

**Docket No. 26-00014**  
**Atmos Energy Corporation, Tennessee Division**  
**Staff DR Set No. 2**  
**Question No. 2-01**  
**Page 1 of 1**

Electronically Filed in TPUC Docket  
Room on June 12, 2026 at 1:45 p.m.

**REQUEST:**

Please clarify the Company's treatment of the proposed \$75 monthly EFM facilities charge once the equipment reaches the end of its estimated 84-month economic life. Specifically:

- a. Does the \$75 monthly charge continue unchanged beginning in Month 85, terminate, or reset in any manner?
- b. Please describe the anticipated disposition of the EFM equipment at the end of the 84-month period (e.g., continued use if still functional or removal/disposal with corresponding replacement with new equipment).

**RESPONSE:**

- a. The \$75 monthly charge would continue unchanged as long as the customer chooses not to purchase their EFM equipment upfront. The monthly charge is based on the estimated life, not actual life, so it would continue so long as the customer remains opted into the program.
- b. EFM equipment will continue to be used so long as it is functional.

**Docket No. 26-00014**  
**Atmos Energy Corporation, Tennessee Division**  
**Staff DR Set No. 2**  
**Question No. 2-02**  
**Page 1 of 1**

**REQUEST:**

Beginning September 1, 2026, please explain what the Company intends to record for depreciation for each EFM-related customer's equipment. In your response, identify the depreciation rate used for EFM assets and describe how this depreciation rate aligns with or differs from the calculation underlying the proposed \$75 monthly charge. In your response, discuss the intended methodologies under (a) the optional \$75 charge scenario and (b) the upfront purchase scenario.

**RESPONSE:**

EFM equipment will be recorded in plant account 38100-Meters. Depreciation will be recorded over the life of that utility plant asset class which currently has an approved depreciation rate of 3.27%. When EFM assets reach the end of their useful life they will be retired from plant account 38100-Meters and therefore depreciation will no longer be recorded on those assets. In future depreciation studies, this plant account along with all others will be reviewed to determine if the overall rate is still appropriate and new rates will be proposed as appropriate. The assumption in the calculation of the \$75 monthly charge is that the full cost would be recovered over the estimated useful life of the assets of 7 years.

For customers who elect the \$75/month charge, the Company will record the EFM equipment as an addition to Plant account 38100-Meters and systematically depreciate it at the currently approved depreciation rate.

When the EFM charge is paid upfront, the Company collects the cost of the equipment as aid in construction (AIC), thus adding the equipment to the ledger and offsetting the cost of the equipment at 100%.

**Docket No. 26-00014**  
**Atmos Energy Corporation, Tennessee Division**  
**Staff DR Set No. 5**  
**Question No. 2-03**  
**Page 1 of 1**

**REQUEST:**

As of September 1, 2026, confirm whether it is the Company's intent to fully maintain EFM equipment for all affected customers, regardless of whether those customers purchase the equipment upfront or elect the optional \$75 monthly charge. Additionally, discuss how this treatment compares to current tariff provisions, which require customers who own their flow measurement equipment to pay for maintenance. In particular, clarify whether customers who choose the upfront purchase option after September 1, 2026, will be responsible for separate maintenance charge and how this differs from current practice.

**RESPONSE:**

No, the Company does not intend to fully maintain EFM equipment for all customers; instead, the Company will only maintain EFM equipment for customers who have elected the optional \$75 monthly charge. As a result, customers who already paid for the installation of EFM equipment will continue to be responsible for their own maintenance expenses after September 1, 2026 unless they opt into the monthly charge. In addition, any customers who choose after September 1, 2026 to pay for the installation of the EFM equipment out-of-pocket instead of opting into the monthly charge will continue to be responsible for their own maintenance costs in the same manner as current practice.

**Docket No. 26-00014**  
**Atmos Energy Corporation, Tennessee Division**  
**Staff DR Set No. 2**  
**Question No. 2-04**  
**Page 1 of 1**

**REQUEST:**

Refer to the revised Schedule 240 - Measurement Data Collection Equipment Section. Please clarify responsibilities under the two payment options for EFM equipment:

- a. Under the upfront (one-time) purchase option, identify any EFM-related costs not included in the upfront payment. Be sure to address costs such as installation, data transmission, maintenance, electrical power, operational, etc. For each excluded cost, explain who is responsible for such cost and, if it be the customer, when/how the customer will be billed.
- b. Under the optional \$75 monthly facilities charge, the Company stated that the charge includes all EFM-related costs. Please address whether "all costs" include equipment, installation, maintenance, operations, data transmission, electrical power, etc. If any costs are excluded from the \$75 monthly charge, please identify them, the responsible party, and – if customers are responsible – describe how they will be billed.

**RESPONSE:**

- a. For customers who do not opt into the monthly charge, they will be responsible for all EFM related costs including maintenance, as is currently the case under the existing practice. As in current practice, they will be billed for the estimated costs of materials, shipping, installation and taxes, including solar panels if applicable.  
Where solar is available, it is included and obviates the need to pay for electrical power; where solar is unavailable, the equipment will be hooked up to available power sources and the customer will be responsible for paying the relevant electric utility for electrical power. Costs of data transmission will continue to be billed monthly in the same manner as current practice.
- b. For customers who opt into the monthly facilities charge, the Company will be responsible for all costs associated with acquiring the equipment and those related to installation, maintenance, and operations of the equipment. Where solar power is available, the necessary equipment will be installed by the Company, obviating the need for electrical power. When solar is not available, the equipment will be hooked up to available power sources and the customer will be responsible for paying the relevant electric utility for electrical power. Costs of data transmission will continue to be billed monthly in the same manner as current practice.