

OFFICIAL CASE FILE

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STATE OF MISSOURI

PUBLIC SERVICE COMMISSION

TRANSCRIPT

FILED
AUG 10 1994
PUBLIC SERVICE COMMISSION

OFFICIAL CASE FILE

CASE NO. : GA-94-127

In the matter of the application of Tartan Energy Company, L.C., d/b/a Southern Missouri Gas Company, for a certificate of convenience and necessity authorizing it to construct, install, own, operate, control, manage and maintain gas facilities and to render gas service in and to residents of certain areas of Wright, Texas, Howell, Webster, Greene and Douglas counties, including the incorporated municipalities of Seymour, Cabool, Houston, Licking, Mountain Grove, Mountain View, West Plains, Ava, Mansfield, Marshfield and Willow Springs, Missouri.

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1 its opening statement for the presentation of its case.

2 MS. ANDERSON: Public Counsel would like to
3 reserve their opening statement for the presentation of our
4 case.

5 MR. FRENCH: Propane Group 1 will make its
6 opening statement at the beginning of its case.

7 MR. LANDWEHR: Propane Group 2 will reserve
8 as well.

9 EXAMINER BENSavage: Thank you. Would
10 Tartan call its first witness.

11 MR. FISCHER: Tartan would call Mr. Tom
12 Taylor to the stand.

13 (Witness sworn.)

14
15 EXAMINER BENSavage: You may proceed.

16 MR. FISCHER: Thank you, your Honor.

17 TOM M. TAYLOR testified as follows:

18 DIRECT EXAMINATION BY MR. FISCHER:

19 Q. Please state your name and address for the
20 record.

21 A. My name is Tom Taylor. My business address
22 is 8801 South Yale, Suite 385, Tulsa, Oklahoma.

23 Q. Are you the same Tom M. Taylor that caused
24 to be filed in this proceeding direct testimony which has
25 been marked as Exhibit 2, supplemental direct testimony

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A. Some, yes.

Q. Do you recall who?

A. No, I don't have the specifics.

Q. What towns?

A. You have to understand, when you're in all the towns, you're always asking and seeking information and you ask people continually. I have seen propane bills approaching a dollar. People tell me that propane bills have exceeded a dollar on occasion, but I've not seen one.

Q. Do you know what time period that was?

A. During a peak winter period.

Q. Okay. Do these ranges reflect the very lowest prices that you've heard in any discussions with anybody or --

A. No.

Q. -- is this selective?

A. No.

Q. Okay. This is the higher range?

A. It is my perception of the range of reality, which is, throw out the very lowest and throw out the very highest is what you'd expect to see on a normal basis. But, in response, I don't have a scientifically statistically accurate survey and data that supports that.

MR. CONNELL: Your Honor, I would move to have the testimony of Mr. Taylor stricken, certainly the

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1 response beginning on the top of Page 7 and dealing with
2 propane prices. I believe it's unsupported.

3 EXAMINER BENSAVAGE: I'm sorry. What
4 testimony are you referring to?

5 MR. CONNELL: I'm still in Exhibit 4, the
6 surrebuttal testimony.

7 EXAMINER BENSAVAGE: That hasn't been
8 admitted into evidence as of yet.

9 MR. CONNELL: Well, when we do, I'll make
10 that motion.

11 EXAMINER BENSAVAGE: Okay. You may proceed.

12 BY MR. CONNELL:

13 Q. Does anybody in Panda Resources report to
14 you?

15 A. I do some of the coordination between Panda
16 and Watford, yes.

17 Q. Okay. Who reports directly to you? What's
18 the hierarchy within Panda?

19 A. Chuck Kelly runs Panda currently.

20 Q. Were you personally present at all the
21 discussions concerning the Stipulation and Agreement?

22 A. No, sir.

23 Q. Were you there for the discussion of setting
24 the floor at 1,797,000 as the floor volume?

25 A. I was there when that concept was discussed.

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1 I don't know if I was there for that exact volume or not,
2 but I was there for the concept of it.

3 Q. But you ultimately approved the Stipulation
4 and Agreement --

5 A. Yes.

6 Q. -- on behalf of Tartan?

7 A. Yes.

8 Q. And you agreed with that as a floor?

9 A. Yes.

10 Q. Okay. Do you know what the basis of that
11 number is?

12 A. It's slightly less than what our projected
13 volumes are.

14 Q. Was that projected in your base case or one
15 of the sensitivities?

16 A. Base case. Of the communities that this
17 service area would include, I should add.

18 Q. What communities did your base case
19 involve -- include, I'm sorry?

20 A. In the context of I said "slightly less"
21 than our projection, those that are covered under the
22 stipulation and Agreement, specifically not Seymour,
23 Diggins, Fordland, Rogersville.

24 Q. Do you want say that for the record which
25 ones are not?

A. Specifically not Seymour, Rogersville, Diggins, Fordland. There may be another. I don't recall.

Q. Does your base case, in calculating the volumes, include the probable additional cities of Rogersville, Fordland, Diggins, Seymour, and Norwood?

A. When I made the comment that the volumes that we agreed to in the stipulation, those volumes were not included from those other cities.

Q. So, if I took your base case and took out those other cities, the volumes reflected by those other cities, then I'd get close to the Stipulation number?

A. I believe.

Q. You have not done that calculation?

A. Not in the last couple of weeks.

Q. Okay. Who offered that number initially? Was it the company or Staff or OPC?

A. I actually think that was a number developed by Staff. I was not -- I do not recall when that specific number was developed and calculated. I recall Mr. Fischer advising me of that and my agreeing because it was very, very close to the number that I had been proposing as a floor.

Q. That floor is going to be normalized; is that what the Stipulation refers to? If you'd like a specific reference, I could give you that.