

Exhibit No.:
Issue(s):
Witness:
Type of Exhibit:
Sponsoring Party:
Case Number:
Date Testimony Prepared:

Liability Tariff
Barb Meisenheimer
Rebuttal
Public Counsel
GT-2009-0056
September 29, 2009

SURREBUTTAL TESTIMONY

OF

BARBARA A. MEISENHEIMER

Submitted on Behalf of
the Office of the Public Counsel

Laclede Gas Company

Case No. GT-2009-0056

September 29, 2009

NP

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

In the Matter of Laclede Gas Company's)
Tariff Revision Designed to Clarify its)
Liability for Damages Occurring on)
Customer Piping and Equipment.)

Case No. GT-2009-0056

AFFIDAVIT OF BARBARA A. MEISENHEIMER

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Barbara A. Meisenheimer, of lawful age and being first duly sworn, deposes and states:

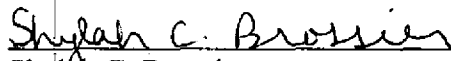
1. My name is Barbara A. Meisenheimer. I am Chief Utility Economist for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.


Barbara A. Meisenheimer

Subscribed and sworn to me this 29th day of September 2009.



SHYLAH C. BROSSIER
My Commission Expires
June 8, 2013
Cole County
Commission #09812742


Shylah C. Brossier
Notary Public

My Commission expires June 8th, 2013.

Laclede Gas Company

GT-2009-0056

**Surrebuttal Testimony
of
Barbara Meisenheimer**

1 Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

2 A. Barbara A. Meisenheimer, Chief Utility Economist, Office of the Public Counsel,
3 P. O. 2230, Jefferson City, Missouri 65102.

4 Q. HAVE YOU TESTIFIED PREVIOUSLY IN THIS CASE?

5 A. Yes, I filed rebuttal testimony on August 19, 2009. My rebuttal testimony
6 addressed Public Counsel's general policy concerns and issues with the specific
7 tariff language related to Laclede Gas Company's (Laclede's or the Company's)
8 proposal to modify its tariff to limit liability.

9 Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

10 A. My surrebuttal testimony responds to the Staff's support for Laclede's proposed
11 1st revised tariff attached to the direct testimony of Company witness David P.
12 Abernathy and responds to the Company's 2nd revised tariff proposal filed on
13 September 23, 2009.

14 Q. WHAT MATERIAL HAVE YOU REVIEWED IN PREPARATION OF THIS TESTIMONY?

15 A. In addition to the material described in my rebuttal testimony, I have also
16 reviewed the rebuttal testimony of Staff witnesses Robert R. Leonberger and

1 Thomas M. Imhoff filed on August 19, 2009 and the 2nd revised tariff filed by the
2 Company on September 23, 2009.

3 Q. WHICH TARIFF DID THE STAFF'S TESTIMONY ADDRESS?

4 A. The Staff's testimony was filed in response to the Company's 1st revised tariff.

5 Q. PLEASE SUMMARIZE PUBLIC COUNSEL'S RESPONSE TO THE STAFF TESTIMONY?

6 A. From Public Counsel's perspective Mr. Leonberger's testimony is in some respects
7 less problematic than Mr. Imhoff's testimony. Mr. Leonberger appears to focus
8 on allowing Laclede some protection from liability in the context of Laclede's
9 performance of inspections that occur as a component of the **regulated service**
10 **associated with gas turn-on** when those inspections are performed in compliance
11 with State and Federal pipeline safety regulations. Mr. Imhoff's testimony, on the
12 other hand, appears to recognize and accept that Laclede's proposed tariff is
13 additionally intended to afford the Company limitation on liability associated with
14 the provision of **unregulated services**.

15 Distinct from the issue of application of the tariff to regulated versus
16 unregulated services, Public Counsel believes that the tariff language seeks
17 liability limitations broader than those envisioned by the Staff. For example, Mr.
18 Leonberger does not appear to accept that Laclede should be shielded from
19 liability in cases of gas impurities, in cases where the Company has failed to
20 comply with Commission rules, regulations, tariffs and orders or in cases where a
21 violation has not occurred but Laclede has a causal connection to an occurrence
22 that gave rise to a claimed liability on the part of the Company. However, as I
23 described in rebuttal testimony, the 1st revised tariff language seeks to limit
24 liability associated with gas impurities and in cases of Company negligence.

1 Q. ARE THERE ADDITIONAL ISSUES THAT YOU BELIEVE THE STAFF SHOULD HAVE
2 ADDRESSED IN ITS TESTIMONY?

3 A. Yes. The first is that Staff's testimony in support of the tariff does not recognize
4 or address the relationship between the Staff's treatment of certain unregulated
5 service revenues and costs in the ratemaking process and the use of the phrase
6 "services considered in the ratemaking process" used in the Company's proposed
7 tariff. In past Laclede rate cases, the Staff has included both the revenues and
8 costs associated with certain unregulated services in determining the Company's
9 revenue requirement. My understanding is that the Staff's treatment of costs and
10 revenues in this manner is intended to ensure that the rates for regulated services
11 are not used to recover costs reasonably attributable to unregulated services.
12 However, while I agree that there should be a proper matching of costs and
13 revenues, the Staff's consideration of unregulated service costs and revenues may
14 be used as evidence that the provision of Laclede's proposed liability tariff should
15 be applicable to the unregulated services. The services and repairs listed on page
16 3 of Schedule BAMSUR-1 include a list of the types of unregulated services and
17 repairs that I believe are reviewed in the rate making process.

18 Second, Public Counsel views Mr. Imhoff's testimony in support of
19 extending liability limitations to unregulated services as a significant policy shift
20 that would attempt to extend Commission protections to Laclede's competitive
21 service offerings. Mr. Imhoff's testimony provides little if any support for this
22 change.

1 Q. WHAT PORTIONS OF MR. IMHOFF'S TESTIMONY CAUSES YOU TO BELIEVE THAT
2 STAFF RECOGNIZES THAT THE PROPOSED TARIFF IS INTENDED TO RESTRICT
3 LIABILITY FOR UNREGULATED SERVICES?

4 A. While Mr. Imhoff's testimony does not identify the services to which the Staff
5 believes the tariff would apply, Mr. Imhoff's testimony concerns Public Counsel
6 because it appears to indicate that the Staff recognizes and accepts that the
7 proposed tariff would apply to competitive services. For example, on page 3,
8 lines 5-21, Mr. Imhoff states;

9 Q. Has Staff received the requested information from
10 Laclede as Mr. Abernathy alludes to on page 4, lines 16
11 through 18?

12
13 A. Yes. The requested information was supplied to Staff.
14 **That information provided Staff the ability to analyze**
15 **various unregulated providers' warranties of similar**
16 **services. The warranty period proposed by Laclede is**
17 **reasonable based upon the information provided to**
18 **Staff for the equipment repair/inspection services**
19 **identified in the tariff.** In its response to Staff Data
20 Request No. 1, Laclede provided information that resulted
21 in a claim or case for damages from 2000 to present. The
22 type of information provided by the Company included,
23 but was not limited to, the name of the claimant, date of
24 injury or damage, nature of claim for damages and a
25 description of the resolution of the case by settlement or
26 verdict/judgment including amounts paid to the claimant.

27 Laclede's response to Staff Data Request No. 2
28 provided a definition of the term distribution equipment
29 and support for the difference in winter period for the
30 proposed liability tariff as compared to the winter period
31 for rates. Laclede represented to Staff that the Company
32 agrees that the winter period should be the same for both
33 tariff sheets. **Laclede's response to Staff Data Request**
34 **No. 3 provided support for the length of time**
35 **guarantees for workmanship and parts that included**
36 **information from non-regulated HVAC companies.**
37 **Laclede also provided a checklist used for real estate**
38 **inspections, and for reconnecting gas service.**
39 (Emphasis Added)
40

1 **Q. DO YOU AGREE WITH MR. IMHOFF'S CONCLUSION THAT THE COMPANY'S TARIFF**
2 **LANGUAGE REASONABLY BALANCES THE INTEREST OF ALL CONCERNED**
3 **PARTIES?**

4 **A.** No. In my opinion the tariff primarily benefits Laclede and unreasonably seeks to
5 extend the Commission's authority into markets for unregulated services
6 providing a competitive advantage for Laclede's competitive service offerings.

7 **Q DID THE INFORMATION STAFF REVIEWED INCLUDE LIABILITY CLAIMS RELATED**
8 **TO UNREGULATED SERVICES?**

9 **A.** It appears that the Company support for the tariff provided in response to Staff
10 DRs and examined by Staff included liability claims related to the provision of
11 unregulated services. For example, in addition to cases related to provision of
12 regulated services, in response to Staff DR No. 1, referenced on page 3, lines 8-13
13 of Mr. Imhoff's testimony, the Company provided examples that included claims
14 related to repair services for pool heaters, HVAC services and home sale
15 inspections, all of which are competitive services. Some examples of the claims
16 related to repair services for pool heaters, HVAC services and home sale
17 inspections included in the Company response to Staff DR No. 1 are included in
18 Schedule BAMSUR-2HC.

19 **Q. SHOULD CLAIMS RELATED TO UNREGULATED SERVICE OFFERINGS BE USED TO**
20 **JUSTIFY APPROVAL OF LACLEDE'S PROPOSED TARIFF?**

21 **A.** No. The Commission rules on affiliate transactions and promotional practices are
22 designed to protect customers of Laclede's regulated services from bearing costs
23 associated with liability related to unregulated services and require Laclede to
24 inform customers in cases where Laclede provides an unregulated service.

1 Q. IS LACLEDE'S TARIFF CONSISTENT WITH MR. LEONBERGER'S VISION OF THE
2 LIABILITY PROTECTIONS THAT SHOULD AND SHOULD NOT BE IMPLEMENTED.

3 A. In my opinion the Company's proposed tariff is not consistent with the limited
4 cases in which Mr. Leonberger envisions extending some liability protection.

5 Q. WHAT ASPECTS OF MR. LEONBERGER'S TESTIMONY DO YOU VIEW AS
6 CONSISTENT WITH PUBLIC COUNSEL'S VIEW OF APPROPRIATE LIMITATIONS ON
7 LIABILITY?

8 A. Public Counsel believes that any Commission approved liability language should
9 be limited to the context of Laclede's performance of Commission required
10 inspections at the time of gas turn-on. The tariff should not limit Laclede's
11 responsibility in other instances when the Company may be responsible for loss,
12 damage, injury or death downstream of the meter even though a rule or regulation
13 was not violated. Public Counsel also recognizes that the customer or the
14 customer's agent is responsible for maintenance and safe operation of customer
15 premise equipment on an ongoing basis.

16 Q. ARE THERE ADDITIONAL ISSUES THAT SHOULD BE ADDRESSED BY ANY
17 COMMISSION APPROVED LIABILITY TARIFF LANGUAGE?

18 A. Yes. First, any Commission approved tariff language should acknowledge that
19 the Rules referenced by Mr. Leonberger are minimum standards. It is appropriate
20 and reasonable to do so because the Purpose description of both the Safety
21 Standards of the Pipeline Safety Regulations of the State of Missouri, 4 CSR 240-
22 40.030, and the Pipeline Safety Regulations issued by the U.S. Department of
23 Transportation, 49 CFR Part 192, explicitly state that the rules are established as
24 minimum standards. Mr. Leonberger's reference to tariffs, Commission orders

1 and operational considerations in addition to regulations and Commission rules
2 seems to also recognize that the safe transmission and distribution of gas can
3 depend on more than satisfying the minimum standards stated in the rules.

4 The second issue that should be addressed relates to the Commission's
5 status in legal proceedings related to Laclede's liability. I am advised by Counsel
6 that from a legal perspective Public Counsel does not believe that the Commission
7 can mandate limitations on Laclede's liability imposed by courts.

8 **Q. IN THE EVENT THAT THE COMMISSION DETERMINES THAT IT IS APPROPRIATE TO**
9 **APPROVE LIABILITY TARIFF PROVISIONS IN THIS CASE, HAS PUBLIC COUNSEL**
10 **DEVELOPED TARIFF LANGUAGE THAT YOU BELIEVE ADDRESSES SOME OF THE**
11 **POINTS RAISED BY MR. LEONBERGER'S TESTIMONY?**

12 **A.** Yes. Public Counsel filed alternative tariff language on September 23, 2009.

13 **Q. HOW DOES THE ALTERNATIVE TARIFF ADDRESS THE CONSIDERATIONS**
14 **DISCUSSED ABOVE?**

15 **A.** The alternative tariff language;

- 16 ▪ *states clearly that the tariff applies to regulated products and services;*
- 17 ▪ *affirms Laclede's responsibility for the safe transmission and*
18 *distribution of gas;*
- 19 ▪ *affirms Laclede's responsibility to provide gas free of constituents;*
- 20 ▪ *accurately represents the Safety Standards of the Pipeline Safety*
21 *Regulations of the State of Missouri, 4 CSR 240-40.030, and the*
22 *Pipeline Safety Regulations issued by the U.S. Department of*
23 *Transportation, 49 CFR Part 192 as minimum standards;*
- 24 ▪ *recognizes that Laclede may have additional regulatory or operational*
25 *responsibilities in providing for the safe transmission and distribution*
26 *of gas;*
- 27 ▪ *recognizes that the customer or the customer's agent is responsible*
28 *for maintenance and safe operation of customer premise equipment on*
29 *an ongoing basis;*

- 1 ▪ *identifies criteria that the Commission accepts as a demonstration of*
- 2 *compliance and;*
- 3 ▪ *recommends that a demonstration of compliance be used in defense of*
- 4 *the Company in liability related lawsuits.*
- 5

6 **Q. DOES THE ALTERNATIVE TARIFF REMEDY THOSE ASPECTS OF LACLEDE'S**
7 **PROPOSED TARIFF THAT PUBLIC COUNSEL FOUND MOST OBJECTIONABLE AND**
8 **OUT OF LINE WITH YOUR UNDERSTANDING OF THE CASES IN WHICH MR.**
9 **LEONBERGER INDICATED THAT LACLEDE SHOULD BE PROTECTED?**

10 **A. Yes. The alternative tariff is not as broad or overreaching as Laclede's proposed**
11 **tariff and in my opinion is more consistent with Mr. Leonberger's stated vision of**
12 **those cases in which Laclede should and should not be protected.**

13 **Q. HOW DOES LACLEDE'S 2ND REVISED TARIFF COMPARE TO THE 1ST REVISED**
14 **TARIFF FILED WITH MR. ABERNATHY'S DIRECT TESTIMONY?**

15 **A. I have attached a redline comparison of Laclede's 1st and 2nd revised tariffs as**
16 **schedule 3.**

17 **Q. PLEASE DISCUSS WHETHER THE 2ND REVISED TARIFF ADDRESSES THE CONCERNS**
18 **RAISED IN YOUR REBUTTAL TESTIMONY REGARDING THE 1ST REVISED TARIFF.**

19 **A. The 2nd revised tariff does little to address the major concerns raised in my**
20 **rebuttal testimony. My testimony addressed the following specific concerns;**

21 ***1) The modified tariff language is over broad in defining***
22 ***compliance with duties and obligations in providing gas service***
23 ***and in limiting liability related to accident or negligence.***

24 ***2) The Company's modified tariff language tariff does not make clear***
25 ***that the liability limitations would apply only to regulated services.***

26 ***3) The Company's modified tariff language should not be used to***
27 ***relieve shareholder liability for unregulated product or service***
28 ***offerings.***
29
30
31

1 4) *The modified tariff language is ambiguous regarding the*
2 *obligation to provide gas free of constituents.*

3
4 5) *The modified tariff language should not be used to relieve*
5 *shareholder liability when the Company fails to conduct regular*
6 *inspections required by Commission rules.*

7
8 6) *The modified tariff language may impact the Company's*
9 *revenue requirement and is therefore best addressed in a rate*
10 *case.*
11

12 The Company 2nd revised tariff appears to have made changes to four
13 sections of the 1st revised tariff. The first section is shown below;

14 The Customer shall ensure that all Customer Equipment is
15 suitable for the use of natural gas and shall be designed,
16 installed, inspected, repaired and maintained by the
17 Customer and at the Customer's expense in a manner
18 approved by the public authorities having jurisdiction over
19 the same, and in good and safe condition in accordance with
20 all applicable codes. The owner/customer shall give no one,
21 except the Company's authorized employees, contractors or
22 agents, access to the Company property on
23 owner/customer's premises, be responsible at all times for
24 the safekeeping of all Company property installed on the
25 premises being served, and to that end shall give no one,
26 except the Company's authorized employees, contractors or
27 agents, access to such property. The owner/customer of the
28 premises being served shall be liable for and shall
29 indemnify, hold harmless and defend the Company for the
30 cost of repairs for damage done to Company's property due
31 to negligence or misuse of it by the owner/customer or
32 persons on the premises affected thereby.
33

34 The modification to this paragraph does not address the criticism raised in
35 my testimony that Laclede is seeking to avoid liability for negligence while
36 imposing it on its customers. By deleting the language in the tariff the double
37 standard may be less obvious, but it still exists. While I view this as a positive
38 change, it does not address any of the major concerns listed above.

39 The second section changed is shown below;

1 The Non-Incident Operational Period shall begin on the date
2 that Company representatives were last inside the customer's
3 place of business or premises to perform testing, inspection or
4 other work for which the costs and revenues are normally
5 considered in the ratemaking process. For instances where
6 the Customer Equipment at issue is a natural gas fueled
7 appliance used for space heating, such as a furnace or boiler,
8 the Non-Incident Operational Period shall end once 60 winter
9 days has elapsed following the premises visit or the date on
10 which any party other than Company subsequently tests,
11 inspects, adjusts, repairs, or replaces such Customer
12 Equipment, whichever occurs earlier. For instances where
13 the Customer Equipment at issue is a natural gas fueled
14 appliance not used for space heating, such as a water heater
15 or stove, the Non-Incident Operational Period shall end once
16 90 days has elapsed following the premises visit, or the date
17 on which any party other than Company subsequently tests,
18 inspects, adjusts, repairs, or replaces such Customer
19 Equipment, whichever occurs earlier. It is intended that the
20 running of this time period be a complete defense and
21 absolute bar to such claims and lawsuits. This provision shall
22 not be construed as affecting the Company's liability for
23 claims arising from any defects in Customer Equipment sold
24 by the Company as part of its Merchandise Sales business, for
25 other activities in which the associated costs and revenues are
26 not considered in the ratemaking process; or in circumstances
27 where the Non-Incident Operational Period has elapsed solely
28 as a result of Company's unexcused failure to enter the
29 customer's place of business or premises to perform an
30 inspection required by the Commission's Safety Standards.
31

32 The modification to this paragraph only partially addresses concerns
33 number 2), 3) and 5) listed above. The modification addresses customer
34 equipment but does not exclude liability protection related to other unregulated
35 services. As discussed earlier in this testimony, I also oppose use of the term
36 "considered in the ratemaking process" due to the current rate making treatment
37 of unregulated service revenues and costs. The language does significantly
38 address concern 5).

39 The third section changed is shown below;
40

1 Company will use reasonable diligence to furnish to
2 Customer continuous natural gas service ~~with natural gas that~~
3 ~~does not contain constituents (water or debris) that would~~
4 ~~materially adversely affect the proper and safe operation of~~
5 ~~Customer Equipment,~~ but does not guarantee the supply of
6 gas service against irregularities or interruptions. Company
7 shall not be considered in default of its service agreement
8 with customer and shall not otherwise be liable for any
9 damage or loss occasioned by interruption, failure to
10 commence delivery, or failure of service or delay in
11 commencing service due to accident to plant, lines, or
12 equipment, strike, riot, act of God, order of any court or judge
13 granted in any bonafide adverse legal proceedings or action
14 or any order of any commission or tribunal having
15 jurisdiction; or, without limitation by the preceding
16 enumeration, any other act or things due to causes beyond
17 Company's control. Any liability of the Company under this
18 paragraph due to the Company's negligence shall be limited
19 to the charge for service rendered during the period of
20 interruption or failure to render service, which shall be the
21 sole and exclusive remedy, and shall in no event include any
22 indirect, incidental, or consequential damages.
23

24 This language change does nothing to address the concerns raised in my
25 rebuttal testimony. The language continues to weaken Laclede's responsibility to
26 provide gas free of constituents and to avoid liability for disruptions of gas service
27 regardless of the reason. The fourth change added the new section shown below;

28 These Rule 12-a tariff sheets shall continue in effect at least
29 until the conclusion of the second general rate case proceeding
30 following the initial effective date of these tariff sheets. It is
31 expressly understood that any party shall be free in such rate
32 case proceeding or any complaint proceeding to propose
33 prospective changes to these tariff sheets without any burden of
34 proof or presumption applying to the determination of whether
35 these tariff sheets, or alternative tariff sheets, should be
36 approved by the Commission.

37
38 To assist in the evaluation of the merits and impact of these
39 tariff sheets on the Company and its customers, the Company
40 shall submit an annual report to Staff and OPC each November
41 1, beginning November 1, 2010, for the twelve months ended
42 October 1st, specifying:

- 43 (a) Each case in which the provisions of the tariff sheets
44 have been cited or relied upon as a basis for limiting,
45 reducing or otherwise modifying the Company's
46 legal or financial liability, together with a full

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- account of the factual circumstances and legal issues
involved in such cases; and
(b) An estimate, to the extent feasible, of any costs
avoided as a result of the Company's reliance on such
tariff provisions, including avoided litigation
expenses; any favorable impacts on premiums paid
for liability insurance, and potential reductions in
litigation damages.

10 The addition of this section does not address the concerns raised in my
11 rebuttal testimony. Public Counsel continues to have serious concerns with the
12 tariff and is not willing to experiment. The original tariff, the 1st revised and 2nd
13 revised tariffs should all be rejected in this case.

14 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

15 **A. Yes.**

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 6th
day of July, 2000.

In the Matter of Laclede Gas Company's)
Filing Pursuant to 4 CSR 240-40.017(8))

Case No. GE-2000-610

ORDER GRANTING EXEMPTION

On March 30, 2000, Laclede Gas Company (Laclede) filed an application for an exemption pursuant to Section 386.756(7), Cumm. Supp. 1998, and 4 CSR 240-40.017(8). Laclede states that it is engaged in activities that qualify as heating, ventilation, and air conditioning (HVAC) services. Laclede states that it has been providing these services for a period that includes and predates the five-year period ending August 28, 1998.

Section 386.756.7, Cumm. Supp. 1999, states:

A utility engaging in HVAC services in this state for five years prior to August 28, 1998, may continue providing, to existing as well as new customers, the same type of services as those provided by the utility five years prior to August 28, 1998.

4 CSR 240-40.017(8) states:

A regulated gas corporation engaging in HVAC services in this state for five years prior to August 28, 1998, may continue providing, to existing as well as new customers, the same type of services as those provided by the regulated gas corporation five years prior to August 28, 1998.

(A) To qualify for this exemption, the regulated gas corporation shall file a pleading before the commission for approval.

July 6, 2000
Schedule 1
AM Sur 1

On June 15, 2000, the Staff of the Commission (Staff) filed a pleading recommending that the Commission issue an order acknowledging the Laclede qualifies for an exemption for certain specific services (attached to this order as Attachment A). Staff states that its review indicates that Laclede has been performing these services in excess of the five-year statutory requirement.

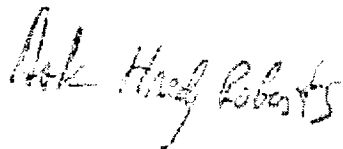
Laclede did not file a response to Staff's Recommendation.

The Commission has reviewed Laclede's application and the Staff Recommendation, and determines that Laclede has met the requirements of Section 386.756(7), Cumm. Supp. 1998, and 4 CSR 240-40.017(8).

IT IS THEREFORE ORDERED:

1. That Laclede Gas Company is granted an exemption pursuant to Section 386.756(7), Cumm. Supp. 1998, and 4 CSR 240-40.017(8).
2. That this order shall become effective on July 18, 2000.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Drainer, Murray, Schemenauer,
and Simmons, CC., concur

Mills, Deputy Chief Regulatory Law Judge

**LACLEDE GAS COMPANY
CASE NO. GE-2000-610
ATTACHMENT A**

Laclede sells the following appliances:

- Gas Water Heaters
- Gas Space Heaters
- Gas Logs
- Gas Ranges
- Gas Dryers & Washers
- Gas Lights
- Gas Grills
- Grill Parts & Accessories

Laclede offers the following services & repairs:

- Delivery & Installation of Gas Ranges with warranty
- Delivery & Installation of Gas Water Heaters with warranty
- Delivery & Installation of Gas Dryers with warranty
- Delivery & Installation of Gas Washers with warranty
- Delivery & Installation of Gas Logs with warranty
- Delivery & Installation of L. P. Gas Grills with warranty
- Delivery & Installation of Gas Space Heaters with warranty
- Delivery & Installation of Gas Lights & Grills with warranty
- Delivery & Installation of Miscellaneous Gas Appliances with warranty
- Customer Installation Air Conditioning
- Gas Air Conditioning Services (Recharging freon, checking gas leaks, replacing parts)
- Connecting Gas Ranges
- Connecting Gas Water Heaters
- Connecting Gas Grill Parts & Accessories
- Connecting Gas Dryers
- Connecting Gas Washers
- Connecting Gas Space Heaters
- Connecting Gas Lights & Grills
- Connecting L. P. Gas Lights & Grills
- Connecting Gas Logs
- Gas Air Conditioning Connects & Warranties
- Appliance Services Residential
- Appliance/Fuel Running Inspections
- Part Warranties
- Appliance Services Commercial & Industrial (C&I)
- Repair Gas Leaks Residential, C&I

Service List for
Case No. GE-2000-610
June 15, 2000

Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

Michael C. Pendergast
Laclede Gas Company
720 Olive Street, Room 1520
St. Louis, MO 63101

**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 6th day of July 2000.

Dale Hardy Roberts

**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY**

July 6, 2000

CASE NO: GE-2000-610

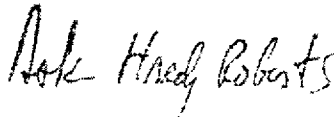
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Jefferson City, MO 65102

Michael C. Pendergast
Laclede Gas Company
720 Olive Street, Room 1520
St. Louis, MO 63101

Enclosed find certified copy of an ORDER in the above-numbered case(s).

Sincerely,



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

Schedule BAMSUR-2HC
has been deemed
"Highly Confidential"
in its entirety

Schedule 3

Revised Tariff Proposal Language

Customer Equipment shall mean all appliances, piping, vents, connectors, valves, fittings or any other gas utilization or distribution equipment at or on the Customer's side of the Point of Delivery.

Point of Delivery shall be that point where the Company delivers metered gas (outlet of Company gas meter) to the Customer's installation unless otherwise specified in the service agreement. The gas supplied by Company becomes the property of Customer at the Point of Delivery.

Winter days shall be those days occurring during the months of November through April.

The Company shall be responsible for the safe transmission and distribution of gas, free of constituents (water or debris) that materially interfere with or adversely affect the safe and proper operation of Customer Equipment, until such gas passes the Point of Delivery to the Customer in a manner that complies with the pressure, quality and other requirements set forth in the Safety Standards of the Pipeline Safety Regulations of the State of Missouri, 4 CSR 240-40.030, and the Pipeline Safety Regulations issued by the U.S. Department of Transportation, 49 CFR Part 192. Such compliance shall constitute the safe transmission and distribution of gas by the Company and shall constitute full compliance with the Company's duties and obligations in the transmission and distribution of gas. Compliance with the above shall constitute a complete defense for the Company in any lawsuit against the Company by the Customer or any other person or entity for loss, damage or injury to persons or property, or death, arising in whole or in part from the transmission and distribution of gas by the Company.

The Company does not own Customer Equipment, nor is it responsible for the design, installation, inspection, operation, repair, condition or maintenance of Customer Equipment, except for the testing and inspection requirements of 4 CSR 240-40.030(10)(J) and (12)(S), or unless the Company expressly agrees in writing to assume such obligations. The 10(J) and 12(S) requirements are intended only to ensure the safe introduction of gas into Customer Equipment. As with any equipment, Customer Equipment can be defective, fail, malfunction or fall into disrepair at any time, and Customer shall be deemed to be aware of this fact. It shall be presumed that such testing and inspections were performed in a safe and appropriate manner if such Customer Equipment operates as designed for 48 hours after gas service is initiated.

The Customer shall ensure that all Customer Equipment is suitable for the use of natural gas and shall be designed, installed, inspected, repaired and maintained by the Customer and at the Customer's expense in a manner approved by the public authorities having jurisdiction over the same, and in good and safe condition in accordance with all applicable codes. The owner/customer shall give no one, except the Company's authorized employees, contractors or agents, access to Company property on owner/customer's premises, be responsible at all times for the safekeeping of all

~~Company property installed on the premises being served, and to that end shall give no one, except the Company's authorized employees, contractors or agents, access to such property. The owner/customer of the premises being served shall be liable for and shall indemnify, hold harmless and defend the Company for the cost of repairs for damage done to Company's property due to negligence or misuse of it by the owner/customer or persons on the premises affected thereby.~~

Subject to the Company's responsibility for the safe transmission and distribution of gas as provided above, and except as otherwise provided for herein, upon expiration of the Non-Incident Operational Period, as defined below, Company shall in no event be liable to Customer or anyone else, and Customer shall indemnify, hold harmless and defend the Company from and against any and all liability, claims, proceedings, suits, cost or expense, for any loss, damage or injury to persons or property, or death, in any manner directly or indirectly connected with or arising out of, in whole or in part (i) the release or leakage of gas on the Customer's side of the Point of Delivery; (ii) a leak and ignition of gas from Customer Equipment; (iii) any failure of, or defective, improper or unsafe condition of, any Customer Equipment; or (iv) a release of carbon monoxide from Customer Equipment.

The Non-Incident Operational Period shall begin on the date that Company representatives were last inside the customer's place of business or premises to perform testing, inspection or other work for which the costs and revenues are normally considered in the ratemaking process. For instances where the Customer Equipment at issue is a natural gas fueled appliance used for space heating, such as a furnace or boiler, the Non-Incident Operational Period shall end once 60 winter days has elapsed following the premises visit or the date on which any party other than Company subsequently tests, inspects, adjusts, repairs, or replaces such Customer Equipment, whichever occurs earlier. For instances where the Customer Equipment at issue is a natural gas fueled appliance not used for space heating, such as a water heater or stove, the Non-Incident Operational Period shall end once 90 days has elapsed following the premises visit, or the date on which any party other than Company subsequently tests, inspects, adjusts, repairs, or replaces such Customer Equipment, whichever occurs earlier. It is intended that the running of this time period be a complete defense and absolute bar to such claims and lawsuits. This provision shall not be construed as affecting the Company's liability for claims arising from any defects in Customer Equipment sold by the Company as part of its Merchandise Sales business, for other activities in which the associated costs and revenues are not considered in the ratemaking process; or in circumstances where the Non-Incident Operational Period has elapsed solely as a result of Company's unexcused failure to enter the customer's place of business or premises to perform an inspection required by the Commission's Safety Standards.

Absent actual, specific knowledge of a dangerous condition on a Customer's premises, gained through notice to the Company by the Customer, or by the Company's discovery during the Non-Incident Operational Period described above, the Company's obligation to provide warnings or safety information of any kind to the Customer shall be limited to the obligations that are imposed by Sections (1)(K), (1)(L), (10)(J) and (12)(S) 2 of the Safety Standards of the Pipeline Safety Regulations of the State of Missouri, 4 CSR 240-40.030(1)(K)-(L), (10)(J) (12)(S) 2; and Section 192.16 of the Pipeline Safety

Regulations of the U.S. Department of Transportation, 49 CFR 192.16. Compliance with the aforesaid obligations to notify [This clause is only about the duty to provide warnings or safety information] shall constitute a complete defense and bar to any claims or lawsuits by the Customer or anyone else against the Company for loss, damage or injury to persons or property, or death, alleging the breach of any duty to warn or provide safety information. Delivery of warnings and information by the Company to the Customer may be made by means of electronic message to customers that receive bills electronically or by a brochure or similar document that is included in the mailing envelope for a billing statement addressed to the Customer. No special language or legend is required on the envelope in which such notices are delivered. Such delivery in the United States mail, postage prepaid, or electronically shall constitute compliance with the aforesaid regulations.

Company will use reasonable diligence to furnish to Customer continuous natural gas service. ~~with natural gas that does not contain constituents (water or debris) that would materially adversely affect the proper and safe operation of Customer Equipment,~~ but does not guarantee the supply of gas service against irregularities or interruptions. Company shall not be considered in default of its service agreement with customer and shall not otherwise be liable for any damage or loss occasioned by interruption, failure to commence delivery, or failure of service or delay in commencing service due to accident to plant, lines, or equipment, strike, riot, act of God, order of any court or judge granted in any bonafide adverse legal proceedings or action or any order of any commission or tribunal having jurisdiction; or, without limitation by the preceding enumeration, any other act or things due to causes beyond Company's control. Any liability of the Company under this paragraph due to the Company's negligence shall be limited to the charge for service rendered during the period of interruption or failure to render service, which shall be the sole and exclusive remedy, and shall in no event include any indirect, incidental, or consequential damages.

The Company's obligation to odorize gas supplied to the Customer shall be limited to compliance with 40 CSR 240-40.030(12)(P). The Company shall not have any duty to warn or advise Customer regarding the limitations of any odorant used by Company in compliance with 40 CSR 240-40.030(12)(P), and shall not have any liability to Customer or anyone else for failure to provide such warnings or advice. The Company shall not have any duty to warn or advise Customer regarding the availability of any supplemental warning devices or equipment, including, but not limited to, electronic gas detectors, that might be used to provide a warning of leaking gas, and shall not have any liability to Customer or anyone else for failure to provide such warnings or advice.

These Rule 12-a tariff sheets shall continue in effect at least until the conclusion of the second general rate case proceeding following the initial effective date of these tariff sheets. It is expressly understood that any party shall be free in such rate case proceeding or any complaint proceeding to propose prospective changes to these tariff sheets without any burden of proof or presumption applying to the determination of whether these tariff sheets, or alternative tariff sheets, should be approved by the Commission.

To assist in the evaluation of the merits and impact of these tariff sheets on the Company and its customers, the Company shall submit an annual report to Staff and OPC each November 1, beginning November 1, 2010, for the twelve months ended October 1st, specifying:

- (a) Each case in which the provisions of the tariff sheets have been cited or relied upon as a basis for limiting, reducing or otherwise modifying the Company's legal or financial liability, together with a full account of the factual circumstances and legal issues involved in such cases; and
- (b) An estimate, to the extent feasible, of any costs avoided as a result of the Company's reliance on such tariff provisions, including avoided litigation expenses; any favorable impacts on premiums paid for liability insurance, and potential reductions in litigation damages.