





**BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

<b>IN THE MATTER OF THE APPLICATION</b>	)	<b>Docket No.</b>
<b>OF ATMOS ENERGY CORPORATION</b>	)	
<b>FOR REVIEW AND ADJUSTMENT OF ITS</b>	)	
<b>NATURAL GAS RATES</b>	)	<b>16-ATMG-____-RTS</b>

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**DIRECT TESTIMONY OF**

**JARED N. GEIGER**

**FOR ATMOS ENERGY CORPORATION**

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**I. NAME AND POSITION**

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2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 **A.** My name is Jared N. Geiger. I am the Senior Rate Analyst for Atmos Energy  
4 Corporation's ("Atmos Energy" or the "Company") Colorado-Kansas Division.  
5 My business address is 1555 Blake Street, Suite 400, Denver, Colorado 80202.

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7 **II. BACKGROUND AND QUALIFICATIONS OF WITNESS**

8 **Q. PLEASE DESCRIBE YOUR CURRENT RESPONSIBILITIES, AND**  
9 **PROFESSIONAL AND EDUCATIONAL BACKGROUND.**

10 **A.** I received my Bachelor of Business Administration degree in Finance from the  
11 University of North Texas in 2008. I was hired by Atmos Energy in 2008 where I  
12 was an Associate Rate Analyst in the Rates and Regulatory Affairs department. In  
13 this role I prepared annual Weather Normalization Adjustment filings in Kansas

1 and annual rate stabilization mechanism filings in Louisiana. In 2011, I was  
2 promoted to the position of Rate Analyst within the same department. In this  
3 position I prepared billing determinant studies in rate filings for several  
4 jurisdictions. In addition, I reviewed various analytical exhibits, provided  
5 requested data to regulatory bodies, reviewed testimony, and supported witnesses  
6 during filing procedures for rate filings. In 2012, I assumed the role of Regulatory  
7 and Financial Planning Analyst for Atmos Energy's Business Planning and  
8 Analysis group. There, I helped prepare annual divisional and departmental  
9 budgets and assisted in preparing Atmos Energy's Five Year Plan and Budget  
10 Board Book for the Atmos Energy Board of Directors. In 2013, I relocated to the  
11 Company's Colorado-Kansas Division and assumed my current role. As Senior  
12 Rate Analyst, I am responsible for the determination of current revenues based on  
13 current rates, pro forma customers and weather-normalized volumes, as well as  
14 revenues to be generated by the Company's proposed rates.

15 **Q. HAVE YOU EVER SUBMITTED TESTIMONY BEFORE THE KANSAS**  
16 **CORPORATION COMMISSION?**

17 **A.** Yes, I submitted testimony before the Kansas Corporation Commission  
18 ("Commission") in the Company's most recent general rate case.<sup>1</sup>

19 **Q. HAVE YOU TESTIFIED ON MATTERS BEFORE OTHER STATE**  
20 **REGULATORY COMMISSIONS?**

21 **A.** Yes, I have testified on behalf of Atmos Energy before the Colorado Public  
22 Utilities Commission ("CPUC").<sup>2</sup>

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<sup>1</sup> Docket No. 14-ATMG-320-RTS

<sup>2</sup> Proceeding Nos. 13AL-0496G, 14AL-0300G and 15AL-0299G.

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**III. SUMMARY OF TESTIMONY**

**Q. WHAT SUBJECTS ARE COVERED BY YOUR DIRECT TESTIMONY IN THIS CASE?**

**A.** I discuss the following issues:

1. The development of Atmos Energy Kansas billing determinants.
  2. The revenues resulting from the billing determinants using both the present and the proposed rates.
  3. The Company's proposed Schedules IV, VII, VIII, IX and X tariffs.
- These tariffs are included in the Company's filing in Section 18.

**IV. BILLING DETERMINANTS STUDY**

**Q. WHAT ARE BILLING DETERMINANTS?**

**A.** Billing determinants are units of service to which the Company's distribution rates are applied. Specifically, these units include natural gas volumes sold or transported, customer counts and miscellaneous other revenues for non-recurring customer service transactions.

**Q. WHAT IS THE PURPOSE OF CONDUCTING A BILLING DETERMINANTS STUDY?**

**A.** The billing determinants study provides the data and calculations necessary to adjust volumes delivered to reflect normal weather conditions, and to account for other known and measurable adjustments including, but not limited to, annualizing changes in usage patterns by industrial customers. The calculations are shown in Section 17 of the Company's rate case application. The total of the

1 adjustments for normal weather and other customer volume changes, as well as,  
2 proration of facility charges of sales service customers are reflected in adjustment  
3 IS-13 in Section 3A of the filing. The Company has elected to perform the  
4 calculations in the billing determinants study consistent with recently approved  
5 methodologies for Atmos Energy in Kansas.

6 **Q. PLEASE DESCRIBE THE CALCULATIONS REFLECTED IN SECTION**  
7 **17 OF THE REVENUE REQUIREMENTS MODEL.**

8 **A.** Columns (d) and (e) reflect actual, per books bill counts and billed volumes by  
9 tariff service for the test year in this docket, the 12-month period ended March 31,  
10 2015.

11 Columns (f) and (g) reflect known and measurable adjustments for larger  
12 volume sales customers and transportation service customers.

13 Columns (h) and (i) demonstrate a proration adjustment to sales service  
14 customer bills. Specifically, Column (h) demonstrates the variance of approved  
15 and collected facility charges during the test period. Column (i) shows the  
16 adjustment made to the number of sales service customer bills to reflect the  
17 proration.

18 Column (j) shows the adjustments necessary for tariff sales volumes to  
19 reflect “normal” weather for the period.

1                   Column (q) computes the revenue at present rates, applying current  
2                   monthly facilities charges to the adjusted bill counts and the current commodity  
3                   rate to the adjusted, normalized volumes for each tariff service.<sup>3</sup>

4   **Q.   PLEASE DESCRIBE FURTHER THE ADJUSTMENTS TO LARGE**  
5   **VOLUME SALES AND TRANSPORTATION SERVICES.**

6   **A.**   These adjustments are made to account for changes relating to larger customer  
7           volume data confirmed by Atmos Energy marketing representatives. The  
8           adjustments account for (1) a certain firm transportation customer switching to  
9           commercial sales; (2) a certain commercial sales customer switching to school  
10          transportation; (3) a certain large industrial interruptible sales customer switching  
11          to interruptible industrial transportation; and (4) a large industrial interruptible  
12          customer agreed to an increased minimum consumption amount.   Workpaper 17-  
13          4 shows the detail of these adjustments.

14   **Q.   PLEASE DESCRIBE THE REASONING FOR ADJUSTING CUSTOMER**  
15   **BILLS FOR PRORATION.**

16   **A.**   Customer bills do not always consist of a standard monthly billing period, yet the  
17           Company's billing system reports bill counts as integers. Proration is designed to  
18           adjust for the billing system's incidental over statement of bill counts during the  
19           test period.

20   **Q.   PLEASE DESCRIBE HOW THE ACTUAL NUMBER OF SALES**  
21   **CUSTOMER BILLS WAS ADJUSTED FOR PRORATION.**

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<sup>3</sup> Test year revenues have been adjusted to account for the fact that the rates approved in Atmos Energy's last rate case, KCC Docket No. 14-ATMG-320-RTS, were only in effect for a portion of the test year being used to set rates in the present rate case.

1     **A.**     Workpaper 17-5 of the Company’s Statement of Intent model demonstrates the  
2             calculations used for the proration adjustment.  The Company used monthly  
3             customer revenue collected from facility charges by sales customer class and  
4             divided it by the monthly facility charge counts by sales customer class to derive  
5             an actual facility charge collected by sales customer class.  During this particular  
6             test period, the Company had three different periods of effective facility charges.  
7             The variance is displayed in Section 17 Column (h).  This percentage was then  
8             applied as a proration adjustment to the test period of bills as displayed in Section  
9             17 Column (i).

10    **Q.**     **PLEASE DESCRIBE HOW THE ACTUAL SALES VOLUMES WERE**  
11             **WEATHER NORMALIZED?**

12    **A.**     The Company utilizes the Weather Normalization Adjustment (“WNA”)  
13             information submitted to KCC Staff for the months of April 2014 and May 2014  
14             in Columns (b) – (c) of Workpaper 17-2.  The same methodology was extended to  
15             June 2014 – August 2014.  Also included, are the most up-to-date monthly WNA  
16             estimates provided to KCC Staff for months September 2014 – March 2015 to  
17             arrive at the full test year adjusted volume.  Workpaper 17-2, Column (p) shows  
18             the dollar amount computed and reported to KCC Staff and converts the dollar  
19             amount back into a volumetric amount.  These volumetric amounts are then  
20             accumulated and summarized on Workpaper 17-2 and reflected in Column (j) in  
21             Section 17 of the Company’s rate case application.  Workpaper 17-2 shows the  
22             detail of these adjustments.



1 **Q. HOW DID THE COMPANY DETERMINE WHAT NATIONAL OCEANIC**  
2 **AND ATMOSPHERIC ADMINISTRATION ("NOAA") WEATHER**  
3 **STATIONS TO USE?**

4 **A.** The weather points utilized in the billing determinants study are the same stations  
5 utilized in Atmos Energy's last rate case, Docket No. 14-ATMG-320-RTS.

6 **Q. DID THE COMPANY HAVE TO SUBSTITUTE ANY WEATHER DATA**  
7 **DUE TO UNAVAILABILITY FROM NOAA?**

8 **A.** Yes. The weather data downloaded from NOAA on May 24, 2015, was  
9 incomplete, therefore some degree day information from nearby primary stations  
10 was used to estimate the September 2014 – March 2015 WNA adjustment.

11 **Q. DID THE COMPANY MAKE AN ADJUSTMENT RELATED TO AD**  
12 **VALOREM TAX SURCHARGE REVENUE?**

13 **A.** Yes. The per books amount of Ad Valorem Tax Surcharge revenue must be  
14 eliminated since the revenue is subject to annual reconciliation and comparison  
15 with previous years' collections

16 **Q. ARE THE PROPOSED RATES REFLECTED IN THE TARIFFS FILED**  
17 **IN THIS DOCKET?**

18 **A.** Yes. I am sponsoring Schedule IV of our tariffs with the proposed rates reflected  
19 on the appropriate sheets. I am also sponsoring Schedule VIII, Gas System  
20 Reliability Surcharge Rider, with the proposed rates reflected.

21 **Q. DO YOU HAVE ANY OTHER MINIMUM FILING REQUIREMENTS**  
22 **THAT YOU WOULD LIKE TO DISCUSS?**

1    **A.**    Yes. I will propose a small “house-keeping” change to the Company’s Schedule  
2           VII, Ad Valorem Tax Surcharge, to remove Rate Schedules 945 and 950.

3           Those two rate classes no longer exist and the KCC Staff had suggested to us in  
4           another docket (15-ATMG-154-TAR) that we clean up the tariff by removing the  
5           reference to these two rate classes in our next rate case.

6    **Q.**    **ARE ANY OTHER TARIFFS INCLUDED IN THE COMPANY’S**  
7           **FILING?**

8    **A.**    Yes. Company witness Gary Smith discusses two new tariffs, Section IX,  
9           Annual Review Mechanism, and Section X, System Integrity Program Rider, in  
10          his testimony.

11 **Q.**    **DOES THAT CONCLUDE YOUR TESTIMONY?**

12 **A.**    Yes.

