

TENNESSEE PUBLIC UTILITY COMMISSION



Andrew Jackson State Office Bldg.
502 Deaderick Street, 4th Floor
Nashville, TN 37243-0001

March 26, 2025

Docket 25-00007

Erik Lybeck
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3102 West End Avenue
Suite 1100
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Room on March 26, 2025 at 12:41 p.m.

sent via email

Re: *Petition of Atmos Energy Corporation for Approval of its 2025 Annual Rate Review Filing Pursuant to Tennessee Code Annotated § 65-5-103(d)(6)*

Dear Mr. Lybeck:

To assist the Commission in its continuing evaluation of this matter, please respond to the following request for information:

1. Refer to Excel file 2025 Atmos Energy TN ARM Filing - Revenue Requirements Schedules.xls, Schedule 7. Provide a thorough explanation for the year-to-year increase in each of the following rate base components. For each rate base component and related year-to-year increase listed below, provide a discussion of the plant and/or projects associated with the increase, along with justification of Atmos' need for the related investment.
 - a. Gross Cost of Plant (UPIS), \$64 million (7.2%) increase vs. PY filing
 - b. Construction Work in Process (CWIP), \$22 million (181.1%) increase vs. PY filing
2. Refer to Excel file 2025 Atmos Energy TN ARM Filing - Revenue Requirements Schedules.xls, Schedule 7R. Provide a thorough explanation for the year-to-year increase in each of the following rate base components. For each rate base component and related year-to-year increase listed below, provide a discussion of the plant and/or projects associated with the increase, along with justification of Atmos' need for the related investment.

- a. Gross Cost of Plant (UPIS), \$71 million (8.5%) increase vs. PY filing
 - b. Construction Work in Process (CWIP), \$5.8 million (30.8%) increase vs. PY filing
3. Provide a detailed analysis of any new or incremental revenue, if any, generated by investments in rate base made during the reporting period. Provide this analysis on a project-by-project basis and the associated revenue generated (current and future) by each project. Also provide the cost/benefit analysis of each project. Explain the sources of information and assumptions used in conducting the analysis.
4. Refer to Excel file 2025 Atmos Energy TN ARM Filing - Variances Report.xlsx, worksheet '093 O&M Sub Acct.' Provide a more thorough explanation for the year-to-year (i.e., 2024 vs. 2023) increase in each of the following operating expenses. For each expense and its related year-to-year increase listed below, provide a discussion of the driver(s) for the increase, along with justification of Atmos' need for the expenditures.
 - a. Labor accounts 01000 thru 01014, \$346 thousand (10.6%) increase
 - b. Inventory Materials account 02001, \$137 thousand (41.2%) increase
 - c. Non-inventory Supplies account 02005, \$73 thousand (44.8%) increase
 - d. Non-842 Heavy Equipment account 04309, \$71 thousand (493.9%) increase
 - e. Contract Labor account 06111, \$495 thousand (10.9%) increase
5. Refer to Excel file 2025 Atmos Energy TN ARM Filing - Variances Report.xlsx, worksheet '012 O&M Acct.' Provide a more thorough explanation for the year-to-year (i.e., 2024 vs. 2023) increase in account 9260, A&G, Employee Pensions and Benefits. This account increased significantly in 2024 as compared to previous years, and the 2024 amount was 46.1% above the 2023 level. Provide a thorough discussion of the driver(s) for the increase, along with justification of Atmos' need for the increased expenditures.

A response is requested no later than Friday, April 4. In accordance with the Commission's rules, please submit your response electronically to the Docket Manager at tpuc.docketroom@tn.gov with the original and four copies also mailed to the Docket Manager. Should you have questions or need clarification of this request, please contact me.

Sincerely,



David Foster, Director
Utilities Division

cc: Docket File
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