

WHOLESALE METER TESTING PROGRAM

Operating Board Presentation

July 1st, 2010

Over the past year and a half SPU has been reviewing our Wholesale meter testing program with a collective goal to find ways to be more efficient and cost effective in the yearly testing of Wholesale water meters. The outcome of this review has predicated a few changes to the current testing program.

To ensure accuracy in measuring the amount of water delivered to our Wholesale customers SPU performs yearly meter tests on both mechanical and electronic meters. Each meter has specific testing guidelines set by the manufacture in regards to its meter type. During our review process we found areas that were in need of improvement. Some of the testing processes we determined needed to be changed and others needed more frequent testing.

Attached are the elements of the contract related to Metering Equipment and Exhibit VIII of the contract. Also, included is a document that was “approved” in August of 2002 at an OB meeting regarding the process of coordination, reporting, payment of repairs, replacement, and upgrades to Wholesale meters.

Below is the new testing, repair and replacement process in accordance with each manufacture’s standards.

Mechanical Meters

FM-CT meters (Neptune, Badger, Hersey) – Meters will be tested yearly and/or twice a year depending upon the outcome of the pre-test. If a meter fails the pre-test and subsequent adjustments to the meter (“vaning”) do not bring it within acceptable accuracy range, the UME (unitized measuring element) will be replaced at that time. The UME and installation cost will vary with size and will include labor and equipment to be billed to you directly at the completion of the work. Currently, the average cost of replacing a UME is \$5K.

Turbine meters (Rockwell, Sensus) – As of 2010, these meters are on a three-year rotation testing program. This means the top assembly unit which contains the turbine and register will be replaced every three years with an accurately bench tested top assembly. The top assembly removed will be bench tested and its performance noted as the performance prior to the top assembly exchange. There will be no cost associated with this type of test. However; if it is determined that the entire meter needs to be replaced or upgraded due to on-going failure you will be notified in advance and given an estimated replacement cost which will be determined at that time.

Electronic Meters

Khrono & Badger Mag meters – These meters will be tested yearly to confirm the meter reads zero when no flow is going through the meter, and any other manufacturer recommended diagnostics. If for any reason the electronic meter malfunctions and we determine that we need to replace the meter you will be notified in advance of the estimated cost associated with the replacement and billed at the completion of the work.

This change in this wholesale meter testing program does not precipitate a change in SPU's auditing of accounts and meters which may require subsequent tests outside of this testing program.