



June 17, 2004

Honorable Beth O'Donnell, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602

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PUBLIC SERVICE
COMMISSION

**Subject: The Application of Atmos Energy Corporation For
Approval of a Permanent Meter Sampling Test Program,
Case No. 2004-00121**

Dear Ms. O'Donnell:

Enclosed are one original and eight copies of Atmos Energy's responses to the First Data Request of Commission Staff in the above-referenced Case.

Please contact me at your earliest convenience should the Commission or Staff have any further questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary L. Smith".

Gary L. Smith
Vice President, Marketing & Regulatory Affairs

Enclosures

Cc: M. R. Hutchinson

Atmos Energy Corporation
Case No. 2004-00121
First Data Request of Commission Staff - Dated June 8, 2004
DR Item 1
Witness: John Willis

Data Request:

1. Atmos states in its application that it does not believe that a separate or additional deviation from 807 KAR 5:006, Section 25(b), is required. Explain why Atmos does not believe a separate or additional deviation is required.

Response:

1. 807 KAR 5:006 25(5)(b) requires individual customer service regulators, vents and relief valve vents to be checked at intervals not to exceed the periodic meter test intervals. Atmos believes the intent of this regulation is to assure that the time intervals for inspections of regulators would track the time intervals in place for testing of meters. Thus, as changes occur in the requirements for when and how meters must be tested, the testing requirements of 807 KAR 5:006, Section 25 (5)(b) for regulators necessarily change since those requirements are tethered to the testing requirements for meters.

However, as Atmos stated in its Application in this proceeding, if the Commission believes a separate deviation for 807 KAR 5:006 25(5)(b) is required or appropriate, Atmos would request a separate deviation.

ORIGINAL

Atmos Energy Corporation
Case No. 2004-00121
First Data Request of Commission Staff - Dated June 8, 2004
DR Item 2
Witness: John Willis

Data Request:

2. State whether Atmos, under the current sample meter plan, has been inspecting the regulator pursuant to 807 KAR 5:006, Section 25(b).

Response:

2. Yes. Atmos believes it has complied with 807 KAR 5:006, Section 25(b) which states "At intervals not to exceed the periodic meter test intervals, individual customer service regulators, vents and relief valves shall be checked for satisfactory operation."

The required regulator inspections have been conducted at the meter test intervals. In seeking approval of the pilot program in Case 1999-059, Atmos stated that the regulator inspection "interval will change to coincide with the frequency of meter change outs."

Atmos Energy Corporation
Case No. 2004-00121
First Data Request of Commission Staff - Dated June 8, 2004
DR Item 3
Witness: Barry Wigginton

Data Request:

3. State the type of service regulators Atmos uses in its gas distribution system.

Response:

3. Atmos has purchased service regulators of various types over the past ten (10) years, including Fisher S102, Fisher S402, Fisher S252 and American 1813 regulators. Since 2001, Atmos has exclusively purchased American 1813 service regulators. All the above-mentioned regulators have full internal pressure relief capability.

Atmos Energy Corporation
Case No. 2004-00121
First Data Request of Commission Staff - Dated June 8, 2004
DR Item 4
Witness: Barry Wigginton

Data Request:

4. State the type and the number of service regulators installed inside the premises of Atmos's customer.

Response:

4. Atmos has no service regulators located inside the customers' premises.

Atmos Energy Corporation
Case No. 2004-00121
First Data Request of Commission Staff - Dated June 8, 2004
DR Item 5
Witness: Barry Wigginton

Data Request:

5. Is there a lockup device in each type of service regulator to cut the gas on low or high pressure? Explain in detail.

Response:

5. In distribution systems, Atmos utilizes the service regulators outlined in the Company's response to DR Item 3 of this Data Request to regulate distribution pressure to the customers' utilization pressure. All of these regulators are equipped with internal relief devices to protect a customer from overpressure.

The only application whereby Atmos uses a service regulator with a lockup device is for customers served from storage field pipeline systems. The low pressure cut off is utilized when pressure becomes low from storage operations and requires a manual reset to restore service to the customer.

Atmos Energy Corporation
Case No. 2004-00121
First Data Request of Commission Staff - Dated June 8, 2004
DR Item 6
Witness: Barry Wigginton

Data Request:

6. State the number and type of regulators that have been replaced annually by Atmos for the last 10 years.

Response:

6. The requested data is as follows:

<u>Year</u>	<u>Regulators Tested</u>	<u>Estimated # of Regulators Replaced</u>
1994	16,771	8,385
1995	17,451	8,725
1996	19,500	9,750
1997	16,982	8,491
1998	14,036	7,018
1999	5,714	2,857
2000	7,602	97
2001	6,432	82
2002	6,382	70
2003	5,851	86

Prior to 1999, Atmos's policies specified that all regulators that were over ten (10) years old were to be removed and rebuilt in the Meter Shop before being returned to service. Beginning in mid-1999, only regulators that failed the set-point and lockup test were removed from service.

Atmos Energy Corporation
Case No. 2004-00121
First Data Request of Commission Staff - Dated June 8, 2004
DR Item 7
Witness: Barry Wigginton

Data Request:

7. Provide the percentage of regulators on Atmos's system that have full relief valves.

Response:

7. All (100%) of Atmos's service regulators have full capacity internal reliefs.

Atmos Energy Corporation
Case No. 2004-00121
First Data Request of Commission Staff - Dated June 8, 2004
DR Item 8
Witness: John Willis

Data Request:

8. What is the longest period that a residential customer's regulator, vent or relief valve could go without inspection if a deviation from 807 KAR 5:006, Section 25(b), is granted?

Response:

8. Under the current meter sampling program, the longest period a regulator, vent or relief valve could go without inspection is 35 years.