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STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
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TRANSCRIPT OF PROCEEDINGS  
Public Hearing  
February 11, 2008  
Gallatin, Missouri  
Volume 2  
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In the Matter of the General        )  
Rate Increase for Natural Gas        )  
Service Provided by                    ) Case No. GR-2008-0060  
Missouri Gas Utility, Inc.            )

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HAROLD STEARLEY, Presiding,  
REGULATORY LAW JUDGE

REPORTED BY:  Melanie K. Williams

1                   A P P E A R A N C E S

2

3 D.L. COOPER, Brydon, Swearngen & England, P.C.

4                   FOR: Missouri Gas Utility, Inc.

5

6 MARC D. POSTON, Senior Public Counsel

7                   FOR: Office of the Public Counsel

8

9 LERA SHEMWELL, Deputy General Counsel

10                  FOR: Staff of the Missouri Public

11                       Service Commission

12

13 GREGG OCHOA, Public Information Coordinator

14                  FOR: Staff of the Missouri Public

15                       Service Commission

16

17 TOM IMHOFF, Supervisor, Energy Department

18                  FOR: Staff of the Missouri Public

19                       Service Commission

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

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3 (Hearing commenced at 6:00 p.m.)

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5 JUDGE STEARLEY: Who from Staff do we have up  
6 in Gallatin?

7 MR. OCHOA: Judge, Gregg Ochoa and Tom Imhoff.

8 JUDGE STEARLEY: Thank you, Mr. Ochoa. And do  
9 you have a witness list put together?

10 MR. OCHOA: We do. And, at this time, I've got  
11 four witnesses signed up to testify.

12 JUDGE STEARLEY: Very good. Let me get my  
13 introductions here and we'll pick up with our  
14 witness list.

15 I don't have a microphone on this bench. Can  
16 you all hear me all right?

17 MR. OCHOA: Yes.

18 JUDGE STEARLEY: All right. Well, good  
19 evening. It's February 11th, 2008. Missouri Public  
20 Service Commission has set this time for a local  
21 public hearing in Case Number GR-2008-0060 in which  
22 Missouri Gas Utility seeks to implement a general  
23 rate increase for its natural gas service in  
24 Missouri. This case has also been consolidated with  
25 Case Number GR-2007-0178 involving energy used, ACA

1 adjustment.

2 My name is Harold Stearley. I'm the Regulatory  
3 Law Judge. I'll preside over tonight's hearing.  
4 While the Commissioners aren't here in person,  
5 several of them are watching our webcast. They will  
6 be reviewing the cast tonight and will be listening  
7 to all of your comments. And we do appreciate you  
8 coming.

9 This is an official hearing of the Missouri  
10 Public Service Commission. Testimony and statements  
11 taken from the witnesses tonight must be under oath.  
12 I will swear you in. And the purpose of this  
13 hearing is to hear from you on the subject of the  
14 proposed rate increase. It's your opportunity to  
15 testify. Your remarks will be part of our official  
16 record. Once we get the entries of appearance from  
17 the attorney's tonight, we will have Mr. Ochoa call  
18 the names off the witness list in the order in which  
19 you've all have signed it. I will, at that time,  
20 swear in the witness. I will ask you to spell your  
21 name for our record so that we have it clearly in  
22 the record, and might have an introductory question  
23 or two for you, and then you will be allowed to give  
24 your remarks. At the conclusion of your remarks,  
25 don't disappear because we may have a couple of

1           other questions for you. And we will go in that  
2           procedure.

3           Does anyone have any questions about the way  
4           we're going to proceed tonight?

5           MR. OCHOA: No questions.

6           JUDGE STEARLEY: We'll begin our public hearing  
7           on Case Number GR-2008-0060 in the matter of the  
8           general increase for natural gas service provided by  
9           Missouri Gas Utility, Incorporated. And we'll begin  
10          by taking oral entries of appearance starting with  
11          Missouri Gas Utility.

12          MR. COOPER: D.L. Cooper from the law firm of  
13          Brydon, Swearngen & England, P.C., P.O. Box 456,  
14          Jefferson City, Missouri 65102, appearing on behalf  
15          of Missouri Gas Utility, Inc.

16          JUDGE STEARLEY: Staff of the Missouri Public  
17          Commission.

18          MS. SHEMWELL: Thank you, Judge. Lera Shemwell  
19          of the Staff of the Missouri Public Service  
20          Commission, Post Office Box 360, Jefferson City,  
21          Missouri 65102.

22          JUDGE STEARLEY: The Office of the Public  
23          Counsel.

24          MR. POSTON: Yes, Judge. Thank you. Marc  
25          Poston appearing for Office of the Public Counsel.

1 JUDGE STEARLEY: Thank you, Mr. Poston.

2 And do we have a court reporter up in Gallatin?

3 MR. OCHOA: Yes, we do, Your Honor.

4 JUDGE STEARLEY: Okay. Very good. Well, it  
5 looks like we're set to go here. I would like to  
6 extend our thanks to our host up in Gallatin. The  
7 Commission wouldn't have the opportunity to reach  
8 out to so many members of the public if we didn't  
9 have this ability to utilize the videoconferencing.  
10 And so I do extend my thanks to our host.

11 And with that, Mr. Ochoa, I'd have you call the  
12 first witness.

13 MR. OCHOA: Debbie Breeden.

14 JUDGE STEARLEY: Could you please repeat loudly  
15 and spell your name for us?

16 MS. BREEDEN: Debbie Breeden. It's D-E-B-B-I-E,  
17 B-R-E-E-D-E-N.

18 JUDGE STEARLEY: Ms. Breeden, if you'd please  
19 raise your right hand.

20

21 DEBBIE BREEDEN,  
22 called as a witness herein, having been first duly sworn,  
23 testified as follows:

24

25

1 JUDGE STEARLEY: Very well. And are you a  
2 current customer of Missouri Gas Utility?

3 MS. BREEDEN: Yes, we are.

4 JUDGE STEARLEY: Please proceed with your  
5 statements.

6 MS. BREEDEN: My main concern, as I stated here  
7 at the question and answer service, nobody, I don't  
8 think, would be here if it wasn't such a gigantic  
9 increase. 30.27 percent is just outrageous. I  
10 don't know of any company, and I definitely don't  
11 know of any company here in Gallatin, that gives  
12 their employees an increase in wages of 30.27  
13 percent. The company states, in the question and  
14 answer session, that they are not financially in  
15 trouble. And their big call into Gallatin -- local  
16 Gallatin paper is that they've been able to hold the  
17 prices down and that has increased their customer  
18 service. Maybe not their customer -- but their  
19 customers. That's been their big draw. So why do  
20 we have to have such a big increase of 30.27  
21 percent? Yes, everybody needs to make a profit.  
22 And we understand that costs have gone up, but that  
23 just seems an outrageous amount. And I understand  
24 that, yeah, you ask for a big amount and you might  
25 get a smaller amount. And maybe that's what they're

1 looking for, but let's get it a little bit more in  
2 line with what our wages are here in Daviess county  
3 and think about our older citizens that are on a  
4 locked income.

5 JUDGE STEARLEY: All right. Ms. Breeden, do  
6 you have anything else you'd like to add?

7 MS. BREEDEN: Not at this time.

8 JUDGE STEARLEY: Have you had any problems with  
9 your service?

10 MS. BREEDEN: No. Our service is fine.  
11 Anytime we have called with a leak, they've always  
12 been very prompt to reply to us. No problem with  
13 our billing. We have great service. Not a problem  
14 with that at all. It's just the increase is what  
15 our main concern is.

16 JUDGE STEARLEY: Okay. Thank you. Do we have  
17 any questions for Ms. Breeden from any of our  
18 counsel?

19 MR. COOPER: No, Your Honor.

20 JUDGE STEARLEY: Mr. Poston?

21 MR. POSTON: No. Thank you.

22 JUDGE STEARLEY: Very well. Unless you've got  
23 anything else you would like to add, Ms. Breeden,  
24 you are free to step down.

25 MS. BREEDEN: Thank you.



1 JUDGE STEARLEY: Mr. Ochoa, if you'd call our  
2 second witness, please.

3 MR. OCHOA: Joyce Still. The second witness  
4 decided she would not testify.

5 Mr. Ed Nixon.

6 JUDGE STEARLEY: Mr. Hickman, if you'd please  
7 say and spell your name for our court reporter.

8 MR. NIXON: It's Ed Nixon. E-D, N-I-X-O-N.

9 JUDGE STEARLEY: So it's Lichtman? Did I get  
10 that correctly?

11 MR. NIXON: Nixon. Just like tricky dicky.

12 JUDGE STEARLEY: All right. Mr. Nixon, if  
13 you'd please raise your right hand.

14

15 ED NIXON,

16 called as a witness herein, having been first duly sworn,  
17 was examined and testified as follows:

18

19 JUDGE STEARLEY: I'm assuming you, too, are a  
20 customer of Missouri Gas Utility?

21 MR. NIXON: Yes, I am.

22 JUDGE STEARLEY: All right. You may proceed.

23 MR. NIXON: On the literature that was passed  
24 out, they used an example of 70 CCF's a month would  
25 mean a \$24 a month increase. It kind of worries me

1           that this doesn't present a realistic picture of  
2           what the people in town were facing. I used over  
3           400 CCF's last month, which would have meant an  
4           increase of well over a hundred dollars for my gas  
5           bill last month. It was explained during the  
6           question and answer period that that 70 CCF might  
7           indicate an average over a total year taking into  
8           account the summer months when very little is used.  
9           However, if you pay a flat fee, a monthly fee,  
10          during the summer months, when you're trying to save  
11          your dollars to pay for increased electricity costs  
12          for air conditioning, you're still paying last  
13          winter's heating bill. I think I can see where  
14          there is a need for increase just for operating  
15          costs. But I would ask that you take a close look  
16          at the profit margin, if that's not an archaic term,  
17          and kind of have a little compassion for the people  
18          that are out here, especially on a fixed income and  
19          the elderly, where a \$500 gas bill for January would  
20          -- it just would not be manageable.

21                 That's all I have to say.

22                 JUDGE STEARLEY: Okay. Thank you, Mr. Nixon.  
23                 Have you had any problems with your service or  
24                 billing?

25                 MR. NIXON: I have not. They probably had

1 problems with me because I've complained, but  
2 they've been very patient and answered all my  
3 questions.

4 JUDGE STEARLEY: All right. Thank you. And do  
5 any of the attorneys have any questions for Mr.  
6 Nixon?

7 MR. COOPER: No, Your Honor.

8 MR. POSTON: No.

9 MS. SHEMWELL: Good evening, Mr. Nixon. I'm  
10 Lera Shemwell. I represent the Staff. Mr. Nixon,  
11 you mentioned the possibility of getting a gas bill  
12 that you could not pay. I'd like to encourage you,  
13 if that happens -- or anyone else out there -- that  
14 happens, for you to contact the company right away  
15 and discuss it with them. Because they can probably  
16 assist you in making arrangements to pay it.

17 MR. NIXON: Yes, ma'am. And I know they have  
18 done that to some people here in town. I'm just  
19 saying that with that kind of an increase and that  
20 kind of a bill in the winter, it's -- you know, it's  
21 just going to grow and grow and grow. There's going  
22 to be more and more people that are not going to be  
23 able to handle it.

24 MS. SHEMWELL: Mr. Nixon, we'd like to thank  
25 you and all of the witnesses for coming out tonight.

1           It's cold here, not very nice weather, and we  
2           appreciate you coming out to speak to us.

3           MR. NIXON: Thank you for listening.

4           JUDGE STEARLEY: Mr. Poston, do you have any  
5           questions for Mr. Nixon?

6           MR. POSTON: No, thank you.

7           JUDGE STEARLEY: Thank you, Mr. Nixon. You may  
8           step down.

9           Mr. Ochoa, do we still have another witness?

10          MR. OCHOA: Yes. Wayne Shaw.

11          MR. SHAW: Good afternoon.

12          JUDGE STEARLEY: And if you would please state  
13          and spell your name for our court reporter.

14          MR. SHAW: Wayne Shaw. S-H-A-W. I am a  
15          Missouri Gas Utility's customer in Gallatin,  
16          Missouri. And I'll make an --

17          JUDGE STEARLEY: Before you continue, let me  
18          swear you in real quick; okay? Raise your right  
19          hand.

20

21                               WAYNE SHAW,  
22          called as a witness herein, having been first duly sworn,  
23          was examined and testified as follows:

24

25

1 JUDGE STEARLEY: Thank you. You may proceed.

2 MR. SHAW: I have had good service. I can't  
3 complain about it. I've had no problems. And I've  
4 had no occasion to really call any serviceman. And  
5 I think my primary concern is in regard to this  
6 30.27 percent. When you consider that social  
7 security annual was two and three-tenths percent, I  
8 gained seven dollars a month. Now, that is for the  
9 entire monthly by the -- the year. Now, if Missouri  
10 Gas jumps their rates up thirty percent for a month  
11 and I have to pay possibly \$35 to \$50 and my social  
12 security increases only seven dollars, where is that  
13 money going to come from? That is the question.  
14 And I think that Missouri Gas might review their  
15 issue at the present time and realize that 30.27  
16 might be a little bit high. I do realize that  
17 expenses are bound to go up. And we're all affected  
18 with that. But I believe they should see if they  
19 could get that 30.27 percent increase lowered down  
20 to where the older people on social security and  
21 those on a low fixed income could better afford to  
22 pay it. And I think that is about my general  
23 attitude. Thanks for your time.

24 JUDGE STEARLEY: All right. Mr. Shaw, let me  
25 ask if any of the attorneys have any questions for

1           you. None here.

2           Do you, Mr. Poston?

3           MR. POSTON: No. Thank you.

4           JUDGE STEARLEY: Okay. Thank you, Mr. Shaw.

5           MR. SHAW: Thank you for your time.

6           JUDGE STEARLEY: Mr. Ochoa, did you say we have  
7 another witness or --

8           MR. OCHOA: No. I have no one else on the  
9 list. Is there anyone else who wants to speak  
10 tonight?

11          Your Honor, I don't see anybody at this time.

12          JUDGE STEARLEY: We certainly appreciate any  
13 other comments that anyone else would like to make.

14          MR. OCHOA: Don't have anybody else, Your  
15 Honor.

16          JUDGE STEARLEY: Okay. There's -- I would like  
17 to remind the audience that if you do decide that  
18 you have comments, you can go to our website and  
19 make them or contact the Office of Public Counsel  
20 and they can assist you with -- or even our Staff --  
21 and they can assist you with registering your  
22 comments in writing to us in this matter. And we'd  
23 certainly welcome any additional comments that  
24 anyone would have.

25          I guess just to let you all know, a reminder,

1           that the evidentiary hearing for this matter is set  
2           for April 7th through 11th. That hearing is open to  
3           the public if anyone wishes to attend. Or if you  
4           have internet access, you can watch our hearing live  
5           over the internet as we broadcast those from our  
6           webpage.

7           Since none of the Commissioners are here  
8           tonight, we don't any opening or closing remarks. I  
9           don't have any addition remarks to add. I do want  
10          to thank all of the people in Gallatin who did come  
11          out tonight, for braving the weather and giving us  
12          your feedback. We certainly do appreciate that.

13          And with that, the public hearing in Case  
14          Number GR-2008-0060 is hereby adjourned.

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16                       (Hearing concluded at 6:20 p.m.)

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1 I N D E X

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3 WITNESS DEBBIE BREEDEN..... 12

4 WITNESS ED NIXON..... 15

5 WITNESS WAYNE SHAW..... 18

6 CERTIFICATE..... 23

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1 C E R T I F I C A T E

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3 STATE OF MISSOURI )

4 ) ss.

5 COUNTY OF CLAY )

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7 I, the undersigned Certified Court Reporter and Notary  
8 Public of the State of Missouri, do hereby certify that I  
9 reported in machine shorthand the foregoing proceedings and  
10 that the foregoing pages constitute a full and complete  
11 transcription of my shorthand notes.

12 Dated this 18th day of February, 2008.

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Melanie K. Williams, C.C.R. No. 982 (G)

21 My Commission Expires: 03/15/2009

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24 COSTS: DUE FROM: MS. LESLIE J. MYERS

25

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