

1 STATE OF MISSOURI
2 PUBLIC SERVICE COMMISSION
3 TRANSCRIPT OF PROCEEDINGS
4 Public Hearing
5 September 28, 2006
6 Butler, Missouri
7 Volume 6
8
9 In the Matter of Atmos Energy Corporation's)
10 Tariff Revision Designed to Consolidate Rates and)
11 Implement a General Rate Increase for Natural)
12 Gas Service in the Missouri Service Area of the)
13 Company)

14 Case No. GR-2006-0387

15 NANCY DIPPELL, Presiding
16 DEPUTY CHIEF REGULATORY LAW JUDGE
17
18 LINWARD "LIN" APPLING, COMMISSIONER

19 REPORTED BY:
20 James A. Leacock
21 Cross Reporting Service
22
23
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

APPEARANCES:

Mr. James Fischer
Attorney, Atmos Energy Corporation

Ms. Lera Shemwell, General Counsel
for Public Service Commission

Mr. Gregg Ochoa, Staff Attorney PSC

Mr. Todd Craig, Technical Staff PSC

Mr. Warren Wood, Director of Public
Service Commission

Mr. Pat Childress, V.P. of Regulation

Mr. Joe Christian, Atmos Energy

Mr. Jim Bartling, Atmos Energy

Mr. Ron Snyder, Atmos Energy

- - -

1 JUDGE DIPPELL: This is Case Number
2 GR-2006-0387. The Commission has set this time for
3 local hearing in this case in which Atmos Energy
4 Corporation seeks to implement a general rate
5 increase. The Missouri Public Service Commission
6 sets the rates to ensure that those rates are just
7 and reasonable. The Commission also regulates the
8 quality service and safety of investor owned
9 utilities.

10 My name is Nancy Dippell, I am the
11 Regulatory Law Judge assigned to this case, and it
12 is my job to facilitate this hearing this evening to
13 receive public comments. We are video conferencing,
14 as you can tell, this hearing from our office in
15 Jefferson City so that myself, some of the
16 commissioners and some of our staff can attend from
17 here. The Commission is made up of a total of five
18 commissioners and they are appointed by the Governor
19 to fixed terms and confirmed by the Senate. The
20 commissioners employ staff of engineers,
21 accountants, attorneys, financial analysts and other
22 specialists in the field of utility regulation.

23 Also present -- or present tonight in
24 Butler, if you haven't already met them, are members
25 of our staff, Greg Ochoa from our information

1 office, and Todd Craig who is some of our technical
2 staff. He is helping us out tonight. Not only are
3 we video conferencing but we are also streaming this
4 hearing over our website.

5 Here in Jefferson City with me are Staff
6 Council Lera Shemwell and members of the staff
7 Warren Wood. Also I have Commissioner Linward
8 Appling, who is with me this evening. Thank you
9 Commissioner. We thought you got delayed by
10 traffic. Also in Butler I believe -- is Mr. Postem
11 also there in Butler?

12 MR. CRAIG: No, he is not here.

13 MR. OCHOA: Not yet, Your Honor. I
14 expect Mr. Postem shortly. I saw him on the
15 highway.

16 JUDGE DIPPELL: Okay. Maybe traffic
17 issues everywhere. Well, I believe Mr. Fischer is
18 there representing Atmos Energy. Mr. Fischer, would
19 you like to introduce anyone that you have with you
20 tonight?

21 MR. FISCHER: Yes, Judge. My name is Jim
22 Fischer, I am an attorney in Jefferson City, and I
23 am working with Atmos Energy as they prosecute this
24 case in from of the Public Service Commission. I
25 have also got with me tonight Pat Childress who is

1 our Vice President of Regulation. Joe Christian and
2 several of the local fellows who work here in the
3 Butler area. To the extent that there are any
4 billing issues or quality of service problems or any
5 questions that they can answer for you about your
6 service here locally, we would like to do that for
7 you tonight. And of course here in a minute the
8 Judge is going to ask for people to come and make
9 comments about the proposed rate increase, and we
10 will be listening as you speak. Thank you very
11 much.

12 JUDGE DIPPELL: Thank you. I would also
13 like to thank Butler High School for allowing us to
14 use their facility this evening. I would state that
15 the comments made tonight are not in any way
16 associated with the school or the opinion of the
17 school.

18 This hearing is an official proceeding of
19 the Missouri Public Service Commission, and
20 therefore the statements and testimony we hear
21 tonight are going to be recorded by the court
22 reporter and will be taken under oath or
23 affirmation. In addition to this hearing we may
24 have a trial type evidentiary hearing, if necessary,
25 beginning on November 27th here in the Commission's

1 offices in Jefferson City. And that hearing is a
2 hearing where the company will have the burden of
3 proving that its rate proposal is just and
4 reasonable and they will present their witnesses and
5 evidence at that time.

6 The purpose of this hearing this evening
7 is to receive comments from the public regarding the
8 rate increase, and therefore the company will not be
9 presenting any witnesses or answering questions
10 while we're on the record.

11 As Mr. Fischer has stated, the company, as
12 well as some commission staff, will be happy to
13 visit with anybody after the on the record comment
14 portion of this is over, if you haven't gotten all
15 of your questions answered. If you wish to testify,
16 please see Mr. Ochoa to put your name on the sign-up
17 sheet if you haven't done so already.

18 I will call the name of each witness on
19 the list who signed up, and after everyone who
20 signed up is called, if there is anyone who would
21 like to make comments that didn't sign up, I will
22 ask if anybody else would like to speak.

23 When your name is called, I will ask you
24 please come forward to the microphone and to spell
25 your name for the court reporter so he can put it in

1 the record correctly. I will also ask a few
2 preliminary questions, such as your address and
3 whether or not you are a customer of Atmos. There
4 may be further questions then from me or the
5 commissioners after you have made your comment. And
6 there may also be some questions from the
7 attorneys. I will give them an opportunity to ask
8 you. I will ask that you please stay at the
9 microphone until I have excused you.

10 Right now I would like to ask the
11 attorneys to go ahead and make their entries of
12 appearance. Ms. Shemwell.

13 MS. SHEMWELL: Thank you, Judge. Lera
14 Shemwell representing the staff of the Missouri
15 Public Service Commission. Thank you.

16 JUDGE DIPPELL: Mr. Fischer.

17 MR. FISCHER: On behalf of Atmos Energy
18 Corporation, James M. Fischer. Fischer & Dority,
19 P.C. My mailing address is 101 Madison Street,
20 Suite 400, Jefferson City, Missouri, 65101.

21 JUDGE DIPPELL: Let's go ahead and have
22 our first witness.

23 MR. OCHOA: Judith Mertz.

24 MS. MERTZ: Good evening, Your Honor. I
25 am Judith Mertz.

1 JUDGE DIPPELL: I'm sorry, I interrupted
2 you. Could you raise your right hand and let me
3 swear you in first.

4 MS. MERTZ: Testing one, two, three.

5 JUDGE DIPPELL: We can hear you. If you
6 can speak loudly that will help.

7 (The oath was administered)

8 JUDGE DIPPELL: Thank you. If you would
9 go ahead and give us your name again and spell it.

10 MS. MERTZ: I am Judith Mertz.
11 J-u-d-i-t-h, M-e-r-t-z. I just wanted to make it
12 very short and simple because I am very nervous. I
13 am asking that you deny the rate increase. I feel
14 very strongly that at this point in time, with
15 everybody in this country, okay, that it is time for
16 the utility companies, all of them, all inclusive,
17 to share the pain. Basically if we -- we have gone
18 in four to five years from a very low rate, a low
19 bill, to a bill close to \$100 if not more, a month.
20 This is out of line as far as I am concerned. No
21 matter what else is going on. Okay.

22 I went through the California energy thing
23 with Enron. And this is exactly what I see
24 happening. Okay. It is excuse, after excuse, after
25 excuse, of they can't afford it. They need it for

1 this, they need it for that. Okay. And come to
2 find out it was all a big ripoff. Unless it is
3 thoroughly investigated, unless it is extremely
4 tightly regulated, okay, that the money come back to
5 this town and to the workers. To at least, okay,
6 keep it out of the big boys' pockets. Okay. Then I
7 wish that you vote no. Okay. I don't like the
8 little -- some of the little programs that catch
9 people. I was on the -- what do you call it?

10 MR. OCHOA: Level payment plan?

11 MR. CRAIG: Budget billing.

12 MS. MERTZ: The budget billing. And it
13 just so happened when I sent the payment in it
14 didn't get posted. So I was kicked off. I had to
15 pay all of that. All of the back. All right. It
16 didn't matter when I mailed it out. They didn't
17 look at the envelope as to when I mailed it out. It
18 didn't matter. It was a day late. That's all they
19 knew. That's all they cared about. So they got all
20 this extra money. Right? I will never go on it
21 again. I don't want it. I don't think it is
22 regulated as strongly --

23 It happened -- how about the anthrax
24 threat when all the mail was messed up for weeks and
25 months? There was no consideration given. Those

1 kind of things happen. That is out of our control.
2 And what we can't control it is your obligation to
3 control for us. And at this point they are not
4 controlling it. We can't control it, so I beg you
5 to control it. I ask that you deny them the
6 increase. Thank you.

7 JUDGE DIPPELL: Thank you very much.
8 Could you wait just one moment. I appreciate you
9 coming to give your comments. Commissioner Appling,
10 did you have any questions that you wanted to ask?

11 COMMISSIONER APPLING: Ma'am, I have no
12 question, but I just want to say to you this
13 afternoon, thank you very much for coming out and
14 sharing your comments with us and we will look at
15 this seriously. Thank you.

16 JUDGE DIPPELL: Thank you. Would there be
17 any questions from the attorneys, Ms. Shemwell.

18 MS. SHEMWELL: Ms. Mertz, I was just
19 wondering, how long have you been an Atmos
20 customer?

21 MS. MERTZ: We have been here about five
22 years.

23 MS. SHEMWELL: And were you paying \$100 a
24 month on budget billing, was that what you
25 indicated?

1 MS. MERTZ: When we went on budget
2 billing, we got -- we were paying \$89 a month, I
3 believe. I could be off a few dollars, but
4 thereabouts. And I am the only one in the house,
5 except for my husband during the weekend. And I
6 don't have that much laundry. I have got two gas
7 water heaters. That's it. So I don't feel -- I
8 feel this is just excessive.

9 MS. SHEMWELL: You don't heat your house
10 with gas then, huh?

11 MS. MERTZ: No.

12 MS. SHEMWELL: Just hot water?

13 MS. MERTZ: Yes, just two water heaters.

14 MS. SHEMWELL: Thank you for making your
15 comments. We appreciate them.

16 JUDGE DIPPELL: Mr. Fischer, did you have
17 any questions?

18 MR. FISCHER: No. Thank you, Judge.

19 THE CHAIRMAN: Thank you very much, Ms.
20 Mertz. You did a good job even if you were nervous.

21 MS. MERTZ: Thank you. Maybe I'll run for
22 president once I learn how to speak in public.

23 JUDGE DIPPELL: Who is our next witness,
24 Mr. Ochoa?

25 MR. OCHOA: Cliff Steffee.

1 JUDGE DIPPELL: Sir, could you raise your
2 right hand, please.

3 (The oath was administered.)

4 JUDGE DIPPELL: Thank you. If you could
5 state your name and spell it for us.

6 MR. STEFFEE: My name is Cliff Steffee,
7 S-t-e-f-f-e-e. Adrian, Missouri. Been a customer
8 since the 90's. Had a debate here and there with
9 them, but we seem to be doing all right.

10 I had a question in regards, I wanted to
11 be nosy and know how much the total value was going
12 to give them when they do this thing, but I found
13 out we're just a piece of it, so I'm not going to
14 get the answer I want. And the attorney that is
15 acting in their behalf showed me the breakdown. So
16 okay, I'll live with that.

17 JUDGE DIPPELL: Okay.

18 MR. STEFFEE: My primary concern is that
19 this world is growing, and I know it is going to
20 grow, and I am shrinking and I know I am shrinking.
21 But I cannot compete with people today who are
22 making \$25,000 a year to \$150,000 a year, when this
23 little sum of money, less than \$5 a month becomes a
24 big slap in the face for me.

25 It seems like somewheres along the line

1 the aging should be given a break now and then.
2 Their income -- mine is -- 1968 I retired, and I am
3 still living on that same income. And I think I am
4 still doing pretty good. But when gasoline, this is
5 fuel, came around and did that, that was the biggest
6 impact into my life I have ever seen. Can I afford
7 to continue to compete with these people? No, I
8 can't. And I assume there is a lot of us out there
9 in the senior world that can't compete. If I
10 retired last year, probably could, no problem
11 whatsoever. But 1968, and still trying to keep up
12 with you all, my payroll ain't even making a
13 fraction. That's the only consideration I ask.
14 Somewheres along the line, give these old people a
15 chance to compete with the income that they have
16 coming in. Not with the income that that lawyer is
17 making or that president is making. We can't do
18 it. That's it. I will shut up.

19 JUDGE DIPPELL: Thank you, sir.
20 Commissioner Appling, did you have any questions you
21 wanted to ask?

22 COMMISSIONER APPLING: Cliff, I don't
23 think I have any questions, but I really do think
24 that -- I thank you for coming out. I have been
25 fortunate enough to go to every county of this

1 state, and I hear what you are saying about
2 seniors. I am approaching that age myself. I used
3 to say I didn't look like it, but my hair is white
4 and my teeth are falling out, so I must look like I
5 am getting old in some way or another. Thank you
6 for coming out tonight, sir, and giving your
7 comments. Appreciate it. And we'll take your
8 comments serious. Okay?

9 MR. STEFFEE: Thank you.

10 JUDGE DIPPELL: Ms. Shemwell, did you have
11 any questions?

12 MS. SHEM WELL: No questions. Thank you,
13 Judge.

14 JUDGE DIPPELL: Mr. Fischer?

15 MR. FISCHER: No questions, Judge.

16 JUDGE DIPPELL: Thank you very much, sir.
17 We appreciate your comments.

18 MR. STEFFEE: Thank you.

19 JUDGE DIPPELL: Do you have any other
20 witnesses signed up, Mr. Ochoa?

21 MR. OCHOA: Margaret Cook.

22 JUDGE DIPPELL: Ms. Cook, could you raise
23 your right hand, please.

24 (The oath was administered.)

25 JUDGE DIPPELL: Could you state your name

1 and spell it.

2 MS. COOK: Margaret Cook.

3 M-a-r-g-a-r-e-t, C-o-o-k.

4 JUDGE DIPPELL: And could you give us
5 your address.

6 MS. COOK: What is it?

7 JUDGE DIPPELL: Your address?

8 MS. COOK: 603 South Olive, Butler,
9 Missouri.

10 JUDGE DIPPELL: Go ahead with your
11 comments.

12 MS. COOK: Well, they have kind of covered
13 them all for me. We live on a fixed income. I have
14 been in town eight years. I am satisfied with my
15 service, but I am not satisfied with my prices. And
16 if they add more to it, it is kind of hard when you
17 live on less than 10,000 a year and you are on a
18 fixed income. It is just kind of hard to take to
19 say that we are going to have to pay an extra \$50 to
20 go through with it all. As the gentleman just said
21 before, the senior citizens are hurting. And this
22 town is becoming more senior citizen all the time.
23 The rest is welfare. So what do we do?

24 JUDGE DIPPELL: Thank you, ma'am.

25 Commissioner Appling, did you have any questions?

1 COMMISSIONER APPLING: Mrs. Cook, I hear
2 what you are saying, and I understand what you are
3 saying. And we will take your comments serious.
4 Thank you very much for coming out tonight.

5 JUDGE DIPPELL: Ms. Shemwell, did you have
6 any questions?

7 MS. SHEMWELL: No questions. Thank you,
8 Judge.

9 JUDGE DIPPELL: Mr. Fischer?

10 MR. FISCHER: No questions, Judge.

11 JUDGE DIPPELL: Thank you very much,
12 Ms. Cook. We appreciate you taking the time to come
13 out.

14 MR. OCHOA: Judge, that is the last person
15 that has signed up. Is there anyone else who wants
16 to speak before the Commission tonight? I don't see
17 any, Your Honor.

18 JUDGE DIPPELL: Okay. Well, I really do
19 appreciate those of you that came out and took the
20 time. The Commission -- the rest of the
21 commissioners will read the testimony from the
22 transcript, and the Commission does take public
23 comments very seriously. And we hope that you
24 continue to participate whenever the Commission
25 comes out to these local public hearings. I believe

1 that will be all and we can go off the record.

2 - - -

3

4 C E R T I F I C A T E

5

6 I, JAMES A. LEACOCK, Certified Court Reporter,
7 do hereby certify that I appeared at the time and
8 place hereinbefore set forth; I took down in
9 shorthand the entire proceedings had at said time
10 and place, and the foregoing 16 pages constitute a
11 true, correct and complete transcript of my said
12 shorthand notes.

13 Certified to this 29th day of September, 2006.

14

15

16

17

18

19

James A. Leacock, CCR.

20

Certified Court Reporter No. 662 (G)

21

22

23

24

25