

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

Staff of the Public Service Commission of Missouri,	)	
	)	
	)	
Complainant,	)	
	)	
v.	)	Case No. GC-2006-_____
	)	
Laclede Gas Company,	)	
	)	
Respondent.	)	

**COMPLAINT**

COMES NOW Staff (Staff) of the Public Service Commission of Missouri (Commission) on information and belief, and for its complaint states:

**COUNT I**

1. Laclede Gas Company (Laclede or LGC) is a gas company subject to regulation by the Commission. Sections 386.020; 386.230; 393.140 RSMo.<sup>1</sup>
2. Laclede's address is 720 Olive St, St. Louis, Missouri 63101
3. For many years Laclede has utilized "trace devices." Trace devices are mechanical devices attached to a meter inside a customer's premises that permit Laclede to read the meter from a vehicle, outside the customer's premises.
4. Laclede has estimated customer usage when the trace device attached to the customer's meter has malfunctioned. Laclede has failed to schedule such customers for regular manual reads, failed to use actual reads if acquired or has failed to notify the customer of the opportunity to self-read the meter and report usage. The customer complaints listed on Attachment 1 show this violation.

5. Commission Rule 4 CSR 240-13.025 governs billing adjustments. The rule provides for all billing errors, the utility will determine from all related and available information the probable period during which this condition existed and shall make billing adjustments for the estimated period involved.

6. Commission Rule 4 CSR 240-13.020 governs how Laclede will bill its customers. The rule states a utility shall normally render a bill for each billing period to every residential customer in accordance with its tariff. Commission Rule 4 CSR 240-13.015 provides definitions which list the definition for billing periods which means a normal usage period of not less than twenty-six (26) nor more than thirty-five (35) days for a monthly-billed customer nor more than one hundred (100) days for a quarterly-billed customer, except for initial, corrected or final bills

7. Commission Rule 4 CSR 240-13.202 provides:

If a utility is unable to obtain an actual meter reading for three (3) consecutive billings periods, the utility shall advise the customer by first class mail or personal delivery that the bills being rendered are estimated, that estimation may not reflect the actual usage and that the customer may read and report gas usage to the utility on a regular basis. The procedure by which this reading and reporting may be initiated shall be explained. A utility shall attempt to secure an actual meter reading at least annually.

8. Laclede has failed to provide in a timely manner the required notification that estimated bills may not reflect actual usage and that the customer may read and report usage on a regular basis. Laclede has also failed to attempt to secure an actual reading at least annually. The customer complaints listed on Attachment 2 show this violation.

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<sup>1</sup> All statutory references are to the Revised Statutes of Missouri, 2000, unless otherwise noted.

9. Laclede is in the process of installing (by turn-key contract) an automated meter reading system (AMR). The system will be installed on all residential customer meters, approximately 650,000 in all, and is scheduled to be completely installed by the end of this year.

10. As part of the installation process, LGC will obtain actual meter reads for all meters. As it obtains actual meter reads, Laclede will be adjusting bills of customers whose prior bills have been based on estimates, perhaps many thousands. For each such case, Laclede will generate “catch-up” bills to correct over- or under-estimates of usage on prior bills.

11. The catch-up bills for under-estimated usage may be particularly difficult for customers because of the current extremely high price of natural gas.

### **Prayer for Relief**

Wherefore, Staff asks the Commission order Laclede to:

- provide any customer, whose bill is based on estimated usage more than twice in any twelve month period, a separate written notice that the bills have been estimated;
- investigate and correct within 45 days the problems causing the need to estimate the bill;
- immediately read meters and render bills for any customer it has not billed in 35 days;
- report to Staff’s Auditing Department all bills rendered in 2005 that were based on actual reads where prior estimated readings have resulted in adjustments greater than five percent (5%).
- at the time of rebilling, and even without contact from the customer, automatically provide any customer whose “catch-up” amount exceeds 60 dollars at least six months or the same number of months that were involved in the “catch-up”, whichever one is greatest period of time, to pay the catch-up bill;
- begin the “catch-up” period only when a letter to the customer clearly and unequivocally advises the customer that their bill has been estimated, and that a recalculation will follow;
- report within 90 days to Staff and the Office of the Public Counsel (OPC) the steps taken to comply with this order, and the procedures put in place to assure continued compliance.

The Commission should also:

- authorize its General Counsel to seek penalties for each violation as authorized by § 386.570 and 386.600;
- and provide such other relief as the Commission deems appropriate.

## **COUNT II**

12. Staff incorporates paragraphs one and two as though fully set out.

13. Section 393.130 requires utilities to provide safe and adequate service. Section 393.140 gives the Commission the power to supervise utilities in the providing of service.

14. Commission gas safety rules require that each service line have a readily accessible shut-off valve outside the building. 4 CSR 240-40.030(8)(I)2.

15. There are instances where Laclede has locked a meter shut or has locked the service line at the curb, but gas usage continues to register on the meter. Laclede has not acted quickly to investigate these conditions and take corrective action. This condition poses a potential safety hazard by permitting gas to flow under unknown conditions. This condition also results in unrecovered gas costs to Laclede or its customers. Situations showing this violation are listed in Attachment 3.

## **Prayer for Relief**

Wherefore, Staff asks the Commission order Laclede:

- to report to Staff and OPC all instances where LGC has discontinued service but the meters continue to show usage; when it first learned of each instance, and what action it has taken and when;
- in future, to investigate and correct within 48 hours all instances of gas flowing to premises where service has been discontinued; and,
- to authorize its General Counsel to seek penalties for each violation as authorized by § 386.570 and 386.600.

### **Conclusion**

Staff asks the Commission to grant the relief sought, and advises that it will amend this complaint and the prayers for relief as may be appropriate should additional information discovered in the prosecution of the case warrant.

Respectfully submitted,

**/s/ Thomas R. Schwarz, Jr.**

Thomas R. Schwarz, Jr.  
Deputy General Counsel  
Missouri Bar No. 29645

Attorney for the Staff of the  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102  
(573) 751-5239 (Telephone)  
(573) 751-9285 (Fax)  
[tim.schwarz@psc.mo.gov](mailto:tim.schwarz@psc.mo.gov)

### **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 2<sup>nd</sup> day of February, 2006.

**/s/ Thomas R. Schwarz, Jr.**