

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

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| USW Local 11-6 |) | |
| |) | |
| | Complainant, |) |
| v. |) | Case No. GC-2006-0390 |
| |) | |
| Laclede Gas Company, |) | |
| | Respondent. |) |

LACLEDE GAS COMPANY’S ANSWER TO AMENDED COMPLAINT

COMES NOW Laclede Gas Company (“Laclede” or “Company”) and files this Answer to Amended Complaint, and in support thereof, states as follows:

1. In the first half of 2005, Laclede began installing automated meter reading (“AMR”) units throughout its system. In January 2006, representatives of USW Local 11-6 (“Local 11-6” or the “Union”) alleged to Laclede that numerous instances of gas leaks were being caused by AMR installations. Laclede denied that this was occurring, and requested that the Union provide details to support its allegation. No such details were provided. On April 11, 2006, Laclede received a Notice of a Complaint filed in this case by the Union. On May 11, 2006, Laclede filed its response to the Complaint, again requesting from the Union details to support its allegations. Again, no details were provided. In an order dated August 10, 2006 (the “August 10 Order”), the Commission required the Union to provide facts supporting its claim.

2. On August 21, 2006, with over half a million AMR units installed without incident, constituting about 80% of Laclede’s entire system, the Union filed its amended complaint, finally managing to provide purported facts to allegedly support its claim that AMR installers are causing leaks and damaging meters. These facts consist

basically of a few hundred addresses where a Union service worker claimed that a meter with an AMR device was leaking, or that there was a leak on the AMR face plate. In response, Laclede asserts that the installation of an AMR unit does not cause meters to leak, and Laclede will demonstrate this fact at the hearing in this case. Moreover, as explained below, there cannot possibly be a leak on an AMR face plate. Further, there are certainly not numerous instances of meter damage, nor even any evidence that more than one meter was ever damaged in over 500,000 installations.

ANSWER TO AMENDED COMPLAINT

3. Laclede concurs with the allegations made in paragraphs 1-4 of the Amended Complaint.

4. Laclede basically concurs with the allegations in paragraph 5 of the Amended Complaint, and clarifies that an AMR unit measures and records gas usage on the meter, and then transmits the information to Laclede using cellular technology.

5. Laclede concurs with the allegations made in paragraph 6 of the Amended Complaint.

6. Laclede denies the allegations made in paragraph 7 of the Amended Complaint. AMR installers are adequately trained for the duties they perform.

7. Laclede denies the allegations made in paragraph 8 of the Amended Complaint. The alleged problems cited in the Union's documents either did not exist, or were not otherwise caused by AMR installations.

8. Laclede admits that, in this isolated incident, a meter was damaged as alleged in paragraph 9 of the Amended Complaint. A third-party damage report was not necessary since Laclede was not seeking third-party reimbursement. The damage was

promptly called in, and the meter replaced. Shortly thereafter, Laclede terminated the very limited use of a drill to extract stripped index screws.

9. Laclede denies the allegations made in paragraph 10 of the Amended Complaint. AMR installation simply does not cause a gas leak. First, gas cannot leak *from* the “dial glass at the face of the meter” because gas does not pass through the meter index, which is on the outside of the meter. In instances where a gasket inside the meter may allow a tiny, non-hazardous amount of gas to squeeze out into the index area, the index cover is actually vented which permits this tiny amount of gas to escape by design. Venting of the index cover is not new to AMR; it has been standard on meters long before AMR existed.

10. Second, contrary to the Union’s allegations, the AMR installation was unrelated to any issues at the Honey Locust Apartments (see Union Amended Complaint, bates no. 2). AMR installation occurred in August 2005. Union service personnel performed an inspection at this property in November 2005, and found no leaks. Leaks were not reported at the property until January 2006. (see Union Amended Complaint, bates no. 34). Third, AMR installers caused neither a leak nor the corrosion reported in Union Amended Complaint bates nos. 3-4 at 4960 Northland Place. It is the AMR installers’ job to place the AMR unit in the proper location on the outside of the meter, and to report any leaks they may become aware of, not to search for pipeline leaks. It is Laclede’s job, currently performed by Local 11-6 members, to perform periodic corrosion inspections to check its piping.

11. Laclede does not have sufficient information to admit or deny the allegations made in paragraph 11 of the Amended Complaint, and so denies them. It

appears that the visit by the AMR installer to Mr. Kogbo's residence at 3228 Taft was coincident to a larger problem occurring there: limestone erosion on the back of the meter. Again, the AMR installers are trained to install AMR devices, not to perform gas safe inspections. It would be more instructive for the Union to explain why its members failed to identify the limestone erosion in the three visits they made to 3228 Taft during the ten-month period immediately prior to the actual meter change.

12. Laclede does not have sufficient information to admit or deny the allegations made in paragraph 12 of the Amended Complaint, and so denies them. Even if true, however, the four instances described therein amount to no more than a poor AMR installation, and do not in any way indicate any gas leak or meter damage.

13. Laclede admits that AMR installers do not carry mechanical leak detectors, as alleged in paragraph 13 of the Amended Complaint.

14. Laclede admits the allegations in paragraph 14 of the Amended Complaint.

15. Regarding paragraph 15 of the Amended Complaint, Laclede is without knowledge to state whether Section 386.250 RSMo establishes Commission jurisdiction over other public utility commissions. Laclede avers that Section 386.390.1 pertains to complaints before the Commission, and speaks for itself.

16. Regarding paragraph 16 of the Amended Complaint, Section 393.297 RSMo speaks for itself.

17. Regarding paragraph 17 of the Amended Complaint, Laclede agrees that Section 393.130 RSMo pertains to safe and adequate service. Laclede denies the allegation in the second sentence of paragraph 17.

18. Laclede denies the allegations made in paragraph 18 of the Amended Complaint.

19. Laclede denies the allegations made in the first sentence of paragraph 19 of the Amended Complaint. Laclede does not have sufficient information to admit or deny the allegations made in the second through fifth sentences of paragraph 19 of the Amended Complaint, and so denies them.

20. Regarding paragraphs 20 and 21 of the Amended Complaint, the referenced sections of the Missouri statutes speak for themselves.

21. Regarding paragraph 22, Laclede asserts that the personnel performing AMR installations are appropriately trained and experienced for the job they perform. Laclede denies that the relief requested in paragraph 22 of the Amended Complaint is appropriate to the extent it requires Laclede to perform unnecessary training of AMR installers or unnecessary inspection of AMR installations.

22. The fact that the installation of an AMR unit cannot create a meter leak, combined with the Union's weak and inaccurate support for its case, makes it obvious that the Amended Complaint is simply a tool used by the Union to discredit and disparage Laclede for having the temerity to upgrade its customer service by installing AMR technology and, worse yet, to do so without using its own in-house workforce. Indeed, in the Complaint in this case, Local 11-6 dispensed with any pretense and made a bald-faced demand that the Commission order Laclede to exclusively use "its own trained non-managerial personnel" (i.e., Union members) to install AMR units, and to check those units that have already been installed. In its August 10 Order, however, the Commission confirmed that it does not have the authority to dictate which personnel

Laclede must use in performing its duties. Therefore, Laclede assumes that the Union's request in paragraph 22 that Laclede use its trained and experienced personnel, which Laclede believes is unnecessary, nevertheless refers to any personnel, including outside contractors, of Laclede's choice that are appropriately trained and experienced under the circumstances, and responds herein on that basis.

23. Laclede is without knowledge sufficient to answer the allegations in paragraph 23 of the Amended Complaint, and so denies the same.

WHEREFORE, Laclede respectfully requests that the Commission accept Laclede's Answer and grant the Company all relief to which it may be entitled.

Respectfully Submitted,

/s/ Michael C. Pendergast

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Certificate of Service

The undersigned certifies that a true and correct copy of the foregoing pleading was served on the Complainant, the General Counsel of the Staff of the Missouri Public Service Commission, and the Office of Public Counsel on this 20th day of September 2006 by United States mail, hand-delivery, email, or facsimile.

/s/ Rick Zucker