

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

Hearing

December 11, 2006
Jefferson City, Missouri
Volume 1

USW Local 11-6,)
)
Petitioner,)
)
vs.) Case No. GC-2006-0390
)
LACLEDE GAS COMPANY)
)
Respondent.)

MORRIS L. WOODRUFF, Presiding
DEPUTY CHIEF REGULATORY LAW JUDGE
JEFF DAVIS, Chairman,
CONNIE MURRAY,
STEVE GAW,
ROBERT M. CLAYTON, III
LINWARD "LIN" APPLING,
COMMISSIONERS

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1 P R O C E E D I N G S

2 JUDGE WOODRUFF: All right. Let's go on the
3 record, please. Good morning, everyone. This is Case No.
4 GC-2006-0390, which is the complaint of USW Local 11-6
5 versus Laclede Gas Company.

6 And we're going to begin today by taking entries
7 of appearance beginning with Local 11-6.

8 MS. SCHRODER: This is Sherrie -- whoops. Sorry.
9 Sherrie Schroder for USW 11-6. And, also, Mike Evans.

10 JUDGE WOODRUFF: Thank you. And for Laclede?

11 MR. ZUCKER: Michael C. Pendergast and Rick
12 Zucker for Laclede Gas Company, 720 Olive Street, Suite
13 1520, St. Louis, Missouri, 63101.

14 JUDGE WOODRUFF: Thank you. And for Staff?

15 MR. FRANSON: Robert Franson, Senior Counsel,
16 appearing on behalf of the Missouri -- Staff of the
17 Missouri Public Service Commission, P.O. Box 360,
18 Jefferson City, Missouri, 65102.

19 JUDGE WOODRUFF: Thank you. And for the Office
20 of Public Counsel?

21 MR. POSTON: Marc Poston, appearing on behalf of
22 the Office of Public Counsel and the public.

23 JUDGE WOODRUFF: Thank you very much. And I
24 believe that's all the parties. We have a couple -- a
25 little bit of unusual procedure today in that we're going

1 to have a live demonstration of the installation of an AMR
2 unit onto a meter, and I -- I assume we'll just go ahead
3 and do that before we do opening statements.

4 Is that acceptable to everyone? All right.
5 Before we even get to that, we're going to go off the
6 record in a moment here and pre-mark exhibits. And then
7 we'll take a short break, maybe a five-minute break or so,
8 and I'll let the Commissioners know that we're ready to go
9 with the demonstration.

10 So at this point, we're off the record, and we
11 can go ahead now and premark exhibits, Ms. Schroder, if
12 you want to go first.

13 (Break in proceedings.)

14 JUDGE WOODRUFF: All right. Let's go back on
15 the record, then. We're going to start off today, it's my
16 understanding, with a demonstration of the installation of
17 a AMR unit onto a meter. And I believe it would be
18 Laclede that's going to be doing this, start.

19 MR. ZUCKER: Thank you, your Honor. Good
20 morning, Commissioners.

21 CHAIRMAN DAVIS: Good morning.

22 MR. ZUCKER: Good morning. My name is Rick
23 Zucker. I'm an attorney for Laclede. I believe I could
24 do this demonstration, but I'm not going to try this
25 morning.

1 Instead, I'm going to introduce you to the party
2 we contracted with to put on these automated meter reading
3 or AMR devices on these meters. And that is Cellnet
4 Technology, Inc. And here to perform a -- a sample
5 installation is Mr. Clark Korbisch, who is Vice President
6 for customer service for Cellnet. Clark?

7 JUDGE WOODRUFF: All right. Mr. Korbisch, since
8 you are a witness today, I'm going to go ahead and swear
9 you in to --

10 CLARK KORBISCH,
11 being first duly sworn to testify the truth, the whole
12 truth, and nothing but the truth, testified as follows:

13 JUDGE WOODRUFF: All right. You may proceed.

14 MR. KORBISCH: Good morning. First and
15 foremost, as a typical installer would approach the meter
16 -- actually, I'm not obviously dressed and prepared for
17 this. I would actually have proper protective equipment
18 on, safety glasses, hard hat, a uniform. I'd have a
19 badge. I'd be wearing an orange safety vest. I'd have
20 high-soled shoes on.

21 So, you know, to protect our employees in the
22 field, we -- we have specific PBE that they would be
23 required to wear.

24 I would be approaching a meter with a -- a
25 module. This is an AMR module. I'd have a tool box of --

1 of necessary tools. And -- and I'd also have a hand-held,
2 which is a programming device, for programming the module
3 itself. I'm not going to go through that piece. I don't
4 have the programmer. But I'm going to demonstrate how the
5 module just gets retrofitted onto the meter itself.

6 And if it's all right with you, what I'd like to
7 do is actually bring -- bring the meter around so you can
8 see it close up or feel what it's like during the process
9 of the exchange.

10 So -- and actually, first thing, as I approach
11 it, what I'm going to do is verify that the location in my
12 hand-held, the work order, is the meter at that location
13 to make sure that -- that there wasn't a -- a situation
14 where, for some reason, there was -- there was a -- a
15 meter exchange done previously that wasn't -- that I was
16 not aware of as an installer. So I'd validate that.

17 I'd look for the meter seal. Right now, there's
18 no meter seals in here. That's a clue perhaps it was
19 tampered on on the meter or perhaps the meter seals were
20 not installed to begin with. But that would be a clue
21 that I want to take -- take a little bit more extra
22 caution, do I visibly see anything that might indicate
23 that there was an issue with this -- with the customer
24 tampering with the meter.

25 The other thing I would do after I verify the

1 location, verify that it appears intact, is I would do a
2 visual inspection of the area surrounding it. I would
3 look for -- for, you know, just visible signs that -- of
4 distress on the meter.

5 I would -- I would just do a -- a sniff test,
6 you know, do I detect an odor where there may be the
7 potential of some other problem. After I go through the
8 environmental check to make sure that there's nothing
9 wrong with the meter and that the environment is safe --
10 especially if it's outdoors, in a back yard, dogs are my
11 most significant threat there. So that's -- that's a
12 situation that I'm looking for as well is what does the
13 environment look like, and is it safe to do the work.

14 So after I pass all those things, then I would
15 actually proceed with -- with the actual removal of the --
16 the index cover in this case here. So I would have to
17 remove the seals if they're on it. And as you can see,
18 there is -- there's just four bolts -- I think there was a
19 camera there.

20 There's four bolts that hold the -- the index
21 cover on. So I'm just going to back out those bolts with
22 just a normal screwdriver.

23 JUDGE WOODRUFF: I'm sorry. We just got a
24 message that they can't hear you from the microphone. You
25 need to get the microphone up there.

1 MR. KORBISCH: I'm sorry. Is that better? I'll
2 speak that way. Is that better?

3 JUDGE WOODRUFF: Okay.

4 MR. KORBISCH: So I'm just backing out the
5 screws right now on the index cover itself. Careful not
6 to lose the screws, which -- I am not a professional
7 installer, by -- by any means.

8 So now the -- the index itself is exposed. And
9 at this point, what I'm doing is actually taking out my
10 old index. And -- and this is a brand new AMR module
11 still sealed in the plastic. And it has my screw kits in
12 here. Everything that I need to -- to perform the receipt
13 row fit is in here, and I will pass that around in just a
14 -- actually, here, as I -- as I bring this around.

15 There's a -- there's a battery inside, little
16 connector cable here that I use to actually program the
17 module with certain things that are in the meter itself
18 like the number of dials, the meter read itself, the meter
19 I.D. and the foot drive. So those are all programmed into
20 here, and then it's transmitting the actual index reading
21 from -- from the dials itself. So that's all
22 self-contained in the -- the AMR device.

23 JUDGE WOODRUFF: They're still having a hard
24 time reading you. Is there any way we can get that
25 microphone up onto the stand itself? There you go.

1 MR. KORBISCH: All right. Sorry about that. So
2 I have the -- the index exposed at this point. Now I'm
3 going to back out the index itself, and there's two screws
4 that holds the index onto the meter itself.

5 And now the -- the -- the meter cavity right
6 here -- the -- where the index is covering, as you can
7 see, it's all still sealed. The meter itself, the
8 integrity of the -- the gas flow is still intact.

9 Even when you look at -- at the index cover,
10 there's a -- there's a gasket seal around here. All that
11 is for is to keep insects and anything else out of the
12 meter. It's not to seal any -- any -- any gas or any --
13 any other exposure.

14 In reality, there's -- there's little vent holes
15 in the cover itself. See the little vent holes?

16 CHAIRMAN DAVIS: Can I just see the little --

17 MR. KORBISCH: By design, those little vent
18 holes are in there to prevent moisture from building up
19 over time. And, actually, in a hot and cold environment,
20 condensation could build up and get into the index itself
21 and seize up the index. So there's little vent holes to
22 prevent that from happening.

23 Now, that being said, because there are those
24 little vent holes, there is the possibility of insects
25 getting in there, in which case, when I do remove the

1 index cover, that's what I'm looking for. I'm inspecting
2 inside here as well and I'm scraping off any residue that
3 may have been left behind from the gasket itself. I'm
4 looking to make sure that there are no insects or anything
5 built up in here. And I'll just -- I'll just scrape this
6 clear just to make sure that I have a nice, flush surface
7 to reinstall the module on.

8 So -- so at this point, I'm ready to perform the
9 actual retrofit itself. And, once again, what I'd like to
10 do is just show folks how the -- the drive dog in the back
11 here actually spins on -- on the AMR module.

12 Now, as you look inside the -- the meter, there
13 is a little -- little pin on here. It's called a wiggler
14 arm. That's my term.

15 CHAIRMAN DAVIS: Okay. And that's always in
16 there. That's the way these --

17 MR. KORBISCH: That's the way it comes. And if
18 you listen closely, you can actually hear the mechanics
19 inside the meter, then. But I can't turn this.

20 CHAIRMAN DAVIS: Well, how does that little
21 plastic thing turn?

22 MR. KORBISCH: Well, once there's gas flowing
23 through the meter. See, it's the gas itself flowing
24 through the meter that drives it.

25 CHAIRMAN DAVIS: Okay.

1 MR. KORBISCH: And if you recall, the pins on
2 the module here engage inside the little slot in the
3 wiggler arm itself. So as gas flows through the meter, it
4 starts to turn that wiggler arm, which, in turn, drives
5 the module.

6 Similar to the original index, it has a little
7 pin that gets driven by the wiggler arm. So the same
8 principal, same mechanics. So as we go ahead and -- and
9 to the retrofit, what I'm looking to do is line up one of
10 the pins with the hole, with the slot in the wiggler arm.
11 And I just slide it right on. And then you can actually
12 -- can everybody hear that? The same sound as -- as when
13 it was -- when it wasn't -- that tells me that it's
14 engaged.

15 If I don't have it slid on there, there's a much
16 -- there's much more slack associated with that. And if
17 it's not -- if it's not engaged, eventually, when the
18 wiggler does drive around, it will pick up that pin, but
19 you have about a -- a half a turn instead of a 10-degree
20 turn if you're -- if you're in the slot itself.

21 If you would like, I'll pass that around just so
22 you can actually feel that engaged. Would that be --
23 would you like to feel that, see what it's -- okay.

24 CHAIRMAN DAVIS: Sure. Bring it on up here. I
25 mean, after this demonstration, am I going to be qualified

1 to install one of these?

2 MR. KORBISCH: Yes, you are.

3 COMMISSIONER DAVIS: All right. So that's it
4 right there?

5 MR. KORBISCH: Feel that? You can feel how
6 that's --

7 COMMISSIONER DAVIS: I guess --

8 COMMISSIONER APPLING: You broke it now.

9 CHAIRMAN DAVIS: Okay. I've got it.
10 Okay.

11 COMMISSIONER CLAYTON: You touch it, you bought
12 it.

13 MR. KORBISCH: So, actually, what that does,
14 that's -- that's part of the physical inspection or, you
15 know, the feel that we go through when we're doing the
16 retrofit itself.

17 There is a couple of screws that actually mount
18 and secure the module now to the meter itself. And we --
19 we tension those down to -- to 10-inch pounds. Here we
20 go. Still in there. Oh, it's cranked on my pen.

21 And if you notice, there was also a rubber
22 gasket on our module. All that does is just provide a
23 nice, even seal around our module itself so that nothing
24 can get behind the module and get back up underneath the
25 module and build up the condensation. We don't want ice

1 built up behind the module.

2 So now we have the module secure, driven down --
3 tightened down to 10-inch pounds, and it's still
4 connected. And you notice on the module here, there's
5 also those same little -- little slots in our module to
6 prevent condensation build-up behind our cover on the
7 module itself so that -- so that moisture can leak out.

8 So we take the index. We verify that the index
9 is functioning, just do a little spin test, do a visual
10 inspection. If there are cobwebs or spider webs inside
11 here, we would replace the index with a new index.

12 But in this case, the index is fine. So I'm
13 going to install this index and mount it on. And there's
14 a couple of little clips, and I'll show you those in a
15 second, that will actually lock the module in place. I'm
16 sure it will.

17 Now I have the clips in place. The index is
18 intact. And you can still verify that it's engaged -- how
19 -- how free-flowing the index was prior to the
20 installation. Now that it's engaged, you can actually
21 feel the tension all the way through the index to the
22 module to the wiggler arm.

23 And now it's -- it's the tension of the -- the
24 -- the meter itself that's holding up the module. So that
25 now is an indicator to me that that's a successful

1 installation. If this should free spin, it would tell me
2 that there's something wrong.

3 Now, we have the cover itself. You notice right
4 here that's a little magnet. What that does is -- is it
5 is a tamper indicator for us. Anytime that module and the
6 cover -- the cover itself is removed, it sends a flag
7 through -- through a wireless network, and it would get in
8 our data center, and we deliver those flags to Laclede as
9 a potential for tamper, if somebody else was doing work on
10 -- on this meter or there was a customer that was
11 tampering with the meter, that would prompt a meter
12 investigation.

13 So at this point, all we do is -- is put the
14 module on. It has a little gasket, once again, out here
15 to protect the module from elements from the outside
16 coming in.

17 Actually, I will use my bolts that came with my
18 kit because it's a little longer now. And now I just
19 tighten down four -- four bolts. And these bolts are --
20 are really just to protect the index itself.

21 So as far as the -- the number of tools that
22 were engaged to -- to do this, in reality, for most --
23 most installations, this really is the extent of it.

24 And it's nothing more complicated than -- than
25 what you just witnessed. It's not a very complex project,

1 except if you forget to put the battery in there, then
2 I'll never be able to read it. But that's the extent.
3 And then I finish it off with the meter seals themselves.

4 And then I would make sure that I pick up all my
5 old screws, anything else that -- that was left behind as
6 part of the kit, clean up my mess, and then I'm on to the
7 next project.

8 So are there any questions about the process at
9 all and the steps?

10 JUDGE WOODRUFF: All right.

11 CHAIRMAN DAVIS: And that's it?

12 MR. KORBISCH: And that's it. And as soon as I
13 plug in that battery, it starts transmitting, and it
14 transmits every 15 minutes into the network.

15 COMMISSIONER APPLING: Which --

16 JUDGE WOODRUFF: If -- if the Commissioners
17 would wait a minute while we give the parties a chance to
18 ask questions first and then come to the Bench, just like
19 we would for other witnesses.

20 COMMISSIONER CLAYTON: Whatever you like, Judge.

21 JUDGE WOODRUFF: Cross-examination, beginning
22 with Public Counsel?

23 MR. POSTON: No questions. Thank you.

24 JUDGE WOODRUFF: Staff?

25 MR. FRANSON: Briefly.

1 DIRECT EXAMINATION

2 BY MR. FRANSON:

3 Q Mr. Korbisch, how long does this process take
4 from the time the installer walks up and walks away?
5 Assuming there's no problems, how long should it take?

6 A It should take less than five minutes.

7 MR. FRANSON: No further questions.

8 JUDGE WOODRUFF: All right. And for the Union.

9 CROSS-EXAMINATION

10 BY MS. SCHRODER:

11 Q Mr. Korbisch, how much time did you spend
12 practicing and training to be able to do this?

13 A Actually, last night was the first time I've
14 ever physically done it.

15 Q All right. But you've read about these for some
16 time. I know you talked about it when I deposed you.

17 A Well, I've -- I've been witnessing training for
18 ten years now.

19 Q All right. And how much time did you spend last
20 night on it?

21 A I actually used them -- a sample model, and I
22 did it -- put it together once.

23 Q And you said you're not a professional installer
24 when you were fumbling around with it at one point.
25 Neither are the employees hired by Manpower; is that

1 correct? Some of those have been librarians, like the guy
2 we deposed, or anybody of the street; isn't that right?

3 A Absolutely.

4 MS. SCHRODER: Okay. I have no further
5 questions at this time.

6 JUDGE WOODRUFF: All right. We'll come up for
7 questions from the Bench, then, beginning with
8 Commissioner Murray.

9 COMMISSIONER MURRAY: I really don't have any.
10 Thank you.

11 JUDGE WOODRUFF: Okay. Commissioner --
12 Chairman?

13 CHAIRMAN DAVIS: No questions.

14 CROSS-EXAMINATION

15 BY COMMISSIONER CLAYTON:

16 Q Mr. Korbisch, I apologize for coming in a little
17 late, and you had already started your presentation. I
18 want to just back-track on a few things. First of all,
19 when I came in, you were showing us the --

20 A The wiggler.

21 Q -- what you call the wiggler, the thing that
22 turns.

23 A Right. Correct.

24 Q Could you describe to me what you did before
25 exposing that? I assume -- did you -- did you dismantle

1 another piece?

2 A What I did, there is another cover that was over
3 -- over the original index.

4 Q Okay.

5 A And that also has four screws.

6 Q So there was -- is -- is it the identical index,
7 or is it a different index?

8 A It's the same -- it's the same index. We're
9 reusing the same index unless there was a problem,
10 mechanical failure or a dial that was broken, for
11 instance.

12 Q Okay. So, basically, you just -- you unscrewed
13 the -- the what do you call that?

14 A The original cover.

15 Q Original cover. That's a complicated name. The
16 original cover. You unscrewed that and then took out the
17 old index, and that's it?

18 A Took out the old index, remounted the module
19 where the -- where the index was and then mounted the
20 index in the module.

21 Q Right. Right. Okay. I walked in at that
22 point. I walked in at that point.

23 A Right.

24 Q Okay.

25 A So once the mod -- once this cover is off,

1 there's a little bit of gasket sealer here. So what I'll
2 do is clean the surface of the meter so that I get a good
3 contact when I --

4 Q Okay.

5 A So it's not cocked, you know, or shifted when I
6 re-install the module.

7 Q Mr. Korbisch, forgive me. Are you employed by
8 Laclede?

9 A No. I'm employed by Cellnet.

10 Q Cellnet. So you all sell this equipment; is
11 that correct?

12 A Yeah.

13 Q Okay. And have you had any other natural gas
14 safety training at all, or are you -- basically, you're a
15 salesman? I mean, help me with your background.

16 A My background is customer -- customer
17 operations. So I have the responsibility for all of our
18 field operations across all Cellnet's business.

19 Q So you have had some training with regard to
20 natural gas safety?

21 A Not me personally.

22 Q You have not. Okay. Can you tell me, looking
23 at that meter, the most -- the most risk sensitive part of
24 that meter? For example, what -- what is the most
25 vulnerable to potential safety hazards? Can you identify

1 where that is on the meter?

2 A No. I'm not really qualified to understand
3 where -- where the highest level of risk on the meter
4 itself is.

5 Q Okay. Can you tell me whether there is any risk
6 associated with messing with the wiggler?

7 A None.

8 Q You can't tell me that or --

9 A No. There's no risk associated with the wiggler
10 itself. The integrity of the meter itself and the gas
11 flow is impacted by taking the module off.

12 Q If the wiggler is not the most sensitive, what
13 would you say the most sensitive safety risk area would be
14 on that meter?

15 A From -- from my perspective, where I have, you
16 know, hundreds of installers in the field, my biggest risk
17 is not the meter itself. It's the environment that we're
18 operating in. It's the dogs. It's those situations.

19 Q I understand. But I want an idea of -- looking
20 at that piece of equipment there, that grey metal piece of
21 equipment, what part of that is -- what -- what part of it
22 should a layperson really not want to mess with because
23 it's the most dangerous part of that meter? Is there a
24 place that you can identify?

25 A No.

1 Q Is that because you don't know because you
2 haven't been trained in safety?

3 A I don't know. I haven't been trained. All
4 we're --

5 Q Right. When you said that there was no safety
6 hazard associated with that wiggler thing, how do you know
7 that since you haven't had any training? How do you know
8 that there's no safety issue associated with it?

9 A Well, we design our module with the gas meter
10 manufacturers themselves. They helped us engineer the --
11 the mechanics in the drive dog that's on our module.

12 So we actually partner with the gas companies
13 themselves, and they install as many of these modules in
14 their factory as we do in the field. So the fact that,
15 you know -- I -- do I know specifically that there's not
16 an issue? No.

17 But the fact that the meter manufacturers
18 themselves do this same process, do this retrofit in their
19 factory, and they still warrant the meter for 15 years
20 tells me that -- that there is a comfort level associated
21 with this type of retrofit on a gas meter.

22 Q So, basically, some other folks have suggested
23 to you that there's no safety hazard, but you really don't
24 know for sure?

25 A Correct.

1 Q Okay. Now, do you all provide the actual
2 personnel who put it together, or do you provide training
3 to third parties to actually install them?

4 A Both. Depending on the situation. There are
5 cases where we've hired the people directly, or we will
6 contract out to another installation contractor.

7 Q Okay.

8 A And we partner with the utility to develop
9 training to at least meet the minimum requirements of the
10 safety specifications.

11 Q Okay. Is there any specific training that you
12 require of the -- of the people that you recommend
13 installing this?

14 A Absolutely. We run them through a safety
15 training program. We teach them how to do this -- this
16 installation. We teach them how to read the meter. We
17 teach them how to deal with the environmental situations.

18 Q What environmental situations?

19 A Meaning --

20 Q Dealing with a barking dog, you mean?

21 A Exactly. Meaning is it a safe environment, is
22 there a potential for -- for a -- a violent customer, for
23 instance, if you're doing an inside meter or those types
24 of things. Are there things leaning up against the meter?
25 Is the meter cocked? Is it buried? Does it look like

1 it's in an unsafe position?

2 Q So there's more than just the environmental
3 aspects of safety. I mean, you do go in and you know
4 where the gas comes in to look at the seals to make sure
5 that it's not leaking?

6 A No, no, no, no.

7 Q There's nothing like that?

8 A No. All we do is do a visual and do a -- a
9 smell. So if we detect odor, we would instruct our
10 installers to contact their supervisor. So if there's
11 anything that is not part of the normal standard
12 installation that -- that isn't within our -- our standard
13 specs, they contact their supervisor, and they don't
14 proceed.

15 Q Okay. What is the age of that meter?

16 A This is a -- this a new meter.

17 Q New meter. And how -- how would it differ from
18 a meter that was installed 20 years ago, 30 years ago?

19 A Not --

20 Q Would it vary at all?

21 A Would not vary at all.

22 Q And in reality, there are -- there are certain
23 meters over time where the meter manufacturer has changed
24 the form of the meter, and we would have a different
25 module, if a module at all. There are certain meters that

1 we do not even have modules for, in which case the utility
2 would replace that meter with one that we do have a module
3 for. We do not -- we do not have a module for every type
4 of meter that is out -- that exists.

5 Q You do not?

6 A We do not.

7 Q Okay.

8 COMMISSIONER CLAYTON: Okay. I don't think I
9 have any other questions at this time, Judge. Thank you,
10 sir.

11 JUDGE WOODRUFF: Commissioner Appling?

12 CROSS-EXAMINATION

13 BY COMMISSIONER APPLING:

14 Q Good morning.

15 A Good morning.

16 Q The battery, what's the length of time -- will
17 that battery run forever?

18 A This battery has a 15-year battery life.

19 Q Okay. But there is some indicator if the
20 battery goes bad?

21 A Absolutely. There is -- there is a low battery
22 alarm that will come -- once it -- it goes below a certain
23 threshold of power, we will get an alarm through the
24 network to say that we have a low battery. We would
25 proactively go out and do a new battery replacement at

1 that time.

2 Q So I'm making the assumption each one of these
3 meters has a serial number, and they are recorded in the
4 computer, along with everything that if you put it on my
5 house at 302 Ridgeway and the meter went bad, you could
6 identify what meter it is and all that?

7 A Yes.

8 Q Okay. What's the weight of it?

9 A The weight of the meter or the module?

10 Q The meter.

11 A I -- I'm not sure, you know.

12 Q All right.

13 A Twenty pounds, eighteen pounds.

14 Q Okay. Just checking to see whether you know
15 what you're talking about. Thank you very much.

16 A You're welcome.

17 JUDGE WOODRUFF: Chairman Davis.

18 CROSS-EXAMINATION

19 BY CHAIRMAN DAVIS:

20 Q I'm sorry, sir. I can't remember your name.

21 A Clark. Clark.

22 Q Mr. Clark. So when -- when these people that
23 you hire from Manpower are out -- go out there, all
24 they're equipped with is a screwdriver; is that correct?
25 What do they -- what do they carry with them? Do they

1 carry a little --

2 A Typically, they would carry a couple of
3 different flavors of screwdrivers. They'll carry a plier
4 or two because there are the meter seals that they'll need
5 to pop out and remove those. So they'll have -- they'll
6 have a -- pliers to pull that out. And that's really it.

7 Q Okay. So do you -- just worse case scenario, I
8 mean, they're not carrying around a hammer that they can
9 beat on anything or anything like that?

10 A Absolutely not.

11 Q All right. And so -- and just to -- and I
12 believe Commissioner Appling or Commissioner Clayton may
13 have already touched on this. So when you get a -- get a
14 40 or 50 or 60-year-old meter, you tell them that -- if
15 you don't have a -- a module for it, then they have to --
16 then the company has to replace the meter --

17 A Yes.

18 Q -- is that correct?

19 A Yes.

20 Q How many of these meters -- how many meters --
21 are you aware of how many meters they -- your company has
22 asked that Laclede replace in St. Louis?

23 A When we did the original analysis, there were
24 approximately 70,000 meters that did not qualify for a
25 module or that Laclede was choosing to retire early and

1 did not, you know, wish to invest further.

2 Q Okay. And you're on track to get all those done
3 by the end of this year still?

4 A We have over 600,000 installed. The remaining
5 are access issues.

6 Q And your -- and Laclede is employing due
7 diligence to get you access to those locations?

8 A Yes. Yes.

9 CHAIRMAN DAVIS: Okay. No further questions at
10 this time.

11 JUDGE WOODRUFF: Commissioner Gaw, did you have
12 any questions?

13 COMMISSIONER GAW: Not right now, no.

14 JUDGE WOODRUFF: Okay. We'll -- stay there for
15 a moment. We'll have an opportunity for recross. Again,
16 beginning with Public Counsel?

17 RECROSS EXAMINATION

18 BY MR. POSTON:

19 Q Just real quick, there was a little red plug, I
20 think you held up?

21 A Yes.

22 Q What is the purpose of that?

23 A This is a tamper seal. And the only way you can
24 pull it out is by breaking the seal. So if somebody were
25 to tamper with it, they'd have to break the seal in order

1 to get to the met -- get to the module itself.

2 Q So that covers the screws?

3 A It covers two of the screws.

4 Q Okay. And those are replaced then?

5 A Yes. And then these would be replaced. We have
6 new seals in with our retrofit kit and would re-install
7 them.

8 MR. POSTON: That's all. Thank you.

9 JUDGE WOODRUFF: Staff?

10 MR. FRANSON: No questions, your Honor.

11 JUDGE WOODRUFF: For the Union?

12 MS. SCHRODER: Yes. Thank you.

13 RECROSS EXAMINATION

14 BY MS. SCHRODER:

15 Q Mr. Korbisch, you said in response to some
16 questions from -- Commissioner Clayton asked you some
17 questions about your background, and you talked about your
18 sales background. But aren't you also an engineer?

19 A I am an engineer. Yes.

20 Q Okay. So you're -- you're not the average --

21 A I don't --

22 Q -- person who would be a -- necessarily a
23 Manpower installer; isn't that correct? You've got more
24 education about the workings of a meter, for instance?

25 A I wouldn't -- no. From -- from -- I'm an

1 electrical engineer.

2 Q All right. You also talked about -- in response
3 to Commissioner Clayton's questioning about some safety
4 training that installers go through. And that safety
5 training is primarily about dogs and about driving; isn't
6 that right?

7 A No. It's about the environment that -- that our
8 installers work in. They do a visual inspection, you
9 know, of the meter. That's part of the training. They
10 learn how to read the meter. That's part of the training.
11 They take a meter probe test, which is a timed test, to
12 make sure that they actually understand how to read a
13 meter accurately.

14 They do physical installation. They do
15 on-the-job training in the field before -- before they're
16 allowed to install solo. So there is -- there is a
17 significant amount of effort in -- in making sure that an
18 individual is qualified to do a quality retrofit.

19 Q Isn't it a fact that the greatest time period
20 spent on any one issue of safety training is about dogs
21 and about driving?

22 A I don't believe that's the case.

23 Q All right. And you said that there was a timed
24 test that these installers take. Did you review the
25 testimony of -- of Debra Redepenning from Honeywell, the

1 manager in charge of the installers?

2 A No.

3 Q All right. So you're not aware that she said
4 Laclede did not require any tests?

5 A We do -- we do timed tests as part of the
6 normal, ongoing training of installers and pull them in
7 from the field every -- every couple of weeks to do
8 remedial meter reading training to make sure that it stays
9 fresh in their mind. So we do continuous meter reading
10 training.

11 Q So if Debra Redepenning {} said otherwise, then
12 she was just wrong?

13 A Then I'm not -- I'm not aware of her testimony
14 and why it would contradict what our normal practice is.

15 Q Okay. And the safety training with regard to
16 gas leaks for these installers, is that -- is it limited
17 to if you smell an odor and that odor lasts, it doesn't
18 dissipate while you're doing the install and it's strong
19 enough, then you should call it in; isn't that right?

20 A If they do detect an odor and it does not
21 dissipate, that indicates that there is -- there is the
22 potential for some other problem, in which case we would
23 call it in. Absolutely.

24 Q And they are instructed that they don't
25 necessarily have to call in every gas odor that they smell

1 even if doesn't dissipate, that they can use judgment
2 about whether or not it's a strong enough odor?

3 A No. It if it does not dissipate, then they are
4 instructed to call it in. But there will be a certain
5 amount of odor when you do release the cover the first
6 time.

7 Q Again, if your testimony it disputed by the
8 testimony of Deb Redepenning, isn't Deb Redepenning the
9 person who has more direct contact with what Honeywell
10 does with these installers and the training of these
11 installers?

12 MR. FRANSON: Your Honor, I'm going to have to
13 object. We're getting into asking one witness to comment
14 on the testimony or the credibility another witness, and I
15 don't believe that's proper.

16 JUDGE WOODRUFF: I'll overrule the objection.
17 You can go ahead and answer the question, if you can.

18 A Like I said, I -- all I know is what our
19 training manual and instructions say is required for --
20 for the folks in the field.

21 Q (By Ms. Schroder) All right. But Red -- Deb
22 Redepenning and Honeywell are actually in charge of doing
23 the training of these Manpower installers; isn't that
24 correct?

25 A They are responsible for following the training

1 manual and training program that someone has collaborated
2 Laclede on developing.

3 Q And they do the training?

4 A We do -- it's a train the trainer. We provide
5 the trainer that has trained the Honeywell installation
6 and supervision and management training.

7 Q And Honeywell does the training?

8 A And they, in turn, do the training.

9 Q Thank you. Isn't it true that installers are
10 not given any equipment to detect a leak with?

11 A Correct.

12 Q All right. You said that these brand new meters
13 don't differ in any way from meters that have been out for
14 20 years, out in the field for 20 years. But that --
15 isn't it true that the meters that have been out there for
16 20 years are likely to have rusty screws?

17 A Potentially.

18 Q That could make it harder to install?

19 A Absolutely.

20 Q All right. And there would be other kinds of
21 corrosion issues that might make installing on a new meter
22 and installing on an old meter a completely different
23 situation; isn't that true?

24 A No. The -- corrosion doesn't impact the
25 integrity of where we install the module. If -- if there

1 is anything that's detected that's outside of the norm of
2 a normal, you know, standard installation, the install --
3 the installer is -- is instructed to contact their
4 supervisor.

5 So if there is a visual problem with the meter
6 where it looks like the integrity of the meter is impacted
7 due to corrosion or otherwise, they contact the supervisor
8 and don't proceed.

9 Q All right. But there are issues about corrosion
10 that could affect how easy it is to install the AMR
11 module; isn't that correct?

12 A I -- I'm not aware of any.

13 Q All right. Have you ever -- you've never
14 installed one of these in the field, have you?

15 A No.

16 Q All right. You also, in response to
17 Commissioner Davis's questions, said that basically the
18 tools provided were a screwdriver and pliers; isn't that
19 correct?

20 A Yes.

21 Q Isn't it true that at one time or another, there
22 was also a need to -- with installing on Rockwell meters
23 that there might be a need for a drill?

24 A Yes.

25 Q All right. So at one time, there were also

1 drills issued; is that correct?

2 A To a select group of individuals. We had
3 developed a procedure -- and this is something that's a
4 common industry practice. When there are screws that get
5 -- they tend to get stripped over time or the potential of
6 being stripped. If they're tightened down too tight to
7 begin with, then when you try to back them out, they can
8 -- they can become stripped.

9 And the only way to get them out is you actually
10 are drilling and trying to bite into the screw itself to
11 back it out.

12 Q Okay.

13 A So it's really a function of the original
14 installation has contributed to that problem.

15 Q Regardless of what contributed to the problem,
16 there may be a need for a drill. And at one point, people
17 had drilled?

18 A We were doing drilling with a select number of
19 individuals that had gone through special training with --
20 with the support of the -- the Laclede meter shop.

21 Q All right. Are you aware of a November 9th,
22 2006, incident where an installer drilled through a meter
23 in St. Louis?

24 A No.

25 MR. ZUCKER: I'm going to object to that

1 question.

2 MS. SCHRODER: On what grounds?

3 MR. ZUCKER: The facts are not in evidence as to
4 any drill-through of a meter in St. Louis.

5 JUDGE WOODRUFF: She just asked if he was aware.
6 I'm going to overrule the objection.

7 MR. ZUCKER: Okay.

8 Q (By Ms. Schroder) All right. And, Mr. Korbisch,
9 assuming that a meter was drilled through on November 9th,
10 you wouldn't necessarily know, would you?

11 A I've been -- been notified that there was --
12 there was an occurrence where we did penetrate the -- the
13 meter when we were drilling, which is what prompted an
14 investigation by both Cellnet, Honeywell and Laclede and
15 determined that best practice is to go ahead and replace
16 the meter going forward.

17 So that was a change in procedure. Even though
18 that is a procedure that's used in other utilities, for
19 the purposes of this -- the completion of this project, we
20 opted not to continue that practice any longer.

21 Q All right. But that was in January of '06,
22 wasn't it?

23 A Yes.

24 Q So you wouldn't have -- okay. Would you have
25 been notified about on November 9th, 2006, drill-through?

1 A Yes. It -- it would have showed up in a monthly
2 safety report.

3 Q All right. Does -- we talked a little bit about
4 the meter, the weight of the meter, which you weren't sure
5 of, and the age of meter. What type of meter is this?

6 A This is an American.

7 Q And do you know the meter number?

8 A The meter -- the meter I.D. itself is 1400798.

9 Q I'm sorry. Like a 275 or --

10 A 175.

11 Q 175 thank you. Okay. So an American 175 meter.
12 You also talked about -- you had some questions from
13 Commissioner Clayton about the wiggler. And I just want
14 to make sure that --

15 A It's a 250.

16 Q It's a 250?

17 A It's a 250.

18 Q Thank you for the correction.

19 A Different meter.

20 Q Does the reading of the AMR module take place
21 through picking up the reading on the wiggler, or is it
22 from the diaphragm inside the meter?

23 A My understanding is the diaphragm inside the
24 meter drives the wiggler, and the wiggler drives our
25 module.

1 Q All right. Would you have any knowledge
2 personally whether or not there should be a gas odor when
3 you've just removed the index to a meter?

4 A It's not uncommon for there to be a gas odor.

5 Q But you don't know whether there should be or
6 not? Is that --

7 A As part of the typical manufacture of the meter
8 itself, there is the potential for a small -- small amount
9 of gas to seep through the gasket where the wiggler is
10 attached to that -- that is connected to the diaphragm
11 itself. That's --

12 Q All right. One further question. You -- you
13 indicated in response to Commissioner -- Commissioner
14 Clayton's questions that meter manufacturers had installed
15 your AMR module in-house and -- and were okay with them.

16 Isn't it true, though, that the meter
17 manufacturers who were installing those, they're trained
18 to work on meters, so they know what to look for?

19 A I'm not sure. Is there a question?

20 Q Yeah. Is it true that the meter manufacturers
21 who are -- the employees of the meter manufacturers who
22 are installing those AMR devices on the meters are trained
23 gas workers?

24 A No. They're not trained gas workers.

25 Q Are they people that have experience and

1 training with meters, gas meters?

2 A Yes. That, they would.

3 Q And they know safety issues about those meters,
4 don't they?

5 A I wouldn't be able to speak to the meter
6 manufacturers' training.

7 MS. SCHRODER: All right. I have no further
8 questions.

9 JUDGE WOODRUFF; any redirect?

10 COMMISSIONER GAW: Yes. I have a couple of
11 questions before --

12 JUDGE WOODRUFF: All right. Go ahead,
13 Commissioner Gaw.

14 COMMISSIONER GAW: Thank you.

15 RECROSS EXAMINATION

16 BY COMMISSIONER GAW:

17 Q Can you -- can you show me where the lines go
18 into the base meter itself on that meter? The line --

19 A Oh,

20 Q -- up in the top.

21 A Up in the top.

22 Q Okay. And what -- are there two entries or one
23 entry?

24 A One entry and one exit.

25 Q Return?

1 A Right. And it's even labeled.

2 Q Okay. So the lines that go into that -- to the
3 entry and exit the entry -- or exit out the other side,
4 what are they made of?

5 A I don't know.

6 Q And would that be the -- would that be -- would
7 there be anything in the training that you give that would
8 -- would talk about the different kinds of -- of lines
9 that might go in or exit?

10 A No.

11 Q So there wouldn't be any way, then, that the
12 training would include some sort of an identification of
13 what to look for in those lines with regard to corrosion
14 or other problems that might exist with those lines --

15 A No.

16 Q -- is that true?

17 A We're not -- we're not trained to identify
18 corrosion. All we look for is does it -- does it appear
19 suspect, and that's -- and then we bring it outside.

20 Q Okay.

21 A That's not our -- part of our training.

22 COMMISSIONER GAW: Thank you.

23 JUDGE WOODRUFF: Any further cross based on
24 Commissioner Gaw's questions?

25 COMMISSIONER CLAYTON: Can I ask one question.

1 RECROSS EXAMINATION

2 BY COMMISSIONER CLAYTON:

3 Q I apologize. I know this is probably going to
4 be a problem all day because you hear a little more, you
5 learn a little more. This is the first I heard of the
6 smell of gas when you pry the meter off. And I may have
7 missed that earlier. What -- is that a hazard, having gas
8 concentration of gas come into presumably a workers' face
9 when you pry that meter off?

10 A No. In reality, the -- the amount of gas that
11 could -- that has potential of building up is the volume
12 of gas that's in this cover itself.

13 Q So there is gas leaking through that wiggler
14 switch?

15 A There's a potential for it to leak through just
16 because of the gasket itself over time. It's well
17 documented that that is a common occurrence, yes.

18 Q So depending on the wear and tear of that
19 gasket, will the -- the gas leaking out will vary?

20 A It varies from new meters to old meters. Some
21 old meters never have.

22 Q Okay. What -- what would warn you coming in
23 that -- that the gasket is worn and that that's the
24 increased amount of gas coming out of that wiggler switch?

25 A Well, the first warning would be that you would

1 detect the odor before you ever remove the cover.

2 Q Okay.

3 A You know, if there was a significant leak, you
4 would notice that before you remove the cover.

5 Q So it's the level -- any smell of gas?

6 A Any smell of gas.

7 Q Any smell of gas. And if a person has a cold,
8 would they be able to smell it? I know this is silly, but
9 you're looking right in there and it's in your face. I
10 mean, it's -- would the odor still be apparent?

11 A Depending on the severity of the cold, it could
12 impact your ability to detect it. Absolutely.

13 Q So -- okay. So there's also the possibility
14 that the gas could be trapped under the -- that there
15 wouldn't be a smell of gas on the outside, but there could
16 be gas underneath the cover?

17 A There could be gas underneath the cover up to
18 the point where it fills the cover. And then there's the
19 little -- little -- little holes in the bottom cover here.
20 Over time, it would just dissipate into the atmosphere.

21 Q It would dissipate. Now, would that amount of
22 gas be combustible?

23 A No.

24 Q I mean, is it --

25 A No. Not at all. And that's what's this little

1 UL approval on our module is. Because we have a battery
2 in there. And the fact that we're in that environment
3 with the battery, the gas that's available, you know, in
4 that case is not combustible with -- with our battery.

5 Q So if you lit a match when you took that thing
6 off, it wouldn't ignite?

7 A I -- I can't speak to that. I wouldn't --

8 Q Well, how do you know if it's not combustible,
9 then? If you don't know if it will light if you hold a
10 match up to it, how do you know --

11 A In case -- if it's a strong odor, we contact our
12 supervisor who contacts Laclede and do a meter
13 investigation if it's suspect. But, otherwise, it's -- it
14 -- in a normal situation, it's undetectable with your
15 nose.

16 Q Okay. Okay. So -- so just -- let's say you
17 take the cover off. You smell that gas. That wouldn't
18 necessarily be out of the ordinary?

19 A Not at all.

20 Q Okay. So you potentially smell gas. What
21 training would they get -- do they look at whether to
22 assess the size of a -- of a leak or determine how big a
23 leak would be due to that wear and tear on the gasket?

24 A No. We're not qualified to determine is it
25 significant or insignificant. If after they -- they

1 remove the cover and while they're programming the
2 hand-held, as they go to do the retrofit, if they're still
3 detecting gas, an odor of gas, it tells me that -- it
4 tells the installer that there's a potential for some --
5 some more significant issue there.

6 And that's when they would go through the
7 escalation procedures. So there is time for it to
8 dissipate in the atmosphere during the normal process.

9 COMMISSIONER CLAYTON: Okay. Thank you.

10 JUDGE WOODRUFF: All right. Any further recross
11 based on those questions? All right. Then we'll go to
12 redirect.

13 MR. ZUCKER: Thank you, your Honor.

14 REDIRECT EXAMINATION

15 BY MR. ZUCKER:

16 Q Mr. Korbisch, when -- after the -- after
17 Cellnet and Laclede entered into a contract to install
18 these devices, was a -- was there a -- a training program
19 developed --

20 A Yes.

21 Q -- between the part -- between those two
22 parties?

23 A Yes. Absolutely.

24 Q And did Laclede provide input to that?

25 A Yes.

1 Q And was part of the training program, what
2 you've been discussing here, that if the installer smells
3 gas that they're supposed to react to that --

4 A Yes.

5 Q -- at a certain level?

6 A Correct.

7 Q Are your installers -- your installers are there
8 to take off the index, as we saw, and put on the module?
9 That's correct?

10 A That is their primary job, correct.

11 Q They are not qualified to do a corrosion
12 inspection?

13 A None whatsoever.

14 Q Are you aware that Laclede has obligations to
15 perform corrosion inspections on -- every three years?

16 A Yes. I'm aware of that.

17 Q And the -- the work performed by AMR installers
18 is not counted toward that obligation. Are you aware of
19 that?

20 A I'm aware of that.

21 Q How many AMR modules has Cellnet installed over
22 -- how long have you been in business?

23 A Cellnet's been in business over ten years.

24 Q How many modules have -- has Cellnet installed
25 on gas meters?

1 A Over three and a half million.

2 Q Have you -- have you ever had a fire in -- in
3 all that time?

4 A No.

5 Q How about an explosion?

6 A No.

7 Q Has a -- an installer been injured by any
8 reaction with gas caused -- with an installation?

9 A No.

10 Q Is it -- is it your understanding that if there
11 is a leak coming out of that seal behind the center box
12 behind that index that that -- that those leaks are very
13 small?

14 A Yes.

15 Q And would you -- is it your understanding that
16 those leaks are not hazardous?

17 A Yes.

18 MS. SCHRODER: Objection. Lack of foundation.
19 He said he has no gas safety training.

20 MR. ZUCKER: Just asking what his understanding
21 is.

22 JUDGE WOODRUFF: I'll overrule the objection.
23 You can go ahead and answer the question, if you can.

24 A Yes. My understanding is that the -- the minute
25 traces of gas that can leak through that gasket in the

1 center box is negligible and is not harmful.

2 Q Commissioner Appling asked you about the
3 battery. If you were to plug in that battery here, what
4 would happen?

5 A What would happen is the module would start
6 transmitting, and it would be heard by the network that we
7 have installed here in Jefferson City.

8 Q So you have a network here?

9 A We do.

10 Q With -- with what utility?

11 A With Ameren.

12 Q Is that gas?

13 A Gas and electric. That was installed back in
14 1999 is when it was completed.

15 Q Okay. And you talked about a -- a drill with
16 Rockwell meters. Is that a -- a drill to actually drill a
17 hole, or is that a -- a power screwdriver? What are we
18 talking about?

19 A In certain cases, it was actually a drill that
20 was used to drill into the -- the screw itself to -- to
21 bite the screw.

22 Q And that's where screws were stripped?

23 A The stripped screws. Exactly.

24 Q And -- and that's -- is that the incident you're
25 referring to in January of 2006?

1 A That's when we changed the practice -- was to
2 not -- you know, to no longer allow the drilling of meters
3 in the field.

4 Q Okay. And that was -- that practice was changed
5 because a meter was damaged?

6 A Absolutely.

7 Q Other utilities have performed that practice?

8 A Yes.

9 Q Did other utilities have incidences, also, or
10 issues?

11 A On occasion.

12 Q You talked about certain meters that weren't
13 compatible with the AMR modules. Are you aware that the
14 Commission has approved a program wherein Laclede changed
15 meters during 2005 and 2006 in order to -- to rectify that
16 incompatibility?

17 A I'm not aware of the -- the business dealings.

18 Q One -- one moment, please.

19 A Sure.

20 MR. ZUCKER: I have no further questions.

21 JUDGE WOODRUFF: All right. Thank you.

22 MR. ZUCKER: Thank you, Mr. Korbisch.

23 COMMISSIONER GAW: Judge, I have one additional
24 question real quick.

25 JUDGE WOODRUFF: Go ahead.

1 COMMISSIONER GAW: And maybe two.

2 RECROSS EXAMINATION

3 BY COMMISSIONER GAW:

4 Q But in light of -- of this question which --
5 that there has never been any incident with -- how many
6 meters were there -- did you -- that you were talking
7 about?

8 A We've installed over 3.5 million meters, gas
9 modules on meters.

10 Q And you're not -- or are you saying that in all
11 of those places that those meters have been installed
12 there has never subsequent to the installation of those
13 meters been any kind of an accident involving a fire or an
14 explosion in any of those places where those meters were
15 installed?

16 A As it's related to the module itself --

17 Q I didn't -- that's not my question.

18 A I'm not aware that there wasn't a fire related
19 to the meter installation itself, no.

20 Q That's not my question. My question is, do you
21 know whether or not in any of those residences or any of
22 those buildings where those meters were installed
23 subsequently there was -- there was or was not an accident
24 involving natural gas at that place?

25 A I'm not aware of any.

1 Q So -- okay. So that's not what you're
2 testifying about, correct?

3 A Correct.

4 COMMISSIONER GAW: Okay. Thank you.

5 JUDGE WOODRUFF: All right.

6 COMMISSIONER GAW: And you may have re --

7 JUDGE WOODRUFF: All right. Anybody want to
8 recross, redirect based on that question? All right. I
9 don't see anybody jumping up to that question.

10 MR. ZUCKER: No your Honor.

11 MS. SCHRODER: Well, in response to redirect --
12 maybe I don't have that option.

13 JUDGE WOODRUFF: Well, you can't -- not with
14 redirect, no. Only to Commissioner Gaw's question.

15 MS. SCHRODER: Mr. Korbisch is going to testify
16 later anyway.

17 JUDGE WOODRUFF: Yes, he will. Ms. Schroder, I
18 want to ask you, did the Union have anybody they want to
19 come up and demonstrate with this meter?

20 MS. SCHRODER: Yes, we do.

21 JUDGE WOODRUFF: You can go ahead and sit down,
22 then.

23 MS. SCHRODER: Gloria Harmon.

24 JUDGE WOODRUFF: Good morning. Could you tell
25 us your name, please?

1 MS. HARMON: Gloria Harmon.

2 JUDGE WOODRUFF: Okay. Did you prefile
3 testimony in this case, also?

4 MS. SCHRODER: No, she did not. We had to
5 subpoena Ms. Harmon.

6 JUDGE WOODRUFF: Okay. All right. Ms.
7 Schroder, if you want to do some preliminary to explain
8 who she is, then.

9 MS. SCHRODER: Thank you. Ms. Harmon, what is
10 your background?

11 JUDGE WOODRUFF: I'm sorry. I need to swear her
12 in. Please raise your right hand.

13 GLORIA HARMON,
14 being first duly sworn to testify the truth, the whole
15 truth, and nothing but the truth, testified as follows:

16 DIRECT EXAMINATION

17 BY MS. SCHRODER:

18 JUDGE WOODRUFF: All right. Now can you ask
19 your questions.

20 MS. SCHRODER: Thank you.

21 Q (By Ms. Schroder) Ms. Harmon, where are you
22 employed?

23 A Laclede Gas meter shop.

24 Q And what is your job there?

25 A My job title is large meter adjustor.

1 Q All right. Do you also work on small meters?

2 A From time to time, yes.

3 Q All right. And have you worked on AMR meters?

4 A Yes.

5 Q And the AMR module -- never mind. All right.

6 In the process of working with meters that have had AMR
7 modules installed on them, have you discovered some issues
8 that come up with AMR installation with -- you know, that
9 come -- that arise because of improper installation that
10 you can show the Commissioners through this -- this meter
11 and -- and an AMR?

12 A Well, on this particular meter, what we found --

13 Q And would you please talk into the microphone?

14 A Oh, I'm sorry.

15 JUDGE WOODRUFF: You can move that microphone
16 around to reach better, if you like.

17 A Where are the tools?

18 JUDGE WOODRUFF: Mr. Korbisch must have took
19 them with him.

20 MR. KORBISCH: Here you go.

21 MS. SCHRODER: Thank you.

22 A I don't know which way you want me to point
23 this.

24 JUDGE WOODRUFF: If you could turn it towards --
25 to me, that way it will be on the camera. There you go.

1 A Like here, is what we found are these to break
2 over the course of time, these tabs on this particular
3 meter.

4 Q (By Ms. Schroder) Okay. I believe that's what
5 Mr. Korbisch was referring to as the wiggler arm?

6 A Right.

7 JUDGE WOODRUFF: Okay.

8 A Right in here where it's supposed to pick it up,
9 that's the fightings that we've had.

10 Q (By Ms. Schroder) I'm sorry. It's the what,
11 Gloria?

12 A This here -- these tabs here?

13 Q Yes.

14 A That's been pretty common for these to break on
15 this particular meter.

16 Q All right. And what happens if those tabs break
17 around the wiggler arm?

18 A Well, then the meter can become a DR, which
19 means it doesn't register.

20 Q And if it doesn't register, what happens with
21 the gas usage?

22 A I'm sorry?

23 Q If it doesn't register, what happens to
24 recording the gas usage?

25 A Apparently, it doesn't record.

1 Q All right. And do you know whether or not --
2 you know it doesn't record on -- on the face of the dials,
3 correct?

4 A Correct.

5 Q Do you know whether Cellnet is able to record
6 the gas usage when it's a DR meter like that?

7 A To my knowledge, no.

8 Q And what do you base that on?

9 A Just from the way they explained everything to
10 us, the way this works.

11 Q All right. And who is sending to you these DR
12 meters?

13 A Oh, they come from a variety of -- from out of
14 the field all over.

15 Q All right. Are they also coming to you from
16 Cellnet? Do you understand what I'm saying?

17 A No.

18 Q Is Cellnet calling in the fact that some of
19 these meters are DR?

20 A I wouldn't know about that.

21 Q All right. Okay. So that's a problem with the
22 American 250. Are these also -- are you having -- have
23 you discovered any issues with the American 250s where
24 they're developing more leaks at the center box?

25 A To my knowledge, the Rockwell shows more leaks.

1 Q All right. Let's talk about the Rockwell meters
2 for a minute. That's another type of meter that --

3 A Yes.

4 Q -- Laclede has? Would -- and I realize you
5 don't have a Rockwell meter in front of you. But can you
6 sort of indicate for the Commissioners the kinds of
7 problems you might see on Rockwell meters with improper
8 AMR installation?

9 A The biggest problem with the installation was
10 the existing gasket from the existing index was not
11 removed. And that prevented improper alignment with the
12 center box and the module.

13 Q An improper alignment. Does it also --

14 A It will either stick, just lock up.

15 Q And is that with all of the Rockwells?

16 A I've seen it with a lot of Rockwells. I can't
17 say all.

18 Q Does the failure to remove the gasket -- and are
19 you talking about the gasket between the index cover and
20 the index?

21 A The index cover and the body of the meter.

22 Q Face?

23 A From the existing index cover that was on this.
24 It's a very thin cork gasket.

25 Q Cork?

1 A Yes. It was cork.

2 Q And I'm sorry. That's between the index and the
3 meter?

4 A Yes.

5 Q Okay.

6 A The index cover and the meter.

7 Q The index, the clear cover?

8 A Yes.

9 Q Okay.

10 A Just like he took off the original.

11 MR. KORBISCH: It's in the bag.

12 A Now, this would not be the original index that
13 comes with the meter. This here is not. What I'm talking
14 about is just a clear index plate, like a glass plate, but
15 it's plexiglass. So I don't have the --

16 Q All right. I understand that. And because that
17 cork is not being removed, you said something about
18 improper alignment. What results from improper alignment?

19 A Well, alignment was that we were finding them
20 DRs because the gears were not meshed with the existing
21 gear with the center box, and it would cause it to lock
22 up, just a variety of things that would happen to it.

23 Q Some -- What are a variety of things that could
24 happen to it?

25 A Well, some of them would just be hanging loose,

1 because after a while, it would be like if the screws were
2 not properly installed, which we found a lot of that, and
3 it would cause that index to jerk.

4 Q The screws cause the index to jerk?

5 A Yeah. Like if the screws were not tightened
6 down properly.

7 Q And what does that cause when the index jerks?

8 A Well, there's movement there, and that goes back
9 to improper alignment, which causes a lot of DR meters.

10 Q All right. Does improper alignment of gears --
11 of the drive gear also have any impact on leaking?

12 A I would say yes, to some degree.

13 Q Okay. Can you explain that?

14 A Well, because with that center box, there's an
15 O-ring that goes in that center box with that wiggler with
16 that -- the dog that goes in there.

17 Q All right. You have said an O-ring?

18 A Yes. It's just a -- on the Rockwells, it's just
19 a very small O-ring that goes into that center box. And
20 we get everything started. It will lock up. And that
21 meter internally still want to continue to turn and to
22 move. Something's got to give.

23 Q So what happens?

24 A Well, that's where I suspect that that center
25 box begins to leak.

1 Q All right. Let me direct your attention to a
2 particular type of Rockwell meter, a 415. Can you tell
3 me, first of all -- or tell the Commissioners what kind of
4 meter that is?

5 A That's a -- we've got a 415 Rockwell. It's the
6 -- just a large meter than a 275. It's where you increase
7 like -- if you go from, say, one furnace, per se, and you
8 increase your gas load in your home, so you need a larger
9 volume of gas, so you increase your meter size.

10 Q All right. And is there such a thing as a 415
11 on pounds?

12 A Yes.

13 Q Okay. What does that mean?

14 A It's a -- on a heavier load.

15 Q Okay. And is there anything different in the
16 drive gear of the 415 on pounds than on, for instance, the
17 American 250?

18 A The 415 on pounds, this component is not
19 compatible with a 415 on pounds.

20 Q When you say this component, what are you
21 referring to?

22 A The module. The Cellnet device.

23 Q In what way is it incompatible?

24 A Because of the gears. You have more teeth per
25 inch on a 415 on pounds than you do on inches.

1 Q Than you do on what?

2 A On inches.

3 Q Okay. All right. And what does that -- what
4 kind of problem does that cause?

5 A Well, we've seen some to where they just come
6 in. And after a while, when that 415 continues to turn,
7 is what it does, it reams out that inner part of this
8 component. And this plastic just like shreds up and
9 builds up inside there until it gets so packed in there --
10 we've seen some actually -- one actually exploded, this
11 device. It caused it to just --

12 JUDGE WOODRUFF: When you say exploded, you
13 don't mean a gas explosion?

14 A No.

15 JUDGE WOODRUFF: You mean the plastic?

16 A The plastic like -- I would say it just cracked
17 in pieces.

18 JUDGE WOODRUFF: Okay.

19 Q (By Ms. Schroder) All right. And you talked
20 about --I want to go back a minute to your point about
21 these Rockwells coming in with screws that were tightened
22 too much or too little; is that right?

23 A On the Rockwells, they're a very sensitive meter
24 when it comes to the Cellnet. It's either you can have
25 them too tight it will cause it to be a DR, or if it's not

1 tight enough. They're just very sensitive.

2 Q All right. And -- if -- and how do we know
3 that's an installation problem, an installation error?

4 A Because when they come in -- and the first thing
5 we do is determine whether it's installation or if it's
6 internal, something to do with the meter itself. So this
7 is where we start.

8 Q All right. How do you -- what do you do
9 differently when you put them on the shop to make sure
10 that you don't have this problem?

11 A Well, I let it run at the time I reinstall that
12 index. That way, I can have it just at the right
13 tightness that it needs. And I'm running air through it
14 at that time so it's constantly turning, so that way I
15 know.

16 Q All right. Is that possible for a field
17 installer to do?

18 A To my knowledge, it's not.

19 Q All right. Now, I think you indicated earlier
20 that these Rockwells are where you see the most center box
21 leaks; is that correct?

22 A To my knowledge, yes.

23 Q All right. Okay. All right. There are also
24 other types of meters that Laclede has. There are Sprague
25 meters and Lancaster and other types of American meters;

1 is that true?

2 A Yes.

3 Q Okay. Are you -- are you seeing more -- I'm
4 sorry. Strike that. I want to go back for just a moment
5 to these Rockwells. Prior to AMR installation, do you
6 recall seeing center box leaks on Rockwells that were less
7 than ten years old?

8 MR. ZUCKER: I'm going to object. We're getting
9 pretty far afield from the demonstration part of this.
10 This is not a witness who filed direct or rebuttal or
11 surrebuttal testimony. And she's -- we've had no
12 opportunity to -- to preview her testimony.

13 And now she's going far afield on a whole
14 variety of subjects not tied to a demonstration of an
15 installation.

16 JUDGE WOODRUFF: It's my understanding that this
17 is -- portion of the hearing is for the demonstration with
18 the meter, so please limit yourself to those type of
19 questions.

20 MS. SCHRODER: Okay.

21 Q (By Ms. Schroder) Okay. Ms. Harmon, can you
22 demonstrate any -- any other problems that you're seeing
23 from improper installation on the meter?

24 A On this particular meter?

25 Q On any kind of meter.

1 A Well, most of it is the installation. With the
2 screws -- some of -- all of the screws are not always in
3 there, all four of them. Sometimes you may only have one
4 Clip holding this index in. You may have two where this
5 wiggler back here is broken.

6 Q Where the wiggler on the meter --

7 A On the index.

8 Q -- on the in -- on the -- okay?

9 A This is the index.

10 Q And that's the AMR module. Or that's the index
11 of the meter?

12 A This is the index to the meter.

13 Q Okay. Thank you. And how is the breaking of a
14 wiggler an installation problem?

15 A Well, if they don't have this properly aligned,
16 there's no -- nothing's going to be properly aligned. It
17 all starts here. And this is secondary. So if this is
18 loose and it's moving around, something's going to give
19 somewhere.

20 Q All right. And when you're saying if this is
21 loose, you're talking about the AMR module?

22 A Yes. This here.

23 Q Okay. I'm sorry. Is there anything else that
24 you want to show the Commissioners on that meter that
25 reflects installation errors?

1 A No.

2 MS. SCHRODER: All right. Thank you. You have
3 to stay up there.

4 JUDGE WOODRUFF: Yes. For cross-examination --
5 for Staff? I'm sorry.

6 MR. FRANSON: That's fine.

7 JUDGE WOODRUFF: Actually, I should start with
8 Public Counsel.

9 MR. POSTON: Yeah.

10 CROSS-EXAMINATION

11 BY MR. POSTON:

12 Q I just had a question with the -- the wiggler
13 arm piece that comes out here itself, now, that's made out
14 of metal material; is that correct?

15 A Yes.

16 Q Okay. And so are you testifying that as that
17 spins, that's breaking?

18 A That part is not breaking off.

19 Q That's breaking the plastic pieces that it's
20 coming into contact with. Is that -- is that what you're
21 saying?

22 A When this is improperly installed and you've got
23 movement on this, because this is Step 1, therefore, Step
24 2 is going to also have a reaction because it's not
25 properly aligned.

1 And that -- right here is where you will find
2 you start getting these tabs broken. It's going to either
3 give there or it's going to give here. Something's going
4 to give.

5 Q And so it's -- it's the metal piece rotating
6 that you're saying is causing that -- the plastic piece to
7 break? Is that what you're saying?

8 A No, sir.

9 Q Okay.

10 A This here -- this piece right here, if it's not
11 properly aligned -- which a lot of them we get in,
12 sometimes the screws are just dangling. You can tilt it,
13 and sometimes they just fall out because these guys are in
14 such a big hurry to move on to the next meter.

15 MR. ZUCKER: Objection.

16 A Okay.

17 JUDGE WOODRUFF: I'll sustain the objection.

18 And the reason for that is you were speculating about what
19 the reason might be why the screws were loose.

20 A Okay.

21 Q (By Mr. Poston) And when -- when that -- the
22 metal piece is actually spinning in there, I mean -- I
23 mean, how strong is that? I mean, could you with your
24 finger stop it from spinning if it was -- if gas is
25 flowing through?

1 A I don't know. I never tried that. Honestly, I
2 don't know.

3 MR. POSTON: Okay. That's all I have.

4 JUDGE WOODRUFF: All right. And for Staff?

5 CROSS-EXAMINATION

6 BY MR. FRANSON:

7 Q Ms. Harmon, have you been trained to do full
8 installation of AMRs?

9 A Have I been trained?

10 Q Yes.

11 A Would you elaborate on trained?

12 Q Well, have you -- in order to install an AMR,
13 have you gone to any specific classes in order to do that?

14 A They did not provide any classes.

15 Q Okay. So everything you're testifying about
16 today is based on your observations in the meter shop?

17 A It's -- no. It's from personal experience.

18 Q Based on your observations in the meter shop; is
19 that correct?

20 A Because I've worked on them.

21 Q Okay. But you've never actually gone out in the
22 field and installed one yourself; is that correct?

23 A Yes, sir.

24 JUDGE WOODRUFF: Ms. Harmon, you need to speak
25 into the microphone.

1 A I'm sorry. No, sir.

2 COMMISSIONER CLAYTON: She can move around. If
3 that's uncomfortable, you can move it around however you
4 want to. Not to the meter.

5 JUDGE WOODRUFF: As long as we can hear, that's
6 the only thing.

7 MR. FRANSON: I don't have any further
8 questions.

9 JUDGE WOODRUFF: All right. For Laclede?

10 CROSS-EXAMINATION

11 BY MR. ZUCKER:

12 Q Good morning, Ms. Harmon.

13 A Good morning.

14 Q My name is Rick Zucker. I'm an attorney from
15 Laclede.

16 A Nice to meet you.

17 Q And can you tell us what your primary job is in
18 the meter shop?

19 A My job title is large meter adjustor.

20 Q And what do you do as large meter adjustor?

21 A A large meter comes in -- and when I say large
22 meter, I'm referring to 750 Rockwells, 800s, on up. And
23 that is to go ahead and do a test. We do the open test,
24 we do a check test. And if those two numbers are not
25 within 2 percent, therefore, they're not opened up, I take

1 the hand-held plate off. I go inside, and I make
2 adjustments.

3 Q So you're checking for the accuracy of these
4 larger meters?

5 A Exactly.

6 Q And -- and I think you said you have not seen an
7 AMR installation in the field --

8 A Correct.

9 Q -- is that right? And so after a meter is
10 brought in from the field, if it has an AMR unit on it,
11 would that meter come to your work area?

12 A They do.

13 Q Well, I mean, let's say if it's a residential
14 meter.

15 A A residential meter would be one like this. No.
16 My big job would not be to work on this meter.

17 Q Okay. So you do not regularly work on these
18 meters?

19 A From time to time, I do. There's times that we
20 all have different jobs -- excuse me -- appointed to us
21 because -- for one reason or another.

22 Q Okay. Well, how many of -- of these meters
23 would you say you've worked on?

24 A I could not begin to tell you. I don't know. I
25 never kept count.

1 Q Could it be as many as a thousand?

2 A I would say no.

3 Q How about a hundred?

4 A More than a hundred.

5 Q Okay. So you're saying that you've worked on

6 more than 100 residential meters that have come in with an

7 AMR device on them?

8 A Yes, sir.

9 Q You said that -- you talked about those tabs

10 breaking over time; is that right?

11 A Yes.

12 Q Would you -- would you consider that to be a --

13 a design issue?

14 A I really couldn't say. I'm not an engineer.

15 Q Do you have any idea how many meters have come

16 into the meter shop in the last year with a -- a --

17 because of a problem?

18 A I would not have knowledge of that.

19 Q Do you know how many AMR installations have been

20 done in the field?

21 A No, sir.

22 Q In -- in the meter shop, are there people who

23 put AMRs on -- on meters?

24 A Yes, sir.

25 Q And that is not your primary job, is it?

1 A No, sir.

2 Q When -- when a meter comes in to the meter shop
3 with an AMR module on it, where does it go first?

4 A The first place it goes is on the loading dock,
5 which is where they do the bar coding. Everything on that
6 meter is put into the computer, the badge number, the
7 index reading, the address, what district it came out of.

8 And then from there, they get a bar code ticket,
9 and they put that on that meter. From there, it goes into
10 Incoming. And that's where it begins its tests to do an
11 open and end check.

12 From there, that incomer determines whether it
13 needs to be adjusted. Or if the numbers are good, you
14 pass that meter on to Hydro or Dry Leak test.

15 Q Okay. So there's an accuracy test first?

16 A Yes, sir, on all meters.

17 Q Then there's a leak test?

18 A Yes, sir.

19 Q And -- and neither of those are your job with
20 regard to residential meters?

21 A From time to time, it is.

22 Q Would you -- would you tell me again what you
23 refer to as an O-ring?

24 A On this particular meter, it doesn't have one.

25 A Rockwell does.

1 Q Okay. Is that made out of plastic?

2 A No, sir. It's just an O-ring, a rubber O-ring.

3 Q Okay. And are you aware that -- you talked

4 about the 415 Rockwell.

5 A Yes, sir.

6 Q Are you aware that Laclede has not been -- had

7 those retrofitted for AMR modules?

8 A I am not aware of that fact. We're reinstalling

9 them back out in the field because of that.

10 Q In other words, what you said is they're not

11 compatible?

12 A Right.

13 Q And so they're not being installed?

14 A To my knowledge, they are not.

15 Q And so there is no problem?

16 A Because they did send them out until they

17 realized there was a problem. Now, if there's any left

18 out in the field anymore, I don't know.

19 Q You talked about how if the old gasket isn't

20 properly cleaned off that the AMR module might not sit

21 correctly, right?

22 A On the Rockwell meters.

23 Q Okay. And -- and was that problem identified by

24 Laclede?

25 A We, as the employees in the shop, is the ones

1 that found that.

2 Q And that problem has been rectified, correct?

3 A To my knowledge.

4 Q How long have you been working for Laclede?

5 A Fifteen years.

6 Q And prior to AMR, have you seen meters come in
7 with problems?

8 A Yes. You see all kinds.

9 Q Have you seen meters come in with leaks?

10 A Yes, sir.

11 Q Can a meter leak from the -- from a gasket or a
12 seal behind the center box?

13 A Yes, sir.

14 Q Can a meter leak from a different gasket?

15 A Yes, sir.

16 Q Do you have any idea whether the number of
17 meters brought in with AMRs on them and meter leaks is any
18 greater or less than meters brought in without AMRs on
19 them that have leaks?

20 A I cannot say. I cannot give an accurate answer.

21 MR. ZUCKER: No further questions.

22 JUDGE WOODRUFF: All right. We'll come up for
23 questions from the Bench, then. Commissioner Murray, did
24 you have any questions?

25 COMMISSIONER MURRAY: Thank you. Yes.

1 CROSS-EXAMINATION

2 BY COMMISSIONER MURRAY:

3 Q Let me see where I want to start here. You --
4 you are a full-time employee with Laclede Gas Company; is
5 that correct?

6 A Yes, ma'am.

7 Q And are you also a union member?

8 A Yes, ma'am.

9 Q And you work in -- in the shop itself in a
10 location called the Shop; is that correct?

11 A Yes, ma'am.

12 Q Okay. So what would be the reason that a
13 residential meter would come into your shop?

14 A A variety of reasons. It could be for a
15 systematic change. It could be for a stuck meter, a
16 damaged meter, a leak. I mean, you've got like ten
17 different reasons to mark on a card when they're out in
18 the field when they go to pull that meter, and they just
19 check one. And so it's a wide variety of why that meter
20 is changed.

21 Q Okay. Now, you said you normally work on large
22 meters, 750 to 800 and above; is that correct?

23 A Yes, ma'am.

24 Q And the meters that are residential meters are
25 250 and below --

1 A Yes.

2 Q -- is that correct?

3 A It's like this.

4 Q Now, how many specific residential meters have
5 you worked on since AMR installations began?

6 A I don't have a number on that. I couldn't even
7 begin to guess.

8 Q And you -- you testified -- it was kind of -- it
9 was kind of vague. I was having trouble following exactly
10 what you were saying about your observations. And I'm not
11 clear as to whether you have ever observed a meter that
12 has come in with an AMR installed on it, a residential
13 meter that has had a leak or some other problem that you
14 have identified -- you personally have observed and have
15 identified as the result of the AMR installation.

16 Have you ever observed a specific meter that had
17 a problem based upon a cause being the installation of the
18 AMR?

19 A Yes. I -- I have personally.

20 Q And what did you --

21 A Not just observed it, but actually worked on it
22 myself to correct the installation problem.

23 Q And can you give us the serial numbers of those
24 -- how many -- how many would that be, first of all?

25 A I couldn't give you a number. I'll give you one

1 day, for a good example, was there was 45 meters -- well,
2 with the AMRs there isn't but, let's say that one cart had
3 at least 30 meters on it.

4 Q I'm sorry. You're going to have to repeat that.
5 I didn't understand what you just said.

6 A Like a cart of meters will contain like 30
7 meters. Right.

8 Q What contains 30 meters?

9 A A cart. We have carts in the shop that all
10 these meters sit on.

11 Q All right.

12 A And so one day in particular, I would say at
13 least 75 percent of the meters I did was all because of
14 poor installation.

15 Q Poor installation of what?

16 A The Cellnet device.

17 Q And were those all on residential meters?

18 A Yes, ma'am.

19 Q So were you that day just assigned to
20 residential meters?

21 A That day, yes.

22 Q And are -- are there AMR devices ever installed
23 on the large meters that you are in charge of normally?

24 A When I get a -- a large meter with the Cellnet
25 device, I remove it to do my test.

1 Q Wait a minute. The answer to my question, large
2 meters that you normally inspect occasionally have or
3 frequently have Cellnet devices installed on them; is that
4 correct?

5 A Yes. It's getting to where the majority of them
6 have been replaced with a Cellnet device.

7 Q All right. Now, are you -- are you examining
8 large meters that you are determining have a problem that
9 was caused by the installation of the AMR device on that
10 large meter?

11 A Those are to be more correct than a small
12 residential meter.

13 Q They are to be what?

14 A More done correctly and properly than the small
15 residential meter.

16 Q You mean what you observed is that they are --

17 A Yes.

18 Q -- more frequently done properly?

19 A Yes.

20 Q Are they done by -- by union employees?

21 A I don't know.

22 Q How long have the AMRs been on the large meters?

23 A At least a year now.

24 Q And how long have the AMRs been on the
25 residential meters?

1 A I really don't know. I think at least probably
2 -- I'm going to say like 16, 18 months, to the best of my
3 knowledge. They started with these before they went to
4 large commercial meters.

5 Q Began with that and went to large commercial --

6 A Yes.

7 Q In your opinion, why would the large commercial
8 meters have better installation than the residential
9 meters?

10 A Because I would say there's really not that much
11 to changing one out compared to this. Because it's not --
12 this has got a template to fit onto this meter to where
13 when you change one out on a large meter, you don't have
14 to alter anything. It's basically a Cellnet with the
15 device on it, and you just slip it over the existing index
16 and go.

17 Q In other words, you're saying you don't have to
18 unscrew things, you don't have to --

19 A Remove the index cover, and that's it.

20 Q What about those little devices that I believe
21 were red or pink that have to be broken in order to get
22 into the meter, the tamper -- anti-tamper devices? Are
23 they on the large --

24 A You're talking about seals?

25 Q Yes.

1 A The protective seals.

2 Q Are they on the large meters as well?

3 A Yes, ma'am, they are.

4 Q So they have to be removed?

5 A Yes.

6 Q What else has to be done on the large meter for
7 installation?

8 A I remove the two seals, and then there's two
9 screws that hold that in place. I remove those, and off
10 comes the index. It's the index cover.

11 Q You say you remove it?

12 A Yes, ma'am.

13 Q But you're not installing them, are you?

14 A No. From me, it goes into another department,
15 and he reinstalls those.

16 Q So are you telling me what an installer has to
17 do or what you have to do to remove one that has already
18 been installed?

19 A I'm telling you what I do on my job to remove
20 it.

21 Q And what would an installer do to install it?

22 A I'm not sure. I've never installed one on a
23 large meter.

24 Q You don't actually know what has to be done to
25 install the large meter?

1 A No, ma'am.

2 Q Have you ever installed one on a small meter?

3 A Yes, ma'am.

4 Q So you do know what has to be done there?

5 A Yes, I do.

6 Q So how do you know that it is more difficult to
7 do the small meter than the large meter if you don't know
8 what has to be done on the large meter?

9 A Because there is only two screws. There is no
10 altercation. Nothing has been altered to make that device
11 work on a 800 or a 750 meter, unlike this.

12 Q How do you know if you don't know what the
13 installation involves?

14 A Because all it takes is two screws to put it
15 back on, the two screws I took out.

16 Q But you don't know what it takes to install it
17 originally?

18 A I've never reinstalled one, no.

19 Q Now, are you testifying that it -- I -- I'm -- I
20 guess I'm trying to understand the purpose of your
21 testimony here. And let me see if I'm accurately in any
22 way assuming what it is you're here to say.

23 Are you saying that only union workers employed
24 by Laclede are capable of installing AMR meters properly?

25 A I would say they're better qualified to do that

1 job, yes.

2 Q Better qualified than anyone else?

3 A Compared to somebody that doesn't have the
4 background in this type of work.

5 Q And -- and what qualifies you to be a -- or what
6 would qualify a union employee of Laclede to -- to install
7 an AMR meter? What kind of training would you have?

8 A I would say just their previous training alone
9 would make them more qualified to know what to look for.

10 Q To look for in what way?

11 A Well, as far as any deterioration on the meter
12 itself, to detect any odors.

13 Q So you have a better sense of smell than --

14 A No. But it's -- what I'm saying, it varies from
15 person to person as far as what they smell and what they
16 don't smell. But I think when you're around it as much as
17 we are, you're just more aware of it.

18 Q How frequently do you smell gas leakage?

19 A Gas leakage or gas in the air?

20 Q Well, where would it be in the air if it weren't
21 from leakage?

22 A Because when there's large meters brought into
23 the meter shop, the caps are removed. So those meters are
24 sitting there waiting to be tested.

25 Q Okay.

1 A And the minute I start hooking up my air to run
2 those meters or even a small residential meter, you -- any
3 -- any gas that was left in that meter, you automatically
4 smell it. I do.

5 Q Okay. So you're saying every time you look at a
6 meter, you smell gas?

7 A No. I didn't say that. Every time I look at a
8 meter I smell gas? No.

9 Q Every time you get near one?

10 A No, ma'am. When I get ready to run that meter,
11 if it has not set there for a certain period of time to at
12 least evaporate any excess gas fumes, so to speak, then
13 you can smell that gas.

14 Q Okay. And is it true that at some point -- at
15 some time when you first smell gas on a meter that that
16 smell then dissipates?

17 A Correct.

18 Q Okay. When you inspect a meter, do you make a
19 record -- do you keep a -- do you keep a log or anything
20 to indicate that certain meters have been through your
21 shop and have been inspected?

22 A No, ma'am.

23 Q So what happens after a meter goes through your
24 inspection and maybe it -- it needs something done to it
25 that -- that process has gone through, it's considered

1 ready to go back in the field?

2 A It goes to another person after I'm done doing
3 my tests, my accuracy tests, and/or my adjustments.

4 Q All right.

5 A Then I send that meter over into another
6 department.

7 Q And what happens there?

8 A And that's where he would do a dry leak test on
9 that meter. If he finds leaks, he repairs them. That
10 meter may be a partial. Maybe could not bring it in, you
11 know, on my adjustment. Some meters, if it fails the dry
12 leak test, he dips it into a tank of water to determine
13 where that leak is at.

14 Q Okay. And there's no --

15 A So he does the repairs that are needed on that
16 meter.

17 Q But there's no record, no serial number
18 recorded, no record --

19 A Not with me, not with my job. With the next
20 step, yes. Whatever he does to that meter is documented
21 and put into the computer.

22 Q So every meter that leaves you goes to someone
23 who does keep the record; is that right?

24 A Correct.

25 Q Okay. So these meters that have left you that

1 you have said you have found -- you have seen problems
2 with that had AMR devices on them, the problems that you
3 saw, were you detecting leaks?

4 A No.

5 Q What were you detecting?

6 A I was doing incoming tests. Or I was doing an
7 adjust on that meter.

8 Q And what were the problems that you saw?

9 A Poor installation that created a lot of the
10 existing problems.

11 Q That's rather vague. I'm sorry. That's not
12 something we can look at and rely on.

13 A As I said earlier, that gasket left on those
14 Rockwell meters, okay, that right there was poor
15 installation. That gasket needed to be removed for a
16 proper alignment for that device.

17 Q And you can't tell me how many meters you looked
18 at that were not properly aligned?

19 A I know there was quite a few in the beginning
20 when we first started this.

21 Q So --

22 A To have a number, exact number? No, ma'am, I
23 don't.

24 Q So do you make any notation at all about
25 anything that you observed when you're looking at a meter?

1 A I've never been told to, so, therefore, I never.

2 Q So what happens if you see something that you
3 think was not properly aligned? What do you do?

4 A I just make the corrections on it and move on to
5 the next meter.

6 Q Okay. So the -- then that meter moves on to the
7 person in the next shop, and that person never knows that
8 the --

9 A Oh, we may discuss it amongst ourselves, you
10 know, with the people, like the next bench over.

11 Q But that's just talking. That's not recording.
12 That's not keeping records or --

13 A I was never told to.

14 Q So by the time the meter leaves you and passes
15 on to another shop, there is no further inspection of any
16 AMR installation. Would that be accurate?

17 A I would say that would be accurate. From me.
18 No more information inspections from me.

19 Q Well, that wasn't my question. I'm saying,
20 after it left you.

21 A Well, it still has to go to another station
22 after it leaves me.

23 Q But you indicated that the other station does
24 something different than what you did; is that correct?

25 A Correct.

1 Q And they're looking, -- what -- what are they
2 looking for different -- that is different than what you
3 looked for?

4 A They're doing a dry leak test on that meter.

5 Q All right. But if they did a dry leak test and
6 discover a leak, can they determine where that leak was
7 caused, what caused that leak?

8 A If they take it into the Hydro area and dip it
9 in water, yes, ma'am. That's how you find a true leak.

10 Q So you're standing next to a meter right now --

11 A Yes.

12 Q -- and you're talking about dipping the whole
13 meter into a Hydro area?

14 A Yes, ma'am.

15 Q And then that would show you exactly where the
16 gas was coming out of the meter; is that correct?

17 A Yes, ma'am.

18 Q Okay. Now, do you know if any of those dry leak
19 tests have revealed any kind of a leak that was caused --
20 that was able to be proven that it was caused by the
21 installation of the AMR device?

22 A I would say on the Rockwells, yes, because of
23 poor alignment.

24 Q Okay. And those are no longer being used; is
25 that correct?

1 A The Rockwells are still being used.

2 Q But, I mean, with the AMR devices.

3 A To my knowledge, they are. They're being
4 reinstalled.

5 Q Well, I thought -- maybe I misunderstood. But I
6 thought you were just questioned earlier about Laclede
7 having discovered that there was a problem --?

8 A 415 Rockwells on pounds. You've got several
9 different meter sizes.

10 Q Okay.

11 A You've got 200 Rockwell. You have 275s. You
12 have 415.

13 Q All right. So which ones have a problem?

14 A The 415 on pounds.

15 Q What do you mean on pounds?

16 A When I stated -- that's when the dial is red
17 instead of white. This is inches.

18 Q Okay.

19 A And then you have -- you have a red dial, which
20 is pounds. And that's when the meter is under a heavier
21 load. And that 415, after it was brought to their
22 attention, the problems that it was having because of the
23 gear meshing, they were interlocking.

24 That's when, to my knowledge, they went out and
25 pulled -- I know I can't given you a number how many. But

1 I know it went on for days that they went out and got
2 those 415s back into the shop. To my knowledge, I don't
3 believe they're being sent back out on pounds.

4 Q Okay. So to your knowledge, the problem with
5 the Rockwells has been eliminated?

6 A 415s.

7 Q So what are the problems with the other
8 Rockwells?

9 A That's where I told earlier that gasket was not
10 removed. Poor installation overall.

11 Q Now, is that the case with the non-Rockwell
12 meters?

13 A Well, with this particular meter, it's the
14 plastic tabs that we find that breaks. That and/or this,
15 again, because of poor installation. Some of these come
16 in and this whole unit just wiggles. I mean, screws will
17 literally just fall out.

18 Q Okay. Now, back to my question about when it
19 goes in for testing of a leak. You said that the only one
20 that you are -- I believe -- and correct me if I'm wrong,
21 but I believe you said the only instance that you're aware
22 of in which a leak was attributed to the installation was
23 on the Rockwell 415. Is that -- did you say that?

24 A No. I think you're misunderstanding what I'm
25 saying. It was -- the Rockwell overall with the old

1 existing gasket still left on there was creating problems
2 as far as improper seal.

3 Q Now, that's not related to the AMR installation
4 then --

5 A Yes, ma'am.

6 Q -- or is it?

7 A Yes, ma'am.

8 Q All right. Go ahead.

9 A And that would cause improper alignment.

10 Q All right. And that is the one --

11 A The next --

12 Q -- in which there was a leak detected as a
13 result of that; is that correct?

14 A Yes, ma'am.

15 Q And that's the only one that you are aware of;
16 is that correct?

17 A For Rockwells. That was one of the main
18 problems with the Rockwells.

19 Q Okay. Are you aware of any other meters that
20 have gone through the dry test and that have been
21 determined to have a leak that was caused by the
22 installation of the AMR?

23 A I do not do the dry leak test, so, therefore, I
24 can't even say.

25 Q But you just told me there was one for the

1 Rockwell. How did you know that?

2 A Because the guy called me over to his work bench
3 and showed it to me.

4 Q Has anyone ever called you over to the work
5 bench to show you any other leak --

6 A Uh-huh.

7 Q -- that was caused by any other AMR device?

8 A Yes. But I didn't discover it myself.

9 Q I didn't ask you if you discovered it yourself.
10 I asked you if it had ever been discovered. I understand
11 you don't do that dry test. You've already told me that.
12 Somebody else does it after it leaves you.

13 A It's been brought to my attention, yes.

14 Q So what else has been brought to your attention
15 that has the result of a leak -- that has been a leak that
16 was a result of an AMR device other than the Rockwell 415
17 that you told me about?

18 A That's pretty much it. The -- the Rockwells is
19 where we've had the biggest problems.

20 Q Okay. So no one else has called any other leak
21 to your attention that was a result of an AMR device?

22 A No.

23 COMMISSIONER MURRAY: All right. Thank you.
24 That's all I have.

25 JUDGE WOODRUFF: Okay. Commissioner Gaw?

1 CROSS-EXAMINATION

2 BY COMMISSIONER GAW:

3 Q Good morning.

4 A Good morning.

5 Q Real quickly, can you tell me what your job is
6 again?

7 A Yes. I'm a large meter adjustor.

8 Q All right. And how many of -- how many people
9 do the job that you do, approximately? Do you know?

10 A Just between large meter adjustor?

11 Q Uh-huh.

12 A Just between myself and sometimes one other
13 person.

14 Q Okay. And what about the -- the other meters?
15 Are there people that do the same type of a job that
16 you're doing on the large meters?

17 A No, sir.

18 Q Okay. And why is that?

19 A Well, we all have different jobs, bid jobs.
20 They've only had one large meter adjustor. And then like
21 the next guy that takes over if I'm on vacation, his
22 classification is Small Meter Adjustor, but he's also --
23 can do my bid job, which is large meter.

24 Q Okay.

25 A And then sometimes if it really gets backed up,

1 you know, they put him into a classification so we can get
2 caught up.

3 Q So there -- but there are individuals that do
4 the small meter adjustment --

5 A Yes.

6 Q -- that are similar to the job that you're doing
7 on large meters?

8 A When we're behind. Yes.

9 Q Okay. When the -- again, when did you first --
10 approximately, when did you first hear about this problem
11 with the Rockwell meters?

12 A I really couldn't say. I -- I really can't say.
13 I --

14 Q Okay. Do you remember how you found out?

15 A Just from working in the incoming room --

16 Q Okay.

17 A -- where everything takes place and that.

18 Q And the problem that -- that you're describing
19 with the Rockwells, was it -- what -- what caused it, in
20 your opinion, if you -- if you have an opinion?

21 A The problems?

22 Q Yes.

23 A Well, the biggest problem was the old gasket was
24 not removed.

25 Q And should it -- should that have been done?

1 A Yes, sir.

2 Q And who should have done that?

3 A The person installing this device.

4 Q All right. And was this a 415 that you're

5 referring to or a different size?

6 A Any of the Rockwells.

7 Q Any of them?

8 A Yes, sir.

9 Q Okay. Are -- do you know whether or not that

10 happened on other occasions with -- with the Rockwell?

11 A That the gasket wasn't removed?

12 Q Yes.

13 A We found that on a lot of the Rockwells when

14 they came back into the shop.

15 Q Okay. And these were -- again, just for

16 clarification, these were after the AMRs had been placed

17 on those meters?

18 A Yes, sir.

19 Q Okay. The problem that existed in regard to the

20 415s and the screws being out of alignment, do you know

21 how long that had gone on with those AMRs being placed on

22 those meters before it was discovered that there was a

23 problem with that?

24 A I really can't say. I don't know.

25 Q Would it -- do you have any idea -- any

1 concept --

2 A If I had to guess, I would say --

3 Q I'm not looking for a guess.

4 A No.

5 Q But if you have an estimate --

6 A No. Then I can't give you an answer on that.

7 Sorry.

8 Q Okay. Do you know if there's someone who would

9 be aware of that?

10 A Yeah. Probably some of the SEID fitters that

11 did the meter changes.

12 Q Okay. Are -- are any of them here today?

13 A Not to my knowledge.

14 Q Eventually, there was something different done

15 with the 415s. Would you tell me what that is again?

16 A The 415 on pounds is where --

17 Q You're drawing that distinction, and I'm -- I

18 need help from you to understand --

19 A Okay. It's a different -- it's a different gear

20 ratio --

21 Q Yes.

22 A -- than it is on inches.

23 Q Okay. Tell me -- tell me what happened with the

24 pounds -- with the pound meters, and then tell me what

25 happened with the inches meters.

1 A Well, on 415s, that's where you had trouble
2 where the gears would not interlock or line up properly
3 with each other.

4 Q And is that because of the AMR device, or does
5 it have anything to do with that?

6 A Well, to my knowledge, the Cellnet device is not
7 compatible with the 415 on pounds.

8 Q On pounds. Okay. And on inches?

9 A It is.

10 Q It is. Okay. So is that the gear issue that
11 you're describing?

12 A Yes, sir.

13 Q So it's not just an issue of the screws being
14 out of alignment?

15 A It's more the gears that are not compatible with
16 each other.

17 Q Okay. And you don't know, do you, how many of
18 the -- the pounds 415 Rockwells were out there in the
19 field?

20 A No, sir, I don't.

21 Q Okay. When did you -- did you discover the
22 problem, or did someone else discover the problem with
23 these meters?

24 A The SEID fitters did.

25 Q Okay. Was it obvious to you, this problem, once

1 it was demonstrated to you?

2 A There was no demonstration done. It was just
3 very apparent, if you know what you're looking at.

4 Q Actually, that's what I'm asking, so go ahead.

5 A If you know what you're looking at to recognize
6 that --

7 Q Yes.

8 A -- you just know what you're doing.

9 Q What did you -- what would you observe?

10 A The gear ratio is different on 415 pounds for a
11 Cellnet device. It's not compatible.

12 Q If you were installing an AMR device on a 415
13 Rockwell with pound measurement, would you have noticed
14 this on your first installation?

15 A I would say yes because of my prior experience
16 with 415s on pounds.

17 Q Okay. There was some discussion about no
18 records being kept regarding problems that are found with
19 meters. Do you remember discussion?

20 A Uh-huh.

21 Q Who sets the policy in regard to what records
22 are supposed to be kept in your department?

23 A It comes from superintendent, Fred Malley. And
24 then Tom Valia, his assistant, and then my father is our
25 immediate foreman. So it's a chain of command it comes

1 down from.

2 Q Is it set by the company or by the union?

3 A I would say it's set by the company.

4 Q Okay. You -- earlier, you -- you were showing
5 Commission Murray something where there was a problem, and
6 you -- and you picked -- you were talking about the seals,
7 I believe, and then you picked something up off of the
8 podium there.

9 And -- and I want -- I'm not sure if that's what
10 it was. But if it was, would you describe what you picked
11 up? Because it wasn't clear in the record.

12 A This is just an index to a 250 and/or 175
13 American meter.

14 Q Okay. And what were you saying about that, if
15 you remember?

16 A Well, the problems that we have found with the
17 Cellnet, it's right here.

18 Q What are you -- what are you pointing to right
19 now?

20 A This is the center that makes this -- when it is
21 properly aligned like this. And when this turns -- this
22 automatically turns. These are --

23 Q So is that -- is that the gear that you were
24 talking about earlier?

25 A This is -- but the gears on this is different

1 than a Rockwell gear.

2 Q That's okay.

3 A All right.

4 Q But that's -- is that what you're talking about?

5 A Right. And these are where we've been
6 experiencing that these tabs are breaking off.

7 Q Okay. And that's not just with the Rockwells,
8 right?

9 A No. That's what we find with this type of
10 meter, which is a 250 American.

11 Q Okay. Is that limited to the American 250?

12 A That's what we found -- yes. Because this is a
13 different device than what you would see on a Rockwell.

14 Q I see.

15 A Because the gears are different. The indexes
16 are different.

17 Q Okay. But do you have -- you're having this
18 problem with the breakage on the American?

19 A Yes.

20 Q And do you know what it is that's causing the
21 breakage? Is it the --

22 A A lot of it was poor installation.

23 Q All right. And what makes you believe that
24 that's the case?

25 A Because when these come in and these boxes are

1 just wobbly, hanging off, there may be only one screw in
2 there compared to there's supposed to be two, three, four.
3 And so a lot of it went back to the poor installation.

4 Q All right. Do you have any estimate about
5 approximately how many of these problems -- problem meters
6 you found?

7 A I don't know. Like I said, that one day, I know
8 it was like 75 to 80 percent was all poor installations.
9 The meter tested out fine, and then I would correct the
10 problem and send it, you know, on to the next station.

11 Q What -- what is it -- so that was just on one
12 day?

13 A Yes. That was one day that just -- just sticks
14 out in my mind.

15 Q Okay. Altogether, do you have any idea of the
16 total number or --

17 A No, I really don't.

18 Q Would it be more than ten?

19 A Yes.

20 Q More than a hundred?

21 A Over what time -- portion of what --

22 Q Since you've been seeing these AMRs.

23 A Yes. Over a hundred.

24 Q Over -- over 500?

25 A I wouldn't -- I can't go there. No.

1 Q Okay. But over a hundred, you would say?

2 A Yes, sir.

3 Q Are there other types of problems that you've

4 seen with this -- that you would attribute to installation

5 on those AMRs?

6 A With that, the American?

7 Q On any -- on any of the meters.

8 A The majority of it is poor installation.

9 That's --

10 Q But have you found poor installation on others

11 other than the Americans and the Rockwells?

12 A No. Because the Sprague is pretty much a pretty

13 simple meter.

14 Q Is that the other kind of meter generally?

15 A Yes.

16 COMMISSIONER CLAYTON: What did you say? What

17 kind of meter?

18 A It's a Sprague.

19 COMMISSIONER CLAYTON: Sprague?

20 A Yes. No. The majority of the problems has been

21 the Americans and the Rockwells.

22 Q (By Commissioner Gaw) Okay. And do you know --

23 do you have any idea of what kind of percentage there are

24 of Spragues, Americans and Rockwells?

25 A I really don't.

1 Q Okay. Now, would you have any knowledge about
2 why these meters come in for you to see?

3 A From what I see personally is a lot of them are
4 seeing leaks.

5 Q Okay. I mean, do you know what causes them to
6 actually be pulled and brought into -- for you to see?

7 A Well, on the cart, that's all you've got to go
8 by.

9 Q That's what I'm asking. There you go. Go
10 ahead.

11 A On that cart that comes in with that meter,
12 that's all we've got to go by.

13 Q So the cards are generally saying what?

14 A It's either DR, it's systematic, it's a leak,
15 request special test for high bill. It's just a variety
16 of reasons.

17 Q Go back through that list for me and tell me
18 what they mean. What's a DR mean?

19 A Doesn't register, doesn't run.

20 Q Doesn't run. Okay. And some of the other
21 things you mentioned were?

22 A It's systematic.

23 Q What's that mean?

24 A All right. At one time, we used to have to
25 where every ten years the meters were changed out

1 automatically. And then that law changed, I believe, in
2 the early '90s, mid '90s to where now, you can go on
3 average to 13, 14 years before that meter is changed out.

4 Q Okay.

5 A So it automatically comes up in the computer to
6 where this meter is due for a change, so it's
7 automatically systematic.

8 Q Okay.

9 A Not that there's any trouble with that meter.
10 It's just ready to be changed out.

11 Q Okay.

12 A So then you have -- sometimes things come in as
13 far as broken. Well, it might be a broken index. You
14 know, that's just -- I mean, we see meters that's been
15 shot at with guns. Oh, yeah. We've seen them all.

16 Q Yes.

17 A So, you know, damage is a big thing. And then
18 you've got the leaks. And that's what I said. It's just
19 a variety of reasons.

20 Q With the AMRs, what is it that's causing the
21 majority of them to come in, though, again? I --

22 A When I see them, they have either DR or leaks.

23 Q Okay. So not gunshots generally?

24 A No.

25 Q Well, you brought it up. I thought I better

1 clarify.

2 A Well, I've seen it.

3 Q I understand.

4 COMMISSIONER GAW: Okay. That's all I have.

5 Thank you, ma'am

6 JUDGE WOODRUFF: Commissioner Murray, did you
7 have another question?

8 COMMISSIONER MURRAY: I did unless somebody
9 else --

10 COMMISSIONER CLAYTON: I will, but go ahead.

11 CROSS-EXAMINATION

12 BY COMMISSIONER MURRAY:

13 Q My question was about the 2 -- the American
14 meter, 250 meters you talked about. I believe earlier
15 what you stated in regard to that was that you were seeing
16 DRs, don't register; is that right?

17 A Yes, ma'am.

18 Q Now, that's not a safety issue, is it?

19 A Not to my knowledge.

20 COMMISSIONER MURRAY: Okay. Thank you.

21 JUDGE WOODRUFF: Commissioner Clayton?

22 CROSS-EXAMINATION

23 BY COMMISSIONER CLAYTON:

24 Q Ms. Harmon, I just wanted to ask you a couple of
25 questions. I don't think I heard much about it. First of

1 all, you're -- you're a large meter adjustor. Do you get
2 the same kind of training as -- same kind of safety
3 training that everyone else would receive --

4 A Yes, sir.

5 Q -- with the union? And what would that training
6 be?

7 A Are you talking about just your monthly safety
8 -- safety --

9 Q Well, I'm talking specifically about safety
10 training, awareness in natural gas, the hazards that go
11 with it, explosion.

12 A That was with your monthly safety meetings.
13 It's not by the union. It's by the company.

14 Q By the company. When you're first hired at the
15 company, do you have to go through a safety training
16 program, or is it just the regular monthly --

17 A Yeah. It's just your monthly -- your monthly
18 meeting, your monthly safety meetings.

19 Q The -- the meters that come in DR, as you say,
20 or the meters that are leaking, are -- are you able to
21 tell me whether they are a safety hazard in -- in -- when
22 they come in or -- I mean, when they're still hooked up,
23 obviously, is what I'm talking about, not when they're
24 disconnected. But can you discuss the safety aspects of
25 the malfunctions?

1 A As far as the Rockwells, I would say more of a
2 safety issue with those because of just that little O-ring
3 that I talked about earlier, more so than a 250 American.

4 Q Okay. Let's focus on the Rock -- the good old
5 Rockwell. The old Rockwell 415. You -- you say there's a
6 safety issue with the O-ring center box. Can you describe
7 why that is a safety issue?

8 A Because when -- you -- just like when the 415
9 that you just brought up and when those gears do not align
10 properly.

11 Q I follow the whole alignment/installation.

12 A Right.

13 Q I follow the DR. I follow, you know, things get
14 messed up inside the AMR.

15 A Right.

16 Q What I want to know is the potential for that
17 malfunction, that misalignment to cause a safety hazard.

18 A Because it would cause -- it can cause that
19 center box to strip out, become jammed. And that locks
20 up. But, internally, that meter, everything is still
21 wanting to turn.

22 Q Why is that a safety hazard?

23 A Because it can cause leaks.

24 Q Okay. And why are leaks -- to carry it on the
25 next step, why -- would the leak be --

1 A Leaking gas would be a safety factor to me, any
2 type of leaking gas.

3 Q Okay. So is that the policy of the -- of the
4 company or the -- the safety policy that you pick up at
5 your meetings, your monthly meetings?

6 A You would not want to send a meter box out with
7 the center box leaking, no, sir. So, therefore, you
8 correct it.

9 Q Would you leave that type of meter -- if it were
10 leaking, would you leave it in service?

11 A I would not. No, sir.

12 Q Well, how about regular policy with the company,
13 day-to-day-wise?

14 A You know what? I'm not out in the field to make
15 that determination. So, therefore, I can't speak.

16 Q So you don't know what the field people --

17 A Correct.

18 Q -- would do on -- if an O-ring was leaking in
19 the center box?

20 A To my knowledge, would the SID fitters -- if
21 they detect any leak, to my knowledge, they pull that
22 meter.

23 Q Okay. How about on the good old American 175
24 there? Are there any safety issues associated with the
25 AMR?

1 A Not that I know of.

2 Q Okay. How about the good old American 275?

3 A That's a 275 Rockwell you're -- we don't have a
4 275 American.

5 Q You don't have a 275 American?

6 A No, sir.

7 Q But you all talk about these in nostalgic terms.

8 A I wasn't sure.

9 MS. SCHRODER: Commissioner Clayton, I think
10 it's a 250 you're talking about.

11 Q 250. American 250. You're right. Okay. And
12 does the Sprague have a -- a number?

13 A It's just like 175 and 250 Sprague.

14 Q Okay. And the numbers are basically -- they
15 relate to volume --

16 A Yes.

17 Q -- right, the bigger -- bigger meter? Okay.

18 Okay. The -- the Rockwell model that had all the

19 problems, who installed the AMRs on those?

20 A When they were out in the field, the Cellnet
21 people that they hired installed those originally. But
22 now it's gotten to the point to where our SID fitters are
23 installing them in the shop and then sending the meter and
24 everything out as one unit , you know.

25 Q Okay.

1 A But, no, prior to all of that, it was done out
2 in the field.

3 Q So the original installation of the Rockwell
4 415s was done by Cellnet or somebody other than the CID
5 (sic) fitters?

6 A SAID.

7 Q SAID fitters?

8 A Yes.

9 Q Right. Got it. You mentioned at one point, I
10 think, in association with installation of the AMRs on the
11 Rockwell 415 that they were done in a hurry. Or maybe it
12 was the American. Do you recall which meter you said --

13 A I don't recall making that statement.

14 Q You don't remember making -- you --

15 A I made a statement about the people installing
16 them was probably in a big hurry to move on to the next
17 meter doing piece work.

18 Q Okay. And just -- why do you -- I mean, do you
19 have any information that would suggest that they were
20 doing it in a hurry?

21 A Well, they're -- nobody confided in me
22 personally, no. But with piece work, you get paid by --
23 per meter.

24 Q You're just speculating?

25 A Yeah.

1 Q You don't know anything hard and concrete?

2 A True.

3 Q Okay. Even a Commissioner won't ask you a
4 speculative question like that.

5 COMMISSIONER CLAYTON: Okay. I don't think I
6 have any other questions. Thank you for coming today.

7 JUDGE WOODRUFF: Commissioner Appling?

8 CROSS-EXAMINATION

9 BY COMMISSIONER APPLING:

10 Q Good morning, Ms. Harmon.

11 A Good morning.

12 Q When they bring the meters in on the daily basis
13 and you have a bin full, or however they're delivered, is
14 there any indication that those meters that someone has
15 maybe taken the AMR or tampered with them -- or not
16 tampered with them, but the person that had taken the
17 meter out of action and sent it back to your shop, could
18 there be some work on them before they get there in the
19 field?

20 A Are you saying like somebody trying to make
21 corrective measures out in the field?

22 Q When they take the meter, you have the -- to
23 install it, taking it loose from the align and then send
24 it back in, right?

25 A Not to my knowledge.

1 Q I don't understand not to your knowledge.

2 A Well, you're saying that -- what I'm trying to
3 get from you are you, do you suspect somebody's tampering
4 with --

5 Q No, I don't expect. I'm not talking about
6 tampering. I'm talking about your records which takes the
7 meter away from the line and sending it back to your shop.
8 Is there anything -- any way possible that somebody could
9 have tried to fix that meter before you sent it back?

10 A I don't believe so, no.

11 Q You don't believe so?

12 A No, sir.

13 Q But one of the things that you've continually
14 said here with the AMR is that they've not been properly
15 installed.

16 A Yes, sir.

17 Q And you've only had one day of observation of
18 those, correct?

19 A Me personally?

20 Q Uh-huh.

21 A No, sir.

22 Q How many days of observation have you --

23 A I couldn't tell you how many days I've had.
24 I've actually worked on these. I don't know how many
25 days. I did not keep track of that.

1 Q Well, talk to me about the properly aligned,
2 then. You've -- you've said that on several different
3 occasions this morning. I'm having a little trouble with
4 -- with -- with understanding exactly what you're saying
5 here.

6 A Just like on -- go back to the Rockwells with
7 the gasket.

8 Q Let's don't talk about the Rockwell no more
9 because we've already --

10 A All right.

11 Q The company has said we have fixed that. All
12 right?

13 A Right.

14 Q Let's talk about the American here.

15 A Just like this American here, when I say poor
16 installation, the majority of time, these screws aren't
17 even tightened down. They're just put in there almost
18 like hand tightened. They're not even torqued down with a
19 screwdriver.

20 And that right there will give you -- any kind
21 of flexibility with this meter from the very beginning.
22 I've had it to where these -- only one pin was clipped in.

23 Q Well, how many of those did you find like one
24 pin clipped in before you start installing the AMRs?

25 A I can't even give you a number on that. I

1 really don't know.

2 Q Some of that was happening before the AMR was
3 installed on it?

4 A No. Those are the problems I have personally
5 found by working on these meters.

6 Q After the AMR has been installed?

7 A Yes, sir. Because prior to that --

8 Q Did you keep the numbers before the AMR started?

9 A No. There was no reason to.

10 Q Okay.

11 A Because prior to these devices, everything was
12 being installed inside the shop by our qualified fitters
13 to install the indexes and send them back out.

14 COMMISSIONER APPLING: Okay. That's all the
15 questions I have. Thank you.

16 A Thank you.

17 JUDGE WOODRUFF: All right. Recross based on
18 questions from the Bench, then, beginning with Public
19 Counsel?

20 MR. POSTON: No questions. Thank you.

21 JUDGE WOODRUFF: Staff?

22 MR. FRANSON: Briefly, your Honor.

23 RECROSS EXAMINATION

24 BY MR. FRANSON:

25 Q Ms. Harmon, there's been a lot of questions

1 about what you've observed, and it's been alluded to, but
2 I never quite understood. When -- when you arrive at
3 work, you're going to -- let's take large meters. What
4 specifically are you supposed to do on an average day?
5 You have a cart of meters. What's your job?

6 A If there is large meters to be done, I do that
7 job.

8 Q And what do you do with the large meters?

9 A Unless my immediate foreman wants to upgrade me
10 to a different job, which he has when they're needing, to
11 250 Americans a couple weeks ago.

12 Q Okay. Let's go back. And my question is, on a
13 day that you're going to work on large meters, what is
14 your job in regard to large meters?

15 A As I said before, I take that meter. I run an
16 accuracy test on it.

17 Q Okay. Do you do anything else?

18 A Yes. If it needs adjusting, I readjust it and
19 bring it into that 2 percent range.

20 Q Okay. Once it's within that 2 percent range,
21 then what do you do with it?

22 A And then I send it to the next person for him to
23 do a dry leak or Hydro leak on that meter or any repairs
24 that it may need.

25 Q Okay. That meter right in front of you, what is

1 that?

2 A That's a 250 American.

3 Q Okay. When you get a 250 American and you've
4 been, I believe you said, upgraded to work on a 250
5 American, that appears on your cart, what is the first
6 thing you do?

7 A You take the index card that came with this
8 meter, and you check the badge number and you check the
9 index reading to make sure it all corresponds with each
10 other. That's the first thing you do to make sure it's
11 got the correct meter size, badge number, index reading.

12 Q And what is it you're trying to do with this
13 meter? Are you trying to determine what the problem is,
14 why it's there?

15 A I'm doing accuracy test.

16 Q Okay. So your primary function is to focus on
17 accuracy of the meter is that correct?

18 A Absolutely.

19 Q And your primary function is not to diagnosis
20 problems with AMRs; is that correct?

21 A No.

22 Q Okay. The -- after the meter leaves you, you
23 have determined that it is within 2 percent accuracy?

24 A Yes, sir.

25 Q And if you've done that, you've done your job,

1 correct?

2 A And when I'm upgraded to fitter, I do any
3 corrections on this device to make it run properly. And
4 that may be to tighten the screws down, to make sure both
5 clips are in place, make sure the index is intact. And
6 I'm running air through it while I'm doing these things.

7 Q Okay. If you have not been upgraded to fitter,
8 though, you're doing your normal job, checking accuracy,
9 will you work on small meters like this, small
10 residential --

11 A If I'm doing small meter adjust, yes, sir.

12 Q Okay. And then if you do that, your primary
13 function is to determine the accuracy, and then you pass
14 that meter on to another person who will do all the
15 fitting, is that?

16 A If it needs fitting work done to it.

17 Q Okay.

18 A Not every meter needs fitting work.

19 Q Okay. Fair to say, your primary function is not
20 to diagnosis problems with AMRs? You just pass it on to
21 the next person ordinarily that would --

22 A Whenever I'm upgraded to do that job, therefore,
23 I would go ahead and make those corrections myself.

24 Q But if you're in the upgraded to do that job,
25 you'll pass it along to someone else?

1 A Yes, sir.

2 Q Okay. From the time you -- the first time you
3 see a meter is in the meter shop, correct?

4 A Yes, sir.

5 Q Have you ever gone out in the field and removed
6 a meter --

7 A No, sir.

8 Q -- and transported it? Okay. If I can finish
9 my question and then you answer, I will that will work for
10 better -- better for everybody. So you've never gone out,
11 removed a meter and brought it in, correct?

12 A Correct.

13 Q So you would not have any personal knowledge
14 about how the meter got in the exact shape its in when it
15 arrives at your shop; is that correct?

16 A Correct.

17 Q So if it was re -- when it was being removed at
18 a -- say, a residence, you wouldn't know whether the AMR
19 device was smashed into a house or a truck or thrown
20 around or anything like that, would you?

21 A Only by what the index card would say. It says
22 damaged. That's all I would know.

23 Q And what caused that damage, you wouldn't have
24 any idea?

25 A I wouldn't know.

1 Q And whether anybody did anything to it from the
2 time that it was removed and brought to your shop, you
3 wouldn't know about that either?

4 A Correct.

5 MR. FRANSON: No further questions.

6 JUDGE WOODRUFF: Laclede?

7 MR. ZUCKER: Thank you, your Honor.

8 RE CROSS EXAMINATION

9 BY MR. ZUCKER:

10 Q So on occasion, although it's not your regular
11 job, on occasion, you have end tested residential meters
12 with AMR devices?

13 A Yes, sir.

14 Q And I assume residential meters without AMR
15 devices?

16 A Yes, sir.

17 Q And by end testing, you mean you test for the
18 accuracy of it?

19 A Yes, sir.

20 Q And you do not analyze the -- the problem with
21 the meter?

22 A No, sir.

23 Q And -- and you pass it along to the people who
24 do that?

25 A If I'm upgraded to fitter, I will correct that

1 problem. And if I cannot, then I'll pass it on.

2 Q Okay. And you testified that you don't keep
3 records?

4 A I do not.

5 Q And so when you -- when you pass on a meter, who
6 do you pass it on to?

7 A That would be like over to the dry leak
8 department.

9 Q Okay. And who is -- who is that?

10 A That would be like William and a guy by the name
11 of Allen. They do the dry leak.

12 Q Okay. Do William and Allen keep records?

13 A They were told to fill out a worksheet daily on
14 their findings on what was wrong with each and every
15 meter.

16 Q Each and every meter with an AMR device?

17 A For Cellnet, yes.

18 Q With a Cellnet device?

19 A Yes.

20 Q And they have been doing that work?

21 A To my knowledge.

22 Q And you have not done that?

23 A I have never been informed to do so.

24 Q Okay. And --

25 MR. ZUCKER: May I approach the witness?

1 JUDGE WOODRUFF: You may.

2 MS. SCHRODER: What did you just hand her?

3 MR. ZUCKER: The Cellnet return from field
4 evaluation forms, just a copy.

5 MS. SCHRODER: Do you have another one?

6 MR. ZUCKER: Yeah. The one on top of the August
7 first batch, I gave her.

8 Q (By Mr. Zucker) Are you familiar with that?

9 A I've seen it, yes.

10 Q And is that a -- called a Cellnet return from
11 field evaluation form?

12 A Yes.

13 Q To your knowledge, is this the document that
14 William and Allen fill out?

15 A Yes, it is.

16 Q And -- and do you know where that document --
17 and does that document basically analyze what the issue --
18 what any issue is with a meter equipped with an AMR
19 device?

20 A Yes. Their findings.

21 Q Their findings of what -- of any meter that's
22 come into the meter shop; is that correct?

23 A With the Cellnet.

24 Q With the Cellnet on it. And what do they do
25 with that worksheet when they're done with it?

1 A I imagine they turn it into the foreman before
2 they leave their shift.

3 Q The foreman is Mr. Fogg?

4 A Yes.

5 Q And what does he do with it?

6 A I could not tell you.

7 Q Okay. If I told you that he then turns it over
8 to Mr. Delia --

9 A That sounds right.

10 Q His boss?

11 A Yeah.

12 MR. ZUCKER: Could I approach again?

13 JUDGE WOODRUFF: Yes.

14 MR. ZUCKER: The meter -- the meter shop
15 comparison form.

16 MS. SCHRODER: Are you going to introduce it
17 into evidence? I mean, because -- is that what you're
18 doing right now?

19 MR. ZUCKER: Yeah. Because -- well, I mean
20 because --

21 MS. SCHRODER: I just need to know whether or
22 not I should be objecting to that.

23 Q (By Mr. Zucker) Well, what I've just shown you
24 is called a meter shop comparison form; is that correct?

25 A That's what it says. Yes, sir.

1 Q And have you ever seen that form?

2 A No, sir.

3 Q And if I told you that form was Mr. Delia's work
4 under the work of Mr. Malley and under the work of Mr.
5 Seamands, would -- would -- does that sound like that's
6 correct to you?

7 MS. SCHRODER: Objection -- objection. You're
8 asking her to speculate. She said she's never seen it.

9 Q (By Mr. Zucker) You've never seen that form?

10 A No, sir, I haven't.

11 Q Okay. So you don't know what that is?

12 A No, sir.

13 Q And you're not aware that Laclede has been
14 keeping track of all the results of analysis of meters
15 that have come into the meter shop with a device attached
16 to it?

17 A Well, I assume they have.

18 Q Okay. But you just don't know that particular
19 document?

20 A No, sir. I've never seen it.

21 Q Okay. Let's see. Okay. Let me come back and
22 take them back from you.

23 MR. ZUCKER: Thank you, Ms. Harmon.

24 A Thank you.

25 JUDGE WOODRUFF: Any redirect?

1 MS. SCHRODER: Yes.

2 REDIRECT EXAMINATION

3 BY MS. SCHRODER:

4 Q Ms. Harmon, I want to clear up some things, both
5 in response to the Commissioners' questions and to cross
6 from some of the parties.

7 Let's talk, first of all, about these Cellnet
8 return from field forms that -- that Mr. Zucker -- I'm so
9 sorry -- just handed you. First of all, I think you said
10 that William and Allen keep those records; is that right?

11 A Yes, ma'am.

12 Q Okay. But I think you said they only keep them
13 about information about work that they do on the AMR?

14 A Yes, ma'am.

15 Q All right. So if you've already made
16 adjustments to those AMR meters before you give them to
17 William and Allen, is there any documentation at all made?

18 A Not on my behalf.

19 Q All right. So how are they going to know
20 whether or not a problem with the meter that still exists
21 when they get the meter is due to installation?

22 A Is what their -- well, I've already corrected
23 that problem before I passed that on to them.

24 Q Right. So they're not going to know it was an
25 installation?

1 A All they're seeking to do now is checking for a
2 dry leak.

3 Q All right. Are they going to know whether -- if
4 there's a dry leak or anything else where that's due to
5 installation?

6 A I can't speak for them.

7 Q All right. Do you pass on information to them
8 when you give them the meter about whether you found an
9 installation error?

10 A Yeah. We just talk about it amongst ourselves
11 or we'll say, Hey, check this one out, look what kind of
12 job they did here and --

13 Q Okay. Do you systematically pass on information
14 to them about every meter that you have adjusted --

15 A I do not.

16 Q Wait. Please let me finish the questions.

17 A Okay.

18 Q About every meter that you have made an
19 adjustment on that you concluded was due to an
20 installation error?

21 A No, I do not.

22 Q All right. Now, do you see William and Allen
23 every day?

24 A Yes, ma'am.

25 Q All right. Do -- do one or the other of them or

1 both of them work on AMR meters every day? Do you know?

2 A Just about every day.

3 Q All right. So if we have a stack of Cellnet
4 return from field evaluation forms from Laclede, we should
5 have one for virtually every workday from whatever time
6 period they were keeping those records; is that correct?

7 A For the most part, yes.

8 Q All right. So, for instance, if there is -- if
9 there were only one report for the month of May, reports
10 for the date May 1st, is -- do we have all the reports?

11 A For one -- for just one day of -- no. I would
12 say not.

13 Q All right. If there were only two days in July
14 that we have reports for, do we have all the -- the
15 Cellnet return from field evaluation forms?

16 A I would say not.

17 Q All right. Okay. I want to talk about the
18 Rockwells for just a second. I don't want to revisit the
19 whole issue. But you said that -- I think -- I want to
20 clarify first of all, that there's a couple of different
21 issues out there with the Rockwells.

22 First of all, I think you said that Laclede has
23 fixed the issue with the 415s in that they're no longer
24 putting Cellnet devices on them; is that correct?

25 A On the pounds. To my knowledge, they are not.

1 Q All right. Do you know whether Laclede had
2 anyone go back and take the AMR devices off of all the 415
3 on pounds that had already had them installed?

4 A To my knowledge, they went back out and pulled
5 the entire meter and brought it back into the shop.

6 Q For every 415?

7 A I don't know if they got every one, but there
8 was a lot of them. I don't have a number on that.

9 Q All right. Are there any other Rockwells that
10 Laclede took out of service, any other type of Rockwell
11 that they took completely out of service?

12 A Well, there are certain ones, because of the age
13 factor, that does not go back into the system that after
14 we do our test we automatically condemn those.

15 Q All right. But are you aware of any other type
16 of Rockwell where Laclede said, We don't want those in the
17 system anymore because it's not working with the AMR
18 devices?

19 A Not with the Rockwells.

20 Q All right. So is it your understanding that
21 there are Rockwell meters out there that have AMR devices
22 installed on them to this day?

23 A With the Rockwell, yes.

24 Q Okay. Okay. Commissioner Clayton asked you
25 some questions about why the Rockwell O-ring issue was a

1 safety problem. And -- and one thing that I think wasn't
2 clear is whether that O-ring is an issue with all Rockwell
3 models or just with the 415?

4 A No. I would say for all Rockwell models because
5 every Rockwell has that O-ring.

6 Q All right. And you told him that any leaking
7 meter is a safety problem. Are you required to fix any
8 leak that comes into the meter shop that -- that you work
9 on before sending that meter back out into service?

10 A If I'm updated to a fitter, that is the fitter's
11 department, yes, then I do.

12 Q All right. And is that a requirement?

13 A Yes.

14 Q That's what I'm --

15 A I mean, if you detect a leak, you pass it on to
16 the fitter. That's their job to repair that leak.

17 Q All right. Commissioner Clayton also asked you
18 about the American 250, but I'm not sure whether you ever
19 really answered the question about whether you know of a
20 safety issue on the American 250.

21 A I don't.

22 Q Okay. Back to the American -- it's the American
23 250s that have the tabs that break, right --

24 A Yes, ma'am.

25 Q -- on the wiggler? Do those tab breaks occur

1 when the Cellnet device is properly aligned?

2 A Not to my knowledge.

3 Q All right. Do -- have you seen times when

4 Cellnet devices were shop installed on those AMR 250s?

5 A And then they break or --

6 Q No. Just -- do you know of that occurring,

7 Cellnet -- Cellnet modules being shop installed on the

8 American 250s?

9 A The Cellnet devices are being installed in the

10 shop on the 250. Yes.

11 Q All right. And are you seeing those come back

12 in?

13 A No. As of yet, no.

14 Q All right. How long have those been installed

15 in the shop?

16 A I think they started that somewhere around --

17 I'm going to say maybe late spring, early summer.

18 Q All right.

19 A Somewhere around there.

20 Q And these problems that you've described seeing

21 from improper installation of the AMR module, have you

22 seen those problems, those same problems on non-AMR

23 meters?

24 A No.

25 Q The tabs -- okay. And I know you've -- you've

1 been asked if you can say, you know, how many -- strike
2 that. I know that you can't say -- you can't give us
3 precise numbers, but do you have a perception of whether
4 you are seeing more or less problems with AMR meters than
5 you were seeing in the shop before the AMR meters were --
6 the AMR modules were being installed?

7 A No. There's more problems with the Cellnet
8 device --

9 Q Okay.

10 A -- than what we saw before.

11 Q And how certain are you of that?

12 A Just from the experience of being there for 15
13 years and what I've seen.

14 Q All right. Is -- is the work load in the meter
15 shop -- has that changed since AMR meters have been
16 installed?

17 A Yes.

18 Q In what way?

19 A Well, we just have an overflowing amount of
20 meters at the meter shop, at the --

21 MR. ZUCKER: I'm going to object. This goes
22 beyond the scope of the -- of cross.

23 JUDGE WOODRUFF: I'll sustain the objection.

24 Q (By Ms. Schroder) Okay. Another quick question
25 with the Rockwell meters. I -- you said in response to a

1 Laclede question that the Rockwell problem with -- with
2 the cork gasket has been rectified to your knowledge. Has
3 that been rectified for future installations? Or, again,
4 has Laclede gone back to the field and pulled all of those
5 Rockwell meters with the cork?

6 A I can't answer that. I wouldn't know.

7 Q Commissioner Murray asked you how you knew
8 whether -- how you knew that installation of Cellnet
9 devices on the large meters were easier that than
10 installation of the Cellnet device on the residential
11 meter. Are you -- from your work with large meters, are
12 you generally familiar with the insides of those meters?

13 A Yes, ma'am.

14 Q All right. Are the large meters -- how -- how
15 does the complexity of the large meters compare to the
16 complexity of the small meters?

17 A I mean, for the most part, internally, they're
18 pretty much the same. You're just working with a larger
19 scale. But as far as the Cellnet device, it's a much
20 simpler design on a large meter than it is on a small
21 meter.

22 Q Okay. And what did you base that on?

23 A Because you don't have all these extra
24 components on a larger meter like you do on a small meter.

25 Q All right. And you know that because of what?

1 A Because I work with it every day.

2 Q All right. Thank you. You were also asked
3 about -- I think, again, from Commissioner Murray about
4 whether -- not just about whether records were made about
5 these meter issues you were seeing, but who was notified.

6 Does -- for the problems that you've been seeing
7 in the meter shop relating to the AMR meters, do you know
8 that management has been notified of those problems?

9 A Yes. I would say they have.

10 Q How do you know that?

11 A Just by turning in the paperwork every evening.

12 Q Okay.

13 A Allen and William turns in.

14 Q Okay. Does it --

15 A That notification.

16 Q Does it also come up in meetings with --

17 A No, ma'am.

18 Q Okay. Commissioner Gaw -- Gaw asked you about
19 the number of people who do your job in large meter
20 adjustment. How many people do the job of small meter
21 adjustment?

22 A Myself and William.

23 Q No. On small meter adjustment.

24 A Myself and William.

25 Q Okay. All right. Are there as many large

1 meters that come in the shop to be adjusted generally as
2 small meters?

3 A No. By far, we have more small meters at the
4 present time --

5 Q All right.

6 A -- to readjust.

7 Q Does that explain why you might be working on
8 small meters, might be assigned to it?

9 A There is times I've been put on small meter
10 adjust to help get more of those out, to get the Cellnets
11 out of the shop.

12 Q All right. And from -- for the time period of
13 2006, can you give me some indication how often you were
14 assigned to work on those meters? Does it occur monthly?

15 A It can be one day today, and then I may not be
16 back over there for a month.

17 Q All right.

18 A It just varies. There is no set schedule or
19 when or --

20 Q Have you spent an entire week at a time working
21 on small meters?

22 A Yes.

23 Q Okay. Have you spent more than 20 days this
24 year working on small meters?

25 A Not 20 consecutive days, no.

1 Q Not consecutive. Have you spent at least 20
2 days working on small meters?

3 A I would say yes.

4 Q All right. And how many meters do you see in a
5 day when you work on small meters?

6 A And I'm doing incoming or adjusting? That's
7 going to be a variation.

8 Q All right. When you were talking to
9 Commissioner Murray, you talked about carts of 30 AMR
10 meters.

11 A If I'm doing small meter adjust, on an average,
12 I'm going to say anywhere between -- we'll say 24 to 30 on
13 an average, 24 to 30 on small meter adjust.

14 Q You see 24 to 30 meters a day?

15 A I'm going to say so.

16 Q All right. There is another meter type that I
17 think was mentioned, but I'm not sure we talked about any
18 Cellnet issue with the -- the Lancaster. Is there a
19 Cellnet issue with that?

20 A To my knowledge, there --

21 MR. ZUCKER: I'm going to object to beyond the
22 scope of cross-examination.

23 MS. SCHRODER: It's not beyond the scope because
24 --

25 JUDGE WOODRUFF: I'll over -- overrule the

1 objection. Go ahead and answer.

2 A To my knowledge, there is not a Cellnet device
3 designed yet for the 175 Lancaster.

4 Q (By Ms. Schroder) All right. So those just are
5 non-retrofittable?

6 A So as of right now, yes, to my knowledge.

7 Q Okay. I just wanted to make sure that question
8 didn't come up later. Back for one more minute to the
9 Rockwell 415s.

10 There were some questions by Commissioner Gaw
11 about how many of these maybe were out there and how many
12 there might have been problems with. And I guess my -- I
13 have just a follow-up to that, which is, can you give us
14 some time frame that you saw these Rockwell 415s in the
15 shop?

16 A I really can't, to be honest with you.

17 Q Okay. Do you know if you saw them over a period
18 of months?

19 A Weeks, at least. I wouldn't say months.

20 JUDGE WOODRUFF: Just a minute. The court
21 reporter needs to a change her tape.

22 A Okay.

23 JUDGE WOODRUFF: Are we just about done with
24 this?

25 MS. SCHRODER: Yes.

1 JUDGE WOODRUFF: Okay.

2 (Break in proceedings.)

3 JUDGE WOODRUFF: All right. Go ahead.

4 Q (By Ms. Schroder) Thank you. Ms. Harmon, in
5 response to both the questioning from Commissioner Gaw and
6 the Staff's counsel, you talked a little bit about smashed
7 meters and -- and meters that had been shot by guns.

8 Are any of the problems that you've described
9 here today caused by a meter being -- an AMR module or
10 meter being shot by a gun or smashed against a wall, to
11 your knowledge?

12 MR. ZUCKER: objection. Calls for speculation.

13 JUDGE WOODRUFF: Overruled. You can
14 answer.

15 A Not to my knowledge.

16 Q (By Ms. Schroder) All right. Commissioner
17 Appling asked you about whether the installation errors
18 that you're seeing can be fixed in the field. Do you know
19 whether there's a policy about whether meter -- or I'm
20 sorry -- about whether service department employees are
21 supposed to be fixing those in the field?

22 A I don't know what their policy is.

23 Q All right. You said you didn't think they could
24 be fixed in the field. Why?

25 A Are we talking about the SAID fitters to be --

1 Q No.

2 A Or the people that install the Cellnet device?

3 Q No. Neither. I think Mr. -- Commissioner

4 Applling was asking you whether service department

5 employees could be fixing these installation errors in the

6 field.

7 A And that would be a no.

8 Q All right. Why?

9 A Because I would say, just like the center box,

10 in order to replace that, you need to have that in the

11 shop because --

12 Q Why do you need to have it in the shop?

13 A There's just no feasible way of repairing that

14 center box out in the field.

15 Q Is that because of that whole running it through

16 the -- the air through the box that you were talking about

17 earlier?

18 A Yes. And then we go ahead and dip that in water

19 to see if that center box had been replaced to make sure

20 the new one doesn't leak.

21 Q Okay. And would you just explain why it's

22 necessary to run the air through it when there's a center

23 box leak to -- to fix the situation?

24 A Mainly on the Rockwells. Because of the gears,

25 they need to mesh together. And in order to watch that

1 rotation, once you install that, to make sure that you've
2 got a nice, smooth rotation, there's no jerkiness, there's
3 no stoppage of that wiggler, and that's the reason.

4 Q Okay. And why is it important to have a smooth
5 rotation of the dial?

6 MR. ZUCKER: I'm going to object. It's beyond
7 the scope of the cross.

8 JUDGE WOODRUFF: I'll sustain that.

9 Q (By Ms. Schroder) Okay. commissioner Appling
10 asked you about lack of clips being an AMR problem. Did
11 you see the lack of clips on the index from AMRs?

12 A There were no clips --

13 Q Okay.

14 A -- on the existing indexes. They were just all
15 pretty much grooves.

16 Q All right. So the clips are a new thing on the
17 AMR module?

18 A Yes. Yes, it is.

19 Q Okay. And Staff's counsel asked you whether you
20 know how the meter got in the shape it is when it comes
21 into the shop. When it comes -- when an AMR module comes
22 into the shop, are the tamper proof seals generally still
23 intact?

24 A Not always.

25 Q All right. Are there notes on the leak card

1 that tell you whether or not the tamper -- whether that
2 was found that way?

3 A Not normally.

4 Q Okay. Are the majority of the AMR modules
5 coming into the shop, do they have the tamper proof seals
6 still?

7 A It varies.

8 MS. SCHRODER: Okay. I have no further
9 questions.

10 JUDGE WOODRUFF: All right. Ms. Harmon, you can
11 step down.

12 MS. HARMON: Thank you.

13 JUDGE WOODRUFF: Was there anything else
14 involving the -- the demonstration? All right.

15 MS. SCHRODER: No.

16 JUDGE WOODRUFF: Well, we're long overdue for a
17 break. What I planning on doing is taking about a
18 five-minute break now. We'll come back and do the
19 openings.

20 And after the openings, we'll take a break for
21 lunch, and then we'll get started with the witnesses after
22 lunch. So we're on break now up until ten minutes to 12.

23 (Break in proceedings.)

24 JUDGE WOODRUFF: All right. Let's go ahead and
25 come back to order. We're ready for opening statements.

1 And if you'd give your opening statement from up here at
2 the podium.

3 And for opening statements, then, we'll begin
4 with -- with the union.

5 MS. SCHRODER: Would you like me to put my
6 jacket on? Never mind. I'll -- can you hear me? Okay.

7 OPENING STATEMENT

8 BY MS. SCHRODER:

9 MS. SCHRODER: Trust me. That has been
10 Laclede's montra throughout its AMR public relations
11 campaign. Trust me that we've researched this, and it's
12 99.7 percent accurate. Trust me that AMR has eliminated
13 estimated billing, even though that didn't occur through
14 installation of Laclede prior AMR devices.

15 Trust me that AMR will reduce the number of
16 times customers have to be bothered to let Laclede
17 employees read or service their meters. Trust me that
18 there's nothing about an AMR device that can mess up your
19 meter. Trust me that installing AMR devices with Manpower
20 employees who have no gas safety background, no operator
21 qualifications or meaningful training is perfectly safe.

22 Laclede has issued these empty assurances
23 repeatedly to the PSC, to the media, to Laclede's
24 customers and to Laclede's gas workers.

25 And Laclede's gas workers initially did just

1 that. They trusted Laclede. You're aware of some of the
2 background of this matter. Laclede contracted Cellnet to
3 make and install AMR devices.

4 Cellnet contracted with Honeywell to do the
5 installation. Honeywell contracted with Manpower to
6 provide the labor for the installation. Laclede has been
7 well aware of the use of Manpower employees to install the
8 devices, and, to our knowledge, has not complained.

9 Now, let me interject here. Every time we have
10 had a hearing on anything this year about Laclede Gas,
11 they have claimed that we're opposing AMR and the fact
12 that AMR is being implemented. We are not opposing or
13 challenging AMR implementation.

14 What we are challenging today is the lack of
15 safeguards on the deployment of the AMR modules. Manpower
16 personnel started installing AMR devices on Laclede meters
17 in approximately July of 2005.

18 For months thereafter, service employees and
19 meter readers alike were baffled by the problems that
20 started occurring. Meter readers that were asked to read
21 routes for AMR devices that were being installed before
22 those devices were activated and other or when there was a
23 perceived problem with one. At first, meter readers were
24 rarely asked to read such routes because few AMR meters
25 had been installed.

1 When they did, however, they discovered an
2 unusually high number of problems with these meters,
3 leaks, broken or unsealed glass over the dials, half
4 installed AMRs, AMRs with broken screws, meters that
5 wouldn't read at all, and, later on, high bill complaints.

6 They duly called in the gas leaks, although they
7 didn't write them down anywhere because they're not
8 supposed to. Their meter readers don't make
9 documentation. That's just not part of their job
10 generally.

11 Similarly, service department employees began
12 being called out for AMR related service orders. Things
13 like leaks from the center box of the meter that were
14 picked up at the face plate of the meter, meters that
15 stopped letting gas through to customer appliances, meter
16 dials that stopped moving altogether or moved erratically,
17 missing dial hands, missing meter gaskets and
18 drill-throughs.

19 We are aware of at least three meters that were
20 drilled through by Manpower, not the one that Laclede has
21 been claiming repeatedly or that the Cellnet
22 representative mentioned today. The first that we know of
23 -- the first two we know of occurred in January of 2006.
24 In depositions in this matter, both Honeywell and Cellnet
25 claimed that after that first incident, which they stated

1 was caused by a supervisor, they took the drills away from
2 the supervisors.

3 Laclede's adopted that position. It should be
4 noted here that both Honeywell and Cellnet never
5 identified the address of that one admitted drill-through.
6 They can't because they don't keep records.

7 Now, Laclede has stated in one of its filings
8 that it was the leak identified in Mr. Boyles' written
9 testimony that's been submitted. Also, in January,
10 however, there was a drill-through that was reported in
11 Mr. -- Mr. Pat White's written testimony that was filed
12 previously.

13 So it clearly isn't true that there's only been
14 one incident, that the drills were only given to -- to the
15 supervisors and that the drills were removed from the
16 supervisor installers after the initial incident.

17 Not only are we aware of the second incident in
18 July -- in January, but we also just learned of a third
19 incident that occurred on November 9th, 2006.

20 It should be noted here that we did not learn of
21 this through Laclede, although management was involved in
22 the initial decision to apply a temporary fix to that
23 meter followed by replacing the meter. And Laclede's own
24 customer information system database reflects that
25 information. Instead, we learned of it incidentally

1 through -- through a member.

2 And at that point, we promptly -- I promptly
3 notified PSC Staff and OPC of the incident and informed
4 Laclede of my awareness of the incident. All of that
5 occurred on December 7th, the morning after I learned of
6 the incident.

7 And I want to make sure that you understand what
8 I'm talking about when I say a drill-through. I'm
9 referring to a hole that goes through the part of the
10 meter where it goes into the part of the meter where the
11 gas freely flows. This causes gas to blow out into a
12 house, into a garage or into the open air, depending on
13 where it is.

14 Obviously, it's going to be less problematic if
15 it's out in the open air. But make no mistake about it.
16 Blowing gas undetected or unrepaired inside a house or in
17 a garage will quickly lead to a fire or explosion.

18 This most recent incident of a drill through
19 occurred at a non-profit work place for developmentally
20 disabled people such as individuals with Down Syndrome.
21 They handle packaging assembly, printing mail -- or
22 printing, mail services and silk screening.

23 A Manpower employee installed an AMR device on
24 Thursday, November 9th, 2006, drilling through the meter
25 in the process. He didn't even call in the hazard.

1 The next day, the work place's maintenance
2 supervisor called Laclede because he smelled a strong odor
3 of gas. A service employee from SAID, you've heard that
4 term today, and that's what that means, that's the service
5 department, was dispatched and directed to make a
6 temporary fix. And then several days later, the meter was
7 replaced entirely.

8 Had the meter been installed by the Cellnet
9 employee, the Manpower employee at the very end of the
10 work week, then this leak might have been discovered by a
11 fire or explosion rather than by the fortuitous
12 intervention of the maintenance supervisor.

13 In addition to the obvious safety implications
14 of a drill through, Local 11-6 has three less obvious
15 safety concerns from installation, center box leaks,
16 erratic dials that make spotting unreliable, and problems
17 that are missed in installation because of unskilled
18 workers.

19 And some of these issues also have implications
20 for quality of service beyond just safety. In the case of
21 center box leaks, service employees and meter shop
22 employees have repeatedly found center box leaks, center
23 box leaks closely following the AMR installation. These
24 leaks were very rare prior to AMR installation. The leaks
25 seemed to be the result of several factors, AMR dial faces

1 that don't fit the meter, failure to replace a center box
2 gasket that would prevent a leak, improper alignment of
3 the -- the drive gears or wiggler that we heard about so
4 much this morning by the installer, which appears to
5 result in rapid acceleration of the wear on the gasket.

6 Under normal usage, the center box gasket or
7 packing material should last more than ten years, the time
8 period that the PSC initially set for the replacement of
9 all gas meters.

10 With improper AMR installation, center box
11 gasket leaks are noticeable either immediately or within
12 three to five months after installation. That's what the
13 records we have gotten from Laclede Gas seem to suggest.

14 Unbelievably, Laclede Gas has taken the position
15 that these leaks are tiny and non-hazardous. This is the
16 same Laclede Gas that disciplines its employees if -- its
17 service employees if any leaks go undetected, that
18 mandates that any leak on an inside meter be treated as a
19 Class 1 leak requiring immediate repair.

20 Laclede Gas knows that an undetected or unfixed
21 small leak will become a bigger leak over time.
22 Furthermore, the longer you smell the odorant that's been
23 put into the gas per captain, the less able you'll be to
24 detect a major leak at a later time.

25 So if you've got a small leak in your house all

1 the time, you may not notice when something bigger
2 happens. And all that can only mean trouble. Thus,
3 Laclede's position on this matter is incomprehensible and
4 really only explainable by its frequently expressed
5 over-meaning desire to get AMR up and running as quickly
6 as possible.

7 The second area of less obvious concern has to
8 do with erratic dials. Normally, service employees spot
9 the meter to ensure that there are no leaks -- no leaks
10 present. You're going to also hear this referred to by
11 our foreign guest today from Wisconsin in slightly
12 different terms.

13 One of them talks about it being a dial test, I
14 believe, and the other one refers to it as clocking. To
15 spot the meter, you turn the gas off to the appliances and
16 watch to see if the one-half foot hand moves.
17 If it does, it means there's a gas leak because no gas
18 should have been going through the -- flowing through the
19 meter.

20 However, the uneven movement of the dial hands
21 on AMR meters means that this check is no longer reliable.
22 This may also explain some of the high bill complaints
23 that were addressed, for instance, by the Channel 5 News
24 report that was recently featured on AMR installations
25 where, for instance, there was a -- a particular company

1 that had -- normally had a one to \$2,000 a month bill and
2 had their first AMR bill read \$125,000 and their second
3 one read \$146,000.

4 The final area of less obvious concern is
5 problems missed in installation. AMR installation with
6 the Manpower employees has presented the unique situation
7 in Laclede Gas's service area of somebody handling a meter
8 who is not equipped to identify and deal with potential
9 safety hazards and doesn't know what actions of herself or
10 himself may cause a problem.

11 Regular meter reading and maintenance visits
12 catch other problems with gas distribution that may arise
13 due to normal wear and tear because the people taking the
14 readings are handling the maintenance visits are equipped,
15 first of all, with leak detection equipment. And
16 especially in the case of service employees, they're
17 trained in other ways of detecting problems.

18 As Commissioner Gaw pointed out, they know what
19 to look for on the lines going into the meter. They know
20 what to look for on the lines going out the meter. They
21 know what corrosion might be a problem.

22 Manpower installers don't have that training,
23 and they don't even have leak detectors. Moreover,
24 Manpower installers don't know what impact their actions
25 have on the gas distribution system, for example, the

1 Manpower installer, Frank Meuting, who testified by
2 deposition in this matter earlier -- testified about
3 problems removing old rusty screws out there on older
4 meters that sometimes led to him and other installers
5 using considerable force on the meter.

6 Laclede's Dr. Seamands testified that unions
7 between the regulator and the shut-off valve on a meter
8 are very sensitive and can be loosened just by vibrations.
9 Thus, manhandling of a meter by an installer may cause
10 these unions to break loose, causing leaks.

11 However, these Manpower installers not only are
12 not cognizant of the need to treat these meters gently,
13 but they don't even have a leak detector or other means
14 other than their nose to check the various joints when
15 they're done to determine whether they, they've messed up
16 the union.

17 These are just some of the problems that service
18 employees are being called in to fix after the Manpower
19 installer has left. After a few months of handling these
20 issues, union members realize by talking to themselves,
21 among themselves that there was a pattern to these
22 problems.

23 The pattern was that they were consistently
24 following AMR installation. At that point, they
25 repeatedly brought that pattern to the attention of

1 Laclede Gas management, primarily through safety meetings.

2 It was not until management consistently
3 responded to those concerns with the unmerited assurance,
4 There's no problem with the AMRs, that union members
5 started keeping personal notes of the problems that they
6 were encountering.

7 Now Laclede has proclaimed that union members
8 should have provided it with detailed information of those
9 problem, but where allowed, they did by submitting that
10 documentation through hazard forms or work orders or other
11 forms that they're generally supposed to fill out anyway
12 directly to Laclede management, not to the union.

13 Many times, though, they were told not to link
14 the problem with AMR installation on the forms they
15 submit. Nevertheless, many times they did just that.
16 Laclede has all of those forms, even though it has
17 produced only a small number of them back to us in this
18 matter.

19 Specifically, they've produced the ones we
20 specifically identified by -- by address or the ones
21 covered by the Cellnet return from field meter shop forms.
22 And as you noticed from my questioning earlier today,
23 we're missing some of those. We're clearly missing some.

24 Laclede Gas complains that the information the
25 union produced in this proceeding was not detailed,

1 although the members could have copied the reports they
2 submitted to the company.

3 I mean, ironically, they complained even in this
4 own matter that, you know, sometimes our people do that.
5 They consider that proprietary information, so we directed
6 our people not to do that. They're kind of trying to have
7 it both ways here.

8 Laclede Gas contends that the information
9 provided by Local 6 in this matter is too limited in
10 number to reflect a problem. Well, we've got several
11 responses to that.

12 First of all, how many drilled-through meters do
13 you need to see to know that there's a problem? Any
14 drilled-through meter could lead to a fire or explosion,
15 especially where, as what happened with the most recent
16 example, the person responsible for drilling through the
17 meter didn't even call it in.

18 Second, the incidents reported by the union
19 vastly underestimate the extent of the problem out there
20 for several reasons. First of all, as I previously
21 discussed, meter readers don't write things down. They
22 have a a number that they're supposed to call in to report
23 gas leak, not any other damage that they're seeing, just
24 gas leaks. And we have not gotten that data.

25 The union collected no reports at all until

1 approximately October of 2005 after members first realized
2 that there was this pattern and realized that Laclede
3 management was not taking their complaints about it
4 seriously.

5 And at that point, the union organized efforts
6 at documentation. And the union basically stopped
7 collecting those reports after we finished submitting --
8 or after the time period they had to get them to us to
9 submit written testimony in this matter because they knew
10 that was the deadline for submitting evidence.

11 Also, a number of the meter readers have -- have
12 said at least that they were too busy to make -- to keep
13 all the documentation, to make notes of all these in
14 addition to the documentation that they're giving to
15 Laclede. And some of them have reported that they've lost
16 papers.

17 But more than that, there is always the fear of
18 retaliation for making a report. And as a result, there
19 has been less than about one-third of the SAID employees
20 that submitted any information to the union about these
21 AMR problems. And it doesn't make sense that
22 approximately one-third of the SAID employees would
23 encounter this and the other two-thirds wouldn't.

24 Also, installations are still occurring, and
25 some of these problems take months to be visible. Indeed,

1 the spotting unreliability issue could prevent the timely
2 detection of leaks for years to come. And it -- it may be
3 years before that is recognized as a problem that should
4 be reported.

5 Local 11-6 believes in prevention of gas
6 problems, of safety problems, of reliability problems and
7 of billing problems.

8 This Commission is frequently called on to deal
9 with the aftermath of the utility problems. For example,
10 I know the Commission is currently dealing with the whole
11 aftermath of the second major electricity outage to hit
12 the St. Louis area in 2006. That most recent outage is
13 reportedly related to approximately 20 deaths in the area,
14 and deaths are also attributed to the summer outage.

15 And you guys are in the unequal position of
16 having to figure out what you can do to prevent future
17 outages. By contrast here, we're trying to offer you the
18 opportunity to preview actual and potential problems
19 indicating safety, reliable distribution and billing
20 before any catastrophe occurs.

21 While the deficiencies in the Ameren situation
22 may not have been apparent to the Commission before these
23 outages, the known deficiencies in Laclede's AMR
24 deployment system appear to be the tip of the iceberg. I
25 say that because the evidence we've developed was created

1 in the absence of systematic recordkeeping.

2 So we're asking the Commission to make a choice
3 today between timely intervention and prevention of
4 potential catastrophe rather than dealing with the
5 aftermath of a foreseeable and preventable disaster.

6 We know delivery of gas is potentially
7 dangerous. We've had recent examples of gas explosions in
8 the St. Louis area that we believe are totally unrelated
9 to AMR installation. One had -- or with anything that
10 Laclede did wrong. I mean, I want to make that clear.

11 One had to do with a utility digging through a
12 gas main, which caused gas to blow out. And the reason
13 that I mention that is because digging through a gas main
14 is similar, though on a much larger scale, than drilling
15 through a meter. It causes gas to blow out of the hole.
16 The gas escapes.

17 So this is, you know, somewhat analogous to the
18 gas that was blowing out from November 9th through
19 November 10th at the work place for the developmentally
20 disabled. These fires and explosions take a terrible toll
21 in terms of damages to life and property and use of public
22 resources into this known example of the near disaster at
23 the work place for the developmentally disabled.

24 Can you plug in, without any stretch of the
25 imagination, other real life examples of elderly gas

1 users, infirm gas users, gas users unknowledgeable about
2 the safety implications, and, finally, foolish gas users.

3 Every gas leak is one strike of a match away
4 from potential disaster. This Commission has the
5 opportunity here to be proactive in preventing future gas
6 dangers as well as nipping in the bud a multitude of
7 service and billing issues.

8 In the event that the Commission is concerned
9 about the issues raised and supported in the next two days
10 but feels that the picture is incomplete due to Laclede's
11 failure to produce the necessary data, Local 11-6 urges
12 you to institute interim precautionary measures to address
13 these issues that would allow Laclede to end those
14 measures, if it produces the necessary data and an
15 independent analysis of that data shows that the
16 precautionary measures are not necessary.

17 Throughout this proceeding, Laclede Gas has
18 accused Local 11-6 of bringing this matter disingenuously
19 in its self interest. To the contrary, apparently, as a
20 result of all of the previously identified types of
21 problems with AMR installations, the service departments,
22 which represented by the union, is so busy that service
23 department employees are being requested and sometimes
24 even required to work overtime in amounts unprecedented
25 for a time of normal operations as opposed to a time of

1 storm damage or outage.

2 Indeed, it is in the union's self-interest not
3 to complain about the AMR installation problems because it
4 is probably the best job security our service department
5 employees have ever had.

6 However, the union cannot in good conscience
7 ignore the implications to the public arising from these
8 problems, unsafe distribution of gas, unpredictable
9 distribution of gas and inaccurate and unverifiable
10 billing, along with, actually, more frequent visits to the
11 customers, and this time on an emergency basis that is
12 harder for customers to adjust to, and then the
13 prearranged calls.

14 We hope that you will be able to pierce Laclede
15 Gas's rhetoric and see this complaint for what it is, a
16 straightforward presentation of concerns from the people
17 who are closest to the problems generated by sloppy AMR
18 installation.

19 These are the reason that Local 6 believes that
20 the existing installations need to be systematically
21 inspected for safety and service issues within a year and
22 that all future installations of AMR devices be conducted
23 by fully qualified and equipped gas workers.

24 It's our fervent belief that these safeguards
25 will ultimately reduce the inconvenience and risk to

1 customers and the overtime hours of the employees that we
2 represent. Thank you.

3 JUDGE WOODRUFF: Thank you, Ms. Schroder. For
4 Public Counsel?

5 MR. POSTON: Thank you, Judge.

6 OPENING STATEMENT

7 BY MR. POSTON:

8 MR. POSTON: I don't have any prepared written
9 statement. As you know, we haven't taken a position to
10 date in this case. And it's my intention to wait until
11 all the evidence has been submitted before doing so.
12 Thank you.

13 JUDGE WOODRUFF: All right. Thank you. Staff?

14 MR. FRANSON: Thank you, your Honor.

15 OPENING STATEMENT

16 BY MR. FRANSON:

17 MR. FRANSON: May it please the Commission.
18 First of all, Ms. Schroder made a reference to a specific
19 case wherein the union had provided information that a
20 drill-through at a meter had been done.

21 That came from a list that the union finally
22 provided to Staff for the first time on August 21, 2006.
23 At page 15, line 10 of Mr. Leonberger's testimony the
24 specific address is given. I specifically brought up the
25 NP version so I wouldn't say something that's been deemed

1 highly confidential.

2 We have here today two parties, the union and
3 Laclede. And one could get the idea they don't like each
4 other very much. It's a very contentious battle. We
5 could almost call it a feud. But the issue that's here
6 today -- in fact, the parties stated it, but I'm going to
7 add just a little bit to it. And that is, has the union
8 proven the installation of AMR modules by Laclede violated
9 Section 393.130.1 regarding the safety on adequacy of
10 service or any gas safety law, rule, order or decision of
11 the Commission.

12 Staff's answer to that, as presented through all
13 of the evidence, but primarily through the evidence of Bob
14 Leonberger, is no. Ms. Schroder invited an independent
15 analysis. It's been done, and it says the union has not
16 proven its case.

17 Staff doesn't have any stake in this case other
18 than the enforcement of PSC rules and laws. Staff has
19 been -- role has been to investigate this, these
20 allegations and present the evidence in this case.

21 This was hampered by the lack of specific
22 information from the union of someone's bringing a
23 complaint, bring the information. We didn't have
24 addresses. We didn't have anything else until August 21,
25 2006, which was the date of the First Amended Complaint.

1 And now we've heard even -- Mr. Leonberger's
2 testimony says it flat out -- the attachments to the First
3 Amended Complaint says it flat out. Now, we've had
4 Mrs. Schroeder confirm, the union had this information at
5 least some information as early as October of '05, and we
6 could hear -- we strongly believe it happened before then.

7 One of the attachments to the First Amended
8 Complaint is a Labor Tribune article that talks about all
9 these problems. The sources are unnamed union members.
10 And it's all these problems with AMRs.

11 None of that was brought to the PSC. If the
12 union believed there was a problem of the magnitude that
13 they are trying to say here today, it did not come here.
14 If it would have been here, it would have been to the
15 attention of Mr. Leonberger. It simply did not happen.

16 Now, a few things. The union came in on August
17 -- April 10th, 2006, and they said AMR is being improperly
18 installed, this is causing gas leaks. There were no
19 specific allegations of how this happens, specifically,
20 addresses where it had occurred.

21 And the remedy is -- is very enlightening. What
22 was the remedy that the union wanted? The union wanted
23 this Commission to order that union members, Laclede
24 employees who happen to be union members, go out and
25 inspect all of the 600,000 that had been done and for the

1 union members to finish the AMR installations. Even
2 though the union members had not had even the training of
3 the subcontractors, they were supposed to do this.

4 Now, we go forward to the first amended. What
5 do they still want? They want union workers to go out and
6 do inspections. This Commission has already ruled you
7 can't do that. You can order any appropriate remedy, but
8 how Laclede complies with that order is going to be a
9 management decision of Laclede.

10 Mr. Leonberger presented several undisputed
11 facts in his testimony, that not counting Laclede, that
12 over 500,000 meters, AMR meters, have been installed
13 specifically, for Missouri Gas Energy and AmerenUE. And
14 several million of these have been installed in other
15 states.

16 The installation of an AMR meter is relatively
17 simple, and adequate training was provided to Cellnet
18 subcontractors.

19 Chairman Davis mentioned during the presentation
20 -- he just said, Well, would this mean that I would be
21 qualified -- well, actually, we would be qualified to do
22 an AMR installation? And Mr. Korbisch said yes.

23 Well, with proper training, I believe most
24 people in this room, if not everyone, don't have to be an
25 engineer, trained gas worker to do the job. And Mr.

1 Korbisch has already explained that in detail. That was
2 the whole purpose of the demonstration.

3 The failure rates of the AMR devices being
4 installed in Laclede's program is not unusually high, not
5 even particularly high. Of the AMR device failures, an
6 extremely low percentage of them relate to any type of a
7 leak. The AMR related leaks are not caused by the AMR
8 itself. In fact, they are likely identified as a result
9 of AMR installation.

10 Now, Mrs. Schroeder said that the problem is not
11 that AMRs are going to be installed, it's -- she says the
12 way they're being done is shoddy. The question is, would
13 the remedy address AMR installation?

14 We have not heard how union members going out
15 and doing it would solve any problems. It would seem that
16 anyone going out and installing over 600-some-odd-thousand
17 AMR meters -- now, there might be a problem in a small
18 number of them, which is exactly the situation we've got
19 here.

20 Mr. Leonberger's testimony was not in any way
21 challenged by the union in their testimony with one very
22 minor exception. Mr. Carlton, in his surrebuttal, stated
23 that, Staff's concerns that the union has not been
24 accumulating evidence without notifying Laclede were not
25 true. Well, we'll leave that battle to Laclede and the

1 union.

2 What is the glaring omission is that they didn't
3 notify the PSC at all. The person to contact is
4 Mr. Leonberger. Anybody at Laclede who has been there any
5 length of time would know that. And that did not happen.
6 That is an unrefuted fact.

7 Mr. Leonberger has stated that August 21, 2006,
8 was the first time he had any specific information. Ms.
9 Schroder has not changed that, and it's not in their
10 testimony. She's not challenged it. In fact, it was not
11 brought up.

12 Staff's investigation, the independent
13 investigation sought, shows this complaint has no merit.
14 There is no credible evidence to the contrary. In fact,
15 the -- the evidence would strongly suggest that Laclede
16 made a decision that has been in the making for a long
17 time to address billing problems and that the real issue
18 here is a labor management decision.

19 Quite frankly, the issue is, if there is no
20 safety concern, then what do we have left? The union does
21 not say, Commission, go forth and find a solution to this,
22 we can offer ourselves as someone who can do it. It's,
23 Order this specific remedy, which is the union will get
24 this work that -- so the question is if there is a safety
25 problem. Staff says no.

1 There's your independent investigation. Then
2 why are we here? That -- the only other solution is a
3 labor management issue that is not properly here. That is
4 for another forum, and that is a matter between Laclede
5 and the union.

6 The Staff recommends that this case be
7 dismissed. Well, actually, specifically overruled. And
8 we look forward to the presentation of the evidence.
9 Thank you.

10 JUDGE WOODRUFF: Thank you, Mr. Franson.

11 COMMISSIONER CLAYTON: Mr. Franson, could I ask
12 you a question real quick, a couple of questions that came
13 to mind?

14 MR. FRANSON: Sure.

15 COMMISSIONER CLAYTON: Does Staff -- does Staff
16 state when it believes it would have been appropriate for
17 the union to raise the complaint, if not in October of 2
18 -- or excuse me -- August of 2006? At what point does
19 Staff believe that the -- the concerns should have been
20 raised where a pattern was established and concerns should
21 have been raised?

22 MR. FRANSON: Well, based on the -- several
23 answers to that, Commissioner Clayton. No. 1, when a
24 complaint comes forth of this nature saying there's a
25 safety problem, Staff immediately takes notice. And that

1 was on April 10th, 2006. We had no specific information.

2 COMMISSIONER CLAYTON: What happened April 10th,
3 2006?

4 MR. FRANSON: That's when the initial complaint
5 was filed.

6 COMMISSIONER CLAYTON: Okay. So it wasn't
7 August 2006. It was April 2006?

8 MR. FRANSON: Correct. The First Amended
9 Complaint was on August 21, 2006. And at that time, there
10 were about 60 or more pages of attachments in handwritten
11 addresses and other things that -- and that's the first
12 time we had specific information.

13 Laclede indicated there was no particularly
14 unusual problems. This is not even generally a gas safety
15 issue in the sense that we don't interrupt the flow of
16 gas.

17 COMMISSIONER CLAYTON: Mr. Franson, I don't want
18 to get into what the evidence is going to show. I just
19 want to get a specific bit of information so I can watch
20 out in the testimony.

21 MR. FRANSON: Okay.

22 COMMISSIONER CLAYTON: You've said on several
23 occasions in your opening that -- or you're at least
24 implying that the union waited too long if it was such a
25 big concern. They waited too long to present that

1 information to the Staff.

2 My question is, when would the appropriate time
3 have been for that information to be conveyed to Staff?
4 October 2005? Would that have been timely --

5 MR. FRANSON: That would have been timely.

6 COMMISSIONER CLAYTON: -- or is there a
7 different time?

8 MR. FRANSON: If -- if they had a safety concern
9 that we didn't know about and they're as altruistic as
10 they indicate, we should have known about it immediately.
11 No. And we've not heard -- we told Laclede Laclede was
12 responsible for any --

13 COMMISSIONER CLAYTON: And according to data,
14 that would have been October of 2005?

15 MR. FRANSON: Yes. When they were certainly
16 well aware of it, that would be mainly from the articles
17 attached to the First Amended Complaint Labor Tribune
18 articles that cite anonymous union members. Certainly,
19 they knew at least by that time, and that would imply
20 earlier.

21 COMMISSIONER CLAYTON: Okay. Where can I find
22 the PSC's data on the failure rate of -- of all the meters
23 in the -- the failure rate of the AMRs on the particular
24 meters? Where can I find that data in Staff's testimony?

25 MR. FRANSON: Broken down by specific meter, I

1 don't believe we have that. We have --

2 COMMISSIONER CLAYTON: Do you have any data on
3 the failure rate of AMRs on meters in your testimony?

4 MR. FRANSON: In Mr. Leonberger's testimony,
5 yes, we do.

6 COMMISSIONER CLAYTON: And that's in his
7 testimony?

8 MR. FRANSON: Yes.

9 COMMISSIONER CLAYTON: Is it a specific
10 attachment that you can --

11 MR. FRANSON: A specific page, I cannot point
12 you to or an attachment breaking it down. I believe we
13 just have a specific number that I have already used, and
14 that's in his testimony of less than 2 percent. Broken
15 down in more detail, no, sir, I don't believe it is.

16 COMMISSIONER CLAYTON: And that's not by --
17 that's not by type of meter?

18 MR. FRANSON: No.

19 COMMISSIONER CLAYTON: Okay. It's Staff's
20 belief that there is a safety and/or reliability problem
21 with the AMR on the Rockwell 415?

22 MR. FRANSON: Staff does not believe there's a
23 problem overall. We did not get into specific types of
24 meters, whether it was a Rockwell 415 or -- or anything
25 else.

1 COMMISSIONER CLAYTON: So Staff is not aware of
2 the -- of the problems that we've heard earlier today
3 about the AMR on the Rockwell meter? Staff is simply not
4 aware of that problem?

5 MR. FRANSON: Broken down by the type of meter,
6 no, sir, that I am aware of.

7 COMMISSIONER CLAYTON: Thank you.

8 MR. FRANSON: Uh-huh.

9 JUDGE WOODRUFF: Thank you. Then opening
10 statement for Laclede?

11 MR. ZUCKER: Thank you, your Honor.

12 OPENING STATEMENT

13 BY MR. ZUCKER:

14 MR. ZUCKER: May it please the Commission. We
15 are here again using the Commission's time by pretending
16 that a labor management dispute is actually a safety
17 issue. And I will give my own version of the -- the
18 history.

19 Back in -- in March of 2005, Laclede contracted
20 with Cellnet Technology, Inc, to implement the AMR system
21 through -- throughout Laclede territory. Implementation
22 did begin in July 2005.

23 Now, this is not new technology. So as opposed
24 to what Ms. Schroder said, Laclede is not saying trust me.
25 We're saying trust the -- trust the history. Trust

1 600,000 customers who have already received AMR without
2 incident. Trust Cellnet who serves over three and a half
3 million gas meters throughout the -- throughout the
4 country, and -- and trust the technology that's already
5 been proven.

6 Laclede is not breaking new ground. This
7 technology is in -- is in Missouri already through Kansas
8 Gas in Kansas City and through Ameren in the St. Louis
9 area and right here in Jefferson City.

10 There are no safety issues caused by an AMR
11 installation. You saw how simple it is this morning.
12 And, nevertheless, the union is claiming that safety
13 issues exist.

14 And for the third time this year, the union is
15 trying to prove that it is right and that the rest of the
16 world is wrong. And for the third time, the union has
17 failed, for it has come up with absolutely nothing.

18 In January of 2006 at the Laclede group
19 shareholders meeting, a union official named Kevin
20 Patterson stood up and asked what Laclede was going to do
21 about leaks being caused by AMR installations.

22 Laclede's CEO answered stating that he couldn't
23 see how a leak would occur since the installation did not
24 affect the flow of gas. But he invited the union
25 leadership to come and talk with Laclede and provide

1 details so that Laclede could address the issue.

2 At the ensuing meeting, the union had no
3 details. There were no addresses. There were no
4 examples, nothing.

5 Then -- then over two months later in April of
6 2006, the union filed its complaint alleging that
7 non-union AMR installers were causing damage to meters and
8 causing leaks on meters, but still no details accompanying
9 that filing, not one, despite Laclede's continued
10 requests.

11 And as you've heard, the Commission Staff has
12 also asked for information and also was stonewalled.
13 Finally, in August, nearly seven months after that
14 shareholders meeting and more than four months since they
15 filed the complaint, the union dumped on us 330 scribbled
16 addresses. They didn't bother to provide any context or
17 even copy their own handwritten records.

18 Nevertheless, Laclede took these scribblings and
19 from it turned it into a spreadsheet showing information
20 on the addresses, what the -- the service was that
21 occurred there, what the service tech's remarks were, that
22 is, a union -- a union member who had an opportunity to
23 write down whatever remark they wanted, and also showing
24 the meter shop's analysis for these addresses. And all of
25 this information was turned around and provided to the

1 union.

2 Now, that information, which is what the union
3 provided to us, turned out to be only a subset of the
4 information that Laclede had already compiled itself on
5 meters equipped with AMR modules. And you heard that this
6 morning during Ms. Harmon's testimony. And -- and that
7 information that Laclede compiled itself was also shared
8 with the union.

9 Now, why did Laclede compile this information on
10 meters with AMR modules? And the answer is because
11 Laclede is interested in a safe and effective AMR
12 implementation.

13 And why? Because when it comes to safety, it is
14 Laclede that's at risk for civil liability should an event
15 occur, not the union. It's Laclede that's held
16 responsible for complying with Commission safety rules,
17 not the union.

18 And that is why at the beginning of this project
19 Laclede worked with Cellnet to develop a training manual
20 for the AMR installers on gas safety issues. The purpose
21 was not to teach these installers how to change a meter or
22 repair a leak but to provide them with the appropriate
23 information on what to do if they smell gas.

24 These installers are not safety inspectors and
25 their work does not affect the safety allegations that

1 Laclede complies with, including corrosion inspections
2 that are already done on a schedule once every three years
3 that is more aggressive than the federal rules and many
4 other states' rules.

5 So if -- if you have any concerns about AMR
6 being put in, someone from the union will be by there
7 within less than three years to check on it.

8 As you saw, an AMR installation is a simple
9 process. The training given by the installers is
10 adequate. The evidence shows that an installation does
11 not access the flow of gas in the meter and does not cause
12 a leak. The results bear out the lack of safety concerns.
13 Over 600,000 AMR module installations have been completed
14 without incident.

15 Let me give you more specifics on the
16 information that Laclede has tracked. We've tracked leaks
17 from meters with AMR modules, and we found the incidence
18 of those leaks to actually be less than the incidence of
19 leaks on meters that had not yet been fitted with AMR
20 modules. So this isn't just, Oh, we've got a feeling,
21 we're seeing a pattern. This is statistics based on
22 review of actual meters that came into the meter shop with
23 AMR modules.

24 We have provided all of this data to the union,
25 including the summary form that shows all of the

1 statistics and all the backup, the underlying sheets that
2 you heard Ms. Harmon testify that her two co-workers put
3 together, both union members.

4 We've also looked at damaged meters, even though
5 it is unusual for an AMR installer to truly damage a
6 meter. In the 15 months since AMR began, our damaged
7 meter experience is no greater than during the six months
8 prior to AMR. And this information was provided pursuant
9 to a data request from -- from the union.

10 The parties have agreed, although I guess we
11 didn't -- from what I heard this morning from the union,
12 they believe there is an agreement that there was one
13 instance in January 2006 where a meter was damaged by a
14 process approved by Laclede to remove stripped screws,
15 where the screw gets stuck, and you can't back it out.
16 You would try to drill into the screw and then back it out
17 that way.

18 And there was an incident that occurred where a
19 meter was damaged. And Laclede decided right then to
20 stop, even though it -- it believed it could do it safely,
21 but decided, Okay, we'll stop, we won't do these anymore.
22 And so AMR installers no longer had drills. There aren't
23 drills out there. There's no drilling being done.

24 And so it is of -- of questionable origin that
25 last Thursday, two days before this hearing, the union

1 brought a second instance of meter damage to our attention
2 and stated that this occurrence happened in early
3 November.

4 So far, in the -- in the day and a half that we
5 had to investigate it, what we have found is potentially
6 disturbing. We've been able to determine that a meter was
7 damaged and that it has been repaired. But the damage
8 appears to be that the meter was drilled through, not just
9 once, but twice.

10 So it is extremely difficult to think that a --
11 an AMR installer who does not have a drill somehow managed
12 to drill through a meter and then with the gas coming out
13 right into his face drilled through it again. That is --
14 is -- is simply not likely.

15 In the day and a half we've had to look at it,
16 we actually have spoken to -- we found the installer in
17 this case and spoke to him. And the gentleman seems to be
18 a reputable individual. He told us what tools he has. He
19 did not have a drill. He said he would not use a drill
20 and -- and he would not walk away from a situation where
21 he smelled gas.

22 In fact, he said that in his experience, he had
23 not had -- had a -- an occurrence where he smelled gas.
24 But in two cases that he worked on, he was told by the --
25 I guess the -- well, he worked on commercial meters. This

1 is a commercial meter. And he was told by people at the
2 business that they had at times smelled gas and he noted
3 that on his report.

4 So here he was willing to turn over information
5 about gas that he didn't even smell. So it's -- it's --
6 it's questionable as to whether or not -- as to whether he
7 caused this problem. If he did, he's lying to us.

8 The -- the other possibilities -- and we will
9 continue to -- to investigate this -- is that it's
10 suspicious that this has come up at this time, this late
11 in the process right before the hearing that permitted the
12 union's attorney to stand here and -- and use that in her
13 opening -- opening speech to try to discredit the process.

14 So I'm not -- we're not drawing any conclusions
15 here at this time. We'll continue to pursue our
16 investigation. But as opposed to the incident that
17 happened in January, the origin of this meter damage is
18 certainly not clear.

19 With regard to the AMR installers, no one's
20 perfect. And as you would expect, when installing 650,000
21 meters, there have, of course, been errors. Some
22 installations haven't taken. But the module replacement
23 rate, and this is in our testimony, has been about 2
24 percent. And that's consistent with other AMR
25 installations and within expected norms.

1 The union's claims are mostly a stew made up of
2 speculation mixed with error. The union claims meters are
3 leaking at the index cover or face plate. Well, meters
4 don't leak at the index cover for two reasons. First, gas
5 does not flow through the index area. So the -- if -- if
6 there is a leak, it is somewhere within the meter on one
7 of the seals in the meter. If you are getting an odor at
8 the -- near the index, it is often the seal behind the --
9 what they call the center box.

10 In fact, I'll even show you one right here.
11 This is what's inside the meter. You may have seen this
12 part here coming out of the meter. So this is the drive
13 axle here, and this is -- this little rubber seal is --
14 sometimes after this -- this goes around long enough for
15 enough years the seal may dry out or crack, and it allows
16 a tiny, tiny bit of gas to weep through there.

17 If there is a leak, that's where the leak is.
18 The index cover, the index doesn't leak. And the second
19 reason is, is it's vented. It has holes in the bottom of
20 it, as you saw from Mr. Korbisch this morning. And so
21 it's not meant as a seal anyway to hold in gas. So it is
22 a -- a misnomer at best to say that the index covers or
23 the face plates are leaking.

24 The union claims that some index covers on
25 Laclede meters are not vented. This is simply wrong. All

1 Laclede index covers are vented. And the reason they are
2 is to reduce condensation.

3 If you have a closed -- if you have a closed
4 environment, the -- the -- the index cover can become
5 clouded with condensation, and then it can't be read. The
6 union also claims, and this is a new claim, by the way,
7 not part of either their complaint or their amended
8 complaint, that AMR modules caused meter dials to jump,
9 making it difficult to test for leaks.

10 This is an old issue that is not AMR specific.
11 The test dial hand -- once several years ago when index --
12 when meter manufacturers went to plastic indexes, the test
13 dial hand can temporarily get ahead of the gear until --
14 so the test dial hand can go like this, and then the gear
15 catches up and pushes it around again.

16 And Laclede has come up with a remedy to the
17 issue of making sure they know when the dial is moving and
18 when it isn't so that they can test for leaks. And they
19 issued a paper to their service people last -- this past
20 spring. So this is not a new issue. It should not be
21 coming up as an AMR issue. It shouldn't be coming up in
22 September, six months after the -- the remedy was arrived
23 at.

24 The union now says that AMR installations can
25 cause leaks to occur either shortly after an installation

1 or a long time after an installation. So this implies,
2 then, that all leaks are a result of AMR installations.

3 Any leak that is found, it can be inferred, was
4 caused by the AMR installation. This, of course, is an
5 error in logic by assuming B followed A, therefore, A
6 caused B.

7 And -- and this issue came up after -- I should
8 have pointed this out before, after -- after Laclede
9 pointed out that leaks that the union identified as -- as
10 being caused by AMR were actually being discovered several
11 months after the AMR installation, not shortly thereafter
12 as you would expect.

13 There's also -- has been something made of the
14 fact that whether or not AMR installers when they go to
15 someone's home to do an installation are "with Laclede"
16 or not. So the -- the complaint is, This -- this -- this
17 person told me they were with Laclede, but they weren't.

18 Well, if they are a contracted worker, the union
19 folks like -- like to say that they are not with Laclede.
20 This is, of course, silly. Whether the worker is an
21 employee hired by Laclede or a contractor hired by
22 Laclede, they are still there on Laclede's behalf to work
23 on -- on Laclede equipment.

24 I think it's ironic and -- and not very
25 appropriate to say that the cellnet contracted workers who

1 are not suing us are not with Laclede. But the union
2 members who are suing us are with Laclede. I think it's
3 probably more accurate to say that the contracted workers
4 are not with the union.

5 As an employee of Laclede, possibly the most
6 disturbing aspect of this case for me is the tendency of
7 the examples used by the union to bolster their case -- to
8 bolster their case. Instead, repeatedly implicate its own
9 members.

10 For example, in one case, the union blamed an
11 AMR installer for not noticing a hole in the back of a
12 meter, a hole that was not only likely caused by a union
13 member's poor meter placement, but also wasn't found by
14 another union member called in to check on a gas odor for
15 more than 30 minutes.

16 So if this was something that the AMR installer
17 was supposed to find, you would think that the union
18 member could have found it in less than half an hour.

19 A second example are two union members who will
20 testify here who believe that their own error in causing
21 corroded piping to collapse under the weight of a 24-inch
22 pipe wrench somehow reflects poorly on the AMR installers.

23 In conclusion, Laclede requests that the
24 Commission dismiss this complaint. There are no leak
25 issues. There are no damage issues. There are no safety

1 issues at all connected to this AMR installation, and
2 there never were.

3 Despite the union's efforts to impede the AMR
4 project by soliciting municipal resolutions, by inciting
5 the media and by filing complaint here at the Commission,
6 the project well on its way to completion, and it has
7 already substantially reduced the number of estimated
8 bills issued to customers and has saved those customers
9 millions of dollars in service initiation charges along
10 with hundreds of thousands of hours of something even more
11 valuable to them, their time. Thank you.

12 JUDGE WOODRUFF: Thank you, Mr. Zucker. I
13 believe that's all the opening statements, then. We're
14 due for lunch. And I understand we have a lot of
15 witnesses here today.

16 And I am assuming that the union wants to try
17 and get everyone here today on the stand yet today so they
18 don't have to come back tomorrow; is that correct?

19 MS. SCHRODER: We were -- we are not expecting
20 to necessarily get through everyone today. We wanted to
21 make sure we had enough people here today that if we
22 proceeded quickly we could get -- you know, we would not
23 have to slow things down. Certainly, we'd like to get
24 through as much as possible.

25 JUDGE WOODRUFF: Well, certainly, I'd like that

1 as well. I wanted to be sure because we might be going
2 very late if we have to get everybody on. Well, let's
3 take a break for lunch. We'll come back -- well, still
4 make it a short break. We'll come back at 1:30.

5 (Lunch recess.)

6 JUDGE WOODRUFF: All right. Let's come to
7 order, please. All right. Welcome back from lunch.
8 Before we get started on testimony, there's a couple
9 things I wanted to bring up.

10 First of all, there was a motion filed late
11 Friday afternoon about substituting teleconferences for
12 live testimony on Grace Forbes and Marilyn Kessler,
13 similarly, the same way we've done with one other witness,
14 I believe, Ms. Donnelly. And that is acceptable.

15 MS. SCHRODER: Thank you.

16 JUDGE WOODRUFF: We can do the same things with
17 them -- same phone conversation with them that we're doing
18 with Ms. Donnelly.

19 Laclede Gas filed a motion for reconsideration,
20 also, I believe also late on Friday. I can't rule on that
21 from the Bench. We'll deal with it, I guess, as we -- the
22 evidence starts coming in.

23 Mr. Zucker, do you want to add anything?

24 MR. ZUCKER: No, sir. That's fine, your Honor.

25 JUDGE WOODRUFF: Okay. All right. Well, then,

1 we'll start with witnesses, and Local 11-6 can call their
2 first witness.

3 MR. PENDERGAST: Your Honor, as we're proceeding
4 with the first witness, I just wanted to make a procedural
5 matter that may save us some time in the end.

6 And we have approximately seven witnesses that
7 are customers that have expressed their belief, at least,
8 that it's safer to have a gas worker install an AMR device
9 than it is to have a Cellnet employee install an -- a
10 device.

11 Some of the witnesses also talk about their
12 belief that the Cellnet work was somehow deceptive when
13 they went ahead and appeared at their premises to install
14 a device. I think the testimony is self-explanatory on
15 the deceptive part. I don't personally have a problem,
16 and I don't think Staff has, if the Commission wants to
17 take that testimony much like it does at public hearings
18 where lay witnesses express a particular opinion on
19 something as just an indication of that person's
20 individual belief.

21 There is nothing in the testimony of any of
22 these witnesses that would purport to make them experts,
23 that would indicate that by virtue of their professional
24 background, training, education or work experience that
25 they are particularly qualified to go ahead and render

1 opinion on the ultimate issue of whether or not one group
2 of people can install these more safely than another.

3 And as long as it's not taken as that kind of
4 expert or -- testimony or common substantial evidence of
5 the ultimate issue but rather an expression of these
6 individuals, I don't think we'd have a problem just
7 allowing those to be admitted into the record.

8 JUDGE WOODRUFF: Okay. So there would be no
9 cross-examination of those witnesses?

10 MR. PENDERGAST: That would be correct. And I
11 guess it would only be subject -- I don't know if the
12 Commission would be prepared to tell these witnesses that
13 they're not going to have questions for them or not.

14 Obviously, if the Commission had questions, we
15 would reserve the right to follow up.

16 JUDGE WOODRUFF: Mr. Franson, do you want to say
17 something?

18 MR. FRANSON: Yes. Your Honor, before you --
19 before we name specific names, I'll tell you right now,
20 there's about seven people we're talking about. If we
21 could have about a ten-minute break a little bit later, I
22 can probably be sure that I would be fine with what
23 Mr. Pendergast has just stated.

24 However, I can't agree until I look at the
25 witnesses to be sure.

1 JUDGE WOODRUFF: And, Ms. Schroder, is that
2 generally acceptable to the union?

3 MS. SCHRODER: Yes, that is generally acceptable
4 to the union. The one caveat -- we are not trying to
5 propose any of these people as -- as experts. The one
6 caveat is that I think that George Waites' testimony
7 indicates that he was a pipefitter who had had some gas
8 experience, I believe. And -- and we can doublecheck that
9 at the break.

10 And I would just -- I mean, obviously, whatever
11 is in the written testimony I would like to be considered.
12 That still doesn't make him an expert, and I'm not trying
13 to say that he is.

14 JUDGE WOODRUFF: Okay. Well, at this next
15 break, then, you can get together and discuss that and
16 give us a list of names. These people aren't here today;
17 is that right?

18 MS. SCHRODER: That's right. We were going to
19 bring them in tomorrow, so we just need to let them know
20 tonight whether they need to come.

21 JUDGE WOODRUFF: Would that include the three
22 people who are on the telephone?

23 MS. SCHRODER: I don't know if it includes --
24 no.

25 MR. FRANSON: I think it includes at least one.

1 MS. SCHRODER: I think two of them, Ms. Kessler
2 and Ms. Forbes.

3 MR. FRANSON: Yeah. So there's two.

4 JUDGE WOODRUFF: Okay.

5 MS. SCHRODER: But I don't know if it matters
6 to --

7 JUDGE WOODRUFF: All right. We can deal with
8 that, then, after the -- after the next break, and you can
9 tell me more details.

10 MS. SCHRODER: All right. Thank you.

11 JUDGE WOODRUFF: All right. Thank you. All
12 right. If you you'd call your first witness.

13 MS. SCHRODER: The union calls Steve McFarland.

14 JUDGE WOODRUFF: Right over here. And, Ms.
15 Schroder, when you inquire, come on up to the podium.

16 MS. SCHRODER: Okay.

17 JUDGE WOODRUFF: All right. Mr. McFarlane,
18 would you raise your right hand?

19 STEVE MCFARLANE,
20 being first duly sworn to testify the truth, the whole
21 truth, and nothing but the truth, testified as follows:

22 DIRECT EXAMINATION

23 BY MS. SCHRODER:

24 JUDGE WOODRUFF: You may be seated.

25 MR. MCFARLAND: Thank you.

1 JUDGE WOODRUFF: You may inquire.

2 MS. SCHRODER: Before I start with him, do I
3 need to -- we pre-marked the exhibits, Exhibit 1-NP and
4 Exhibit 1-HC.

5 JUDGE WOODRUFF: Yes.

6 MS. SCHRODER: Do I need to do something
7 official with that now?

8 JUDGE WOODRUFF: They've already been marked.
9 So you'll --

10 MS. SCHRODER: I know I don't --

11 JUDGE WOODRUFF: You'll need to have him
12 acknowledge that it's his and that sort of thing.

13 MS. SCHRODER: Okay.

14 Q (By Ms. Schroeder) Mr. McFarlane, first of all,
15 would you just state your name for the record?

16 A Steven A. McFarlane.

17 Q Are you the same Steven A. McFarlane -- the
18 Steven McFarlane that gave testimony in this matter
19 previously?

20 A I am.

21 Q And I'm going to hand you a copy of that
22 testimony that was marked 1-HP and ask if that is your
23 testimony.

24 A Okay. Yes, it is.

25 Q All right. And do you have any corrections to

1 that testimony?

2 A The only part that there would be a correction
3 to would be on page -- page 4, the AMR device model --
4 it's got to be just before that on page 3. Oh, what brand
5 of AMR device has been installed. All together, there was
6 actually five, and I'll refer to them as solutions that
7 the company that I worked for had installed. Hexagram,
8 like it says, Schroder, DCSI, and two other brands that
9 escape me at this point in time.

10 They were smaller trials that we did. Each of
11 the AMR devices were generally -- generally the same.
12 They had different ways of transmitting whether there was
13 drive by or through the transmission distribution electric
14 system or to a tower as Hexagram notes. So --

15 Q Were they all installed at the time that's
16 covered by this -- by the exhibit to your testimony?

17 A Yes, they were.

18 Q All right. If I asked you the same questions
19 today that we asked you at the time that you submitted the
20 written testimony, would your answers be the same, except
21 with the correction you made?

22 A Yes, they would.

23 Q All right. And were your answers truthful?

24 A Yes, they are.

25 MS. SCHRODER: All right. With that, I move for

1 the admission of Exhibit 1-HC and 1-NP.

2 JUDGE WOODRUFF: All right. Exhibits 1-NP and
3 HC have been offered into evidence. Are there any
4 objections to the receipt?

5 MR. FRANSON: Your Honor, before I answer that
6 question, may I voir dire the witness?

7 JUDGE WOODRUFF: Go ahead.

8 VOIR DIRE EXAMINATION

9 BY MR. FRANSON:

10 Q Mr. McFarlane, could you -- let's look at
11 Exhibit 1, which is the NP version. How many pages of
12 testimony do you have there? And, actually, how many
13 total pages including your affidavit?

14 A Five.

15 Q Okay. On page, I believe it's 2, line -- lines
16 8 through 10, you refer to an Exhibit 1; is that correct?

17 A Yes.

18 Q There is no Exhibit 1 attached to your
19 testimony; is that correct?

20 A In that -- whatever that was, HP. But it -- I
21 believe it looks like it's attached to the -- the other
22 sub --

23 MR. FRANSON: Judge, may I approach the witness?

24 JUDGE WOODRUFF: You may.

25 MR. FRANSON: Where I'm going with this is I

1 double-checked EFIS because this had been a note I made
2 earlier. Also, no Exhibit 1 in his testimony in EFIS.
3 That's the problem I'm having here. So if there's an
4 Exhibit 1, I have never seen it and I would be --

5 JUDGE WOODRUFF: Okay. I -- I didn't print it
6 out when I printed it off of EFIS either, so if there's
7 something there, you need to clarify it.

8 MS. SCHRODER: Okay. I apologize. We thought
9 -- I mean, our versions show that we did file it. And I
10 have the clean copies, and I'll certainly give -- give me
11 a bunch of them. And I guess let me ask, Rick, did you
12 get a copy with an exhibit?

13 MR. ZUCKER: I don't recall. I think that the
14 original ones, neither of them had the exhibit on it, and
15 then I think you filed something that had the exhibit.

16 MR. FRANSON: That was Mr. Gozy.

17 MS. SCHRODER: I know we had an exhibit problem
18 with Mr. Gozy. I didn't realize that with --

19 MR. FRANSON: And they are not the same
20 decision.

21 MS. SCHRODER: No. They are not the same
22 decision. I wish somebody had notified me. We thought we
23 did file it. That's -- can I replace, then, the exhibit
24 -- I think it's HC, Exhibit 1-HC with one that does have a
25 copy?

1 A HC does have it with.

2 MS. SCHRODER: HC does.

3 MR. FRANSON: Not in EFIS, Judge, and that's
4 what I'm going by.

5 JUDGE WOODRUFF: Just -- just a second here.
6 Does anybody know what number that was in EFIS? I'm
7 trying to --

8 MR. FRANSON: No. But it was filed September
9 26th, and there was about -- 25 --

10 MR. ZUCKER: I can tell you, it's No. 60.

11 JUDGE WOODRUFF: All right. Thank you. We're
12 over a hundred documents in here now, so it's hard to
13 find.

14 MR. ZUCKER: It was just trivia.

15 JUDGE WOODRUFF: Yeah. It's not in here under
16 the HC.

17 MR. FRANSON: Your Honor, we're -- I will have
18 to object. We're dealing with surprise here. And there's
19 -- I mean, I -- I read this testimony recently. I didn't
20 see it. I --

21 MS. SCHRODER: Your Honor --

22 MR. FRANSON: I moved right on to other things,
23 so --

24 MS. SCHRODER: If we had been advised that it
25 was not with EFIS, we would obviously have corrected that

1 easily. The exhibit -- the testimony exhibit is
2 summarized in his testimony. I can produce copies for
3 people now and, of course, EFIS file it later.

4 So I guess I would move that we -- I would move
5 to amend his testimony by refiling the exhibit with the
6 April 8th, 2003, order attached.

7 JUDGE WOODRUFF: An order in the Wisconsin
8 Public Service Commission, correct?

9 MS. SCHRODER: Yes, which is a public record
10 anyway. But -- and, again, I would just point out that if
11 anybody had advised me that it hadn't been filed, we would
12 have taken care of it at the time. So the surprise matter
13 is because the person who looked at it and realized there
14 wasn't an exhibit didn't say anything about it.

15 JUDGE WOODRUFF: Okay. Well, I'll -- I'm going
16 to overrule the objection and admit the document into
17 evidence. You will need to make corrections in EFIS so
18 that it's properly made part of the record.

19 MS. SCHRODER: All right. Thank you.

20 MR. FRANSON: Your Honor, may I have a
21 continuing objection, then, on that basis so I needn't
22 mention it again?

23 JUDGE WOODRUFF: Yes.

24 MR. FRANSON: Thank you.

25 JUDGE WOODRUFF: All right. So Exhibits 1-NP

1 and HC are received into evidence.

2 (Exhibit Nos. 1-HC and 1-NP were admitted into
3 evidence.)

4 JUDGE WOODRUFF: And then for cross-examination,
5 we'll begin with Public Counsel.

6 MR. POSTON: Thank you. Just a few.

7 CROSS-EXAMINATION

8 BY MR. POSTON:

9 Q On page 3 of your testimony, you -- you talk
10 about your job duties include working on leaking and
11 non-function -- functional AMR meters. Are these the same
12 type of meters and AMR units that we saw on the
13 demonstration today?

14 A The same type of meters, a different
15 manufacturer on the AMR device. I don't know how
16 Mr. Clark feels. Most of the AMR devices still have to be
17 attached to the same original screws and go up against the
18 same original wiggler that was there. So each company has
19 maybe a slight variance, but it's more in their
20 electronics is where the -- the difference is between the
21 manufacturers.

22 Otherwise, the -- the other parts are generally
23 the same.

24 Q Okay. And you say that there were leaks
25 reported, but that was before changes were made in the

1 training of the installers. Who -- who installed the --
2 the AMR units? Was it the company personnel, or did they
3 contract out like has been done here?

4 A It was contracted out. That's also in the
5 testimony. It was Sergeant Electric Company with training
6 from both Wisconsin Public Service and the Operating
7 Engineers Local 310.

8 Q And what were the changes that were made that
9 were -- what seems to suggest fixed the leak problem; is
10 that correct?

11 A Yeah. Part of that actually probably gets into
12 a manufacturer's problem. The depth of the wiggler
13 required a thicker gasket to go on and separate that. It
14 was actually putting tension on that wiggler, causing the
15 gas leaks.

16 MR. POSTON: Okay. That's all. Thank you.

17 JUDGE WOODRUFF: All right. And for Staff?

18 MR. FRANSON: Judge, does it make any difference
19 to you whether we do cross-examination from here or the
20 podium? Do you have a preference?

21 JUDGE WOODRUFF: Actually, it tends to work
22 better if you're from the podium. I --

23 MR. FRANSON: Thank you.

24 CROSS-EXAMINATION

25 BY MR. FRANSON:

1 Q Good afternoon, Mr. McFarlane.

2 A Hello there, sir.

3 Q I'm Robert Franson. I'm an attorney for the
4 Staff. I guess I'll just ask you point blank, what is the
5 purpose of your testimony? Are you trying to tell us that
6 because they did something in Wisconsin with AMR devices
7 they should do the same thing in Missouri?

8 A No, not at all. The -- the concern that I bring
9 forward is actually a concern generally for the public for
10 the accuracy of the billing purposes and not against AMR
11 in any way, shape or form.

12 I believe that there is -- there's a lot of
13 lessons to be learned from across the United States on
14 AMR. There are so many areas that have -- not only are
15 getting it in right now, but some of them have been in for
16 12, 15 years already, and there's a lot of things that
17 have been learned that way. And that would be good for --
18 for any state that was just getting into it now. So --

19 Q So you're thinking Missouri is just getting into
20 this now?

21 A No. I'm not saying that. I -- I understand
22 that you've had some, and especially with the Itron,
23 larger customers for a period of time, probably on a mass
24 level since the late '90s or mid '90s.

25 All the things that you continue to accumulate

1 through time from -- from different utilities across the
2 United States. So it's lessons learned.

3 Q Okay. Now, you're -- you say you're the
4 Treasurer of Operating Engineers Local 310 in Green Bay,
5 Wisconsin; is that correct?

6 A Yes.

7 Q This attachment that I believe you -- well,
8 actually, your Exhibit 1, which is 6690CG148, how is it
9 you're familiar with that decision of the Wisconsin Public
10 Service Commission?

11 A I work closely with the Wisconsin Public Service
12 Commission on a monthly basis on issues related to the
13 utility that I work for. As part of my job with Operating
14 Engineers Local 310, I do their legislative work. And
15 that gets me to the Public Service Commission, also.

16 Q But -- okay. So you do legislative contacts
17 with the Commission on behalf of the union; is that
18 correct?

19 A Yes.

20 Q What else do you do?

21 A Legislative contacts on behalf of -- or to the
22 Legislature, the state Legislature in Wisconsin, Senate
23 and Assembly.

24 Q Okay. So you are a -- looking for -- how --
25 what is your job? What do you call it?

1 A Too many jobs and not enough time to get
2 anything done.

3 Q Okay. In addition to being a lobbyist, what
4 else do you do?

5 A I am the webmaster for the Inter-Union Gas
6 Workers Conference, which is seven Internationals that
7 have gas throughout the United States and Canada. I'm
8 also kind of a little bit of a clearinghouse. That way,
9 by being the webmaster and running their web site for
10 information that comes through there, it's an annual
11 conference for all the gas workers, all the utilities in
12 the United States and Canada.

13 Q Okay. So you are not an employee of Wisconsin
14 Public Service Corporation, which is the subject of this
15 Exhibit 1 that you've presented here?

16 A Yes, I am.

17 Q Okay. So in addition to your union work --

18 A I don't represent them here, though. Sorry.

19 Q Okay. What do you do for Wisconsin Public
20 Service Corporation?

21 A I am a distribution mechanic. In the pecking
22 order, that's one from the top. As far as operator
23 qualifications go, I'm qualified at everything within the
24 range of natural gas, except for welding and gate
25 stations.

1 Q Have you ever gone out in the field and
2 installed an AMR personally?

3 A Yes, I have.

4 Q Okay. Have you gone to any sites in Missouri
5 and talked to the USW Local 11-6 here in Missouri?

6 A I have not seen any of the -- any of the meter
7 settings here personally.

8 Q Okay. So other than what you might have been
9 told, you don't know whether the folks installing these
10 things are doing a good job or not?

11 A I don't believe that's for me to judge.

12 Q Okay. So the answer is you -- you don't know?

13 A (Witness shakes head.)

14 Q Okay. Now, this decision that you -- your
15 Exhibit 1, that was -- did your union, that being
16 Operating Engineers Local 310, intervene in this case?

17 A Yes, we did.

18 Q And what result were you looking for when you
19 intervened?

20 A The No. 1 item that we were interested in was an
21 annual hazard survey. We felt that with meter readers
22 originally being there once a month throughout hundreds of
23 years -- you know, a hundred years of history or more that
24 going to once every three years, too many things could
25 happen with that meter set during that period of time.

1 Q So you wanted an annual hazard survey?

2 A Yes.

3 Q And that meant that a company employee would
4 have to visit each meter within a year?

5 A We were not specific as to whether it was a
6 company employee or independent. We just asked that
7 someone visit that meter with the expertise.

8 And in the ruling that came down, they do
9 one-third of the meters on an FI survey. They do
10 one-third of the meters on corrosion survey, and they do
11 one-third of the meters on hazard.

12 Q What is FI?

13 A Flame Ionization. Sorry. Over the meter set
14 that's required by the Federal Government.

15 Q Okay. As a result of this case, who is actually
16 performing these surveys, the FI, the corrosion and the
17 hazard? I mean, what -- is it union members that's doing
18 it?

19 A They're paying union dues, but, primarily, it's
20 college students that are given those operator
21 qualifications, put through a week of training at the
22 beginning of the -- at the beginning of the summer season.

23 Q Are these --

24 A They pay dues to Local 310.

25 Q Are they union members?

1 A No. They're service dues member, so they are
2 not represented by the union.

3 Q Are they represented by another union?

4 A No.

5 Q Well, how is it they're paying dues to your
6 union if they're not represented by your union?

7 A The work, according to our contract, is Local
8 310 work, so if somebody does that work, then they're
9 either required to be members or pay service dues.

10 Q Okay. Do you know -- I mean, you've -- you're
11 bringing forth a decision here. Are you telling the
12 Commission they should do anything in particular in this
13 case?

14 A All I'm doing is trying to educate the
15 Commission and Commission Staff as to some of the things
16 that are going on in other places in the United States
17 that have -- that has been paying off.

18 They have been finding items in these hazard
19 surveys that -- that could long-term create a problem and
20 possibly an expense for the utility.

21 Q But you -- as part of bringing this information
22 to the Commission, the only specific information you're
23 bringing forward is a Wisconsin Public Service Commission
24 decision and then your experiences there?

25 A Yes.

1 Q Okay. Nothing else about any other states or
2 any other experiences in your testimony, correct?

3 A No.

4 Q Okay. As part of -- during your testimony and
5 preparing for this today, did you review Missouri Public
6 Service Commission safety rules about what's already
7 required in Missouri?

8 A Yes, I did.

9 Q Okay. What did you find out?

10 A There is -- there are things in this that --
11 like in this docket and the utilities -- I can say
12 actually the utilities in Wisconsin that have AMR were
13 ordered to do their corrosion survey on a three-year
14 basis.

15 And I can see that the utilities here are ready
16 -- or I should say this utility was already doing that,
17 everything without -- I believe without order of the -- of
18 the Public Service Commission, everything, which is an
19 admirable thing to -- to have with the stone that's here
20 and the type of properties that you have for the -- in the
21 ground and everything. So --

22 Q Okay. Do you know whether Missouri Public
23 Service Commission has a rule on requiring corrosion
24 surveys every three years?

25 A I believe that -- and this would be just belief.

1 I believe that they're following the Federal standards of
2 every five years.

3 Q Well --

4 A Adopted.

5 Q But you don't know that, in fact, Missouri does
6 have a three-year --

7 A No.

8 Q -- rule? Okay. So it would surprise to you
9 learn that might -- that is, in fact, the case?

10 A Okay. My congratulations to Staff and the PSC.
11 It's a good thing.

12 Q Okay. Do you know whether the Missouri Public
13 Service Commission has a rule on leak surveys and how
14 often they must be done?

15 A I was going to say, I have -- yes, there is, but
16 I don't know how often it has to be done.

17 Q Okay. Would it surprise you to learn it's
18 required every three years?

19 A That's pretty much standard within the industry
20 these days, so --

21 Q Is there a rule in Wisconsin requiring that?

22 A Yes.

23 Q You're not appearing here today as an expert on
24 whether the installation of AMR devices on meters in this
25 case caused leaks or didn't cause leaks, are you? Let me

1 rephrase that. That's not your testimony, is it?

2 A No. That's not my testimony.

3 Q And you haven't done any research to form an
4 opinion on that subject, have you?

5 A I've worked with five different types of AMR
6 devices and worked on meter sets and gas leaks over the
7 last 20-some years.

8 Q But what I'm asking is you didn't do some kind
9 of study or -- or go out and do an analysis and form an
10 opinion, expert or otherwise, about whether the AMR
11 devices that are the subject of this case, that being in
12 the Laclede service territory, whether they're being
13 properly or improperly installed?

14 A No, I did not.

15 MR. FRANSON: I don't believe I have any further
16 questions.

17 JUDGE WOODRUFF: And Laclede?

18 MR. PENDERGAST: Thank you, your Honor.

19 CROSS-EXAMINATION

20 BY MR. PENDERGAST:

21 Q Mr. McFarlane, good afternoon. I'm Mike
22 Pendergast. I'm with Laclede Gas. How are you this
23 afternoon?

24 A I'm fine.

25 Q I just want to ask you a couple of questions.

1 And I guess the first one is, you indicated that you had
2 done sort of an analysis of what's going on in other
3 jurisdictions to kind of serve as a clearinghouse for
4 certain information relating to gas union employees. And
5 aside from Wisconsin, did you look at any other
6 jurisdictions and what kind of requirements they had
7 imposed with respect to AMR?

8 A Yes. And I'm working with some of the people
9 right now from Southern California Gas and Pacific Gas and
10 electric on their pending AMR. Quite a few years back, I
11 had actually gone out to the state of Washington who was
12 -- and some of the utilities there which actually ended up
13 being an Enron utility after a while, for a common name.

14 They had been one of the first -- first
15 companies in the United States to actually go with an AMR
16 process and studied that rather closely. Anecdote --
17 Anecdotally, I can tell you that at that point in time,
18 that utility out there had about 82 or 83 meter readers,
19 and they ended up with, I believe, 76 technicians to
20 maintain the system afterwards. So -- which kind of was a
21 little bit eye opening. And that's the early days of AMR,
22 so --

23 Q And since those early days of AMR, I think your
24 testimony indicated that more and more jurisdictions and
25 more and more utilities have gone to implementing it?

1 A Absolutely.

2 Q And up in Wisconsin, I think you referred to at
3 least two other utilities that had already implemented
4 AMR?

5 A That's correct.

6 Q And with respect to your specific
7 recommendations in your testimony, one of them, of course,
8 is that Laclede be required to do a survey every three
9 years, I suppose, similar to what is being required up in
10 Wisconsin?

11 MS. SCHRODER: Objection. I don't think he made
12 recommendations in his testimony.

13 Q (By Mr. Pendergast) You don't have any
14 recommendations, then, for this Commission?

15 A No. It's basically educational.

16 Q Okay. So we should not take the testimony that
17 you've submitted as setting forth any specific
18 recommendations to the Commission?

19 A That's correct.

20 Q Okay. Well, let's talk a little bit about what
21 the Wisconsin Commission did, then. And I do have a copy
22 of the order that you refer to in your testimony. Do you
23 have a copy of that now?

24 A Yes, I do.

25 Q And if I could refer you to page 11 of that

1 order. And if I can direct you to the first paragraph
2 there, about three sentences down, it says, The
3 installation of the automated meter reading system for
4 natural gas operations will result in more accurate meter
5 readings and less reliance on estimated bills. Do you see
6 that?

7 A Yes.

8 Q Do you agree with that conclusion?

9 A Yes, I do.

10 Q Okay. And if you go down further -- and this is
11 the second to last paragraph. It talks about WPC's
12 proposed project, and I'm taking it that that's referring
13 to their AMR project, is needed in public interest to
14 provide adequate and reliable service to present and
15 future natural gas customers. Do you agree with that?

16 A Yes, I do.

17 Q I'd like to just ask you a couple of questions
18 about the annual survey or hazard survey that's done. And
19 I think you answered in response to a question by
20 Mr. Franson that that is performed by college students?

21 A Yes. That is. They are not operator qualified.
22 They are basically the -- they are given the same
23 challenge that we had for our former meter readers to be
24 observant of a multitude of different things. It's given
25 to them with a checklist to mark off.

1 It obviously doesn't get into gas leaks or
2 corrosion. Those are being covered on those other
3 surveys. But yet we ask them -- as we ask any contractor
4 who comes on the ground -- the grounds that if they notice
5 something that could be a hazard that it be reported
6 immediately.

7 Q And since these are college students, I assume
8 that there is a fair amount of turnover in the ranks of
9 the people that do this particular work?

10 A We have them for three years once they're in.

11 Q Okay.

12 A So, you know, the first year is quite heavy on
13 training. The second year, a little less training. Third
14 year, obviously, a little bit less training. So the
15 college kids like it.

16 Q Okay.

17 A It's pretty good money.

18 Q And has that worked out pretty well from your
19 perspective?

20 A As with any place that has employees. We've had
21 a few college kids that haven't been as reliable as
22 others.

23 Q Is that generally true of any employee group
24 that you might run into?

25 A Yes. Union, non-union.

1 Q And just to be absolutely clear, your main
2 educational, if you will, advice to the Commission is that
3 you would like to see some sort of program that -- you're
4 not proposing that that program needs to be something that
5 is serviced by union personnel necessarily?

6 A I believe that's business between the Local and
7 the -- and the company and everything isn't -- isn't at
8 the Public Service Commission. The Public Service
9 Commission can order the company to do something. And how
10 the company accomplishes that is -- is that business of
11 theirs.

12 I believe 192 -- or 192 of the Federal Code
13 Employers Continual Surveillance, which for as many years
14 as we've had gas and electric utilities, that continual
15 surveillance has been accomplished by the meter readers,
16 primarily. And so the meter readers are going to win.

17 Q Yeah. And in formulating your testimony, did
18 you attempt to go ahead and determine what Laclede Gas
19 Company does as far as surveillance of its facilities?

20 A I could not find any information that way.

21 Q Okay. So are you aware of whether Laclede Gas
22 Company -- whether it does home sale inspections for new
23 home sales in the St. Louis metropolitan area?

24 A No, I'm not.

25 Q Okay. So you weren't familiar with whether they

1 already do inspections in connection with those home
2 sales?

3 A Part 192 is primarily just the gas distribution
4 system. No, it's not the inside of homes or anything like
5 that. Part 192 of the Federal Code is actually the
6 distribution and transmission system continual
7 surveillance of that, so --

8 Q And are you familiar with what sort of
9 inspections Laclede does whenever it receives a leak call
10 or other service call involving a customer?

11 A That, I did find.

12 Q Okay. And --

13 A So --

14 Q Can you describe what that is?

15 A Immediate response to all gas leaks, shutdown of
16 any or repair of any gas leaks within a building or
17 structure to a hundred percent no leaks.

18 Q And do you know what sort of inspection Laclede
19 has inside the premises it performs?

20 A No, I don't.

21 Q Can you give me an indication of how you came
22 about to testify here today?

23 A A -- multiple conversations that we had at a
24 recent conference in mid August with a number of different
25 unions representing utilities that were -- that have

1 either just started AMR or are heading towards AMR in the
2 near future, and it was an open topic of discussion at
3 that conference.

4 Q Did somebody from our Local specifically request
5 that you provide this kind of testimony?

6 A No. That's kind of a -- to be honest with you,
7 I guess I can answer that question how it actually got
8 back to the contact with me. I -- I believe it might have
9 actually come through the Wisconsin Public Service
10 Commission.

11 Q So somebody from the Wisconsin Public Service
12 Commission contacted you and asked you to testify down
13 here?

14 A The contact, I believe, came from 11-6 to the
15 Wisconsin Public Service Commission on -- on part of their
16 investigation of other AMRs. And then they were
17 redirected from Staff there at the Wisconsin Public
18 Service Commission to contact me.

19 Q Okay. Thank you. And just so we're clear, in
20 its order, the Commission did implement or did require
21 that Wisconsin Public Service Corporation, I believe it
22 was, perform these surveys, these surveys every three
23 years instead of five years; is that correct?

24 A That's correct.

25 Q And as you've testified already, Laclede is

1 already doing that?

2 A Yes.

3 Q And as far as any additional surveillance steps,
4 the Commission basically told the utility to sit down with
5 its union and see if they could work something out; is
6 that correct?

7 A Yes.

8 Q The Commission did not impose any particular
9 requirements along those lines, did it?

10 A No.

11 Q And you believe that's appropriate?

12 A If the end result ends up in that the customers
13 are taken care of, then the system remains safe, yes.

14 Q We all want that.

15 A Yeah.

16 Q You also mentioned that there was a problem with
17 Wisconsin Public Service Corporation with respect to a
18 particular kind of leak, and I think you indicated it had
19 something to do with a design flaw with the meter; is that
20 correct?

21 A It's back to the installation of AMR.
22 Basically, it's pressure on the wiggler. And it would be
23 an identical meter to the -- the meter that Mr. Clark had
24 up here earlier today, an AC 250, American AC 250. And by
25 putting side pressure on that wiggler, even on a brand new

1 meter, you can cause a leak on that packing. Or it's been
2 referred to as a gasket or O-ring here. Everybody has a
3 little bit different terminology.

4 Q Well, you haven't done any kind of analysis of
5 the installation process here undertaken by Cellnet or its
6 subcontractor to determine whether that problem exists,
7 have you?

8 A No, I haven't. I'm just speaking to the part of
9 the meter that's the existing AC 250 that I am familiar
10 with that any side pressure on that will cause a gas leak.

11 Q And based on your experience, looking at AMR and
12 tracking it, are you aware of any instance that's been
13 caused by a leak on a meter attributable to the
14 installation of AMR?

15 A I've read a couple of them from the NTSB. None
16 of them have been at my location.

17 Q Okay. So you're not personally aware of any?

18 A I'm not personally aware of any besides the ones
19 that are on public record through the National
20 Transportation and Safety Board.

21 Q And you're not aware of any involving Laclede?

22 A None at all.

23 MR. FRANSON: Thank you. No further questions.

24 JUDGE WOODRUFF: All right. Then we'll come up
25 for questions from the Bench. Commissioner Murray?

1 COMMISSIONER MURRAY: Thank you.

2 CROSS-EXAMINATION

3 BY COMMISSIONER MURRAY:

4 Q Good afternoon.

5 A Hi.

6 Q It appears that you have experience nationally
7 with union meetings, conferences, things like that; is
8 that correct?

9 A Yes, I do.

10 Q And you mentioned that you were at conferences
11 with -- where the members were speaking about the issue of
12 utilities going to AMR; is that correct?

13 A Yes.

14 Q And what is the concern with the unions basic --
15 primarily that they're focusing on utilities that are
16 going to AMR?

17 A It's -- as far as I'm concerned, it's rather
18 admirable. The unions do actually take up the public
19 cause when it comes to safety. It's a lot of credit to
20 the utilities through the years.

21 They've brought all of us up in the industry to
22 look out for safety and treat the customer first. And we
23 actually had a conversation earlier about that the public
24 comes first, property comes second and then the employees
25 come.

1 So if there is a hazard, if something's going to
2 happen, it actually ends up being the public first, the
3 property second and then finally us. And that's --

4 Q So these national -- and I'm not sure. I'm not
5 familiar with unions and how they're structured, but what
6 would you call it? A national organization that --

7 A Yeah. It's actually a rather unusual one where
8 you get seven different Internationals together in one
9 building. We don't typically all gather like that,
10 everything is operating engineers may gather at one area
11 and steel workers may gather at another.

12 But in this one, we do actually put together all
13 of the gas workers from the United States and Canada.

14 Q Okay. Now, in looking at the three things that
15 are important to the unions in terms of gas safety or gas
16 workers, gas workers union, what are the statistics
17 regarding how AMR affects the public? I'm assuming that
18 they compile statistics being national organizations.

19 A Nothing that I have with me right now. I don't
20 -- I don't believe that the statistics would be anything
21 that would be that striking to -- for that, something
22 would jump off the page at you or anything. It's just
23 kind of a -- a trend as to where the utilities are going.

24 Q So there hasn't been a conclusion or a position
25 taken that this is not in the public interest. Would you

1 agree with that, going to AMR is not in the public
2 interest?

3 A Very close to that. I have a little bit of a --
4 I take a little bit of pause with the actual expense of
5 AMR. Meter reads can be anywhere from -- by an actual
6 body can be from 12 cents a meter as low as 2 cents a
7 meter, depending on the type of urban area that you're in.
8 And it's going to take a lot of years to pay off an AMR
9 system.

10 And there isn't -- okay. We get into personal
11 opinion. There isn't any AMR system that's actually going
12 to be around that long because the technology is going to
13 continue to change and be replaced in just a number of
14 years down the line here, another five or six, seven
15 years.

16 So what we have right now will be gone and a
17 whole new system will be going into place at that point in
18 time. So --

19 Q And, indeed, the cost would go up if the utility
20 had to continue to pay meter readers in addition to
21 putting in AMR, would it not?

22 A The cost of the AMR is probably going to end up
23 continuing to go up, also, and the maintenance. So it's
24 -- it's a wash, I understand, not having those employees,
25 though, it's easier to work with -- with equipment and

1 especially easier to with, typically, with Public Service
2 Commissions on the replacement of or maintenance of
3 equipment is easier than human bodies and pensions and
4 health care and all of those items.

5 Q Easier and less costly, correct?

6 A Close.

7 Q And then in terms of property, the issue
8 concerning AMR and how it affects property, what has the
9 gas workers union determined in that regard?

10 A I don't believe there is any -- any thought out
11 there on that subject.

12 Q Okay. So let's go to the third one, the
13 employees. What kind of statistics are there regarding
14 how the implementation of AMR affects the number of union
15 workers that are employed?

16 A No hard and firm numbers to actually report at
17 this point in time. Utilities that have gone to AMR
18 generally have less employees. They do end up increasing
19 the number of people to maintain the AMR system at a
20 higher rate of pay than what meter readers are paid.

21 Q So you have no numbers to show whether union
22 employees received less pay overall as a result of AMR?
23 I'm not talking on an individual basis, but overall.

24 A I don't have any numbers. It's less employees,
25 but it's not less pay.

1 Q Is that a concern of the gas workers union?

2 A Yes. I don't -- by what I've been able to see,
3 I don't believe that's -- that's what they're addressing
4 here today. But with any union, you do have to make sure
5 that you take care of your membership. It's not an
6 attempt to grow it, but you do have to be cognitive of --
7 of what's happening to not deplete your membership.

8 Q Okay. Now, we talked about the three things
9 that the union would be looking at. And the -- in terms
10 of the public interest, I believe you said that the only
11 thing that you thought might be an issue there would be
12 the additional expense of the AMR. Was that correct?

13 A Safety always end up coming in there first.
14 Safety is always No. 1. So that's -- ahead of that,
15 everything -- it's always a concern for not just this
16 union but all of the unions that I deal with as to
17 customer safety.

18 Q Okay. Let's talk about that. What type of
19 statistics has the union compiled regarding how the
20 transition to AMR affects public safety, if at all?

21 A We're right in the middle of collecting that
22 right now, so I don't have a report that I can hand to
23 you. But we are looking at the difference between the
24 utilities that have an annual survey and an annual meter
25 read compared to those that don't.

1 I would be more than happy to send it to you
2 upon its completion, which I expect will be at the end of
3 the first quarter of 2007.

4 Q So not in time to address any evidence in this
5 complaint?

6 A No.

7 COMMISSIONER MURRAY: Okay. Thank you.

8 A Thank you.

9 JUDGE WOODRUFF: Commissioner Gaw?

10 COMMISSIONER GAW: I don't have anything.

11 JUDGE WOODRUFF: Okay. Commissioner Clayton?

12 COMMISSIONER CLAYTON: I don't have any
13 questions.

14 JUDGE WOODRUFF: Commissioner Appling?

15 COMMISSIONER APPLING: No questions at this
16 time.

17 JUDGE WOODRUFF: All right. Then we'll go to
18 re-cross, beginning with Public Counsel.

19 MR. POSTON: No questions. Thanks.

20 JUDGE WOODRUFF: Staff?

21 MR. FRANSON: No questions, your Honor.

22 JUDGE WOODRUFF: Laclede?

23 MR. PENDERGAST: No questions.

24 JUDGE WOODRUFF: All right. Any redirect?

25 MS. SCHRODER: Yes. Just a little. Do you want

1 me to come back to the podium?

2 JUDGE WOODRUFF: Yes, please.

3 REDIRECT EXAMINATION

4 BY MS. SCHRODER:

5 Q Hi, Mr. McFarlane.

6 A Hello.

7 Q And let me just say thank you for coming down
8 here today. I know this is taking time out of your real
9 job. You mentioned twice in response to questions of
10 Staff and Laclede Gas OQ qualifications or OQ something.

11 A Yes.

12 Q Certification. Would you explain what that is?

13 A Operator qualifications. It actually started to
14 be looked at by the Office of Pipeline Safety and
15 Transportation Safety Institute, which is the federal
16 agencies governing natural gas, in 1993 after a long and
17 very exhaustive and thorough review.

18 In 2001 and October, actually, I believe in
19 2001, that took effect. And there is a four-part test to
20 say whether something comes under operator qualifications
21 or not.

22 It's also kind of a moving target where they
23 keep on making changes. And I believe, according to the
24 Internet, there are changes coming out right now, and
25 Commission Staff obviously stays on top of this and

1 everything.

2 It's the -- it's their federal jurisdiction. I
3 don't know. Do you guys enforce your own?

4 Q You don't get to ask the questions. Sorry.

5 A I'm sorry. Anything to do with the
6 transportation of natural gas up to -- up to the piping,
7 I'll say.

8 Q All right. Based on what you know about AMR
9 installation and what you've heard about AMR installation
10 in Missouri today, is OQ qualification -- or OQ
11 certification required?

12 MR. FRANSON: Just a clarification, OQ
13 certification to do what?

14 MS. SCHRODER: To -- I'm sorry. To install AMR
15 devices.

16 MR. FRANSON: Okay.

17 Q (By Ms. Schroder) Do you understand my
18 question?

19 A I understand your question. From what I heard
20 earlier today, I would say no, unless somebody walks up to
21 a gas meter with a drill. If they do that, then -- then
22 they would need to be qualified.

23 Q Okay. And I was a little bit confused about
24 your testimony in response to Mr. Pendergast's question
25 about the Washington AMR. First of all, is that the state

1 of Washington or Washington D.C.?

2 A State of Washington.

3 Q All right. I assumed so since you said Enron
4 was involved in that. And what -- what the confusion was
5 for me, you said something about Washington AMR starting
6 out with 82 meter readers and then ending up with 76
7 technicians to deal with AMR. Were those 76 technicians
8 that they had to hire additional to their other staff?

9 A Quite a number of those were the meter readers.

10 Q Former meter readers that they relied on?

11 A Former meter readers that they had run back
12 through training and taught them how to do, in this case,
13 an Itron system which was tied into the telephone lines.

14 Q All right. So I guess do I understand your
15 testimony that after installing the AMR, Washington State
16 saved itself six employee positions, and that's all?

17 A Quite an expense for the AMR system itself. So
18 there was a net loss.

19 Q All right. Now, Mr. Pendergast asked you some
20 questions about various things Laclede does and educated
21 you about what Laclede does inspection-wise here. And I
22 just want to make sure -- again, I guess I wanted to draw
23 this back to your testimony about what happened in
24 Wisconsin.

25 Does the Wisconsin Order that is attached as

1 Exhibit 1 to your testimony require something that isn't
2 -- that wasn't mentioned by -- oh, I'm sorry. No. It
3 wasn't Mr. Pendergast. It was Mr. Franson. That wasn't
4 mentioned by Mr. Franson today that Laclede does? Do
5 you understand my question?

6 A No, I don't. You missed me someplace there.

7 Q Okay. What does the Wisconsin Order require?

8 A In the shortest, easiest to understand way that
9 a human body will make it to each and every meter once a
10 year.

11 Q Okay.

12 A They may be doing three different items, but
13 they will make it there and see that meter and the
14 condition.

15 Q And that's an inspection sort of thing?

16 A Yes.

17 Q And then the Wisconsin Order required your
18 company, the Wisconsin Public Service Company -- or
19 Corporation to sit down with your union and work out some
20 additional things; is that correct?

21 A General maintenance items and to work on how the
22 training would take place with the contractor that was
23 installing the AMR and to make sure that -- that everybody
24 felt comfortable with the way that the training went, and
25 that the employees would go out and represent the company

1 while the contract employees would go out and represent
2 the company as well.

3 Q Okay. Was there also any requirement about
4 checking out the -- the state of the meter and the
5 surroundings before the AMR device was installed?

6 A Yes. But not on an operator qualified basis.
7 So it was about the same technical aspect as what the
8 meter readers had, the items that we wanted them to look
9 for.

10 Q All right. And that was preinstallation?

11 A Yes.

12 Q Commissioner Murray asked you about some safety
13 data that the unions were collecting. And I guess my
14 first question to you I want to clear up, she kept
15 referring to one union. Is it one union, or is it this
16 group of seven unions that you were describing?

17 A Seven Internationals. I believe there's
18 actually about 830 unions involved in that.

19 Q All right.

20 A A hundred -- 132,000 gas workers.

21 Q Okay. And how available is the data on the
22 safety of the AMR devices?

23 A It's not the easiest to get. The -- the
24 manufacturers have been a little bit better in releasing
25 the information. Utilities generally have a worry about

1 liability in giving out any information, so --

2 Q All right. So -- all right. You also mentioned
3 that the National Transportation Safety Board has some
4 public record -- some public records of incidences that
5 have occurred because -- of safety incidences that have
6 occurred because of AMR; is that correct?

7 A Yes. There's two of them on record.

8 Q Okay. Can you describe those?

9 A Both of them were gas leaks that had ignition,
10 which makes them into a reportable incident. NTSB did not
11 go into anything as far as amount of damage or
12 responsibility. They basically just give the report that
13 it happened.

14 Q But they also -- did they also indicate whether
15 or not an AMR device was involved?

16 A It was -- it was the installation of the AMR
17 device that was the cause, according to the NTSB.

18 Q All right. Okay. You also mentioned -- and
19 this is where Mr. Pendergast came in. Okay. You were
20 talking to him about Part 192 of the Federal Code. Are
21 you talking about 49 CFR Part 192? Is that what you're
22 referring to?

23 A That's not just Operator Qualifications. That's
24 the entire gas regulations.

25 Q All right. And you said that Part 192 required

1 continued surveillance, and you said that had originally
2 been handled -- or traditionally been handled by meter
3 readers. And then Mr. Pendergast asked you about some
4 things, home sale inspections, immediate response to gas
5 leaks and inside inspection criteria that Laclede
6 undertakes. Are -- are those things the kind of continued
7 surveillance that you understood was what was intended by
8 49 CFR Part 192?

9 A No. 49 CFR does not actually get into anything
10 beyond the outlet of the meter. So it's -- the -- it's
11 everything to do with natural gas from the collection
12 fields through the transmission system to the distribution
13 system to the customer's meter or the utility's meter and
14 the outlet of the meter.

15 Q All right. And does Part 192 indicate the
16 frequency with which continued surveillance is intended?

17 A No, it does not.

18 Q All right. Does it give any kind of definition
19 that -- if you recall, about continued surveillance?

20 A No, it does not.

21 Q Okay. You also were asked some questions about
22 the Wisconsin company problems with leaks with the
23 pressure on a wiggler. And first of all, you referred to
24 an AC 250?

25 A Yes.

1 Q And then you also said it was the meter we had
2 here, which we referred to that as the American 250. Is
3 that the same thing?

4 A Right. It's an American AC 250 is the model
5 number of it.

6 Q Okay. I just wanted to make sure we're all
7 talking about the same thing here. What did you mean when
8 you said that side pressure on the O-ring or packing or
9 gasket could lead to a leak?

10 A That would be with -- with our AMR system that
11 was installed in Wisconsin. And part of those -- those
12 alignment problems with the AMR device caused side
13 pressure on the wiggler on AC 250s and caused that gas --
14 the gas leaks that are referred to in my testimony.

15 Q Okay. And when you're saying alignment
16 problems, are you talking about the kind of alignment
17 problems that Gloria Harmon testified about this morning?

18 A It sounds like they're relative to each other.
19 Obviously, different companies, but yes, they should be
20 primarily the same.

21 Q All right. And you've also heard today that the
22 kind of leaks -- you've heard some testimony that those
23 types of leaks might be small leaks and maybe
24 non-hazardous leaks. I guess first, what happens to a
25 small leak that's not --

1 MR. PENDERGAST: I'm going to object. She's
2 going beyond any cross-examination or any questions by the
3 Commissioners.

4 MS. SCHRODER: Actually, this was brought up by
5 Mr. Pendergast when he asked about the Wisconsin Company
6 having problems with leaks on the pressure with the
7 wiggler.

8 MR. PENDERGAST: And I think he addressed that
9 and explained what he meant. Now she's moving on to,
10 Let's talk about small leaks.

11 JUDGE WOODRUFF: I'll sustain the objection.

12 MS. SCHRODER: All right.

13 Q (By Ms. Schroder) Mr. McFarlane, were the leaks
14 that were caused in -- on the American -- or AC 250 in
15 Wisconsin, were those leaks that -- that the Wisconsin
16 company that you worked for felt needed to be taken care
17 of?

18 A Yes. Immediately --

19 MR. PENDERGAST: I'm going to object.

20 JUDGE WOODRUFF: Just wait for the objection,
21 please.

22 MR. PENDERGAST: Calls for speculation.

23 MS. SCHRODER: He's -- he was personally
24 involved in dealing with those. I think this is calling
25 for his personal experience.

1 JUDGE WOODRUFF: I'll overrule the objection.
2 You can go ahead and answer. Repeat your answer that you
3 said before.

4 A Could you repeat --

5 Q (By Ms. Schroder) Certainly. The types of
6 leaks that were -- that you described were a problem in
7 Wisconsin on the AC 250 because of AMR installation, were
8 those leaks that, in your experience, your company felt
9 needed to be addressed?

10 MR. FRANSON: Your Honor, I'm going to have to
11 object. This witness specifically said he was here not
12 representing his company in any way, shape or form. This
13 would put him into a role he has specifically said he has
14 -- is not fulfilling. And it would be beyond the scope of
15 any --

16 JUDGE WOODRUFF: I believe the question -- I
17 believe the question is asking for his experience in -- in
18 dealing with his company, not representing what his
19 company --

20 MR. FRANSON: Actually, at the very end, she
21 specifically asked for the company's viewpoint through
22 this witness, your Honor. And maybe if she rephrases the
23 question, I won't have an objection if it's this witness's
24 opinion. But if it's representing the Wisconsin Public
25 Service Corporation, I will object because their view on

1 anything is not relevant here today.

2 JUDGE WOODRUFF: Can you rephrase your question,
3 please?

4 Q (By Ms. Schroder) Certainly. Mr. McFarlane,
5 with regard to the leaks that the Wisconsin company found
6 on the AC 250s or American 250s, in your experience, was
7 that a leak that needed to be repaired?

8 A Absolutely. The amount of gas leaking,
9 particularly on a meter that has -- that's operating on 2
10 pounds of pressure with side pressure on that wiggler, in
11 the cubic feet that are contained in this room of air,
12 within less than a minute could have leaked enough gas to
13 make this over 5 percent mixture in this room, which would
14 create a bomb, for a bad example.

15 Q What do you mean it could create a bomb?

16 A Anything between 5 and 15 percent is the
17 explosive range or flammable range of natural gas. Any
18 ignition source, which there is enough of them in this
19 room right now, so it would really take a short period of
20 time with that meter. And that's a meter that's under
21 pressure, so that's not your most common meter. But yet
22 they do exist in pretty much every distribution system.

23 Q All right. You're not saying that this room is
24 full of gas, are you? Or that we're full of gas? All
25 right. I just thought I needed to check that. All right.

1 And I'm sorry.

2 You said that the 2-pound meters are in every
3 distribution system. Are those more likely in residences
4 or apartments or businesses?

5 A Obviously, I'm not familiar with this system
6 here. It's -- it's -- it's one of the tools that the
7 utilities throughout the United States have used through
8 time to reduce the size of -- size needed for piping,
9 particularly apartment buildings that they could run
10 either copper or some of the smaller tubing that's now
11 available and -- and be a lot cheaper to get natural gas
12 to the buildings.

13 Q All right. I also wanted to ask one question
14 about Sergeant Electric. You said they were the
15 subcontractor who did the AMR installation at your
16 facility; is that correct?

17 A Yes.

18 Q And do you know whether the employees that they
19 used were from Manpower?

20 A No. Sergeant Electric is a -- has a union
21 electrician and natural gas company. They're trained
22 employees.

23 Q All right. So were those installers trained in
24 gas safety?

25 A Yes, they were.

1 Q All right. And the same way, for instance, that
2 your men are trained in gas safety?

3 A Not quite as extensively, but, yes, they had gas
4 training.

5 MS. SCHRODER: Thanks. I have no further
6 questions.

7 JUDGE WOODRUFF: All right. Then, Mr.
8 McFarlane, you can step down.

9 MR. MCFARLAND: Thank you very much.

10 JUDGE WOODRUFF: And you can call your next
11 witness.

12 MS. SCHRODER: These are yours?

13 MR. MCFARLAND: Yeah. Right.

14 MS. SCHRODER: The union calls Phil Gozy.

15 JUDGE WOODRUFF: Good afternoon, Mr. Gozy.
16 Please raise your right hand.

17 PHIL GOZY,
18 being first duly sworn to testify the truth, the whole
19 truth, and nothing but the truth, testified as follows:

20 DIRECT EXAMINATION

21 BY MS. SCHRODER:

22 JUDGE WOODRUFF: You may be seated.

23 MR. GOZY: Thank you.

24 JUDGE WOODRUFF: And you may inquire when you're
25 ready.

1 MS. SCHRODER: All right. Thank you. I'm just
2 trying to -- all right. We just premarked Mr. Gozy's
3 testimony as Exhibits 2-NP and 2-HC. Do I have permission
4 to approach the witness with 2-HC?

5 JUDGE WOODRUFF: You certainly may.

6 MS. SCHRODER: Thank you.

7 Q (By Ms. Schroder) Mr. Gozy, would you please
8 state your name for the record?

9 A Phil Gozey.

10 Q And are you the same Phil Gozey who gave written
11 testimony in this matter that's been marked as 2-HC and
12 2-NP?

13 A Yes, I am.

14 Q All right. And I just gave you a copy of 2-HC.
15 And that does appear to be your testimony; is that
16 correct?

17 A Yes. That's correct.

18 Q Okay. Do you have any additions -- or any
19 corrections to that testimony?

20 A No, I do not at this time.

21 Q Okay. If I asked you the same questions today
22 that we asked you at that time, would your answers be the
23 same?

24 A Yes, they would.

25 Q And were -- was your testimony truthful?

1 A Yes.

2 MS. SCHRODER: I move for the admission of the
3 testimony of Phil Gozy.

4 JUDGE WOODRUFF: Exhibits 2-NP and 2-HC have
5 been offered into evidence. Are there any objection to
6 them being received?

7 MR. FRANSON: Probably not, but I want to make
8 sure. The original exhibit was some letter. Is that
9 being replaced with Case No. 6630CG117 from the Wisconsin
10 Public -- Public Service Commission September 20, 2002,
11 that you filed?

12 MS. SCHRODER: The case is -- I mean, the letter
13 is being replaced by a case, and I just didn't have the
14 number in front of me. But, yes, 630-CG-117.

15 JUDGE WOODRUFF: And that was filed in a motion
16 a few weeks ago, I believe.

17 MR. FRANSON: I just wanted to make sure. It's
18 right there.

19 MS. SCHRODER: I apologize. We didn't realize
20 that we had misfiled either of those.

21 JUDGE WOODRUFF: All right. And -- so there
22 were no objections? Hearing none, they will be received
23 into evidence with the correction that was indicated by
24 Counsel.

25 (Exhibits 2-HP and 2-NC were admitted into

1 evidence.)

2 JUDGE WOODRUFF: And for cross-examination, once
3 again, we begin with Office of Public Counsel.

4 MR. POSTON: No questions.

5 JUDGE WOODRUFF: Staff?

6 MR. FRANSON: Yes, your Honor.

7 CROSS-EXAMINATION

8 BY MR. FRANSON:

9 Q Good morning. How do you pronounce your name?

10 A Phil Gozy.

11 Q Mr. Gozy, my name is Robert Franson. I'm an
12 attorney for the Staff. I've got a few questions for you.
13 How -- why are you here? What -- what are you here to
14 tell this Commission?

15 A Well, I've been asked to state what's happened
16 in Wisconsin at -- what goal at Wisconsin Energy, how we
17 came about having AMR and performing a hazard survey.

18 Q Okay. Have you gone out and done any kind of
19 study or analysis of Laclede's AMR project in Missouri?

20 A No.

21 Q So you wouldn't have any opinions about whether
22 they're doing a good job or bad job?

23 A I have no idea.

24 Q Okay.

25 A No information on that.

1 Q Now. When you say you were asked to come here
2 and talk about this decision of the Wisconsin Public
3 Service Commission, who asked you to do that?

4 A I believe it was the union that's involved here.
5 I had a phone call from them asking about what -- what did
6 we do with AMR in Wisconsin, were there things that we
7 were having problems with, and what kind of resolutions
8 did we come up with for those problems, what were our
9 concerns.

10 Q And this two pages of testimony is the result of
11 those conversations?

12 A Yes.

13 Q Okay. Other than telling the Commission what
14 happened in Wisconsin, you're not offering any opinions
15 that AMRs are a good thing or a bad thing, are you?

16 A No. I have no opinions on that.

17 Q Okay. Other than being the Vice President of
18 United Steel Workers Local 2006 in Atkinson, Wisconsin, do
19 you work for a company?

20 A Yes. I work for Wisconsin Electric, Webco.

21 Q And what do you do?

22 A At this time, I'm a regulation crew leader, so I
23 do the work at the gate station where the gas comes into
24 our company from, say, Northern Pipeline, something in
25 that regard. And I take care of the regulation equipment

1 and also all the regulation involving the distribution
2 equipment.

3 So as you're feeding the different cities,
4 suburbs, there's regulation that cuts the pressure down.
5 I take care of all that. I do all of the -- what we call
6 leak lock and flow tests, all the maintenance on those and
7 new installations. I would take care of all of that.

8 And then I also take care of industrial
9 customers, which would be greater than 1,000. I would
10 take care of all the leak lock and flow tests on the
11 regulation of that equipment and also perform the meter
12 tests on rotary meters.

13 Q Okay. Let me ask you, at the end of page 2 of
14 your testimony, you say, WE Industries has subcontracted
15 with Laclede to perform the installation of AMR devices.

16 A I'm sorry. I think I misspoke there.

17 Q Okay. Let go to page 2, line 19 --

18 A Yes.

19 Q -- of your testimony.

20 A I think you meant Cellnet, not Laclede.

21 Q I'm sorry. Thank you. Cell -- okay. Cellnet.
22 Do you know who actually did the installation of these AMR
23 devices on behalf of Cellnet for WE Energies?

24 A Other than a contractor, no I do not.

25 Q You don't know who --

1 A I don't --

2 Q -- Cellnet had actually do the work?

3 A No. It was -- it was my -- my assumption was
4 they hired their own people. But I don't know if they
5 went through a subcontractor, if that's what you're
6 asking.

7 Q So you don't know?

8 A I do not know.

9 Q If they went down to Manpower and got some
10 people and trained them --

11 A I do not know.

12 Q Okay. Now, isn't it true that in this -- do you
13 have the -- the Decision of the Wisconsin Public Service
14 Commission, 6630-CG-117 in front of you?

15 A Yes. Yes, I do.

16 Q Okay. Now, one of the -- isn't it true that
17 Webco went in and asked for authority from the Wisconsin
18 Public Service Commission to install the AMR devices that
19 they wanted installed?

20 A Yes. On gas meters.

21 Q And then three unions asked for a hearing?

22 A Well, what -- what happened there is we sent in
23 a request for a hearing on safety issues because we
24 thought there was some items out there that needed to be
25 discussed. And we were trying to discuss that with our

1 utility, and they weren't willing to sit down and talk
2 about that.

3 Q So because your utility wouldn't talk to you,
4 you went to the Public Service Commission and --

5 A And said we had safety concerns.

6 Q Okay. Did you have any union job concerns when
7 you went there?

8 A That was not our intent, no.

9 Q Did you have any union job concerns?

10 A No.

11 Q Okay. So you had strictly safety concerns,
12 nothing else?

13 A Strictly safety.

14 Q And if the AMR devices had been installed as
15 Webco proposed, would there have been a net loss of any
16 union jobs?

17 A There would have meter readers that would have
18 lost -- we have a history of not laying people off, so
19 usually through attrition or finding other positions for
20 these people. So I can't say whether jobs would have been
21 lost, per se. But definitely people would have been
22 disrupted.

23 Q Okay. As part of your preparation today, did
24 you study Missouri Public Service Commission safety rules?

25 A No, I did not. I have no idea.

1 Q You have no idea what they say, require or not?

2 A No, sir, I do not.

3 Q And you're not telling the Commission they ought
4 to do a certain thing; is that correct?

5 A That is correct.

6 Q And you're not saying AMRs are unsafe?

7 A No, sir. I'm not saying that either.

8 Q And you haven't gone out and done a study to
9 determine whether you think the installation is being safe
10 or not in this state?

11 A No study, nor have I commissioned any, nor have
12 I read any.

13 Q Okay. So you don't have an opinion on that
14 subject?

15 A No, sir, I do not.

16 MR. FRANSON: Okay. I don't believe I have any
17 further questions of this witness, your Honor.

18 JUDGE WOODRUFF: Okay. Thank you. For Laclede?

19 MR. PENDERGAST: Thank you, your Honor.

20 CROSS-EXAMINATION

21 BY MR. PENDERGAST:

22 Q Good afternoon.

23 A Good afternoon.

24 Q Just a couple of questions. You're Vice
25 President of United Steel Workers; is that correct, sir?

1 A Yes, sir.

2 Q And did United Steel Workers have any contact
3 with you regarding testifying in this proceeding other
4 than the Local?

5 A The International never contacted me.

6 Q Okay. And you're aware from your discussion
7 with Mr. Franson and the discussion earlier today that one
8 of the things that Wisconsin did, namely, the three-year
9 survey, is already being done in Missouri?

10 A That's correct. We call it a gas service
11 survey. The five-year federal standard survey is what
12 you're referring to?

13 Q Yes. But in Missouri, it's done every three
14 years. You're aware of that?

15 A I have heard it today, yes, sir.

16 Q And is it true in Wisconsin that they do three
17 years if it's an AMR, but still do five years if it's a
18 non-AMR?

19 A Some of the utilities are still doing that,
20 although changes hopefully will be coming to correct that.

21 Q So Wisconsin still permits some utilities to do
22 it on a five-year basis?

23 A Exactly.

24 Q So I guess Missouri is sort of ahead of the
25 curve when it comes to safety regulation?

1 A Exactly. And I hope we get there, also.

2 Q Thank you. When you proposed an annual hazard
3 survey -- first of all, do they use college students for
4 doing that in your neighborhood, too?

5 A Well, it's a tough question to answer because
6 we're an amalgamation of several unions, a merger of three
7 different copies, four if you want to count the electric
8 side. So on my side of the fence, yes, we used college
9 students up until last year, and then they switched to
10 contractors on that one.

11 Q So these were outside contractors rather than
12 company employees to do that type of thing?

13 A Yes. The reason being, it was getting towards
14 the end of the time period and we needed to bring in a lot
15 of people quickly to get it done.

16 Q Yeah. Do you have HVAC contractors and service
17 providers in Wisconsin?

18 A If you're just referring --

19 Q People that sell furnaces and various kinds of
20 appliances.

21 A Sure.

22 Q And service them as well?

23 A Yes, we do.

24 Q And do you know, will those folks do inspections
25 if they're requested by customers?

1 A I would assume they would. But I don't know for
2 sure.

3 Q I mean, if I'm a customer and I want to go ahead
4 and have somebody come inside my home and make sure
5 everything's safe, that I can feel comfortable that -- you
6 know, whether it's my gas appliance or my electric wiring
7 or whatever, there are people you can go to to have that
8 done; is that correct?

9 A That's correct. A heating contractor would take
10 that on, I'm sure.

11 Q Okay. And in determining whether or not to
12 improve or protect public safety, what sort of mechanism
13 is best designed to do that? Did you perform any type of
14 studies that would suggest that a physical inspection --
15 hazard inspection once a year was the most efficient and
16 most effective way of protecting safety?

17 A We had no studies as such. What we did have was
18 our meter readers' report of the items that they had
19 turned in.

20 Q Okay. But -- but I'm talking about in terms of
21 whether there are other alternatives, whether the mailings
22 to customers advising them what to look for, whether it be
23 advising customers of HVAC personnel that they can call
24 should they choose to do it. Did you look at those
25 alternatives?

1 A Well, we do do that. But what we're referring
2 to is more the utilities equipment and the contractors --
3 the heating contractors that you're paying to have come in
4 and check your furnace shouldn't be checking the utility's
5 equipment.

6 Q Well, is it your view that the only time that
7 the utility -- when a utility is in a customer's premises
8 in Missouri that they only look at their own facilities?

9 A No. That is not true in Wisconsin. We do have
10 line of sight responsibility. And if the gas is shut off
11 for some reason and then turned back on by the utility,
12 you must perform an appliance inspection.

13 Q Okay. So like Missouri, when they do have to be
14 inside, they also look at other appliances?

15 A Yes, sir.

16 Q And that that would be true when you turn on the
17 flow of gas?

18 A Yes, sir.

19 Q Do they do house sale inspections, to your
20 knowledge, utility employees do house sale inspections in
21 Wisconsin?

22 A No, we do not.

23 Q And do you have any information on whether
24 Laclede employees do that or don't do those?

25 A I have no clue as to what they do or don't do.

1 Q Okay. And you heard Mr. McFarlane earlier talk
2 about the fact that AMR was helpful in reducing estimated
3 bills and improving the accuracy of billing, and he agreed
4 with that finding of the Wisconsin Public Service
5 Commission. Do you recall that?

6 A Yes, I do recall him saying that.

7 Q Do you also agree with that?

8 A On the whole, I do, yes. There -- there have
9 been some incidents where it hasn't worked out so well,
10 but --

11 Q But, generally speaking, that's the right
12 direction?

13 A Generally speaking, I believe it's going to
14 work, yes.

15 Q Okay. And am I correct that any costs
16 associated with performing additional hazard inspections
17 beyond a three-year information, is that just included in
18 the utilities rates?

19 A That would be correct. That would be O&M.

20 Q And customers --

21 A Customers would pay the bill for that.

22 MR. PENDERGAST: Okay. All right. Thank you
23 very much. Appreciate it.

24 MR. GOZY: Thank you.

25 JUDGE WOODRUFF: We'll come up for questions

1 from the Bench, then. Commissioner Murray?

2 COMMISSIONER MURRAY: Just one, just so I don't
3 miss anything.

4 CROSS-EXAMINATION

5 BY COMMISSIONER MURRAY:

6 Q Did you have anything to tell us that Mr.
7 McFarlane didn't just tell us?

8 A No. I think he covered it well.

9 COMMISSIONER MURRAY: Okay. Thank you.

10 JUDGE WOODRUFF: Commissioner Clayton?

11 COMMISSIONER CLAYTON: Thank you.

12 CROSS-EXAMINATION

13 BY COMMISSIONER CLAYTON:

14 Q Mr. Gozy, you -- this is a different company
15 than Mr. McFarland --

16 A Yes, sir.

17 Q -- works for; is that correct?

18 A Yes, sir.

19 Q WE Energies, which is Wisconsin Electric and
20 Gas; is that correct?

21 A That's correct.

22 Q Do you know who installed the AMRs on the
23 system?

24 A Cellnet --

25 Q Cellnet did?

1 A -- installed the bulk of AMR systems we have
2 now. But like I said, we're an amalgamation of several
3 different companies, so there some earlier systems out
4 there, and I have no idea who installed those.

5 Q Okay. Do you know anything about whether or not
6 AMRs had been installed properly or not?

7 A I have hearsay from the people in the field.

8 Q Well, you know, if you say it's hearsay, you're
9 asking someone to object to it.

10 A Well, I want to be -- I mean --

11 Q We all like saying hearsay.

12 A I have no personal knowledge.

13 Q No personal knowledge. Do you -- do you
14 represent folks that work in the shop that does service
15 work on meters?

16 A Yes, sir.

17 Q Are you aware of -- I'm trying to think how I
18 can ask this without offending everybody. You're not --
19 you're not personally aware of any pattern of problem
20 associated with improper installation of AMRs?

21 A Could you explain pattern of problem? I don't
22 understand what --

23 Q More than one.

24 A Yes, sir.

25 Q More than -- more than a problem -- a problem

1 with more than one meter and the AMRs. You do have
2 personal knowledge?

3 A From our fitting group, our service group.

4 Q Okay. So your service group -- you say your
5 service group has some information on improper
6 installation of AMRs?

7 A They go out on a lot of stopped meters, the
8 American 250s. They just jam up and stop.

9 Q I see. So your -- your folks have to go out and
10 -- and repair the meter; is that correct?

11 A They'll replace the meters.

12 Q Replace the meter or replace the AMR unit?

13 A No. They'll replace the whole thing.

14 Q And that's due -- you believe that's due to
15 improper installation of AMRs?

16 A Improper installation. I'm a -- I'm a member of
17 the labor management team with the company and so is one
18 of our people from the service department. And he brought
19 forth the number of incidents that were happening with
20 stuck meters, noisy meters, small leaks on meters, that
21 sort of thing from what he felt was improper installation.

22 And he's also a member on the AMR team committee
23 that looks at the results of the AMRs to where the
24 problems are. And because of the number of incidents, he
25 asked the company to have a separate IO number or Internal

1 Order number to keep track of incidents involving AMR.

2 So if a fitter went out there to replace the
3 meter because it was an AMR problem, he would charge it to
4 that account number, the idea being that would be a charge
5 back to Cellnet. I don't know that that ever occurred. I
6 know the number was created, but I don't know if they
7 billed back.

8 Q So -- so if there was a system -- if there was
9 an improper installation issue, there was a mechanism that
10 would shift the responsibility back to Cellnet?

11 A Not at first.

12 Q Not at first?

13 A Not at first. The problem occurred -- or the --
14 it occurred because of the number of complaints from our
15 teams in the field saying, Hey, we're getting all these
16 problems. I've got stopped meters. I'm out there all the
17 time doing -- replacing those. Or noisy meters or leaking
18 meters.

19 Q I see. I see.

20 A So that's where that came from.

21 Q Has -- have -- have these problems in
22 installation increased the amount of work for your
23 employees?

24 A Yes.

25 Q It has?

1 A Yes.

2 Q So at the end of the day, it's a good day for
3 you guys?

4 A Well, the thing with AMR, once you get it out
5 there and I think get it running and get the installation
6 done properly, you're not going to have those same types
7 of call-backs as you had before.

8 Now, we're not far enough into it, so I can't
9 tell you about future problems. But I do know with the
10 installation as they were going through the different
11 blocks of residences that they were working on, that's
12 where you get your problems.

13 Q Did you guys advocate at any level, either with
14 management or Wisconsin Public Service Commission or any
15 other group, did your local advocate for enhanced
16 supervision of installers or ensuring a certain level of
17 training for installers? I mean, were you all upfront
18 working on this issue, trying to make sure the prob -- the
19 right people were installing the AMRs?

20 A We would talk to the company about our concerns
21 on safety of the installs. The company assured us that
22 they would talk to Cellnet and those messages would get
23 down to the people that needed the training.

24 Q Okay. But you never took it to a level of
25 filing a complaint or --

1 A No, sir.

2 Q -- or anything close to this type of thing?

3 A It became -- the first letter we filed with the
4 Public Service Commission was about safety concerns.

5 Q Do you get along well with management, the
6 company?

7 A We have in the past.

8 Q There's a great lack of love in the room.

9 A I noticed that.

10 Q Do you have any suggestions for us for what we
11 can do to have a productive management/labor cooperative
12 agreement to make things right and make sure the customers
13 are taken care of?

14 A Well, suggestions. Both sides, I think, need to
15 get rid of their animosity towards each other, get
16 themselves in a room and talk these problems out and
17 realize that we're really all on the same side. We're
18 just trying to help the customers. We want safety for
19 them. That's first and foremost.

20 Q Do you want to mediate the dispute?

21 A I've done that in the past, but I don't know if
22 I'd like to do this one.

23 COMMISSIONER CLAYTON: I think that's a fair
24 answer. Thank you, Mr. Gozy.

25 MR. GOZY: Thank you.

1 JUDGE WOODRUFF: Commissioner Appling?

2 CROSS-EXAMINATION

3 BY COMMISSIONER APPLING:

4 Q Hello, sir.

5 A Hello oh.

6 Q I'm a country boy, straight forward.

7 A Okay.

8 Q Okay? Really, I'm having some trouble today
9 with this improper installation. I saw a demonstration
10 here today of how to put this AMR on. And I had worked
11 with equipment across the board for some 30 years.

12 And all new equipment poses some problems for
13 understanding and getting it installed and getting it
14 working correctly. I haven't been around the equipment
15 yet that hasn't posed that problem.

16 A I won't disagree with you.

17 Q But I'm still having a problem with this
18 installation, improper installation. Help me out with
19 that. Define for me improper installation, because I
20 think somebody's hanging their hat on this word here, and
21 it's not telling me anything. Sooner or later, I'm going
22 to have to make a decision between these two guys here,
23 and I still have a problem with improper installation.

24 What do you mean? What are you talking about?
25 Define it for me. Tell me -- give me some examples of

1 improper -- it's a piece of plastic, you know. I mean,
2 yes, in the initial -- and I haven't heard anybody talk
3 about design, improper design, which I think is a big
4 chunk of what we're talking about here. If it's not
5 designed right and tested right, then it's going to break.

6 A I -- I agree with you. And sitting in the back
7 and listening to the testimony today -- and I -- the
8 thought went through my mind that Cellnet has worked with
9 a great number of utilities to put this in. They've put a
10 lot of units in.

11 And from what I'm hearing, it's the same type of
12 problems. It's gaskets not being removed or things are a
13 little bit cocked to one side, putting pressure on it
14 because something isn't long enough or quite long enough.
15 And I would have thought the designers would have taken
16 care of that by now and made it even easier to install.

17 I'm not an engineer, so I don't know if that's
18 possible because of all the different models that they
19 work on and they want to make one model basically for
20 everything. I'm not sure.

21 But as far as the installation itself, I think
22 it comes down to people. You have to make sure the people
23 understand what they're dealing with, what the
24 consequences are. And then you have to, of course,
25 monitor those people and make sure they're doing things

1 correctly. And when you're not doing things correctly,
2 you need to refrain.

3 Q I'm just asking the question, and I understand
4 that you're not an engineer. Nor am I, even though I have
5 spent a lot of time in the position of engineer, and I
6 acted like one for a long time. But I'm not a
7 school-trained engineer.

8 But this is a little like the union said for
9 them -- for the customer. Laclede is for the customer.
10 And these two guys in the room probably are going to make
11 a better decision than I'm going to make.

12 A Well, that goes back to what Commissioner
13 Clayton was kind of asking me what to do with these two
14 groups. And I think that's really what needs to be done
15 is they need to sit down in a room and come up with a
16 resolution on this and get the union's concerns about
17 safety handled in a way that they understand and agree and
18 with the company's concerns about safety. Maybe being
19 more open and above aboard on both sides would help that
20 process.

21 Q Thank you very much. We won't hire you while
22 you're down here. Okay?

23 A Okay. Thank you

24 JUDGE WOODRUFF: Mr. Clayton, go ahead.

25 CROSS-EXAMINATION

1 BY COMMISSIONER CLAYTON:

2 Q Could I just follow up on a couple of questions
3 that Commissioner Appling said?

4 A Sure.

5 Q Mr. Gozy, did -- does the -- the level of
6 improper installation rise to a safety issue to where --
7 to where there are -- there are safety concerns?

8 We've talked about -- and I cut you off because,
9 I mean, we've talked about different levels of this having
10 to go back and fix things, and, you know, take out a
11 meter, replace it, bring it into the shop. But can you
12 give me a perspective on the safety of what the impact is
13 from an improper installation of one of these AMRs?

14 A Well, let me start here. My training involved
15 working off of what we would call an incident pyramid.
16 And what that -- what I'm talking about is there's a
17 number of incidents that can occur on any work that you're
18 doing in the field. Okay?

19 And, occasionally, something will not go quite
20 right, maybe have a little leak, something would break.
21 And the more of those you have, eventually, you're working
22 your way up the pyramid until you have an incident that's
23 going to cause somebody their life or major damage
24 somehow.

25 So the fewer of those incidents that you have to

1 gain to get to the top of that pyramid, the better off you
2 are because that burdens your base and it takes many more
3 of those incidents to work your way up to that -- that
4 fatal one.

5 Now, that said, going back to this AMR leak that
6 I'm sure you're all concerned about on the wiggler, what
7 -- would that happening once cause a problem?
8 Probably not. But my concern would be more towards the
9 fact that if it has a leak and occasionally somebody
10 smells it -- because I used to work in the service
11 department, so I would get this all the time. Yeah, I
12 smelled gas. I've been smelling it for a year now, just
13 on and off every once in a while.

14 And I'm afraid that's what may occur with these
15 AMR leaks and somebody will smell it and say, Well, that's
16 just the meter leaking. I think Mr. Clark said something
17 earlier about when you take the door off, you'll smell ga.
18 You really shouldn't, in my opinion, smell gas when you
19 take the cover off. If you do, it's because that shaft,
20 the packing, the O-ring did have a small leak, or while it
21 was operating, it leaked, or some pressure is putting it
22 out and there's a small leak.

23 And it may be temperature related. Sometimes
24 these leaks will fix themselves when it gets warmer and
25 start leaking again when it gets colder. But back to my

1 concern.

2 My concern is for the customer. The customer is
3 going to smell that leak occasionally and think nothing of
4 it. Let's say he has another problem. He's got a leak
5 outside. And I'm not sure how much frost you get in the
6 ground here, but frost is a big concern for us. You get
7 frost in the ground, and now it's coming into the house
8 through basement cracks, sewer, something on that order.

9 Is that customer going to think it's just that
10 AMR meter leaking a little bit again and I'm smelling it
11 that way because it's cold and air is being drawn into the
12 house? I don't want the customers troubleshooting these
13 on their own and thinking, Well, I don't smell it a lot or
14 all the time so I'm not going to bother calling.

15 My advice to any customer is, You smell it, you
16 call now.

17 Q Are you aware of the -- of the problem rate --
18 are you personally aware of the percentage of -- of
19 problem installations of AMRs? We heard some statistics
20 earlier today. Are you personally aware of the statistics
21 for Wisconsin or your utility?

22 A I have no statistics to give you.

23 Q Okay. Thank you very much.

24 THE COURT REPORTER: Excuse me. I need to
25 change paper again.

1 JUDGE WOODRUFF: Okay.

2 (Break in proceedings.)

3 JUDGE WOODRUFF: Okay. All right. We're ready
4 for re-cross based on questions from the Bench, then.
5 Public Counsel?

6 MR. POSTON: No questions.

7 JUDGE WOODRUFF: Staff?

8 MR. FRANSON: No questions, your Honor.

9 JUDGE WOODRUFF: Laclede?

10 MR. PENDERGAST: Just a few.

11 RECROSS EXAMINATION

12 BY MR. PENDERGAST:

13 Q I appreciate your offer to mediate. I'm going
14 to try and arrange dinner with the union myself and the
15 Laclede folks tonight so we can all work it out.

16 A Anything to help.

17 Q Great. I just wanted to ask you a couple
18 questions about some of your responses on the leaks and
19 making sure customers are sensitive to gas odors and that
20 they don't get lackadaisical about calling them in and
21 that sort of thing. And it just really gets back to -- I
22 mean, we could talk in theory. But when it comes down to
23 what those statistics actually are, you don't know whether
24 Laclede's installation of AMR devices has decreased or
25 increased the incidence of meters leaking, do you?

1 A Not personally. I have heard people talk about
2 it today.

3 Q You've heard people talk about it. But you
4 haven't done any kind of a statistical analysis whatsoever
5 to say or to conclude whether or not the AMR installation
6 process that Laclede has undergone and where its system is
7 right now, whether it has less of that leaking going on
8 than it did before it started that operation; is that
9 correct?

10 A That is correct. I have no statistical
11 information.

12 Q Okay. And is it your view that it's that kind
13 of statistical analysis of where we are, where we've been
14 that this Commission should be focusing on as opposed to
15 anecdotal stories about whether some leak came in at some
16 given point in time, or, I found a leak over here?

17 A I have to answer that one both ways because,
18 yes, I do think the Commission needs to look at your leak
19 reports. But then I also know that there's a lot of
20 things that don't get into the reports.

21 You know, I work in the field. I see what gets
22 done. And I know sometimes the paperwork isn't always
23 handled in the right way. Or as that -- I had mentioned
24 earlier about an IO number that was created specifically
25 for us for an AMR.

1 That was not something that came out right away.
2 So there was a lot of information lost. It was just
3 buried with the rest of the problems. So --

4 Q But you don't have any personal information that
5 that's been a problem with Laclede, do you?

6 A No, I do not have any.

7 Q Okay. And as Commissioner Appling asked you,
8 and I appreciate your response to him, in any endeavor of
9 this size where you're working on 630,000 plus meters, you
10 know, it's not going to be done with absolute perfection.
11 Would you agree with that?

12 A Yes, I would.

13 Q And would that be true regardless of whether
14 you're using Cellnet employees or union employees or
15 anybody else?

16 A That would be my belief.

17 Q Okay. And have you had an opportunity to --
18 during the course of your preparation for the hearing
19 today to review the testimony of -- of Laclede witness
20 Dr. Seamands?

21 A No, I have not seen it.

22 Q Okay. So you have not had an opportunity to
23 really review his analysis of -- of the meters that our
24 field employees have said have been leaking due to AMR; is
25 that correct?

1 A That is correct. I have not seen his report. I
2 have not heard anything about it.

3 Q What conclusions -- what conclusions were drawn
4 based on another union employees testing of those meters
5 in meter shop conditions; is that correct?

6 A I'm sorry. You're going to have to repeat that
7 one.

8 Q And are you -- and I assume you also haven't had
9 an opportunity to review the results of the test that our
10 meter shop employees did of those so-called leaking AMR
11 meters?

12 A I haven't seen any statistical reports on that
13 other than the testimony, I think this morning.

14 Q Okay. And, specifically, you haven't seen what
15 Dr. Seamands had to say about that --

16 A Specifically, that is correct.

17 Q -- the incidence.

18 MR. PENDERGAST: Okay. Thank you very much.

19 Appreciate it.

20 MR. GOZY: Thank you.

21 JUDGE WOODRUFF: Redirect?

22 MS. SCHRODER: Thank you.

23 REDIRECT EXAMINTAION

24 BY MS. SCHRODER:

25 Q Hi, Mr. Gozy. I just have a few more questions.

1 Okay. Mr. Pendergast just asked you about the fact that
2 -- that you -- I'm sorry. You just testified in response
3 to a question from Mr. Pendergast that you wouldn't expect
4 AMR installation to be perfect no matter who did it; is
5 that accurate?

6 A That's accurate.

7 Q Okay. Would the chances of -- would the chances
8 of having fewer problems increase with installation by
9 people with gas training, gas safety training?

10 A It would be my opinion that if you used people
11 that had a gas background and knew what the consequences
12 were of errors that they could -- that they should be more
13 careful in how they do these installations.

14 Q Would there also be an advantage if they did
15 create a problem and they were on site and they had gas
16 worker training? Do you understand my question?

17 A I -- I believe I do. Just let me try answer it,
18 and then we'll see. What you're saying is, basically, the
19 -- the person doing the work could do multi-tasks at that
20 job, at that location if they seen another problem there,
21 they can take care of it rather than calling in an
22 additional person and making a second trip to that
23 customer's home? Is that what you're referring to?

24 Q Or even fixing -- you know, if they actually
25 caused a problem, they could fix it?

1 A Sure. That would work. Yes. Yes. They could
2 definitely fix it.

3 Q From your experience with these Cellnet AMRs, is
4 the design sufficient that if they're put on correctly
5 they should work?

6 A That would be correct.

7 Q All right. So if there -- if they're put on
8 correctly, they're not going to leak?

9 A That's right. There should be no reason --
10 well, they don't leak in themselves. It's -- it's their
11 effect on the meter that would cause them to leak. And
12 you're right. If they're installed properly, there is no
13 reason for them to leak.

14 Q Okay. And if they're put on correctly, are the
15 meters going to get stopped the way you said you'd
16 experienced?

17 A As far as I know, the meters that are stopped
18 have been because of an incorrect installation. I don't
19 -- nobody's ever said, Well, this one was installed
20 correctly and the meter stopped.

21 Q All right. You also mentioned leaky meters --
22 I'm sorry. We talked about leaky meters, noisy meters?

23 A Yes.

24 Q First of all, why is that an issue?

25 A Customer complaints.

1 Q Okay. Does a noisy meter -- is that a symptom
2 of some problem with a meter?

3 A Misalignment.

4 Q Okay. And does it also cause -- I mean, does it
5 cause something besides noise, a problem besides noise?

6 A It -- well, it's -- there's squeaking or -- or
7 clunking a little bit. So that's going to be a friction
8 problem. So whatever is doing that is going to cause more
9 wear on that part.

10 Q All right. And you mentioned those in
11 conjunction with the type of problems that you see with
12 these CMR -- I'm sorry -- Cellnet AMRs. I'm now aligning
13 Cellnet and AMR. Again, if Cell -- if the Cellnet AMR
14 device is properly installed, are you going to have noisy
15 meters?

16 A No.

17 Q All right. And I just want to make sure that
18 everybody know what you mean when you were talking about
19 stopped meters. Could you just explain what that is?

20 A Well, there's two different kinds of stopped
21 meters. There's stopped non-registering and stopped
22 registering -- excuse me -- or stopped where there's no
23 flow.

24 So you can have it stop in a position where
25 you're going to get gas through it and it's not billed to

1 the customer, or it will stop the flow of gas completely,
2 and you'll be without whatever appliances you used the gas
3 for.

4 So in the wintertime, of course, you'd lose your
5 heat or hot water heater or your range.

6 Q We've been experiencing something similar, just
7 not with our gas recently.

8 All right. You heard testimony this morning at
9 -- first of all, you previously indicated that you had no
10 opinion on Missouri safety. Would that change in the
11 testimony if you knew for a fact that the testimony you
12 heard this morning about three drill-throughs actually
13 occurred?

14 A Well, that would concern me greatly.

15 Q All right. Is that a safety issue?

16 A Definitely a safety issue. And Mr. McFarlane
17 mentioned this also about it being an OQ violation.

18 Q All right. Now, as I understand your testimony
19 -- well, why don't you just summarize for me very briefly
20 what it is that the Wisconsin Public Service Commission
21 required the -- your company to do with regard to
22 installing C --

23 MR. FRANSON: Your Honor, I'm going to have to
24 object. That has been covered. No. 1, the -- the
25 document is in evidence. It speaks for itself. But in

1 addition to that, that has been re -- covered, I wouldn't
2 even count the number of times.

3 So this is repetitive, and I would object on
4 that basis, your Honor, about the best evidence rule and
5 repetitive.

6 MS. SCHRODER: Your Honor, I don't have any
7 problem just rephrasing it to get at what I'm trying to
8 get at.

9 Q (By Ms. Schroder) All right. And, actually,
10 before I do that, let me ask you another question. What
11 type of Cellnet AMR device were you dealing with in this
12 order? I mean, what kind of -- of network --

13 A What's the model number?

14 Q No. Was it like a radio data communication
15 network, or was it --

16 A The same type unit we're looking at today.

17 Q All right. Did you recognize the AMR device
18 that we saw this morning?

19 A Yes, I did.

20 Q Did the Wisconsin PSC require that all of the
21 Cellnet AMRs be inspected with -- ever year for three
22 years?

23 MR. FRANSON: Same -- same objection, Judge.
24 That's been covered multiple times. And the document is
25 in evidence. And I will object on --

1 JUDGE WOODRUFF; I'll sustain the objection.

2 MS. SCHRODER: Okay.

3 Q (By Ms. Schroder) One of the things that --
4 when you filed your letter with the Wisconsin Public
5 Service Commission about safety issues, was one of your
6 concerns that there would no longer be monthly inspections
7 by meter readers?

8 A Yes. That was one of the concerns. There were
9 several concerns we had.

10 Q All right. Was that concern addressed by the
11 Wisconsin PSC?

12 A Yes, it was. But the way it was addressed was,
13 again, the Public Service Commission asked us to meet with
14 the company to address those concerns.

15 And then we listed out what those -- actually,
16 what we listed out was things that we thought they should
17 be looking for on these hazard surveys.

18 Q All right.

19 A And other than -- including the gas odors
20 themselves and -- and those types of serious problems was
21 -- another issue that had come to mind was, was that meter
22 at the right location. See, we do have a problem with
23 people, let's say, removing meters and losing that one on
24 their house and then going and grabbing one somewhere else
25 and putting it there.

1 And then because it just sends out a signal,
2 nobody knows where that meter is, but they're still
3 getting gas. We do have a little bit of a theft and fraud
4 problem.

5 Q All right. What were some of the other
6 concerns, safety concerns that you raised with the
7 company?

8 A Contractors have a habit of removing vent lines
9 going to inside meters, putting on siding or putting a
10 deck on outside. And that little pipe sticking out of the
11 wall gets in the way, so they take it off. People do like
12 to enclose their meter packages so that they can't see
13 them.

14 They will bury them in such a manner that you
15 can't get to the emergency shut-off valve if you need to
16 because the only valves now on our system are the ones at
17 the riser at the house because so many of our services are
18 plastic and they don't put them in -- we expect them to be
19 squeezed off if we can't get to the house. But that takes
20 time.

21 Other issues would be straining or tilted or
22 corrosion, those types of things they would look for.

23 Q All right. And in response to Commissioner
24 Clayton's -- one of his questions, you talked about a
25 concern with -- you talked about that incident pyramid and

1 the fact that while one leak at the center box might be
2 unlikely to be a problem, the more they are, the more
3 likely they are to be a problem. And I want to follow up
4 on that a little bit.

5 Is -- do you also have -- excuse me. Do you
6 also have concerns relating to whether -- like in an
7 apartment complex where you may have a bunch of meters all
8 in one room, if there's leaks -- center box leaks with
9 more than one of those?

10 A Yes. If you have multiple meters, you could
11 have multiple leaks. And, of course, that would get you
12 to trouble a lot sooner, depending, of course, on the size
13 of those leaks and whether there are other leaks, too.
14 There may be other leaks, not just the center box leak.

15 So, there again, it's the customer recognizing
16 there's a problem. And if they walk into that meter room
17 every time and say, well, I smell gas, well, of course,
18 there's meters in here, you always smell gas. You really
19 shouldn't.

20 Q Well, and in your experience, when an AMR is
21 installed in an apartment complex, are generally all of
22 the meters in the apartment complex changed out at the
23 same time?

24 A Yes.

25 Q And so if the same person is doing them and

1 they've left a leak in one, are they likely -- likely to
2 have left leaks in others?

3 MR. PENDERGAST: I'm -- I'm going to object.
4 That calls for gross speculation.

5 JUDGE WOODRUFF: Sustained.

6 Q (By Ms. Schroder) I mean, in your experience,
7 have you seen that?

8 JUDGE WOODRUFF: I sustained the objection.

9 MS. SCHRODER: Oh, I'm sorry. Okay. You
10 established the objection, but I basically rephrased the
11 question. And I -- to put it in his -- can I -- well --

12 JUDGE WOODRUFF: Go ahead and rephrase your
13 question and see where we're going.

14 Q (By Ms. Schroder) All right. Mr. Gozy, in your
15 experience, have you witnessed situations where in an
16 apartment complex there have been more than one leaking
17 AMR that were all installed on the same day?

18 A No, I have not. And -- well, that's because I
19 really don't work in that department.

20 Q All right.

21 A I work in regulation.

22 Q In your experience on the Labor Management
23 Committee for your company, have you heard of that sort of
24 thing occurring?

25 MR. PENDERGAST: I'm going to object to that

1 that it calls for hearsay.

2 JUDGE WOODRUFF: Sustained.

3 MS. SCHRODER: No further questions.

4 JUDGE WOODRUFF: All right. Mr. Gozy, you may
5 step down. And we're about due for a break again. I know
6 there was going to be some discussions about possibly some
7 witnesses that we don't need to have cross-examined
8 tomorrow, so I'll let you discuss that.

9 I also notice that it's -- it's now 3:30. So,
10 Ms. Schroder, if there are any witnesses that you
11 definitely want to get on today, go ahead and take them
12 out of order if you need to. But I'll let you discuss
13 that during the break.

14 MS. SCHRODER: Okay. Thank you.

15 JUDGE WOODRUFF: We're on break now until 3:45.

16 MR. FRANSON: Thank you, your Honor.

17 (Break in proceedings.)

18 JUDGE WOODRUFF: Let's come to order, please.

19 Okay. Have the parties had some discussions about the
20 witnesses that will need to appear tomorrow or not?

21 MR. PENDERGAST: We did, your Honor. And --

22 JUDGE WOODRUFF: What can you tell us?

23 MR. PENDERGAST: Yeah. I think what we
24 basically agreed on is that we would waive into the record
25 the testimony of George Waites, Tim Daily, Linda Tierney,

1 Grace Forbes, Mary Jean Kessler, Toby Kepner and Kathy
2 Waites on the understanding that their testimony stands
3 for their own personal beliefs regarding the safety of gas
4 workers installing AMRs versus some that contractors
5 installing AMR, that it is not testimony that purports to
6 be expert testimony, that there is nothing in the
7 testimony that indicate that they have the educational,
8 professional training or other background to render an
9 opinion on which, in fact, is actually safer.

10 And so it should be admitted for that limited
11 purpose of expressing the views of customers as to which
12 they -- they believe is safer for their own personal
13 opinion.

14 And a number of the customers, as I indicated
15 earlier, also talked about the subject practices. We also
16 think that the testimony is pretty self-contained on that
17 issue, and there's no need for cross-examination on that
18 either.

19 It's also my understanding that while the
20 Commission may have questions for Ms. Fred that we're
21 willing to, since she was solely directed in responding to
22 one of these customers, waive her testimony into the
23 record.

24 But Mr. Franson can go ahead and address her
25 availability to answer questions should the Commission

1 have any. I think that's basically it.

2 So with that, we would basically take care of
3 seven witnesses. And the only further caveat is that if
4 the Commission chooses to ask questions of these
5 witnesses, the parties would retain the right to,
6 obviously, have follow-up questions based on the
7 Commission's questions.

8 JUDGE WOODRUFF: And I assume if we waived
9 cross, they would not be coming in from St. Louis?

10 MS. SCHRODER: That is correct. There is one
11 exception. And I -- I mentioned this to Rick, and
12 apparently didn't get it to Mike. We do actually still
13 want to do Marilyn Jean Kessler by phone.

14 And the reason for that is simply that she has
15 alerted us that there was a correction to her testimony
16 that is -- it's an update, some additional things that
17 have happened on her account.

18 JUDGE WOODRUFF: I believe that's what Gay Fred
19 was testifying about was her testimony?

20 MR. FRANSON: That is correct. And, certainly,
21 I didn't know that Ms. Kessler was a -- going to phone in,
22 but I don't have any objection to that.

23 JUDGE WOODRUFF: Okay.

24 MR. FRANSON: Oh, and I could assure you, Judge,
25 that, to the best of my knowledge, Ms. Fred plans to be

1 available at the -- at the appropriate time if there's any
2 questions for her.

3 JUDGE WOODRUFF: It's easier for her to get here
4 than the people from St. Louis.

5 MR. FRANSON: Yeah.

6 JUDGE WOODRUFF: Mr. Dandino, could you run down
7 the list of names again starting with the list of Waites
8 -- or excuse me.

9 MR. PENDERGAST: I'm flattered. Thank you.

10 JUDGE WOODRUFF: Pendergast. I'm sorry.

11 MR. PENDERGAST: George Waites, Tim Daily, Linda
12 Tierney, Grace Forbes, Toby Kepner, Kathy Waites, and I
13 think that's all-inclusive.

14 MS. SCHRODER: Yeah.

15 JUDGE WOODRUFF: Just let me make sure I've got
16 the names right. George and Kathy Waites, Tim Daily, Toby
17 Kepner, Linda Tierney, Grace Forbes. Was that it?

18 MR. PENDERGAST: That's correct, your Honor.

19 JUDGE WOODRUFF: Okay.

20 MR. PENDERGAST: I'd also mention while we're on
21 testimony here, Frank Meuting, I think the parties have
22 agreed to simply put his deposition into the record in its
23 entirety.

24 MS. SCHRODER: And, apparently, it is already in
25 the record in its entirety because we had put so many

1 pages in. So that's already even in one place.

2 MR. FRANSON: And, your Honor, I certainly am in
3 agreement with that. At the appropriate time, I will
4 probably, though, go ahead and offer the parts that I had
5 specifically mentioned since it's in EFIS. But, actually,
6 if we've got the entire thing, we can deal with that at
7 the time. But that was one of my plans, though, of
8 exhibits.

9 JUDGE WOODRUFF: All right. Well, what I'll do
10 is I'll send an e-mail to the Commissioners here in a
11 little bit and ask them if they have any objection to --
12 or if they have any desire to cross-examine any of these
13 witnesses. I don't expect that they will.

14 I'm going to tell them to respond to me by 4:45
15 so I'd be able to tell you before the end of the day
16 whether or not they want to -- to question those
17 witnesses.

18 MS. SCHRODER: Thank you, your Honor.

19 JUDGE WOODRUFF: Okay.

20 MR. FRANSON: Your Honor, there is another
21 matter that I need to bring up. I have already shared
22 this with the parties.

23 Mr. Thompson has contacted me and brought some
24 information to my attention that a Jonathon Gulich,
25 G-u-l-i-c-h, has contacted him today -- and, actually, it

1 may be Mrs. Gulich that has contacted Mr. Thompson and
2 said that Mr. Gulich received his subpoena on Saturday,
3 had no notice of what this is for and that Jonathon Gulich
4 cannot leave his job to drive two and a half hours each
5 way to testify about something he has no idea what it is
6 about, cannot afford to lose the time.

7 Judge, I would be -- so with that in mind, I
8 will make a motion to quash the subpoena for Jonathon
9 Gulich.

10 MS. SCHRODER: And, your Honor, just let me know
11 when you want me to respond.

12 JUDGE WOODRUFF: Go ahead and respond.

13 MS. SCHRODER: All right. Mr. Gulich was, in
14 fact, served on Saturday. There was a reason why it took
15 so long to serve him. Two reasons. First of all, the
16 power outage affected it for about four days and made it
17 very difficult to serve anybody because they weren't at
18 home.

19 And then one of Jonathon Gulich's neighbors
20 thought he had moved and told us that he had moved. And
21 then we spent a long time looking for him. And, in fact,
22 he hadn't moved.

23 But we did serve him on Saturday. I spoke to
24 him either Saturday night or Sunday morning, and I frankly
25 do not recall which. We made arrangements for him to be

1 here. He understands that he can, in fact, be off work
2 because he has a subpoena that takes him off work.

3 And -- and as far as the driving two and a half
4 hours to get here and back, we offered to bring him up in
5 a van driven by -- by somebody, on behalf of the union.
6 He originally was going to do that. Then he decided that
7 he would prefer to just have us pay for his gas, which we
8 said we would do.

9 So I don't understand why his wife has contacted
10 you because he was perfectly fine with coming in. He
11 wasn't thrilled. He certainly knows what it's about. He
12 gave his written testimony.

13 JUDGE WOODRUFF: Yes.

14 MS. SCHRODER: And he had talked to us about it
15 and said he was coming.

16 MR. FRANSON: Judge, if I may, I don't know what
17 Mr. Gulich's current situation is as far as employment.
18 But his own testimony indicates he's a former Laclede
19 employee, so this is not a situation of a company employee
20 arranging to get off work. I -- and beyond that, Judge, I
21 stand on what I've already said.

22 JUDGE WOODRUFF: All right. At this point, I'm
23 going to go -- I'll deny the motion to quash. We don't
24 really have enough information here. Please find out, Ms.
25 Schroder, what the situation is, and we'll -- we'll deal

1 with it again in the morning if you learn more.

2 MS. SCHRODER: All right.

3 JUDGE WOODRUFF: We can certainly deal with him
4 by telephone also if we need to.

5 MS. SCHRODER: Okay. Thank you.

6 JUDGE WOODRUFF: That would be no problem.

7 MS. SCHRODER: All right. Thank you.

8 JUDGE WOODRUFF: Okay. All right.

9 MR. ZUCKER: One -- one other thing, your Honor.

10 JUDGE WOODRUFF: All right. Mr. Zucker?

11 MR. ZUCKER: We've -- we've talked about --
12 well, I think we're going to do Mr. Lay next. And then
13 since we -- Mr. Korbisch has already answered some
14 extensive questioning, we wanted to see whether or not we
15 could get him in and get him done today. He's from
16 Atlanta. So if he could go back, that would be good. So
17 -- I think everyone's agreeable to that.

18 MS. SCHRODER: Yes, your Honor. The union is.

19 JUDGE WOODRUFF: Okay. And the Commissioners
20 already had a shot -- shot at him, so it shouldn't be a
21 problem there.

22 MR. FRANSON: You sure you want to leave it
23 phrased that way, your Honor?

24 JUDGE WOODRUFF: Okay. Let's go ahead and call
25 David Lay, then.

1 MS. SCHRODER: Thank you. David Lay.

2 JUDGE WOODRUFF: Please your right hand.

3 DAVID LAY,

4 being first duly sworn to testify the truth, the whole
5 truth, and nothing but the truth, testified as follows:

6 DIRECT EXAMINATION

7 BY MS. SCHRODER:

8 JUDGE WOODRUFF: You may be seated. And you can
9 inquire when you're ready.

10 MS. SCHRODER: All right. Thank you.

11 Q (By Ms. Schroder) Mr. Lay, would you please
12 state and spell your name for the record?

13 A David Lay.

14 Q I don't know why I asked you to spell it. I
15 haven't asked anybody else. I apologize.

16 A L-a-y.

17 Q The easiest name that we have. All right. Are
18 you the same David Lay who caused to be filed in this case
19 direct testimony that's been marked as Exhibit 3-HC and
20 Exhibit 3-NP?

21 A I am.

22 Q And do you have Exhibit 3-HC in front of you?

23 A I do.

24 Q All right. Do you have any corrections to your
25 testimony?

1 A I do not.

2 Q If I asked you the same questions today that we
3 asked you at the time, would your answers be the same?

4 A They would.

5 Q And are these answers true and correct, to the
6 best of your knowledge?

7 A To the best of my knowledge.

8 MS. SCHRODER: All right. With that, I moved
9 for the admission of David Lay's testimony.

10 JUDGE WOODRUFF: Which was marked as 3-NP and
11 3-HC?

12 MS. SCHRODER: Yes.

13 JUDGE WOODRUFF: Okay. 3-NP and 3-HC has been
14 offered into evidence. Are there any objections to its
15 receipt? Hearing none, it will be received into evidence.

16 (Exhibit Nos. 3-NP and 3-HC were admitted into
17 evidence.)

18 JUDGE WOODRUFF: And for cross-examination,
19 we'll begin with Public Counsel.

20 MR. POSTON: No questions.

21 JUDGE WOODRUFF: Staff?

22 MR. FRANSON: Thank you, your Honor.

23 CROSS-EXAMINATION

24 BY MR. FRANSON:

25 Q Good afternoon, Mr. Lay. I've got a question

1 here, but -- and I want to ask you -- please avoid
2 mentioning it -- your specific home address, which I
3 believe is part of your testimony and it's highly
4 confidential.

5 My question is, something on page 2 -- do you
6 have your testimony with you?

7 A Yes.

8 Q Okay. Lines 3 through 8, can you review that
9 and then tell me when you've had an opportunity to do
10 that? Page 2, lines 3 through 8.

11 A I'm done.

12 Q Okay. Now, that -- that question asks, Has an
13 AMR meter been installed in your home; is that correct?

14 A Yes.

15 Q And, in fact, has there been an AMR device
16 installed on your home meter?

17 A Yes.

18 Q Okay. Now, all of this other information, was
19 that about your own meter that you're talking about here
20 or about someone else's in the neighborhood?

21 A It was mine.

22 Q Okay. Do you know exactly when an AMR device
23 was installed on your meter?

24 A I do not.

25 Q Okay. Were you even, in fact, aware that one

1 was going to be installed in your meter?

2 A No.

3 Q Okay. Now, what -- and so you don't -- you

4 don't know when this problem might have -- first become a

5 problem, this --

6 A Not really.

7 Q Okay. And, in fact, the device was -- is it

8 fair to say that you called Laclede, they sent someone

9 out, and the problem was taken care of?

10 A Yes.

11 Q Okay. To your satisfaction?

12 A Yes.

13 Q Okay. What is it specifically you do at

14 Laclede?

15 A I'm a service technician.

16 Q What does a service technician do?

17 A Turn gas on and off, pipefitting, service

18 appliances, house sale inspections.

19 Q Okay.

20 A A variety of --

21 Q I'm sorry. Go ahead.

22 A A variety of things. Go out on gas leaks on

23 occasion and --

24 Q Have you ever installed a -- in the field an AMR

25 device?

1 A Not an AMR device.

2 Q Okay. Have you had any specific training to
3 install an AMR device?

4 A No.

5 Q When you go out on your job, do you do any work
6 on AMR devices?

7 A We don't do any service work on the device
8 itself.

9 Q Okay.

10 A We change the meter out.

11 Q Okay. Now, what is the Laclede service
12 department that you work for? Is it a department that
13 does what you described?

14 A Yes.

15 Q Okay. What is your understanding about what an
16 AMR device is?

17 A It sends in a remote reading to the downtown
18 location so that they can bill the customer.

19 Q Okay. Did you ever deem it necessary to try and
20 find out more information about the AMR device in your
21 home, specifically when it was in -- installed?

22 A I -- I didn't even know it was on there, to be
23 honest with you. It was wintertime through the holidays
24 and such. And the first time I saw it was this particular
25 day.

1 Q Okay. What I'm asking you is, you didn't do any
2 follow up to make it your business to find out when, in
3 fact, it was installed?

4 A No.

5 Q You didn't deem that necessary?

6 A No.

7 MR. FRANSON; no further questions, your Honor.

8 JUDGE WOODRUFF: All right. And for Laclede,
9 then?

10 CROSS-EXAMINATION

11 BY MR. PENDERGAST:

12 Q Good afternoon, Mr. Lay.

13 A Hello.

14 Q Am I pronouncing that correctly?

15 A Yes. It's -- it's hard.

16 MS. SCHRODER: Give me a break.

17 Q (By Mr. Pendergast) Just checking. You don't
18 know when your particular AMR device was installed; is
19 that correct?

20 A I do not.

21 Q You have an outside meter, though?

22 A Yes.

23 Q And were --

24 A Now, I'll -- I'll say it had to be, you know,
25 that winter anyway because I -- obviously, I do lawn work

1 like everybody else. And I hadn't seen it, I don't know,
2 the last time I picked up leaves. It wasn't on there at
3 that time.

4 Q Okay. Fine. And you indicated that somebody
5 came out and -- a gas worker, Rick Martinez, I believe,
6 and took a sensitive gas detector and detected some kind
7 of leakage on the dial glass?

8 A Yes.

9 Q Did you ever try and follow up -- and at that
10 point, the meter was removed; is that correct?

11 A Yeah. He put in a temporary.

12 Q Okay. And do you know if it was taken back to
13 the meter shop?

14 A I just assumed it was. That's where they
15 usually end up.

16 Q Okay. And do you know whether any tests were
17 performed at that time?

18 A I don't know anything about that meter.

19 Q So you wouldn't know what those tests, assuming
20 that they were made, revealed about where the leak was?

21 A No, I wouldn't.

22 Q Okay. And were you here earlier today when Ms.
23 Harmon was talking about tests that they do and --

24 A Yes, I was.

25 Q -- and that they consist of air tests, dry air

1 tests and also submersion in order to determine where the
2 leak actually is?

3 A Yes.

4 Q Okay. And you don't address in your testimony
5 any other leaks that were reported in your neighborhood.
6 The only one that you mentioned was the one that was
7 associated with your meter; is that correct?

8 A That's correct.

9 Q Okay. Um --

10 MR. PENDERGAST: Strike that. I think I'm done.
11 Thank you, Mr. Lay. Appreciate it.

12 JUDGE WOODRUFF: All right. I have no questions
13 from the Bench, so there's no need for re-cross. Any
14 redirect?

15 MS. SCHRODER: Just a little bit.

16 REDIRECT EXAMINATION

17 BY MS. SCHRODER:

18 Q Mr. Lay, I'm going to hand you a copy of -- of
19 what is called Schedule 2 to Dr. Seamands' testimony.
20 This is an analysis of union information that the company
21 put together from addresses that the union submitted to
22 it. And I'm going to direct you specifically to page 10,
23 the eighteenth address on at that page.

24 MS. SCHRODER: May I approach?

25 JUDGE WOODRUFF: You may.

1 MR. FRANSON: Your Honor, I guess I'm going to
2 have to ask the relevance of anything that -- the witness
3 has already said he doesn't know, and this would be beyond
4 the scope of any cross-examination.

5 And I'm -- I'm not sure I understand the
6 relevance since it's beyond this witness's knowledge.

7 MS. SCHRODER: The relevance is to complete the
8 record. They just asked him when his AMR was installed,
9 which we know the date of when it was installed. And
10 they've asked what the result was from the meter shop, and
11 we have both of those pieces of information on Schedule 2.

12 JUDGE WOODRUFF: But go ahead and ask your
13 questions, and you can approach.

14 MS. SCHRODER: Thank you.

15 Q (By Ms. Schroder) Okay. Mr. Lay, do you see
16 the -- the address I was referring to? Is that your
17 address?

18 A It is.

19 Q Does that indicate when your meter was
20 installed?

21 A I don't have my glasses, but --

22 MR. ZUCKER: Hand it to the court reporter.

23 Q (By Ms. Schroder) Yes?

24 A Yes, it does.

25 Q What day was it installed?

1 A The 14th, I believe.

2 Q The 14th or 15th of December; is that right?

3 A It says 12/14.

4 Q Okay. I'm sorry. Maybe I wrote it down wrong.
5 I need my eyes checked. All right. And over on the far
6 column, which is -- I don't think you can tell this
7 actually, but if you'll flip to the front, there's a -- a
8 very first page of that document, Schedule 2, it indicates
9 that that far column is the meter shop report?

10 A Yes.

11 Q Would you read what the meter shop report is for
12 your meter?

13 A Leak from worn seal behind center box.

14 Q All right. Thank you. I --

15 MR. PENDERGAST: Your Honor, if we're trying to
16 correct the record, I believe it says more than just leak
17 behind water meter, just to be clear.

18 Q (By Ms. Schroder) Sure. Would you finish
19 reading whatever else it says?

20 A Leak from worn seal behind center box. That's
21 all it says.

22 Q All right. I think that's what it says.
23 Mr. Lay, what Mr. Pendergast was referring to, he would
24 also like you to read the filed report, which is the box
25 just prior to the -- to the far right-hand box.

1 A The Tech Remarks?

2 Q Yes.

3 A Leaking riser repaired, changed meter. And the
4 service tech that came out and repaired it, his employee
5 number and his --

6 Q His employee number. All right.

7 A And his name.

8 Q Thank you. One other question. There was some
9 implication that maybe you should have worked on this
10 meter yourself. Is there any reason you didn't?

11 A I -- I have never touched my gas meter before or
12 since. They frown on that.

13 Q Who is they?

14 A Management.

15 Q Laclede Gas?

16 A Yes.

17 MS. SCHRODER: All right. No further questions.

18 JUDGE WOODRUFF: All right. And, Mr. Lay, you
19 can step down.

20 MR. FRANSON: Judge, if I may ask just a
21 clarification, what are our plans for the balance? I
22 think we talked about calling another witness, but how far
23 are folks wanting to go after that?

24 JUDGE WOODRUFF: There was some suggestion that
25 we get Mr. Korbisch finished today. That's certainly

1 acceptable to me. Is that acceptable to you,
2 Mrs. Schroder?

3 MS. SCHRODER: Yes, that is acceptable.

4 MR. KORBISCH: I'm okay with that.

5 MR. ZUCKER: Okay.

6 JUDGE WOODRUFF: All right. Mr. Korbisch, why
7 don't you come forward then? And I believe you were sworn
8 this morning, so you're still under oath.

9 MR. KORBISCH: Yes.

10 DIRECT EXAMINATION

11 BY MR. ZUCKER:

12 Q Good afternoon again, Mr. Korbisch.

13 A Good afternoon.

14 Q It's fair for you to say that.

15 A Good afternoon.

16 Q Are you the same Clark Korbisch who filed
17 rebuttal testimony in this proceeding, both highly
18 confidential and non-proprietary?

19 A Yes.

20 Q And if you -- if you were asked all of those
21 questions in that testimony today, would your answers be
22 the same?

23 A Yes.

24 MR. ZUCKER; I move for admission of Mr. Clark
25 Korbisch's rebuttal testimony into the record.

1 JUDGE WOODRUFF: I don't -- I don't think you've
2 got a number yet.

3 MR. FRANSON: Yeah. That's what I was going to
4 ask.

5 JUDGE WOODRUFF: We had premarked some of the
6 union's exhibits. We're up to No. 7.

7 MR. ZUCKER: No. 7?

8 JUDGE WOODRUFF: Yes. Did you say that was HC
9 and NP both?

10 MR. ZUCKER: Yes. Okay. Okay. So move for
11 admission, again, of Mr. Korbisch's testimony as Exhibit
12 7.

13 JUDGE WOODRUFF: All right.

14 MS. SCHRODER: The union has no objection.

15 JUDGE WOODRUFF: All right. Any other
16 objections to admission of Exhibit 7-HC and NP?

17 MR. FRANSON: No, your Honor.

18 JUDGE WOODRUFF: All right. They will be
19 received into evidence.

20 (Exhibit Nos. 7-HC and 7-NP were admitted into
21 evidence.)

22 MR. ZUCKER: Pass the witness.

23 JUDGE WOODRUFF: Thank you. All right. For
24 cross-examination, then, we'll begin with Staff.

25 MR. FRANSON: Thank you, your Honor. On second

1 thought, your Honor, no questions.

2 JUDGE WOODRUFF: Very well. And for Public
3 Counsel?

4 MR. POSTON: No questions.

5 JUDGE WOODRUFF: And for Local 11-6?

6 MS. SCHRODER: Sorry, Clark. I do have
7 questions. I have a -- a couple of questions actually
8 that were --

9 JUDGE WOODRUFF: If you want to come up to the
10 podium --

11 MS. SCHRODER: Oh, I'm sorry.

12 CROSS-EXAMINATION

13 BY MS. SCHRODER:

14 Q I wanted to start with some questions I had from
15 this morning's redirect. You were asked this morning
16 about the training program that Laclede Gas contributes --
17 or contributed to for the installers.

18 You're familiar with the training programs that
19 Cellnet has instituted for other utilities as well, aren't
20 you?

21 A Yes.

22 Q All right. Isn't it true that some utilities
23 have required greater training than Laclede Gas did?

24 A No. It's all relative. It's in line with
25 industry best practices, so I would say it's consistent.

1 Q Okay. Isn't it true that some utilities have
2 required more gas safety training than Laclede Gas did?

3 A Not that I'm aware of.

4 Q Were your -- do you know whether the Manpower
5 people who have been installing these for Laclede Gas are
6 OQ certified?

7 A They are not.

8 Q There was some discussion -- I'm sorry. There
9 was some discussion elsewhere earlier in this testimony --
10 in this hearing today about, you know, meters that leak or
11 whatever having -- having to be replaced.

12 Do you know, under your contract with Laclede
13 Gas, who is responsible for the cost of replacing meters
14 that have leaked or been damaged because of AMR
15 installation?

16 A To my knowledge, there are no meters that have
17 been damaged due to the AMR installation that have caused
18 a leak.

19 Q Okay. If there is one, who -- who pays for
20 that?

21 A If there is one, Cellnet is responsible.

22 Q You said you're not aware of any that have been
23 damaged due to installation. What about the one you
24 admitted was drilled through?

25 A Actually, in that case, we're obligated to pay

1 for that.

2 Q What about the other two that we said were
3 drilled through?

4 A Those, I was not directly aware of.

5 Q All right. Okay. Are you familiar with -- with
6 Cellnet's operations in Texas?

7 A Yes.

8 Q All right. And isn't it true that the Texas
9 utility has had so much trouble with the Cellnet product
10 that the company has now -- has now gone back to manual
11 meter reads?

12 A No. I'm not aware of that.

13 Q Are you aware of the fact they went back to
14 manual meter reads?

15 A No. I'm not aware of that either.

16 Q All right.

17 A What Texas utility are you referring to?

18 Q Was there more than one Texas utility that
19 Cellnet -- that Cellnet is installed in?

20 A No. There's only one.

21 Q And which is that? Texas Utilities, right?

22 A No. It's Austin Energy.

23 Q Austin Energy.

24 A Electric only.

25 Q Did the electric company go back to doing its

1 own meter reads?

2 A No.

3 Q All right. You stated this morning in response
4 to -- I believe it was in response to some questions from
5 Mr. Zucker on the demonstration that other utilities had
6 had some problems with drill use; is that correct? Did I
7 misunderstand that?

8 A No. I did not testify that other utilities have
9 problems with drill use. But as a standard practice, they
10 did a lot of that.

11 Q Other utilities had allowed that?

12 A Yes.

13 Q I'm sorry. For some reason, I didn't catch that
14 this morning, so I'm glad we cleared that up. Where
15 other utilities have allowed it, have you ever been told
16 that one of your people drilled through a meter?

17 A No.

18 Q You don't keep records, though, about things
19 like that, did you, as a company?

20 A We keep records of the -- any time we -- we come
21 across a hazardous situation, we do have records of those.
22 Absolutely.

23 Q All right. How long do you keep those records?

24 A Well, they're in -- they're in our installation
25 database. So to my knowledge, we keep those and have kept

1 them for -- for the -- the term of the agreement, from the
2 time the meter is installed in our database.

3 Q Do you recall getting a deposition subpoena from
4 me earlier this year?

5 A Uh-huh. Yes.

6 Q And that I requested documents about records
7 that Cellnet kept?

8 A And the record that we provided for that one
9 meter installation was -- was -- that was related to the
10 skip code that we had recorded for that, I believe.

11 We keep record of all the comments from the
12 field up to and including a -- a situation where we have a
13 -- a hazardous situation. And we contact Laclede to come
14 out and respond to those hazardous situations.

15 Q But you don't have any record about the -- the
16 meter that was drilled through that's represented in Pat
17 White's testimony, do you?

18 A I don't have record of that. No.

19 Q All right. And you don't have any record of the
20 meter that was drilled through on November -- November
21 9th, 2006, do you?

22 A No. Not that I'm aware of.

23 Q I've got the wrong one. That doesn't help me.
24 Do you remember telling me in your deposition that there's
25 never been a gas leak detected on an AMR installation that

1 resulted in a skipped installation?

2 A In my deposition, I had responded that we had
3 never caused a gas leak as part of the AMR installation.
4 I believe that was my response.

5 Q Actually, you said the leak was detected, it's
6 never skipped. Do you want --

7 A Right. If we do identify a leak as we approach
8 the meter and there is -- there is a suspect odor, we do
9 not walk away from that installation. We contact the
10 local -- there's an escalation process where the installer
11 contacts his supervisor who, in turn, contacts the
12 responsible Laclede supervisor in the field.

13 And it's rec -- it's rectified immediately. We
14 do not walk away from hazardous situations. So in that
15 regard, it is not skipped.

16 Q All right. And do you remember telling me in
17 that deposition that when I asked -- now I'm asking -- I'm
18 sorry. This is page 71, line 16. Now I'm asking him, Is
19 it your position there's never been a gas leak detected on
20 one of these AMR installations for Laclede? Answer, On an
21 AMR installation, yes. It is my knowledge that there's
22 never been a gas leak on an AMR installation. Do you
23 remember that testimony?

24 A Yes.

25 Q All right. Now, that testimony was from

1 September 19th, 2006. Wasn't it?

2 A Yes.

3 Q All right. And that wasn't true, was it? There
4 was a gas leak when a meter was drilled through, wasn't
5 it?

6 A Yes.

7 Q And there was a gas leak when another meter was
8 drilled through at the end of January, wasn't it?

9 A And those were not part of AMR installation.
10 Those were part of maintenance being done in the field to
11 back out the screw, not related to the installation of the
12 module itself. So the module did not cause the gas leak.

13 Q So you just didn't keep a record of it?

14 A No. It was an improper installation -- it was
15 an installation procedure that has been used in multiple
16 utilities that because of some of the hazardous -- hazards
17 that we had witnessed or the one instance that I was aware
18 of, we stopped that practice locally here, even though in
19 the industry, this is a common practice.

20 Q And do you remember answering a question that
21 same day at page 74, line 8 -- do you have your depo in
22 front of you?

23 A Uh-huh.

24 Q Okay. Do you know whether installers have
25 caused gas leaks? Answer: To my knowledge, they have not

1 caused gas leaks.

2 A Correct.

3 Q And, again, you're saying that that was the
4 correct answer because it wasn't an installer, it was the
5 supervisor of installers who caused those?

6 A During -- during the installation of the module
7 itself, that is not what contributed to the gas leak. It
8 was during a meter repair on the meter itself to repair
9 the meter to complete the AMR installation.

10 Q Do you remember saying at page 75, under the
11 contract's -- I'm sorry. Line 2, Under the contracts
12 between Cellnet, Laclede and Honeywell, shouldn't somebody
13 maintain a record if there is -- if somebody drills
14 through a meter? And you said, And there's nothing that
15 requires the -- that record to be kept, no. Do you recall
16 that?

17 A Yes.

18 Q All right. So is it your position that, in
19 fact, nobody needs to keep a record of a drilled-through
20 meter?

21 A The record is kept in that Laclede is contacted
22 when there is a hazardous situation. Those are
23 well-documented. And we keep track of those records.
24 What prompted or caused the actual problem, no. I don't
25 -- we're not -- most of the -- most of the -- the

1 potential problems are -- we're not trained to recognize
2 why it's -- it's failing.

3 So, no, I don't believe that -- that it's our
4 obligation to try to determine and predict why there may
5 be some problem with the installation.

6 Q I wasn't ask about determining or predicting. I
7 was talking about keeping a record what has happened. And
8 you said that neither you or Honeywell needed to do that,
9 wasn't that correct? Or Laclede, excuse me. That neither
10 you Honeywell or Laclede -- Laclede needed to keep a
11 record of that.

12 A We keep the record that Laclede was contacted
13 because there was a gas leak. That's the record we do
14 keep.

15 Q All right. And isn't it correct that you do not
16 keep records of -- that you do not receive reports from
17 Honeywell or any kind of records from them indicating
18 whether gas leaks are occurring because of -- of an
19 installer? Isn't that correct?

20 A I'm aware of the process and the procedure
21 that's established for notifying Laclede. And there is a
22 documentation control process that is in place. And
23 Honeywell keeps track of those records. But are they
24 required to notify us of those? No.

25 Q All right. Isn't it true that the only records

1 Cellnet is really interested in keeping with regard to its
2 installation are records of misprogramming?

3 A No.

4 Q What other records is Cellnet interested in
5 keeping?

6 A We keep track of it -- of all the installations,
7 the -- the foot drive, the -- the -- the meter
8 programming, which meter is installed on which house. We
9 keep track of all those information, all those situations.

10 We keep track of customer comments, access
11 problems, issues related to that location. There's a host
12 of -- of pieces of information that -- that we do record
13 and capture as part of that installation that's important
14 information.

15 Q All right. Okay. I understand that that's
16 important information. But you don't think -- Cellnet
17 does not think that it is important for it to keep
18 installation records where there has been any kind of
19 problem with the installation except a misprogramming
20 error; isn't that right?

21 A No. We keep track of any reason that prompted
22 us not to be able to complete an installation, such as --
23 as vandalism. We keep track of that.

24 Q Keep track of vandalism. You keep track of
25 anything that keeps you from prevent -- from performing

1 installation so that that can be corrected and you can
2 install the meter; is that right?

3 A So that it can be corrected, yes.

4 Q All right. But you don't keep any records about
5 problems that have occurred as a result of an
6 installation, isn't that correct, even if it's -- the --
7 the problem occurs while the installer is on site?

8 A If there's a problem that occurs on site and
9 we're not able to complete the installation, we contact
10 Laclede immediately. We never walk away from a hazardous
11 situation.

12 Q You contact Laclede, but you don't keep any
13 record of what caused it or anything about it, except that
14 you contacted Laclede; isn't that right?

15 A We keep track of -- if we do walk away from it
16 and we do not complete the installation, we record that as
17 a skip. And the reason why we skipped it, in our
18 hand-held, if the installation -- if Laclede comes out and
19 performs necessary repairs and we're able to complete the
20 install, then, no, we do not capture and record the fact
21 that there was some sort of problem that was corrected
22 immediately.

23 Q All right. So you don't keep those for Laclede,
24 and you don't keep those for any of the companies that you
25 installed Cellnet devices for; isn't that right?

1 A We don't keep those records of Laclede being
2 called out to that location. They would actually have a
3 service call for that already on record.

4 Q All right. Now, my question was about other
5 companies. You don't keep those records for the other
6 companies that Cellnet has installed AMRs for either, do
7 you?

8 A The recordkeeping is consistent with -- with the
9 records that we have for Laclede.

10 Q All right. So as you sit here today, you really
11 don't know what kinds of problems have arisen due to
12 Cellnet installations across the country, do you?

13 A We keep track of statistical analysis on AMR
14 devices that come back from the field. We do keep track
15 of those.

16 Q What does that mean?

17 A If -- if a module fails, for whatever reason, we
18 keep track of that information.

19 Q If a module fails.

20 A Right.

21 Q So not if the whole meter and module have to be
22 replaced or not if -- I mean, all you do is you keep track
23 of whether you have to replace the module?

24 A Right. Our responsibility is to maintain the
25 module. The -- the gas utility maintains the meter.

1 Q And you don't keep any records if an AMR
2 installer damages a meter while putting int the AMR
3 device, do you?

4 A If the meter -- if the -- if the module
5 installer damages a meter to the extent that he can't
6 complete the installation, then that prompts communication
7 up through the escalation channels to get the meter
8 repaired.

9 Q All right. What if the installer doesn't --
10 does go ahead and complete the installation but damages
11 the meter? Do you keep any records of that?

12 A I keep no records of that and have no record of
13 that actually occurring.

14 Q Well, no, you wouldn't if you don't keep records
15 of it, would you? All right. And that's true, again, not
16 just for Laclede Gas. That's true national, isn't it,
17 that you do not keep records if an installer completes an
18 installation but has damaged a meter in the process?

19 A I would -- I would not be aware of that.
20 Correct.

21 Q All right. And we delved into this slightly
22 this morning, but we -- we had some discussion about the
23 training of installers for the Laclede system and your
24 role in that versus Deb Redepenning's role in that. You
25 have not personally attended the training that Honeywell

1 gave to the installers, have you?

2 A No.

3 Q All right. And Honeywell was the entity
4 directly in charge of that, of -- of giving that training
5 to the installers?

6 A Providing the direct training, yes.

7 MS. SCHRODER: All right. If I could have just
8 a minute, I've misplaced a piece of paper.

9 JUDGE WOODRUFF: Sure.

10 MS. SCHRODER: Sorry about that.

11 Q (By Ms. Schroder) All right. I wanted to
12 follow up. You had mentioned in your direct -- your
13 rebuttal testimony at page 2, line 18. Do you have that?

14 A HC or NP?

15 Q I'm sorry. HC. And, actually, I wanted to ask
16 you a question about this before we get into -- I wanted
17 to ask a question about why it's designated Confidential.
18 So if you'll read that through for me, and let me know
19 when I ask you that question?

20 A Which -- page 2.

21 Q Page 2, Lines 18 -- really, lines 18 through 22.

22 MR. FRANSON: Just a note of caution, that if
23 he's going to say why something is not HC, let's be sure
24 that his answer is not highly confidential in and of
25 itself.

1 Q (By Ms. Schroder) Right. Because I need to
2 know if we need to ask to clear the room and turn off the
3 cameras.

4 MR. FRANSON: Right.

5 MR. ZUCKER: Your -- your Honor, if I may --.

6 MS. SCHRODER: You're the one who made the
7 designation?

8 MR. ZUCKER: Yeah. I made the designation.

9 MS. SCHRODER: Okay.

10 MR. ZUCKER: This was about an event a utility
11 made, a mistake a utility made. And I didn't know if it
12 was public or not, and I, out of an abundance of caution,
13 designated it that way.

14 A This is not public information.

15 Q (By Ms. Schroder) All right. I'm just trying
16 to think if I can ask my question in a way that doesn't --
17 yeah. I think I can. First of all, the highly
18 confidential material listed on page 2, does that relate
19 to anything that one of our Wisconsin witnesses testified
20 about today?

21 A No.

22 Q All right. So that's another -- a different
23 utility in Wisconsin where Cellnet was installed?

24 A No. It was one of the utilities --

25 MR. FRANSON: Your Honor, I'm going to have to

1 object, only that we are starting to narrow down and
2 nit-pick highly confidential information. That should be
3 highly confidential. And any identification I would
4 suggest is highly confidential.

5 And if we're going to go that route, that's
6 fine. But I would suggest we actually go to highly
7 confidential and turn off the cameras and clear the room
8 of people who cannot hear it. I don't think she's making
9 it on --

10 MS. SCHRODER: I don't understand why --

11 MR. FRANSON: It is supposed to be non-public
12 information, and by -- we're starting to narrow it down.
13 I have no idea how many utilities there are in Wisconsin,
14 but we've already eliminated two, and we're going down a
15 road that I believe is highly confidential.

16 MS. SCHRODER: Actually, I don't think we
17 eliminated two. But anyway, I think the point is that I
18 am not asking about anything at this point, and I don't
19 intend to, that is highly confidential. I don't intend to
20 reveal the details that make the highly confidential.

21 JUDGE WOODRUFF: We can certainly go into
22 in-camera session if we need to. But go ahead and
23 proceed.

24 MS. SCHRODER: All right.

25 Q (By Ms. Schroder) Actually, let's skip that,

1 and I'll decide whether we need to do something with that
2 later.

3 You testified about training materials that
4 Laclede and Cellnet put together and that they were used
5 for installers, and you -- I mean, you referred to those
6 exhibits to Deb Redepenning's deposition. You don't have
7 any personal knowledge, however, that those training
8 materials were actually used with the actual Manpower
9 installers, do you? You just know they were supposed to
10 be?

11 A Correct.

12 Q All right. On page 5 of your dep -- of your
13 testimony, at line 3, you talk about -- I'm sorry. Lines
14 2 to 4. If we find a situation that was a safety
15 violation where the individual wasn't wearing proper
16 protective equipment, et cetera, et cetera.

17 And what I want to make sure I understand,
18 you're basically saying, aren't you, that the only safety
19 violation would be an individual not wearing proper
20 protective equipment?

21 A No. A safety violation would be driving
22 improperly, not parking his vehicle properly, a violation,
23 although not necessarily safety-related, but is -- if
24 they're contacting the customer inappropriately and do not
25 have their employee badge.

1 Those are all -- all kind of qualified under the
2 safety violation realm.

3 Q Can we stick with just safety ones? Because I
4 really want to know of there's anything other than driving
5 violations -- driving improperly and not wearing proper
6 protective equipment. Are there any other safety
7 violations?

8 A Yeah. A safety violation would be using a drill
9 at this point. After we stopped the practice of using a
10 drill, that would now become a safety violation.

11 Q Okay. Is there anything else that a Manpower
12 employee can do in the actual process of installing the
13 meter that you would consider to be a safety violation?

14 A If they used tools that are not issued to them
15 in order to complete the job -- any -- any use of tools
16 not -- not company issued would be a safety violation.
17 Any improper handling to complete an installation would be
18 deemed a safety violation.

19 Q All right. You say at the bottom of page 5,
20 Line 14, that you've replaced less than 2 percent of the
21 modules installed thus far in the Laclede -- in the
22 Laclede project. Has that data been produced to Laclede?

23 A Yes. We share that with them.

24 Q All right. Have you given them more than just
25 raw numbers? What do you -- what do you give them? What

1 kind of data do you give them of that 2 percent ratio?

2 A We provide them the numbers. But, understand,
3 we own -- Cellnet owns the module. So it's our failure
4 rate and our -- in our best interest to make sure that the
5 number of failures is small.

6 Q Okay. I don't think you answered my question.
7 So you're just giving them the number, the raw numbers?
8 You don't give them the actual data; is that right?

9 A That's correct.

10 Q Okay. And your data doesn't include the number
11 of modules that have had to be removed a meter where the
12 whole meter has had to be replaced after the Cellnet
13 device went on it; is that correct?

14 A No. That -- well, there's a number of reasons
15 why a module fails. Many of those are related to the
16 electronics within the module itself. That would -- that
17 would prompt a certain percent of the meters or certain
18 volume of the meters that are modules that need to be
19 repaired.

20 Some of them are stopped meters, as we've talked
21 about where there is a mechanical problem between the
22 module and the meter itself. Whether or not it was a
23 meter stopped for other mechanical reasons, whether or not
24 it was the -- the -- the gear meshing between the module
25 and the meter itself that prompted the stop, I -- I can't

1 venture to -- to say why.

2 All we do is recognize that there was that
3 situation as a stopped meter. We recognize that in our
4 data, and we provide that information to Laclede to -- to
5 perform a meter exchange.

6 Q All right.

7 A So we do provide that information to Laclede.

8 Q If Laclede -- if Laclede takes that stopped
9 meter and they pull the installation device off -- I'm
10 sorry -- the CN -- the Cellnet AMR device off and they put
11 it on another meter and it works, you don't count that as
12 being a replaced module, do you?

13 A Yes, we do.

14 Q You do?

15 A Yes.

16 Q Okay. Even though you're not doing the actual
17 replacing?

18 A Yes. We count every module that's pulled from
19 the field because that module is no longer in service to
20 us.

21 MS. SCHRODER: All right. I actually to want to
22 go in-camera.

23 JUDGE WOODRUFF: All right. At this point,
24 then, we're going to go in-camera. And what that means is
25 that anyone who is not qualified to view highly

1 confidential information to go out and wait in the
2 hallway. And I believe that's most of the members of the
3 audience, so -- now we have to swear you to secrecy.

4 REPORTER'S NOTE: At this point, an in-camera
5 session was held, which is contained in Vol. 2, pages 304
6 through 311.

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1 JUDGE WOODRUFF: So we'll come out of in-camera
2 at this point and come up for questions from the Bench.
3 Commissioner Gaw?

4 COMMISSIONER GAW: Just real quick.

5 CROSS-EXAMINATION

6 BY COMMISSIONER GAW:

7 Q Is the training guide that you all utilize in
8 evidence? And if you don't know that, I'll ask counsel.

9 MS. SCHRODER: Yes. Yes.

10 Q (By Commissioner Gaw) Is it in place in
11 evidence?

12 A Yes.

13 Q And how long is it about, approximately?

14 A The training.

15 Q The training guide?

16 A The training guide. I know the guide that we
17 use in other locations is -- is probably 20 pages. I'm
18 not sure what the -- what this guide is, in what format it
19 is.

20 Q All right.

21 A Because it comes in power point presentation.
22 We have a Word document as well. So I'm not sure what was
23 actually submitted as evidence.

24 MS. SCHRODER: Commissioner Gaw, if I can answer
25 that, there are a number of different ones for the

1 different modules. Each of them are relatively short, as
2 I recall, but there were -- there's like -- they're
3 virtually identical. They're juts with the slight changes
4 per module.

5 A Each module has a different installation guide.

6 MR. ZUCKER: Let me supplement that, if I might.

7 JUDGE WOODRUFF: Mr. Zucker?

8 MR. ZUCKER: I have the -- the training
9 information that Honeywell provided at their deposition.
10 And there's about -- it's a power point, so they're --
11 they're not like single-spaced.

12 COMMISSIONER GAW: Right.

13 MR. ZUCKER: About 60 pages of driver safety and
14 then about another, oh, 18 pages of wearing the proper
15 protective equipment. And then there is what -- what Ms.

16 Q (By Commissioner Gaw) Okay. The -- the issue
17 in regard to -- to drilling, that was not initially
18 covered in the -- in the training?

19 A No.

20 Q Okay.

21 A Not at all.

22 Q And currently, there is no drilling allowed
23 unless it's done to remove stripped screws? Did I
24 understand that correctly?

25 A There's no -- there's no drilling being done any

1 longer in the field.

2 Q In the field?

3 A All those meters are pulled. And that work is
4 performed in the meter shop. Early on, as part of the
5 initial deployment, we were not drilling those -- those,
6 and that's why it's not included in the original training
7 program.

8 We had -- we had worked with Laclede to develop
9 a template where we felt comfortable with doing that work
10 similar to what we had done in other locations.

11 Q Okay.

12 A We had offered that up as a solution with --
13 with the number of stripped screws that we were finding.

14 Q Okay. So there was some drilling being done?

15 A Yes.

16 Q Okay. What's the exhibit number?

17 COMMISSIONER GAW: Do you know, Judge?

18 JUDGE WOODRUFF: Which exhibit?

19 COMMISSIONER GAW: For the training guide. It's
20 attached --

21 MS. SCHRODER: It's actually not been given a
22 number yet. It's attached to Deb Redepenning. And we can
23 certainly go ahead and prenumber that if you like.

24 COMMISSIONER GAW: So it's not in evidence?

25 MS. SCHRODER: It's already been EFIS filed as

1 part of her --

2 COMMISSIONER GAW: That's fine. Part of her
3 deposition. I can find it in the record when we're
4 finished.

5 MR. FRANSON: Right. Right.

6 MR. ZUCKER: It's No. 74.

7 JUDGE WOODRUFF: Thank you, Mr. Zucker.

8 JUDGE WOODRUFF: No. 74 in EFIS if you --

9 COMMISSIONER GAW: Well, we'll wait. Actually,
10 it's marked.

11 Q (By Commissioner Gaw) Okay. And the
12 individuals that are working for the temp agency, did you
13 testify earlier about how -- what the average length of
14 stay is for those individuals who work?

15 A I did not testify on the average length of stay.

16 Q Do you know?

17 A No.

18 Q Okay. Is there someone who would know that
19 that's going to testify, if you are aware?

20 A Not that's going to testify. We have records of
21 how long people have been on the project, when they come,
22 when they go. We have those records.

23 Q Okay.

24 MS. SCHRODER: If I may, your Honor, it's been
25 taken care of through Deb Redepenning's testimony, and her

1 testimony is going in.

2 COMMISSIONER GAW: All right. I'll stop there.

3 Thank you.

4 JUDGE WOODRUFF: Commissioner Clayton?

5 COMMISSIONER CLAYTON: I don't have any
6 questions.

7 JUDGE WOODRUFF: Okay. Any re-cross based on
8 questions from the Bench? Any from Public Counsel? Or
9 excuse me. Beginning with Staff?

10 MR. FRANSON: No questions, your Honor.

11 JUDGE WOODRUFF: Public Counsel?

12 MR. POSTON: Just one.

13 RECROSS EXAMINATION

14 BY MR. POSTON:

15 Q I don't know if this has already been in
16 evidence. At the time that you stopped doing the
17 drilling, how many meters had been installed at that
18 point? Do you know?

19 A Approximately 190,000 at that time.

20 MR. POSTON: Okay. Thank you.

21 JUDGE WOODRUFF: And for union?

22 MS. SCHRODER: No further questions.

23 JUDGE WOODRUFF: Any redirect?

24 MR. ZUCKER: Yes, your Honor.

25 REDIRECT EXAMINATION

1 BY MR. ZUCKER:

2 Q Just to be clear, you were asked some questions
3 about the drilling issue. The drilling ended by January
4 or February of this year; is that correct?

5 A That's correct.

6 Q And so this question about a -- a meter that may
7 have been drilled in November, that would surprise you, I
8 would assume?

9 A I would be very surprised.

10 Q Because --

11 A Nobody's allowed to do drilling in the field,
12 and nobody is issued drills.

13 Q Okay. You were asked some questions about
14 keeping records of leaks and other things. You have
15 what's called skip detail; is that correct?

16 A That is correct.

17 Q And that skip detail is -- is what? Can you
18 explain that?

19 A In -- in the hand-held, along -- our hand-held
20 is our work order management tool that we use to identify
21 which -- which location around meter I.D. that we're
22 expecting to find at that location.

23 As we complete the installation, we'll record
24 the existing meter read, and we also record some field
25 comments. If we're unable to complete the installation,

1 we record the -- the reason why the installation wasn't
2 complete.

3 And that gives us an indication of on what level
4 and sort of follow up is required. In some cases, it's an
5 appointment. In some cases, it's passed back to the
6 utility for rectification.

7 Q And the type of codes that you have, did you
8 have a code for damage?

9 A We have a code for damage, for vandalism, for
10 other hazardous conditions. We have a code for leaks.

11 Q Okay. How about a code for CPR needed?

12 A We have a code for CPR needed.

13 Q How about a code for stripped screws?

14 A We have a code for stripped screws,
15 unfortunately.

16 Q And so if -- if -- an AMR installer goes into a
17 home and smells gas and leaves and calls -- calls the
18 supervisor to call Laclede, he -- in that case, he didn't
19 get to his installation.

20 A Well, he doesn't leave.

21 Q Okay.

22 A He actually contacts the supervisor before
23 leaving the premises --

24 Q Right.

25 A -- to -- to contact his supervisor. And in that

1 case, sometimes the installation is completed if it -- if
2 the meter is able to be repaired on site. And then we can
3 complete the installation.

4 And other times, the meter has to be replaced,
5 in which case, the Laclede meter service men would replace
6 that meter with an AMR ready meter.

7 Q Right.

8 A So then we would not complete the AMR
9 installation in that case.

10 Q All right. You wouldn't have done it, but it
11 would have gotten done by Laclede?

12 A Correct.

13 Q And the leak that the AMR installer identified
14 would have been taken care of at the same time?

15 A It would have been taken care of.

16 Q Okay. And in -- in that -- in that case, it's
17 really more -- well, let me ask you if you agree with me.
18 It's more important for Laclede to keep track of their
19 leaks than for you?

20 A Yes.

21 MR. ZUCKER: One -- one moment, please. Thank
22 you for coming Mr. Korbisch.

23 JUDGE WOODRUFF: All right. Thank you
24 Mr. Korbisch.

25 MR. KORBISCH: You're welcome.

1 JUDGE WOODRUFF: Well, it's now after 5:00, so
2 we're about done for today. Commissioner Clayton, you had
3 some questions about the witnesses to be excused for
4 tomorrow?

5 COMMISSIONER CLAYTON: Judge, you had sent
6 around an e-mail to the Commissioners asking to release, I
7 guess, five or six lay witnesses.

8 JUDGE WOODRUFF: Six.

9 COMMISSIONER CLAYTON: Who had requested -- I
10 wanted to ask the sponsor of those witnesses -- I didn't
11 look through each testimony -- each affidavit and all the
12 testimony. I looked at two or three of them.

13 And it didn't seem like they had anything --
14 they didn't have anything specific relating to safety
15 concerns or problems associated with the AMR. And I guess
16 before we let them go, I just want to make sure that
17 that's the case.

18 It seemed like they were making a statement of a
19 preference and, you know, based on whatever reason, but I
20 wanted to verify that before I agreed.

21 MS. SCHRODER: Yes. That is correct. These are
22 all people that have either asked for Laclede installers
23 and been refused them or been deceived, they said, about
24 them.

25 And -- and I think⁷ that was why the parties

1 agreed that basically they could go in on written
2 testimony without cross-examination, if -- if that met
3 with the Commissioners' approval.

4 COMMISSIONER CLAYTON: So there was no -- no --
5 no specific concern or an example of gas leaking out of an
6 AMR, I mean, anything like that?

7 MS. SCHRODER; not from those people.

8 COMMISSIONER CLAYTON: Okay. Okay. Thank you.
9 All right.

10 JUDGE WOODRUFF: All right, then. We will allow
11 those witnesses to not appear tomorrow and accept their
12 testimony by waiver of the parties.

13 MR. FRANSON: Can we assign numbers to those
14 folks, or do you want to do that tomorrow?

15 JUDGE WOODRUFF: Let's just wait till tomorrow
16 to do that.

17 MR. FRANSON: Your Honor, if I may, are we going
18 to do -- I think the parties have offered the entire
19 deposition of Frank Meuting. I didn't know what your
20 ruling on that was.

21 JUDGE WOODRUFF: I hadn't -- nobody's actually
22 offered it yet.

23 MS. SCHRODER: May I please off the deposition
24 of Frank Meuting?

25 JUDGE WOODRUFF: Okay.

1 MS. SCHRODER: And that was the entire
2 deposition was attached to the union's designation, even
3 though we didn't designate every page because of the four
4 pages to one page, mini script.

5 JUDGE WOODRUFF: Okay.

6 MS. SCHRODER: That's how it turned out.

7 JUDGE WOODRUFF: Okay. Okay.

8 MS. SCHRODER: That would then be Exhibit 4.

9 JUDGE WOODRUFF: That's been marked as 4-NP and
10 HC.

11 MS. SCHRODER: Actually, it was just 4-NP. I
12 think I misspoke earlier when I said HC because he didn't
13 have any highly confidential information.

14 JUDGE WOODRUFF: This is the individual who
15 worked as a --

16 MS. SCHRODER: A Manpower installer. Yes.

17 JUDGE WOODRUFF: Okay. Exhibit 4-NP has been
18 offered into evidence. And any objection to its receipt?

19 MR. FRANSON: No, your Honor.

20 JUDGE WOODRUFF: Hearing none, it will be
21 received into evidence.

22 (Exhibit No. 4-NP was admitted into evidence.)

23 JUDGE WOODRUFF: And, as indicated, that would
24 be the entire deposition, not the portions. And so there
25 will be no asking of Mr. Meating, then.

1 MS. SCHRODER: That's correct.

2 JUDGE WOODRUFF: Okay. Okay. Then we're down
3 to Pat White to start tomorrow, then, I believe.

4 MS. SCHRODER: Yes.

5 MR. FRANSON: 9 a.m?

6 JUDGE WOODRUFF: We're already -- if it works
7 out for the parties, let's go ahead and start at 8:30,
8 unless somebody has a problem with that.

9 MS. SCHRODER: That's fine with the union.

10 JUDGE WOODRUFF: All right. Then we're
11 adjourned until 8:30 tomorrow.

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I N D E X

1		
2		
3	WITNESS: CLARK KORBISCH (DEMONSTRATION)	PAGE
4	Direct Examination by Mr. Franson	16
5	Cross-Examination by Ms. Schroder	16
6	Cross-Examination by Commissioner Clayton	17
7	Cross-Examination by Commissioner Appling	24
8	Cross-Examination by Chairman Davis	25
9	Recross Examination by Mr. Poston	27
10	Recross Examination by Ms. Schroder	28
11	Recross Examination by Commissioner Gaw	38
12	Recross Examination by Commissioner Clayton	40
13	Redirect Examination by Mr. Zucker	43
14	Recross Examination by Commissioner Gaw	48
15		
16	WITNESS: CLARK KORBISCH (TESTIMONY)	PAGE
17	(FOR IN-CAMERA SESSION, SEE INDEX BELOW	
18	Direct Examination by Mr. Zucker	282
19	Cross-Examination by Ms. Schroder	284
20	Cross-Examination by Commissioner Gaw	311
21	Recross Examination by Mr. Poston	315
22	Redirect Examination by Mr. Zucker	316
23		
24	WITNESS: CLARK KORBISCH	
25	(IN-CAMERA SESSION, VOL. 2, PAGES 305 to 311.)	

1	I N D E X (CONTINUED)	
2	WITNESS: GLORIA HARMON	PAGE
3	Direct Examination by Ms. Schroder	50
4	Cross-Examination by Mr. Poston	62
5	Cross-Examination by Mr. Franson	64
6	Cross-Examination by Mr. Zucker	65
7	Cross-Examination by Commissioner Murray	71
8	Cross-Examination By Commissioner Gaw	88
9	Cross-Examination by Commissioner Murray	100
10	Cross-Examination by Commissioner Clayton	100
11	Cross-Examination by Commissioner Appling	106
12	Recross Examination by Mr. Franson	109
13	Recross Examination by Zucker	109
14	Redirect Examination by Ms. Schroder	119
15	Opening Statement by Ms. Schroder	135
16	Opening Statement by Mr. Poston	152
17	Opening Statement by Mr. Franson	152
18	Opening Statement by Mr. Zucker	162
19		
20	WITNESS: STEVE MCFARLANE	PAGE
21	Direct Examination by Ms. Schroder	179
22	Voir Dire Examination by Mr. Franson	182
23	Cross-Examination by Mr. Poston	186
24	Cross-Examination by Mr. Franson	187
25	Cross-Examination by Commissioner Murray	206

1	I N D E X (CONTINUED)	
2	WITNESS: PHIL GOZY	PAGE
3	Direct Examination by Ms. Schroder	212
4	Recross Examination by Mr. Franson	227
5	Recross-Examination by Mr. Pendergast	232
6	Cross-Examination by Commissioner Murray	238
7	Cross-Examination by Commissioner Clayton	238
8	Cross-Examination by Commissioner Appling	243
9	Cross-Examination by Commissioner Clayton	246
10	Recross Examination by Mr. Pendergast	250
11	Redirect Examination by Ms. Schroder	253
12		
13	WITNESS: DAVID LAY	PAGE
14	Direct Examination by Ms. Schroder	270
15	Cross-Examination by Mr. Franson	272
16	Cross-Examination by Mr. Pendergast	276
17	Redirect Examination by Ms. Schroder	228
18		
19		
20		
21		
22		
23		
24		
25		

E X H I B I T S

EXHIBIT	DESCRIPTION	OFFERED	ADMITTED
1-NP	Testimony of Steve McFarlane	182	182
1-HC	Testimony of Steve McFarlane	182	182
2-HC	Testimony of Phil Gozy	225	226
2-NP	Testimony of Phil Gozy	225	226
3-HC	Testimony of David Lay	272	272
3-NP	Testimony of David Lay	272	272
4-NP	Testimony of Frank Meuting	315	315
7-HC	Testimony of Clark Korbisch	283	283
7-NP	Testimony of Clark Korbisch	283	283

(Original exhibits were retained by the Public Service Commission.)