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Surrebuttal Testimony of

Dan E. Long

on Behalf of

Prairie Farms Dairy Inc.

ICC DOCKET 11-0717

WITNESS IDENTIFICATION

My name is Dan Long. I am a partner with SPI Energy Group. My business address is 2621 Montega, Suite D, Springfield, Illinois 62704.

I have previously provided direct testimony on behalf of Prairie Farms in this docket.

PURPOSE OF TESTIMONY

The purpose of this testimony is to respond to the Supplemental Direct Testimony of Ameren/Illinois witness Tony Miller. I am submitting this testimony in the form of Prairie Farms Exhibit 2.0

1 **TESTIMONY OF TONY MILLER**

2 In the course of his testimony, Mr. Miller sponsors exhibits that are portions of the
3 ANSI Standards that serve as the design manual for the rotary type meter
4 installed at the Prairie Farms facility in Carbondale. Mr. Miller also sponsors an
5 exhibit that contains a portion of the American Gas Association Gas
6 Measurement Manual. I do not dispute in any way that these two documents set
7 forth various criteria that are used by gas utilities as a reference and guide in the
8 design, installation and maintenance of gas metering equipment.

9
10 Mr. Miller, on page 2, lines 32-34 states that:

11
12 "Electronic correctors are also specifically covered by the AGA Gas
13 Measurement Manual Part 15. Part 15 clearly identifies electronic
14 correctors as auxiliary equipment, **not part of the meter.**"
15 (emphasis added)
16

17 I agree that the referenced portion of the manual identifies electronic correctors
18 as auxiliary equipment. **The AGA Manual does not state that they are "not**
19 **part of the meter". This is an interpretation on the part of Mr. Miller, as it is**
20 **not stated in the manual itself.**

21
22 Neither the ANSI standards nor the AGA manual state whether auxiliary
23 equipment such as an electronic corrector are, or are not a part of the meter.

24
25 It is my layman's opinion that while both of these documents are necessary and
26 useful in providing gas utilities with standards and guidelines for gas metering
27 equipment, they are not useful in determining an answer to the question at hand.

28
29 The question at hand pertains to the requirements stated in Section 500.240 of
30 the Public Utilities Act pertaining to gas utilities in Illinois with respect to
31 Adjustment of Bills for Meter Error.

1 Section 500.240, (a) 3) states in part

2
3 "If the meter be found to underregister, the utility may render a bill
4 to the customer for the estimated consumption not covered by bills
5 previously rendered during the period of inaccuracy as defined
6 above. Such action shall be taken, however, only in the event the
7 bill for estimated inaccuracy amounts to 50 cents or more, and such
8 bill shall be conditional upon the utility not being at fault for allowing
9 the incorrect meter to remain in service."
10

11 I have found no place in the relevant portions of the Act where ANSI standards or
12 the AGA Gas Manual are referenced as sources for determining what constitutes
13 "the meter."
14

15 I have however, found portions of the Act that provide more straightforward
16 guidance in what is presumed to be the meter.
17

18 Section 500.170, Location of Service Meters, sets forth requirements for meters
19 installed in outdoor situations. This portion of the Act specifies that meters shall
20 not be installed in locations where the "prevailing ambient temperature varies
21 from 60 degrees Fahrenheit by more than 20 degrees Fahrenheit" unless they
22 are installed "incorporating" a compensating device. This provision contemplates
23 physical installation conditions for the meter that do not contribute to inaccuracy
24 by virtue of atmospheric conditions.
25

26 Section 500.190, Customer Meter Accuracy Requirements sets forth the
27 specifications for what constitutes an accurate meter.
28

29 Paragraph b) of this section states:
30

31 "b) Temperature compensating meters shall be of such design as
32 to meet the above accuracy requirements over a full range of
33 temperature from zero degrees Fahrenheit to 100 degrees
34 Fahrenheit. Routine testing of temperature compensating meters
35 shall be performed at meter test room temperatures. In the event

1 of complaint and indication that a temperature compensating meter
2 is not registering correctly at high or low temperature, said meter
3 shall be tested at zero degrees Fahrenheit, 60 degrees Fahrenheit,
4 and 100 degrees Fahrenheit, to determine the accuracy of said
5 meter.”
6

7 The Act carries no references to either the ANSI standards or the AGA manual.

8 The Act however, does state when a compensation device is required. The Act

9 does describe such consolidated equipment as a “temperature compensating

10 meter.” As a result, even if we all agree that an auxiliary device begins as a

11 separate piece of equipment, the Act contemplates that if that piece of equipment

12 is required in order to obtain accurate volumes for billing purposes, the meter and

13 that device in conjunction become a “compensating meter”.

14
15 The Act states when compensation is required and why, such as in an outdoor

16 installation that exists at the Carbondale facility. The Act also refers to the meter

17 in a condition once it is compensated, and makes no distinction for a separate

18 device. It can be reasonably concluded from this that the Act considers

19 electronic correction to be part of the meter when such correction is required to

20 provide accurate billing data. This is logical considering that the meter installed

21 at the Carbondale facility WILL NOT provide accurate information for billing

22 purposes unless the electronic compensation is installed and working on an

23 around the clock basis such that volumes constantly being consumed are

24 corrected for billing purposes.
25

26 Mr. Miller, in the question and answer that begins on line 70 of page 4 states

27 that:

28
29 “Although Ameren could have installed only the rotary meter and
30 accounted for the actual billed volume by applying a pressure factor
31 to the raw volumes.....”
32
33

1 Considering the fact that Ameren did not use factor billing to estimate the unbilled
2 volumes for the period of meter malfunction, this seems contradictory. Instead,
3 Ameren used a distinct pressure value for each month from a historical period
4 because this approximated the actual conditions that may have existed during
5 the malfunction. Ameren used a different value for each month because the gas
6 pressure present at Carbondale is not only non-standard, but it is constantly
7 fluctuating. This is why compensation that functions every minute of every month
8 is required under normal circumstances at the Carbondale facility. Even the use
9 of distinct monthly factors is just an estimate, because the properly functioning
10 compensation corrects volumes constantly as they are consumed, not once each
11 month.

12
13 Contrary to what Mr. Miller proposes, the use of a "factor" rather than actual
14 compensation would be less than accurate, and cannot be fairly applied at
15 Carbondale under current conditions.

16
17 This portion of Mr. Miller's testimony also mentions another use for the
18 compensation device, that being a way for Ameren to remotely interrogate the
19 meter through a phone line they required the customer to install and pay for.
20 This further substantiates the position that compensation devices are part of the
21 meter because they are required to be in place in order to obtain accurate billing
22 information, whether read directly or remotely. And in this case, the device was
23 necessary to simply "read" the meter as required by Ameren, since under those
24 conditions, the meter was read remotely.

25
26 Mr. Miller further attempts to justify the use of a "factor" for billing on Pages 5 and
27 6 of his testimony.

28
29 On lines 105 through 107, he states:
30

1 "Prairie Farms apparently has used Ameren's factor-based
2 calculation to settle its gas usage volumes with its gas supplier."
3

4 This is totally inaccurate and shows that Mr. Miller is not familiar with Ameren's
5 own billing procedures for transportation customers. In fact, as a field engineer,
6 he has no reason to be familiar with these procedures, and therefore has no
7 reason to comment on them.

8
9 Mr. Miller's statement is inaccurate because Prairie Farms does not use any
10 calculation of volumes to settle with its gas supplier. No supplier I am aware of
11 acquires volumetric data from the customer nor would accept such data provided
12 by the customer. Prairie Farms' gas supplier obtains volumes used for
13 settlement from Ameren, not Prairie Farms.

14
15 One of Ameren's delivery service responsibilities is metering and data collection
16 and the provision of data related to metering. Ameren determines these
17 volumes and provides them to the pipeline and the supplier, who in turn bills
18 Prairie Farms. This is the case with the 14 months period at issue.
19 Ameren/Illinois developed the estimate of volumes, and then provided it to the
20 pipeline and also to Prairie Farms' gas supplier.

21
22 Before, during and after the 14 month period when the meter malfunction
23 occurred, Prairie Farms is not aware of any billing for Carbondale using a "factor-
24 based calculation", as volumes should have been determined using the
25 compensated meter volumes. It was only for the "estimate" of volumes during
26 the outage period that an estimate of pressure was used. Even then, it was not a
27 "factor based calculation" as described by Mr. Miller, but rather actual pressure
28 measured during another time period. Both parties agreed this was a reasonable
29 "estimate" since it captured the fact that pressure at the facility is not constant
30 and does not lend itself to a "billing constant" applied as part of the billing system.
31 To the best of our knowledge, Ameren has never used a "factor-based
32 calculation" to bill the Carbondale facility.

1

2 More to the point, Mr. Miller's discussion of the use of a billing constant type
3 factor is irrelevant as Ameren has not, and does not now use such a constant to
4 bill Prairie Farms' Carbondale facility, even when the compensated meter has
5 malfunctioned. The discussion of the use of such a factor is a distraction.

6

7

1 **SUMMARY**

2 In spite of the assertions by Mr. Miller, it is still our position that:

- 3
- 4 1) Volumetric correction, whether pressure, temperature or both,
5 is necessary to determine accurate gas volumes for billing,
- 6 2) In the absence of correction during the period of malfunction,
7 accurate billing volumes from the meter installation did not exist,
- 8 3) Pressure correction is an integral part of the meter at facilities
9 requiring pressure correction because of non-standard pressure
10 that fluctuates constantly,
- 11 4) Ameren had in its possession the information that would have
12 allowed it to discover the meter error long before the meter
13 failed completely,
- 14 5) Ameren did not utilize the information because it had
15 erroneously adopted a general rule that such information was
16 likely created by factors other than meter failure,
- 17 6) Ameren attempted to dissuade me and Prairie Farms from
18 pursuing the issue by citing "cases" in which the ICC was on
19 their side,
- 20 7) When investigated, no such cases existed which demonstrated
21 ICC support for the Ameren/Illinois position,
- 22 8) While not implying either malice nor negligence, it is our position
23 that it was the fault of Ameren/Illinois that the meter error went
24 12 months before a complete failure brought it to
25 Ameren/Illinois' attention,
- 26 9) Ameren has indicated that one use of the compensation device
27 was to facilitate remote interrogation. As such, Ameren has
28 stated implicitly that under conditions prescribed by Ameren, the
29 compensation device is required to "read" the meter,
- 30 10) Relevant portions of the Public Utilities Act refer to
31 compensating meters, thereby validating Prairie Farms
32 contention that compensation devices are part of the meter,
- 33 11) Relevant portions of the Public Utilities Act refer to
34 compensating meters with respect to discussions of accuracy,
35 testing and billing,
- 36 12) Because the meter malfunction went undiscovered due to fault
37 on the part of Ameren/Illinois, Prairie Farms is not liable for the
38 rebilled "estimated" gas delivery charges.
- 39