

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 25A-0188G

IN THE MATTER OF THE APPLICATION OF ATMOS ENERGY CORPORATION FOR AN ORDER APPROVING AN EXTENSION TO THE COMPANY'S GAS HEDGING PROGRAM THROUGH OCTOBER 31, 2029.

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

Issued Date: August 1, 2025

Adopted Date: June 11, 2025

I. BY THE COMMISSION

A. Statement

1. This Decision approves the Application filed by Atmos Energy Corporation (“Atmos” or the “Company”) on May 5, 2025, for an order approving an extension of its current “Gas Hedging Program” through October 31, 2029 (“Application”).¹

B. Procedural History

2. On May 5, 2025, Atmos filed an Application with the Colorado Public Utilities Commission (“Commission”) for an order approving extension of its current gas hedging program.²

3. The Commission issued notice on May 5, 2025, and no parties filed for intervention during the 30-day intervention period.

¹ Specifically for the 2027-2028, 2028-2029, and 2029-2030 winter periods.

² Atmos’s 2024-2025 gas hedging program was approved by the Commission in Proceeding No. 22A-0300G.

C. Discussion of the Application

4. The Application is filed pursuant to and in accordance with Commission Rule of Practice and Procedure 1303, 4 *Code of Colorado Regulations* (“CCR”) 723-1, Rule 4002 of the Rules Regulating Gas Utilities 4 CCR 723-4.

5. The Application maintains financial hedging instruments first adopted in Decision No. C11-0340 in Proceeding No. 11L-208G on March 30, 2011. Under its proposed Application, Atmos requests approval to hedge between 20 percent to 60 percent of normal winter requirements, by rate division, using primarily NYMEX call options (financial) combined with physical gas storage withdrawals.

6. The Company states that the call option budget represents the maximum Atmos would spend to implement the financial portion of its hedging program; if the call option budget is forecasted to be insufficient to hedge the recommended percentage using at-the-money call options, Atmos states it will engage the Company’s consultant to evaluate the utilization of out of the money call options.

7. Atmos requests a budget of \$3.75 million for each of the winter periods, stating that the \$3.75 million budget provides the flexibility to respond to market volatility, even if actual annual expenditures may be less than the authorized budget.

8. All costs incurred under the Gas Hedging Program, including option premiums and any settlement amounts, will be recovered through Atmos Energy’s Commission-approved Gas Cost Adjustment (“GCA”) mechanism, with any amounts above the approved budget subject to prudence review.

D. Conclusions

9. The Application is unopposed and will be determined without a hearing under Rule 1403 of the Commission's Rules of Practice and Procedure, 4 CCR 723-1.

10. Atmos has demonstrated positive cumulative budget management, consistently operating under approved budgets. Year-to-year results vary with market conditions; some winters produced gains and others losses, but the hedging program has effectively reduced exposure to extreme market volatility.

11. Our review of the gas hedging plan and attachments leads us to conclude that the Application is reasonable and will likely serve to mitigate gas price volatility. Therefore, we grant the Application and approve Atmos's Gas Hedging Program through the 2029-2030 winter period. Atmos is authorized to implement the proposed budgets and hedging strategies described herein.

12. We find that Atmos's Application is consistent with Commission-approved hedging frameworks; reasonable and in the public interest, as it balances price stability with cost management; and provides continued risk mitigation for Atmos's Colorado customers.

II. ORDER**A. The Commission Orders That:**

1. The Application filed by Atmos Energy Corporation on May 5, 2025, for extension of its gas hedging plan through October 31, 2029, is deemed complete and hereby granted.

2. The 20-day 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.

3. This Decision is effective upon its Issued Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
June 11, 2025.**

(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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MEGAN M. GILMAN

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Commissioners