

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

Bobby J. Armour,	)	
	)	
Complainant,	)	
v.	)	Case No. GC-2008-0004
	)	
Laclede Gas Company,	)	
Respondent.	)	

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

**COMES NOW** Laclede Gas Company (“Laclede” or “Company”), pursuant to the Commission’s July 10, 2007 Notice of Complaint in the above captioned case, and submits its Answer to the Complaint filed against Laclede by Bobby J. Armour (“Mr. Armour” or the “Customer”). In support thereof, Laclede states as follows:

1. Mr. Armour’s main complaint is that he has received a number of estimated bills, that Laclede refuses to take care of this problem, and that Laclede will not return his phone call. He states that he wants to get the gas bill back on track and pay for the gas he actually used.

2. In response, Laclede states that, although Laclede has had some issues with the AMR modules it has put on its meter inside Mr. Armour’s home beginning in February 2006, nine of eighteen gas bills that have been issued since then were based on actual usage. In addition, the actual readings obtained by Laclede confirm that the estimated bills Laclede has issued were generally accurate. Further, Laclede has not only consistently returned Mr. Armour’s phone calls, but has 16 screens of remarks covering communications with Mr. Armour in less than three years.

3. Finally, as discussed below, Mr. Armour uses a large amount of gas at his home, roughly twice the amount used by a typical Laclede customer. His usage has become so large over the past five months, that he and Laclede scheduled a high-bill inspection at the Home on August 7, 2007 to try and detect the source of the increased usage. Meanwhile, Mr. Armour's balance has grown to over \$1,100. Laclede agrees with Mr. Armour that he should pay for the gas he has used.

4. Mr. Armour is the owner of the property at 2745 Wheaton in St. Louis County. (the "Property" or "Home"). According to real estate records, the Property is a one-story brick home built in 1920, with about 1100 square feet of living space, counting the basement. Mr. Armour purchased the Property in March 2004. At that time, the Property had not had active gas service since November 2002.

5. Mr. Armour established gas service in his name at the Property in September 2004. Prior to Mr. Armour's ownership, gas usage at the Property consistently averaged between 1700 CCF and 2000 CCF per year, which is about double the usage of Laclede's typical customer. Consistent with this trend, in Mr. Armour's first two years at the Property, he used just over 1700 CCF per year.

6. However, in the past 11 months, he has used over 2300 CCF, or 600 CCF more than normal. The excess usage appears to have occurred since February 2007, that is, in the late winter, spring and summer. February was colder this year than in recent years, which explains some of the high usage during this period. However, weather does not explain how Mr. Armour racked up over 200 CCF of use in May 2007, or 82 CCF in June, or even 58 CCF in July. Below is a table which compares Mr. Armour's gas usage, based on actual readings:

2004-05	Usage (in CCF)	2005-06	Usage (in CCF)	2006-07	Usage (in CCF)
9/17 – 2/8	1200	9/7 – 2/23	1233	8/9 – 2/3	1137
2/8 – 6/25	473	2/23 – 7/11	433	2/3 – 7/11	<b>1184</b>

7. At the high-bill inspection on August 7, Mr. Armour was extremely agitated. He took personal affront at the Company's billings. Nevertheless, the inspection revealed some opportunities for improvement in Mr. Armour's gas usage. First, there was a broken window at the Home, through which heat would easily escape, causing higher winter usage. The furnace of 125,000 Btu is also rather large for this size home and could cause inefficient heating. Also, if Mr. Armour would lower the water heater setting from "High" to normal, he would also save on gas use. This saving would probably be more noticeable in the summer, but would not account for the huge usage recorded in May 2007.

8. The only other peculiarity in the Home was the fact that there were two ranges (combination oven and stove) for the two people living in one modest six-room house. In response to a question about the use of these gas appliances, Mr. Armour stated that he cooks every day. Supporting that assertion was the fact that a large number of pots and pans were seen both inside, and even outside, the Home. The ranges were each about 40,000 Btu, which added together is about two-thirds of the capacity of the furnace. Thus, disproportionately large use of these appliances could be the source of the unusually large spring and summer usage.

9. In response to Mr. Armour's allegations in section 2 of his complaint, as supported by copies of gas bills attached thereto, Laclede admits that the bill sent to the Customer for service to May 10, 2006, was based on estimated usage. Laclede also admits that the bill sent to the Customer for service to June 9, 2006 was based on an actual reading that confirmed the overall accuracy of the usage charged on the May and June bills.

10. Laclede admits that the bill sent to the Customer for service to October 6, 2006, was based on estimated usage. Laclede admits that the bill sent to the Customer for service to December 7, 2006, was based on estimated usage. Laclede obtained a meter reading on February 3, 2007, which again indicated that previous estimates were in line with actual usage.

11. Laclede admits that the bill sent to the Customer for service to May 10, 2007, was based on an actual reading. This actual reading was used to reconcile estimated bills issued in March and April 2007. The May 2007 reading indicated that Laclede may have underestimated usage in March and April, but upon further review of Mr. Armour's unusually high usage this Spring and Summer, these estimates were also quite likely accurate.

12. Laclede denies that it has refused to remedy meter reading issues or that it failed to return Mr. Armour's phone call. Although it did have some issues with its AMR module at the Property, those issues have been rectified and Laclede has been receiving regular readings. Further, as stated above, pending repair of the AMR module, Laclede obtained periodic readings which were used for billing.

13. Laclede denies that its gas bills to the Customer have not been “on track.” Actual meter readings periodically obtained by Laclede indicate that the Company has been accurately billing Mr. Armour for the gas that he has used. During the period from February to July of this year, Mr. Armour has been billed \$1,337 based on actual usage. His payment of \$700 against these bills has caused him to fall behind by \$637 during this period alone. Laclede agrees with Mr. Armour that he should pay for gas used.

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 9<sup>th</sup> day of August, 2007 by United States mail, hand-delivery, email, or facsimile.

**/s/ Gerry Lynch**