

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

Montgomery & Greaser,)	
Complainant,)	
)	
vs.)	Case No: GC-2017-0173
)	
Union Electric Company, d/b/a)	
Ameren Missouri,)	
Respondent.)	

ANSWER AND AFFIRMATIVE DEFENSE

COMES NOW, Union Electric Company, d/b/a Ameren Missouri (“Ameren Missouri” or “Company”), and for its Answer and Affirmative Defenses states as follows.

ANSWER

1. On December 12, 2016, Complainant initiated this proceeding against Company. Complainant, a commercial customer, receives electric service (2(M) small general service), gas service (general service), and outdoor lighting service from the Company at 118 Themis St., Cape Girardeau, Missouri 63701 (“Themis”).

2. Any allegation not specifically admitted herein by the Company should be considered denied.

3. The Company admits the allegations of paragraphs 1, 2, 3, 4 and 5 of the Complaint, and in further answer to paragraph 3 of the Complaint states that the location of the Company’s principal offices and its mailing address for purposes of this proceeding are: 1901 Chouteau Ave., MC-1310, P.O. Box 66149, St. Louis, Missouri 63166-6149.

4. In answer to paragraph 6 of the Complaint, which states Complainant’s request for relief, the Company denies that Complainant is entitled to the relief requested.

5. The Company denies the allegations of paragraph 7 of the Complaint.

6. In answer to paragraph 8 of the Complaint, the Company states as follows. The Company admits that representatives of Complainant called the Company approximately ten times between the afternoon of November 4, 2016 and the afternoon of November 14, 2016 to request information concerning Company bills for gas service, and admits that Company

representatives promised to provide Complainant with a written explanation (spreadsheet and letter) and corrected bill addressing the failure of the automatic meter reading (AMR) module on the gas meter at Themis. The Company denies the allegations that it misrepresented Complainant's gas usage and that its documentation is not consistent with its billings.

7. In further answer, the Company states as follows:

- a. The Company's metering contractor uses a meter analysis and recall process (MARF) to detect potential problems with AMR modules on Company gas meters. On October 6, 2016, MARF detected a potential problem with the AMR module on the gas meter at Themis, and an order (MARF Order) was generated for a contractor to physically inspect the Themis meter and AMR module, and read the meter.
- b. On October 12, 2016, the contractor inspected Complainant's gas meter and AMR module and determined that on January 24, 2016, the AMR module had malfunctioned, and from that date forward it had sent incorrectly low gas usage readings to Ameren Missouri's billing software. The contractor determined that the meter index was functioning properly and had registered all the prior actual usage.
- c. On October 12, 2016, the contractor replaced the meter's AMR module, which then transmitted all the prior actual usage registered in the meter index to the Company's billing software. The difference between the incorrect usage transmitted by the faulty AMR module and the prior actual usage registered by the meter index between January 24, 2016 and October 12, 2016 (the "Correction Period"), was 266 ccfs. The transmission of the prior actual usage by the new AMR module caused all 266 ccfs of previously unbilled usage to be attributed to, and billed at the billing rate in effect for, the billing period September 20, 2016 through October 19, 2016.
- d. On October 21, 2016, the Company issued a bill to Complainant for the period September 20, 2016 through October 19, 2016, which stated usage of 268 ccfs (the 266 ccfs, plus 2 additional ccfs attributable to usage between October 12, 2016 and October 19, 2016).

- e. On the afternoon of Friday, November 4, 2016, Complainant called the Company to ask about the October 21, 2016 bill. A customer service leader examined Complainant's account records and explained that the bill included usage prior to the most recent billing cycle, and the representative agreed to check with the Company's Customer Accounts Department ("CAD") to see what documentation could be sent to the customer to explain the situation.
- f. CAD's work regarding the Complainant's bill proceeded as follows. CAD reviews customer billing inquiries and makes billing adjustments, etc. on a first-in, first-out basis. On Monday, November 7, 2016, which was the first business day following the Complainant's inquiry, CAD responded to the customer service leader, advising that the Company would send a letter to the customer explaining the situation with the AMR module, prepare a corrected bill spreading the 266 ccfs over the Correction Period, and send a spreadsheet related to the corrected bill. CAD completed the work to correct Complainant's bill on the morning of November 14, 2016. CAD mailed the corrected bill, spreadsheet and letter to Complainant when the account billed (when the corrected bill was generated by the Company's billing system), which was on the afternoon of November 14, 2016.
- g. A corrected bill was indicated because billing rates may vary among billing cycles depending on the Purchased Gas Adjustment (PGA) rate applicable during a given billing cycle.
- h. A corrected bill is prepared as follows. The amounts billed for gas usage during the applicable period (here, the Correction Period) are canceled, which causes the amounts to appear as a payment/credit in the customer's account. Then, the bills for gas usage during the Correction Period are recalculated, including the previously unbilled actual usage which is reallocated among the bills covering the Correction Period (based on the usage pattern at the address during a prior like period). Next, a billing adjustment is made that adds the recalculated gas bills to the customer's account. The customer's account is credited for prior payments associated with the cancelled amounts. The balance, which represents the amounts

owed for the prior actual unbilled usage as reallocated among the recalculated bills, appears as a gas adjusted service amount on the corrected bill.

- i. CAD reallocated 258 of the 268 ccfs shown on the October 19, 2016 bill among the billing periods in the Correction Period, using Complainant's usage pattern from a similar period in 2015. CAD then calculated the charges for the usage allocated to each billing period during the Correction Period using the billing rate applicable to that period. The remaining 10 ccfs were not reallocated because they were attributable to current usage for the period September 20, 2016 through October 19, 2016. CAD prepared a spreadsheet that showed the reallocation of the ccfs and the original and corrected charges.
- j. CAD prepared the corrected bill. As noted above, the corrected bill reflected 10 ccfs in current usage-- 8 ccfs of usage before the module replacement and 2 ccfs of usage after the replacement. The bill also included a "gas adjusted service amount" for the charges attributable to the 258 ccfs reallocated among the correct billing cycles. In the Company's billing system, certain charges post to an account days before the account is billed. Due to the corrected bill being issued in the middle of a billing cycle, lighting charges for the next billing cycle that had already posted appeared in the adjustment on the corrected bill. Therefore, below the adjustment, the Company included a credit to remove the posted lighting charge. The difference between the gas adjusted service amount and the lighting credit equaled the corrected gas adjusted service amount.

AFFIRMATIVE DEFENSE

8. The Company's gas service tariffs filed with and approved by the Commission have the force and effect of law. Tariff Sheet 42, III. General Provisions, Section A. Application for Service, states, in part, "[a]ll gas service will be supplied subject to the provisions of the Company's tariffs applicable to the service requested and these Rules & Regulations[.]"

9. Tariff Sheet 55.1, G. Billing Adjustments, 2. Non-residential, subsection d. states, "[b]ills rendered which are based on incorrect registrations due to improper meter connections,

the application of an improper meter constant, improper application of any rate schedule not selected by customer, or similar reasons, shall be subject to adjustment for the current and twenty-four (24) prior billing periods.” Both the bill issued October 21, 2016 and the corrected bill issued November 15, 2016, billed Complainant for previously unbilled prior actual usage, which is permitted under the excerpted tariffs.

10. The following attorneys should be served with all pleadings in this case:

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WHEREFORE, Ameren Missouri respectfully requests that the Commission issue an order dismissing the Complaint, or in the alternative setting the matter for hearing.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Answer and Affirmative Defenses was served on all the following parties via electronic mail, and additionally on Complainant via regular mail, this 12th day of January 2017.

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