

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

Raymond Joseph Freeman, III,)	
)	
Complainant,)	
)	<u>Case No. GC-2009-0047</u>
v.)	
)	
Laclede Gas Company,)	
)	
Respondent.)	

REPORT OF STAFF INVESTIGATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its report of investigation states as follows:

1. On August 15, 2008, Raymond Joseph Freeman, III (Mr. Freeman or Complainant), filed a formal Complaint with the Missouri Public Service Commission (Commission) against Laclede Gas Company (Laclede).

2. In his Complaint, Mr. Freeman asserts several allegations against Laclede concerning the disconnection of his services, the status of his account number, and the methods by which Laclede structures its rates.

3. On August 19, 2008 the Commission ordered a Notice of Complaint and Order Directing Staff Investigation, directing Staff to file a report of investigation no later than October 8, 2008.

4. On September 18, 2008, Laclede filed an Answer To and Motion To Dismiss Complaint, in which it denied any wrongdoing under Missouri law or Commission rules.

5. In investigating this Complaint, Staff examined the formal Complaint, Laclede's tariffs, and the responses to several data requests that were submitted in relation to Laclede's customer numbering policies.

6. Staff attempted to contact Mr. Freeman by telephone on September 24, 2008, but found that the number was no longer in service.

7. In the attached memorandum, labeled Appendix A, Staff reports that Mr. Freeman has not alleged any violations of Missouri statute, Commission rules, or Laclede's tariff, and that Staff is unable to find any violations thereof.

WHEREFORE, Staff recommends the Commission issue an Order finding that Laclede has not violated any provision of the Missouri statutes, Commission rules, or the Company's tariff.

Respectfully submitted,

/s/ Eric Dearmont

Eric Dearmont

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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 October, 2008.

/s/ Eric Dearmont

MEMORANDUM

TO: Missouri Public Service Commission Official Case File No. GC-2009-0047,
Laclede Gas Company

FROM: Tom Solt, Energy Department - Tariffs/Rate Design

/s/ Thomas M. Imhoff 09/25/08
Energy Department/Date

/s/ Eric Dearmont 09/25/08
General Counsel's Office/Date

SUBJECT: Staff Recommendation on Raymond Joseph Freeman, III vs. Laclede Gas Company

DATE: September 25, 2008

On August 15, 2008, Raymond Joseph Freeman, III (Complainant or Mr. Freeman), a customer of Laclede Gas Company (Laclede or Company) of St. Louis, Missouri, filed a complaint against Laclede. On August 19, 2008, the Missouri Public Service Commission (Commission) issued a Notice of Complaint and Order Directing Staff Investigation, directing the Staff of the Commission (Staff) to file its recommendation in this case no later than October 8, 2008. On September 18, 2008, Laclede filed its Answer to and Motion to Dismiss Complaint.

In his Complaint, Mr. Freeman alleges the following:

- Laclede disconnected him for an estimate that turned out to be an actual amount of \$150
- Laclede should not have disconnected him for \$150
- Laclede is sending him “minimum bills,” and he should not have to pay anything when he has no usage
- Laclede’s reconnection fee of \$62 is too high
- Laclede changed his account number after reconnection
- Laclede must stop billing summer and winter rates
- Laclede must find a third rate between the two for April, May, October and November

Staff addressed each allegation in its investigation. The results are as follows:

- Laclede disconnected him for an estimate that turned out to be an actual amount of \$150
- Laclede should not have disconnected him for \$150

Section 386.250 (6) gives the Commission authority to adopt rules “as are supported by evidence as to reasonableness and which prescribe the conditions of rendering public utility service, **disconnecting** or refusing to reconnect public utility service and billing for public utility service” [emphasis added].

Disconnections are covered under 4 CSR 240-13.050 of the Commission's rules. Section (1) of this rule states: "Service may be discontinued for any of the following reasons: (A) Nonpayment of an undisputed delinquent charge." The rule goes on to state other reasons for which service may be discontinued, and reasons for which it may not be discontinued. None appear pertinent to the instant complaint. There is no mention of a minimum amount for which service may be discontinued.

Section 14 (1)(A) of Laclede's tariff mirrors the language of the rule quoted above [Sheet No. R-12]. The tariff makes no mention of a de minimus amount for which a delinquent account will not be discontinued. The Commission's rule makes no mention of a de minimus amount that would preclude a disconnection.

- Laclede is sending him "minimum bills," and he should not have to pay anything when he has no usage

The only mention of a "minimum bill" (actually a "minimum monthly charge") found in Laclede's tariff is in Laclede's Large Volume Transportation and Sales Service section of its tariff, which consists of the "sum of the Customer Charge and the Demand Charge." A Residential General Service Customer pays a Customer Charge equal to \$15.50 per month, even in months of no usage. This Commission approved charge appears on Sheet No. 2 of Laclede's currently effective tariff, and is therefore considered a just and reasonable charge. The Customer Charge covers costs incurred by the utility whether a customer uses gas or not, such as return on its meter, regulator, service line, meter reading costs, billing costs, etc.

- Laclede's reconnection fee of \$62 is too high

Laclede lists its currently effective Commission approved Residential Customer reconnection charge as \$62.00 [Sheet 30]. Again, by virtue of it being a currently effective rate, it is considered a just and reasonable rate.

- Laclede changed his account number after reconnection

Staff submitted Data Requests on September 9th to enquire as to Laclede's account number procedures. Laclede does change account numbers after a disconnection. The company has explained that the account numbers have an additional digit appended to the end of the current account number when disconnected. The Company does this to designate an account that has been disconnected for non-payment. Laclede's tariff is silent about account numbers and it would appear to Staff that the Company's account numbers, and its use of them, is up to the Company's management's discretion. The Company's account system is set up to tie the two accounts together in the event a customer makes a payment to the original account number. The customer is credited for his or her payment.

- Laclede must stop billing summer and winter rates
- Laclede must find a third rate between the two for April, May, October and November

Laclede's Residential General Service rate schedule lists, in addition to the \$15.50 monthly customer charge, a summer volumetric rate of \$0.20926 for the first 30 therms, and \$0.15900 for all additional therms. It also lists a winter volumetric rate of \$0.88954 for the first 30 therms, and \$0.0000 for all additional therms. Again, as currently effective Commission approved rates, they are prima facie just and reasonable. The Company must charge the rates identified in its tariff, and can, indeed, charge no other in lieu of those rates. Those rates were properly charged to Mr. Freeman in this case.

Staff attempted to contact Complainant by telephone on September 24, 2008. The number found terminated to a message stating the number had been disconnected or was no longer in service.

Conclusion and Recommendation

Since the Complainant has not alleged any violations of Missouri's statutes, the Commission's rules, or the Company's tariff, and Staff is unable to find any violations thereof, Staff recommends the Commission dismiss the instant complaint for failure to show any cause to prevail against the Company in his complaint.


Notary Public