

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

Prehearing Conference

May 12, 2011

Jefferson City, Missouri

Volume 1

In the Matter of Veolia Energy) File No. HR-2011-0241
Kansas City, Inc. for Authority) Tariff Nos.
To File Tariffs to Increase Rates) YH-2011-0532 and
Increasing Rates for Natural Gas) YH-2011-0533

DANIEL JORDAN, Presiding,
SENIOR REGULATORY LAW JUDGE

REPORTED BY:

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P R O C E E D I N G S

JUDGE JORDAN: The Commission is calling File No. HR-2011-0241, which is the rate adjustment request of Veolia Energy Kansas City, Incorporated. I'm Daniel Jordan; I'm the regulatory law judge who's been assigned to this action.

I will begin by taking entries of appearance, and I'd also like counsel to introduce any representatives of their clients who are with us. We'll begin with the applicant, which is Veolia Energy.

MS. VUYLSTEKE: Diana Vuylsteke of the law firm Bryan Cave, LLP, 211 North Broadway, Suite 3600, St. Louis, Missouri 63101. And today I have with me Mr. Dan Dennis, who is the vice president and general manager of Veolia Energy Kansas City. And we also have our expert witness, Steve Harbor, of the law firm -- or excuse me -- of the consulting firm UtiliTech.

JUDGE JORDAN: Thank you. I'll go next to Staff.

MS. OTT: Jaime Ott and Sarah Kliethermes, P.O. Box 360, Jefferson City, Missouri 65102. And with Staff today we have auditors Karen Lyons, Patricia Gaskins, Sean Furey, Bret Prenger. Then, we have from the energy department Lena Mantle. Tariffs, we have Tom Imhoff, Kim Cox, Tom Solt. And from EMSD we have Lisa Kremer and David

1 Williams.

2 JUDGE JORDAN: Thank you, Counsel. And from
3 the Office of Public Counsel? Anyone from the Office of
4 Public Counsel here? I'm not seeing anyone from the Office
5 of Public Counsel.

6 All right. I note also that we have some
7 other persons attending in this conference, which is
8 perfectly all right. As far as I know, it is a -- at least
9 this part is an open meeting, and certainly anyone is
10 welcome to attend this portion of it, which is on the
11 record. So we'll begin here at counsel table.

12 MR. COOPER: Dean L. Cooper from the law
13 firm Brydon, Swearingen & England, P.C., P.O. Box 456,
14 Jefferson City, Missouri 65102, appearing on behalf of
15 Southern Union Company, doing business as Missouri Gas
16 Energy.

17 JUDGE JORDAN: And the record shows that
18 Southern Union has filed a motion for intervention.

19 MR. COOPER: Correct, your Honor.

20 JUDGE JORDAN: All right. That is pending.
21 And is there anyone else here who would like to enter an
22 appearance? I'm not seeing anyone else, so I'll go into
23 what I have to say in this proceeding, and that is as
24 follows: There's a lot I don't have to say since I have
25 experienced counsel with me, but for the record, this first

1 part is on the record.

2 You can discuss procedural matters with me.
3 We can discuss possibilities for settlement. We can also
4 discuss what we believe the issues will be. Then I will
5 leave the room and we will go off the record. So the
6 parties may use this time to discuss things involving
7 matters for which they don't need me or sensitive
8 information which they don't want me to hear.

9 I want to remind everyone that the
10 Commission does offer mediation services, if you believe
11 that a facilitator will help in the negotiation process.
12 And this is for matters procedural and substantive as well.

13 Now, as regards the timing of this
14 conference, and other orders which have already gone out,
15 as you have seen, you may be wondering why I have called
16 you here together this morning. Ordinarily a first
17 prehearing conference occurs when interveners have already
18 been admitted into the case and before a procedural
19 schedule has issued, because a big part of this first
20 prehearing conference is usually assembling a schedule.

21 Well, this is going to be different. The
22 Commission is looking into procedural devices that it hopes
23 will keep these cases on track, prevent delays that have
24 legally occurred in large rate cases, and make the process
25 more efficient for the parties and the ratepayers across

1 the state. And this action will be subject to such
2 procedures.

3 As you've seen, I've already issued a
4 procedural schedule, and have not ruled on any motions for
5 intervention. That is not the result of inexperience, but
6 despite it. This is the pilot for this new procedure.

7 Well, since we've got seven minutes after
8 10:00, I'm going to assume that no one is going to call in,
9 and I'm going to hang up this line right now.

10 Just to make sure that everyone understands
11 what my background is, I'm not an accountant; I'm not an
12 engineer; I'm not an economist. I'm an administrative
13 lawyer, so that is the language I speak. Any other
14 language that you want to speak to me is going to have to
15 be done in words of one syllable and probably very slowly;
16 just so you know how to communicate with me.

17 What we can do in this time, and I hope the
18 parties will use it even after I'm gone, is discuss issues
19 related to the schedule that I've put out, any
20 modifications that you think may be necessary. Because
21 among the matters on the schedule is a deadline for
22 modifying the schedule. I hope that the parties will also
23 consider other procedural matters that will move the case
24 along quickly and get us to the issues that will be
25 controlling in the case.

1 Well, that's pretty much all I have. Does
2 anyone have questions for me that I can help you with as
3 far as how the Commission is considering moving these cases
4 along? Anything?

5 MS. VUYLSTEKE: I don't have any questions,
6 your Honor.

7 JUDGE JORDAN: Okay.

8 MS. VUYLSTEKE: We certainly want to do
9 everything we can to move the case along efficiently, and
10 to be very cooperative and transparent as possible with the
11 Staff on discovery requests.

12 And we appreciate the Commission's efforts
13 in developing some new procedures, and became aware of
14 those recently through contacts from the Commissioners and
15 your Staffs. And so it'll be interesting and we appreciate
16 being selected as one of the first cases.

17 There may be a few procedural schedule
18 adjustments that -- I know that counsel for Staff has
19 mentioned. I don't think they're significant, but I think
20 it would be good if we could discuss those. We could even
21 discuss them informally, and maybe develop a proposal if
22 there are any modifications needed, moving a date here or
23 there.

24 JUDGE JORDAN: Okay. Thank you, Counsel.
25 Staff, anything that you need me for?

1 MS. OTT: No. No.

2 JUDGE JORDAN: And for the movant for
3 intervention?

4 MR. COOPER: Nothing, your Honor.

5 JUDGE JORDAN: All right. Well, that being
6 the case, then I will absent myself from the room so that
7 you may talk freely amongst yourselves. I will be in the
8 office all day today in case you do need me.

9 I'm going to ask Staff counsel for a couple
10 of things. One, when the parties are all done with this
11 room, please inform Judy Pope, in my office, so she can
12 come turn off the lights and lock the room back up.

13 And when the parties are done with their
14 time together, I'd like Staff counsel to file a report with
15 me as to -- not necessarily matters discussed, but as to
16 whether the parties were able to make any progress in any
17 discussions that they did have. But that's about all. I
18 think you know not to go into the details of negotiations.

19 MS. OTT: (Nodded head.)

20 JUDGE JORDAN: All right. Well, if there's
21 nothing else from anyone -- I'm not seeing anything --
22 we'll go off the record. Thank you very much.

23 (Off the record.)

24 (The hearing was concluded at 10:10 a.m.)

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1 CERTIFICATE OF REPORTER

2
3 I, Kristy Bradshaw, CCR No. 1269, within the State
4 of Missouri, do hereby certify that the testimony
5 appearing in the foregoing matter was taken by me to the
6 best of my ability and thereafter reduced to typewriting
7 under my direction; that I am neither counsel for, related
8 to, nor employed by any of the parties to the action in
9 which this hearing was taken, and further, that I am not a
10 relative or employee of any attorney or counsel employed
11 by the parties thereto, nor financially or otherwise
12 interested in the outcome of the action.

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15 _____
16 Kristy Bradshaw, CCR
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