

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 )

**APPLICATION OF ATMOS ENERGY CORPORATION**

Atmos Energy Corporation ("Atmos Energy" or "Company") files this Application with the Kansas Corporation Commission ("Commission") for approval of a credit to customers to reflect the elimination of Kansas state income taxes from its revenue requirement in order to comply with House Bill 2585 ("HB 2585"). In support of its Application, Atmos Energy states as follows:

1. This Application is being filed pursuant to HB 2585 which was recently passed by the Kansas Legislature in order to reduce rates for Atmos Energy's customers to reflect the exemption of electric and natural gas utilities in Kansas from paying Kansas state income tax.

2. HB 2585 provides that electric and natural gas utilities are exempt from paying Kansas state income tax effective January 1, 2021. It requires utilities to file for new retail rates when a change in state or federal law increases or decreases the income tax rates assessed on the utility and the over-collection or under-collection if income tax expense is equal to or exceeds .25% of the utility's base revenue level from the most recent rate case.

3. Atmos Energy is proposing to implement the rate reduction for its customers effective January 1, 2021, by providing a credit as set forth in the Company's Tax Reform Credit Rider tariff that was established and approved by the Commission Atmos Energy's last rate case.<sup>1</sup>

4. Atmos Energy is also providing the testimony of Jared N. Geiger in support of its

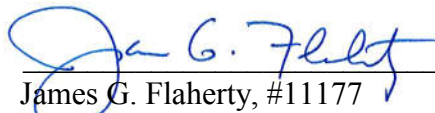
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<sup>1</sup>Docket No. 19-ATMG-525-RTS, Schedule IX, Tax Reform Credits, filed March 19, 2020.

Application. Mr. Geiger provides an overview of the filing and explains how the total rate reduction and credit that results from the elimination of Kansas state income taxes was determined. He also explains how the total rate reduction was allocated to each customer class and how the company used the proof of revenues from its last general rate case to develop new rates for each customer class.

5. The law requires the Commission to act on the Application within 120 days of the filing. Atmos Energy requests the Commission approve the Tax Refund Credit tariff attached hereto as **Exhibit A** so that the credit will become effective on January 1, 2021.

WHEREFORE, Atmos Energy respectfully requests the Commission approve the Tax Reform Credit Rider as proposed herein.



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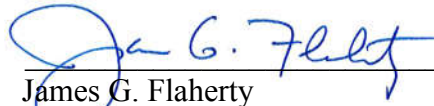
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**VERIFICATION**

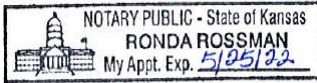
STATE OF KANSAS  
COUNTY OF FRANKLIN, ss:

James G. Flaherty, of lawful age, being first duly sworn on oath, states:

That he is the attorney for Atmos Energy Corporation named in the foregoing Application and is duly authorized to make this affidavit; that he has read the foregoing and knows the contents thereof; and that the facts set forth therein are true and correct.

  
\_\_\_\_\_  
James G. Flaherty

SUBSCRIBED AND SWORN to before me this 28<sup>th</sup> day of August, 2020.



  
\_\_\_\_\_

Notary Public

Appointment/Commission Expires:

# EXHIBIT A

**THE STATE CORPORATION COMMISSION OF KANSAS**

ATMOS ENERGY CORPORATION

(Name of Issuing Utility)

SCHEDULE IX Tax Reform Credit

ENTIRE SERVICE AREA

(Territory to which Schedule is applicable)

No Supplement or separate understanding  
shall modify the tariff as shown hereon.

Sheet 1 of 2 Sheets

**Tax Reform Credit****APPLICABILITY**

This rider is applicable to every bill for service provided under each of the Company's sales and transportation rate schedules except where not permitted under a separately negotiated contract with a customer.

**RATE**

The Tax Reform surcharge (credit) shall be applied to each monthly bill. The surcharge (credit) is reflected below:

<b>Customer Class</b>	<b>Facility Charge</b>	<b>Commodity Charge</b>
Residential (910):	(\$0.29)	(\$0.00358) / ccf
Commercial and Public Authority (915):	(\$0.88)	(\$0.00247) / ccf
Schools (920):	(\$1.37)	(\$0.00222) / ccf
Industrial Firm (930):	(\$4.78)	(\$0.00164) / ccf
Small Generator Service (940):	(\$0.41)	(\$0.12691) / ccf
Irrigation Engine (965):	(\$3.57)	(\$0.00121) / ccf
Transport Interruptible (IT900):	(\$34.80)	(\$0.00077) / ccf
School Firm Transportation (920):	(\$2.80)	(\$0.00194) / ccf
Firm Transportation (FT900):	(\$15.83)	(\$0.00129) / ccf

Issued:	<u>August</u>	<u>28</u>	<u>2020</u>
	(Month)	(Day)	(Year)
Effective:	<u>October</u>	<u>1</u>	<u>2020</u>
	(Month)	(Day)	(Year)
By:	<u>/s/ Jared Geiger Vice President, Rates &amp; Regulatory Affairs</u>		
	(Signature of Officer) (Title)		





Form RF	Index No.
<b>THE STATE CORPORATION COMMISSION OF KANSAS</b>	
ATMOS ENERGY CORPORATION <small>(Name of Issuing Utility)</small>	SCHEDULE IX Tax Reform Credit
ENTIRE SERVICE AREA <small>(Territory to which Schedule is applicable)</small>	
No Supplement or separate understanding shall modify the tariff as shown hereon.	
Sheet 2 of 2 Sheets	

**DEFINITIONS AND CONDITIONS**

1. The Tax Reform Credit shall be allocated among customers in the same manner as approved in the Company's most recent rate proceeding.
  
2. At the end of each twelve-month period, the Tax Reform Credit is in effect, the utility shall reconcile the differences between the surcharge (credit) resulting from the Tax Reform Credit and the appropriate surcharge (credit) as found by the Commission for that period and shall submit the reconciliation and a proposed Tax Reform Credit adjustment to the Commission for approval to recover or refund the difference through adjustments of the Tax Reform Credit surcharge (credit).
  
3. The Tax Reform Credit surcharge (credit) shall be reset to zero at the next general rate case.
  
4. All provisions of this rider are subject to changes made by order of the Commission.

Issued:	<del>August</del> July	28	2020
	<small>(Month)</small>	<small>(Day)</small>	<small>(Year)</small>
Effective:	<del>October</del> August	1	2020
	<small>(Month)</small>	<small>(Day)</small>	<small>(Year)</small>
By:	/s/ Jared Geiger Vice President, Rates & Regulatory Affairs		
	<small>(Signature of Officer) (Title)</small>		