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

| The Staff of the Missouri Public Service | ) |                         |
|--|---|-------------------------|
| Commission,                              | ) |                         |
|  | ) |                         |
| Complainant                              | ) |                         |
| v.                                       | ) | Case No. GT-2012-0183   |
|  | ) | Tariff No. YG-2012-0261 |
| Missouri Gas Energy, a Division of       | ) |                         |
| Southern Union Company,                  | ) |                         |
|  | ) |                         |
| Respondent.                              | ) |                         |

# MOTION TO SUSPEND SUBSTITUTE TARIFF, REPLY TO MGE RESPONSE, AND REQUEST FOR HEARING

**COMES NOW** the Missouri Office of the Public Counsel (OPC) and for its Motion to Suspend Substitute Tariff, Reply to MGE's Response, and Request for Hearing, states as follows:

1. On behalf of the customers of Southern Union Company d/b/a Missouri Gas Energy (MGE), OPC requests that the Commission suspend MGE's Substitute Tariff filing and direct the parties to propose a procedural schedule that includes dates for prefiled testimony and an evidentiary hearing. A customer's right to pursue civil court claims against a company that negligently caused damages, injuries or even death, is an extremely important issue that raises significant due process concerns. This issue deserves more than a summary determination that grants immunity to a public utility company without affording the subject customers an opportunity to present evidence to

the Commission in an evidentiary hearing. An evidentiary hearing regarding MGE's liability tariff has been requested by both OPC and MGE.<sup>1</sup>

- 2. On January 6, 2012, Southern Union Company d/b/a Missouri Gas Energy (MGE) filed substitute tariff sheets that propose changes to the liability terms in MGE's tariff. MGE proposes these changes following the Commission's Final Decision and Order to File a New Tariff Sheet in Case Number GC-2011-0100 ("Final Decision").
- 3. MGE's Substitute Tariff Filing replaces MGE's December 12, 2011 Tariff Filing, which OPC and the Commission's Staff opposed. OPC filed a Motion to Suspend the tariff on December 29, 2011 and requested an opportunity to present evidence. The Staff filed a Motion to Reject the proposed tariff, stating that the proposed tariff does not comply with the Commission's Final Decision in GC-2011-0100.
- 4. On January 6, 2012 MGE also filed a response to the Staff's Recommendation to reject the proposed tariff and to OPC's Motion to Suspend. This filing also replies to MGE's response.

#### First Paragraph of Proposed Sheet R-34

5. MGE's proposed P.S.C. MO. No. 1 Fifth Revised Sheet No. R-34 and P.S.C. MO No. 1 First Revised Sheet No. R-34.1 includes six paragraphs under the heading "COMPANY LIABILITY" (see Attachment A for proposed tariff sheets). The first paragraph of proposed Sheet R-34 states:

Customer shall save Company harmless from customer's claims for trespass, injury to persons, or damage to lawns, trees, shrubs, buildings or other property that may be caused by reason of the installation, operation, or replacement of the service line, yard line and other necessary appurtenances to serve customer unless it shall affirmatively appear that the injury to

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<sup>&</sup>lt;sup>1</sup> See MGE's Application for Rehearing and Motion for Clarification, Case No. GC-2011-0100, November 18, 2011, p. 3.

persons or damage to property complained of has been caused by negligence on the part of Company or its accredited personnel.

- 6. While the first paragraph of Sheet R-34 is an improvement upon the current tariff, which currently limits MGE's liability to only "willful default or gross negligence" and grants MGE immunity from ordinary negligence, the proposed paragraph is not in the public interest because it would require the customer to "save Company from customer's claims" of damage except where MGE was negligent. OPC objects to this language for two reasons. First, it is beyond the authority of this Commission to limit damage claims that an MGE customer may seek against MGE in a court of law. Second, paragraph 1 limits MGE's liability to instances where the damage was caused by MGE's own service line, yard line, or other necessary equipment owned and controlled by MGE.
- 7. This first paragraph would grant MGE immunity, and require the customer to "save MGE harmless" from damages, regarding facilities owned by MGE because it specifically applies to the "service line, yard line and other necessary appurtenances." Service lines and yard lines are owned and controlled by MGE, as indicated by MGE's own tariff. According to MGE's P.S.C. MO. No. 1 First Revised Sheet No. R-32, MGE "shall furnish, at its own expense, that portion of the service line which lies in the public street or right of way, and which extends from the gas main to the customer's property line." Sheet No. R-32 further states, "Any additional service line and/or yard line required shall be installed by Company or Company-authorized personnel and shall be owned, operated and maintained by Company." In addition, even where the service line or yard line is customer-owned, only MGE is allowed to replace such service line or yard

<sup>&</sup>lt;sup>2</sup> This requirement is echoed by MGE's P.S.C. MO No. 1 Second Revised Sheet No. R-33.

line, after which it becomes MGE's property. MGE's P.S.C. MO. No. 1 Second Revised Sheet No. R-33 states, "All replacements of customer-owned service/yard lines shall be performed by Company or Company-authorized personnel and shall thereafter be owned, operated and maintained by Company." Likewise, MGE's P.S.C. MO. No. 1 First Revised Sheet No. R-33.2 requires that MGE perform "all maintenance of customer-owned service lines and yard lines, when the need for such becomes apparent to the Company." Only MGE is allowed to replace or perform maintenance on the service lines and yard lines serving MGE's customers. This is consistent with the common understanding that the meter is the point of demarcation between company property and customer property, with the customer's property beginning on the customer's side of the meter. Given the fact that only MGE can replace or repair service lines and yard lines, there is no legitimate policy reason to make customer responsible for harm caused by equipment that the customer is specifically prohibited from altering in any way.

- 8. No public benefit can come from putting MGE's captive customers in the position of insurers of MGE anytime MGE causes harm due to its own service line, yard line or other equipment. Negligent or not, customers should not save MGE harmless from harm caused by MGE's own actions and not by any action of the customer.
- 9. Given the dangerous nature of the service MGE provides, MGE should be held to the highest standard of care when installing and servicing its own equipment, and no public benefit can be served by limiting MGE's liability. Limiting MGE's liability can only serve to reduce MGE's incentive to implement the safest practices when installing and maintaining service lines and yard lines.

## Second Paragraph of Proposed Sheet R-34

10. The second paragraph of the proposed change to Sheet R-32 states:

Company may refuse or discontinue service if an inspection or test reveals leakage, escape or loss of gas on customer's premises. Provided that the Company has complied with 4 CSR 240-40.030(10)(J), 4 CSR 240-40.030(12)(S) and 4 CSR 240-40.030(14)(B), Company will not be liable for any loss, damage or injury whatsoever caused by such leakage, escape or loss of gas from customer's service line, yard line, ancillary lines, house piping, appliances or other equipment.

- 11. OPC objects to the proposed second sentence of the second paragraph for two reasons. First, it is beyond the authority of this Commission to limit damage claims that an MGE customer may seek against MGE in a court of law. Second, it grants MGE 100% immunity from liability claims, even where MGE was negligent or grossly negligent. The second paragraph specifically states that MGE is not liable for "any loss, damage or injury whatsoever" involving the "customer's service line, yard line, ancillary lines, house piping, appliances or other equipment."
- 12. In its Final Decision, the Commission explained that "liability-limiting language is expressly restricted to leakage from the customer's property." However, as explained above, a "customer's" service line, according to MGE's tariff, can be owned by either the customer or MGE. OPC is concerned that this paragraph could be interpreted to apply to more than just equipment owned and/or controlled by the customer since the reference to the "customer" in the tariff, it could be argued, simply means the service line or yard line *serving* the customer and not a line that is owned by the customer. The tariff does not refer to the service line and yard line as "customer-owned" in the same manner as MGE's tariff when referencing service lines and yard lines owned by the customer.<sup>3</sup>

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<sup>&</sup>lt;sup>3</sup> MGE P.S.C. MO. No. 1 First Revised Sheet No. R-32, and P.S.C. MO No. 1 Second Revised, Sheet R-33 references "customer-owned" service lines and yard lines.

The tariff could be interpreted in a manner different than how the Commission interpreted the second paragraph in its Final Decision. Furthermore, as explained above, the Company maintains all maintenance and replacement responsibility for "customerowned" service lines and yard lines, and should be held to a high degree of responsibility, which MGE will not have if customers are barred from pursing claims in circuit court.

#### Third Paragraph of Proposed Sheet R-34

13. The third paragraph of the proposed change to Sheet R-32 states:

The Company does not own, nor is it responsible for the repair or maintenance of any piping, vents, or gas utilization equipment on the downstream side of the gas meter, its related appurtenances and piping. All piping, vents or gas utilization equipment furnished by the owner/customer of the premises being served shall be responsible for the repair and maintenance of such at all times in accordance with accepted practice and in conformity with requirements of public health and safety, as set forth by the properly constituted authorities and by the Company. As with any fixture or appurtenance within premises, piping, vents or gas utilization equipment can fail, malfunction or fall into disrepair at any time and as such the owner/customer of the premises being served shall be aware of this fact, and Company shall owe customer no duty to warn of potential hazards that may exist with such facilities on the downstream side of the gas meter, its related appurtenances and piping, provided that the Company has complied with 4 CSR 240-40.030(10)(J), 4 CSR 240-40.030(12)(S) and 4 CSR 240-40.030(14)(B).

4. OPC has concerns with the language stating that MGE has "no duty to warn of potential hazards that may exist with such facilities..." If during the course of inspecting a customer's premise MGE *discovers* a potential hazard, it is in the public interest for MGE to warn the customer of the potential hazard. In any situation where MGE has knowledge of a specific hazard, MGE should be required to inform the customer. OPC recognizes that the reference to 4 CSR 240-40.030(12)(S), and in particular 4 CSR 240-40.030(12)(S)(3), provides consumer protections in that the rule requires MGE to "discontinue service to any customer whose fuel lines or gas utilization

equipment are determined to be unsafe." While MGE will not have a duty to warn customers, OPC is hopeful that such a warning will become unnecessary whenever MGE determines the customer's gas utilization equipment to be unsafe because MGE will immediately discontinue service.

#### Fourth Paragraph of Proposed Sheet R-34

15. The fourth paragraph of proposed Sheet R-34 states:

The owner/customer shall 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.

- 16. This paragraph should be modified because it is not clear what "access to such property" entails when it prohibits customers from giving such access to anyone other than MGE personnel. It could be argued that allowing someone into a ratepayer's basement that includes an inside meter is prohibited because it grants access to such meter. The same holds true for an outside meter in that it could be argued that simply allowing someone into the ratepayer's yard violates the tariff. The tariff language should be clarified accordingly.
- 17. In the Commission's Final Decision, the Commission explains its reasoning regarding this paragraph and states that "the customer is better able to prevent that occurrence (damage by a trespasser) than the Company." However, while this may be true in some instances, this cannot be true in every instance. For example, if the Company locates a meter in an area adjacent to a busy roadway instead of locating the

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<sup>&</sup>lt;sup>4</sup> Final Decision, p. 24.

meter on another side of the home, and a car leaves the roadway and strikes the meter, MGE should share in the liability for any damages because of MGE's poor choice of meter location. Under the proposed tariff, however, the customer would be liable to MGE for the meter damages. In another example, the customer would be liable for damages under this proposed paragraph if, for example, the customer's water provider ruptured a gas line while servicing the customer's water piping. The customer would also be required to "defend the Company" for the cost of repairs. This appears to make the customer responsible for MGE's legal expenses in a dispute between the water company and MGE regarding liability. This extremely lopsided tariff provision could be very harmful to consumers and should be carefully considered in a hearing.

18. Paragraph 4 on proposed Sheet R-34 does not comply with the Commission's Final Decision, which addressed hold harmless provisions, and states specifically that the "provision is unjust and unreasonable because it makes the customer liable to third persons for the Company's conduct." This is exactly what Paragraph 4 would propose to continue. The Commission concluded in its Final Decision, "No public policy supports making an insurer out of a customer who is powerless - and is not paid to control those risks." Likewise, the proposed Paragraph 4 is contrary to good public policy and the tariff filing should be suspended.

#### First Paragraph of Proposed Sheet 34.1

19. The first paragraph of the proposed change appears on proposed P.S.C. MO No. 1 First Revised Sheet No. R-34.1 and states:

Provided that the Company has complied with 4 CSR 240-40.030(10)(J), 4 CSR 240-40.030(12)(S) and 4 CSR 240-40.030(14)(B), the Company shall not be liable for loss, damage or injury to persons or property, in any manner

<sup>&</sup>lt;sup>5</sup> Final Decision, p. 25.

directly or indirectly connected with or arising out of the delivery of gas through piping or gas utilization equipment on the downstream side of the gas meter, which shall include but not be limited to any and all such loss, damage or injury involving piping, vents or gas utilization equipment not owned by the Company downstream of the gas meter, whether inspected or not by the Company, or occasioned by interruption, failure to commence delivery, or failure of service or delay in commencing service due to accident to or breakdown of plant, lines, or equipment, strike riot, act of God, order of any court or judge granted in any bonafide adverse legal preceding enumeration, any other act or things due to causes beyond Company's control, or attributable to the negligence of the Company, its employees, contractors or agents, provided that he Company has complied with 4 CSR 240-40.030(10)(J), 4 CSR 240-40.030(12)(S) and 4 CSR 240-40.030(14)(B).

- 20. This section specifically grants MGE immunity for "loss, damage or injury...attributable to the negligence of the Company, its employees, contractors or agents." The paragraph even states that it supersedes a judge's decision in a court of law finding MGE liable. OPC opposes this paragraph because it is beyond the Commission's authority to grant such immunity in a court of law, and because it is contrary to good public policy in that it reduces MGE's incentive to protect the consumer from harm.
- 21. OPC is troubled that the Commission would seemingly allow MGE to include such liability limiting language in its tariff without finding specifically that such limitations are in the public interest, and without explaining *why* such limitation is in the public interest. No public benefit can come from grating blanket immunity to a provider of a necessary service that involves a significant degree of danger to provide due to the highly combustible nature of natural gas.

#### **Conclusion**

22. In MGE's Response, MGE argues that OPC cannot attempt to induce the Commission to hold a hearing on the issues it has appealed in Case No. GC-2011-0100. MGE's argument cites to no authority prohibiting OPC from opposing both the

Commission's Final Decision and MGE's proposed tariff. Furthermore, if the Commission were to set this matter for a hearing and give OPC an opportunity to present evidence, OPC would have reason to dismiss its appeal so that these matters can be properly addressed in this tariff filing case.

23. The liability limitations in the tariffs of the other LDCs are mostly limited to immunizing LDCs from harm caused by disruptions in the flow of gas, not harm caused by exploding gas lines and equipment, which MGE's current tariff and proposed tariff do (*See* Attachment B).<sup>6</sup> The best way to address the safety issues raised by the tariff filing is to suspend the proposed tariff filing and set this matter for an evidentiary hearing. The issues raised by this tariff filing are not only issues of economic concern, but more importantly, they involve issues of public safety, which increases the scrutiny that the Commission must apply to its decision to approve, reject or suspend the proposed tariff change. Dismissing these issues without allowing them to be fully vetted before the Commission in an evidentiary hearing is against the public interest. Lessening MGE's immunity will only serve to lessen MGE's focus on safety and in alerting customers to potential hazards.

WHEREFORE, the Office of the Public Counsel respectfully requests that the Commission suspend MGE's proposed Tariff File No. YG-2012-0261 and set this matter for an evidentiary hearing.

### Respectfully submitted,

#### OFFICE OF THE PUBLIC COUNSEL

By: /s/ Marc D. Poston

Marc D. Poston (#45722) Deputy Public Counsel P. O. Box 2230 Jefferson City MO 65102 (573) 751-5558 (573) 751-5562 FAX marc.poston@ded.mo.gov

#### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 13<sup>th</sup> day of January 2012:

#### **Missouri Public Service Commission**

Office General Counsel 200 Madison Street, Suite 800 P.O. Box 360 Jefferson City, MO 65102 GenCounsel@psc.mo.gov

Todd Jacobs Missouri Gas Energy 3420 Broadway Kansas City, MO 64111 todd.jacobs@sug.com

/s/ Marc Poston

<sup>&</sup>lt;sup>6</sup> *See* Attachment B for the liability provisions in the tariffs of Atmos Gas Energy, P.S.C. MO. No. 2, Sheet No. 108; The Empire District Gas Company, P.S.C. MO. No. 2, Sheet No. R-26; and Laclede Gas Company, P.S.C. MO. No. 5, Sheet No. R-25.

January 6, 2012

Secretary of the Commission Missouri Public Service Commission P.O. Box 360 200 Madison Street Jefferson City, MO 65102-0360

RE: Substitute tariff sheet filing

Case No. GT-2012-0183 Tariff No. YG-2012-0261

On December 9, 2011, in compliance with the Commission's Final Decision and Order to File a New Tariff Sheet in Case No. GC-2011-0100, Missouri Gas Energy ("MGE") filed an electronic version of P.S.C. MO. No. 1, Fifth Revised Sheet No. 34, canceling Fourth Revised Sheet No. 34 and First Revised Sheet No. 34.1, canceling Original Sheet No. 34.1. Those tariff sheets bore an issue date of December 9, 2011, and a proposed effective date of January 8, 2012.

By letter dated December 30, 2011, MGE voluntarily extended the proposed effective date of those tariff sheets to January 19, 2012.

MGE hereby submits, as a substitute tariff sheet filing in compliance with the Commission's Final Decision and Order to File a New Tariff Sheet in Case No. GC-2011-0100, an electronic version of P.S.C. MO. No. 1, Fifth Revised Sheet No. 34, canceling Fourth Revised Sheet No. 34. This substitute tariff sheet bears an issue date of December 9, 2011, and a proposed effective date of January 19, 2012, consistent with the Commission order dated January 3, 2012 in Case No. GT-2012-0183. The rationale and purpose for this substitute tariff sheet filing is explained in the Response of MGE in Opposition to Staff's Recommendation to Reject Proposed Compliance Tariff and Public Counsel's Motion to Suspend Tariff filed on January 6, 2011 in the above-captioned case.

Thank you for bringing this matter to the attention of the Commission and the appropriate Commission personnel.

Sincerely,

/s/ Todd J. Jacobs
Todd J. Jacobs

cc: The Office of Public Counsel General Counsel's Office Fifth Revised Fourth Revised

SHEET No. R-34 SHEET No. R-34

Missouri Gas Energy, a Division of Southern Union Company

For: All Missouri Service Areas

#### GENERAL TERMS AND CONDITIONS FOR GAS SERVICE

3.19 COMPANY LIABILITY: Customer shall save Company harmless from customer's claims for trespass, injury to persons, or damage to lawns, trees, shrubs, buildings or other property that may be caused by reason of the installation, operation, or replacement of the service line, yard line and other necessary appurtenances to serve customer unless it shall affirmatively appear that the injury to persons or damage to property complained of has been caused by negligence on the part of Company or its accredited personnel.

Company may refuse or discontinue service if an inspection or test reveals leakage, escape or loss of gas on customer's premises. Provided that the Company has complied with 4 CSR 240-40.030(10)(J), 4 CSR 240-40.030(12)(S) and 4 CSR 240-40.030(14)(B), Company will not be liable for any loss, damage or injury whatsoever caused by such leakage, escape or loss of gas from customer's service line, yard line, ancillary lines, house piping, appliances or other equipment.

The Company does not own, nor is it responsible for the repair or maintenance of any piping, vents, or gas utilization equipment on the downstream side of the gas meter, its related appurtenances and piping. All piping, vents or gas utilization equipment furnished by the owner/customer of the premises being served shall be suitable for the purposes hereof and the owner/customer of the premises shall be responsible for the repair and maintenance of such at all times in accordance with accepted practice and in conformity with requirements of public health and safety, as set forth by the properly constituted authorities and by the Company. As with any fixture or appurtenance within premises, piping, vents or gas utilization equipment can fail, malfunction or fall into disrepair at any time and as such the owner/customer of the premises being served shall be aware of this fact, and Company shall owe customer no duty to warn of potential hazards that may exist with such facilities on the downstream side of the gas meter, its related appurtenances and piping, provided that the Company has complied with 4 CSR 240-40.030(10)(J), 4 CSR 240-40.030(12)(S) and 4 CSR 240-40.030(14)(B).

The owner/customer shall 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.

DATE OF ISSUE

December month

9, 2011 day year DATE EFFECTIVE

January month 19 2012

year

ISSUED BY Michael R. Noack

Director, Pricing and Regulatory Affairs

Missouri Gas Energy, Kansas City, MO. 64111

FORM NO. 13 P.S.C. MO. No. 2

Cancelling P.S.C. MO. No. 1

{Original} SHEET NO. 108 {Revised} {Original) SHEET NO. {Revised} FOR – All Areas

**Atmos Energy Corporation** 

Name of Issuing Corporation

Community, Town or City

#### CURTAILMENT OF SERVICE (CONT'D)

Curtailment Overrun Penalties; Overrun Penalty: Volumes of gas taken at any time in excess of the amount specified by the Company in the interruption as being available to Customer shall constitute overrun gas. If the Customer causes the Company to incur pipeline supplier penalties, those penalties will be assessed to the Customer causing such overrun penalties. Penalty charges of \$500.00 plus \$2.50 per Ccf of such overrun volumes shall be paid by Customer in addition to all other charges payable hereunder. When a charge is levied for the third time within three years, in addition to this penalty, the Company may, at its discretion, make interruptible service and transportation service no longer available to the Customer, and the Customer may be automatically transferred to a firm rate schedule.

The Company shall have the right, in its sole discretion, to waive any portion of the overrun penalties, excluding overrun penalties assessed the Company by the pipeline supplier, on a non-discriminatory basis for good cause. An example of good cause in this instance would be an emergency situation where the Customer cannot immediately comply with the curtailment directed by the Company through no intentional act by the Customer. Another situation would be where, after the Customer was ordered to curtail and did not for reasons beyond the Customer's reasonable control, and the Company did not experience any distribution problems as a result of the Customer's failure to comply. An example that does not constitute good cause is a situation where the Customer, after being directed to curtail, intentionally, and with no justifiable reason, refuses to comply.

Penalty charge revenues shall be considered Purchased Gas Adjustment revenue recovery for Actual Cost Adjustment factor computations.

Relief from Liabilities: The Company shall be relieved of all liabilities, penalties, charges, payments and claims of whatever kind, contractual or otherwise, resulting from or arising out of the Company's failure to deliver all or any portion of the volumes of gas desired by a particular Customer to the extent that such failure results from the implementation of the priority of service plan or curtailment procedures herein prescribed, or from any other orders or directives of duly constituted authorities, including, but not limited to, all regulatory agencies having jurisdiction.

DATE OF ISSUE: March 1, 2007

month day year

ISSUED BY: Patricia Childers

name of officer

DATE EFFECTIVE: April 1, 2007

month day year

Vice President-Rates and Regulatory Affairs

Franklin, TN address

Attachment B



# P.S.C. MO. No. 2 Original Sheet No. R-26 Canceling P.S.C. MO. No. 1 THE EMPIRE DISTRICT GAS COMPANY JOPLIN, MO 64802 RULES AND REGULATIONS GAS

3.07 Limitations of Gas Supply (Continued)

including emergencies involving the protection of air quality. Company shall grant requests for emergency exemptions only if it is satisfied that the customer has, to the maximum extent possible, scheduled the use of all alternate sources of supply available during the emergency period involved and otherwise meets the conditions imposed for emergency exemption. Request for such exemptions may be submitted by telephone, but must immediately be followed by a written request setting forth details of the nature, cause, and expected duration of the emergency. Where supplemental volumes are delivered to a customer under this provision, the customer must act with dispatch to eliminate the cause of the emergency, and may be required to pay back such supplemental deliveries from future allocations.

RELIEF FROM LIABILITY: Company shall be relieved of all liabilities, penalties, charges, payments, and claims of whatever kind, contractual or otherwise, resulting from or arising out of Company's failure to deliver all or any portion of the volumes of gas desired by any particular customer or group of customers to the extent that such failure results from the implementation of the priority of service plan or curtailment procedures herein prescribed or from any other orders or directives of duly constituted authorities including, but not limited to, all regulatory agencies having jurisdiction in the premises.

PRECEDENCE: To the extent that this Section, or any provision(s) hereof conflict with any other provision(s) of Company's filed tariff(s), General Terms and Conditions for Gas Service, or contracts, this Rule shall take precedence.

DATE OF ISSUE:

August 9, 2007

ISSUED BY: Kelly S. Walters, Vice President

EFFECTIVE DATE:

September 8, 2007

P.S.C. MO. No. 5 Consolidated, Original Sheet No. R-

#### CANCELLING All Previous Schedules

| Laclede Gas Company  Hams of impling Corposition or Municipality   | For Refer to Sheet No. R-1   |
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KULES AND REGULATIONS

AUG 21 1992

#### 21. Emergency Curtailment Plan (Continued).

gas usage to be reduced to minimum volumes essential only for dormant plant and product protection. Such curtailment shall not be applicable to essential food processors and applications or uses required for the maintenance of essential public services.

Step 5. Curtail remaining commercial and industrial customers to minimum building protection volumes. Such curtailment shall not be applicable to hospitals, nursing homes, apartments, and other human needs applications.

#### 21.2 Emergency Exemption

Emergency exemptions may be requested by customers for 24 - 48 hour periods to complete work in process. Granting of these exceptions will be based on the severity of supply deficiency with primary regard for human need.

#### 21.3 Relief from Liability

The Company shall be relieved of all liabilities, penalties, charges, payments, and claims of whatever kind, contractual or otherwise, resulting from or arising out of the Company's failure to deliver all or any portion of the volumes of gas desired by any particular customer or group of customers to the extent that such failure results from the implementation of the Emergency Curtailment Plan herein prescribed or from any other orders or directives of duly constituted authorities, including, but not limited to, all regulatory agencies having jurisdiction in the premises.

#### 21.4 Precedence

To the extent that this rule, or any provision(s) hereof, conflict with any other provision(s) of the Company's filed tariff, Rules and Regulations, or contracts, this rule shall take precedence.

FILED

SEP 1 1992 9 2 - 1 6 5 Public Service Commission

DATE OF ISSUE August 21, 1992

DATE EFFECTIVE September 1, 1992

ISSUED BY K. W. Neises, Vice President, 720 Olive St., St. Louis, MO 63101