

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 4th day
of January, 2017.

Craig A. Smith,

Complainant,

v.

Laclede Gas Company,

Respondent.

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File No. GC-2015-0147

ORDER APPROVING UNANIMOUS STIPULATION AND AGREEMENT

Issue Date: January 4, 2017

Effective Date: January 14, 2017

On December 10, 2014, Craig Smith filed a small formal complaint against Laclede Gas Company ("Laclede" or the "Company") alleging meter-reading errors and billing problems after his enrollment in the Company's "Easy Pay" system. Laclede filed an answer and the Commission's Staff filed a report of its investigation. Staff also requested a waiver of Commission rule 4 CSR 240-2.070(15)(D), which prohibits Staff from advocating a position beyond reporting the results of an investigation in a small formal complaint case. Staff requested the waiver to allow it to address any regulatory violations by Laclede through participation in settlement discussions. The Commission granted Staff's request and the parties worked informally to negotiate a settlement of the complaint. Laclede also spent time working with its information technology employees and

consultants to develop a report that can identify account errors in its autopay system. Mr. Smith, Laclede, Staff, and the Office of the Public Counsel (jointly, the “Parties”) then submitted a Unanimous Stipulation and Agreement (“the Agreement”) for Commission approval.

The Agreement states that Laclede developed a report to identify situations where an autopay start date has been scheduled and should have been made, but no automatic connection exists with a customer’s bank. Under the terms of the Agreement, if a clerical or technical error by Laclede results in a proper automatic payment not occurring, the Company agrees to remove any charges or fees on a customer’s account resulting from the error, and to refund or provide a credit for charges subsequently withdrawn in a future billing cycle as a result of the error.

Laclede agrees to continue to reflect customer credit balances on a customer’s account and to promptly return such balances to customers upon their request. Laclede further agrees to offer residential customers the opportunity to repay undercharges over a period that is twice as long as the period of the undercharge. Laclede agrees to continue using customer-supplied readings whenever viable and that such customer reads are reviewed, and based on likely accuracy, designated if they should be used for billing purposes. Laclede also agrees that it will not render a bill based on estimated usage for more than three consecutive billing periods, or one year, whichever is less, when it does not obtain an accurate or correct meter reading due to equipment or

mechanical failure. Laclede states that it intends to continue its current practice of attempting to contact a customer within thirty days after determining it is not obtaining an accurate or correct meter reading due to equipment or mechanical failure of its Automatic Meter Reading devices to transmit a reading.

The Parties agree that Laclede's promised actions resolve all issues addressed by Mr. Smith's complaint and Staff's allegations of a violation of Commission rule 4 CSR 2401-13.020(2)(B), which prohibits a utility from producing a bill based on estimated usage for more than three consecutive billing periods or one year, whichever is less, except under certain conditions.

After reviewing the terms of the Agreement, the Commission finds it to be reasonable and shall approve the Agreement. Since the Parties unanimously approved the agreement and no objections were submitted, the Commission finds good cause exists to allow this order to go into effect on less than thirty days notice.

THE COMMISSION ORDERS THAT:

1. The Unanimous Stipulation and Agreement is approved. A copy of the agreement is attached as Attachment 1 and is incorporated as part of this order.
2. The Parties are ordered to comply with the terms of the Unanimous Stipulation and Agreement.
3. This order shall become effective on January 14, 2017.

4. This file shall close on January 15, 2017.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Hall, Chm., Stoll, Kenney, Rupp, and
Coleman, CC., concur.

Burton, Senior Regulatory Law Judge.

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

Craig A. Smith,)	
)	
Complainant,)	
)	
v.)	<u>Case No. GC-2015-0147</u>
)	
Laclede Gas Company,)	
)	
Respondent.)	

UNANIMOUS STIPULATION AND AGREEMENT

This Unanimous Stipulation and Agreement (the “Agreement”) is entered into by and between the signatories to this document. The Agreement is effective as of the effective date of a Commission Order approving this Agreement.

WHEREAS, on December 10, 2014, Complainant Craig A. Smith (“Mr. Smith”) filed a complaint against Respondent Laclede Gas Company (“Laclede” or the “Company”).

WHEREAS, in the Complaint, Mr. Smith alleged experiencing problems with Laclede’s automatic payment plan (“Easy Pay”), and problems with metering.

WHEREAS, Laclede believes that many of the issues raised by Mr. Smith resulted from the timing of the actions, which occurred at and shortly after the first conversion of Laclede’s customer care and billing system in 25 years.

WHEREAS, Laclede has addressed Mr. Smith’s billing concerns, and Mr. Smith is satisfied with the results regarding his own account.

WHEREAS, in reviewing and responding to Mr. Smith’s allegations, the parties determined that Laclede should provide specific responses to, and where necessary, develop and implement procedure that will:

A. Address how Laclede responds to error(s) in the Easy Pay registration process that prevent the Company from drawing the automatic payment from the customer's account;

B. Address a consistent policy regarding receipt and use of customer self-read cards;

C. Address whether Laclede should return credit balances to customers automatically or upon request;

D. Confirm that Laclede will consistently offer residential customers the opportunity to pay an adjustment of an undercharge over a period that is twice as long as the period of the undercharge;

E. Confirm that Laclede will timely respond to situations where the Company does not obtain an accurate or correct meter reading due to equipment or mechanical failure, including a remote meter reading device's failure to transmit a reliable reading.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, Mr. Smith, Staff of the Public Service Commission ("Staff"), the Office of Public Counsel ("OPC") and the Company agree as follows:

1. The following subparagraphs resolve the corresponding issues listed above:

A. Laclede information technology employees and consultants have developed a report that identifies situations where an autopay start date has been scheduled, and one automatic payment should have been made, but no automatic connection exists between the customer's account and a bank. Customer service personnel will monitor the report and take appropriate action as needed. In the event a clerical or technological error by Laclede results in no automatic payment occurring as scheduled, Laclede agrees to: (1) remove from the customer's account any charges or fees that occur as a result of the error, and (2) refund or

provide a credit to the customer for charges that are subsequently automatically withdrawn during a subsequent billing cycle as a result of the error.

B. Laclede agrees that, in accordance with revised Commission Rule 4 CSR 240-13.020(2)(C)(6), Laclede uses, and will continue to use, customer-supplied readings whenever viable (i.e., in line with prior usage or seasonal usage). Each customer read received by Laclede is entered into Laclede's customer care and billing system. The customer reads are reviewed and, based on the likely accuracy of the read, a designation is added indicating whether the read should, or should not, be used for billing purposes.

C. Laclede agrees to continue to reflect customer credit balances upon the customer's accounts, and promptly return such balances to customers upon their request.

D. Laclede agrees that, in accordance with Commission Rule 4 CSR 240-13.025(1)(C), Laclede will offer residential customers, in person or via telecommunication or writing, the opportunity to repay undercharges over a period that is twice as long as the period of the undercharge. A sample letter currently being used by Laclede is attached hereto as Exhibit A.

E. Laclede agrees that, in accordance with Commission Rule 4 CSR 240-13.020(2)(B), it will not render a bill based on estimated usage for more than three (3) consecutive billing periods, or one (1) year, whichever is less, based on the conditions described in 4 CSR 240-13.020(2)(A)(6), that is, when it does not obtain an accurate or correct meter reading due to equipment or mechanical failure, including a remote meter reading device's failure to transmit a reliable reading. Notwithstanding the allowance of three estimated bills, Laclede intends to continue its current practice of attempting to contact the customer, either in person or by letter, or both, within 30 days after Laclede determines

that it is not obtaining an accurate or correct meter reading due to equipment or mechanical failure, and in particular a failure of its AMR devices to transmit a reading, as provided in 4 CSR 240-13.020(2)(A)6.

2. Nothing in this agreement releases Laclede from its lawful obligation to comply with all requirements found in 4 CSR 240-13.020 and 4 CSR 240-13.025.

3. The parties agree that Laclede's actions listed in paragraphs 1A-E resolve the Complaint in this case, and resolve the Staff's allegations of a violation of 4 CSR 240-13.020(2)(B) with respect to the events pertaining to the Complainant, and hereby agree that this case should be closed.

4. None of the signatories to this Agreement shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any method of cost determination or cost allocation, depreciation or revenue related method or any service or payment standard, and none of the signatories shall be prejudiced or bound in any manner by the terms of this Agreement in this or any other Commission, judicial review or other proceeding, except as otherwise expressly specified herein. Nothing in this Agreement shall preclude the Staff in future proceedings from providing recommendations as requested by the Commission or limit Staff's access to information in any other proceedings. Nothing in this Agreement shall waive any applicable statute or Commission regulation or Company tariff.

5. This Agreement has resulted from negotiations among the signatories and the terms hereof are interdependent. In the event the Commission approves this Agreement with modifications or conditions that a Party to this proceeding objects to, then this Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof.

6. In the event the Commission accepts the specific terms of this Agreement, the Parties waive, with respect to the issues resolved herein: their respective rights in this action, pursuant to Section 536.080.1 (RSMo. 2000) to present testimony, to cross-examine witnesses, and to present oral argument and written briefs; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2 (RSMo. 2000); and their respective rights in this action to judicial review of the Commission's Report and Order in this case pursuant to Section 386.510 (RSMo. 2000).

7. The Staff shall also have the right to provide, at any agenda meeting at which this Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that Staff shall, to the extent reasonably practicable, provide the other Parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to the Commission's rules on confidential information.

WHEREFORE, for the foregoing reasons, the undersigned Parties respectfully request that the Commission issue its Order approving all of the specific terms and conditions of this Stipulation and Agreement and closing this case.

Respectfully submitted,

<p>CRAIG SMITH LAW, LC</p> <p>By: <u>/s/ Craig A. Smith</u> Craig A. Smith 141 N. Meramec, Suite 201 St. Louis, MO 63105 (314) 884-6080 Csmith@craigsmithlaw.net</p> <p>ATTORNEY FOR COMPLAINANT</p>	<p><u>/s/ Rick Zucker</u> Rick Zucker Missouri Bar No. 49211 Associate General Counsel Laclede Gas Company 700 Market Street, 6th Floor St. Louis, MO 63101 (314) 342-0533 (314) 421-1979 (Fax) rick.zucker@thelacledegroupp.com</p> <p>ATTORNEY FOR LACLEDE GAS COMPANY</p>
<p><u>/s/ Marcella Forck</u> Marcella Forck, Mo. Bar #66098 Associate Staff Counsel Missouri Public Service Commission</p> <p>P.O. Box 360 Jefferson City, MO 65102 (573) 751-4140 (Telephone) (573) 751-9285 (Fax) Email: Marcella.forck@psc.mo.gov</p> <p>ATTORNEY FOR THE STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION</p>	<p><u>Marc D. Poston</u> Marc D. Poston, Mo. Bar #45722 Chief Deputy Public Counsel Missouri Bar No. 45722 Office of the Public Counsel</p> <p>P.O. Box 2230 Jefferson City, MO 65102 (573) 751-5558 (573) 751-5562 (Fax) Marc.poston@ded.mo.gov</p> <p>ATTORNEY FOR THE MISSOURI OFFICE OF THE PUBLIC COUNSEL</p>

Certificate of Service

I hereby certify that copies of the foregoing have been emailed to the Complainant and all counsel of record this 19th day of October, 2016.

/s/ Marcia Spangler

EXHIBIT A

LACLEDE GAS COMPANY
700 MARKET STREET
ST. LOUIS, MO 63101
314-621-6960

(Date)
Customer Name
Address
City, State Zip

Service Address: _____

Dear [First name],

Your next bill will reflect a billing adjustment related to your past gas usage. We have determined that our gas meter was not functioning properly and have replaced it in order to ensure that we will be provided with correct meter readings in the future.

We apologize for this inconvenience. In the event that we undercharged you for your gas usage, we offer you the opportunity to pay the additional charges over a period of at least double the adjustment period. If you would like to set up payment arrangements, please contact us at 314-621-6960, 800-887-4173, or email us at CustomerService@LacledeGas.com.

We appreciate your business and look forward to providing you safe, reliable service now and in the future.

Laclede Gas Company
Customer Experience Department

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 4th day of January 2017.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

January 4, 2017

File/Case No. GC-2015-0147

**Missouri Public Service
Commission**

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Morris L. Woodruff
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.