

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

Charles Engelke,)	
)	
Complainant,)	
v.)	Case No. GC-2009-0238
)	
Laclede Gas Company,)	
Respondent.)	

LACLEDE GAS COMPANY’S ANSWER TO COMPLAINT

COMES NOW Laclede Gas Company (“Laclede” or “Company”), pursuant to the Commission’s December 11, 2008 Notice of Complaint in the above captioned case, and submits its Answer to the Complaint filed against Laclede by Charles Engelke (“Mr. Engelke” or the “Customer”). In support thereof, Laclede states as follows:

INTRODUCTION

1. Upon information and belief, Mr. Engelke is an Illinois resident who owns or has owned a number of properties operated under his own name or under the name Engelke Real Estate. Mr. Engelke owns a property at 3630 California Avenue in St. Louis, Missouri. The property has gas meters serving four different levels: the basement, first floor, second floor and third floor. The meters are all inside the property. Service to the four levels was disconnected at various times such that, according to Laclede records, all service was disconnected by the Spring of 2001.

2. Thereafter, unauthorized gas usage occurred at all four levels. Laclede’s information indicates that a tenant occupied the first floor for virtually the entire period at issue, and therefore, Laclede has not assessed any unauthorized use charges to Mr. Engelke for the first floor.

3. However, upon information and belief, Mr. Engelke reaped the benefit of unauthorized gas service at his property for part or all of the period between December 2001 and July 2008, for the basement, second floor and third floor (the “disputed accounts”), for which Laclede has assessed Mr. Engelke a charge of \$8,330.88.

4. Although all gas service had been terminated to the property by Spring 2001, Laclede continued to include the property on its meter reading routes. However, the Company was unable to gain access to the property and did not receive a reading on any of the disputed accounts until July 15, 2008. This reading indicated that gas had been used on all of the disputed accounts, as each meter had advanced from the last recorded reading. At that time, Laclede shut off service to all of the meters at the property and conducted an investigation to determine who was responsible for the unauthorized usage, and to what extent. Laclede requested information from Mr. Engelke, but other than information on the first floor tenant, Laclede received very little of relevance. Based on its investigation, Laclede concluded that Mr. Engelke was responsible for gas used in the basement and on the third floor for the period December 7, 2001 to July 15, 2008, and was responsible for gas used on the second floor from December 1, 2005 to July 15, 2008.

5. Based on the available information, Laclede believes this is a fair result. However, the Company remains open to new facts that may change its assignment of responsibility for the unauthorized use of gas.

ANSWER

6. In his complaint, Mr. Engelke separately addressed the three levels for which he is being charged. This Answer will address his allegations on each of these levels in turn.

Third Floor

7. Laclede is without information and belief to respond to whether there have been no working gas appliances on the third floor since December 2001, and on that basis denies it. On December 7, 2001, the meter read x2951 and on July 15, 2008, the meter read x4366, so usage of 1,415 ccf of gas occurred over approximately 6½ years.¹

8. Laclede is without information and belief to respond to whether, in December 2001, a potential tenant was to move in on the third floor or whether that person had a gas stove. However, in December 2001, Laclede did receive a request from Mr. Engelke to turn on gas service. On December 7, Laclede visited the property, but could not access the third floor apartment, and therefore did not turn service on. As noted above, Laclede recorded a meter reading at that time of x2951.

9. Laclede is without information and belief to respond to whether, in March 2003, a Mr. Fitzsimmons rented the third floor apartment for six months but had no gas appliances, and on that basis denies it.

10. Laclede is without information and belief to respond to whether, in December 2005, Mr. Engelke began to install a gas fireplace but did not complete it. However, on December 1, 2005, Laclede responded to a request from Mr. Engelke to turn

¹ This amount of usage is very low, and would be consistent with an amount used by a gas stove or water heater, but not a gas furnace.

on service. Again, the service order was not completed as no one was available to provide access inside the property.

11. Laclede denies that the charge it has asserted for the third floor is fabricated.

Basement

12. Laclede is without information and belief to respond to whether the first floor tenant had access to and full use of the basement, or maintained equipment and a workshop there, and on that basis denies it.

13. Laclede denies that its charge to Mr. Engelke for gas service to the basement is not based on definite beginning and ending periods. In fact, on December 6, 2001, Mr. Engelke scheduled a turn-on order for the basement for the next day, December 7. However, Mr. Engelke cancelled the order before Laclede established service. Nevertheless, Laclede obtained a meter reading of x8487 on December 7, 2001. Laclede next obtained a reading of x9100 on July 15, 2008. Mr. Engelke was charged for 613 ccf (\$826.52) for service covering the period December 7, 2001 – July 15, 2008.

Second Floor

14. Laclede denies that a gas turn on was requested on November 25, 2005. Rather, a gas turn on was requested on November 30, 2005. On December 1, Laclede visited the property, but could not access the second floor apartment, and therefore did not turn service on.

15. Laclede is without information and belief to respond to whether Mr. Engelke thought the turn-on was completed and on that basis denies it. Laclede admits

that Mr. Engelke did not receive bills for gas usage on the second floor beginning on December 1, 2005.

16. Laclede is without information and belief to respond to whether past tenants of the second floor owed over \$5,000 in back rent. However, Laclede would add that unpaid gas service provided to that floor allowed Mr. Engelke to lease the property and charge rent, and when not leased, to maintain the property.

17. Laclede is without information and belief to respond to whether Mr. Engelke concluded that the gas service he was receiving on the second floor was being billed to his former tenants. This appears to be an admission that Mr. Engelke knew he was receiving gas service on the second floor and knew that he was not being billed for it.

18. Laclede is without information and belief to respond to whether a major rehab was done on this floor, whether the only rooms heated were the kitchen and bath, or whether these rooms were heated “mainly” with electric heat.

19. Laclede admits that it has assessed a charge against Mr. Engelke for \$4,074.23, covering gas usage on the second floor from December 1, 2005 to July 15, 2008. Laclede denies that this is a contrived figure. However, since Laclede did not have a meter reading for December 1, 2005, the 3,036 ccf billed to Mr. Engelke was a prorated amount of the gas used between Laclede’s last reading on September 5, 2000 and July 15, 2008.

Other Allegations

20. Laclede admits that the discovery of unauthorized gas use caused a delay in restoring service. Ultimately, Laclede declined to establish gas service for Mr. Engelke based on information regarding the unauthorized gas use.

21. Laclede admits that it encountered a problem with fleas in the building.

22. Laclede admits that it was provided a lease for the first floor tenant. Laclede denies that Mr. Engelke provided substantial information, or that it lost such information.

23. Laclede admits asserting a charge to Mr. Engelke for service to the disputed accounts in the amount of \$8,330.88. Laclede denies that it refused to provide Mr. Engelke the dates of service. Laclede has been clear on the dates of service and amount of usage assessed to Mr. Engelke. Those dates and amounts are also set forth herein for each floor in the property.

24. Laclede denies that the readings it used are spurious.

25. Laclede is without information and belief to respond to what Mr. Engelke knew about tenants not putting accounts in their name, or whether he would have taken immediate action if he had known. Laclede states that it did not charge Mr. Engelke for gas service during periods where Laclede found evidence that such service was used by a tenant and not by Mr. Engelke.

26. Laclede denies each and every allegation in the complaint not admitted herein.

Settlement Offer

27. In his complaint, Mr. Engelke offered to settle his claim by paying Laclede a total of \$1,800 in twelve monthly installments. The Commission has ordered Laclede to respond to Mr. Engelke's settlement offer in addition to answering his allegations.

28. Laclede appreciates Mr. Engelke's willingness to settle this matter, but states that it does not have evidence at this time that would warrant consideration of an \$1,800 settlement offer. However, Mr. Engelke may possess information that would help the parties narrow their differences. Laclede believes that a face-to-face meeting between the parties to discuss this matter may be productive. Laclede commits to contacting Mr. Engelke to discuss this matter and arrange a meeting to be held in the next 30 days.

WHEREFORE, Laclede respectfully requests that the Commission accept Laclede's Answer and response to the Complainant's offer of settlement, and find that the Company has violated no laws, or rules, decisions or orders of the Commission in this case.

Respectfully submitted,

/s/ Rick Zucker

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Certificate of Service

The undersigned certifies that a true and correct copy of the foregoing Answer 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 12th day of January, 2009 by United States mail, hand-delivery, email, or facsimile.

/s/ Gerry Lynch