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 4 CSR 240-10.030(19)	))))	File No. _____

APPLICATION FOR VARIANCE

COMES NOW Summit Natural Gas of Missouri, Inc. ("SNGMO" or the "Company"), and, as its Application for Variance ("Application") from the provisions of Missouri Public Service Commission (the "Commission") 4 CSR 240-10.030(19), states as follows:

APPLICANT

1. SNGMO is a wholly owned subsidiary of Summit Utilities, Inc., and is a corporation duly incorporated under the laws of the State of Colorado with its principal offices located at 7810 Shaffer Parkway, Suite 120, Littleton, Colorado, 80127. A copy of a certificate from the Missouri Secretary of State that SNGMO is authorized to do business in Missouri as a foreign corporation was submitted in Case No. GA-2012-0285 and is incorporated by reference. Other than cases that have been docketed at the Commission, SNGMO has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court within the past three years that involve customer service or rates. SNGMO has no annual report or assessment fees that are overdue.

2. SNGMO conducts business as a "gas corporation" and a "public utility" as those terms are defined in RSMo. §386.020, and provides natural gas service in the Missouri counties of Harrison, Daviess, Caldwell, Pettis, Benton, Morgan, Camden, Miller, Greene, Webster, Laclede, Wright, Douglas, Texas, Howell, Lawrence, Barry, Stone, and Taney, subject to the jurisdiction of the Commission as provided by law.

3. All correspondence, communications, notices, orders and decisions of the Commission with respect to this matter should be sent to the undersigned counsel and:

Matthew Kaply
Sr. Director of Regulatory Affairs
Summit Utilities Inc.
7810 Shaffer Pkwy., Ste. 120
Littleton, CO 80127
Telephone: 207-621-8000 ex. 1430
Email: mkaply@summitnaturalgas.com

VARIANCE

4. Commission Rule 4 CSR 240-10.030(19) (the "Rule") requires that gas service meters be removed, inspected and tested at least once every one hundred twenty (120) months or more often as necessary. The Rule expressly authorizes the Commission to issue an order prescribing a different period ("Unless otherwise ordered by the commission . . . ."). As more fully described herein, SNGMO seeks a variance from compliance with the Rule and requests the Commission issue an order modifying the manner in which the Company determines the number and identity of meters to be removed and tested.

5. The purpose of the Rule is to ensure that the meters remaining in service continue to comply with the accuracy requirements of Rule 4 CSR 240-10.030(18). SNGMO proposes to implement a meter sampling program as described below as an alternate method to assure compliance with such accuracy requirements.

6. SNGMO's proposed meter sampling program, which is described more completely in **Appendix A** attached hereto, will group gas meters with a capacity under five hundred cubic feet per hour (500 ft. ^{3}/hr.) by manufacturer, type and size into groups. Larger meters are not included in the sampling plan and will continue to be tested in accordance with the Rule. As of December 31, 2016, SNGMO had 20,660 meters in the 500cfh or less category in

its Missouri service territories.

7. The Commission has previously granted variances from the Rule in Cases Nos. GO-98-25 (Ameren), GE-2017-0164 (Ameren), GE-2006-0330 (then Aquila, now Empire), GE-2003-0007 (Atmos), GE-2005-0505 (Laclede), GO-95-320 (Laclede), and GO-97-242 (MGE).

8. SNGMO proposes a variable interval method, as described in detail in Appendix A, that uses a set formula to help determine the number of meters to be tested annually. This type of program usually results in a more manageable number of meters to test compared to a periodic test program because meter accuracy is the driving force behind the test population, not meter age. SNGMO's gas meter sampling program includes a 50-year cap provision on the age of in-service meters.

9. Full compliance with the Commission's Rule requires that SNGMO annually test approximately 2066 gas service meters with a capacity under 500 ft. ^{3}/hr. With the proposed sampling program, about 750 meters would be tested initially. This significant reduction in the overall number of meters required to be tested will result in substantial cost savings without comprising SNGMO's ability to meet the measurement accuracy standards set forth in Rule 4 CSR 240-10.030(18). Approval of this Application would therefore be in the public interest.

10. SNGMO currently spends $25,920 or approximately $1.25 annually per customer on scheduled meter testing. SNGMO proposes to increase its spending on scheduled meter testing by an additional $45,769.50 to $71,689.50 or $3.47 per customer annually in order to move closer to full compliance with Rule 4 CSR 240-10.030(18). Without the requested waiver or variance, SNGMO would be required to spend an *additional* $133,061 over and above the approximately $25,920 being spent, in order to comply with Rule 4 CSR 240-10.030(18). This would impose an additional $6.44 cost on SNGMO's customers on top of the current $1.25 being

spent for a total of $8.05 per customer per year in scheduled meter testing costs. Given SNGMO's current customer profile of approximately 98 percent residential customers, this burden would be borne disproportionately by residential customers on SNGMO's system.

COMMISSION RULE 4 CSR 240-4.020

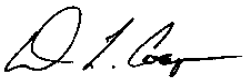
11. SNGMO has not filed a 60-day notice pursuant to 4 CSR 240-4.017(1), and, requests a waiver of this requirement. Rule 4 CSR 240-4.017(1)(D) provides that a waiver may be granted for good cause. Good cause exists in this case. SNGMO declares (as verified below) that it has had no communication with the office of the Commission (as defined by Commission Rule 4 CSR 240-4.015(10)) within the prior 150 days regarding any substantive issue likely to be in this case. Accordingly, to the extent that the Commission may find it to be applicable, and for good cause shown, SNGMO moves for a waiver of the 60-day notice requirement of Rule 4 CSR 240-4.017(1) and acceptance of this Application.

WHEREFORE, SNGMO requests, for good cause shown, that the Commission waive the notice requirement of 4 CSR 240-4.017(1), approve this Application, and grant SNGMO a variance from the provisions of 4 CSR 240-10.030(19), in accordance with the foregoing

Application, and the sampling program described herein.

Respectfully submitted,

BRYDON, SWEARENGEN & ENGLAND P.C.

By: 

Dean L. Cooper MBE# 36592
312 East Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102-0456
Telephone: (573) 635-7166
Facsimile: (573) 635-0427
E-mail:DCooper@brydonlaw.com

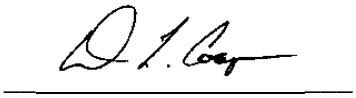
ATTORNEYS FOR SUMMIT NATURAL GAS OF MISSOURI, INC.

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 15th day of January, 2018, to:

General Counsel's Office
staffcounselservice@psc.mo.gov

Office of the Public Counsel
opcservice@ded.mo.gov



VERIFICATION

State of Missouri)
) ss
County of Cole)

I, Matthew Kaply, having been duly sworn upon my oath, state that I am Senior Director of Regulatory Affairs of Summit Utilities, Inc., and that I have knowledge of the matters stated herein, and that the matters and things stated in the foregoing Application are true and correct to the best of my information, knowledge and belief.

Subscribed and sworn before me this 12th day of January, 2018.

LISA A. CLARK
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 10, 2019
Commission Number: 15212007

Notary Public

EXHIBIT A

TECHNICAL DESCRIPTION OF PROPOSED METHOD FOR THE SAMPLE TESTING OF GAS METERS

Appendix A

1. INTRODUCTION

Summit Natural Gas of Missouri, Inc. ("SNGMO") proposes to employ a variable interval testing method for meters less than 500 CFH and maintaining the 10 year interval testing program for meters greater than or equal to 500 CFH, using fully developed and widely recognized standards, principles and rules, to test in-service gas meters. These standards, principles and rules can be found in ANSI B 109.1 and ANSI B 109.2. Variable interval testing is an economical substitute for one hundred percent (100%) testing.

2. DEFINITIONS

Check Flow – the measured flow rate at twenty percent (20%) to forty percent (40%) of the meter's rated nameplate capacity.

Check Test – the test of a gas meter at the Check Flow rate.

Group – meters of a particular type, manufacturer, and size.

Intest – The test results obtained when testing a gas meter as it was received in the testing facility from the field. These are the test results before any repairs or adjustments have been made.

Meter – a device used to measure the flow of gas. H.

Meter Code – a SNGMO unique identifier used to specify a meter's size as determined by the

manufacturer.

Open Flow – the measured flow rate at eighty percent (80%) to one hundred twenty percent (120%) of the meter's rated nameplate capacity.

Open Test – The test of a gas meter at the Open Flow rate.

Percent Accuracy – the ration comparison of the registered volume of a meter under test to the registered volume of a standard.

Set Year – the calendar year during which a meter was installed for a customer.

Specification Limits – limits that define the conformance boundaries for the registration accuracy of individual meters. These limits are plus or minus two percent ($\pm$2%) of one hundred percent (100%) accuracy.

Year of Purchase – the calendar year in which a meter was purchased from a manufacturer.

Years in Service - the number of years between the year a meter was set and the year it was removed.

3. PURPOSE

The purpose of the SNGMO gas meter sample testing plan is:

A. To maintain the accuracy of each meter class by creating a program that tests meters, reviews accuracy levels and maintains a minimum accuracy level through variable meter testing calculations and annual review of test data.

B. To provide information relating to the performance of various meter classes when meter accuracy does not meet the specified quality level and thus provide the basis for repair and recalibration or planned retirement of those meters which are nonconforming.

4. GENERAL METER TESTING PROCEDURES

Meters will be tested in accordance with the following:

A. With the exception of those meters removed from service specifically for known leakage, damage, tampering, noise, or non-registration, and meters that have been selected for retirement, all meters removed from service shall be tested for in-test accuracy at both check flow and open flow prior to any adjustment or repair. The meter accuracy will be determined by the check flow test accuracy; this shall be referred to as the intest accuracy. Those meters which have been removed from service specifically for known leakage or non-registration shall be monitored so that potential problems with certain meter types can be identified, even though the accuracy rate is acceptable.

B. Meters shall be repaired as necessary and adjusted such that:

- The Check test Accuracy is within ±1%
- The Check test for Accuracy shall be made with at least 2 consecutive test runs being made which agree within ±½%
- The Open test Accuracy is within ±1%
- The differential between the Open test Accuracy result and the Check test Accuracy result is within ±1% Accuracy

Records shall be maintained for each class of meters showing intest accuracy of each class for each calendar year. When calculating the above accuracy categories, all fractions shall be rounded to the nearest tenth (0.05 and greater to be rounded up).

5. VARIABLE AND PERIODIC SAMPLING PROCEDURES

Meters shall be tested in accordance with the procedures described below:

A. Variable under 500 CFH

All diaphragm meters up to 500 CFH capacity – shall be tested using a Variable Interval

schedule as described in ANSI B109.1 Part IV Section 4.3.2.2 or its successor.

- Meters shall be divided into groups in accordance with ANSI B109.1 Part IV Sec. 4.3.2.2 or its successor.
- The number of meters to be removed and tested in any year will be determined from the test results of the second immediately preceding year's incoming meters. Meters removed shall be tested and included in the calculations unless a meter was damaged by factors other than normal age or wear such as tampering or damage beyond the control of the utility.
- Calculating the number of meters to be removed for testing:
    - mtg = (mis * (.02 + .3d))

        mtg = The number of meters to be removed and tested in a specific group.

        mis = The number of meters in service for a specific group.

        d = mf/mt

            mf = The number of meters which have an average accuracy of less than 98% or more than 102% as reported to the nearest 1/2%.

            mt = The total number of meters tested (mt) in the group during the second immediately preceding year.

B. Periodic 500 CFH and greater

All diaphragm meters 500 CFH capacity and over shall be tested at a fixed ten (10) year interval.

Rotary Displacement Type Meters

All rotary type meters shall be tested at a fixed ten (10) year interval.

Turbine type meters shall be spin tested at least once each year. Upon failure of a spin test, but at intervals not to exceed ten (10) years, turbine meters shall be tested by means of a flow test.