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TN PUBLIC UTILITY COMMISSION  
DOCKET OFFICE

June 21, 2022

Mr. David Foster  
Chief of the Utility Rate Division  
Tennessee Public Utility Commission  
502 Deaderick Street, Fourth Floor  
Nashville TN 37243-0505

Re: Atmos Energy Corporation – SmartChoice Carbon Offset Rider  
Docket No 22-00035

Dear Mr. Foster:

Pursuant to the Commission's Order at the June 20, 2022 conference, enclosed are the applicable Tennessee tariff pages reflecting the approved new rates, effective for bills rendered on or after November 1, 2022. Enclosed with this letter are the original and three copies. An electronic copy has been provided by email.

If you have any questions, you may contact me at 972-855-3076.

Sincerely,

A handwritten signature in cursive script that reads "Patty Nelson".

Patty Nelson  
Supv Accounting

Enclosure

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**SmartChoice Carbon Offset ("SCCO") Tariff Rider****1. PURPOSE:**

This Rider provides Customers the option to fully or partially offset the carbon emissions associated with their natural gas usage through direct funding of the Company's purchase and retirement of Carbon Credits on their behalf.

**2. AVAILABILITY:**

Participation in the SCCO program is voluntary and customers must enroll to participate. Participation in the SCCO program is available to all Customers that are current on their Atmos Energy bills. Residential Customers receiving LIHEAP funding are not eligible to participate in the SCCO. The SCCO is available to Rate Schedule 210, 211, 220, 221, 225, 230, 240, 250, 260, 280, 291, 292, 293, and 294 customer classes.

**3. APPLICABILITY:**

The rider is applicable to customers who voluntarily elect to offset their natural gas emissions with credits from qualifying Carbon Credit sources made available by Atmos Energy.\*

**4. DEFINITIONS:**

**4.1 "Ccf".** One hundred cubic feet

**4.2 "Target Offset".** The percentage of a customer's natural gas usage for which Atmos will purchase and retire Carbon Credits. The monthly charge levels are based on an estimated Carbon Credit price and estimated administrative costs associated with this program. Monthly charges may be adjusted as set forth in Section 7 of this tariff.

**4.3 "Participation".** Customers wanting to enroll in the SCCO Program should call Atmos Energy customer service at 1.888.286.6700. Customers may also enroll online through the Atmos Energy Account Center at [www.atmosenergy.com](http://www.atmosenergy.com). Customers who elect to participate in the SCCO tariff will pay a monthly premium on their natural gas bill that will show up as a separate line item on their monthly bill. Participation in this pilot program will be available from the effective date of this sheet. Customers will be able to change their designated Target Offset Percentage or terminate their participation prospectively by providing timely notice to the Company by calling Atmos Energy customer service at 1.888.286.6700, or online through the Atmos Energy Account Center at [www.atmosenergy.com](http://www.atmosenergy.com).

**5. RATE SCHEDULES**

**Residential Customers and Public Housing Authority:** Residential Customers and Public Housing Authority (Rate Schedules 210, 211, and 225) may select a participation level from the table below.

<b>Residential and Public Housing Authority Customers</b>	
<b>Target Offset Percentage</b>	<b>Monthly Charge</b>
25%	\$1.50
50%	\$3.00
100%	\$6.00

**\* Please note: Carbon offsets will be achieved through the purchase of certified carbon credits.**

**Commercial, Industrial and Transportation Customers:** Non-Residential Customers (Rate Schedules 220, 221, 230, 240, 250, 260, 280, 291, 292, 293, 294) may select a volumetric rate participation level from the table below. Implementation of the Non-Residential SCCO program will begin on or about 60 days following the implementation of the Residential SCCO program.

<b>Non-Residential Sales and Transportation Customers</b>	
<b>Target Offset Percentage</b>	<b>Per Ccf Charge</b>
25%	\$0.02700
50%	\$0.05400
100%	\$0.10800

**6. ADMINISTRATIVE COSTS:**

All administrative costs incurred by the Company as part of the SCCO Program will be tracked separately through a deferred account and will be recovered only from participating customers through the rates set forth in the SCCO Rider. SCCO Rider rates as approved above include a contribution toward administrative costs. Customers who are not enrolled in the SCCO program will not bear any additional costs associated with the SCCO program.

**7. PURCHASED CARBON OFFSET ADJUSTMENT ("PCOA") FILING**

The Company shall be required to file a PCOA reviewing the balance of revenues and costs under the SCCO Tariff at least once every 12 months. The PCOA will propose any prospective adjustment in rates under the SCCO. The Company may file a PCOA more frequently if warranted by changing Carbon Credit market conditions. The Company will provide notice on customers bills prior to any changes in the SCCO rates taking effect.

**8. GENERAL**

8.1 The Carbon Credit purchases pursuant to this tariff are provided on an interruptible basis. If interrupted, the Customer will be credited for amounts not purchased or retired on their behalf.

8.2 No late payment charge shall be assessed to amounts not paid timely by the Customer under this tariff.

8.3 Either the Customer or the Company may terminate the Customer's participation under this tariff by giving at least thirty (30) days prior written notice of such termination, with the exception as follows. The Company may terminate a Customer's participation under this tariff without prior notice when the Customer is 60 days or more past due on payment of amounts billed to them pursuant to this tariff, and/or upon disconnection of Gas Service to the Customer.

8.4 Failure of the Customer to pay any amounts due pursuant to this Rider shall not result in disconnection of Gas Service to the Customer.