

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 24L-0351G

IN THE MATTER OF THE APPLICATION OF ATMOS ENERGY CORPORATION FOR
AUTHORIZATION TO REDUCE THE PERCENTAGE OF INCOME PAYMENT PLAN
CHARGES ON LESS-THAN-STATUTORY NOTICE.

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

Issued Date: August 28, 2024

Adopted Date: August 28, 2024

I. BY THE COMMISSION

A. Statement

1. On August 20, 2024, Atmos Energy Corporation (“Atmos Energy” or the “Company”), filed its Application on Less-than Statutory Notice (“LSN”) requesting an Order from the Commission authorizing the Company to reduce the Percentage of Income Payment Plan (“PIPP”) charges effective September 1, 2024. (“Application”).

2. Through this Decision, we deem the Application complete, and grant the Application, as discussed below.

B. Discussion and Findings

3. In its Application, pursuant to Commission Rules 4002(a)(VIII) and 4109(b)(II), 4 *Code of Colorado Regulations* (“CCR”) 723-4, Atmos Energy Corporation (“Atmos” or “Atmos Energy”) seeks Commission approval authorizing the Company to reduce the PIPP charges on less-than-statutory notice, effective September 1, 2024.

4. Under PIPP programs, gas utilities provide income-eligible participants with discounts that help prevent their bills from exceeding an affordable percentage of their household income. The PIPP is funded through a flat monthly charge spread among all customers. Throughout the prior collection periods, Atmos Energy has collected a greater amount through the PIPP charges than required to cover PIPP expenditures. Considering this, Atmos Energy is requesting to lower the PIPP collection rate.

5. The Company, in its Application, submitted that lowering the rate at this time will reduce the risk that Atmos Energy triggers the provisions of Rule 4412(g)(II)(D)(i)(1)¹ to implement an automatic rate reduction at the end of the program year. With current PIPP rates the Company forecasts that on October 31, 2024, the net difference of program cost recovery over program and administrative costs will be 47 percent, very close to the 50 percent threshold in the rule. By reducing the rates as proposed effective September 1, 2024, the Company anticipates that the net difference effective October 31, 2024, will be reduced to 41 percent. Going forward, by keeping the rates at the lower level proposed with this application, the Company anticipates that ratio will continue to decline over time bringing program revenues and expenditures gradually closer.

6. As discussed in the Company's amended filing on August 26, 2024, through its initial materials Atmos includes that it calculated anticipating approximately \$2 million in annual revenue with current PIPP rates. If the current surcharge remains, the Company calculates it would be over accrued revenue by approximately \$950,000. Going forward, if the lower rates requested

¹ Atmos inadvertently cites "Rule 3312." No Rule 3312 currently exists. Rule 4412(g)(II)(D)(i)(1) addresses gas service affordability program considerations and balancing administrative and program costs, and potential rate reduction if the net difference of the program cost recovery over program and administrative costs is greater than 50 percent in annual reporting.

here are approved, the Company anticipates approximately \$1.5 million in annual revenue for the program year ending October 31, 2025.

7. The filings are complete and meet the requirements for Rules 4002 and 4109(b)(II), 4 CCR 723-4. We understand through these filings that Atmos' revenues here will remain at sustained levels such that the PIPP program remains funded, and no waitlist or other concerns are present as the fall and winter heating season begins. However, it is further our understanding and expectation that, if PIPP enrollment increases such that additional funding and support is needed to avoid waitlisting eligible participants, Atmos will come forward timely with an appropriate filing. Here, and based on Atmos' calculations that indicate the program's solvency through 2025, we agree that the reduced rates are appropriate while at the same time maintaining necessary support for income qualified customers.

8. We therefore find good cause to allow the proposed overall decrease in PIPP charges on less-than-statutory notice.

II. ORDER

A. The Commission Orders That:

1. The Application filed by Atmos Energy Corporation ("Atmos") on August 20, 2024, is deemed complete within the meaning of § 40-6-109.5, C.R.S.

2. The Application filed by Atmos for authority to change tariffs on less-than-statutory notice, is granted.

3. Atmos is authorized to file, on not less than two days' notice the tariffs attached as Appendix A and made part of this Decision, to be effective for actual gas sales on or after their effective date of September 1, 2024.

4. 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.

5. This Decision is effective on its Issued Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
August 28, 2024.**

(S E A L)



ATTEST: A TRUE COPY

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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Commissioners