

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

TRANSCRIPT OF PROCEEDINGS
Evidentiary Hearing
November 4, 2010
Jefferson City, Missouri
Volume 5

In The Matter Of The PGA) File No. GR-2006-0288
filing of Laclede Gas)
Company For 2005-2006)

RONALD D. PRIDGIN, Presiding
SENIOR REGULATORY LAW JUDGE
ROBERT M. CLAYTON III, Chairman,
JEFF DAVIS,
KEVIN GUNN,
ROBERT S. KENNEY, via telephone
COMMISSIONERS

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JUDGE PRIDGIN: Good afternoon. We are on the record. This is a hearing in Cases No. -- or File Nos. GR-2005-0203 and GR-2006-0288 in the matter of Laclède Gas Company's purchased gas adjustment for 2004-2005 and 2005-2006.

I'm Ron Pridgin. I'm the regulatory law judge assigned to preside over this case. Right now it is about one o'clock in the afternoon November 4th, 2010. We are in the Governor Office Building in Jefferson City, Missouri.

I would like to get entries of appearance from counsel, please, beginning with the Staff of the Commission.

MS. SHEMWELL: Good afternoon. Thank you, Judge Pridgin. Lera Shemwell and Kevin Thompson representing the Staff of the Missouri Public Service Commission, Post Office Box 360, Jefferson City, Missouri 65102.

JUDGE PRIDGIN: Ms. Shemwell, thank you.

On behalf of Laclède Gas Company, please.

MR. PENDERGAST: Thank you, your Honor. Michael C. Pendergast and Rick Zucker appearing on behalf of Laclède Gas Company. Our business address is 720 Olive Street, St. Louis, Missouri 63101.

JUDGE PRIDGIN: Mr. Pendergast, thank

you.

On behalf of the office of the Public Counsel, please.

MR. POSTON: Thank you. Mark Poston appearing on behalf of Office of the Public Counsel and the public.

JUDGE PRIDGIN: Mr. Poston, thank you. Any other counsel wishing to enter an appearance?

All right. Hearing none, if I could inquire of the parties and apologize. The -- Judge Jones is assigned over this file but had to leave suddenly and so I am filling in for him. I understand this hearing to be over a discovery dispute between Staff and counsel and -- excuse me, between Staff and Laclède. And if I could get the parties' I guess, plans on how you wish to proceed. In other words, do you plan on calling any witnesses or are you simply presenting -- or going forward with oral argument?

MS. SHEMWELL: Judge, this was noticed as an evidentiary hearing. Staff is planning to call a witness. I would note that we are responding to very specific orders of the Commission and which the Commission notified Staff to produce a list of what Laclède -- what was -- what documents were requested

and what Laclède actually produced and also noticed that the hearing was to test Staff's voracity on that list. So we are prepared to offer the Staff person who prepared the list.

JUDGE PRIDGIN: Okay. Thank you. So you have one witness, Ms. Shemwell; is that correct?

MS. SHEMWELL: That's correct.

JUDGE PRIDGIN: All right.

Mr. Pendergast?

MR. PENDERGAST: Thank you, your Honor. We will have two witnesses to present today. And in terms of what they will testify to and what the proper scope of this evidentiary hearing is, as I recall, the order establishing this evidentiary hearing indicated that it was to assess the voracity of the various representations that Staff has made in its pleadings.

Among those representations that Staff has made in its pleadings is that the information that Staff has requested and that it wants to pursue penalties against Laclède for not providing is necessary because Laclède has been operating under a CAM in pricing its transactions that has not been approved by the Commission and, therefore, each transaction has to be evaluated and audited and this information is necessary to do that.

It is the company's perspective that that is simply not true. That the Cost Allocation Manual that Laclede has been operating under for the last nine years was the direct result of a Stipulation and Agreement that was approved by this Commission that went ahead and looked at the testimony of a Laclede witness, looked at the testimony of a Staff witness, said that we believe this CAM is necessary to go ahead and protect customers from cross-subsidizations and other detrimental effects; Laclede, go forward and submit this to the Staff and continue to go ahead and submit reports to the Staff on an annual basis. It set forth the pricing standards under which you'll be doing your transactions.

Shortly after that Stipulation and Agreement was approved by the Commission, we had a rate case where the Staff determined that Laclede should be allowed to go ahead and sell off-system gas to its customer -- or to its affiliate as well as other third-party purchasers in the wholesale market.

And in that tariff it specifically said that those transactions should be priced in accordance with Laclede's CAM and -- or the affiliate transaction rule, if applicable. We submitted a CAM that had the pricing standards to the Staff in December of 2001

which set forth specifically how these transactions were to be priced. And we did that because Staff had gone ahead and indicated that that was a component that should be included in the Staff, how are you going to go ahead and determine the fair market value or fair market pricing of this.

Not only did Staff recommend that, but they recommended that we have a code of conduct. And under that code of conduct we should train and advise our employees of how important it was to comply with the CAM. Not only should we do that, but if employees failed to comply with the CAM, they should face disciplinary action, including potential termination. Those were Staff's recommendations, not ours.

So we trained our employees. We told them that they needed to do this. We audited the CAM on an annual basis with our internal audit department. And when the Commission's affiliate transaction rule became effective and applicable to Laclede, we filed or submitted to Staff another CAM that made several modest changes in it to make sure that it was consistent with the affiliate transaction rule.

We were advised by the Staff shortly after we did that, that they would look over the CAM, they would go ahead and look at it page by page and

advise us if they had any problems with it. Well, we didn't find that they had any problems with it until about four years later when the Staff indicated that, well, maybe they had a different standard than what was in the CAM.

When Steve Reed stood before this Commission in oral argument and said, Well, you know, we really don't think the CAM's relevant or we're not going to pay any attention to it because we're going to go ahead and look at other standards for pricing these transactions, well, I'll tell you what.

You know, Mr. Thompson said in his pleading in his brief here that he didn't like the pejorative manner that the company has addressed these matters. And if I've been pejorative or we've been pejorative in our pleadings, I want to go ahead and apologize.

But I hope the Commission has some understanding of how frustrating it is when you have a document like this that all parties, including Public Counsel, have agreed to that is supposed to establish the rules of the game for conducting these transactions and then five or six or seven years later after those transactions have taken place you're told, Sorry, we think there might be a different standard

that we want to go ahead and use and we need to go ahead and ferret out a bunch of information applicable to this new standard that's never been authorized, that's not consistent with the CAM and that we believe is wholly inconsistent with the affiliate transactions.

You know, the rules of the game which have been approved by this Commission and which this Commission told us to go ahead and follow, ought to be observed by everybody. And when they are repeatedly not, we tend to get a little frustrated and we tend to go ahead and perhaps speak in very direct and straightforward terms about how egregious we think that is.

So we welcome the opportunity today to go ahead and shed some light on exactly what the CAM was, how it developed, that it was a product of both Staff and Public Counsel's, that we have filed annual reports every year to the Staff which set forth how we've gone ahead and priced various transactions and what those transactions have been. And hopefully that will be helpful to the Commission as it determines this issue. Thank you.

JUDGE PRIDGIN: Mr. Pendergast, thank you.

MS. SHEMWELL: Judge, if I may --

COMMISSIONER DAVIS: Can I ask a couple questions --

JUDGE PRIDGIN: Mr. Davis.

COMMISSIONER DAVIS: -- before we --

JUDGE PRIDGIN: Certainly.

COMMISSIONER DAVIS: I have a couple of questions.

JUDGE PRIDGIN: Certainly.

COMMISSIONER DAVIS: Mr. Pendergast, you said that the CAM is actually referred to in one of your tariffs?

MR. PENDERGAST: Yes.

COMMISSIONER DAVIS: Could you identify that tariff?

MR. PENDERGAST: It is PSC Missouri No. 5, consolidated original sheet No. 42 -- R-42. And if you like, I have a copy of it here that I can provide to the Commission.

COMMISSIONER DAVIS: Yes. Could you -- I mean, I don't know if Ms. Shemwell or anybody wants to look it over before you bring it up, but -- and I'm assuming we can take official notice of it since it's a tariff already on file here at the Commission.

MR. PENDERGAST: That would be my

understanding, Commissioner.

COMMISSIONER DAVIS: Okay. And is this in the definitions or where -- I mean --

MR. PENDERGAST: It's about two sentences down.

COMMISSIONER DAVIS: Okay. Here it is. So under one --

MS. SHEMWELL: Commissioner Davis --

COMMISSIONER DAVIS: Yes.

MS. SHEMWELL: -- I am sorry to interrupt.

COMMISSIONER DAVIS: Go ahead.

MS. SHEMWELL: But I would like to note that the Commission's orders for today are based upon the September 14th, 2010 order directing Staff filing, which directed Staff to list the documents that were requested and what was actually produced. So that's the notice that the Commission gave to the Staff and to the public, frankly.

And then the Commission also issued a later notice that the Commission will set this matter for a hearing to make a determination as to the veracity of Staff's assertions. Staff's understanding was that the Commission would ask questions about Staff's assertion on the documents that were requested

and what was actually produced since that was the order that was the basis.

If the Commission wants to address the CAM, Staff is more than happy to do that. However, Staff does not believe that that is what has been noticed for hearing today. Staff is prepared to fully discuss the list that Staff was ordered to provide and the basis of that list, but if the Commission wants to get into the CAM, Staff is going to need time to adequately prepare for that because Ms. Allee is not our witness on the CAM.

Our understanding of what the Commission ordered was simply that Ms. Alley or the Staff prepare a list and that's what we're here today to discuss. Again, that's what the Commission noticed. If the Commission wants to get off into the CAM, I would suggest that additional notice is required to Staff and -- and any other parties who might be interested.

COMMISSIONER DAVIS: Okay. Well, I'm just going to say, Ms. Shemwell, that I'm going to -- I'll take notice of that and it's fine, but I am going to go back and reference this document entitled Staff's Prehearing Brief, which copies were hand-delivered to my office on May 3rd, 2010 with the express request from Mr. Thompson that they actually

be read.

And I would refer you to page 5, that -- bottom of the page -- In the present case, it is critically important that the Commission is mindful that, one, Laclede has never submitted a CAM annually as the affiliate transaction rules require; and two, Laclede has never sought nor obtained Commission approval of its CAM as the rules require.

So I mean, you have placed this issue here in front of us today and I'm asking Mr. Pendergast about that. And we can -- you know, we may -- I agree, Ms. Shemwell, we may need another hearing, but, you know, it's -- in my opinion, Staff has taken somewhat schizophrenic positions here and I'm just trying to get to the bottom of one or all of them. And I agree we may have to have another hearing, but I want to go ahead and inquire of Mr. Pendergast, if you don't mind.

MR. POSTON: If I could just weigh in real quick before --

COMMISSIONER DAVIS: Sure.

MR. POSTON: I concur with everything that Ms. Shemwell stated. If we knew this was going to be about the CAM and -- I might have a witness here today, which I don't. This is --

COMMISSIONER DAVIS: So we need to have another CAM hearing?

MR. POSTON: Well, I think that's what the eventual hearing in this case is going to be about in part. But I just ask the Commission to keep this proceeding focused on what the Commission asked it to -- asked us to do.

COMMISSIONER DAVIS: We'll try to do that, Mr. Poston. I wish OPC and Staff would have been so mindful in some of our past proceedings here when we've had other Commissioners who have gone off way on fishing expeditions and, you know, everybody just sat silent. So I would --

MR. POSTON: I'm not aware of which cases you're talking about.

COMMISSIONER DAVIS: If you want some examples of those cases, Mr. Poston, I'm sure I can probably go back and find some of them.

COMMISSIONER GUNN: I'm sure Commissioner Davis would also understand the proposition that two wrongs don't make a right. So if that was done in the past, it's certainly not appropriate. And it was offensive then, it certainly is not appropriate to do it again.

And as I understand it, this hearing is

to determine solely whether Laclede Gas has complied with the terms of the Commission order. Not a request by the Staff, but of a Commission order. And if they have -- and if they have, wonderful, great, we can move on to the substantive issues. But we are here today to determine -- and if there are disputes about whether they have -- they have complied with the Commission order, then we can get -- we can resolve those here.

I am in no way trying to cut off your line of inquiry, Commissioner Davis, and I think you're correct that the issue was brought up in the brief and I certainly think the Commissioners are entitled to answer their own questions, but I also think that it is appropriate to keep focus on what this hearing is about, which is much more narrow than the broader -- the broader issue.

COMMISSIONER DAVIS: Right. I agree. I think I've just got two more questions for Mr. Pendergast here.

MR. Pendergast, when was the affiliate transaction rule promulgated, do you recall? It was before I got here.

MR. PENDERGAST: I believe it was either in 2001 or 2002.

COMMISSIONER DAVIS: Okay. And then Staff -- you said Staff raised those concerns four years later, so that would have been approximately '05 or '06?

MR. PENDERGAST: Staff raised the concerns about the consistency of the CAM with the affiliate transaction rule, to my knowledge, for the first time in 2007 after the transactions at issue in this case had already been completed.

We submitted a revised CAM when the affiliate transaction rule, which had been stayed as to Laclede and several other utilities, was upheld by the Missouri Supreme Court and became applicable to Laclede. In March of 2004, we filed a revised CAM and slightly revised some aspects of the CAM. You know, they were pretty consistent with the rules to begin with, but it revised a few aspects of the CAM. We submitted that to the Staff and to OPC and we also had a requirement to submit it to our labor union, which we did.

And it was after that that the Staff assured us they would take a look at it, they would go ahead and let us know if they had any problems. And as I said, it wasn't until these ACA proceedings that we began to go ahead and get the notion that Staff

thought a standard other than what we had in our CAM and a pricing process other than what we had in the CAM should be applicable to these transactions that had already taken place. So, you know, it's been sitting with Staff and OPC for years.

As I said, we tried to comply with those CAMs, we were directed by Staff to go ahead and make sure our people were trained in accordance with that CAM, that they were subject to penalties and disciplinary action if they didn't comport their transactions with that CAM. And to find out years after the fact that what we were instructed to go ahead and comply with is irrelevant and meaningless and that the Staff is free to pursue something different than that, it's -- it's really frustrating.

COMMISSIONER DAVIS: Okay. This is my last question, Mr. Pendergast. We have the -- Mr. Thompson seems to -- Mr. Thompson implies that in his brief and then also the affiliate transaction rule -- I'll go with the marketing affiliate transactions 4 CSR 240-40.016, I'm going to say 4 -- I'm going to say 4D, which is -- you know, it references that the gas corporations will use a Commission-approved CAM.

I mean when this dispute arose, you know,

why haven't you or any of your utility brethren ever sought approval of the CAM? I mean, wouldn't that have resolved this issue already?

MR. PENDERGAST: You know, Commissioner, that's an excellent question. And I don't know why nobody other than Laclede has sought that kind of Commission approval.

But to the extent the Commission approval is required, we got the closest thing to approval that I can think of. We have a Stipulation and Agreement that was approved by the Commission in 2001 that had testimony from the company that said, Here's what a Cost Allocation Manual should look like and this is what it should include, that had testimony from the Staff that said, Here's what should be included; in addition to what the company has, I want A, B, C, D, E, F and G in it. And the Commission said, Go forward and implement that kind of CAM and everything will be just fine and then submit it to Staff on a regular basis thereafter. That's exactly what we did.

And so if you're looking for something that's been approved by the Commission, I think Laclede comes a heck of a lot closer to it than any other utility in this state. And why other utilities haven't sought Commission approval, I don't know, but

we thought we had an operating document here that was fully consistent with the Commission order.

COMMISSIONER DAVIS: Okay. But obviously the affiliate transaction rule superseded your old CAM in some respects and the CAM or the -- the marketing affiliate rule and everything says, you know, Commission approved.

And when they said -- I mean and this is me -- my impression was when you became aware that Staff had issues with the CAM, you know, why -- why not -- I mean why not file -- file something? I mean because I mean obviously you think that, you know, apparently the -- the stip from 2001 supersedes the rule. I mean why didn't you file something and bring that to the Commission's attention in 2007, I mean, as opposed to here we are in 2010? We've got three or four of these cases stacked up and, you know, and it looks like we are months, if not years, away from resolving this issue still.

MR. PENDERGAST: Yeah. And I guess, you know, from a procedural standpoint, that's certainly another alternative that we could have pursued, but in a way, we had pursued that very thing. We have argued to the Commission, Here's what our CAM is and here's what it says. We've talked about how, you know, the

Commission approved the CAM process and that we should move forward with one and what the elements should be. And -- and we've raised that repeatedly before the Commission and said, This is what our CAM says.

Now, you know, that's asking the Commission to go ahead and approve it maybe by a different means than just saying, Okay -- and I think we provided copies of the document too to the Commission. The Commission's seen it.

COMMISSIONER DAVIS: Right.

MR. PENDERGAST: They've gone through it. And if I thought that proceeding in a slightly different way and saying, Okay, we're being very direct now and we're asking you to go ahead and approve this CAM rather than simply put before you the CAM and say, Here's what it says and here's why it ought to go ahead and be dispositive of these issues, we'd be more than happy to go ahead and do that.

In a way, I think we have done that. Not as directly as perhaps we could have, but if that's something that the Commission believes would be helpful to resolve, you know, this rather lengthy morass, we'd be more than happy to go ahead and do it.

COMMISSIONER DAVIS: All right. Thank you, Mr. Pendergast.

COMMISSIONER GUNN: The 2001 Stipulation and Agreement that you're referring to --

MR. PENDERGAST: Yes.

COMMISSIONER GUNN: -- is that the same one that allowed the LER to exist? Is it the same stipulation?

MR. PENDERGAST: Well, it's one that recognized reorganization. LER at the time was already a separate corporation, a separate legal entity. And what it did was recognize a reorganization where we now had a parent company, Laclède Group. And rather than be a subsidiary of Laclède Gas Company, it became a sister utility.

COMMISSIONER GUNN: A sister. And that's the same Stipulation and Agreement where Laclède agrees not to say lack of possession or possession of documents in LER's possession was not a defense to providing documents to the Commission?

MR. PENDERGAST: Yes. We said that in the context of, Commissioner, to the extent that we had agreed to provide information and that information was information that was necessary to ensure compliance with the CAM or other relevant regulatory purposes.

And our view on that is it wasn't an

agreement to go ahead and provide documentation no matter how irrelevant it might be, no matter how far afield it might be from the CAM or far afield it might be from the Commission's affiliate transaction rule. I really resist just taking one aspect of that Stipulation and Agreement and say, Oh, you agreed not to go ahead and object to information on the basis that --

COMMISSIONER GUNN: That's not what I asked.

MR. PENDERGAST: Okay. I'm sorry.

COMMISSIONER GUNN: I asked that possession would not be a defense to providing the information.

MR. PENDERGAST: We agreed that we would not raise that objection, but we agreed in the context of only agreeing to provide information that was relevant to the Commission's rate-making authority.

COMMISSIONER GUNN: Well, but -- I understand. And I appreciate you trying to get that in again, but I'm focused on the one issue.

MR. PENDERGAST: Sure.

COMMISSIONER GUNN: I appreciate your apology on the pejorative pleadings because I, quite frankly, think that the pleadings they have been

pejorative in this case. They've been some of the harshest that I've seen and to the point where -- where you accuse Commissioners of misconduct and I think it showed a basic lack -- lack of respect. But I will -- I will also say that I -- I will acknowledge the frustration that may be occurring and that that may be an example of that frustration.

I would ask that you would also acknowledge that it gets very frustrating for Commissions when they issue orders and utilities don't comply with them or don't follow them, as a general -- as a general proposition.

I think that your comments about the CAM and Commissioner Davis' questions are perfectly appropriate, but I also think that this is a hearing -- that's substantive. And I think you would agree that ultimately what the Staff recommends or what the Staff decides is not the decision, but the decision is ultimately made by the Commission. Correct?

MR. PENDERGAST: No, I -- I would agree with that. But I'd also like to point out that what the Staff is requesting here is authority to go to circuit court and level penalties on Laclede Gas Company for its alleged failure to go ahead and comply

with the Commission's order.

COMMISSIONER GUNN: Right.

MR. PENDERGAST: And we -- we think we have complied and we think we have gone ahead and provided what's available.

COMMISSIONER GUNN: But that's what we're deciding today. It is certainly appropriate for us to make inquiries to determine whether utilities which we regulate have complied with our orders. Correct?

MR. PENDERGAST: Yes.

COMMISSIONER GUNN: And if they don't comply with our orders, then the remedy in the statute is to go to circuit court and seek penalties.

MR. PENDERGAST: It is.

COMMISSIONER GUNN: The fact that we're having this hearing today certainly doesn't prejudge either compliance with the Commission order or the ultimate substance as to whether or not the issues that you brought up with the CAM may ultimately be decided in your favor.

MR. PENDERGAST: You know, that's true, but -- but one thing I have to note here is that the affiliate transaction rule itself, as well as the Stipulation and Agreement in the 2001 case, do not establish the principle that the Staff can get

whatever information it wants. Okay? It doesn't establish that. It doesn't say you can go to an affiliate and whatever tickles your fancy, you can go ahead and get it.

What it says is you can get information that's necessary to satisfy compliance with the standards and other requirements that are in the rule. And I've seen a resistance, quite frankly, to deciding what those standards are and what they mean.

COMMISSIONER GUNN: But the Commission has decided in the current order that we're talking about what those -- what documents are being -- are required. In what -- in what the Commission's opinion, whether it be wrong or right, but in -- and there are differences of opinion, but what the Commission order deems relevant and available and -- and needed to be produced.

MR. PENDERGAST: Well --

COMMISSIONER GUNN: That decision's been made. And it's been challenged, has it not?

MR. PENDERGAST: Yeah, it's been challenged.

COMMISSIONER GUNN: And to the higher courts?

MR. PENDERGAST: Well, we -- it's on a

stay. You rarely, if ever, get those. And we, you know, follow the normal pattern there and didn't receive a stay, but the substantive issue hasn't been decided yet.

COMMISSIONER GUNN: So as we stand today -- and you're certainly well within your rights to move that up, but -- but the Commission has made a determination that these documents are relevant. And I -- I don't disagree with your point that Staff has cart blanche to go out and get whatever they want to get, but that determination's already been made.

MR. PENDERGAST: Well, the Commission made a couple of determinations. At one point, you know, it said, I'm not going to talk about the affiliate transaction rule. Said it's a red herring. It said, I'm not going to talk about enforcement of the Stipulation and Agreement. It's a red herring. I'm just going to go ahead and pursue under the general rules of discovery.

And under the general rules of discovery, generally speaking, you only have to provide information that's within your control, possession and custody. And we have provided all the information that's within our control, custody and possession. We have worked with LER to provide additional information

that we think is consistent with the affiliate transaction rule and consistent with the CAM. So from our perspective, we've complied with the rule -- or with the Commission's order and we've complied fully with it.

COMMISSIONER GUNN: Which we'll decide today. We might agree with that.

MR. PENDERGAST: Right. And -- and -- and the Commission said before in an order January 20th, I think it was, eight or nine months ago when it was proceeding under the general rules of discovery, as they did in the subsequent order, that Laclède only had to provide information that was in its possession.

So, you know, the Commission never overturned that, they never reversed it, they never said, Laclède, you don't have to go ahead -- or you have to turn over information whether it's in your possession or not. So that's an order that's still outstanding.

And, of course, you know, we do have the Commission's order in 2001 in the holding company docket that I don't think we can completely ignore. And that I'm -- you know, it's been called a red herring, that order and the CAM and everything else in

the August order. I still don't understand how it is a red herring, but the fact of the matter is that's a valid Commission order too.

COMMISSIONER GUNN: Okay. But today we're just determining whether the valid Commission order to -- order to turn over documents has been complied with.

MR. PENDERGAST: Well, you know, from my perspective --

COMMISSIONER GUNN: I don't want to reargue -- I don't want to reargue the relevancy issues.

COMMISSIONER KENNEY: Well, that's what we're doing.

COMMISSIONER GUNN: They've been decided. The issue here is whether you complied. And you may -- we may come out of this and say, You have absolutely complied. You know, thank you very much, you've done everything you're supposed to do, appreciate it, you know, good work. But we don't need to reargue because the Commission has already made a determination.

MR. PENDERGAST: Okay. And -- and Commissioner, I just have to respectfully dissent that the Commission really has decided those issues. I

think they --

COMMISSIONER GUNN: There's an order that says you have to provide these documents. Correct?

MR. PENDERGAST: There is an order that says provide --

COMMISSIONER GUNN: And do you get to pick and choose what documents of those you decide you want to comply with based on the Commission order?

MR. PENDERGAST: I think --

COMMISSIONER GUNN: This -- this is -- remember, this is procedural. I'm not talking substantive. So I just want to make sure that the principle that you're standing for is, is that when there is a valid Commission order that is in effect, that you get to independently, as the -- as the utility, decide what documents you get to turn over and what you don't?

MR. PENDERGAST: I have --

COMMISSIONER GUNN: If you believe that, that's fine. I just want to make that clear.

MR. PENDERGAST: I haven't independently decided that. I have provided the Commission, we have provided the Commission all the documents that are in our possession.

Now, what you're saying is you want

documents from LER. You want documents from somebody that's not in this proceeding today and you want to go ahead and get them through Laclede Gas Company. I have given you all the documents that Laclede Gas Company has. And I have arranged with LER to provide additional documents to go ahead and give to Staff based on what the standards are we were supposed to be operating under for the last eight or nine years. So I have done that.

You know, the Commission's free to narrow this as much it wants to narrow it, but I think I'm free to go ahead and say I don't agree with that narrowing and I don't think it's appropriate. I don't think it was appropriate six or eight months ago and I don't think it's appropriate today.

We followed the rules, Commissioner, and they ought to have to follow the rules too and the rules of the game. And compartmentalizing it and segregating it and saying, We're just doing this little narrow issue while we're ignoring the big picture, to me is not an appropriate way to administer justice.

COMMISSIONER GUNN: Okay. So you -- I mean, I just -- I just -- good to know where you stand; that Commission orders, if you think that there

are bigger issues that are involved, you don't have to comply with them.

MR. PENDERGAST: I have complied with them.

COMMISSIONER GUNN: But the -- you said you have complied with this particular one.

MR. PENDERGAST: I have.

COMMISSIONER GUNN: But you just said -- stated very passionately that you think that in the bigger issues, that -- that you don't have to.

MR. PENDERGAST: Well --

COMMISSIONER GUNN: I mean are you -- that's what I'm trying to make clear. I'm not trying to --

MR. PENDERGAST: I understand.

COMMISSIONER GUNN: -- I'm not trying to pick a fight.

MR. PENDERGAST: I understand.

COMMISSIONER GUNN: I'm just trying to get an idea procedurally what we're talking about.

MR. PENDERGAST: Yeah. And --

COMMISSIONER GUNN: And are we talking about compliance or something bigger? And, look, I -- I think that Commissioner Davis is right. I think we're going to probably have to have another hearing

about the CAM. And at the end of the day, I might agree with you 100 percent on the substantive issues.

There is a procedural issue and a Commission order issue that I think is -- is paramount to what this Commission does. Commission orders, whether you -- whether people agree with them or not, if they are determined to be lawful, need to be complied with.

It is a general broad-based principle that is what makes this Commission work under the statutory scheme. And if that principle isn't adhered to by Staff, by investor-owned utilities or anyone else that we have jurisdiction over, this -- this whole regulatory scheme falls absolutely apart.

So we're not talking about some minor detail in -- in what's going on. We're talking about a bedrock foundation of what -- what the Commission does. And so I just want to make perfectly clear that when Commission orders the law-- lawful Commission orders, when they are in force and effect, need to be complied with.

MR. PENDERGAST: And -- and --

COMMISSIONER GUNN: And -- and you -- we're going to determine whether you complied with this today. And like I said, we may very well agree

with you that you complied.

MR. PENDERGAST: And, Commissioner, I fully agree and fully respect what you've said. And -- and the Commission, if it's going to function, has to have its orders complied with. I don't disagree with that at all. You know, subject to appeal --

COMMISSIONER GUNN: Absolutely.

MR. PENDERGAST: -- so forth and so on. And -- and I'm telling you that notwithstanding my concerns about the bigger picture, you know, I believe we have gone ahead and complied with the orders. I think we've turned over all the documents that are within our possession.

I think that people saying that we don't have the right to say that we've turned everything over in our possession because of the Stipulation and Agreement in the 2001 case, if they're going to interject that, they also have to talk about what that agreement said about the CAM and other things, which I don't think have been followed, but notwithstanding that, I think we have turned it over.

You know, the only documents that are still sought are documents that belong to somebody else that's not in the hearing room today, another

party, another legal entity. And, you know, the only other thing I would notice about that is, you know, two years into this, LER has still never received a subpoena for these documents. They've sought them solely through Laclède Gas Company. They've submitted subpoenas to LER before. LER has in some instances complied with them, in some instances not.

Yet here we sit today facing possible penalties, you know, when the Staff hasn't even attempted to go ahead and get that -- it through a subpoena through LER, which, you know, is certainly a mechanism the Commission has available for discovery.

COMMISSIONER GUNN: You probably -- can you speak on -- I mean, you may not be able to answer this question and I'm not asking you to because I know that there are -- that there are lines set up in order to make sure -- does LER recognize Commission -- has LER's compliance with Commission subpoenas been voluntary or do they believe that they are required to comply with Commission subpoenas? I just don't know so I'm just asking the question. And you may not -- I don't want you to answer the question if you don't feel like you can or you --

MR. PENDERGAST: Well, I -- I can't -- I don't even know if they've directly considered the

question. All I can tell you is I'm familiar with the fact that they have complied with them in the past.

COMMISSIONER GUNN: In certain instances?

MR. PENDERGAST: In certain instances. I think they've resisted them in several other instances. And, quite frankly, in this instance when we had the evidentiary hearing come up, obviously we've had discussions with LER about this entire issue. As I said, we arranged to have some information provided.

And we asked them once again, you know, the Commission has said that they're going to have an evidentiary hearing to consider whether we've complied with it. You know, consider anew providing this kind of information. And they responded and said, We don't believe that in this particular circumstance, that we should be providing this information or we have an obligation to. And we'll be happy to make those letters available to the Commission.

COMMISSIONER GUNN: Mr. Pendergast, I appreciate your indulgence and I look forward to hearing from the witnesses.

MR. PENDERGAST: Thank you.

JUDGE PRIDGIN: Commissioner Gunn, thank you. Commissioner Kenney, you had questions?

COMMISSIONER KENNEY: Yes. Can you all hear me?

JUDGE PRIDGIN: Yes, sir.

COMMISSIONER GUNN: Yes.

COMMISSIONER KENNEY: Everybody?

JUDGE PRIDGIN: Yes.

COMMISSIONER KENNEY: There was a document -- this is -- Mr. Pendergast, there was a document that Staff filed that's marked HC that was an attachment.

MR. PENDERGAST: Yes.

COMMISSIONER KENNEY: The chart. I think it was filed September 30th. Do we need to go in-camera to discuss that?

MR. PENDERGAST: I don't think so. If we talk about it generally, I think we'll be okay.

COMMISSIONER KENNEY: Let me just -- I want to make sure I'm clear because I was sitting over here and listening and it sounds dangerously close to me like we're re-litigating the whole issue of what documents are responsive and which documents are not responsive.

And I just want to be clear that from my understanding, Judge Wilson, in reviewing Laclède's writ of review, directed its writ of mandamus to

Laclede ordering it to comply with the motions -- with our orders granting Staff's Motion to Compel; is that right?

MR. PENDERGAST: Well, he directed that, but I believe he put in his order to the extent the information is within our custody, possession and control.

COMMISSIONER KENNEY: So it's possession and control?

MR. PENDERGAST: I believe that's what was in his order. I don't have it right now.

COMMISSIONER KENNEY: It's not -- I guess what I'm -- I guess what I'm trying to figure out is -- because my understanding of the relevance of this provision in the CAM that -- or the -- in the stipulation rather, there was a provision in the stipulation that -- that provided that Laclede would not use as a defense or an objection to providing documents that it doesn't have possession or control of certain documents. Right?

MR. PENDERGAST: In the context of what information we were agreeing to provide, that is correct. And my point is that they have gone outside the information that we agreed to provide. And having done that, they're trying to use this provision that's

contingent on it being relevant under that particular provision.

COMMISSIONER KENNEY: And it's relevant for purposes of determining compliance with the CAM. Right?

MR. PENDERGAST: Right.

COMMISSIONER KENNEY: Or our general regulatory functioning. Correct?

MR. PENDERGAST: Exactly.

COMMISSIONER KENNEY: Okay. And part of our general regulatory function is to engage in the PGA and ACA review. Right?

MR. PENDERGAST: It is.

COMMISSIONER KENNEY: Okay. So that to me -- and I guess I'm doing what we're not supposed to be doing, I'm re-litigating this issue. But to me, that last portion of -- of the phrase "whether it's relevant to compliance with the CAM or for purposes of our general regulatory functions," that catch-all phrase would seem to encompass what we're discussing here, a PGA or ACA review.

MR. PENDERGAST: You know, if you keep it very general like that, I think perhaps you could go ahead and say that it's in connection with something of that nature. But I think that when you have rules

that say how things are supposed to be priced and you have a CAM that says how things are supposed to be priced and you have those rules saying that the affiliate of a utility is only required to provide access to information necessary to show compliance with those things, that to then say, you know, because Staff has determined that it wants to pursue a different kind of standard that's inconsistent, in our view, with both the CAM and the rule, that it can get whatever information it wants, I -- I don't believe that we agreed to that.

It's as if Staff had said, If you're purchasing gas from an affiliate where the seller has red hair, I'm not going to go ahead and recognize that. Tell me who has red hair over at LER. And if we **objected**, I would hope the Commission would say, Of course you don't have to answer that kind of question. That has no relevance to anything.

And, quite frankly, I think at this point the disjunct between the rule and the approach that Staff is taking and the standard that it is advocating is just as wide as -- as that example.

They've clarified over the last couple of months in the Atmos case and this case that their view is if you do business with an affiliate, no profit.

The affiliate can't profit. You know, in contrast to every other marketer out there. If it's your affiliate, they don't get to earn a profit. And if you sell gas to the affiliate, we got to follow it around, see what it did and take those profits away as well. And I'll tell you --

COMMISSIONER KENNEY: Let me interrupt you because I don't want to -- we're getting a little more deep into the analysis than I was trying to get. The -- if -- if you're purchasing gas from an affiliate, is it relevant to a prudence analysis to determine the price at which the affiliate purchased it from its upstream supplier?

MR. PENDERGAST: Absolutely not. No. It's not the least bit relevant.

COMMISSIONER KENNEY: Because you complied with what's in the CAM?

MR. PENDERGAST: Because we complied with what's in the CAM and there is no additional basis in this particular case for saying that that was imprudent. As I've said before --

COMMISSIONER KENNEY: Wait, wait, wait, wait. Let me make sure I understand what you're saying. You're saying there's no additional basis to argue that it's imprudent because it complied with the

CAM?

MR. PENDERGAST: I -- in this particular circumstance. I'm saying there are circumstances where that wouldn't be the case. If we bought a lot more gas than we needed, I don't care if it's in compliance with the CAM, you bought too much gas, that's imprudent. If we bought from a prohibitively inexpensive source for reasons other than reliability or diversity, even if the price was in compliance with the CAM or the affiliate transaction rule, I think you could raise prudence there.

But none of those factors have been raised in this case. The only thing that's been raised in this case is, you know, it's not the priced the right way and I don't think an affiliate ought to be able to make a profit and, therefore, I'm going to go ahead and propose a disallowance.

And, you know, if -- if you had wanted to go ahead and not have affiliates make any profits in transactions with utilities, then just write a rule to that effect and say they can't do that. But don't have an affiliate transaction rule that assumes you can do these transactions and a discrimination rule that says treat your affiliate and other marketers like that and then do exactly the opposite.

COMMISSIONER KENNEY: So you are saying the compliance with the CAM does not end the inquiry. Correct?

MR. PENDERGAST: I'm saying it doesn't necessarily end the inquiry in each and every case. In this case, it absolutely, definitively does end the inquiry.

COMMISSIONER KENNEY: Why? Why -- why in this case?

MR. PENDERGAST: Because Staff has not put anything in its pleadings, in its recommendations or anything else that would say even though they're in compliance with the CAM, they're still imprudent because, for example, they bought too much gas; for example, they bought it at a prohibitively expensive location where they normally wouldn't do it and for reasons other than reliability.

You know, what the Staff is doing here is saying, They bought it, it was from an affiliate and I want to apply a different standard than fair market price even though you've been able to demonstrate six ways from Sunday what that fair market price is.

COMMISSIONER KENNEY: But what your -- this is kind of circular, but isn't what Staff trying to -- isn't Staff trying to find out the very things

that you're saying that they haven't alleged?

MR. PENDERGAST: You know, we -- we have demonstrated to Staff that this was a price that was consistent with what unaffiliated suppliers were offering. We have demonstrated to Staff that this is consistent with the market price for gas in the St. Louis market was based on LER's sales to schools that was also done under a competitive bidding process.

We have shown that this is consistent with what our own GSIP, our lawful tariff approved by the Commission, said was a benchmark for determining whether you have procured gas in a superior enough way that you ought to be rewarded for it. This was better pricing than what's in our GSIP -- our approved GSIP.

And we have also shown Staff that based on what LER based for the gas on the MRT West Line, the markup they had was less than the markup we get when we make off-system sales and less than their average markup.

So, you know, I'm not sure how many different ways you can prove that something that was competitive, but -- but it doesn't matter.

COMMISSIONER KENNEY: They're not allowed to make their own independent determinations of how

they want to go and analyze these sales?

MR. PENDERGAST: What they are not permitted to do is to come in and tell a utility, We're changing the rules of the game after the fact, whether they're going to say prudence or otherwise, and we're going to subject you to a different standard than what we agreed to seven or eight years ago, that we've had full access to over that period of time and we've just decided that you shouldn't have profits under these transactions. They are not permitted to do that, Commissioner.

COMMISSIONER KENNEY: But they are permitted to -- see, I'm -- so you're saying that they're not permitted to go any further than what is allowed by the CAM, but then you're saying yes, they are permitted to go and --

MR. PENDERGAST: I'm saying if there were facts or circumstances that fell outside the CAM -- and I've given several examples, bought too much gas --

COMMISSIONER KENNEY: But those are your examples. What -- I mean, that's not --

MR. PENDERGAST: And I haven't heard another example from the Staff. The only thing I've heard from the Staff is we've got a different

standard --

COMMISSIONER KENNEY: Well --

MR. PENDERGAST: -- and -- and we don't want you to make any profit on these transactions. And that's not what your rules provide, that's not what our CAM provides. That's just a fundamentally disconnected unauthorized standard.

COMMISSIONER KENNEY: And forgive my ignorance, because I don't remember Staff making the argument that they're trying to make a blanket determination that you shouldn't -- that an affiliate can't make profits.

Is that argument the Staff is making Ms. Shemwell or Mr. Thompson?

MS. SHEMWELL: Judge, I'm going to respectfully remind the Commission that this particular hearing --

COMMISSIONER KENNEY: No, I know. I know. I know. And I'm going to get back to that, but I'm just -- I just -- is that the argument the Staff's making?

MS. SHEMWELL: No, sir.

COMMISSIONER KENNEY: It is not?

MS. SHEMWELL: No, sir.

MR. PENDERGAST: Your Honor, all I can go

by is what Staff puts on paper and put in its words and says to the Commission. And they have said in our case in their answer to the counterclaim that there shouldn't be any profit that inures to an affiliate, all ought to inure to the ratepayer, that there shouldn't be any profit for an affiliate when you purchase gas. They said in the Atmos case there shouldn't be profit earned by an affiliate.

So I don't know how many times Staff gets to say it and then say that's not what they mean, but they've clearly said it over and over again.

COMMISSIONER KENNEY: Okay. I'm sorry. Let me get away from that and let me return to this Attachment A. And the first page of it, I want to make sure we're talking about the same document. It's -- it's horizontally oriented. It says, Staff's requested documents 9/1808 Motion to Compel on the left-hand column. And then next to that, detailed list of documents requested by Staff. Is that the -- are we talking about -- is that the same chart?

MR. PENDERGAST: Yes.

COMMISSIONER KENNEY: And then there's one, two, three, four, five boxes on that front page and those are the documents Staff has requested?

MR. PENDERGAST: Right.

COMMISSIONER KENNEY: Are the parties all in agreement that those first five documents are, in fact, the documents that Staff requested and that were covered by the September 18th Motion to Compel?

MS. SHEMWELL: Staff is.

MR. PENDERGAST: I don't disagree with that, Commissioner.

COMMISSIONER KENNEY: Okay. And then the second column is a detailed list of documents requested by Staff. And is everybody in agreement that that column is accurate and what's -- it's a detailed list of the documents that the Staff requested?

MS. SHEMWELL: Yes, sir.

COMMISSIONER KENNEY: Mr. Pendergast?

MR. PENDERGAST: Yes.

COMMISSIONER KENNEY: And then the third column, Status: Complete response, partial response, no response. Does that column accurately reflect Laclede's responses to each of those document requests?

MR. PENDERGAST: No, your Honor, it does not.

MS. SHEMWELL: Staff -- Staff --

COMMISSIONER KENNEY: It does not?

MS. SHEMWELL: Staff believes that it does.

COMMISSIONER KENNEY: Okay. Let's start with number one, partial response. Is that accurate, Mr. Pendergast?

MR. PENDERGAST: Well, if what you mean by response is did you provide certain documents, I would say yeah that is a partial response. But if what you're saying is you didn't respond or explain why you did not provide documents, no.

I mean we provided documents that we had or we arranged with LER to provide documents that they agreed were relevant. And all I want to do is indicate that when it says no response, it wasn't a case of us just giving the high hat to the Staff and saying, Well, go, you know, whatever.

COMMISSIONER GUNN: That's good enough.

COMMISSIONER KENNEY: Why is it only a partial response, Ms. Shemwell?

MS. SHEMWELL: Commissioner Kenney, Anne Allee is here today to testify about this document. Perhaps --

COMMISSIONER KENNEY: All right. Well, maybe I'm taking you guys off of your presentation. I apologize. I'll stop. But it occurs to me that this

document is -- is the focus of this -- the focus of this hearing. And what it sounds to me like though and where we're going to have a problem is there's still some discussion about what is relevant and what isn't relevant. And I thought that that determination had already been made. Because when I heard you say, Mr. Pendergast, that you provided the documents that Laclède thought were relevant and --

MR. PENDERGAST: We provided everything that's in our possession, your Honor.

COMMISSIONER KENNEY: Possession and control or just possession?

MR. PENDERGAST: Well, possession -- possession or control. The only thing that has not been provided by Laclède is documents that belong to a different company, LER.

COMMISSIONER KENNEY: So documents that belong to LER are not provided?

MR. PENDERGAST: Some documents that belong to LER haven't been provided. But as the list on the right shows, LER did cooperate in providing a fairly significant amount of data to the Staff that, you know, LER I guess believed was appropriate or relevant or did for whatever reason.

COMMISSIONER KENNEY: Well, let me just

ask a question about that. If Laclède coordinated with LER and provided some documents in some circumstances, how is it determined which documents would be provided by LER in which circumstances?

MR. PENDERGAST: Well, we -- we didn't determine it. LER determined what it was willing to go ahead and provide. And as I indicated earlier in advance of this hearing, we asked LER to consider anew the information that had been provided.

They provided a rather lengthy response to Laclède saying that, you know, they provided a significant amount of information, but for various reasons, they did not believe it was appropriate to provide the information that they hadn't provided yet.

And, of course, you know, they've never been served with a subpoena, they've never been directly approached by the Staff to go ahead and provide this information and they didn't believe it was appropriate so they didn't --

COMMISSIONER KENNEY: Do LER and Laclède share any same officers or directors?

MR. PENDERGAST: Yes, they do. And -- and, you know, this issue's come up before. I think it came up in the Ameren case. And there's an appellate decision that basically says when you have

common officers or directors, they have fiduciary responsibilities to both of the companies that they operate under. Of course, the affiliate transaction rule freely contemplates that you'll have common officers and directors that will share corporate services.

And the thing is just because they have common officers or directors doesn't mean that they're free to go ahead and order a different company to provide something that they believe as a fiduciary duty shouldn't be provided.

COMMISSIONER KENNEY: No, I understand. I mean, I -- I understand. I just -- there is -- it seems to me -- well --

MS. SHEMWELL: Commissioner Kenney --

COMMISSIONER KENNEY: -- if LER's not going to provide documents -- or if Laclede's not going to provide LER documents because they're not in the possession and control -- I don't know. It just seems like it's fraught with peril in that you provide some of them, but not all of them and you decide which ones you're going to provide and which ones you're not going to provide.

MR. PENDERGAST: Well, you know, and I would hope that wouldn't be held against us. That was

us trying to be cooperative. That was --

COMMISSIONER KENNEY: No, I understand.

MR. PENDERGAST: -- trying to go above and beyond board and arrange to provide information that could even be conceivably relevant to this. And -- and I think we did that. And -- and I don't think that that is a reason to go ahead and say that you ought to agree to stuff that's not relevant under our CAM or the affiliate transaction rule.

And the only other thing too I'll say on the common officers and directors, there's a case out there -- when we were over in circuit court, we pointed it out. Somebody had come to the state of Missouri and I don't know whether they went to the Department of Revenue or something and said, I want this information.

Well, the Department of Revenue didn't have the information. Another governmental agency had the information. Now, you know, they're all under a common officer, it's called the governor. And maybe they were even under a division director, I don't know. But the fact of the matter is they're separate agencies with separate, you know, legal capabilities and -- and responsibilities.

And the court said, Of course you don't

have to go ahead and turn over information that's in another agency. Well, you know, this is in another company.

COMMISSIONER KENNEY: Okay. One final question and then I will let you all get back to your -- the order of your presentation.

In the circumstance where it indicates that there was no response and that no documents were produced, were those documents that we had already ordered to be produced?

MR. PENDERGAST: I would think that they were documents that were listed. And those were documents that we had probably responded if they weren't produced, that we don't have them.

MS. SHEMWELL: And my response is yes, Commissioner.

COMMISSIONER KENNEY: But they were -- where it says, No response or none, those are documents that would have been subject of the motions to compel that the Commission granted and that judge Wilson ordered enforced?

MS. SHEMWELL: Correct.

MR. PENDERGAST: Yes. To the extent it's in our custody, control, he said provide it. We have.

MS. SHEMWELL: And the court has offered

to hold a full hearing on that in that respect,
Commissioner.

COMMISSIONER KENNEY: I'm sorry. Say
that again.

MS. SHEMWELL: The court in its judgment
and writ of mandamus, if the Commission moves for
contempt, Commissioner, there will be an evidentiary
hearing in front of the circuit court.

COMMISSIONER KENNEY: On that spec-- on
those issues about whether those documents are a
subject of the Motion to Compel or not?

MS. SHEMWELL: I -- that is my
understanding, yes.

COMMISSIONER KENNEY: Okay. All right.
I will let you all go back to the order that you
wanted to present your case in.

COMMISSIONER GUNN: Can I just ask one
more question? And I apologize.

Mr. Pendergast, you talked about how the
Staff needs to follow the rule. Now -- and I just --
I'm just trying to clarify your argument. So the rule
calls for Commission-approved CAM. Now, your argument
is, is that even though the Commission -- the
Commission clearly has not explicitly approved the
CAM, but it has implicitly?

MR. PENDERGAST: My argument would be that the Commission approved a reorganization back in 2001 that said to protect ratepayers, I want a CAM, I want a Cost Allocation Manual. The company has said it's going -- you know, it's happy to do one. The Staff has proposed that it needs to be done, it needs to include these various elements. They were very specific in listing what those elements were. And they said, Go ahead and include that in a CAM and do your business pursuant to that CAM.

So from my perspective, that's pretty close to being approval of a Commission CAM. And then when the Commission's approved a tariff that says, When you do transactions with your affiliate, do it in accordance with CAM, that's another strong indication that it's been approved by the Commission.

And from my perspective, it's been approved by the Commission in a much more explicit fashion than, from what I understand, any other utility's CAM has been approved.

COMMISSIONER GUNN: Based on the other two -- the other two factors?

MR. PENDERGAST: Yes.

COMMISSIONER GUNN: All right. So your contention is -- and it may be perfectly reasonable --

that you are in complete compliance with the rule that says that you have to have a Commission-approved CAM?

MR. PENDERGAST: I -- I think we are.

COMMISSIONER GUNN: Okay. Great. Thank you. I don't have anything else.

MS. SHEMWELL: And we would be happy to address that issue in a hearing noticed --

COMMISSIONER GUNN: Sure. And I think we are probably going to have to talk about some of this substantive stuff later on when we make a final determination.

JUDGE PRIDGIN: I think we have some more bench questions. Commissioner Davis?

COMMISSIONER DAVIS: I'm sorry to belabor this. Mr. Pendergast, I'm going to ask you a yes or no question. I know this may be very hard for you, but let's see if we can't do this with yes, no, maybe, I don't know.

Do you understand why, in essence, asking this Commission to tell the PSC Staff that they are forbidden from, you know, going after the documents of your affiliate or wherever, wherever their investigation takes them, why anyone would be deeply concerned by that precedent that the Commission would be, you know, stopping an investigation of this

nature? I mean do you understand -- understand that concern?

MR. PENDERGAST: Generally, yes.

COMMISSIONER DAVIS: Okay. All right.

COMMISSIONER GUNN: There's a right answer to that question, Mr. Pendergast.

COMMISSIONER DAVIS: I mean now -- and here's my next and -- my next and final question. And this is my impression of Staff's argument and I may be wrong here. But I mean, you've made the analogy about, you know, common officers and directors and where, you know, one department's not necessarily going to know what the other one is doing.

But if I had been appointed deputy director of Economic Development and deputy director of Agriculture so that I was deputy director of both of those departments, then I would have knowledge.

And I guess my ultimate concern is if you have a common officer like Ken Neises apparently was, in my impression, and ultimately on the -- on the LER side they decide on November 4th that today is a good day to buy gas for LER and he's vice president and he knows that, but Laclede is not buying gas and then they wait to a later date to say, you know, apples and oranges, I mean, I'm not concerned about affiliate

transaction rule, I'm not concerned about the CAM.

I mean, it kind of gets into a prudence question where -- and maybe there's a plausible explanation for -- you know, maybe Laclede doesn't have the purchasing power that LER has or the pipeline capacity. I mean, there could be 100 different explanations, but -- and I think it's a legitimate question for Staff to ask is -- you know, here's Mr. Neises, who's, you know, kind of the top dog in LER for -- for gas buying as well as in Laclede. And if he thinks it's a good deal over here on one side, why is it not a good deal for Laclede?

And given the fact that you all are in the same building and all in the same pretty much office and, you know, everything, I mean why shouldn't -- I mean, I -- I mean from a prudence perspective I guess my concern is why wouldn't it have also been prudent for Laclede to buy that gas on the same date at the same price that LER was buying it if he thought it was a good deal for that company?

MR. PENDERGAST: Yeah. Well, and -- and under that hypothetical, you know, I could understand why a question might be raised, but that's not what happened here.

This was a multi-month deal -- it was a

multi-month -- or one-year deal and then it was done the next year. And that deal was based on the prices that an unaffiliated supplier had offered, it was under an index that our GSIP says is reasonable for that area. So it wasn't a case of, you know, a lot of back and forth and I'm shifting between you and them. It was a deal very consistent with the deals we were already doing on that pipeline.

And I agree with you. I mean, you know, when you have that kind of shared ownership, that shared kind of management, you need to be concerned about it. And, you know, I always thought that's why you passed an affiliate transaction rule, that's why you said these transactions have to be priced in this particular way, that's why the Staff said if we're going to go ahead and allow you to reorganize, you need to have a CAM to go ahead and protect ratepayers and that CAM has to spell out how you're going to go ahead and determine market price so that you have objective criteria for determining and making sure that ratepayers are getting a fair deal and subsidy is not going on.

And our main complaint here is having gone ahead and agreed to those provisions, having agreed to those ratepayer safeguards, to go ahead and

have them, you know, on a vague argument of prudence say we're not going to follow those, we're not going to go ahead and judge you based on that, but we're going to judge you based on something entirely different and that's something that doesn't allow you to make any kind of profit or your affiliate to make any profit, that's just wrong. I mean, you know, that's not a prudence issue. That's -- that's just I want a different standard because you're dealing with an affiliate.

COMMISSIONER GUNN: Commissioner Davis, can I ask a quick follow-up question?

COMMISSIONER DAVIS: Sure. I'll turn it over to you.

COMMISSIONER GUNN: Because, Commissioner Davis, I think got to what the gist of this is. Isn't it appropriate when you have that kind of management structure, to ask the question? And what you -- you just went through and said, Well, the reason why it's not appropriate to make that inquiry here is because of all these specific factors. You said that's not exactly what happened here, but those are very specific circumstances under which this particular transaction happened.

But the question is one step before that,

that I think Commissioner Davis asked is. So you're saying that we can't even -- that the Staff can't ask the question about those specific circumstances because the -- the utility said we filed the CAM and we did -- we did everything else?

I mean this is -- this is what this is all about. This is about whether or not -- I mean, I think we've made the determination because we've already decided what we -- you can ask and what isn't, but you said based on Commissioner Davis's hypothetical, absolutely you believe that we could ask the question. But then you said, But not in this case because of all these different specific circumstances.

Aren't those specific circumstances really explanations to the questions that are being asked, but it's still appropriate to ask the questions?

MR. PENDERGAST: I -- I think that the questions that are being asked or the information that's being requested above and beyond what's already been provided is being asked in furtherance of a standard that is completely inconsistent with the standards in your rule and the standards in the CAM.

And I do not believe that just because we look at the prudence of transactions in ACA

proceedings where there is no circumstance that's been developed or -- or raised about buying too much gas or buying it from an inappropriate source, that you get to go ahead and say, I'm not going to pay any attention to all the competitive market base information that shows this was a fair deal, I'm just not going to pay attention to that. I'm going to go ahead and dig underneath all that and I'm going to go ahead and see if there's something else maybe that's going on here.

I mean, at some point, you know, you got to go ahead and say we've established mechanisms for determining what a reasonable price is and what a market price is and that's what we're going to live with. And you can concoct all kinds of reasons to go beyond what -- what that information produces and what it says. I mean, you can always say, Well, somebody may be manipulating something somewhere.

But, you know, I think there comes a point where you got to go ahead and say, We live with the mechanisms we came up with -- particularly you're the one that came up with them to make sure ratepayers are protected.

COMMISSIONER GUNN: But correct me if I'm wrong. Didn't you say earlier there would be

circumstances under which the competitive market data, which the CAM would have been followed but that may mean that there are -- there's imprudence?

MR. PENDERGAST: Absolutely. There could be circumstances where we bought more gas than we needed.

COMMISSIONER GUNN: So -- so --

MR. PENDERGAST: That hasn't been raised here.

COMMISSIONER GUNN: I understand. But -- but the argument seems to me, because we're talking about information gathering is -- is premature because what -- what you're saying on the one hand is, is yes, there are circumstances in which the CAM and the market competitive data is irrelevant to the inquiry because you could still have other circumstances under which you do that.

And then on the other hand, you're saying but all you have to do is look at the competitive data that that's been done and you don't need to go any further because that validates the transaction in and of itself.

MR. PENDERGAST: I'm saying in this case that is absolutely true. And the reason I'm saying that is because they haven't suggested any

circumstances, bought too much gas, did --

COMMISSIONER GUNN: But how do we know that in this case that's the circumstance if we're not even -- if Staff's not even allowed to ask the question?

MR. PENDERGAST: Ask -- you mean the questions about what the transactions were between LER and third parties in places that, you know, don't even touch upon Laclede Gas Company? I mean what's that got to do with anything? I mean, that's completely irrelevant. That's I just want to go ahead and audit your affiliate because I want to audit your affiliate.

It is not related either directly or indirectly to any legitimate inquiry on relevance. Just like in the Atmos case, you know, we did a competitive bidding process, they were the low bidder. That's not good enough. I mean, you know, there comes a point where you got to go ahead and say, Yes, it is. And those are the processes we came up with to make sure it would be good enough.

COMMISSIONER GUNN: But Judge Wilson said it wasn't good enough.

MR. PENDERGAST: Well, no. Judge Wilson said go ahead and provide it to the extent it's in your custody, control and possession.

COMMISSIONER GUNN: He said -- he said they can ask the question.

MR. ZUCKER: No, he said -- he said he wasn't getting involved in the question.

COMMISSIONER GUNN: No, he said to Laclède we can ask the question. And you could -- you have -- our order --

MR. ZUCKER: No, he said --

COMMISSIONER GUNN: The Commission determination that these documents was relevant, Judge Wilson said, yes, you have to -- Laclède has to provide the documents.

MR. ZUCKER: He said his job was to go ahead and enforce your order, so he did go ahead.

COMMISSIONER GUNN: But he made no other -- that was the only basis under which he did it? We did the order and he said, I'm here to enforce the order --

MR. ZUCKER: Yes.

COMMISSIONER GUNN: -- I have no other inquiry?

MR. ZUCKER: Yes.

COMMISSIONER GUNN: So you're alleging a serious legal malpractice by the judge?

MR. ZUCKER: No.

COMMISSIONER GUNN: He made no independent inquiry as -- we had an order, he was just going to uphold that order?

MR. ZUCKER: He read the statute and said that was his job.

MS. SHEMWELL: I have a copy here if you'd like it.

COMMISSIONER GUNN: I've read it.

MR. PENDERGAST: And he dismissed LER from the case and he --

COMMISSIONER GUNN: LER's a signatory to the Stipulation and Agreement. Right?

MR. PENDERGAST: They're a signatory to the Stipulation. I think one of the factors he did, he said Staff's never even submitted a subpoena to them. I mean, if this information were so important, why haven't they done that?

MR. ZUCKER: And, Commissioner Gunn, let me make one other point. Staff did get to ask the questions that you're seeking. They spent a year auditing us and they come up with issues that have to do with prudence. For example, Laclede bought 100,000 therms of gas at some point. They may say, Why did you need that much gas? That was imprudent for you to buy that much gas. They can say that kind of thing.

And let's say we bought 100,000 therms at that point from LER. Now, that would be an affiliate transaction, but their point would not be the pricing of the affiliate transaction. It would be the prudence. It would be, You bought too much gas. I don't care who bought it from. If it was from LER, if it was from British Petroleum, I don't care, I'm making a prudence -- making a argument.

In this case, they didn't say anything about the amount of gas we bought, where we bought it. They only made one point and the one point was that Laclede paid too much because LER made a profit. And -- and they used prudence as -- as a code word in order to get around the rules which say that we're supposed to price this at a market price. And so they didn't at first say that we have a different standard. They just said we have prudence and they -- it's kind of cloudy.

Over time, over the last few years, they've slowly kind of disclosed more and more that their standard is different. In the Atmos case, they really had to because they had an RFP. If an RFP isn't good enough, the same RFP process the government uses to buy things, what is? So they were kind of trapped into saying, yeah, we better use fair market

price but RFP is not fair market price, something else is.

And finally, they said in this pleading they filed on October 25th a sale of gas-- let's see. Laclède should buy gas from LER at LER's acquisition price. They finally came out and said this standard that we have differs from what's in the rules. Fair market value doesn't matter to us. We can't stand to see a -- an affiliate -- a marketing affiliate make a profit on a transaction.

And what we're asking you is you're expecting us to follow your orders and your rules and you're exactly right to do that. We're asking you to ask Staff to do the same thing.

COMMISSIONER GUNN: Which is a fair point, but one that we're not exactly talking about today. Because we're talking about whether you've complied with the Commission. I think -- I led you astray and I apologize for that. But I think we should let people get on track. I see the four Commissioners' heads --

COMMISSIONER DAVIS: I'm going to go back to -- I'm going to go back astray one more moment here. Okay, Mr. Pendergast. Is this an Atmos-like situation where -- and forgive my ignorance -- where

we have a supply contract where you're dealing with nominations at, you know, first of the month and then buying gas later on in the month to meet that contract?

I mean because it sort -- I mean my impression where I got with Mr. Sommerer the other day was there were concerns that under that contract, which, you know, per Mr. Sommerer, it was the lowest best bid, but they were -- he was concerned about the actual nominations in the contract.

You know, for instance, if there was a month, you know, where you might buy an inordinately high amount or buy -- nominate zero up front, then pursuant to that contract, if you're buying zero up front at that fixed price, then you're putting your customers at risk, you know, for whatever's on the spot unless -- I mean and maybe in your judgment it was one of those situations where you think that gas prices are going to go lower so you're not going to buy that much. I mean, things just seem high to you. I mean I don't -- I don't know.

But I mean, once again, is that -- is that the case here? Because if it is, then I owe Commissioner Kenney an apology because it is the analogous situation.

MR. PENDERGAST: Yeah. No, it's -- it's -- it's different. And the reason it's different is just from what you've told me, there was a case of nominations and varying it from one day to the next. And, you know, I really can't comment on whether that even raises an issue.

But in this particular case, we were talking about a base load gas supply where the same amount was nominated and delivered each and every day, 365 days out of the year. There wasn't any difference in that. And in this case, the particular transaction was price based on a similar deal we had done with BP/Amoco several months before.

And Staff brought up the point, well, in this case you allowed LER to transport the gas and it was for deliveries into the St. Louis market. So we said okay, fine, fair point, here is some data from the St. Louis market that LER provided that showed what other unaffiliated purchasers were buying gas from LER for; namely, the schools under the school aggregation program that the legislature approved, said they can go ahead and get a cheaper source of gas supply if they buy from the utility. And we demonstrated that for the base load supplies they were taking, our price was favorable to that that we paid

LER.

So we tried to go ahead and address it both at the MRT west line side, the purchase side and also the delivery side and use real market data from unaffiliated buyers and sellers to demonstrate that it was a competitive price.

And you know, at that point we think that if you demonstrate that, you have gone ahead and met what the purpose of the affiliate transaction rule is and you've met what the purpose of the CAM was and how the CAM said this staff ought to go ahead and be assessed and judged.

MR. ZUCKER: So it was a base load deal 10,000 a day, day in, day out, no room for any monkey business.

COMMISSIONER DAVIS: And you're saying that you based the prudence of that transaction on a prior transaction with BP -- between BP and Laclede that was --

MR. PENDERGAST: Yes.

COMMISSIONER DAVIS: -- for roughly --

MR. PENDERGAST: The prudence and the fair market price.

MR. ZUCKER: The prudence wasn't questioned, just the pricing.

COMMISSIONER DAVIS: Okay. But you're saying that the price for the Laclede/LER transaction was comparable to the prior BP transaction --

MR. PENDERGAST: Yes.

COMMISSIONER DAVIS: -- as well as what the school alliance is paying?

MR. PENDERGAST: In the St. Louis area. For deliveries into the St. Louis area.

COMMISSIONER DAVIS: For the deliveries in the -- and is that on -- is that a similar contract? I mean is it, you know, apples? Are we talking about apples or apples and oranges?

MR. PENDERGAST: Yeah. The schools contract has a base load provision and this was a base load supply. So we compared base load to base load. And the price at which we were buying from LER was favorable. I don't want to --

COMMISSIONER DAVIS: Was there a peak provision in there too for --

MR. PENDERGAST: There probably was for the schools. There wasn't for Laclede and LER because this was base load.

COMMISSIONER DAVIS: This was just straight base load?

MR. PENDERGAST: Right.

COMMISSIONER DAVIS: Okay. I'm sorry. No more questions. Sorry.

JUDGE PRIDGIN: Anything further for Mr. Pendergast from the Bench?

CHAIRMAN CLAYTON: No questions, Judge.

JUDGE PRIDGIN: Thank you. Mr. Poston, anything before we proceed to evidence?

MR. POSTON: No. Thank you.

JUDGE PRIDGIN: All right. Thank you. And I was glancing over Judge Jones' procedural order and I'm assuming this is simply live testimony and I didn't see any order of witnesses or any order for which anybody, you know, wanted to go first. I assume Staff would want to proceed first and please correct me if I'm mistaken.

MS. SHEMWELL: That's our expectation, Judge.

MR. PENDERGAST: Your Honor, if I could just get a clarification. You know, we kind of began this process by noting what Staff had interjected as far as the CAM is concerned and, you know, its relationship to the information they're requesting here. That was also something that Staff talked about in its initial response to the Commission's order.

You know, our impression was that since

the order for this proceeding said we're going to go ahead and permit inquiry into the voracity of the various statements that Staff has made, that that would be fair game; however, I have sensed a desire at least on the part of some folks that if we're going to ahead and address CAM issues and that sort of thing, that we ought to do it separately and we shouldn't do it today.

And I guess what I would ask for is if we are going to do that, I would request that we have an opportunity to do that before the Commission rules in this particular instance. You know, we're willing to go ahead and ask not questions along those lines we're willing to go ahead and not put witnesses on to address that particular issue which will make this hearing a lot shorter, I think.

But I do think it's important that it be addressed sometime before the Commission makes a final determination in this case when the Staff and OPC are prepared to go ahead and address it.

So I guess I'm asking for guidance from the Bench. Are we going to limit it strictly to non-CAM, what information was, you know, provided by Laclede, what information wasn't on the theory that we'll have another proceeding or another hearing to

talk about the CAM issues that have been also introduced in this case by the Staff?

JUDGE PRIDGIN: Mr. Pendergast, thank you. Let me let the parties comment. Ms. Shemwell or Mr. Thompson?

MR. THOMPSON: Judge, I think Mr. Pendergast ought to get a chance to talk about the CAM sometime, but I don't think it's relevant today to the purely factual determination of whether or not they have complied with the Commission's discovery order.

JUDGE PRIDGIN: Mr. Pendergast -- Ms. Shemwell, I'm sorry.

MS. SHEMWELL: The Commission has already in this case determined issues of possession and relevancy. There's no need to re-litigate those. The Commission has already instructed its general counsel to go over to circuit court.

Judge Jones specifically instructed Staff to provide a list of the documents LaCledé has and has not provided. Staff has done exactly that and Staff is prepared today to answer questions about the list because Judge Jones specifically said, Test Staff's voracity and what he had ordered for today was the list so we can do that.

We are certainly prepared to address the CAM after we have had time, again, to reasonably prepare. And perhaps that is a case where pre-filed testimony might be reasonable.

JUDGE PRIDGIN: Mr. Poston?

MR. POSTON: Thank you. We have no objections to looking at the CAM issue in a separate case. We do object to I guess suspending the Commission's decision in this case until that proceeding has happened. We agree that it's not relevant to the decision the Commission needs to make here.

And if Laclede does attempt to put up witnesses regarding the CAM today, we will -- or I will object to that. We haven't -- as I said earlier, we didn't bring any CAM witnesses here today. That's not the scope of this proceeding and so we would object to that attempt. Thank you.

JUDGE PRIDGIN: Well, please correct me if I'm wrong, counsel, but I don't think I hear a disagreement. I think -- I think the parties are saying we just want to stick to what Judge Jones's order said and, you know, testing the voracity of Staff's allegations and we'll save CAM for another day.

MR. PENDERGAST: Yeah. I guess the only disagreement is -- and these issues have been introduced directly by the Staff itself. You know, if Staff didn't believe they were relevant, then you shouldn't have put so much in your initial brief or your prehearing brief about it. You shouldn't have put stuff in -- in your initial response to the Commission order. I mean, I think the Staff is in a difficult place to go ahead and say it's completely irrelevant.

All I'm suggesting today is I'm happy not asking questions about it today, I'm happy not putting a witness up, I'm happy going ahead and giving both sides time to go ahead and prepare for it. But I think given the fact that Staff has, you know, certainly claimed that it's relevant by addressing it in detail in its brief, that before the Commission reaches a decision on this particular issue, we ought to go ahead and have that separate proceeding completed so that we have a full record to -- to make a determination on based on, you know, everything that's relevant, you know, according to Staff's own brief.

JUDGE PRIDGIN: Well, I guess to try to make certain that I'm clear, I -- again, I'm not

hearing or I'm not understanding a disagreement on today's proceedings being limited to simply what Judge Jones ordered.

MS. SHEMWELL: I think that's correct.

MR. PENDERGAST: And I'm fine with that, your Honor, as long as it's agreeable that we'll have our day in court on the CAM before a final determination, based on what happens in this proceeding, is made.

MR. THOMPSON: Do you mean, Mike, the determination as to whether or not you've complied with the discovery order?

MR. PENDERGAST: Yes. I'm talking about whether or not --

MR. THOMPSON: Well, Staff is opposed to that because that determination in no way involves the CAM.

MR. PENDERGAST: Well, you know, I --

MR. THOMPSON: I think he should get a chance to talk about the CAM before the Commission makes its final determination on these two PGA cases and the disallowance that Staff has recommended. Absolutely he gets his day in court there. But on the narrow question of this discovery order and Laclede's compliance with it, the CAM is irrelevant.

MR. PENDERGAST: Well, I disagree that it's irrelevant. And I quote no less augustine authority than Kevin Thompson who talks about its relevance in several pages in a prehearing brief.

Now, Kevin, you're the one that --

MR. THOMPSON: It was intended to provide background to the Commission.

MR. PENDERGAST: And I think it's fair background and I want to go ahead and get a chance to provide my version of the background.

COMMISSIONER GUNN: Can I ask a question? Are you -- are you -- when you talk about the CAM, are you going to say -- is the essential argument going to be on a certain number of these documents that because the CAM was -- was in place, X document wasn't -- isn't relevant and, therefore, X document doesn't need to be produced? I mean, is that going to be your argument in -- in -- in the proceeding as a general matter?

MR. PENDERGAST: Well, I mean it depends on -- on I guess what the other parties argue. I don't know if other parties are going to go ahead and say there's a Stipulation and Agreement from 2001 in which you agreed to not object based on whether it's in your possession or not. If parties are going to

agree not to go ahead --

COMMISSIONER GUNN: Again, we have a Commission order that says, Give us these documents.

MR. PENDERGAST: Right.

COMMISSIONER GUNN: And so are you going to say that based on the CAM, we're -- we don't have to give you a document or are you not making that argument?

MR. PENDERGAST: I -- the argument I'm going to make is based on the civil rules of discovery, which is the basis that the Commission relied upon.

COMMISSIONER GUNN: Okay. But we -- this is where I went back to my line of inquiry before. We are not re-litigating relevancy here. We have a lawful order that is in place. And so those might be excuses for why you didn't produce something and that may mean that we say, you know, okay, that's fine.

But about whether or not you produce something according to the order is an entirely different argument and has -- doesn't have anything to do with CAM. You either provided a piece of paper to the Staff or you didn't provide a piece of paper to that Staff. And that piece of paper was either required by the Commission's order or it was not

required by the Commission's order.

MR. PENDERGAST: Yes.

COMMISSIONER GUNN: So I don't -- I guess I'm just not clear as to -- as to why -- how the CAM and -- and whether you believe that -- that Staff has either done something wrong or not. This isn't about Staff here. This is about what the Commission has ordered.

MR. PENDERGAST: No, I understand that, your Honor. And -- and I guess what I'm saying is I think we have complied.

COMMISSIONER GUNN: Okay. So we'll -- we'll make those determinations.

MR. PENDERGAST: But -- but -- but more than that, you know, I also believe that you're going to be seeking penalties. We're entitled to have a hearing before you go over to circuit court and ask for penalties to be produced. And I don't believe I should be excessively limited in what I'm raising.

The fact of the matter is you've never decided what the CAM means; you've never decided what the affiliate transaction rule means; you've put that off; you've deferred it. You've said, I'm not going to go ahead and get into that.

From our perspective, that is crucial and

central to this particular issue.

COMMISSIONER GUNN: Sure.

MR. PENDERGAST: And if you're going to pursue penalties and only give us a hearing that doesn't allow us to go ahead and address that particular issue, those seminal issues -- those seminal affirmative defenses, then that's the Commission's decision. But I don't --

COMMISSIONER GUNN: But the penalties are about whether or not you've complied with the order.

MR. PENDERGAST: Well, and -- and -- and -- and whether or not you comply with the order, which I believe we have, can also be affected by whether or not the information that was being sought was relevant. And -- and --

COMMISSIONER GUNN: We've made that determination.

MR. PENDERGAST: You --

COMMISSIONER GUNN: We made that determination in the order.

MR. PENDERGAST: You made the determination in the order that in the general rules of civil discovery, it is -- in the Commission's rule it was relevant. In your January 20th order, you --

COMMISSIONER GUNN: This goes back to my

question. So I say, Give me your 10K. I want all of it. Because I, as -- as a judge or as a commissioner, determine that it's relevant to this proceeding. Give it to me.

And then you come back and say, Well, I've given you pages 1 through 7 and I've given you pages 10 through 15 because that's really all that you need in order to make a determination. And then you hand it to me and -- and I'm supposed to say, Thank you very much? I mean that's not how it works.

MR. PENDERGAST: That's not --

COMMISSIONER GUNN: It works -- the way it works is --

MR. PENDERGAST: And that's not what we've done in this case.

COMMISSIONER GUNN: But that's what you're saying you're asking us to do.

MR. PENDERGAST: No, I'm not asking you to do that at all. What I'm asking you to do is take note of the fact that we've complied fully with your order. Okay? We have provided you all Laclede documents that are in our possession.

COMMISSIONER GUNN: But you're asking to make an argument about relevancy on certain documents again.

MR. PENDERGAST: And -- and all I'm saying is when we went over to circuit court the first time, you weren't pursuing penalties. Okay? I think the reason you didn't pursue penalties is you never gave us a hearing. Okay? You never gave us a hearing. And if you're going to go ahead and seek penalties in circuit court and try to financially penalize us, then you ought to go ahead and give us a hearing.

COMMISSIONER GUNN: We're giving you a hearing --

MR. PENDERGAST: You're -- you're -- you're --

COMMISSIONER GUNN: -- as to whether you complied with the order or not.

MR. PENDERGAST: You're limiting the hearing and you are limiting my ability to go ahead and raise crucial issues on the theory that you've already decided it when, in fact, you didn't decide it. You said they were red herrings and you weren't going to pay any attention --

COMMISSIONER GUNN: We've decided relevancy of these particular documents, haven't we?

MR. PENDERGAST: You've -- you've said that Laclede ought to be required to go ahead and

produce these. In one order you said to the extent they're in our possession. They aren't. We've provided everything that is in our possession. And the Commission in that order --

COMMISSIONER GUNN: Okay. Well, that doesn't have anything to do with the CAM.

MR. PENDERGAST: It has everything to do with the CAM.

COMMISSIONER GUNN: Whether documents are in your possession? Explain --

MR. PENDERGAST: No, no, no.

COMMISSIONER GUNN: -- to me how that has to do with the CAM.

MR. PENDERGAST: Whether they're -- you're absolutely right. Whether they're in our possession has nothing to do with the CAM.

COMMISSIONER GUNN: Okay. So then we are in -- in the -- if you don't have the documents and they're not in your possession, when they say, Why didn't you turn this over, you say, We don't have it in our possession. We move on.

I don't understand why you have to argue the CAM. Because there's nothing -- this is about whether the documents we requested in our order have been given over to the Staff. And if there is a

possession argument that says they're not in our possession, that's -- that's -- then you may not be required to do it under our order. I just don't understand how arguing -- rearguing the relevancy under the CAM decides whether or not the documents needed to be produced under the lawful order that's in effect right now.

MR. PENDERGAST: You know, I guess, Commissioner, all I'm saying is that we believe we've complied with it. We also believe, as Staff does, that the CAM and what it provided or didn't provide and whether it was approved by the Commission and wasn't approved is indeed relevant to this issue.

COMMISSIONER GUNN: To whether -- to the ultimate determination of the case, I agree with you 100 percent.

MR. PENDERGAST: And -- and -- and -- and -- and the information. And, you know, I don't want to belabor it, but your own rules indicate, our own CAM indicates, the Stipulation and Agreement you approved in 2009 indicated that the information that Staff is entitled to get is based on the standards and the requirements in the rule in the CAM. And I --

COMMISSIONER GUNN: We have an order which requires you to comply with docum-- to comply

with document requests. We are here today to determine whether you have complied with those document requests. This is merely a determination as to whether the physical transfer of documents, the physical transfer of information has gone from -- that we required you to give has gone from Laclede to Staff. That's what we're here to determine today.

And if the answer is no, then we either make a determination because it's either out of your possession and control or you're refusing to do it. And you can have all kinds of explanations as to why you're refusing to do it, but I don't know why -- why that impacts the CAM at all.

MR. PENDERGAST: Well, and -- and -- and, you know, if the Commission wants to narrow it down to that degree and if it wants to try and seek penalties depending on what it decides based on that limited thing and it doesn't want to give any opportunity to address what Staff has said in its -- I hope that this isn't going to stand unrebutted. I hope these claims about the CAM and that sort of thing --

COMMISSIONER GUNN: Of course it wouldn't. We would -- it would be -- I think you're absolutely right.

MR. PENDERGAST: I hope nothing is going

to be decided based on what Staff put in its pleadings and -- and -- and requesting relief from the Commission here because, you know, it's not true. And we'd like an opportunity to go ahead and rebut it.

COMMISSIONER GUNN: And of course you would have that opportunity.

MR. PENDERGAST: Well, you know, after we go to circuit court, you know, if the Commission decides we --

COMMISSIONER GUNN: This is a discovery dispute, Mr. Pendergast. It's not a substantive issue.

MR. PENDERGAST: It's a discovery dispute. Discovery is governed by the provisions of the affiliate transaction rule.

COMMISSIONER GUNN: We've already made the determination that these documents are relevant. You went to circuit court. The circuit Court came back and ordered you to produce them as Laclede Gas. Correct?

MR. PENDERGAST: It ordered us to produce it to the extent it's in our possession.

COMMISSIONER GUNN: Absolutely. But the -- the court order stands on its own. If you don't have the document, you can't produce it. But

that's what we're talking about here. We're not talking about the substance of what's going on.

MR. PENDERGAST: Okay. Well, you know, like I said, Staff interjected the issue. I --

COMMISSIONER GUNN: Staff's not the one that makes the determination. I don't know how many times I have to say it to people that if the Staff says something, it doesn't make it true. The five commissioners make the determination. And we will demonstrate again and again that we don't always listen to Staff because sometimes their argument isn't persuasive and many times the utilities' arguments and -- or OPC's arguments or industrial intervenors' arguments are much more persuasive.

So just because the Staff says something, it doesn't mean anything. It only means something when we determine that it means something. And in this case, we've made that determination.

MR. PENDERGAST: And, Commissioner, I certainly understand what you're saying. If the Commission believes it's appropriate to limit it to that, that's fine. I'm just saying that -- getting back to our earlier conversation, I understand you want to go ahead and have us obey the rules, you want us to go ahead and follow them, want us to comply with

them. We think we've done it in both your discovery order and we think we've done it on a substantive basis.

COMMISSIONER GUNN: Well, we'll find out. So you can -- I'm done. We can proceed.

CHAIRMAN CLAYTON: Can I ask one question, Judge? Aside from the issues that we have presented in existing cases, we're going back and looking at orders that have age on them, we're looking at the LER structural order back in, what 2001?

MR. PENDERGAST: Yes.

CHAIRMAN CLAYTON: We've got discussion about affiliate transaction rules. How old are those, Mr. Thompson?

MR. THOMPSON: Almost as old as the structural orders.

CHAIRMAN CLAYTON: Okay. So we're talking at least ten years. We've got another stipulation in the Cost Allocation Manual.

If I ask the question on a going-forward basis, okay, just let's -- let's ignore the litigation that we have right now, would it be helpful from Staff's perspective, Public Counsel, Laclede or any utilities -- should we be reevaluating and the Commission looking at rules to clarify what the

Commission's priorities are rather than rely on a pleading in an ACA case to tee this up for discussion?

Would it be more helpful to have a docket, a case, a rulemaking, a reevaluation, some sort of contested matter that would have substantive value and -- and provide some forward-looking guidance? I mean, is that what needs to happen here? Or are we going to continue having, you know, ongoing disputes step by step? Obviously this is coming up in another case.

MS. SHEMWELL: Staff has filed I believe something similar to what you are suggesting in the --

MR. THOMPSON: Complaint.

MS. SHEMWELL: -- 0006 case. GC2011 --

CHAIRMAN CLAYTON: And what is that? Is it a rulemaking? Is it a --

MS. SHEMWELL: No. We are suggesting that the Commission look at how it interprets the affiliate transaction rules, consider how it interprets those and how they would apply to Laclede and I suppose, by extension, perhaps other companies.

CHAIRMAN CLAYTON: Does that suggest a need to revise the affiliate transaction rule?

MS. SHEMWELL: Absolutely not.

CHAIRMAN CLAYTON: But if we're talking

about challenges and interpretation, wouldn't it be helpful doing a rulemaking that would provide greater clarity?

MS. SHEMWELL: I think --

MR. THOMPSON: We were thinking of a workshop docket. Looking at the rule as it exists, the problems that have arisen, the issues that have arisen among the various parties and -- and what can be done on a going-forward basis to improve compliance and enforcement of the rule. That's what we were thinking.

CHAIRMAN CLAYTON: We do a lot of workshops around here. Mr. Pendergast?

MR. PENDERGAST: Mr. Chairman, I think that's an outstanding suggestion. You know, I --

CHAIRMAN CLAYTON: Flattery will get you everywhere.

MR. PENDERGAST: Seriously, I mean, this has been a process where, you know, we've been kind of on a dual path over the last three, four years. On the one hand, we've been litigating the dickens out of, you know, what does the rule as it exists today mean. And -- and you know, have we or have we not complied with it or is Staff violating it or so forth and so on.

And on the other hand, we've had, you know, periodic efforts to sit down and talk about it. And it's almost as if it's very difficult to sit down and talk about it while you're litigating it at the same time.

On the other hand, you know, it's important, as I'm sure you recognize, to know what the rules of the game are, to know how you ought to be comporting and conducting yourself. And I think the sooner we can go ahead and make that kind of determination, I think the better off we'll -- we'll all be.

So we're certainly willing to cooperate in any process like that. I think Commissioner Davis had maybe suggested something like that before and --

CHAIRMAN CLAYTON: Great minds think alike, right, Commissioner Davis?

COMMISSIONER DAVIS: That's exactly right, Mr. Chairman. Kumbaya.

MR. PENDERGAST: And -- and so, you know, if -- if there's a desire to go ahead and -- and do that and walk into those negotiation in good faith, let's -- let's -- let's do it.

CHAIRMAN CLAYTON: How many hearings or on-the-records -- how many -- how many times have we

been in a hearing room arguing over these issues?

MR. PENDERGAST: You know, we've had three oral arguments, I'm including the two in our case, the one in the Atmos case. We're now having this evidentiary hearing and we've had a circuit court proceeding that's been back here and maybe we'll be back there again. So we've had a lot of proceedings.

And -- and that's before we even get to the merits of the issue. And I think once you have that kind of churn, once you have that kind of repeated inability to sit there and -- and -- and get things progressing, it means that -- that something needs to change. And I think what needs to change is to go ahead and -- and sit down and come up with a recommendation, hopefully -- either, you know, we can agree to it or --

CHAIRMAN CLAYTON: I think I have an idea of your idea of change and I think they have -- I have an idea of what their idea of change is so I -- I get that. I -- I just think -- I think it's frustrating for all of us. It's -- it's absorbing a lot of time by a number of different commissions. So I appreciate that.

Mr. Poston, do you have anything you want to add to that?

MR. POSTON: Yeah. I think that would be very helpful. I think going forward we'll really need that kind of resolution to know how to address these cases in the future. And I think waiting until this case is concluded may be helpful as well because then you'll have all of the real evidence as to, you know, how these transactions occur and that kind of thing to help guide that rulemaking docket.

CHAIRMAN CLAYTON: Judge, I think we need to get this -- this thing going. We've got witnesses and we're -- we need to -- we need to get going, so --

JUDGE PRIDGIN: Thank you. What I'm hearing from the parties is -- I don't think I'm hearing a disagreement as to what the scope of today's hearing should be. What I think I'm hearing is -- is perhaps disagreement on when the Commission should rule on the evidence here.

And could I get the parties I guess to confirm that? And if that's the case, could I get the parties to simply agree to file motions on that later? No ruling is going to be made today. To -- to say we want the Commission to rule sooner rather than later and this is why. Because again, I'm flying blind coming into this case, it's not my case. And I don't know that I could do anybody any good by doing

anything other than trying to get you through the witnesses today and then having the Commission decide when to rule on that later. Would the parties be agreeable to do that?

MR. POSTON: Yes, sir.

MS. SHEMWELL: Yes.

MR. PENDERGAST: Yes, your Honor. We're fine.

JUDGE PRIDGIN: All right. Thank you. Is there anything further -- and I'm assuming Staff would call witnesses first?

MS. SHEMWELL: Yes.

JUDGE PRIDGIN: Okay. If you're ready to proceed with evidence.

MR. THOMPSON: Could we have a moment, Judge?

JUDGE PRIDGIN: Certainly. Absolutely.

MR. THOMPSON: If we could have perhaps a five-minute break, I'm thinking that we might be able to reach an evidentiary agreement that would shorten this.

COMMISSIONER GUNN: Oh, please do.

JUDGE PRIDGIN: How about -- we've got 2:45 on this clock. How about until about three o'clock? Will that give you enough time? All

right. We'll --

COMMISSIONER DAVIS: Well, wait. Before we go, maybe they can pontificate or prognosticate on the ability of a schedule for -- it looks like we need a proceeding to approve Laclede's CAM. You know, I'm tired of hearing that -- I'm tired of hearing that the -- you said the CAM has not been approved and I think it needs to -- we need to pass on that once and for all.

JUDGE PRIDGIN: Will 15 minutes -- will that work for the parties?

MR. THOMPSON: Yeah.

JUDGE PRIDGIN: So about three o'clock. I'll make every effort to make sure we're muted here. We'll go off the record.

(A recess was taken.)

JUDGE PRIDGIN: We're back on the record. We took a break at about 2:45. It is now about 3:05. And do the parties have anything else for the Bench before we proceed to evidence?

MR. THOMPSON: I believe we do, Judge, if I may.

JUDGE PRIDGIN: Mr. Thompson.

MR. THOMPSON: I think we've reached an agreement that, first of all, the list prepared by

Staff witness Anne Allee and noted as Attachment A -- has been called Attachment A today, Laclede will agree that it's true in the sense that where it says, Partial response, that means some paper was provided; where it says, No response, it means no paper was provided; where it says, Complete response, all documents that could have been provided were provided or that were expected were provided, that it's accurate in that sense.

Staff understands and agrees that Laclede's defense is that it provided everything in its custody and control. Now, we don't stipulate that that's true. We just stipulate that that's the defense that they're going to make. Our intention is to bring us to where we would be if we spent three hours putting on evidence here.

Additionally, Laclede has some letters that they would introduce into the record if we go ahead and put on witnesses. And we will stipulate that they can put them in the record now for what they're worth.

And -- and Laclede further agrees that at all times here in pertinent, there have been shared executives between Laclede Gas Company and LER, one of whom is Ken Neises, although he is no longer with

either company, as I understand. Is that right, Mike?

MR. PENDERGAST: That's correct.

MR. THOMPSON: Okay. Have I stated our agreement reasonably coherently?

MR. PENDERGAST: Yeah. I think so. And as Mr. Thompson indicated, we do have some letters that we would like to also put into the record. And more specifically, there is a February 4th letter, 2009 to Steve Reed from me that basically responds to the Commission's January 21st, 2009 and subsequent order on this discovery matter; there is a November 9th, 2009 order from me to Mr. Thompson and Ms. Shemwell; then we have a letter that's dated October 18th, 2010 from myself to William J. Niehoff, counsel for LER, in which I requested LER consider anew providing certain information; and then the October 26th, 2010 letter from Mr. Niehoff to me with their response declining to provide additional information. I think those are all in the packet that Mr. Zucker has provided.

The only other comment I would make, as Kevin noted, there are certain officers that are shared between the two companies. And our view would be that that's entirely consistent with what's permitted by the affiliate transaction rule.

And the only other matter I would discuss is we had a little talk beforehand about what this hearing was going to be limited to and there being an opportunity to file motions relating to the CAM issue or perhaps approval of the CAM and, you know, we'd certainly reserve the right to do that given what we think is the relevance of those things.

JUDGE PRIDGIN: Okay. Mr. Pendergast, thank you. That sounds like Staff and Laclede have at least some sort of agreement on how they want to proceed. And Mr. Poston, let me give you the opportunity to comment if you have any objections or comments.

MR. POSTON: I have no objection. We can do those things, your Honor.

THE COURT: All right. Mr. Poston, thank you.

So is what I'm hearing then that the only evidence the parties would put on today would be the documents that Mr. Zucker just handed to me and then Mr. Thompson already has referenced Attachment A I believe to -- which is already a pleading. I don't know if you wanted to introduce that into evidence or if it matters to the parties.

MR. THOMPSON: Yeah. I'll go ahead and

put that in.

JUDGE PRIDGIN: So you'll be doing that instead of presenting witnesses?

MR. PENDERGAST: Yes. That and the letters.

JUDGE PRIDGIN: That and the letters, right. I just want to make sure -- try to keep the record as clean as I can.

COMMISSIONER KENNEY: Judge, can I ask a question?

JUDGE PRIDGIN: Certainly.

COMMISSIONER KENNEY: With respect then to the Attachment A, the -- the spreadsheet document, is it -- just so I'm clear, it's only the first page that has the partial response and -- and no response indicated on it. Correct?

MR. THOMPSON: I think it's on both sides, sir.

JUDGE PRIDGIN: From what I'm seeing, Commissioner, page 1 would have -- you know, under the heading Status, some of those say partial, some say no response. Page 2, either the answers are either complete response or there's -- there's nothing in that box.

COMMISSIONER KENNEY: They're just

blanks. Right?

JUDGE PRIDGIN: Correct.

COMMISSIONER KENNEY: So then it's the first page then that's still -- it's the documents requested on that first page that are in dispute. Correct?

MR. THOMPSON: Yeah. That's correct.

COMMISSIONER KENNEY: And it's Laclede's position that to the extent that it was partial or no response, it's because they are not in Laclede's control or possession. Correct?

MR. PENDERGAST: That's correct.

COMMISSIONER KENNEY: So then the narrow issue for us to determine is -- well, whether that is, in fact, the case or whether there's some other rational basis or some other reason why Laclede would, in fact, have possession and control of those documents. Right?

MR. THOMPSON: I believe so.

COMMISSIONER KENNEY: And does that depend upon a determination of either the CAM or the -- or rather an interpretation of the CAM or an interpretation of that stipulation that created LER?

MR. PENDERGAST: I think we've probably agreed to disagree on that. And, Commissioner, we

think there is some relevance. And as I understand it, there will be an opportunity to file a motion sometime in the not too distant future that addresses that issue and perhaps even goes further and talks about what we should do with the CAM prospectively.

COMMISSIONER KENNEY: Well, okay.

MS. SHEMWELL: I would like to --

COMMISSIONER KENNEY: Well, I'm mean -- I'm sorry. Let me -- I'm not clear. You said something about relevancy. Are you arguing that there's still -- there's still an assertion that they weren't provided because they're not relevant or because Laclede doesn't have possession and control of them?

MR. PENDERGAST: Commissioner, if that's directed to me, I think we would go ahead and say our defense is we've complied and we've given everything we have and what we don't have is not in our possession. We have requested it from LER, they have declined to go ahead and provide it.

And that alone from our perspective, ought to be enough to resolve it. But we also believe that the CAM does have some relevance. And I know nobody's ruled upon it yet, but I think the Judge suggested if we want to file a motion afterwards to

suggest what, if anything, should be done on that rather than taking up a lot of time today -- and the Staff's not prepared to address it, I don't think OPC is.

COMMISSIONER KENNEY: No. I understand. I didn't -- that would be beyond what I think we were going to argue today. But we've -- so -- so we've narrowed that issue though. Okay. Thank you.

JUDGE PRIDGIN: All right. Commissioner, thank you.

Let me, if I could, label these exhibits and verify with the parties exactly what's being offered. And then we'll see if we have any -- any objections on these exhibits. And, Mr. Thompson, I understand Staff's only exhibit today would be Attachment A to -- correct me if I'm wrong, was it your pre-hearing brief?

MR. THOMPSON: No. This was attached to Staff's response that was filed I think September 30th.

JUDGE PRIDGIN: Okay.

MR. THOMPSON: After -- after the writ and Laclede's return to the writ in circuit court were both filed with this Commission on August 31st, Staff was directed to file something in the nature of a

recommendation, I guess advising the Commission as to whether Staff believed Laclède had complied or not. And in response, we filed that list attached to a pleading on September 30th.

JUDGE PRIDGIN: So this would be exhibit -- excuse me, Attachment A to your September 30th, 2010 pleading in --

MR. THOMPSON: In this case.

JUDGE PRIDGIN: -- in this case?

MR. THOMPSON: Yes, Judge.

JUDGE PRIDGIN: And it's a two-page document and I've labeled that as Exhibit No. 1 for identification purposes. And you wanted to offer that, Mr. Thompson?

MR. THOMPSON: I would like to offer that.

JUDGE PRIDGIN: Any objections? Hearing none, Exhibit 1 is admitted.

(Exhibit No. 1 was received into evidence.)

MR. THOMPSON: Thank you, Judge.

JUDGE PRIDGIN: You're welcome. And that is Staff's only exhibit today?

MR. THOMPSON: Yes, it is, Judge.

JUDGE PRIDGIN: Thank you. And Laclède,

Mr. Zucker brought me it looks four different what look to be letters from Laclede Gas Company -- excuse me, three letters from Laclede Gas Company and a letter from a law firm to Mr. Pendergast. Would that be correct?

MR. PENDERGAST: Yes. From a law firm that represents LER.

JUDGE PRIDGIN: Okay. Thank you. And just so we can be clear, let me label Exhibit No. 2 for identification purposes the February 4th, 2009 letter to Mr. Reed from Laclede Gas Company. It appears to be a three-page letter plus an attachment on the back, so four total pages and it's from Mr. Pendergast. I will label that as Exhibit 2 for identification purposes.

And, Mr. Pendergast, you would like this offered?

MR. PENDERGAST: Yes. So offered.

JUDGE PRIDGIN: Any objections?

MR. THOMPSON: No objection.

JUDGE PRIDGIN: Hearing none, Exhibit 2 is admitted.

(Exhibit No. 2 was received into evidence.)

JUDGE PRIDGIN: Exhibit 3 I would have as

a November 9th, 2009 letter from Laclede Gas Company to Mr. Thompson from Mr. Pendergast. It appears to be two pages.

And you would like that offered, Mr. Pendergast?

MR. PENDERGAST: Yes, your Honor.

JUDGE PRIDGIN: That is Exhibit No. 3 for identification purposes. Any objections?

MR. THOMPSON: No objection.

JUDGE PRIDGIN: Hearing none, Exhibit 3 is admitted.

(Exhibit No. 3 was received into evidence.)

JUDGE PRIDGIN: Exhibit 4 I have as an October 18th, 2010 letter from Laclede Gas Company to Mr. Niehoff from Mr. Pendergast. It is a two-page letter. And then also is Attachment A, which appears to be similar to, if not identical to, Staff Exhibit No. 1, Attachment A to the September 30th, 2010 pleading. That's Exhibit No. 4 for identification purposes. And that's being offered?

MR. PENDERGAST: So offered.

JUDGE PRIDGIN: Any objection?

MR. THOMPSON: No objection.

JUDGE PRIDGIN: Exhibit 4 is admitted.

(Exhibit No. 4 was received into evidence.)

JUDGE PRIDGIN: Exhibit 5, for identification purposes, an October 26th, 2010 letter that appears to be to Mr. Pendergast and appears to be four pages from William Niehoff, apparently counsel for LER if I'm describing that correctly. And I've got that labeled as Exhibit 5 for identification purposes.

And that's being offered. Is that correct?

MR. PENDERGAST: So offered.

JUDGE PRIDGIN: Any objections?

MR. THOMPSON: No objection.

JUDGE PRIDGIN: Hearing none, Exhibit 5 is admitted.

(Exhibit No. 5 was received into evidence.)

JUDGE PRIDGIN: Any further exhibits from Laclède?

MR. PENDERGAST: No, your Honor.

JUDGE PRIDGIN: Thank you. Mr. Poston, any exhibits, any evidence?

MR. POSTON: No, your Honor.

JUDGE PRIDGIN: All right. Thank you.

Any other evidence or argument from counsel?

MR. PENDERGAST: None today, your Honor. The only thing I would do is point out that there had been a suggestion made about filing whatever motions or pleadings parties believed were appropriate to address the CAM issue and any potential relevance it has or how it should be treated in the future. And we would certainly reserve the right to do that given the representations that were made today that other parties were not in a position to address it or had questions about its relevance.

JUDGE PRIDGIN: Certainly. All right. Thank you. Anything further from counsel?

MR. THOMPSON: Are you going to be expecting a brief arguing the evidence? I mean, we put our evidence in. Obviously we have one view of what that evidence shows and they have a different view of what the evidence shows. Wouldn't you like written argument on that?

JUDGE PRIDGIN: I'm going to take the easy way out and defer that to Judge Jones since this is his case and I'm just kind of filling in at the last minute. I -- I'm trying to get out of the way as fast as I can so I -- so I don't mess things up.

MR. THOMPSON: We could send copies to

you too, Judge, if you continue to retain an interest in this matter.

JUDGE PRIDGIN: That's very kind of you.

MR. PENDERGAST: Just so the record's clear on that score though, I believe we would request the opportunity to do that. So when you bring it to Judge Jones's attention, at least from our perspective, we'd like to.

MR. THOMPSON: Yeah. We'd like that opportunity as well.

JUDGE PRIDGIN: I see no problem with it. I'm just trying to get out of the way.

MR. PENDERGAST: Thank you, Judge.

JUDGE PRIDGIN: You're welcome. Anything further from counsel?

MR. THOMPSON: No, Judge.

JUDGE PRIDGIN: All right. Commissioner Kenney, anything further?

COMMISSIONER KENNEY: No. Thank you very much. Thank you all for indulging me participating by phone.

MR. PENDERGAST: Thank you.

JUDGE PRIDGIN: Thank you, Commissioner.

If there's nothing further -- all right, thank you very much, we will go off the record.

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MR. THOMPSON: Thank you, Judge.

JUDGE PRIDGIN: Thank you.

(Exhibit Nos. 1 through 5 were marked for identification.)

(Whereupon, the hearing was adjourned.)

CERTIFICATE OF REPORTER

I, Tracy Thorpe Taylor, CCR No. 939, within the State of Missouri, do hereby certify that the testimony appearing in the foregoing matter was duly sworn by me; that the testimony of said witnesses was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this matter was taken, and further, that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Tracy T. Taylor, CCR

Tracy Thorpe Taylor, CCR

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17
18
19
20
21
22
23
24
25

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25	EXHIBITS INDEX	MARKED	REC'D
	Exhibit No. 1 Recommendation	380	374
	Exhibit No. 2 Letter to Mr. Reed from Mr. Pendergast dated 2/4/09	380	375
	Exhibit No. 3 Letter to Mr. Thompson and Ms. Shemwell from Mr. Pendergast dated 11/9/09	380	376
	Exhibit No. 4 Letter to Mr. Niehoff from Mr. Pendergast dated 10/18/10	380	377
	Exhibit No. 5 Letter to Mr. Pendergast from Mr. Niehoff from 10/26/10	380	377

<p><u>0</u> 0006 360:14 05 285:3 06 285:4</p> <p><u>1</u> 1 352:6 370:20 374:12,18,19 376:19 380:3 382:3 10 352:7 10,000 340:14 10/18/10 382:9 10/26/10 382:11 100 301:2 327:6 355:16 100,000 335:22 336:1 10K 352:1 11/9/09 382:7 14th 280:15 15 352:7 366:10 1520 271:3 18th 316:4 368:14 376:15</p> <p><u>2</u> 2 370:22 375:9,14,21, 23 382:4 2/4/09 382:5 2:45 365:24 366:18 2001 275:25 284:25 287:11 288:13 290:1 293:24 296:22 302:18 324:3 348:23 359:10 2002 284:25 2004 285:14 2004-2005</p>	<p>272:5 2005-2006 270:14 272:5 2007 285:8 288:15 2009 355:21 368:9,10,12 375:10 376:1 2010 270:7 272:9 280:15 281:24 288:16 368:14,17 374:7 376:15,19 377:4 20th 296:10 351:24 21st 368:10 2230 271:6 240-40.016 286:21 25th 337:4 26th 368:17 377:4</p> <p><u>3</u> 3 375:25 376:7,10,12 382:6 3:05 366:18 30th 305:13 373:20 374:4,7 376:19 314.342.0533 271:4 31st 373:24 360 271:10 272:17 365 339:10 374 382:3 375 382:5 376 382:7 377 382:9,11 380 382:3,5,7,9, 11 3rd 281:24</p>	<p><u>4</u> 4 270:7 286:21 376:14,20,25 377:1 382:8 42 279:17 4D 286:22 4th 272:8 326:21 368:8 375:10</p> <p><u>5</u> 5 270:9 279:17 282:2 377:3,8,15,1 7 380:3 382:10 573.751.5558 271:7 573.751.8700 271:11</p> <p><u>6</u> 63101 271:3 272:24 65101 271:11 65102 271:7 272:18</p> <p><u>7</u> 7 352:6 720 271:3 272:24</p> <p><u>9</u> 9/1808 315:17 939 270:23 380:8 9th 368:12 376:1</p> <p><u>A</u> ability 353:17 366:4 380:12 able 303:14 310:16 311:21 365:19 absolutely</p>	<p>297:18 301:14 302:8 309:14 311:6 330:11 332:4,24 347:23 354:15 356:24 357:23 360:24 365:17 absorbing 363:21 ACA 285:24 307:12,21 330:25 360:2 access 308:5 313:8 accordance 275:22 286:8 324:15 according 346:22 349:20 accurate 316:11 317:4 367:9 accurately 316:19 accuse 292:3 acknowledge 292:5,9 acquisition 337:5 action 276:13 286:10 380:15,19 actual 338:10 actually 274:1 279:11 280:17 281:1,25 add 363:25 addition 287:16 additional 281:17 295:25 299:6 309:19,24 368:18 Additionally 367:17</p>
---	--	---	---

336:10 338:13 339:9 analogous 338:25 analogy 326:10 analysis 309:9,11 analyze 313:1 anew 304:14 319:8 368:16 Anne 317:20 367:1 annual 275:12 276:17 278:18 annually 282:5 answer 284:14 303:14,22 308:17 315:3 326:6 344:22 356:8 answers 370:22 anybody 279:21 342:13 364:25 anyone 301:12 325:23 anything 308:18 311:11,12 325:5 333:10 336:9 342:3,7 349:21 354:6 358:16 363:24 365:1,10 366:19 373:1 378:13 379:14,18 apart 301:14 apologize 273:11 277:17 317:25 323:18 337:19 apology 291:24	338:24 apparently 288:13 326:19 377:6 appeal 302:7 appearance 272:11 273:9 appearing 272:22 273:5 380:10 appears 375:12 376:2,17 377:5 appellate 319:25 apples 326:24 341:11,12 applicable 275:24 276:19 278:2 285:13 286:3 apply 311:20 360:20 appointed 326:14 appreciate 291:20,23 297:20 304:21 363:22 approach 308:20 approached 319:17 appropriate 283:22,23 284:15 292:15 293:7 299:13,14,15 ,21 318:23 319:13,19 329:17,20 330:16 358:21 378:5 approval 282:8 287:2,7,8,9, 25 324:12 369:5 approve 289:6,15 366:5	approved 274:23 275:5,16 278:8 287:11,22 288:7 289:1 312:11,15 323:24 324:2,13,16, 18,20 339:21 355:12,13,21 366:7 approximately 285:3 area 328:5 341:7,8 aren't 330:14 354:2 argue 309:25 348:21 354:22 373:7 argued 288:23 arguing 355:4 363:1 372:10 378:15 argument 273:19 277:7 314:10,13,20 323:21,22 324:1 326:9 329:1 332:11 336:8 348:13,18 349:8,9,21 352:24 355:1 358:11 378:1,19 arguments 358:12,13,14 363:3 arisen 361:7,8 arose 286:25 arrange 321:4 arranged 299:5 304:9 317:12 Aside 359:7 aspect 291:5 aspects 285:15,17 assertion 280:25	372:11 assertions 280:23 assess 274:15 assessed 340:12 assigned 272:7 273:12 assume 342:13 assumes 310:22 assuming 279:23 342:11 365:10 assured 285:22 astray 337:19,23 Atmos 308:24 315:7 333:15 336:21 363:4 Atmos-like 337:24 attached 373:18 374:3 attachment 305:10 315:14 367:1,2 369:21 370:13 373:16 374:6 375:12 376:17,19 attempt 345:13,18 attempted 303:10 attention 277:9 288:15 331:5,7 353:21 379:7 attorney 271:2 380:17 audit 276:17 333:11,12 audited 274:24 276:16 auditing
--	---	---	--

306:15	332:23	362:16,19,24	clarification
307:4,18	333:3,15	363:17 364:9	342:19
308:2,9	335:10	challenged	clarified
309:17,19	336:9,21	294:20,22	308:23
310:1,6,10	338:23	challenges	clarify
311:2,13	339:3,7,11,1	361:1	323:21
313:15,18	5 343:19	chance 344:7	359:25
314:6 321:9	344:2,15	347:20 348:9	clarity 361:3
323:22,25	345:3,8,9	change	CLAYTON
324:3,9,10,1	352:15	363:13,18,19	270:20 342:5
2,15,20	355:15	changes	359:6,12,17
325:2 327:1	358:18	276:21	360:15,22,25
328:17,18	360:2,4,10,1	changing	361:12,16
330:4,23	4 363:4	313:4	362:16,24
332:2,14	364:5,19,24	chart 305:12	363:17 364:9
340:10,11	371:15	315:20	clean 370:8
342:21 343:6	374:8,9	cheaper	clear 298:20
344:1,8	378:22	339:22	300:13
345:2,7,14,1	cases 272:2	Chief 271:9	301:18
6,24	283:14,17	choose 298:7	305:18,23
347:7,17,20,	288:17	churn 363:10	346:25 350:4
25 348:12,15	347:21 359:8	circuit	370:14 372:9
349:6,22	364:4	292:24	375:9 379:5
350:4,21	catch-all	293:13	clearly
354:6,8,13,1	307:19	321:12 323:8	315:11
6,23	CCR 270:23	344:18	323:24
355:5,11,20,	380:8,22	350:17	clock 365:24
23 356:13,21	central 351:1	353:2,7	close 305:19
366:5,7	certain	357:8,18	324:12
369:4,5	304:3,4	363:5 373:23	closer 287:23
371:21,22	306:20 317:7	circular	closest 287:9
372:5,23	346:25	311:24	cloudy 336:18
378:6	348:14	circumstance	code 276:8,9
CAMs 286:7	352:24	304:16 310:3	336:13
CAM's 277:8	368:16,22	322:7 331:1	coherently
capabilities	certainly	333:3	368:4
321:23	279:6,9	circumstances	column 315:18
capacity	283:22,23	310:3 313:18	316:9,11,18,
327:6	284:13	319:3,4	19
care 310:5	288:21	329:23	comes 287:23
336:6,7	293:7,16	330:3,13,14	331:19
cart 295:10	295:6 303:11	332:1,5,14,1	333:17
case 272:7	345:1 346:16	6 333:1	coming 360:9
275:17 282:3	358:20	City 270:8	364:24
283:4 285:9	362:13	271:7,11	comment 339:5
292:1 293:24	365:17 369:6	272:10,17	344:4 368:21
302:18	370:11	civil 349:10	369:12
308:24	378:8,12	351:23	comments
309:20	CERTIFICATE	claimed	292:13
310:4,13,14	380:6	346:16	369:13
311:5,6,9	certify 380:9	claims 356:20	Commission
315:3,7	Chairman		
317:15	270:20 342:5		
319:24	359:6,12,17		
321:11	360:15,22,25		
323:16 328:5	361:12,14,16		
330:12			

270:1 271:12	286:24	331:24	320:1,4,8
272:13,17	323:22 325:2	332:7,10	321:11,20
273:23,24	commissioner	333:2,21	326:11,19
274:23	279:2,5,7,10	334:1,5,9,15	companies
275:5,16	,14,20	,20,23	320:2 360:21
277:7,18	280:1,2,6,8,	335:1,8,11,1	368:23
278:8,9,22	9,12 281:19	8 337:15,22	company
279:19,24	282:21	338:24	270:14 271:4
280:18,20,21	283:1,8,16,1	340:16,21	272:20,23
,24	9 284:11,18	341:1,5,9,18	277:14
281:3,8,12,1	285:1 286:16	,23 342:1	287:12,16
5,16 282:4,7	287:4 288:3	348:11	290:11,13
283:5,6	289:10,24	349:2,5,13	292:25
284:2,3,8	290:1,4,14,2	350:3,12	296:22
287:7,8,11,1	0	351:2,9,16,1	299:3,5
7,22,25	291:9,12,19,	9,25	303:5 318:16
288:2,7,24	23 292:14	352:2,12,16,	320:9 322:3
289:1,4,6,9,	293:2,6,11,1	23	324:4 327:20
21 290:18	5	353:10,14,22	333:9 367:24
292:19	294:10,19,23	354:5,9,12,1	368:1
293:17	295:5 296:6	7	375:2,3,11
294:10,16	297:4,10,13,	355:9,14,24	376:1,15
295:7,12	15,24	356:22	company's
296:9,15	298:2,6,10,1	357:5,10,16,	272:4 275:1
297:3,5,21,2	9 299:16,23	23 358:5,19	comparable
5	300:5,8,12,1	359:4	341:3
298:8,14,22,	6,19,22,24	362:14,17,18	compared
23 299:25	301:23	365:22 366:2	341:15
301:4,5,10,1	302:2,8	370:9,12,20,	compartmental
7,19 302:4	303:13	25	izing 299:18
303:12,17,18	304:3,20,24,	371:3,8,13,2	compel 306:2
,20	25	0,25	315:17 316:4
304:12,19	305:1,4,5,7,	372:6,8,15	322:20
308:16	12,17	373:5,9	323:11
312:12	306:8,12	379:17,19,23	competitive
314:16 315:2	307:3,7,10,1	commissioners	312:8,23
322:20	4	270:22	331:5
323:6,23,24	309:7,16,22	283:11	332:1,15,19
324:2,12,16,	311:1,8,23	284:13 292:3	333:16 340:6
18 325:20,24	312:24	337:21 358:9	complaint
334:9 337:18	313:11,12,21	commissions	328:23
343:11,18	314:2,8,18,2	292:10	360:13
344:14,17	3 315:12,22	363:22	complete
345:11	316:1,7,8,15	Commission's	316:18 325:1
346:8,17	,17,25	276:18	367:6 370:23
347:20 348:7	317:3,17,18,	280:14	completed
349:3,11	20,23	288:15 289:9	285:9 346:20
350:7 354:4	318:11,17,25	291:4,18	completely
355:12	319:20	293:1 294:13	296:23
356:15	320:12,15,16	296:4,22	330:22
357:3,8	321:2	299:10	333:10 346:9
358:21	322:4,16,17	324:13	compliance
359:25	323:2,3,7,9,	342:24	290:23
360:18	14,17	344:10 345:9	293:17 294:6
364:16,22	324:21,24	349:25 350:1	
365:2 373:24	325:4,8,13,1	351:8,23	
374:1	4 326:4,5,7	360:1 368:10	
Commission-	329:11,13,15	common	
approved	330:1,10		

300:23	302:11 338:7	contrast	272:12
303:18	concluded	309:1	273:3,5,8,15
307:4,18	364:5	control	277:21
308:5	concoct	295:22,24	344:17
310:6,9	331:15	306:7,9,19	345:20
311:2,13	concur 282:22	318:12,14	359:23
325:1 347:25	conduct	320:19	368:15 377:6
361:9	276:8,9	322:24	378:1,13
complied	conducting	333:25	379:15
284:1,7	277:22 362:9	356:10	380:14,17
293:4,9	confirm	367:12	Counsel's
296:3,4	364:19	371:11,17	278:18
297:7,16,18	connection	372:13	counterclaim
300:3,6	307:24	conversation	315:3
301:8,21,24	consider	358:23	couple
302:1,5,12	304:13,14	cooperate	279:2,7
303:7	319:8 360:19	318:21	295:13
304:2,13	368:15	362:13	308:23
309:17,18,25	considered	cooperative	course 296:21
337:18	303:25	321:1	308:17
344:10	consistency	coordinated	319:15 320:3
347:11	285:6	319:1	321:25
350:11	consistent	copies 281:23	356:22 357:5
351:10	276:22 278:4	289:8 378:25	court 270:24
352:20	285:16 288:2	copy 279:18	285:13
353:15	296:1,2	335:6	292:24
355:10 356:2	312:4,6,10	corporate	293:13
361:24	328:7 368:24	320:5	321:12,25
372:17 374:2	consolidated	corporation	322:25
comply	279:17	290:9	323:5,8
276:10,12	contemplates	corporations	344:18
286:6,13	320:4	286:23	347:7,23
292:11,25	contempt	correct	350:17
293:12 298:8	323:7	274:6,7	353:2,7
300:2 303:20	contention	284:12	357:8,18,24
306:1 351:12	324:25	292:20 293:9	363:5 369:16
355:25	contested	298:3 306:23	373:23
358:25	360:5	307:8 311:3	courts 294:24
component	context	322:22	covered 316:4
276:3	290:20	331:24	created
comport	291:16	342:14	371:23
286:10	306:21	345:19 347:4	criteria
comporting	contingent	357:20 368:2	328:20
362:9	307:1	370:16	critically
conceivably	continue	371:2,6,7,11	282:4
321:5	275:11 360:8	,12 373:16	cross-
concern	379:1	375:5 377:11	subsidizati
326:2,18	contract	correctly	ons 275:9
327:17	338:1,4,7,10	377:7	crucial
concerned	,14	Cost 275:2	350:25
325:24	341:11,14	287:13 324:4	353:18
326:25 327:1		359:19	CSR 286:21
328:11 338:9		counsel	current
342:21		271:6,8,9,10	
concerns			
285:2,6			

294:11 custody 295:23,24 306:6 322:24 333:25 367:12 customer 275:19 customers 275:9 338:16 cut 284:10	327:11,12,20 ,25 328:1,2,7,21 331:6 339:12 340:13 dealing 329:9 338:1 deals 328:7 December 275:25 decide 296:6 298:7,16 320:21 326:21 353:19 365:2 decided 293:20 294:11 295:4 297:15,25 298:22 313:9 330:9 350:21 353:19,22 357:1 decides 292:18 355:5 356:17 357:9 deciding 293:7 294:8 decision 292:18,19 319:25 345:9,11 346:18 351:8 decision's 294:19 declined 372:20 declining 368:18 deems 294:16 deep 309:9 deeply 325:23 defense 290:17 291:13 306:18 367:11,14 372:17 defenses 351:7 defer 378:21 deferred	350:23 definitions 280:3 definitively 311:6 degree 356:16 delivered 339:9 deliveries 339:16 341:8,9 delivery 340:4 demonstrate 311:21 340:5,8 358:10 demonstrated 312:3,5 339:24 department 276:17 321:15,17 departments 326:17 department's 326:12 depend 371:21 depending 356:17 depends 348:20 deputy 271:6,10 326:14,15,16 describing 377:7 desire 343:4 362:21 detail 301:16 346:17 detailed 315:18 316:9,12 determination 280:22 295:8 297:22 314:11 318:5 325:11 330:8 334:10 343:19 344:9	346:21 347:8,11,16, 21 351:17,20,22 352:8 355:15 356:3,9 357:17 358:6,9,18 362:11 371:21 determination s 295:13 312:25 350:13 determination 's 295:11 determine 276:5 284:1,6 293:8 301:24 309:12 319:6 328:19 352:3 356:2,7 358:17 371:14 determined 275:17 301:7 308:7 319:3,6 344:15 determines 278:22 determining 297:5 307:4 312:12 328:20 331:13 detrimental 275:10 developed 278:17 331:2 Development 326:15 dickens 361:21 difference 339:10 differences 294:15 different 277:4,25 286:15 289:7,13 308:8 311:20
---	--	---	--

312:22	disclosed	277:20	361:9 373:1
313:6,25	336:20	281:22 288:1	dual 361:20
318:16 320:9	disconnected	289:8	duly 380:10
327:6	314:7	305:8,9	duty 320:11
329:5,9	discovery	315:15	
330:13	273:14	316:20	
336:16,21	295:19,20	317:21 318:1	
339:2 349:21	296:12	348:15,16	
363:22 375:1	303:12	349:7	
378:17	344:10	356:1,3	
differs 337:7	347:12,24	357:25	
difficult	349:11	370:13	
346:9 362:3	351:23	374:12	
dig 331:8	357:10,13,14	documentation	
direct 275:4	359:1 368:11	291:1	
278:12	discriminatio	documents	
289:14	n 310:23	273:25	
directed	discuss	280:16,25	
280:16 286:7	281:7,14	290:17,18	
305:25 306:4	305:14 369:1	294:12 295:8	
372:16	discussing	297:6	
373:25	307:20	298:3,7,16,2	
directing	discussion	3 299:1,4,6	
280:15	318:4 359:12	302:13,23,24	
direction	360:2	303:4 305:21	
380:13	discussions	306:19,20	
directly	304:8	315:17,19,24	
289:20	disjunct	316:2,3,9,12	
303:25	308:20	317:7,10,11,	
319:17	dismissed	12	
333:13 346:3	335:9	318:7,15,17,	
director	dispositive	19 319:2,3	
321:21	289:17	320:17,18	
326:15,16	dispute	322:8,9,12,1	
directors	273:14	3,19 323:10	
319:21	286:25	325:21	
320:1,5,8	357:11,14	334:10,12	
321:11	371:5	344:20	
326:11	disputes	348:14 349:3	
disagree	284:6 360:9	352:22,24	
295:9 302:6	dissent	353:23	
316:6 348:1	297:24	354:9,18,24	
371:25	distant 372:3	355:5 356:4	
disagreement	372:3	357:17 367:7	
345:21 346:2	diversity	369:20	
347:1	310:9	371:4,18	
364:14,16	division	dog 327:9	
disallowance	321:21	done 283:21	
310:17	docket 296:23	289:19	
347:22	360:4 361:6	297:19 299:9	
disciplinary	364:8	306:25 312:8	
276:13	docum 355:25	324:6 328:1	
286:10	document	332:20	
		335:17	
		339:12	
		344:21 350:6	
		352:15	
		359:1,2,5	

	earlier 319:7
	331:25
	345:15
	358:23
	earn 309:3
	earned 315:8
	easy 378:21
	Economic
	326:15
	effect 298:14
	301:20
	310:21 355:7
	effective
	276:19
	effects
	275:10
	effort 366:14
	efforts 362:2
	egregious
	278:13
	eight 296:10
	299:8,14
	313:7
	either 284:24
	293:17
	333:13
	349:22,24
	350:6
	356:8,9
	363:15 368:1
	370:22
	371:21
	elements
	289:2
	324:7,8
	else 296:25
	301:13
	302:25
	311:12 325:5
	330:5 331:9
	337:1 366:19
	employed
	380:14,17
	employee
	380:17

employees 276:10,11,15	302:16 318:9 327:15 330:5 346:21	373:15 374:6,12,18, 19,23	<hr/> F <hr/>
encompass 307:20	354:3,7 367:11 372:17	375:9,14,21, 23,25	face 276:12
enforce 334:14,17	everywhere 361:17	376:7,10,12, 14,18,20,25	facing 303:8
enforced 322:21	evidence 342:7 364:6,17 365:14	377:1,3,8,15 ,17 380:3 382:3,4,6,8, 10	fact 286:12 293:15 297:2 304:2 313:4 316:3 321:22 327:13 346:15 350:20 352:20 353:19 371:15,17
enforcement 295:16 361:10	366:20 367:16 369:19,23 374:20 375:24 376:13	exhibits 373:11,14 377:19,23 382:1	factors 310:12 324:22 329:21 335:14
engage 307:11	377:2,18,23 378:1,15,16, 17,18	exist 290:5	factual 313:18
ensure 290:22	evidentiary 270:6 273:21 274:13,14 304:7,13 323:7 363:5 365:20	existing 359:8	failed 276:12
enter 273:8	exactly 278:16 287:20 307:9 310:25 329:22 337:13,16 344:21 362:18 373:12	exists 361:6,22	failure 292:25
entire 304:8	example 292:7 308:22 311:14,15 313:24 335:22	expectation 342:16	fair 276:5,6 311:20,22 328:21 331:6 336:25 337:1,7,15 339:17 340:23 343:4 348:8
entirely 329:4 349:20 368:24	examples 283:17 313:19,22	expected 367:8	fairly 318:22
entitled 281:22 284:14 350:16 355:22	excellent 287:5	expecting 337:12 378:15	faith 362:22
entity 290:10 303:1	excessively 350:19	expedition 283:12	falls 301:14
entries 272:11	excuse 273:15 374:6 375:2	expensive 311:15	familiar 304:1
essence 325:19	excuses 349:17	explain 317:9 354:10	fancy 294:3
essential 348:13	executives 367:24	explanation 327:4	fashion 324:19
establish 277:21 293:25 294:2	exhibit	explanations 327:7 330:15 356:11	favor 293:20
established 331:12		explicit 324:18	favorable 339:25 341:17
establishing 274:14		explicitly 323:24	fast 378:24
evaluated 274:24		express 281:25	February 368:8 375:10
eventual 283:4		extension 360:21	feel 303:23
everybody 278:10 283:12 305:5 316:10		extent 287:8 290:20 306:5 322:23 333:24 354:1 357:22 371:9	fell 313:18
everything 282:22 287:18 288:6 296:25 297:19			ferret 278:2

<p>fiduciary 320:1,10</p> <p>fight 300:17</p> <p>figure 306:13</p> <p>file 270:13 272:3 273:12 279:24 288:11,14 364:20 369:4 372:2,25 373:25</p> <p>filed 276:19 278:18 285:14 305:9,13 330:4 337:4 360:11 373:19,24 374:3</p> <p>filing 270:14 280:15 378:4</p> <p>filling 273:13 378:22</p> <p>final 322:4 325:10 326:8 343:18 347:7,21</p> <p>finally 337:3,6</p> <p>financially 353:7 380:18</p> <p>fine 281:21 287:19 298:20 339:17 347:5 349:18 358:22 365:8</p> <p>firm 375:4,6</p> <p>first 285:8 315:14 316:2 336:16 338:2 342:13,14 353:2 365:11 366:25 370:14 371:4,5</p> <p>fishing 283:12</p> <p>five 277:23 315:23 316:2 358:8</p> <p>five-minute</p>	<p>365:19</p> <p>fixed 338:15</p> <p>Flattery 361:16</p> <p>flying 364:23</p> <p>focus 284:15 318:1</p> <p>focused 283:6 291:21</p> <p>folks 343:5</p> <p>follow-up 329:12</p> <p>forbidden 325:21</p> <p>force 301:20</p> <p>foregoing 380:10</p> <p>forgive 314:8 337:25</p> <p>forth 275:13 276:1 278:19 302:9 328:6 361:24</p> <p>forward 273:19 275:10 287:17 289:2 304:21 364:2</p> <p>forward- looking 360:6</p> <p>foundation 301:17</p> <p>frankly 280:19 291:25 294:8 304:6 308:19</p> <p>fraught 320:20</p> <p>free 286:14 299:10,12 320:9</p> <p>freely 320:4</p> <p>front 282:10 315:23 323:8 338:13,15</p> <p>frustrated 278:11</p> <p>frustrating 277:19 286:15 292:9</p>	<p>363:20</p> <p>frustration 292:6,7</p> <p>full 313:8 323:1 346:20</p> <p>fully 281:6 288:2 296:4 302:3 352:20</p> <p>function 302:4 307:11</p> <p>functioning 307:8</p> <p>functions 307:19</p> <p>fundamentally 314:6</p> <p>furtherance 330:21</p> <p>future 364:4 372:3 378:7</p> <hr/> <p style="text-align: center;">G</p> <hr/> <p>ga 337:4</p> <p>game 277:22 278:7 299:18 313:4 343:4 362:8</p> <p>gas 270:14 271:4 272:4,20,23 275:18 284:1 286:23 290:13 292:24 299:3,4 303:5 308:13 309:4,10 310:5,6 311:14 312:6,13,17 313:20 315:7 326:22,23 327:10,18 331:2 332:5 333:1,9 335:23,24,25 336:5,10 337:5 338:3,18 339:8,15,19, 22 357:19 367:24 375:2,3,11 376:1,15</p>	<p>gathering 332:12</p> <p>GC2011 360:14</p> <p>general 292:11,12 295:19,20 296:11 301:9 307:7,11,19, 23 344:17 348:18 351:22</p> <p>generally 295:21 305:16 326:3</p> <p>gets 292:9 315:9 327:2 347:23</p> <p>getting 309:8 328:21 334:4 358:22</p> <p>gist 329:16</p> <p>given 299:4 313:19 327:13 346:15 352:6 354:25 369:6 372:17 378:8</p> <p>giving 317:15 346:13 353:10</p> <p>glancing 342:10</p> <p>going-forward 359:20 361:9</p> <p>gone 276:3 278:20 283:11 289:11 293:4 302:12 306:23 328:24 340:8 356:5,6</p> <p>governed 357:14</p> <p>government 336:23</p> <p>governmental 321:18</p> <p>governor 272:9 321:20</p> <p>GR-2005-0203 272:3</p> <p>GR-2006-0288</p>
---	--	--	---

270:13 272:3 granted 322:20 granting 306:2 great 284:4 325:4 362:16 greater 361:2 Group 290:12 GSIP 312:11,15 328:4 guess 273:16 288:20 306:12,13 307:15 318:23 326:18 327:17 343:9,21 345:8 346:1,24 348:21 350:3,10 355:8 364:18 374:1 guidance 343:21 360:7 guide 364:8 Gunn 270:21 283:19 290:1,4,14 291:9,12,19, 23 293:2,6,11,1 5 294:10,19,23 295:5 296:6 297:4,10,15 298:2,6,10,1 9 299:23 300:5,8,12,1 6,19,22 301:23 302:8 303:13 304:3,20,24 305:4 317:17 323:17 324:21,24 325:4,8 326:5 329:11,15 331:24 332:7,10 333:2,21	334:1,5,9,15 ,20,23 335:1,8,11,1 8 337:15 348:11 349:2,5,13 350:3,12 351:2,9,16,1 9,25 352:12,16,23 353:10,14,22 354:5,9,12,1 7 355:14,24 356:22 357:5,10,16, 23 358:5 359:4 365:22 guys 317:24 <hr/> H <hr/> hair 308:14,15 hand 332:13,18 352:9 361:21 362:1,6 hand- delivered 281:24 handed 369:20 happen 360:7 happened 327:24 329:22,24 345:10 happens 347:8 happy 281:4 289:18,23 304:18 324:5 325:6 346:11,12,13 hard 325:16 harshesht 292:2 hat 317:15 haven't 287:1,25 298:21 312:1 313:23 318:20 332:25 335:17 345:15 353:23	having 293:16 306:24 328:23,24 360:8 363:4 365:2 HC 305:9 heading 370:21 heads 337:21 hear 305:2 345:20 heard 313:23,25 318:6 hearing 270:6 272:2 273:10,14,21 274:2,13,14 280:22 281:6 282:13,17 283:2,4,25 284:16 292:16 293:16 300:25 302:25 304:7,13,22 314:17 318:2 319:8 323:1,8 325:7 343:16,25 347:1 350:17 351:4 353:5,6,9,11 ,17 363:1,5 364:13,14,15 366:6 369:3,18 374:17 375:21 376:10 377:15 380:5 hearings 362:24 heck 287:23 held 320:25 help 364:8 helpful 278:22 289:22 359:22 360:3 361:2 364:2,5	hereby 380:9 here's 287:12,15 288:24 289:16 326:8 327:8 herring 295:15,17 296:25 297:2 herrings 353:20 he's 326:22 high 317:15 338:13,20 higher 294:23 hold 323:1 holding 296:22 Honor 272:21 274:10 314:25 316:22 318:10 342:18 347:6 350:10 365:7 369:15 376:6 377:21,24 378:2 hope 277:18 308:16 320:25 356:19,20,25 hopefully 278:21 363:15 horizontally 315:16 hours 367:16 hypothetical 327:22 330:11 <hr/> I <hr/> I'd 292:22 idea 300:20 363:17,18,19 identical 376:18 identificatio n 374:13 375:10,15 376:8,20
--	---	---	---

377:4,8 380:4 identify 279:14 ignorance 314:9 337:25 ignore 296:23 359:21 ignoring 299:20 III 270:20 I'll 277:11 281:21 286:20 309:6 317:25 321:10 329:13 366:14 369:25 I'm 272:6 279:22 281:19,20 282:10,15 283:14,17,19 286:21,22 291:11,21 295:14,16,18 296:24 298:11 299:11 300:13,16,19 302:10 303:15,21 304:1 305:18 306:13 307:15,16 308:14 310:3,16 311:4 312:21 313:13,17 314:15,19,20 315:12 317:24 323:3,21 325:14,15 326:25 327:1 328:6 331:4,6,7,8, 24 332:23,24 334:17 336:7 337:22,23 342:1,11,15 343:21 344:13 345:20 346:11,12,13 ,25	347:1,5,13 349:9 350:4,10,19, 23 352:9,18,19 353:1 355:9 358:22 359:5 362:7 363:3 364:12,13,15 ,23 365:10,19 366:5,6 369:18 370:14,19 372:8,9 373:16 377:7 378:20,22,23 379:12 impacts 356:13 implement 287:18 implicitly 323:25 implies 286:18 important 276:10 282:4 335:16 343:17 362:7 impression 288:9 326:9,20 338:6 342:25 improve 361:9 imprudence 332:3 imprudent 309:21,25 310:7 311:13 335:24 inability 363:11 inappropriate 331:3 in-camera 305:14 include 287:14 324:7,9 included 276:4 287:15 including	276:13 277:20 363:3 inconsistent 278:5 308:8 330:22 indeed 355:13 independent 312:25 335:2 independently 298:15,21 index 328:4 382:1 indicate 317:14 355:19 indicated 274:14 276:3 277:3 319:7 355:21 368:6 370:16 indicates 322:7 355:20 indication 324:15 indirectly 333:14 indulgence 304:21 indulging 379:20 industrial 358:13 inexpensive 310:8 information 274:18,25 278:2 290:21,22 291:7,14,17 294:1,5 295:22,23,25 296:13,18 304:10,15,17 306:6,22,24 308:5,10 319:9,12,14, 18 321:4,16,18, 19 322:1 330:19 331:6,16 332:12 335:16	342:22 343:23,24 351:14 355:18,21 356:5 368:16,19 initial 342:24 346:5,7 inordinately 338:12 inquire 273:11 282:17 inquiries 293:8 inquiry 284:11 311:2,5,7 329:20 332:15 333:14 334:21 335:2 343:2 349:14 instance 304:6 338:11 343:12 instances 303:6,7 304:3,4,6 instead 370:3 instructed 286:12 344:17,19 intended 348:6 intention 367:14 interest 379:1 interested 281:18 380:19 interject 302:19 interjected 342:20 358:4 internal 276:17 interpretatio n 361:1 371:22,23
--	---	---	--

interprets 360:18,20	373:8 378:6	374:11	372:24
interrupt 280:11 309:7	issued 280:20	375:13	373:9,21
intervenor 358:13	issues 284:5	I've 277:15	374:5,9,10,1
introduce 367:18 369:23	288:10	284:19 292:2	1,17,21,22,2
introduced 344:2 346:3	289:17	294:8 309:21	4,25
inure 315:5	293:18	313:19,24	375:8,19,21,
inures 315:4	297:12,25	335:8 352:6	25
investigation 325:23,25	300:1,10	374:12 377:7	376:7,10,14,
investor- owned 301:12	301:2 323:10		23,25
involved 300:1 334:4	335:21 343:6	<u>J</u>	377:3,13,15,
involves 347:16	344:1,15	January	19,22,25
irrelevant 286:13 291:2	346:2 351:6	296:10	378:12,20,21
332:15	353:18 359:7	351:24	379:1,3,7,11
333:11	361:7 363:1	368:10	,13,14,16,17
346:10	issue's	JEFF 270:20	,23 380:1,2
347:25 348:2	319:23	Jefferson	judged 340:12
isn't 301:11	it's 279:23	270:8	judgment
311:24,25	280:4 281:21	271:7,11	323:5 338:17
318:5 329:16	282:13	272:10,17	jurisdiction
330:9 336:23	283:22	job 334:13	301:13
348:16 350:6	286:4,15	335:5	justice
356:20	290:7	Jones 273:12	299:22
358:11	294:20,21,25	342:10	
issue 278:23	295:15,17	344:19,23	<u>K</u>
282:9	296:18,24	347:3 378:21	Ken 326:19
284:12,17	299:13,15	Jones's	367:25
285:8 287:3	302:4	345:22 379:7	Kenney 270:21
288:19	306:8,12	judge 270:19	297:13
291:21	307:3,17,24	272:1,7,15,1	304:25
292:10 295:3	308:12	9,25	305:1,5,7,12
297:16	309:2,15,25	273:7,11,20	,17 306:8,12
299:20	310:5,14	274:5,8	307:3,7,10,1
301:3,4	315:16	278:24	4
304:9 305:20	316:11	279:1,4,6,9	309:7,16,22
307:16 325:7	320:20	304:24	311:1,8,23
329:8 339:6	321:20	305:3,6,24	312:24
343:15 345:7	322:23	314:15	313:12,21
346:18	324:5,16,17	322:20	314:2,8,18,2
351:1,6	327:7,11	325:12	3 315:12,22
355:13	329:19	329:3,4	316:1,8,15,1
357:12 358:4	330:16	333:21,23	7,25
363:9 369:4	333:24	334:10,24	317:3,18,20,
371:14 372:4	339:1,2	342:3,5,6,9,	23
	343:17 344:8	10,17	318:11,17,25
	345:10	344:3,6,12,1	319:20
	346:9,16	9,23	320:12,15,16
	347:6	345:5,19,22	321:2
	348:2,8,24	346:24 347:2	322:4,17
	352:3 356:9	352:2 359:7	323:3,9,14
	357:3,11,13,	364:9,12	338:24
	22 358:21	365:9,13,16,	370:9,12,25
	362:3,6	17,23	371:3,8,13,2
	363:20,21	366:10,13,17	0 372:6,8
	364:24	,21,23 369:8	373:5
	367:3,8	370:2,6,9,11	379:18,19
	370:14,17	,19 371:2	Kevin 270:21
	371:3,4,8,10		

271:9 272:15 348:3,5 368:22 kinds 331:15 356:11 knew 282:23 knowledge 285:7 326:17 Kumbaya 362:19 <hr/> L Label 373:11 375:9,14 labeled 374:12 377:8 labor 285:19 lack 290:16 292:4 Laclede 270:14 271:4 272:4,20,23 273:16,25 274:1,20,21 275:3,6,10,1 7 276:19 282:5,7 284:1 285:12,14 287:6,23 290:12,13,15 292:24 296:13,17 299:3,4 303:5 306:1,17 318:8,15 319:1,11,20 326:23 327:4,10,12, 18 333:9 334:6,11 335:22 336:12 337:5 340:18 341:21 343:24 344:20 345:13 352:21 353:25 356:6 357:19 359:23 360:20 367:2,17,22, 24 369:9	371:16 372:13 374:2,25 375:2,3,11 376:1,15 377:20 Laclede/LER 341:2 Laclede's 275:23 305:24 316:20 320:17 347:24 366:5 367:11 371:8,10 373:23 last 275:3 286:17 299:8 307:17 308:23 336:19 361:20 378:23 later 277:3,23 280:21 285:3 325:10 326:24 338:3 364:20,22 365:3 law 270:19 271:2 272:6 301:19 375:4,6 lawful 301:7,19 312:11 349:16 355:6 least 309:15 343:5 359:18 369:10 379:7 leave 273:12 led 337:18 left-hand 315:18 legal 290:9 303:1 321:23 334:24 legislature 339:21 legitimate 327:7 333:14 lengthy	289:22 319:10 LER 290:5,8 295:25 299:1,5 303:3,6,11,1 7 304:8 308:15 312:17 317:12 318:16,18,20 ,21,23 319:2,4,6,8, 20 320:18 326:20,22 327:5,10,19 333:7 335:9 336:2,6,12 337:5 339:15,18,20 340:1 341:16,21 359:10 367:24 368:15 371:23 372:19 375:7 377:7 Lera 271:10 272:15 LER's 290:17 303:18 312:7 320:16 335:11 337:5 less 312:18,19 348:2 let's 317:3 325:17 336:1 337:4 359:21 362:23 letter 368:8,13,17 375:4,11,12 376:1,15,17 377:4 382:5,7,9,11 letters 304:19 367:17 368:6 370:5,6 375:2,3 level 292:24 light 278:16 limit 343:22	358:21 limited 347:2 350:19 356:17 369:3 limiting 353:16,17 line 284:11 312:17 340:3 349:14 lines 303:16 343:13 list 273:24 274:3,4 280:16 281:7,8,14 315:19 316:9,12 318:20 344:20,22,25 366:25 374:3 listed 322:12 listen 358:11 listening 305:19 listing 324:8 litigating 361:21 362:4 litigation 359:21 little 278:11 299:20 309:8 369:2 live 331:14,20 342:11 LLC 270:24 load 339:8,24 340:13 341:14,15,22 ,24 location 311:16 long 347:6 longer 367:25 lot 287:23 310:4 328:5 343:16 361:12 363:7,21 373:2 Louis 271:3
---	--	--	--

272:24 312:7 339:16,18 341:7,8 low 333:16 lower 338:19 lowest 338:8	321:22 337:8 348:19 350:20 360:5 368:11 369:1 379:2 380:10,15	352:10 358:16 360:7 361:18,23 372:8 378:15	338:2,3,12 months 288:18 296:10 299:14 308:24 339:13
<hr/> M <hr/>	matters	meaningless	morass 289:23
main 328:23	277:15 369:24	286:13	motion 306:2
malpractice 334:24	may 279:1	means 289:7	315:17 316:4
management	281:24	350:21,22	323:11
328:11	282:12,16	358:16,17	372:2,25
329:17	292:6,7	363:12	motions 306:1
mandamus	293:19	367:4,5	322:19
305:25 323:6	297:17	mechanism	364:20 369:4
manipulating	301:25	303:12	378:4
331:18	303:14,21	mechanisms	move 284:5
manner 277:14	324:25	331:12,21	289:2 295:7
Manual 275:2	325:16 326:9	meet 338:3	354:21
287:13 324:4	331:18 332:2	merely 356:3	moves 323:6
359:19	335:23	merits 363:9	MRT 312:17
MARC 271:6	349:18 355:2	mess 378:24	340:3
March 285:14	364:5 366:22	met 340:8,10	multi-month
Mark 273:4	maybe 277:4	Michael 271:2	327:25 328:1
marked 305:9	289:6 317:24	272:22	muted 366:14
380:3 382:2	321:20	Mike 347:10	myself 368:14
market 275:20	325:17	368:1	<hr/> N <hr/>
276:5,6	327:3,4	mind 282:18	namely 339:20
311:20,22	331:9 338:17	mindful 282:4	narrow 284:16
312:6,7	362:15 363:6	283:10	299:10,11,20
328:19	366:3	minds 362:16	347:24
331:5,14	mean 279:21	minor 301:15	356:15
332:1,15	280:3 282:9	minute 378:23	371:13
336:15,25	286:25 287:2	minutes	narrowed
337:1,8	288:8,11,12,	366:10	373:8
339:16,18	14,15 294:9	misconduct	narrowing
340:4,23	299:24	292:3	299:13
marketer	300:12	Missouri	nature 307:25
309:2	303:14	270:2,8	326:1 373:25
marketers	313:22	271:3,7,11,1	necessarily
310:24	315:10	2	311:5 326:12
marketing	317:6,11	272:10,16,18	necessary
286:20 288:5	320:8,13	,24 279:16	274:21,25
337:9	326:1,7,10,2	285:13	275:8 290:22
markup	5	321:14 380:9	294:6 308:5
312:18,20	327:2,6,15,1	mistaken	negotiation
matter 270:13	6 328:9	342:15	362:22
272:3 280:21	329:7	modest 276:21	Neises 326:19
291:2 297:2	330:6,7	moment 337:23	327:9 367:25
312:23	331:11,17	365:15	neither
	332:3	monkey 340:14	380:14
	333:6,9,10,1	month	
	7 335:16		
	338:5,17,20,		
	21,22 341:11		
	346:8 347:10		
	348:17,20		
	349:18		

Niehoff 368:14,17 376:16 377:6 382:9,11	273:24 noting 342:20 notion 285:25 notwithstandi ng 302:10,21 November 270:7 272:8 326:21 368:12 376:1	283:23 offer 274:3 374:13,15 offered 322:25 328:3 373:13 375:17,18 376:4,21,22 377:10,12 offering 312:5 office 271:8 272:9,17 273:2,5 281:24 327:15 officer 321:20 326:19 officers 319:21 320:1,5,8 321:11 326:11 368:22 official 279:23 off-system 275:18 312:19 oh 291:6 365:22 okay 274:5 280:2,6 281:19 285:1 286:16 288:3 289:7,13 291:11 294:1 297:4,23 299:23 305:16 307:10,14 315:12 316:8 317:3 322:4 323:14 325:4 326:4 337:24 339:17 341:1 342:1 349:13,18 350:12 352:21 353:3,5 354:5,17 358:3 359:17,21	365:13 368:3 369:8 372:6 373:8,21 375:8 old 288:4 359:13,15 olive 271:3 272:24 ones 320:22 one-year 328:1 ongoing 360:8 on-the- records 362:25 OPC 283:9 285:18 286:5 343:19 373:3 OPC's 358:13 operate 320:3 operating 274:21 275:3 288:1 299:8 opinion 282:13 294:14,15 opportunity 278:15 343:11 356:18 357:4,6 369:4,12 372:2 379:6,10 opposed 288:16 347:15 opposite 310:25 oral 273:19 277:7 363:3 oranges 326:25 341:12 order 274:14 280:15 281:2 284:2,3,8 288:2 293:1,17 294:11,16 296:4,9,12,1 9,22,25 297:1,3,6
	O		
nominated 339:9	obey 358:24		
nominations 338:2,10 339:4	object 291:7 345:8,15,18 348:24		
non-CAM 343:23	objected 308:16		
none 273:10 310:12 322:18 374:18 375:21 376:10 377:15 378:2	objection 291:16 306:18 369:14 375:20 376:9,23,24 377:14		
nor 282:7 380:14,18	objections 345:7 369:12 373:14 374:17 375:19 376:8 377:13		
normal 295:2	objective 328:20		
normally 311:16	obligation 304:18		
Nos 272:3 380:3	obtained 282:7		
note 273:22 280:13 293:22 352:20	obviously 288:3,12 304:7 360:9 378:16		
noted 367:1 368:22	occur 364:7		
nothing 354:16,23 356:25 370:23 379:24	occurring 292:6		
notice 279:23 280:18,21 281:17,21 303:2	occurs 317:25		
noticed 273:20 274:1 281:6,15 325:7	o'clock 272:8 365:25 366:13		
notified	October 337:4 368:14,17 376:15 377:4		
	offensive		

298:2,4,8,14 301:4 303:16 306:5,11 320:9 322:6 323:15 334:7,14,17, 18 335:2,3 336:14 342:10,12,24 343:1 344:11 345:23 346:8 347:12,24 349:3,16,20, 25 350:1 351:10,12,20 ,22,24 352:8,21 353:15 354:1,4,24 355:3,6,24 357:24 359:2,10 368:11,12	ours 276:14 outcome 380:19 outside 306:23 313:18 outstanding 296:20 361:15 overturned 296:16 owe 338:23 ownership 328:10	353:23 particularly 331:21 parties 273:11,16 277:20 281:18 316:1 333:8 344:4 345:21 348:21,22,25 361:8 364:13,18,20 365:3 366:11,19 369:19,24 373:12 378:5,10 380:15,18	282:11,18 284:20,21,24 285:5 286:17 287:4 288:20 289:11,25 290:3,7,19 291:11,15,22 292:21 293:3,10,14, 21 294:18,21,25 295:12 296:8 297:8,23 298:4,9,18,2 1 300:3,7,11,1 5,18,21 301:22 302:2,9 303:24 304:4,20,23 305:8,11,15 306:4,10,21 307:6,9,13,2 2 309:14,18 310:2 311:4,10 312:2 313:2,17,23 314:3,25 315:21,25 316:6,15,16, 22 317:5,6 318:7,9,13,1 9 319:5,22 320:24 321:3 322:11,23 323:19 324:1,23 325:3,15 326:3,6 327:21 330:18 332:4,8,23 333:6,23 335:9,13 337:24 339:1 340:20,22 341:4,7,13,2 0,25 342:4,18 344:3,7,12 346:1 347:5,13,18 348:1,8,20 349:4,9 350:2,9,14 351:3,11,18, 21
ordered 281:7,13 322:10,21 344:24 347:3 350:8 357:19,21	pages 348:4 352:6,7 375:13 376:3 377:6	party 303:1 pass 366:8 passed 328:13 passionately 300:9 past 283:10,22 304:2 path 361:20 pattern 295:2 pay 277:9 331:4,7 353:21 paying 341:6 peak 341:18 pejorative 277:14,15,16 291:24 292:1	302:2,9 303:24 304:4,20,23 305:8,11,15 306:4,10,21 307:6,9,13,2 2 309:14,18 310:2 311:4,10 312:2 313:2,17,23 314:3,25 315:21,25 316:6,15,16, 22 317:5,6 318:7,9,13,1 9 319:5,22 320:24 321:3 322:11,23 323:19 324:1,23 325:3,15 326:3,6 327:21 330:18 332:4,8,23 333:6,23 335:9,13 337:24 339:1 340:20,22 341:4,7,13,2 0,25 342:4,18 344:3,7,12 346:1 347:5,13,18 348:1,8,20 349:4,9 350:2,9,14 351:3,11,18, 21
ordering 306:1	paid 336:12 339:25	path 361:20 pattern 295:2 pay 277:9 331:4,7 353:21 paying 341:6 peak 341:18 pejorative 277:14,15,16 291:24 292:1	302:2,9 303:24 304:4,20,23 305:8,11,15 306:4,10,21 307:6,9,13,2 2 309:14,18 310:2 311:4,10 312:2 313:2,17,23 314:3,25 315:21,25 316:6,15,16, 22 317:5,6 318:7,9,13,1 9 319:5,22 320:24 321:3 322:11,23 323:19 324:1,23 325:3,15 326:3,6 327:21 330:18 332:4,8,23 333:6,23 335:9,13 337:24 339:1 340:20,22 341:4,7,13,2 0,25 342:4,18 344:3,7,12 346:1 347:5,13,18 348:1,8,20 349:4,9 350:2,9,14 351:3,11,18, 21
orders 273:23 280:14 292:10 293:9,12 299:25 301:5,19,20 302:5,12 306:2 337:12 359:9,16	paper 315:1 349:22,23,24 367:4,5	party 303:1 pass 366:8 passed 328:13 passionately 300:9 past 283:10,22 304:2 path 361:20 pattern 295:2 pay 277:9 331:4,7 353:21 paying 341:6 peak 341:18 pejorative 277:14,15,16 291:24 292:1	302:2,9 303:24 304:4,20,23 305:8,11,15 306:4,10,21 307:6,9,13,2 2 309:14,18 310:2 311:4,10 312:2 313:2,17,23 314:3,25 315:21,25 316:6,15,16, 22 317:5,6 318:7,9,13,1 9 319:5,22 320:24 321:3 322:11,23 323:19 324:1,23 325:3,15 326:3,6 327:21 330:18 332:4,8,23 333:6,23 335:9,13 337:24 339:1 340:20,22 341:4,7,13,2 0,25 342:4,18 344:3,7,12 346:1 347:5,13,18 348:1,8,20 349:4,9 350:2,9,14 351:3,11,18, 21
oriented 315:16	paramount 301:4	pay 277:9 331:4,7 353:21 paying 341:6 peak 341:18 pejorative 277:14,15,16 291:24 292:1	302:2,9 303:24 304:4,20,23 305:8,11,15 306:4,10,21 307:6,9,13,2 2 309:14,18 310:2 311:4,10 312:2 313:2,17,23 314:3,25 315:21,25 316:6,15,16, 22 317:5,6 318:7,9,13,1 9 319:5,22 320:24 321:3 322:11,23 323:19 324:1,23 325:3,15 326:3,6 327:21 330:18 332:4,8,23 333:6,23 335:9,13 337:24 339:1 340:20,22 341:4,7,13,2 0,25 342:4,18 344:3,7,12 346:1 347:5,13,18 348:1,8,20 349:4,9 350:2,9,14 351:3,11,18, 21
original 279:17	parent 290:11	penalize 353:8 penalties 274:20 286:9 292:24 293:13 303:9 350:16,18 351:4,9 353:3,4,7 356:16 Pendergast 271:2 272:21,22,25 274:9,10 278:24 279:10,13,16 ,25 280:4	302:2,9 303:24 304:4,20,23 305:8,11,15 306:4,10,21 307:6,9,13,2 2 309:14,18 310:2 311:4,10 312:2 313:2,17,23 314:3,25 315:21,25 316:6,15,16, 22 317:5,6 318:7,9,13,1 9 319:5,22 320:24 321:3 322:11,23 323:19 324:1,23 325:3,15 326:3,6 327:21 330:18 332:4,8,23 333:6,23 335:9,13 337:24 339:1 340:20,22 341:4,7,13,2 0,25 342:4,18 344:3,7,12 346:1 347:5,13,18 348:1,8,20 349:4,9 350:2,9,14 351:3,11,18, 21
otherwise 313:5 380:18	partial 316:18 317:4,8,19 367:4 370:15,21 371:9	penalties 274:20 286:9 292:24 293:13 303:9 350:16,18 351:4,9 353:3,4,7 356:16 Pendergast 271:2 272:21,22,25 274:9,10 278:24 279:10,13,16 ,25 280:4	302:2,9 303:24 304:4,20,23 305:8,11,15 306:4,10,21 307:6,9,13,2 2 309:14,18 310:2 311:4,10 312:2 313:2,17,23 314:3,25 315:21,25 316:6,15,16, 22 317:5,6 318:7,9,13,1 9 319:5,22 320:24 321:3 322:11,23 323:19 324:1,23 325:3,15 326:3,6 327:21 330:18 332:4,8,23 333:6,23 335:9,13 337:24 339:1 340:20,22 341:4,7,13,2 0,25 342:4,18 344:3,7,12 346:1 347:5,13,18 348:1,8,20 349:4,9 350:2,9,14 351:3,11,18, 21
ought 278:9 289:17 299:17 310:15 312:14 315:5 321:8 340:11 343:7 344:7 346:18 353:8,25 362:8 372:22	participating 379:20 particular 300:6 304:16 307:1 309:20 310:2 314:17 328:15 329:23 339:7,11 343:12,15 346:18 351:1,6	particular 300:6 304:16 307:1 309:20 310:2 314:17 328:15 329:23 339:7,11 343:12,15 346:18 351:1,6	302:2,9 303:24 304:4,20,23 305:8,11,15 306:4,10,21 307:6,9,13,2 2 309:14,18 310:2 311:4,10 312:2 313:2,17,23 314:3,25 315:21,25 316:6,15,16, 22 317:5,6 318:7,9,13,1 9 319:5,22 320:24 321:3 322:11,23 323:19 324:1,23 325:3,15 326:3,6 327:21 330:18 332:4,8,23 333:6,23 335:9,13 337:24 339:1 340:20,22 341:4,7,13,2 0,25 342:4,18 344:3,7,12 346:1 347:5,13,18 348:1,8,20 349:4,9 350:2,9,14 351:3,11,18, 21

352:11,14,18 353:1,12,16, 24 354:7,11,14 355:8,17 356:14,25 357:7,11,13, 21 358:3,19 359:11 361:13,14,18 362:20 363:2 365:7 368:2,5 369:8 370:4 371:12,24 372:15 375:4,6,14,1 6,18 376:2,5,6,16 ,22 377:5,12,21 378:2 379:4,13,22 382:5,7,9,11 people 286:8 301:6 302:15 337:20 358:7 per 338:8 percent 301:2 355:16 perfectly 292:14 301:18 324:25 perhaps 278:12 289:20 307:23 317:22 345:3 360:21 364:16 365:18 369:5 372:4 peril 320:20 period 313:8 periodic 362:2 permit 343:2 permitted 313:3,10,13, 14,16 368:25 person 274:3 perspective 275:1 296:3 297:9	324:11,17 327:17 350:25 359:23 372:21 379:8 persuasive 358:12,14 pertinent 367:23 Petroleum 336:7 PGA 270:13 307:12,21 347:21 phone 379:21 phrase 307:17,20 physical 356:4,5 pick 298:7 300:17 picture 299:21 302:11 piece 349:22,23,24 pipeline 327:5 328:8 placed 282:9 places 333:8 plan 273:18 planning 273:21 plans 273:17 plausible 327:3 pleading 277:13 337:3 360:2 369:22 374:4,7 376:20 pleadings 274:16,18 277:16 291:24,25 311:11 357:1 378:5 please 272:12,20 273:3 342:14 345:19	365:22 plus 375:12 PO 271:6,10 point 292:2,22 295:9,13 306:23 308:19 331:11,20 333:18 335:19,23 336:2,3,11 337:16 339:14,17 340:7 378:3 pointed 321:13 pontificate 366:3 portion 307:17 position 371:9 378:10 positions 282:14 possession 290:16,17 291:13 295:22,24 296:14,19 298:24 302:14,17 306:6,8,19 318:10,11,12 ,13,14 320:19 333:25 344:15 348:25 352:22 354:2,3,10,1 6,19,21 355:1,2 356:10 357:22 371:11,17 372:13,19 possible 303:8 Post 272:17 Poston 271:6 273:4,7 282:19,22 283:3,9,14,1 7 342:6,8	345:5,6 363:24 364:1 365:5 369:11,14,16 377:22,24 potential 276:13 378:6 power 327:5 precedent 325:24 pre-filed 345:3 prehearing 346:6 348:4 pre-hearing 373:17 Prehearing 281:23 prejudge 293:16 premature 332:12 prepare 281:10,13 345:3 346:14 prepared 274:3,4 281:6 343:20 344:22 345:1 366:25 373:3 present 274:11 282:3 323:16 presentation 317:24 322:6 presented 359:8 presenting 273:19 370:3 preside 272:7 president 326:22 Presiding 270:19 pretty 285:16 324:11 327:14 price 309:12 310:9 311:21,22 312:3,6
---	--	---	--

327:19	298:13	273:24	291:1,17
328:19	301:9,11	349:17,19	295:21,25
331:13,14	prior 340:18	354:1	296:13
336:15	341:3	357:19,21,25	298:3,5
337:1,6	priorities	produced	299:5
338:15	360:1	274:1 280:17	306:22,24
339:12,25	probably	281:1 294:17	308:4 314:5
340:6,23	283:18	322:9,10,14	317:7,10,12
341:2,16	300:25	348:17	319:7,14,18
priced 275:22	303:13	350:18 355:6	320:10,17,18
276:2 278:20	322:13 325:9	produces	,20,22,23
308:1,3	341:20	331:16	321:4 322:24
310:14	371:24	product	333:24
328:14	problem 318:3	278:17	334:12
prices 328:2	379:11	profit 308:25	344:20
338:19	problems	309:1,3	348:6,10
pricing	277:1,2	310:16 314:4	349:23
274:22	285:23 361:7	315:4,6,8	355:11 360:6
275:13,25	procedural	329:6,7	361:2 368:18
276:6 277:10	288:21	336:12	372:20
286:2 312:15	298:11 301:3	337:10	provided
336:3 340:25	342:10	profits 309:5	289:8 293:5
Pridgin	procedurally	310:19 313:9	295:23
270:19	300:20	314:12	298:22,23
272:1,6,15,1	proceed	prognosticate	304:10
9,25 273:7	273:17	366:3	306:17
274:5,8	342:7,14	program	317:11
278:24	359:5 365:14	339:21	318:7,9,15,1
279:4,6,9	366:20	progressing	8,20
304:24	369:11	363:12	319:2,4,9,10
305:3,6	proceeding	prohibitively	,11,14
325:12	283:6 289:12	310:7 311:15	320:11
342:3,6,9	296:11 299:2	promulgated	330:21
344:3,12	343:1,25	284:22	339:18
345:5,19	345:10,17	proper 274:12	343:23
346:24	346:19 347:9	propose	344:21
364:12	348:18 352:3	310:17	349:22
365:9,13,17,	363:6 366:5	proposed	352:21 354:3
23	proceedings	324:6	355:11
366:10,13,17	270:5 283:10	proposition	367:4,6,7,8,
,23 369:8	285:24 331:1	283:20	11 368:20
370:2,6,11,1	347:2 363:7	292:12	372:12
9 371:2	process 286:2	prospectively	provides
373:9,21	289:1 312:9	372:5	314:6
374:5,9,11,1	333:16	protect 275:9	providing
7,22,25	336:23	324:3 328:17	274:20
375:8,19,21,	342:20	protected	290:18
25	361:19	331:23	291:13
376:7,10,14,	362:14	prove 312:22	304:14,17
23,25	processes	provide	306:18
377:3,13,15,	333:19	279:19 281:7	318:21
19,22,25	procured	290:21	368:16
378:12,20	312:13	provision	306:15,16,25
379:3,11,14,	produce	307:2	341:14,19
17,23 380:2		provisions	
principle			
293:25			

328:24 357:14 prudence 309:11 310:11 313:5 327:2,16 329:1,8 330:25 335:22 336:5,8,13,17 340:17,22,24 prudent 327:18 PSC 279:16 325:20 public 270:1 271:6,8,12 272:16 273:2,5,6 277:20 278:18 280:19 359:23 purchase 315:7 340:3 purchased 272:4 309:12 purchasers 275:20 339:19 purchasing 308:13 309:10 327:5 purely 344:9 purpose 340:9,10 purposes 290:24 307:4,18 374:13 375:10,15 376:8,21 377:4,9 pursuant 324:10 338:14 pursue 274:19 286:14 295:18 308:7 351:4 353:4 pursued 288:22,23	pursuing 353:3 puts 315:1 putting 338:15 346:12 367:16 <hr/> <p style="text-align:center">Q</p> <hr/> question 286:17 287:5 303:15,21,22 304:1 308:17 319:1 322:5 323:18 325:16 326:6,8 327:3,8,23 329:12,18,25 330:3,12 333:5 334:2,4,6 347:24 348:11 352:1 359:7,20 370:10 questioned 340:25 questions 279:3,8 280:24 284:14,19 292:14 304:25 325:13 330:15,17,19 333:7 335:20 342:2,5 343:13 344:22 346:12 378:11 quick 282:20 329:12 quite 291:24 294:8 304:6 308:19 quote 348:2 <hr/> <p style="text-align:center">R</p> <hr/> R-42 279:17 raise 291:16 310:11 353:18 raised	285:2,5 289:3 310:13,14 327:23 331:2 332:8 raises 339:6 raising 350:19 rarely 295:1 rate 275:17 rate-making 291:18 ratepayer 315:5 328:25 ratepayers 324:3 328:17,21 331:22 rather 289:15,22 290:12 306:16 319:10 360:1 364:22 371:22 373:2 rational 371:16 reach 365:20 reached 366:24 reaches 346:18 ready 365:13 real 282:20 340:4 364:6 really 277:8 286:15 291:5 297:25 330:15 336:22 339:5 352:7 364:2 reargue 297:11,21 rearguing 355:4 reason 318:24 321:7 329:19 332:24 339:2 353:4 371:16 reasonable 324:25 328:4	331:13 345:4 reasonably 345:2 368:4 reasons 310:8 311:17 319:13 331:15 rebut 357:4 recall 274:13 284:22 REC'D 382:2 receive 295:3 received 303:3 374:19 375:23 376:12 377:1,17 recess 366:16 recognize 290:10 303:17 308:14 362:7 recognized 290:8 recommend 276:7 recommendatio n 363:15 374:1 382:3 recommendatio ns 276:14 311:11 recommended 276:8 347:22 recommends 292:17 record 272:2 346:20 366:15,17 367:18,20 368:7 370:8 379:25 record's 379:4 red 295:15,17 296:24 297:2 308:14,15 353:20 reduced 380:13 Reed 277:6
---	---	---	---

368:9 375:11 382:5 reevaluating 359:24 reevaluation 360:4 refer 282:2 reference 281:22 referenced 369:21 references 286:23 referred 279:11 referring 290:2 reflect 316:19 refusing 356:10,12 regarding 345:14 regular 287:19 regulate 293:9 regulatory 270:19 272:6 290:23 301:14 307:8,11,19 related 333:13 380:14 relating 369:4 relationship 342:22 relative 380:16 relevance 306:14 308:18 333:14 348:4 369:7 372:1,23 378:6,11 relevancy 297:11 344:16	349:15 352:24 353:23 355:4 372:10 relevant 277:8 290:23 291:18 294:16 295:8 307:1,3,18 309:11,15 317:13 318:4,5,8,24 321:5,8 334:10 344:8 345:11 346:4,16,22 348:16 351:15,24 352:3 355:13 357:17 372:12 reliability 310:8 311:17 relied 349:12 relief 357:2 re-litigate 344:16 re-litigating 305:20 307:16 349:15 rely 360:1 remedy 293:12 remember 298:11 314:9 remind 314:16 reorganizatio n 290:8,11 324:2 reorganize 328:16 repeated 363:11 repeatedly 278:10 289:3 REPORTED 270:23 REPORTER 380:6 REPORTING 270:24 reports	275:12 278:19 representatio ns 274:16,17 378:9 representing 272:16 represents 375:7 request 281:25 284:2 343:10 379:5 requested 273:25 274:19 280:17,25 315:17,19,24 316:3,10,13 330:20 354:24 368:15 371:5 372:19 requesting 292:23 342:22 357:2 requests 316:21 356:1,3 require 282:6,8 required 281:17 287:9 294:13 303:19 308:4 349:25 350:1 353:25 355:3 356:6 requirement 285:19 requirements 294:7 355:23 requires 355:25 reserve 369:6 378:8 resist 291:5 resistance 294:8 resisted 304:5 resolution 364:3	resolve 284:8 289:22 372:22 resolved 287:3 resolving 288:19 respect 292:4 302:3 323:1 370:12 respectfully 297:24 314:16 respects 288:5 respond 317:9 responded 304:15 322:13 responding 273:22 responds 368:9 response 316:18,19 317:4,7,8,14 ,19 319:10 322:8,15,18 342:24 346:7 367:4,5,6 368:18 370:15,22,23 371:10 373:19 374:3 responses 316:20 responsibilit ies 320:2 321:24 responsive 305:21,22 result 275:4 retain 379:1 return 315:13 373:23 Revenue 321:15,17 reversed 296:16 review 305:25 307:12,21
---	---	---	---

reviewing 305:24 revise 360:23 revised 285:10,14,15 ,17 rewarded 312:14 RFP 336:22,23 337:1 Rick 271:2 272:22 rights 295:6 risk 338:16 ROBERT 270:20,21 Ron 272:6 RONALD 270:19 room 271:3 302:25 340:14 363:1 roughly 340:21 rule 275:24 276:18,22 284:22 285:7,11 286:20 288:4,6,14 291:4 293:23 294:7 295:15 296:2,3 308:9,20 310:10,20,22 ,23 320:4 321:9 323:20,21 325:1 327:1 328:13 330:23 340:9 350:22 351:23 355:23 357:15 360:23 361:6,10,22 364:17,22 365:3 368:25 ruled 372:24 rulemaking 360:4,16 361:2 364:8 rules 277:22	278:7 282:6,8 285:16 295:19,20 296:11 299:16,17,18 307:25 308:3 313:4 314:5 336:14 337:7,12 343:11 349:10 351:22 355:19 358:24 359:13,25 360:19 362:8 ruling 364:21 <hr/> <p style="text-align:center">S</p> <hr/> safeguards 328:25 sale 337:4 sales 312:7,19 313:1 sat 283:13 satisfy 294:6 save 345:24 schedule 366:4 scheme 301:11,14 schizophrenic 282:14 school 339:20 341:6 schools 312:7 339:20 341:13,21 scope 274:13 345:17 364:14 score 379:5 second 316:9 seeing 370:19 seek 293:13 353:6 356:16 seeking 335:20 350:16 seem 307:20	338:20 seems 286:18 320:14,20 332:11 seen 289:9 292:2 294:8 segregating 299:19 sell 275:18 309:4 seller 308:13 sellers 340:5 seminal 351:6,7 send 378:25 SENIOR 270:19 sense 367:3,9 sensed 343:4 sentences 280:4 separate 290:9 321:22,23 345:7 346:19 separately 343:7 September 280:15 305:13 316:4 373:19 374:4,7 376:19 serious 334:24 seriously 361:18 served 319:16 service 270:1 271:12 272:16 services 320:6 seven 277:23 313:7 several 276:20 285:12 304:5 313:19 339:13 348:4 share 319:21	320:5 shared 328:10,11 367:23 368:23 shed 278:16 sheet 279:17 shemwell 271:10 272:14,15,19 273:20 274:6,7 279:1,21 280:8,10,13 281:20 282:12,23 314:14,15,22 ,24 316:5,14,24 317:1,19,20 320:15 322:15,22,25 323:5,12 325:6 335:6 342:16 344:4,13,14 347:4 360:11,14,17 ,24 361:4 365:6,12 368:13 372:7 382:7 shifting 328:6 shorten 365:20 shorter 343:16 shortly 275:15 276:23 showed 292:4 339:18 shown 312:10,16 shows 318:21 331:6 378:17,18 sides 346:14 370:18 signatory 335:11,13 significant 318:22
---	---	--	---

319:12 silent 283:13 similar 339:12 341:10 360:12 376:18 simply 273:18 275:2 281:13 289:15 342:11 347:2 364:20 sir 305:3 314:22,24 316:14 365:5 370:18 sister 290:13,14 sit 303:8 362:2,3 363:11,14 sitting 286:5 305:18 situation 337:25 338:25 situations 338:18 six 277:23 299:14 311:21 slightly 285:15 289:12 slowly 336:20 solely 284:1 303:5 somebody 299:1 302:24 321:13 331:17 sometime 343:18 344:8 372:3 somewhat 282:14 somewhere 331:18 Sommerer 338:6,8 sooner 362:10	364:22 sorry 277:25 280:10 291:11 315:12 323:3 325:14 342:1,2 344:13 372:9 sort 338:5 343:6 356:21 360:5 369:10 sought 282:7 287:2,6,25 302:24 303:4 351:14 sounds 305:19 318:2 369:9 source 310:8 331:3 339:22 speak 278:12 303:14 speaking 295:21 spec 323:9 specific 273:23 324:8 329:21,23 330:3,13,14 specifically 275:21 276:1 344:19,23 368:8 spell 328:18 spent 335:20 367:15 spot 338:17 spreadsheet 370:13 st 271:3 272:24 312:7 339:16,18 341:7,8 stacked 288:17 staff 271:9,12 272:12,16 273:15,21,24 274:3,16,17, 19 275:7,11,12, 17,25 276:2,4,7,20	,23 277:3 278:17,19 280:15,16,18 281:4,5,6,7, 9,13,17 282:13 283:9 284:3 285:2,5,18,2 1,25 286:5,7,14 287:15,19 288:10 292:17,18,23 293:25 295:9 299:6 301:12 303:9 305:9 308:7,12,21 311:10,18,24 ,25 312:3,5,16 313:24,25 314:9,13 315:1,9,19,2 4 316:3,5,10,1 2,24 317:1,15 318:22 319:17 323:20 324:6 325:20 327:8 328:15 330:2 335:19 337:14 339:14 340:11 342:14,20,23 343:3,19 344:2,19,21 346:3,4,8,15 347:15,22 349:23,24 350:5,7 354:25 355:10,22 356:7,19 357:1 358:4,7,11,1 5 360:11 361:24 365:10 367:1,10 369:9 373:24 374:2 376:18 Staff's 274:2 276:14 280:23,25 281:23 306:2 314:20	315:16 326:9 333:4 335:15 344:23 345:24 346:22 358:5 359:23 373:3,15,19 374:23 stand 295:5 299:25 337:8 356:20 standard 277:4,25 278:3 286:1 308:8,21 311:20 313:6 314:1,7 329:9 330:22 336:16,21 337:6 standards 275:13,25 277:10 294:7,9 299:7 330:23 355:22 standing 298:13 standpoint 288:21 stands 357:24 start 317:3 state 270:2 287:24 321:13 380:9 stated 282:23 300:9 368:3 statements 343:3 Status 316:18 370:21 statute 293:12 335:4 statutory 301:11 stay 295:1,3 stayed 285:11 step 329:25 360:9 Steve 277:6 368:9 stick 345:22
---	---	--	---

stip 288:13	subpoenas	297:19 299:7	360:25
stipulate	303:6,18,20	307:15	talks 348:3
367:12,13,19	subsequent	308:1,2	372:4
stipulation	296:12	336:15 352:9	tariff 275:21
275:4,15	368:10	Supreme	279:15,24
287:10	subsidiary	285:13	312:11
290:1,6,15	290:12	sure 276:21	324:13
291:6 293:24	subsidy	282:21	tariffs
295:17	328:21	283:17,19	279:12
302:17	substance	286:8 291:22	Taylor 270:23
306:16,17	293:18 358:2	298:12	380:8,22
335:12,14	substantive	303:17	tee 360:2
348:23	284:5 292:16	305:18	telephone
355:20	295:3 298:12	309:23	270:21
359:19	301:2 325:10	312:21	ten 359:18
371:23	357:11 359:2	315:15 325:8	tend 278:11
stood 277:6	360:5	328:20	termination
stop 317:25	suddenly	329:13	276:13
stopping	273:13	331:22	terms 274:12
325:25	suggest	333:20 351:2	278:13 284:2
straight	281:17	362:7 366:14	test 274:2
341:24	360:22 373:1	370:7	344:23
straightforwa	suggested	suspending	testify
rd 278:13	332:25	345:8	274:12
street 271:3	362:15	sworn 380:11	317:21
272:24	372:25		testimony
strictly	suggesting	T	275:6,7
343:22	346:11	taking 291:5	287:12,14
strong 324:15	360:12,17	308:21	342:11 345:4
structural	suggestion	317:24	380:10,11
359:10,16	361:15 378:4	339:25 373:2	testing
structure	sunday 311:22	talk	345:23
329:18	superior	295:14,16	thank
stuff 321:8	312:13	302:19	272:14,19,21
325:10 346:7	superseded	305:16 325:9	,25 273:4,7
subject 286:9	288:4	344:1,7	274:5,10
302:6 313:6	supersedes	347:20	278:23,24
322:19	288:13	348:12	289:24
323:11	supplier	362:2,4	297:18
submit	309:13 328:3	369:2	304:23,24
275:11,12	suppliers	talked 288:25	325:4
285:19	312:4	323:19	342:6,8,9
287:19	supplies	342:23	344:3
submitted	339:24	talking	345:6,18
275:24	supply 338:1	283:15	352:9 364:12
276:20 282:5	339:8,23	294:11	365:9
285:10,18	341:15	298:11	369:9,16
303:5 335:15	suppose	300:20,22	373:8,10
subpoena	360:21	301:15,16	374:21,25
303:4,11	supposed	315:15,20	375:8
319:16	277:21	332:11	377:22,25
335:15		337:16,17	378:13
		339:8 341:12	379:13,19,20
		347:13	
		358:1,2	
		359:18	

,22,23,25 380:1,2 that's 274:7 278:3,4 280:17 281:14,15 283:3 287:5,20,22 288:21 289:5,20 290:14 291:9 292:16 293:6,21 294:6 295:22,24 296:19 297:2,13 298:20 299:2 300:13 302:25 305:9 306:10,25 308:8 310:7,13 313:22 314:5,6 315:10 317:17 318:10 321:8 322:1 324:11,15 327:23 328:12,13,15 329:5,7,8,21 330:20 331:1,9,14 332:20 333:3,10,11, 17 342:16 345:16 346:22 347:4 349:18 351:7 352:7,10,11, 14,16 355:2,6 356:7 358:1,22 361:10,15 362:18 363:6,8 364:19 367:13 368:2,13,24 371:4,7,12 372:15 376:20,21 377:10 379:3 theory 343:24 353:18	thereafter 287:20 380:12 therefore 274:23 310:16 348:16 there's 298:2 309:24 315:22 318:3 319:24 321:11 326:5 327:3 331:9 332:3 344:16 348:23 354:23 362:21 370:23 371:15 372:11 379:24 thereto 380:18 therms 335:23 336:1 they're 302:18 304:12 306:25 311:12,13 312:24 313:5,14 314:10 320:8,18 321:19,22 335:13 342:22 354:2,14,15, 19 355:1 367:14,21 370:25 372:12 they've 289:11 292:1 297:15 303:4,5,25 304:5 308:23 315:11 319:15,16 336:20 third 316:17 333:8 third-party 275:20 Thompson 271:9 272:15	277:12 281:25 286:18 314:14 344:5,6 347:10,15,19 348:3,6 359:14,15 360:13 361:5 365:15,18 366:12,21,23 ,24 368:3,6,12 369:21,25 370:17 371:7,19 373:14,18,22 374:8,10,14, 15,21,24 375:20 376:2,9,24 377:14 378:14,25 379:9,16 380:1 382:7 Thorpe 380:8,22 three-page 375:12 tickles 294:3 TIGER 270:24 tired 366:6 today 274:11 278:15 280:14 281:6,14 282:10,25 284:6 293:7,16 295:6 296:7 297:4 299:2,15 301:25 302:25 303:8 317:21 326:21 337:17 343:8 344:8,22,24 345:14,16 346:11,12 356:1,7 361:22 364:21 365:2 367:2 369:19 373:2,7,15 374:23 378:2,9	today's 347:2 364:14 top 327:9 total 375:13 touch 333:9 track 337:20 Tracy 270:23 380:8,22 train 276:9 trained 276:15 286:8 transaction 274:24 275:23 276:18,22 282:6 284:22 285:7,11 286:19 288:4 291:4 293:23 295:15 296:2 310:10,22 320:3 321:9 327:1 328:13 329:24 332:21 336:3,4 337:10 339:11 340:9,17,18 341:2,3 350:22 357:15 359:13 360:19,23 368:25 transactions 274:22 275:14,22 276:1 277:11,23,24 278:6,20,21 285:8 286:3,11,21 310:20,23 313:10 314:4 324:14 328:14 330:25 333:7 364:7 TRANSCRIPT 270:5 transfer 356:4,5 transport
--	--	---	---

339:15	underneath		ways 311:22
trapped	331:8	<u>v</u>	312:22
336:25	understand	vague 329:1	we'd
treat 310:24	273:13	valid 297:3,5	289:18,23
treated 378:7	283:20,25	298:14	357:4 369:5
tried 286:6	291:20 297:1	validates	379:8,9
340:2	300:15,18	332:21	weigh 282:19
true 275:2	309:23	value 276:5	welcome
293:21	320:12,13	337:8 360:6	278:15
332:24 357:3	321:2 324:19	various	374:22
358:8	325:19 326:1	274:15	379:14
367:3,13	327:22	278:20	we'll 283:8
try 283:8	332:10 350:9	319:12 324:7	296:6 304:18
346:24 353:7	354:22 355:4	343:3 361:8	305:16
356:16 370:7	358:20,23	varying 339:4	343:25
trying 282:15	368:1 372:1	verify 373:12	345:24 347:6
284:10	373:5,15	version	350:12,13
291:20	understanding	348:10	359:4 362:11
300:13,16,19	277:19	via 270:21	363:6 364:2
306:13,25	280:1,23	vice 326:22	366:1,15
309:9	281:12	view 290:25	373:13
311:24,25	305:24	308:9,24	we're 277:8,9
314:10	306:14	368:23	281:14
321:1,3	323:13 347:1	378:16,18	289:13,14
323:21 365:1	understands	violating	293:6,15
378:23	367:10	361:24	294:11
379:12	union 285:19	Volume 270:9	297:5,14
turn 296:18	unless 338:17	voluntary	299:19,20
297:6 298:16	unrebutted	303:19	300:20,25
322:1 329:13	356:20	voracity	301:15,16,24
354:20	upheld 285:12	274:2,15	305:20
turned	uphold 335:3	280:23 343:2	307:15,20
302:13,16,22	upon 280:14	344:24	309:8
two-page	333:9 349:12	345:23	313:4,6
374:11	371:21		315:15 318:3
376:16	372:24	<u>w</u>	328:15
typewriting	upstream	wait	329:2,3
380:13	309:13	309:22,23	331:14
	utilities	326:24 366:2	332:11 333:3
<u>U</u>	285:12	waiting 364:4	336:14
ultimate	287:24	walk 362:22	337:11,13,16
293:18	292:10 293:8	wasn't 285:24	,17
326:18	301:12	290:25	343:1,5,12,1
355:15	310:20	317:14 328:5	3 349:6
ultimately	358:12	333:22 334:4	350:16
292:17,19	359:24	339:10	353:10 356:7
293:19	utility	340:24	358:1
326:20	287:1,24	341:21	359:8,9,17
unaffiliated	290:13	343:24	360:25
312:4 328:3	298:16 308:4	348:15	362:13 363:4
339:19 340:5	313:3 330:4	355:13	364:11 365:7
unauthorized	339:23		366:14,17
314:7	utility's		west 312:17
	324:20		340:3
			we've 277:15
			278:20
			283:11

288:16,25 289:3 296:3,4 302:13,16 304:8,13 313:8,9,25 330:8 331:12 351:16 352:15,20 353:22 354:2 355:9 357:16 358:18 359:1,2,12,1 8 361:19,21 362:1 363:2,5,7 364:10 365:23 366:24 371:24 372:17 373:7 whatever 294:1,3 295:10 308:10 317:16 318:24 378:4 whatever's 338:16 whereupon 380:5 wherever 325:22 whether 284:1,7 293:8,18 294:14 296:18 297:5,16 301:6,24 304:13 307:17 312:13 313:5 321:14 323:10 330:7 337:17 339:5 344:9 347:11,14 348:24 349:19 350:5 351:10,12,14 353:14 354:9,14,15, 24 355:5,12,14 356:2,4 371:14,15	374:2 whole 301:14 305:20 wholesale 275:20 wholly 278:5 whom 367:25 who's 327:9 wide 308:22 William 368:14 377:6 willing 319:6 343:12,14 362:13 wilson 305:24 322:21 333:21,23 334:11 wish 273:17 283:9 wishing 273:8 witness 273:22 274:6 275:7 281:11 282:24 346:13 367:1 witnesses 273:18 274:11 304:22 342:12 343:14 345:14,16 364:10 365:2,11 367:19 370:3 380:11 wonderful 284:4 work 297:20 301:10 366:11 worked 295:25 works 352:10,12,13 workshop 361:6 workshops 361:13 worth 367:21 writ 305:25	323:6 373:22,23 write 310:20 written 378:19 wrong 294:14 326:10 329:7 331:25 345:20 350:6 373:16 wrongs 283:21 <hr/> Y <hr/> yet 295:4 303:8 319:14 372:24 you'll 275:13 320:4 364:6 370:2 yourself 362:9 you've 297:19 302:3 311:21 326:10 337:17 339:3 340:10 347:11 350:20,21,22 ,23 351:10 353:18,24 <hr/> Z <hr/> zero 338:13,14 Zucker 271:2 272:22 334:3,8,13,1 9,22,25 335:4,18 340:13,24 368:20 369:20 375:1
---	---	--