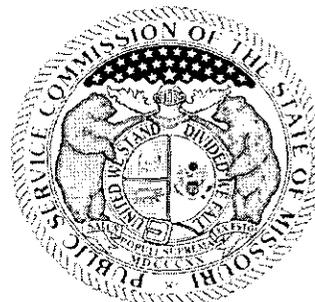


Notice of *Ex Parte* Contact

TO: Data Center
All Parties to Case Nos. GC-2006-0313
GC-2006-0060
GC-2006-0390

FROM: Nancy Dippell 
Deputy Chief Regulatory Law Judge



DATE: June 1, 2006

On May 30, 2006, each of the Commissioners and I received individually addressed letters, like the one attached, from Representative Jim Lembke. The text of the letters is identical. The Commission is currently considering the issues discussed in the letter in Case Nos. GC-2006-0313, GC-2006-0060, and GC-2006-0390, which are contested cases. In contested cases, the Commission is bound by the same *ex parte* rule as a court of law; that is, to avoid off-the-record discussions going to the merits of the contested case.

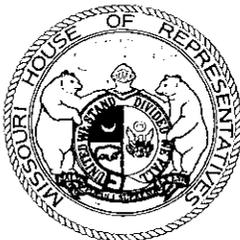
Although communications from members of the public and members of the General Assembly are always welcome, those communications must be made known to all parties to a contested case so that those parties have an opportunity to respond. According to the Commission's rules (4 CSR 240-4.020(8)), when a communication (either oral or written) concerning a contested case occurs outside the hearing process, any member of the Commission or Law Judge who received the communication must prepare a written report concerning the communication and submit it to each member of the Commission and to the parties to the case. The report shall identify the person or persons who participated in the *ex parte* communication, the circumstances which resulted in the communication, the substance of the communication, and the relationship of the communication to a particular matter at issue before the Commission.

Therefore, I submit this report on behalf of myself and the Commissioners pursuant to the rules cited above. This will ensure that any party to these cases will have notice of the attached information and a full and fair opportunity to respond to the comments contained therein.

Attachment

cc: Commissioners
Executive Director
Secretary/Chief Regulatory Law Judge
General Counsel

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Rec'd 5-30-06
JD

JIM LEMBKE

State Representative
District 85

May 15, 2006

Dep. Chief Regulatory Law Judge
Nancy Dippell
Governor Office Building
200 Madison Street
P. O. Box 360
Jefferson City, MO 65102-0360

RE: GC-2006-0313, GC-2006-0060
And GC-2006-0390

Dear Judge Dippell:

I am writing to you today to stress the importance of the referenced cases currently pending before you concerning Laclede Gas Company ("Laclede"), each of which relates, at least in part, to Laclede's cessation of or attempt to cease performing a service that it has traditionally performed for customers.

- In Case No. GC-2006-0313, Laclede has been challenged for ceasing to perform meter inspections and in-house gas appliance inspections following the changing of gas meter, simply because they are performing the change through the use of a Grunsky Bag, which does not require Laclede to turn off the gas supply to the house. While the use of the Grunsky Bag may reduce the risk during meter changes of safety hazards associated with turning off the gas supply, there continue to be other safety reasons for thorough inspections at the time of changing a meter. For example, such inspections catch irregularities in gas flow that may cause a pilot light to extinguish, resulting in gas seepage.
- In Case No. GC-2006-0060, Laclede's request to cease performing inspections known as "turn off/turn ons" has been challenged. Turn off/turn ons have historically been an important part of Laclede's safety program. These inspections consist of inspecting the meter and every gas appliance in the residence to be sure gas lines are connected and not leaking, valves are turned properly, flues are in proper working order and there is no blockage, carbon build-up or odor of gas that could foreshadow carbon monoxide poisoning or danger of fire or explosion.

COMMITTEES

Chairman, Appropriations-General Administration • Budget • Elementary Education

Letter to Judge Dippell

May 15, 2006

Page 2

- Case No. GC2006-0060 also challenges Laclede's request to end its long-standing practice of annual meter reads. This is another safety issue, because meter readers performing annual reads conduct visual inspections and are cognizant of gas odors that may cause them to detect leaks.
- Case No. GC-2006-0390, Laclede has been challenged for its use of persons who are not trained gas professionals to install the automated meter reading device on residential customer's meters on-site. This practice has been ongoing for approximately one year, and has resulted in numerous service calls – some of them on an emergency basis – to correct leaks and other problems arising because an installer drilled entirely through a meter or otherwise ineptly installed the device. In addition, by sending someone other than a gas professional to the customer's residence, Laclede is missing an opportunity – always availed when a gas professional is on-site – for quick and informal safety review that may locate gas leaks or future safety hazards.

I am greatly concerned that the loss of these services may place my constituency, and its property, at risk. Accordingly, I urge you to investigate these matters carefully and act very cautiously on these issues. I would further like to see Laclede prohibited from making the referenced changes until your investigation has been completed.

I understand that Laclede takes the position that ceasing these services would lower its costs and, therefore, lower the cost to consumers. However, I have not been apprised of any movement by Laclede to reduce gas rates to consumers. Moreover, Laclede's claim that ceasing turn off/turn on inspections will save customers \$35.00 seems specious in light of the fact that customers were never charged for those inspections until a few years ago, at approximately the time that Laclede decided it wanted to stop performing them.

Finally, I always advocate for the best service for my constituents at the most reasonable price. Safety is certainly the major component of supplying the best possible service. I would not want Laclede and/or customers sacrifice their safety and property for the promise of a possible decrease in rates – a decrease which may not materialize.

Thank you for your careful consideration of each of these matters. I will am interested in the progress on these cases and will continue to stay abreast of developments.

Sincerely,



Representative Jim Lembke
District 85

JWL/DAC