

COMMONWEALTH OF KENTUCKY

RECEIVED

BEFORE THE PUBLIC SERVICE COMMISSION

MAY 26 2017

IN THE MATTER OF:

PUBLIC SERVICE
COMMISSION

THE APPLICATION OF ATMOS ENERGY)	
CORPORATION FOR AUTHORITY TO DEVIATE)	Case No.
FROM THE REQUIREMENTS OF 807 KAR 5:006)	2017-00169
SECTION 26(5)(A)1.C AND 5(C))	

RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION

Atmos Energy Corporation, by counsel, submits its responses to the Commission's Order of May 22, 2017.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

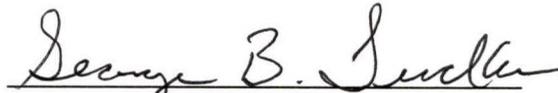
I hereby certify that on the 26 day of May, 2017, this Response, together with ten (10) copies, were hand delivered to the Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40602.



Mark R. Hutchinson

VERIFICATION

I, George B. Tucker, Manager, Compliance and state that the statements contained in the attached Responses to Data Requests are true as I verily believe.



George B. Tucker

SUBSCRIBED AND SWORN to before me by George B. Tucker, on this the 25 day of May, 2017.



Notary Public

Notary ID: 529633

My Commission Expires: 3-12-19

Atmos Energy Corporation
Kentucky
Case No. 2017-00169
Commission Staff Data Request
DR Item 1
Witness: George B. Tucker
Manager, Compliance

1. Provide an explanation of any problems found with the accessibility or operability of Atmos's curb boxes and valves on service lines, and any repairs necessitated, as a result of the last three annual inspections.

RESPONSE: Review of inspection results for the last three years indicates that very few repairs have been required. Of the 8,884 inspections from 2014 to present, 40 inspections required additional maintenance. Below are the reasons for additional maintenance:

- (22) Curb box misaligned or shifted
- (9) Unable to locate
- (6) Full of Dirt/Mud/Silt
- (2) Broken Valve
- (1) Blacktopped over

Atmos Energy Corporation
Kentucky
Case No. 2017-00169
Commission Staff Data Request
DR Item 2
Witness: George B. Tucker
Manager, Compliance

2. Provide an explanation of the equipment Atmos's service technicians employ when performing inspections of the curb boxes and valves on service lines. State whether service technicians are equipped with air compressors for curb boxes potentially filled with dirt.

RESPONSE: At time of inspection technicians are only equipped with a valve wrench or locate equipment to inspect the curb stops; currently all valves are partially operated at time of inspection. When a valve cannot be accessed or operated due to misalignment or filled with dirt/mud/silt, a breach order is issued and a vacuum truck will be dispatched or excavation will be performed by a construction crew.

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Kentucky
Case No. 2017-00169
Commission Staff Data Request
DR Item 3
Witness: George B. Tucker
Manager, Compliance

3. Provide the percentage of curb boxes and valves on service lines that were required to be excavated in order to achieve access for Atmos's last three annual inspections.

RESPONSE: Based on the information provided in response to Question 1 above, the percentage of curb boxes and valves on service lines that required excavation to achieve access for the Company's last three annual inspections was less than 1%.

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Kentucky
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Commission Staff Data Request
DR Item 4
Witness: George B. Tucker
Manager, Compliance

4. Provide an explanation of how the sample group of curb boxes and valves on service lines will be chosen in any given year to ensure that all curb boxes and valves on service lines are tested within a period of three years.

RESPONSE: We would continue to maintain annual inspections for 2017 and start the schedule of 1/3 of the total valves to be inspected in each of our offices in CY2018. All new valves installed will be added with inspection intervals to maintain 3 year inspection cycles.

Atmos Energy Corporation
 Kentucky
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 Commission Staff Data Request
 DR Item 5
 Witness: George B. Tucker
 Manager, Compliance

5. Refer to the Application, page 4.

- a. State in what counties the 3,360 curb boxes are located, how many curb boxes are in each county, whether they are in rural or relatively populated areas, and whether any are in high consequence areas.

RESPONSE: Only 3 curb stops are associated with Transmission lines in KY. Below is the listing of Curb valves by office and county:

Office	Curb Stops-Relatively populated	Total curb stops
Bowling Green	230	435
Campbellsville	162	282
Danville	230	495
Glasgow	81	245
Mayfield	48	83
Owensboro	283	750
Hopkinsville	242	529
Madisonville	84	188
Paducah	57	98
Princeton	91	172
Shelbyville	30	83

Counties	Total Curb Stops	Counties	Total Curb Stops
Anderson	3	Livingston	1
Barren	134	Logan	61
Boyle	42	Lyon	4
Breckinridge	2	Marion	61
Caldwell	34	Marshall	1
Christian	521	McCracken	96
Crittenden	126	Mclean	2
Daviess	698	Mercer	425
Edmonson	4	Muhlenberg	30
Garrard	20	Ohio	14
Graves	83	Shelby	78
Green	33	Simpson	30
Hancock	4	Taylor	108

Hart	106	Todd	6
Henderson	1	Trigg	8
Hopkins	135	Warren	345
Jefferson	2	Washington	80
Lincoln	8	Webster	54

- b. Provide a breakdown of the costs included in the \$161,280 estimated annual inspection cost, and the remaining \$53,761 cost if Atmos's request is approved and the estimated cost savings of \$107,519 per year is realized.

RESPONSE: Cost savings are based on the cost of inspection and the reduced number of inspections annually. Currently, each inspection of an individual curb valve is estimated at approximately \$48.00 (cost includes employee drive time, locating/inspection of valve and work order completion). Inspection cost of 1/3 of the current total number of valves @ \$48.00 would be \$53,760; reducing the cost of inspection by \$107,520.