

REQUEST:

The existing Company tariff provides that all relevant customers must pay the cost of maintenance associated with their flow measurement devices. In Mr. Bertotti's testimony on page 5, he states that Atmos would bear the cost of EFM-related installation and maintenance in exchange for the optional \$75 monthly charge. Further, on page 6 of Mr. Bertotti's testimony, he details the computation of the monthly \$75 charge; in this computation, installation is included, but no maintenance cost is included. Clarify whether the \$75 monthly charge only includes the EFM equipment's cost and installation or if this optional monthly charge also includes maintenance costs for those customers who would opt into the proposed plan.

RESPONSE:

Customers who opt into the proposed \$75 monthly charge will be covered for all costs associated with their EFM equipment. In other words, for customers who opt into the monthly charge, Atmos Energy will pay for both (i) the purchase of the initial components and any auxiliary items needed, along with the cost of installation and (ii) ongoing maintenance to said equipment, up to and including replacement if needed.

In other words, it would also cover maintenance costs.

Docket No. 26-00014
Atmos Energy Corporation, Tennessee Division
Staff DR Set No. 1
Question No. 1-02
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REQUEST:

Please provide a detailed description of the proposed accounting treatment associated with the EFM equipment per the following:

1. For customers who elect the monthly payment option, please provide a detailed explanation of: How the EFM equipment will be recorded on the Company's books (e.g., rate base, CIAC, or other)
2. The accounting treatment of the recurring monthly charge (e.g., revenue, recovery of capital, CIAC, lease-type treatment, etc.)
3. Provide a general description of how the Company would account for the EFM equipment from the beginning until the end of the equipment's useful economic life
4. Provide a comprehensive description of how the Company's accounting treatment under its proposed monthly EFM equipment charge would differ from how it currently accounts for any flow-management equipment per its current tariff provisions (i.e., where customers purchase the equipment on the front end).

RESPONSE:

The Company currently plans to book all expenses and revenues associated with this charge in an identical manner as in its Kentucky operations.

1. Under the Company's proposal, equipment will be accounted for in the same manner as all regularly occurring PPE additions. As such, it will be part of rate base.
2. Under the Company's proposal, the monthly EFM charge will be recorded as revenue.
3. The equipment would be included in the appropriate PPE account (Meters - DIS-38100) and depreciated over the life of that utility asset class.
4. When an EFM charge is paid upfront, the Company collects for the cost of the equipment (AIC), thus adding the PPE to the ledger and offsetting the cost of the equipment at 100%.

BEF BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE

IN RE:)
)
PETITION OF ATMOS ENERGY) Docket No. 26- 00014
CORPORATION FOR APPROVAL OF)
OPTIONAL MONTHLY FACILITIES)
CHARGE FOR ELECTRONIC FLOW)
MEASUREMENT EQUIPMENT FOR)
DEMAND/COMMODITY,)
INTERRUPTIBLE, AND)
TRANSPORTATION GAS SERVICE)
CUSTOMERS)

VERIFICATION

STATE OF TENNESSEE)
COUNTY OF Williamson)

I, Daniel P. Bertotti, being first duly sworn, state that I am the Vice President of Business Development for the Kentucky/Mid-States Division of Atmos Energy Corporation, that I am authorized to testify on behalf of Atmos Energy Corporation in the above referenced docket, and the foregoing responses to TPUC Staff's first set of discovery requests are true and correct to the best of my knowledge, information and belief.

Daniel P Bertotti
Daniel P. Bertotti

Sworn and subscribed before me this 6th day of April, 2026.

Pamela Pleasant
Notary Public

My Commission Expires: JANUARY 24, 2028



CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing responses to the TPUC Staff's First Set of Discovery Requests has been served by electronic mail on this 6th day of April, 2026, upon the following:

Michelle Mairs
Craig Cox
Utilities Division
Tennessee Public Utilities Commission
Michelle.mairs@tn.gov
Craig.cox@tn.gov

/s/ Erik C. Lybeck _____
Erik C. Lybeck