural schedule was adopted.

11. On December 20, 2024, Atmos filed its Unopposed Motion to Modify Procedural Schedule, Admit Exhibits into Evidence and for Approval of Stipulation (“Unopposed Motion”). Attached to this filing was a Unanimous Comprehensive Stipulation and Settlement Agreement.

12. On January 6, 2025, Atmos filed the Settlement testimony of Ken Fogle.

**II. DISCUSSION**

**A. Settlement Agreement**

13. The Settling Parties agree that the Company's application should be approved as modified by the following terms 24G-0303G

14.

IQ DSM Budget: Atmos Energy’s 2025-2026 DSM plan will include funding for the Company’s proposed Income Qualified (“IQ”) DSM programs at an incentive level of \$85 per Dekatherm (“Dth”), without any modification to the energy savings goals. As a result of this modification, the total IQ DSM incentive budget and total expenditures for the 2025-2026 DSM Plan are shown below:

	2025	2026	Total
<b>Original DSM Budget</b>	\$ 1,927,031	\$ 2,049,697	\$ 3,976,728
<b>Original IQ DSM Incentive Budget</b>	\$ 259,156	\$ 263,606	\$ 522,762
<b>Stipulated IQ DSM Incentive Budget</b>	\$ 356,150	\$ 385,900	\$ 742,050
<b>Stipulated DSM Budget</b>	\$ 2,024,018	\$ 2,171,981	\$ 4,195,999
<b>Stipulated Increase in DSM Budget</b>	\$ 96,987	\$ 122,284	\$ 219,271

DSM Reporting: As recommended by Staff, Atmos Energy will provide Modified Total Resource Cost test values for its DSM programs with and without the use of the Social Cost of Emissions (“SCE”) adder in the annual DSM reports filed with the Commission until the use of the SCE is evaluated in Atmos Energy’s next DSM Strategic Issues proceeding. Atmos will not increase its budget amounts regarding this annual reporting.

15. The Settling Parties stipulate to the admission of all pre-filed testimony and attachments in this proceeding.

**III. CONCLUSION**

16. The parties have the burden of proving by a preponderance of the evidence that the Settlement is just and reasonable. In reviewing the terms of the Settlement Agreement, the ALJ applied the Commission's direction and policy with respect to review of settlement agreements as found in, *e.g.*, Decision No. C06-0259 in Proceeding No. 05S-264G on March 20, 2006.

17. The Commission has an independent duty to determine matters that are within the public interest. *Caldwell v. Pub. Utils Comm'n*, 692 P.2d 1085, 1089 (Colo. 1984).

18. The ALJ shall admit all pre-filed testimony, including testimony filed in support of the Settlement Agreement, and attachments in this proceeding.

19. The undersigned ALJ has reviewed the testimony filed by all parties in this proceeding. The ALJ has duly considered the positions of all parties in this matter.

20. The ALJ has also considered the recitations of the Settling Parties made in the Unanimous Comprehensive Stipulation and Settlement Agreement, testimony, exhibits and the Unopposed Motion.

21. Based on the entire record, the ALJ finds that approval of the Application, as modified by the terms of the Settlement Agreement, is in the public interest.

22. The ALJ further finds that the parties have established by a preponderance of the evidence that the Settlement Agreement is just, is reasonable, and should be accepted by the Commission.

#### **IV. ORDER**

##### **A. It is Ordered That:**

1. The Unopposed Motion, Admit Exhibits into Evidence and for Approval of Stipulation filed on December 20, 2024, is granted and the Unanimous Comprehensive Stipulation and Settlement Agreement is approved.

2. The Verified Application filed by on July 8, 2024, seeking Commission approval of its 2025-2026 Gas Demand-Side Management Plan, as amended by the Settlement Agreement, is granted.

3. All pre-filed testimony and attachments are admitted in this proceeding.

4. This Recommended Decision shall be effective on the day it becomes the Decision of the Commission, if that is the case, and is entered as of the date above.

5. As provided by § 40-6-106, C.R.S., copies of this Recommended Decision shall be served upon the parties, who may file exceptions to it.

6. Responses to exceptions shall be due within seven calendar days from the filing of exceptions.

7. As provided by § 40-6-109, C.R.S., copies of this Recommended Decision shall be served upon the parties, who may file exceptions to it.

- a. If no exceptions are filed within 20 days after service or within any extended period of time authorized, or unless the decision is stayed by the Commission upon its own motion, the recommended decision shall become the decision of the Commission and subject to the provisions of § 40-6-114, C.R.S.
- b. If a party seeks to amend, modify, annul, or reverse basic findings of fact in its exceptions, that party must request and pay for a transcript to be filed, or the parties may stipulate to portions of the transcript according to the procedure stated in § 40-6-113, C.R.S. If no transcript or stipulation is filed, the Commission is bound by the facts set out by the administrative law judge and the parties cannot challenge these facts. This will limit what the Commission can review if exceptions are filed.

8. If exceptions to this Recommended Decision are filed, they shall not exceed 30 pages in length, unless the Commission for good cause shown permits this limit to be exceeded.

(S E A L)



THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

ROBERT I. GARVEY

Administrative Law Judge

ATTEST: A TRUE COPY

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

Rebecca E. White,  
Director