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FEB 04 2005

PUBLIC SERVICE
COMMISSION

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February 2, 2005

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

Case 2005-00067

RE: Application of Atmos Energy Corporation for a
Deviation

Dear Ms. O'Donnell:

I am enclosing herewith an original, plus ten (10) copies of an Application of Atmos Energy for Deviation. If you have any questions or need anything further, please advise.

Very truly yours,



Mark R. Hutchinson

MRH:bkk

Enclosures

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FEB 04 2005
PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

Application of Atmos Energy Corporation)
For a Deviation From the Requirements of) Case No.
807 KAR 5:022, Section 8 (4)(a) and (b)) 2005-00067

APPLICATION FOR DEVIATION

Comes Atmos Energy Corporation ("Atmos Energy"), and respectfully requests the Commission to grant it a deviation from the requirements of 807 KAR 5:022, Section 8 (4)(a) and (b). In support of this application, Atmos Energy states as follows:

(1) In compliance with 807 KAR 5:022, Section 8 (4)(a) and (b) Atmos Energy has historically maintained a meter shop to inspect, test and repair its meters, said facility being located at 3064 Fairview Drive, Owensboro, Kentucky (the "testing facility"). In recent years, Atmos Energy has tested a portion of its meters at this location and has outsourced all others to Columbia Gas of Kentucky ("Columbia"). Atmos Energy's lease on its testing facility will expire as of June 30, 2005.

(2) Rather than purchase or lease another facility to house a meter testing and repair shop, Atmos Energy has determined it would be in its best interest and in the best interest of its ratepayers to outsource all of the testing and repair of its meters and has elected to outsource this work to a different company. The name and address of the company Atmos Energy intends to outsource its meter testing and repair work to is Mississippi Valley Gas Company ("Mississippi Valley"), also a Division of Atmos Energy, 4155 Industrial Drive, Jackson, Mississippi.

(3) Tucker Meter Service of 6661 Ehoroeau Drive, Utica, Kentucky 42376 ("Tucker") will be used locally for testing for any meter which a customer requests to observe being tested and for any meter Atmos Energy determines should be tested locally. Tucker will also perform

random testing of the meters tested by Mississippi Valley as well as new meters supplied by manufacturers.

(4) The type and serial number of the prover used by Mississippi Valley is a Prosonic Prover (Serial No. SNP079) and the prover used by Tucker is a American Bell Prover (Serial No. 3455). All employees of Mississippi Valley and Tucker who will be serving as meter testers will be certified by the Commission (the "Commission") and will be required to possess a card issued by the Kentucky Public Service Commission authorizing them to perform meter tests.

(5) Atmos Energy specifically requests a deviation from the requirements of 807 KAR 5:022 Section 8 (4)(a) which requires that every utility in the state "unless specifically excepted by the Commission" to maintain a separate meter shop to inspect, test, and repair meters. In light of the outsourcing of the testing and repair of meters described above, there is no need or reason for Atmos Energy to maintain a separate meter shop for inspection, testing and repairing of meter purposes.

(6) Mississippi Valley and Tucker will be open for inspection by the Commission staff at all reasonable times. The facilities and equipment of Tucker have heretofore been approved by this Commission. Approval of the facilities and equipment of Mississippi Valley by the Commission is pending.

(7) Atmos Energy further seeks a deviation from the requirements of 807 KAR 5:022 Section 8 (4) (b) which requires that each utility, "unless specifically excepted by the Commission" shall own and make proper provision to operate at least one (1) approved bell type meter tester.


(8) As with the meter shop, since Atmos Energy is outsourcing the inspection, testing, and repairing of its meters, there is no need for it to own and operate "at least one approved bell type meter prover". The purpose and intent of KAR 5:022 Section 8 (4)(b) are satisfied since

Mississippi Valley and Tucker each have at least one bell type meter prover that has been approved (or will be approved) by the Commission. There is no need for Atmos Energy to also own and operate such a bell type meter prover.

(9) In the event any representative of the Commission or any customer of Atmos Energy desires to witness the testing of a particular meter, this can be accomplished at the local testing facility of Tucker with no more inconvenience to the Commission or to a customer than if Atmos Energy itself owned and operated the equipment.

(10) Therefore, Atmos Energy respectfully submits that good cause has been shown for a deviation from KAR 5:022 Section 8 (4)(a) and (b) pertaining to the requirement that it maintain a meter shop to inspect, test and repair meters and to own and operate at least one approved bell type meter prover.

Respectfully submitted this 2 day of February, 2005.



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