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STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

Local Public Hearing  
October 12, 2017

Gladstone Community Center  
Gladstone/Linden Room  
6901 North Holmes Street  
Kansas City, Missouri 64118

VOLUME 13

In the Matter of Laclede Gas Company's )  
Request to Increase its Revenues for ) GR-2017-0215  
Gas Service )  
)  
)  
In the Matter of Laclede Gas Company )  
d/b/a Missouri Gas Energy's Request ) GR-2017-0216  
to Increase its Revenues for Gas )  
Service )

JUDGE DANIEL JORDAN  
SENIOR REGULATORY LAW JUDGE

WILLIAM P. KENNEY  
COMMISSIONER

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A P P E A R A N C E S

For Spire/MGE:

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For the Office of the Public Counsel:

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

2 JUDGE JORDAN: Good evening, everybody.

3 Thank you for being here. Let's go on the record.

4 The Missouri Public Service Commission  
5 is calling the case in file number GR-2017-0216 in  
6 the matter of Laclede Gas Company case doing  
7 business as Missouri Gas Energy's request to  
8 increase its revenues for gas service.

9 And this case is traveling with the  
10 case in file number GR-2017-0215, which is in the  
11 matter of Laclede Gas Company's request to increase  
12 its revenues for gas service.

13 This is the local public hearing on  
14 these rate requests proposed for the territory  
15 formally served by the Missouri Gas Energy Company,  
16 later to be known by Laclede Gas Company, and now a  
17 subsidiary of Spire.

18 My name is Daniel Jordan. I am the  
19 regulatory law judge who's been assigned to preside  
20 over this proceeding. I'll be conducting the  
21 proceeding in an orderly manner to make sure  
22 everybody who wants to be heard gets heard. When  
23 all these proceedings are concluded, this case will  
24 be in the hands of a judge more experienced than I  
25 who will prepare a draft decision for the

1 commissioners to vote on. Final decision is, of  
2 course, up to the commissioners themselves.

3 One of those commissioners is with us  
4 this evening. We have with us Commissioner Bill  
5 Kenney. Commissioner, any opening words?

6 COMMISSIONER KENNEY: Thank you, Judge.  
7 I would just like to thank each and every one of you  
8 for coming out and participating tonight. I'm  
9 confident that the staff of the Missouri Public  
10 Service Commission has been very informative, very  
11 knowledgeable tonight. We have some of the greatest  
12 personnel in the State of Missouri. I also know  
13 that the Office of Public Counsel does a wonderful  
14 job representing you, and I hope that the company  
15 was also informative.

16 I'm one of five commissioners. Any of  
17 you that wish to give testimony tonight, we have a  
18 court reporter, and the other four commissioners  
19 will have an opportunity to read what you have to  
20 say. This is a long process, just one part of it.  
21 There are several interveners. We eventually will  
22 have a hearing, and after that hearing the five  
23 commissioners will debate and decide what -- what,  
24 if any, rate increase the company deserves. But,  
25 again, it's most important for -- to commissioners,

1 like myself, that we hear from the public. So I  
2 thank each and every one of you for showing up  
3 tonight. Thank you.

4 JUDGE JORDAN: Let's take entries of  
5 appearance. We'll start with the applicant.

6 MR. ZUCKER: Thank you, Judge Jordan.  
7 Rich Zucker, Z-U-C-K-E-R, here on behalf of Missouri  
8 Gas Energy, now known as Spire.

9 JUDGE JORDAN: Thank you.  
10 And for staff?

11 MS. PAYNE: Whitney Payne for the  
12 Staff, the Missouri Public Service Commission.

13 JUDGE JORDAN: And for the Office of  
14 the Public Counsel?

15 MR. OPITZ: Thank you, Judge. For The  
16 Office of Public Counsel. My name is Tim Opitz, and  
17 my address PO Box 2230, Jefferson City, Missouri  
18 65102.

19 JUDGE JORDAN: Thank you.

20 And I think we have no interveners  
21 tonight, no party that has filed a motion to  
22 intervene. That's correct.

23 Well, this part is not part of the  
24 question and answer time. That time is over. The  
25 time for anyone to speak except -- except you, who

1 are attending this hearing. It's your turn to talk  
2 and our turn to listen. The Commissioner will not  
3 be able to -- will not give you any answers because  
4 he is -- he is still considering the many, many  
5 issues before him. There is no position from the  
6 Commissioner yet, nor will the Company be answering  
7 any questions. This is your time to talk and make  
8 your statements.

9 So this is how to do that: If you want  
10 to testify, I will be reading names from the sign-up  
11 list, and when I call your name, come up to the  
12 podium, use the microphone so that everyone can hear  
13 you, including the court reporter, and I will  
14 administer an oath, or if you wish, an affirmation.  
15 I may ask you a few questions to get you started,  
16 make sure that we have your name right and it's  
17 spelled correctly and things like that.

18 Here's how to make your testimony the  
19 most effective. Be concise, respect other peoples'  
20 time, speak clearly, make sure that the microphone  
21 is picking you up. And if someone has said  
22 something during this testimonial time that you  
23 agree with, come up and tell us that. You don't  
24 have to repeat what they said, but do let us know  
25 that you agree with what's been said, because we're

1 here to take in your views.

2 But when you're done with your  
3 statement, stay at the podium because there may be  
4 some questions from the parties or from the  
5 Commissioner or from me to clarify what you said and  
6 to develop it further.

7 And do remember if something occurs to  
8 you later you can contact Staff in the Office of the  
9 Public Counsel.

10 This is a particularly good time to  
11 bring up issues related to service, billing, things  
12 like that, whether they are good or bad. And I hope  
13 you've picked up that Staff works very hard to  
14 assess what's going on in your service territory,  
15 but, of course, they can't be everywhere at all  
16 times. So if there's something that you want the  
17 Commission to know, this is a good time to talk  
18 about it.

19 Any questions about how this procedure  
20 will go? Not seeing any or hearing any, I will  
21 begin to take your testimony.

22 The first name on my list is Andrew  
23 Inzerillo. And I'll spell that for the court  
24 reporter. Inzerillo is I-N-Z-E-R-I-L-L-O.

25 And I hope I pronounced that correctly.

1 MR. INZERILLO: Yes, sir.

2 JUDGE JORDAN: Very good. Please raise  
3 your right hand.

4 ANDREW INZERILLO,  
5 having first been duly sworn, testified as follows:

6 JUDGE JORDAN: All right. Are you a  
7 customer of --

8 MR. INZERILLO: I'm a customer of --  
9 well, I guess I'm a customer of Spire now.

10 JUDGE JORDAN: Right, right. And what  
11 would you like the Commissioner to know?

12 MR. INZERILLO: I'm sorry?

13 JUDGE JORDAN: What would you like to  
14 tell the Commissioner.

15 MR. INZERILLO: I want to strongly  
16 oppose this rate increase because it seems to me,  
17 according to the letter I got here, what I see here,  
18 they've got \$16.4 million is currently being  
19 recovered for infracture. Well, if that's currently  
20 being recovered, apparently they don't have all the  
21 \$16 million, but now they want another \$34 million  
22 exclusive of their approximately \$16 million that's  
23 being currently recovered. To me that looks like  
24 it's got a 15 -- a \$50 million deal there that the  
25 company's trying to accumulate.



1                   Now, maybe I'm wrong, maybe I got these  
2 figures wrong, but I understand one thing: Liars  
3 figure and figures don't lie, and according to this  
4 the Spire's got 16 point -- \$16.4 million they're  
5 trying to recover, and now they want another  
6 \$34 million.

7                   Now, I don't know why they want another  
8 \$34 million when they haven't got the \$16 million  
9 yet. And I can't understand why they have to have a  
10 rate increase because anything they want to spend is  
11 in the course of doing business. Now, when you're  
12 in business you have to have expenses. Now I can't  
13 understand that. And when they tell me that they're  
14 going to lower my one charge from 25 -- \$23 to \$20,  
15 I'm very suspicious of that.

16                   And I tell you, I looked at Spire on  
17 the stock market, and if you would have bought it  
18 six months ago, it would have been about \$54. Now,  
19 I'm sorry I didn't look at it today, but it's over  
20 \$70 now. So it's a good investment. Now, any time  
21 you get an investment that pays 10% is obscene. No  
22 business should get 10%, especially when you're  
23 doing the volume of business. If you're doing a  
24 billion dollars worth of business, you shouldn't be  
25 getting 10%. Now, if you're doing only \$10 worth of

1 business and you get 10%, that's only a dollar, but  
2 when you're doing volume, 10% is obscene.

3 And that's all I want to say. Thank  
4 you very much.

5 JUDGE JORDAN: Thank you. Any  
6 questions for this witness?

7 COMMISSIONER KENNEY: Thank you, sir.

8 JUDGE JORDAN: Thank you. Thank you  
9 for your testimony.

10 The next name on my list is Jay  
11 Vazquez. I hope I pronounced that correctly. Jay  
12 Vazquez.

13 The next name on my list is Ralph  
14 Duarte, Jr. Not seeing Mr. Duarte, Jr.

15 The next name is Dennis E. Daly, and  
16 that's D-A-L-Y. Dennis E. Daly, D-A-L-Y.

17 DENNIS E. DALY,  
18 having first been duly sworn, testified as follows:

19 JUDGE JORDAN: Go ahead and make your  
20 statement.

21 MR. DALY: Gentlemen, I came up here  
22 tonight with several questions. One of them is  
23 something that's stuck in my craw since they first  
24 put it on my gas bill. It was called a delivery  
25 charge. Now they're wanting to call it a service

1 charge. I can remember several years ago my gas  
2 bill during this time of year, during the summertime  
3 would run \$4 to \$6 a month. Now it runs \$37 a  
4 month. I have a -- through years of living in that  
5 same house, we've lived there for 35 years, and the  
6 house is, I'd like to say 100% energy efficient, but  
7 I -- it may not be 100%, but my gas bill runs  
8 about -- average about \$60 a month. My highest gas  
9 bill is \$100 to \$110. My lowest is \$35, \$36. And  
10 in the years that I've lived there I've retired, and  
11 if you figure this up at \$5.09 a month, that is  
12 almost a 10% increase on my monthly bill.

13 In reading this letter posted by the  
14 Office of Public Counsel, it says that Spire, MGE,  
15 is requesting a rate increase -- or, I'm sorry, end  
16 up with a profit margin of 10.35%. Now, you wanted  
17 to know -- one of the questions we testified was how  
18 that's going to affect me? It's not going to put me  
19 in the poorhouse. I live on social security and a  
20 small pension from the company that I retired from.  
21 Last year I had a .3% increase in my social  
22 security. The prior three years to that I had a 0%  
23 increase. There's rumor that we'll have maybe a 2%  
24 increase this coming year. I would dearly love to  
25 see that. But I've got a little money in the bank,

1 and I'm telling you, I would dearly love to get  
2 10.35% on my money that I've got saved. I think  
3 that's obscene, like the other gentleman said, 10%  
4 profit. I just -- I wonder if the -- Missouri Gas  
5 Energy, if they're the people that have stock in the  
6 company. I wonder if their stock is paying 10.35%.  
7 I doubt it very much, because if -- if it was, I'd  
8 be hearing about it on CNN all the time and Fox News  
9 and all that.

10 And that's all I've got to say is I've  
11 got -- I don't have a problem with the company  
12 making money. I mean, we've got to make money --  
13 they've got to make money or they won't be here. If  
14 they don't make money, they're out of business and I  
15 don't have furnace in the wintertime. But do you  
16 need to -- you need 10.35%? I know a lot of people  
17 that would love to have a profit margin like that.  
18 And that's all I can say.

19 COMMISSIONER KENNEY: Thank you very  
20 much, sir.

21 JUDGE JORDAN: Questions from the  
22 parties? Thank you.

23 The next name on my list is Arthur Van  
24 Becelaere. That's what it looks like. Okay.

25 The next name is -- looks like Vernon

1 Webb. Vernon Webb? I don't see Vernon Webb.

2 So the next name is Terrie Kerksiek.

3 MS. KERKSIEK: Good job.

4 JUDGE JORDAN: And it looks like

5 K-E-R-K-S-I-E-K.

6 TERRIE KERKSIEK,

7 having first been duly sworn, testified as follows:

8 MS. KERKSIEK: I affirm as a

9 Christian that the information I'm about to state is  
10 my true opinion and thoughts.

11 JUDGE JORDAN: Fair enough.

12 MS. KERKSIEK: According to what I have  
13 read, the companies have merged together making  
14 Spire the fifth largest publicly traded national gas  
15 utility in the country allowing Spire to manage  
16 costs efficiently, is what it said.

17 I'm wondering how efficient they are  
18 being that they just had the recent merger here and  
19 they're already asking for a rate hike. They  
20 indicated they had gotten rid of -- or they let go  
21 some of their top CEOs and CFOs since the five  
22 companies merged, so that would be a savings right  
23 there. They also indicated they let some of the  
24 regular employees go, so that would be a cost  
25 savings. As a larger corporation, they should be

1 able to negotiate better rates for both healthcare  
2 benefits and any other benefits that they offer the  
3 employees, therefore, another money saver.

4 The New York Stock Exchange said that  
5 the price of natural gas is way down at this -- at  
6 this time. And if I understand correctly, Spire  
7 wants to try and equalize prices from the east and  
8 the west side of the states of Missouri. My sister  
9 lives in St. Charles, and the standard of living  
10 there is higher than here on the east side -- on the  
11 west side, so I don't think rates should equalize  
12 out on both of those.

13 How does it affect me? My company  
14 recently merged and we got a pay cut. So a lot of  
15 money and increase of rates, I think you can figure  
16 that out. And so at this point I see no reason to  
17 justify a rate increase. Thank you.

18 JUDGE JORDAN: Thank you.

19 COMMISSIONER KENNEY: Thank you very  
20 much.

21 JUDGE JORDAN: Questions?

22 Bryce Wilson is the next name, Bryce  
23 Wilson. Bryce with a "Y".

24 BRYCE WILSON,  
25 having first been duly sworn, testified as follows:

1 MR. WILSON: When I first got the  
2 notice in the mail about these hearings and rate  
3 hike increase, my first feeling was being kind of  
4 angry about it because I have heard nothing in news,  
5 oh, for the last five, ten years about the fracing  
6 and the major gas supply and how we've got so much  
7 gas that we're exporting it now and the gas prices  
8 are going down.

9 If I understood the previous question  
10 and answers correctly, it sounded like the last rate  
11 hike increase request was like five years ago.  
12 Well, in those five years, according to the  
13 statistics from EIA, the natural gas prices have  
14 been just going down and constantly lower all the  
15 time. For instance right now the stock market of  
16 the Henry Hub price is 294 million cubic foot.  
17 Unlike some of these people that have higher bills,  
18 my bill was running pretty low because of  
19 efficiency, but I have a \$5.69 for usage of ten  
20 cubic feet. Well, that doesn't sound like much, but  
21 when you look at based upon they're using -- or  
22 getting gas at let's say the -- assume the stock  
23 market price of 294 and I'm paying that much for  
24 only ten of the 100 cubic foot, which is 1,000, that  
25 would mean I'm effectively paying \$56.90 for what

1 they pay \$2.84 for gas. To me, that is ridiculous.  
2 That's way the hell above the \$10.85 or whatever  
3 percent profit it is. That's a lot of markup. It  
4 shouldn't -- there should be enough there to cover  
5 all of the infrastructure improvements, salaries,  
6 retirement, etc., etc., and I would strongly request  
7 that the commission listen to what the Office of the  
8 Public Counsel is recommending, and instead of  
9 giving any sort of increase, look at a decrease  
10 based upon the price of their gas being so much  
11 lower than what it was last time when they went for  
12 a rate increase, and they've had five years of  
13 profit on those high prices. That's all I have to  
14 say.

15 And I definitely agree with the guy,  
16 the senior citizen, they're on a fixed income, it  
17 gets real significant. Guys retire and you get on  
18 social security, yes, it's -- every little increase  
19 matters. Thank you.

20 JUDGE JORDAN: Thank you, sir.

21 Any questions from the parties? Okay.

22 The next name is Frank Hale. Frank

23 Hale?

24 Okay. Elisa Hamley? Not seeing anyone  
25 coming forward.



1                   The next name I have is Audra Antes.

2           No.

3                   And finally Sebastian G. Allen.

4           Sebastian Allen?

5                   MR. BADAMI: I didn't put my name down,  
6           but I want to talk to you, if I could?

7                   JUDGE JORDAN: Oh, sure. That's the  
8           last name on my list, so if you would like to come  
9           forward to say something, you may.

10                   Please state your name and spell it for  
11           our court reporter.

12                   THE WITNESS: Steve Badami,  
13           B-A-D-A-M-I. I live here in Gladstone.

14                   JUDGE JORDAN: Please raise your right  
15           hand.

16                                 STEVE BADAMI,  
17           having first been duly sworn, testified as follows:

18                   JUDGE JORDAN: What would you like to  
19           share?

20                   MR. BADAMI: I'd ask a question the --  
21           I want make statement out of those. I took the  
22           plunge September 1st, I went full retirement. I was  
23           taking early retirement because I had -- I have nine  
24           kids, 15 grandkids, I always work two, three jobs,  
25           whatever I have to do. I put windows on the north

1 side of my house, I just paid them off this summer.  
2 I put siding on, I paid that off on time, and then I  
3 got things paid off so I said, well, I'll try to --  
4 I'm going to be 70 on the 27th of this month, and so  
5 now I'm just relying on social security and a little  
6 bit of something (INAUDIBLE).

7           Anyway, so I just want to make a  
8 statement that the fact is that after all the  
9 thousands of dollars we pay to cut our energy, and  
10 if I may say, I know this is about gas, but I  
11 changed my light bulbs and all those came and it was  
12 working. Seemed like I got a \$30 break in my  
13 electric bill, and they raised the prices.

14           I want to make a statement that we do  
15 these things to try to conserve energy. And I drive  
16 a hybrid vehicle, and I'm sure that they're going to  
17 try to get me for not paying enough gas taxes at a  
18 gas pump, so I know they do that in some places  
19 already, so they're going to get you coming and  
20 going. But I just want to say that I think because  
21 of what we do to try to maintain our lives, and  
22 they're exporting all of this gas out of our country  
23 now, and I know regulations are going down, we have  
24 Donald Trump for President, so I figure there's --  
25 maybe don't need to be raising our gas prices at

1 this time. Period.

2 JUDGE JORDAN: Thank you very much.

3 COMMISSIONER KENNEY: Thank you very  
4 much, sir.

5 JUDGE JORDAN: Questions from the  
6 parties?

7 All right. Anyone else that wishes to  
8 speak today?

9 JUDGE JORDAN: Not seeing anyone -- oh,  
10 we have one. Please come forward.

11 Please state your name and spell it for  
12 our court reporter.

13 MR. BLATT: My name is Steve Blatt,  
14 B-L-A-T-T.

15 JUDGE JORDAN: Very good. Please raise  
16 your right hand.

17 STEVE BLATT,  
18 having first been duly sworn, testified as follows:

19 MR. BLATT: Like many of the people in  
20 this room, I strongly object to a guaranteed rate of  
21 return of over 10%.

22 And I'd like point out my original  
23 question was how is the rate of return determined by  
24 the Office of Public Counsel. And I don't think I  
25 really heard an answer to that question. I,

1       therefore, would like to propose what the usual  
2       rates of return are on medium term bonds is 3%  
3       higher than the rate of inflation. That's -- that's  
4       the standard recommendation actually, or practice.  
5       But the rate of inflation publicized by our  
6       government is zero. And certainly they have a  
7       target of a rate of inflation, but they're printing  
8       money of 2%. Therefore, a reasonable rate of return  
9       to the gas company would be 2% plus 3%, not 10%.  
10      I'd like to propose that -- that the Office of  
11      Public Counsel, in fact, have a well-structured way  
12      of determining a reasonable rate of return and that,  
13      in fact, it could be reasonably applied to the rate  
14      of inflation published by our government. That's  
15      the end of my testimony.

16                    JUDGE JORDAN: Thank you for that  
17      testimony.

18                    COMMISSIONER KENNEY: Thank you, sir.

19                    JUDGE JORDAN: Any questions from the  
20      parties?

21                    Anyone else wishing to speak before we  
22      go off the record?

23                    MR. OPITZ: At the end of it, I would  
24      like to add something.

25                    JUDGE JORDAN: You mean after this

1 person's testimony?

2 MR. OPITZ: Just before we go off the  
3 record. We had a few people whose names you read  
4 that had -- one had to leave because of -- she had  
5 some children with her and so she wrote it down, and  
6 I was going to offer her comments into evidence.  
7 And the other gentleman was on the list, and I don't  
8 know the circumstances why he had to leave, but I  
9 was going to offer them when we were done.

10 JUDGE JORDAN: Okay. Sir, come forward  
11 and state your name and spell it for our court  
12 reporter, if you would, please.

13 MR. RAINES: My name is Eric Raines,  
14 E-R-I-C, R-A-I-N-E-S.

15 JUDGE JORDAN: Very good. Please raise  
16 your right hand.

17 ERIC RAINES,  
18 having first been duly sworn, testified as follows:

19 JUDGE JORDAN: Go ahead and tell the  
20 Commissioner what you would like him to hear.

21 MR. RAINES: My concerns to this  
22 commission is that this company is wanting over 10%  
23 profit margin. Some of my investments, the top --  
24 top investment I get -- interest I get is 6%, so to  
25 me, this gas company doesn't deserve any more

1 interest or profit than what I make off of my own  
2 personal investments. They're wanting 10. I'm only  
3 getting 6.

4 I just got today, first this month,  
5 getting my first Spire gas bill. They immediately  
6 rose my level payment plan \$10 a month. Why?  
7 Because I'm still using it -- according to their  
8 usage bar on the gas bill, I'm still using the same  
9 cubic foot of gas, but yet they rose my gas bill \$10  
10 a month. I understand that every business, they  
11 have to make a profit. You know, you're in any  
12 business to make a profit. But there's something --  
13 something this whole -- reading these letters and  
14 looking at the numbers, it doesn't make sense to me  
15 that these -- that this company should, in my point  
16 of view, just get a big huge bunch of profit off of  
17 all the territories, including Missouri Gas, that  
18 they're getting.

19 I'm on a fixed income like a lot of  
20 people have testified in this room earlier, and \$10  
21 doesn't seem like much to some people, but when you  
22 get \$10 on a gas bill, \$15 on the water bill, \$20 on  
23 the electric bill, you still got the same income,  
24 something has to give. And I -- I don't believe  
25 this -- this -- this Spire gas company does not

1       deserve any kind of rate increases at all. I can  
2       see maybe 1 or 2% interest on their investment, but  
3       not no 10. There's just no way. I don't make that  
4       off of my investments. And that's what I have to  
5       say to you tonight, gentlemen.

6                    COMMISSIONER KENNEY: Thank you, sir.  
7       Appreciate it.

8                    MR. RAINES: You're welcome.

9                    MR. ZUCKER: May I ask one question?

10                   JUDGE JORDAN: You may.

11                   MR. ZUCKER: Would you mind checking  
12       with Alicia in the back of the room and she'll look  
13       at your account and we'll see why it went up \$10.

14                   MR. RAINES: Okay.

15                   JUDGE JORDAN: Let's take the Office of  
16       Public Counsel's exhibits right now. I'll ask you  
17       to identify them on the record.

18                   MR. OPITZ: Thank you, Judge. I would  
19       offer as Exhibit 1.

20                   JUDGE JORDAN: We'll have the court  
21       reporter mark them and then I'll read them into the  
22       record.

23                   MR. OPITZ: So one is the public  
24       comment form of Ms. Audra Antes, that's A-N-T-E-S.  
25       And then the other exhibit I'd like to offer is the

1 public comment form of Mr. Sebastian Allen, that's  
2 A-L-L-E-N.

3 JUDGE JORDAN: Was there a third?

4 MR. OPITZ: Those are the only two I  
5 have, sir.

6 JUDGE JORDAN: Very good.

7 (Exhibit Numbers 1 and 2 were marked  
8 for identification by the reporter.)

9 MR. OPITZ: Would you like to see  
10 those?

11 JUDGE JORDAN: Yes. We have marked the  
12 statement of Audra Antes, Exhibit 1, and the  
13 statement of Sebastian Allen, Exhibit 2. Having  
14 been no objections, these exhibits are both entered  
15 into the record.

16 MR. OPITZ: Thank you, Judge.

17 JUDGE JORDAN: And would anyone else  
18 like to speak before we --

19 MR. HELLAN: My name is Rodney Hellan,  
20 H-E-L-L-A-N.

21 RODNEY HELLAN,  
22 having first been duly sworn, testified as follows:

23 MR. HELLAN: How much of this  
24 \$250 million of their investment was spent in the  
25 State of Missouri? When you're buying all these gas



1 companies in Alabama and every place else, you kind  
2 of learn to gather all the income. Are they  
3 separating their costs for building pipeline to each  
4 state, or are they kind of just taking four or five  
5 states and split them amongst all of them.

6 In the State of Missouri we have this  
7 problem with utilities that they go and make all  
8 their investments and improvements, and do this and  
9 do that, then they come to the rate payer and expect  
10 them to pay for it.

11 A question: Have you guys ever seen  
12 Kansas City Power & Light truck needing work?  
13 Doesn't it look like it's the freshest truck on the  
14 street? You ever see any of their equipment? It  
15 all looks brand new to me. I used to climb poles in  
16 the service in Vietnam, I know what you can use,  
17 what's safe. But these guys they have everything  
18 they need, and probably a little bit more. I  
19 understand it's a dangerous business, but, you know,  
20 we've got -- I don't know if they put up  
21 anything for bid, if they buy anything from anywhere  
22 that they put out three bids for. It's the same way  
23 with -- when somebody comes to my house and I ask  
24 them to do a job, I'm going to get three bids, and  
25 I'm going to take the guy that I think can do it for

1 the lowest cost. And I don't think they're doing  
2 that. Thank you.

3 COMMISSIONER KENNEY: Sir, on your  
4 first point, we are only Missouri specific and we do  
5 not allow them to incorporate expenses outside of  
6 their service territory, just so you know that.

7 MR. HELLAN: Okay. Thank you.

8 What I want -- when you come before a  
9 commission on a rate increase, when they say they  
10 spent 250 million, they said they spent it on  
11 pipeline. Well, where at? Okay. They say -- they  
12 say they spent it on this and they spent it on that.  
13 Where at? You know, if they -- I worked for a  
14 pipeline probably 10, 12 years ago. It's very  
15 lucrative work. You get paid -- I've worked  
16 16 hours a day, and when you quit them, they send  
17 you a bonus check for \$2,500. Is that built in the  
18 contract? It makes a difference when you're the  
19 rate payer, when you're writing the check for the  
20 bill every month thank you.

21 MR. ZUCKER: One question, please.

22 If I were to tell you that we do do  
23 RFPs, would that make you feel better?

24 MR. HELLAN: What's an RFP?

25 MR. ZUCKER: Request for proposal.

1 MR. HELLAN: A bit.

2 MR. ZUCKER: Does that sound good to  
3 you?

4 MR. HELLAN: In this day and age, it's  
5 not that I trust you; I don't trust the other guy  
6 that you're doing business with.

7 MR. ZUCKER: All right.

8 MR. HELLAN: And it's the same way with  
9 Power & Light. If -- go look at the truck on Barry  
10 Road. They're all late-model trucks. It seems like  
11 they don't want for anything.

12 MR. ZUCKER: I understand.

13 MR. HELLAN: Thank you.

14 MR. ZUCKER: Thank you for your  
15 service.

16 JUDGE JORDAN: One more person who  
17 wanted to speak, yes, sir.

18 Please state your name and spell it for  
19 our court reporter.

20 MR. CHRISTENSEN: Brian Christensen,  
21 C-H-R-I-S-T-E-N-S-E-N.

22 JUDGE JORDAN: Please raise your right  
23 hand.

24 BRIAN CHRISTENSEN,  
25 having first been duly sworn, testified as follows:

1 MR. CHRISTENSEN: I oppose the rate  
2 increase. We have no provider options. It's a sole  
3 provider. It's regulated. You have gas or you  
4 don't, and in today's age you can't really do  
5 without gas. There's no risk on their part. I  
6 mean, it's just profit, and I feel that that should  
7 be tempered based on the risk that -- an investment  
8 that they have to put in there and the return on  
9 investment should be measured commensurate with  
10 their risk. And not saying that 10%'s out of line,  
11 but it just seems excessive maybe in comparison with  
12 other utilities that may be in line. It just seems  
13 that if you're in a competitive environment and you  
14 have competition based on the quality of product,  
15 then you can establish your own profit rate based on  
16 the investment you're putting into the business.  
17 They have no competition in this area. It's  
18 regionalized and I just feel that it should be at a  
19 lower rate. That's it.

20 COMMISSIONER KENNEY: Thank you, Mr.  
21 Christensen.

22 JUDGE JORDAN: Thank you.

23 Any questions?

24 Okay. Well I think that concludes our  
25 testimony for tonight, and that being the case, I

1       thank everybody for coming out for listening or  
2       speaking, or just for listening and learning  
3       something more about our process. Thank you for  
4       being here on behalf of the Public Service  
5       Commission.

6                       And with that I will adjourn this local  
7       public hearing, and we're off the record.

8                       (The Public Hearing concluded at 7:42 p.m.)

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CERTIFICATE

STATE OF MISSOURI        )  
  ) ss.  
CITY OF GLADSTONE        )

I, Sarah A. Davison, a Certified Court Reporter, within and for the State of Missouri, do hereby certify that the witnesses whose testimony appears in the foregoing Local Public Hearing was duly sworn by Judge Jordan; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this Local Public Hearing was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.



Sarah A. Davison, CCR

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