

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION  
AT NASHVILLE, TENNESSEE**

<b>IN RE:</b>	)	
	)	
<b>PETITION OF ATMOS ENERGY CORPORATION FOR APPROVAL OF A TENNESSEE HEDGING PROGRAM</b>	)	<b>DOCKET NO. 23-00026</b>
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**PETITION TO INTERVENE**

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The Consumer Advocate Division of the Office of the Tennessee Attorney General (“Consumer Advocate”), by and through counsel, pursuant to Tenn. Code Ann. § 65-4-118, respectfully petitions the Tennessee Public Utility Commission (“TPUC” or the “Commission”) to grant the Consumer Advocate’s intervention into this proceeding because consumers’ interests, rights, duties, or privileges may be determined or affected by the *Petition of Atmos Energy Corporation for Approval of a Tennessee Hedging Program* (“Petition”) filed in TPUC Docket No. 23-00026. The Consumer Advocate would show as follows:

1. The Consumer Advocate is authorized by Tenn. Code Ann. § 65-4-118 to represent the interests of Tennessee consumers of public utility services by initiating and intervening as a party in any matter or proceeding before the Commission in accordance with the Uniform Administrative Procedures Act (Tenn. Code Ann. §§ 4-5-101, *et seq.*) and TPUC rules.
2. Atmos Energy Corporation (“Atmos Energy” or the “Company”) is a corporation organized and existing under the laws of the state of Texas and Virginia and is engaged in the business of transporting, distributing, and selling natural gas in Tennessee.<sup>1</sup>

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<sup>1</sup> *Petition for Approval of a Tennessee Hedging Program*, at ¶ 3, TPUC Docket No. 23-00026 (Apr. 11, 2023).

3. The Company's principal place of business is located at 5430 LBJ Freeway, Suite 1800, Dallas, Texas 75240.<sup>2</sup>

4. The Company's Petition seeks the Commission's approval of a Tennessee Hedging Program ("Hedging Program") "to provide natural gas price stability" and to "allow the Company to be more nimble in its approach to procuring its gas supply."<sup>3</sup> The Company's Petition states that the Hedging Program "will also afford customers certain safeguards against the risk of market-driven fluctuations in gas prices."<sup>4</sup>

5. The Company's Petition proposes a new "tariff sheet No. 43.1 and revisions to existing Tariff Sheet Nos. 36 and 45.1,"<sup>5</sup> which would provide a budget for the Hedging Program of "\$4.0 million per winter season"<sup>6</sup> to be recovered "through the Purchased Gas Adjustment (PGA) Rider/Actual Cost Adjustment (ACA) Mechanism."<sup>7</sup>

6. Tennessee Comp. R. & Regs. 1220-04-07-.02(1), the Purchased Gas Adjustment Rule ("PGA Rule"), permits a TPUC-regulated gas company "to recover, in a timely fashion, the total cost of gas purchased for delivery to its customers and to assure that the Company does not over-collect or under-collect Gas Costs from its customers."<sup>8</sup>

7. The Company's Petition specifically asserts the following:

[T]he benefits that result from Atmos Energy's implementation of its proposed Hedging Program ultimately inure to Atmos Energy's customers. The proposed costs of the proposed Hedging Program directly relate to the gas supply function and thus the Company has proposed the recovery of

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<sup>2</sup> *Id.* at ¶ 1.

<sup>3</sup> *Id.* at ¶ 5.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* at ¶ 4.

<sup>6</sup> *Pre-Filed Testimony of Shawn M. Audibert on Behalf of Atmos Energy Corporation*, Exhibit SMA-1, TPUC Docket No. 23-00026 (Apr. 11, 2023).

<sup>7</sup> *Id.*

<sup>8</sup> TENN. COMP. R. & REGS. 1220-04-07-.02(1).

such through the Company's Purchased Gas Adjustment mechanism, with the modifications proposed herein.<sup>9</sup>

7. The necessity of the Consumer Advocate's participation in this docket is acknowledged in the "Pre-Filed Testimony of Shawn M. Audibert on Behalf of Atmos Energy Corporation," filed contemporaneously with the Company's Petition:

In the Company's most recent triennial review report issued in June 2022 and filed in Docket No. 16-00028, the consultant's list of recommendations concerning the Company's PBRM included the following: "If, as a result of the recent increase in the volatility of gas commodity prices, the [Commission] Staff and [Consumer Advocate Division] believe it would be appropriate for Atmos to hedge a portion of its gas costs to mitigate gas cost rate volatility, Exeter believes it would be appropriate for the PBRM to be modified to ensure that hedging gains and losses are excluded from the calculation of GPIM savings or costs."<sup>10</sup>

8. Consumers' interests may be affected by determinations and orders made by the Commission with respect to: (i) the interpretation, application, and/or implementation of Tenn. Code Ann. § 65-5-103(a), Tenn. Code Ann. § 65-5-103(d), Tenn. Comp. R. & Regs. 1220-04-07-.01, *et seq.*, and other relevant statutory and regulatory provisions; (ii) the review and analysis of the documentation, financial spreadsheets, and materials provided by Atmos Energy; and (iii) the interpretation, application, and/or implementation of the terms and conditions of the Commission's Orders in previous dockets involving Atmos Energy, as well as the related settlement agreements applicable in those dockets.

9. Only by participating as a party to this proceeding can the Consumer Advocate adequately carry out its statutory duty to represent the interests of Tennessee consumers.

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<sup>9</sup> *Petition*, at ¶ 6.

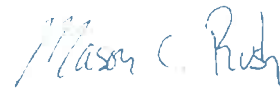
<sup>10</sup> *Pre-Filed Testimony of Shawn M. Audibert on Behalf of Atmos Energy Corporation*, at 5:3–10, TPUC Docket No. 23-00026 (Apr. 11, 2023). Mr. Audibert cites page 39 (pdf page 47) of the report prepared by Exeter Associates, Inc., as filed with the June 22, 2022, letter from the Company's counsel to Commission Staff in TPUC Docket No. 16-00028 available at the following link: [1600028a1.pdf \(tn.gov\)](#).

*In re: Atmos Energy Hedging Program*  
TPUC Docket No. 23-00026  
Petition to Intervene

Accordingly, the Consumer Advocate respectfully requests the Commission to grant this  
Petition to Intervene.

RESPECTFULLY SUBMITTED,

  
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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing Petition to Intervene was served via U.S. Mail, with a courtesy copy by electronic mail provided upon:

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This the 3rd day of May, 2023.



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**MASON C. RUSH**  
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