

FILED

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Missouri Public
Service Commission

By ED FINKELSTEIN
Labor Tribune Publisher
SECOND IN A SERIES



St. Charles--The residents of this community are the first residents to receive a new automated service free from Laclede Gas. . . but the service has the real potential of putting gas customers at serious risk of loss of property and lives.

Less than two months ago, Laclede Gas embarked on a two-year program to change out almost 650,000 inside and outside gas meters to a new automated meter reader (AMR) device which will eliminate having a gas worker come into homes to manually read a meter for billing purposes. On the surface, this would seem to be a positive advance in technology in an age of growing dependence on technology.

The only problem, it could be a deadly technological advance, a Labor Tribune investigation has revealed.

Last year alone, Laclede had over 80,000 reports of gas leaks, the vast majority of them discovered by the meter readers or gas service staff who go inside your home to read your meter or to turn off or turn on gas service. And while they are there, they discover thousands of gas leaks, many of which are potential killers, from appliances like stoves, water heaters and furnaces. This incidental detection service will no longer be available to gas customers when the new automatic meter is installed in your home -- and St. Charles is where it's beginning.

Once an automated reader goes in, meter readers will not come into your home, and thus will not be able to discover leaking gas.

EVACUATED HOME

"I went into a home to read a meter in Kirkwood and had to evacuate the two youngsters about 10 and 12. Mom and Dad were out shopping. The minute I walked into the home, my automatic gas detector went off and the moment I opened the basement door, I couldn't believe the smell! I immediately took the boys out of the home and called in the leak," a meter reader told the Labor Tribune.

(EDITOR'S NOTE: Names of persons quoted in this series are being withheld to protect the identity of the gas workers who fear retribution from the company for talking about the dangerous situation faced by the public.)

The gas workers are members of Gas Workers 11-6 who are affiliated with the United Steelworkers.

The meter reader said it was a miracle that the home didn't explode, adding, but "We're going to have houses explode! if we don't have gas workers going inside on a regular basis."

It seems the gas dryer in the basement was not hooked correctly. The wife later said she "thought" she smelled gas, but wasn't sure. The husband smelled nothing.

Meter readers say they find as many as 40 leaks a day inside homes throughout the Laclede system. One meter reader said that was a "very conservative" estimate.

OUTSIDE GAS LEAKS

And it's not only inside meters that are a problem, outside gas leaks are regularly discovered by meter readers.

Other gas workers told the Labor Tribune that they find as many as two to three outside gas leaks a week as they go to homes to read outside meters. Outside meters are also scheduled for changeover to the AMR devices.

Staff Exhibit No. 8
Case No(s) GC-2006-0390
Date 12/12/06 Rptr MV

"And it's worse in the winter because the ground freezes, lines split and the gas migrates underground along the gas line itself into the basement.

Added another gas worker: "We are trained to detect leaks, Cellnet's people just don't seem that concerned when you hear the stories about how they operate. Make the changeover and get on to the next one." Cellnet is the company hired by Laclede Gas to install and operate the AMR readers.

And the potential results of not quickly finding leaks is evident in the headlines in local newspapers over the years: explosions that maim and kill people, destroy homes and businesses.

"We know that Laclede is concerned about safety," said another meter reader. "So it's beyond me why they are doing this because it increases the dangers for the

public. I would hope it's not just for profits, but when you realize what they are doing and the potential dangers they are subjecting the public to, you have to wonder..."

A Laclede spokesman said that safety is always the company's number one concern but that the gas system in the home is the customer's responsibility.

CHANGEOVER CAUSING LEAKS

Laclede Gas does not have its experienced gas workers installing the new automated reading devices. Instead, they have hired a firm called Cellnet Technology, Inc. of Atlanta to do the work.

And their performance on the job is often shoddy, according to meter readers and service workers who have to follow-up on Cellnet's work because the Cellnet crews have caused gas leaks.

"They install them too tight and that freezes the meter or they crack the faceplates and gas leaks," said a Laclede service worker who has had to follow-up behind Cellnet crews to fix their problems.

One meter reader found the new dials that were supposed to replace the older ones were not even installed, they were left on top of the meter even after the old dials were removed. "That could cause a gas leak," the reader said.

It also meant a break for the homeowner: no dials, no charges for the use of gas and Laclede is losing money.

"The sad thing," said another, "is that the Cellnet guys don't bother to check for gas leaks. They change out the face plates as best they can, and quickly move on to the next one."

Laclede workers find old glass faceplates laying in the lawn. Supposedly, Laclede has already had to replace several lawnmowers broken when they ran over the carelessly discarded faceplates, according to the scufflebutt on the street. Laclede says they have no record of buying any lawnmowers.

NOT THE FIRST TIME

Surprisingly, it's not the first time Laclede has tried to automate its meter reading, only to fail, it's the fifth time!

In the 80's they first tried with a device called the Remote Index. It was too costly and was dropped. That was followed by a Meter Extension that had a box on the outside of a house wired to the inside meter. A meter reader would come along and tap into the outside box for a reading. But the copper connectors corroded quickly and that was abandoned.

The third time they tried a device called the Real Extension. It too failed.

The fourth time, about a decade ago, Laclede installed hundreds of thousands of devices called "trace meters" that could be read

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505 South Ewing Avenue
St. Louis, Missouri 63130
(314) 535-9860
FAX: (314) 531-8131

It's frightening!

When you talk with experienced gas service repair workers who have to follow-up on leak calls after an independent firm, Cellnet Technologies Inc., has installed a new automated meter reader (AMR) at a residence, you begin to understand the scope of concern of gas workers.

A Laclede spokesman says he's been told that it's impossible for the AMR devices to leak.

Here's only a few examples of the problems left behind by Cellnet workers as told to the Labor Tribune by Laclede employees who are out on the job everyday.

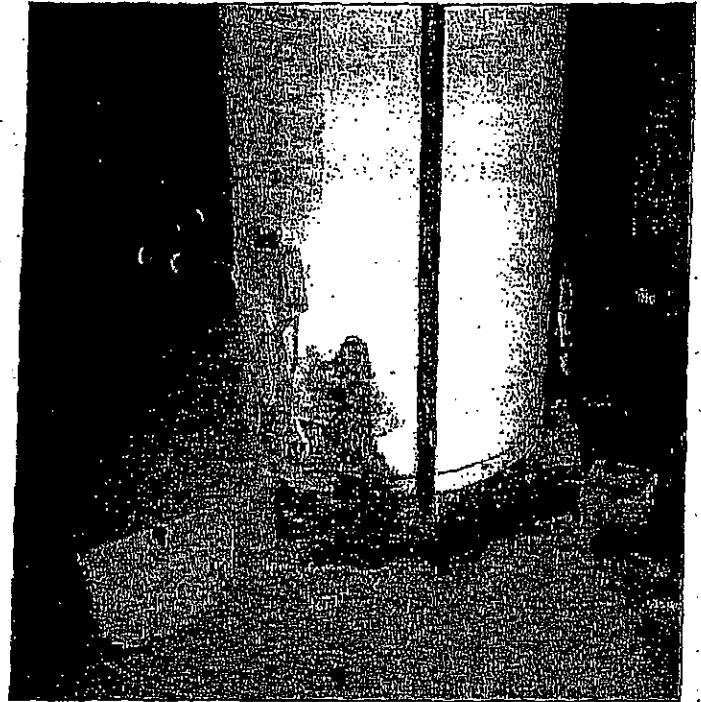
- 'Baker 1' leak (the code that calls for an immediate response by a Laclede Gas service crew because leaking gas is so prevalent). After a Cellnet employee left a home, homeowner called in a gas smell. There was a major leak coming from the ground at the meter. It was obvious. But the Cellnet worker either didn't know what he was smelling or simply ignored it, not informing the homeowner or the gas company.

- In an attempt to install the AMR, the Cellnet employee broke the bolts off the existing meter when removing the faceplate. He couldn't install the AMR so he left the old meter in place, now leaking gas, since the bolts holding the faceplate were broken.

- Another meter that was changed out was missing its tamper proof locks that prevents anyone from manually turning back the dials.

Only two months into the program to put new AMR devices on gas meters, gas workers say they are responding to 10-15 gas leak calls a month after the AMR devices are installed.

" said Dave Foster, United Steelworkers District 11 director. The gas workers are part of the steelworkers. "Not only about the accuracy and dependency about these new devices, but more importantly about the fact that a Laclede worker will not be reading meters which eliminates their on-site inspections that find incidental leaks from appliances, furnaces and hot water heaters. That's the bigger danger to the consumers and their families."



FLORISSANT — Water heaters frequently leak and rusts out the heaters legs, as it's doing in this photo. Eventually, the heater will only be supported by the gas pipe, and could eventually fall over, wrenching the gas pipe open and leak gas into the basement. Note the cover protecting the flame at the heater's base is rusted and has fallen off, exposing the flame to any potential gas leak. This was discovered by a gas meter reader.

Laclede meter installer not registered to do business in Missouri, City of St. Louis

Cellnet Technologies, Inc., hired by Laclede Gas to install new automated meter readers (AMR) on its existing gas meters, is not registered to do business in Missouri or the City of St. Louis, a check with the Missouri Secretary of State's office and the St. Louis License Collector shows.

While previously registered with the state, Cellnet's legal status in Missouri was administratively dissolved by the Secretary of State on April 25, 2005 for failing to file an annual report as required by law.

St. Louis County does not require a business license. But the City of St. Louis does and Cellnet has no such license. It's an out-of-town contractor with a 15-year deal with Laclede.

Interestingly, Laclede has sold off the entire meter reading program, installation and maintenance, to Cellnet, who will be responsible for the meters, reading them and then providing Laclede with billing information. Laclede refused to reveal the sale price.

"This means that Laclede can wash its hands of all liability for meter reading, liability it had in the past when its own employees would install and read gas meters. It also means

that the company is moving to eliminate all meter readers and in so doing, put the public at great risk since the meter readers frequently find thousands of inadvertent gas leaks when they are in a person's home," said Dave Foster, United Steelworkers District 11 director.

"It certainly can save Laclede money, but is it in the public's best interest safety wise?"

About 40 percent of Laclede's 650,000 meters are indoors. All 650,000 are scheduled for automated readers.

Last year, gas workers made about 80,000 inspections in homes or apartments while they were reading meters or turning gas on or off. As a result of those inspections, many thousands of gas leaks were discovered that homeowners did not know existed, averting potential tragedy and possible loss of life. That backstop will no longer be available to the public once all AMR's are installed.

Laclede says that the home gas system is the customer's responsibility. However, if they suspect a gas leak, Laclede will respond quickly. There is a service charge for the call.

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Gas hazards (con't.)

In real numbers, that's approximately 279,000 housing units or about 697,500 people (at the rate of 2.5 persons per household, a number statisticians use to determine occupancy per unit). Laclede Gas has some 630,000 customers.

PROFIT THE MOTIVATOR?

Labor Tribune research shows that Laclede Gas is a very profitable company. The company's public records show Laclede earned an annual average profit of \$30 million over the past five years.

Laclede Gas insists that safety is still its number one concern. *(EDITOR'S NOTE: Names of persons quoted in this series are being withheld to protect the identity of the gas workers who fear retribution from the company for talking about the dangerous situation faced by the public.)*

You don't need to let scabs put new device on your meter

If you don't want a scab putting an automatic meter reading device (AMR) on your gas meter in your home, just say so when they call and they will send out a union gas worker to do it... and you'll be assured that it's a safe installation.

Cellnet Technologies, Inc., the Georgia firm hired by Laclede Gas to install the new AMR devices, is non-union. Based on field reports noted throughout this series, it appears their work ethic is less than stellar since they are getting a bonus based on speed (see separate story on this page). Many gas leaks have been reported after a Cellnet installation.

For anyone who has an inside gas meter and gets a call from Cellnet to schedule a change over appointment, you can tell them that you don't want a scab in your home. They will inform Laclede Gas, who will call to make an appointment for a qualified, skilled union gas worker to make the installation.



Furnace exhaust pulled away from the main exhaust trunk line allowing deadly carbon monoxide back into a basement. This was discovered by a gas worker on a TFTO trip.

Automatic meter installers get 'speed' bonus... and lots of leaks

Last week the Labor Tribune series noted the problems occurring with the installation of automatic meter readers (AMR) by a Georgia company, Cellnet Technologies Inc., for Laclede Gas.

Despite Laclede Gas' protestations that the meters cannot leak when installed, frontline Laclede Gas workers who are called in to repair Cellnet's work say otherwise. Since the article, one service man has received five calls in a single day about gas leaks after a Cellnet installation.

We wondered why Cellnet's staff would be so careless? We may have our answer.

Seems that Cellnet's employees, while earning \$7.50 an hour (\$60 a day), are also paid a bonus for each new AMR device installed: \$1 for each installation from one to 40 per day; \$1.25 for installations from 40 to 70 a day; \$1.50 for all those over 70 per day.

A worker installing 50 AMRs will earn a bonus of \$62.50; 70 AMRs a bonus of \$105.

But wait, if you do the math, to install 50 AMR devices would mean having to install one every 9.6 minutes without a bathroom or lunch break; to install 70 meters a worker would have to install one every 6.8 minutes. And that doesn't take into account the time to move from one meter to the next, which means the actual time to physically change an AMR device is much less.

Cellnet publicity says an AMR device can be changed in about 5 minutes. Laclede Gas workers say to do it properly and safely, would take about 15 minutes:

"No wonder we're finding so many leaks," said one gas worker. "Given what they are being paid, they're working for the bonus. They can make more from the bonus than their pay! Speed is the issue for them, not safety."

When told that a Laclede spokesman said that leaks were impossible, he replied, "It's crazy if they think they can't leak. Someone should get off his duff and check the records. They are leaking and putting homeowners at risk. Frankly, I don't think Laclede's front office really knows the truth!"

Scab gas worker risks lives

Enough gas pours from 2-inch hole to "blow up building"

By ED FINKELSTEIN

Labor Tribune Publisher

A CONTINUING SERIES



St. Louis — Despite gas pouring into a basement from a two-inch hole in the back of a gas meter, a Laclede Gas subcontractor installing new automated meter reading devices walked away from a two-apartment flat without reporting the gas leak to Laclede. He told the apartment manager, "I don't smell any gas and anyway, I'm not responsible for that."

He didn't even suggest that the resident call the gas company, he simply changed the face on the old meter and quickly left. The worker is employed by Cellnet Technologies, a scab Georgia firm, hired by Laclede Gas to install automated gas meter readers (AMR) on existing gas meters. This will allow Cellnet to read the meters from outside a home without ever having to go inside, an issue the Gas Workers Union says will put lives at risk.

Because the smell was so strong and Cellnet refused to help, Sunny Kogbo, who lives in the 3200 block of Taft Ave., immediately called the gas company. Because the meter was touching the wall, the lime in the stone ate a hole in the meter, a common hazard in older St. Louis homes. Lime is found in both brick and stone, the major foundation material of most older St. Louis homes.

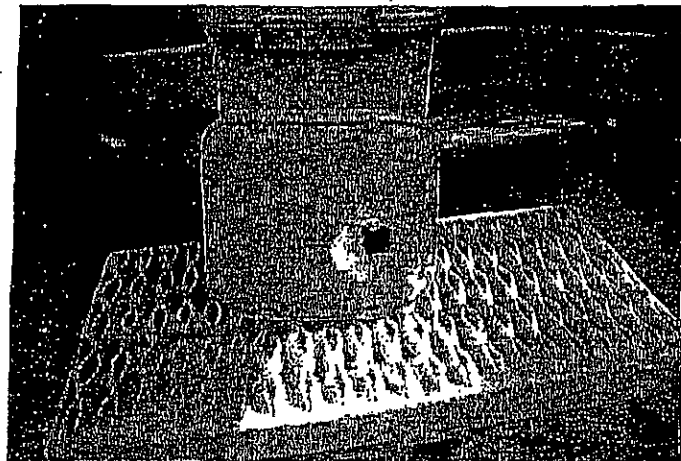
Living in the two-family flat are Kogbo, his wife and 14-year old daughter. A police sergeant working at the airport lives in the second unit. It was her gas meter that was leaking.

In an interview with the Labor Tribune, Kogbo, a student attending the University of Missouri, St. Louis, was furious. Shortly after they began to smell gas in their apartment, they received a call from Cellnet asking if they could come out and change the meter. Kogbo assumed that the Cellnet employee was actually a gas company employee, and in fact, Kogbo said, he identified himself as such when they met the next day and Kogbo took him to the basement where the meter was located.

ENOUGH GAS LEAKING TO BLOW BUILDING

"He said he didn't smell anything. He was only here to install a computer. He told me he wasn't responsible for gas and just left. He didn't even call the gas company or suggest that I call, no help," Kogbo said angrily.

"The gas man who finally fixed the problem told me, 'You're very fortunate. There was enough gas leaking to blow



THIS HOLE was discovered in the back of a gas meter that had been touching a masonry foundation. A scab Cellnet Technologies worker changing the meter's face to install an automated reader, said he didn't smell gas and quickly left without offering any help or advice to the apartment manager. Enough gas leaked into the basement to blow up the building, a union gas worker said after changing the entire meter.

up this building," Kogbo said.

"We're going to have more fires, more explosions," Kogbo said when he learned that it's now Laclede Gas' goal to have all automated readers so that the gas workers won't have to manually read meters and make on-site safety inspections while in the home. "What about equipment that's not accessible from the outside? They can't see if it's in working condition."

"I can't believe Cellnet's guy didn't smell any gas," said Gas Workers Local 5-6 Business Representative Joe Schulte. "The size of that hole, and the amount of gas that had to be accumulating in the basement could have caused a huge explosion."

"This new Laclede system is going to save them money because they'll be able to downsize the number of meter readers,"

said Dave Foster, Steelworkers District 11 director. The gas workers are part of the United Steelworkers of America.

MAKING MATTERS WORSE

Once a new meter was installed and the gas turned back on, no one bothered to tell the second floor tenant, police sergeant Lisa Young.

The next morning when she tried to turn on her stove — no gas. She went to the basement to check and discovered she had a new meter. She immediately called the gas company and was told they had no record of a meter being changed. They did, however, come out and re-light her appliances.

When she complained about her high gas bills that were obviously caused by the hole in the meter, Laclede Gas told her they had no record of a meter with a hole in it!

Her gas bills jumped from a normal of \$120 to \$360 a month.

And even with the new automated reader, she said her current bill says it's "estimated."

"This is no way to do business," she added.

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505 South Ewing Avenue
St. Louis, Missouri 63130
(314) 535-9860
FAX: (314) 531-8131

Check gas flue for family safety

If you live in an older home that has some form of a masonry foundation, you need to check that your gas meter is not putting your family and property at risk.

Make sure that the gas meter and/or any flue from the furnace or water tank is NOT touching the foundation. Masonry has lime in it, and over a period of time, that lime can eat through the meter and cause a gas leak.

So, right now, put down your Labor Tribune and go down to the basement and check. A few minutes RIGHT NOW can save you a lot of grief later.

Don't procrastinate: check to make sure your gas meter or furnace/hot water heater flues are not touching your home's foundation.

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Gas leak (con't.)

DANGEROUS SITUATION

Laclede Gas workers going into homes and apartments to turn gas on or off last year discovered gas hazards in more than 17,000 places. Laclede is moving forward with its plan to replace meter readers with these automated devices.

A recent series in the Labor Tribune documented personal stories of gas workers finding serious hazards that could have caused either explosions or asphyxiation from carbon monoxide poisoning.

Here's a small sampling of what gas workers have found on routine calls:

- A leaking flex connector to the back of a gas stove was taped with duct tape.
- A flue line from a water heater was almost rusted out, forcing carbon monoxide back into the home.
- Bicycle tire inner tubes used as gas line hoses.
- An aluminum flex connector that was going through a masonry wall. The lime in the brick corroded the aluminum and leaks occurred.
- Furnaces with cracked heat exchanges (quite common) force carbon monoxide back into the basement and then up into the home.
- Lots of defective water heaters; some leaking badly enough that it causes the heaters legs to rust out and the heater is hanging in mid air kept upright only by the gas service line itself. This pressure on the line can cause a gas leak or, as has happened, the water heater falls over and the gas line breaks, allowing gas to flow into the home.
- Because of blockages in a furnace, flames blowing back out into the basement.
- A baggie held by a rubber band over a live gas line. The bag was inflated like a balloon and gas was leaking into the apartment.
- A dryer not vented to the outside as required by law. Instead, it was vented back into the basement.
- Ranges leaking at the knobs.
- Birds building nests on rooftop flues, forcing carbon monoxide back into the home.
- A butane gas tank hooked to a gas water heater after the gas had been shut off.
- Rooftop flues damaged or pushed against the roof during hail damage repair work, causing deadly gas fumes to back up into the house.

"We're the eyes and ears for the customers when it comes to safety," one gas worker told the Labor Tribune. "When we stop the TFTO, those eyes and ears are gone and the customer is totally at the mercy of luck."

TFTO is the "turn off, turn on" synonym used by gas workers who go into homes or apartments to change gas service.

At special risk are the elderly, said another gas worker. "Too often they can't smell very well. And there are times when the gas doesn't have its distinctive odor because it's filtered out as it passes through the ground where a leak has occurred before coming into your home."

"And of course, everyone's at risk for carbon monoxide poisoning; and that's something no one can smell but is a serious problem with defective gas appliances."

Scab installers get bonus for speed; safety doesn't net them more pay

Why would a worker for a Laclede Gas subcontractor leave a potential gas hazard so quickly without helping the apartment manager report a potential leak as reported in this week's Labor Tribune?

While no one can read the mind of this Cellnet Technologies employee who professed not to smelling gas that was flooding a basement, could it be because he's paid a BONUS for the number of installations per day?

The Labor Tribune reported in a previous story that Cellnet's employees, while earning \$7.50 an hour (\$60 a day), are also paid a bonus for each new meter face installed: \$1 for each installation from one to 40 per day; \$1.25 for installations from 40 to 70 a day; \$1.50 for all those over 70 per day.

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