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November 13, 2019

NWN OPUC Advice No. 19-18

VIA ELECTRONIC FILING AND FEDEX

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Post Office Box 1088
Salem, Oregon 97308-1088

Re: Schedule M—Meter Testing Procedures—Correction to Change-Out Percentage

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), files herewith the following revisions to its Tariff P.U.C. Or. 25, stated to become effective with service on and after **January 1, 2020**:

First Revision of Sheet M-1	Schedule M	Meter Testing Procedures
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Purpose

The purpose of this filing is to correct a typographical error in Schedule M – Meter Testing Procedures (Schedule M) pertaining to the percentage of total number of meters in the Company’s Meter Sampling Program at which the meter change-out schedule may be extended.

Background

Schedule M provides a general description of the Company’s meter testing processes and procedures and reflects the Company’s internal Engineering Procedure Z-1. It has come to the Company’s attention that in the last paragraph of Schedule M, the percentage at which the number of meters required for change-out whereupon the Company may extend the meter change-out schedule is listed at 5 (five) percent of the total number of meters in the Meter Sampling Program. This is an error; the percentage should match the Company’s Engineering Procedure Z-1, which is 3 (three) percent.

Proposed Change

NW Natural proposes to correct the percentage described above to indicate 3 (three) percent, consistent with the Company’s Engineering Procedure Z-1 and with the original intent of the Schedule M content. To the best of our knowledge, the 5 (five) percent listed in Schedule M is a typographical error that has been recently detected.

The Company has historically balanced meter change-out workload and forecasting by following the 3 (three) percent threshold in Engineering Procedure Z-1. Despite the

difference between the tariff and the engineering procedure, the Company has remained compliant with both Schedule M and Engineering Procedure Z-1 because the annual number of meters required for change-out has not approached either the 5 (five) percent or 3 (three) percent threshold, respectively. However, NW Natural anticipates exceeding 3 (three) percent in 2020 and in future years, at which point the Company may elect to utilize the four-year replacement program recommended by ANSI standard B109-1 Section 4.3.2.1 for Corrective Action. To remain compliant with Schedule M and to provide consistency between the tariff and Engineering Procedure Z-1, NW Natural requests this change.

Confidential Attachment A provides NW Natural's Engineering Procedure Z-1. Confidential information is provided under OAR 860-001-0070 and ORS 192.345, as this information is confidential, constitutes a trade secret or is otherwise protected from disclosure. NW Natural's Engineering Procedure Z-1 is a document consisting of confidential and proprietary information describing the Company's testing guidelines for new and in-service meters used to statistically evaluate the performance of specified meter families. Accordingly, NW Natural respectfully requests that it be considered exempt from public disclosure.

In compliance with OAR 860-022-0025 NW Natural states that the tariff changes proposed in this filing will have no impact on customer rates.

In accordance with ORS 757.205, copies of this letter and the filing made herewith are available in the Company's main office in Portland, Oregon and on its website at www.nwnatural.com.

Please address correspondence on this matter to me with copies to the following:

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If you have any questions, please call me at (503) 721-2452.

Respectfully submitted,

/s/ Natasha Siores

Natasha Siores
Manager, Regulatory Compliance

Attachment

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)

The entire text of NW Natural's Engineering Procedure Z-1 (Attachment A, pp. 1-8)
is confidential under OAR 860-001-0070 and ORS 192.345.