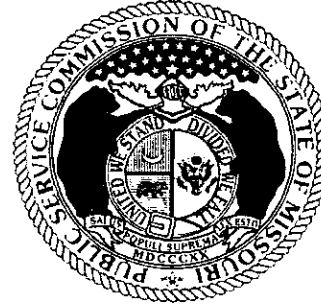


## Notice of *Ex Parte* Contact

TO: Data Center  
All Parties to Case Nos. GC-2006-0313  
GC-2006-0060  
GC-2006-0390

FROM: Nancy Dippell   
Deputy Chief Regulatory Law Judge



DATE: May 15, 2006

On May 11, 2006, each of the Commissioners and I received the attached letters from State Senator Harry Kennedy. The Commission is currently considering the issues discussed in this letter in Case Nos. GC-2006-0313, GC-2006-0060, and GC-2006-0390, which are contested cases. In contested cases, the Commission is bound by the same *ex parte* rule as a court of law; that is, to avoid off-the-record discussions going to the merits of the contested case.

Although communications from members of the public and members of the General Assembly are always welcome, those communications must be made known to all parties to a contested case so that those parties have an opportunity to respond. According to the Commission's rules (4 CSR 240-4.020(8)), when a communication (either oral or written) concerning a contested case occurs outside the hearing process, any member of the Commission or Law Judge who received the communication must prepare a written report concerning the communication and submit it to each member of the Commission and to the parties to the case. The report shall identify the person or persons who participated in the *ex parte* communication, the circumstances which resulted in the communication, the substance of the communication, and the relationship of the communication to a particular matter at issue before the Commission.

Therefore, I submit this report on behalf of myself and the Commissioners pursuant to the rules cited above. This will ensure that any party to these cases will have notice of the attached information and a full and fair opportunity to respond to the comments contained therein.

### Attachment

cc: Commissioners  
Executive Director  
Secretary/Chief Regulatory Law Judge  
General Counsel



**MISSOURI SENATE**  
JEFFERSON CITY

**HARRY KENNEDY**

State Senator  
Home Address  
4959 Sutherland  
St. Louis, MO 63109  
Tele: 314-481-5857

**CAPITOL OFFICE**

Missouri State Senate  
Room 226, Capitol Building  
Jefferson City, MO 65101  
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harry\_kennedy@senate.mo.gov

May 2, 2006

Deputy Chief Regulatory Law Judge Nancy Dippell  
Governor Office Building  
200 Madison Street  
PO Box 360  
Jefferson City, MO 65102-0360

Re: GC-2006-0313, GC-2006-0060 and GC-2006-0390

Dear Judge Dippell:

I am writing to stress the importance of the referenced cases currently pending before you concerning Laclede Gas Company ("Laclede"), each of which relates, at least in part, to Laclede's cessation of or attempt to cease performing a service that it has traditionally performed for customers. Specifically:

- In Case No. GC-2006-0313, Laclede has been challenged for ceasing to perform meter inspections and in-house gas appliance inspections following the changing of gas meter, simply because they are performing the change through the use of a Grunsky Bag, which does not require Laclede to turn off the gas supply to the house. While the use of the Grunsky Bag may reduce the risk during meter changes of safety hazards associated with turning off the gas supply, there continue to be other safety reasons for thorough inspections at the time of changing a meter. For example, such inspections catch irregularities in gas flow that may cause a pilot light to extinguish, resulting in gas seepage.
- In Case No. GC-2006-0060, Laclede's request to cease performing inspections known as "turn off/turn ons" has been challenged. Turn off/turn ons have historically been an important part of Laclede's safety program. These inspections consist of inspecting the meter and every gas appliance in the residence to be sure gas lines are connected and not leaking, valves are turned properly, flues are in proper working order and there is no blockage, carbon build-up or odor of gas that could foreshadow carbon monoxide poisoning or danger of fire or explosion.
- Case No. GC-2006-0060 also challenges Laclede's request to end its long-standing practice of annual meter reads. This is another safety issue, because meter readers performing annual reads conduct visual inspections and are cognizant of gas odors that may cause them to detect leaks.



**MISSOURI SENATE**  
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- In Case No. GC-2006-0390, Laclede has been challenged for its use of persons who are not trained gas professionals to install the automated meter reading device on residential customers' meters on-site. This practice has been ongoing for approximately one year, and has resulted in numerous service calls — some of them on an emergency basis — to correct leaks and other problems arising because an installer drilled entirely through a meter or otherwise ineptly installed the device. In addition, by sending someone other than a gas professional to the customer's residence, Laclede is missing an opportunity — always availed when a gas professional is on-site — for a quick and informal safety review that may locate gas leaks or future safety hazards.

I am greatly concerned that the loss of these services may place my constituency, and its property, at risk. Accordingly, I urge you to investigate these matters carefully and act very cautiously on these issues. I would further like to see Laclede prohibited from making the referenced changes until your investigation has been completed.

I understand that Laclede takes the position that ceasing these services would lower its costs and, therefore, lower the cost to consumers. However, I have not been apprised of any movement by Laclede to reduce gas rates to consumers. Moreover, Laclede's claim that ceasing turn off/turn on inspections will save customers \$35.00 seems specious in light of the fact that customers were never charged for those inspections until a few years ago, at approximately the time that Laclede decided it wanted to stop performing them.

Finally, I always advocate for the best service to my constituents at the most efficient price. Safety is a major component of obtaining the best service. I would rather see Laclede and/or customers pay a little more money for safe gas service than obtain cheaper gas service at the cost of their health and property.

Thank you for your careful consideration of these matters. If you have any questions please contact me.

Sincerely,



Senator Harry Kennedy

Cc: Public Service Commissioners

HK:mrc