

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

Donald Garner,	)	
	)	
	)	
v.	)	Case No. GC-2007-0488
	)	
Laclede Gas Company,	)	
	)	
Respondent.	)	

**LACLEDE GAS COMPANY’S ANSWER TO COMPLAINT**

COMES NOW Laclede Gas Company (“Laclede” or “Company”), pursuant to the Commission’s June 22, 2007 Notice of Complaint in the above captioned case, and submits its Answer to the Complaint filed against Laclede by Donald Garner (“Mr. Garner” or the “Customer”). In support thereof, Laclede states as follows:

1. The thrust of Mr. Garner’s complaint is that he was overcharged for gas service based on a bill he received for gas service for the twelve months ended January 18, 2007, and the following month ended February 16, 2007. In response, Laclede denies that it has overcharged Mr. Garner. Instead, Laclede had been undercharging Mr. Garner since the fall of 2005. In its January 2007 bill, Laclede recovered just over half of these undercharges. While Laclede is certainly willing to resolve issues with the Customer regarding past billings, the larger issue for the Customer to address is the fact, confirmed by Laclede, that he is using massive amounts of gas to heat his home. In the past year, Mr. Garner has used 2,764 CCF of gas, an amount that is equivalent to roughly three typical Laclede residential customers, and that will yield an average bill of close to \$300 per month. With an AMR device now providing regular, consistent readings at the

Customer's home, he will be faced this winter with bills much higher than average without the benefit of underestimates or billing adjustment rules.

2. This complaint involves the property at 6431 Hobart Avenue in St. Louis County (the "Property" or "Home"). According to real estate records, Mr. Garner purchased the Property in December 2003. At that time, the Property had not had active gas service since 2001. The Property is a one-story old style home built in 1908, with 1507 square feet of living space and a full finished dormer in the attic.

3. Mr. Garner first began applying for gas service in December 2004, but the Property repeatedly failed gas safe inspections until service was finally established on February 23, 2005, initiating the flow of gas to the Property for the first time in nearly four years.

4. During this process, in January 2005, Laclede moved its meter from inside the Home to outside. However, Laclede inadvertently failed to enter this meter change into its system until mid-2006. Laclede did obtain a meter reading of x0444 in June 2005, but next obtained a reading one year later in connection with an AMR installation in July 2006, at x3045. At that time, Laclede had billed only to x1459, implying that in the interim, the customer used nearly 1600 CCF more than Laclede had billed. At this point, Laclede could have issued a billing adjustment based on the July 2006 reading and captured virtually all of the undercharged usage, and in hindsight, such action would have been correct. Instead, because of the size of the discrepancy, Laclede chose to try and obtain further readings to verify actual usage. Continued readings immediately thereafter supported the July 2006 reading, but also indicated very modest summer usage, bringing

into question whether the customer actually used roughly 2600 CCF of gas in a one-year period.

5. In October 2006, Laclede caused the AMR module at the Property to be replaced. In the fall of 2006, usage at the Property increased dramatically, clearly confirming the accuracy of the recent readings. Accordingly, Laclede issued a bill that reconciled an undercharge of approximately \$1420 over an eleven month period and included charges of about \$555 for the billing month ended January 18, 2007.

6. The Customer complained vehemently following receipt of the billing adjustment. As a result, Laclede changed the entire meter, including the AMR module, on February 23, 2007. The reading that day of x5192 on the original meter indicated that the customer had used 5,114 CCF of gas in two years, or 2,557 CCF per year. In the five months since the February 23, 2007 meter change, the customer has used 614 CCF of gas, which is not only consistent with annualized usage well above 2,000 CCF, but actually greater than the usage pattern established in 2005.

7. In response to Mr. Garner's allegations in section 2 of his complaint, Laclede denies that it was unable to access its gas meter for a two year period. As stated above, Laclede issued estimated bills for 12 months between the Summer of 2005 and 2006. Also as stated above, Laclede admits that it erred in failing to timely enter the movement of the meter into its system. However, Laclede denies that this has operated to Mr. Garner's financial detriment; in fact, Laclede's approach of giving the Customer the benefit of the doubt until Laclede could confirm actual usage more likely operated in the customer's favor.

8. Laclede is without information or belief to respond to the customer's allegation as to his age. However, the customer does have reason to know that the older homes on Hobart Avenue tend to have high gas usage. Mr. Garner has also owned homes at 6425 Hobart and 6536 Hobart. At 6536 Hobart, 1660 CCF of gas was used under Mr. Garner's account between August 2004 and August 2005.

9. Laclede denies that, following the issuance of a billing adjustment in early 2007, it informed Mr. Garner's daughter that the meter readings went "haywire" or that further investigation was needed. In fact, an investigation had already been performed at length in the months prior to issuance of the billing adjustment.

10. Laclede denies that the high gas usage experienced at the Property was caused by Laclede's personnel or by a faulty meter or AMR module. Laclede admits that, at the customer's request, Laclede performed a high-bill inspection at the Home in late March 2007. The investigation revealed that the furnace at the home was nearly 20 years old, which pre-dates the more efficient models. In addition, while there were no obvious issues of broken or missing doors or windows, the Home is nearly 100 years old, and may simply not be very airtight. Finally, while the temperature was set at 60 degrees at the time of the high-bill inspection in late March, it is uncertain what temperature setting the customer uses in the heart of winter.

11. Laclede is without information or belief to respond to the customer's allegations as to his bill-paying history or income.

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

WHEREFORE, Laclede respectfully requests that the Commission accept Laclede's Answer 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 23rd day of July, 2007 by United States mail, hand-delivery, email, or facsimile.

**/s/ Gerry Lynch**