

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

In the Matter of the Application of)
Summit Natural Gas of Missouri, Inc.,) **Case No. GE-2018-0193**
for a Variance from the Provisions of)
Commission Rule 4 CSR 240-10.030(19))

STAFF RECOMMENDATION

COMES NOW the Public Service Commission Staff (“Staff”), by and through counsel, and states as follows:

1. On November 22, 2022, Summit Natural Gas of Missouri, Inc. (“SNGMO” or the “Company”) filed its *Third Motion for Variance* (“*Motion*”) from the Commission’s September 5, 2018 *Order Approving Stipulation and Agreement* (“*Order*”) relating to the Company’s Meter Sampling Test Program.

2. The *Motion* requests the Commission grant a third variance from its September 5, 2018 *Order* approving the *Non-Unanimous Stipulation and Agreement* (“2018 Stipulation”) as it relates to the SNGMO’s Meter Sampling Test Program.

3. Specifically, SNGMO’s *Motion* requests an additional three years to complete its four-year test program and its four-year catch-up program, moving the completion date for both programs to December 31, 2025.

4. On November 28, 2022, the Commission issued an *Order Directing Filing*, which required Staff to file a recommendation regarding the Company’s request for a variance no later than December 28, 2022. After filing and being granted an extension of time to file no later than January 27, 2023, Staff now submits this Staff Recommendation for the Commission’s information and consideration.

5. Specifically, Staff recommends the Commission grant SNGMO a two-year extension for both programs, moving the completion date to December 31, 2024; order SNGMO to complete no fewer than 2,600 AC-250 meter tests annually; and order SNGMO to file with the Commission a report detailing its progress towards compliance with the 2018 Stipulation on or before September 30, 2023 and 2024. The details of the reports related to the four-year test program and the four-year catch-up program are specifically set forth in the *Staff Memorandum* attached.

WHEREFORE, Staff respectfully submits this Staff Recommendation for the Commission's information and consideration, and requests the Commission grant SNGMO a two-year extension to complete its four-year test program and its four-year catch-up program, moving the completion date to December 31, 2024; order SNGMO to complete no fewer than 2,600 AC-250 meter tests annually; and order SNGMO to file with the Commission a report detailing its progress towards compliance with the 2018 Stipulation on or before September 30, 2023 and 2024, as set forth in the attached the *Staff Memorandum*, and for any other such orders and relief as the Commission deems just and reasonable under the circumstances.

Respectfully submitted,

/s/ Carolyn H. Kerr

Missouri Bar Number 45718

Senior Staff Counsel

Missouri Public Service Commission

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Carolyn.kerr@psc.mo.gov

Attorney for Staff of the

Missouri Public Service Commission

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 27th day of January, 2023, to all counsel of record.

/s/ Carolyn H. Kerr

MEMORANDUM

TO: Missouri Public Service Commission
Official Case File Case No. GE-2018-0193

FROM: Brodrick Niemeier, Engineering Analysis Dept., Industry Analysis Division
Claire M. Eubanks, P.E., Engineering Analysis Dept., Industry Analysis Division

/s/ Brodrick Niemeier 1/27/2023 /s/ Carolyn H. Kerr 1/27/2023
Engineering Analysis Dept./ Date Staff Counsel's Office / Date

SUBJECT: Staff Recommendation Regarding Summit Natural Gas of Missouri Request
for Variance

DATE: January 27, 2023

STAFF RECOMMENDATION

Executive Summary

On November 22, 2022, Summit Natural Gas of Missouri, Inc. (“SNGMO” or “Company”) filed its Third Motion for a Variance from the Commission’s Order Approving Stipulation and Agreement (“Motion”) issued on September 5, 2018, in this docket. The Motion requests the Commission grant a third variance from its September 5, 2018 Order Approving Stipulation and Agreement (“2018 Stipulation”) as it relates to the SNGMO’s Meter Sampling Test Program. More specifically, SNGMO requests an additional three years to complete its four-year test program (Paragraph 4(C) of Appendix A of the 2018 Stipulation) and its four-year catch-up program (Paragraph 4(D) of Appendix A of the 2018 Stipulation), moving the completion date for both to December 31, 2025.

Staff recommends the Commission grant SNGMO a **two-year** extension for both programs, moving the completion date to December 31, 2024. Staff further recommends the Commission order SNGMO to complete no fewer than 2,600 AC-250 meter tests annually.¹

¹ To include the statistical sampling of American AC-250 meters and the catch-up program for non-American AC-250 meters.

SNGMO, in its Motion, attributes much of the delay in meeting the 2018 Stipulation to the impact of the COVID-19 pandemic; however, data request responses and discussions with the Company indicate other factors may have affected the Company's failure to comply with the 2018 Stipulation. These factors were not discussed in the 2021 annual report.²

Staff therefore recommends the Commission order SNGMO to file a report with the Commission³ detailing its progress towards compliance with the 2018 Stipulation on or before September 30 of 2023 and 2024. The September reports are intended to replace and expand upon the March annual reporting currently required by the 2018 Stipulation.⁴ The reports shall detail the following related to the four-year test program:

- Meter population, by lot, and corresponding sample size;
- Summary of test results by lot;
- Summary of all remediation programs, by lot, and progress on remediation programs, by lot, completed over the test program;
- Number of meters removed for testing;
- Number of meters tested annually;
- Description of impacts to annual meter testing target, including but not limited to supply-chain issues, internal constraints, and third-party testing; and
- Plans to address impacts to annual meter testing target, including but not limited to, the re-evaluation of staffing and third-party contracts.

The reports shall detail the following related to the four-year catch-up program:

- Number of remaining meters required to be tested to complete catch-up program⁵;

² Attachment B of this memorandum.

³ File in the Commission's electronic filing system referencing GE-2018-0193.

⁴ Paragraph 9, 2018 Stipulation Appendix A states "During the four-year test period, SNGMO will report its test results for the previous calendar year to Staff and OPC each year by the following March 15. Such report will also include a progress update for the field verification four-year program."

⁵ This value fluctuates as new meters are added and older meters are removed.

- Summary of test results by Group as defined by the 2018 Stipulation Appendix A;
- Description of impacts to annual meter testing target, including but not limited to supply-chain issues, internal constraints, and third-party testing; and
- Plans to address impacts to annual meter testing target, including but not limited to, the re-evaluation of staffing and third-party contracts.

OVERVIEW

In its original Application, SNGMO proposed a meter sampling program as an alternative method to Commission rule 20 CSR 4240-10.030(19), which requires that each gas service meter installed shall be periodically removed, inspected, and tested at least once every 10 years or as often as the results warrant.

SNGMO's original Application requested a meter-sampling program that would apply to all meters sized less than 500 cubic feet per hour. SNGMO, Staff, and OPC negotiated the 2018 Stipulation to allow statistical sampling of only the American AC-250 meters⁶ for a four-year test program (i.e. Paragraph 4(C) of Appendix A of the 2018 Stipulation). SNGMO agreed to continue to test other meter groups (i.e. meters of a similar size and manufacturer) annually "in an effort to be in full compliance with" Commission rule 20 CSR 4240-10.030(19) by December 31, 2022. The catch-up program specified the target number of non-American AC-250 meters SNGMO would test in each year from 2019-2022 (i.e. Paragraph 4(D)).

The 2018 Stipulation covers two distinct meter testing programs (a four-year test program and a four-year catch-up program), a field-verification project, and reporting requirements. In its Motion, SNGMO seeks a variance from Paragraph 4(B) and Paragraph 4(C) of Appendix A of the 2018 Stipulation relating to the four-year test program for American AC-250 meters.

⁶ Class 250 meters are diaphragm meters and are designed to measure gas flow between 250-275 cubic feet per hour. American AC-250 refers to Class 250 meters manufactured by American Meter Co.

SNGMO also seeks a variance from Paragraph 4(D) relating to the four-year catch-up program (non-American AC-250 meters).

SNGMO has not requested a variance request from Paragraph 8 of Appendix A of the 2018 Stipulation, relating to the field-verification project that had a target completion date of December 31, 2022. The Company has notified Staff and OPC that this project was completed on schedule and corrections have been implemented.

The Commission previously granted a variance from the four-year test-plan sampling of American AC-250 meters for 2020⁷ and 2021⁸ due to COVID-19 impacts to meter testing. SNGMO has not previously requested a variance from the four-year catch up program.

DISCUSSION

In the 2020 and 2021 variances, SNGMO described impacts to its meter testing programs related to the COVID-19 pandemic. Specifically, SNGMO suspended meter removals that would require entry to customer facilities. In this Motion, SNGMO also cites shortcomings in testing due to the length of the COVID-19 pandemic, operational limitations, and third party testing facilities restrictions.⁹

SNGMO's proposed meter testing for 2023-2025, as it relates to the American AC-250 meters and non-American AC-250 meters schedule, is provide below:¹⁰

Year	Test-Plan American AC-250	Catch-up (non-American AC-250)	Annual Total
2023	406	1,700	2,106
2024	508	1,700	2,208
2025	573	1,700	2,273

⁷ Commission Order Approving Variance, effective October 21, 2020.

⁸ Commission Order Approving Variance, effective September 23, 2021.

⁹ Motion, Page 3.

¹⁰ Response to OPC 8505.

In comparison, the 2018 Stipulation contemplated 2,632 meter tests of AC-250 meters annually:

Year	Test-Plan American AC-250	Catch-up (non-American AC-250)	Annual Total
2019	133	2,499	2,632
2020	211	2,421	2,632
2021	218	2,414	2,632
2022	164	2,468	2,632

SNGMO provided the meters tested annually compared to the planned tests from 2019-2022 in response to OPC data request 8503.¹¹ Despite the 2018 Stipulation targeting over 2,400 annual meter tests under the catch-up program (see table above), SNGMO reported an annual goal in all years 2019-2022 of only 2,093 meter tests, much less than the over 2,400 planned annually in the 2018 Stipulation. Based on the information provided to date, it appears that SNGMO adjusted the targeted meters for the catch-up program for reasons unrelated to the COVID-19 pandemic.

Staff recognizes the significance of the impact that COVID-19 pandemic had on SNGMO's meter testing efforts; however, based on discussions with the Company, the Company restrictions on entering customer facilities lasted just over two years (March 2020 – May 2022), not three. However, the Company also planned for approximately 430 fewer meter tests annually than was contemplated in the 2018 Stipulation beginning in 2019. Attachment A includes the number of meters removed for testing and tests completed from 2019 – October 2022. Additionally, 174 of the 593 planned American AC-250 meter tests were completed from 2020 to 2022. This number is greater than the planned tests in 2022 and just less than one third of the

¹¹ Attachment A to this memo.

meters that were supposed to be tested in those three years. And 4,079 of the 8,372 planned Non-American meter tests were completed during this time, showing that significant work did occur during the three years that the Company claims it lost due to the pandemic, thus the Company should not need its requested three years to complete inspections.

In its Motion, SNGMO attributes much of the delay in meeting the 2018 Stipulation to the impact of the COVID-19 pandemic. However, data request responses and discussions with the Company indicate other factors may have affected the Company's failure to comply with the 2018 Stipulation. For example, its response to OPC data request 8510 indicates the third party vendor experienced a change in ownership in addition to COVID-19 impacts. Based on discussions with the Company, the Company removes meters and aggregates them such that the third-party vendor picks up a substantial number of meters in one pick-up. However, from January through October 2022, SNGMO reported only removing approximately 780 meters, compared to the 2,632 meters targeted for testing per the 2018 Stipulation. SNGMO made no mention in its 2021 report of any issues with its third-party testing vendor. Therefore, Staff requests expanded reporting requirements, such that SNGMO will provide a discussion of its plans to reassess its internal processes and third-party contracts.

For these reasons, Staff recommends the Commission order SNGMO to complete no fewer than 2,600 AC-250 meter tests annually (combined statistical sampling of American AC-250 meters and non-American AC-250 meters). Staff estimates 2,720 AC-250 meter tests are required to complete the catch-up program by December 31, 2024. SNGMO reported in this Motion that 4,293 meter tests need to be completed, and SNGMO estimates 1,720 will be added to the program in 2022-2025 (approximately 574 annually), resulting in approximately 5,440 meter tests required by the end of 2024. As a minimum threshold, 2,600 AC-250 meter test annually is reasonable.

The 2018 stipulation targeted 2,632 annual AC-250 meter tests, and in 2019, SNGMO was able to complete as many as 2,818 AC-250 meter tests.

SNGMO has demonstrated the ability to test over 2,800 AC-250 meters in a single year. Therefore, it is feasible for SNGMO to complete the catch-up program by December 31, 2024. Staff does not recommend a three-year extension at this time, as it appears SNGMO reduced its goal of over 2,400 planned meter tests related to the catch-up program from the 2018 stipulation to 2,093 in 2019 prior to the start of the pandemic. Rather than a three-year extension, Staff recommends the Commission grant a two-year extension with enhanced reporting requirements and a minimum testing threshold.

CONCLUSION

The Staff has reviewed the Company's Motion, its previous annual reports,¹² and data request responses. Staff recommends the Commission grant SNGMO a **two-year extension** for both programs and move the completion date to December 31, 2024. Staff further recommends the Commission order SNGMO to complete no fewer than 2,600 AC-250 meter tests annually.¹³ SNGMO, in its Motion, attributes much of the delay in meeting the 2018 Stipulation to the impact of the COVID-19 pandemic; however, data request responses and discussions with the Company indicate other factors may have affected the Company's failure to comply with the 2018 Stipulation.

Staff therefore recommends the Commission order SNGMO to file a report with the Commission¹⁴ detailing its progress towards compliance with the 2018 Stipulation on or before September 30 of 2023 and 2024. The September reports are intended to replace and expand upon

¹² Example 2022 report included as Attachment B to this memo.

¹³ To include the statistical sampling of American AC-250 meters and the catch-up program for non-American AC-250 meters.

¹⁴ File in the Commission's electronic filing system referencing GE-2018-0193.

the March annual reporting currently required by the 2018 Stipulation. The reports shall detail the following related to the four-year test program:

- Meter population, by lot, and corresponding sample size;
- Summary of test results by lot;
- Summary of all remediation programs, by lot, and progress on remediation programs, by lot, completed over the test program;
- Number of meters removed for testing;
- Number of meters tested annually;
- Description of impacts to annual meter testing target, including but not limited to supply-chain issues, internal constraints, and third-party testing; and
- Plans to address impacts to annual meter testing target, including but not limited, the re-evaluation of staffing and third-party contracts.

The reports shall detail the following related to the four-year catch-up program:

- Number of remaining meters required to be tested to complete catch-up program¹⁵;
- Summary of test results by Group as defined by the 2018 Stipulation Appendix A;
- Description of impacts to annual meter testing target, including but not limited to supply-chain issues, internal constraints, and third-party testing; and
- Plans to address impacts to annual meter testing target, including but not limited to, the re-evaluation of staffing and third-party contracts.

¹⁵ This value fluctuates as new meters are added and older meters are removed.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of)
Summit Natural Gas of Missouri Inc.,) Case No. GE-2018-0193
for a Variance from the Provisions of)
Commission Rule 20 CSR 4240-)
10.030(19))

AFFIDAVIT OF BRODRICK NIEMEIER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COME NOW BRODRICK NIEMEIER, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation, in memorandum form*; and that the same is true and correct according to his best knowledge and belief, under penalty of perjury.

Further the Affiants sayeth not.

Brodrick Niemeier
BRODRICK NIEMEIER

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 26th day of January, 2023.

DIANNA L VAUGHT
Notary Public - Notary Seal
STATE OF MISSOURI
Cole County
My Commission Expires: July 18, 2023
Commission #: 15207377

Dianna L. Vaught
Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of)
Summit Natural Gas of Missouri Inc.,)
for a Variance from the Provisions of)
Commission Rule 20 CSR 4240-)
10.030(19)) Case No. GE-2018-0193

AFFIDAVIT OF CLAIRE M. EUBANKS, PE

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COME NOW CLAIRE M. EUBANKS, PE, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation, in memorandum form*; and that the same is true and correct according to her best knowledge and belief, under penalty of perjury.


Further the Affiants sayeth not.



CLAIRE M. EUBANKS, PE

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 27th day of January, 2023.



Notary Public

DIANNA L VAUGHT
Notary Public - Notary Seal
STATE OF MISSOURI
Cole County
My Commission Expires: July 18, 2023
Commission #: 15207377

2022 Through October

	Missouri			
	AC - 250	250	400	Large
Goal	310	2093	5	27
YTD Removed	218	563	0	5
Remain to Remove	92	1530	5	22
YTD Tested	106	589	10	15
Remain to Test	204	1504	-5	12

2021

	Missouri			
	AC - 250	250	400	Large
Goal	255	2093	7	25
YTD Removed	120	436	2	10
Period Removed	120	436	2	10
YTD Tested	115	799	22	58
Remain to Test	140	1294	-15	-33

2020

	Missouri			
	AC - 250	250	400	Large
Goal	205	2093	10	44
YTD Removed	48	709	5	48
Remain to Remove	157	1384	5	-4
YTD Tested	38	805	28	55
Remain to Test	167	1288	-18	-11

2019

	Missouri			
	AC - 250	250	400	Large
Goal	133	2093	10	44
YTD Removed	133	2592	27	83
Remain to Remove	0	-499	-17	-39
YTD Tested	133	2685	54	80
Remain to Test	0	-592	-44	-36



March 15, 2022

VIA ELECTRONIC MAIL

Mr. Jamie Myers
Deputy Staff Counsel
Missouri Public Service Commission
jamie.myers@psc.mo.gov

Mr. Marc Poston
Public Counsel
Office of the Public Counsel
marc.poston@opc.mo.gov

RE: Case No. GE-2018-0193 2021 Meter Sampling Test Program Annual Report

Dear Mr. Meyers and Mr. Poston:

Below please find Summit Natural Gas of Missouri, Inc.'s ("SNGMO") Meter Sampling Program Annual Report, pursuant to the Order Approving Stipulation and Agreement issued on September 5, 2018, and Order Approving Variance issued on September 23, 2021, in Case No. GE-2018-0193.

As required by SNGMO's Meter Sampling Test Program, included as Appendix A to the Non-Unanimous Stipulation and Agreement in Case No. GE-2018-0193, SNGMO implemented a Meter Sampling Test Program to test in-service American AC-250 gas meters during a four-year test period beginning on January 1, 2019. During the four-year test period, SNGMO is to report its test results for the previous calendar year to Staff and OPC by the following March 15. Such report is to also include a progress update for the field verification four-year program.

On August 5, 2021, SNGMO filed a Second Motion for Variance in the proceeding describing the operational impacts experienced due to the COVID-19 pandemic, including restrictions on field activity and customer interactions to maintain the health and safety of SNGMO employees and customers. As part of these restrictions, SNGMO suspended meter removals requiring entry of customer facilities. Through its Order Approving Variance issued on September 23, 2021, the Commission approved SNGMO's Second Motion for Variance, finding good cause to grant SNGMO's variance from its Meter Sampling Test Program due to the impacts brought by the COVID-19 pandemic.



As described in its Second Motion for Variance, throughout 2021, SNGMO continued to remove and test meters as it was safe to do so, however, health and safety protocols constrained SNGMO’s administration of its meter test program. SNGMO provides this Annual Meter Test Report in accordance with the Order Approving Variance.

In 2021, to the extent possible, SNGMO conducted the statistical sample meter test program called for by the referenced Non-Unanimous Stipulation and Agreement. As part of this program, meter lots¹ were identified in SNGMO’s system and sample sizes were identified using the tables and charts specified in ANSI / ASQ Z1.4-2003 (R2013) (See Figure 1 below).

Year Set	AC-250		
	POP	CODE	SAMPLE
1999	2	A	2
2000	5	A	2
2001	4	A	2
2002	12	B	3
2003	6	A	2
2004	14	B	3
2005	47	D	8
2006	59	E	13
2007	39	D	8
2008	306	H	50
2009	243	G	32
2010	538	J	80
2011	288	H	50
	1563		255

Figure 1

The summary of test results by lot are documented in Figure 2.

¹ As described in Appendix A to the Non-Unanimous Stipulation and Agreement in Case No. GE-2018-0193, a Lot is defined as “Meters of the Group with the same set year.”



	AC250			
Year Set	Tests Required	Tests Completed	Tests Failed	Lot Fail Level
1999	2			1
2000	2			1
2001	2			1
2002	3			1
2003	2	1	0	1
2004	3			1
2005	8	2	0	2
2006	13	6	0	3
2007	8	1		2
2008	50	14	6	8
2009	32	9	1	6
2010	80	45	10	11
2011	50	37	1	8
	255	115	18	

Figure 2

	Manufacture Year			
AC-250	2005	2006	2008	2009
Lot 2008			6	
Lot 2010		1		9
Total	0	1	6	9

Figure 3

All failed meters within the 2008 lot test were manufactured in 2008. This confirms the remediation program for 2008 vintage AC-250 meters. The failed meters in this lot were not identified as 2008 vintage meters in SNGMO’s Customer Information System (CIS) due to the previously identified data correction issues. When the data correction project is completed, SNGMO will review the CIS for any remaining 2008 vintage meters and will work with the Commission to develop a remediation plan.



When evaluating the 2010 lot test, most of the failed meters were manufactured in 2009. Given the small sample size, SNGMO requests the opportunity to monitor these meters for an additional year to be able to better determine if a condition exists that would necessitate a remediation program. During this time, SNGMO will perform additional data correction to the CIS to more effectively identify any meters that could require remediation.

In 2021, SNGMO removed 18 of 78 meters identified in the four (4) year AC-250 meter remediation program. Separately from the AC-250 Meter Sampling Test Program, in 2021 SNGMO tested 738 meters as part of the field verification described in the non-unanimous stipulation and agreement.

Meter Data Correction Project²: As of December 31, 2020, ten thousand sixty-seven (10,067) of twenty-three thousand three hundred seventy (23,370) meters were reviewed in the Company's CIS system based on information gathered from the field. Work is continuing to meet the target of December 31, 2022, for completion of this review.

If you have any questions, please contact me at 207-621-8000 (Ext. 1429).

Sincerely,

/s/ David Weeden

David Weeden
Measurement Program Manager

Cc: Helen Ayotte
David Weeden
John Kottwitz
Whitney Payne
Dean Cooper

² As described in paragraph 8, "Plan to Field Verify Meters," of Appendix A to the Non-Unanimous Stipulation and Agreement in Case No. GE-2018-0193, SNGMO developed a 4-year plan to deploy resources to field verify meter data in conjunction with collecting GPS data on some meters and services. Meter data being verified includes meter manufacturer and model, number of dials, and meter serial number. This project is expected to be completed by December 31, 2022.