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James M. Fischer
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February 28, 2001

FILED³
FEB 28 2001
Missouri Public
Service Commission

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

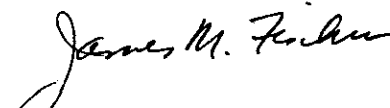
RE: *In the Matter of Associated Natural Gas Company, a division of Arkansas
Western Gas Company for a Three-Year Variance from Section (19) of 4 CSR
240-10.30, Regarding the Testing of Gas Meters, Case No. GO-98-567.*

Dear Mr. Roberts:

Pursuant to the Commission's Order Directing Filing issued on February 13, 2001, in the above-referenced matter, enclosed for filing are the original and eight (8) copies of the Joint Report and Recommendation of Atmos Energy Corporation And Staff. A copy of the Joint Report and Recommendation has been hand-delivered or mailed this date to parties of record.

Thank you for your attention to this matter.

Sincerely,


James M. Fischer

/jr
Enclosures

cc: Office of the Public Counsel
Denny L. Frey
Gary W. Duffy

**BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI**

FILED³
FEB 28 2001
Missouri Public
Service Commission

In the Matter of the Application of)
Associated Natural Gas Company, a Division)
of Arkansas Western Gas Company, for a)
Three-Year Variance from Section (19) of)
4 CSR 240-10.30, Regarding the Testing of)
Gas Meters.)

Case No. GO-98-567

**JOINT REPORT AND RECOMMENDATION
OF ATMOS ENERGY CORPORATION AND STAFF**

COME NOW the Staff of the Missouri Public Service Commission ("Staff") and Atmos Energy Corporation, ("Atmos"), and pursuant to 4 CSR 240-2.070, respectfully file with the Missouri Public Service Commission their Joint Report and Recommendation in this matter. In support of this Joint Report and Recommendation, the Staff and Atmos state as follows:

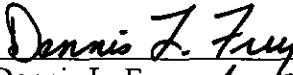
1. On July 21, 1998, the Missouri Public Service Commission ("Commission") granted a variance for rule 4 CSR 240-10.030(19) as requested by Associated Natural Gas (ANG), a division of Arkansas Western Gas Company. The variance was requested and granted for a period of three calendar years, ending on December 31, 2000. The Commission ordered ANG and the Staff to file a report, jointly or separately, with their recommendations for continuation or a revision of the variance no later than November 30, 2000.

2. On June 1, 2000, ANG sold all of its Missouri gas properties to Atmos Energy Corporation. The Commission approved that sale in Case No. GM-2000-312 and in an order effective May 1, 2000, authorized Atmos to purchase the ANG properties and provide natural gas service in the service area formerly served by ANG. Due to the change of ownership of the ANG properties, the Joint Report was not filed by November 30, 2000, as directed. Atmos and Staff

apologize for any inconvenience that their failure to file their Joint Report by November 30, 2000, may have caused the Commission.

3. On February 13, 2001, the Commission issued its Order Directing Filing that directs: "the Staff of the Missouri Public Service Commission and Associated Natural Gas shall file a report with their recommendations for a continuation or a revision of this variance no later than February 28, 2001." ANG filed its Response To Order Directing Filing on February 16, 2001. This Joint Report and Recommendation is designed to comply with this Order Directing Filing on the behalf of the Staff and Atmos, the successor to ANG.

4. After discussing this matter and reviewing the results for the Calendar Year 2000 sample testing program which were recently supplied by ANG, and which are contained in the Annual Report attached as Appendix A and incorporated herein by reference, Atmos and the Staff jointly recommend that the variance granted in this matter be extended through the Calendar Year 2001. Atmos and Staff also recommend that Atmos be directed to file reference to the extension of the variance granted at an appropriate location in its tariff, and that such references or revised tariff sheets shall be filed no later than thirty (30) days after the effective date of the order approving the extension of the variance. In addition, the Staff and Atmos recommend that they be directed to file a report, jointly or separately, with their recommendations for continuation or revision of the variance no later than November 30, 2001. Atmos also agrees to file an annual report with the Commission in this case including the information specified in the application no later than January 31, 2002. Atmos further agrees to provide to the Staff any available preliminary data for the meter testing program by November 1, 2001.


Dennis L. Frey *by gm=* MBN 44697
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Attorneys for Missouri Public Service
Commission Staff

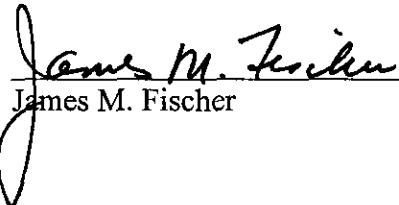
CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered or mailed, postage prepaid, this 28th day of February, 2001, to:

Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65101

Gary W. Duffy
Brydon, Swearingen, & England
312 East Capitol Avenue
P.O. Box 456
Jefferson City, Missouri 65102


James M. Fischer

Atmos Energy Corporation
Formally Associated Natural Gas Company

Meter Test Program Annual Report
For The 2000 Program Test Year

A random sample of 400 meters of the oldest vintage (years since last test date) for each group was tested from each of three lots. More than 92 percent of the meters tested in each of the three lots within tolerance. No further testing or remediation plans were required. The meter groupings shown on the list below are the same as those attached to the Application for Three Year Variance approved by the Commission in Case No. GO-98-567.

Incoming 2000 Missouri Meter Test Results

		Group 1		Group 2		Group 3	
		Percent	Number	Percent	Number	Percent	Number
Fast	10%	0.00	0	0.00	0	0.00	0
Fast	9%	0.00	0	0.00	0	0.00	0
Fast	8%	0.00	0	0.00	0	0.00	0
Fast	7%	0.00	0	0.25	1	0.00	0
Fast	6%	0.25	1	0.00	0	0.00	0
Fast	5%	0.00	0	0.50	2	0.25	1
Fast	4%	0.25	1	0.75	3	0.25	1
Fast	3%	0.75	3	1.00	4	1.25	5
Fast	2%	5.00	20	6.75	27	7.25	29
Fast	1%	36.25	145	38.50	154	35.25	141
Slow	1%	34.00	136	40.50	162	47.50	190
Slow	2%	17.25	69	7.25	29	7.75	31
Slow	3%	3.75	15	3.00	12	0.50	2
Slow	4%	1.50	6	1.25	5	0.00	0
Slow	5%	1.00	4	0.00	0	0.00	0
Slow	6%	0.00	0	0.25	1	0.00	0
Slow	7%	0.00	0	0.00	0	0.00	0
Slow	8%	0.00	0	0.00	0	0.00	0
Slow	9%	0.00	0	0.00	0	0.00	0
Slow	10%	0.00	0	0.00	0	0.00	0
		100.00	400	100.00	400	100.00	400
%<+/- 2%		92.50	370	93.00	372	97.75	391

Damaged, wet-gas, and non-registering meters are not included

Group	Type	Purchase Date	Number
1	Sprague 175, All 1A, 250	1950 to 1965	16,533
2	Rockwell 175, R-175, R-200	1966 to present	15,227
3	American	All	13,999