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

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| 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) to revise its Meter Testing Program. | ) ) ) ) | File No. _____ |

## APPLICATION AND REQUEST FOR VARIANCE AND EXTENSION

**COMES NOW** Summit Natural Gas of Missouri, Inc. ("SNGMO" or the "Company"), and, pursuant to Missouri Public Service Commission (the "Commission") Rules 20 CSR 4240-2.060 and 20 CSR 4240-4.017, submits this Application and Request for Variance and Extension ("Application") from the provisions of Commission Rule 20 CSR 4240-10.030(19), to authorize the expansion of its Pilot Meter Sampling Testing Program to apply to all meters with a rated capacity of up to five hundred cubic feet per hour (500 CFH) that will achieve ten years or greater in-service during each calendar year, and to extend the completion date of its current Catch-Up Program from December 31, 2024 to June 30, 2025. In support of its Application, the Company 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 10825 E. Geddes Ave, Suite 410, Centennial, Colorado, 80112. A copy of a certificate from the Missouri Secretary of State that SNGMO is authorized to do business in Missouri as a corporation is included as **Exhibit B**. 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:

Goldie Bockstruck
Director, Regulatory Affairs
Summit Natural Gas of Missouri, Inc.
10825 E. Geddes Ave
Centennial , CO 80112
Email: gbockstruck@summitutilities.com

**REQUEST FOR VARIANCE**

4. Commission Rule 20 CSR 4240-10.030(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: (1) the Commission issue an order modifying the manner in which the Company determines the number and identity of meters to be removed and tested, as set forth in **Exhibit A**, and (2) extending the completion date for one of its current meter testing programs, the Catch-Up Program, by an additional six months.

5. The purpose of the Rule is to ensure that the meters remaining in service continue to comply with the accuracy requirements of Rule 20 CSR 4240-10.030(18). SNGMO proposes to expand its current meter sampling pilot program as described below as an alternate method to

assure compliance with such accuracy requirements. SNGMO currently has a Commission approved variance from the Rule, authorized in File No. GE-2018-0193, that will expire on December 31, 2024. The variance granted by the Commission in File No. GE-2018-0193 was alongside the approval of two separate meter testing programs. The first, a Pilot Meter Sampling Test Program ("Pilot Meter Test Program"), provides for testing of a sampling of American AC-250 meters. The Second, the Catch-Up Program, allowed SNGMO additional time to catch-up on the testing of its non-American AC-250 meters over the same time period. Both the Catch-Up Program and the Pilot Meter Test Program have deadlines of December 31, 2024. SNGMO anticipates completion of testing under the Pilot Meter Test Program by the December 31, 2024 deadline. In this Application, SNGMO seeks a permanent variance from the Rule starting January 1, 2025, so that it may continue to test meters going forward in a manner similar to the Pilot Meter Test Program; however, under the New Meter Test Program, testing would expand to a broader scope of meters with a rated capacity up to five hundred cubic feet per hour (500 CFH). SNGMO also seeks an extension until June 30, 2025, to complete testing under the Catch-Up Program.

*The New Meter Test Program*

6. SNGMO's proposed new Meter Test Program, which is described more completely in **Exhibit A** attached hereto, would expand its current Pilot Meter Test Program beyond American AC-250 meters to include all installed diaphragm gas meters with a rated capacity up to 500 CFH that will achieve ten years or greater in-service during each calendar year. Installed diaphragm gas meters under 500 CFH makes up approximately 94% of SNGMO's meters, whereas the American AC-250 meters represented roughly half of the Company's meters. SNGMO will use the "attributes sampling technique" as standards, principles and rules for testing found in standard and statistical sampling tables described in

ANSI/ASQC Z1.4-2003(R 2013). This includes general meter testing, periodic sampling and random sampling with subsequent annual reporting by the following March 15. SNGMO will test all of its other meters in accordance with Commission rules.

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-2005-0405 (Laclede), GO-95-320 (Laclede), and GO-97-242 (MGE). SNGMO's proposed program utilizes similar statistical sampling methodology as other Commission approved programs in the state.

8. SNGMO's Pilot Meter Test Program was established as a building block for this proposal. Through the Pilot Meter Test Program, the Company was still able to identify at risk meter types to target for remediation with fewer meter pulls. This resulted in fewer service interruptions to customers and reduced expenses. SNGMO's proposed new Meter Test Program will cost on average $101,620 per year for the next five years. Without the requested variance, SNGMO would spend on average $268,770 each year, in order to comply with Rule 20 CSR 4240-10.030(19). Ultimately the goal of this variance, and the goal of any statistical test program, is to target the replacement of lots that are not performing well and leave lots that are performing well in service. By using statistics and probability the Company can test fewer meters and still determine the performance of a lot with a high level of confidence. Being specific in targeted replacements limits customer disruptions and limits costs.

*Catch-Up Program Extension*

9. SNGMO's Pilot Meter Test Program and Catch-Up Program were originally slated to be completed by December 31, 2022. Due to the impacts of COVID-19 and related supply constraints, the Company filed in November 2022 requesting an extension until December 31, 2025 to complete testing under both programs. Staff recommended the Company

be granted an extension but only until December 31, 2024, and Staff also recommended the Company complete testing of a minimum of 2,600 meters each year. While the Company agreed to attempt to complete testing under both programs by December 31, 2024, it noted in its Response to Staff Recommendation that the Company "would have to test nearly 2,900 meters a year to hit the target deadline" and "the Company has real concerns about its ability to access the amount of meters and ERTs [(Encoder Receiver Transmitters)] needed to meet this aggressive timeline." Furthermore, SNGMO stated that "the Company is not confident that the Meter Test Program and Catch-Up Program can be completed in two-years and may need to ask for additional time in the future."[1] Those concerns have proved to be valid and have been on-going challenges. SNGMO is still experiencing meter lead times (the time between order and delivery) of approximately two years, and ERT lead times have increased from twenty-week lead times to seventy-to-eighty-week lead times. The Company has been working with the supply chain to make adjustments, but it will take time before this is resolved. Additionally, scheduling meter removals with the last batch of customers has been challenging as some customers have been unresponsive to SNGMO's outreach.

10. To date, SNGMO has complied with the requirement to test at least 2,600 meters annually. In 2023, SNGMO removed 403 meters under the Meter Test Program and 2,799 meters under the Catch-Up Program, for a total of 3,202 meters. Of the 3,202 meters removed in the year 2023, 2,662 meters were tested in 2023. The detailed report for 2023 program results will be provided by the ordered deadline later this year. For 2024, the Company's goals are to remove and test 512 American AC-250 meters and 2,090 meters under the Catch-Up Program, and as of May 23, the Company has pulled 464 AC-250 meters and 545 catch-up meters. This performance in 2023 and goal for 2024 leaves 627 meters to pull and test in 2025. While the

[1] See File No. GE-2018-0193, Response to Staff Recommendation, pgs. 2-3.

Company will endeavor to aggressively pursue completing both programs, additional time will still be needed to complete the Catch-Up Program. Accordingly, the Company is requesting an extension until June 30, 2025, to complete testing for the Catch-Up Program.

**MOTION FOR WAIVER**

11. SNGMO has not filed a 60-day notice pursuant to 20 CSR 4240-4.017(1) and requests a waiver of this requirement. Rule 20 CSR 4240-4.017(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 20 CSR 4240-4.015(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 20 CSR 4240-4.017(1) and acceptance of this Application and Request for Variance.

**WHEREFORE**, SNGMO requests, for good cause shown, that the Commission waive the notice requirement of 20 CSR 4240-4.017(1), approve this Application and Request for Variance and Extension, and grant SNGMO a variance from the provisions of 20 CSR 4240-10.030(19), approve the new Meter Test Program described herein, and extend the deadline for completion of testing under the Catch-Up Program until June 30, 2025.

[*Continued on following page*]

Respectfully submitted,

BRYDON, SWEARENGEN & ENGLAND P.C.

By: _____

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***/s/ Goldie T. Bockstruck***
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**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 24 day of May 2024 to:

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

Office of the Public
opcservice@opc.mo.gov

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**AFFIDAVIT**

State of Arkansas____)
) ss
County of Pulaski___)

I, Micah Edwards, having been duly sworn upon my oath, state that I am the Director of Measurement of Summit Natural Gas of Missouri, Inc. ("SNGMO"), that I am duly authorized to make this affidavit on behalf of SNGMO, that I have knowledge of the matters stated herein, and that said matters are true and correct to the best of my information, knowledge, and belief. Additionally, no representative of SNGMO has had any communication with the office of the Missouri Public Service Commission as defined in Commission Rule 20 CSR 4240-4.015(10) within the one hundred fifty (150) days immediately preceding the filing of the Application regarding any substantive issue likely to be addressed in this case.

Micah Edwards 05/24/2024 01:05 PM MDT

Subscribed and sworn before me this 24 day of May, 2024.

DAVID W THOMAS
Notary Public-Arkansas
Lonoke County
My Commission Expires 11-17-2033
Commission # 12725676

Online Notary Public. This notarial act involved the use of online audio/video communication technology. Notarization facilitated by SIGNiX®

David W. Thomas 05/24/2024 01:10 PM MDT

Notary Public

# EXHIBIT A

## METER TEST PROGRAM[2]

## 1. INTRODUCTION

Starting January 1, 2025, Summit Natural Gas of Missouri, Inc. ("SNGMO") will implement a new Meter Sampling Test Program ("Meter Test Program"), using quality control standards, principles and rules, to test installed diaphragm gas meters with a rated capacity up to 500 CFH that will achieve 10 years or greater in-service during each calendar year.

The standards, principles and rules for testing may be found in standard texts (ANSI B109) and statistical sampling tables. Details of the method are described in ANSI/ASQC Z1.4-2003(R 2013), which is the "attributes sampling technique." Proper sample testing is an economical substitute for one hundred percent (100%) testing.

SNGMO will test all other meters as follows:

Diaphragm meters over 500 CFH will be tested once every 10 years in service.

Rotary meters will be tested once every 10 years in service.

Turbine meters will be spin tested once every year in service and flow tested once every 10 years in service.

Large volume Ultrasonic meters with a rated capacity of 2000 CFH or greater will be inspected once every year in service in accordance with recommendations defined in American Gas Association (AGA) Report No. 9.

## 2. DEFINITIONS

A. **Acceptable Quality Limit (AQL)** – a statistically based acceptance criteria for the maximum percentage or proportion of nonconforming units in a lot that can be considered satisfactory as a process average. (See ANSI/ASQC Z1.4-2003(R 2013)

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

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

D. **Group** – Meters of a similar manufacturer and model.

[2] Referenced in the Company's Application for Variance as the "New Meter Test Program".

E. **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.

F. **Lot** – Meters of the Group with the same set year.

G. **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.

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

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

K. **Percent Accuracy** – the ratio comparison of the registered volume of a meter under test to the registered volume of a standard.

L. **Random** – a statistical method of sampling that ensures that each member of a population has the same probability of being selected as any other member.

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

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

O. **Sub-Lot** – a subset of a Lot consisting of meters with a common characteristic such as a manufacturer's defect or similar geographic location.

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

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

R. **Years of Service** – the number of years between the year a meter was manufactured and the current year.

## 3. PURPOSE

The purpose of the Meter Test Program is:

A. To determine the quality level of each meter lot by providing a reliable percentage estimate of the meters in each lot lying outside the specification

limits for registration accuracy.

B. To provide information relating to the performance of various meter lots 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 that are nonconforming.

## 4. PROGRAM

A. The Meter Test Program will use the guidelines set forth in ANSI/ASQC Z1.4 (inspection for attributes) Single Sampling Plans for Normal Inspection. The AQL will be no more than 6.5% of meters in the sample deviating from 100% accuracy by more than +/- 2%.

## 5. WHY A STATISTICAL SAMPLE PLAN

A. Sample testing as prescribed in ANSI Z1.4-2003 sets AQL's for every lot identified. The AQLs are calculated numbers that provide the Company with a high level of confidence that meters in their lots are performing similar to the sample tests completed for that lot. If the sample test results are within the AQL limits that indicates the lot is performing satisfactorily, and that lot can remain in service and continue to be tested the next year.

If the sample test results push the lot performance over the AQL limits, meaning the lot is not performing to the set standards, the meters in that lot will be targeted for remediation which includes further accelerated testing which could lead to accelerated replacement.

B. Periodic testing on the other hand, pulls all meters based on set thresholds, in this case 10 years in service, and regardless of performance, all meters must be pulled and tested. This method leaves no room for meters that are performing well to stay in service. Periodic testing has firm deadlines where a meter must be pulled regardless of the customer's situation. While this can be worked around and accomplished, it leaves little to no flexibility in the final months of the year.

C. Periodic testing will result in 10-15% of meters being pulled every year, whereas this statistical sample plan will result in 5-7% of meters being pulled every year for testing and remediation plans that will target removing poor performing lots from service.

## 6. GENERAL METER TESTING PROCEDURES

Meters will be tested in accordance with the following:

A. Except for 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 intest 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. The Company will maintain data associated with those meters which have been removed from service specifically for known leakage or non-registration so that any 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 Open test Accuracy is within ±1%
- For diaphragm meters, the differential between the Open test Accuracy result and the Check test Accuracy result is within ±1% Accuracy

Records shall be maintained showing the intest accuracy 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).

## 7. PERIODIC SAMPLING PROCEDURES

Meters shall be sample tested in accordance with the procedure described herein.

A. The meter groups will be stratified into lots by set year such that beginning in the $10^{th}$ year after installation, each lot in every group will be sample tested annually.

B. Sampling will be in accordance with standard sampling plans as set forth in recognized statistical quality control standards. The size of the sample will depend on the size of the lot it represents. An additional percentage of the meters

needed for the sample shall be selected randomly as substitutes for damaged, non-registering, inaccessible, or otherwise invalid meters in the sample. All meters in the sample will be tested for their accuracy of registration, where test results are rounded to the nearest whole number (0.5 and greater to be rounded up).

C. The AQL selected for this sampling plan will be six- and one-half percent (6.5%). For a sample group to pass, not more than six- and one-half percent (6.5%) of the sampled meters may deviate from one hundred percent (100%) accuracy of registration by more than plus or minus two percent (±2%).

D. If a lot fails the AQL, SNGMO will take the following steps to address the meter group:

   i. If a lot fails the AQL, SNGMO will remove all meters in that lot, targeting a period of 5 years, and it will replace or repair and recalibrate the meters before they can be reused. However, within a lot of meters, if a particular sub-lot can be identified for evaluation of test results that indicates an untimely performance degradation due to possible manufacturer's defect or geographical location, and is clearly not a condition brought on by age as compared to other members of the lot, the following action will be taken:

      1. The sub-lot will be further sampled as appropriate to verify the above indications.
      2. If confirmed, an accelerated removal program of this sub-lot will be implemented targeting a time period of five years, which will include the replacement.

         or repair and recalibration of the meters before they can be reused.
      3. In this instance the sub-lot is not indicative of the overall meter lot so the in-test accuracy data will be excluded from the analysis.

E. For each lot, the maximum permissible sampling period will be limited to thirty (30) years in service.

## 8. RANDOM SAMPLING

SNGMO will select meters for testing utilizing the selection tools available in the Customer Information System (CIS).[3] In the event that additional meters need to be

selected due to the lack of availability of certain meters, or meters are discovered to be unsuitable for the test lot, SNGMO will utilize the selection tools available in its CIS system to select additional meters, as necessary, to provide an adequate number of meters to complete a sample lot.

## 9. REPORTING

SNGMO will report its test results for the previous calendar year to Staff and OPC each year by the following March 15.

[3] The CIS system pulls meters for selection by meter ID order. Since meters are not generally installed in meter ID order, the Company believes this will generate a geographically representative sample.