

MARK R. HUTCHINSON

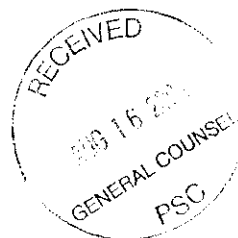
Attorney at Law

2207 Frederica Street
Owensboro, Kentucky 42301
E-Mail: mrhutchlaw@aol.com

Telephone No:
(270) 926-5011

Fax No:
(270) 926-9394

August 13, 2004



RECEIVED

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PUBLIC SERVICE
COMMISSION

Anita Mitchell
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

RE: Application of Atmos Energy Corporation for Approval of A Permanent
Statistical Meter Sampling Program
Case No. 2004-00121

Dear Anita:

I am enclosing herewith the supplemental information which was requested by members of the staff at the informal conference we had concerning the above referenced case. Please enter this in the official record. I am enclosing eleven (11) copies. If any further information is needed, please do not hesitate to call me. Thanks.

Very truly yours,

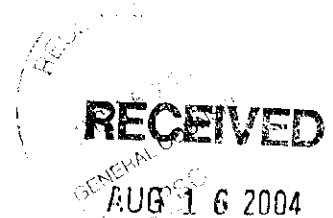
A handwritten signature in cursive script that reads "Mark R. Hutchinson".

Mark R. Hutchinson

MRH:bkk

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION



IN THE MATTER OF:

The Application of Atmos Energy Corporation)
For Approval of a Permanent Statistical)
Meter Sampling Test Program) Case No. 2004-00121

PUBLIC SERVICE
COMMISSION

SUPPLEMENTAL INFORMATION REQUESTED BY COMMISSION STAFF
AT INFORMAL CONFERENCE

Supplemental Information Request #1:

Describe the safety features of the regulators used by Atmos and explain how they would operate in the event of a malfunction.

ANSWER: Unlike some regulators, all of Atmos' regulators are designed to provide full capacity internal relief in the event of a malfunction. This is accomplished by combining the regulator's normal relief mechanism (the outside relief vent) with the smallest available orifice on the inlet side. The orifice necessarily limits the maximum flow rate of gas that can flow into a service regulator. All regulators used by Atmos are limited to a 1/8 inch orifice.

By utilizing a 1/8 inch orifice, in the event of a failure of one of its service regulators, the maximum pressure that gas could enter a customer's piping would be 1-1/2 pounds (see Relief Capacity Chart – Figure 8 on the manufacture's specifications, a copy of which is attached), with all remaining gas being vented into the atmosphere by the relief vent.

Although the normal pressure on Atmos' system is only about 20 to 40 pounds, this 1-1/2 pound maximum pressure that gas could enter a customer's piping in the event of a total malfunction of a regulator, assumes the maximum condition of 60 pounds inlet pressure. This is well above the normal operating pressure on Atmos' system. In other words, even assuming a worst case possible scenario of 60

pounds inlet pressure, by utilization of the 1/8 inch orifice, the maximum possible pressure that gas could enter a customer's piping as a result of a malfunctioning regulator would be 1-1/2 pounds. Referencing section 5.9 of the National Fire Protection Association's "National Fuel Gas Code", limiting any possible overpressure to 2 to 2-1/2 pounds for residential and commercial utilization is accepted to be adequate.

All remaining gas flow is released through the relief vent into the atmosphere. All gas is odorized and therefore readily detectible to anyone in the vicinity.

Supplemental Information Request #2:

How often are Atmos' regulators inspected by company personnel?

Atmos' personnel are on every customer's property for a leak survey at least once each five (5) years and normally once each three years. Additionally, Atmos' meter readers are also routinely on a customer's property and would be in a position to detect a malfunctioning regulator by the smell of odorized gas and the sound of the gas releasing to the atmosphere.

Supplemental Information Request #3:

You have provided historic information to the Commission as to the number of regulators in Atmos' system which had "failed" and had been replaced. Please explain the meaning of "failed".

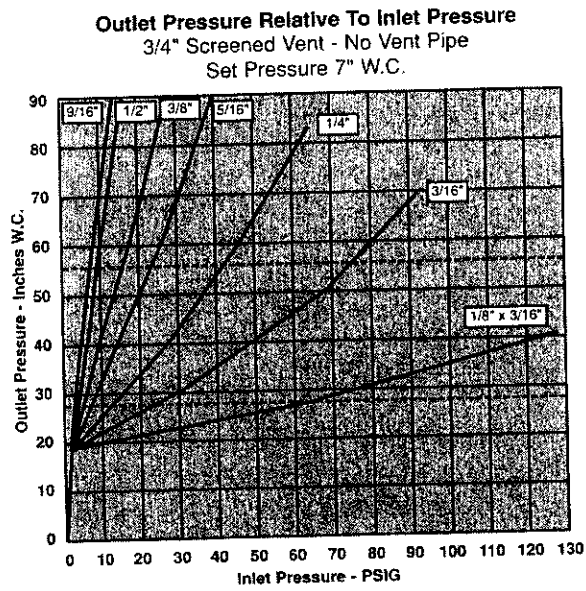
ANSWER: In prior submittals, information has been supplied related to the replacement of service regulators in Atmos' system. The word "failed" was used. However, the word "failure" was not used in the sense that a malfunction had occurred in connection with a regulator such that a relief vent had activated; rather, the word "failed" simply meant that a particular regulator did not satisfy minimum company imposed tolerance levels for maintaining the outlet pressure setting (in Atmos' case, 6-1/2 to 7-1/2 inches of water column). An "out of tolerance" regulator (i.e. does not meet the minimum set points) does not mean that the regulator is unsafe or that it creates a safety risk. It simply reflects an unacceptable level of measurement accuracy.

Witness: John Willis

1800B2 Service Regulators

1800B2 Regulator Relief Valve Performance

There are several methods of measuring the relief performance of a regulator. For the 1800B2 service regulator, the worst case scenario will occur when the lever is disconnected. The data presented in the tables below represent this condition.



Source:

American Meter Company, 1800B2 Service Regulators Bulletin Number SB-8510.3 (Revised 10/94)