

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION**

**NASHVILLE, TENNESSEE**

**September 4, 2025**

**IN RE:**

**AUDIT OF ATMOS ENERGY CORPORATION'S  
WEATHER NORMALIZATION ADJUSTMENT FOR  
THE PERIOD OCTOBER 1, 2024, THROUGH APRIL  
30, 2025.**

**DOCKET NO.  
25-00044**

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**ORDER APPROVING STAFF AUDIT OF ATMOS ENERGY CORPORATION'S  
WEATHER NORMALIZATION ADJUSTMENT**

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This matter came before Chairman David F. Jones, Vice Chairman John Hie, Commissioner Clay R. Good, Commissioner Kenneth C. Hill, and Commissioner David Crowell of the Tennessee Public Utility Commission (the “Commission” or “TPUC”), the voting panel assigned to this docket, during a regularly scheduled Commission Conference held on August 18, 2025. The panel convened to consider the Commission Utilities Division Audit staff (the “Staff”) audit report on Atmos Energy Corporation’s (“Atmos” or the “Company”) Weather Normalization Adjustment (“WNA”) for the year ended October 1, 2024, through April 30, 2025. The WNA Audit Report (the “Report”) is attached as Exhibit A and incorporated by this reference.

The Staff filed its Report with the Commission on July 18, 2025. The objective of the audit was to verify whether the WNAs were correctly calculated and applied to customers’ bills during the period audited. The Report contained one finding which resulted in a total net over-collection of WNA revenues of \$34,396.79, due to the Company’s use of incorrect actual daily heating degree-days on three days for the Bristol weather station, three days for the Knoxville weather

station, three days for the Nashville stations, and nine days for the Paducah weather station.<sup>1</sup> The Staff determined that the total net over-collection of \$34,396.79, when considered on a per customer basis, was immaterial and therefore recommended that this amount be added to Atmos's Actual Cost Adjustment ("ACA") account balance in the next available ACA audit filed with the Commission.<sup>2</sup>

Atmos agreed with the Staff's finding and recommendation. Excluding the noted finding, the Staff concluded that Atmos correctly implemented its WNA Rider.<sup>3</sup> During the Commission Conference held on August 18, 2025, the panel considered the Staff's Report and unanimously approved the WNA Audit Report as filed.

**IT IS THEREFORE ORDERED THAT:**

1. The Weather Normalization Adjustment Audit Report of Atmos Energy Corporation's costs for the year ended April 30, 2025, attached hereto as Exhibit A, is approved, adopted, and incorporated in this Order as if fully rewritten, including the conclusions and recommendations contained therein.

2. Atmos Energy Corporation shall include the over-collected amount in its next Actual Cost Adjustment filing with the Tennessee Public Utility Commission.

3. Any person aggrieved by the Commission's decision in this matter may file a Petition for Reconsideration with the Commission within 15 days from the date of this Order.

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<sup>1</sup> Report, Ex. A at p. 11.

<sup>2</sup> *Id.* at 12.

<sup>3</sup> *Id.* at 13.

4. Any person aggrieved by the Commission's decision in this matter has the right to judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within 60 days from the date of this Order.

**FOR THE TENNESSEE PUBLIC UTILITY COMMISSION:**

**Chairman David F. Jones,  
Vice Chairman John Hie,  
Commissioner Clay R. Good,  
Commissioner Kenneth C. Hill, and  
Commissioner David Crowell concurred.**

None dissented.

**ATTEST:**

A handwritten signature in dark ink, appearing to read "Earl Taylor" followed by a smaller, less legible signature or initials.

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**Earl R. Taylor, Executive Director**

# **Exhibit A**

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION**

**NASHVILLE, TENNESSEE**

**July 18, 2025**

**IN RE:**

**ATMOS ENERGY CORPORATION**

**WEATHER NORMALIZATION ADJ. (WNA) AUDIT )**

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) **Docket No. 25-00044**

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**NOTICE OF FILING BY UTILITIES DIVISION OF THE  
TENNESSEE PUBLIC UTILITY COMMISSION**

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Pursuant to Tenn. Code Ann. §§ 65-4-104, 65-4-111 and 65-3-108, the Utilities Division of the Tennessee Public Utility Commission (“TPUC” or the “Commission”) hereby gives notice of its filing of the Atmos Energy Corporation WNA Audit Report in this docket and would respectfully state as follows:

1. The present docket was opened by the Commission to hear matters arising out of the audit of Atmos Energy Corporation (the “Company”).
2. The Company’s WNA filings were received on October 1, 2024, through April 30, 2025, and the Staff completed its audit of same on July 18, 2025.
3. On July 17, 2025, the Utilities Division submitted its preliminary WNA audit findings to the Company via e-mail. The Company responded on July 18, 2025 via e-mail and this response has been incorporated into the final report. The Report is attached hereto as Exhibit A and is fully incorporated herein by this reference.

4. The Utilities Division hereby files its Report with the Tennessee Public Utility Commission for deposit as a public record and approval of the recommendations and findings contained therein.

Respectfully Submitted:

A handwritten signature in cursive script that reads "Grace Marek".

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Grace Marek, MBA  
Utilities Division  
Tennessee Public Utility Commission

**CERTIFICATE OF SERVICE**

I hereby certify that on this 18th day of July 2025, a true and exact copy of the foregoing has been delivered electronically via E-mail to the following persons:

Earl Taylor  
Executive Director  
Tennessee Public Utility Commission  
Andrew Jackson Building  
502 Deaderick Street  
Nashville, Tennessee 37243

David F. Jones  
Chair  
Tennessee Public Utility Commission  
Andrew Jackson Building  
502 Deaderick Street  
Nashville, TN 37243

Brannon Taylor  
Vice President of Rates and Regulatory Affairs  
Atmos Energy Corporation  
810 Crescent Centre Drive, Suite 600  
Franklin, TN 37067-6226

Karen Stachowski  
Office of the Attorney General  
Consumer Advocate and Protection Division  
P.O. Box 20207  
Nashville, TN 37202-0207



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Grace Marek

# **EXHIBIT A**

**COMPLIANCE AUDIT REPORT**

**OF**

**ATMOS ENERGY CORPORATION**

**WEATHER NORMALIZATION ADJUSTMENT (WNA) RIDER**

**Docket No. 25-00044**

**TENNESSEE PUBLIC UTILITY COMMISSION**

**UTILITIES DIVISION**

**July 2025**



**COMPLIANCE AUDIT**  
**ATMOS ENERGY CORPORATION**  
**WEATHER NORMALIZATION ADJUSTMENT (WNA) RIDER**  
**DOCKET NO. 25-00044**

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**COMPLIANCE AUDIT**  
**ATMOS ENERGY CORPORATION**  
**WEATHER NORMALIZATION ADJUSTMENT (WNA) RIDER**  
**DOCKET NO. 25-00044**

**I. INTRODUCTION AND AUDIT OPINION**

The subject of this compliance audit is the Weather Normalization Adjustment (“WNA”) Rider of Atmos Energy Corporation (“Atmos” or the “Company”). The objective of this audit is to determine if the WNA adjustments were calculated correctly and applied to customers’ bills appropriately between October 2024 and April 2025. As a result of the WNA Rider, the Company **surcharged a net \$2,773,059.18 to residential and commercial customers** during the period. The impact of WNA revenues on the Company’s total revenues is detailed in Section V.

The Audit Staff’s (“Staff”) audit resulted in one (1) finding regarding the WNA calculations, showing that the Company **over-collected a net \$34,396.79** from customers. See Section VI for a discussion of the Staff’s finding and the Company’s response. Except for the finding noted in this report, Staff concludes that Atmos is correctly implementing the mechanics of the WNA Rider as specified by the Tennessee Public Utility Commission (“TPUC” or the “Commission”) and included in the Company’s tariff (See Attachment 1).

**II. SCOPE OF AUDIT**

In meeting the objective of the audit, Staff compared the following on a daily basis:

- (1) the Company's actual heating degree days to National Oceanic and Atmospheric Administration (“NOAA”) actual heating degree days;
- (2) the Company's normal heating degree days to the normal heating degree days calculated in the last Annual Review Mechanism (ARM) filing; and
- (3) the Company's calculation of the WNA factors to Staff's calculations.<sup>1</sup>

Staff selected a sample of customer bills to verify that the WNA factor had been correctly applied to the bills. Staff also examined each sample bill to determine whether the Base Rates and Purchased Gas Adjustments were billed correctly. Staff found no discrepancies.

The Utilities Division of the TPUC is responsible for compliance audits of the regulated gas companies. Grace Marek of the Utilities Division conducted this audit.

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<sup>1</sup> Weather Normalization Adjustment (WNA) Rider, 12<sup>th</sup> Revised Sheet No. 51, effective June 1, 2023 (See Attachment 1).

### **III. BACKGROUND INFORMATION ON THE COMPANY**

Atmos, with its principal office at 810 Crescent Centre Drive, Franklin, Tennessee, is a wholly owned subsidiary of its parent company Atmos Energy Corporation, located in Dallas, Texas. Atmos Energy Corporation is a multi-state gas distributor, providing service to multiple communities in Tennessee. The gas to serve these areas is obtained from the Asset Manager and other suppliers and delivered by four natural gas pipelines in accordance with separate and individual tariffs approved by the Federal Energy Regulatory Commission (“FERC”). The four interstate pipelines are East Tennessee Natural Gas (“ETNG”), Texas Eastern Transmission Corporation (“TETCO”), Columbia Gulf Transmission Corporation (“CGT”) and Texas Gas Transmission Corporation (“TGT”).

ETNG provides service to Atmos in Tennessee for the Columbia, Shelbyville, Lynchburg, Maryville-Alcoa, Morristown, Bristol, Elizabethton, Gray, Greeneville, Johnson City and Kingsport areas.

TETCO and CGT provide service to Atmos in Tennessee for Murfreesboro, Nolensville, Franklin and adjacent areas in Rutherford and Williamson Counties.

TGT provides service to Atmos in Union City, Tennessee, and adjacent areas in Obion County.

### **IV. BACKGROUND ON WEATHER NORMALIZATION ADJUSTMENT RIDER**

In setting rates, the Tennessee Public Utility Commission<sup>2</sup> uses a normalized level of revenues and expenses for a test year, which is designed to be the most reasonable estimate of the Company's operations during the time the rates are to be in effect. Use of normalized operating levels eliminates unusual fluctuations that may occur during the test period, which causes rates to be set too high or too low.

Specifically, one part of normalizing revenues consists of either increasing or decreasing the test year weather related sales volumes to reflect the difference between the normal and actual heating degree days. (A heating degree day is calculated as the difference in the average daily temperature and 65 degrees Fahrenheit.) This average daily temperature constitutes normal weather and is determined based on the previous thirty years' weather data.<sup>3</sup>

Normal weather rarely occurs. This has two impacts:

- (1) The customers' bills fluctuate dramatically due to changes in weather from month to month; and
- (2) The gas companies earn more or less than their authorized rate of return. For example, if weather is colder than normal, then more gas than anticipated in the rate case will be sold. This results in higher customer bills and over-earnings for the company. On the other hand, if the weather is warmer than normal, less gas than anticipated in the rate case will be sold, the customers' bills amounts will be lower and the company will under-earn.

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<sup>2</sup> Effective April 5, 2017, the name of Tennessee Regulatory Authority changed to the Tennessee Public Utility Commission and board members of the agency are now known as Commissioners rather than Directors.

<sup>3</sup> Weather data is published monthly by NOAA.

In recognition of this fact, on September 26, 1991, the Tennessee Public Service Commission<sup>4</sup> (“TPSC”) approved a three-year experimental Weather Normalization Adjustment Rider (“WNA Rider”) to the tariffs of Chattanooga Gas Company, Nashville Gas Company, a division of Piedmont Natural Gas Company, Inc. and United Cities Gas Company.<sup>5</sup> In periods of weather colder than normal, the customer receives a credit on his bill, while in periods of warmer than normal weather, the customer is billed a surcharge. Thus, customers' bills should not fluctuate dramatically from month to month and the gas company should have a more stable rate of return. The WNA Rider was to be applied to residential and commercial customers' bills during the months of October through May of each year. On June 21, 1994, the TPSC issued an Order authorizing the above-mentioned gas companies to permanently implement an amended version of the WNA Rider.<sup>6</sup>

As a result of the Company's prior rate case in Docket No. 12-00064 before this Commission, Atmos' WNA Rider tariff was amended effective December 1, 2012. Atmos calculates and bills the WNA to customers during the months of October through April of each year. The Commission Staff audits these WNA calculations annually. Atmos' WNA Rider tariff that governs this audit period accompanies this Report as Attachment 1.

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<sup>4</sup> By legislative action, the Public Service Commission was replaced on July 1, 1996 by the Tennessee Regulatory Authority. See Act of May 24, 1995, Ch. 305, 1995 Tenn. Pub. Acts 450. The TRA retains jurisdiction over the above named gas companies. See Tenn. Code Ann. § 65-4-104; see also Tenn. Code Ann. § 65-4-101 (a) (defining public utility).

<sup>5</sup> See petition of Chattanooga Gas Company, Nashville Gas Company, a Division of Piedmont Natural Gas Company, Inc. and United Cities Gas Company for a Rulemaking Hearing to Adopt a Weather Normalization Adjustment (WNA) Rider, Docket No. 91-01712, *Order* (September 26, 1991).

<sup>6</sup> The amendment directed Chattanooga Gas Company and United Cities Gas Company (now Atmos Energy) to eliminate from their WNA Rider the shoulder months of October and May, and Nashville Gas Company to eliminate the shoulder months of October, April and May.

## V. IMPACT OF WEATHER NORMALIZATION ADJUSTMENT RIDER

The following tables summarize a comparison of actual heating degree days (“ADD”) to normal heating degree days (“NDD”) by month for Atmos Energy Corporation during the 2024 – 2025 heating season, in each of its four service areas.<sup>7</sup> During the past winter, overall, the weather was 6.58% warmer in the Bristol area, 8.17% warmer in the Knoxville area, 15.43% warmer in the Nashville area, and 13.53% warmer in the Paducah area compared to normal weather.

### Bristol:

Month	Actual Heating Degree Days	Normal Heating Degree Days	Warmer/Colder than Normal
September 2024	8	33	Warmer
October 2024	214	251	Warmer
November 2024	404	551	Warmer
December 2024	736	781	Warmer
January 2025	1,070	894	Colder
February 2025	613	672	Warmer
March 2025	480	530	Warmer
April 2025	<u>193</u>	<u>268</u>	Warmer
Total	<u>3,718</u>	<u>3,980</u>	6.58% Warmer

### Knoxville:

Month	Actual Heating Degree Days	Normal Heating Degree Days	Warmer/Colder than Normal
September 2024	2	17	Warmer
October 2024	131	178	Warmer
November 2024	301	462	Warmer
December 2024	649	690	Warmer
January 2025	980	798	Colder
February 2025	544	587	Warmer
March 2025	336	430	Warmer
April 2025	<u>136</u>	<u>191</u>	Normal
Total	<u>3,079</u>	<u>3,353</u>	8.17% Warmer

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<sup>7</sup> Atmos’ service territory is divided into four (4) service areas for WNA calculation purposes. Each area’s WNA factors are calculated separately based on the actual degree days calculated from daily weather observations as reported by Tri-Cities Regional TN/VA Airport (KTRI) for the Bristol area, McGhee Tyson Airport (KTYN) for Knoxville area, Nashville International Airport (KBNA) for Nashville area and Barkley Regional Airport (KPAH) for the Paducah area. The weather observations from these locations are reported to NOAA and the daily actual degree days are published by NOAA monthly in its *Local Climatological Data* report.

**Nashville:**

Month	Actual Heating Degree Days	Normal Heating Degree Days	Warmer/Colder than Normal
September 2024	0	16	Warmer
October 2024	86	164	Warmer
November 2024	273	459	Warmer
December 2024	589	683	Warmer
January 2025	900	786	Colder
February 2025	552	597	Warmer
March 2025	280	424	Warmer
April 2025	<u>120</u>	<u>182</u>	Warmer
Total	<u>2,800</u>	<u>3,311</u>	15.43% Warmer

**Paducah:**

Month	Actual Heating Degree Days	Normal Heating Degree Days	Warmer/Colder than Normal
September 2024	7	26	Warmer
October 2024	118	218	Warmer
November 2024	362	510	Warmer
December 2024	654	792	Warmer
January 2025	993	911	Colder
February 2025	702	695	Colder
March 2025	332	496	Warmer
April 2025	<u>180</u>	<u>224</u>	Warmer
Total	<u>3,348</u>	<u>3,872</u>	13.53% Warmer

**Note:** Graphs showing a visual comparison of actual degree days compared to normal degree days can be found at the end of this Section (pages 7-10).

Since the weather overall was warmer than normal, the net impact of the WNA Rider on the Company's revenues was that residential customers were **surcharged \$1,423,562.26** and commercial customers were **surcharged \$1,349,496.92**. This equates to an increase in residential sales revenues of 1.99% and an increase in commercial sales revenues of 2.96% (See Table 1). This surcharge is a decrease from the amount surcharged during the previous year, when residential and commercial customers were surcharged \$1,514,679 and \$1,551,225, respectively. (See Table 2 for a comparison of the last three heating seasons.)

Table 1

**Impact of WNA Rider on Residential & Commercial Revenues  
October 2024- April 2025**

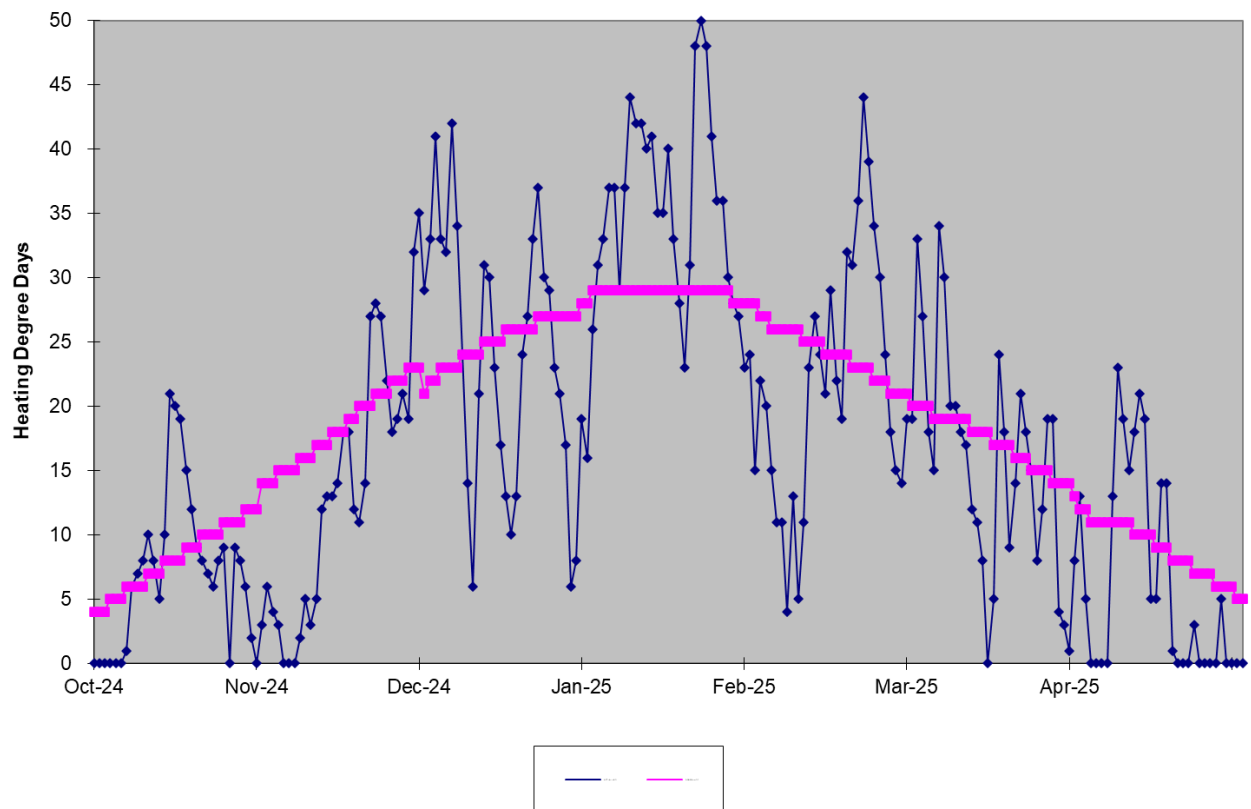
	<u>WNA Rider Revenues</u>	<u>Total Revenues</u>	<u>Percentage Impact of WNA Rider on Revenues</u>
Residential Sales	\$1,423,562	\$71,596,837	1.99%
Commercial Sales	<u>1,349,497</u>	<u>45,519,711</u>	<u>2.96%</u>
Total	<u>\$2,773,059</u>	<u>\$117,116,549</u>	<u>2.37%</u>

Table 2

**Amount Surcharged (Refunded)  
2022 - 2025**

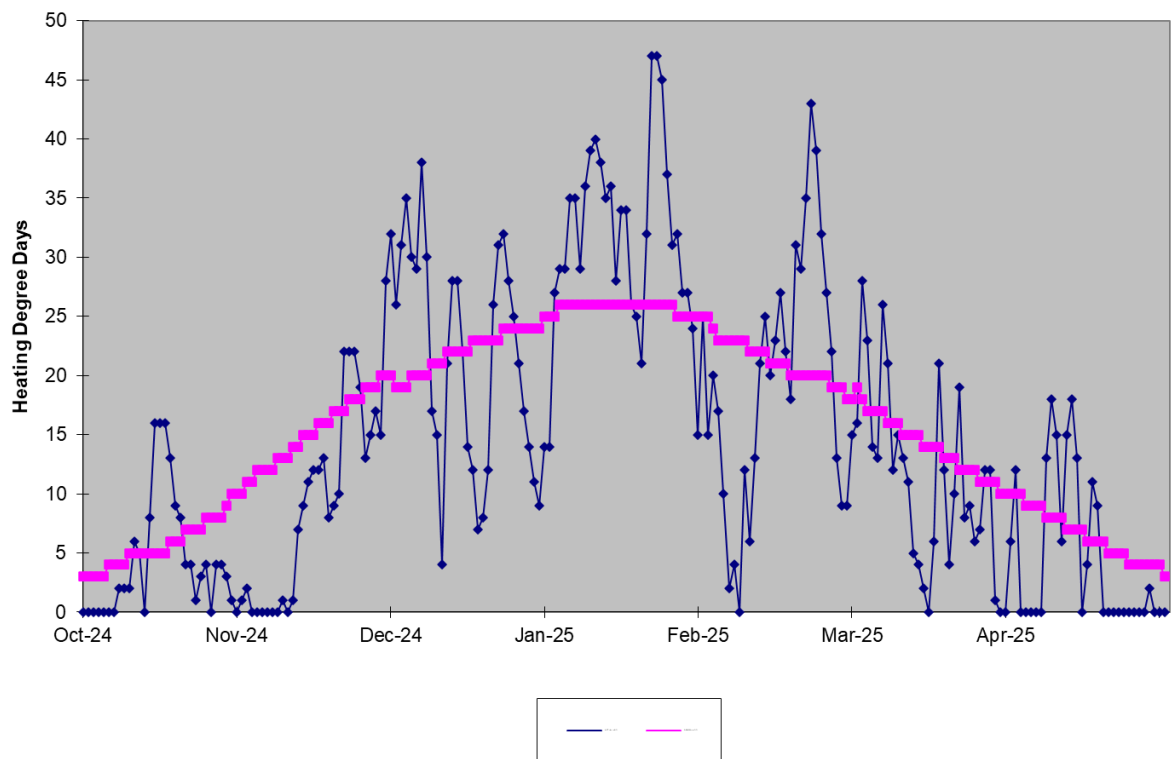
	<u>Residential</u>	<u>Commercial</u>	<u>Total Surcharge/(Refund)</u>
10/22-4/23	1,748,357	1,839,634	3,587,991
10/23-4/24	1,514,679	1,551,225	3,065,904
10/24-4/25	<u>1,423,562</u>	<u>1,349,497</u>	<u>2,773,059</u>
Total	<u>\$ 4,686,598</u>	<u>\$ 4,740,356</u>	<u>\$ 9,426,954</u>

**Atmos Energy Corporation  
Comparison of Actual to Normal Heating Degree Days  
Bristol Weather Station**

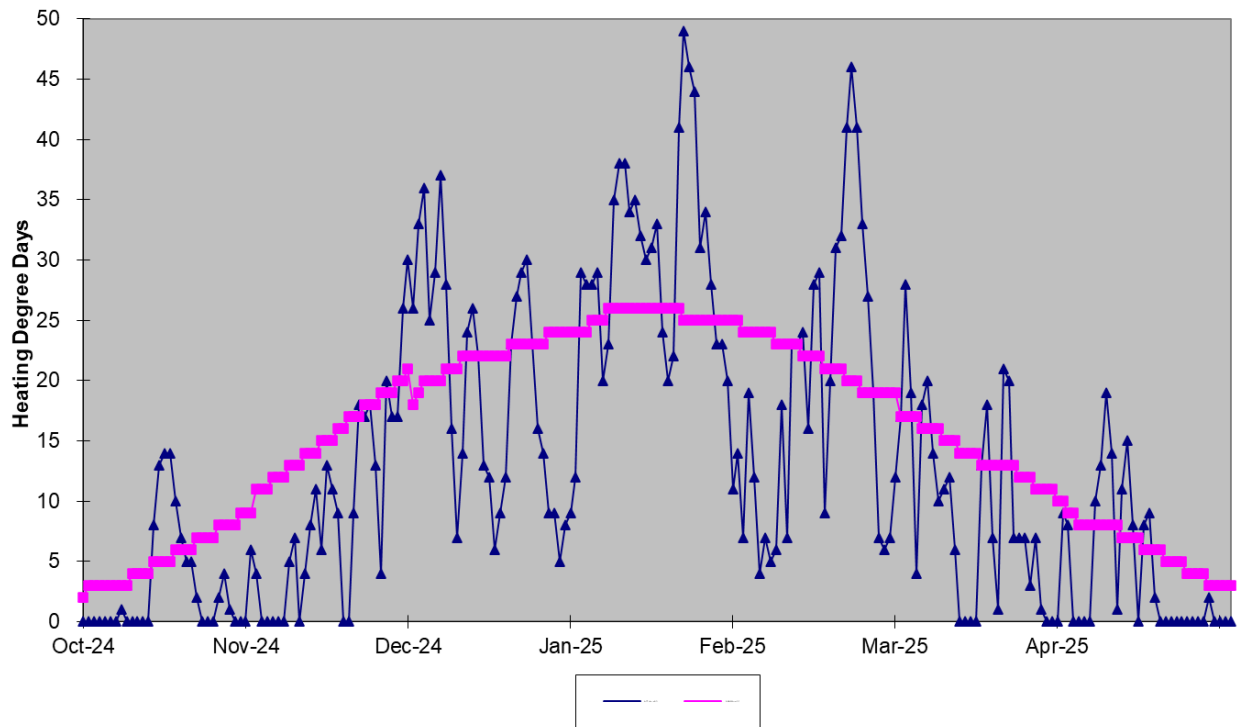




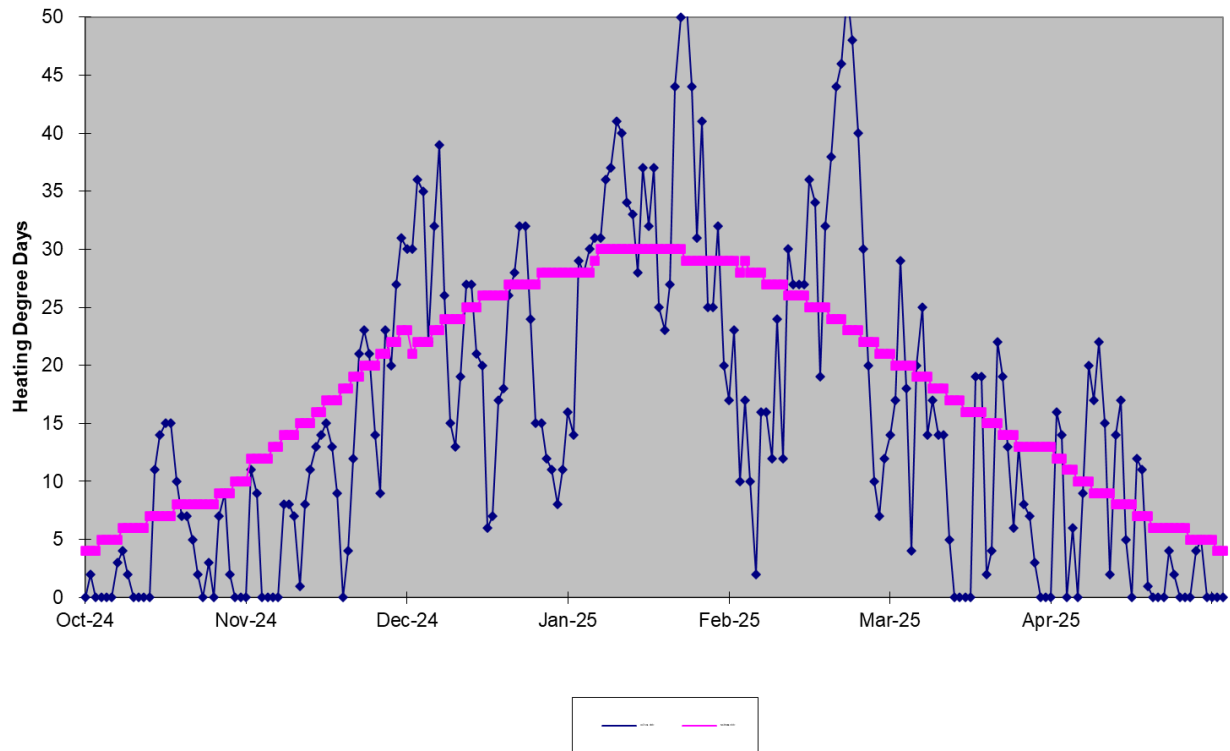
**Atmos Energy Corporation  
Comparison of Actual to Normal Heating Degree Days  
Knoxville Weather Station**



**Atmos Energy Corporation  
Comparison of Actual to Normal Heating Degree Days  
Nashville Weather Station**



**Atmos Energy Corporation  
Comparison of Actual to Normal Heating Degree Days  
Paducah Weather Station**



## **VI. WNA AUDIT FINDINGS**

The Staff's audit findings, which resulted in a \$34,396.79 over-recovery of WNA revenues from customers, are described below.

### **FINDING #1:**

#### **Exception**

The Company used inaccurate actual daily heating degree days (ADD) in the calculation of the WNA factor.

#### **Discussion**

The audit period consisted of 972 weather observations (243 days in the period times four weather stations). Audit results indicate that the Company used inaccurate actual daily heating degree days in the calculation of the WNA factor on three (3) days for the Bristol weather station, three (3) days for the Knoxville weather station, three (3) days for the Nashville weather station, and nine (9) days for the Paducah weather station for a total of eighteen (18) weather observations. These inaccuracies are due to differences in daily heating degree days published in NOAA's Local Climatological Data report<sup>8</sup> and the daily heating degree days that the Company used in calculating its WNA factors.<sup>9</sup> In order to timely bill its customers, the Company must obtain actual degree day information from its weather information source(s) on a real time basis. The WNA Rider and the Staff's audit of this Rider are based on the official NOAA publication, which typically has a two-month lag between the date weather data is collected and the official NOAA reports are published. Therefore, Staff recognizes that discrepancies can be caused by the Company's weather information source through no fault of the Company.

<b>Weather Station/ Date</b>	<b>NOAA Actual Degree Days</b>	<b>Company Actual Degree Days</b>	<b>Difference</b>
<b><u>Bristol:</u></b>			
01/5/2025	37	38	-1
02/18/2025	31	29	2
04/22/2025	3	2	1
		Total	2

<b>Weather Station/ Date</b>	<b>NOAA Actual Degree Days</b>	<b>Company Actual Degree Days</b>	<b>Difference</b>
<b><u>Knoxville:</u></b>			
11/09/2024	1	5	-4
12/19/2024	12	21	-9
01/11/2025	35	34	1
		Total	-12

<sup>8</sup> This published report is the official data supplied by NOAA as of July 17, 2025 and is the standard that the Staff uses to audit the Weather Normalization Adjustment Rider.

<sup>9</sup> See Tables below for detail of the differences.

<b>Weather Station/ Date</b>	<b>NOAA Actual Degree Days</b>	<b>Company Actual Degree Days</b>	<b>Difference</b>
<b><u>Nashville:</u></b>			
11/1/2024	6	5	1
01/19/2025	41	40	1
02/27/2025	7	6	1
		Total	3

<b>Weather Station/ Date</b>	<b>NOAA Actual Degree Days</b>	<b>Company Actual Degree Days</b>	<b>Difference</b>
<b><u>Paducah:</u></b>			
11/22/2024	23	22	1
12/29/2024	11	10	1
02/03/2025	2	4	-2
03/08/2025	17	16	1
04/03/2025	6	7	-1
04/10/2025	2	3	-1
04/11/2025	14	18	-4
04/12/2025	17	16	1
04/13/2025	5	3	2
		Total	-2

These actual heating degree day differences resulted in a **net over-recovery of \$34,396.79** in WNA revenues.<sup>10</sup>

### **Recommendation**

Since the dollar amount of this finding is immaterial on a per customer basis,<sup>11</sup> Staff recommends that the over-recovery be added to the Company's Actual Cost Adjustment (ACA) Account Balance in the next available ACA audit filed with the Commission, as has been this Commission's custom.

### **Company Response**

Atmos Energy acknowledges use of preliminary data for its monthly billing of WNA when actual NOAA data was not yet available. The Company agrees that \$34,396.79 net over-recovery is a reasonable assessment of the impact of these billing inaccuracies for the 2024-2025 heating season. We agree to include this correction in the next ACA filing as recommended.

<sup>10</sup> The net over-recovery is comprised of \$2,697.19 over-recovery for Bristol, \$18,343.91 under-recovery for Knoxville, \$50,188.17 over-recovery for Nashville, and \$144.67 under-recovery for Paducah.

<sup>11</sup> Approximately \$0.017 per customer per month, based on the number of customers reported in the Company's April 2025 3.03 monthly report.

## **VII. CONCLUSIONS AND RECOMMENDATIONS**

The Company responded satisfactorily to the Staff's Findings. As stated in Section I, except for the one finding noted, Staff concludes that it appears Atmos is correctly implementing the mechanics of its WNA Rider in all material respects. WNA audit findings in general historically have been immaterial when spread over the customer base that are subject to the weather adjustments. There is no mechanism within the Weather Normalization Adjustment Rider to true up any over- or under-recoveries. Since identifying and rebilling individual customers would be cost prohibitive, Staff recommends in those cases that the finding amounts be charged or credited to the Company's Actual Cost Adjustment (ACA) Account, which covers essentially the same customer base. Subsequent ACA filings are reviewed to verify that this has been done. **Staff, therefore, recommends that Atmos include the net over-recovery of \$34,396.79 in its next available Actual Cost Adjustment filing with the Commission. Atmos has agreed to do so.**

Staff can report that the \$30,991.76 over-recovery (over-collection) reported in WNA Docket No. 23-00043 has been credited to the ACA Account in Atmos' Actual Cost Adjustment filing (Docket No. 23-00062) covering the period July 2022 to June 2023. Staff can also report that the \$17,350.24 over-recovery reported in WNA Docket No. 24-00030 has been credited to the ACA Account in Atmos' Actual Cost Adjustment filing (Docket No. 24-00063) covering the period July 2023 to June 2024.

**Staff recommends that the Commission approve Staff's WNA Audit Report in this Docket, including the conclusions and recommendations contained therein.**

Staff appreciates and thanks the Company Staff for their cooperation during this audit process.

# **ATTACHMENT 1**

**Applies to Service Areas Other than Union City, Tennessee**

WEATHER NORMALIZATION ADJUSTMENT (WNA) RIDER (Continued)

HSF <sub>i</sub>	=	heat sensitive factor for the i <sup>th</sup> schedule or classification utilized by the Regulatory Authority in the Relevant Rate Order for the purpose of determining normalized test year revenues
NDD	=	normal billing cycle heating degree days utilized by the Regulatory Authority in the Relevant Rate Order for the purpose of determining normalized test year revenues
ADD	=	actual billing cycle heating degree days
Bl <sub>i</sub>	=	base load sales for the i <sup>th</sup> schedule or classification utilized by the Regulatory Authority in the Relevant Rate Order for the purpose of determining normalized test year revenues

Filing with Regulatory Authority

The Company will file as directed by the Regulatory Authority (a) a copy of each computation of the Weather Normalization Adjustment, (b) a schedule showing the effective date of each such Weather Normalization Adjustment, and (c) a schedule showing the factors or values derived from the Relevant Rate Order used in calculating such Weather Normalization Adjustment.

Heat Use/Base Use Factor

<u>Town</u>	<u>Residential/PA</u>		<u>Commercial/Small Industrial</u>	
	<u>Base use Ccf</u>	<u>Heat use Ccf/HDD</u>	<u>Base use Ccf</u>	<u>Heat use Ccf/HDD</u>
Union City	6.03	.146440	180.04	.421678
Columbia	12.57	.154710	129.64	.589881
Shelbyville				
Franklin				
Murfreesboro				
Maryville	8.06	.121042	107.98	.730076
Morristown				
Johnson City	8.21	.120654	113.23	.645834
Elizabethton				
Kingsport				
Greeneville				
Bristol				

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