

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

PROCEEDING NO. 19AL-0736G

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IN THE MATTER OF ADVICE LETTER NO. 566 FILED BY ATMOS ENERGY CORPORATION TO ADJUST RATES TO REFLECT EXCESS ACCUMULATED DEFERRED INCOME TAXES TO BECOME EFFECTIVE FEBRUARY 1, 2020.

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**INTERIM COMMISSION DECISION GRANTING  
REQUEST FOR ALTERNATIVE FORM OF NOTICE**

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Mailed Date: January 7, 2020  
Adopted Date: January 2, 2020

**I. BY THE COMMISSION**

**A. Statement, Findings, and Conclusions**

1. On December 23, 2019, Atmos Energy Corporation (Atmos or the Company) filed a Motion for Alternative Form of Notice (Motion) to apply to the Company's Advice Letter No. 566, also filed on December 23, 2019. By Advice Letter No. 566, Atmos proposes to modify its Excess Accumulated Deferred Income Taxes (ADIT) Adjustment in its Colorado P.U.C. No. 7 – Gas, Tariff Sheet No. 20, effective February 1, 2020.

2. Atmos states that consistent with Decision No. C18-0326-I, issued May 11, 2018 in Proceeding No 18M-0074EG, it implemented the Excess ADIT Adjustment to reflect excess ADIT resulting from the Tax Cuts and Jobs Act (TCJA). Atmos states that the adjustment was implemented based on an estimated excess ADIT amount and an estimated amortization period, and that the Company committed to update the adjustment when actual information was available. With Advice Letter No. 566, Atmos seeks modification of the Excess ADIT Adjustment to reflect shortening the amortization period from an estimated 18 years to the actual 15 years and updating the total excess ADIT amount from an estimated \$9.3 million to the actual

\$9.4 million. As stated in the Advice Letter, the Company's proposed modifications will increase the Excess ADIT Adjustment for the facilities charges for Residential customers by \$0.11, for Commercial customers by \$0.26, for Irrigation customers by \$0.42, and for Transportation customers by \$0.79.

3. Atmos states that notice of the potential modification to the Excess ADIT Adjustment has already been provided multiple times. For example, Atmos has filed several quarterly status reports regarding the effects of the TCJA on the Company's rates, and each of these status reports have stated that a future advice letter filing was expected to modify the Excess ADIT Adjustment to reflect final amounts.

4. By its Motion, Atmos seeks approval to use the following alternative form of notice:

(a) filing new schedules with the Commission and keeping the schedules open for public inspection;

(b) posting the customer notice (attached to the Motion at Attachment 1) on the Company's Gas rates and Tariffs website for Colorado; and

(c) for each affected customer, including the customer notice as a bill insert during the regular billing cycle following the advice letter filing.

5. The Commission notes that Atmos includes website posting in its request for an alternative form of notice, but Atmos does not indicate whether the requested posting will be displayed on its website for at least 30 days in compliance with § 40-3-104(1)(c)(I), C.R.S.

6. Atmos represents that it would cost approximately \$18,000 to provide notice of the true-up through publication and that it would cost approximately \$100,000 to provide notice through mailing outside the normal billing cycle. Atmos requests that the Commission consider whether statutory notice requirements are reasonable given the prior notice that modification of

the Excess ADIT Adjustment would be proposed, the costs of providing notice, and the relative magnitude of the proposed modification.

7. Atmos states that the proposed alternative notice forms are an expeditious and economic means to effectively notify its customers. The Company states that filing the tariff with the Commission and posting the proposed changes on its website will provide notice to the general public, and that the bill insert will provide individual notice to its customers.

8. Pursuant to § 40-3-104(1)(c)(I)(E), C.R.S., and 4 *Code of Colorado Regulations* 723-1-1207(b) of the Commission's Rules of Practice and Procedure, a utility may request to provide an alternative form of notice of proposed tariff changes. We find the alternative form of notice proposed by Atmos in its Motion to apply to Advice Letter No. 566 is reasonable with respect to the Company's stakeholders and its general body of gas ratepayers, provided that the Company's website notice complies with § 40-3-104(1)(c)(I), C.R.S. With the assumption that Atmos will satisfy the statute's requirement as ordered below, we find good cause to approve the alternative form of notice requested by Atmos.

## **II. ORDER**

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

1. The request for alternative form of notice to apply to Advice Letter No. 566 proposed in the Motion for Alternative Form of Notice filed by Atmos Energy Corporation (Atmos) on December 23, 2019, is granted.

2. Atmos shall post the customer notice on its website for at least 30 days from the effective date of this Decision.

3. This Decision is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING  
January 2, 2020.**

(S E A L)



ATTEST: A TRUE COPY

Doug Dean,  
Director

THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

JEFFREY P. ACKERMANN

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FRANCES A. KONCILJA

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JOHN GAVAN

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Commissioners