

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)	
CONSUMERS ENERGY COMPANY for approval of)	
a temporary waiver of Rules 460.2351 and 460.2351a)	Case No. U-21341
and for approval of alternative natural gas)	
diaphragm meter testing procedures.)	
_____)	

At the September 26, 2024 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Katherine L. Peretick, Commissioner
Hon. Alessandra R. Carreon, Commissioner

ORDER

On December 19, 2022, Consumers Energy Company (Consumers) filed an application requesting a waiver of the meter testing requirements in the Commission’s Technical Standards for Gas Service (Technical Standards), Mich Admin Code, R 460.2351 (Rule 51) and R 460.2351a (Rule 51a), and seeking *ex parte* approval of alternative natural gas diaphragm meter testing procedures until December 31, 2025. Application, pp. 1, 6.

Rule 51 and Rule 51a of the Technical Standards govern the testing of natural gas meters. Rule 51 requires, among other things, that utilities make periodic tests of meters, associated devices, and instruments to ensure their accuracy, and it further requires tests to be conducted in accordance with that rule “unless otherwise approved by the commission.” Mich Admin Code, R 460.2351(e). A utility must comply with the requirements in Rule 51; however, a utility may

adopt the requirements contained in Rule 51a for statistical sampling and quality control of in-service diaphragm meters with approval from the Commission. Mich Admin Code, R 460.2351a(1). Rule 51a identifies the statistical quality control programs for meter testing that a utility may use, which include certain American National Standards Institute (ANSI) statistical quality control programs. *See*, Mich Admin Code, R 460.2351a(2). Additionally, Rule 51a permits the use of an alternative statistical quality sampling program if approved by the Commission. Mich Admin Code, R 460.2351a(3).

Consumers previously requested Commission approval to waive the meter testing requirements in Mich Admin Code, R 460.2352¹ (Rule 52) and to implement alternative natural gas diaphragm meter testing procedures in Case Nos. U-17668 and U-20626. Application, p. 2. The Commission approved these waiver requests and alternative natural gas diaphragm meter testing procedures in its February 12, 2015 order and February 28, 2017 order in Case No. U-17668 (February 12 order and February 28 order, respectively) and in its May 19, 2020 order in Case No. U-20626 (May 19 order). *See*, February 12 order, p. 4; February 28 order, p. 4; May 19 order, p. 2.

In its current application, Consumers requests a three-year continuation of the authorization to use the company's alternative natural gas diaphragm meter testing procedures, as provided in Attachment 1 to the application. Application, pp. 2-3. Additionally, Consumers requests "authorization to use table A-2, ANSI/ASQC [American Society for Quality Control] Z1.9 statistical sampling to select natural gas diaphragm meter quantities for removal and testing." Application, p. 3. According to Consumers:

¹ Rule 52 was rescinded, effective September 3, 2020, and was replaced with Rule 51a. *See*, 2020 MR 17.

The Company's requested Natural Gas Diaphragm Meter Testing Procedures . . . will utilize meter lots, which group meters according to specific characteristics such as type, make, size, purchase year, or other similar characteristics. On an annual basis, the Company proposes to determine lot sample test quantities based on ANSI/ASQC Z1.9 table A-2, with the exception of smaller lots of meters where sampling will be conducted at a higher quantity than required by table A-2, ANSI/ASQC Z1.9. Thus, the Company's alternative sampling program is at least as effective as the standards listed in Rule 51a(2). After these meters are removed from service, the Company proposes to continue to use a point system to determine the average test points for each meter lot. In addition to these testing procedures, the Company will also designate certain meter lots as obsolete due to accuracy issues, defect issues, age, and functional obsolescence and retire those meters from service similar to the Company's current practices The statistical sampling and quality control will be supervised by an individual trained in statistical sampling techniques and is at least as effective as the standards listed in Rule 51a(2).

Application, pp. 3-4.

Consumers also states that all meters removed from service from each lot, independent of the reason for removal, may be used to meet the required sample quantities. Application, p. 4.

"Where meters that are tested were removed from service for reasons in addition to the statistical testing program, the meters will be selected at random for testing consistent with Rule 51a(4)."

Application, p. 4.

Additionally, Consumers proposes to continue to file annual reports, no later than March 1 of each year, that address: (1) the meters that have been tested during the preceding calendar year; (2) the test plan for the preceding year, including actual quantities removed and tested during that year; and (3) the proposed test plan for the subsequent calendar year. Application, p. 5.

To implement its proposed natural gas diaphragm meter testing procedures, Consumers requests that the Commission authorize the company to amend Section B, Part 5 of the company's rate book for natural gas service to reflect the requested waiver period, which the company set forth as Attachment 2 to the application. Application, p. 5.

The Commission, having considered Consumers' application, finds the company's requested relief reasonable and in the public interest because it will permit the company to test and exchange its natural gas diaphragm meters in a more efficient manner. The Commission further finds that approval of the application will not result in an increase in rates or cost of service to any nonparticipating customer and, therefore, that *ex parte* review and approval are appropriate. *See*, MCL 460.6a(3). Accordingly, the Commission approves the application and grants the requested relief.

THEREFORE, IT IS ORDERED that:

A. Consumers Energy Company's request to waive the meter testing requirements in Mich Admin Code, R 460.2351 and R 460.2351a of the Commission's Technical Standards for Gas Service until December 31, 2025, is approved.

B. Consumers Energy Company's request to implement the natural gas diaphragm meter testing procedures, as provided in Attachment A to this order, is approved through December 31, 2025.

C. Consumers Energy Company shall file annual reports no later than March 1st of each year as described in Attachment A to this order.

D. Consumers Energy Company's request to amend Section B, Part 5 of the company's rate book for natural gas service, attached as Attachment B to this order, is approved.

E. Within 30 days from the date of this order, Consumers Energy Company shall file tariff sheets substantially similar to those contained in Attachment B to this order. After the tariff sheets have been reviewed and accepted by the Commission Staff for inclusion in the tariff book, Consumers Energy Company shall file the final tariff sheets in this docket and serve all parties.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at LARA-MPSC-Edockets@michigan.gov and to the Michigan Department of Attorney General - Public Service Division at sheacl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Daniel C. Scripps, Chair

Katherine L. Peretick, Commissioner

Alessandra R. Carreon, Commissioner

By its action of September 26, 2024.

Lisa Felice, Executive Secretary

Consumers Energy Natural Gas Diaphragm Meter Testing Procedures

Meter Lots

“Lot” means a group of meters as assigned by the utility according to specified meter characteristics, such as type, make, size, purchase year, or other similar characteristics. All Diaphragm meters will belong to one and only one lot, and will remain in that group until the meter is retired. Lots may be created using different combinations of characteristics within the meter population such as:

- Lot 1 example - All meters regardless of manufacturer or model with a capacity of 500 cubic feet per hour or less purchased prior to 1970
- Lot 2 example - All American 175 meters purchased between 1980 and 1989
- Lot 3 example - All Itron 250RMM meters purchased in 1999
- Lot 4 example – Specific serial number range
- Lot 5 example - All meters between 501 cubic feet and 1000 cubic feet purchased between 2000 and 2010

Meter Testing

On an annual basis, sample test quantities will be determined based on ANSI/ASQC Z1.9 table A-2, except for lots of smaller quantity which will be sampled at a higher quantity than required by the standard. Sample quantities required per lot will be as follows:

- Lot size 50 -1,000 - test 50
- Lot size 1,001-10,000 - test 75
- Lot size 10,000 – 75,000 – test 150

If a lot is smaller than 50 meters and over 10 years old the utility will remove and retire all meters from the lot. Lots will not exceed 75,000 meters.

All meters removed from service from each lot, independent of the reason for removal (i.e. for-cause, companion work order, other CE program etc.), may be utilized to meet the required sample quantities.

Non-registering meters or meters damaged affecting accuracy shall not apply to the sample results.

A meter or an associated metering device, or both, shall be tested after it is removed from service unless it is deemed obsolete. Meters removed from service in excess of the required samples for the lot, due to functional obsolescence, will be retired unless they are returned to service after testing.

A meter test will consist of the following:

- **Open Accuracy test** requires testing the meters at 80% - 100% capacity
- **Check Accuracy test** requires testing the meter at 20% - 35% capacity

The “overall average accuracy” result is calculated as the result of the open accuracy test plus the result of the check accuracy test divided by two. This value will be used to determine a point value for the test.

A “normal” test is one for which the overall average accuracy falls within the acceptable meter accuracy range between 98% and 102%.

“Point value” for a meter, is the numerical equivalent of the accuracy variance from normal, with 1 test point equal to a 1% variance. For example, meter accuracy that is between 104.1% and 105.0% or between 95.0% and 95.9% accurate on test is assigned 3 test points. All meter test results greater than 110% or less than 90% will be assigned 9 test points.

The “average test points” per meter for each lot is calculated by dividing the total number of test points by the total number of tests (not including stuck meters).

If a meter lot has an average test point value greater than 0.3, one of the following actions will be initiated:

- Double the sample size from the preceding previous year
- After doubling the sampling size, the utility may continue to test the meters at the same sample quantity until satisfactory results are achieved or the lot is deemed obsolete
- The lot is deemed obsolete

If more than 10% of the meters tested in a lot have an overall average accuracy greater than 102.0%, 100% of the meters removed in the subsequent year will be tested and will continue to be 100% tested until the results of the testing returns to a level of less than 10% of the tests being greater than 102.0%.

Obsolete Meters

As determined by the utility, a lot of meters may be deemed obsolete due to accuracy issues, defect issues, age, or functional obsolescence. If a lot of meters is determined to be obsolete, the lot will be removed from service on a schedule to be determined by the utility. This removal schedule will be provided to the Commission as part of the annual reporting requirement, defined in the reports section below.

If the age of the meters in a lot is 40 years or greater, the lot will be deemed obsolete.

Annual Reports

Not later than March 1 of each year, utilities shall file the following reports, in an acceptable electronic format, with the commission of meters that have been tested the previous calendar year:

Meters that have been tested during the preceding calendar year summarizing all test point values for each lot showing total quantities for each point value.

The test plan for the preceding year including actual quantities removed and tested during that year will contain the following information:

- Lot Number
- Lot Characteristics (Example: Model, Manufacturer and Purchase Year)
- Lot Status (Obsolete Planned Removes, Obsolete Sample Tests, Double Sample Tests, Normal Sample Tests)
- Quantity Installed as of January 1
- Number of Sample Tests Required for the Previous Year
- Number of Sample Tests Performed
- Previous Year Test Quantity
- Previous Year Total Points
- Average Points Per Meter
- Previous Year Target Quantity for Removal
- Percentage of Total Installed to be Removed
- Actual Quantity of Meters Removed for the Previous year
- Percentage of Total Installed Meters Removed

The proposed test plan for the subsequence calendar year will be submitted with the following information:

- Lot Number
- Lot Characteristics (Example: Model, Manufacturer and Purchase Year)
- Lot Status (Obsolete Planned Removes, Obsolete Sample Tests, Double Sample Tests, Normal Sample Tests)
- Quantity Installed as of January 1st
- Sample Tests Required for the Current Year
- Previous Year Test Quantity
- Previous Year Total Points
- Average Points Per Meter
- Current Year Target Quantity for Removal
- Percentage of Total Installed to be Removed

**SECTION B
ADMINISTRATIVE RULES INDEX**

B1. TECHNICAL STANDARDS FOR GAS SERVICE (R 460.2301 - R 460.2384) (FOR ALL CUSTOMERS)
<https://ars.apps.lara.state.mi.us/AdminCode/DownloadAdminCodeFile?FileName=R%20460.2301%20to%20R%20460.2384.pdf>

PART 1. GENERAL PROVISIONS**R 460.2301 Definitions.**

R 460.14001 (revised to R460.20101) et seq. are the Michigan Gas Safety Standards. See Rule B9.

R 460.2302 Application, intention, and interpretation of rules; utility rules and regulations.**PART 2. RECORDS, REPORTS, AND OTHER INFORMATION****R 460.2321 Retention of records.**

R 460.2501 et seq. are the Rules Pertaining to Preservation of Records of Electric, Gas and Water Utilities. See Rule B8.

R 460.2323 Reports and records generally.**R 460.2324 Security reporting.****PART 3. SERVICE REQUIREMENTS****R 460.2331 Sale of gas.****R 460.2332 Service line tariffs.**

Refer to the Company's approved Rule C8, Customer Attachment Program.

R 460.2333 Main extension tariffs.

Refer to the Company's approved Rule C8, Customer Attachment Program.

R 460.2335 Interruptions of service.

R 460.2101 (revised to R 460.101) et seq. are the Consumer Standards and Billing Practices for Electric and Natural Gas Service. R 460.14001 (revised to R 460.20101) et seq. are the Michigan Gas Safety Standards. See Rule B9.

PART 4. ENGINEERING**R 460.2341 Gas facilities; construction and installation.****R 460.2342 Rescinded.****R 460.2344 Adoption of standards by reference.****R 460.2345 Security standards.**

The Commission granted the Company's proposal to work toward implementing the Rule 45 API Standard 1164 requirements by December 31, 2023 in Case No. U-20945. Refer to the procedures approved in the Commission's Order dated March 19, 2021 in Case No. U-20945.

PART 5. METERS METERING EQUIPMENT INSPECTIONS AND TESTS**R 460.2351 Meters and associated metering devices; inspections; tests; and records.**

The Commission granted the Company a waiver of the Rule 51 meter testing requirements for natural gas rotary meters with capacities of less than 15,000 cubic feet per hour and for natural gas diaphragm meters. Refer to the procedures approved in the Commission's Order dated ~~May 19, 2020 in Case No. U-20945 and dated March 19, 2021 XXXXXX XX, XXXX~~ in Case No. ~~U-20945-U-2XXXX~~ for the testing requirements. Pursuant to the Commission's Orders in Case No. ~~U-20626 U-2XXXX and U-20945~~, the Company's waiver of the Rule 51 testing requirements shall terminate on ~~December 31, 2022~~ December 31, 2025. Refer to the Company's approved Rule C6, Metering and Metering Equipment.

R 460.2351a Statistical quality sampling program for diaphragm-type meters.

The Commission granted the Company an alternative statistical quality sampling program applicable to natural gas diaphragm meters proposed in Case No. ~~U-20945-U-2XXXX~~. Refer to the procedures approved in the Commission's Order dated ~~March 19, 2021 XXXXXX XX, XXXX~~ in Case No. ~~U-20945-U-2XXXX~~.

R 460.2352 Rescinded.

(Continued on Sheet No. B-2.00)

Issued XXXXXX XX, XXXX by
Garrick J. Rochow,
President and Chief Executive Officer,
Jackson, Michigan

Effective for service rendered on
and after XXXXXX XX, XXXX

Issued under authority of the
Michigan Public Service Commission
dated XXXXXX XX, XXXX
in Case No. U-2XXXX


PROOF OF SERVICE

STATE OF MICHIGAN)

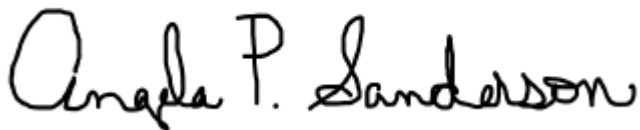
Case No. U-21341

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on September 26, 2024 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).


Brianna Brown

Subscribed and sworn to before me
this 26th day of September 2024.



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2030

Service List for Case: U-21341

Name	On Behalf Of	Email Address
Consumers Energy Company (1 of 2)	Consumers Energy Company	mpsc.filings@cmsenergy.com
Consumers Energy Company (2 of 2)	Consumers Energy Company	kelly.hall@cmsenergy.com
Gary A. Gensch Jr.	Consumers Energy Company	gary.genschjr@cmsenergy.com