

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the Application of Atmos Energy        )  
Corporation for Waiver of the Requirements of        )  
K.A.R. 82-11-4(31) for Farm Tap Customers        )        Docket No. 24-ATMG-\_\_\_\_-MIS

**APPLICATION FOR WAIVER**

Atmos Energy Corporation (Atmos Energy) submits this application for a waiver of the odorant sampling requirements under K.A.R. 82-11-4(31) for the jurisdictional domestic farm taps operated and maintained by Atmos Energy in Kansas. In support of its Application, Atmos Energy states:

1. Atmos Energy is a natural gas public utility operating in the State of Kansas pursuant to certificates of convenience and necessity issued by the Kansas Corporation Commission (Commission). Atmos Energy's principal place of business in Kansas is located at 25090 W. 110<sup>th</sup> Terr., Olathe, Kansas 66061.

2. On November 20, 2023, as a result of its 2023 annual audit to determine whether Atmos Energy's natural gas pipeline operations are in compliance with Kansas pipeline safety regulations, the Commission Staff issued a Notice of Probable Noncompliance (PNC) to Atmos Energy. The PNC stated that Atmos Energy did not have a process that deviates from the monthly odorization sampling requirement for the individual service lines (farm taps) that are directly connected to regulated transmission pipelines as required under 49 C.F.R. 192.625 (f) Odorization of gas [K.A.R. 82-11-4(31)].

3. In response to the PNC, Atmos Energy stated that it would file an application with the Commission for a waiver of the regulation at it relates to farm taps and a request that it be allowed to sample odorant on the applicable 73 individual service lines (farm taps) that are directly connected to regulated transmission pipelines annually not to exceed 15 months. The Commission has approved

similar requests for such a waiver for other Kansas jurisdictional gas utilities. *See*, Order dated August 6, 1999, Docket No. 00-PNTG-086-MIS (086 Docket).

4. K.A.R. 82-11-4(31) provides:

49 CFR 192.625(f) shall be deleted and replaced by the following: 'Each operator shall ensure the proper concentration of odorant and shall maintain records of these samplings for at least two years in accordance with this section. Proper concentration of odorant shall be ensured by conducting periodic sampling of combustible gases as follows:

- (1) Conduct monthly odorometer sampling of combustible gases at selected points in the system; and
- (2) Conduct sniff tests during each service call where access to a source of gas in the ambient air is readily available.

5. Kansas pipeline safety regulations require the operator of a gas distribution system to provide odorized gas to their customers. In the 086 Docket, Black Hills Energy's predecessor, Peoples Natural Gas Company, (Peoples), requested a waiver or modification of the monthly odorant sampling as it related to farm taps. In approving the waiver for Peoples with certain conditions, the Commission agreed with its Staff's conclusion that although a farm tap installation is a gas distribution system by definition, it is unique in that the total system consists of only one customer, who generally uses a small volume of gas. To achieve proper odorization, farm tap operators install "odorizers" on each system serving a domestic residence. An odorizer consists of an apparatus that introduces odorant into a gas stream at a stable concentration. Therefore, the quantity of odorant used is a function of the amount of gas that flows past the odorizer. With one residential customer per odorizer, only small amounts of odorant are used in a typical farm tap system on an annual basis. Each farm tap operated and maintained by gas utilities has equipment installed to odorize the gas supplied to a customer's residence. The Commission also relied upon its Staff's finding that historical data generated by Peoples over a three year-period demonstrated that the one customer per odorizer scenario consistently

and reliably provides odor to the gas. Furthermore, Staff stated that the annual servicing of the odorizer and the relatively small amount of gas used by one domestic residence has ensured that a continuous supply of odorant is available to each farm tap system.<sup>1</sup>

6. Based upon the waiver approved by the Commission in the 086 Docket, Atmos Energy is proposing a waiver of K.A.R. 82-11-4(31) subject to conditions. The proposed waiver will be consistent with pipeline safety. Atmos Energy requests modification of the requirements of K.A.R. 82-11-4(31) for farm taps subject to the following conditions:

- a. Odorant sampling annually not to exceed 15 months of the domestic farm tap customer supplied by unodorized transmission company pipelines.
- b. Odorizers shall be filled annually not to exceed 15 months.
- c. If the odorizers are found to be consistently low or empty, a review shall be performed to increase the inspection frequency or the odorizer storage capacity shall be increased.
- d. Any time an odorizer is adjusted, repaired, or replaced, the odorant concentration in the gas shall be sampled using an odorometer.
- e. Records must be kept for the annual odorant usage and for all maintenance activity performed on farm tap odorizers.

Atmos Energy's waiver with conditions fully meets the federal pipeline safety requirements cited above in 49 CFR Part 192.625(f).

7. Granting the requested waiver will not compromise pipeline safety and may provide for more efficient use of Atmos Energy's resources.

8. K.S.A. 66-104 vests the Commission with authority to regulate public utilities, including utilities involved in the transmission and distribution of natural gas, and K.S.A. 66-1,150 authorizes the Commission to adopt such rules and regulations as may be necessary to be in

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<sup>1</sup>Order dated August 6, 1996, Docket No. 00-PNGT-086-MIS.

conformance with the Natural Gas Pipeline Safety Act.

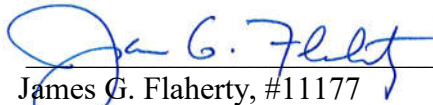
9. Atmos Energy's application seeks a waiver of the requirements of K.A.R. 82-11-4(31).

10. K.A.R. 82-1-9 provides that the Commission may grant waivers of compliance with gas pipeline safety regulations in K.A.R. 82-1-1, *et seq.*, after notice and opportunity for hearing, if the Commission determines that the waiver is consistent with pipeline safety. Staff recommended that a waiver similar to the one proposed by Atmos Energy be granted as being consistent with pipeline safety in the 086 Docket.<sup>2</sup>

11. Pursuant to K.A.R. 82-1-202(a), the Commission has the power to waive any of its regulations, and can waive the requirement of notice and opportunity for hearing if the Commission determines that a waiver of the requirement contained in K.A.R. 82-1-9 is in the public interest.

12. The proposed waiver is consistent with public safety, and Atmos Energy requests approval of its Application.

WHEREFORE, for the reasons set forth herein, Atmos Energy respectfully requests its waiver be approved by the Commission.



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<sup>2</sup>*Id.* Atmos Energy has omitted the condition included in the 086 Docket that odorant usage is to be maintained between 0.5 and 1.25 lb. per million cubic feet of natural gas. All of Atmos Energy's farm taps operate with a wick style odor pot and so are unable to adjust the amount entering into the system.

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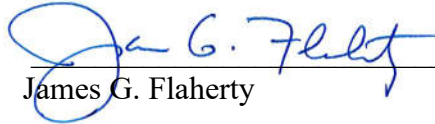
Attorneys for Atmos Energy Corporation

**VERIFICATION**

STATE OF KANSAS  
COUNTY OF FRANKLIN, ss:

James G. Flaherty, of lawful age, being first duly sworn on oath, states:

That he is the attorney for Atmos Energy Corporation, named in the foregoing Application for Waiver and is duly authorized to make this affidavit; that he has read the foregoing and knows the contents thereof; and that the facts set forth therein are true and correct.

  
James G. Flaherty

SUBSCRIBED AND SWORN to before me this 29<sup>th</sup> day of January, 2024.





Notary Public

Appointment/Commission Expires: