

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

Locustwood Associates,)	
)	
Complainant)	
)	
v.)	<u>Case No. GC-2018-0267</u>
)	
Spire Missouri, Inc. d/b/a Spire,)	
)	
Respondent)	

STAFF REPORT

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through undersigned counsel, and submits its *Staff Report*.

1. On March 30, 2018, Locustwood Associates ("Complainant") filed a formal complaint against Spire Missouri, Inc. d/b/a Spire ("Company") alleging that Spire failed to provide safe, proper, and adequate service as required under the laws and rules governing a public utility by its failure to notify Complainant that it had shut off gas service to one of Complainant's tenants prior to the onset of weather that resulted in frozen pipes and damages to Locustwood's property. Locustwood asks for damages in the amount of \$2,500.00, costs, and attorney fees.

2. On April 4, 2018, the Commission issued its *Notice of Small Formal Complaint and Order Directing Staff Investigation* ("Order"). The *Order* directed Staff to conduct an investigation under the requirements of 4 CSR 240-2.070(15) and file a report by May 21, 2018.

3. After an unsuccessful attempt at mediation, Staff was given a new filing deadline of September 7, 2018.

4. Having concluded its investigation, Staff offers its *Staff Report*, filed concurrently, which is confidential pursuant to 4 CSR 240-2.070(11), and which details Staff's investigation and analysis. Staff concludes that the Company has not violated any applicable statutes, Commission Rules, or Commission-approved Company tariffs related to the complaint.

5. As stated in Spire's *Legal Memorandum in Support of Spire Missouri Inc.'s Motion for Summary Determination*, Section 393.130.1 RSMo, which requires Utilities to provide safe and adequate service, makes no mention of landlord notification due to a tenant disconnection.¹

6. Further, while Locustwood seeks damages in this matter, the Commission has no power to declare or enforce any principle of law or equity, and as a result, it cannot determine damages or award pecuniary relief. ***American Petroleum Exchange v. Public Service Commission***, 172 S.W.2d 952, 955 (Mo. 1943) (internal citations omitted).

7. The attached *Staff Report* more fully explains the circumstances and facts that led Staff to make these conclusions. Staff recommends that the Commission make findings in accordance with the attached *Staff Report*.

¹ GC-2018-0267, EFIS item number 11.

WHEREFORE, Staff hereby tenders its *Staff Report* for the Commission's information and consideration.

Respectfully Submitted,

/s/ Casi Aslin

Casi Aslin

Legal Counsel

Missouri Bar No. 67934

Missouri Public Service Commission

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand delivered, transmitted by facsimile or electronically mailed to all counsel of record this 7th day of September, 2018.

/s/ Casi Aslin

REPORT OF THE STAFF

TO: Missouri Public Service Commission Official Case File
Locustwood Associates, Complainant
v. Spire Missouri, Inc., Respondent
Case No. GC-2018-0267

FROM: Gary Bangert
Utility Management Analyst III
Customer Experience Department

DATE: September 7, 2018

/s/ Contessa King 9/07/2018
Customer Experience Department

/s/ Mark Johnson 9/07/2018
Staff Counsel's Office

INTRODUCTION AND BACKGROUND

On March 30, 2018, Locustwood Associates ("Locustwood" or "Complainant") filed a formal complaint with the Missouri Public Service Commission ("Commission") against Spire Missouri, Inc., ("Spire" or "Company"). Complainant alleges that Spire turned off their tenant's service on September 8, 2017 at the tenant's address, 9922 Locust Street, Kansas City, Missouri 64131, for nonpayment of gas bills and did not notify Complainant nor revert service to Complainant. Upon inspection of the property on December 30, 2017, Complainant alleges that the gas meter had a lock box on it, several pipes were frozen, and the rental unit had sustained water damage. Complainant alleges Spire failed to meet its obligations under Public Utility Laws and Regulations to provide safe, proper, and adequate service to Locustwood Associates. Complainant also alleges it had a Revert to Owner Agreement with Spire and that Spire could have used a security deposit collected from the tenant to pay any past due gas bills to maintain service and keep heat available to the unit.

The Complainant's request for relief states:

Locustwood requests that the Missouri Public Service Commission find that Spire failed to provide safe, proper and adequate service required under the laws and rules governing a Public Utility.

Locustwood asks for damages in the amount of \$2,500 costs and attorney fees in this matter.

STAFF'S INVESTIGATION

On April 4, 2018, the Commission ordered Staff to investigate this complaint and file a report detailing its findings and recommendations no later than May 21, 2018. On April 26, 2018, Spire contacted the Regulatory Law Judge stating that Locustwood and Spire had agreed to “try mediation in an effort to resolve our dispute.”¹ On May 22, 2018, an order appointing a mediator was issued, suspending the case under Commission Rule 4 CSR 240-2.125(2)(C). On July 19, 2018, the Commission ordered a procedural conference to be held on August 3, 2018, and Staff was ordered to file a report and recommendation no later than August 2, 2018. On July 26, 2018, the Commission ordered that the procedural conference be reset to October 3, 2018, that the Company file an answer to Locustwood Associates’ complaint no later than August 23, 2018, and that Staff file a report and recommendation no later than September 7, 2018. Staff completed a thorough investigation of Locustwood’s formal Complaint. Based on its investigation, as detailed below, Staff did not discover any violation of applicable statutes, Commission rules, or Spire’s Commission-approved tariff.

There is no disagreement between Spire and Locustwood regarding the propriety of the discontinuance of service for nonpayment which occurred in September 2017; however, Spire and Locustwood do not agree on whether appropriate action was taken after service was discontinued. The Complainant alleges that the Company had an obligation to notify them after their tenant’s service was discontinued so actions could have been taken to restore service and thereby avoid the freezing of pipes and resulting damage to the apartment. The Complainant states in its formal complaint that “Spire had an obligation to provide safe, proper, and adequate service to Locustwood, and it failed to meet its duty and obligations under Public Utility Laws and Regulations.” Staff examined Commission Rule 4 CSR-240-13 and found no requirement for a company to notify the landlord in addition to a tenant when service is discontinued for nonpayment. In addition, the Company’s Commission-approved tariff includes no requirement for the Company to notify the landlord following discontinuance for nonpayment.

The Complainant’s formal complaint also included a copy of the Revert to Owner Agreement executed between the landlord and Company. A provision in this document states:

MGE shall not automatically transfer gas service to Landlord’s name and no prior notice shall be provided to Landlord in the event MGE discontinues gas service for a tenant’s (i) nonpayment, or (ii) violation of MGE’s terms of service. In no event shall MGE incur any liability arising from any discontinuance of service pursuant to this section.

¹ Case No. GC-2018-0267, EFIS Item No. 6, Motion to Set Partial Procedural Schedule.

In Staff's opinion, it appears the Revert to Owner Agreement between the Complainant and Spire does not obligate the Company to notify the landlord when service to the tenant is discontinued for nonpayment.

Staff also submitted data requests to the Company in order to evaluate the account history, communication that occurred between the Company and tenant, and actions that were taken. In Staff's opinion, the Company's actions were in compliance with applicable rules and its Commission-approved tariff.

CONCLUSION

Based on Staff's review of information provided by the Company and Complainant, Staff is of the opinion that the Company complied with its current approved tariff. Staff's investigation did not find violations by the Company of any applicable statutes, Commission rules, or Commission-approved Company tariffs related to this Complaint. Staff found no statute, Commission rule, or tariff provision requiring the Company to notify the landlord prior to discontinuing the service of a tenant for nonpayment.

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Locustwood Associates,
Complainant

v.

Spire Missouri, Inc. d/b/a Spire,
Respondent

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Case No. GC-2018-0267

AFFIDAVIT OF GARY BANGERT

STATE OF MISSOURI)

)

ss.

COUNTY OF COLE)

)

COMES NOW GARY BANGERT and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Staff Report; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

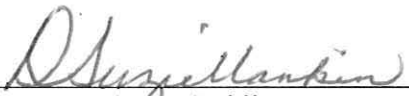


GARY BANGERT

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 7th day of September 2018.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2020
Commission Number: 12412070



Notary Public