

1 STATE OF MISSOURI  
2 PUBLIC SERVICE COMMISSION  
3  
4  
5 TRANSCRIPT OF PROCEEDINGS  
6 Public Hearing  
7 April 28, 2004  
8 Jackson County Courthouse  
415 East 12th Street  
9 Kansas City, Missouri

10

11

12 In the Matter of Missouri Gas )  
Energy's Tariffs to Implement a )  
13 General Rate Increase for Natural ) Case GR-2004-0209  
Gas Service )

14

15

16

17 MORRIS L. WOODRUFF, Presiding,

Senior Regulatory Law Judge

18 CONNIE MURRAY, Commissioner

19

20 REPORTED BY:

21 James A. Leacock, CCR  
Cross Reporting Service, Inc.

22

23

24

25

1 APPEARANCES:

2 For Jackson County:

3 Mr. Jeremiah Finnegan  
4 Finnegan Conrad & Peterson, L.C.  
5 1209 Penntower Office Center  
6 3100 Broadway  
7 Kansas City, Missouri 64111

8  
9 For Public Service Commission:

10 Mr. Robert V. Franson, Senior General Counsel  
11 Governor Office Building, Suite 800  
12 200 Madison Street  
13 P.O. Box 360  
14 Jefferson City, Missouri 65102-0360

15 For Missouri Gas Energy:

16 Mr. Robert J. Hack, Vice President  
17 Pricing & Regulatory Affairs  
18 3420 Broadway  
19 Kansas City, Missouri 64111

20  
21 For Department of Economic Development:

22 Mr. Douglas E. Micheel, Senior Public Counsel  
23 Governor Office Building, Suite 650  
24 200 Madison Street  
25 P.O. Box 2230  
Jefferson City, Missouri 65102

- - -

1 JUDGE WOODRUFF: Good evening, everyone.  
2 I was just downstairs trying to get the air  
3 conditioning turned on without success. Or turned  
4 up without success. You just have to bear with us.  
5 Welcome to the local public hearing. My name is  
6 Morris Woodruff. I am one of the regulatory law  
7 judges for the Commission. With me tonight is  
8 Commissioner Connie Murray, one of the three  
9 commissioners that are on the Public Service  
10 Commission. This is a local public hearing in Case  
11 Number GR-2004-0209. And it concerns Missouri Gas  
12 Energy tariffs to implement a general rate increase  
13 for its natural gas service. The purpose of this  
14 hearing today is to take comments from the public  
15 about the rate increase and just as the commission,  
16 to get some idea of what the public's attitude is  
17 towards this proposal.

18 What I am going to do is ask you to come  
19 forward here and be sworn and offer testimony. What  
20 we will have you do is sit in that chair at the  
21 round table there. There are quite a few people  
22 that have signed up. I will go down the list, call  
23 you up one at a time and you can say what you want  
24 to say. And if someone wants to testify that hasn't  
25 put their name on the list, that's fine, we will get

1 to you at the end.

2 We will start out by taking entries of  
3 appearance from the attorneys who are here. So we  
4 will begin with the attorney for Missouri Gas  
5 Energy.

6 MR. HACK: Robert Hack for MGE.

7 JUDGE WOODRUFF: For the staff of the  
8 Commission.

9 MR. FRANSON: Robert Franson representing  
10 the staff of the Public Service Commission.

11 JUDGE WOODRUFF: For the Office of Public  
12 Counsel?

13 MR. MICHEEL: Douglas E. Micheel,  
14 appearing on behalf of the Office of the Public  
15 Counsel.

16 JUDGE WOODRUFF: And any other parties?

17 MR. FINNEGAN: On behalf of Jackson  
18 County, an intervenor in this proceeding in  
19 opposition to the rate increase, Jeremiah Finnegan.  
20 And I would like to welcome you, Commissioners, to  
21 Jackson County, with the opportunity for our Jackson  
22 Countians to make their desires known. Thank you.

23 JUDGE WOODRUFF: Any other parties here?  
24 Commissioner Murray, would you like to make any  
25 opening statements?

1                   COMMISSIONER MURRAY: No, it looks like we  
2                   have a long list here and I would rather hear what  
3                   the witnesses have to tell us. Thank you.

4                   JUDGE WOODRUFF: Thank you. We will begin  
5                   with the first witness on the list then. It is  
6                   Preston Cunow.

7                   MR. CONNER: Conner.

8                   JUDGE WOODRUFF: Conner. Sometimes it is  
9                   hard to read people's handwriting. Come on  
10                  forward. Please raise your right hand.

11                  (The oath was administered.)

12                  JUDGE WOODRUFF: Could you tell us your  
13                  name.

14                  MR. CONNER: My name is Preston Conner.

15                  JUDGE WOODRUFF: You live here in Kansas  
16                  City?

17                  MR. CONNER: I live in Kansas City,  
18                  Missouri.

19                  JUDGE WOODRUFF: And are you a customer  
20                  of MGE?

21                  MR. CONNER: Yes, we are.

22                  JUDGE WOODRUFF: What would you like to  
23                  tell us?

24                  MR. CONNER: I have already kind of  
25                  prepared some comments beforehand, so I will just

1 read from three of them. Some of the comments are a  
2 little stern. Some information will change as a  
3 result of what I have heard here this evening. But  
4 just, I appreciate the opportunity to speak.

5 First point. The amounts that were  
6 published in the MGE bill announcement didn't  
7 satisfactorily explain the justification for the  
8 increase except that the values associated with the  
9 increased general operating expenses. Sure, total  
10 consumer expenses will go up because of the variable  
11 natural gas rate is not controlled by the customer  
12 but by the natural gas industry.

13 MGE is trying to justify this increase  
14 based on variable costs which is largely moot, since  
15 fixed expenses will not change that much. The  
16 infrastructure and staffing is already present.  
17 Their measure of association is weak at best. MGE's  
18 fixed expenses will not increase 44 and a half  
19 million dollars per year unless it is generous  
20 dividends to stockholders and executives. I also  
21 wonder where those meter readers are hiding. I have  
22 yet to see one in my neighborhood. Wonder if the  
23 postman has seen any. Or is that fixed expense.

24 Second point. We talked about this  
25 earlier. Based on our March 24 statement, the \$6.52

1           increase in the base rate for residences would  
2           represent an approximate increase of over 60 percent  
3           for the base customer charge, that is \$10.05 on our  
4           bill, or 33 percent increase in the posted energy  
5           charge which is \$18.85. Those figures translate to  
6           about 15 to 20 times the general rate of inflation  
7           or the cost of living increase that many pensioners  
8           have received. When that monthly figure of \$6.52 a  
9           month is multiplied by 12, the number of months in a  
10          year, that translates into about \$80 per household.  
11          That rolls over to about \$2,000 a year for my block  
12          alone. That is just outrageous. A figure of under  
13          a dollar a month is much more reasonable to cover  
14          those expenses, but not over \$6. Folks, let's get  
15          real.

16                       Third, the proposed increase will  
17          adversely affect those on fixed incomes or the  
18          documented growing working poor in the service  
19          area. The Kansas City area has many who have been  
20          involuntarily unemployed in the last couple of  
21          years. I work two jobs to make ends meet. One full  
22          time and one part time. Many others struggle to pay  
23          last winter's bills. Many face disconnection soon.  
24          The proposed rate increase will only worsen the  
25          situation for many. There is no reason why MGE

1           should have to rely on the generosity of charities  
2           to assist those who can least afford a basic  
3           utility. It is exploitation of agencies and their  
4           donors. That money could be used for other  
5           purposes. Utility bills should be more reasonable.

6                     Fourth. Compared to other utilities, my  
7           natural gas rate in the summer is higher than our  
8           water and electricity bills combined. Our usage is  
9           the hot water tank and a gas stove which is used  
10          little, and there is no gas dryer. So why is the  
11          summer bill like \$46 a month? Summer gas rates  
12          apparently are no bargain either. The rate increase  
13          will only make that figure more ridiculous. Natural  
14          gas probably -- probably has the lowest return on my  
15          utility dollar of all my utilities that we pay.

16                    Fifth point. This proposed increase will  
17          make it harder for people who have been disconnected  
18          to get reconnected. And if they had trouble paying  
19          before, then the higher bills will only make the  
20          situation worse. MGE likes higher rates because the  
21          resulting deposits earn more additional interest at  
22          the expense of the less fortunate service resident.  
23          It is a nefarious racket ratcheting the rates and  
24          extorting higher deposits on the more vulnerable  
25          area residents. It is simply slick piracy.



1                   The deposit for disconnect should not be  
2                   the highest bill but about 75 percent, because most  
3                   of the amount is to cover natural gas costs which  
4                   the customer has no control over. The utility  
5                   company simply wants to continue to receive unearned  
6                   user rate.

7                   And my sixth and final point. When I read  
8                   that, quote, the rates from this case are not  
9                   expected to take effect until October 2004, unquote,  
10                  it dawned on me that MGE considered this physical  
11                  booty a given. If the Missouri Public Service  
12                  Commission allows the full rate to be implemented,  
13                  it is high time that a joint committee of Missouri  
14                  senators and representatives look at the possibility  
15                  of changing the appointment process of the Public  
16                  Service Commission from one that is appointed to one  
17                  that is elected. And that if the Missouri  
18                  legislators can't get the job done, then perhaps the  
19                  citizen initiatives via petitions may have to be  
20                  initiated.

21                  Having elected representatives on the  
22                  Commission would improve the accountability and  
23                  minimize the almost apparent coziness of the MGE and  
24                  the utility rate review process. There could be one  
25                  representative per congressional district in the

1 State of Missouri and an odd number could be  
2 appointed by the governor.

3 I know it is a hard job that the  
4 commissioners have and I commend each of you for  
5 your service. Nothing personal but the public is  
6 simmering right now. And discussion is rampant in  
7 the workplace about rising utility costs and  
8 something has to be done. Even if it is something  
9 radical. Utility companies should also give more  
10 serious consideration when they want a rate increase  
11 too. The task now at hand is to fulfill your pledge  
12 to Missouri residents to generally protect their  
13 consumer interests. I want to thank each of you for  
14 your service, time and consideration this evening.  
15 Thank you.

16 JUDGE WOODRUFF: Thank you, sir. If you  
17 wait just a moment. Commissioner Murray may have  
18 some questions for you.

19 COMMISSIONER MURRAY: I have a couple of  
20 questions. You said you are a customer yourself of  
21 MGE; is that right?

22 MR. CONNER: My mom and I. That's  
23 correct.

24 COMMISSIONER MURRAY: I'm sorry?

25 MR. CONNER: My mother and I.

1 COMMISSIONER MURRAY: Are customers?

2 MR. CONNER: Correct. Yes, I have the  
3 last several bills out in the car, on the visor.

4 COMMISSIONER MURRAY: Are you here  
5 representing your mother and yourself or are you  
6 here representing a group?

7 MR. CONNER: Representing myself and  
8 about two or three million Missourians that are  
9 going to be affected by this rate increase.

10 COMMISSIONER MURRAY: Could I ask the  
11 audience to please not do that. It is not going to  
12 help.

13 AUDIENCE MEMBER: Can't hear you.

14 JUDGE WOODRUFF: The concern with the  
15 applause is it kind of tends to lengthen the  
16 proceedings and we are already going to be pressed  
17 for time.

18 COMMISSIONER MURRAY: It won't help. It  
19 won't help convince us of anything. So please just  
20 hold the applause and let the witnesses speak. We  
21 will move along much more quickly that way.

22 Have these two million people told you in  
23 writing that they wanted you to represent their  
24 views here tonight?

25 MR. CONNER: No, but this is a good

1 start.

2 COMMISSIONER MURRAY: I don't see anywhere  
3 near two million.

4 MR. CONNER: How many people, can I ask  
5 the commissioner how many people do live in the  
6 service, in this service district, served by  
7 Missouri Gas Energy.

8 COMMISSIONER MURRAY: My question to you  
9 is, how do you know who wants you to speak for them  
10 and who has the same identical reason.

11 MR. CONNER: I'm not here to place  
12 mandates. There is a million people. There is at  
13 least 450,000 people in the City of Kansas City,  
14 Missouri. There is about a million or million and a  
15 half in Jackson County, Clay County, Platte County,  
16 Buchanan County, Cass County, Lafayette County, all  
17 the counties served. There is probably a good two  
18 million people.

19 COMMISSIONER MURRAY: I know there are a  
20 lot of customers. I am saying you don't know  
21 personally all of those customers and they haven't  
22 personally asked you to speak for them; is that  
23 correct?

24 MR. CONNER: That is correct.

25 COMMISSIONER MURRAY: This is on the

1 record and I am just trying to figure out who  
2 specifically you are representing?

3 MR. CONNER: I am representing myself, my  
4 household and anybody else who agrees with me.

5 COMMISSIONER MURRAY: Okay. Thank you.

6 MR. CONNER: Thank you.

7 JUDGE WOODRUFF: Mr. Conner, let me ask  
8 the other attorneys if they have any questions to  
9 follow up on also. For MGE?

10 MR. HACK: No. Thank you, sir.

11 JUDGE WOODRUFF: Staff?

12 MR. FRANSON: No questions, Your Honor.

13 JUDGE WOODRUFF: Public Counsel?

14 MR. MICHEEL: Yes. One, Mr. Conner.

15 Have you heard from any of your friends or  
16 neighbors, their views regarding the proposed rate  
17 increase?

18 MR. CONNER: I do know that people that I  
19 work for were excited that I was going to take the  
20 time off from work to come here to this hearing this  
21 evening.

22 JUDGE WOODRUFF: Mr. Finnegan, do you have  
23 any questions?

24 MR. FINNEGAN: I believe you proposed that  
25 commissioners be elected?

1 MR. CONNER: Yes, sir.

2 MR. FINNEGAN: Are you aware that your  
3 elected representatives recently passed a law that  
4 allows this utility to collect for improvements  
5 during and in between rate cases?

6 MR. CONNER: I am not surprised.

7 MR. FINNEGAN: Aren't you concerned if you  
8 elect commissioners that you might end up with the  
9 same kind of people?

10 MR. CONNER: I just want to increase the  
11 accountability out there.

12 MR. FINNEGAN: Okay. I think people  
13 should be aware of what your representatives are  
14 doing to you right now.

15 MR. CONNER: I have a pretty good idea.

16 MR. FINNEGAN: Thank you.

17 JUDGE WOODRUFF: Next name on the list is  
18 Susan Downing.

19 (The oath was administered.)

20 JUDGE WOODRUFF: Would you tell us your  
21 name.

22 MS. DOWNING: Yes. My name is Susan R.  
23 Downing, D-o-w-n-i-n-g. I reside at 1217 Northeast  
24 43rd Terrace. That is in Kansas City, Missouri,  
25 Clay County. 64116-2251.

1 JUDGE WOODRUFF: You are an MGE customer  
2 also?

3 MS. DOWNING: I am an MGE customer. I am  
4 captive. I haven't noticed any competition yet.  
5 Although I am thinking seriously about looking into  
6 propane. My affiliations are, I am an elected  
7 school board director of North Kansas City School  
8 District 74th. However, I do not speak for that  
9 committee of the whole. I would note that our Oak  
10 Park High School debate squad just took first in  
11 state and I have been talking to English teachers  
12 about getting some students to a rate hearing. My  
13 other affiliation is I am leader in 4046 North  
14 Neighborhood and Crime Watch. That takes in about  
15 1200 residences and 6 apartment complexes from I-29  
16 South to Russell Road, North Oak Trafficway, east to  
17 Davidson Road. My neighbors' expectations are that  
18 I look out for their interests. But they are not  
19 here either. It is simply me the customer. And  
20 here is my testimony for you.

21 Dear Missouri Public Service Commission,  
22 just say no. The cost to extend pipes to deliver  
23 natural gas in 1954 was decidedly lower than 2004.  
24 If the wholesale price of natural gas swings with  
25 supply and demand, why not allow the residential

1 rate to be graduated by a demand factor too? The  
2 idea being, a residential customer heating a 741  
3 square foot home, which is insulated, might be  
4 rewarded for conservation of a precious limited  
5 natural resource. I think the 741 square feet to  
6 941 square feet of homes of Crestview Addition in  
7 Kansas City, 64116, should not have to pay the same  
8 pipeline customer fee as a home which consumes 2 to  
9 10 times the amount of natural gas. Let's factor  
10 demand by individual customer on a seasonal basis  
11 and create at least four rate tiers of the  
12 residential rate class.

13 I have performed sanitary sewer rate  
14 studies for the City of Independence, Missouri in  
15 1984 when Keith Wilson was city manager. I know  
16 these scenarios. The math gets a little complicated  
17 but not impossible. And our information technology  
18 and data processing facilitates a more sophisticated  
19 way to bill residential customers. I am so sorry  
20 for the disabled veteran that is about to leave this  
21 world. I share his concern. Thank you.

22 JUDGE WOODRUFF: If you wait for a moment  
23 for questions.

24 COMMISSIONER MURRAY: I have no questions,  
25 but thank you.



1 JUDGE WOODRUFF: For MGE?

2 MR. HACK: No, thank you.

3 JUDGE WOODRUFF: Staff?

4 MR. FRANSON: No questions, Your Honor.

5 JUDGE WOODRUFF: Public Counsel?

6 MR. MICHEEL: No, Your Honor.

7 JUDGE WOODRUFF: Mr. Finnegan?

8 MR. FINNEGAN: No questions.

9 JUDGE WOODRUFF: You may step down. The  
10 next name on the list is Michael McKinzy.

11 (The oath was administered.)

12 JUDGE WOODRUFF: Would you tell us your  
13 name.

14 MR. MCKINZY: My name is Michael  
15 McKinzy. I reside at 8004 Overton, Raytown,  
16 Missouri, 64138. I am an MGE customer.

17 JUDGE WOODRUFF: What would you like to  
18 tell us?

19 MR. MCKINZY: My matter of concern  
20 predates before the hearing that is involved in the  
21 rate increase. Mine is involving a matter that my  
22 family and I have been dealing with for this month  
23 makes a year now. And in which MGE has chose to  
24 victimize its customers already. They have a  
25 standard in which I was subjected to where I have

1           been on record as paying my bill and I was subjected  
2           to paying my new wife which was married a month  
3           prior to me moving into my current resident at 8004  
4           Overton. She didn't live there. She wasn't on a  
5           lease. But she had an outdated bill that was nearly  
6           five years old. And they foresaw me paying her bill  
7           by the fact that I was now married to her. And it  
8           was just a victimization. I have four children. I  
9           have an 18-year-old daughter, set of twin boys and  
10          Michael Junior. And their well-being and their  
11          ability for me to provide for them was jeopardized  
12          by the fact that it wasn't pay your bill that was  
13          not paid, the standard became don't pay what you  
14          owe, pay what we tell you you owe.

15                       And this is a matter where it took from  
16          April of last year to, from the start of April of  
17          last year to June to get my gas turned on. They  
18          wouldn't transfer it despite the fact that I didn't  
19          have any outstanding bill in my name. And my  
20          current wife wasn't living with me nor was she on  
21          the lease. It converted to now that I got my gas  
22          on, it is a matter that I found -- it is something  
23          like a worm hole or rabbit hole. Where I started  
24          just to get my gas now, now I am caught up into a  
25          corruption type ordeal. Where it has become evident

1           that MGE in attempting to collect a \$450 gas bill  
2           that was not owed by me, has falsified records,  
3           outright lied. And that was just to collect \$450.

4                   It is mind-boggling how much lying and  
5           falsifying they will do for 44 million. Even though  
6           today my gas is on in my house, it has become almost  
7           a matter of just trying to get the truth as far as  
8           they initially lied and said my wife currently was  
9           on the lease and she wasn't. I provided them a  
10          lease prior to them making that statement. They  
11          lied and said that I stated that she was living  
12          there and she wasn't on it. Then my landlord  
13          confirmed that she wasn't living there. Then they  
14          turned around and lied on him and said that he  
15          requested the gas to be turned off after I moved  
16          in. And I got an affidavit from him. So it is a  
17          matter of substantiated lying that they, that is  
18          documented.

19                   I have spent six hours before the  
20          commission down in Jefferson City. The case number  
21          is G.C. 20030579, Missouri Gas Energy or Mike  
22          McKinzy versus Missouri Gas Energy. And there was  
23          an article in the paper in which the staff did an  
24          investigation and found out that what I knew all the  
25          time, that I wasn't responsible for a bill that I

1           didn't incur. I didn't live where she resided in  
2           Kansas City. It was a bill that was five years  
3           old. I didn't know my wife at the time she got the  
4           bill. And the only relationship that they were able  
5           to establish is that I was her current husband. And  
6           then the public spokesman for MGE made a statement  
7           to the Kansas City Star and said well, we assumed  
8           that she resided there. Evidently that is not the  
9           case. And it is like -- it is a matter of where it  
10          seemed like my family and I were subjected to and  
11          scrutinized and it is like a big joke. And they  
12          have, what, 500 customers that they can victimize.

13                       It is a matter of how many other  
14          customers, the commission doesn't know, no one knows  
15          how many other customers have been intimidated and  
16          had intimidation tactics used against them to pay  
17          figures and pay this and get your gas turned on,  
18          when there is no record of them owing. By this  
19          being a commission, it is like -- it is almost like  
20          dealing with the mob, you know. I felt like that  
21          through my ordeal of having gas from, transferring  
22          gas where I paid my old bill, moving. Everything  
23          else got transferred. My water got transferred, my  
24          lights got transferred. I stayed in Raytown. It  
25          was Raytown to Raytown transfer. I lived at 8609

1 East 87th Street in Raytown, Missouri. It was just  
2 a -- I got divorced. I was married to my ex-wife  
3 that my kids were by, I was married in '88. The  
4 whole time that they are trying to say you owe this  
5 bill, I was able to document my residency for 10  
6 years. I have owned all my houses up until the  
7 present time. It has cost me, I am a union  
8 electrician. I took off two days from work and was  
9 laid off because in construction if you don't show  
10 up, there are other electricians who can show up.  
11 It is hard to explain to someone, your supervisor,  
12 well, I have to take off to get my gas on. Natural  
13 response, pay your gas bill. That's the thing, I  
14 paid my gas bill. They are trying to get me to pay  
15 somebody else's gas bill. It is a victimization. I  
16 have lost my job. I have had a 2002 van repossessed  
17 that I bought to finish my electrician  
18 apprenticeship by the fact of being unemployed. As  
19 a union electrician, my rate of pay was \$30.73 an  
20 hour. I was employed and by being unemployed, it is  
21 reduced me to now I am on food stamps. I have run  
22 out of unemployment. I have been unemployed the  
23 whole duration of this ordeal. And it is all  
24 because of the lies and the -- well, false  
25 information, false statements.

1                   How it makes -- this recent ordeal here, I  
2                   know you are not from here. But it was a police  
3                   officer that was caught on tape and he lied in  
4                   Court. It is just the parallel of individuals and  
5                   corporations and entities that you put beyond that  
6                   ability to falsify. And it comes to the point where  
7                   they are caught red-handed as lying. And this is  
8                   one thing that I found out to be true. I have  
9                   affidavits. I have my own personal life of knowing  
10                  what I said and what I didn't say. And it is a  
11                  matter of I got my gas on. And it is almost to the  
12                  point of the Public Service Commission is condoning  
13                  it. Because if you are regulating an entity, a  
14                  utility, and you allow this to go on, and knowingly  
15                  allow it to go on, there is no steps that have been  
16                  made to try to bring the fact that they falsified  
17                  records before the commission.

18                  There is a statute on the books, 385.560  
19                  of the Missouri statute, which states mishandling  
20                  records, false statements, penalty, or states that  
21                  it is a felony. So I am to the point where I have a  
22                  civil case in this Jackson County courthouse that I  
23                  am pursuing civil damages for loss of wages, loss of  
24                  employment, emotional distress. I went through from  
25                  -- they turned the gas off from June. I went from

1 June to September having to heat gas using an  
2 electric stove. Having to purchase an electric  
3 stove. My whole family was subjected to that. It  
4 is almost like well, we turned your gas on, you  
5 ought to be happy. There is accountability. What  
6 my family and I were subjected to, there is someone  
7 who is going to be held accountable. Because just  
8 like I know I was victimized, I know there are  
9 hundreds, if not thousands, of other customers of  
10 MGE that are victimized. This whole issue of them  
11 requesting a rate increase and they are being  
12 audited, I have documentation that is documented  
13 that they lied to try to recover a \$400 debt. It  
14 only scares me how much lying and how much  
15 mishandling and falsifying of records they would do  
16 to try to gain 44 million.

17 So the whole thing is, is that I have been  
18 pushed to the point of feeling that there is a  
19 public entity that needs to be brought. And I have  
20 made up my mind to offer it to the public. And it  
21 would be called Unity, Utility Negotiation  
22 Individual Treatment Year-Round. It is a public  
23 entity for the public customers of MGE or all  
24 utilities. To put it bluntly, Public Service  
25 Commission is not doing it. It is almost

13 COMMISSIONER MURRAY: Thank you, Mr.  
14 McKinzy. I would like to ask you, your case is a  
15 pending case before the Public Service Commission?

17 COMMISSIONER MURRAY: We will be hearing  
18 that case is my understanding.

25 COMMISSIONER MURRAY: I'm sorry, I'm not



1 asking you any more about it. It is pending and I  
2 would prefer to go into it there than on this  
3 record. We will have all the commissioners present  
4 and we have the witnesses and attorneys.

5 MR. MCKINZY: I already know it is going  
6 to be judicial review because of the nature of this  
7 whole thing.

8 COMMISSIONER MURRAY: Thank you for your  
9 testimony.

10 JUDGE WOODRUFF: Questions from MGE?

11 MR. HACK: No.

12 JUDGE WOODRUFF: Staff?

13 MR. FRANSON: No, Your Honor.

14 JUDGE WOODRUFF: Public counsel?

15 MR. MICHEEL: No.

16 JUDGE WOODRUFF: Mr. Finnegan?

17 MR. FINNEGAN: No questions.

18 JUDGE WOODRUFF: You may step down. Thank  
19 you, Mr. McKinzy. Next name on the list is Peggy  
20 Sutton. Please come forward.

21 (The oath was administered.)

22 JUDGE WOODRUFF: Tell us your name.

23 MS. SUTTON: My name is Peggy Sutton.

24 S-u-t-t-o-n. I live at 334 North Belmont, Kansas  
25 City, Missouri, 64123. That is in the northeast

1 district.

2 JUDGE WOODRUFF: You are an MGE customer,  
3 I assume?

4 MS. SUTTON: Yes, I am.

5 JUDGE WOODRUFF: What would you like to  
6 tell us?

7 MS. SUTTON: What I would like to say is  
8 you all want me to pay a rate increase knowing very  
9 well that you all came into my neighborhood -- well,  
10 really in front of my house at 11:30 at night,  
11 started drilling up the street. Put a cover over it  
12 and natural gas is expelling from this. Now my  
13 neighbor just had a baby. Now this little infant,  
14 along with the rest of us, has to smell that natural  
15 gas. I called the gas company. Nothing. I called  
16 the news media. Nothing. I called the fire  
17 department, the police department, no one cares.  
18 When is it going to be fixed? Yet you all want me  
19 to pay for that run-off. That's not right. You  
20 won't fix the pipes. If the entire block explodes,  
21 who is going to take responsibility for that? Are  
22 you all? Or you? Are you all going to take  
23 responsibility? The gas is leaking out of the  
24 street. And I don't understand this.

25 Then when we go to pay the gas bill, okay,

1           we'll look at our finances. Okay. We got 20 extra  
2           dollars. We are going to put it down on a gas  
3           bill. Next month the gas bill comes, it is 20 extra  
4           dollars. And we haven't used one cubic inch of gas  
5           more, but yet you all gave us that price. And I  
6           don't understand why you are doing that. I just  
7           don't. Every time we want to help ourselves to  
8           something, you all got to come back at us as  
9           customers and just knock us down because we want to  
10          do what is right. We are trying to get the bills  
11          paid. He is on a very fixed income. What do you  
12          all expect from me.

13                   And now you all want me to pay for run-off  
14          when this little bitty infant who was just born has  
15          to smell this garbage coming into their house. They  
16          can't help it. It is seeping in through the air  
17          because the meter guy come out there, he had his  
18          little meter poking it here and there and there and  
19          here. Looking at it. 12:00. Turned off his meter,  
20          put the cover back on it and took off. That was  
21          coming out of the street. It is your all's pipe.  
22          It is your all's pipe. I don't understand why we  
23          should have to pay for it. That's what you are all  
24          talking about this 649 for. We are trying our best  
25          to pay the bills and be respectable citizens. But

1           you all are not being a decent company.

2                   JUDGE WOODRUFF: Let me explain. We are  
3           not the gas company. We are the Public Service  
4           Commission. The gas company is here.

5                   MS. SUTTON: Yeah, he is over there.

6                   JUDGE WOODRUFF: You can speak to him  
7           later. We are not the gas company. We will  
8           certainly listen to what your concerns are about.

9                   MS. SUTTON: It is about this. Because I  
10          would imagine that in the northeast district, it is  
11          an old neighborhood. My house was built in the  
12          1800's. So I know that when the gas pipes went  
13          down, that it was a long time ago. Because if the  
14          pipes are cracking, because that's the only thing I  
15          could think of. The man was taking that meter and  
16          he was poking it all over. And I don't know exactly  
17          where they have gotten that reading from. But they  
18          dug it up one time. Because there was like -- there  
19          was a rate increase. And something had to be done  
20          to the pipe and all of this gas is expelling from  
21          the pipe. I don't understand why -- why we got to  
22          pay for that. It is not fair. I mean, it is your  
23          all's gas. Don't let it run off. Cap it.

24                   Back home where I am from, I am from New  
25          Orleans, Louisiana. I know a lot about pipes. Our

1 gas pipes from the oil tanks and everything else. I  
2 know a lot about this. You all should learn how to  
3 cap those things off and prevent us from being  
4 exposed to the natural gas and being exposed to high  
5 rates because of your all's gas leaking out of your  
6 all's pipes. You all should really learn how to do  
7 that.

8 JUDGE WOODRUFF: Thank you, Ms. Sutton.

9 MS. SUTTON: You all have a good night.

10 JUDGE WOODRUFF: Does anyone have any  
11 questions of Ms. Sutton? Thank you. The next name  
12 on the list is Delmira O'Shaughnessy Quarles  
13 Kamehameha.

14 MS. KAMEHAMEHA: That's it.

15 JUDGE WOODRUFF: I think I remember your  
16 name from last time.

17 (The oath was administered.)

18 JUDGE WOODRUFF: If you could repeat your  
19 name for the court reporter.

20 MS. KAMEHAMEHA: My name is Delmira,  
21 D-e-l-m-i-r-a, O'Shaughnessy,  
22 O-s-h-a-u-g-h-n-e-s-s-y, Quarles, Q-u-a-r-l-e-s,  
23 Kamehameha, K-a-m-e-h-a-m-e-h-a. I reside at 9500  
24 Jarboe, Kansas City, Missouri.

25 JUDGE WOODRUFF: Are you an MGE customer?

1 MS. KAMEHAMEHA: I am. And my parents  
2 are too for many years.

3 JUDGE WOODRUFF: What would you like to  
4 tell us?

5 MS. KAMEHAMEHA: As the commission may  
6 remember or may not remember, I came before you two  
7 years ago and we were concerned about the elderly at  
8 that time and tried to work with the gas service  
9 company on an individual basis to help those that  
10 were in need. Today I come before you because I am  
11 really disappointed that we are at this point now  
12 where we believe, when I say we, our organization,  
13 NAHR, the National Association for Human Rights in  
14 America, the Catholics for Justice, the People's  
15 Coalition, Acorn and a number of other organizations  
16 too numerous to mention here today but I think the  
17 commission gets the point, that we are concerned  
18 about the least of these. And who are the least of  
19 these? They are the poor, the elderly, the disabled  
20 and children.

21 It seems that we have a problem now where  
22 we have people living east of Troost who have  
23 received gas bills ranging from 200 to \$2,000. I  
24 know this is outlandish, because all the people who  
25 live in this area are hardworking people and they

1           try to pay their gas bills. Many of them have paid  
2           their gas bills. But they will never catch up with  
3           paying a gas bill because it seems that the gas  
4           company has decided that because they are poor it is  
5           okay for them to increase their gas bills without  
6           them using the gas.

7                       Now, I think that I should say that we  
8           believe that there are human rights violations  
9           against the least of these as I have discussed. I  
10          don't understand first of all how a company can be a  
11          monopoly. It was my understanding that that was a  
12          federal regulation, that no company should be a  
13          monopoly. Yet here in Kansas City we have a company  
14          that has been here monopolizing the people.  
15          Unfortunately I believe that, and I did not believe  
16          at first, that deregulation was necessary. But it  
17          seems that deregulation should be considered by the  
18          public utility commission. It is better for the  
19          consumer if we have two or three gas companies  
20          here. And I think with the competition, it would be  
21          better because perhaps we would have a better fixed  
22          rate for those who have a fixed income. And that's  
23          something else that has been tried in other states,  
24          maybe Kansas City should be one of those states that  
25          try to look at a fixed -- people on fixed incomes

1           that simply should be given a certain rate for the  
2           gas that they use is what I am saying.

3                       We also believe that there has been red  
4           lining. Now I know the gas company says it has not  
5           been red lining. But it seems to be people who live  
6           east of Troost only have these high gas bills. We  
7           also feel that there has been discrimination.  
8           Discrimination against the poor, the elderly and the  
9           disabled, which is not acceptable. If we are to  
10          consider ourselves in this country a civilized  
11          nation, we must care for those who are the least of  
12          these. And these people are working two and three  
13          jobs. They are not asking for much. They are only  
14          asking to be treated with dignity and respect and to  
15          be treated fairly.

16                      We have old rusted pipes in the inner  
17          city. Now the gas company is aware of this. You  
18          cannot fix it with just painting it. I understand  
19          what the gentleman said, the attorney, but what we  
20          find is, it seems like, and people are taking  
21          picture of this, coloring their meters does not make  
22          it new. There have been a number of deaths that  
23          have occurred because of this. Elderly people have  
24          died. As I have said, there have been houses that  
25          have been blown up because of these rusted pipes.



25 The practice of paying you also. These,

1 ladies and gentlemen, are things that people have  
2 come to us with. We will be happy to give that to  
3 you, because this is not something that I am making  
4 up. It is our responsibility as human rights  
5 activists to draw the attention to human rights  
6 violations. One of those is people are paying their  
7 cousin's, their mother's gas bill. Now, if you are  
8 living in the household, we can understand why the  
9 gas company would feel you need to pay the gas  
10 bill. But when you are not living there and you  
11 happen to pay a gas bill for your mother, just  
12 because you gave a check or a money order does not  
13 imply that you are responsible for your mother's gas  
14 bill. And we have a number of people in the  
15 community that will testify to that. Perhaps not  
16 today, but I'm sure that the Public Service  
17 Commission will be getting those kinds of reports.  
18 And also I believe that it is time for an  
19 investigation into the gas service company's  
20 attitude about red lining. This is a very, very  
21 serious matter and it can no longer be tolerated.

22 I just wanted to mention that I said  
23 alleged. But I am afraid -- I would have said  
24 alleged, but I am afraid now because of the hundreds  
25 of people that have come to us, it can no longer, I

1           can no longer say alleged. That we have actual  
2           proof of this.

3                   JUDGE WOODRUFF: What do you mean by red  
4           lining?

5                   MS. KAMEHAMEHA: Well, if, as I said, I  
6           live on the south side of Kansas City. Now, you  
7           know, I can say that from some of the friends that I  
8           have talked with, we live, I live in a ranch style  
9           home. We don't have, I have never heard of us  
10          having a thousand dollar gas bill. Or a \$2,000. It  
11          is outlandish. But seniors and elders who are  
12          living in the inner city, you pay your gas bill,  
13          let's say it is \$500. We have a nurse, for example,  
14          a nurse who lives in the inner city. She was given  
15          an \$800 gas bill. But she hasn't had her gas on for  
16          two years. She uses a wood burning stove. So how  
17          do you account for this? What it looks like is, if  
18          you live in the inner city, then, yes, we can charge  
19          you anything we want. What can you do about it.

20                   So I am saying, these are human rights  
21          violations that cannot be tolerated and I think that  
22          the public utility commission should investigate and  
23          take a look at this. And I am hoping that you will  
24          get enough people. If you don't have, we certainly  
25          have. In this particular area, we have Acorn here

1           and I am sure there are many, many people who can  
2           show you their gas bills who can tell you these  
3           things. I hope the public utility commission will  
4           listen to that. Because these are not lies, these  
5           are not make believe. These are hardworking people  
6           who have paid their gas bill. But if you pay a gas  
7           bill that is 500 today, it can't be a thousand next  
8           month. That's what is happening.

9                       I thought I would bring this to your  
10          commission. I'm sorry. I was hoping when I saw you  
11          again I would have some good news for you. I must  
12          say that I am very appreciative of the gas company  
13          during those two years. But somehow they have lost  
14          track of what a gas company is supposed to do. We  
15          cannot tolerate this to be pointing at people who  
16          are poor all the time. It simply is not Christian.  
17          It is not right. So I thank you very much for your  
18          time.

19                      JUDGE WOODRUFF: Thank you, ma'am.  
20          Commissioner, any questions?

21                      COMMISSIONER MURRAY: I don't believe I  
22          do. Thank you.

23                      JUDGE WOODRUFF: MGE have questions?

24                      MR. HACK: No.

25                      JUDGE WOODRUFF: Anyone else have

1           questions? Thank you, ma'am. Next name is Evelyn  
2           Taylor.

3                   MS. TAYLOR: It looks like I am going to  
4           have to pass. Ms. Quarles has basically covered. I  
5           am with the organization also. And she has covered  
6           everything. So I will just pass on that.

7                   JUDGE WOODRUFF: I appreciate that. Thank  
8           you. Next name is Mable Cosar.

9                   (The oath was administered.)

10                  JUDGE WOODRUFF: Could you tell us your  
11          name.

12                  MS. COSAR: My name is Mable Cosar.

13                  JUDGE WOODRUFF: Cosar. You live here in  
14          Kansas City?

15                  MS. COSAR: Yes, I do. I live at 4101  
16          Wabash. And I have been living there ever since  
17          '71.

18                  JUDGE WOODRUFF: I assume you are a  
19          customer of MGE?

20                  MS. COSAR: Yes, I am. That is why I am  
21          here today.

22                  JUDGE WOODRUFF: What would you like to  
23          tell us?

24                  MS. COSAR: Well, one of the main  
25          questions I would like to ask, if they are going to

1           go up on the gas bill, how do they think -- how do  
2           they think we are going to be able to pay for it  
3           when we can't hardly pay what we have now? There  
4           are so many people, me myself, I have gotten a \$300  
5           gas bill. My daughter had one too. And I called  
6           down to the gas service and asked them why her bill  
7           was as high as mine? So she wanted to tell me it is  
8           the amount of days. Well, my daughter, she didn't  
9           use a lot of gas. And me myself, I don't use gas  
10          only for heating because I cook with electric. So I  
11          am wondering how and why they are going to go up on  
12          the gas and we can't hardly pay for what we are  
13          paying.

14                       And another thing I would like to know.  
15          There are so many people are moving out of places  
16          leaving the gas bill. And if the person moves in,  
17          they got to pay that gas bill before they turn their  
18          gas on. I am wondering why they have a system like  
19          that. So anyway, I hope that they are going to  
20          lower these prices so we all can be able to stay  
21          warm. Because as those other ladies said, there are  
22          so many older people, including myself. I don't  
23          make a lot of money. And when I get through paying  
24          a gas bill I don't have very much left. So it  
25          seemed like they don't care if we are out there in

4 But they do need to look at something.  
5 One day they are going to get old and they are not  
6 going to be making money like they are making now.  
7 If they don't, some person in their family is going  
8 to need help. And they ain't going to be able to do  
9 it just like we are. They need to think and think  
10 fast. Because this is one thing I want all of you  
11 to know. God has got all of the power and he can  
12 fix it any way he wants. And if you don't start  
13 doing it kind of right, everybody is going to  
14 suffer. Just like we suffer. So that's what I want  
15 to tell you.

23 MS. SEARS: Sir. Janice, I think that is  
24 your name.

1 is the next name on the list.

2 (The oath was administered.)

3 JUDGE WOODRUFF: You may be seated over  
4 there. Could you tell us your name.

5 MS. BINGHAM: My name is Janice Bingham.  
6 I am a customer with Missouri Gas Energy. I reside  
7 at 3010 East 26th Street. And during my practices  
8 with Missouri Gas Energy I have received several  
9 bills stating that they are a thousand dollars,  
10 \$2,000. Last winter my son, he has a disability,  
11 we were forced to sleep in a cold two-bedroom house  
12 because I couldn't afford to pay a thousand dollars  
13 or \$2,000. They refused to let me make payments.  
14 When I called the Public Service Commission, they  
15 took my complaint, they investigated my complaint.  
16 I ended up being victimized and harassed by Missouri  
17 Gas Energy. I was told that I would have to pay a  
18 gas bill belonging to my deceased mother before I  
19 could receive any other gas services. And right to  
20 this day I am still paying thousand dollar bills.  
21 \$2,000 bills. I live in a two-bedroom house.

22 JUDGE WOODRUFF: A thousand dollars a  
23 month?

24 MS. BINGHAM: The meter on my house is  
25 over 60 years old. But I have seen them come out



1           and spray paint the pipes around it. So I am trying  
2           to figure out what is Missouri Gas Energy charging  
3           me for, the spray paint? I mean, it is ridiculous.  
4           Because the only thing that I have in my home,  
5           everything in my home is electric. The only time I  
6           use gas is for the hot water tank and the furnace.  
7           For my son to have to live in a cold house for the  
8           winter, I feel like Missouri Gas Energy owes me some  
9           kind of apology. Because I was told that there was  
10          no cold weather rule for me. The only way I would  
11          receive services is to pay my mother's bill and pay  
12          my bill. And I am still paying it and it was put on  
13          my credit report.

14                 JUDGE WOODRUFF: This thousand dollar bill  
15          you are talking about, is that just for one month of  
16          service?

17                 MS. BINGHAM: Yeah, for one month of  
18          service. I have several, I have several bills. And  
19          every month I am paying like 450, 550, then the next  
20          month the bill comes back up. Wait a minute, okay,  
21          I just gave you all at least \$950 on this bill. Why  
22          is it still \$1200? Why is it still \$2,000? I am  
23          trying to figure out am I paying for the spray  
24          paint? Or what am I paying for?

25                 JUDGE WOODRUFF: Thank you, ma'am.

1 Commissioner, do you have any questions?

2 COMMISSIONER MURRAY: Yes. Were you past  
3 due on some of your bills?

4 MS. BINGHAM: No, never have been.

5 COMMISSIONER MURRAY: Never. So whenever  
6 you receive a bill for a thousand dollars, you are  
7 saying that's just for current usage?

8 MS. BINGHAM: Yes.

9 COMMISSIONER MURRAY: And no past dues?

10 MS. BINGHAM: I have received a total of  
11 3 bills per month, when I thought maybe they were  
12 only billing you once a month.

13 COMMISSIONER MURRAY: Did you used to live  
14 with your mother when she was living?

15 MS. BINGHAM: No.

16 COMMISSIONER MURRAY: You never lived at  
17 her residence?

18 MS. BINGHAM: No. Never lived at her  
19 residence. There is a lot of that going on in the  
20 inner city. We are being forced to pay relatives'  
21 bills with our bills and everything. Which a lot of  
22 these people can't afford.

23 COMMISSIONER MURRAY: Thank you.

24 JUDGE WOODRUFF: Any of the attorneys have  
25 questions for this witness?

3 MS. BINGHAM: No, they weren't.

6 MS. BINGHAM: They told me that if I  
7 wanted gas service I would have to pay \$1,622, which  
8 I paid. Then the following month I get the same  
9 amount on the same bill. And I am still paying  
10 them.

15 MS. BINGHAM: Yes, I did. And I also  
16 sent them a copy of her death certificate.

18 JUDGE WOODRUFF: You may step down. Thank  
19 you, ma'am. Next name on the list is Aaron Sears.  
20 Is there an Aaron Sears here? Come on forward.

22 JUDGE WOODRUFF: Could you tell us your  
23 name, please.

25 JUDGE WOODRUFF: You live here in Kansas

1 City?

2 MR. SEARS: Yes.

3 JUDGE WOODRUFF: Are you a customer of  
4 MGE?

5 MR. SEARS: Yeah.

6 JUDGE WOODRUFF: What would you like to  
7 tell the commission?

8 MR. SEARS: Sometimes they cut the gas  
9 off and stuff like that.

10 JUDGE WOODRUFF: They cut the gas off?

11 MR. SEARS: Yes.

12 JUDGE WOODRUFF: You need to speak as  
13 loudly as you can so the court reporter can hear  
14 you. He is taking everything down.

15 MR. SEARS: They cut the gas off like  
16 that, you know. Of course it has been awhile, you  
17 know. Like wintertime, like that, it is cold in the  
18 house like that. We were freezing. Stuff like that  
19 and everything, you know.

20 JUDGE WOODRUFF: They cut off your gas?

21 MR. SEARS: Yes. And we had the heater  
22 on and stuff like that. We are still freezing in  
23 the house like that. You have to cover up and stuff  
24 like that.

25 JUDGE WOODRUFF: Did you get the gas



1 tell us?

2 MS. BROOKS: I would just like to say, I  
3 have been disabled about 25 years now. And I have  
4 two grandchildren. I have had them ever since they  
5 were two days old. One is turned 13, the other is  
6 12. Just me and the kids live alone. In January my  
7 gas bill was \$272 and some cents. I paid that  
8 bill. Okay. They turned right around and sent me  
9 another bill for \$294.51. Okay. The next week they  
10 turned around and sent me another one for 500 and  
11 some dollars. And then the next couple of days they  
12 called me and told me that if I didn't have part of  
13 the money, that my gas would be turned off on the  
14 18th of this month. So I had to try to get the  
15 money. Which I told them I am on a fixed income. I  
16 won't get a check until the third of the month.  
17 This is the way I pay my bills. They said they had  
18 to have it on the 18th, then my gas would be cut  
19 off.

20 So I went on and I got them on my kids.  
21 And I got \$259 and some cents and I sent that in.  
22 So one year, it has been about three years ago now,  
23 they come. And my meter was in the basement. They  
24 took the meter out of the basement. They dug a big  
25 hole on the side of my house. Put the meter down

1           this big hole. It was deep. They didn't cover it  
2           back up, they didn't do nothing. Water run down the  
3           side of the house, coming down over here right  
4           straight down in that hole, go into my basement. I  
5           called them, they never come and did nothing for the  
6           hole. I had to get dirt, gravel or whatever I could  
7           to try to stop the hole up to keep the water from  
8           coming to the basement. To this day they still  
9           haven't come out and do anything to the hole they  
10          dug and left there.

11                        Okay. The gas meter started leaking gas.  
12          I didn't know where the gas was coming from. So my  
13          son was there painting one day and he told me, he  
14          said "I smell gas, you better call the gas  
15          company." I notice we had, me and the two kids, we  
16          would sleep so late that we couldn't wake up. The  
17          next door neighbor would discover that we -- they  
18          didn't see us around and they started coming over to  
19          wake us up. But we didn't know what had us sleep.  
20          My head would hurt all the time. The little girl,  
21          she got to where she couldn't get breath. One month  
22          I carried her to the hospital, to the emergency  
23          room, 15 times in one month. They couldn't discover  
24          what was going on with this child. But she would  
25          get to where she couldn't breathe. When I would be

1           on the way to the hospital with her, I would have to  
2           hold her in my arm and keep shaking her to, for her  
3           to still, for her to get breath until I got to the  
4           hospital with her.

5                     Okay. So I got my kitchen and I got a  
6           little back room off my kitchen. That's where me  
7           and those kids would be. I would turn the eyes on  
8           the stove and I would turn the oven on. When the  
9           oven would get hot I would cut the oven off. I  
10          would close off the door. That's where we would  
11          be. We would put on our shoes and clothes just like  
12          we were going outside. That's where we would be all  
13          the time, in those two rooms. We would get ready to  
14          go upstairs, I have a little electric heater, I  
15          would set it in the hallway, we would put on our bed  
16          clothes and we would go to bed like that. Get up in  
17          morning for the kids to go to school, I would do the  
18          same thing. We would try to keep the gas bill down,  
19          because I know what I get a month and I know what I  
20          can afford to pay. So they told me they were going  
21          to cut the gas off, so I had to get the money. And  
22          they turn around and send me another one for \$500.  
23          So I don't know what to do.

24                     JUDGE WOODRUFF: Thank you, ma'am.  
25          Commissioner, do you have any questions?



1                   COMMISSIONER MURRAY: I don't believe I  
2 do. Thank you.

3                   JUDGE WOODRUFF: Questions from any of the  
4 attorneys?

5                   MR. MICHEEL: Yes, I have one.

6                   JUDGE WOODRUFF: Ma'am, Mr. Micheel has a  
7 question for you. He is the attorney for the Office  
8 of Public Commission.

9                   MR. MICHEEL: To this day they still have  
10 not fixed the hole?

11                  MS. BROOKS: I had to do it the best that  
12 I could. They never come out to fix the hole.  
13 Never did.

14                  MR. MICHEEL: When you spoke to Missouri  
15 Gas Energy, did they indicate that they would come  
16 out and repair the damage?

17                  MS. BROOKS: They said there would be  
18 somebody out. But they never did, nobody never  
19 came.

20                  MR. MICHEEL: Thank you very much.

21                  MR. HACK: Can I just ask you. Where do  
22 you live?

23                  MS. BROOKS: I live at 3934 Brooklyn.

24                  MR. HACK: Thank you.

25                  JUDGE WOODRUFF: Thank you, ma'am. The

1 next name on the list is Helen Adams. Is there a  
2 Helen Adams here?

3 MS. ADAMS: I'm here.

4 JUDGE WOODRUFF: Would you like to  
5 testify, ma'am?

6 MS. ADAMS: Who put my name up there?

7 JUDGE WOODRUFF: The name is on the list.  
8 You can testify if you want to, but you don't have  
9 to.

10 MS. ADAMS: If you are going to testify  
11 you have to put your name up there?

12 JUDGE WOODRUFF: That was out front  
13 before. You can testify if you want to. If you  
14 don't want to, you don't have to.

15 MS. ADAMS: I only have one thing. I have  
16 an old meter in my house. It is about 40 years  
17 old.

18 JUDGE WOODRUFF: All right. The next name  
19 is Georgia Jackson.

20 MS. ADAMS: I don't have anything.

21 MS. LEWIS: It is Deirdre?

22 JUDGE WOODRUFF: Deirdre Lewis. Thank  
23 you, ma'am.

24 (The oath was administered.)

25 JUDGE WOODRUFF: Tell us your name,

1           please.

2                   MS. LEWIS:  It is Deirdre Lewis.  Spelled  
3           D-e-i-r-d-r-e.

4                   JUDGE WOODRUFF:  You live here in Kansas  
5           City?

6                   MS. LEWIS:  Yes, I do.

7                   JUDGE WOODRUFF:  You are an MGE customer?

8                   MS. LEWIS:  Yes, sir, I am.

9                   JUDGE WOODRUFF:  What would you like to  
10          tell us?

11                   MS. LEWIS:  I am with Acorn Association.  
12          And we just had about seven points that we wanted to  
13          talk about about MGE, if that is possible.

14                   JUDGE WOODRUFF:  Sure.

15                   MS. LEWIS:  The first one is MGE shut-off  
16          policy is unusually aggressive and inhumane.  I have  
17          personally witnessed that.  They charge about 80  
18          percent deposit of the total amount owed and make  
19          customers sign basically a level payment plan.  
20          MGE's arrangement for customers who are unable to  
21          pay are completely inconsistent.  Customers need to  
22          really fight to get hardship payment plans.  No  
23          large utility in the state including AmerenUE in the  
24          I-70 corridor and the center of St. Louis have such  
25          aggressive policies.  MGE's parent company has a

1 controlling interest in the panhandle, Energy of  
2 Houston, Texas, which distributes natural gas. This  
3 invalidates their claim that they have no control  
4 over the wholesale cost of gas.

5 MGE's customer service varies depending on  
6 the persistence of the customer. The upper level  
7 customer care representatives are unavailable to the  
8 general public unless they raise a huge ruckus. MGE  
9 has consistently focused on addressing individual  
10 concerns as opposed to the institutional changes  
11 that we have demanded. MGE has refused to initiate  
12 a program for customers who have received all of the  
13 available assistance money and still can't pay their  
14 bills. MGE has been lax to repair dilapidated  
15 pipelines in the inner city. If MGE redirects a --  
16 redirected a small percentage of the money that they  
17 spend on public relations into actually fixing their  
18 horrible policies, they wouldn't need a rate  
19 increase. So we are asking for no rate increase.

20 JUDGE WOODRUFF: Thank you, ma'am. I  
21 would like to ask a question. I believe it is Ms.  
22 Kamehameha that mentioned, she talked about red  
23 lining and problems particularly east of Troost.  
24 Has Acorn seen the same kind of problems?

25 MS. LEWIS: Yes, we have. Basically -- I

1           have basically seen it. I have actually fought with  
2           the gas service company to get gas on at 5532  
3           Brooklyn, which is my daughter's. The light bill is  
4           in her name. The water bill is in her name.  
5           Because we have a charge card together, I am the  
6           main card holder, that bill was coming to that  
7           house. So that meant the bill that I owed, I had to  
8           pay and fought for over a year as so to be able to  
9           get her to get her gas on. Anyway, the gas was  
10          turned on in my name, so I don't have an issue with  
11          that. It is going to be paid.

12                       But the issue that I have is that from  
13          January the 19th to whenever they read my gas meter,  
14          my gas bill was \$257. Nobody is in that house all  
15          day long. So the heat is turned down. They leave  
16          the house at approximately 6:20 in the morning and  
17          get home approximately 6:30, 7:30 at night. Okay.  
18          Then the next bill came in, they turned the heat  
19          down. So it was like \$179. For the last month the  
20          gas has been totally off. The furnace has been  
21          totally shut off. The hot water tank is not heated  
22          and neither is the gas stove hooked up. And the  
23          bill comes in at 80 bucks. So what is running?

24                       JUDGE WOODRUFF: Is your meter old also?

25                       MS. LEWIS: Yes.

1 JUDGE WOODRUFF: Commissioner Murray, do  
2 you have any questions?

3 COMMISSIONER MURRAY: When they left the  
4 house, what did they turn the temperature down to?

5 MS. LEWIS: It was turned down to like  
6 62.

7 COMMISSIONER MURRAY: What did they have  
8 it set at when they were there?

9 MS. LEWIS: When it would come up, it  
10 would come up to about 70.

11 COMMISSIONER MURRAY: Thank you.

12 MS. LEWIS: It is a very small house. It  
13 is a two-bedroom. It is very small.

14 JUDGE WOODRUFF: Any of the attorneys have  
15 questions? Thank you.

16 The next name is Carolyn Thomas.

17 MS. THOMAS: I will pass. They have asked  
18 the questions.

19 JUDGE WOODRUFF: The next name on the list  
20 is Earl Anderson. Is Earl Anderson here? We will  
21 go on then. Next name is J.J. Rizzo. Mr. Rizzo  
22 here? How about Daniel Barnard? Please come  
23 forward.

24 (The oath was administered.)

25 JUDGE WOODRUFF: Tell us your name,

1           please.

2                       MR. BARNARD:  My name is Daniel Barnard.  
3           B-a-r-n-a-r-d.

4                       JUDGE WOODRUFF:  You live here in Kansas  
5           City?

6                       MR. BARNARD:  I do.  I live just west of  
7           The Plaza area.

8                       JUDGE WOODRUFF:  I assume you are an MGE  
9           customer then?

10                      MR. BARNARD:  I am an MGE customer, yes.

11                      JUDGE WOODRUFF:  What would you like to  
12           tell me?

13                      MR. BARNARD:  What I would like to state  
14           is that I understand a part of this rate increase  
15           request is to go to repair and replacement of old  
16           pipes within the city.  Old gas pipes.  And I see  
17           that as a good thing.  There is a lot of old pipes  
18           in this area in the city.  It is an older city.  And  
19           definitely they do need to be replaced.  I guess  
20           this is an ongoing thing that each year that there  
21           is a certain amount of gas pipe replacement that  
22           goes on.  I know that as I have driven through the  
23           town, I have smelled the odor of the chemical they  
24           put in the gas.  I do report it to the gas service  
25           company.  And that's a good thing to replace that.

1 But my concern is, the accountability of the  
2 Missouri Gas Energy, when they come in to a  
3 neighborhood and decide to replace the pipes.

4 In my experience, in my neighborhood we  
5 had several gas leaks. And you could smell it all  
6 around. And the gas service company about three  
7 years ago came into the neighborhood to replace the  
8 pipes. But what I didn't know is that they hire  
9 subcontractors and actually the subcontractors are  
10 the ones that come into the neighborhood. Now I  
11 know when they come in there is a certain amount of  
12 tearing out that they have to do to get to the old  
13 pipes. That has to happen. I understand that. But  
14 the follow-up is what I have got the most concern  
15 about. In this particular case, my mom lives on the  
16 same block as I do. And we actually had a court  
17 hearing, a civil case against MGE for the damage  
18 that they caused to my mom's property. She lives on  
19 the same block. What happened is they replaced the  
20 old pipes, but in doing so they tore up a lot of the  
21 curbing, sidewalks and the grass area that she had  
22 on her property. And from that point on we had  
23 actually a battle with MGE to get them to restore  
24 the property to the -- to what it was before they  
25 came in.



1                   She had a zoysia grass lawn. They came in  
2                   and tore a lot of the grass out. Instead of -- they  
3                   rolled the zoysia over but left it like that for  
4                   weeks without coming back and fixing it. Instead  
5                   what they did is they came in and threw some fescue  
6                   seeds in to try to make that work. In our case they  
7                   tore the sidewalk, they did some major damage on the  
8                   sidewalk area. A lot of the sidewalk that had  
9                   nothing to do with the area of the pipes. What they  
10                  did is they used their equipment and they were doing  
11                  somersaults or wheelies off the curbing. And I was  
12                  over at my mom's house at the time that happened. I  
13                  confronted the individual involved in it and he  
14                  refused to give me his name.

15                 JUDGE WOODRUFF: You mean they were just  
16                  horsing around?

17                 MR. BARNARD: They were just horsing  
18                  around. He claimed that they weren't to give their  
19                  names out to any of the customers. So what happened  
20                  is, we got in touch with the manager of this  
21                  subcontractor and I confronted him with the  
22                  problem. He listened to me and that was about it.  
23                  Then he went down the street and just was sitting  
24                  there laughing with the other guys about my  
25                  complaint. And this is intolerable. That's what I

1 am talking about when it comes to accountability.  
2 MGE hires subcontractors and we don't have any  
3 control over who they are hiring to come into the  
4 area. I don't know what their qualifications are.  
5 I know on our block alone they ran into one of the  
6 gas pipes and they had to have actually MGE people  
7 come out and fix that before they continued. The  
8 contractors.

9 But this isn't a complaint just by me. I  
10 am a member of the West Plaza Neighborhood  
11 Association. After they came through our area,  
12 there were numerous complaints. Numerous addresses  
13 that were given to MGE. And it took months. Now  
14 some of those problems got fixed, some of them never  
15 did get fixed. The area that I am living in, there  
16 is a number of elderly people. And there is a  
17 certain -- only a certain amount of fight that  
18 certain people will do. And if you are elderly, it  
19 is hard to take a case civilly to court. But that's  
20 the experience that I have had. My concern is, at  
21 this time, what exactly is the accountability? MGE  
22 comes in, they hire subcontractors, they end up not  
23 repairing like they should. On our block alone they  
24 left several, for months, they tore out these  
25 sidewalks and didn't even put any type of lights or

1 anything around it. Just left them there for  
2 months. And continued to complain before they came  
3 out and put the concrete in. It just went on and on  
4 and on.

5 We didn't wish to file a civil court case  
6 against MGE, but they refused to do anything about  
7 it. My concern is, with the monies that they are  
8 wanting to ask for an increase, is it to -- if you  
9 are hiring subcontractors and then you have to  
10 continue to pay them to go back and do the job a  
11 second time, a third time and so forth, we as the  
12 persons who are paying the bills have no say in who  
13 comes in the neighborhood to do it. I am not having  
14 a problem with coming in and repairing the pipes.  
15 But I have a problem with not being able to know  
16 actually who is coming in and how experienced and  
17 accountable these people are. It has been a concern  
18 for a long time.

19 When I saw this rate increase, and due in  
20 part to the increased work for the replacing of  
21 pipes, like I said, I see that as a good thing. But  
22 again, I am still at a point where there is no  
23 accountability for that. And I am concerned about  
24 them going into, one of these subcontractors going  
25 into other neighborhoods and doing the same thing.

1 Right now there is a bunch of curbing that MGE  
2 subcontractors tore out in order to replace the  
3 pipes. That was something that was required to do.  
4 But they left it as such. When that issue was  
5 confronted to them, they indicated well, it was  
6 already out in the first place. Well, I will tell  
7 you, if we knew they were going to come in and do  
8 this kind of thing, we would have taken pictures of  
9 the whole area to prove that in fact it wasn't the  
10 way they left it. And that's -- I know we have got  
11 some time constraints. I did want to make a point.  
12 I still, at this time, do not know what the  
13 accountability is when they do come in and do the  
14 repairing.

15 JUDGE WOODRUFF: Thank you.

16 Commissioner, do you have any questions?

17 COMMISSIONER MURRAY: You mentioned that  
18 you filed a civil lawsuit?

19 MR. BARNARD: Yes.

20 COMMISSIONER MURRAY: Is that completed  
21 now?

22 MR. BARNARD: It is complete. We won the  
23 case. It is Bonnie L. Barnard versus MGE. You can  
24 go to [www.16thcircuit.org](http://www.16thcircuit.org). And the case is there.

25 COMMISSIONER MURRAY: Do you know if any

1 of your neighbors filed civil suit?

2 MR. BARNARD: That I do not know. Some  
3 of them -- I don't know whether they did or not.

4 COMMISSIONER MURRAY: Thank you.

5 JUDGE WOODRUFF: Any of the attorneys have  
6 questions for this witness?

7 MR. MICHEEL: I have one.

8 MR. BARNARD: Let me get your name again.

9 MR. MICHEEL: My name is Doug Micheel. I  
10 am with the Office of Public Counsel. My question  
11 is when was the case filed and when was it resolved?

12 MR. BARNARD: I didn't bring the case  
13 information. It was approximately between two and  
14 three years ago. It is still on file though.  
15 Again, if you go to the web site it will tell all  
16 the information as far as when it was filed and the  
17 settlement and so forth.

18 MR. MICHEEL: When you spoke to MGE  
19 initially about your problem?

20 MR. BARNARD: Yes.

21 MR. MICHEEL: Were the customer service  
22 representatives receptive?

23 MR. BARNARD: Well, it wasn't per se the  
24 -- actually we went to the people that were kind of  
25 in charge of. Because we had to bypass the customer

1 service people. But we had to go to the people that  
2 were actually in charge of the situation with MGE.  
3 Again, like I said, they weren't cooperative. Why  
4 we had to file a suit is because of that. There was  
5 no other reason. We didn't get the situation  
6 resolved. They wouldn't fix it. We had no choice  
7 but to take the matter to court and have a judge  
8 listen to it. I just hope that no one else has to  
9 go through the experience. Because I spent a lot of  
10 time and effort in order to get the thing resolved.  
11 It shouldn't be that way. But again, we as the  
12 consumer, we don't have any say so in who comes into  
13 the neighborhood. What subcontractor is hired. We  
14 don't know their qualifications or anything. You  
15 just make the assumption they know what they are  
16 doing.

17 JUDGE WOODRUFF: Thank you very much.

18 Next name on the list is Barbara Johnson.

19 (The oath was administered.)

20 JUDGE WOODRUFF: Tell us your name,  
21 please.

22 MS. JOHNSON: My name is Barbara  
23 Johnson. Do I need to spell it?

24 JUDGE WOODRUFF: Spelled just like it  
25 sounds I assume?

1 MS. JOHNSON: I live at 33rd and South  
2 Benton. And I am a member of Acorn as well as  
3 Metropolitan Missionary Baptist Church as well as  
4 Oak Park Neighborhood Coalition. And I feel that I  
5 am representing, because I am hearing all the  
6 conversation from all of these people.

7 Within my neighborhood I live in an aging  
8 area. The inner core. The homes there are  
9 somewhere around 80 to 100 years old. I have not  
10 seen anything done about our gas services or our  
11 pipes or anything for 42 years that I have been  
12 there. I have been there 42 years. The complaints  
13 are that our houses or our homes are old, therefore  
14 the responsibility for our gas leaking out and the  
15 enormous bills we are suffering is because of that.  
16 Several of my girlfriends have actually had to leave  
17 their homes because they are in my age bracket. I  
18 am 59. At retirement stage we are talking about  
19 people who are from my age all the way up to 85  
20 years old. These people are actually leaving. In  
21 fact our neighborhood is blighted. Two or three  
22 people are leaving a year because of they can't pay  
23 utility bills.

24 That's the first thing. And because we  
25 are in an old infrastructure area, we are blamed for

1           the fact that, you know, that's the case. And every  
2           time I have talked to the gas service people about  
3           the situation is, "Your homes are old. Your homes  
4           are like sieves. They just produce gas for the  
5           outside. And I am saying to them well, even when we  
6           fix the homes it doesn't help. Because my gas bills  
7           have been, well, my girlfriend who is right across  
8           at Adams, her bill was \$534. Mine was 379. She  
9           wrapped her home. She said "I am done, I am out of  
10          here." The lady up the street from me who has now  
11          left, hers was 4 something. She is gone.

12                   All I am saying is that my bills are  
13          running 385 for the winter. It started out like \$69  
14          in November and by January, of course, I am already  
15          at the 270 something mark. The next month 370. It  
16          has been back to back bills. So I spend my time on  
17          a fixed income paying gas bill. That is basically  
18          true. I am just racing to get -- for the turn-off  
19          notice. I was told it is just that people in my  
20          area won't pay their bills and I am saying people in  
21          my area can't pay their bills. Because we are  
22          plagued with the old homes, yes, true. But I have  
23          tried to own a home. I have tried to do the right  
24          thing. If I am being punished, I know that  
25          everybody else around me --



1                   I talk to people who are at my church. I  
2                   talk to people who are in our Oak Park Neighborhood  
3                   Coalition. They are constantly, these are older  
4                   people, older than I am. And I am talking about  
5                   people who are older than the 59 marker who are  
6                   retired, who like myself are on fixed incomes. And  
7                   we're saying over and over again. There is 9,000  
8                   homes within the Oak Park neighborhood area. And  
9                   these are older people who own those homes. And  
10                  they are saying to me "Can you do anything?" I am  
11                  saying "I am struggling like you are." Some of them  
12                  have even less money as fixed income than I do. All  
13                  of us have fixed up our homes. We are homeowners.  
14                  We have been in those homes for years.

15                 I have been in my home for 42 years. I  
16                 have kept it repaired. There is no doubt in my mind  
17                 it is fixed. Then what is the problem? Every time  
18                 they have told me, "Fix your windows." So for  
19                 instance, my bill at one point was like 479 for like  
20                 four months in a row. And so I said, "Okay, I'll  
21                 repair the windows." \$8,000 for the set of  
22                 windows. Then I went 8,000 again and put another  
23                 set of windows. So 30 brand new windows. No change  
24                 in bill. Something strange about that. If it is  
25                 \$400 and I have the old windows with some storms,

1           \$1400 worth of seal storms, I took them down. Put  
2           up the new windows. All Heartland windows. The  
3           whole house. 30 of them. And my bill is still the  
4           same. Something is strange here. That's all I can  
5           say.

6                       I talked -- when I have talked to them, I  
7           said, "If I fix the home now what is my problem?"  
8           You know, it is still always my fault. Well, if it  
9           is my fault that you haven't changed the pipes, is  
10          it my fault you won't -- you have red lined our  
11          area. Is that really my fault? So all I am saying  
12          is, I know there is red lining. It has to be.  
13          Because anything east of Troost seems to have a  
14          problem. And like I said, the older people that I  
15          work with every day, that I live in the  
16          neighborhood, you know, all these years, I go to  
17          Metropolitan Missionary Baptist Church. I have been  
18          there 40 years. And I am talking to older people  
19          like myself. We had prayer meeting today. There  
20          are older people in that church who are 76 and above  
21          saying "I guess I am leaving." Which means our  
22          neighborhood continues to blight. It is like I am  
23          responsible for people moving out. Well, I am going  
24          to have to move too if I don't get some break from  
25          this.

1 JUDGE WOODRUFF: Where are the people  
2 going?

3 MS. JOHNSON: In the old folks homes or  
4 nursing homes or wherever they have to go. These  
5 little -- I don't want to leave my home. I feel  
6 like I am too young to do that. A lot of people who  
7 are still healthy are leaving theirs and saying "I  
8 can't go anymore because I am on a fixed income." I  
9 feel like we are being punished for daring to try to  
10 own a home in the inner core. It is not right.

11 JUDGE WOODRUFF: Have you talked to the  
12 company about weatherization programs?

13 MS. JOHNSON: I am 269 on the  
14 weatherization thing. What does that mean?

15 JUDGE WOODRUFF: Not the levelization, the  
16 weatherization.

17 MS. JOHNSON: I said weatherization. I  
18 am 269. And it has been a year and something on  
19 that.

20 JUDGE WOODRUFF: You mean for the level  
21 payments?

22 MS. JOHNSON: No.

23 JUDGE WOODRUFF: We are not connecting  
24 here.

25 MS. JOHNSON: We are not connecting. The

1 weatherization plan, I am on that. Let me cover  
2 that first of all. I am Number 269 on that. That  
3 was last March. Now the other thing that you asked  
4 me about. If there is such a thing as a level  
5 payment plan? No way. If I am on a level payment  
6 plan and I start out at, say, a \$400 bill. In other  
7 words, for four months my bill was \$1700.

8 When you level that out for the year, then  
9 I was talking about \$230 a month. That is all year  
10 long. I can't afford that. Because I still -- I am  
11 asthmatic now because I live in the core. When you  
12 live in the inner city you have other problems like  
13 sewer, gas leaking and on and on. So you get asthma  
14 or respiratory problems. Then all of a sudden you  
15 are paying asthma bills.

16 There is a lot of people, the older people  
17 at my church, they are constantly talking about "I  
18 am having respiratory problems." And it is because  
19 we are either smelling gas or smelling sewer. It is  
20 one or the other. I mean, that's the truth. And  
21 that's the truth. We have been to the water  
22 company. We have been to the gas company and we are  
23 not getting anything resolved.

24 I happen to be younger, so I happen to be  
25 one of the ones who is active for my neighborhood.

1 I am active for my coalition and I am active at  
2 Acorn. And I am active because Acorn came to my  
3 door and I said, you know, there are two more  
4 neighbors just leaving. So I mean, along my block  
5 now it has been about five homes have gone within  
6 the last two years. And I am saying I can't support  
7 this whole neighborhood, but I can't pay the gas  
8 bill for it either.

9 And nobody is moving in and they can't.  
10 And they can't move in because you can't -- in fact,  
11 two new people moved in just this winter. Moved  
12 right back out. They said, "We can't pay these  
13 bills. I don't know how you do it." I said, "You  
14 know what, I don't either." And I am honest. I  
15 have not missed paying my bill. I have always tried  
16 to pay my bill. I am complaining now because I am  
17 old now. I am tired of this. This is ridiculous.  
18 This is impossible. It is impossible. I need to  
19 get a job to pay the gas company.

20 JUDGE WOODRUFF: You said you were 269 on  
21 the weatherization list. You are on the waiting  
22 list?

23 MS. JOHNSON: I don't know what else to  
24 do. I don't know what else to do to try to fix  
25 things. Let them tell me if there is something else

1           wrong. But I don't know what is wrong. Roof  
2           fixed. Windows fixed. House wrapped. Come on  
3           now.

4                   JUDGE WOODRUFF: Has that worked for  
5           anybody else in the neighborhood?

6                   MS. JOHNSON: No. They are moving. I am  
7           telling you. Unlike me, I am just stubborn. I am  
8           just stubbornly hanging on. I feel like I am too  
9           young to have to be forced out of my home. It is  
10          not fair.

11                  JUDGE WOODRUFF: Commissioner have any  
12          questions?

13                  COMMISSIONER MURRAY: Did you say you had  
14          30 windows?

15                  MS. JOHNSON: Uh-huh.

16                  COMMISSIONER MURRAY: So you have a rather  
17          large house?

18                  MS. JOHNSON: Yes, I do. It took a large  
19          house to raise a big family.

20                  COMMISSIONER MURRAY: You live alone?

21                  MS. JOHNSON: At this point, yes. And I  
22          shut off the whole house to accommodate the gas  
23          situation. In other words, I shut down everything.  
24          I have got all the doors so I can close every door.  
25          And I stay in the back room basically. Then go to

1           my kitchen. And then when I wash, go downstairs.  
2           That's it.

3                   COMMISSIONER MURRAY: You don't heat the  
4           whole house?

5                   MS. JOHNSON: You don't have to. I am  
6           staying back in that back room.

7                   COMMISSIONER MURRAY: I am asking you, are  
8           you heating the whole house?

9                   MS. JOHNSON: No, I am not. I am shutting  
10          down everything except for where I am. All I am  
11          saying, it is not working. But I really -- you are  
12          saying that. To say that almost is like insulting.  
13          Because it is saying don't dare live. There are  
14          people who are west of Troost who have homes as big  
15          as mine. Or bigger. I don't believe they go around  
16          shutting down everything just to, you know what I am  
17          saying. I am being forced to make ends meet no  
18          matter what I do. I am being punished no matter  
19          what I do. That is not fair.

20                   I had a gentleman tell me the other night,  
21          don't smoke cigarettes. And you people, you all  
22          people. This is the crazy stuff we are told. In  
23          other words, you never talk to me as if I am human.  
24          I have a right to live. But I am being told it must  
25          be you not doing something right. I mean, it is

1           always you not -- don't you know how to do this. I  
2           am being talked to this way. It is really  
3           disgusting. And it is really upsetting to my  
4           humanity. Because I am always being charged with  
5           you must have not done something right. I have done  
6           everything, I have tried to do right. Raised my  
7           kids. College education. Educate myself. Pay for  
8           my homes. Now what.

9                       COMMISSIONER MURRAY: Let me tell you, I  
10          wasn't trying to insult you.

11                      MS. JOHNSON: Well, I felt I was being  
12          insulted again.

13                     COMMISSIONER MURRAY: Let me tell you  
14          where I am coming from that. I am older than you  
15          are and I am still working. And I keep my  
16          temperature very low. I turn my heat down to 55.

17                     MS. JOHNSON: Mine is 62.

18                     COMMISSIONER MURRAY: I turn mine to 55.  
19          I don't heat my entire house. And I do things to  
20          conserve.

21                     MS. JOHNSON: I do, too.

22                     COMMISSIONER MURRAY: It just appears that  
23          if you are really having a problem, that that's what  
24          you do. You work and you conserve and you do  
25          whatever you can.



1                   MS. JOHNSON: Well, I have worked and I  
2                   have conserved. I have raised a family. I have  
3                   done all those things. I have paid for a home. I  
4                   have done everything you are saying to do. I have  
5                   done that already. Right now I am going to school.  
6                   I am getting my doctorate. That should be my right  
7                   at this stage. It should be my right to. Actually  
8                   at this stage, since I didn't do it when I was  
9                   young, I am old enough now without children in the  
10                  house to do that. But I can't. Because you are  
11                  telling me get another job. Wait a minute. You are  
12                  working with me. That's not fair. I don't need to  
13                  be worked with that way. That's not fair. You have  
14                  a right to live. Life is that short. You do have a  
15                  right to live.

16                 I don't think it is your right to say  
17                 well, if you just conserve enough, it will be all  
18                 right. If our neighborhood is red lined, it is red  
19                 lined. That's a fact. Because I know people who  
20                 live on the other side of Wornall who don't have  
21                 this experience. And nobody is telling them not to  
22                 go to the pizza parlor. I don't go. I get my Ramen  
23                 noodles and my beans and live there. That is  
24                 enough. I cut down on food, I cut down on medicine.  
25                 That's enough.

1 MS. MURRAY: Thank you.

2 JUDGE WOODRUFF: Any other attorneys have  
3 questions for this witness? Thank you, ma'am.

4 MR. GOLDBLAT: You skipped my name.

5 JUDGE WOODRUFF: No, you are actually the  
6 next one on the list.

7 MR. GOLDBLAT: I was two back actually.

8 JUDGE WOODRUFF: You are on the list after  
9 Barbara Johnson. Come on up.

10 MR. GOLDBLAT: I do not have gas. I don't  
11 know if that makes any difference.

12 (The oath was administered.)

13 MR. GOLDBLAT: My name is Roger  
14 Goldblat. As I said, I am not an MGE customer. I  
15 have an all electric house and a wood stove. And as  
16 consumers we always have that right. And I think  
17 Ross Perot reminded us that the corporations work  
18 for us. They are working for us. We do not work  
19 for them. And as consumers against corporate  
20 America we sort of sometimes don't realize that,  
21 that these people are working for us. They are  
22 working because we want them to work for us. We  
23 don't need to let them work for us. We can say no  
24 to what they offer us. That is always our option  
25 and our choice. They need to know that.

1                   I am a social worker downtown, at a  
2                   downtown church. I have been there about 12 years.  
3                   I also tried to form a consumer organization about a  
4                   year ago. We focused -- I think it was June 1st  
5                   when one of the authors for the Kansas City Star  
6                   said that MGE was going to raise their rates 40  
7                   percent, at which point we focused from about June  
8                   until November on natural gas. We learned natural  
9                   gas inside out. From the producer to the pipelines  
10                  to the local distribution company, MGE. So I have  
11                  seen this -- I sort of have a bias to protect and  
12                  advocate for the small individual, for the  
13                  consumers, the marginalized people, usually against  
14                  corporate America. We have no voice against  
15                  corporate America.

16                  MGE is, as some people have said earlier,  
17                  a monopoly. My understanding, I am not sure it is  
18                  correct, but my understanding was in exchange for  
19                  the right to have a monopoly, the local distribution  
20                  company agreed to be regulated by the Missouri  
21                  Public Service Commission, which as one of its roles  
22                  was to protect the consumer against this monopoly.  
23                  So I think, though they have dual roles and also do  
24                  try to look out for the local distribution company's  
25                  rights, I think it behooves them to look after the

1 consumer's rights. Especially when gas at the well  
2 head is deregulated. Meaning the price for natural  
3 gas has been deregulated by our politicians.  
4 Whatever they want to charge, they can get away with  
5 whatever they want. So the only help the consumer  
6 has is with the Missouri Public Service Commission,  
7 is very limited.

8 As some people have said tonight, they  
9 have mentioned the average pay plan. I run a payee  
10 program for people who are on Social Security  
11 disability. It is a small program. The people I  
12 run this program for earn 570 to 620, something like  
13 that a month. I can think of two people, two women  
14 in particular that we are payee for. And I always  
15 tell them, do not get on the average pay plan. Just  
16 like you said, these people earning about 600 a  
17 month and they are going to pay every month of the  
18 year, like you said, at least \$100 for MGE. That's  
19 a fixed income if you have disability. That's it.  
20 You are not going to be using \$100 in the summer. I  
21 have never quite figured out how they figure that  
22 out. It is I think voodoo economics. So they pay  
23 what they have to pay based upon the monthly  
24 payments. And that's still very difficult.

25 There is one customer that, a client of

1 mine from last summer who came to me because he had  
2 diabetes. And he is different than many people I  
3 have talked to, because his bill is a lot less. He  
4 is not one of these houses that 5, \$700, whatever.  
5 I have talked to a lot of people like that. But he  
6 lives in public housing. He has diabetes, he had  
7 applied for Social Security disability and it was  
8 pending. He called me about a month ago and it  
9 finally came through. But disability takes a long  
10 time, two, three years sometimes. The state has cut  
11 what was called general relief. There is no general  
12 relief now. So he had no income. He lived in  
13 public housing. His bills were not a lot, but he  
14 did have MGE. And in order to stay in public  
15 housing you have to have your utilities on. He came  
16 to me because he needed a little assistance, which  
17 we don't do much of but we had a little bit and  
18 helped him.

19 What was so wild about his scenario, he  
20 had diabetes. He basically cooked vegetables he  
21 said. That was his meal. He would steam vegetables  
22 for dinner and he took a shower every day or two in  
23 the summer. His bill was 20 something a month.  
24 Half of his bill was this customer charge that MGE  
25 wants to raise. At that time I think it was 10.13.

1           They have changed it to 10.08 because of a little  
2           experiment MGE was doing. So over half -- over 50  
3           percent of his bill was going to this fixed rate.  
4           If that were to go up to 13.50 a month, more than 50  
5           percent of his bill is going to go to this fixed  
6           rate.

7                       To me, that is one of my main complaints  
8           about this raise in rates. It is not volumetric.  
9           Therefore someone who lives in public housing is  
10          going to be paying proportionately a lot more of  
11          their income and of their gas bill for the customer  
12          charge than somebody living out on Ward Parkway who  
13          has a thousand dollar bill. And I would like to see  
14          the Public Service Commission -- I know MGE has  
15          levels of service. And I believe that customer  
16          service charge varies, whether it is a business or  
17          they have various levels of service. And I think  
18          somehow that charge ought to be related to maybe  
19          means related. Or if somebody is on the income  
20          heating and assistance program, maybe there should  
21          be a level of service where that increase is less.

22                       I did some little math here. I think  
23          there are five -- is it 500,000 MGE customers, I  
24          think. That would get them \$81,180,000 a year if  
25          they raise that to 13.50 per customer across the

1 board. I think I have two more things. I see the  
2 rate increase as being bad for two reasons. One,  
3 because of the low income and marginalized people in  
4 America who often do not have a voice, I think it  
5 would be a hardship on them. I have seen that as a  
6 social worker and I know that would be a hardship.

7 Secondly, I think it is bad for MGE. And  
8 though I like Paul Snyder and some of the MGE people  
9 in this room, I am not particularly wanting to pad  
10 their pockets anymore. But I have always heard that  
11 as prices go up less gas is used. If less gas is  
12 used then MGE is going to make less money. So I  
13 think it is bad because it hurts the people that  
14 don't make much money. And it is also bad for MGE  
15 because, as the commissioner has stated and the lady  
16 in the room who just spoke, people are going to be  
17 turning their gas down. That's just not really  
18 appropriate. So that's all I have to say. Thank  
19 you.

20 JUDGE WOODRUFF: Commissioner, do you have  
21 any questions?

22 COMMISSIONER MURRAY: What organization  
23 did you say you were with? I'm sorry, I missed  
24 that.

25 MR. GOLDBLAT: Well, we have disbanded.

1 But it was a consumer organization. And we focused  
2 on natural gas. We called it various names because  
3 of trademarks, et cetera. I think we ended up it  
4 was called Citizens Union of America. We wanted to  
5 unionize consumers just like labor unions and then  
6 have actions against corporations as a union of  
7 consumers.

8 COMMISSIONER MURRAY: You mentioned  
9 speaking with customers of MGE about some of the  
10 problems that they were having?

11 MR. GOLDBLAT: I didn't quite put it that  
12 way. I was talking about clients of mine who have  
13 needs and I am a fiduciary representative of them.  
14 Is how I put that.

15 COMMISSIONER MURRAY: So they were not  
16 necessarily MGE customers you were speaking of?

17 MR. GOLDBLAT: They were very definitely  
18 MGE customers.

19 COMMISSIONER MURRAY: How recently were  
20 you -- how recently were these incidents?

21 MR. GOLDBLAT: These are ongoing. The  
22 individual I talked about who lived in public  
23 housing was last summer. The other individuals are  
24 ongoing. The two ladies.

25 COMMISSIONER MURRAY: Just as something



1           that you might have an opinion about with the work  
2           that you have done over the years looking at these  
3           types of issues. I believe you mentioned that  
4           perhaps there should be a different rate for people  
5           in a certain income. If that amounted to the  
6           company having to charge a different rate and then  
7           that rate being made up by the other customers  
8           because they would have to pay more to make up for  
9           the lower rate that certain customers received, in  
10          your opinion --

11                       MR. GOLDBLAT: I don't agree with you  
12           there. Go ahead with your question.

13                       COMMISSIONER MURRAY: Someone has to pay,  
14           correct?

15                       MR. GOLDBLAT: We are not saying the  
16           increase has to happen. So therefore I don't think  
17           some people have to compensate for an increase that  
18           I am not agreeing with.

19                       COMMISSIONER MURRAY: Then there might not  
20           be a need for a different rate. A different level  
21           or a different rate for a different customer.

22                       MR. GOLDBLAT: There might be the need  
23           for an increase. If there are levels of service and  
24           people with lower income are charged less than  
25           people with greater income would be charged

1 something. But people with lower -- I think it  
2 should be more proportional.

3 COMMISSIONER MURRAY: My question that I  
4 was going to pose to you was, do you think that  
5 there might be a better way if legislators were to  
6 determine there is a need in providing essential  
7 utilities similar to a need for some people to be  
8 having assistance to buy food, for example, that  
9 there be a tax established that would be  
10 identifiable that everyone would be contributing to  
11 versus a certain group of customers having to  
12 support. Are there other ways to approach the  
13 problem.

14 MR. GOLDBLAT: I certainly think there  
15 are. I don't know if there are. Taxes for whatever  
16 reason don't seem too popular in our culture,  
17 although they provide the infrastructure for our  
18 culture. But certainly I think we are creative  
19 enough to come up with some solutions without  
20 gouging good people who can't afford rate increases.

21 COMMISSIONER MURRAY: Thank you. I just  
22 wondered if you had thought through some other  
23 potential solutions to what seems to be an ongoing  
24 problem.

25 JUDGE WOODRUFF: Any of the attorneys have

1           questions for Mr. Goldblat? Then you may step down,  
2           sir. The last name on the list is Justin Mayabb.

3                       (The oath was administered.)

4                       JUDGE WOODRUFF: Tell us your name,  
5           please.

6                       MR. MAYABB: Justin Mayabb.

7           M-a-y-a-b-b. I live at 545 Harrison. I am a victim  
8           of identity theft. And that's where my problem with  
9           Missouri Gas Energy began, as I was moving to a loft  
10          downtown and I was refused gas service because  
11          Missouri Gas Energy believed that I had purchased a  
12          home at 4310 Holmes in Kansas City, Missouri, which  
13          I had never purchased. They said I owed them  
14          between 900 and \$1,000 and they were not going to  
15          give me service until I paid them that money. They  
16          also -- well, they were rude to me basically.  
17          Calling me a liar, even after I faxed them proof, a  
18          copy of the police report, a picture of the Missouri  
19          driver's license the guilty party had gotten in my  
20          name. Just an unpleasant experience. They refused  
21          service not only to me but to also the owner of my  
22          building who tried getting the service -- the gas  
23          turned on in his name. But they refused him because  
24          I was going to live at that -- on that floor, the  
25          second floor. What else can I say. They were rude

1 to him.

2 JUDGE WOODRUFF: Who did you speak with at  
3 the company?

4 MR. MAYABB: Loss prevention. The lady's  
5 name was, I never got her first name. Ms. Busey.  
6 B-u-s-e-y, I think is how you spell it. She was  
7 rude not only to me but to my girlfriend, to the  
8 owner of my building. I don't know, just very -- I  
9 used to think those propane tanks were ugly on the  
10 sides of people's houses. If I were to ever build a  
11 home in Missouri, I would definitely go with the  
12 propane tank. I think they are beautiful now after  
13 dealing with Missouri Gas Energy.

14 JUDGE WOODRUFF: How long ago did this  
15 all happen?

16 MR. MAYABB: This was just, let's see, we  
17 moved in in September and I started dealing with it  
18 in August. Luckily my landlord is a great guy. He  
19 wrote a check to Missouri Gas Energy for the balance  
20 so they would turn on the service. And they  
21 promised him that they would continue with their  
22 investigation into the matter and that they would  
23 eventually refund him his money if they found --

24 MS. WOOD: Which they did investigate it  
25 actually. I am his girlfriend and I helped him

1           throughout this. They didn't investigate it until  
2           we called the Missouri Public Service and they were  
3           the ones who -- once they turned the complaint in,  
4           that we filed against Missouri Gas Energy, they then  
5           said, "Oh, okay, well, all this identity theft that  
6           you have proven, since there is a complaint against  
7           us, you are right, you are right. We're sorry." We  
8           never got the apology.

9                       JUDGE WOODRUFF: Do you want to come up  
10           and be sworn also? Seriously since you testified,  
11           you might as well come on up here.

12                      MS. WOOD: Right now? I dealt with her  
13           like several, several times. My name is Schonna  
14           Wood.

15                      (The oath was administered.)

16                      JUDGE WOODRUFF: What is your name?

17                      MS. WOOD: Schonna Wood. S-c-h-o-n-n-a.

18                      JUDGE WOODRUFF: This way we will have it  
19           clear on the record who you are. What would you  
20           like to tell us?

21                      MS. WOOD: Just basically that I called  
22           the service. They refused me service. I have  
23           perfect credit. I tried to get a lease. I mean, I  
24           have the paperwork right here. We have a picture of  
25           the person who stole his identity. We faxed that to

1 her. She did nothing about it. The customer  
2 service people were rude to me. They called us  
3 liars. They said that we gave our -- we gave his  
4 Social Security Number out and that it was our  
5 immaturity and our stupidity. Those were their  
6 terms. They said that we should have been more  
7 responsible with our identification. That we lost  
8 it on purpose. We faxed proof of where he lived on  
9 this home. We have a deed to the house that this  
10 man bought. He has a child under Justin's name. We  
11 faxed everything under his -- he does. He had a  
12 child with a woman and put Justin's name on the  
13 birth certificate. And this guy is in jail now. It  
14 is like \$80,000. They kept calling us liars. More  
15 and more information that we kept on sending them,  
16 they kept on saying sorry.

17 Ms. Busey refused to investigate. When we  
18 got the payment from our landlord, who she was rude  
19 to, and would put the utility in his name, because  
20 we were going to be living there. And I hadn't even  
21 done anything. She refused me service because I was  
22 his girlfriend. She sent us to two different  
23 locations that were incorrect in Missouri. Refused  
24 to let us bring the paperwork down. Because she  
25 said well, because we faxed a picture of his

1 driver's license and the person who stole his  
2 identity. The stupid person got a Missouri driver's  
3 license. We got a copy of it because he was proven  
4 guilty. And she still refused to believe any of  
5 it. And they would not -- they refused to let us  
6 come down to Missouri Gas Energy to show it in  
7 person, to show his correct identification. They  
8 refused to tell us where we could send it, where we  
9 could go in person, where we could do anything.

10 We got the check. She intentionally gave  
11 me false information of what I needed -- what  
12 documentation numbers I needed to give her to prove  
13 that that past bill had been paid. And I called her  
14 on the phone the second I walked out of the bank  
15 with the payment from our landlord and told her,  
16 "Okay, I have made the payment." She said, "I need  
17 this documentation number." I said "Okay," and I  
18 gave it to her. "Well, that's not matching up with  
19 my records. You are incorrect. You have not paid  
20 this bill." So I walked back into the bank, because  
21 I hadn't left the bank yet, to talk to the bank  
22 lady. And she handed her the phone. They almost  
23 like cuffed me because they thought I was some irate  
24 person to the bank. Because I was like, "I am not  
25 lying. All I want is gas turned on. I deserve it.

1 I haven't done anything wrong." And they were just  
2 so nasty. They would not even give us the benefit  
3 of the doubt.

4 JUDGE WOODRUFF: Has the landlord gotten  
5 his money back?

6 MS. WOOD: Now that we filed a complaint  
7 with the Missouri Public Service department. They  
8 finally -- then she called back to say that we would  
9 be refunded the money. And I returned her call to  
10 see what the message was about. She was like, "Oh,  
11 you need to get your" -- she was still rude. She  
12 was like, "Oh, you need to get your records  
13 straight. I left a message. You don't need to call  
14 back." I mean, she was just never nice at all.  
15 "You make sure you pay your bill so this doesn't  
16 happen again." Still blaming us for it.

17 JUDGE WOODRUFF: Anything else you would  
18 like to add?

19 MR. MAYABB: Propane is the way to go.

20 JUDGE WOODRUFF: Commissioner Murray, do  
21 you have any questions?

22 COMMISSIONER MURRAY: I have a couple of  
23 questions. Identity theft is a pretty awful thing I  
24 hear. It sounds like it was. Can you tell me if  
25 you were refused services by or credit by other



1           entities following the identity theft?

2                   MS. WOOD:   That was the first one, I  
3           called and I put everything in my name after that.

4                   COMMISSIONER MURRAY:   I really, since it  
5           was his identity, I was directing it to --

6                   MR. MAYABB:   We put everything in her  
7           name.   We didn't want to deal with it anymore.   But  
8           on my credit report there were no other utilities  
9           that were owed money.   Just Missouri.

10                  COMMISSIONER MURRAY:   I am talking about  
11           any other entities.   Any other credit.   Did you have  
12           anyone else refusing you service or credit based on  
13           the fact that someone had stolen your identity?

14                  MR. MAYABB:   No.   Because I apparently  
15           already had all the credit cards.   But I didn't.   I  
16           had never had a credit card.   I always paid cash for  
17           everything prior to this.   And apparently I had  
18           credit cards with Texaco, American Express.   You  
19           know, Citibank I had a card.   But no utilities have  
20           been refused.

21                  COMMISSIONER MURRAY:   The identity theft  
22           was only a problem with MGE?

23                  MR. MAYABB:   Only, yeah.

24                  MS. WOOD:   Cox Medical.   Truman Medical  
25           Center.

1 MR. MAYABB: Other hospitals.

2 MS. WOOD: There were utilities on the  
3 credit report. But I went ahead -- I was calling  
4 all the utilities and putting them in both of our  
5 names, since that's what we came to an agreement on.  
6 And after the whole mess with MGE, I just decided to  
7 put everything in my name alone. My name wasn't  
8 associated with his identity theft whatsoever. So  
9 they have no record of him living at 545 Harrison,  
10 because it is just in my name only. Because I  
11 wasn't going to -- after we got a copy of  
12 TransAmerica and everything was on there, I was  
13 like, if they are going to be as rude as Missouri  
14 Gas Energy I am not even going to deal with it.

15 COMMISSIONER MURRAY: Thank you.

16 JUDGE WOODRUFF: Questions from any of the  
17 attorneys?

18 MR. FRANSON: Yes, Your Honor. Ma'am,  
19 when you called to put the utilities in your name,  
20 what kind of questions did the customer service  
21 representative ask you?

22 MS. WOOD: Actually they didn't. They  
23 said, "Let me put you on hold." I was on hold for  
24 25 minutes. They came back and said, "We cannot  
25 give you service until Justin A. Mayabb, with the

1 Social Security Number" that they repeated back to  
2 me, "has paid a \$947 bill." And I asked what  
3 address that was for, the dates it was for. I asked  
4 all the questions.

5 MR. FRANSON: Had you identified yourself  
6 as living at this address with Justin Mayabb?

7 MS. WOOD: We hadn't moved in yet. I was  
8 doing it a month in advance, because I am anal like  
9 that. It took a month to get it turned on. It took  
10 until the week we moved in.

11 MR. FRANSON: One other question. Did one  
12 of you make a police report about this?

13 MS. WOOD: He did. We faxed it to  
14 Missouri Gas Energy.

15 MR. FRANSON: Was there a detective -- is  
16 it Kansas City?

17 MS. WOOD: Detective John Dollins.

18 MR. FRANSON: Do you know how to spell his  
19 name?

20 MR. MAYABB: D-o-l-l-i-n-s.

21 MR. FRANSON: Thank you. No further  
22 questions, Your Honor.

23 JUDGE WOODRUFF: Any other questions.

24 MR. MICHEEL: Are you aware that Missouri  
25 Gas Energy is seeking an increase in its return on

1 equity in this case for the outstanding customer  
2 service it has provided?

3 MS. WOOD: That's why we're here. We  
4 don't think that they deserve any increase in rates  
5 because of how nasty they are.

6 JUDGE WOODRUFF: Anything else? You will  
7 step down then. That was the last name on my list.  
8 Is there anyone else here who didn't get on the list  
9 who would like to testify? I see a couple people  
10 here. Go ahead and come up first here, sir. I see  
11 the lady in pink. We will get to everybody.

12 (The oath was administered.)

13 JUDGE WOODRUFF: Could you tell us your  
14 name.

15 MR. NICHOLS: My name is George Nichols.  
16 N-i-c-h-o-l-s. I own four pieces of property on  
17 Lydia Street. The main house, my duplex has been  
18 disconnected for about three years. I have tried to  
19 deal with them. I went down, I talked to a Shirley  
20 Bolton. Her name will stay with me the rest of my  
21 life. We set up a deal to pay the bill. I was  
22 supposed to pay \$50 each month plus the current bill  
23 to get it straightened out. Well, after three  
24 months of the \$50, nothing has showed up on my bill  
25 for the \$50. And I asked about it and I got

1           stonewalled, so I quit paying the \$50.

2                   And then they transferred -- I had all of  
3           the utilities on all the houses on, trying to keep  
4           the pipes from freezing up. And they ultimately  
5           transferred all of those bills onto the duplex. It  
6           is probably standing at \$2,000 right now. The other  
7           three houses are clear. They changed the meter on  
8           5110 Lydia three times. And during the process of  
9           that they wound up transferring money on to the  
10          duplex and then they kept it on that address. And I  
11          called, finally called the Missouri Public Service  
12          Commission and a lady by the name of Rackers worked  
13          with me on it and a fellow that had been with the  
14          gas company for 40 years worked on this end of it.  
15          They finally made over \$800 worth of adjustments to  
16          that account because of things that had happened.  
17          One of them was the \$400 that they transferred in  
18          error.

19                   Then, okay, when they came out, they came  
20          out and worked on a house across the street from the  
21          duplex. They drilled nine holes in my \$800 driveway  
22          slab and the sidewalk. They are still, the holes  
23          are still there. They are probably two inches  
24          across. They are growing grass now. They never did  
25          come back and fix it. They left the sidewalk messed

1 up on the lady next door to me. And I asked them  
2 about that several times and they never came and did  
3 anything.

4           Anyway, several years ago the lady across  
5 the street from me, and I am saying this because the  
6 people were talking about bills going up and down.  
7 And this was a very interesting excursion that the  
8 little old lady across the street from me told me  
9 that she couldn't understand why her bill this month  
10 was higher than it was last month and it was  
11 warmer. And so I did some checking and I couldn't  
12 find out anything. And so I went to the weather  
13 bureau, I charted all of the temperatures for both  
14 months. And then I worked with a fellow at the gas  
15 company and he wasn't -- he couldn't tell me  
16 anything.

17           And what it finally turned out, this was  
18 not MGE, this was the old Gas Service Company,  
19 which I felt like they did a lot better job than  
20 what this company is doing. Anyway, my friend that  
21 worked there told me that they had bought a bunch of  
22 cheap gas. It takes more gas going through the  
23 meter to get the same amount of heat. And he said,  
24 "They won't tell you that." And so that sometimes  
25 will explain a fluctuation in the gas bill from one

1 month to another depending on the grade of gas they  
2 buy.

3 I am just so upset with this thing. And  
4 they talk about -- and I live east of Troost and I  
5 have lived there for 36 years. Up until 1995 my  
6 credit report was perfect. And I was self-employed  
7 and I went broke. My wife got Alzheimer's and  
8 things just went down the drain. And I was trying  
9 to keep the houses going, but they all needed work  
10 and I didn't have the money to do it. So that was  
11 my problem with it. They used to have an office at  
12 63rd and Troost that you could go in and talk to  
13 them. Then they put one at 39th and Main, I  
14 believe, and they closed it after a short time. You  
15 have no access to that company anywhere. I am just  
16 very disturbed with it.

17 JUDGE WOODRUFF: Thank you, sir.  
18 Commissioner, do you have any questions?

19 COMMISSIONER MURRAY: When were the holes  
20 drilled in your driveway?

21 MR. NICHOLS: Probably three or four  
22 years ago.

23 COMMISSIONER MURRAY: You did say you  
24 called the company?

25 MR. NICHOLS: Yeah.

1                   COMMISSIONER MURRAY: And how many times  
2 did you call them, do you know?

3                   MR. NICHOLS: I think I called them two  
4 or three times.

5                   COMMISSIONER MURRAY: Did they tell you  
6 they were coming out to fix them?

7                   MR. NICHOLS: They said it was a contract  
8 company that was doing the work. No, they didn't  
9 come.

10                  COMMISSIONER MURRAY: Did they send them  
11 back to fix them?

12                  MR. NICHOLS: No, nobody came to fix  
13 them. I have been going to stick a flag in each one  
14 of those holes and take a picture of it and send it  
15 to somebody. I paid \$800 for that driveway slab in  
16 1974, now it has got all those holes in it.

17                  COMMISSIONER MURRAY: Did they ever fix  
18 the sidewalk -- was the sidewalk messed up by the  
19 contractors that came in for MGE?

20                  MR. NICHOLS: Well, they drilled the holes  
21 trying to find the leak for the house across the  
22 street.

23                  COMMISSIONER MURRAY: Did they repair  
24 that sidewalk?

25                  MR. NICHOLS: I think the two-by-four



1           that they used for the cement is still in there.

2           They never completed the thing.

3                   COMMISSIONER MURRAY:   How long ago was  
4           that?

5                   MR. NICHOLS:   Four or five years ago.

6                   COMMISSIONER MURRAY:   Thank you.

7                   JUDGE WOODRUFF:   Any questions from any of  
8           the attorneys?   Thank you, sir.   We only have the  
9           room reserved until 9:00 o'clock.   I know there are  
10          several other people that want to testify.   I will  
11          ask you to, I will try to get to everybody, but try  
12          to make your comments as brief as possible.   Who  
13          else wants to testify?   Whichever one of you wants  
14          to come up first, I guess.

15                   (The oath was administered.)

16                   JUDGE WOODRUFF:   Tell us your name.

17                   MS. SEARS:   Jan Sears.

18                   JUDGE WOODRUFF:   Your name was on the  
19          list earlier, wasn't it?

20                   MS. SEARS:   Yes.   And I missed it.   I  
21          just wanted to state that I don't believe that the  
22          rate increase should go into effect because for the  
23          operations of the company, MGE company, for the  
24          operations of the company, there is just several  
25          reasons why I think that.   The customer service

1           representatives are not, most of the time they are  
2           not as friendly. They are not very helpful. And  
3           usually when I call I just have to wait 20 minutes  
4           or more when I call to get service -- I mean to get  
5           questions asked or something told to me or something  
6           like that. And I have to go, maybe one customer  
7           service representative tell me one thing about the  
8           bills, because I had a bill that was almost \$2,000  
9           here just in '03. In the last part of '03. And I  
10          had to get one customer service to tell me about it.

11                       I had gotten assistance from the social  
12          services programs. They helped somewhat, but all  
13          they say is that the rates are going to go up and it  
14          is just going to get worse and worse and worse. Who  
15          can you go to? But I just try to keep working with  
16          them as much as possible. And I called MGE company  
17          to see what is going on after I get the help. Then  
18          one customer service told me that your bill is  
19          still, you know, like 900 and something odd dollars  
20          plus. I said, "I need to speak to someone, to a  
21          person who has a little more authority than you."  
22          And, you know, her being -- this person being a  
23          subordinate, to someone over her. Her or him that  
24          can answer my questions better. So they have  
25          special customer service representatives that can

1 tell me that, you know, yes, you got help from this  
2 social service program. They paid this and they  
3 paid that, so you don't owe this. So I am leading  
4 to believe it is one thing, I owe one thing when it  
5 is really actually not.

6 And another thing, they really don't want  
7 to work with you. MGE don't want to work with you.  
8 If you owe a certain amount and you don't have all  
9 of it to pay, they won't take what you have. So  
10 therefore you are going to get shut off anyway. It  
11 is just not right. I really don't think the rate  
12 increase should go into effect, because I think for  
13 the operations they are not really doing a good job.

14 JUDGE WOODRUFF: Commissioner, any  
15 questions?

16 COMMISSIONER MURRAY: Has your gas been  
17 shut off?

18 MS. SEARS: It has been shut off in the  
19 past.

20 COMMISSIONER MURRAY: But it is currently  
21 not disconnected?

22 MS. SEARS: It is currently not  
23 disconnected. I do want to say one thing. Like  
24 someone stated before, the bill is -- it is still  
25 high and the weather is changing. I am not home

1           like that all day. And I keep my furnace at 60  
2           degrees. So that's highly impossible that that  
3           should be that high.

4                   JUDGE WOODRUFF: Any questions from the  
5           attorneys? You may step down.

6                   The lady in the pink. You have been  
7           waiting patiently.

8                   (The oath was administered.)

9                   JUDGE WOODRUFF: Tell us your name.

10                   MS. MARCSON: My name is Jan Marcason.  
11           M-a-r-c-a-s-o-n. I am an MGE customer. I am here  
12           representing kind of the collective of  
13           organizations. The Mid-America Assistance Coalition  
14           that I direct actually administers the privately  
15           donated utility assistance funds for MGE and the  
16           other utility companies. So I am in a little bit  
17           different vantage point.

18                   What I know is we also get calls. We get  
19           about 10,000 calls to our agency every year from  
20           people who can't afford to pay not only their gas  
21           bills but their electric bills too. So it is not  
22           one utility or the other. About a third of the  
23           callers who are actually eligible to receive  
24           assistance are not able to receive it because there  
25           just isn't enough assistance to go around to those

25 We have very good relationship with MGE.

1           Their customer service representatives that work  
2           with the agencies are trying as hard as possible to  
3           make sure that the eligibility guidelines include as  
4           many people as possible. But the economy in our  
5           country just isn't such that people can afford to  
6           pay their bills. It has something to do with this  
7           rate case, but it has something to do with just  
8           there is a category of citizens who just are not  
9           earning enough to pay their bills.

10                   JUDGE WOODRUFF: Thank you. Commissioner?

11                   COMMISSIONER MURRAY: I'm sure you are  
12           familiar with the pilot that MGE has done. What --

13                   MS. MARCASON: In Joplin?

14                   COMMISSIONER MURRAY: Yes. What is your  
15           opinion of that?

16                   MS. MARCASON: I wish we had it in Kansas  
17           City. I would have much more of an opinion.  
18           Because we would be able to track the customers and  
19           really provide substantive data to show what the  
20           reality was because of our centralized computer  
21           system. I think some of the guidelines may be -- I  
22           think we always learn from a pilot program. And I  
23           think if we were to redesign that and maybe make it  
24           appropriate for the urban core, we might have done  
25           some things differently. The eligibility.

1                   COMMISSIONER MURRAY: Have you considered  
2                   different ways of funding the low income needs other  
3                   than through requiring the utilities to charge a  
4                   different rate? Some other form of subsidy?

5                   MS. MARCSON: We have been involved for  
6                   20 years with private donations. Fund-raising  
7                   through private donations. Through customer  
8                   contributions. Through utility company matching  
9                   grants. Through Jackson County that has a private  
10                  fund at the community foundation. I think we  
11                  probably have distributed funds with about eight or  
12                  ten different funding sources.

13                 COMMISSIONER MURRAY: I guess my question  
14                 is more related to if you are going to create a  
15                 subsidy that is going to require certain people to  
16                 pay for that subsidy, should it be as a tax or  
17                 should it be a subsidy that just utility rate payers  
18                 have to pay? I understand that politically people  
19                 don't like to impose taxes. But isn't creating a  
20                 subsidy through the utility charges sort of a hidden  
21                 tax?

22                 MS. MARCSON: I am not an economist, so I  
23                 am not capable of really analyzing all the data.  
24                 But I don't know how much that rate payers pay in  
25                 because of the uncollectibles from people who can't

9 COMMISSIONER MURRAY: If the pilot had  
10 been in Kansas City, would that be something that  
11 you could track?

13 COMMISSIONER MURRAY: Thank you.

18 JUDGE WOODRUFF: Any questions from any of  
19 the attorneys?

23 MS. MARCSON: Yes.

25 MS. MARCSON: You know, no. I have it.



1 I heard kind of a synopsis at the committee.

2 MR. MICHEEL: Do you have a copy of that?

3 MS. MARCSON: I have a copy of it now.

4 MR. MICHEEL: Are you aware that the  
5 Office of Public Counsel has recommended expanding  
6 those programs in the current rate case?

7 MS. MARCSON: I did hear that. Again, I  
8 would encourage them to do that in the Kansas City  
9 area. Where we would have a better ability to track  
10 the outcomes and see if it works.

11 MR. MICHEEL: Are you aware that Missouri  
12 Gas Energy opposes that expansion?

13 MS. MARCSON: You know, I haven't really  
14 had -- no. I wasn't aware of that. I don't know  
15 enough about the success of the pilot program or not  
16 to know whether expanding it is a good thing or  
17 not. What I do know is that there was an excess of  
18 \$250,000 that was not able to be utilized in that  
19 pilot project. And when Commissioner Simmons was in  
20 the Public Service Commission, he made sure that  
21 that money, or somebody did, that it came back to  
22 Kansas City to be used for MGE customers in the  
23 urban area. And we have distributed almost 100  
24 percent of that to low income customers. So the  
25 money has gotten out to folks who weren't able to

1           pay their bills. And wasn't earmarked for a pilot  
2           project for years and years and years. It helped  
3           people get more current right now, this winter, when  
4           things are pretty tough.

5                   JUDGE WOODRUFF: Anything else from the  
6           attorneys? Then you may step down. Anyone else  
7           wishing to testify?

8                   (The oath was administered.)

9                   JUDGE WOODRUFF: Tell us your name.

10                   MR. WATT: My name is James Watt. And I  
11           am a customer. First of all I would like to thank  
12           the commission for having the hearing this evening  
13           in a location and a time that working people and a  
14           lot of other people have access to. Parking is not  
15           a problem down here now, so thank you for that.  
16           Thank you for giving me the opportunity to speak  
17           before you tonight. I will be reading here from the  
18           notice of the hearing that I received from the  
19           utility. It says, "MGE has filed a natural gas rate  
20           case with Missouri Public Service Commission seeking  
21           to increase non-gas cost revenues by approximately  
22           \$44.8 million." That's a lot of money. "Non-gas  
23           costs are generally operating and maintenance costs  
24           typically representing 30 to 40 percent of a  
25           customer's total monthly natural gas bill." So I

1           don't know what the other 60 to 70 percent of my  
2           bill is.

3                       "Under the filing the monthly increase or  
4           decrease for average customers in each rate class  
5           appears below." And there is four classes. Three  
6           of them have increases, one of them has a decrease.  
7           And I don't understand that. "This case does not  
8           involve the gas cost portion of your monthly bill.  
9           MGE can make up to three filings a year to adjust  
10          either up or down natural gas rates to reflect  
11          changes from wholesale suppliers. The Public  
12          Service Commission does not regulate wholesale  
13          supplier rates." Then it goes on to give your  
14          schedule of the hearings you had.

15                      First I would like to say I believe I go  
16          into the residential class of customer. So their  
17          proposed increase would be 6.52 a month for me. I  
18          would respectfully request that you deny their rate  
19          increase proposal for one reason. That increase, if  
20          I would average my bills, and I have my bills here  
21          for the last three years, would be 10 percent a  
22          month or more of my bill. My wages have not gone up  
23          10 percent in the last year. The cost of living, it  
24          just hasn't gone up 10 percent. That is one reason  
25          that I request for you to deny their proposal.

1                   As mentioned before, a possible solution.  
2           I am a little bit familiar with the Life Line  
3           program of Southwestern Bell for low income people.  
4           If the gas company could duplicate that somehow,  
5           that would be a help. I don't know how to do that,  
6           but I'm sure there are people in this room that know  
7           how to do that. Another possible solution, I am  
8           considering construction of a new home. So a  
9           possible solution would be just go totally electric  
10          and then I won't have to deal with the gas company  
11          anymore. Enough customers do that, I think things  
12          would change. I think that's all I have to say  
13          tonight. Thank you.

14                   JUDGE WOODRUFF: Commissioner have any  
15          questions?

16                   COMMISSIONER MURRAY: I don't believe so.

17                   JUDGE WOODRUFF: Questions from the  
18          attorneys?

19                   MR. FRANSON: No, Your Honor.

20                   JUDGE WOODRUFF: With that then, I  
21          believe everyone who wished to testify has had a  
22          chance to testify now. So with that we are  
23          adjourned. Thank you all very much for coming.

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

C E R T I F I C A T E

I, JAMES A. LEACOCK, Certified Court Reporter,  
do hereby certify that I appeared at the time and  
place hereinbefore set forth; I took down in  
shorthand the entire proceedings had at said time  
and place, and the foregoing 108 pages constitute a  
true, correct and complete transcript of my said  
shorthand notes.

Certified to this 9th day of May, 2004.

---

James A. Leacock, CCR.

Certified Court Reporter No. 662 (G)

Notary Public, State of Missouri

□

