

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the Application of Atmos )  
Energy Corporation for Approval of a Credit to ) Docket No. 21-ATMG- 100 -TAR  
Customers to Comply with House Bill 2585 )

**DIRECT TESTIMONY OF JARED N. GEIGER**  
**ON BEHALF OF ATMOS ENERGY CORPORATION**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS AND DESCRIBE YOUR**  
2 **ROLE AT ATMOS ENERGY CORPORATION.**

3 A. My name is Jared N. Geiger. My business address is 1555 Blake Street, Suite 400, Denver,  
4 Colorado 80202. I am the Vice President of Rates and Regulatory Affairs for Atmos Energy  
5 Corporation's ("Atmos Energy" or the "Company") Colorado-Kansas Division. I am  
6 responsible for leading and directing the rates and regulatory activity in the Colorado-Kansas  
7 Division of Atmos Energy. This responsibility includes executing and managing the rate  
8 strategy for both states.

9 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

10 A. I am testifying on behalf of Atmos Energy.

11 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL AND EDUCATIONAL**  
12 **BACKGROUND.**

13 A. I received my Bachelor of Business Administration degree in Finance from the University of  
14 North Texas in 2008. I was hired by Atmos Energy in 2008 as an analyst in the Rates and  
15 Regulatory Affairs department in Dallas. I have worked in various capacities in that group and  
16 in 2012, transitioned to the Company's Business Planning and Analysis group. There, I helped

1 prepare annual divisional and departmental budgets and assisted in the preparation of Atmos  
2 Energy's 5-Year Planning and Board Book for the Atmos Energy Board of Directors. In 2013,  
3 I relocated to the Company's Colorado-Kansas Division as a Senior Rate Analyst. In early  
4 2018, I briefly transitioned to managing the sales and large volume customers in Colorado.  
5 In late 2018, I transitioned back to the Rates and Regulatory Affairs group as the Vice  
6 President of Rates and Regulatory Affairs for the Colorado-Kansas Division.

7 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN A PROCEEDING BEFORE THE**  
8 **KANSAS CORPORATION COMMISSION ("COMMISSION") OR BEFORE ANY**  
9 **OTHER UTILITY REGULATORY AGENCY?**

10 A. Yes. I testified in Docket Nos. 14-ATMG-320-RTS, 16-ATMG-079-RTS and  
11 19-ATMG-307-TAR.

12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

13 A. My testimony will provide an overview of our filing, the reasons for the filing, and address  
14 how the total rate reduction that results from the elimination of Kansas income taxes was  
15 determined for Atmos Energy. I also support the Company's request to use its Tax Reform  
16 Credit tariff approved by the Commission in Atmos Energy's last general rate case to pass on  
17 the rate reduction to our customers as a result of the Kansas Legislature passing HB 2585 and  
18 excepting gas and electric utilities from having to pay state income taxes.<sup>1</sup>

19 **Q. WHAT IS THE PURPOSE OF ATMOS ENERGY'S FILING?**

20 A. The purpose of Atmos Energy's filing is for approval to reduce rates for Atmos Energy's  
21 customers to reflect the exemption of electric and natural gas utilities in Kansas from paying

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<sup>1</sup>Docket No. 19-ATMG-525-RTS, Schedule IX, Tax Reform Credit, filed March 19, 2020.

1 Kansas state income taxes.

2 HB 2585 became effective on July 1, 2020, and requires a filing by Atmos Energy and  
3 other affected utilities within 60 days or by August 31, 2020.<sup>2</sup>

4 **Q. CAN YOU SUMMARIZE THE APPLICABLE PROVISIONS OF HB 2585?**

5 A. Under HB 2585, electric and natural gas utilities are exempt from paying Kansas state income  
6 tax. The law requires the utilities to file new retail rates when a change in state or federal law  
7 increases or decreases the income tax rates assessed on the utility and the over-collection or  
8 under-collection of income tax expense is equal to or exceeds .25% of the utility's base  
9 revenue level from the most recent rate case.

10 **Q. WHAT IS ATMOS ENERGY PROPOSING WITH ITS FILING?**

11 A. Atmos Energy is proposing to implement the rate reduction for the Company's customers  
12 effective October 1, 2020, by providing a credit as set forth in the Company's Tax Reform  
13 Credit Rider tariff that was established and approved by the Commission in Atmos Energy's  
14 last rate case.

15 **Q. HOW WAS THE IMPACT OF THE EXEMPTION FROM KANSAS STATE INCOME  
16 TAX ON ATMOS ENERGY'S REVENUE REQUIREMENT DETERMINED?**

17 A. In order to calculate the impact on the removal of state income tax from the revenue  
18 requirement, Atmos Energy took the final revenue requirement model from its last general rate  
19 case and removed the state income tax percentage from the overall calculation. The difference  
20 between the before and after revenue requirement calculations was then identified to get the  
21 impact of the state income tax change.

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<sup>2</sup>House Bill 2585 (2020).

1 **Q. WHAT WAS THE TOTAL IMPACT ON THE COMPANY'S REVENUE**  
2 **REQUIREMENT?**

3 A. The total impact on Atmos Energy's revenue requirement is a decrease of \$1,116,449.

4 **Q. WHAT IS THE IMPACT IN TERMS OF A PERCENTAGE OF THE OVERALL**  
5 **BASE RATE REVENUE REQUIREMENT?**

6 A. The percentage decrease applied to Atmos Energy's base rate revenue requirement is 1.79%  
7 as reflected in Schedule JNG-1 attached to my Direct Testimony.

8 **Q. WHAT HAPPENS TO EXCESS ACCUMULATED DEFERRED INCOME TAXES**  
9 **RESULTING FROM THIS CHANGE IN KANSAS INCOME TAXES?**

10 A. Consistent with HB 2585, excess accumulated deferred income tax balances resulting from  
11 the change in Kansas Income Taxes will remain unamortized on the Company's books until  
12 new retail rates take effect in the Company's next general rate case. The appropriate period  
13 for amortization of these excess deferred taxes will be determined and the amortization of  
14 these amounts will be reflected in rates at that time.

15 **Q. HOW WAS THE ALLOCATION OF THE TOTAL RATE REDUCTION TO THE**  
16 **REVENUE REQUIREMENT AMONG CLASSES AND THE CREDIT TO EACH**  
17 **CUSTOMER CLASS REFLECTED IN THE PROPOSED TAX REFORM CREDIT**  
18 **TARIFF DETERMINED?**

19 A. The allocation to the customer classes was based on the class revenues from Atmos Energy's  
20 last general rate case, Docket No. 19-ATMG-525-RTS, and is shown in Schedule JNG-2  
21 attached to my testimony.

22 **Q. DOES ATMOS ENERGY PROPOSE TO PROVIDE THE CREDIT TO CUSTOMERS**

1           **THROUGH THE FACILITY CHARGE, THE COMMODITY CHARGE, OR BOTH?**

2       A.     The Company proposes utilizing the same split settled on in Docket No. 18-GIMX-248-GIV.  
3           In that proceeding, Atmos Energy, the Staff of the Kansas Corporation Commission ("Staff")  
4           and the Citizens' Utility Ratepayer Board ("CURB") agreed that Atmos Energy shall establish  
5           the Cost of Service Credit rate, by providing Atmos Energy's customers a fixed monthly  
6           separate line bill credit, referred to as the Tax Reform Credit for 54% of the tax savings, and  
7           a separate line volumetric Tax Reform Credit for the remaining 46% of the Cost of Service  
8           Credit rate relating to the annual tax savings, so that the Cost of Service Credit would be  
9           included in the Tax Reform Credit from October 2020 forward would be reflected on the  
10          customer bill until the tax savings are reflected in base rates following a final order in a  
11          general rate case filing.

12       **Q.     WILL THERE BE A RECONCILIATION IN THE DIFFERENCE BETWEEN THE**  
13       **ACTUAL TOTAL AMOUNT OF THE CREDIT PROVIDED TO CUSTOMERS AND**  
14       **THE TOTAL AMOUNT CALCULATED AS THE REDUCTION IN THE REVENUE**  
15       **REQUIREMENT AS A RESULT OF THE ELIMINATION OF STATE INCOME**  
16       **TAXES?**

17       A.     Yes. There is a true-up provision in the Tax Reform Credit tariff.

18       **Q.     WILL THE TAX REFORM CREDIT BE RESET TO ZERO AT ATMOS ENERGY'S**  
19       **NEXT RATE CASE?**

20       A.     Yes. There is a provision of the Tax Reform Credit tariff that requires the credit to be reset  
21          to zero after the Company's next rate case due to the fact that the reduction in the revenue  
22          requirement as a result of the elimination of state income taxes will be reflected in base rates

1 after that rate case is decided by the Commission.

2 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

3 A. Yes it does.

**VERIFICATION**

STATE OF COLORADO  
COUNTY OF DENVER, ss:

I, Jared N. Geiger, being first duly sworn on oath, depose and state that I am the witness identified in the foregoing Direct Testimony of Jared N. Geiger; that I have read the testimony and am familiar with its contents; and that the facts set forth therein are true and correct.



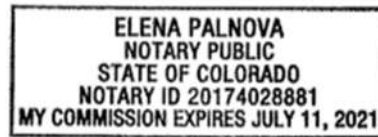
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Jared N. Geiger

SUBSCRIBED AND SWORN to before me this 28th day of August, 2020.



\_\_\_\_\_  
Notary Public

Appointment/Commission Expires: July 11, 2021



# EXHIBIT JNG-1



Line	Description	Reference	Amount
	(a)	(b)	(c)
1	Revenue Requirement from Proceeding 19-ATMG-525-RTS	A	\$62,477,168
2	Kansas State Income Taxes in Base Rates	B	922,685
3	Federal Income Taxes in Base Rates	C	2,596,095
4	Updated Federal Income Tax without State Income Tax	D	2,789,859
5	Incremental Federal without State Income Taxes	E=D-C	193,764
6	Net Change in Tax/Credit to KS Customers	F=E+B	(1,116,449)
7	Revenue Requirement from Proceeding 19-ATMG-525-RTS		
8	Revenue Requirement After Tax Change	G=A+F	\$61,360,719
9	Percentage Decrease to Base Rate Revenue Requirement	H=F/A	-1.79%

# EXHIBIT JNG-2

Customer Classes	Number of Bills	Total Volumes	Facilities Charge	Commodity Charge	Facilities Charge Revenue	Commodity Charge Revenue	Total Revenue
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Residential Sales Service	1,480,380	105,078,130	\$ 18.89	\$ 0.15352	\$ 27,964,377	\$ 16,131,594	\$ 44,095,971
Commercial Sales Service	110,975	33,701,971	\$ 42.50	\$ 0.15375	\$ 4,716,432	\$ 5,181,678	\$ 9,898,110
Public Authority Sales Service	5,301	1,799,559	\$ 42.50	\$ 0.15375	\$ 225,289	\$ 276,682	\$ 501,971
School Sales Service	528	276,330	\$ 50.50	\$ 0.16873	\$ 26,667	\$ 46,625	\$ 73,292
Industrial Sales Service	174	429,204	\$ 88.00	\$ 0.16042	\$ 15,282	\$ 68,853	\$ 84,135
Small Generator Sales Service	905	2,507	\$ 41.70	\$ -	\$ 37,756	\$ -	\$ 37,756
Large Industrial Sales Serv - Interruptible <20,000	0	0					
Large Industrial Sales Serv - Interruptible >20,000	0	0					
Irrigation Engine Sales Service	2,344	5,862,159	\$ 76.00	\$ 0.11429	\$ 178,144	\$ 669,986	\$ 848,130
<b>TOTAL Sales</b>	<b>1,600,607</b>	<b>147,149,860</b>			<b>\$ 33,163,947</b>	<b>\$ 22,375,418</b>	<b>\$ 55,539,365</b>
					59.71%	40.29%	
Firm Transportation Serv Commercial	1,596	15,005,360	\$ 50.00	\$ 0.15003	\$ 79,800	\$ 2,251,254	\$ 2,331,054
School Transportation Service Post '95	2,760	3,395,707	\$ 86.00	\$ 0.16080	\$ 237,360	\$ 546,030	\$ 783,390
Firm Transportation Serv - Industrial	408	6,870,763	\$ 50.00	\$ 0.15003	\$ 20,400	\$ 1,030,821	\$ 1,051,221
Irrigation Transportation	132	391,944	\$ 51.00	\$ 0.10164	\$ 6,732	\$ 39,837	\$ 46,569
Interruptible Transportation Serv - Industrial <20,000	396	5,908,165	\$ 280.00	\$ 0.09154	\$ 110,880	\$ 540,833	\$ 651,713
Interruptible Transportation Serv - Industrial >20,000	0	9,325,277	\$ -	\$ 0.08008	\$ -	\$ 746,768	\$ 746,768
<b>TOTAL Transportation</b>	<b>5,292</b>	<b>40,897,216</b>			<b>\$ 455,172</b>	<b>\$ 5,155,543</b>	<b>\$ 5,610,715</b>
					0.081125489	0.918874511	
<b>TOTAL: Sales and Transportation</b>	<b>1,605,899</b>	<b>188,047,076</b>			<b>33,619,119</b>	<b>27,530,961</b>	<b>61,150,080</b>

	PERCENT OF REVENUE		Percentage of	Percentage of	Facilities	Commodity	Number of	Facilities	Commodity	Facilities	Commodity	Total Increase	
	INCREASE	Total	Margin from Facilities charge (Per 18-GIMX-248- GIV)	Margin from Volumetric (Per 18- GIMX-248-GIV)	Revenues	Revenues	Bills	Charge	Charge	Revenues	Revenues	Revenues	
Residential	72.1%	\$ (805,083)	54%	46%	\$ (434,745)	\$ (370,338)	1,480,380	105,078,130	\$ (0.29)	\$ (0.00358)	(429,310)	(376,180)	(805,490)
Comm. - Pub Authority	17.0%	\$ (189,880)	54%	46%	\$ (102,535)	\$ (87,345)	116,276	35,501,530	\$ (0.88)	\$ (0.00247)	(102,323)	(87,689)	(190,011)
School	0.1%	\$ (1,338)	54%	46%	\$ (723)	\$ (616)	528	276,330	\$ (1.37)	\$ (0.00222)	(723)	(613)	(1,337)
Industrial/Interruptible	0.1%	\$ (1,536)	54%	46%	\$ (829)	\$ (707)	174	429,204	\$ (4.78)	\$ (0.00164)	(830)	(704)	(1,534)
Small Generator	0.1%	\$ (689)	54%	46%	\$ (372)	\$ (317)	905	2,507	\$ (0.41)	\$ (0.12691)	(371)	(318)	(689)
Irrigation Engine	1.4%	\$ (15,485)	54%	46%	\$ (8,362)	\$ (7,123)	2,344	5,862,159	\$ (3.57)	\$ (0.00121)	(8,368)	(7,093)	(15,461)
Transportation Firm	5.6%	\$ (62,602)	54%	46%	\$ (33,805)	\$ (28,797)	2,136	22,268,067	\$ (15.83)	\$ (0.00129)	(33,813)	(28,726)	(62,539)
Transport Interruptible	2.3%	\$ (25,533)	54%	46%	\$ (13,788)	\$ (11,745)	396	15,233,442	\$ (34.80)	\$ (0.00077)	(13,786)	(11,730)	(25,516)
Transport Firm School	1.3%	\$ (14,303)	54%	46%	\$ (7,723)	\$ (6,579)	2,760	3,395,707	\$ (2.80)	\$ (0.00194)	(7,728)	(6,588)	(14,316)
	100.0%	(1,116,449)			(602,882)	(513,567)	1,605,899	188,047,076			(597,253)	(519,640)	(1,116,893)
											53.5%	46.5%	

Line #	Description	Rate Deduction	
		Facilities Charge	Commodity Rates
	(a)	(b)	(c)
	<b>SALES:</b>		
1	Residential	\$ (0.29)	\$ (0.00358)
2	Comm. - Pub Authority	\$ (0.88)	\$ (0.00247)
3	School	\$ (1.37)	\$ (0.00222)
4	Industrial/Interruptible	\$ (4.78)	\$ (0.00164)
5	Small Generator	\$ (0.41)	\$ (0.12691)
6	Irrigation Engine	\$ (3.57)	\$ (0.00121)
7	Transportation Firm	\$ (15.83)	\$ (0.0013)
8	Transport Interruptible	\$ (34.80)	\$ (0.0008)
9	Transport Firm School	\$ (2.80)	\$ (0.00194)