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STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

IN THE MATTER OF ATMOS ENERGY CORPORATION'S  
TARIFF REVISION DESIGNED TO CONSOLIDATE RATES  
AND IMPLEMENTS A GENERAL RATE INCREASE FOR  
NATURAL GAS SERVICE IN THE MISSOURI SERVICE AREA  
OF THE COMPANY

Case No. GR-2006-0387

Public Hearing  
Sikeston, Missouri

Volume 2  
September 25, 2006

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A-P-P-E-A-R-A-N-C-E-S

FOR: Atmos Energy Corporation  
James M. Fischer, Attorney at Law  
Fischer & Dority  
101 Madison Suite 400  
Jefferson City, Missouri 65101

FOR: Office of the Public Counsel  
Marc Poston, Attorney at Law  
P O Box 2230  
200 Madison Street, Suite 630  
Jefferson City, Missouri 65102

FOR: Staff of the Missouri Public Service Commission  
Lena Mantle  
Greg Ochoa

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PROCEEDINGS

On September 25, 2006, the above-entitled and numbered cause came on for hearing in the Sikeston Municipal Court, 131 North New Madrid Street, Sikeston, Missouri before the Honorable Nancy Dippell.

The following is a transcript of the proceedings had and entered on the record:

JUDGE DIPPELL: The Missouri Public Service Commission has set this time for a local hearing in case number GR-2006-0387 in which Atmos Energy Corporation seeks to implement a general rate increase. The Missouri Public Service Commission regulates the rates charged by investor-owned utilities to ensure that those rates are just and reasonable. The Commission also regulates the quality of service and safety of operations in investor owned utilities.

My name is Nancy Dippell. I'm the regulatory law judge assigned to this case. Are you having difficulty hearing me, sir?

MR. CROW: No, ma'am.

MR. OLIVER: I'm sorry, I can't hear.

What?

1           JUDGE DIPPELL: Okay. I'll try to speak  
2 up. Is that better?

3           MR. OLIVER: Yes.

4           JUDGE DIPPELL: The Commission is made up  
5 of five commissioners. The commissioners are  
6 appointed by the Governor to fix terms and  
7 confirmed by the Senate and they employ a staff  
8 of engineers, accountants, attorneys, financial  
9 analysts and other specialists in the field of  
10 utility regulation. We have a court reporter  
11 here today to transcribe the testimony so that  
12 the commissioners can read it and review it.  
13 Unfortunately, they weren't able to be here  
14 today and we had planned on a couple of them  
15 attending by teleconference, but that hasn't  
16 worked out, so they'll just rely on the written  
17 transcript, that's the reason for the court  
18 reporter, so that she can take down your  
19 comments.

20           Also present from the Commission today is  
21 Mr. Greg Ochoa in the back there and Ms. Lena  
22 Mantle with the Commission staff and they can  
23 provide you with any additional information.  
24 We also have Mark Poston with the Office of the  
25 General Counsel and -- I'm sorry, Office of

1 Public Counsel, sorry, and we have several  
2 people with Atmos Energy here.

3 Mr. Fischer, is there anyone in particular  
4 you'd like to introduce?

5 MR. FISCHER: Pat Childers is the Vice  
6 President of Regulatory and I think she's the  
7 primary contact person if we had questions to  
8 deal with.

9 JUDGE DIPPELL: Okay. If you have  
10 questions, any of those people would be happy  
11 to attempt to answer them afterwards. I'd like  
12 to thank the City of Sikeston for providing us  
13 with this courtroom and just make a note that  
14 the comments and statements that are made here  
15 tonight aren't necessarily opinions of the  
16 City.

17 This is an official hearing of the Public  
18 Service Commission and so statements and  
19 testimony will be taken under oath and taken  
20 down by the court reporter -- or oath of  
21 affirmation. In addition to this hearing, a  
22 trial-type evidentiary hearing will be held at  
23 the Commission's office in Jefferson City and  
24 that hearing is a public hearing and the  
25 company will have the burden of showing that

1 their request is reasonable at that time.

2 The purpose of this particular hearing is  
3 to receive comments from the general public  
4 regarding the rate increase and the company  
5 will not present witnesses or answer questions  
6 during the official part of the hearing. And  
7 like I said, the company representatives will  
8 be happy to talk to you individually afterwards  
9 if you'd like.

10 I'm also not here to answer questions.  
11 I'm just here to facilitate this meeting and  
12 get your comments down on the record for the  
13 Commissioners to review. If you wish to  
14 testify and you haven't already done so, please  
15 see Mr. Ochoa in the back and sign up on the  
16 sign-up sheet. I'll go through the sheet in  
17 the order that you've signed up and if at the  
18 end anyone else would like to comment, I'll ask  
19 and give you a chance at that time. When your  
20 name is called, I'll ask you to please come  
21 forward if you're able and just join me here at  
22 the table, state your name and spell it for the  
23 court reporter and then I'll ask you a few  
24 preliminary questions and at the end the  
25 attorneys might have a couple of questions for

1           you to clarify some matters or I may have a  
2           couple of questions and then you'll be excused.

3           So that is pretty much the procedure that  
4           we're going to follow and I think we're ready  
5           to go ahead and begin with our first witness,  
6           which I have Carl Crow.

7           MR. CROW: Here.

8           JUDGE DIPPELL: I'm sorry, Mr. Crow.  
9           Let's get entries from the attorneys. Go ahead  
10          and have a seat, sir. Mr. Poston?

11          MR. POSTON: Thank you. Marc Poston  
12          appearing today for the Office of the Public  
13          Counsel in Jefferson City.

14          MR. FISCHER: And for the record, Jim  
15          Fischer appearing on behalf of Atmos Energy  
16          Corporation. My mailing address is 101 Madison  
17          Street, Suite 400, Jefferson City, Missouri.

18          JUDGE DIPPELL: Mr. Crow, would you please  
19          raise your right hand?

20

21          MR. CROW,

22          Being duly sworn, testified as follows:

23

24          JUDGE DIPPELL: Could you give us your  
25          name and spell it for the court reporter?

1           MR. CROW: My name is Carl Crow, C-A-R-L,  
2           C-R-O-W.

3           JUDGE DIPPELL: And can you give us your  
4           address?

5           MR. CROW: 105 Holmes Avenue, Sikeston,  
6           Missouri 63801.

7           JUDGE DIPPELL: And are you a customer of  
8           Atmos?

9           MR. CROW: I certainly am.

10          JUDGE DIPPELL: Okay. Go ahead with your  
11          comments, please.

12          MR. CROW: My comments are this. I thank  
13          you much for a letter to say you're going to  
14          raise my rates five bucks. You didn't say  
15          nothing to me last year when the rate normally  
16          is about \$105. I've got all of my bills here  
17          for the last four or five years and you went to  
18          \$191 and you didn't even say thanks or send me  
19          a letter or nothing.

20          Secondly, I read in the paper here just  
21          from this September the 22nd. The Natural Gas  
22          prices hit a new two-year low. The price of  
23          Natural Gas trading for October delivery fell  
24          to a new two-year low Thursday after the Energy  
25          Department said inventories were at record



1 levels for this time of year and 12 and a half  
2 percent above a year ago. October Natural Gas  
3 futures on the New York Stock Exchange fell 15  
4 cents to settle at \$4.78 per thousand cubic  
5 feet, the lowest closing price for the first  
6 month of the contract in two years. Oil prices  
7 for November, in the meanwhile, raised .85  
8 cents to \$61.59 for oil.

9 And my next question is that being's I  
10 heat with gas and hot water, my hot water bills  
11 usually run about \$18 to \$20 for about eight  
12 months of the year. If I'm raised up \$5 a  
13 month, that's a 25 percent increase for a year  
14 -- eight months. In the wintertime, normally  
15 it runs around \$105. So the \$5 is not very  
16 much. So the eight months at 25 percent  
17 increase for four months is very negligible.  
18 Thank you.

19 JUDGE DIPPELL: Thank you, Mr. Crow. I'm  
20 just going to make a clarifying point here.  
21 First of all, I'm with the Public Service  
22 Commission --

23 MR. CROW: Okay.

24 JUDGE DIPPELL: -- And there are lots of  
25 people here with Atmos, but just so you know

1           that, Atmos is actually the one who sent you  
2           the notice.

3           MR. CROW: Thank you.

4           JUDGE DIPPELL: And secondly, the rate  
5           increase that we're talking about today is that  
6           non-gas charge. I don't -- I want to explain  
7           that just so everybody is on the same foot. I  
8           appreciate your comments. Mr. Poston, did you  
9           have any questions you want to ask?

10          MR. POSTON: No, I don't have any.

11          JUDGE DIPPELL: Mr. Fischer?

12          MR. FISCHER: I don't. Thanks.

13          JUDGE DIPPELL: Thank you very much, sir.

14          MR. CROW: Thank you.

15          JUDGE DIPPELL: And I have Harvey Cooper.  
16          Will you please raise your right hand.

17

18          MR. COOPER,

19          Being duly sworn, testified as follows:

20

21          JUDGE DIPPELL: Could you state your name  
22          and spell it for the record, please.

23          MR. COOPER: Harvey Cooper, H-A-R-V-E-Y  
24          C-O-O-P-E-R.

25          JUDGE DIPPELL: And could you give us your

1 address?

2 MR. COOPER: It is 212 Ridge Drive in  
3 Sikeston. The address on our business is 515  
4 North West Street, here in Sikeston.

5 JUDGE DIPPELL: And are you a customer of  
6 Atmos?

7 MR. COOPER: Yes.

8 JUDGE DIPPELL: Okay. Please go ahead  
9 with your comments.

10 MR. COOPER: My concern is over Noranda.  
11 I'm the executive director of Community  
12 Sheltered Workshop where we employ 140  
13 developmentally disabled people. Our prime  
14 objective is to provide work opportunities for  
15 all of these people. We are one of about 95  
16 workshops across the state operated through the  
17 Department of Elementary and Secondary  
18 Education and it is our objective to keep them  
19 in meaningful and safe work so that they can  
20 earn a living and have a place to go every day  
21 and things of that nature.

22 Noranda, over the past 23 or 24 years has  
23 been just a real blessing to us because of the  
24 amount of work that we get out of Noranda. We  
25 assemble pallets. We have -- work on aluminum

1           billets or small pieces of aluminum that steel  
2           mills use and so forth. So there's a variance  
3           of work that we provide for Noranda. Of our  
4           yearly sales figures of about a million  
5           dollars, over 50 percent of that comes from  
6           Noranda and so it is a concern of ours if  
7           they're hit with heavier energy costs that  
8           would force them to consider closing or -- or  
9           moving locations or whatever.

10                   Presently, you know, we have -- and about  
11           three years ago we lost one of our wire  
12           companies here that cut us out of about  
13           \$160,000 a year labor cost. We have not  
14           reclaimed that at this point. We're still into  
15           Noranda heavily. Now, since that time, we've  
16           had three other companies in our area close;  
17           C&F Foods, Media Press and now a mobile home  
18           production here in Sikeston, Heritage Homes.  
19           So we've got a lot of industry closing and we  
20           just simply can't take chances with people that  
21           are out there and, you know, put a lot back  
22           into the community.

23                   So, you know, that is one of my main  
24           concerns. The 140 people that we employ, I  
25           would say that 40 to 50 people of those at

1 present are involved in doing Noranda jobs.  
2 Some of my people probably would have a hard  
3 time deciding whether they work for Community  
4 Sheltered Workshop or Noranda and, you know,  
5 they're just so in tuned to what there is there  
6 to do. You can ask any of the disabled people,  
7 you know, how a pallet is built or a particular  
8 piece of wood product is put together and they  
9 can tell you because that's what they do every  
10 day.

11 So Noranda is a real, real critical area  
12 for us as far as maintaining and any time, you  
13 know, that we have industry closings and we  
14 have rate increases and as you all have said,  
15 this is not a rate increase -- or it is, it's  
16 requested to be a rate increase. We look at  
17 that in kind of a threatful way to our  
18 livelihood for our people and, you know, it's  
19 just definitely something that I think that  
20 should really be -- should really be considered  
21 deeply before anything is done in that respect.

22 JUDGE DIPPELL: And you prepared some  
23 written testimony and brought that --

24 MR. COOPER: Yes.

25 JUDGE DIPPELL: -- and brought that with

1           you today?

2                   MR. COOPER:  Yes.

3                   JUDGE DIPPELL:  I'm going to mark that as  
4           Exhibit 1 and it will be attached to the  
5           transcript.

6                   (WHEREUPON, Exhibit 1 was marked for  
7           identification)

8                   MR. COOPER:  Okay.

9                   JUDGE DIPPELL:  Did you have other  
10          comments?

11                   MR. COOPER:  No.  Right now, I think  
12          that's it.  Oh, other than one thing.  The  
13          people that we serve, the developmentally  
14          disabled, we serve a three-county area; Scott,  
15          New Madrid and Mississippi County.  So it's  
16          pretty well evenly distributed as far as the  
17          numbers of people that come to our facility  
18          from each of those counties.  So it makes a --  
19          I mean, if we look at -- we're no different  
20          than any other business.  If we lose sales down  
21          to a point where we just simply cannot make  
22          ends meet, we have to lay people off and I  
23          think it would just be terrible to have to lay  
24          developmentally disabled people off because of  
25          that.

1 JUDGE DIPPELL: Anything further?

2 MR. COOPER: I think no.

3 JUDGE DIPPELL: Mr. Poston, did you have  
4 any questions?

5 MR. POSTON: No, thank you.

6 JUDGE DIPPELL: Mr. Fischer?

7 MR. FISCHER: No, thank you.

8 JUDGE DIPPELL: Thank you very much for  
9 your comments, sir.

10 MR. COOPER: Okay. Thank you.

11 JUDGE DIPPELL: Elmer Oliver maybe. Did I  
12 get that wrong?

13 MR. OLIVER: (Witness nods.)

14 JUDGE DIPPELL: Could you please raise  
15 your right hand.

16

17 MR. OLIVER,  
18 Being duly sworn, testified as follows:  
19

20 JUDGE DIPPELL: Could you state your name  
21 and spell it for us.

22 MR. OLIVER: Elmer Oliver, E-L-M-E-R  
23 O-L-I-V-E-R.

24 JUDGE DIPPELL: And could you give us your  
25 address?

1 MR. OLIVER: 729 Mimosa Drive, Sikeston.

2 JUDGE DIPPELL: And are you a customer of  
3 Atmos?

4 MR. OLIVER: Yes.

5 JUDGE DIPPELL: Please go ahead with your  
6 comments.

7 MR. OLIVER: I really came to listen more  
8 than anything else, but I've read this and  
9 listened as best I can to some of the comments.  
10 It seems to me that there are two reasons for  
11 increases that companies ask for. One is need  
12 and one is greed. And I'm curious as to how  
13 the Public Service Commission determines  
14 whether the information they get is really true  
15 information and I would like to know why it  
16 says here that you've already decided against  
17 any increases in the paragraph down further.  
18 You explain that they can't increase or  
19 decrease on a, I guess, area basis. How do you  
20 tell them they can't have an increase and then  
21 turn around and let them have an increase?

22 JUDGE DIPPELL: I'm not familiar with the  
23 information sheet that you have. So I'm not  
24 going to try to explain that. I'm going to  
25 leave that to Mr Ochoa and Ms. Mantle over here



1           who are with our staff and understand how that  
2           all works.

3           MR. OLIVER: Fine.

4           JUDGE DIPPELL: I'm here today to take  
5           your comments about the proposed increase and  
6           it's not been decided. This is an increase  
7           regarding the non-gas costs of doing business.  
8           Their actual Natural Gas costs and I believe  
9           that may be what is confusing you in there.  
10          Their actual costs of the gas is regulated a  
11          different way and the PSC doesn't control that.  
12          The part that we control is that monthly charge  
13          and that's the part that we're here about  
14          talking about today.

15          MR. OLIVER: Thank you.

16          JUDGE DIPPELL: If you need some further  
17          information about how the staff reviewed their  
18          information to find out what kind of an  
19          increase is necessary, Ms. Mantle can explain  
20          that to you.

21          MR. OLIVER: This lady here?

22          JUDGE DIPPELL: This lady right here.

23          MR. OLIVER: Thank you.

24          JUDGE DIPPELL: Mr. Poston, did you have  
25          any questions?

1 MR. POSTON: No, thank you.

2 JUDGE DIPPELL: Mr. Fischer?

3 MR. FISCHER: No, thank you.

4 JUDGE DIPPELL: Thank you, sir, for your  
5 comments.

6 MR. OLIVER: You're welcome.

7 JUDGE DIPPELL: Lisa Glover.

8 MS. GLOVER: I really think I just need to  
9 talk to one of the people afterwards because  
10 mine is about like Mr. Crow's.

11 JUDGE DIPPELL: Okay. Would you like to  
12 put that on the record? Would you like to just  
13 say that you agree with someone else's  
14 testimony?

15 MS. GLOVER: Well --

16 JUDGE DIPPELL: We're here to get as much  
17 public comment as we can, as much input as we  
18 can.

19 MR. OCHOA: Judge, if she'd feel more  
20 comfortable just talking to the company about  
21 bill problems, we can --

22 JUDGE DIPPELL: Oh, okay. If it's just a  
23 bill issue --

24 MS. GLOVER: Yeah.

25 JUDGE DIPPELL: -- I'll let you off the

1 hook then. Thank you for coming. Is there  
2 anyone else that didn't sign up that would like  
3 to speak.

4 MS. TERRELL: Yes, I'm Hope Terrell. I'm  
5 a realtor here in Sikeston.

6 JUDGE DIPPELL: Can I get you to come  
7 forward or do you want to testify from there?  
8 You can do that.

9 MS. TERRELL: I'd rather stay here,  
10 please.

11 JUDGE DIPPELL: Could I go ahead and swear  
12 you in?

13  
14 MS. TERRELL,  
15 Being duly sworn, testified as follows:  
16

17 JUDGE DIPPELL: Could you spell your name  
18 for us?

19 MS. TERRELL: Hope, H-O-P-E. Terrell, T  
20 as in Tom, E-R-R-E-L-L.

21 JUDGE DIPPELL: Could you give us your  
22 address?

23 MS. TERRELL: 1911 Oklahoma, Sikeston.

24 JUDGE DIPPELL: And are you a customer of  
25 Atmos?

1 MS. TERRELL: Yes, I am.

2 JUDGE DIPPELL: Okay. Go ahead with your  
3 comments.

4 MS. TERRELL: Thank God for the Commission  
5 because when you're the only game in town,  
6 without that, you can do whatever you want to.  
7 So I'm glad that there are some regulations  
8 that help. But, first of all, we own a little  
9 one-bedroom duplex that is rented to a person  
10 who has had four heart by-passes, has no  
11 income. I had the gas shut off for the summer  
12 to save costs because it wasn't going to be  
13 used anyway and they inform me that when we  
14 turn it back on in the winter, just to turn it  
15 on is going to cost \$37. Why? You know, it's  
16 been in service all year until May and I had to  
17 turn it off for three months. Also, if they  
18 charge me that \$37, maybe they can help  
19 somebody attend to the switchboard because I  
20 have been on hold for as long as 30 minutes.  
21 In my business -- if I ran my business that  
22 way, I wouldn't have a business, but after all  
23 when you're a monopoly and you own it, then  
24 they can do that.

25 JUDGE DIPPELL: Thank you. Mr. Poston,

1 did you have any questions?

2 MR. POSTON: No, I didn't. Thank you.

3 JUDGE DIPPELL: Mr. Fischer?

4 MR. FISHCER: No.

5 JUDGE DIPPELL: Thank you, Ms. Terrell.

6 Is there anyone else who would like to testify?

7 Well, seeing there's no one else to testify, I

8 want to again thank you all very much for

9 coming. I appreciate you taking your time.

10 The Commissioners will review all of your

11 comments and they take them very seriously and

12 if you have any further questions for our staff

13 people, please -- please don't hesitate to ask.

14 We can go off the record. Thank you.

15 END OF REQUESTED TRANSCRIPT.....

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