

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

Before Commissioners:                    Andrew J. French, Chairperson  
   Dwight D. Keen  
   Annie Kuether

In the Matter of the Application of Atmos Energy's    )  
Schedule III - Schedule of Customer Advances for    )    Docket No. 24-ATMG-735-TAR  
Construction of Mains and Company Service Lines    )  
that Reflects the Account Balances from the Annual) )  
Form 2 Filing Embedded Cost Analysis for 2023.    )

**ORDER APPROVING TARIFF REVISIONS**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (“Commission”) for consideration and determination. Having reviewed its files and records and being duly advised in the premises, the Commission makes the following findings:

1.        On May 14, 2024, Atmos Energy (“Atmos”) filed an application requesting approval to revise its Schedule III: Schedule of Customer Advances for Construction of Mains and Company Service Lines.<sup>1</sup> Atmos seeks to modify the Average Embedded Cost (“AEC”) per customer figures for both mains and company service lines from \$1,868.00 to \$1,1995.00 and \$1,390.00 to \$1,436.00, respectively.<sup>2</sup>

2.        The AEC for Mains is the cost of Kansas distribution plant in service divided by the average number of customers. Similarly, the AEC for Services is the cost of service lines, meters and meter installations of Kansas distribution plant in service divided by the average number of customers. Once the AEC is established, it serves as a basis for both advances due from customers or developers seeking a main or service line extension and refunds to those customers

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<sup>1</sup>Application of Atmos (May 29, 2024) (“Application”).

<sup>2</sup> Id., pg. 2.

and developers as new meters are installed and service is taken by other customers on the newly constructed line.<sup>3</sup>

3. Commission Staff (“Staff”) revised Atmos’ application and filed its Report and Recommendation in this docket October 9, 2024. CURB had the opportunity to review Staff’s findings and has no objection to Staff’s recommendations, nor has any other party to the docket objected to Staff’s findings.

4. During Commission Staff’s (“Staff”) review, Staff found a discrepancy between the embedded cost analysis provided and the supplemental report. Atmos inadvertently left out 497 transportation customers. This discrepancy has been accounted for and Atmos agrees to the updated imbedded cost.

5. The Commission has full power, authority, and jurisdiction to control Atmos as a natural gas public utility pursuant to K.S.A. 66-1,201. The Commission holds jurisdiction over Atmos’ rates and terms of service under K.S.A. 66-1,202. All tariff revisions requested by Atmos pertaining to jurisdictional service must be approved by the Commission pursuant to K.S.A. 66-117.

6. Staff reviewed Atmos’ Kansas Embedded Cost Analysis in order to confirm that the plant account balances, and the number of customers used in the AEC calculations matched the data reported in Atmos’ “2023 – Atmos Energy – Supplemental Annual Report.” Staff has verified that the data supplied in Atmos’ 2024 Application matches Atmos’ “2023 –Atmos Energy – Supplemental Report” and determined that the updated AEC calculations for both the Mains and Services are correct.

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<sup>3</sup> Id., pg. 1.

7. Therefore, Staff recommends approval of Atmos' proposed changes to its Schedule III. Additionally, Staff recommends approval of the revised tariffs included in Atmos' application.

8. The Commission adopts Staff's analysis and recommendation of October 9, 2024, as stated in its Report and Recommendation and finds that Atmos' application should be granted and the requested tariffs approved.

**IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:**

A. Atmos Application, filed on May 14, 2024, is hereby approved. The revised tariff revisions contained therein are hereby approved.

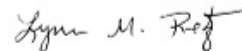
B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).<sup>4</sup>

C. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order, or orders, as it may deem necessary.

**BY THE COMMISSION IT IS SO ORDERED.**

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 10/24/2024



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Lynn M. Retz  
Executive Director

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<sup>4</sup> K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

## CERTIFICATE OF SERVICE

24-ATMG-735-TAR

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 10/24/2024.

PHOENIX Z. ANSHUTZ, ATTORNEY  
PENNER LOWE LAW GROUP, LLC  
245 N WACO STREET, STE 125  
WICHITA, KS 67202  
panshutz@pennerlowe.com

JOSEPH R. ASTRAB, ATTORNEY  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
joseph.astrab@ks.gov

JAMES G. FLAHERTY, ATTORNEY  
ANDERSON & BYRD, L.L.P.  
216 S HICKORY  
PO BOX 17  
OTTAWA, KS 66067  
jflaherty@andersonbyrd.com

TODD E. LOVE, ATTORNEY  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
todd.love@ks.gov

DAVID W. NICKEL, CONSUMER COUNSEL  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
david.nickel@ks.gov

SHONDA RABB  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
shonda.rabb@ks.gov

DELLA SMITH  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
della.smith@ks.gov

/S/ KCC Docket Room  
KCC Docket Room