SOUTH FLORIDA NATURAL GAS

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March 13, 2001

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Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0862

RE: Proposed amendment to Rule 25-7.063 F.A.C., Meter Accuracy at Installation.

South Florida Natural Gas, a division of Southern Union Company submits the following comments for consideration by the commission:

The company generally agrees with the changes reflected in the proposed rulemaking. The massive amount of testing formerly required was not cost effective, and gained little in the way of benefit for either the company or the customer. One area of concern, however, is the sampling method proposed for apparently damaged lots. It does not appear to be a statistically valid procedure. The proposed method sets a fixed sampling rate (10%) and a fixed rejection number (1).

In typical sampling practice, both the sampling rate and the rejection number are determined by the lot size. This is done to keep the risks of either accepting a bad lot or rejecting a good lot fairly constant. If the sampling rate and rejection number are fixed, then the risks mentioned above vary.

Generally, a fixed sampling rate of 10% is not adequate for small lots, and it is excessively stringent for very large lots. That is, five (5) meters from a lot of fifty does not give enough information to make a good decision. Under a well-designed sampling plan, eight (8) meters would be more appropriate. Similarly, 400 meters from a lot of 4,000 is excessive. A sample of 200 would provide sufficient information.

The company respectfully suggests that the Commission consider the use of a statistically proven sampling plan such as Mil-Std. 105D as the decision-making tool in these cases. Many public utility commissions accept this sampling plan for sampling purposes.

Respectfully,

Al Kara

Al Kara
Regional Vice President

DOCUMENT NUMBER-DATE
03439 MAR 19 ō
FPSC-RECORDS/REPORTING