



Public Service Commission

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RECEIVED FPSC

DATE: 2/8/01

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF APPEALS (MOORE) *AM*
 DIVISION OF ECONOMIC REGULATION (HEWITT) *RWS*
 DIVISION OF LEGAL SERVICES (ELIAS) *RVE CBA*
 DIVISION OF SAFETY AND ELECTRIC RELIABILITY (MILLS) *JDJ*

RE: DOCKET NO. 010105-GU - PROPOSED AMENDMENT TO RULE 25-7.063, F.A.C., METER ACCURACY AT INSTALLATION.

AGENDA: 2/20/01 - REGULAR AGENDA - RULE PROPOSAL - INTERESTED PERSONS MAY PARTICIPATE

RULE STATUS: PROPOSAL MAY BE DEFERRED

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\APP\WP\010105.RCM

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission propose amendments to Rule 25-7.063, Florida Administrative Code, titled Meter Accuracy at Installation, to revise the requirements for meter accuracy at the time of installation, and to revise the testing requirements for new meters?

RECOMMENDATION: Yes, the Commission should propose amendments to Rule 25-7.063, Florida Administrative Code.

STAFF ANALYSIS: Section 366.05(1), Florida Statutes, provides in part that the Commission has the power to prescribe standards of quality and measurements, and service rules and regulations to be observed by each public utility. Rule 25-7.063, Florida Administrative Code, Meter Accuracy at Installation, specifies the standards for accuracy of gas meters being installed. Rule 25-7.063 currently requires that a new gas meter must not measure more

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

than one percent fast or not more than two percent slow. The rule also permits the meter manufacturers' test data to be used if a random sample of at least 10 percent of the meters is within accuracy limits.

The deregulation of the natural gas industry has resulted in the distribution operator becoming, substantially, a transporter of natural gas. This new transportation role has developed a demand for greater measurement accuracy to assure equitable contractual payments. This rule amendment, in part, is an attempt to meet this need by requiring improved meter accuracy at the time the meter is installed at a customer's premise.

The proposed changes to the rule should improve meter accuracy by prohibiting the installation of a meter that has been tested and found to be more than one percent slow rather than the two percent slow allowed by the current version of the rule. The amendment also eliminates the requirement for investor-owned utilities to perform a random test of 10 percent of all new meters. This requirement was determined not to be cost effective. Test data indicates that one-tenth of 1 percent of new meters tested were found not to be within allowable accuracy limits. It was also determined that of the meters that failed to meet accuracy limits most had suffered apparent damage. The proposed rule instead requires that if damage is apparent on any shipment of new meters, a 10 percent sampling must be performed to assure that the damage has not detrimentally changed the meter accuracy of the shipment as a whole. If any meter of the sample is found not to be within accuracy limits, the entire shipment must be tested.

Statement of Estimated Regulatory Cost:

The tightening of accuracy limits to within one percent should not cost utilities or ratepayers any additional expense. Meters are now much more accurate than they were when this rule was last amended in 1984. In addition, experience has shown that failure of new meters to meet the one percent accuracy range were usually due to damage in shipping, rather than to failure in the meter design or manufacture. Requiring testing only when damage is apparent should save over \$72,000 per year.

The Florida Administrative Procedure Act encourages an agency to prepare a Statement of Estimated Regulatory Costs (SERC). A SERC was not prepared for the proposed rule, however, because there should be no additional costs other than the costs to promulgate a rule and no significant negative impacts on utilities, small businesses, small cities, or small counties.

DOCKET NO. 010105-GU

DATE: 2/8/01

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, if no requests for hearing or comments are filed, the rule amendments as proposed should be filed for adoption with the Secretary of State and the docket be closed.

STAFF ANALYSIS: Unless comments or requests for hearing are filed, the rules as proposed may be filed with the Secretary of State without further Commission action. The docket may then be closed.

CTM/

Attachments:

Rule 25-7.063

SERC Memorandum

1 **25-7.063 Meter Accuracy at Installation.**

2 (1) A new gas meter shall be within plus or minus 1 ~~not more~~
3 ~~than one percent of accuracy~~ to be ~~(1%) fast and not more than two~~
4 ~~percent (2%) slow~~ when installed for customer use. Manufacturers'
5 test data may be used if there is no indication of damage to the
6 meters resulting from the shipping process. If damage is apparent,
7 in order for the manufacturers' test data to be used, a random
8 representative sample of not less than ~~a minimum of ten~~ 10 percent
9 ~~(10%)~~ of the ~~new~~ meters in the damaged shipment shall be ~~have been~~
10 tested and found to be ~~insure they are~~ within accuracy limits. If
11 any meter of the sample is found not to be within accuracy limits,
12 the entire shipment must be tested, and where necessary, the meters
13 adjusted to within the plus or minus 1 percent accuracy limits.

14 (2) Every meter removed from service when opened for repairs
15 shall be adjusted to be not more than ~~one~~ 1 percent ~~(1%)~~ fast and
16 ~~not more than two or 1~~ percent (2%) slow before being reset. ~~and~~
17 ~~if~~ If not opened for repairs, the meter may be reset without
18 adjustment if found to be not more than 1 ~~two~~ percent ~~(2%)~~ in error
19 fast or not more than 1 percent slow provided the meter is
20 otherwise in good condition.

21 (3) ~~(2)~~ No meter may ~~shall~~ be installed unless it has been
22 tested within the previous 12 months and found to be within the
23 accuracy limits ~~prescribed in (1) of~~ established by this rule.
24 ~~within a period no longer than twelve (12) months previous to the~~
25 ~~date of installation.~~

CODING: Words underlined are additions; words in ~~struck~~
~~through~~ type are deletions from existing law.

1 | **Specific Authority: 366.05(1), F.S.**
2 | **Law Implemented: 366.05(1), F.S.**
3 | **History: Repromulgated 1/8/75, 5/4/75, Amended 2/13/84, formerly**
4 | **25-7.63.**
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MEMORANDUM

October 20, 2000

TO: DIVISION OF APPEALS (MOORE)

FROM: DIVISION OF ECONOMIC REGULATION (HEWITT) ^{MS} CBH TJD

SUBJECT: STATEMENT OF ESTIMATED REGULATORY COSTS FOR PROPOSED AMENDMENTS TO RULE 25-7.063, F.A.C., METER ACCURACY AT INSTALLATION

Rule 25-7.063, F.A.C., Meter Accuracy at Installation, specifies the standards for accuracy of gas meters being installed. Currently, a new meter may not be more than 1% fast nor more than 2% slow. If removed from service and not opened for repairs, it may subsequently be reset without adjustment if not more than 2% fast or slow. In addition, a minimum of ten percent of new gas meters must be tested and found accurate for the manufacturers' test data to be used.

The proposed amendments to the rule would tighten the 2% leeway on meters to 1%. Also, gas meter manufacturers' test data may be used unless there is apparent damage from shipping. If there is apparent damage, 10% of the meters must be tested and if any sample is not within accuracy limits, the entire shipment must be tested.

Meters are now much more accurate than they were when this rule was last amended in 1984. The tightening of accuracy limits to within 1% should not cost utilities or ratepayers any additional expense. Experience has shown that failure of new meters to meet the 1% accuracy range were usually due to damage in shipping, rather than to failure in the meter design or manufacture. Requiring testing only when damage is apparent should save over \$72,000 per year.

The Florida Administrative Procedures Act encourages an agency to prepare a Statement of Estimated Regulatory Costs (SERC). However, there should be no additional costs other than the costs to promulgate a rule and no significant negative impacts on utilities, small businesses, small cities, or small counties. Therefore, a SERC will not be prepared for the proposed rule at this time.

cc: Mary Andrews Bane

metermem.cbh