

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

In the matter of)	
)	
USW Local 11-6,)	GC-2006-0390
)	
and)	
)	
Laclede Gas Company)	

USW LOCAL 11-6'S PRE-HEARING BRIEF

COMES NOW USW Local 11-6 and submits its Prehearing Brief in the above referenced complaint case and, in support, states as follows:

I. Background

USW Local 11-6 ("Local 11-6" or "the Union") is a labor organization representing for purposes of collective bargaining approximately 1050 employees of Laclede Gas Company ("Laclede") in physical plant classifications such as production, maintenance, operations, and distribution jobs. (First Amended Complaint, ¶ 2; Answer to Amended Complaint, ¶ 3.) On April 10, 2006, Local 11-6 filed a Complaint with the Missouri Public Service Commission ("the Commission" or "the PSC") over issues related to the implementation by Laclede of an automated meter reading ("AMR") program. On August 21, 2006, Local 11-6 filed a First Amended Complaint, which restated and expanded upon its allegations of safety and adequacy concerns in the installation of AMR on Laclede's meters. On September 20, 2006, Laclede filed its Answer to the Amended Complaint, generally denying the safety and adequacy allegations of USW 11-6.

II. Issues

The parties have raised the following issues that the resolution of this case requires the Commission to decide:

- A. Has the installation of AMR modules by Laclede violated Section 393.130.1 RSMo (safety and adequacy) or any gas safety law, rule, order, or decision of the Commission?
- B. If so, what is the appropriate remedy?

III. Statement of Facts

Laclede is a public utility and a local gas distribution company. Laclede employs service workers represented by Local 11-6 who have been trained to install meters, to repair meters, and to inspect meters and gas appliances, among other things. These employees receive specific and ongoing training about how to prevent and fix potential gas hazards associated with the delivery of gas to residences. (Direct Testimony of David Lay, lines 10-14.) As described by Laclede Meter Reader Kevin Stewart, the meter readers receive “training on meter reading, checking for corrosion in gas lines, and gas leak detection, including use of portable gas detection devices. Specific to leak reporting, [meter readers] have also been trained on Company procedures for reporting leaks, and proper procedures for informing customers of leaks.” They also receive ongoing training one or two times per year. (Direct Testimony of Kevin Stewart, p. 1, lines 10-15.) Pat White, a Service Department employee, similarly described the training of the Service Department employees:

When starting at Laclede, I attended a two-week training program. I attended classes on leak investigations, operating a combustible gas indicator, how to detect leaks on appliances, and how to repair appliances. Furthermore, I receive ongoing instruction one or two times per year.

(Direct Testimony of Pat White, p. 1, lines 8-12.)

In March, 2005, Laclede contracted with CellNet Technology (“CellNet”) to implement an automated meter reading (“AMR”) program pursuant to which AMR modules are installed on each gas meter. The AMR module measures and records gas usage on the resident’s gas meter, and then remotely transmits the information to Laclede via cellular technology, thereby replacing manual meter reads. (First Amended Complaint, ¶ 5; Answer to Amended Complaint, ¶ 4.)

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** (Testimony of Clark Korbisch, p. 33, lines 20-25; p. 34, lines 1-4.) As of November 6, 2006, approximately 600,000 AMR modules had been installed on Laclede gas meters. Laclede expects the AMR installation process to be substantially complete by early 2007. (Rebuttal Testimony of Patrick A. Seamands, lines 5-12.)

A. The Training of Manpower Employees

The AMR modules are not installed by employees of Laclede, nor by employees of CellNet. Rather, CellNet has contracted with Honeywell to provide the manpower for the installation of the AMR modules on the Laclede gas meters. Honeywell, in turn, has contracted with Manpower, Inc., a temporary employment agency, to provide the personnel for the installation. (First Amended Complaint, ¶ 6; Answer to Amended Complaint, ¶ 5.)

The temporary employees hired by Manpower (the “Manpower employees”) are not required to be gas professionals or to have any prior experience with gas distribution or with meters of any kind. (Direct Testimony of Frank Meuting, p. 15, lines 17-25; p. 16, lines 1-11; Testimony of Craig Korbisch, p. 48, lines 19-25; p. 49, lines 1-3.) **

.** (Direct Testimony of Debra Redepenning, p. 43, lines 22-25; p. 44, lines

1-2. **

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(Direct Testimony of Debra

Redepenning, p. 47, lines 17-22.)

Upon hire, the Manpower employees receive only limited training. Although Honeywell representative Debra Redepenning testified that the Manpower employees receives **
**, a former Manpower employee, Frank Meuting, had a different training experience. As Meuting testified in his deposition, the first day he worked for Honeywell mainly encompassed learning to read a meter in the classroom. (Testimony of Frank Meuting, p. 28, lines 14-21.) Meuting explained that the ability to read the meter was crucial because the AMR module had to be programmed upon installation with the “starting point” reading. (Testimony of Frank Meuting, p. 29, lines 2-11.) After learning to read the meter, Meuting and the other employees to be trained were shown three types of meters an American, a Rockwell, and a Sprague—which the employees were told were the most common meters on which AMR would be installed. The employees practiced—or watched other employees practice—installing the AMR module on these three meters. Because there were only three meters, not everybody was able to actually perform an installation; some only watched. (Testimony of Frank Meuting, p. 38, lines 10-25; p. 39, lines, 1-25.)

The process on installation of the module requires the removal of four screws from the meter cover to access the meter index. The index is then removed from its four bolts and the AMR module is mounted onto those four bolts. The AMR module has a seal on its backside that makes contact with the meter. The index is then reinstalled on the face of the AMR module. The last step before screwing the cover back on is to install the AMR battery. A new cover is then placed on the meter because the original cover does not fit over the AMR device. The new

cover does not go all the way back to the meter, but only covers the AMR module. (Testimony of Frank Meuting, pp. 41-43, p. 45, lines 3-8; p. 46, lines 112-17.) Each meter type has a different configuration requiring a somewhat different installation for each. (Testimony of Frank Meuting, p. 45, lines, 20-24; pp. 44-45.) Subsequent to this day of training, the only training was an occasional group meeting where a particular type of mistake that was being made would be discussed. As examples, Meuting mentioned misprogramming of AMR modules and difficulties with the installation of the AMR module on Rockwell meters. (Testimony of Frank Meuting, pp. 69-72.)

Neither prior to nor during this one day of training did the employees receive any documents about gas safety. (Testimony of Frank Meuting, p. 57, lines 2-5.) The Manpower employees were not given leak detectors to carry on the job. (Testimony of Frank Meuting, p. 74, line 25; p. 75, lines 1-2.) The only discussion of gas safety that Meuting could recall was a mention by his supervisor that if he smelled gas, to call his supervisor and she would call Laclede. (Testimony of Frank Meuting, p. 74.) However, Meuting stated that not all gas smells were, or were supposed to be, called in; after a while, he got used to the smell and would use his judgment as to which smells were strong enough to warrant a call. (Testimony of Frank Meuting, p. 114-115.) **

**, (Direct Testimony of Debra Redepenning, p. 74, lines 20-22.)

For his second day of work for Manpower, Meuting was assigned to work with another employee who had been performing AMR installations for several months. During this first day or work, Meuting watched the installations and also performed a few. His coworker gave him information about particular problems to watch out for when installing AMR modules.

Meuting's coworker also trained him in the operation of the handheld computer, which recorded information about each meter. (Testimony of Frank Meuting, p. 57, lines 24-25; p. 58, line 1; p. 59, lines 7-16; p. 60, lines 9-25.) **

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(Direct Testimony of Debra Redepenning, p. 96, lines 10-20.)

On day three, Meuting was on his own, installing AMR modules on Laclede gas meters. (Testimony of Frank Meuting, p. 61, lines 19-20.) He was given a tool bucket, containing different sized screwdrivers, "linesman pliers," a battery-powered screwdriver, a First Aid kit, some rain gear, a hard hat, and a fluorescent safety vest. (Testimony of Frank Meuting, pp. 62-63; p. 65, lines 2-20; p. 112, lines 7-18.)

For installing the AMR modules, the Manpower employees earn \$7.00 per hour plus a piecework rate of \$1.15 for the first fifty (50) meters, \$1.25 for the next ten, and increases above that. (Testimony of Frank Meuting, p. 26, lines 3-10.) **

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(Direct Testimony of Debra Redepenning, p. 53, lines 12-25; p. 54, lines 1-3.) Assumedly, then, very few installers had more than 90 days of experience in the field.

B. Problems Resulting from the Installation Process

Despite assertions to the contrary by Laclede, the testimony of Local 11-6's witnesses attests to various problems that have arisen immediately following or within a very short time after field installation of the AMR device. As can be seen from the following summary, these problems have included stripping the screws out, drilling holes for bigger screws and, in the process, drilling all the way through a meter; and angling the screws that attach the device such that it

breaks the seal on the face of the meter, causing a gas leak. In addition, the AMR installation has caused certain customer service issues that Laclede has mishandled.

1. Reports by Employees

Laclede employees have filed testimony in this matter, describing problems they have encountered as a result of AMR installation.

Mark Boyle: Boyle described two specific leaks he found that he believes were caused by AMR installation. One involved a situation in which the installer had drilled through the meter, causing a gas leak. Boyle replaced the meter. His supervisor told him not to fill out a F632 damage report, even though it is standard policy to fill out such a report any time there is damage to company property. The other AMR leak situation involved a complaint by a customer to him while he was working at another customer's residence. The customer said he smelled gas in his home so Boyle went into the customer's house, at which point his Sensit leak detector went off immediately. The meter was replaced. (Direct Testimony of Mark Boyle.)

Dean Carlton: Carlton is familiar with three leaks found on the gasket of the dial faces on meters equipped with AMR. Two of the leaks were reported by customers but he did not recall how he learned of the third. In each case, he replaced the meters with a meter containing a pre-installed AMR device. He also filled out a CIS form. He also reported the leaks to the Union. As shop steward for the Union, Carlton has also collected addresses from other service employees and given them to the Union. Carlton has also encountered many meters with recently installed AMR devices which have dials that turn erratically. The employees used to change these meters until the dials ran smoothly, but now Laclede has instructed them just to leave the meter in place even if the dial runs erratically. There are billing and safety problems related to erratically spinning meters: 1) the AMR reading cannot be confirmed manually if the

dials are spinning erratically, thus making it impossible to verify a bill and 2) the service employees cannot “spot” the meter for leaks if the dial is spinning erratically. He has mentioned these problems to Laclede but Laclede has not responded to his concerns, other than through testimony in this case. (Direct Testimony of Dean Carlton.)

Jonathan Guelich: Guelich was a temporary meter reader for about a year for Laclede. He was assigned to read meters that had an AMR device installed. He found an average of one or two leaking AMR meters a week, frequently on meters on which installation had recently taken place. He found smaller leaks with his leak detector and larger ones by odor. He noticed on occasion that the AMR device would be screwed on either too tightly, pinching the gasket that prevents gas from escaping, or not tightly enough, resulting in an ineffective seal. He reported his findings. He also found meters that had problems with the operation of the first dial on the meter, either not spinning or spinning erratically. He would tell the customer about this problem, but did not report it to Laclede as there was no policy for reporting nonfunctional meters. (Direct Testimony of Jonathan Guelich.)

Brian Johnson: Johnson was a temporary meter reader for almost a year. He found leaks on AMR meters, typically due to his leak detector sounding. He also encountered leaks while performing “P.M. Specials,” which are readings done in the evening due to a high bill complaint. The P.M. Specials increased as more AMR devices were installed. He recalled two egregious cases—one at a duplex where his detector went off halfway down the stairs into the basement (by which point he could also smell the gas) where the meter was in a separate small room behind a closed door. The leak was extensive. The second case was in Overland; the customer complained that her family was nauseous and she thought they had the flu. However,

the detector went off in the basement. He instructed them to open the windows and leave the home. (Direct Testimony of Brian Johnson.)

David Lay: Lay has been employed in Laclede's Service Department for 20 years. On January 8, 2006, a neighbor told him that he smelled gas outside. Lay checked his meter and discovered that an AMR device had been installed and a gas smell was emanating from the meter. He called Laclede. The gasworker sent out by Laclede detected a leak with his Sensit gas detector and replaced the meter. He did not have a leak before AMR installation and believes the leak was caused by the installation. (Direct Testimony of David Lay.)

Everet Minton:¹ Minton has worked for Laclede in the Construction and Maintenance Department for about 9 ½ years. He recently discovered a significant gas leak while replacing copper pipe inside a home. The pipe was so corroded that when he loosened the union between two pipes, part of the pipe broke off and gas began blowing into the house. The customer told him that since a few weeks prior, when an AMR device was installed, she had smelled gas in the basement. Had a trained gasworker done the installation, he would also have inspected the gas piping and caught this problem. (Direct Testimony of Everet Minton.)

Kevin Stewart: Stewart is a Laclede meter reader and has worked for Laclede for about 26 years. He has been assigned to read meters on AMR routes and has seen many improperly installed AMR devices; Stewart has observed situations in which "[t]he glass over the dials was broken or unsealed; half-installed AMRs; AMRs with broken screws; AMRs that had been installed in such a way that they caused a gas leak; and AMRs that would not read at all because of poor installation." Stewart estimates that he found one or two leaks a day from AMR devices

¹ Copper Truck Foreman Don Vierling testifies to the same incident in his direct testimony, which is not summarized herein.

when assigned to an AMR route. He reported the leaks in accordance with Company policy.
(Direct Testimony of Kevin Stewart.)

Pat White: Pat White has worked for Laclede for 15 years; he works in the Service Department. He is also the President of USW Local 11-6. In the course of his employment for Laclede, he has encountered many leaking meters equipped with AMR devices. Typically, these leaks are detected by the customer, who smells gas. The leak on the AMR-fitted meters is usually below the dial glass. In his experience, customers have usually complained about the leak within one week of the AMR installation; some on the same day. The leaks usually occur on older meters and on the Lancaster 175 and Rockwell meter models. The AMR faces do not fit these meters, allowing gas to leak. He thinks the leaks occur if the gasket is not replaced correctly or if the AMR device is screwed in too tightly, effecting the seal. CellNet subcontractors are not trained to detect leaks and so leaks go undetected until a customer discovers them. Laclede's policy is to replace any leaking meter with a new one with a preinstalled AMR device. The policy of total replacement makes it impossible for the customer to get evidence of overbilling, if overbilling occurred. He also fills out a CIS form regarding the replaced meter. He has compiled a list of meters on which AMR was not working properly or was leaking, some of which are meters on which he worked and some of which were reported by other union members who worked on the meters. White discusses several addresses at which he found leaks, most of which were reported because a customer smelled gas. Some involved leaks at the meter face; one involved a nonfunctioning meter; and one involved a situation in which the installer drilled through the meter. He has also encountered damaged meters, including one which had no dial hands and another on which the dial hands fell off when being repaired.
(Direct Testimony of Pat White.)

Steve White: Steve White has worked for Laclede for 28 years; he is a meter reader. He has been assigned to manually read AMR meters that management suspects are malfunctioning. He is concerned about the accuracy of the AMR devices and about the impossibility of verifying the AMR read by manually reading the meter in situations in which the meter. White had a problem with his own AMR installation, which was done by a CellNet subcontractor. White verified his first post-AMR bill against his meter reading but found that his meter was stuck at the same reading as when AMR was installed. He reported this to his supervisor but his supervisor said the AMR device was registering correctly, despite the fact that the dials on the meter were not turning. The next month, his meter dials had the same reading as when AMR was first installed, but he received a bill based on an AMR reading that purported to accurately read his gas usage. He complained again to his supervisor and this time, his supervisor sent the CellNet subcontractor back out to fix the stuck meter. The subcontractor told him that he could have received a great deal of free gas had it been winter. The subcontractor reset the meter to x0000. (Direct Testimony of Steve White.)

2. Reports by Customers

USW 11-6 has received reports from customers of problems they experienced with the installation of AMR on their gas meters. For the most part, the customers complain that Laclede did not respond to their concern that a gasworker, trained in gas safety, perform the AMR installation. These customers are not members of USW 11-6 nor related to members of USW 11-6 but are Laclede customers who experienced the problems described below:

Fred Baras: Mr. Baras has an outside meter on which AMR was installed in early summer, 2006. On July 28, 2006, while near the meter, he smelled gas. He reported the odor to

Laclede and a gasworker was sent out. The gasworker told Baras that his AMR device had been improperly installed. (Direct Testimony of Fred Baras.)

Timothy Daley: Mr. Daley made a specific request that AMR be installed on his outside meter by a gasworker after reading articles about the installation in the Labor Tribune. However, the device was installed without his knowledge by a Honeywell contractor. (Direct Testimony of Timothy Daley.)

Claire Donnelly: Ms. Donnelly's AMR device was installed by someone who identified himself as being "with Laclede gas." During the installation, which Ms. Donnelly watched, Ms. Donnelly smelled a faint gas smell. She asked the installer about the smell and he indicated it was not a problem and it would dissipate. After two weeks, the smell had not dissipated and she called Laclede. A gasworker told her the meter was old and had a leak, which had been contained in the faceplate of the meter. When the faceplate was removed, the gas leaked. A gasworker would have recognized, and repaired, the bad seal. Several weeks later, the same gasworker returned to her home with his supervisor. The supervisor told her that the leak was not the installer's fault, but was the result of a faulty part. However, upon questioning, the supervisor admitted that the leak would not have occurred but for the installation of the AMR device. (Testimony of Claire Donnelly.)

Grace Forbes: In March, 2006, Ms. Forbes read an article in the Labor Tribune about AMR installation and attempted to phone Laclede to request that a gasworker perform the installation. Each time, she was told a supervisor would call her back but one never did. In mid-June, 2006, she was finally put through to a Laclede employee, who said the Honeywell employees were the best ones to do the job and that the gasworkers union agreed and approved the subcontract. (Direct Testimony of Grace Forbes.)

Mary Hall: AMR was installed on her outside meter in June, 2005. In December, 2005, she had a high bill. She called Laclede and spoke with someone who told her that her usage was in line with previous usage and who told her Laclede would send a printout of previous gas bills. After several weeks without receiving the printout, Hall contacted Laclede again. The representative she spoke with this time told her to enroll in Budget Billing, which she did. Hall also contacted the PSC, which in turn, merely called Laclede and obtained the same information that Laclede had given Hall in her conversations with it. Hall did not like the high gas bills she received in the summer due to Budget Billing and so withdrew from the program. She also asked to have her meter recalibrated but Laclede refused. Instead, Laclede sent out a meter reader to manually read her meter. Her billing issue has still not been resolved. (Direct Testimony of Mary Hall.)

Tobias Kepner: In May, 2006, he called Laclede and scheduled an appointment with a gasworker to have AMR installed. However, later that same day, he received a recorded message from Laclede cancelling the appointment. He called Laclede and was told that Laclede gasworkers were not installing the AMR device because they did not know how and did not have the experience to install the AMR device. Kepner told Laclede that he did not want a subcontractor with questionable gas experience to install the AMR device in his home. He was told his name would be put on a list of people who had requested that a gasworker install the AMR device but that at the time, there was no policy to have gasworkers perform the installation. He has not heard back from Laclede, other than receiving a doorhanger and a postcard asking to install the device. (Direct Testimony of Tobias Kepner.)

Marilyn Jean Kessler: Kessler called Laclede and set up an appointment to have a union gasworker install AMR devices on her home meter and on the meter at another property she

owned. However, one morning, she heard noise outside her home and when she went to check, she saw a man taking the screws out of her meter dial. She told him that if he was not a union gasworker, he had to leave her premises. He argued with her but after phoning his supervisor, hurriedly left the premises, rescrowing in only 2 of the 4 meter screws. Kessler talked to the supervisor later, who told Kessler that the subcontractors were authorized to perform the work. Kessler told him the subcontractors were not welcome on her property. Kessler also spoke with a Laclede supervisor who told her if she did not have AMR installed, she would get estimated bills and could eventually have her gas cut off. She then spoke with his supervisor, who told her it would cost \$76 for the first half-hour and \$1.30 for each additional minute to have a gasworker install her device. Eventually Kessler convinced Laclede that her meters were old and needed to be replaced and Laclede replaced the meters on both her properties with new meters, with built-in AMR devices. Kessler also called the PSC and spoke with Gay Fred about her problem. Fred told her Laclede had the right to charge its customers who wanted to have a gasworker install the AMR device. (Direct Testimony of Marilyn Jean Kessler.)

Linda Tierney: Tierney requested that a union gasworker install the AMR device on her inside device. She was told her request would be noted and a time for installation was selected. She took the afternoon off to wait but no one showed up. She called Laclede and was told that the device had already been installed the previous Saturday. She spoke with her son who had been home and he said a man came to the door and told him he was with Laclede and was there to read the meter. After about 10 minutes, Tierney's son asked if everything was okay and the worker told him that he also needed to install something on the meter so it was taking longer than usual. (Direct Testimony of Linda Tierney.)

George and Kathy Waites: Both George and Kathy Waites were told by Laclede, in separate phone calls, that it would cost \$70 for the first half-hour for a Laclede gasworker to install the AMR device. George Waites was told that if the AMR device were not installed, he would receive estimated bills. On May 17, 2006, a sign was left on their door, informing them that an AMR installer had come there while they were out. The note contained the “Laclede” logo and began with: “This is Laclede gas” Sometime after that, a worker came to their door but Kathy did not admit him to their home after determining that he was not a gasworker. In July, they received a phone call from Laclede, attempting to set up an AMR installation. They requested to have a gasworker do the installation and were told it would be noted and they would be called back. To date, they have not received a return call and no AMR device has been installed. (Direct Testimony of George Waites; Direct Testimony of Kathy Waites.)

C. Lack of Records Related to AMR Installation

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** (Rebuttal Testimony of Patrick A. Seamands, p. 7, lines 19-22.) Either these meters were already leaking at the time of the AMR installation, which leak went undetected, or the leak developed shortly after the installation of the AMR module. Assumedly because “Laclede does not generally track the source of meter leaks,” (Rebuttal Testimony of Robert R. Leonberger, p. 12, line 16), Laclede has provided no further information about the cause of the leak on these AMR-fitted meters or about who reported the leak.

** enough, under the contracts between Laclede, CellNet and Honeywell, there are no requirements that any of the parties keep any records of detected or caused gas leaks. (Testimony of Clark Korbisch, p. 75, lines 2-16.) Thus, neither Honeywell nor CellNet maintain

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Discussion

Issue One: Has the installation of AMR modules by Laclede violated Section 393.130.1 RSMo (safety and adequacy) or any gas safety law, rule, order, or decision of the Commission?

The Missouri legislature has expressly found that gas service is an essential, but “potentially dangerous” commodity in today’s society. R.S. Mo. § 393.297.4. To protect the public, the legislature mandates that “[e]very gas corporation . . . shall furnish and provide such service instrumentalities and facilities as shall be safe and adequate and in all respects just and reasonable.” R.S. Mo. § 193.130. To ensure that gas service is provided in accordance with this mandate, the legislature tasked the Commission with the responsibility to supervise gas corporations and to

examine or investigate the methods employed . . . in . . .
.distributing and supplying gas . . . for light, heat or power and in
transmitting the same, . . . and have power to order such reasonable
improvements as will best promote the public interest, preserve the
public health and protect those using such gas . . . and those
employed in the manufacture and distribution thereof, and have
power to order reasonable improvements and extensions of the
works, wires, poles, pipes, lines, conduits, ducts and other
reasonable devices, apparatus and property of gas corporations. . . .

R.S. Mo. § 393.140.2. The Commission must require a gas corporation to operate “in such a manner as to promote and safeguard the health and safety of its employees, customers, and the public . . . and to require the performance of any . . . act which the health or safety of its employees, customers or the public may demand.” R.S. Mo. § 386.310.1.

USW Local 11-6 contends that there have been sufficient problems associated with the manner in which AMR as to render this portion of Laclede’s service unsafe and/or inadequate.

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Safety Issues

USW 11-6 emphasizes that its complaint does not rest on whether the AMR devices themselves “cause” gas leaks, as Laclede seems to believe. Instead, the testimony and evidence introduced by USW Local 11-6 indicates that there are two particular safety issues arising from the AMR installation process: 1) failure of the installer to catch a preexisting leak that is “freed” by the removal of the existing meter cover and then not contained by the new meter cover; and 2) improper installation that creates a new leak. Into which category a leak discovered subsequent to AMR installation belongs is not always discernable; however, **

**, as well as Laclede meter readers, testify that AMR equipped meters are being found with leaks. **

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**. USW 11-6’s safety arguments are 1) that the leak at the meter with a recent AMR installation either preexisted the installation and would most likely have been caught at the time of installation if it had been done by a trained gasworker carrying a leak detection device rather than waiting for the gas odor to build sufficiently that the customer noticed it and 2) if not preexisting, the leak was likely caused by an improper AMR installation, which was then, in most cases, left to stand until, again, the gas odor built sufficiently for the customer to notice it.

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**. (Rebuttal Testimony of Clark Korbisch, p. 2, lines 15-18.) However, this

assertion is next to meaningless as Korbisch works for a company (CellNet) that simply does not

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thus making any claim that AMR installation cannot cause gas leaks less than credible.

USW 11-6 does not disagree with the testimony of Laclede/CellNet/Honeywell that the AMR device is designed to operate without interfering with the flow of gas, and therefore, should not cause a leak if installed properly. However, the reality is that the Manpower temporary employees who install these devices are hardly sufficiently experienced in the installation process to ensure that the installations are occurring properly. As set forth above in the Statement of Facts, these installers are hired off the street, with no gas-related or meter-related experience; they do not even carry leak detector devices. Further, most of the installers appear to have less than 3 months experience in the field **

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Indeed, the testimony of USW 11-6's witnesses, particularly its employee-witnesses, makes evident that there are many cases of improper installation. For example, Kevin Stewart testifies that he has seen meters recently installed with AMR with broken or unsealed glass over the dial; that were only half installed; and that were left with broken screws. Pat White testifies

that he has seen meters installed such that gas would no longer flow through them; that were drilled through during AMR installation; and that had dials incorrectly attached.

These sorts of improper installation can result in different safety issues on the meter. The most obvious safety issues result from drilling through the meter, releasing gas. A gas leak can also result if the new meter cover is screwed on too tight, or too loose, resulting in an ineffective seal through which gas can leak. Other safety issues arise from improper alignment of the AMR device with the drive axle, which can create erratic movement. Erratic movement creates friction, which can result in a faster wearing of the gasket that seals the meter, potentially causing a leak. The other problem that can result from a misalignment with the dials on the meter is an inability to “spot” the meters for gas leaks; as Dean Carlton explains, “meters bearing AMR devices routinely jump erratically all around the dial. . . . This makes it difficult or impossible to get a sustained reading of gas consumption that would reflect a leak.” He sees this problem on a daily basis. (Surrebuttal Testimony of Dean Carlton, p. 2, lines, 11-17.)

2. Adequacy Issues

In addition to the safety issues summarized above, USW 11-6 asserts that there are issues of adequate service connected with the AMR installation. First, **

**, Staff’s testimony simply repeats this information as it was conveyed to Staff by Laclede, but still comes without supporting documentation. **

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Furthermore, 4 CSR § 240-10.030(18) provides that “No gas service meter shall be allowed in service which has incorrect gear ratio or dial train or is in any way mechanically defective” As USW 11-6 witnesses testify, however, there are numerous AMR modules installed in such a way as to interfere with the proper operation of the dials, causing skipping, erratic movement, and even no movement of the dials. In addition to the safety issue this can create, see supra, it makes it difficult or impossible to verify manually the reading provided by the AMR device. Although Laclede contends that it does not matter if the dials are operating smoothly, or at all, as the AMR device will still provide an accurate reading, **

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(Direct Testimony

of Debra Redepenning, p. 103, lines 2-11.)

Finally, USW 11-6 asserts that the customer service issues attested to by many customer witnesses renders Laclede’s service in this regard inadequate. That Laclede is implementing an AMR meter reading system that will ultimately result in greater conveniences to its customers, or at least reduced visits to customer homes, does not immunize Laclede from its obligation to treat its customers as customers, rather than folks for whom Laclede is doing a favor. Customers cannot get through to Laclede; if they finally are able to contact Laclede, they often receive conflicting information; and their preference that trained gasworkers — not random hires off the street — enter their homes to work on their gas meter, is treated as an out-of-line request. Worst of all, Laclede actually schedules appointments for a gasworker to perform the install, only to have the install done, without the customer’s knowledge, by a subcontractor.

Laclede is a service provider — it provides gas service — with a monopoly in the St. Louis metropolitan region. Part of its job is to be responsive to those who pay Laclede for its service.

Issue Two: If so, what is the appropriate remedy?

For the reasons set forth above, certain safeguards should be imposed on the AMR installation process. Specifically, USW 11-6 suggests that the Commission order Laclede 1) to use experienced gas workers trained in gas safety to install all AMR devices on meters not yet installed from the date of its Order; 2) to institute an inspection program for meters already fitted with an AMR device that will guarantee that each of said meters is inspected for gas safety and proper installation and operation within one year of the date of the Commission's Order in this case; 3) to maintain easily searchable records of safety and adequacy problems associated with AMR installation; and 4) not to advise its customers that USW 11-6, or its members, approve of the installation of AMR or approve of the subcontractors performing the installation of AMR.

In support of part 2 of its requested relief, USW 11-6 refers the Commission to the Direct Testimony of Phil Gozy and to the Direct Testimony of Steven A. McFarlane. Gozy is the Vice President of United Steelworkers Local 2006 in Wisconsin. As he attests, the Wisconsin Public Service Commission has required stipulations by public utilities before allowing them to install AMR systems. Specifically, the Wisconsin Electric Power Company agreed to conduct a visual survey, also known as hazard surveys, for all meters to be converted to AMR. The survey was ordered once per year over a three year period and included

checks for meter tampering, atmospheric corrosion, gas leaks and signs of accidental or intentional meter switching. Hazard surveys also verify meter readings and addresses. WE Energies is required to submit an annual report of the findings.

(Direct Testimony of Phil Gozy, p. 2, lines 2-8.)

Similarly, Steven A. McFarlane, treasurer of Operating Engineers Local 310 in Wisconsin, testifies, the Wisconsin PSC required the Wisconsin Public Service Corporation (WPSC) to enter into stipulations before AMR deployment. Specifically, WPSC must perform a leak survey of the service line and meter assembly every three years, even though the code only requires this survey on a five-year basis. The Wisconsin PSC

also required WPSC to work with members of Local 310 to develop a maintenance plan for the continuing surveillance of its facilities for unsafe and unusual maintenance conditions. The Public Service Commission further required WPSC to inspect facilities at the time of AMR conversion and correct any unsafe conditions.

(Direct Testimony of Steven A. McFarlane, p. 2, lines 3-14.) As a result of the ordered negotiations, *in addition to an inspection at the time of AMR conversion* (which Laclede did not perform here) a hazard survey is performed on one-third of all meters each year: “The hazard survey looks for a variety of unsafe conditions, including leaks, vehicular damage, settling/stress, signs of diversion, and the attachment of objects to a meter (for instance, a bicycle or dog chain that could cause corrosion.)” (Direct Testimony of Steven A. McFarlane, p. 2, lines 15-21.) The surveys are performed by union employees of WPSC. (Direct Testimony of Steven A. McFarlane, p. 3, lines 4-6.)

At a minimum, the safeguards instituted in Wisconsin surrounding the deployment of AMR should be adopted in this matter. Since some of those safeguards occurred at the time of installation in Wisconsin, but not here, additional post-installation safeguards are needed here to ensure safe and adequate service. This is the reason it is imperative that all AMR-installed meters in the Laclede system receive a hazard survey within twelve months of installation, rather than within three years of installation.

Conclusion

Based on the facts set forth in this brief, and to be introduced at hearing, USW 11-6 requests that the Commission find in its favor on its First Amended Complaint and order the relief requested in the preceding paragraph.

Respectfully submitted,

/s/ Janine M. Martin

SHERRIE A. SCHRODER, MBN 40949
JANINE M. MARTIN, MBN 46465
HAMMOND, SHINNERS, TURCOTTE,
LARREW and YOUNG, P.C.
7730 Carondelet Avenue, Suite 200
St. Louis, Missouri 63105
(314) 727-1015 (Telephone)
(314) 727-6804 (Fax)
saschroder@hstly.com (E-mail)
jmartin@hstly.com (E-mail)

Attorneys for United Steelworkers of America
Local No. 11-6, AFL-CIO

Certificate of Service

The undersigned certifies that a true and correct copy of the foregoing was served on December 4, 2006, by United States mail, hand-deliver, email, or facsimile upon:

General Counsel Office
Missouri Public Service Commission
GenCounsel@psc.mo.gov

Lewis Mills
Office of Public Counsel
opcservice@ded.mo.gov

Marc Poston
Office of Public Counsel
marc.poston@ded.mo.gov

Robert Franson
Missouri Public Service Commission
robert.franson@psc.mo.gov

Michael C. Pendergast
Vice President – Associate General
Counsel of Laclede Gas Company
mpendergast@lacledegas.com

Rick Zucker
Laclede Gas Company
rzucker@lacledegas.com

/s/ Janine M. Martin _____