

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

May 13, 2014

IN RE:

**PETITION FOR APPROVAL OF CONTRACT
METER READING HEIGHTENED
PROCEDURES WITHIN THE STATE OF
TENNESSEE**

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**DOCKET NO.
14-00022**

ORDER APPROVING PETITION

This matter came before Director Kenneth C. Hill, Director Robin Bennett and Director David F. Jones of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at the regularly scheduled Authority Conference held on April 14, 2014, for consideration of Atmos Energy Corporation's ("Atmos" or the "Company") *Petition for Approval of Contract Meter Reading Heightened Procedures Within the State of Tennessee* ("*Petition*") filed on March 7, 2014.

BACKGROUND

Between January 28, 2005 and April 7, 2005, the Consumer Services Division ("CSD") of the TRA and Atmos received a number of complaints stemming from falsified meter readings by two employees of a company with which Atmos had contracted for meter reading services. Approximately 14,055 customers were affected. Atmos terminated its contract with the meter reading company and resumed reading all meters with Atmos employees. The Company read and checked each meter and met with impacted customers in person. Atmos also removed late fees from the accounts impacted and offered payment arrangements.

The CSD began an investigation of Atmos for violation of TRA Rules 1220-4-5-.08 and 1220-4-5-.09.¹ Discussions ensued between the CSD and the Company concerning what steps Atmos would take to ensure compliance with these rules. As a result of these negotiations, CSD and Atmos entered into a Settlement Agreement, which was approved by the Directors at a regularly scheduled Authority Conference held on June 13, 2005. The Authority's Order in TRA Docket No. 05-00150 included the following provision:

Atmos shall notify the Consumer Services Division of the TRA in advance if it decides to contract out its meter reading function again in the future. If Atmos decides to enter into such contracts in the future, Atmos shall develop heightened procedures to verify the accuracy of meter readings by independent contractors. Those procedures may include spot audits of readings, periodic verification of readings by Atmos personnel and rotation of the routes read by each meter reader on a periodic basis. Atmos shall deliver to the TRA, for Authority approval, a written copy of the heightened procedures it proposes to utilize with regard to the independent contract meter readers before the independent contractors begin the meter reading. Atmos shall provide reports reflecting the independent contractor's compliance with the heightened procedures to the TRA every six (6) months during the term of any meter reading contract the Company may enter into in the future.²

THE PETITION

In compliance with the Order issued in TRA Docket No. 05-00150, Atmos filed the *Petition* on March 7, 2014, requesting approval of heightened operating procedures regarding independent contract meter readers before the meter reading begins. According to Atmos, the Company will utilize contract meter reading while transitioning to wireless meter reading state wide.³ By using contract labor, Atmos will avoid the situation of hiring an employee and then having to let them go within a year or two when the wireless infrastructure is in place.⁴

¹ TRA Rule 1220-4-5-.08 sets forth the information required to be shown on meter reading sheets or cards. TRA Rule 1220-4-5-.09 sets forth the requirements for meter reading intervals.

² *In re: Staff Investigation of Atmos Energy for Alleged Violations of Rules 1220-4-5-.08 and 1220-4-5-.09*, TRA Docket No. 05-00150, *Order Approving Settlement Agreement*, p. 5 (July 15, 2005).

³ Wayne Turner, Pre-Filed Direct Testimony, p. 2 (March 7, 2014).

⁴ *Id.* at 4.

Initially, 45,000 meters in the Middle Tennessee region (Columbia, Franklin and Murfreesboro) and 6,500 meters in the Johnson City region will be read by the independent contractor.⁵ Atmos plans to contract with Harris McBurney to provide the needed services, including performance of the heightened procedures.⁶ Atmos currently uses Harris McBurney in its Kentucky and Virginia jurisdictions for meter reading.⁷

The heightened procedures attached to the *Petition* require Harris McBurney to perform monthly meter reading audits. The audits will include each Operations Manager's area, include ten consecutive reads from selected routes and be conducted within twenty-four hours of the initial reading of the meter. Documentation of the audit will be maintained by Harris McBurney for twelve months, and be made available upon request.⁸ The procedures also outline the steps to follow in the event of incorrect readings.⁹ Additionally, Atmos will provide compliance reports to the Authority every six months during the term of any meter reading contract.¹⁰

FINDINGS AND CONCLUSIONS

During the regularly scheduled April 14, 2014 Authority Conference, the panel reviewed the proposed heightened procedures for contract meter reading and voted unanimously to approve the *Petition*. The panel also directed Atmos to submit its compliance report to the Chief of the TRA Utilities Division every six months during the term of the meter reading contract.

IT IS THEREFORE ORDERED THAT:

1. The *Petition for Approval of Contract Meter Reading Heightened Procedures Within the State of Tennessee* filed by Atmos Energy Corporation on March 7, 2014, is approved.

⁵ *Id.* at 3.

⁶ Harris McBurney is not the same contractor involved previously in TRA Docket No. 05-00150.

⁷ Wayne Turner, Pre-Filed Direct Testimony, p. 4 (March 7, 2014).

⁸ *Id.* at 4-5.


⁹ *Id.* at 5.

¹⁰ *Petition for Approval of Contract Meter Reading Heightened Procedures Within the State of Tennessee*, p. 3 (March 7, 2014).

2. Atmos Energy Corporation shall file a report reflecting the independent contractor's compliance with the heightened procedures with the Chief of the Utilities Division of the Tennessee Regulatory Authority every six months during the term of the meter reading contract.

Director Kenneth C. Hill, Director Robin Bennett and Director David F. Jones concur.

ATTEST:



Earl R. Taylor, Executive Director