

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

IN RE:

PETITION OF ATMOS ENERGY)
CORPORATION FOR APPROVAL)
OF ITS 2023 ANNUAL RATE) DOCKET NO. 23-00008
REVIEW FILING PURSUANT TO)
TENN. CODE ANN. § 65-5-103(d)(6))

**PRE-FILED TESTIMONY OF WILLIAM D. MATTHEWS
ON BEHALF OF ATMOS ENERGY CORPORATION**

I. INTRODUCTION OF WITNESS

Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.

A. My name is William D. Matthews. I am Manager, Rates and Regulatory Affairs with Atmos Energy Corporation (“Atmos Energy” or “Company”). My business address is 5420 LBJ Freeway, Ste. 1600, Dallas, Texas 75240.

Q. PLEASE STATE YOUR EDUCATION AND PROFESSIONAL BACKGROUND.

A. I hold undergraduate degrees in accounting and finance from Texas A & M University. I started my career with Atmos Energy in 2005 as a Business Planning Analyst. As a Business Planning Analyst, and positions of increasing responsibility within Business Planning & Analysis, I have worked on the annual planning process focusing on customer analysis, integrating upcoming filings within the Company's operating plan and performed various special analysis and projects for the Vice President of Strategic Planning. I was named Manager of Rates and Regulatory Affairs in October 2020.

1 decreased, as appropriate.

2 **Q. DO YOU HAVE ANY EXHIBITS ATTACHED TO YOUR TESTIMONY?**

3 A. No. While I have no exhibits attached directly to my testimony, I am sponsoring
4 the revenue requirement schedules, workpapers, and other contents of the
5 Company's ARM Filing required by Section IV of the ARM tariff.

6 **Q. WERE THE CONTENTS OF THE ARM FILING PREPARED BY YOU OR**
7 **UNDER YOUR DIRECTION AND SUPERVISION?**

8 A. Yes.

9 **Q. WHAT CALCULATIONS HAVE YOU PERFORMED FOR YOUR**
10 **TESTIMONY IN THIS PROCEEDING?**

11 A. I have calculated the Company's cost of service, or revenue requirement, for the
12 Historic Test Period ended September 30, 2022, that is needed for the Company to
13 earn its authorized return on equity. I have also calculated the Annual
14 Reconciliation Revenue Requirement ("ARRR") for the Historic Test Period. The
15 results and supporting calculations are shown in the Revenue Requirement Model,
16 Schedules 1-11. All of the calculations were made in accordance with the Approved
17 Methodologies with the listed deviations disclosed as required on Attachment A in
18 the ARM certificate and also discussed below in my testimony.

19 **Q. PLEASE SUMMARIZE YOUR RESULTS.**

20 A. The Company's total cost of service for the Historic Test Period ended September
21 30, 2022 is \$206,337,490. The Company's revenue at present rates utilizing current
22 tariff rates, and actual historical billing determinants normalized for weather is
23 \$201,313,275, resulting in a revenue deficiency for the Historic Test Period ending

1 September 30, 2022 of \$5,024,215. The ARRR comparing actual cost of service
2 excluding gas cost from the historic test period with actual gross margin from the
3 same period results in a revenue sufficiency of \$393,912. In calculating the Total
4 Revenue Deficiency (Sufficiency) I have included an expense credit of \$4,603,469
5 for the amortization of excess deferred income tax.² The resulting total revenue
6 deficiency is \$26,834. I have included in the ARM filing proposed tariffs with
7 proposed rates that produce that amount of revenue and that were calculated using
8 the Approved Methodologies.

9 **III. HISTORY AND PURPOSE OF THE ANNUAL REVIEW MECHANISM**

10 **Q. PLEASE EXPLAIN THE PURPOSE OF THE COMPANY'S ANNUAL**
11 **REVIEW MECHANISM.**

12 A. The ARM is designed to provide the Company a reasonable and timely means of
13 recovering its cost of service for each Historic Test Period. The ARM is a
14 comprehensive mechanism that includes all components of cost of service. This
15 includes, among other things, capital investment and depreciation expense, O&M
16 expenses, and revenues as detailed in the Revenue Requirement Model. The ARM,
17 created pursuant to Tennessee Code Annotated Section 65-5-103(d)(6), is a
18 reasonable and effective solution that allows the Company timely recovery of its
19 cost of service while avoiding costly and litigious general rate cases. In approving
20 the ARM in November 2015³ and modified single-filing ARM in December 2019,

² *In accordance with terms of Stipulation and Agreement filed on November 4, 2020 In re; Tennessee Public Utility Commission Investigation of Impacts of Federal Tax Reform on the Public Utility Revenue Requirements*, Docket No. 18-00034.

³ *In re: Petition of Atmos Energy Corporation for a General Rate Increase Under T.C.A. 65-5-103(a) and Adoption of an Annual Rate Review Mechanism Under T.C.A. 65-5-103(d)(6)*, Docket No. 14-00146, *Order Approving Settlement*, p. 10 (November 4, 2015).

1 the Commission found the mechanism to be in the public interest.⁴

2 **Q. WHEN AND HOW WAS THE ANNUAL REVIEW MECHANISM**
3 **APPROVED BY THE COMMISSION?**

4 A. The ARM was initially approved by the Commission in Docket No. 14-00146 by
5 Order issued on November 4, 2015.⁵ The modified approach to account for a
6 single-filing ARM was approved by the Commission in Docket No. 18-00112 by
7 Order issued on December 16, 2019.⁶

8 **Q. PLEASE PROVIDE A GENERAL DESCRIPTION OF THE ANNUAL**
9 **REVIEW MECHANISM AND HOW IT WORKS.**

10 A. Under the ARM, as set forth in the Company's Tariff Sheets 34.1 through 34.7 and
11 the schedules thereto, the Company calculates an annual revenue requirement for
12 its Tennessee jurisdiction for each Historic Test Period and then allocates that
13 revenue requirement across the Company's customer classes using Approved
14 Methodologies established in the Company's most recent rate case. The annual
15 filing serves two main functions: (1) it determines the ARRR by comparing actual
16 cost of service excluding gas cost from the Historic Test Period just completed with
17 actual adjusted gross margin from the same period; and (2) it determines the
18 Company's revenue requirement and the rates necessary to allow the Company to

⁴ *In re: Docket to Investigate and Consider Modifications to Atmos Energy Corporation's Annual Rate Review Mechanism Under Tenn. Code Ann. § 65-5-103(d)(6), Docket No. 18-00112, Order Approving Stipulation and Settlement Agreement*, p. 10 (December 16, 2019).

⁵ *See also In re: Petition of Atmos Energy Corporation for a General Rate Increase Under T.C.A. 65-5-103(a) and Adoption of an Annual Rate Review Mechanism Under T.C.A. 65-5-103(d)(6), Docket No. 14-00146, Order Approving Settlement*, p. 10 (November 4, 2015).

⁶ *In re: Docket to Investigate and Consider Modifications to Atmos Energy Corporation's Annual Rate Review Mechanism Under Tenn. Code Ann. § 65-5-103(d)(6), Docket No. 18-00112, Order Approving Stipulation and Settlement Agreement*, p. 10 (December 16, 2019).

1 earn its authorized return on equity for the same Historic Test Period.

2 Through the annual ARM filing, which is filed no later than February 1 of
3 each year, the Company updates both the customer and volumetric charges of its
4 base rates in accordance with the Approved Methodologies to reflect the revenue
5 requirement.

6 **IV. REVENUE REQUIREMENT MODEL SCHEDULES**

7 **Q. PLEASE LIST THE SCHEDULES THAT COMPRISE THE COMPANY'S**
8 **REVENUE REQUIREMENT MODEL.**

9 A. The Revenue Requirement Model is comprised of:

10 Schedule 1: Cost of Service

11 Schedule 2: Summary of Actual Revenues for the Historic Test Period

12 Schedule 3: Cost of Gas

13 Schedule 4: Operation and Maintenance Expenses

14 Schedule 5: Taxes Other than Income

15 Schedule 6: Depreciation and Amortization Expenses

16 Schedule 7: Rate Base and Return

17 Schedule 8: Computation of State Excise and Income Taxes

18 Schedule 9: Overall Cost of Capital

19 Schedule 10: Rate of Return

20 Schedule 11: Proof of Revenues and Calculation of Rates

21 These Schedules are included in each February 1 ARM filing per the approved
22 ARM tariff. Pursuant to the ARM tariff, I have also included the schedules
23 traditionally used by Commission Staff to illustrate that the Company's Revenue

1 Requirement Model and Staff's model reconcile.

2 **Q. PLEASE EXPLAIN SCHEDULE 1.**

3 A. Schedule 1 summarizes the elements of the cost of service, including gas cost
4 expense, O&M expense, depreciation expense, taxes other than income taxes,
5 return on rate base, income tax, allowance for funds used during construction
6 ("AFUDC") and interest on customer deposits. Schedule 1 compares the total cost
7 of service to revenue at present rates in order to calculate a net revenue
8 deficiency/sufficiency. Additionally, Schedule 1 includes the ARRR and calculates
9 the net adjustment necessary to be implemented during the Rate Effective Year
10 (defined as the twelve months beginning June 1 of the year following the end of the
11 Historic Test Period). Schedule 1R calculates the cost of service and is used to
12 determine the ARRR.

13 **Q. PLEASE EXPLAIN SCHEDULES 2 AND 3.**

14 A. Schedule 2 shows per book revenues for the Historic Test Period ended September
15 30, 2022. Schedule 3 shows the Historic Test Period per books gas cost. The
16 Historic Test Period cost of gas is adjusted to remove rent for inter-company leased
17 storage property that is booked to gas cost per the Approved Methodologies.

18 **Q. DID YOU MAKE ANY ADJUSTMENTS TO ACCOUNT FOR PREVIOUS**
19 **ARRR AMOUNTS?**

20 A. Yes. Schedule 2 contains adjustments to remove portions of previous ARRR
21 revenue deficiencies approved in Dockets No. 21-00019 and No. 22-00010 that

1 related to the Historic Test Period.⁷ Those dockets adjusted rates based on revenue
2 deficiencies of \$4,264,868 and \$4,475,990 respectively.⁸

3 **Q. IS THIS THE FIRST ARM THAT REFLECTS THE FULL TRANSITION**
4 **FROM A FORWARD LOOKING TEST PERIOD TO HISTORICAL TEST**
5 **PERIOD, THUS REQUIRING AN UPDATED CALCULATION TO**
6 **REFLECT THE REMOVAL OF THE ARRR REVENUE FROM TWO**
7 **DIFFERENT ARM FILINGS?**

8 A. No. The Company made a similar adjustment last year due to the Historic Rate
9 Period and the Rate Effective Period being no longer synchronized. This
10 adjustment was disclosed in last year's ARM filing as a deviation and was
11 ultimately approved by the Commission.

12 **Q. HOW DID YOU DETERMINE HOW MUCH FROM EACH PERIOD TO**
13 **REMOVE?**

14 A. The portion of each of the previous two ARRR deficiencies should be removed in
15 the same ratio as how revenues in total are collected for the two periods of October
16 through June (Docket No. 21-00019) and July through September (Docket No. 22-
17 00010) when each of the amounts were implemented within rates. The calculations
18 used to make this adjustment have been included on a separate schedule in the

⁷ *In re: Petition of Atmos Energy Corporation for Approval of its 2021 Annual Rate Review Filing Pursuant to Tenn. Code Ann. § 65-5-103(d)(6), Docket No. 21-00019, Order Approving Stipulation and Settlement Agreement (July 19, 2021); In re: Petition of Atmos Energy Corporation for Approval of its 2022 Annual Rate Review Filing Pursuant to Tenn. Code Ann. § 65-5-103(d)(6), Docket No. 22-00010, Order Approving 2022 Annual Rate Review Filing as Revised in Rebuttal Testimony, p.12 (September 14, 2022)*

⁸ *In re: Petition of Atmos Energy Corporation for Approval of its 2021 Annual Rate Review Filing Pursuant to Tenn. Code Ann. § 65-5-103(d)(6), Docket No. 21-00019, Order Approving Stipulation and Settlement Agreement (July 19, 2021); In re: Petition of Atmos Energy Corporation for Approval of its 2022 Annual Rate Review Filing Pursuant to Tenn. Code Ann. § 65-5-103(d)(6), Docket No. 22-00010, Order Approving 2022 Annual Rate Review Filing as Revised in Rebuttal Testimony, p.12 (September 14, 2022)*

1 Company's trial balance relied upon file. In this filing, the Company used the July
2 time period as the difference since rates went into effect last July 1 based on the
3 Commission's Order in Case No. 22-00010.

4 **Q. DID YOU MAKE ANY OTHER ADJUSTMENTS TO REVENUES ON**
5 **SCHEDULE 2?**

6 A. Yes. As approved in the 2021 ARM filing, the Company made an adjustment to
7 add back Excess Deferred Income Taxes Liability ("EDITL") returned to customers
8 during the Historic Test Period.⁹

9 **Q. PLEASE EXPLAIN WHY YOU MADE THIS ADJUSTMENT.**

10 A. The EDITL returned to customers reduces revenues and without having an offset
11 in cost of service. In order to properly calculate the ARRR, the impact to revenues
12 of the EDITL returned must be added back to the per books revenues of the
13 Company. The calculations used to make this adjustment can also be found on a
14 separate schedule in the Company's trial balance relied upon file.

15 **Q. PLEASE EXPLAIN SCHEDULE 4.**

16 A. Schedule 4 shows the Historic Test Period per books O&M expense with
17 adjustments made in accordance with the Approved Methodologies, including an
18 adjustment to the Historic Test Period O&M expense to include operating expenses
19 for the Barnsley storage asset. The Historic Test Period O&M also includes the
20 removal of specified subaccounts, most notably related to the pension accrual and

⁹ See *In re: Response of Atmos Energy Corporation to the Commission's Order Opening an Investigation and Requiring Deferred Accounting*, Docket No. 18-00034, *Order Approving November 2020 Stipulation and Settlement Agreement* (April 22, 2021); see also *In re: Petition of Atmos Energy Corporation for Approval of its 2021 Annual Rate Review Filing Pursuant to Tenn. Code Ann. § 65-5-103(d)(6)*, Docket No. 21-00019, *Order Approving Stipulation and Settlement Agreement* (July 19, 2021).

1 incentive compensation, per the Approved Methodologies. The items disallowed
2 for ratemaking purposes are itemized on WP 4-1.

3 **Q. PLEASE EXPLAIN THE ADJUSTMENT IN O&M EXPENDITURES FOR**
4 **PENSION CONTRIBUTION.**

5 A. As required by the Approved Methodologies, the Company removed the actual FAS
6 87 expenses, including SERP. In years when the Company makes actual cash
7 contributions to its pension fund, the allocable amount will be included in the ARM
8 filing. For this Historic Test Period in this filing, the Company made an actual cash
9 contribution to its pension fund, and therefore the allocable amount is \$422,671.

10 **Q. DID YOU MAKE ANY ADJUSTMENTS FOR THE AMORTIZATION OF**
11 **RATE CASE EXPENSE?**

12 A. No. Actually-incurred rate case expenses for Docket No. 14-00146 were \$260,222.
13 The Company amortized that expense at \$14,583.33 per month and the amortization
14 was completed in November 2016. Therefore, no amounts are included in this
15 filing.

16 **Q. DID YOU MAKE ANY ADJUSTMENTS FOR LEGAL INVOICES ON**
17 **WORKPAPER 4-1?**

18 A. Yes. Similar to last year, the Company reviewed legal invoices that ultimately
19 impacted Tennessee. During this review the Company determined that some legal
20 invoice charges coded to Division 091 were not Tennessee related and were thus
21 removed by the Company in from O&M in this filing.

22 **Q. PLEASE EXPLAIN SCHEDULE 5.**

23 A. Schedule 5 shows Historic Test Period per books taxes other than income taxes and

1 includes ratemaking adjustments consistent with the Approved Methodologies.

2 **Q. PLEASE EXPLAIN SCHEDULE 6.**

3 A. Schedule 6 shows the Historic Test Period per books depreciation and amortization
4 expense. Schedule 6 includes ratemaking adjustments to reflect end of Historic
5 Test Period plant levels, and those consistent with the Approved Methodologies. I
6 adjusted the Historic Test Period depreciation expense to include expense for
7 intercompany leased storage property per the Approved Methodologies, as well as
8 to adjust for the removal of depreciation expense on capitalized incentive
9 compensation.

10 **Q. PLEASE EXPLAIN SCHEDULE 7.**

11 A. Schedule 7 shows the calculation of the Historic Test Period rate base in accordance
12 with the provisions of the ARM Tariff. The rate base includes the Regulatory Asset
13 and ratemaking adjustments consistent with the Approved Methodologies.
14 Schedule 7R calculates the historic average rate base for use in the calculation of
15 the ARRR.

16 **Q. WHAT ADJUSTMENTS ARE MADE TO THE HISTORIC TEST PERIOD**
17 **RATE BASE?**

18 A. The Company has followed all Approved Methodologies in adjusting the Historic
19 Test Period rate base, with two deviations listed for Cloud Projects on Workpaper
20 7-2 and for amortization of the protected portion of Excess Deferred Income Tax
21 (“EDIT”) Amortization on Workpaper 7-9. Also consistent with prior ARM filings,
22 Schedule 7 also includes adjustments for cash working capital and the net book
23 value of inter-company leased storage property. The revenue and expense lag

1 factors from the Company's lead/lag study prepared in Docket No. 14-00146 were
2 applied to actual results in order to calculate the Company's actual cash working
3 capital requirement consistent with the Approved Methodologies. In Schedule 7R,
4 I have also made the adjustment to the original cost of plant to incorporate the
5 historic average of the Regulatory Asset shown on Workpaper 7-10.

6 **Q. PLEASE DISCUSS THE DEVIATION TO METHODOLOGY FOR CLOUD**
7 **PROJECTS ON WORKPAPER 7-2.**

8 A. While allocated at the Division 002 level, the Company has separately broken out
9 Cloud Projects on Workpaper 7-2. The information technology industry has
10 continued to evolve and now offers software as a service rather than a purchase.
11 The Company now has several software packages that are purchased as a service
12 (the Cloud Projects). The expenditures for software as a service are recorded to
13 Other Regulatory Assets rather than recorded to plant in service since there is no
14 "asset," however the benefit of these expenditures extend beyond the current period
15 in which the payment is made to the vendor. I have included these expenditures on
16 Workpaper 7-2 similar to other items on that schedule.

17 **Q. WHY IS INCLUDING CLOUD PROJECTS IN RATE BASE**
18 **APPROPRIATE?**

19 A. The software package purchased provided long-term customer benefits, however,
20 due to the nature of the purchasing arrangement, it is no longer recorded to plant in
21 service. Including Cloud Projects as a rate base item replicates the historic
22 ratemaking recovery practice but reflects that the "how" of these transactions have
23 changed and recorded on the Company's books and records.

1 **Q. PLEASE DISCUSS WORKPAPER 7-9 AND THE DEVIATION TO**
2 **METHODOLOGY THE COMPANY HAS INCLUDED IN THIS FILING.**

3 A. Workpaper 7-9 contains the adjustment for EDIT. The adjustment for EDIT
4 includes additional amortization as reflected in the Settlement Agreement filed
5 November 3, 2020 in Docket No. 18-00034 Tennessee Public Utility Commission
6 Investigation of Impacts of Federal Tax Reform on the Public Utility Revenue
7 Requirements. This adjustment was also included and approved in the Company's
8 filings in Case Nos. 21-00019 and 22-00010. The FY 2022 ARM includes an update
9 to the amortization period of the protected portion of the EDIT Amortization from
10 29 years to 35 years on WP 7-9. This change is a result from a series of IRS PLRs
11 that address whether Cost of Removal ("COR") is subject to the Normalization
12 rules and whether it should be included in the normalization calculation. In
13 particular, PLR 202211004 indicates "that taxpayers that have COR embedded in
14 their property-related EDIT do not need to extract COR from the calculation. If,
15 however, any component of book depreciation includes COR, then taxpayers
16 should consider modifying the calculation to exclude any book depreciation
17 associated with COR." As a result of the modified calculation by excluding the
18 COR from the book depreciation, the Company updated its amortization year to 35
19 years, to avoid violation of the normalization rules.

20 **Q. PLEASE EXPLAIN SCHEDULE 8.**

21 A. Schedule 8 shows the calculation of state excise taxes and income taxes on the
22 required return on rate base for the Historic Test Period. Schedule 8R calculates
23 state excise taxes and income taxes on the required return for use in the calculation

1 of the ARRR.

2 **Q. PLEASE EXPLAIN SCHEDULE 9.**

3 A. Schedule 9 shows the calculation of the overall cost of capital based on the capital
4 structure, debt cost rates, and the required rate of return on equity required for the
5 Historic Test Period. It is comprised of the actual equity balance and actual long-
6 term debt balance as of September 30, 2022, and a twelve-month average short-
7 term debt balance for the twelve months ending September 30, 2022. The
8 authorized return on equity is 9.80% and the actual cost of debt is calculated on WP
9 9-2 and WP 9-3 of the filing, per the Approved Methodologies. Schedule 9R
10 calculates overall cost of capital for use in the calculation of the ARRR.

11 **Q. IS THE COMPANY'S CAPITAL STRUCTURE PREPARED IN**
12 **ACCORDANCE WITH THE APPROVED METHODOLOGIES?**

13 A. As disclosed last year as a deviation, the Company has included an adjustment to
14 remove \$2.2 billion of debt associated with Winter Storm Uri. The debt was issued
15 in response to extraordinary gas costs incurred during the winter storm and we
16 anticipated that this debt would be securitized, in accordance with legislation in
17 Texas and Kansas during fiscal year 2022 however the regulatory and securitization
18 process has continued into fiscal year 2023. Nevertheless, the Company believes
19 that it is appropriate to exclude this debt, as well as the impact of Winter Storm Uri
20 on the Company's deferred income taxes because the winter storm did not have the
21 extraordinary impact on Tennessee gas costs.

1 **Q. WILL THE DEVIATION OF METHODOLOGY ALSO APPLY TO THE**
2 **FISCAL YEAR 2023 FILING?**

3 A. Yes. As stated in the previous response, the Company currently anticipates that this
4 debt will be refinanced prior to the end of this fiscal year. Thus, a similar
5 adjustment to ADIT and capital structure will be required in next year's filing as
6 well.

7 **Q. HAVE THERE BEEN ANY RECENT CHANGES TO LEASE**
8 **ACCOUNTING STANDARDS?**

9 A. Yes.

10 **Q. DID THE COMPANY MAKE AN UPDATE TO LONG-TERM DEBT TO**
11 **TAKE INTO ACCOUNT THE NEW LEASE ACCOUNTING STANDARD?**

12 A. Yes. The FY 2022 ARM includes an update to utilize long-term debt balances
13 before taking into account the impact of long-term debt recorded on the Company's
14 books and records as a result of the new lease accounting standard. This update is
15 appropriate because there is no related lease asset or liability included in rate base,
16 rather expenses continued to be charged to the same accounts as before the adoption
17 of the new lease standard.

18 **Q. PLEASE EXPLAIN SCHEDULE 10.**

19 A. Schedule 10 shows the calculation of a rate of return on rate base and a rate of return
20 on the equity financed portion of rate base for the Historic Test Period, adjusted
21 with costs and revenues as presented in Schedules 2 through 9, per the Approved
22 Methodologies. Schedule 10R presents the calculation of a rate of return on rate
23 base and a rate of return on the equity-financed portion of rate base for use in the

1 calculation of the ARRR.

2 **Q. PLEASE EXPLAIN SCHEDULE 11.**

3 A. Schedule 11 presents the calculation of new tariff rates by customer class and rate
4 schedule for the Rate Effective Year (defined as the twelve months beginning June
5 1 of the year following the end of the Historic Test Period) consistent with the cost
6 of service and net revenue deficiency presented in Schedule 1 (including the
7 ARRR). The revenue requirement also includes the amortization of the excess
8 deferred income tax liability and the ARRR discussed hereinabove and referenced
9 on Schedule 1. The net revenue requirement (comprised of the deficiency for the
10 Historic Test Period ending September 30, 2022 plus the ARRR minus the
11 amortization of the excess deferred tax liability) is distributed across the billing
12 determinants (customer classes and rate schedules) in this filing, consistent with the
13 ARM tariff and Approved Methodologies.

14 **Q. HAVE THE COST OF SERVICE ITEMS FOR WHICH THE COMPANY**
15 **SEEKS RECOVERY BEEN PRUDENTLY INCURRED?**

16 A. Yes. The methodologies used as the basis for the cost of service in this filing are
17 consistent with those documented in Company witness Greg Waller's pre-filed
18 direct testimony in Docket No. 14-00146. These are the same methodologies,
19 policies and procedures that are the basis for the Approved Methodologies as
20 defined by the ARM tariff. The cost of service items for which the Company seeks
21 recovery, particularly but not limited to capital investments and operating expenses,
22 have been prudently incurred.

23

1 **V. CONCLUSION**

2 **Q. WHAT ARE YOU ASKING THE COMMISSION TO DO IN THIS**
3 **PROCEEDING?**

4 A. I respectfully request that the Commission approve the Company's 2023 ARM
5 filing and the 2023 ARM Revenue Requirement, which have been prepared in
6 accordance with the Approved Methodologies approved and adopted by the
7 Commission in Docket No. 14-00146.

8 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

9 A. Yes.

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

IN RE:

PETITION OF ATMOS ENERGY CORPORATION)
FOR APPROVAL OF ITS 2023 ANNUAL RATE) DOCKET NO. 23-XXXXX
REVIEW FILING PURSUANT TO TENN.)
CODE ANN. § 65-5-103(d)(6))

VERIFICATION

STATE OF TEXAS)

COUNTY OF DALLAS)

I, William D. Matthews, being first duly sworn, state that I am the Manager of Rates and Regulatory Affairs for Atmos Energy Corporation, that I am authorized to testify on behalf of Atmos Energy Corporation in the above referenced docket, that the Direct Testimony of William D. Matthews in support of Atmos Energy Corporation's filing is true and correct to the best of my knowledge, information and belief.



William D. Matthews

Sworn and subscribed before me this 17th day of January, 2023.



Notary Public

My Commission Expires: 07/02/2024

