

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 for Approval of the)
Commission of the Fourth Annual) Docket No. 25-ATMG-278-TAR
System Integrity Program (“SIP”) Rate)
Change.)

ORDER GRANTING APPLICATION
FOR SYSTEM INTEGRITY PROGRAM RATE CHANGE

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (“Commission”) for consideration and determination. Having examined its files and records, the Commission finds and concludes:

1. On January 15, 2025, Atmos Energy Corporation (“Atmos”) filed an Application for its fourth annual System Integrity Program (“SIP”) Rate Change, requesting approval to recover costs associated with previously approved SIP projects that were completed during the period from January 1, 2024, through December 31, 2024.¹ Atmos’ Application was supported by Direct Testimony from Rebecca K. Holbrook, Manager of Engineering Services, and Kathleen R. Ocanas, Vice President of Rates and Regulatory Affairs for the Colorado/Kansas Division of Atmos. Atmos’ Application requested an incremental revenue requirement increase of \$618,826 based upon \$6,321,222 in capital expenditures for the 2024 SIP period.²

¹ Application for Atmos Energy, Docket No. 25-ATMG-278-TAR (Jan. 15, 2025) (“Application”) (Atmos’ Application was filed pursuant to the Commission’s June 25, 2020, Order issued in Docket No. 19-ATMG-525-RTS which authorized Atmos to utilize a SIP mechanism to provide an annual rate of recovery of incremental capital investments in order to accelerate the rate of replacement of obsolete materials in the Kansas distribution system).

² *Id.* at Exhibit 1.

2. On January 22, 2025, Atmos filed an update to its incremental revenue requirement to account for a reduction in depreciation expense of \$7,210 for additional retirements.³ This adjustment resulted in a total incremental revenue requirement increase of \$611,615.⁴

3. On January 28, 2025, the Commission issued an Order granting the petition of the Citizens' Utility Ratepayer Board ("CURB") to intervene and seeking a protective order and discovery order.

4. On March 6, 2025, Commission Staff ("Staff") filed its Report and Recommendation ("R&R") in the above-captioned docket.⁵ Staff ultimately recommended that the Commission approve Atmos' revenue requirement increase of \$611,615 to be collected via the per-customer surcharge amounts reflected in Exhibit 2 to Atmos' Application Update. CURB did not file a response to Staff's R&R, but did indicate to Staff counsel that CURB had the opportunity to review all information pertinent to this docket and did not have any objections to Staff's R&R.⁶

5. The Commission finds that the recommendations contained in Staff's March 6, 2025, R&R are reasonable and hereby adopts the same.

6. The Commission finds that Atmos should be permitted to recover its revenue requirement increase of \$611,615 as requested in its Application Update via the per-customer surcharge amounts reflected in Exhibit 2 to Atmos' Application Update. The Commission finds that the revenue requirement increase of \$611,615 will result in an increase to Atmos' residential customer bills by \$0.29 per month or \$3.48 annually. The Commission finds that Atmos' Application, as supplemented by its Application Update, should be approved.

³ Letter from Atmos Energy Corporation (James G. Flaherty) Updating Testimony and Exhibits, Docket No. 25-ATMG-278-TAR (Jan. 22, 2025) ("Application Update").

⁴ See Amended Application, Exhibit 1.

⁵ Report and Recommendation, Utilities Division, Docket No. 25-ATMG-278-TAR (March 6, 2025) ("Staff's R&R" or "R&R").

⁶ Communications between Counsel for CURB and Counsel for Staff are available upon request.

THEREFORE, THE COMMISSION ORDERS:

A. Atmos' Application, as supplemented by its Application Update, is approved and Atmos is permitted to recover its revenue requirement increase of \$611,615 via the per-customer surcharge amounts reflected in Exhibit 2 to Atmos' Amended Application.

B. Any party may file a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).⁷

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 03/25/2025



Abigail D. Emery
Acting Secretary to the Commission

CRM/MKH

⁷ K.S.A. 77-503(c); K.S.A. 77-531(b).

CERTIFICATE OF SERVICE

25-ATMG-278-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 03/25/2025.

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