

Exhibit No.:

Issues: Quality of Service

Witness: Robert R. Leonberger

Sponsoring Party: MO PSC Staff

Type of Exhibit: Direct Testimony

Case No.: GC-2006-0318  
and GC-2006-0431

Date Testimony Prepared: July 21, 2006

**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY OPERATIONS DIVISION**

**DIRECT TESTIMONY**

**OF**

**ROBERT R. LEONBERGER**

**LACLEDE GAS COMPANY**

**CASE NO. GC-2006-0318 and GC-2006-0431**

**Jefferson City, Missouri**

**July 2006**

**ROSEMARY R. ROBINSON**  
Notary Public - Notary Seal  
State of Missouri  
County of Callaway  
My Commission Exp. 09/23/2008

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**DIRECT TESTIMONY**  
**OF**  
**ROBERT R. LEONBERGER**  
**LACLEDE GAS COMPANY**  
**CASE NO. GC-2006-0318 AND GC-2006-0431**

Q. Please state your name and business address.

A. My name is Robert R. Leonberger and my business address is P.O. Box 360, Jefferson City, Missouri 65102.

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

A. I am employed by the Missouri Public Service Commission (PSC or Commission) as a Utility Regulatory Engineering Supervisor in the Gas Safety/Engineering Section of the Energy Department of the Utility Operations Division.

Q. Please review your educational background and work experience.

A. In 1977, I received a Bachelor of Science degree in Architectural Engineering from the University of Colorado in Boulder, Colorado. After graduation I was employed by the Missouri Highway and Transportation Department in the Bridge Division from 1977-1982 as a structural design engineer and later as a senior structural design engineer. While at the Highway Department I performed highway bridge design work and checked bridge design plans of others. During that time I also spent one year as a steel fabrication inspector monitoring quality control of bridge steel fabrication.

1           Since July 1, 1982, I have been on the Gas Safety/Engineering Staff of the  
2 Commission. I was promoted to the position of Engineer IV in November of 1987 and  
3 assumed my present position in October of 1990. I have successfully completed the seven  
4 courses prescribed by the U.S. Department of Transportation (DOT) at the Transportation  
5 Safety Institute regarding the application and enforcement of the minimum federal safety  
6 standards for the transportation of natural and other gas by pipeline (49 CFR, Part 192).  
7 Included in this training were courses on the joining of pipeline materials, corrosion control,  
8 regulator stations and relief devices, failure investigation, and code application and  
9 enforcement. In addition, I have attended numerous other courses and seminars directly  
10 related to pipeline safety and incident investigation related subjects, as well as seminars on  
11 utility regulation. In the Commission's Energy Department, my responsibilities include  
12 monitoring all phases of natural gas utility plant design, installation, operation, and  
13 maintenance. I conduct on-site plant inspections, review and analyze utility records,  
14 investigate customer gas safety complaints, investigate natural gas related incidents and assist  
15 in the continued development of the Commission's pipeline safety rules. It is my  
16 responsibility to make recommendations to each utility's management and to the  
17 Commission, if necessary, following these evaluations.

18           I am a member of the National Association of Corrosion Engineers (NACE) and  
19 former member of the American Society of Mechanical Engineers-Gas Piping and Technical  
20 Committee (ASME-GPTC). I represented the PSC on the ASME-GPTC from 1986-1989. I  
21 currently am a member and past Chairman of the National Association of Pipeline Safety  
22 Representatives and represent the PSC on this organization.

23           Q.     Have you previously testified before this Commission?

1           A.     Yes. I have presented testimony in Case Nos. GC-90-06, GC-91-150, GR-92-  
2     165, GM-94-40, GR-96-285 and GC-2006-00060 before the Commission.

3           Q.     What is the purpose of your testimony?

4           A.     The purpose of my testimony is to address the Staff's issues in COUNT II of  
5     the Complaint in Case No. GC-2006-0318.

6           Q.     Please briefly describe the issue.

7           A.     The Staff had become aware of a number of examples where the natural gas  
8     flow to structures was supposed to be shut-off and/or the curb valve locked in the "off"  
9     position, but subsequent Company meter readings at the locations have indicated continued  
10    usage registration on the meter. In some cases, this unauthorized usage has continued for  
11    numerous meter reading cycles without action by Laclede to address the situation even  
12    though there are shut-off valves outside the buildings on each service line to turn off the flow  
13    of gas. The Staff does not believe that Laclede has taken adequate corrective actions in these  
14    situations to insure safe and adequate service to Laclede's customers, as Section 393.130  
15    RSMo. requires.

16          Q.     Why do you believe that timely corrective action is necessary?

17          A.     Laclede's records show that the natural gas flow is supposed to be, or had  
18    been, shut-off to these locations (see Staff Complaint Attachment 3, *Laclede Complaints*  
19    *Related to Usage after Meter Turned Off*, filed on February 2, 2006). Therefore, the natural  
20    gas usage is unauthorized and the Company has no knowledge of the conditions to which the  
21    gas is flowing. This creates a potential safety hazard by continuing to allow the gas to flow  
22    to unknown conditions.

23          Q.     Please explain your concerns.

1           A.     The flow of natural gas to these locations is supposed to be shut-off according  
2 to Laclede's records (see Staff Complaint Attachment 3, *Laclede Complaints Related to*  
3 *Usage after Meter Turned Off*, filed on February 2, 2006). Since there is gas usage, there are  
4 three basic possibilities: (1) the account was scheduled for turn-off, but the gas was never  
5 physically turned off by Laclede personnel; (2) the gas was turned off by Laclede personnel,  
6 but turned back on by others, or; (3) the records that show the gas should be off are in error  
7 and the account should not be shown as being turned off. In examples 1 and 2, unauthorized  
8 usage is occurring and should be corrected promptly upon discovery by Laclede. In example  
9 3, Laclede should act promptly to correct the records error.

10          Q.     Please explain your specific safety concerns.

11          A.     The Commission's pipeline safety regulations at 4 CSR 240-  
12 40.030(12)(S)1.B., require that:

13               At the time the operator physically turns on the flow of gas to a customer...Each  
14 segment of fuel line must be tested for leakage to at least the delivery pressure;  
15 and a visual inspection of the exposed, accessible customer gas piping, interior  
16 and exterior, and all connected equipment shall be conducted to determine that  
17 the requirements of any applicable industry codes, standards or procedures  
18 adopted by the operator to assure safe service are met.

19 If unauthorized usage is occurring at a structure, Laclede may not know the reason, but one  
20 possibility is that the gas was turned back on by someone other than Laclede personnel. The  
21 Commission has determined through its rulemaking process that when the Company  
22 physically turns on the flow of gas there may be safety concerns with inside piping and  
23 appliances and the Company must perform an inspection to "assure safe service". In the case

1 of unauthorized usage the Company does not know if the flow of gas has been turned off and  
2 then turned back on by others. Therefore, even though the gas was not turned on by Laclede  
3 personnel, the safety concerns associated with physically turning on the flow of gas still exist  
4 and an inspection to detect these potential problems has not been conducted. The Staff  
5 believes that waiting weeks, months, and in some cases over a year to turn off the gas at  
6 locations where the Company is aware that unauthorized usage is occurring, is not  
7 acceptable.

8 Q. Are there other reasons?

9 A. Yes. Allowing unauthorized gas usage to continue to a structure without  
10 knowing the circumstances could lead to further billing problems and result in gas costs that  
11 are not recovered from the persons using the gas in an unauthorized manner.

12 Q. What do you believe Laclede should do to address this situation of  
13 unauthorized usage?

14 A. I believe that Laclede should develop time frames for disconnection of service  
15 at locations where unauthorized usage has been discovered by Laclede that are similar to the  
16 time frames contained in Laclede's tariff provisions on *P.S.C. MO. No. 5 Consolidated, Sixth*  
17 *Revised Sheet No. R-14...16. Company Inspection of Customer Premises* for disconnection of  
18 customers that request the supply of gas to be shut off.

19 *When gas is being supplied to any customer, and the Company receives notice*  
20 *that such customer intends to vacate the premises occupied, Company shall*  
21 *promptly, but in no event later than four days (excluding Sundays and*  
22 *holidays) ...shut off the gas supply to the premises.*

1 The Staff believes that Laclede should be required, upon discovering unauthorized usage, to  
2 promptly, but in no event later than four days (excluding Sundays and holidays) following  
3 discovery, shut off the gas supply to the premises or determine by records review or other  
4 means, that unauthorized usage is not occurring at the premises. The Staff asserts that it is at  
5 least, if not more, important to shut off the flow of gas in a timely manner to premises where  
6 unauthorized usage is discovered, as it is to shut off the flow of gas upon the request of the  
7 customer when the premises are being vacated since there are safety concerns associated with  
8 the gas being turning on and an inspection to detect these potential problems has not been  
9 conducted. In addition, allowing unauthorized gas usage to continue to a structure could lead  
10 to further billing problems and gas costs that are not recovered from the persons using the gas  
11 in an unauthorized manner.

12 Q. Does this conclude your direct testimony?

13 A. Yes.