

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: <u>November 17 2023</u>	22-ATMG-538-TAR Approved <i>JG</i> Kansas Corporation Commission October 25, 2023 /s/ Lynn Retz
Effective: <u>January 1 2024</u> (Month) (Day) (Year)	
By: <u>s/ Kathleen R. Ocanas, VP Rates & Reg Affairs</u> (Signature of Officer) (Title)	

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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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- 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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