

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WESTERN KENTUCKY)
GAS COMPANY, A DIVISION OF ATMOS ENERGY)
CORPORATION, FOR APPROVAL OF A) CASE NO. 99-059
STATISTICAL SAMPLE METER TEST PLAN FOR)
POSITIVE DISPLACEMENT METERS PURSUANT)
TO 807 KAR 5:022, SECTION 8(5)(C))

O R D E R

On April 19, 1999, Western Kentucky Gas Company (WKG) filed an application requesting approval of a statistical sample meter test plan for positive displacement gas meters pursuant to 807 KAR 5:022, Section 8(5)(c). On June 1, 1999, WKG filed a revised plan pursuant to the informal conference between WKG and Commission Staff on April 30, 1999. The plan is based on American National Standard for Sampling Procedures and Tables for Inspection by Attributes (ANSI Z1.4). WKG has requested to test samples of new or remanufactured gas meters under the terms of the revised plan in lieu of 100 percent testing required under the regulation.

After consideration of the record, Commission Staff is prepared to recommend to the Commission that WKG s application pursuant to 807 KAR 5:022, Section 8(5)(c) for approval of a statistical sample meter test plan be denied for the following reasons:

1. WKG s plan will not institute a sample to test new meters.
2. WKG s plan will test residential gas meters in year ten as the initial year for testing in lieu of year one. WKG will not be able to establish records for the meters installed during its proposed five year pilot plan.

3. WKG's plan is deviating from a random selection of samples. WKG is proposing to include meters removed for other reasons during normal operations as a substitute for the random number generated by random generation program.

4. WKG's plan established group size more than 10,000 meters. The Commission has limited the group size for other plans to 10,000 meters to control the limiting quality and the value of customer's risk within the required parameters.

5. WKG's plan is not clear in specifying the changes to the inspection parameters. WKG used a general statement as referring to the broad spectrum of ANSI Z1.4 Standard.

6. WKG's plan has not established a clear removal program for meters which fail in testing. The plan is changing the inspection level from one to another rather than removal of bad meters.

7. WKG's plan excludes the obsolete meter types from the program.

8. WKG's plan has not confirmed that the plan will not change the safety programs such as the inspection of safety regulators, curb boxes and other safety issues conducted during periodic meter testing.

WKG estimates annual savings of approximately \$319,730 from implementing the statistical sample meter test plan, as compared to the costs of current periodic testing.

IT IS HEREBY ORDERED that WKG has 10 days from the date of this Order to file a written request for a hearing. If no request for a hearing is filed, the matter will be submitted to the Commission for a decision on the record.

Done at Frankfort, Kentucky, this 24th day of June, 1999.

By the Commission

ATTEST:

Executive Director