

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF LOUISVILLE GAS)	
AND ELECTRIC COMPANY FOR APPROVAL)	CASE NO.
OF A PERMANENT STATISTICAL METER)	2000-278
SAMPLING PLAN)	

O R D E R

Louisville Gas and Electric Company (“LG&E”) has filed an application pursuant to 807 KAR 5:022, Section 8(5)(c), requesting approval of its statistical gas meter sampling plan on a permanent basis. On August 23, 1995,¹ the Commission approved LG&E’s statistical gas meter sampling plan as a 5-year pilot and required LG&E to evaluate the plan and elect whether to continue it.

In its present application, LG&E requests authority to continue its statistical gas meter sampling plan with the modifications implemented in the 5-year pilot plan. LG&E’s plan was based upon Military Standard 105D, Sampling Procedures and Tables for Inspection by Attributes. After discussions with Commission Staff, LG&E submitted for approval a revised plan based upon the American National Standards Institute/American Society for Quality Control ANSI/ASQC Z1.4-1993 – Sampling Procedures and Tables for Inspection by Attributes. LG&E also requests that it be granted authority to deviate from 807 KAR 5:006, Section 25(5)(b). LG&E proposes in

¹ Case No. 94-046, The Application of Louisville Gas and Electric Company For Approval of a Statistical Sample Meter Test Plan For Residential Gas Meters Pursuant to 807 KAR 5:022, Section 8(5)(c), of the Commission’s Regulations.

its sample plan to check gas regulators for proper delivery pressure and proper lock off when a customer's meter is changed under the sample testing. 807 KAR 5:006, Section 25(5)(b), requires all residential customer service regulators, vents, and relief valve vents to be checked for satisfactory operation at intervals not to exceed the periodic meter test intervals. LG&E states in support of its request that the residential service regulators are the most dependable piece of equipment in the gas industry. In addition, it states that it performs leak surveys in residential service areas once every 3 years, which includes checking the regulators for leakage and replacing or repairing them when a leak is detected. It also states that in elevated and medium pressure main replacement areas regulators are routinely replaced as part of the renewal of the service area. The Commission finds that simply checking a regulator for leaks does not sufficiently address the Commission's gas safety concerns and does not signify satisfactory operation of the regulator. In addition, the Commission finds that under the sample plan not every meter will be periodically tested, only a statistical sample. LG&E has not provided sufficient evidence that its proposal with regard to regulators will provide safe, reliable, and efficient service to its customers. Therefore, the Commission finds that the deviation request should be denied.

Pursuant to the Commission's 1995 Order, LG&E has filed annual reports providing results for each year of the pilot plan. LG&E states that the plan has reduced meter testing expense and improved the accuracy of meters deployed in the field. The Commission finds that LG&E's statistical gas meter sampling plan previously approved by the Commission in Case No. 94-046 with the modifications made and submitted in its

filing of March 23, 2001 should be approved on a continuing basis. LG&E should continue filing an annual report with the Commission that includes identification and test results of each control group, test results for the new meters including the manufacturer's test records, evaluation and analysis of the data, any corrective action taken, cost savings, safety measures, and overall efficiency of the plan.

IT IS THEREFORE ORDERED that:

1. LG&E's statistical meter sampling plan previously approved by this Commission in Case No. 94-046 with the modifications contained in the March 23, 2001 filing is approved on a continuing basis. Said plan may be followed in lieu of the tests prescribed in 807 KAR 5:022, Section 8(3) and (5).

2. LG&E's request to deviate from the requirements of 807 KAR 5:006, Section 25(5)(b), is denied.

3. On or before April 1, 2002, LG&E shall file an annual report for the statistical meter testing plan as described by the above findings, and shall file annual reports thereafter until further Order of the Commission.

Done at Frankfort, Kentucky, this 7th day of November, 2001.

By the Commission

ATTEST:


Executive Director