

1 STATE OF MISSOURI
2 PUBLIC SERVICE COMMISSION

3
4 TRANSCRIPT OF PROCEEDINGS

5 Prehearing

6
7 May 17, 2004

8 Jefferson City, Missouri

9 Volume 10

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12 In the Matter of Laclede Gas)
13 Company's Tariff to Revise)Case No. GR-99-315
Natural Gas Rate Schedules)

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16 NANCY DIPPELL, Presiding
17 SENIOR REGULATORY LAW JUDGE

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

2 JUDGE DIPPELL: Let's go ahead and go
3 on the record. This is Case No. GR-99-315 in
4 the matter of Laclede Gas Company's tariff to
5 revise natural gas rates schedules. I'm Nancy
6 Dippell, the regulatory law judge assigned to
7 this matter. And we've come here today for a
8 prehearing conference. And I'm going to go
9 ahead and ask to begin with entries of
10 appearance. I think counsel have all made
11 written entries of appearance. So if you just
12 want to state your name and who you represent,
13 that will be sufficient. We'll start with
14 staff.

15 MS. SHEMWELL: Good morning. Lera
16 Shemwell representing the staff of the Missouri
17 Public Service Commission.

18 JUDGE DIPPELL: Thank you.

19 MR. PENDERGAST: Good morning, Judge.
20 Michael C. Pendergast representing LaClede Gas
21 Company.

22 MS. O'NEILL: Good morning. Ruth
23 O'Neill from the Office of the Public Counsel.

24 MR. LOWERY: Good morning, Judge,
25 James B. Lowery representing Ameren UE.

1 MR. BYRNE: Tom Byrne, also
2 representing Ameren UE.

3 JUDGE DIPPELL: All right then. This
4 is the case that will not die. We -- I set
5 this today to come for prehearing conference to
6 discuss taking further evidence on the issue of
7 depreciation and the salvage treatment.
8 LaClede filed a motion on Friday asking for
9 reconsideration and making some additional
10 recommendations. Obviously, the Commission
11 hasn't had an opportunity to take up that
12 motion and we haven't had an opportunity to
13 hear responses to it. And I think before we
14 can move forward with the procedural schedule
15 and so forth the Commission will need to rule
16 on that motion. So the first thing I want to
17 do is remove the requirement that I put in the
18 order that a proposed procedural schedule be
19 filed later this week. I believe I'd ordered
20 that it be filed by maybe next Monday. Anyway,
21 the Commission will not have an opportunity --
22 there's no regularly scheduled agenda meetings
23 this week, and they won't have an opportunity
24 to take up the motion until next week. So I
25 will remove that requirement.

1 I do want to receive responses to
2 LaClede's motion. But if anyone wants to make
3 an oral response today, I'll give you that
4 opportunity. Maybe I should ask if there's
5 anything further from Mr. Pendergast on that
6 motion before we --

7 MR. PENDERGAST: Thank you, your
8 Honor. Just a couple of considerations. I
9 won't re-argue the first part of it. But,
10 basically, ask for the Commission's agreement
11 that we can win this time. But going to the
12 other procedural aspects of it where we've
13 talked about a generic proceeding, perhaps more
14 appropriate to go ahead and address this, as
15 opposed to another utility specific proceeding,
16 a couple observations about that. That, as I
17 indicated in the motion, has been a subject of
18 discussion point of case efficiency working
19 groups has been established as a result of the
20 Commission's recent initiative to look at
21 various ways that the case process might be --
22 might be enhanced and made more efficient.

23 I think it's fair to say that there's been
24 no consensus reached on whether or not a
25 generic approach to an issue of this nature

1 would be appropriate. It is a matter that's
2 still under discussion by the parties. And
3 appropo your comments about timeliness as far
4 as considering what we've done, there is going
5 to be another round table of all the groups, I
6 think it's scheduled for the 26th, which is
7 next Wednesday, at which this generic issue
8 will go ahead and be addressed one way or
9 another by the parties. And it might be
10 beneficial for the Commission to have the
11 product of that round table as well as, of
12 course, whatever responses the other parties
13 might file to -- to our particular motion
14 before it -- it makes a final determination.

15 Our view is that -- that this is an issue
16 that's been around for a significant period of
17 time. It's an issue that the Commission's
18 grappled with in a variety of different cases,
19 sometimes reaching different results. And for
20 that reason and a number of others that I won't
21 go into today, we would think the kind of
22 generic process we've talked about does make
23 -- make sense. And that's not to say that
24 there aren't differences of opinion, because
25 there are. But in summary, that's the --

1 that's our view of it.

2 The other thing I would also go ahead and
3 say is that whether we do a generic proceeding
4 ultimately or we do a utility specific
5 proceeding, if that becomes necessary,
6 depending on how the Commission rules on our
7 motion, then we do believe more than one day of
8 hearings would be required to address this
9 issue with the full attention and time it
10 deserves and that it's also our expectation
11 that probably some additional time beyond July
12 would be necessary for us to do all the
13 preparation and -- and other things that we
14 would have to do in order to address it, at
15 least in a way that we find to be satisfactory.

16 So I think that's all the comments I have.
17 And I appreciate the opportunity to give them.

18 JUDGE DIPPELL: All right. I just
19 want to ask you one quick question before I let
20 the others respond, then. In your motion in
21 paragraph 11, and I just want to clarify this,
22 you -- you recognize that there would be some
23 practical differences in adjusting your rates
24 and so forth and you state that LaCledé is
25 therefore willing to forgo any adjustments

1 until its next rate case. Assuming that the
2 Commission decided to find in Laclede's favor,
3 are you -- would it then be legal to forgo any
4 adjustments?

5 MR. PENDERGAST: Oh, I think -- I
6 think as long as the party that would otherwise
7 be affected by that is agreeing not to go ahead
8 and seek some kind of an adjustment in between
9 rate cases it would be. And I'm sure you would
10 probably hear some arguments that even if we
11 were to seek an adjustment between rate cases
12 that that might not be the appropriate or
13 lawful thing to do. And so my short answer
14 would be, yeah, I think that's a commitment we
15 can lawfully make.

16 However, if the Commission would like to
17 address our rates for us, you know, we -- we'd
18 somehow learn to live with it, but --

19 JUDGE DIPPELL: Just trying to think
20 of all the ramifications of the decision in any
21 direction.

22 MR. PENDERGAST: Yeah. Sure.

23 JUDGE DIPPELL: Would staff like to
24 make any response to LaClede's motion? Like I
25 say, I'll give you an opportunity to make a

1 written response. But if you have comments you
2 wanted to make today, I --

3 MS. SHEMWELL: Yes, we would.
4 Appreciate foregoing the assumption that
5 Laclede would -- that the Commission would
6 decide in Laclede's favor. But we will respond
7 in writing. I -- we do agree that more time
8 will probably be needed. We are still
9 discussing whether or not a generic docket is
10 the way to go on -- to resolve this because
11 obviously depreciation affects a lot of the
12 companies. And Tim Shores will be responding
13 for the Staff. He's at a conference but will
14 be back Thursday, and he'll be responding for
15 the staff. But we should be able to recommend
16 to the Commission sometime next week whether or
17 not we think the generic docket is reasonable
18 or some other approach.

19 JUDGE DIPPELL: And does staff, then,
20 think that it would need more than the ten days
21 to respond to LaClede's motion?

22 MS. SHEMWELL: I think just so it's
23 after next Wednesday with this meeting that
24 everyone's going to have, we could probably --

25 JUDGE DIPPELL: On the 26th?

1 MS. SHEMWELL: -- we could probably
2 respond by Thursday or Friday of next week. I
3 think it would be helpful just to have the
4 meeting and see what the parties agree to. And
5 that way we can inform the Commission at the
6 same time.

7 JUDGE DIPPELL: Okay. Office of
8 Public Counsel like to make any response?

9 MS. O'NEILL: Your Honor, actually,
10 we would like to go ahead and wait to respond
11 in writing. We did receive this on Friday when
12 it was -- when it was filed. And I've had a
13 chance to read through it briefly. But I have
14 recently been assigned to the case, so I would
15 -- I think we can give a written response. I
16 do think we're going to have some discussions
17 about this generic docket issue. I don't think
18 my office has come to any position on how we
19 feel about that right now. But I think we are
20 going to probably be talking about that. We
21 may -- we are looking at our budget we just
22 found out about, since the legislature just did
23 it, and looking at the possibility of seeing
24 whether or not we have funds to hire a
25 consultant to testify in this matter or not or

1 whether we'll be participating in some other
2 fashion. But we should know that fairly
3 quickly as well. But, certainly, if staff and
4 -- and Laclede believe it's going to take more
5 than one day to present the evidence regarding
6 depreciation, I -- I don't have any reason to
7 disagree with that.

8 JUDGE DIPPELL: Okay. And does
9 Ameren UE have any response at this time?

10 MR. BYRNE: Yes, your Honor. Just
11 briefly. I agree with a lot of what
12 Mr. Pendergast said. I think this depreciation
13 issue is a very important policy issue for the
14 Commission, maybe -- maybe the most important
15 policy issue that's out there these days. And
16 Ameren's been following this case for five
17 years, even though it's -- even though it's a
18 Laclede case because of that. We would -- I --
19 I think there will -- it ought to be resolved
20 in a forum where all the stakeholders have an
21 opportunity to weigh in on the issue. Perhaps
22 that's a generic docket. Perhaps that's some
23 other kind of a proceeding. But I -- I guess
24 I also agree that if they -- if there is a
25 hearing in this case, we would anticipate

1 putting on witnesses and, therefore, would --
2 would tend to agree that one day is not going
3 to be enough no matter if it's in this docket
4 or if it's in a generic docket.

5 JUDGE DIPPELL: Okay.

6 MR. BYRNE: Thank you.

7 JUDGE DIPPELL: Would there -- it
8 sounds like to me that most everybody would
9 like an opportunity to respond after the round
10 table on the 26th. Would there be any
11 objection for extending the response time until
12 then?

13 MR. PENDERGAST: None on our part,
14 your Honor.

15 JUDGE DIPPELL: Then I will issue a
16 notice after this hearing, an order and direct
17 the time for filing responses. I will make it
18 sometime a few days after that round table so
19 that you all can consider that. I will, since
20 you're here today and I appreciate you coming,
21 ask you to go ahead and -- and talk about
22 things like you were saying that -- how many
23 days of hearing and so forth you think might be
24 needed if this case goes forward as it is
25 scheduled right now. That can certainly be

1 altered or -- and what time frames and so forth
2 you think might be needed.

3 MR. PENDERGAST: Your Honor, with it
4 -- would it be appropriate to -- and I realize
5 that the original timeline for submitting a
6 procedural schedule, it's kind of mooted by the
7 number of considerations.

8 JUDGE DIPPELL: Right.

9 MR. PENDERGAST: But to -- after the
10 responses would be due, maybe a week after that
11 at least have a tentative deadline for filing
12 procedural recommendations, whatever they may
13 be, whether it's, you know, something that we
14 can jointly submit or if it's going to have to
15 be the company feels this way and the staff
16 feels a different way or public counsel does.
17 At least have a date out there that we can kind
18 of -- kind of shoot for.

19 JUDGE DIPPELL: All right. I'll go
20 ahead and include that in my order when I said
21 set a response time. I'll go ahead and set a
22 new time to proposed procedural schedules. And
23 if the Commission should rule in such a way on
24 Laclede's motion that that becomes moot, then
25 I'll -- I'll cancel those at that time.

1 MR. PENDERGAST: Okay. Great.

2 JUDGE DIPPELL: Are there any other
3 issues or considerations I need to be aware of?

4 MS. O'NEILL: I don't believe, your
5 Honor.

6 MS. SHEMWELL: I don't think so.

7 JUDGE DIPPELL: All right. I
8 appreciate, again, you all coming today. And I
9 hope you have productive discussions.

10 MR. PENDERGAST: Thank you.

11 MS. SHEMWELL: Thank you.

12 JUDGE DIPPELL: Thank you. And we
13 can go off the record.

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