

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

In the Matter of the Complaint Against
Atmos Energy by DH Pace Co. located at:
1901 E 119th St., Olathe, KS 66061
Account #4002613056
Meter #1017345

Docket No. 16-ATMG-049-COM

FINAL RESPONSE

DH Pace Company submits the following response to all responses filed by Atmos Energy.

The information below shows a blatant disregard by Atmos in following its own tariffs, providing conflicting information, and intentionally hiding information.

The purpose of the KCC is to protect the public interest by impartially regulating natural gas utilities. We hope the KCC will carefully review all of the information and come to a decision that is best for public interest.

1. Atmos Energy has and continues to be in compliance with tariffs governed by the Kansas Corporation Commission by issuing fraudulent invoices, which fail to properly allocate usage. After inquiry, Atmos Energy has failed to rectify any of the concerns illustrated in the initial Formal Complaint and following response.
2. DH Pace is the one who realized the billing error, not Atmos Energy. DH Pace paid the invoices, not knowing that the usage was estimated. Upon discovery that the invoices showed inflated usage amounts, Managed Energy Systems, on behalf of DH Pace, tried to work with Atmos to revise the usage to a more realistic amount. Atmos refused, stating that they had a beginning and ending meter read and that DH Pace was obligated by law to pay for the gas used.
3. Upon submitting the informal complaint to the KCC, Atmos Energy said that the meter must have "rolled over" and that is why the beginning read was so low. They then came back

after the Formal Complaint was submitted and said that they manually reset the meter to 000000 on October 1st, 2015. They have yet to provide anything that proves the meter was reset.

4. Atmos Energy does not keep track of what meter batteries are replaced, when. They have no evidence to show that the meter was not dead in December of 2015 when they were notified of the billing errors. Atmos claims that the Mini-Max AT-PT reader does not track anything beyond 30 days. If that is the case there nothing to prove the claimed meter reads.
5. The exhibit submitted in Atmos's original response to prove the beginning meter read is missing pertinent information. If you look at the top of the screen shot in **Exhibit A**, you will see that there is no information on the screen that has any connection to DH Pace. Compare **Exhibit A-1** to **Exhibit A**. Notice that they are portrayed as notes for the same location, but one of the pages is missing the customer information at the top. The one missing the information is the only proof provided by Atmos to support the claim that a meter read of 1,095 CCF was taken on November 12th, 2013.
6. Atmos Energy's Meter Reports for 2013-2015 stated that the meter recorder was a Mini-Max ATX. Upon site visit, it was found that the recorder was actually a Mini-Max AT-PT. Two of the four Meter Reports don't have a "witness" listed. The customer name on the 2015 form is wrong. The Meter Reports provided by Atmos Energy are not a reliable source of information.
7. Atmos Energy billed for three months of usage in 2015 for April, May, and June. The bill stated all three months were estimated. This was mentioned in my last response and Atmos Energy came back and said that was incorrect, only the April invoice was estimated. Again, that was a false statement. On April 23, 2015 a meter test and a manual read were both taken, one in the morning, one in the afternoon. Those reads showed 116,325 and 116,344. The Bill for usage between April 28th, 2015 and May 26th, 2015 shows a previous read on April 28th, 2015 of 115,353. Atmos claims only the bill for April 2015 was estimated, when based off of the meter reads provided by Atmos, that statement is false. Therefore, Atmos Energy neglected to follow their own tariff 4.G.8, when estimating three months on the same invoice.

8. Atmos Energy claims that the 81,446 CCF was pro-rated from November 12th, 2013 – December 26th, 2015. Proration means to evenly distribute over a period of time. The usage was not pro-rated. More than half showed more usage per day, than the accurate pro-rated amount of daily usage. The usage was haphazardly distributed over 14 months. Nothing about how the usage was distributed shows any sort of pattern. (See **Exhibit B**) Atmos Energy made up numbers. That is estimating, not pro-rating. Refer to the initial complaint, page 3, Bill Contents. (See **Exhibit C**)
9. Pro-ration of usage is not a method or process used for billing natural gas. The cost of gas varies monthly. Billing the same amount of usage each day, does not accurately depict the usage of DH Pace, or the amount they should be charged, if the meter reads were proven.
10. **Exhibit D** is a chart of estimated vs. actual usage over a span of 9 months for 2013, 2014, & 2015. This chart alone makes it pretty clear that the estimated usage in 2014 is exaggerated. Actual usage numbers don't lie.

We maintain our complaint against Atmos Energy for the reasons mentioned above. Atmos has failed to provide proof to substantiate their erroneous invoices. We humbly seek a fair resolution to not only compensate DH Pace for the agreeable payment of fraudulent invoices, but also for the substantial time involved to research, dissect, and demonstrate how DH Pace was prey to Atmos Energy's wrongfully estimated usage charges.

In addition, we strongly recommend a comprehensive audit of Atmos Energy in regard to customer billing and information tracking practices. This process has revealed a trail of mis-information that is unlikely an isolated incident.

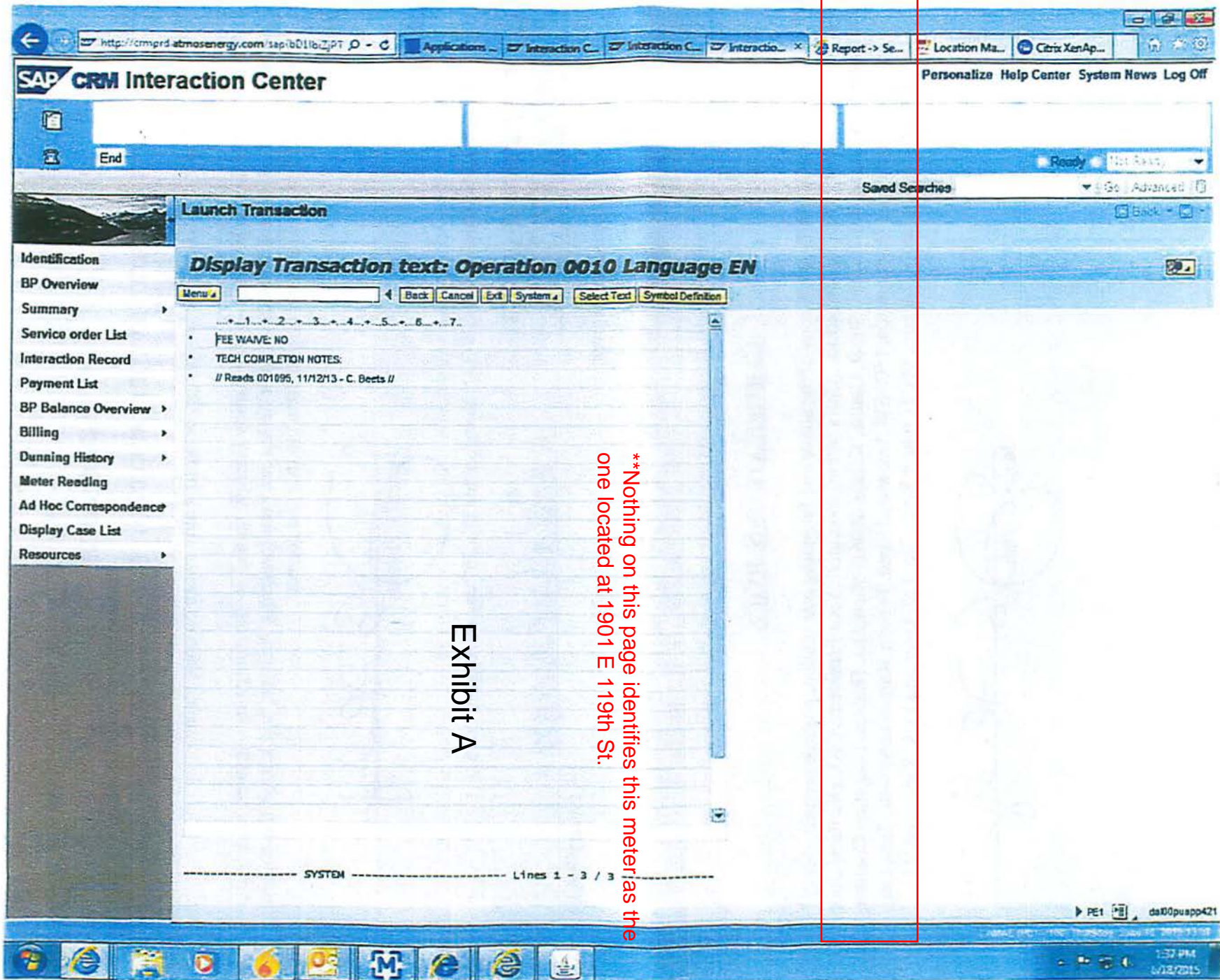


Exhibit A

**Nothing on this page identifies this meter as the one located at 1901 E 119th St.

Exhibit A

http://cmprd.atmosenergy.com/sap/b01libzpt Applications | M... Interaction C... Interaction Cent... Update Delete re... Location Maps ... Citrix XenApp - ... Personalize Help Center System News Log Off

SAP CRM Interaction Center

DH PACE CO / 4002613056
1901 E 119TH ST. OLATHE, KS 66061-9502
End

Has an open BPEN case on Business Partner or Contract Ac

Ready Not Ready

Saved Searches: Go Advanced Back

Launch Transaction

Display Transaction text: Operation 0010 Language EN

Menu Back Cancel Exit System Select Text Symbol Definition

- 1. DEAD MTR, VFY MTR INFO.
- 2. LAST READ @ MVN IN NOV 2014. PLS CHECK MTR, AND NOTE ALL INFO INCLUDING READ. THANKS
- 3. DOGS
- 4. FEE WAVE: NO
- 5. TECH COMPLETION NOTES:
- 6. # davis 1 13 15 086127 reading is 086127 meter is en ## Reading: 08
- 7. 6127; Meter Serial Number: 086127; Meter Manufacture: DR; Meter Model 2
- 8. M; AMVAMR Serial Number: ; AMVAMR Manufacture: #

SYSTEM Lines 1 - 9 / 9

PE1 da00puapp471

10:22 AM 6/23/2015

Exhibit A-1

Exhibit B

Exhibit B

DH Pace - Atmos Proration Breakdown

Service Dates	Service Period Days	Daily Usage	CCF Usage
11/12/2013 - 11/22/2013	18	110.61	1,991
11/23/2013 - 12/26/2013	31	218.42	6,771
12/27/2013 - 1/27/2014	32	199.13	6,372
1/28/2014 - 2/25/2014	29	199.14	5,775
2/26/2014 - 3/26/2014	28	206.25	5,775
3/27/2014 - 4/25/2014	30	199.13	5,974
4/26/2014 - 5/27/2014	32	199.13	6,372
5/28/2014 - 6/25/2014	29	199.14	5,775
6/26/2014 - 7/25/2014	30	199.13	5,974
7/26/2014 - 8/26/2014	31	205.55	6,372
8/27/2014 - 9/25/2014	30	199.13	5,974
9/26/2014 - 10/24/2014	29	199.14	5,775
10/25/2014 - 11/21/2014	27	206.52	5,576
11/22/2014 - 12/26/2014	33	211.21	6,970

Pro-rated Totals	409	81,446
-------------------------	------------	---------------

Accurated Pro-Rated Daily Use	199.134
--------------------------------------	----------------

Exhibit C

The following Tariffs were not followed by Atmos Energy when determining usage estimates on back-billing for DH Pace.

1. Atmos Tariff Section F.1. – If the Premise to be estimated has 24 consecutive months of billing history then estimated consumption will be calculated using the “least – lines – Squared” method of estimation, whereby the 24 months of consumption, along with the heating degree days for each consumption period, establishes a relationship between the gas consumed compared to the number of heating degree days for each given period, and calculates the estimation by using this factor times the current number of heating degree days for the period being estimated.
2. Atmos Tariff Section F.2. - If the Premise to be estimated does not have 24 consecutive months of billing history then the estimated consumption will be calculated using the “average consumption” method, whereby the previous year same month usage, the previous year following month usage, the previous 2nd year same month usage and previous 2nd year following month usage are added together and an average is calculated that will be used for the estimated usage.
3. Atmos Tariff Section F.3. – If neither of the conditions in F.1, or F.2, exist then a manual process will be initiated that will include, but not be limited to, the comparison of neighbors’ actual or estimated usage for the same period that this Premise is to be estimated.

Bill Contents

The 12 bills that were created on January 19th, 2015 and mailed to DH Pace were all estimated. The meter reads and dates were all forged. The usage on the bills was portrayed as actual meter reads, not estimations.

According to the Tariffs, estimating is ok and allowed in certain situations, but the customer must be made aware of the estimation.

1. Atmos Energy billed DH Pace for 12 consecutive months of estimated billing. Refer to (Section 4.G.5), bills cannot be estimated for more than (3) consecutive months.
2. None of the 12 months of back billing indicated that the usage amounts were estimated. All 12 bills state “Actual Usage in CCF.” (Section 4.B.1.a & Section 4.G.6.b)
3. None of the 12 months of back billing included an “amount due after delinquency.” (Section 4.B.e)
4. All 12 months of back-billing had different PGA amounts. Each bill had a billing date of 1/19/2015, so the PGA amount should have been .51033 with no hedge factor included. Refer to (Section 4.G.8). The cost difference between the estimating procedure Atmos should have used compared to the correct procedure is over \$9,000. See Exhibit I for details.

Atmos Tariff Section 4.B.a. – the beginning and ending meter registration for the reading period, except that an estimated billing shall disclose that it is based on estimated usage: and the word “ESTIMATED” will be shown on the bill.

Atmos Tariff Section 4.B.1.e – the bill should show the amount due for prompt payment and the amount due after delinquency in payment.

Atmos Tariff Section 4.B.5 – The Company will not render a bill based on estimated usage for more than (3) three consecutive billing periods...

Atmos Tariff Section 4.G.6.a – Maintains accurate records of the reasons therefore and efforts made to secure an actual reading.

Atmos Tariff Section 4.G.6.b – Clearly disclose on the bill that it is based on estimated usage.

Atmos Tariff Section 4.G.8 – Purchase gas cost adjustments covering more than a one month period shall be based on the most recent adjustment clause calculation filed with the commission.

In the time since the informal complaint was submitted, DH Pace as received 2 more bills. One dated 05/12/15 (Exhibit D) and one dated 6/30/2015 (Exhibit E). The bill for usage between 3/27/2015 – 4/27/2015 was estimated at more than 50% of what the actual usage was (Exhibit D). The following bill (Exhibit E) was a bill for estimated usage from 3/27/2015-6/24/15.

Exhibit E states that Exhibit D was a canceled bill and usage for those dates is accounted for on the new estimated bill for 3 months of service. DH Pace had already paid the bill dated 5/12/15, so that amount was credited toward the total of the new bill, leaving a credit on the account of \$1,251.54. The bill was estimated for 3 full months, and 3 separate PGA amounts were used on the same bill.

Tariff 4.G.8 states: Purchase gas cost adjustments covering more than a one month period shall be based on the most recent adjustment clause calculation filed with the commission. Atmos Energy did not follow the tariff when estimating gas usage for the 3 combined months of estimated usage.

Meter Reading Periods

DH Pace was billed for 12 consecutive months and the usage was based on 2 meter reads taken over a span of 13 months. (November 2013 & December 2014). Managed Energy Systems has requested documentation to validate these reads and has not received it at this time. There was also no record of a meter being changed out while Xpedx was a tenant or while DH Pace has occupied the building.

Atmos Tariff Section 4.C – Unless otherwise provided in the Rate Schedules, meters shall be read in a range of no less than 26 days and no more than 36 days for monthly billing. The Company may vary its meter reads from this period to take into account the effects of connections, disconnections, and for customers directly affected by rerouting.

The range of days between the meter reads for DH Pace is more than 10 times the approved 36 days. The bills were sent to DH Pace in a monthly format that falsely stated the meter read dates.

Usage Comparison - Actual vs. Estimate									
Xpedx/IPC Usage Actuals 2013			DH Pace Actuals 2015			DH Pace Estimates 2014			
Jan-13	11,610		Jan-15	9,084		Jan-14	6,372		
Feb-13	10,370		Feb-15	13,829		Feb-14	5,775		
Mar-13	10,020		Mar-15	8,427		Mar-14	5,775		
Apr-13	2,370		Apr-15	1,472		Apr-14	5,974		
May-13	430		May-15	1,795		May-14	6,372		
Jun-13	20		Jun-15	8		Jun-14	5,775		
Jul-13	10		Jul-15	10		Jul-14	5,974		
Aug-13	240		Aug-15	50		Aug-14	6,372		
Sep-13	350		Sep-15	130		Sep-14	5,974		
Total		35,420.00	Total		34,805.00	Total		54,363.00	
ACTUAL			ACTUAL			ESTIMATED			