

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)
STATISTICAL SAMPLE METER TEST PLAN FOR) CASE NO. 99-059
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 Commission on June 24, 1999, by Order, notified WKG that Commission Staff will recommend that its plan be rejected for reasons stated in the Order. The Commission on July 15, 1999, by Order, scheduled a formal hearing for October 7, 1999 and an informal conference if WKG files a second revised sample meter test plan that addresses positively each of the eight issues set out in our June 24, 1999 Order.

On August 4, 1999, WKG filed a second amended plan consistent with the similar plan previously approved by the Commission for other gas utilities.¹ WKG's plan is based on American National Standard for Sampling Procedures and Tables for

¹ WKG's amended plan is attached to its August 4, 1999 second amended application as Attachment 1.

Inspection by Attributes that corresponds to ANSI/ASQC Z1.4-1993. WKG has requested to test samples of all its gas meters under the terms of the revised plan in lieu of 100 percent testing required under 807 KAR 5:022, Section 8(5). WKG has further requested to test samples of new gas meters under the terms of the revised plan in lieu of 100 percent testing required under 807 KAR 5:022, Section 8(3)(a)1.

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.

WKG states that the safety inspection will not be changed in any way with this program.

After consideration of the record and being otherwise sufficiently advised, the Commission finds that:

1. WKG's plan should be accepted for a pilot period of 5 years.
2. WKG should file an annual report with the Commission no later than April 1 of each year under this program.
3. At the end of the 5 year pilot program, WKG will file its final evaluation and analysis of the program and whether it intends to continue with the plan in lieu of the periodic testing.
4. The formal hearing scheduled for October 7, 1999 should be cancelled.

IT IS HEREBY ORDERED that:

1. WKG's proposed statistical sample meter test plan is approved for a period of 5 years from the date of this Order. WKG shall file its final evaluation of the

plan with the Commission along with any application to continue or notice of discontinuance of the plan no later than April 1, 2004.

2. WKG is granted a deviation from 807 KAR 5:022, Section 8(3)(a)1, for new gas meters for a period of the pilot sampling test plan.

3. Within 30 days of the date of this Order, WKG shall notify the Commission of the time frame for implementation of the plan. WKG shall file the first annual report no later than April 1, 2000 and subsequent reports within 12 months.

4. The hearing set for October 7, 1999 is cancelled.

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

By the Commission

ATTEST:

Executive Director