



Delta Natural Gas Company, Inc.

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January 13, 2009

Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

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PUBLIC SERVICE
COMMISSION

RE: Proposed Variance to Meter Testing Program

Dear Mr. Derouen,

2009-00063

Delta Natural Gas Co., Inc. hereby requests permission of the Kentucky Public Service Commission for a variance in their Meter Test Program as imposed by 807 KAR 5:022, Section 8, Subsection 5(a) (1)(2)(3). This variance will consist of extending the meter test intervals for residential and small commercial meters from ten (10) to twenty (20) years, large commercial meters from five (5) to ten (10) years and industrial meters from one (1) to two (2) years.

Please find enclosed with this correspondence the proposed Meter Test Program defining this request. Should you have any questions regarding our proposal, please contact me.

Please acknowledge receipt of this filing by stamping the extra copy of the cover letter and returning to Delta in the envelope provided.

Very truly yours,

Connie King

Connie King
Manager – Corporate & Employee Services

METER TESTING PROGRAM (PROPOSAL)

Recognizing the high quality and dependability of their meters, Delta has exclusively purchased diaphragm meters and turbine meters manufactured by American Meter Company. Several years ago in our quest for more accurate measurement, Delta instituted a program to retire iron case, steel case, and certain older aluminum case meters that have historically exhibited a propensity to develop measurement problems. Meters acquired through an acquisition of a gas system, such as a housing authority, are tested as soon as practical and those meters not meeting Delta's meter requirements are retired from service. Delta currently utilizes two makes of rotary meters in our industrial class, Instromet/Elster and Roots/Dresser. These meters also maintain a high degree of accuracy.

For the purpose of obtaining the test samples, Delta proposes to group all meters of the same test year for each of the three meter classes. Thus all residential/small commercial meters tested in a given test year will become a test group and all commercial meters and industrial meters will become individual test groups for their given test year.

All gas meters, prior to being installed for use by any customer, will continue to be tested and adjusted within accuracy requirements as mandated by Chapter 807 KAR 5:022 Section 8 (3).

DEFINITIONS

Acceptable quality level – The sampled group of meters as a whole has accuracy limits of eighty-five percent (85%) or greater.

Accuracy limit – Meter is found to be within plus (+) or (-) two percent (2%) of one hundred percent (100%) accuracy.

Make – The manufacturer of the meter.

Size – The capacity of the meter as specified by the manufacturer.

METER CLASSIFICATION

Residential / Small Commercial – Meters with a rated capacity up to and including 500 cubic feet per hour.

Large Commercial – Meters with a rated capacity of 501 cubic feet per hour up to and including 1500 cubic feet per hour.

Industrial – Meters with a rated capacity of 1501 cubic feet per hour and above.

**PROPOSED EXTENDED TEST INTERVAL PLAN
RESIDENTIAL / SMALL COMMERCIAL CLASS METERS**

OBJECTIVE: Extend the meter test interval for residential / small commercial class meters from ten (10) years to twenty (20) years.

1. Beginning in the first year of the program, remove and test five (5) percent of the eleven (11) year meters. This sample group of meters shall be randomly selected and comprised of as near five (5) percent as possible of each make and size meter.

If the acceptable quality level is met

2. In the second year of the program, remove and test five (5) percent of the eleven (11) year and five (5) percent of the twelve (12) year meters.

If the acceptable quality level is met

3. Continue removing and testing five (5) percent of the meters for each remaining age group until the first test group will have reached age twenty.
4. In the event the test group of meters for a given year fails, an additional five (5) percent of meters shall be removed and tested. If this group of meters meets the acceptable quality level, continue the proposed extended test plan. If the second group fails, the proposed extended test plan is halted and all meters of that age group are removed and tested. The year of the last acceptable test group shall become the new extended test interval.
5. Upon successfully reaching year twenty (20) (no failures per item 4) all twenty (20) year meters are removed from service and tested. This shall become the test interval for residential class meters.
6. Inactive, leaking, or non-registering meters shall be excluded from the sample test. In the event a non-registering meter is found in the test group, a meter of the same make and size shall be selected to replace that meter for that test group.
7. Meters acquired through an acquisition of a gas system shall be excluded from the test group. Meters with insufficient test data shall be tested as soon as practical.

**PROPOSED EXTENDED TEST INTERVAL PLAN
LARGE COMMERCIAL CLASS METERS**

OBJECTIVE: Extend the meter test interval for large commercial class meters from five (5) years to ten (10) years.

1. Beginning in the first year of the program, remove and test or test in place five (5) percent of the six (6) year meters. This sample group of meters shall be randomly selected and comprised of as near five (5) percent as possible of each make and size meter.

If the acceptable quality level is met

2. In the second year of the program, remove and test or test in place five (5) percent of the six (6) year and five (5) percent of the seven (7) year meters.

If the acceptable quality level is met

3. Continue removing and testing or testing in place five (5) percent of the meters for each remaining age group until the first test group will have reached age ten.
4. In the event the test group of meters for a given year fails, an additional five (5) percent of meters shall be tested. If this group of meters meets the acceptable quality level, continue the proposed extended test plan. If the second group fails, the proposed extended test plan is halted and all meters of that age group is removed and tested or tested in place. The year of the last acceptable test group shall become the new extended test interval.
5. Upon successfully reaching age ten (10) (no failures per item 4) all ten (10) year meters are tested. This shall become the test interval for commercial class meters.
6. Inactive, leaking, or non-registering meters shall be excluded from the sample test. In the event a non-registering meter is found in the test group, a meter of the same make and size shall be selected to replace that meter for that test group.
7. Meters acquired through an acquisition of a gas system shall be excluded from the test group. Meters with insufficient test data shall be tested as soon as practical.

**PROPOSED EXTENDED TEST INTERVAL PLAN
INDUSTRIAL CLASS METERS**

OBJECTIVE: Extend the meter test interval for commercial class meters from one (1) year to two (2) years.

1. Beginning in the first year of the program, test fifty (50) percent of the industrial class meters. The sample group of meters shall be randomly selected and comprised of as near fifty (50) percent as possible of each make and size meter.
2. In the event the acceptable quality level is not met, all industrial class meters shall be tested as soon as practical. The test interval for industrial class meters shall remain at one (1) year test intervals.

If acceptable quality level is met

3. In year two (2) the remaining industrial class meters shall be tested. If the acceptable quality level is met, the new test interval for industrial class meters shall become two (2) years. In the event the acceptable quality level is not met, all industrial class meters shall remain at one year test intervals.
4. Inactive, leaking, or non-registering meters shall be excluded from the sample test. In the event a non-registering meter is found in the test group, a meter of the same make and size shall be selected to replace that meter for that test group.
5. Meters acquired through an acquisition of a gas system shall be excluded from the test group. Meters with insufficient test data shall be tested as soon as practical.