

REPORT OF THE STAFF

TO: Missouri Public Service Commission Official Case File
Case No. GC-2007-0054, Dr. Robert F. Morgan vs. Laclede Gas
Company

FROM: /s/Staff Cecilia Barr, Consumer Services Specialist II

DATE: October 12, 2006

<u>/s/ Carol Gay Fred 10/12/06</u>	<u>/s/ Lera L. Shemwell 10/12/06</u>
Consumer Service Department/Date	General Counsel's Office/Date

COMPLAINT

On August 9, 2007, Dr. Robert F. Morgan, (Complainant), filed a formal complaint with the Missouri Public Service Commission (Commission) against Laclede Gas (Company). The complaint states that on 6/29/06, Complainant received a \$1,098.52 bill for un-metered gas. Upon contacting the Company regarding the bill, the Complainant was advised that the gas meter was not functioning properly, starting on 10/21/05 until 3/27/06. Complainant responded that he was hospitalized in October 2005 following a car accident and, in November 2005, was hospitalized for surgery; therefore, he and his wife spent considerably less time at home than usual during the months of October and November 2005. Complainant contends that the meter was working up to 12/22/05 and then malfunctioned until 3/27/06, when the meter was repaired. Complainant is willing to pay reasonable charges for the time-period in question; however, he contends Laclede's estimates for the gas bills are higher than in the previous year.

On September 11, 2006, the Company filed their response to the complaint. The Company states that there are only two issues: (1) the actual period that was covered by the undercharge and (2) what amount should be billed for that period. The Company contends that the December 2005 billing for usage of 34 ccf's or 35.2 therms indicates the meter did not operate properly for the entire December billing month. The Company maintains that the focus must be on the amount of natural gas used, and not on rates or dollars; and that the total usage applied for the adjustment period is less than both of the two prior years.

On September 12, 2006, the Commission issued an order directing Staff to investigate and file a report by October 12, 2006.

On September 25, 2006, the Complainant submitted a letter in the case file, informing the Commission of discontinuance of service on 9/19/06. Included with the Complainant's letter was the bill for service from 7/26/06 to 8/23/06 for \$12.86; indicating a dead meter, as the billing was only for the monthly customer charge and no usage.

On September 25, 2006, the Commission issued an order directing the Company to file a report on the Complainant's service status due 9/29/06.

On September 25, 2006, Staff contacted the Company and requested current status of service. As the 7/26/06 to 8/23/06 reading indicated a dead meter, Staff also requested that the meter be checked.

On September 27, 2006, the Company responded to Staff that the meter, fixed on 3/27/06, appeared to function properly until July 2006, when it again stopped recording usage. The problem was resolved by changing the meter on 9/01/06.

On October 2, 2006, the Company responded to the order to file a report on the Complainant's service. The response indicated that because the complaint did not go through the informal complaint process, there was no notation on the account to hold collections. Complainant's service was restored on 9/20/06 in the evening, and the Company labeled the Complainant's account as disputed, alleviating any future threats of disconnection until after Commission proceedings, without collecting half the amount in dispute, as permitted in 4 CSR-13.045 (6) (see attached Schedule 1).

ISSUES

Following are the findings of the Staff's investigation. The primary issue is the un-metered gas. The two issues covered in the Staff investigation are (1) the time-period covered and (2) the actual amount owed.

- The Company maintains that time-period is 10/21/05 to 3/27/06 and the under-charged amount is \$1,098.52.

- The Complainant maintains that time-period is 12/22/05 to 3/27/06; therefore, he should only be held responsible for un-metered gas charges during that time-period.

The Complainant contends the estimates for the gas bills are higher than in the previous year. It appears from Staff's review the estimates used to determine the un-metered gas charges reflect an increase in rates, due to the significant increase in the wholesale cost of natural gas during the winter season of 2005/2006.

Staff reviewed Laclede's Purchased Gas Adjustment rates in effect during the time-period in dispute. Laclede's Purchased Gas Adjustment increased by approximately 46%, effective November 14, 2005. Rates decreased for the winter months of January through March, effective January 11, 2006, by approximately 7% (see attached Schedule 2).

The Complainant argues that he would have used less gas in October and November of 2005; because in October 2005 he was in the hospital as a result of a car accident and in November 2005 he was in the hospital for surgery; therefore, he and his wife would have spent considerably less time at home during this period. Staff's investigation shows, however, usage from 10/21/05 to 11/22/05 appears to be similar to usage in previous years (see attached Schedule 3). For example:

- Usage from 10/23/03 to 11/24/03 was 72 ccf's.
- Usage from 10/21/04 to 11/22/04 was 51 ccf's.
- Usage from 10/21/05 to 11/22/05 was 74 ccf's.

Prior to the meter malfunction, there was an apparent slow-down of the meter; indicated by the amount of ccf's consumed (see attached Schedule 3). For example:

- Usage from 11/24/03 to 12/26/03 was 185 ccf's.
- Usage from 11/22/04 to 12/22/04 was 163 ccf's.
- Usage from 11/22/05 to 12/22/05 was 34 ccf's.

Staff researched the weather to determine if temperatures could account for this difference. According to the NOAA, (National Oceanic and Atmospheric Administration), temperature reports indicate the first full week of December 2005 produced temperatures that fell into the teens. Based on that information, it does not seem probable that Complainant only used 34 ccf's from 11/22/05 to 12/22/05. In addition, the number of heating degree days, which is reported to the Staff monthly during the Cold Weather Rule period, supports this conclusion.

CONCLUSION

The Complainant contends the meter stopped functioning with the 12/22/05 to 1/25/06 billing cycle. The Company contends that the meter stopped functioning with the 10/21/05 to 11/22/05 billing cycle; then from 12/22/05 to 3/27/06 the meter continued to register zero usage due to the dead meter.

Staff's conclusion, which is based on the review and verification of all the documentation provided, is that the meter stopped functioning properly during the 11/22/05 to 12/22/05 billing cycle. Staff further concludes that the Company has the right under 4 CSR 240-13.025 (1) (B) (see attached Schedule 4) to calculate the probable amount of gas the Complainant used and bill for that amount of gas

RECOMMENDATION

Staff recommends that the billing for the Complainant be adjusted from 11/22/05 to 3/27/06 as allowed by 4 CSR-13.025 (1) (B) (see attached Schedule 4) and Laclede's Tariff P.S.C. MO. No. 5, Sheet No. R-8 and R-9 (see attached Schedule 5).

Staff also recommends that the Complainant be allowed to pay the amount of the adjustment in equal installments over a period not to exceed the period for which the billing adjustment was applicable, (four months), per Laclede's Tariff P.S.C. MO. No. 5, Sheet No. R-10, (10) (E), (see attached Schedule 6). The adjustment of the billing will be resolved by applying the usage estimating procedures in Laclede's Tariff P.S.C. MO. 5, Sheet No. R-40 (see attached Schedule 7).



4 CSR 240-13—DEPARTMENT OF ECONOMIC DEVELOPMENT

Division 240—Public Service Commission

(5) A utility shall maintain records on its customers for at least two (2) years which contain information concerning:

(A) The payment performance of each of its customers for each billing period;

(B) The number and general description of complaints registered with the utility;

(C) The number of settlement agreements made by the utility;

(D) The actual number of discontinuances of service due to each of the following categories of reasons:

1. The customer's failure to keep a settlement agreement or cold weather rule payment agreement;

2. The customer's failure to make any other required utility payment;

3. Unauthorized interference, diversion or use of utility service; and

4. All other reasons combined.

(E) Actual number of reconnections; and

(F) Refund of deposits.

(6) The utility shall submit to the commission, upon request, a written summary of the information required by section (5) of this rule.

AUTHORITY: sections 386.250(6), *RSMo Supp. 1991 and 393.140(11)*, *RSMo 1986*. *Original rule filed Dec. 19, 1975, effective Dec. 30, 1975. Amended: Filed Oct. 14, 1977, effective Jan. 13, 1978. Rescinded and readopted: Filed Sept. 22, 1993, effective July 10, 1994.

*Original authority: 386.250(6), *RSMo 1939*, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991 and 394.140(11), *RSMo 1939*, amended 1949, 1967.

4 CSR 240-13.045 Disputes

PURPOSE: This rule establishes reasonable and uniform standards for handling disputes between customers and utilities.

(1) A customer shall advise a utility that all or part of a charge is in dispute by written notice, in person or by a telephone message directed to the utility during normal business hours. A dispute must be registered with the utility at least twenty-four (24) hours prior to the date of proposed discontinuance of service as provided by these rules.

(2) When a customer advises a utility that all or part of a charge is in dispute, the utility shall record the date, time and place the con-

tact is made; investigate the contact promptly and thoroughly; and attempt to resolve the dispute in a manner satisfactory to both parties.

(3) Failure of a customer to participate with the utility in efforts to resolve an inquiry which has the effect of placing charges in dispute shall constitute a waiver of the customer's right to continuance of service and the utility, not less than five (5) days after provision of the notification required by section (9), may proceed to discontinue service unless the customer files an informal complaint with the commission within the five (5)-day period.

(4) Customers presenting frivolous disputes shall have no right to continued service. A utility, before proceeding to discontinue the service of a customer presenting a dispute it deems frivolous, shall advise the consumer services department of the commission of the circumstances. The consumer services department shall attempt to contact the customer by telephone and ascertain the basis of the dispute. If telephone contact cannot be made, the consumer services department shall send the customer a notice by first class mail stating that service may be discontinued by the utility unless the customer contacts the consumer services department within twenty-four (24) hours. If it appears to the consumer services department that the dispute is frivolous or if contact with the customer cannot be made within seventy-two (72) hours following the utility's report, the utility shall be advised that it may proceed to discontinue service. If it appears that the dispute is not frivolous, service shall not be discontinued until ten (10) days after the notice required by 4 CSR 240-13.050(5) has been sent to the customer by the utility. The customer shall retain the right to make an informal complaint to the commission.

(5) If a customer disputes a charge, s/he shall pay to the utility an amount equal to that part of the charge not in dispute. The amount not in dispute shall be mutually determined by the parties. The parties shall consider the customer's prior consumption history, weather variations, the nature of the dispute and any other pertinent factors in determining the amount not in dispute.

(6) If the parties are unable to mutually determine the amount not in dispute, the customer shall pay to the utility, at the utility's option, an amount not to exceed fifty percent (50%)

of the charge in dispute or an amount based on usage during a like period under similar conditions which shall represent the amount not in dispute.

(7) Failure of the customer to pay to the utility the amount not in dispute within four (4) working days from the date that the dispute is registered or by the delinquent date of the disputed bill, whichever is later, shall constitute a waiver of the customer's right to continuance of service and the utility may then proceed to discontinue service as provided in this rule.

(8) If the dispute is ultimately resolved in favor of the customer in whole or in part, any excess moneys paid by the customer shall be refunded promptly.

(9) If the utility does not resolve the dispute to the satisfaction of the customer, the utility representative shall notify the customer that each party has a right to make an informal complaint to the commission, and of the address and telephone number where the customer may file an informal complaint with the commission. If a customer files an informal complaint with the commission prior to advising the company that all or a portion of a bill is in dispute, the commission shall notify the customer of the payment required by sections (5) or (6) of this rule.

(10) A utility may treat a customer complaint or dispute involving the same question or issue based upon the same facts as already determined and is not required to comply with these rules more than once prior to discontinuance of service.

AUTHORITY: sections 386.250(6), *RSMo Supp. 1991 and 393.140(11)*, *RSMo 1986*. *Original rule filed Sept. 22, 1993, effective July 10, 1994.

*Original authority: 386.250(6), *RSMo 1939*, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991 and 393.140(11), *RSMo 1939*, amended 1949, 1967.

4 CSR 240-13.050 Discontinuance of Service

PURPOSE: This rule prescribes the conditions under which service to a customer may be discontinued and procedures to be followed by utilities and customers regarding these matters so that reasonable and uniform standards exist for the discontinuance of service.



PSC NEWS

Missouri Public Service Commission

Contact: Kevin Kelly

Phone: (573) 751-9300

Governor Office Building, Suite 600

FY-06-91

FOR IMMEDIATE RELEASE

NOVEMBER 10, 2005

Natural Gas Rates To Change For Laclede Gas Company Customers

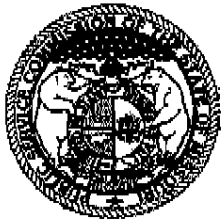
JEFFERSON CITY—To primarily reflect estimated changes in the wholesale cost of natural gas for the upcoming winter heating season, Laclede Gas Company (Laclede) natural gas customers will experience an increase in natural gas rates under a filing which takes effect on November 14, 2005. This increase is interim subject to refund.

A residential customer paid approximately \$0.83 per therm (per 100 cubic feet of gas) during the winter of 2004-2005. Under this filing, the rate will increase to approximately \$1.13 per therm (per 100 cubic feet of gas), an increase of \$0.30 per therm. Last winter, a residential customer using 706 therms had a bill of \$751; if weather is normal this year and customers do not take measures to reduce their usage, that same customer would use approximately 782 therms for a bill of approximately \$1,095, before taxes. This represents an increase of approximately 46%. These numbers reflect more usage as well as a higher unit price of natural gas projected for this winter versus last winter.

Current natural gas market prices are at record levels for this time of the year based upon a number of factors including recent hurricanes, above average summer temperatures resulting in increased demand for natural gas-fired generators to serve air-conditioning load and high crude oil prices.

Approximately 65% to 80% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. **The wholesale cost of natural gas** (the cost your local natural gas company must pay to its suppliers for natural gas) **is not regulated by the Missouri Public Service Commission.** The wellhead cost of natural gas is unregulated and is primarily driven by supply, demand and the weather. The Missouri Public Service Commission does conduct an annual regulatory review to ensure that regulated natural gas companies make prudent decisions in securing natural gas supplies for their customers.

Laclede Gas Company serves approximately 631,000 natural gas customers in the City of St. Louis as well as the Missouri counties of St. Louis, St. Charles, Butler, Iron, Franklin, Jefferson, Madison, St. Francois and Ste. Genevieve.



PSC NEWS

Missouri Public Service Commission

Contact: Kevin Kelly

Phone: (573) 751-9300

Governor Office Building, Suite 600

FY-06-125

FOR IMMEDIATE RELEASE

JANUARY 10, 2006

PSC ORDERS EARLY REDUCTION IN NATURAL GAS RATES FOR LACLEDE GAS COMPANY CUSTOMERS

JEFFERSON CITY—To reflect estimated changes in the wholesale cost of natural gas, Laclede Gas Company (Laclede) customers will see natural gas rates drop by approximately 7% under a filing which will take effect on Wednesday, January 11, 2006. Laclede's filing originally contemplated a January 20, 2006 effective date.

"Every dollar counts for consumers who have been dealing with high natural gas bills this winter," said PSC Chairman Jeff Davis. "That is why it is important that the Commission act quickly in order for consumers to receive this rate relief as soon as possible," Davis said.

A residential customer currently pays approximately \$1.13 per therm (per 100 cubic feet of gas). Under this filing, Laclede will drop that rate to approximately \$1.03 per therm (per 100 cubic feet of gas), a decrease of approximately \$0.10 per therm.

According to Laclede, a typical residential customer will experience a rate decrease during the January through March period of approximately \$19 a month, or 7% compared to existing rates. Laclede says the rate change will reduce, by nearly 30%, the increase that Laclede filed for in November of 2005 to reflect higher wholesale natural gas prices in effect at that time.

Approximately 70% to 80% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. The wholesale cost of natural gas (the cost your local natural gas company must pay to its suppliers for natural gas) is not regulated by the Missouri Public Service Commission. The wellhead cost of natural gas is unregulated and is primarily driven by supply, demand and the weather. The Missouri Public Service Commission does conduct an annual regulatory review to ensure that regulated natural gas companies make prudent decisions in securing natural gas supplies for their customers.

Laclede Gas Company serves approximately 631,000 natural gas customers in the City of St. Louis as well as the Missouri counties of St. Louis, St. Charles, Butler, Iron, Franklin, Jefferson, Madison, St. Francois and Ste. Genevieve.

Robert F. Morgan
16279 Peppermill Drive
Chesterfield, MO 63005

Account Number: 448896-003-6

*****BILLS AND PAYMENTS*****

OCTOBER 2003 - APRIL 2004

DATE	TYPE OF TRANSACTION	DATES OF SERVICE	READINGS	CCFs BILLED	AMOUNT BILLED	PAYMENT/ CREDIT	BALANCE
10/27/03	Payment						\$40.51
10/27/03	Bill	09/25/03-10/23/03	x3743 - x3774	31	\$40.13	(\$25.04)	\$65.55
11/19/03	Late Pay Charge				\$61		\$41.12
11/26/03	Bill	10/23/03-11/24/03	x3774 - x3846	72	\$77.89		\$119.01
12/04/03	Payment					(\$40.51)	\$78.50
12/19/03	Late Pay Charge				\$1.18		\$79.68
12/30/03	Bill	11/24/03-12/26/03	x3846 - x4031	185	\$169.94		\$249.62
01/02/04	Payment					(\$119.01)	\$130.61
01/22/04	Late Pay Charge				\$1.96		\$132.57
01/29/04	Bill	12/26/03-01/27/04	x4031 - x4263	232	\$215.15		\$347.72
02/04/04	Payment					(\$130.61)	\$130.61
02/04/04	Payment					(\$347.72)	\$0.00
03/01/04	Bill	01/27/04-02/26/04	x4263 - x4508	245	\$245.86		\$115.25
03/08/04	Payment					(\$115.25)	\$0.00
03/30/04	Bill	02/26/04-03/26/04	x4508 - x4612	104	\$106.85		\$106.85
04/22/04	Late Pay Charge				\$1.60		\$108.45
04/29/04	Bill	03/26/04-04/27/04	x4612 - x4684	72	\$76.55		\$185.00

Schedule 3

Robert F. Morgan
16279 Peppermill Drive
Chesterfield, MO 63005

Account Number: 448896-003-6

*****BILLS AND PAYMENTS*****

OCTOBER 2004 - APRIL 2005

DATE	TYPE OF TRANSACTION	DATES OF SERVICE	READINGS	CCFs BILLED	AMOUNT BILLED	PAYMENT/ CREDIT	BALANCE
10/25/04	Bill	09/23/04-10/21/04	x4887 - x4916	29	\$40.48		\$40.48
11/03/04	Payment					(\$40.48)	\$0.00
11/24/04	Bill	10/21/04-11/22/04	x4916 - x4967	51	\$64.68		\$64.68
12/07/04	Payment					(\$64.68)	\$0.00
12/28/04	Bill	11/22/04-12/22/04	x4967 - x5130	163	\$190.17		\$190.17
01/04/05	Payment					(\$190.17)	\$0.00
01/27/05	Bill	12/22/04-01/25/05	x5130 - x5386	256	\$278.45		\$278.45
02/08/05	Payment					(\$278.45)	\$0.00
02/28/05	Bill	01/25/05-02/24/05	x5386 - x5553	167	\$173.46		\$173.46
03/23/05	Late Pay Charge				\$2.60		\$176.06
03/30/05	Bill	02/24/05-03/28/05	x5553 - x5711	158	\$169.22		\$345.28
04/06/05	Payment					(\$345.28)	\$0.00
04/28/05	Bill	03/28/05-04/26/05	x5711 - x5762	51	\$66.69		\$66.69

DEPT. 8

LACLEDE GAS COMPANY
STATEMENT OF BILLS & PAYMENTS
JULY 07, 2006

MORGAN, ROBERT F
16279 PEPPERMILL DR
CHESTERFIELD, MO 63005

PAGE 3001

SERVICE ADDRESS: 16279 PEPPERMILL DR
ACCT. NO: 448896-003

DATE	TRANSACTION	SERVICE DATES FROM - TO	METER READING	THERMS	BILLS/ PAYMENTS	BALANCE
BALANCE AS OF 05-27-05						1.00
05-27-05	BILL	04/26/05-05/25/05	5804R	42.9	55.43	56.43
06-21-05	LATE PAY CHRG-GAS SERVICE				0.85	57.48
06-28-05	BILL	05/25/05-06/24/05	5840R	36.8	49.78	107.26
07-08-05	PAYMENT-GAS SERVICE				107.26	0.00
07-28-05	REBILL	06/24/05-07/26/05	5864R	24.5	37.92	37.92
08-22-05	LATE PAY CHRG-GAS SERVICE				0.57	38.49
08-25-05	REBILL	07/26/05-08/23/05	5895E	32.7	45.15	83.64
09-07-05	PAYMENT-GAS SERVICE				83.64	0.00
09-26-05	BILL ADJUSTMENT CREDIT				83.07	83.07
09-26-05	LATE PAY CREDIT-GAS SERVICE				0.57	83.64
10-25-05	BILL	06/24/05-09/22/05	5840R	0.0	40.29	43.35
11-25-05	REBILL	09/22/05-10/21/05	5955R	117.5	130.77	87.42
12-08-05	PAYMENT-GAS SERVICE	10/21/05-11/22/05	6029R	76.1	99.20	186.62
12-28-05	REBILL	11/22/05-12/22/05	6063R	35.2	62.80	0.00
01-18-06	PAYMENT-GAS SERVICE				62.80	0.00
01-27-06	REBILL	12/22/05-01/25/06	6063R	0.0	12.63	12.63
02-01-06	PAYMENT-GAS SERVICE	01/25/06-02/24/06	6063R	0.0	12.63	0.00
02-28-06	REBILL	02/24/06-03/27/06	6063R	0.0	12.63	12.63
03-08-06	PAYMENT-GAS SERVICE				12.63	0.00
03-29-06	REBILL	03/27/06-04/26/06	6102R	48.1	64.91	64.91
04-10-06	PAYMENT-GAS SERVICE				64.91	0.00
04-28-06	REBILL				64.91	0.00
05-12-06	PAYMENT-GAS SERVICE				1,098.52	1,098.52
06-14-06	BILL ADJUSTMENT DEBIT				264.80	833.72
06-15-06	BILL ADJUSTMENT CREDIT	03/27/06-05/25/06	6117R	55.4	97.09	930.81
06-15-06	BILL	05/25/06-06/26/06	6181R	45.4	32.36	898.67
06-21-06	PAYMENT-GAS SERVICE				96.94	995.61
06-28-06	BILL					

TOTAL ACCOUNT BALANCE \$995.41

THE ABOVE ACCOUNT BALANCE DOES NOT REFLECT
ANY BUDGET OR PAYMENT ARRANGEMENTS YOU MAY
HAVE MADE. REFER TO YOUR LAST BILL FOR
INFORMATION ON YOUR AMOUNT DUE.

EXPLANATION OF METER READING CODES

R - REGULAR READING

S - CUSTOMER READING

E - ESTIMATE

Schedule 3

Chapter 13—Service and Billing Practices for Residential Customers of Electric, Gas and Water Utilities

4 CSR 240-13



otherwise requested by the customer and agreed to by the utility.

(11) A utility may include charges for special services together with utility charges on the same bill if the charges for special services are designated clearly and separately from utility charges. If partial payment is made, the utility shall first credit all payments to the balance outstanding for gas, electric or water charges, before crediting a deposit.

(12) During the billing period prior to any tariffed seasonal rate change, a utility shall notify each affected customer, on the bill or on a notice accompanying the bill, of the direction of the upcoming seasonal rate change and the months during which the forthcoming seasonal rate will be in effect.

AUTHORITY: sections 386.250(6), *RSMo Supp. 1991 393.140(11)*, *RSMo 1986*. * Original rule filed Dec. 19, 1975, effective Dec. 30, 1975. Amended: Filed Oct. 14, 1977, effective Jan. 13, 1978. Rescinded and readopted: Filed Sept. 22, 1993, effective July 10, 1994.

*Original authority: 386.250(6), *RSMo 1939*, amended 1963, 1967, 1980, 1987, 1988, 1991 and 393.140(11), *RSMo 1939*, amended 1949, 1967.

4 CSR 240-13.025 Billing Adjustments

PURPOSE: This rule establishes billing adjustments in the event of an overcharge or an undercharge.

(1) 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 as follows:

(A) In the event of an overcharge, an adjustment shall be made for the entire period that the overcharge can be shown to have existed not to exceed sixty (60) consecutive monthly billing periods, or twenty (20) consecutive quarterly billing periods, calculated from the date of discovery, inquiry or actual notification of the utility, whichever comes first;

(B) In the event of an undercharge, an adjustment shall be made for the entire period that the undercharge can be shown to have existed not to exceed twelve (12) monthly billing periods or four (4) quarterly billing periods, calculated from the date of discov-

ery, inquiry or actual notification of the utility, whichever was first;

(C) No billing adjustment will be made where the full amount of the adjustment is less than one dollar (\$1);

(D) Where, upon test, an error in measurement is found to be within the limits prescribed by commission rules, no billing adjustment will be made; and

(E) When evidence of tampering is found, or there are misrepresentations of the use of service by the customer, the utility will calculate the billing adjustment period in accordance with the applicable statute of limitations for the prosecution of such claim after determining the probable period during which such condition existed from all related and available information.

AUTHORITY: section 393.140(11), *RSMo 1986*. * Original rule filed Sept. 22, 1993, effective July 10, 1994.

*Original authority 1939, amended 1940, 1967.

4 CSR 240-13.030 Deposits and Guarantees of Payment

PURPOSE: This rule establishes reasonable and uniform standards regarding deposits and guarantees required by utilities.

(1) A utility may require a deposit or other guarantee as a condition of new residential service if—

(A) The customer has outstanding with a utility providing the same type of service, an unpaid bill which accrued within the last five (5) years and, at the time of the request for service, remains unpaid and not in dispute;

(B) The customer has in an unauthorized manner interfered with or diverted the service of a utility providing the same service situated on or about or delivered to the customer's premises within the last five (5) years; or

(C) The customer is unable to establish an acceptable credit rating under standards contained in tariffs filed with and approved by the commission. The customer shall be deemed *prima facie* to have established an acceptable credit rating if the customer meets any of the following criteria:

1. Owns or is purchasing a home;
2. Is and has been regularly employed on a full-time basis for at least one (1) year;
3. Has an adequate regular source of income; or

4. Can provide adequate credit references from a commercial credit source.

(2) A utility may require a deposit or guarantee as a condition of continued residential service if—

(A) The service of the customer has been discontinued by the utility for nonpayment of a delinquent account not in dispute;

(B) In an unauthorized manner, the customer interfered with or diverted the service of the utility situated on or about or delivered to the customer's premises; or

(C) The customer has failed to pay an undisputed bill on or before the delinquent date for five (5) billing periods out of twelve (12) consecutive monthly billing periods, or two (2) quarters out of four (4) consecutive quarters. Prior to requiring a customer to post a deposit under this subsection, the utility shall send the customer a written notice explaining the utility's right to require a deposit or include such explanation with each written discontinuance notice.

(3) Deposits for gas and electric service assessed under the provisions of subsection (2)(A) or (C) of this rule during the months of November, December and January may be paid, if the customer is unable to pay the entire deposit, by installments over a six (6)-month period.

(4) A deposit shall be subject to the following terms:

(A) It shall not exceed two (2) times the highest bill for utility charges actually incurred or estimated to be incurred by the customer during the most proximate twelve (12)-month period at the service location or, in the case of a new customer, who is assessed a deposit under subsection (1)(C) of this rule, one-sixth (1/6) of the estimated annual bill for monthly billed customers and one-third (1/3) of the estimated annual bill for quarterly billed customers for utility charges at the requested service location;

(B) It shall bear interest at a rate specified in utility tariffs, approved by the commission, which shall be credited annually upon the account of the customer or paid upon the return of the deposit, whichever occurs first. Interest shall not accrue on any deposit after the date on which a reasonable effort has been made to return it to the customer. Records shall be kept of efforts to return a deposit. This rule shall not preclude a utility from crediting interest upon each service account during one (1) billing cycle annually;

P.S.C. MO. No. 5 Consolidated, Fifth Revised Sheet No. R-8CANCELLING P.S.C. MO. No. 5 Consolidated, Fourth Revised Sheet No. R-8

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Laclede Gas Company
Name of Issuing Corporation or MunicipalityFor Refer to Sheet No. R-1
Community, Town or City

MAY 14 1997

RULES AND REGULATIONS

MISSOURI
Public Service Commission9. Resale

The gas supplied to a customer will be for the use of the customer only and shall not be remetered or submetered for resale to another or others, except for gas supplied for use as a vehicular fuel.

10. Meter Tests and Billing AdjustmentsA. Meter Tests.

Meters are the property of Company and shall be subject to testing in accordance with the statistical sampling authorized by the Commission in Case No. GO-95-320 in which the Commission granted the Company a variance from the requirements of 4 CSR 240-10.030(19) relating to the removal, testing and inspection of gas meters.

Company at any time, upon the written or verbal request of a customer, will test the meter of such customer, provided only one such test shall be made free of charge within a twelve-month period, and the customer shall pay the cost of any additional tests within this period unless meter is shown to be inaccurate in excess of 2%. The customer may, if he notifies Company, be present at such tests. In the event the registration is proved, by this test by the Company under standard methods, to be inaccurate in excess of 2%, bills will be adjusted by an amount to compensate for the excess or deficiency for a period equal to one-half of the time elapsed since the previous meter test, but not to exceed the applicable time period set forth in B(A) below. No part of a minimum charge will be refunded.

In the event of the stoppage or the failure of any meter to register, the customer shall be billed for such period on an estimated consumption based upon his use of gas in a similar period of like use.

B. Billing Adjustments.

(A) For all billing errors, the Company will determine from all related and available information the probable period during which such condition existed and shall make billing adjustments for the period estimated to be involved as follows (except for as provided in (B), (C) and (D) of this rule) for:

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ISSUED BY K. J. Neises, Senior Vice President, 720 Olive Street, St. Louis, MO 63101

Schedule 5

P.S.C. MO. No. 5 Consolidated, First Revised Sheet No. R-9

CANCELLING P.S.C. MO. No. 5 Consolidated, Original Sheet No. R-9

Laclede Gas Company
Name of Issuing Corporation or Municipality

For Refer to Sheet No. R-1
Community, Town or City

RULES AND REGULATIONS

AUG 21 1992

10. Meter Tests and Billing Adjustments (Continued).

MO. PUBLIC SERVICE COM. 88

Residential Customers:

In the event of an overcharge: An adjustment shall be made for the entire period that the overcharge existed not to exceed sixty consecutive billing periods, calculated from the date of discovery, inquiry or actual notification of the Company, whichever was first. In the event of an undercharge: An adjustment shall be made for the entire period that the undercharge existed not to exceed twelve consecutive billing periods, calculated from the date of discovery, inquiry or actual notification of the Company, whichever was first.

Customers Other Than Residential:

In the event of an overcharge: An adjustment shall be made for the entire period that the overcharge existed not to exceed sixty consecutive billing periods, calculated from the date of discovery, inquiry or actual notification of the Company, whichever was first.

In the event of an undercharge: An adjustment shall be made for the entire period that the undercharge existed not to exceed sixty consecutive billing periods, calculated from the date of discovery, inquiry or actual notification of the Company, whichever was first.

- (B) No billing adjustment will be made where the full amount of the adjustment is less than \$1.00.
- (C) Where, upon test, a meter error is found to be 2% or less, no billing adjustment will be made.
- (D) When evidence of tampering is found, or misrepresentations of the use of service by the Customer, the Company will calculate the billing adjustment period in accordance with the applicable statute of limitations for the prosecution of such claim after determining the probable period during which such condition existed from all related and available information.

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Schedule 5

P.S.C. MO. No. 5 Consolidated, Third Revised Sheet No. R-10CANCELLING P.S.C. MO. No. 5 Consolidated, Second Revised Sheet No. R-10

Laclede Gas Company

Name of Issuing Corporation or Municipality

Refer to Sheet No. R-1

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RULES AND REGULATIONS

AUG 28 1996

10. Meter Tests and Billing Adjustments (Continued).

MISSOURI

Public Service Commission

- (E) When the Customer has been undercharged, except as provided in (D) of this Rule, and a billing adjustment is made, the Customer may elect to pay the amount of the adjustment in equal installments over a period not to exceed the period for which the billing adjustment was applicable.

11. Piping and Equipment

All pipe and equipment beyond Company's meter and accessories thereto, necessary to utilize service furnished by Company, shall be installed by and belong to the customer, or owner, and must be maintained at all times in safe operating conditions and at his expense. The customer, or owner, shall bring his piping to a point for connection to Company's meter or meters at a location satisfactory to Company which provides easy access to the meter or meters. Any change of location of service line or meter requested by the customer shall be done by Company according to the charges set forth on Sheet No. 31.

Relocation charges may be waived by the Company under the following circumstances:

- a) Upon determination by the Company that relocation of Company-owned facilities is necessitated by a pre-existing condition, not attributable to the customer, such that safe and normal operation of the Company's facilities is obstructed if the discovered condition is left uncorrected.
- b) Upon confirmation that relocation of Company-owned facilities is to be performed concurrent with an increase in the customer's annual gas consumption, and that the estimated revenue resulting from such increased consumption covers the cost of the relocated facilities, including a sufficient return on the investment in such facilities.

If, upon determination by the Company that relocation of Company owned-facilities is necessitated by previous action attributable to the customer, such that safe and normal operation of the Company's facilities is obstructed, and the customer fails to agree to corrective measures at the customer's expense, the customer shall be subject to provisions contained in this tariff under Rules 13, 14, and 19.

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96 - 193

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Schedule 6

P.S.C. MO. No. 5 Consolidated, Original Sheet No. R-40

CANCELLING All Previous Schedules

Laclede Gas Company

Name of Issuing Corporation or Municipality

Refer to Sheet No. R-1

For Community, Town or City

..... RULES AND REGULATIONS

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30. Usage Estimating Procedure

RECD OCT 16 1998

The usage estimating procedure utilized by Laclede involves the development and periodic review of factors for each customer based on past usage for the premise where possible, and upon system averages where this is not possible.

For customers with heating usage two factors are developed: The Normal Base Load Adjustment Factor ("Norm") and the Average Use Per Degree Day ("ADD").

The Norm represents the non-heating use per day. It is calculated from past actual usage during the summer months and is adjusted, where necessary, by a Normalization Adjustment Factor ("NAF") to compensate for changes in base load during certain months of the year. Estimated base load usage is the product of the Norm, the number of days in the month and, where necessary, the appropriate NAF.

The ADD is a factor that accounts for weather sensitive consumption which is calculated by dividing past actual heating usage by the degree days of the same time period. Such actual heating usage is determined by subtracting base usage from the total usage for the past period. Estimated heating usage is the product of the ADD factor and the number of degree days in the period for which usage is estimated.

Total estimated usage is the sum of the estimated base load and the estimated heating load for the period.

For accounts without heating usage, Laclede uses only the Norm for each customer, calculated in the same manner as for customers with heating usage, but a different NAF is applied.

Missouri Public
Service Commission

98 - 374

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ISSUED BY K.J. Neises, Senior Vice President, 720 Olive Street, St. Louis, MO 63101

Schedule 7

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

Robert F. Morgan,

Complainant,

v.

Laclede Gas Company,

Respondent.

Case No. GC-2007-0054

AFFIDAVIT OF CECILIA BARR

STATE OF MISSOURI

COUNTY OF COLE

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)
) ss
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Cecilia Barr, of lawful age, on her oath states: that she has knowledge of the matters set forth, in the Staff's Report, regarding the extent of service and billing issues for residential customers of electric, gas and water utilities and that such matters are true to the best of her knowledge and belief.

Cecilia Barr

Cecilia Barr

Subscribed and sworn to before me this 12th day of October, 2006.

My commission expires

use 7.2008



Carla K. Schnieders
Notary Public

CARLA K. SCHNIEDERS
Notary Public - Notary Seal
State of Missouri
County of Cole
My Commission Exp. 06/07/2008