

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

Structural Glass Systems, Inc.)	
)	
Complainant,)	
)	
v.)	File No. GC-2023-0143
)	
Spire Missouri, Inc. d/b/a Spire,)	
)	
Respondent)	

RESPONDENT BRIEF

COMES NOW Spire Missouri Inc. (“Respondent”), by and through counsel, and respectfully submits its Brief in this matter to the Missouri Public Service Commission (“Commission”).

I. INTRODUCTION

Structural Glass Systems, Inc. (“Complainant”) filed a formal complaint against Respondent Spire Missouri after being rebilled \$7,822.66 for undercharged natural gas usage from November 24, 2021 to April 12, 2022. The parties, Complainant, Respondent, and Staff of the Missouri Public Service Commission (“Staff”), stipulated to a number of facts prior to hearing, including that, due to an incorrect billing configuration, the incorrect number of digits was transmitted from the PTZ corrector affixed to Complainant’s natural gas meter to Respondent’s billing system for the period of November 24, 2021 to April 12, 2022.¹ Throughout the hearing, this issue was referred to as an incorrect PTZ corrector configuration.

The issues² agreed on by the parties to be presented at hearing were:

¹ Stipulation of Undisputed Facts, May 3, 2023, at 2.
² List of Issues, Witnesses, Exhibits, and Position Statements, May 5, 2023, at 1.

- A. *From the period of November 24, 2021 to April 12, 2022, did Complainant use the amount of natural gas that Respondent rebilled Complainant for in the amount of \$7,822.66?*
- B. *To the extent that the answer to Issue A is yes, did Respondent violate any law or any Commission rule, order, or decision?*

Complainant's stated position³ prior to hearing was that Respondent did not underbill Complainant, but that Respondent misinterpreted its readings, rebilling Complainant for natural gas it did not use. Complainant asserted that Respondent could not establish the initial, six digit reading of the meter was when Complainant started receiving service at the service address, and that the proper method to determine the correct natural gas usage from November 24, 2021 to April 12, 2022, would be to compare the initial meter read to the read at the time of rebilling. Further, Complainant claims that the gas appliances at the service address could not use the amount of natural gas for which Respondent rebilled.

Staff's position⁴ was, based on its investigation of the complaint, there was no evidence that Respondent violated any statute, tariff, or Commission rule or order in its rebilling of the account, and that the rebilling was for the correct amount.

Respondent maintained that during the period of November 24, 2021 to April 12, 2022, the Complainant was underbilled for natural gas that Complainant used. The amount of natural gas that Complainant was originally billed for as 702 CCF, however, Respondent rebilled Complainant for the amount that was actually used, 7022 CCF. The natural gas meter at Complainant's service address was operating within the standards set by the Commission, and, as stipulated to by the

³ *Id.* at 3.

⁴ *Id.* at 3-4.

parties, the underbilling occurred because of an incorrect PTZ corrector configuration. Finally, Respondent's rebilling of Complainant was in compliance with its Commission-approved tariffs.

II. ARGUMENT

The issue that the Commission must first address in this case is whether Complainant used the natural gas that Respondent rebilled for the period of November 24, 2021 to April 12, 2022. As (1) the meter was operating within the standards set by the Commission, (2) Respondent's meter read reports clearly show the usage for which Complainant was rebilled, and (3) the rebilled usage is expected at a service address the size of Complainant's, the Commission *must* find that Complainant did in fact use the natural gas that Respondent rebilled. Then, the Commission should find, as Staff agrees, that Respondent did not violate any statute, tariff, or Commission rule or order in its rebilling of the actual usage. While already a stipulated fact, Respondent will first address the issue with the PTZ corrector and the billing system configuration, which is the root cause of this complaint.

a. PTZ corrector and the billing system configuration.

i. *What function does the PTZ corrector provide?*

Throughout Missouri, Respondent is in the process of modernizing its meter technology, including the technology for its large meters. While the Company continues to utilize its existing large meters, which at Complainant's service address is a Romet rotary meter,⁵ the Company is moving from mechanical indexes to track natural gas flowing through the meter to electronic indexes.⁶ The PTZ corrector is such an electronic index, and continuously measures the gas flowing through the meter, correcting it in real time for both pressure and temperature.⁷ This index

⁵ Tr. 77:1-8.

⁶ Tr. 63:7-11.

⁷ Tr. 63:11-16.

allows Respondent to capture more accurate and realtime data on natural gas usage.⁸ Complainant's natural gas meter was installed with the PTZ corrector, and has been since November 24, 2021, the beginning of the time period in question.

ii. *What was the problem with the PTZ corrector?*

The problem leading to Complainant being undercharged for natural gas usage was not with the PTZ corrector itself, but rather the configuration in Respondent's billing system pulling reads from the index. Specifically, the issue was with the legacy configuration in the billing system for customers with large meters in the Kansas City area.⁹

Prior to using the rotary meters with electronic indexes, or PTZ correctors, Respondent utilized mechanical indexes on the meters requiring a configuration within the billing system to concatenate the first digit from the meter read.¹⁰ When Respondent replaced the mechanical indexes with the electronic PTZ correctors, which do not have mechanical dials, this configuration was no longer necessary as the digital read from the PTZ corrector did not require any correction. However, as the configuration within the billing system persisted the change in the type of index, the meter read transmitted was still the read with the first digit concatenated, or dropped, when transmitted to Respondent's billing system. Said another way, the configuration caused the meter read transmitted to the billing system to be sent with the decimal point moved one place to the left,¹¹ or a usage that was ten (10) times less than actual. Staff has concurred with Respondent's determination.¹²

⁸ Tr. 73:14-21.

⁹ Tr. 88:11-89:5.

¹⁰ Tr. 64:5-11 (As explained by Mr. Rieske, the mechanical indexes' first dial was not a billing dial, necessitating a configuration that would concatenate, or remove, the digit corresponding to this first dial.).

¹¹ Tr. 73:10-17.

¹² Tr. 98:22-25.

Highlighting the issue with the configuration is Respondent's Exhibit 102. Exhibit 102 is the *Out of Route Reads Report* for Complainant's natural gas meter. This report provides five different read columns: "Rawread," "4 Dial Read," "5 Dial Read," and "6 dial Read" and "6C/6U PTZ Correctors." In the example presented at the hearing,¹³ for the reads from December 10, 2021, while the "Rawread" shows a value of 0000000171, the "6 Dial Read" only lists a value as 000017. However, the "6C/6U PTZ Correctors" column, corresponding to the new electronic index, shows a read of 000171, which matches the rawread. The "6 Dial Read" demonstrates the issue presented by the legacy configuration, as while that column and the "6C/6U PTZ Correctors" column both list six digits, only the "6C/6U PTZ Correctors" column provides a read that matches the rawread. However, during the period of November 24, 2021 to April 12, 2022, the numbers in the "6 Dial Read" column, containing one less digit than the rawreads, were the usages being transmitted to Respondent's billing system resulting in the undercharge to Complainant.¹⁴

iii. *Why did Respondent not know that this issue was present?*

Respondent was not aware that there would be an issue with the interaction between the PTZ corrector and the legacy configuration in the billing system for the Kansas City area, as the PTZ corrector with the Romet rotary meters had not yet been utilized in that area.¹⁵ While the PTZ correct had been thoroughly tested throughout various regions in Spire Missouri's service territory, and, in even in this case, accurately capturing usage at the point of the meter, the billing configuration resulting in the undercharged usage in this case was unfortunately not captured in

¹³ Tr. 66:16-23.

¹⁴ See Tr. 66:13-23.

¹⁵ Tr. 88:19-25.

that testing.¹⁶ Up to this point, Respondent had not yet utilized metering technology in the Kansas City area that the legacy configuration would have affected.¹⁷

iv. Why did it take Respondent until the May billing cycle to rebill the Complainant for the undercharged usage?

Respondent did not discover the issue until January 2022, as the billing system only pulls reads from the meter once per month.¹⁸ Without any history on these meters, which were newly installed with the PTZ correctors in the Kansas City area, Respondent did not notice a problem existed until multiple meters were showing unexpected lower readings.¹⁹ After discovering the issue, testing to determine the extent of the problem was conducted in February, and the planning for fixes occurred in March.²⁰ Respondent then had to adjust the billing system configuration and rebill the customer, which both of which were performed to coincide with customers' billing cycles so the rebilled amounts were clear.²¹ In Complainant's case, Respondent made the fix starting on April 13, 2022, rebilling from November 24, 2021 to April 12, 2022, shown on Complainant's May bill, dated May 11, 2022.²²

b. Even with the incorrect billing system configuration for the PTZ corrector, Complainant's natural gas meter was operating correctly.

Regardless of the incorrect PTZ corrector configuration, Complainant's natural gas meter and PTZ corrector were still accurately measuring and recording usage data during the period of November 24, 2021 to April 12, 2022. Respondent performed a differential meter test on Complainant's natural gas meter in August 2022,²³ after the rebilled period, and the meter was

¹⁶ See Tr. 88:10-89:5.

¹⁷ Tr. 91:18-22.

¹⁸ Tr. 87:10-11.

¹⁹ Tr. 87:12-21.

²⁰ Staff's Ex. 200 at 3.

²¹ *Id.* at 3, Tr. 86:16-87:3.

²² Complainant's Ex. 6.

²³ Staff's Ex. 201.

found within the range allowed under the Commission's rules.²⁴ Respondent tested the meter at three different flow rates, and the meter passed the testing at each rate.²⁵ Further, Staff found no issues with the differential test conducted by the Company, noting that test results showed that the flow rates were in the correct ranges,²⁶ and that the meter report is consistent with those reviewed by Staff for other utilities.²⁷ Staff's conclusion was that the meter was operating correctly.²⁸

c. Respondent's meter reports also show the actual usage recorded.

To refute that the rebilled usage was correct, Complainant makes two conclusory statements regarding Respondent's meter reads: (1) that Respondent is simply misinterpreting its meter reads, and (2) that Respondent cannot establish what the initial six digit read was when Complainant started receiving service.

First, Complainant's position that Respondent is misinterpreting the meter reads, rebilling Complainant for usage it did not use, is unsupported. While Respondent's billing system only pulls one read from the meter per month, and during the period of November 24, 2021 to April 12, 2022, was pulling a single, incorrect read, Respondent's Exhibit 102 is a report of all reads pulled from Complainant's meter,²⁹ including rawreads. The original bills sent to Complainant from November 24, 2021 to April 12, 2022 can be compared to this report to clearly see the difference between the incorrect, originally billed usage, and the correct, actual, rebilled usage. Respondent would highlight the date of April 12, 2022, the final day of the rebilled period. On the original bill sent to Complainant, the present reading was listed as "702" CCF.³⁰ On the next month's (May) bill that contained the correction for the undercharged usage, the past reading, which would have been

²⁴ Tr. 96:22-97:6.

²⁵ Tr. 75:19-76:2.

²⁶ Tr. 97:2-6.

²⁷ Tr. 101:24-102:4.

²⁸ Tr. 11:22-24.

²⁹ Tr. 66:3-9.

³⁰ Complainant's Ex. 5.

the present reading on the previous month's bill, was adjusted to reflect the corrected, rebilled usage and was now listed as "7022" CCF.³¹ 7022 CCF is equal to the rawread, as well as the "6C/6U PTZ correctors" read, for April 12, 2022, found in Exhibit 102. The reads are listed as "0000007022" and "007022," respectively, and are all numbers roughly ten times more than the original 702 CCF listed on April 12. It is impossible to misinterpret these reads that clearly only provide one more digit than the usage originally billed to Complainant and require no other manipulation to reconcile the data Respondent utilized for its rebilling process.

Complainant also stated that Respondent cannot establish what the initial six digit read was on November 24, 2021. Contrary to this belief, Exhibit 102 clearly shows meter reads for Complainant's meter on November 11, 2021, of zero CCF.³² This zero usage is consistent with the fact that there was no meter at the service address prior to one being installed to provide natural gas service to only Complainant starting on November 24, 2021.³³ Thus, it is clearly established what the initial six digit read was on November 24, 2021: 0 CCF.

Finally, Complainant itself has put forth that the appropriate method for determining what the actual usage would be to compare the initial read on November 24, 2021 with the final read on April 12, 2022.³⁴ As discussed above, the evidence is clear that the initial read on the new meter installed for Complainant's service was zero, and on April 12, 2022, the "rawread" and "6U/6C PTZ Corrector" both had reads of 7022 CCF. Using Complainant's proposed method, the actual usage for the period of November 24, 2021 to April 12, 2022, would be 7022 CCF minus 0 CCF, or 7022 CCF, as was rebilled by Respondent.

d. The rebilled usage is consistent with expected usage.

³¹ Complainant's Ex. 6.

³² Tr. 67:3-9.

³³ Tr. 67:13-15.

³⁴ See List of Issues, Witnesses, Exhibits, and Position Statements, May 5, 2023, at 3.

Additionally, Complainant claims that the natural gas equipment at its service address could not possibly use the total rebilled amount of 7022 CCFs. The evidence does not support this position either.

First, the evidence shows that the originally billed CCFs during the period of November 24, 2021 to April 12, 2022 were approximately 10 times less than the actual usage of Complainant. This would make the actual usage that should have been billed approximately 2200 CCF in January 2022, 1990 CCF in February 2022, 1610 CCF in March 2022, and 1090 CCF in April 2022.³⁵ As testified by Respondent's witness Mr. Rieske, who has 33 years of experience in the natural gas industry,³⁶ the expectation for the usage in warehouses for the purposes of heat is at least 250 CCF for every 3,000 square feet of warehouse space, per month.³⁷ This number can increase with taller ceilings, as the volume of air needing to be heated would be increased.³⁸ Mr. Rieske estimated that for Complainant's facility, just for heating, the expected usage would be at least 1500 CCF.³⁹ This could also be subject to additional factors discussed by Mr. Rieske and Staff's witness Mr. Cunigan, including other characteristics of the structure, such as the quality of the insulation, and the opening and closing of entry and overhead doors.⁴⁰ Complainant's actual usage was clearly consistent with the expected usage for its facility.

Second, the Btu rating of the natural gas equipment present at the service address does not change the expected usage. Mr. Rieske testified that when Complainant initially applied for natural gas service, Respondent was supplied with a list of equipment that totaled nearly 1.6 million Btu, requiring 2 lbs of delivery pressure, an estimate that would likely yield a bill in excess of 2,000

³⁵ These numbers were calculated by multiplying the billable CCFs on the bills in Complainant's Ex. 2, Ex. 3, Ex. 4. and Ex. 5 by 10.

³⁶ Tr. 62:17-21.

³⁷ Tr. 71: 9-14.

³⁸ Tr. 71:13-14.

³⁹ Tr. 71:15-18.

⁴⁰ Tr. 71:5-9; Tr. 100:10-19.

CCF.⁴¹ While Complainant only ended up with two heaters totaling 500,000 Btu,⁴² this does not necessarily mean that the usage would decrease. In fact, the actual heating equipment installed, likely insufficient to heat Complainant's space, could actually *increase* the usage.⁴³ No matter what equipment is installed, the volume of the space needing to be heated does not change. When that equipment is clearly insufficient to move enough heated air into that space to reach the desired temperature a thermostat is set to, the equipment will run nonstop, constantly consuming natural gas, resulting in high monthly gas bills.⁴⁴

Third, Complainant's usage during the period of November 24, 2021 to April 12, 2022 is comparable to usage in 2023.⁴⁵ For example, the usage rebilled for February 2022 was approximately 1990 CCF, while the usage billed for February 2023 was 1523 CCF.⁴⁶ The February 2023 bill was \$2,341.51.⁴⁷ Even though Complainant's counsel stated that its usage is currently back to what it had originally been billed for from November 24, 2021 to April 12, 2022,⁴⁸ Complainant testified that it had no reason to dispute the 1523 CCF billed for February 2023.⁴⁹

Complainant made several attempts at the hearing to contest the accuracy of the rebilled usage. Complainant stated that the original bills received during the period of November 24, 2021 to April 12, 2022 were for similar amounts of bills received at a prior, larger facility.⁵⁰ While Complainant's bills from the prior facility were never presented as evidence throughout this complaint, it is also unclear how the prior bills were actually calculated. Complainant stated that

⁴¹ Tr. 81:10-22.

⁴² Tr. 82:22-83:4.

⁴³ Tr. 83:15-17.

⁴⁴ Tr. 83:9-15.

⁴⁵ Tr. 86:3-11.

⁴⁶ Respondent's Ex. 101, Statement Date 02/09/2023.

⁴⁷ *Id.*

⁴⁸ Tr. 9:10-23.

⁴⁹ Tr. 49:20-50:3.

⁵⁰ *See* Tr. 21:11-14.

the utility providing natural gas service was Spire, which Respondent does not have reason to contest.⁵¹ However, Complainant did not have natural gas in its name, was billed by the landlord of the facility, and did not appear to have its own meter.⁵² Thus, as it is unknown how the bills received by Complainant at the prior address were actually calculated and reflected actual usage of Complainant, it is unfeasible to use amounts paid at the prior facility as a reference in this matter. Further, Complainant states that the business was in a transition period not performing any active, revenue-generating work.⁵³ Regardless of whether revenue-generating work was being done, Complainant was still heating the building during this winter period,⁵⁴ and the building, according to discovery responses from Complainant, was still in operation.⁵⁵ Finally, Complainant stated that to its knowledge, no other business in the complex where the service address is located was ever presented with a \$7,000 bill for gas service.⁵⁶ Respondent would note once more that the rebilled amount was not for a single month of gas service, but over approximately five months, making the comparison to other customers in the complex futile had they not also been rebilled for a similar issue, for which there is no evidence.

As the actual usage of 7022 CCF is supported by the evidence presented above, it is also necessary to confirm that the total rebilled dollar amount was also correct. In its investigation of the complaint, Staff recalculated the dollar amount rebilled by Respondent to Complainant.⁵⁷ Staff found that the rebill was performed using the correct and appropriate tariff sheets, and that the

⁵¹ Tr. 17:10-12.

⁵² See Tr. 34:11-35:7.

⁵³ Tr. 19:16-18.

⁵⁴ Tr. 18:16-21.

⁵⁵ See Respondent's Ex. 103, Data Request R-1.

⁵⁶ Tr. 54:11-21.

⁵⁷ Tr. 100:23-25.

rebilled dollar amount of \$7,822.66 was accurate for the actual usage from November 24, 2021 to April 12, 2022.⁵⁸

e. Respondent's actions were in compliance with its Commission-approved tariffs.

As the evidence shows that Complainant was in fact undercharged for natural gas service, the Commission must also determine whether Respondent was in violation of any rule, law, or Commission approved tariff or order. First, under Respondent's Commission approved Tariff Sheet No. R-8.1, Respondent is allowed to rebill residential customers and customers other than residential customers for both undercharged and overcharged natural gas usage.⁵⁹ These are tariffs that are reviewed by Staff and approved by the Commission.⁶⁰ Respondent's witness Ms. Johnson testified that the rebilling of Complainant was performed according to Respondent's normal processes.⁶¹ Staff found no violations of these tariffs in Respondent's rebilling of Complainant for natural gas usage.⁶²

Second, Respondent would note that there were no violations by Spire in its contacts with Complainant leading up to the rebill, or after the rebill. Respondent is not required under its Commission approved tariffs to alert customers of a possible billing issue prior to sending a rebill for under- or overcharged usage,⁶³ nor is there such a requirement under the Commission's rules for rebilling residential customers.⁶⁴ Once Respondent determined the issue existed and developed a plan to fix the issue, Respondent engaged with Complainant to both advise of and explain the rebilling⁶⁵ as well as offer payment arrangements to Complainant consistent with Respondent's

⁵⁸ Tr. 110:1-13.

⁵⁹ Tr. 108:20-109:2.

⁶⁰ Tr. 108:4-13.

⁶¹ Tr. 58:13-25.

⁶² Staff's Ex. 200 at 5.

⁶³ Tr. 109:11-15, 112:2-3.

⁶⁴ See Commission Rule 20 CSR 4240-13.025.

⁶⁵ Staff's Ex. 200 at 2.

Commission-approved tariffs.⁶⁶ This is contrary to Complainant's statements that they made several attempts to reach a payment agreement with Respondent but were unable to reach such an agreement.⁶⁷ In its Report, Staff discussed Respondent's multiple attempts, both written and verbal, to offer payment arrangements to Complainant,⁶⁸ and also noted its difficulties in its contacts with Complainant throughout the informal complaint process.⁶⁹

Finally, at hearing, Staff recognized that there "was a lot of contact between the customer and the company" and that "[Respondent] attempted very well" to explain the issue to Complainant, also noting it was a "difficult thing to understand."⁷⁰ However, Staff has proposed three recommendations for Respondent to improve customer contacts where there are billing errors necessitating a rebill.⁷¹ While Respondent understands the basis for Staff's recommendations, Respondent believes that these recommendations would be better suited in an already open customer service docket, not a formal complaint docket. Respondent is willing to work with Staff to determine the appropriate docket or, in the alternative, agrees to propose tariff changes reflecting Staff's recommendations in its next general rate case.

III. Conclusion

Complainant's last attempt to contest the rebill is its claim that the rebill for undercharged usage caused by an issue with Respondent's billing system is inequitable.⁷² This, however, goes against the Commission's policy. Both the Commission's Rules and Respondent's Commission-approved tariffs allow Respondent to rebill customers when there is both an undercharge and an overcharge. Here, had Complainant been overbilled, not underbilled, it would certainly have

⁶⁶ Staff's Ex. 200 at 5.

⁶⁷ See e.g., Tr. 28:4-10, Tr. 30:14-22.

⁶⁸ Staff's Ex. 200 at 5.

⁶⁹ *Id.* at 4.

⁷⁰ Tr. 112:7-11.

⁷¹ Tr. 112:11-21.

⁷² List of Issues, Witnesses, Exhibits, and Position Statements at 3.

wanted Respondent to rebill its account, crediting it for any overpayment. Further, providing for rebilling for undercharged or overcharged usage reflects a fundamental principle within utility rate design, that customers should be responsible for the costs of the utility in providing their service. If rates are not appropriately collected from a customer to recover costs incurred to serve that customer, the utility's other customers may be inequitably burdened with those costs. Rebilling ensures that costs may be appropriately recovered, or refunded, in compliance with a utility's Commission-approved rates, where a billing issue has occurred.

For the reasons set forth above, it is clear that Complainant was underbilled for natural gas usage during the period of November 24, 2021 to April 12, 2022, and the rebilled amount of \$7,822.66 is appropriate and necessary.

WHEREFORE, Respondent respectfully requests that the Commission accept this brief, conclude that Respondent properly rebilled Complainant and did not violate any statute, tariff, or Commission rule or order, and order any other relief as is just and reasonable.

Respectfully submitted,

/s/ J. Antonio Arias

Matthew Aplington MoBar #58565
General Counsel
Spire Missouri Inc.
700 Market Street, 6th Floor
St. Louis, MO 63101
(314) 342-0785 (Office)
Email: matt.aplington@spireenergy.com

J. Antonio Arias, MoBar #74475
Regulatory Counsel
Spire Missouri Inc.
700 Market Street, 6th Floor
St. Louis, MO 63101
(314) 342-0655 (Office)
Email: antonio.arias@spireenergy.com

ATTORNEYS FOR SPIRE MISSOURI INC.

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail to all counsel of record on this 7th day of June, 2023

/s/ Julie Johnson