

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

IN THE MATTER OF THE APPLICATION
OF ATMOS ENERGY CORPORATION
FOR AN ORDER APPROVING ITS 2020-
2022 NATURAL GAS DEMAND SIDE
MANAGEMENT PLAN

Proceeding No. 19A-0224G

STIPULATION AND SETTLEMENT AGREEMENT

This Stipulation and Settlement Agreement (“Stipulation”) is entered into by and between Atmos Energy Corporation (“Atmos Energy”), the Colorado Office of Consumer Counsel (“OCC”), and Trial Staff of the Colorado Public Utilities Commission (“Staff”) (each a “Settling Party” and collectively the “Settling Parties”) to resolve all issues which were or could have been raised regarding Atmos Energy’s 2020-2020 DSM Plan in this proceeding.

Procedural Background

1. On May 1, 2019, Atmos Energy initiated this proceeding by filing a verified application for approval of its 2020-2022 DSM Plan. Staff and the OCC subsequently intervened and are the only other parties to this proceeding.

2. On June 21, 2019, Atmos Energy filed an unopposed motion to adopt a procedural schedule for this proceeding and vacate the prehearing conference that was scheduled for July 1, 2019.

3. On June 26, 2019, Administrative Law Judge Garvey issued Decision No. R19-0547 adopting the procedural schedule proposed by the parties and vacating the

prehearing conference. Under the schedule adopted in that decision, Atmos Energy filed direct testimony on July 1.

4. In the 2020-2022 DSM Plan, Atmos Energy proposed a total natural gas savings target for 2020-2022 of 82,915 Dth with an overall budget of \$2,859,822.

5. After Atmos Energy filed its direct testimony on July 1, the parties engaged in settlement discussions to see if they could resolve any disputed issues regarding Atmos Energy's 2020-2022 DSM Plan. As a result of those discussions, the parties reached an agreement in principle to resolve this proceeding and, on July 29, 2019, Atmos Energy filed an unopposed motion to modify the procedural schedule to provide the parties additional time to memorialize their agreement and prepare supporting testimony for the Commission's consideration. The unopposed motion was granted by Decision No. R19-0650-I on July 30, 2019.

Settlement Terms and Conditions

6. The Settling Parties agree that the Commission should approve Atmos Energy's Revised 2020-2022 DSM Plan, being provided as Attachment RL-1 to the stipulation and settlement testimony of Rob Leivo, except that the total natural gas savings target for 2020-2022 shall be 92,626 Dth, consisting of approximately:

- a. 31,982 Dth in 2020;
- b. 30,889 Dth in 2021; and
- c. 29,755 Dth in 2022.

7. The overall budget for 2020-2022 shall be \$2,923,884 consisting of approximately:

- a. \$955,532 in 2020;
- b. \$966,627 in 2021; and

c. \$1,001,724 in 2022.

8. The expected overall modified total resource cost test (“MTRC”) for the Revised 2020-2022 Plan is approximately 1.22.

9. The Energy Audit Program will be eliminated for the 2020-2022 DSM Plan period, with the budget allocated to the remaining DSM programs identified in the Revised 2020-2022 DSM Plan.

10. A summary of the changes to the 2020-2022 DSM plan as a result of the stipulation is provided as Attachment A.

General Terms and Conditions

11. The Settling Parties agree that this Stipulation is in the public interest and will be supported by the Settling Parties’ testimony in this proceeding. 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.

12. The Settling Parties agree that this Stipulation represents a compromise of their 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.

13. The Settling Parties agree that 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.

14. The Settling Parties agree that 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. Any specific reservation of future litigation rights contained in the Stipulation should not be deemed to waive the applicability of this general reservation of litigation rights in future proceedings as to all matters contained in the Stipulation.

15. The Settling Parties acknowledge that their support and advocacy of the Stipulation may be compromised by material alterations thereto. In the event the Commission rejects or materially alters the Stipulation, the Settling Parties agree that 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.

16. If the Commission adopts and approves the Stipulation, this Stipulation resolves all disputed matters relative to this proceeding between the Settling Parties. Any disputed matters will be deemed resolved to the extent that the Stipulation is not compromised by material alterations.

17. 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.

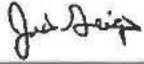
18. This Stipulation will not become effective and will be given no force and effect until the issuance of a final written Commission decision that accepts and approves this Stipulation.

19. 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). The Settling Parties agree that “pdf” signature pages exchanged by e-mail will satisfy the requirements for execution.

[Signature Page Follows]

Dated this 14th day of August 2019.

Atmos Energy Corporation



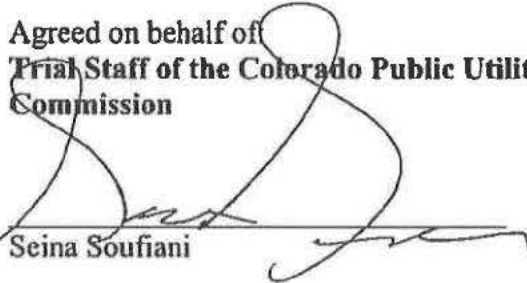
Jared N. Geiger
Vice President, Rates & Regulatory Affairs
Atmos Energy Corporation

Holland & Hart LLP



Nikolas S. Stoffel
Attorney for
Atmos Energy Corporation

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



Seina Soufiani

Approved as to form:

PHILIP J. WEISER
Attorney General



Anne K. Botterud
First Assistant Attorney General
Revenue and Utilities Section
Attorney for Trial Staff of the Public
Utilities Commission

Agreed on behalf of:
Colorado Office of Consumer Counsel

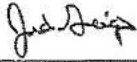
Chris Neil

Approved as to form:
PHILIP J. WEISER
Attorney General

Thomas F. Dixon
First Assistant Attorney General
Consumer Protection Section
OCC Unit
Attorney for the OCC

Dated this 14th day of August 2019.

Atmos Energy Corporation



Jared N. Geiger
Vice President, Rates & Regulatory Affairs
Atmos Energy Corporation

Holland & Hart LLP



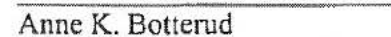
Nikolas S. Stoffel
Attorney for
Atmos Energy Corporation

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

Approved as to form:
PHILIP J. WEISER
Attorney General



Seina Soufiani



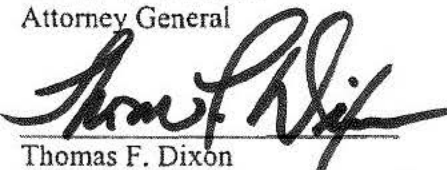
Anne K. Botterud
First Assistant Attorney General
Revenue and Utilities Section
Attorney for Trial Staff of the Public
Utilities Commission

Agreed on behalf of:
Colorado Office of Consumer Counsel

Approved as to form:
PHILIP J. WEISER
Attorney General



Chris Neil



Thomas F. Dixon
First Assistant Attorney General
Consumer Protection Section
OCC Unit
Attorney for the OCC