

N.E. GAS ext. 1
FULL

New England Gas Company 

May 8, 2006

VIA HAND DELIVERY

Luly E. Massaro, Division Clerk
Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, RI 02888

RE: Docket No. D-06-15, Notice of Rulemaking and Public Hearing

Dear Ms. Massaro:

On April 4, 2006, the Rhode Island Division of Public Utilities and Carriers ("Division") notified the public of its intention to hold a public hearing in response to the Division's plans to adopt new rules and regulations prescribing standards for gas utilities, master meter systems and jurisdictional propane systems, and to repeal related existing rules and regulations. New England Gas Company ("NEGC" or "Company") appreciates the opportunity it has had to provide input into this process, most recently by written comments filed on October 28, 2005, and hereby takes this opportunity to re-affirm its position to several outstanding items in these new rules.

First, in the Definitions, the Company has reviewed the ANSI standards (ANSI B109.1 and B109.2 as approved April 13, 2000), but remains unclear with regard to how a diaphragm-type gas displacement meter is classified as a Class A or a Class B meter for industry standard purposes. Additionally, this definition fails to reference meters of other non-diaphragm types. While the Company would recommend that the Division strike any language that is not reflective of the ANSI Standards, any clarification or references that the Division could provide with regard to the derivation of this definition would be greatly appreciated.

Second, there are two provisions in these proposed regulations that will create significantly added costs to the Company for no appreciable benefit to its customers. In particular, §15(a)(v), relative to Gas Meter Accuracy for meters in storage over a 12-month period will require expenses of approximately \$990 per meter to send certain meters out for this testing prior to use. The likelihood that a meter could be deemed inaccurate when it had been tested and certified to be within compliance when placed on a shelf and then left alone from that time until installation is too remote to warrant such an expense. Therefore, the Company recommends that this requirement be removed from the proposed regulations.

Relative to Appendix A and the requirement that the Company purchase stickers with the date of installation on them rather than the year of install, this remains an unnecessary burden on the Company since all meter testing is based on the meter set

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date, which is recorded in the system based on the annual date of install. Further, this requirement is inconsistent with past practice and with general practices in other jurisdictions, including Massachusetts where the Company also provides service. Requiring that the stickers carry this level of specificity means that instead of having the stickers installed on new meters at the factory for no appreciable cost, the Division would instead create a circumstance whereby the Company will be paying labor to put these on for no appreciable value. Estimating the number needed for installation per month is unduly burdensome to quantify and order ahead, since the Company does not control nor is it able to foresee with certainty the external needs and demands of its customers. On the cost side, using a conservative assumption that such a proposal would take 90 service techs 15 minutes each month, the added cost to the Company for such a service is approximately \$10,800. Another \$1,400 is estimated for collection, retagging, and restocking the trucks. Also, the Company currently keeps four months of stickers on stock and a year's worth on order. Under this provision, that stock would become useless and create an added \$12,000 cost with no appreciable customer benefit. The Company therefore recommends that this requirement be removed from the proposed regulations and that stickers be allowed to state the year of installation.

Third, as has been stated previously, the Company has significant concerns with the estimated read language provided in § 5(f), as it relates to § 18(c) "Non-Registration, Does Not Register (DR Meter), or Unaccounted for Gas." Historically, there have been occasions where the Company's customers have been unable or unwilling to allow the Company access to the customer's meters for periods of longer than six months. However, in § 18(c) as proposed, the Company would be prohibited from recovering "billing for unaccounted for gas past (two) 2 months of non registration of the meter, or, if the meter has an attached AMR device, the non registration of the meter and non registration of the AMR device."

Under this proposed language, while the Company is allowed to verify meter reads at least once every six months in § 5(b), it is prohibited from collecting more than two months of those estimated reads in § 18(c). The Company has many residential customers who winter in other regions of the country and could be away for significantly longer than the two months allowed, as well as many instances of individuals who fail to respond to Company requests for access during the winter moratorium period. Under both scenarios where the customers themselves are unwilling or unable to provide access, the Company would be prohibited from collecting costs from the cost-causing customer, and instead would be forced to shift that responsibility onto the customers as a whole. Such a burden shifting would be unnecessary and unfair. The only resolution available to the Company in such a situation, therefore, would be to anticipate that each estimated read is related to a failure to register usage, and as such, to register all estimated read costs significantly high enough to warrant a fairly rapid callback from the customer to gain access, correct the problem, and adjust the outstanding bill accordingly. Such a resolution is unfair to both the customer and the Company, and therefore the Company requests that the Division remove the two month requirement found in § 18(c).

Lastly, the Company has several general housekeeping items. On a universal basis throughout the document, any reference in the document to accuracy limits for the meters of +1.5% should be changed to $\pm 1.5\%$. Additionally, as provided in § 17, any previously refurbished and installed meters in the field must be grandfathered from this percentage decrease, since they were put in the field under a 2.0% standard and will clearly place the Company at a disadvantage with regard to this new 1.5% standard. Also, the AGA's Measurement of Gas by Turbine Meters (Report No. 7 at 30), states that spin tests are "not indicative of meter accuracy." Therefore, the Company is unclear of the relevance or value of a spin test as described in § 15, and would appreciate any insight the Division might be able to offer as to its relevancy. The Company recommends that these changes be addressed accordingly.

To close, the Company has taken note of the Division's willingness to work with us to gain access for non-registering meters, and we have begun communications with the Division about this and appreciate their participation. We have also taken note of the Division's recommendation that we come forward with specific proposals on several items, including for example, meter sampling. The Company continues to review its options with regard to these suggestions, and should that review determine that such a proposal is warranted, we will move forward with the Division at that later time. Thank you again for the opportunity to provide these comments and clarifications for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "David Black", with a long horizontal flourish extending to the right.

David Black
Vice President and General Counsel