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JAN 26 2007

Missouri Public
Service Commission

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

PUBLIC SERVICE COMMISSION
VS.
MISSOURI PIPELINE COMPANY, ET AL.

Case No. GC-2006-0491

VOLUME III
CONTINUED DEPOSITION OF DAVID J. RIES

OCTOBER 17, 2006

Staff Exhibit No. 257
Case No(s) GC-2006-0491
Date 12/13/06 Rptr KV

ORIGINAL



OFFICES MISSOURI ■ ILLINOIS ■ KANSAS

HEADQUARTERS: 711 NORTH ELEVENTH STREET, ST. LOUIS, MISSOURI 63101

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1 Q. What documents have you brought with you?

2 A. Well, I think I have been as responsive to
3 the request for documents in the subpoena. There are
4 numerous, including some documents that I believe were
5 provided yesterday, the transactional documents on the
6 Mowood sale.

7 Q. I just asked what you brought with you today.

8 A. Documents responsive to the subpoena.

9 Q. And let's go through them, shall we?

10 A. Okay.

11 Q. What's the first one you have there?

12 A. First one was a request I believe for
13 documents that were in B.J. Lodholz's file.

14 Q. May I ask what specifically you're looking
15 at? Is that Attachment A to --

16 A. The subpoena.

17 Q. Which one, Missouri Pipeline or Missouri Gas?

18 A. Well, it was the one that was --

19 Q. Omega?

20 A. -- actually issued to me and served on Paul
21 DeFord on the 28th of August.

22 Q. And Attachment A, what does it read?

23 A. It says for all documents listed.

24 Q. Attachment A, what's right under that?

25 A. Deposition documents.

1 Q. I'm just looking at this Omega one. That's
2 not what you're reading from, is that correct?

3 A. No, no.

4 Q. All right. Go ahead.

5 A. What are you asking me to do?

6 Q. Identify the first document that -- I'm
7 assuming you're going to hand it to me.

8 A. These are copies that were in B.J. Lodholz's
9 file that he referred to in his deposition and was your
10 request number one.

11 Q. And are these his actual documents that were
12 in his file?

13 A. Those are the documents that were in his file
14 and --

15 Q. Did you have something more to say about
16 them?

17 A. Just were copied from what was left there.

18 Q. And tell me what they are.

19 A. They are copies of invoices, and as far as I
20 know, they're copies of invoices that were already
21 produced previously.

22 Q. I'll mark this exhibit, we're starting with
23 50, No. 50. All right. The court reporter will need
24 copies. Do you have anything else to say about what we
25 have marked as Exhibit 50?



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COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION

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1 ever been any volumes transported under a verbal
2 agreement.

3 Q. Could transportation agreements be verbal as
4 well as written?

5 A. I don't believe so.

6 Q. You believe they have to be in writing?

7 A. I believe so.

8 Q. As a matter of fact, your tariff under
9 Section 9 of the general terms and conditions requires
10 certain information be supplied in a transportation
11 report, is that right?

12 A. In a transportation report?

13 Q. A request for transportation.

14 A. That section we talked about previously?

15 Q. Yes.

16 A. Okay.

17 Q. Mr. Ries, has staff asked you for copies of
18 MPC and MGC's invoices for 2003?

19 A. Yes, they have.

20 Q. Have you provided those?

21 A. No, I have not.

22 Q. Is there some reason?

23 A. We don't have any paper copies of them and it
24 would require an extreme amount of effort and diligence
25 to go back and recreate those.

1 Q. You handed me yesterday morning items
2 indicated as B.J.'s invoices, Exhibit No. 50, do you
3 remember that?

4 A. These were the copies of the invoices that
5 were still in his file, yes.

6 Q. My understanding of what B.J. was saying was
7 that he kept these for every day -- for every invoice
8 that he sent, he kept.

9 A. B.J. never sent invoices.

10 Q. For every invoice he received, he kept a
11 copy.

12 A. And I'm saying that's what was in B.J.'s file
13 when I went to fulfill that data request.

14 Q. When was that?

15 A. I asked for that information -- when was our
16 last scheduled deposition when Dave and Patty -- that was
late August.

17 Q. 28th?

18 A. Would have been about that time.

19 Q. Why didn't you ask for these prior to that?

20 A. They hadn't been asked for.

21 Q. We hadn't asked for the documents that B.J.
22 indicated he had at his deposition?

23 A. I didn't receive that request for those
24 documents until just prior to that scheduled deposition.
25

1 Q. What happened to all of the documents prior
2 to January 06?

3 A. They don't exist.

4 Q. Why?

5 A. Obviously you've got -- there's a new person
6 shows up, makes decisions about what he really needs to
7 keep in the files and chose to get rid of those prior
8 invoices for the prior year.

9 Q. Are you suggesting that Mr. Mertz discarded
10 those documents?

11 A. I don't know who did that, but they're
12 certainly not in B.J.'s files.

13 Q. Did Mr. DeFord or anyone else indicate to you
14 at the beginning of this complaint that you should not
15 destroy documents?

16 A. I don't know that we destroyed any documents
17 for the purposes of this complaint. I didn't tell
18 anybody that they couldn't continue to manage their
19 business in context of getting rid of obsolete materials.
20 Secondly, those documents have all been provided
21 previously.

22 Q. So you didn't tell Mr. Mertz or anyone not to
23 throw away B.J.'s --

24 A. I did not tell Mr. Mertz not to go in or to
25 retain everything that B.J. had in his files.