

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of)
USW Local 11-6,) GC-2006-0390
Complainant)
and)
Laclede Gas Company,)
Respondent)

FILED

JAN 05 2007

Missouri Public
Service Commission

AFFIDAVIT OF STEVEN A. MCFARLANE

STATE OF MISSOURI)
COUNTY OF ST. LOUIS) ss

Steven A. McFarlane, of lawful age, on his oath states: that he has participated in the preparation of the following Direct Testimony in question and answer form, consisting of 4 pages of Direct Testimony to be presented in the above case, that the answers in the following Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.

Steven A. McFarlane
Steven A. McFarlane

Subscribed and sworn to before me this 22nd day of September, 2006.

Linda A. Skarda
Notary Public

My commission expires May 25, 2008

USW Exhibit No. 1-NP
Case No(s) CC-2006-0390
Date 12/11/06 Rptr MV

DIRECT TESTIMONY
OF
STEVEN A. MCFARLANE
SUBMITTED ON BEHALF OF USW 11-6
LACLEDE GAS COMPANY
CASE NO. GC-2006-0390

1 **Q. Please state your name and address.**

2 A. My name is Steven A. McFarlane and my address is **,
3 Green Bay, WI 54313.

4 **Q. Do you have any union affiliation?**

5 A. I am the treasurer of Operating Engineers Local 310.

6 **Q. Have automatic meter reading devices been installed in Wisconsin?**

7 A. Yes. Numerous Wisconsin utilities have switched to an automatic meter reading
8 system.

9 **Q. Are gas utilities in Wisconsin governed by a public agency?**

10 A. Yes.

11 **Q. What agency?**

12 A. The Wisconsin Public Service Commission.

13 **Q. What review, if any, has the Wisconsin Public Service Commission taken**
14 **regarding the installation of AMR devices?**

15 A. The Wisconsin Public Service Commission reviewed the installation of AMR
16 devices in the Case 6690-CG-148. In that case, the Wisconsin Public Service

1 Commission required stipulations by the utility company before allowing them to
2 install an AMR device.

3 **Q. What are some of those stipulations?**

4 A. Under an Order dated April 8, 2003, Wisconsin Public Service Corporation
5 (WPSC), a company whose employees my union represents, is required to
6 perform a leak survey of the service line and meter assembly every three years
7 where the AMR system is used, despite the fact that the code only requires them
8 to perform this survey on a five year basis. A true and accurate copy of the
9 Wisconsin Public Service Commission order dated April 8, 2003 is attached and
10 incorporated here as Exhibit 1. The Public Service Commission also required
11 WPSC to work with members of Local 310 to develop a maintenance plan for the
12 continuing surveillance of its facilities for unsafe and unusual maintenance
13 conditions. The Public Service Commission further required WPSC to inspect the
14 facilities at the time of AMR conversion and correct any unsafe conditions.

15 **Q. What resulted from the union-utility maintenance plan negotiations ordered**
16 **by the Public Service Commission?**

17 A. As a result of the maintenance plan negotiations, there is now a hazard survey
18 performed on one third of all meters every year. The hazard survey looks for a
19 variety of unsafe conditions, including leaks, vehicular damage, settling/stress,
20 signs of diversion, and the attachment of objects to a meter (for instance, a bicycle
21 or a dog chain that could cause corrosion). Diversion might have occurred if the
22 plastic caps holding the AMR device on the meter are broken (showing that
23 someone may have tried to remove the AMR device), the paint is chipped on the

1 meter fittings (showing that someone may have tried to move the meter), or if
2 there are any pipes or hoses coming off the gas meter (possibly showing an
3 attempt to bypass the meter and steal gas).

4 **Q. Who performs the hazard surveys and surveys of the service line and meter**
5 **assembly?**

6 A. Union employees perform these surveys.

7 **Q. What other surveys are performed?**

8 A. Other surveys performed include the walking flame ionization (FI) survey, the
9 business district survey and the corrosion survey. Finally, we also perform
10 surveys pursuant to federal law.

11 **Q. How many meters are inspected each year for at least one survey?**

12 A. Counting the hazard surveys, every meter is reached in a given year.

13 **Q. Have you encountered leaking AMR devices?**

14 A. Yes. I work as a distribution mechanic at WPSC. My job duties include working
15 on leaking and nonfunctional AMR meters. Before changes were made in the
16 training of the installers, there were over one thousand leaks reported in a 1 month
17 period in 2004 resulting from recent AMR installations. However, WPSC tried to
18 hide the fact that the leaks occurred and the amount of time we spent replacing
19 meters with recently installed AMR devices by directing employees to record
20 AMR leaks as "maintenance to the system."

21 **Q. Where are leaks usually located on an AMR meter?**

22 A. AMR meter leaks are typically found on the faceplate.

23 **Q. What brand of AMR device has been installed?**

1 | A. The AMR device model is manufactured by Hexagram, Inc. It uses a remote
2 | receiver system.

3 | **Q. Who installed the Hexagram AMR?**

4 | A. Sargent Electric Company.

5 | **Q. Does this conclude your direct testimony?**

6 | A. Yes.