

EXH 1

Exhibit No.:  
Issues: Tariff Issues  
Witness: James M. Russo  
Sponsoring Party: MoPSC Staff  
Type of Exhibit: Corrected Direct Testimony  
Case No.: GC-2004-0216  
Date Testimony Prepared: April 23, 2004

**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY OPERATIONS DIVISION**

**CORRECTED DIRECT TESTIMONY**

**OF**

**JAMES M. RUSSO**

**MISSOURI GAS ENERGY**

**CASE NO. GC-2004-0216**

**FILED<sup>3</sup>**

**JUL 07 2004**

**Jefferson City, Missouri  
April, 2004**

**Missouri Public  
Service Commission**

**Exhibit No.** 1  
**Case No(s)** GC-2004-0216  
**Date** 6-18-07 **Rptr** XF

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

James Dudley vs Missouri Gas Energy )  
)  
)

Case No. GC-2004-0216

AFFIDAVIT OF JAMES M. RUSSO

STATE OF MISSOURI )  
) ss  
COUNTY OF COLE )

James M. Russo, of lawful age, on his oath states: that he has participated in the preparation of the following Direct Testimony in question and answer form, consisting of 10 pages of Direct Testimony to be presented in the above case, that the answers in the following Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.

James M. Russo  
James M. Russo

Subscribed and sworn to before me this 22<sup>nd</sup> day of April, 2004.

Dawn L. Hake  
Notary Public

DAWN L. HAKE  
Notary Public - State of Missouri  
County of Cole

My commission expires \_\_\_\_\_  
My Commission Expires Jan 9, 2005

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1                                   **CORRECTED DIRECT TESTIMONY**

2                                   **OF**

3                                   **JAMES M. RUSSO**

4                                   **MISSOURI GAS ENERGY**

5                                   **CASE NO. GC-2004-0216**

6           Q.     Please state your name and business address.

7           A.     James M. Russo, P.O. Box 360, Jefferson City, Missouri 65102.

8           Q.     By whom are you employed and in what capacity?

9           A.     I am a Regulatory Auditor IV with the Missouri Public Service  
10 Commission (Commission).

11          Q.     Please describe your educational background and other qualifications.

12          A.     I graduated from California State University-Fresno, Fresno, California,  
13 and received a Bachelor of Science degree in Accounting. Prior to my employment with  
14 the Commission, local elected officials in county government employed me in various  
15 capacities. I was the assistant treasurer-tax collector for San Joaquin and El Dorado  
16 Counties in California. My responsibilities included all financial dealings of the counties  
17 and all accounting activities of the agency. In addition, I was the supervising accountant  
18 auditor in El Dorado County for two years. My division was responsible for internal  
19 audits of all county agencies, special districts, and franchise/lease agreements.

20          Q.     What has been the nature of your duties with the Commission?

21          A.     From April 1997 to December 2001, I worked in the Accounting  
22 Department of the Commission, where my duties consisted of directing and assisting with  
23 various audits and examinations of the books and records of public utilities operating

1 within the State of Missouri; under the jurisdiction of the Commission. On  
2 December 16, 2001, I assumed the position of Regulatory Auditor IV in the Energy  
3 Tariffs/Rate Design Department where my duties consist of analyzing applications,  
4 reviewing tariffs, and making recommendations based upon these evaluations.

5 Q. Have you previously filed testimony before this Commission?

6 A. Yes. A list of cases in which I have filed testimony before this  
7 Commission is attached as Schedule 1 to my direct testimony.

8 Q. With reference to Case No. GC-2004-0216, have you reviewed and  
9 studied the complaint filed by the Complainant (Mr. Dudley) and the documentation  
10 provided by the Commission's Consumers Service Staff (CSS) and Missouri Gas Energy  
11 (MGE or Company)?

12 A. Yes, I have.

13 Q. What other steps did you take in reviewing and studying this complaint?

14 A. I discussed the complaint with the Complainant, CSS and MGE. In  
15 addition, I reviewed MGE'S current tariff on file with the Commission.

16 Q. What is the purpose of your direct testimony?

17 A. The purpose of my direct testimony is to present the Commission Staff's  
18 (Staff) findings relating to the complaint filed by the Complainant.

19 Q. What does Staff believe is the basis of the complaint?

20 A. Staff believes the complaint is whether MGE's tariff allows MGE to deny  
21 Complainant's service and charge Complainant for prior indebtedness of bills accrued by a  
22 tenant who lived in one of the Complainant's rental properties.

**BACKGROUND**

Q. Please provide the history of this complaint.

A. The Complaint was filed on November 7, 2003, by Mr. James Dudley for property located at 4024 Prospect Avenue, Kansas City, Missouri (4024 Prospect Avenue.) MGE filed their response on December 16, 2003. Staff filed its recommendation on January 20, 2004. MGE filed its response to the Staff's recommendation on February 3, 2004. Mr. Dudley filed a Pleading for Complainant on April 2, 2004.

Q. What information did the Energy Department Staff (EDS) review from CSS?

A. EDS reviewed the documentation collected by the CSS Staff as it relates to this case. This includes the information entered by CSS in the Consumer Complaint Inquiry program, faxes between CSS and MGE and all the documentation CSS received from the Complainant and MGE.

Q. What information did the EDS review from the Complainant?

A. The EDS reviewed the correspondence, complaint, and the supporting documentation filed by the Complainant. In addition, Staff talked with Mr. Dudley concerning his complaint. Mr. Dudley confirmed to Staff that the information filed in his complaint was correct. He stated to Staff that he rented the property to a person named Diane. He did not remember her last name. He did not have a copy of the lease because his briefcase was stolen from his automobile. He further stated that he had no reason to visit his rental property because he would meet Diane to collect the rent.

Q. What information did the EDS review from MGE?

1           A.     EDS reviewed the documentation MGE provided to Staff, MGE's answer  
2     filed with the Commission on December 2003 and the EDS discussion of the complaint  
3     with MGE personnel.

4           Q.     Who did MGE show as the customer for the property located at 4024  
5     Prospect Avenue during the time period of October 2000 to April 2001.

6           A.     Sara Chappelow.

7           Q.     How did Ms. Chappelow become listed as the customer?

8           A.     Staff discussed this with MGE personnel and was told that a person came  
9     into a MGE customer service center in October 2000 and provided information  
10    identifying them self as Sara Chappelow. MGE verified to Staff that when an individual  
11    is seeking service they attempt to verify the identity of the person seeking or receiving  
12    service. MGE requests identification such as a drivers license and a social security  
13    number. They do not allow an individual to initiate service on behalf of someone else.  
14    Service was started by MGE in Ms. Chappelow's name on October 3, 2000. In addition,  
15    Ms. Chappelow was accepted by MGE into an even pay bill plan on December 5, 2000.

16          Q.     Did anyone make payments on this account?

17          A.     Yes. MGE's records indicate MGE received payments of \$12.00 on  
18    November 2, 2000, \$66.00 on December 5, 2000 and \$80.34 on January 4, 2001. MGE  
19    was able to verify that these payments were made at their customer service center and at  
20    least the first two payments were paid in cash.

21          Q.     Did MGE continue to provide service to Sara Chappelow at 4024 Prospect  
22    Avenue after January 4, 2001?

1           A.     Yes, MGE continued to provide service to Ms. Chappelow until MGE  
2     disconnected service at 4024 Prospect Avenue for non-payment on April 26, 2001. The  
3     balance owed by Ms. Chappelow for the time period of October 2000 thru April 2001  
4     was \$2,099.96.

5           Q.     What happened to the service at 4024 Prospect Avenue after April 27,  
6     2001?

7           A.     In July of 2001, Mr. Dudley requested service be turned on at 4024  
8     Prospect Avenue because he wanted to clean up the property. Service was turned on and  
9     continued until April 2002, when the gas service was disconnected for non-payment.

10          Q.     What was the amount owed by Mr. Dudley at the time of disconnect?

11          A.     The amount owed by Mr. Dudley for the time period of July 2001 thru  
12     April 2002 was \$104.63.

13          Q.     What did MGE do with the delinquent balance owed by Ms. Chappelow?

14          A.     The delinquent amount owed by Ms. Chappelow was transferred to Mr.  
15     Dudley's account on June 25, 2002.

16          Q.     Was the true Sara Chappelow the person receiving gas service at 4024  
17     Prospect Avenue for the time period of October 2000 to April 2001?

18          A.     It is doubtful. It appears that MGE is the victim of a fraud by an  
19     individual claiming herself to be Sara Chappelow. MGE informed Staff that a Ms.  
20     Chappelow provided MGE documentation, including a signed lease agreement, showing  
21     that she lived in Independence, Missouri from May 2000 to May 2002. In addition,  
22     additional documentation attached to Mr. Dudley's complaint includes a copy of a police  
23     report dated April 26, 2001, that was filed with the Independence Missouri Police



1 Department and a letter dated May 10, 2001, that was signed by Sarah E. Chappelow.  
2 The police report stated that on September 15, 2000, Ms. Chappelow had several items  
3 stolen from her day planner located on the front seat of her vehicle. Two of the stolen  
4 items were her driver's license and social security card. The letter informed the reader of  
5 the theft and the status of the police investigation.

6 Q. What information did the EDS review from other sources?

7 A. As stated earlier, the EDS reviewed the Company's tariffs presently on file  
8 with the Commission.

9 **TARIFFS**

10 Q. What are the specific tariff sections that the EDS believe apply to this  
11 complaint?

12 A. The following sections from the rules and regulation section of MGE's  
13 tariffs apply: Section 1.04 located on sheet number R-6, titled Customer, Section 3.02  
14 located on sheet numbers R-19 and R-20, titled Prior Indebtness of Customer and Section  
15 3.07 located on sheet numbers R-21 thru R-23, titled Discontinuance of Service.

16 Q. What does Section 1.04 state?

17 A. Section 1.04 provides for the definition of customer. Customer is defined  
18 as a person or legal entity responsible for payment for service except one denoted as a  
19 guarantor. The term customer is also used to refer to an applicant for gas service.

20 Q. Is guarantor defined in MGE's tariff?

21 A. No.

22 Q. Did the EDS find a definition for the word guarantor?

1           A.     Yes. The American Heritage Dictionary, Second College Edition, defines  
2 guarantor as, "One that makes or gives a guarantee."

3           Q.     What does Section 3.02 state?

4           A.     Section 3.02 states:

5                   Company shall not be required to commence supplying gas service  
6 if at the time of application, the applicant, or any member of  
7 applicant's household (who has received benefit from previous gas  
8 service), is indebted to Company for such gas service previously  
9 supplied at the same premises or any former premises until such  
10 indebtedness shall have been made.

11  
12          Q.     What does Section 3.07 state?

13          A.     This section provides the conditions that the Company may discontinue  
14 service. Before listing the conditions for discontinuance, the section states:

15                   Company shall have the right to discontinue gas service to a  
16 customer and remove its facilities, or any portion thereof, from  
17 customer's premises upon default by customer of any provision of  
18 the service agreement. In addition to any other legal remedies,  
19 Company reserves the right to refuse to reconnect gas service to  
20 any customer until such default shall have been remedied by  
21 customer. Any one or more of the following may be considered as  
22 a default.

- 23  
24                   (A) Non-payment of an undisputed charge.  
25                   (B) Failure to post a security deposit or guarantee acceptable to Company.  
26                   (C) Unauthorized interference, diversion or use of the gas service situated  
27                         or delivered on or about customer's premises.  
28                   (D) Failure to comply with the terms and conditions of a settlement  
29                         agreement.  
30                   (E) Refusal after reasonable notice to permit inspection maintenance,  
31                         replacement or meter reading of utility equipment. If the utility has a  
32                         reasonable belief that health or safety is at risk, notice at the time  
33                         inspection is attempted is reasonable.  
34                   (F) Misrepresentation of identity for the purpose of obtaining gas service.  
35                   (G) Violation of any other General Terms and Conditions for Gas Service  
36                         of Company on file with and approved by the Commission which  
37                         adversely affects the safety of customer or other persons, or the  
38                         integrity of Company's delivery system.

(H) Failure to pay cost of additional service line, or replacement of a customer-owned service line or lines as provide for in Sections 3.14 and 3.15 herein.

(I) As provided by state or federal law.

The tariff continues with six conditions that would not cause sufficient cause for the Company to discontinue service. These conditions are not applicable to this case with the possible exception of the condition lettered (D) that states: "The failure to pay the bill of another customer whose service is sought to be discontinued received substantial benefit and use of the service." Copies of the tariffs cited above have been attached to my Direct Testimony as Schedule 2.

**SUMMARY OF STAFF FINDINGS**

Q. Does Staff believe that MGE has the authority to transfer the delinquent amount at 4024 Prospect Avenue for the time period of October 2000 thru April 2001 in the amount of \$2,099.96 to Mr. Dudley's account?

A. No. Staff does not believe that the facts in the case show Mr. Dudley is responsible under MGE's existing tariffs for any of the gas usage during the time period of October 2000 to April 2001. Mr. Dudley was not the customer as defined in Section 1.04 of MGE's tariff, nor did he have any agreement with MGE making Mr. Dudley the guarantor for the property located at 4024 Prospect Avenue.

Staff believes it is erroneous to interpret Section 3.02 of MGE's tariff to expand receiving benefit of service to individuals who are not the customer and/or persons outside the customer's household since the tariff is explicitly limited to the customer and/or members of the customer's household.

Staff does not believe Section 3.07 of MGE's tariff would allow the Company to discontinue service to Mr. Dudley because of MGE's outstanding bill of Mr. Dudley's

Corrected Direct Testimony of  
James M. Russo

1 tenant, Ms. Chappelow during the October 2000 to April 2001 time period. Staff  
2 believes that a landlord of a property whose tenant has contracted for gas service is not  
3 considered a member of the tenant's household and has not received the benefit and use  
4 of service that would allow MGE to seek collection from the landlord of the tenant's  
5 unpaid bill.

6 Q. Does Staff believe that MGE has the authority to pursue collection and/or  
7 transfer the delinquent amount at 4024 Prospect Avenue for the period of July 2001 thru  
8 April 2002 in the amount of \$104.63 to Mr. Dudley's account?

1           A.     Yes. Staff believes Mr. Dudley was a customer as defined in Section 1.04  
2 of MGE's tariff and did receive use and benefit of the gas service during this time period.

3           Q.     Does Staff believe MGE must provide service to Mr. Dudley?

4           A.     Staff believes MGE must provide service to Mr. Dudley after Mr. Dudley  
5 resolves his outstanding obligations with MGE. This would require Mr. Dudley to pay  
6 for all arrearages that he owes on all of his properties, or, enter into a mutually agreed  
7 repayment plan with MGE.

8           Q.     Does this conclude your direct testimony?

9           A.     Yes it does.

RATE CASE PROCEEDING PARTICIPATION

**JAMES M. RUSSO**

<u>COMPANY</u>	<u>CASE NO.</u>
Union Electric Company	GR-97-393
Gascony Water Company	WA-97-510
St. Joseph Light and Power Company	EC-98-573
St. Joseph Light and Power Company	HR-99-245
St. Joseph Light and Power Company	GR-99-246
St. Joseph Light and Power Company	ER-99-247
UtiliCorp United Inc./St. Joseph Light and Power Company	EM-2000-292
UtiliCorp United Inc./Empire District Electric Company	EM-2000-369
Osage Water Company	WR-2000-557
Osage Water Company	SR-2000-556
Missouri Gas Energy	GR-2001-292
Southern Missouri Gas Company, L.P.	GR-2001-0388
Environmental Utilities	WA-2002-65
Laclede Gas Company	GR-2002-356
Laclede Gas Company	GA-2002-429
Missouri Gas Energy	GT-2003-0033
Aquila Networks L & P	GT-2003-0038
Southern Missouri Gas Company, L.P.	GT-2003-0031
Atmos Energy Corporation	GT-2003-0037
Fidelity Natural Gas, Inc.	GT-2003-0036
Laclede Gas Company	GT-2003-0032
Union Electric Company	GT-2003-0034
Union Electric d/b/a AmerenUE	GR-2003-0517

Schedule 1-1

Missouri Gas Energy

GT-2004-0049

Aquila, Inc. d/b/a Aquila Networks MPS & Aquila Networks L&P

GR-2004-0072

P.S.C. MO. No. 1 First Revised SHEET No. R-6  
Canceling P.S.C. MO. No. 1 Original SHEET No. R-6

Missouri Gas Energy,  
a Division of Southern Union Company

For: All Missouri Service Areas

GENERAL TERMS AND CONDITIONS FOR GAS SERVICE

1. DEFINITIONS

The following terms, when used in these General Terms and Conditions for Gas Service, in Company's rate schedules and in customers' service agreements, shall, unless otherwise indicated therein, have the meanings given below:

- 1.01 ANCILLARY LINE: Exterior piping installed by customer and connected to the yard line to supply fuel to any exterior appliance or apparatus.
- 1.02 BILLING PERIOD: A normal usage period of not less than 26 nor more than 35 days, except for initial, corrected or final bills.
- 1.03 COMPANY: Missouri Gas Energy, a Division of Southern Union Company, any successor or assignee thereof acting through its duly authorized officers, agents or employees within the scope of their respective duties and authorities.
- 1.04 CUSTOMER: A person or legal entity responsible for payment for service except one denoted as a guarantor. The term customer is also used to refer to an applicant for gas service.
- 1.05 CUSTOMER-OWNED DISTRIBUTION NETWORK: A system of customer-owned lines located downstream from a Company-owned master meter. Such networks include, but are not limited to, institutional, educational and health care campuses, military complexes, industrial facilities, commercial complexes, irrigation systems and oil and natural gas leases.
- 1.06 COMMISSION: The Public Service Commission Of The State Of Missouri and any successor of such commission having jurisdiction of the subject matter herein.
- 1.07 CYCLE BILLING: A system employed by Company which results in the rendition of bills for gas service to various customers on different days of any billing period.

DATE OF ISSUE October 8 1994  
month day year

DATE EFFECTIVE December 10 1994  
month day year

ISSUED BY \_\_\_\_\_  
John M. Femald

Director, Rates and Regulatory Affairs  
Missouri Gas Energy  
Kansas City, MO. 64111



Missouri Gas Energy,  
a Division of Southern Union Company

For: All Missouri Service Areas

GENERAL TERMS AND CONDITIONS FOR GAS SERVICE

3. SUPPLYING GAS SERVICE

- 3.01 AVAILABILITY: Company will supply gas service in accordance with its rate schedules and these General Terms and Conditions for Gas Service on file with and approved by the Commission.

Except as otherwise provided in Sections 9 and 10 herein, or unless special arrangements have been made between customer and Company, gas service will be supplied by Company under an available rate schedule only at such premises as are adjacent to Company's existing distribution facilities which are adequate and suitable to supply gas service for the requirements of customer. Company shall not be required to furnish gas service at a pressure in excess of 7 inches water column.

Upon the request of any interested person, Company will furnish information regarding the location and size of its distribution mains and the character of service available at any location.

- 3.02 PRIOR INDEBTEDNESS OF CUSTOMER: Company shall not be required to commence supplying gas service if at the time of application, the applicant, or any member of applicant's household (who has received benefit from previous gas service), is indebted to Company for such gas service previously supplied at the same premises or any former premises until payment of such indebtedness shall have been made. This provision cannot be avoided by substituting an application for service at the same or at a new location signed by some other member of the former customer's household or by any other person acting for or on behalf of such customer.

DATE OF ISSUE January 7 1994  
month day year

DATE EFFECTIVE February 1 1994  
month day year

ISSUED BY  
F. Jay Cummings

Vice President, Rates and Regulatory Affairs

P.S.C. MO. No. 1  
Canceling P.S.C. MO. No. 1

First Revised  
Original

SHEET No. R-20  
SHEET No. R-20

Missouri Gas Energy,  
a Division of Southern Union Company

For: All Missouri Service Areas

#### GENERAL TERMS AND CONDITIONS FOR GAS SERVICE

In order to expedite service to a customer moving from one location to another, Company may provide service at the new location before all bills and charges are paid for service at the prior location. Company reserves the right to transfer any unpaid amount from prior service(s) to a current service account. Such transferred bills are then subject to the provisions of Sections 7.07 and 7.08 herein.

3.03 CONNECTION OF SERVICE: The Company shall charge a transfer fee as set forth in Section 14 herein to service applicants when natural gas service is not being initiated or reinstated but is continuing from a prior customer. The Company shall charge a connection fee as set forth in Section 14 herein to service applicants when natural gas service is being initiated for the first time or had been previously terminated at the location. At the customer's option, the connection fee may be spread out over a period not to exceed four months. Separate fees for reconnection of service after discontinuance by the Company are provided for in Section 3.12 herein.

3.04 ACCESS TO CUSTOMER PREMISES: Customer shall give duly authorized agents and employees of Company, when properly identified, full and free access to the premises of customer at all reasonable hours for the purpose of constructing, installing, inspecting, adjusting, repairing, maintaining, replacing, or removing any of Company's facilities on the premises of customer, reading meters, or for any other purpose incidental to the gas service supplied by Company. Access for the purpose of reading meters inside buildings is more specifically covered in Section 5.05 herein.

3.05 CONTINUITY OF SERVICE: Company will use reasonable diligence to furnish continuous gas service to customer, but does not guarantee the supplying 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 occasioned by irregularities or interruptions of service due to breakdowns or damage to equipment, extraordinary repairs, an act of God or public enemy, accidents, strikes or their equivalent, legal process, state or municipal interference, civil disturbances, depletion of gas supply, or any other cause beyond Company's control.

DATE OF ISSUE July 16, 2001  
month day year

DATE EFFECTIVE August 06, 2001  
month day year

ISSUED BY Robert J. Hack Vice President, Pricing and Regulatory Affairs  
Missouri Gas Energy, Kansas City, MO. 64111

P.S.C. MO. No. 1  
Canceling P.S.C. MO. No. 1

Second Revised  
First Revised

SHEET No. R-21  
SHEET No. R-21

Missouri Gas Energy,  
a Division of Southern Union Company

For: All Missouri Service Areas

GENERAL TERMS AND CONDITIONS FOR GAS SERVICE

- 3.06 **SUSPENSION OF SERVICE:** Company shall have the right to suspend gas service to customer for temporary periods as may be necessary for the inspection, maintenance, alteration, change, health, safety, state of emergency, replacement or repair of gas facilities, or for the preservation or restoration of system operations. In all cases of interruption or suspension of service, Company will make reasonable efforts to restore service without unnecessary delay. No such interruption or suspension of service will relieve customer from charges provided for in customer's service agreement. Company shall not be liable for damages occasioned by suspension of service for said causes.
- 3.07 **DISCONTINUANCE OF SERVICE:** Company shall have the right to discontinue gas service to a customer and remove its facilities, or any portion thereof, from customer's premises upon default by customer of any provision of the service agreement. In addition to any other legal remedies, Company reserves the right to refuse to reconnect gas service to any customer until such default shall have been remedied by customer. Any one or more of the following may be considered as a default:
- (A) Non-payment of an undisputed delinquent charge.
  - (B) Failure to post a security deposit or guarantee acceptable to Company.
  - (C) Unauthorized interference, diversion a use of the gas service situated or delivered on or about customer's premises.
  - (D) Failure to comply with the terms and conditions of a settlement agreement.
  - (E) Refusal after reasonable notice to permit inspection maintenance, replacement or meter reading of utility equipment. If the utility has a reasonable belief that health or safety is at risk, notice at the time inspection is attempted is reasonable.

DATE OF ISSUE July 16 2001  
month day year

DATE EFFECTIVE August 06 2001  
month day year

ISSUED BY Robert J. Hack Vice President, Pricing and Regulatory Affairs  
Missouri Gas Energy, Kansas City, MO. 64111

P.S.C. MO. No. 1  
Canceling P.S.C. MO. No. 1

Second Revised  
First Revised

SHEET No. R-22  
SHEET No. R-22

Missouri Gas Energy,  
a Division of Southern Union Company

For: All Missouri Service Areas

GENERAL TERMS AND CONDITIONS FOR GAS SERVICE

- (F) Misrepresentation of identity for the purpose of obtaining gas service.
- (G) Violation of any other General Terms and Conditions for Gas Service of Company on file with and approved by the Commission which adversely affects the safety of customer or other persons, or the integrity of Company's delivery system.
- (H) Failure to pay cost of additional service line, or replacement of a customer-owned service line or lines as provided for in Sections 3.14 and 3.15 herein.
- (I) As provided by state or federal law.

None of the following shall constitute sufficient cause for Company to discontinue service:

- (A) The failure of customer to pay for merchandise, appliances, or services not subject to Commission jurisdiction as an integral part of the gas provided by Company.
- (B) The failure of customer to pay for concurrent service received at a separate metering point, residence or location. In the event of discontinuance or termination of service at a separate residential metering point, residence or location in accordance with these General Terms and Conditions for Gas Service, Company may transfer any unpaid balance to any other residential service account of customer and may discontinue service twenty-one (21) days after rendition of the combined bill, for nonpayment, in accordance with this rule.

DATE OF ISSUE July 16 2001  
month day year

DATE EFFECTIVE August 06 2001  
month day year

ISSUED BY Robert J. Hack

Vice President, Pricing and Regulatory Affairs  
Missouri Gas Energy, Kansas City, MO. 64111

P.S.C. MO. No. 1      Third Revised      SHEET No. R-23  
Canceling P.S.C. MO. No. 1      Second Revised      SHEET No. R-23

Missouri Gas Energy,  
a Division of Southern Union Company

For: All Missouri Service Areas

GENERAL TERMS AND CONDITIONS FOR GAS SERVICE

- (C) The failure of customer to pay for a different class of service received at the same or different location. The placing of more than one meter at the same location for the purpose of billing the usage of specific devices under optional rate schedules or provisions is not construed as a different class of service for the purpose of this Section.
- (D) The failure to pay the bill of another customer unless the customer whose service is sought to be discontinued received substantial benefit and use of the service.
- (E) The failure of a previous owner or occupant of the premises to pay an unpaid or delinquent bill except where the previous occupant remains an occupant or user.
- (F) The failure to pay a bill correcting a previous underbilling, whenever the customer claims an inability to pay the corrected amount, unless the company has offered the customer a payment arrangement equal to the period of underbilling.

3.08 TIMING OF DISCONTINUANCE: Subject to the requirements of these General Terms and Conditions for Gas Service, Company may discontinue service to a customer between the hours of 8:00 a.m. and 4:00 p.m. on the date specified on the notice of discontinuance or within eleven (11) days thereafter. Service shall not be discontinued on a day when Company personnel are not available to reconnect customer's service, or on a day immediately preceding such day. Service shall not be discontinued for non-payment of a delinquent charge unless written notice by first class mail is sent to the customer at least 10 days prior to the date of proposed discontinuance. Service of notice by mail is complete upon mailing. Where written notice is hand delivered to a customer in which case discontinuance may be effected not less than 96 hours after delivery of the notice. After the eleven (11) business day effective period of the notice, all notice procedures required by this rule shall again be followed before the company may discontinue service.

Pursuant to the Commission's Order in Case No. GO-2002-137, the Company has been granted a variance from the requirements of 4 CSR 240-13.050(3) relating to the hours service may be discontinued. The variance authorizes the Company to extend the hours service to a customer may be discontinued to the hours between sunrise and sunset, but no earlier than 7:00 a.m. and no later than 7:00 p.m. This variance expires at midnight on October 31, 2002.

The Company shall have sufficient personnel to reconnect service discontinued under this variance upon payment of delinquent accounts for a period of three hours following the last discontinuance made under this variance on the day that customer's service was discontinued.

DATE OF ISSUE    January    4    2002  
                         month    day year

DATE EFFECTIVE    February    3    2002  
                         month    day year

ISSUED BY Robert J. Hack

Vice President, Pricing and Regulatory Affairs  
Missouri Gas Energy, Kansas City, MO. 64111

**Amended Schedule 2-6**