

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY)	
CORPORATION FOR A DEVIATION FROM)	CASE NO.
THE REQUIREMENTS OF 807 KAR 5:022,)	2005-00067
SECTION 8(4)(a) AND (b))	

O R D E R

On February 4, 2005, Atmos Energy Corporation ("Atmos Energy") filed an application requesting approval to deviate from 807 KAR 5:022, Section 8(4)(a) and (b).

By this Order we grant Atmos Energy's request.

807 KAR 5:022, Section 8(4)(a) and (b), provide, among other things, that each gas utility shall maintain a meter shop to inspect, test, and repair meters and own and maintain at least one approved bell-type meter prover of certain specifications.

Atmos Energy states that it has historically maintained a meter shop on leased property at 3064 Fairview Drive, Owensboro, Kentucky ("Fairview Facilities") and that the lease on this property will expire on June 30, 2005. Atmos Energy states that its best interest and that of its ratepayers would be served by outsourcing all its meter testing rather than purchasing or leasing another facility to accommodate a meter shop. Atmos Energy states that, while it has maintained testing facilities at the Fairview Facilities, only a small portion of its testing has been performed there in recent years, and that all other testing has been outsourced to Columbia Gas of Ohio. It further states that since 1998 no employees have been assigned to meter testing at the Fairview Facilities and that all testing performed there has been conducted by contract labor.

Atmos Energy states that it plans to outsource the majority of its meter testing and meter repair to Mississippi Valley Gas (“Mississippi Gas”), a division of Atmos Energy, located in Jackson, Mississippi. It plans to employ Tucker Meter Service (“Tucker”) of Utica, Kentucky to perform all local testing. It explains that Tucker will perform all tests that a customer wishes to attend, all tests performed on new meters supplied by manufacturers, and random tests of the meters tested by Mississippi Gas.

The Commission, having reviewed the request of Atmos Energy and being otherwise sufficiently advised, finds that:

1. Atmos Energy engages in the distribution of natural gas to the public for compensation and is, therefore, a utility subject to Commission jurisdiction. KRS 278.010(3)(b).

2. 807 KAR 5:022, Section 18, authorizes the Commission, upon a showing of good cause, to approve the deviations requested by Atmos Energy herein.

3. 807 KAR 5:006, Section 16, provides that a utility may have all or part of its testing of meters performed by another utility or agency approved by the Commission.

4. The bell prover used by Tucker is an American Meter Company type with Serial No. 3455.

5. The facilities, equipment, and employees of Tucker have been certified by the Commission.

6. The bell prover used by Mississippi Gas is an American Meter Company type with Serial No. 3604.

7. The facilities, equipment, and employees of Mississippi Gas have been certified by the Commission.

8. Atmos Energy estimates that relocating operations to a new location would cost approximately \$50,000.

9. Atmos Energy estimates that rent and utilities at a new location would be \$30,000 to \$40,000 per year.

10. Good cause has been shown to grant the requested deviations from 807 KAR 5:022, Section 8(4)(a) and (b).

IT IS THEREFORE ORDERED that Atmos Energy is granted approval to deviate from the requirements of 807 KAR 5:022, Section 8(4)(a) and (b).

Done at Frankfort, Kentucky, this 16th day of June, 2005.

By the Commission

ATTEST:



Executive Director