



Oregon

Kate Brown, Governor

Public Utility Commission

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December 17, 2019



BY EMAIL

Northwest Natural Gas Company, dba NW Natural

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RE: Advice No. 19-18

At the public meeting on December 17, 2019 , the Commission adopted Staff's recommendation in this matter docketed as ADV 1043. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser
Chief Administrative Law Judge
Public Utility Commission of Oregon
(503) 378-3098

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 17, 2019**

REGULAR CONSENT EFFECTIVE DATE January 1, 2020

DATE: December 9, 2019

TO: Public Utility Commission

FROM: Sabrinna Soldavini

THROUGH: Michael Dougherty and Marianne Gardner **SIGNED**

SUBJECT: NORTHWEST NATURAL:
(Docket No. ADV 1043/Advice No. 19-18)
Updates Schedule M, Meter Testing Procedures.

STAFF RECOMMENDATION:

Staff recommends the Oregon Public Utility Commission (Commission) approve Northwest Natural's (NW Natural or Company) Advice No. 19-18 making housekeeping changes to Schedule M, Meter Testing Procedures, effective with service rendered on and after January 1, 2020.

DISCUSSION:

Issue

Whether the Commission should approve NW Natural's Advice No. 19-18, which updates its Schedule M, Meter Testing Procedures.

Applicable Law

ORS 757.205(1) states that a public utility must file schedules showing all rates, tolls, and charges for service that have been established and are in force at the time. Pursuant to ORS 757.210, the Commission may approve tariff changes if they are deemed to be fair, just and reasonable. Filings that make any change in rates, tolls, charges, rules or regulations must be filed with the Commission at least 30 days before the effective date of the changes. ORS 757.220.

OAR 860-022-0025 requires that new tariff filings include statements showing the new rates, the number of customers affected, the impact on annual revenue, and the reasons supporting the proposed tariff.

Analysis

Background

NW Natural's Schedule M, Meter Testing Procedures, describes the Company's meter testing processes and procedures, which reflect the Company's internal Engineering Procedure Z-1. One component of the meter testing procedures outlined in Engineering Procedure Z-1 pertains to the Company's Meter Sampling Program. The last paragraph of the Meter Sampling Program states the threshold at which the number of meters required for change-out, where the Company may extend the meter change-out schedule, is five percent. However the same threshold in its Schedule M, is listed at three percent.

NW Natural states that it has recently become aware of the discrepancy between what is included in Engineering Procedure Z-1 and Schedule M. Accordingly, on November 13, 2019, NW Natural filed Advice No. 19-18 with the Commission, requesting to remedy the typographical error on Schedule M, Meter Testing Procedures.

The Company attests that while this typographical error has been in place for Schedule M, the Company has remained in compliance with both the internal Engineering Procedure Z-1 and Schedule M threshold as the number of meters required for change-out has approached neither three nor five percent.

Effects of Filing

NW Natural's Advice No. 19-18 updates the threshold at which the number of meters required for change-out, the Company may extend the meter change-out schedule, from five to three percent, to align with its Engineering Procedure Z-1.

Staff reviewed the Company's internal Engineering Procedure Z-1 to confirm that the proposed change will, in fact, align the Company's Schedule M with its Engineering Procedure Z-1.

The Company's proposed changes will have no impact to customer rates. Staff therefore finds the proposed change will not harm customers.

Docket No. ADV 1043/Advice No. 19-18
December 9, 2019
Page 3

Conclusion

Based on Staff's analysis of NW Natural's advice filing, Staff finds the housekeeping change associated with the filing to be accurate and consistent with Commission Order. Staff recommends NW Natural's updated Schedule M go into effect.

PROPOSED COMMISSION MOTION:

Approve Northwest Natural's Advice No. 19-18, which updates its Schedule M, Meter Testing Procedures, effective with service rendered on and after January 1, 2020.

NWN ADV 1043

**SCHEDULE M
METER TESTING PROCEDURES**

The Company shall test new meters and meters that are removed from service and intended for reuse in the manner set forth in this Schedule, as more completely described in the Company's Meter Testing Standards and Procedures.

Meter test equipment and methods used by the Company shall conform to the applicable standards of the American National Standards Institute (ANSI) and American Gas Association (AGA).

The minimum acceptable accuracy for all new and rebuilt meters is $100\% \pm 1\%$ at specified flow rates. New meter shipments may be sample-tested in accordance with the applicable standards of ANSI and the American Society for Quality Control, and the entire batch accepted or rejected on the basis of the sample test results.

The Company's performance control program allows diaphragm meters with a rated capacity of up to and including 1,000 cf per hour to remain in service outside of the periodic testing requirements of OAR 860-23-015, provided that the meters satisfy the program's performance requirements.

Each meter in the performance control program is initially assigned to a meter family according to manufacturer, size, type, and set year. At Company's option, meters in any family may be further subdivided according to location, age, or other factors which may be disclosed by test data to have an effect on the performance of the meters. Subsequently, meter families may be modified or combined as justified by the performance records.

Each meter family in the meter sampling program is subject to an annual statistical performance evaluation using a random sample of the family. A meter family is considered to be acceptable if the family sample indicates (a) a minimum proportion of .80 of the family measures between 98.0% and 102.0% accurate (an "accuracy" requirement), and (b) a minimum proportion of .90 of the family measures no more than 102.0% accurate (a "not fast" requirement). Based on the annual performance evaluation, each meter family determined to be acceptable is allowed to remain in service, subject to sample testing and review in succeeding years.

Meters in families determined to require change-out are changed by December 31st of the Year following determination of the need for change-out (*i.e.*, by December of the second year following the year of sampling). However, if in any given Year, the number of meters required for change-out exceeds three (3) percent of the total number of meters in the Meter Sampling Program, the Company may, at its option, extend the change-out schedule so that the meter family is changed within a maximum of four (4) years from determination that change-out is required (*i.e.*, by December of the fourth year following the year of sampling).

(C)