

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
TRANSCRIPT OF PROCEEDINGS

Public Hearing
September 26, 2006
Hannibal, Missouri

Volume 5

In the Matter of Atmos Energy Corporation's)
Tariff Revision Designed to Consolidate Rates and) Case No.
Implement a General Rate Increase for Natural) GR2006-0387
Gas Service in the Missouri Service Area of the)
Company)

NANCY DIPPELL, Presiding
DEPUTY CHIEF REGULATORY LAW JUDGE
Present via Teleconferencing
LINWARD 'LIN' APPLING
COMMISSIONER
Present via Teleconferencing
ROBERT M. CLAYTON, III
COMMISSIONER
Present

REPORTED BY:

Cindy Keast Plowman, CCR

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APPEARANCES:

James Fischer
Pat Childers
Steve Green

Mr. Kevin Kelly
Mr. Tim Imhoff
Mr. Marc C. Posten

Mr. Bob Berlin
Ms. Lisa Cramer

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EXHIBITS

Exhibit
No. 1
(2-pg document)

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1 JUDGE DIPPELL: The Missouri Public Service
2 Commission has set this time for a local public hearing in Case
3 Number GR-2006-0387 in which Atmos Energy Corporation seeks to
4 implement a general rate increase. The Missouri Public Service
5 Commission regulates the rates charged by investor-owned
6 utilities in Missouri to insure that those rates are just and
7 reasonable. The Commission also regulates the quality of service
8 and safety of the operations of investor-owned utilities.

9 My name is Nancy Dippell. I'm the regulatory law
10 judge assigned to this case. And it's my job is to facilitate
11 the hearing tonight. As you can tell, we're video conferencing
12 this hearing from our offices here in Jefferson City. I have
13 with me here in Jefferson City, Commissioner Lin Appling and
14 Commissioner Robert Clayton is there in Hannibal with you all.

15 We're also streaming this conference over our website
16 so it's -- the video is being streamed via the Internet. The
17 Commission is made up of a total of five commissioners. The
18 commissioners are appointed by the governors to fixed terms and
19 employ a staff of engineers, accountants, attorneys, financial
20 analysts and other specialists in the field of utility
21 regulations. And we have some other staff members in Kirksville
22 this evening including Kevin Kelly from our information office
23 and
24 Mr. Tom Imhoff from our commission staff, who is also counsel
25 from the Office of Public Counsel, I believe there, and Mr. Marc

1 Posten.

2 And in addition, Atmos has several representatives
3 present. Mr. Fischer, would you like to introduce yourself and
4 your staff or your Atmos staff?

5 MR. POSTEN: Yes, Judge. My name is Jim Fischer.
6 I'm outside counsel for Atmos Energy Corporation. I also have
7 with me tonight the vice president of regulation, Pat Childers
8 and Steve Green who is in charge of Missouri operations along
9 with a number of local people. To the extent that any of our
10 consumers have comments regarding billing problems or quality of
11 service or anything that we can try to take care of here tonight,
12 we'd like to do that. Thanks you.

13 JUDGE DIPPELL: Thank you. Also here in Jefferson
14 City with me is staff counsel, Mr. Bob Berlin and from our staff,
15 Lisa Cramer. I'd like to thank the high school, Hannibal high
16 school for providing us with a facility and just state that the
17 comments and statements being made here tonight are in no way
18 associated with or not the opinion of the high school.

19 This is an official public hearing of the Missouri
20 Public Service Commission and statements and testimony of
21 witnesses will be recorded by a court reporter and will be taken
22 under oath or affirmation. In addition to this hearing, a trial
23 type evidentiary hearing may be held beginning on November 27th
24 at the commissions offices in Jefferson City. That hearing is a
25 public hearing where the company will have the burden of proving

1 that its proposal is just and reasonable.

2 The purpose of tonight's hearing is to receive
3 comments from the public regarding the rate increase. The
4 company will not present witnesses and will not answer questions
5 while we're on the record, but as Mr. Fischer indicated, if there
6 are billing or other issues, the company will be there and be
7 happy to talk to people when they're not directly on the record.

8 And the commissioners are also not here to answer
9 questions tonight. But this is your opportunity to comment, and
10 your remarks will be made part of the official record of the
11 case. The commissioners who are not be able to be here this
12 evening will read the comments and take those into consideration
13 when making a decision.

14 If you wish to testify and you haven't already done
15 so, please see Mr. Kelly to put your name on the sign-up sheet.
16 Otherwise, I'll call the name of each witness that signed up.
17 And after everyone who's been called, if someone else decides the
18 would like to comment or someone comes in while we're going, then
19 I'll ask if anyone else would like to speak.

20 When your name is called, I'll ask you to please come
21 forward and speak into the microphone. Please spell your name
22 for the court reporter so she can put it in the record correctly.
23 I'll also ask a few preliminary questions just like your address
24 and if you're a customer of Atmos. There may then be some
25 questions from the commissioners after you've made your comments,

1 and there may also be some questions from the attorneys. I'll
2 give them an opportunity to ask. So I'll ask you to please stay
3 at the microphone until I excuse you.

4 Right now I'd like to ask the attorneys to go ahead
5 and make official entries of appearance. I'll begin with Mr. Bob
6 Berlin.

7 MR. BERLIN: Yes. I'm Bob Berlin. I'm appearing on
8 behalf of the staff of the Missouri Public Service Commission,
9 address, Post Office Box 360, Jefferson City, Missouri, 65012.

10 JUDGE DIPPELL: And Mr. Posten.

11 MR. POSTEN: Thank you, Judge. Marc Posten appearing
12 on behalf of the Office of Public Counsel, Jefferson City.

13 JUDGE DIPPELL: Mr. Fischer?

14 MR. FISHER: Yes. Appearing on behalf of the
15 company, James Mr. Fischer, law firm of Fischer & Dougherty, P.C.
16 101 Madison Street, Suite 400, Jefferson City, Missouri, 65101.
17 Thank you.

18 JUDGE DIPPELL: Commissioner Clayton, would you like
19 to make some openings remarks?

20 COMMISSIONER CLAYTON: Thank you, Judge. We only
21 have a few people here and so I'm not going to repeat some things
22 that I said earlier today. I want to welcome Ms. Burkhead and I
23 want to welcome Representative Bringer for being here tonight.
24 And I wanted to mention to you, Judge, that one person -- that at
25 least one person brought some written remarks that they asked be

1 made part of the record. I don't know if the parties have an
2 objection to that. They were not able to stay. It was a
3 typewritten letter that I've given to the court reporter. I
4 thought perhaps we could mark it as an exhibit and then it could
5 be offered, and if any party has an objection to receiving that,
6 that can be so made.

7 But having said that, if you want to address that
8 issue first, and then Representative Rachel Bringer is the first
9 witness.

10 MR. FISCHER: The company has no objection.

11 JUDGE DIPPELL: Okay. I'll mark that as Exhibit
12 Number 1. And you can just give that to the court reporter.

13 COMMISSIONER CLAYTON: It is done.

14 JUDGE DIPPELL: And it can be attached to the
15 transcript. And I heard that the company had no objection.
16 Would there be any objection from either of the other parties?

17 MR. POSTEN: No objection.

18 JUDGE DIPPELL: Mr. Posten?

19 MR. CLAYTON: He said no, Judge.

20 JUDGE DIPPELL: Okay. Thank you. Did you have
21 anything further, Commissioner?

22 COMMISSIONER CLAYTON: No. And the first witness
23 would be Representative Bringer. I think that's all I'll say for
24 right now.

25 JUDGE DIPPELL: All right then. Representative,

1 would you please come forward.

2 Thank you. Can I get you to raise your right hand so
3 I can swear you in.

4 (Whereupon Representative Bringer was sworn by Judge
5 Dippell.)

6 JUDGE DIPPELL: Could you state your name and spell
7 it and give us your address?

8 REPRESENTATIVE BRINGER: My name is Rachel Bringer,
9 R-a-c-h-e-l, B-r-i-n-g-e-r. I live at 504 South Main in Palmyra,
10 Missouri. The zip code is 63461.

11 JUDGE DIPPELL: Thank you. Please go ahead with your
12 comments.

13 REPRESENTATIVE BRINGER: Thank you very much. I just
14 want to thank the Public Service Commission for having this
15 hearing here in Hannibal. I certainly welcome all of you to
16 Hannibal. I think it's wonderful that you're coming to this part
17 of the state to receive some comments. I would just like to make
18 a couple of comments that I've observed over the past few months
19 and some comments that have been given to me by some of my
20 constituents. There certainly is a tremendous amount of
21 financial pressure that so many of my constituents are facing
22 right now, particularly those who are senior citizens and those
23 who are disabled.

24 NECAC, which is our Northeast Community Action Group,
25 that provides utility assistance, received twice as much

1 assistance funding as they had been the summer before and used it
2 all. There were still needs remaining even with double the
3 assistance that they received. That doesn't even count the folks
4 who don't qualify for the assistance. The tax and income
5 guidelines are very, very difficult for many families to meet.
6 Yesterday, in fact, I received a letter from a senior citizen who
7 explained to me that she was having tremendous financial
8 difficulty. And payments that she mentioned were her house
9 payments, her utilities and her groceries. We're struggling to
10 find some assistance for her. She wasn't even mentioning her
11 medical costs or any other additional costs that she had, for
12 example, like a car. The three that she mentioned were her house
13 payment, her utilities and her groceries.

14 Just last week -- and I certainly appreciate the
15 assistance of the Public Service Commission as well as Atmos
16 Energy with this particular issue. But there was an eighty-nine
17 year-old woman in Palmyra who was suffering such financial
18 distress that her utilities were shut off. And thankfully the
19 Public Service Commission and Atmos Energy was able to help that
20 particular constituent. But obviously she suffered tremendous
21 stress and financial pressure, until she reached the point of
22 having her utilities shut off. I know that the Public Service
23 Commission has tremendous responsibility in balancing the needs
24 of the many citizens and the businesses of the state.

25 And I'm confident that the Public Service Commission

1 will carefully consider this particular request and make sure
2 that all of northeast Missouri is treated fairly, particular
3 those who are senior citizens and those who are disabled and
4 those who are living in low or lower middle income families.

5 Thank you very much for the opportunity to testify.
6 And again I'm very grateful that you came to Hannibal tonight.

7 JUDGE DIPPELL: Thank you, Representative.

8 Commissioner Clayton, did you have any questions that
9 you wanted to ask the Representative?

10 COMMISSIONER CLAYTON: I never pass up an opportunity
11 to ask a politician questions when she's under oath, Judge, so
12 I'd be happy to ask a few questions.

13 First of all, Representative, thank you for coming
14 out tonight. I appreciate your interest in utilities issues and
15 I appreciate the fact that you recognize how they affect everyone
16 in your district and everyone throughout the state.

17 What I wanted to mention to you is that the Public
18 Service Commission is limited in the role that it has. We
19 regulate utilities, we set rates, we can develop certain policies
20 at certain levels. But we look also to the state capitol to the
21 ideas that members of the House and members of the Senate may
22 have in addressing many of these issues. We would always look to
23 increase funding associated with the Utilicare program, lobbying
24 our Washington colleagues for increased funding for lobbying, and
25 also dealing with the difficult issues associated with

1 weatherization. As you're aware, this community, like many
2 others in the state, has older homes, older structures, that cost
3 much more to heat during the cold winter months.

4 So I wanted to mention those as we approach the
5 winter heating season, that you keep those in your mind when you
6 go back to the legislature as I'm sure that you will, in January
7 of this year.

8 I did want to ask you a couple of questions. First,
9 I wanted to ask you if you were aware of -- how you became aware
10 of this public hearing, whether you read about in media reports
11 or whether it was through communication from our office.

12 MS. BRINGER: I received communication from your
13 office. And that's when I first became aware of it. I
14 subsequently, I believe, saw it an article in the paper maybe
15 about it.

16 COMMISSIONER CLAYTON: You did see an article in the
17 Hannibal newspaper?

18 REPRESENTATIVE BRINGER: I thought that I did. The
19 first contact I had though was an e-mail from the Public Service
20 Commission.

21 COMMISSIONER CLAYTON: Okay. Are you aware of
22 whether the notice was published in the Palmyra Spectator?

23 REPRESENTATIVE BRINGER: I'm not sure.

24 COMMISSIONER CLAYTON: Not sure?

25 REPRESENTATIVE BRINGER: Since it was already on my

1 calendar I might have seen it and just overlooked it since I
2 already had it down.

3 COMMISSIONER CLAYTON: Okay. The only other thing
4 that I wanted to mention to you -- and I think you mentioned a
5 number of things associated with the quality of service. If you
6 ever have any issues associated with any regulated
7 utility-related quality of service, billing issues or customer
8 service, please let us know. And if you ever have any interest
9 in learning more about what we do over at our building in
10 Jefferson City, please do not hesitate to call. You have an open
11 invitation.

12 REPRESENTATIVE BRINGER: Thank you very much. I
13 certainly appreciate your comments about the utilities assistance
14 and obviously I'll continue to support that and hope that the
15 legislature as a whole will continue to support increased
16 assistance and more sensible income guidelines for folks who
17 truly are in need and to relieve a lot of financial pressure
18 northeastern Missourians are facing right now.

19 JUDGE DIPPELL: Thank you. Commissioner Appling, do
20 you have questions for the Representative?

21 COMMISSIONER APPLING: Judge, I have no questions
22 because I have total confidence that Commissioner Clayton will
23 nail down all of your thoughts and intents. So thank you very
24 much. Good to see you, Robert, and thank everybody for coming
25 up.

1 JUDGE DIPPELL: Thank you. Are there any questions
2 from the attorneys? Mr. Berlin?

3 MR. BERLIN: No questions.

4 JUDGE DIPPELL: Mr. Posten?

5 MR. POSTEN: No questions.

6 JUDGE DIPPELL: Mr. Fischer?

7 MR. FISCHER: No questions, Your Honor.

8 JUDGE DIPPELL: Thank you, Representative. We
9 appreciate you coming out this evening.

10 REPRESENTATIVE FISCHER: Thank you very much for the
11 opportunity.

12 JUDGE DIPPELL: You have someone else signed up,
13 Commissioner?

14 COMMISSIONER CLAYTON: Yes. The next witness is
15 Ms. Zona Burkhead.

16 JUDGE DIPPELL: Ms. Burkhead, would you come forward,
17 please.

18 Could I get you to raise your right hand?

19 (Whereupon Ms. Burkhead was sworn by Judge Dippell.)

20 JUDGE DIPPELL: Could you state your name and spell
21 it, please.

22 MS. BURKHEAD: Zona Burkhead, Z-o-n-a,
23 B-u-r-k-h-e-a-d.

24 JUDGE DIPPELL: Could you give us your address?

25 MS. BURKHEAD: 120 Harris Lane, Hannibal, Missouri.

1 JUDGE DIPPELL: And are you a customer of Atmos
2 Energy?

3 MS. BURKHEAD: Yes, I am.

4 JUDGE DIPPELL: Go ahead with your comments then.
5 Thank you.

6 MS. BURKHEAD: I did not come here prepared to speak
7 publically and -- but since I'm here, I would say, my reason -- I
8 will be -- I'm eighty-five years old, I have no family. I live
9 on Social Security. It seems like every time you turn around, it
10 seems to me there's an increase in the cost of living and this
11 cost will amount to a lot to my income. And I don't feel like
12 that this is anything I can do about it. I only came here to
13 listen to see what was going on if possible and then I was
14 persuaded to speak publically.

15 Other than that, I really don't have anything to say
16 other than just trying to find out if I can have anything to do
17 with lowering the cost of anything that comes to me in like a
18 bill.

19 JUDGE DIPPELL: We appreciate your coming out to
20 participate this evening. Commissioner Clayton, do you have some
21 questions for Ms. Burkhead?

22 COMMISSIONER CLAYTON: I do. Thank you,
23 Ms. Burkhead. Thank you very much for coming out. It's good to
24 see you. I appreciate your willingness to come out. I wanted to
25 ask you, first of all, how you knew about -- how you found out

1 about this hearing tonight.

2 MS. BURKHEAD: I got a letter from the gas company
3 that they were -- there was this town hall type of meeting. I
4 don't think that was the word they used. But I thought, well,
5 I'll come to this and see what's going on.

6 COMMISSIONER CLAYTON: Was that in your bill? Was
7 that like an insert?

8 MS. BURKHEAD: No, it was a separate letter.

9 COMMISSIONER CLAYTON: It was a separate letter.
10 Okay.

11 MS. BURKHEAD: I have it in my purse. I don't have
12 the envelope.

13 COMMISSIONER CLAYTON: Do you remember how long ago
14 you received the notice?

15 MS. BURKHEAD: A week, ten days ago.

16 COMMISSIONER CLAYTON: About a week or ten days ago.
17 Okay.

18 MS. BURKHEAD: Uh-huh.

19 COMMISSIONER CLAYTON: But it was a time period where
20 you were able to prepare and plan your schedule to be here
21 tonight?

22 MS. BURKHEAD: Yes. I guess, yeah.

23 COMMISSIONER CLAYTON: I asked that because we look
24 around the room and you're the only one who showed up tonight.

25 MS. BURKHEAD: Well, I have a free evening so --

1 COMMISSIONER CLAYTON: I understand.

2 MS. BURKHEAD: I'm eighty-five years-old. I'm not
3 employed but I do charity work and volunteer every day somewhere.

4 COMMISSIONER CLAYTON: I understand. I'm sure you're
5 very busy. I wanted to ask you a few very brief questions.
6 First of all, I wanted to ask you if you are satisfied with the
7 quality of service that you receive from Atmos Gas, Atmos Energy.
8 Does the heat work when you turn it on? Or if it doesn't work,
9 do they fix it in a timely manner?

10 MS. BURKHEAD: I've never had any problem with the
11 service. The only thing that I would criticize is that they took
12 the billing, the collecting office away from Hannibal and which
13 it makes me pay by mail. When I was paying downtown, why, I was
14 downtown every day on some kind of charity work and made no extra
15 trip if I made a payment then. Now then I have to put a stamp on
16 an envelope.

17 COMMISSIONER CLAYTON: They don't have that building
18 downtown, do they?

19 MS. BURKHEAD: Not that I know of.

20 COMMISSIONER CLAYTON: Who operates that building
21 now?

22 MS. BURKHEAD: I think the bank.

23 COMMISSIONER CLAYTON: I think the bank does. I
24 think you're exactly right.

25 MS. BURKHEAD: They have their trust department

1 there.

2 COMMISSIONER CLAYTON: I understand. I understand.
3 So the gas -- the heat works when you turn it on, generally
4 speaking. How about billing issues? Have you ever had a bill
5 that was not accurate or any problems with the bill that you
6 received?

7 MS. BURKHEAD: No. I wouldn't know how to find out
8 if it was not correct. I just -- I pay all of my bills when I
9 get them.

10 COMMISSIONER CLAYTON: I understand.

11 MS. BURKHEAD: So --

12 COMMISSIONER CLAYTON: It's never looked out of whack
13 or out of proportion to what it's been in the past?

14 MS. BURKHEAD: I think I'm on the budget plan now so
15 I don't have anything to complain about there.

16 COMMISSIONER CLAYTON: Have you ever had to call the
17 customer hotline? Have you ever had any issues where you had to
18 call the company for assistance, and if you have, have you had
19 any problems or what kind of -- Have you been happy with it?

20 MS. BURKHEAD: I can't complain about it because I've
21 never called. But I've often thought that I would like to dig
22 but I'd have to call ahead of time, digging in the yard and work
23 in the yard. I'm not exactly sure where the line is.

24 COMMISSIONER CLAYTON: I see.

25 MS. BURKHEAD: So before I start digging, why I would

1 have to call them to get permission to dig.

2 COMMISSIONER CLAYTON: I understand. What, are you
3 digging a pool in your backyard yourself or something?

4 MS. BURKHEAD: Well, flowers.

5 COMMISSIONER CLAYTON: Flowers.

6 MS. BURKHEAD: And weeds. I haven't done that for a
7 couple of years. At my age I don't do all that.

8 COMMISSIONER CLAYTON: You're throwing that age
9 around. But it seems like you're pretty active, you've got a lot
10 of things going on.

11 MS. BURKHEAD: Well, don't ask me tomorrow what I did
12 today.

13 COMMISSIONER CLAYTON: That's all right. We've got a
14 court reporter that's written it down for you.

15 Ms. Burkhead, thank you for coming out tonight. I
16 appreciate you coming up and talking to us even when you didn't
17 plan on it.

18 MS. BURKHEAD: I'll know better than to come next
19 time.

20 JUDGE DIPPELL: Commissioner Applling, do you have any
21 questions for Ms. Burkhead?

22 COMMISSIONER APPLING: No. I thank Mrs. Burkhead for
23 coming out. I have no further questions. Seemed like our good
24 friend, Commissioner Clayton, has asked all the questions.

25 MS. BURKHEAD: I'll correct you. I'm a Miss not a

1 Mrs.

2 COMMISSIONER APPLING: Okay. Thank you.

3 JUDGE DIPPELL: Mr. Berlin?

4 MR. BERLIN: No questions.

5 JUDGE DIPPELL: Mr. Posten?

6 MR. POSTEN: No questions.

7 JUDGE DIPPELL: Mr. Fischer?

8 MR. FISCHER: Thank you for coming out. I have no
9 questions.

10 JUDGE DIPPELL: Thank you so much for participating,
11 Ms. Burkhead. Even if you didn't plan to, we appreciate your
12 comments.

13 Commissioner, is there anyone else?

14 COMMISSIONER CLAYTON: Is there anyone else here that
15 is interested in testifying? Going once, going twice. Judge,
16 I'm embarrassed to say that that's all we've got tonight.

17 JUDGE DIPPELL: Well, we must have planned this one
18 on top of some much more interesting activities in Hannibal.

19 COMMISSIONER CLAYTON: Well, may I say that there are
20 a lot of parking spaces outside but they're all full tonight.
21 But we didn't have a problem parking so I'm not going to cause
22 you any grief.

23 JUDGE DIPPELL: Okay. Well, we do appreciate the two
24 commenters that we had and the commissioners that weren't here
25 tonight will read these comments and the commission takes them

1 very seriously. Thank you all for participating.

2 And this concludes the hearing. We can go off the
3 record.

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