BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

November 2, 2026

IN RE: **AUDIT OF ATMOS ENERGY CORPORATION'S WEATHER NORMALIZATION ADJUSTMENT FOR THE PERIOD OCTOBER 1, 2025, THROUGH APRIL 30, 2026**	))))))	**DOCKET NO. 26-00020**

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

This matter came before Chairman David F. Jones, Vice Chairman John A. Hie, Commissioner Herbert H. Hilliard, Commissioner Robin L. Morrison, and Commissioner Kenneth C. Hill 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 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, 2025, through April 30, 2026. 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 8, 2026. The objective of the audit was to verify whether the WNA adjustments were correctly calculated and applied to customers' bills during the period audited. The Report contained two immaterial findings, which resulted in a total net under-collection of $47,469.54. First, the Company used the incorrect actual daily heating degree-days ("ADD") on a total of 10 weather observations across four stations: five days for the Bristol weather station, two days for the Knoxville weather station, two days for the Nashville

weather station, and one day for the Paducah weather station.[1] These actual heating degree day differences resulted in a net-over recovery of $8,175.13 in WNA revenues. The Staff determined that the total net-over collection of $8,175.13, when considered on a per-customer basis, was immaterial and therefore recommended that this amount be deducted from Atmos's Actual Cost Adjustment ("ACA) account balance in the next available ACA audit filed with the Commission.[2]

Second, the Company used the incorrect normal daily heating degree days (NDD) on seventeen days for the Bristol weather station, eighteen days for the Knoxville weather station, twenty-five days for the Nashville weather station, and nineteen days for the Paducah weather station, for a total of seventy-nine weather observations.[3] These normal heating degree day differences resulted in a net under-recovery of $55,644.67 in WNA revenues. Staff determined that, when considered on a per-customer basis, the total net under-recovery was immaterial and therefore recommended that this amount be added to Atmos's Actual Cost Adjustment (ACA) account balance in the next ACA audit filed with the Commission.[4]

Atmos agreed with the Staff's findings and recommendations. Excluding the noted findings. Staff concluded that Atmos correctly implemented its WNA Rider.[5] During the Commission Conference held on August 17, 2026, 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, 2026, attached hereto as Exhibit A, is approved,

[1] Report, Ex. A at p.11
[2] *Id* at 12
[3] Id. at 13
[4] *Id*. at 17
[5] *Id*.

adopted, and incorporated in this Order as if fully rewritten, including the conclusions and recommendations contained therein.

2. Atmos Energy Corporation shall include the net under-collection 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 of the date of this Order.

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

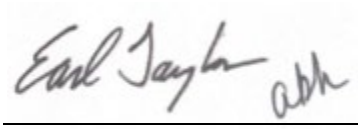
FOR THE TENNESSEE PUBLIC UTILITY COMMISSION:

COMMISSION PANEL VOTE

The Commission panel has adopted the foregoing Order.
All members present and voting concurred; none dissented.

David F. Jones, Chairman
John A. Hie, Vice Chairman
Herbert H. Hilliard, Commissioner
Robin L. Morrison, Commissioner
Kenneth C. Hill, Commissioner

Order Issued and Attested By:



Earl R. Taylor, Executive Director

EXHIBIT A

Electronically Filed in TPUC Docket
Room on July 8, 2026 at 9:19 a.m.

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

July 8, 2026

IN RE:	**)**
	)
ATMOS ENERGY CORPORATION	**) Docket No. 26-00020**
WEATHER NORMALIZATION ADJ. (WNA) AUDIT	**)**

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

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, 2025, through April 30, 2026, and the Staff completed its audit of the same on July 6, 2026.

3. On July 1, 2026, the Utilities Division submitted its preliminary WNA audit findings to the Company via e-mail. The Company responded on July 1, 2026, 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:

Grace Vinson

Grace Vinson, MBA
Utilities Division
Tennessee Public Utility Commission

CERTIFICATE OF SERVICE

I hereby certify that on this 8th day of July 2026, a true and exact copy of the foregoing has been delivered electronically via E-mail to the following persons:

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

Mr. Clay Good
Vice Chairman
Tennessee Public Utility Commission
Andrew Jackson Building
502 Deaderick Street
Nashville, TN 37243

Mr. Mark Martin
Vice President of Rates and Regulatory Affairs
Atmos Energy Corporation
810 Crescent Centre Drive, Suite 600
Franklin, TN 37067-6226

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

Grace Vinson

Grace Vinson, MBA

EXHIBIT A

COMPLIANCE AUDIT REPORT

OF

ATMOS ENERGY CORPORATION

WEATHER NORMALIZATION ADJUSTMENT (WNA) RIDER

Docket No. 26-00020

TENNESSEE PUBLIC UTILITY COMMISSION

UTILITIES DIVISION

July 2026

COMPLIANCE AUDIT

ATMOS ENERGY CORPORATION

WEATHER NORMALIZATION ADJUSTMENT (WNA) RIDER

DOCKET NO. 26-00020

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ATTACHMENT 1: WEATHER NORMALIZATION ADJUSTMENT RIDER TARIFF

COMPLIANCE AUDIT

ATMOS ENERGY CORPORATION

WEATHER NORMALIZATION AUDIT (WNA)

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 2025 and April 2026. As a result of the WNA Rider, the Company **surcharged a net $3,295,798.03 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 two (2) findings regarding the WNA calculations, showing that the Company **under-collected a net $47,469.54** from customers. See Section VI for a discussion of the Staff's findings and the Company's responses. Except for the findings 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 Rate Review Mechanism (ARRM) filing; and

(3) the Company's calculation of the WNA factors to Staff's calculations.[1]

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 Vinson of the Utilities Division conducted this audit.

[1] Weather Normalization Adjustment (WNA) Rider, 14th Revised Sheet No. 51, effective June 1, 2025 (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[2] 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.[3]

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.

[2] 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.
[3] Weather data is published monthly by NOAA.

In recognition of this fact, on September 26, 1991, the Tennessee Public Service Commission[4] ("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.[5] 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.[6]

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.

[4] 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).

[5] *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).

[6] 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 2025 – 2026 heating season, in each of its four service areas.[7] Overall, during the past winter, the weather was 6.09% warmer in the Bristol area, 13.34% warmer in the Knoxville area, 15.92% warmer in the Nashville area, and 10.65% warmer in the Paducah area compared to normal weather.

Bristol:

Month	Actual Heating Degree Days	Normal Heating Degree Days	Warmer/Colder than Normal
September 2025	17	33	Warmer
October 2025	258	248	Colder
November 2025	528	551	Warmer
December 2025	766	781	Warmer
January 2026	927	863	Colder
February 2026	736	676	Colder
March 2026	337	522	Warmer
April 2026	133	268	Warmer
Total	3,702	3,942	6.09% Warmer

Knoxville:

Month	Actual Heating Degree Days	Normal Heating Degree Days	Warmer/Colder than Normal
September 2025	0	17	Warmer
October 2025	151	174	Warmer
November 2025	421	462	Warmer
December 2025	652	690	Warmer
January 2026	801	798	Colder
February 2026	598	606	Warmer
March 2026	222	428	Warmer
April 2026	72	191	Warmer
Total	2,917	3,366	13.34% Warmer

[7] 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 (KTYS) 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 2025	2	8	Warmer
October 2025	111	155	Warmer
November 2025	352	442	Warmer
December 2025	643	676	Warmer
January 2026	854	786	Colder
February 2026	523	597	Warmer
March 2026	206	420	Warmer
April 2026	55	182	Warmer
Total	2,746	3,266	15.92% Warmer

Paducah:

Month	Actual Heating Degree Days	Normal Heating Degree Days	Warmer/Colder than Normal
September 2025	8	25	Warmer
October 2025	160	209	Warmer
November 2025	454	510	Warmer
December 2025	779	792	Warmer
January 2026	1,021	895	Colder
February 2026	651	695	Warmer
March 2026	275	492	Warmer
April 2026	82	221	Warmer
Total	3,430	3,839	10.65% 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 $1,614,300.94** and commercial customers were **surcharged $1,681,497.09**. This equates to an increase in residential sales revenues of 13.4% and an increase in commercial sales revenues of 24.6% (See Table 1). This surcharge is an increase from the amount surcharged during the previous year, when residential and commercial customers were surcharged **$1,423,562.26** and **$1,349,496.92**, respectively. (See Table 2 for a comparison of the last three heating seasons.)

Table 1

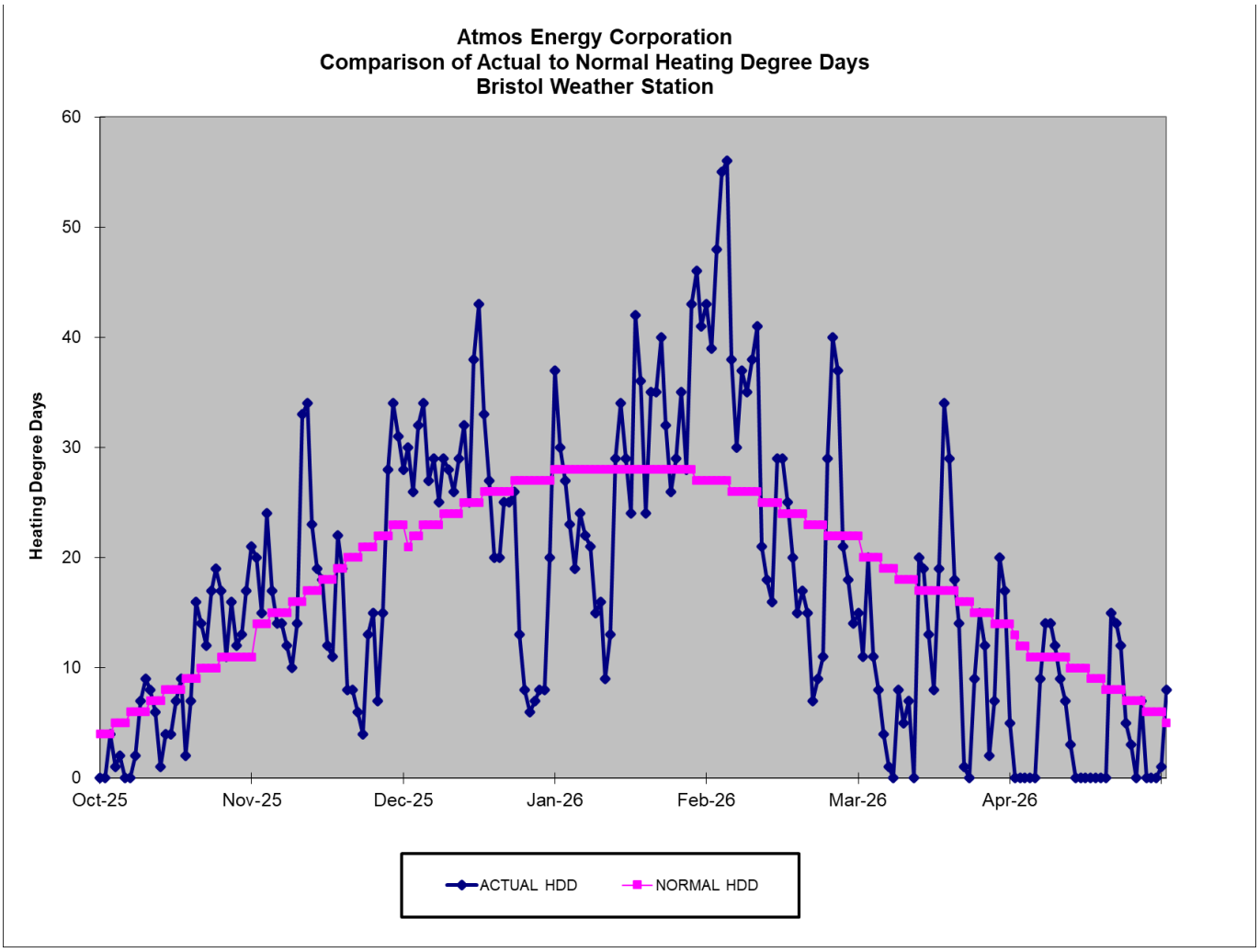
Impact of WNA Rider on Residential & Commercial Revenues
October 2025 - April 2026

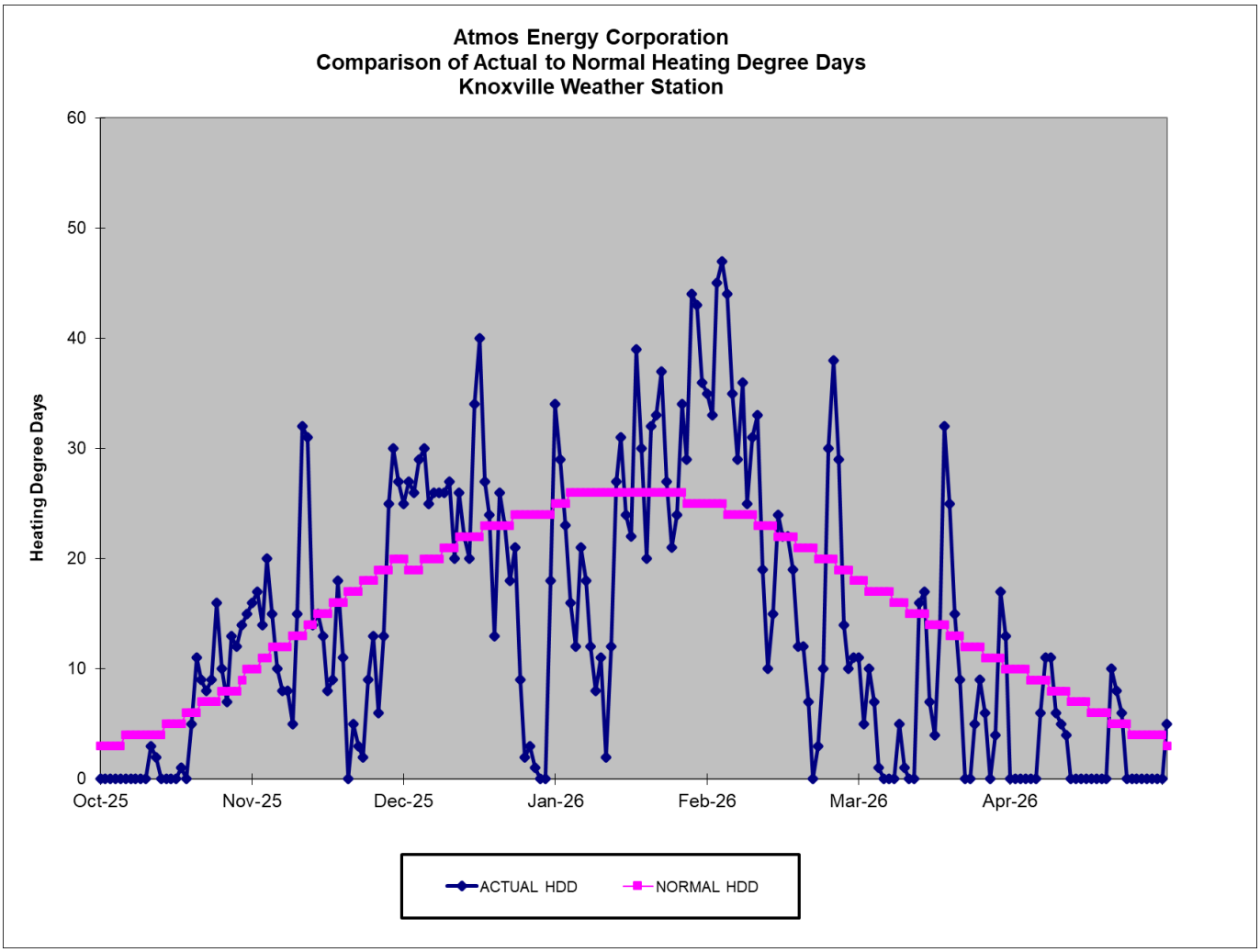
	WNA Rider Revenues	Total Revenues	Percentage Impact of WNA Rider on Revenues
Residential Sales	$1,614,301	$93,395,691	1.73%
Commercial Sales	1,681,497	60,117,618	2.80%
Total	$3,295,798	$153,513,310	2.15%

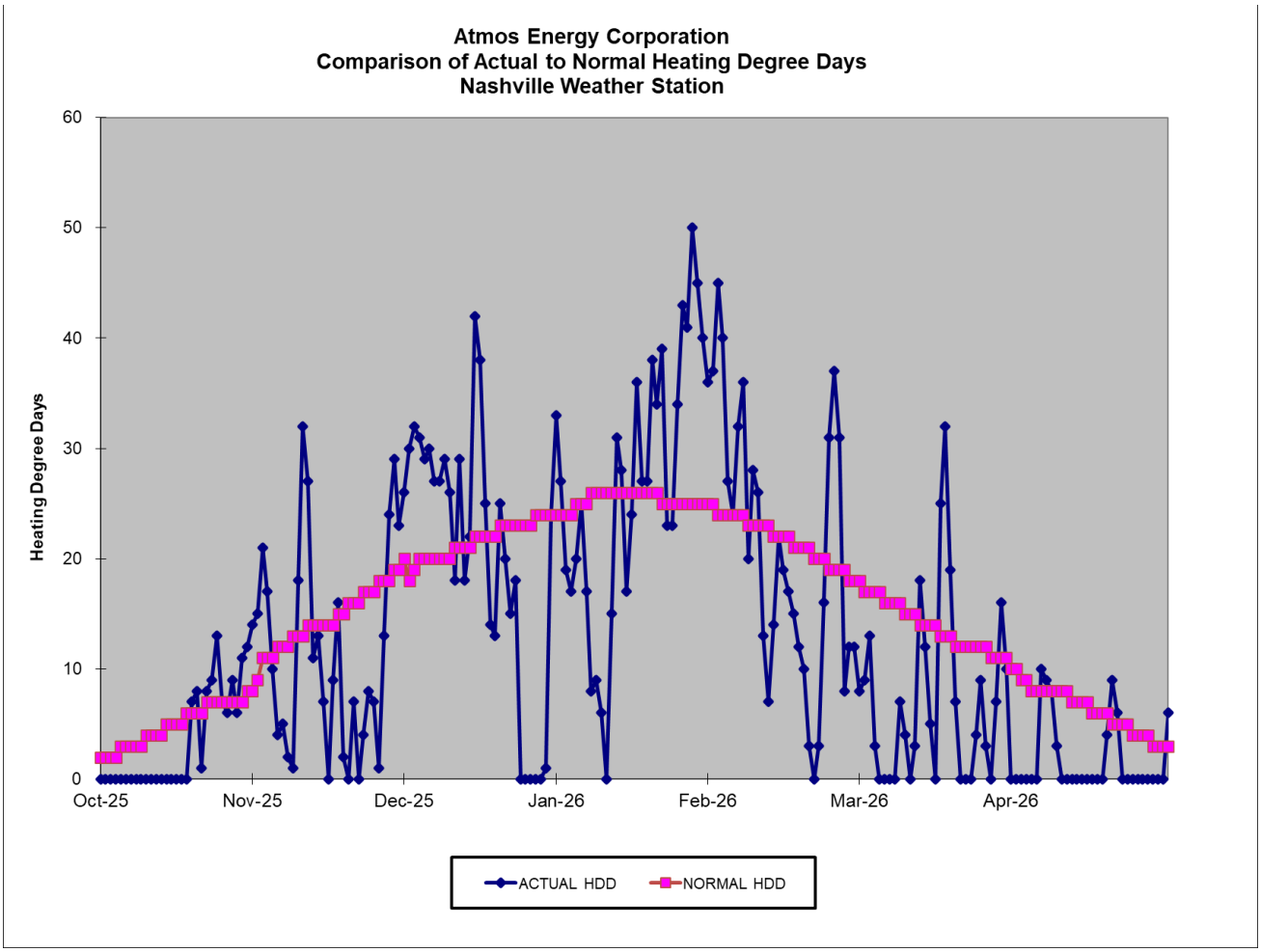
Table 2

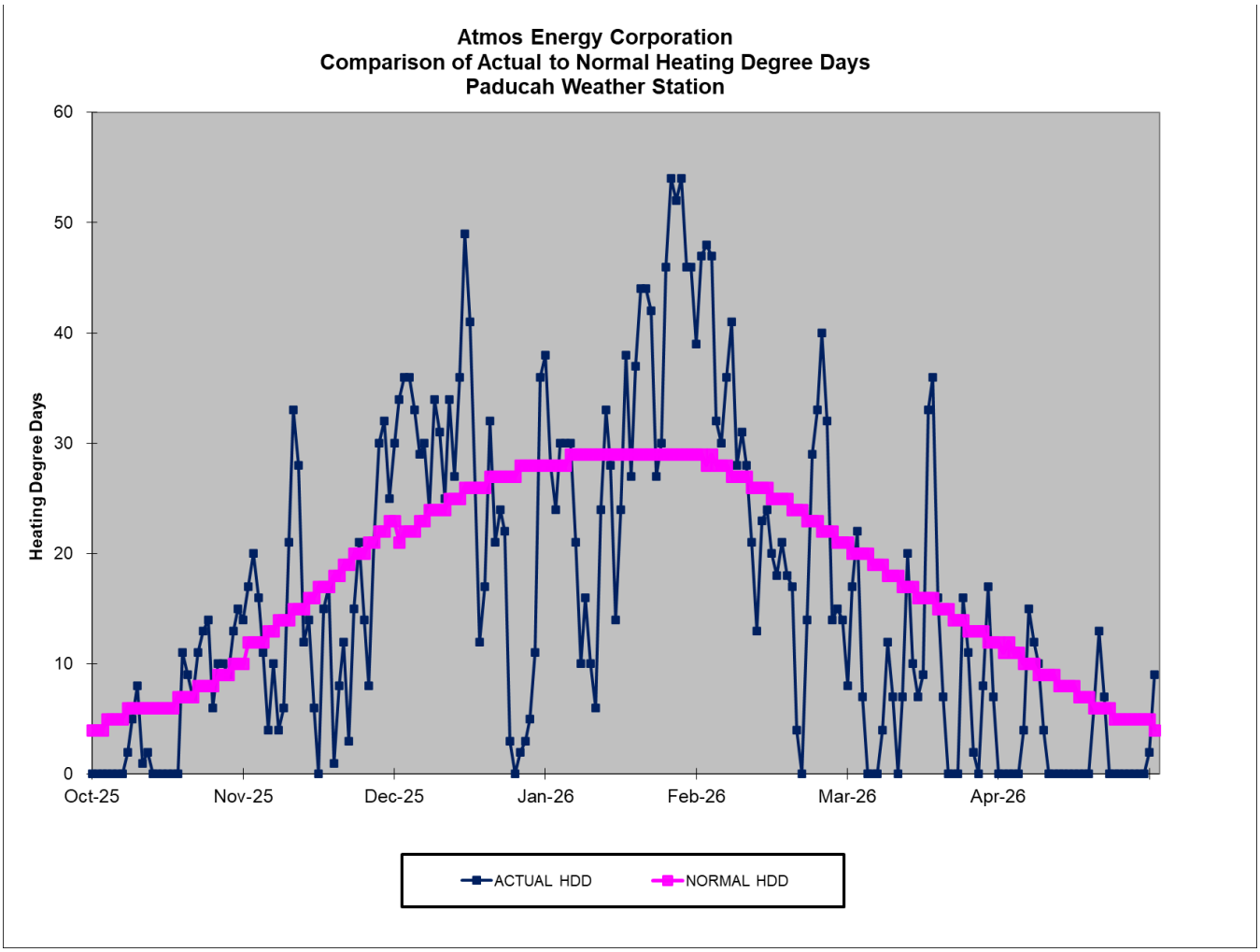
Amount Surcharged (Refunded)
2023 - 2026

	Residential	Commercial	Total Surcharge/(Refund)
10/23-4/24	1,514,679	1,551,225	3,065,904
10/24-4/25	1,423,562	1,349,497	2,773,059
10/25-4/26	1,614,301	1,681,497	3,295,798
Total	$ 4,552,542	$ 4,582,219	$ 9,134,761


Atmos Energy Corporation
Comparison of Actual to Normal Heating Degree Days
Bristol Weather Station
Heating Degree Days
60
50
40
30
20
10
0
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26
ACTUAL HDD
NORMAL HDD


Atmos Energy Corporation
Comparison of Actual to Normal Heating Degree Days
Knoxville Weather Station
Heating Degree Days
60
50
40
30
20
10
0
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26
ACTUAL HDD
NORMAL HDD


Atmos Energy Corporation
Comparison of Actual to Normal Heating Degree Days
Nashville Weather Station
Heating Degree Days
60
50
40
30
20
10
0
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26
ACTUAL HDD
NORMAL HDD


Atmos Energy Corporation
Comparison of Actual to Normal Heating Degree Days
Paducah Weather Station
Heating Degree Days
60
50
40
30
20
10
0
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26
ACTUAL HDD
NORMAL HDD

VI. WNA AUDIT FINDINGS

The Staff's audit findings, which resulted in an under-recovery of $47,469.54 in 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 five (5) days for the Bristol weather station, two (2) days for the Knoxville weather station, two (2) days for the Nashville weather station, and one (1) days for the Paducah weather station for a total of ten (10) weather observations. These inaccuracies are due to differences in daily heating degree days published in NOAA's Local Climatological Data report[8] and the daily heating degree days used by the Company in calculating its WNA factors.[9] 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.

Weather Station/ Date	NOAA Actual Degree Days	Company Actual Degree Days	Difference
Bristol:			
11/2/2025	15	14	1
12/19/2025	20	22	-2
1/7/2026	15	13	2
1/15/2026	42	41	1
4/29/2026	1	0	1
		Total	3

[8] This published report is the official data supplied by NOAA as of June 16, 2026, and is the standard that the Staff uses to audit the Weather Normalization Adjustment Rider.
[9] See Tables below for detail of the differences.

Weather Station/ Date	NOAA Actual Degree Days	Company Actual Degree Days	Difference
Knoxville:			
11/24/2025	13	11	2
12/19/2025	26	25	1
		Total	3

Weather Station/ Date	NOAA Actual Degree Days	Company Actual Degree Days	Difference
Nashville:			
12/22/2025	18	20	-2
1/2/2026	17	15	2
		Total	0

Weather Station/ Date	NOAA Actual Degree Days	Company Actual Degree Days	Difference
Paducah:			
3/7/2026	4	3	1
		Total	1

These actual heating degree day differences resulted in a **net** over-recovery of $8,175.13 in WNA revenues.[10]

Recommendation

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

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 $8,175.13 net over-recovery is a reasonable assessment of the impact of these billing inaccuracies for the 2025-2026 heating season. We agree to include this correction in the next ACA filing as recommended.

[10] The net under-recovery is comprised of $3,630.23 over-recovery for Bristol, $4,290.29 over-recovery for Knoxville, $47.81 under-recovery for Nashville, and $302.42 over-recovery for Paducah.

[11] Approximately (0.004) refund per customer per month, based on the number of customers reported in the Company's March 2026 3.03 monthly report.

FINDING #2:

Exception

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

Discussion

Normal daily heating degree days (NDD) to be used in the calculation of the WNA factors are established based on the most recent available thirty (30) year average of weather data. Originally, recalculation of normal heating degree days took place within the context of a rate case filing. Atmos, however, now has an annual rate review mechanism (ARRM) that provides for a revision of its rates annually based on current income, expense, and capital investment data. This includes an update to its WNA Heat Use/Base Use factors and normal degree days. Staff used the most updated NDD from Docket 25-00007 in its audit of the WNA factor calculations.

Staff notes that the Company made a change to the officially recognized normal heating degree days for November. This adjustment was implemented on December 1, 2025, indicating that the Company updated its weather normalization inputs after the initial values had already been applied in earlier WNA factor calculations.

Audit results showed that Atmos used normal heating degree days that were different from those provided on seventeen (17) days for the Bristol weather station, eighteen (18) days for the Knoxville weather station, twenty-five (25) days for the Nashville weather station, and nineteen (19) days for the Paducah weather station for a total of seventy-nine (79) weather observations.

Weather Station/ Date	Docket 25-00007 Normal Degree Days	Company Normal Degree Days	Difference
Bristol:			
10/4/2025	5	4	1
10/7/2025	6	5	1
10/11/2025	7	6	1
10/14/2025	8	7	1
10/18/2025	9	8	1
10/21/2025	10	9	1
10/25/2025	11	10	1
11/1/2025	14	11	3
11/4/2025	15	14	1
11/8/2025	16	15	1
11/11/2025	17	16	1
11/14/2025	18	17	1
11/17/2025	19	18	1
11/19/2025	20	19	1
11/22/2025	21	20	1
11/25/2025	22	21	1
11/28/2025	23	22	1
		Total	19

Weather Station/ Date	Docket 25-00007 Normal Degree Days	Company Normal Degree Days	Difference
Knoxville:			
10/1/2025	3	2	1
10/6/2025	4	3	1
10/14/2025	5	4	1
10/18/2025	6	5	1
10/21/2025	7	6	1
10/25/2025	8	7	1
10/29/2025	9	8	1
10/30/2025	10	9	1
11/2/2025	11	10	1
11/4/2025	12	11	1
11/8/2025	13	12	1
11/11/2025	14	13	1
11/13/2025	15	14	1
11/16/2025	16	15	1
11/19/2025	17	16	1
11/22/2025	18	17	1
11/25/2025	19	18	1
11/28/2025	20	19	1
		Total	18

Weather Station/ Date	Docket 25-00007 Normal Degree Days	Company Normal Degree Days	Difference
Nashville:			
9/16/2025	0	1	-1
9/17/2025	0	1	-1
9/18/2025	0	1	-1
9/19/2025	0	1	-1
9/20/2025	0	1	-1
9/21/2025	0	1	-1
9/22/2025	0	1	-1
9/23/2025	0	1	-1
10/5/2025	3	2	1
10/10/2025	4	3	1
10/14/2025	5	4	1
10/18/2025	6	5	1
10/22/2025	7	6	1
10/30/2025	8	7	1
11/01/2025	9	8	1
11/2/2025	11	9	2
11/5/2025	12	11	1
11/8/2025	13	12	1
11/11/2025	14	13	1
11/17/2025	15	14	1
11/19/2025	16	15	1
11/22/2025	17	16	1
11/25/2025	18	17	1
11/28/2025	19	18	1
11/30/2025	20	19	1
		Total	10

Weather Station/ Date	Docket 25-00007 Normal Degree Days	Company Normal Degree Days	Difference
Paducah:			
10/1/2025	4	3	1
10/4/2025	5	4	1
10/8/2025	6	5	1
10/18/2025	7	6	1
10/22/2025	8	7	1
10/26/2025	9	8	1
10/29/2025	10	9	1
11/1/2025	12	10	2
11/5/2025	13	12	1
11/7/2025	14	13	1
11/10/2025	15	14	1
11/13/2025	16	15	1
11/15/2025	17	16	1
11/18/2025	18	17	1
11/20/2025	19	18	1
11/22/2025	20	19	1
11/25/2025	21	20	1
11/27/2025	22	21	1
11/29/2025	23	22	1
		Total	20

These normal heating degree day differences resulted in a **net under-recovery of $55,644.67** in WNA revenues.[12] Staff's calculation of the normal heating degree day (NDD) revenue difference is based on the Company's confirmation that the NDD differences occurring in November, as discussed above, were corrected beginning with the first billing cycle of December (December 1, 2025). Accordingly, Staff's calculation includes only the impacts through the November billing cycles and excludes any bills rendered on or after December 1, 2025.

Recommendation

Based on the immaterial amount of the net under-recovery on a per customer basis,[13] Staff recommends that this under-recovery be added to the Company's Actual Cost Adjustment (ACA) Account Balance in the next ACA audit filed with the Commission.

Company Response

The Company agrees that $55,644.67 net under-recovery is a reasonable assessment of the impact of these billing inaccuracies for the 2025-2026 heating season. We agree to include this correction in the next ACA filing as recommended.

[12] The net under-recovery is comprised of $22,040.66 under-recovery for Bristol, $15,226.48 under-recovery for Knoxville, $16,338.65 under-recovery for Nashville, and $2,038.88 under-recovery for Paducah.

[13] Approximately $0.027 per customer per month, based on the number of customers reported in the Company's March 2026 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 two findings 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 is 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 under-recovery of $47,469.54 in its next available Actual Cost Adjustment filing with the Commission. Atmos has agreed to do so.**

Staff can report that the $34,396.79 over-recovery (over-collection) reported in WNA Docket No. 25-00044 has been credited to the ACA Account in Atmos' Actual Cost Adjustment filing (Docket No. 25-00068) covering the period July 2024 to June 2025.

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

ATMOS ENERGY CORPORATION

Applies to Service Areas Other than Union City, Tennessee

WEATHER NORMALIZATION ADJUSTMENT (WNA) RIDER (Continued)

HSF_i = heat sensitive factor for the i^{th} 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_i = base load sales for the i^{th} 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

	Residential/PA		Commercial/Small Industrial		
	Base use Ccf	Heat use Ccf/HDD	Base use Ccf	Heat use Ccf/HDD	
Town					
Union City	5.23	.152635	91.85	.543855	R, I, R, I
Columbia	11.40	.161954	124.90	.608646	R, I, R, I
Shelbyville					
Franklin					
Murfreesboro					
Maryville	8.11	.126655	110.67	.734436	I, I, I, I
Morristown					
Johnson City	7.67	.122539	112.16	.660128	R, I, R, I
Elizabethton					
Kingsport					
Greeneville					
Bristol					