

In the Matter of the Application of)
QUESTAR GAS COMPANY for)
Modification of its Natural Gas)
Meter Testing Procedures.)

DOCKET NO. 98-057-03

REPORT AND ORDER

ISSUED: June 24, 1998

SYNOPSIS

On May 5, 1998, Questar Gas Company (QGC or Company) filed an application requesting Commission approval for QGC to revise its meter testing procedures to include the sampling of large meters while excluding all iron case meters from testing requirements to allow for accelerated removal of such iron case meters. The Commission finds that the revisions to the Company's meter testing standards first set forth in the Commission's May 16, 1979, Final Report and Order in Case No. 78-057-12 should be revised as requested by the Company in its Application.

By the Commission:

FINDINGS OF FACT

QGC is a public utility engaged in the distribution of natural gas to customers in the State of Utah. Its Utah Public Utility activities are regulated by this Commission and conducted in accordance with the Company's tariff which is on file with this Commission. QGC applied to this Commission for approval to revise its currently-authorized meter testing procedures which were set in the Commission's final Report and Order in Case No. 78-057-12 on May 16, 1979. That Order allowed the Company to implement a statistical sampling methodology for testing and replacing positive displacement meters. In compliance with that Order, the Company filed a detailed description of a proposed statistical sampling plan which was submitted on June 18, 1979. The plan called for statistical sampling for all meters which are smaller than 600 cu. ft./hr. The Company elected to remove and test all meters in the 600 to 1,500 cu. ft./hr. category every three years and those over 1,500 cu. ft./hr. every two years. In addition, the Company continues to inspect all orifice meters for accuracy every year.

Currently, the Commission's uniform standards for testing and replacing meters are set forth in R746-320-3 of the Commission's Uniform Rules Governing Natural Gas Service by Gas Utilities. R746-320-3.E. states as follows:

E. Periodic Tests of Meters - 1. Utilities shall adopt schedules for periodic tests and repairs of positive displacement meters. Utilities shall keep records of accuracy of meters periodically tested and shall analyze the records to determine meter service life for purposes of adjusting the periods for testing and servicing meters.

2. Unless a time extension or a statistical sampling method is approved by the Commission, meter test intervals for displacement meters of the following rated capacities shall not exceed the following:

- a. To 300 cu. ft/hr. 10 years
- b. 300 to 600 cu. ft./hr. 5 years
- c. 600 to 1,500 cu. ft./hr. 3 years
- d. Over 1,500 cu. ft/hr. 2 years

e. Orifice meters, inspected and checked for accuracy 1 year

The standards approved in Case No. 78-057-12 allowed the Company to reduce costs while continuing to ensure the accurate measurement of gas through the statistical sampling plan approved in that case. The standards required that "any plan adopted for meters and service must provide an average outgoing quality (AOQ) of no greater than 8% on the basis of single-meter accuracy of plus/minus 3%."

The Company states that its current procedure is to take a sample of each meter lot as specified in the statistical sampling plan. When the sample results in an error rate of 3% or greater, all of the meters in the lot are then removed. However, because of improvements in technology and materials, this is a rare occurrence.

QGC contends that the current practice of removing and testing all large meters on a two or three year schedule is not warranted by the results of the testing and causes unnecessary expense. Because of a 97% accuracy history, the Company has determined that large meters should qualify for statistical sampling rather than the designated periodic test interval schedule currently undertaken. This would result in significant cost savings and more efficient use of human resources.

QGC states that iron case meters, which were installed in the 1950s and 1960s, have a more frequent history of inaccuracy. New meters that the Company now installs are made from aluminum and are more reliable. Some iron case meters contain leather diaphragms which give rise to most inaccuracies.

Because of accuracy problems, QGC states that it has been the Company's policy for the past seven years to not reinstall any iron case meters when they have been removed for testing, whether they contain leather or synthetic diaphragms. As a result, those meters are removed, sent to the lab for testing and then discarded even if they do not fail the accuracy standard. The results of the tests on these meters are included in the overall results which are reported to the Commission every year.

QGC has removed about 57,000 iron case meters from service, but 74,397 iron case meters are still in service. The Company states, that at the current rate of replacement, these remaining meters will all be removed in about ten years.

QPC states that, even though the Company has made the determination that iron case meters will not be reinstalled, every one that is removed in the statistical sampling program is tested before it is disposed of. This requires that meters which are removed in the outlying areas must be transported to the lab in Salt Lake City for testing.

The Final Report and Order of Case No. 78-057-12 and the current Public Service Commission Rules concerning the testing and replacing of meters found in R746-320-3 both provide the utility the option of implementing a statistical sampling plan for testing all positive displacement meters. In accordance with these standards, the Company proposes to expand its current statistical sampling plan to include those meters between 600 to 1,500 cu. ft./hr. and those over 1,500 cu. ft./hr as detailed in the Company's Revised Exhibit No. 4. Since the schedule for meter testing has been set and is being followed for 1998, the expanded sampling plan, if approved, would be implemented at the beginning of 1999.

The Company seeks to implement a plan to systematically remove and dispose of all iron case meters from its service territory. To facilitate and accelerate this process, the Company requests that the Commission allow it to exempt all iron case meters from the testing procedures. The Company estimates that the period required for the removal of all iron case meters can be reduced from 10 years to 5 years. QGC contends that the approval of the exemption from testing of these meters will result in faster replacement of these meters and higher metering reliability.

CONCLUSIONS OF LAW

Based on the Company's Application and its supporting exhibits, the Commission concludes that the application should be approved as in the public interest.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that Questar Gas Company's Application to include large meters in

its statistical sampling test program is approved.

IT IS FURTHER ORDERED that Questar Gas Company's request to exclude iron case meters from its statistical sampling plan in accordance with its program of accelerated retirement of such meters is approved.

DATED at Salt Lake City, Utah, this 24th day of June, 1998.

/s/ Stephen F. Mecham, Chairman

(SEAL) /s/ Constance B. White, Commissioner

/s/ Clark D. Jones, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary