BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

October 2, 2026

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

ORDER APPROVING PETITION TO OFFER OPTIONAL MONTHLY PAYMENT OF FACILITIES CHARGE FOR ELECTRONIC FLOW MEASUREMENT EQUIPMENT

This matter came before Chairman David F. Jones, Vice Chairman Clay R. Good, Commissioner Robin L. Morrison, Commissioner Kenneth C. Hill, and Commissioner John Hie 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 17, 2026. The panel convened to consider the *Petition for Approval of Optional Monthly Facilities Charge for Electronic Flow Measurement Equipment for Demand/Commodity, Interruptible, and Transportation Gas Service Customers* ("*Petition*") filed by Atmos Energy Corporation ("Atmos" or the "Company") on February 27, 2026.

BACKGROUND AND *PETITION*

Atmos customers receiving natural gas service under the Company's rate schedules 240, 250, and 260, which include demand/commodity service, interruptible service, and transportation gas service, are required to install electronic flow measurement ("EFM") equipment to measure gas consumption.[1] Some of these customers currently use older equipment that relies on traditional

[1] *Petition,* p. 2 (February 27, 2026).

phone lines, often referred to as "Plain Old Telephone Service" ("POTS"), to transmit usage data to the Company. The Company has been notified that, effective September 1, 2026, its telecommunications service provider will no longer support POTS. As a result, customers using POTS-based equipment must upgrade to cellular-based EFM technology to maintain data transmission capabilities.[2] Under the Company's current tariff, customers required to use EFM equipment must bear the full cost of the equipment, installation, and related maintenance.[3]

On February 27, 2026, Atmos filed its *Petition* requesting approval of an optional monthly customer charge as an alternative to paying the full EFM equipment and installation costs upfront. The proposed charge would apply to customers served under the Company's rate schedules 240, 250, and 260. As a service to its customers, Atmos seeks to offer this optional charge to any affected customer who would prefer to pay a smaller monthly amount rather than the full upfront cost.[4] According to the Company, this optional monthly charge is intended to be rate-neutral, meaning it is set to recover only the service's associated costs. Further, the Company specifies that neither the proposed monthly charge nor any costs associated with providing this service would be included in or impact the Company's volumetric rates.[5]

Mr. Daniel P. Bertotti filed pre-filed testimony on behalf of Atmos and described the function of EFM equipment as measuring gas volume and flow rate to determine gas consumption, which the Company then applies at the existing volumetric rate for customer billing.[6] The data are then transmitted using either wireless networks or POTS, which generally uses copper phone lines. Mr. Bertotti clarified that EFM equipment is required only for large customers with significant demand, specifically those with annual usage exceeding 10,000 mcf.[7]

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[2] *Id.*
[3] *Id.* at 2-3.
[4] *Id.*
[5] *Id.* at 3.
[6] Daniel P. Bertotti, Pre-Filed Direct Testimony, p. 1 (February 27, 2026).
[7] *Id.*

Mr. Bertotti testified that in Tennessee, those large customers are billed under rate schedules 240 (Demond/Commodity Gas Service), 250 (Interruptible Gas Service), and 260 (Transportation Gas Service).[8] Approximately 25 of those customers use older EFM equipment that transmits data via POTS.[9] These EFM equipment upgrades are driven by federal regulations mandating a transition from the older, traditional phone system to a cellular-based system due to the ever-growing adoption of wireless technology. The Company's telecommunications service provider informed the Company that its POTS will no longer be offered in its service territory as of September 1, 2026. Therefore, customers currently using POTS equipment will be required to replace it with modern, cellular-based equipment for continued access to their meters after that date. Mr. Bertotti further asserted that, according to the language in the relevant tariff sheets, the affected customers are responsible for all costs associated with transitioning to wireless data transmission.[10]

The Company estimates the transition from POTS devices to cellular equipment will cost $6,330 per unit.[11] Mr. Bertotti explained that customers may continue to pay the costs of the new equipment, its installation, and its maintenance out-of-pocket. However, to avoid imposing financial hardship on some customers, the Company proposes an alternative $75 monthly charge in lieu of the full lump-sum payment. According to Mr. Bertotti, under this alternative monthly charge, the Company would install and maintain the new equipment, ensuring customers receive the proper EFM equipment and maintain access to their meters without incurring the full cost upfront. Mr. Bertotti explained that the monthly charge is calculated by dividing the total unit cost by the expected equipment life of 84 months, which computes to $75.36.[12]

[8] *Id*. at 3.
[9] *Id*. at 4.
[10] *Id.*
[11] *Id.*
[12] *Id.* at 5-6.

THE HEARING

A hearing in this matter was held before the voting panel of Commissioners during the regularly scheduled Commission Conference on August 17, 2026, as noticed by the Commission on August 7, 2026. Appearing for Atmos were:

> SIMS|FUNK, PLC - Erik Lybeck, Esq., Cole W. Schott, Esq., 3102 West End Avenue, Suite 1100, Nashville, Tennessee 37203, and Daniel P. Bertotti, Vice President of Business Development for the Kentucky/Mid-States Division.

Mr. David Bertotti provided a summary of his pre-filed testimony, including an overview of the proposed tariff, and was available for questions from the Commissioners. The Commissioners opened the floor for public comment, but no member of the public sought recognition to comment.

FINDINGS AND CONCLUSIONS

Atmos's witness, Mr. Bertotti, explained that the proposed tariff amendment will only impact large customers who are required to have EFM equipment and who voluntarily choose the monthly EFM facility charge. For those customers, Mr. Bertotti maintained that the optional charge offers a practical option for avoiding the initial cash requirement associated with purchasing and installing the newer EFM equipment.

After a thorough review of the evidentiary record, the panel found that Atmos's proposed tariff revisions provide its higher-volume users with an optional method to finance required EFM equipment conversions, while also maintaining the existing upfront-payment option. Further, this financing flexibility for the Company's larger customers will not affect other customers' rates or costs of service. For these reasons, the panel concluded that the proposed tariff revisions are just, reasonable, and promote the public interest. Thereafter, the panel voted unanimously to approve the *Petition* for the proposed optional monthly facilities charge for EFM equipment, along with the related tariff revisions.

IT IS THEREFORE ORDERED THAT:

1. *The Petition for Approval of Optional Monthly Facilities Charge for Electronic Flow Measurement Equipment for Demand/Commodity, Interruptible, and Transportation Gas Service Customers* filed on February 27, 2026, is granted.

2. 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.

3. 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.

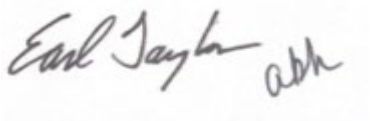
FOR THE TENNESSEE PUBLIC UTILITY COMMISSION:

COMMISSION PANEL VOTE

The Commission panel has adopted the foregoing Order.
All members present and voting concurred.

David F. Jones, Chairman
Clay R. Good, Vice Chairman
Robin L. Morrison, Commissioner
Kenneth C. Hill, Commissioner
John Hie, Commissioner.

Order Issued and Attested By:



Earl R. Taylor, Executive Director