

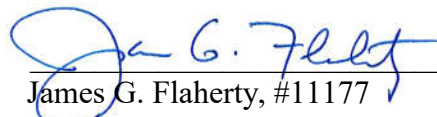
BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Compliance Filing of)
Atmos Energy Corporation for the Execution)
of An Adjustment Mechanism, the True-Up of)
Securitized Utility Tariff Charges, and Certain) Docket No. 24-ATMG-_____-CPL
Other Filings Required in Connection With)
Securitized Utility Tariff Bonds.)

COMPLIANCE FILING

Atmos Energy Corporation ("Atmos Energy") pursuant to Kansas' Utility Financing and Securitization Act, K.S.A. 66-1,240 *et seq.* ("Act"), as well as the Order Approving Unanimous Settlement Agreement and separate Financing Order issued by the State Corporation Commission of the State of Kansas ("Commission") in Docket No. 22-ATMG-538-TAR, respectfully submits an updated True-Up letter, as well as updated redlined and clean Winter Event Securitized Cost Recovery Rider tariffs.

WHEREFORE, Atmos Energy respectfully requests the Commission accept this Compliance Filing, and provide any other relief the Commission deems just and reasonable.



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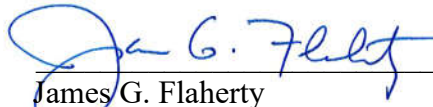
Attorneys for Atmos Energy Corporation

VERIFICATION

STATE OF KANSAS
COUNTY OF FRANKLIN, ss:

James G. Flaherty, of lawful age, being first duly sworn on oath, states:

That he is the attorney for Atmos Energy Corporation named in the foregoing Compliance Filing and is duly authorized to make this affidavit; that he has read the foregoing and knows the contents thereof; and that the facts set forth therein are true and correct.


James G. Flaherty

SUBSCRIBED AND SWORN to before me this 17th day of November, 2023.





Notary Public

Appointment/Commission Expires:

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing was sent via electronic mail this 17th day of November, 2023, addressed to:

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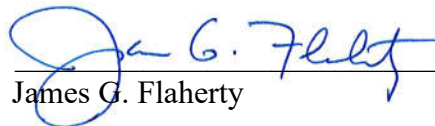
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James G. Flaherty



Richard M. Thomas
Vice President and Controller

TRUE-UP LETTER

November 17, 2023

Ms. Lynn M. Retz
Executive Director
Kansas Corporation Commission
1500 S.W. Arrowhead Road
Topeka, KS 66604

Re: In The Matter of The Application of Atmos Energy Corporation For the Recovery of Qualified Extraordinary Costs and Issuance of a Financing Order, Docket No. 22-ATMG-538-TAR

Dear Ms. Retz:

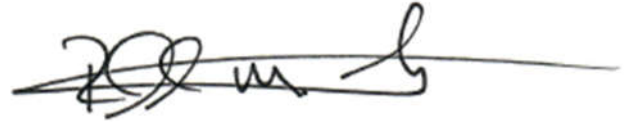
Pursuant to the Financing Order adopted on the 25th day of October, 2022, in *In the Matter of The Application of Atmos Energy Corporation For the Recovery of Qualified Extraordinary Costs and Issuance of a Financing Order*, Docket No. 22-ATMG-538-TAR (Financing Application) (the "Financing Order"), Atmos Energy Corporation (the "Utility"), as Servicer of the Securitized Utility Tariff Bonds, or any successor Servicer on behalf of bond trustee as assignee of the Utility shall apply semi-annually for a mandatory periodic adjustment to the Securitized Utility Tariff Charges. Any capitalized terms not defined herein shall have the meanings ascribed thereto in the Financing Order or the Utility Financing and Securitization Act, K.S.A. §§66-1,240 - 66-1,253 (the "Act").

Each semi-annual true-up adjustment shall be filed with the Commission not less than 30 days prior to the first billing cycle of the month in which the revised Securitized Utility Tariff Charges, calculated under the Winter Event Securitized Cost Recovery Rider ("WESCR"), will be in effect. The Commission staff will have 30 days after the date of the true-up adjustment filing in which to confirm the mathematical accuracy of the servicer's adjustment. However, any mathematical or clerical correction not made prior to the effective date of the Securitized Utility Tariff Charges (WESCR Charges) will be made in future true-up adjustment filings and will not delay the effectiveness of the Securitized Utility Tariff Charges ("WESCR Charges").

Using the formula approved by the Commission in the Financing Order, this filing modifies the variables used in the WESCR calculation and provides the resulting modified Securitized Utility Tariff Charges (or WESCR Charges). Exhibits 1, 2 and 3 show the resulting values of the Securitized Utility Tariff Charges for each Securitized Utility Tariff Charges Customer Class, as calculated in accordance with the Financing Order. The assumptions underlying the current Securitized Utility Tariff Charges were filed by the Utility in an Issuance Advice Letter dated June 12, 2023.

Respectfully submitted,

ATMOS ENERGY CORPORATION

A handwritten signature in black ink, appearing to read 'R. M. Thomas', written over a horizontal line.

By: _____

Name: Richard M. Thomas

Title: Vice President and Controller

Exhibits

cc: Justin Grady, Designated Representative

EXHIBIT 1**CALCULATION OF SECURITIZED UTILITY TARIFF CHARGES**

Estimated Ongoing Financing Costs	
	Itemized Annual Ongoing Financing Costs
Servicing Fees	\$47,500
Administration Fees	\$100,000
Accounting Fees	\$100,000
Legal Fees	\$30,000
Rating Agency Surveillance	\$67,000
Trustee Fees	\$35,000
Independent Director Fees	\$3,000
Total Ongoing Financing Costs	\$382,500
Ongoing Financing Costs as % of Issuance Amount	0.40%

The Utility will recover the Qualified Extraordinary Costs through a fixed monthly Securitized Utility Tariff Charge per customer. The table below provides the monthly fixed charge for each customer class. The fixed monthly charge is calculated assuming securitization of the Qualified Extraordinary Costs over the life of the Bonds using the carrying charges through March 1, 2023 (approximately \$118.5 million) and the customer count for the month of October 2023.

Securitized Utility Tariff Charge			10 Year Recovery	
Class	October 2023 Customer		Annual \$ Allocated to Class	Monthly Fixed Charge
	Count	Allocation %		
Residential Sales Service	130,398	75.0155%	\$ 10,518,795	\$ 6.72
Commercial/Public Authority	10,196	24.1666%	\$ 3,388,679	\$ 27.70
School Sales Service	64	0.2638%	\$ 36,990	\$ 48.16
Industrial Sales Service	17	0.1598%	\$ 22,407	\$ 109.84
Small Generator	72	0.0001%	\$ 14	\$ 0.02
Irrigation Engine	208	0.3942%	\$ 55,275	\$ 22.15
			\$ 14,022,162	

EXHIBIT 2

WESCR CALCULATIONS

**Atmos Energy Corporation
Winter Event Securitized Charge Rider (WESCR) True-up Mechanism
for the Period July 1, 2023 through February 29, 2024**

Line #	Description	Calculation of True-up (a)	Projected Revenue Requirement to be Billed and Collected (b)	Revenue Requirement for WESCR Charge (c) =(a)+(b)
	True-up for Prior Remittance Period Beginning N/A and Ending N/A:			
1	N/A:			
2	<i>Prior Remittance Period Revenue Requirement</i>			
3	Principal			
4	Interest			
5	Servicing Costs			
6	Other Ongoing Costs			
7	Total Prior Remittance Period Revenue Requirement (Line 3+4+5+6)	\$ -		
8	<i>Prior Remittance Period Actual Cash Receipt Transfers and Interest Income</i>			
9	Cash Receipts Transferred to the SPE			
10	Interest Income on Subaccounts at the SPE			
11	Total Cash Receipt Transfers and Interest Income (Line 9+10)	\$ -		
12	(Over)/Under Collections of Prior Remittance Period Requirements (Line 7+11)	\$ -		
13	Cash in Excess Funds Subaccount at SPE			
14	Cumulative (Over)/Under Collections for Prior Remittance Period (Line 12+13)	\$ -		\$ -

15				
16				
17	Current Remittance Period Beginning July 1, 2023, and Ending February 29, 2024:			
18	<i>Current Remittance Period Revenue Requirement</i>			
19	Principal	\$ 5,972,602	\$ -	
20	Interest	\$ 3,414,472	\$ -	
21	Servicing Costs	\$ -	\$ 23,750	
22	Other Ongoing Costs	\$ 13,000	\$ 55,000	
	Total Current Remittance Period Revenue Requirement			
23	(Line 19+20+21+22)	\$ 9,400,074	\$ 78,750	
24				
25	<i>Current Remittance Period Cash Receipt Transfers and Interest income</i>			
26	Cash Receipts Transferred to the SPE	\$ (3,064,271)	\$ (4,548,924)	
26a	Excess Amount From Issuance (from Issuance Advice Letter)	\$ (1,400,000)	\$ -	
27	Interest Income on Subaccounts at the SPE	\$ (44,551)	\$ (27,000)	
	Total Cash Receipt Transfers and Interest Income (Line			
28	26+27)	\$ (4,508,822)	\$ (4,575,924)	
29	Estimated Current Remittance Period (Over)/Under Collection (Line			
30	23+28)	\$ 4,891,252	\$ (4,497,174)	\$ 394,078
31				
32	Projected Remittance Period Beginning March 1, 2024, and Ending August 31, 2024:			
33	<i>Projected Remittance Period Revenue Requirement</i>			
34	Principal		\$ 3,949,386	
35	Interest		\$ 2,294,681	
36	Servicing Costs		\$ 23,750	
37	Other Ongoing Costs		\$ 308,325	
37a	Estimated Bad Debt (Undercollections)		\$ 40,861	
	Total Projected Remittance Period Revenue Requirement			
38	(Line 34+35+36+37)		\$ 6,617,003	\$ 6,617,003
39				
40	Total WESCR Adjustment Mechanism Revenue Requirements (Line			\$ 7,011,081
41	14+29+38)			
42				

		Forecasted 6- Month Customer Count	Allocation Factor	Projected Revenue Requirement Allocated to Customer Class	WESCR Charge
44	Customer Class				
45	Residential Sales Service	782,388	75.0155%	\$ 5,259,397	\$ 6.72
46	Commercial/Public Authority	61,176	24.1666%	\$ 1,694,340	\$ 27.70
47	School Sales Service	384	0.2638%	\$ 18,495	\$ 48.16
48	Industrial Sales Service	102	0.1598%	\$ 11,204	\$ 109.84
49	Small Generator	432	0.0001%	\$ 7	\$ 0.02
50	Irrigation Engine	1,248	0.3942%	\$ 27,638	\$ 22.15
				<u>\$ 7,011,081</u>	

EXHIBIT 3

WESCR FOR PAYMENT PERIOD

Customer Class	Charge
Residential Sales Service	\$ 6.72
Commercial/Public Authority	\$ 27.70
School Sales Service	\$ 48.16
Industrial Sales Service	\$ 109.84
Small Generator	\$ 0.02
Irrigation Engine	\$ 22.15

THE STATE CORPORATION COMMISSION OF KANSAS

ATMOS ENERGY CORPORATION

SCHEDULE V- Purchased Gas Adjustment (PGA)

(Name of Issuing Utility)

ENTIRE SERVICE AREA

(Territory to which Schedule is applicable)

No Supplement or separate understanding shall modify the tariff as shown hereon.

SECTION 4 – WINTER EVENT SECURITIZED COST RECOVERY RIDER (WESCR)

Applicability

This rider is applicable to all service provided under sales rate schedules 910, 915, 920, 930, 940 and 965 beginning with the first billing cycle following the issuance of securitized bonds pursuant to a Financing Order issued in Docket No. 22-ATMG-538-TAR. Service is subject to the Definitions and Conditions section below.

Net Monthly Charge

Current Charge	Monthly Fixed Charge
Residential Sales Service	\$ 6.72 \$6.49
Commercial/Public Authority	\$ 27.70 \$26.99
School Sales Service	\$ 48.16 \$47.12
Industrial Sales Service	\$ 109.84 \$126.41
Small Generator Sales Service	\$ 0.02 \$0.02
Irrigation Engine Sales Service	\$ 22.15 \$17.89

1. The Winter Event Securitized Cost Recovery Rider (WESCR) shall be applied as a fixed monthly charge calculated as described below for recovery of extraordinary costs incurred related to Winter Storm Uri (Winter Event).
2. All WESCR fixed monthly charges shall be calculated to the nearest \$0.01 per customer. All charges set forth in the rate schedule under which the customer takes service shall also apply.
3. Initial Charge: The initial WESCR shall be determined as follows:
 - a. The initial 12 months of principal, interest and servicing costs (adjusted for forecasted write-offs and late payments) for the Securitized Utility Tariff Bonds shall be allocated to the sales rate schedules as follows:

Issued:	November 1 <u>November 17</u> July	2023
Effective:	July 1 <u>July</u> January	2023 <u>2024</u>
	(Month) (Day)	(Year)
By:	s/ Kathleen R. Ocanas, VP Rates & Reg Affairs	
	(Signature of Officer)	(Title)

THE STATE CORPORATION COMMISSION OF KANSAS

ATMOS ENERGY CORPORATION

SCHEDULE V- Purchased Gas Adjustment (PGA)

(Name of Issuing Utility)

ENTIRE SERVICE AREA

(Territory to which Schedule is applicable)

No Supplement or separate understanding shall modify the tariff as shown hereon.

Rate Schedule	Estimate of February 2021 Usage (Ccf)	Allocation %
Residential Sales Service	23,505,675	75.015%
Commercial/Public Authority	7,572,483	24.167%
School Sales Service	82,668	0.264%
Industrial Sales Service	50,073	0.160%
Small Generator Sales Service	31	0.0001%
Irrigation Engine Sales Service	123,509	0.394%
Total	31,334,439	100.000%

b. The allocated principal, interest, servicing costs shall then be divided by the forecasted annual customer count for each rate schedule to calculate a monthly charge percustomer.

4. WESCR Adjustment Mechanism: No less often than every six months, the Company shall adjust the WESCR charge for the over- or under-collections and to ensure the timely and complete payment of Securitized Utility Tariff Bonds and other financing costs. The WESCR shall be calculated for each rate class in the following manner:

$$\text{WESCR} = (\text{WESCR Adjustment Mechanism Revenue Requirement} * \text{Allocation \% by Class}) / \text{Forecasted Customer Count by Class}$$

Where:

$$\text{WESCR Adjustment Mechanism Revenue Requirement} = \text{Cumulative (Over)/Under Collections for Prior Remittance Period} + \text{Estimated Current Remittance Period (Over)/Under Collections} + \text{Projected Remittance Period Revenue Requirement}$$

Issued:	July November 17	2023
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THE STATE CORPORATION COMMISSION OF KANSAS

ATMOS ENERGY CORPORATION

SCHEDULE V- Purchased Gas
Adjustment (PGA)

(Name of Issuing Utility)

ENTIRE SERVICE AREA

(Territory to which Schedule is applicable)

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Where:

Cumulative (Over)/Under Collections for Prior Remittance Period = Prior Remittance Period Revenue Requirement + Prior Remittance Period Actual Cash Receipt Transfers and Interest Income + Cash in Excess Funds

Estimated Current Remittance Period (Over)/Under Collections = Current Remittance Period Revenue Requirement + Current Remittance Period Cash Receipts + Current Remittance Period Interest Income + Forecasted Current Remittance Period Cash Receipts + Forecasted Current Remittance Period Interest Income

Projected Remittance Period Revenue Requirement = Forecasted Revenue Requirement for the remittance period

Where:

Revenue Requirement = Securitized Utility Tariff Bond Principal + Interest + Servicing Costs + Other Ongoing Costs + Required Replenishments to the Capital Subaccount

Forecasted Current Remittance Period Cash Receipts = \sum (Current Period WESCR by Class * Forecasted Customer Count by Class) + Forecasted Write-offs and Late payments

- a. For the Prior Remittance Period, the actual Revenue Requirement and Remittances are used to determine the over- or under- recovery for that period.
- b. For the Current Remittance Period, the actual Revenue Requirement and Remittances for three months are compared to determine the over- or under-recovery for first three months of the period. For the remaining three months of the period, forecasted information for the Revenue Requirement and Remittances are used to determine the remaining over- or under-recovery. The actual and the forecasted over- or under-recovery are added together.
- c. For the Projected Remittance Period the forecasted Revenue Requirement is provided.
- d. The WESCR Adjustment Mechanism Revenue Requirement is allocated to rate schedules according to the allocation factors listed in Section 3(a) of this rateschedule.

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	(Month) (Day)	(Year)
By:	s/ Kathleen R. Ocanas, VP Rates & Reg Affairs	(Title)
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ATMOS ENERGY CORPORATION

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(Name of Issuing Utility)

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Sheet 12 of 12 Sheets

- 5. If the current customer count for any rate schedule identified in Section 3(a) declines by more than 10% from the customer count identified in the 2020 Annual Report, then the allocation in Section 3(a) will be recalculated using the most recent 12-month weather normalized volume.
- 6. Settlement Fee: A customer served under a sales rate schedule who switches to service under transportation rate schedule during the period in which the WESCR charge is being recovered will be required to pay a Separation Fee. The Separation Fee shall be based on the present value of the expected charges the customer would have paid under its sales rate schedule over the remaining period the WESCR charge is being recovered. This is required pursuant to the Commission's March 24, 2022, Order in Docket No. 21-ATMG-333-GIG. Any Settlement Fees collected will be credited through the Purchase Gas Adjustment ("PGA") tariff and associated Annual Cost Adjustment ("ACA") on an annual basis.

Definitions and Conditions

- 1. The WESCR is designed to recover Qualified Extraordinary Costs as set out in K.S.A. 66-1,240 et seq.
- 2. The WESCR shall be a separate line item on the customer's bill.
- 3. The WESCR shall be subject to taxes and franchise fees as set out in the General Terms and Conditions for Gas Service Section 4.B.1.i and Section 4.L.1 and 2.
- 4. Notwithstanding the requirements of The General Terms and Conditions for Gas Service Section 4.B.2, payments will first be applied to the WESCR.
- 5. At least 30 days prior to when the proposed updated charges begin billing, the Company shall file a report with the Commission, at least semi-annually, detailing the calculations of the adjustment mechanism for deriving the charges authorized by this rider to be applied during the subsequent Remittance Period. The Commission's review is limited to determining if any mathematical or clerical errors are present in the application of the adjustment mechanism.
- 6. The WESCR shall remain in effect until the Securitized Utility Tariff Bonds approved in the Financing Order issued in Docket No. 22-ATMG-538-TAR have been paid in full. After the bonds have been paid in full, any over-recovery will be credited to customers in a form of a credit to their natural gas bills.

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Applicability

This rider is applicable to all service provided under sales rate schedules 910, 915, 920, 930, 940 and 965 beginning with the first billing cycle following the issuance of securitized bonds pursuant to a Financing Order issued in Docket No. 22-ATMG-538-TAR. Service is subject to the Definitions and Conditions section below.

Net Monthly Charge

Current Charge	Monthly Fixed Charge
Residential Sales Service	\$ 6.72
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Industrial Sales Service	\$ 109.84
Small Generator Sales Service	\$ 0.02
Irrigation Engine Sales Service	\$ 22.15

1. The Winter Event Securitized Cost Recovery Rider (WESCR) shall be applied as a fixed monthly charge calculated as described below for recovery of extraordinary costs incurred related to Winter Storm Uri (Winter Event).
2. All WESCR fixed monthly charges shall be calculated to the nearest \$0.01 per customer. All charges set forth in the rate schedule under which the customer takes service shall also apply.
3. Initial Charge: The initial WESCR shall be determined as follows:
 - a. The initial 12 months of principal, interest and servicing costs (adjusted for forecasted write-offs and late payments) for the Securitized Utility Tariff Bonds shall be allocated to the sales rate schedules as follows:

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Rate Schedule	Estimate of February 2021 Usage (Ccf)	Allocation %
Residential Sales Service	23,505,675	75.015%
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Irrigation Engine Sales Service	123,509	0.394%
Total	31,334,439	100.000%

b. The allocated principal, interest, servicing costs shall then be divided by the forecasted annual customer count for each rate schedule to calculate a monthly charge percustomer.

4. WESCR Adjustment Mechanism: No less often than every six months, the Company shall adjust the WESCR charge for the over- or under-collections and to ensure the timely and complete payment of Securitized Utility Tariff Bonds and other financing costs. The WESCR shall be calculated for each rate class in the following manner:

$$\text{WESCR} = (\text{WESCR Adjustment Mechanism Revenue Requirement} * \text{Allocation \% by Class}) / \text{Forecasted Customer Count by Class}$$

Where:

$$\text{WESCR Adjustment Mechanism Revenue Requirement} = \text{Cumulative (Over)/Under Collections for Prior Remittance Period} + \text{Estimated Current Remittance Period (Over)/Under Collections} + \text{Projected Remittance Period Revenue Requirement}$$

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Where:

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Estimated Current Remittance Period (Over)/Under Collections = Current Remittance Period Revenue Requirement + Current Remittance Period Cash Receipts + Current Remittance Period Interest Income + Forecasted Current Remittance Period Cash Receipts + Forecasted Current Remittance Period Interest Income

Projected Remittance Period Revenue Requirement = Forecasted Revenue Requirement for the remittance period

Where:

Revenue Requirement = Securitized Utility Tariff Bond Principal + Interest + Servicing Costs + Other Ongoing Costs + Required Replenishments to the Capital Subaccount

Forecasted Current Remittance Period Cash Receipts = $\sum(\text{Current Period WESCR by Class} * \text{Forecasted Customer Count by Class}) + \text{Forecasted Write-offs and Late payments}$

- a. For the Prior Remittance Period, the actual Revenue Requirement and Remittances are used to determine the over- or under- recovery for that period.
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- c. For the Projected Remittance Period the forecasted Revenue Requirement is provided.
- d. The WESCR Adjustment Mechanism Revenue Requirement is allocated to rate schedules according to the allocation factors listed in Section 3(a) of this rateschedule.

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	(Signature of Officer)	(Title)	

THE STATE CORPORATION COMMISSION OF KANSAS

ATMOS ENERGY CORPORATION

SCHEDULE V- Purchased Gas Adjustment (PGA)

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Definitions and Conditions

- 1. The WESCR is designed to recover Qualified Extraordinary Costs as set out in K.S.A. 66-1,240 et seq.
- 2. The WESCR shall be a separate line item on the customer’s bill.
- 3. The WESCR shall be subject to taxes and franchise fees as set out in the General Terms and Conditions for Gas Service Section 4.B.1.i and Section 4.L.1 and 2.
- 4. Notwithstanding the requirements of The General Terms and Conditions for Gas Service Section 4.B.2, payments will first be applied to the WESCR.
- 5. At least 30 days prior to when the proposed updated charges begin billing, the Company shall file a report with the Commission, at least semi-annually, detailing the calculations of the adjustment mechanism for deriving the charges authorized by this rider to be applied during the subsequent Remittance Period. The Commission’s review is limited to determining if any mathematical or clerical errors are present in the application of the adjustment mechanism.
- 6. The WESCR shall remain in effect until the Securitized Utility Tariff Bonds approved in the Financing Order issued in Docket No. 22-ATMG-538-TAR have been paid in full. After the bonds have been paid in full, any over-recovery will be credited to customers in a form of a credit to their natural gas bills.

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	(Month)	(Day)	(Year)
By:	<u>s/ Kathleen R. Ocanas, VP Rates & Reg Affairs</u>		<u>(Title)</u>
	(Signature of Officer)		(Title)