

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

Raymond Joseph Freeman, III,)	
)	
Complainant,)	
v.)	Case No. GC-2009-0047
)	
Laclede Gas Company,)	
Respondent.)	

**LACLEDE GAS COMPANY’S ANSWER TO AND
MOTION TO DISMISS COMPLAINT**

COMES NOW Laclede Gas Company (“Laclede” or “Company”), pursuant to the Commission’s August 19, 2008 Notice of Complaint in the above captioned case, and submits its Answer to and Motion to Dismiss the Complaint filed against Laclede by Raymond Joseph Freeman, III (“Mr. Freeman” or the “Customer”). In support thereof, Laclede states as follows:

1. Mr. Freeman initiated gas service at 3608 Montana, Apartment 3W, in St. Louis, Missouri (the “Property”) on February 3, 2006, under Account No. 574949-011. After last receiving a payment of \$43 in February 2007, Laclede disconnected Mr. Freeman’s service on August 29, 2007, at which time he had a balance of \$421.26. Based on a meter reading obtained at the time of disconnection, however, his final balance was adjusted to \$147.49.

2. After making a partial payment of the balance due, Mr. Freeman’s service was reconnected at the Property on January 12, 2008 under Account No. 574949-012. Since January 2008, Mr. Freeman has made payments for gas service totalling \$270. His last payment was received June 16, 2008. Mr. Freeman’s current balance is \$183.61, net of a billed but unpaid deposit.

3. Mr. Freeman makes six allegations in his complaint, as follows:
 - A. Laclede disconnected service to Mr. Freeman for failure to pay bills that were based on estimated readings.
 - B. Laclede disconnected service to Mr. Freeman for an actual amount owed that turned out to be less than \$150.
 - C. Laclede will issue a bill for a minimum amount, even though a customer had no usage for the period billed.
 - D. Laclede charged Mr. Freeman a \$62 reconnection fee to restore service after disconnection.
 - E. Laclede issued a new account number when restoring service to Mr. Freeman after disconnection.
 - F. Laclede has only two seasonal rates, one for the winter and one for the summer.

4. In response, Laclede admits to the allegations set forth in paragraphs 1A-1F above. However, even accepting all of Mr. Freeman's allegations as true, none of them allege facts that constitute a violation of laws or Commission rules, orders or decisions, as required by the statute regarding Commission complaints, Section 386.390 RSMo. Moreover, allegations 3C, D and F above also violate Section 386.390 as they complain of the reasonableness of rates or charges without the required signatures.

5. With respect to the allegation in paragraph 3A, there is no law or Commission rule, order or decision that prohibits Laclede from disconnecting service for non-payment simply because the balance owed arose from estimated billings. Such a policy would encourage non-paying customers with inside meters to frustrate the Company's attempts to obtain readings or to repair malfunctioning meters.

6. With respect to the allegation in paragraph 3B, Mr. Freeman suggests that a customer be allowed to incur an unpaid balance of \$250-\$350 before being subject to

possible disconnection. While it certainly may be a worthwhile business practice to set a minimum balance to be due before disconnection, this decision is left to the Company's discretion. There is no law or Commission rule, order or decision that prohibits Laclede from disconnecting service because the customer's past due balance is only \$150.

7. With respect to the allegation in paragraph 3C, Laclede's rate design, approved by the Commission, contains a monthly customer charge of \$15.50. This fixed charge was established in partial recognition of the fact that Laclede's distribution costs are primarily fixed, and do not vary based on a customer's gas usage. Moreover, many companies' charges feature a fixed monthly rate component, including local telephone service, cable service and many cell phone plans. There is no law or Commission rule, order or decision that prohibits Laclede from billing a customer charge; to the contrary, Laclede's tariffs *require* it to do so. (See Laclede Tariff, Sixteenth Revised Sheet No. 2)

8. Likewise, with respect to the allegation in paragraph 3D, Laclede is also required to charge a \$62 reconnection fee to restore service after disconnection. (See Laclede Tariff Rule 15, Third Revised Sheet No. R-13, and Fifth Revised Sheet No. 30) There are obvious cost causation principles supporting this fee. And again, there is no law or Commission rule, order or decision that prohibits Laclede from charging it.

9. With respect to the allegation in paragraph 3E, Laclede's system for designating customer accounts uses a six digit number for each location, followed by a three digit number for each customer at that location. The Company's computer system issues a new customer number upon any reconnection of service after the previous customer account became final. Thus, in Mr. Freeman's case, his original account at the Property was 574949-011, which became final by October 2007. Upon reconnection of

service in January 2008, Mr. Freeman was issued the next customer number at the Property, which was 574949-012. Mr. Freeman objects to this account numbering practice and seeks to have the Commission require Laclede to retain the original customer number when disconnected service is restored to the same customer. Assignment of customer account numbers is left to the Company's discretion. There is no law or Commission rule, order or decision that requires Laclede to maintain the exact same customer account number under the circumstances described above. Notwithstanding the foregoing, Laclede will take Mr. Freeman's suggestion into account in the event that it redesigns this numbering function.

10. With respect to the allegation in paragraph 3F, Mr. Freeman believes that Laclede's rate design should have three seasonal charges, rather than two. His additional seasonal charge would apply in the months of April, May, October and November. While Laclede respects the Customer's opinion on this matter, it is not the subject of a complaint. Not only is there no law or Commission rule, order or decision that prohibits Laclede from having two seasonal rates, but the Company's long-standing tariffs actually require Laclede to charge those rates.

12. Because Mr. Freeman's allegations neither constitute violations of any law or Commission rule, order or decision, nor properly complain of the reasonableness of some of the Company's rates and charges (See paragraphs 3C, D and F), this Complaint should be dismissed.

WHEREFORE, Laclede respectfully requests that the Commission dismiss the Complaint on the grounds that it neither alleges violations of any laws, or rules, decisions or orders of the Commission, nor properly complains of the reasonableness of certain

rates and charges, and grant the Company such other and further relief to which it may be entitled.

Respectfully submitted,

/s/ Rick Zucker

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Certificate of Service

The undersigned certifies that a true and correct copy of the foregoing Answer was served on the Complainant, the General Counsel of the Staff of the Missouri Public Service Commission, and the Office of Public Counsel on this 18th day of September 2008 by United States mail, hand-delivery, email, or facsimile.

/s/ Gerry Lynch