

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
TRANSCRIPT OF PROCEEDINGS

Public Hearing
January 15, 2004
Nevada, Missouri

Volume 5

In the Matter of Aquila, Inc.)
d/b/a Aquila Networks - MPS and) Case No. GR-2004-0072
Aquila Networks - L&P, Natural)
Gas General Rate Increase)

VICKY RUTH, Presiding
SENIOR REGULATORY LAW JUDGE
ROBERT M. CLAYTON, III
COMMISSIONER

REPORTED BY: JILL A. RENFRO, C.C.R.

APPEARANCES

MR. ROBERT V. FRANSON

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(ph.) - phonetic

(sic) - exactly as spoken

1 BY JUDGE RUTH: I want
2 to welcome everyone here tonight.
3 We appreciate your taking time to
4 come give us your comments. My
5 name is Vicky Ruth, and I'm a
6 Senior Regulatory Law Judge with the
7 Commission. To my right is one of
8 our Commissioners, Robert Clayton.
9 We also have two other Commissioners
10 who could not be here tonight, but
11 there will be a transcript made of
12 the proceeding, and it will be
13 available for the Commissioners and
14 they will read your comments. They
15 will be made a part of the official
16 record. We are here for a public
17 hearing in case GR2004-0072, in
18 which Aquila LPS and Aquila Networks
19 MPS seek a general rate increase,
20 and specifically Aquila's proposed
21 natural gas service tariffs are
22 designed to produce an annual
23 increase in revenues of
24 approximately 5.6 million dollars
25 for Aquila Networks MPS, and the

1 proposed natural gas service tariffs
2 for Aquila Networks L & P are
3 designed to produce an increase of
4 approximately .8 million dollars.
5 Before we take comments I want to
6 give a very brief overview of the
7 agency. As the information
8 indicated prior to the on the
9 record portion, we do have five
10 Commissioners, one of which is
11 present tonight. Each of the
12 Commissioners - we have five
13 positions, excuse me. At this point
14 we have actually three filled. They
15 are appointed by the Governor. The
16 Commission also employs a staff of
17 attorneys, engineers, accountants,
18 and financial experts, and some of
19 those individuals are here tonight.
20 Robert, why don't you go ahead and
21 introduce on the record who you
22 brought with you.

23 BY MR. FRANSON: Okay.
24 I'm Robert Franson, I'm Senior
25 Counsel with the General Counsel's

1 Office of the Public Service
2 Commission. Warren Wood, the
3 manager of our energy department.
4 From our consumer services
5 department is Gay Fred, Marilyn
6 Doerhoff and Greg Ocho. There he
7 is. He is with our legislative -
8 he's one of our legislative
9 analysts, and he's also - what do--

10 BY MR. OCHO: Public
11 information.

12 BY MR. FRANSON: Public
13 information. Thank you, Greg.

14 BY JUDGE RUTH: Thank
15 you. And it's my understanding
16 that these individuals will remain a
17 few minutes after the hearing. If
18 you come up with any additional
19 questions they'll be available for
20 that. We also have present tonight
21 Mr. Doug Micheel of the Office of
22 the Public Counsel. It's the job
23 of the Public Counsel to represent
24 you, the public, in the hearings
25 before the Commission, and I

1 anticipate that Mr. Micheel will
2 also be available for a few minutes
3 after the hearing if you have
4 questions for him. Representing the
5 company today is Mr. Dean Cooper.
6 Mr. Cooper, would you like to
7 introduce yourself and any of the
8 company people that you wish?

9 BY MR. COOPER: WE'll
10 probably do this in two parts.
11 With us this evening is Mr. Richard
12 Green, CEO of Aquila. Also with me
13 this evening is Mr. Jon Empson, Mr.
14 Dennis O'Dell, Mr. Ivan Vancas.
15 Ivan, could you help me out with
16 the other folks?

17 BY MR. VANCAS: Also
18 with us is Mr. Jim Alberts, Mr.
19 Gary Ashby, and Ms. Debbie Leonard.

20 BY JUDGE RUTH: Thank
21 you. And I anticipate that the
22 company will also have people
23 available after the hearing if you
24 wish to ask them questions. The
25 purpose of tonight's hearing is to

1 give the public an opportunity to
2 offer your comments. It will not be
3 a question and answer session at
4 this time. It's an official hearing
5 of the Commission, which means
6 you'll need to give your testimony
7 under oath. The court reporter will
8 - we will swear you in, or you may
9 give an affirmation if you prefer.
10 In addition to this local public
11 hearing, the Commission conducted
12 local public hearings in Merryville
13 and Platt City on January 6th for
14 this case, and the Commission will
15 hold local public hearings in Rolla
16 on January 20th, and Marshall and
17 Sedalia on January 26th. The
18 actual evidentiary type hearing will
19 be held in late March and early
20 April, and that will be at the
21 Commission's offices in Jefferson
22 City. The hearing will be open to
23 the public, and at that time the
24 company will have the burden of
25 showing that the proposed rate

1 increase is necessary. Our
2 procedure will be basically as
3 follows. I'm going to call your
4 name, come over to the table, we'll
5 swear you in, and we'll move down
6 the line for the witnesses. At the
7 end I'll give one last chance, if
8 anyone else has something they wish
9 to say we'll go ahead and add your
10 name on and swear you in at that
11 time. Does anyone have any
12 questions about the procedure? Mr.
13 Clayton, did you have any
14 introductory remarks?

15 BY COMMISSIONER

16 CLAYTON: I just wanted to
17 introduce myself. My name is
18 Robert Clayton, and as I look out
19 in the room I want anyone who is
20 not affiliated with state government
21 or the company to raise your hand.
22 All right. We'll focus on you all
23 over here. We've got all of these
24 suits over here. It makes me
25 nervous. My name is Robert

1 Clayton, and I am one of three
2 Commissioners on Missouri Public
3 Service Commission. We have five
4 slots, and we've had unfortunate
5 circumstances with a resignation and
6 a death of two Commissioners over
7 the last forty-five days. So we're
8 down to three, and we've got
9 hearings going on all around the
10 state, and we're kind of - the
11 Commissioners divvy up and make it
12 to different places. The group is
13 going to Rolla next week, and we
14 were in Camdenton Tuesday night, and
15 so we're spread all over the place,
16 but we do have a court reporter
17 that is here that will take down all
18 of the testimony, and all of the
19 Commissioners will review the
20 testimony that's offered tonight.
21 So I want to thank each of you who
22 are here. It's a wonderful honor
23 for me to be back in Nevada. My
24 grandfather is from Nevada, and his
25 remains are interred here, and that

1 was the last time I was here, to
2 say goodbye to him.

3 BY HELEN ARMSTRONG:
4 Who was your grandfather?

5 BY COMMISSIONER
6 CLAYTON: His name was David Price.
7 His parents lived here. David and
8 Edward were brothers, and I don't
9 remember her name, but if you want
10 to take me to the cemetery
11 afterwards--

12 BY HELEN ARMSTRONG:
13 Ridgeway?

14 BY COMMISSIONER
15 CLAYTON: I'm not sure which one it
16 is. I may have to talk to you
17 afterwards.

18 BY HELEN ARMSTRONG: I
19 think that's where most of the
20 Prices are buried.

21 BY COMMISSIONER
22 CLAYTON: Is that right? I
23 definitely want to talk to you
24 afterwards. But this is serious
25 business. I want to thank you for

1 coming out. You have a wonderful
2 number of resources that are
3 available for you here tonight.
4 Take advantage of them. Having
5 said that, I look forward to your
6 testimony.

7 BY JUDGE RUTH: Okay.
8 And let me verify that all counsel
9 have signed the sign up list in
10 lieu of entry of appearance sheets.
11 Let's move to the first witness,
12 which is - is it Pat Ozkal?

13 BY PAT OZKAL: Ozkal.

14 BY JUDGE RUTH: Ozkal.

15 BY PAT OZKAL: My
16 husband is from Turkey. Most people
17 say Ozkal.

18 BY JUDGE RUTH: Do you
19 mind being seated, or if you prefer
20 you may stand?

21 BY PAT OZKAL: However
22 you want.

23 BY JUDGE RUTH: I'll
24 just let you raise your right hand
25 if you would, please.

1

PAT OZKAL

2

Having been first duly sworn and examined,

3

testified as follows:

4

BY JUDGE RUTH: Let me

5

get you to state and spell your

6

name on the record.

7

BY PAT OZKAL: Okay.

8

Pat, P-A-T, last name is O-Z-K-A-L.

9

917 West Walnut, Nevada, Missouri.

10

BY JUDGE RUTH: And are

11

you currently a customer of Aquila?

12

BY PAT OZKAL: Yes.

13

BY JUDGE RUTH: Now you

14

may proceed. Thank you.

15

BY PAT OZKAL: I guess

16

I was just a little shocked when I

17

saw the eleven percent increase.

18

It seems very large to me, but then

19

one of the gentleman explained to

20

me that it had been since 1993

21

since there had been a rate

22

increase. I realize everything has

23

gone up and has to go up, but I

24

just - I guess I am concerned. My

25

husband and I are older, but we

1 have kids in college, so the gas
2 bill is still expensive on us even
3 though we're both still working, but
4 what worries me, I work at a tire
5 store, there's lots of young guys
6 that are just barely getting by. I
7 guess my concerns are that, you
8 know, how it's going to be so hard
9 not only on me, but the other
10 people that don't make as much
11 income as we do. And then, you
12 know, the economy is so bad right
13 now, and so many closings and loss
14 of jobs, and I just wanted to voice
15 that that is my concern about the
16 price going up, even though I
17 understand that things have to go
18 up because, you know, you have to
19 improve and repair. And that's all
20 I wanted to say. Thank you.

21 BY JUDGE RUTH: Could
22 you remain seated for just a moment?

23 BY PAT OZKAL: Sure.

24 BY JUDGE RUTH: Thank
25 you for your comments. I want to

1 offer Commissioner Clayton an
2 opportunity to ask you any questions
3 if he has any.

4 BY COMMISSIONER
5 CLAYTON: I don't think I have any
6 questions. Thank you for coming.

7 BY JUDGE RUTH: I'm
8 sorry. I need just a few more -

9 BY COMMISSIONER CLAYTON:
10 Everyone has to understand that now
11 they unleash the lawyers on them,
12 so you have to go through that.

13 BY PAT OZKAL: Okay.

14 BY JUDGE RUTH: They'll
15 behave. Aquila, do you have any
16 questions for this witness.

17 BY MR. COOPER: No
18 questions, Your Honor.

19 BY JUDGE RUTH: And
20 Public Counsel?

21 BY MR. MICHEEL: No
22 questions, Your Honor.

23 BY JUDGE RUTH: Staff?

24 BY MR. FRANSON: No
25 questions, Your Honor.

1 BY JUDGE RUTH: Thank
2 you very much. And now you may be
3 seated. The next witness is Ladine
4 Casey.

5 LADINE CASEY
6 Having been first dully sworn and examined,
7 testified as follows:

8 BY JUDGE RUTH: State
9 and spell your name for the record.

10 BY LADINE CASEY:
11 L-A-D-I-N-E, C-A-S-E-Y.

12 BY JUDGE RUTH: And your
13 address?

14 BY LADINE CASEY: 501
15 East Arch, Nevada, Missouri.

16 BY JUDGE RUTH: And are
17 you currently a customer of Aquila?

18 BY LADINE CASEY: Yes.

19 BY JUDGE RUTH: Okay.
20 Please proceed.

21 BY LADINE CASEY: Well,
22 I think my biggest concern is also
23 like Pat, is the fact that we have
24 so many more senior citizens, low
25 income people, that I do not see

1 how they can keep supporting
2 corporate America. I don't want my
3 utility bill going up, particularly
4 when I didn't get much of a raise
5 either when I got my little monthly
6 social security check. It's not
7 enough to go with what utilities are
8 doing. And I realize that I - I
9 realize that this is something that
10 has to be done, but at the same
11 time, I'm most concerned about our
12 senior citizens, and most concerned
13 about our low income, and also most
14 concerned about them having to
15 support the corporate America of
16 America, and it's time I think that
17 corporate America started thinking
18 more of these people. And I
19 realize that they've got a business
20 to run, but there is a stopping
21 point I think, or a slow down point
22 somewhere. And I do not - I don't
23 like my utility bill going up either
24 any more than they do, because when
25 I received my social security check

1 I had a \$14.00 raise. I was glad
2 to get it, but when I got the
3 utility bill today I wasn't too sure
4 how far that was going to go. So
5 that's my main concern for being
6 here. I'm really sorry that you've
7 all come this far only to have the
8 four of us here, because I thought
9 sure there would be more because I
10 have heard other people say they
11 were coming. I'm sorry that you've
12 had to all take your time just for
13 us four, but we're glad you're here.

14 BY JUDGE RUTH: Well, we
15 appreciate everyone's attendance and
16 participation. We do. Did you
17 have any further comments?

18 BY LADINE CASEY: No, I
19 have no more.

20 BY JUDGE RUTH: Then
21 Commissioner Clayton?

22 BY COMMISSIONER CLAYTON:
23 You're looking suspicious at me.
24 Ma'am, in PSC Service is our middle
25 name, and it's our honor to come to

1 Nevada, so don't you worry about
2 that, whether it would be one
3 witness or ten witnesses. I really
4 don't think I have any questions.
5 I appreciate you being here.

6 BY LADINE CASEY: Thank
7 you.

8 BY JUDGE RUTH: Aquila,
9 do you have any questions?

10 BY MR. COOPER: No
11 questions.

12 BY JUDGE RUTH: And
13 Public Counsel?

14 BY MR. MICHEEL: No,
15 Your Honor.

16 BY JUDGE RUTH: Staff?

17 BY MR. FRANSON: No,
18 Your Honor.

19 BY JUDGE RUTH: Thank
20 you. Helen Armstrong.

21 HELEN ARMSTRONG

22 Having been first dully sworn and examined,
23 testified as follows:

24 BY JUDGE RUTH: Would
25 you state and spell your name for

1 the record?

2 BY HELEN ARMSTRONG:

3 Helen Armstrong. H-E-L-E-N,
4 A-R-M-S-T-R-O-N-G. Address is 318
5 South Elm, here in Nevada.

6 BY JUDGE RUTH: And are
7 you a customer of Aquila?

8 BY HELEN ARMSTRONG:

9 Yes, I am.

10 BY JUDGE RUTH: Do you
11 have a statement you wish to make?

12 BY HELEN ARMSTRONG: As

13 I tell them, I do have a big mouth,
14 I voice my opinion. But, no, I was
15 really shocked because here a few
16 months ago they came out and said
17 that we were going to have an
18 increase. Well, then last month,
19 which was a mild month for us, my
20 utility bill doubled. Well, this
21 month, and I'm not complaining about
22 this month, it only went up ten
23 bucks from what it was last month.
24 But what I am wondering, why all of
25 a sudden - it just seemed like all

1 of a sudden here they are wanting
2 another pay increase, and they're
3 saying from \$8.00 to \$15.00 per
4 household. Well, there are a lot
5 of people out here that don't -
6 that are on fixed incomes. They
7 can't afford this. And this is what
8 shocks me, because there isn't any
9 more here tonight, because I work
10 in the public, I have been to the
11 grocery store today, and I heard all
12 of this. Everybody got their
13 utility bill and they were just
14 shocked it was so high. How - and
15 it's mild. I mean, our weather has
16 been mild. How are they going to
17 pay it with our insurance going up,
18 our medicine going up, our utilities
19 going way up, but the income isn't?
20 It's got to stop somewhere. And
21 I'm not saying it's got to stop
22 with the utility companies because I
23 know we have to have electricity,
24 and we're spoiled. We've got to
25 have electricity, and we've got to

1 have gas. But somebody has got to
2 stand up and make a statement,
3 okay, it's gone far enough.
4 Everybody is going to have to start
5 cutting back. I don't know. I
6 just - it just seems to me like
7 that the upper class, or the
8 corporate people are not looking at
9 the low income people that do
10 support this country. I mean, even
11 the ones that are still working, we
12 are paying taxes, and we have to
13 have - I mean, we have to have this
14 stuff. Why - but why all of a
15 sudden, and especially when you
16 start talking about gas increase
17 rate in the middle of winter,
18 that's a shocker. I mean, you
19 could talk - probably wouldn't get
20 as much shock if you raised utility
21 rates in the middle of summer when
22 the degrees is a hundred - a
23 hundred degrees, but when it gets
24 cold and people get cold, you start
25 talking about price increases and

1 heat, and it is a bad - it's a bad
2 deal. I don't know what else I
3 could say, but I was bound and
4 determined I was going to come and
5 voice my opinion, and I am.

6 BY JUDGE RUTH:
7 Appreciate that. Anything further?

8 BY HELEN ARMSTRONG: No.

9 BY JUDGE RUTH:
10 Commissioner Clayton?

11 BY COMMISSIONER
12 CLAYTON: Ms. Armstrong, what kind
13 of winter has it been so far in
14 Nevada? I don't - I know we're--

15 BY HELEN ARMSTRONG:
16 This winter?

17 BY COMMISSIONER
18 CLAYTON: -- further south than -
19 well, we're further south than - I
20 originally come from Hannibal, which
21 we're northeast, and then we've got
22 a group from Jeff City, but is the
23 temperature different in Nevada?

24 BY HELEN ARMSTRONG:
25 Than up there?

1 BY COMMISSIONER

2 CLAYTON: Than further north.

3 BY HELEN ARMSTRONG:

4 Oh, yeah, it is, but we have had -
5 oh, now, we have had a couple of
6 snowstorms, but the temperature
7 wasn't cold, and it didn't stay
8 cold. Now, last winter at this
9 time it was cold.

10 BY COMMISSIONER

11 CLAYTON: When you say cold, what
12 do you mean, cold?

13 BY HELEN ARMSTRONG: I

14 mean below - below thirty-two
15 degrees, and down in the teens, and
16 with windchills below zero. Now, we
17 had that last winter. We haven't
18 really had that this winter. Why
19 have utility bills gone up? Why? I
20 don't understand that, you know,
21 here - no, we have had a mild
22 winter. Now, they're saying it's
23 going to change this next week. We
24 haven't had a winter like - we
25 don't have winters like the

1 northeast has got right now, thank
2 God.

3 BY COMMISSIONER

4 CLAYTON: I didn't know if you were
5 going to say negative twenty was
6 the temperature.

7 BY HELEN ARMSTRONG:

8 Oh, no. No, we haven't had a
9 winter like that in years. But,
10 no, we have - I mean, it has really
11 been a mild winter. And when you
12 can have your front door open and
13 the kitchen window open to get
14 fresh air in the house in December
15 and January it's not cold outside,
16 but still yet your utility - you've
17 got your thermostat turned as low
18 as it will go, but your utility bill
19 goes sky high, and so does other
20 people's. So I don't know what the
21 - I don't know what the deal is. I
22 don't know if it has to do with
23 reading the meters or what. I
24 think it needs to be looked into a
25 little bit further. And that's all

1 I've got to say.

2 BY COMMISSIONER CLAYTON:

3 Thank you. Thank you for your
4 comment.

5 BY JUDGE RUTH: Mr.

6 Cooper, questions?

7 BY MR. COOPER: No.

8 BY JUDGE RUTH: Mr.

9 Micheel?

10 BY MR. MICHEEL: No.

11 BY JUDGE RUTH: Mr.

12 Franson?

13 BY MR. FRANSON: No,

14 Your Honor.

15 BY JUDGE RUTH: Okay.

16 You may step down. Thank you very
17 much.

18 BY HELEN ARMSTRONG:

19 Thank you. And I thank you all for
20 coming.

21 BY JUDGE RUTH: Now,

22 that concludes the witnesses who
23 have signed up on the sign up
24 sheet. Is there anyone else
25 present tonight that wanted to

1 speak? I look around and the
2 answer seems to be no. So then I
3 want to thank you again for coming
4 and giving us your comments. We
5 appreciate the time that you took
6 out of your evening to come here.
7 Mr. Clayton, did you have any
8 closing remarks?

9 BY COMMISSIONER CLAYTON:
10 Well, I feel like we've been able
11 to have a personal conversation. I
12 would just say thank you again for
13 coming. We appreciate it.

14 BY LADINE CASEY: Thank
15 you guys for coming. Thanks for
16 your time. We appreciate that,
17 too, very much.

18 BY JUDGE RUTH: Let me
19 conclude by saying again we
20 appreciate your time. After we go
21 off the record there will be
22 representatives here from the
23 Commission, Office of the Public
24 Counsel, and the company if you
25 have any questions. We are

1
2
3
4
5
6

adjourned. Thank you.

(HEARING CONCLUDED)

REPORTER'S CERTIFICATE

STATE OF MISSOURI)
) ss.
COUNTY OF NEWTON)

I, JILL A. RENFRO, Certified Court Reporter and a Notary Public in and for the County of Newton and State of Missouri, do certify that the foregoing is a true and accurate transcription of the testimony given, at the Public Safety Building, 120 South Ash Street, in the City of Nevada, in Vernon County and said State.

GIVEN under my hand and notarial seal at my office in Newton County, and State of Missouri, this ____ day of _____, 2004.

My commission expires: 2/18/2005

Reporter's costs to be paid by

Notary Public within and for
Newton County, Missouri.