

1

2

STATE OF MISSOURI

3

4

PUBLIC SERVICE COMMISSION

5

TRANSCRIPT OF PROCEEDINGS

5

May 22, 2007

6

Farmington and Poplar Bluff, Missouri

7

VOLUME 2

8

9

In the Matter of Laclede Gas Company's tariff )  
to Revise Natural Gas Rate Schedules )

10

11

Case No. GR-2007-0208 et al.

12

13

NANCY DIPPLE, Presiding

14

15

Deputy Chief Regulatory Law Judge

16

17

MICHAEL PENDERGAST, Laclede Gas Company

18

RICK ZUCKER, Laclede Gas Company

19

MARC D. POSTON, Senior Public Counsel

20

LERA SHERMELL, Deputy General Counsel

21

GAY FRED, Public Service Commission

22

GEORGE OCHA, Public Service Commission

23

KELLY BARNHOUSE, Laclede Gas Company

24

GEORGE CSOLAK, Laclede Gas Company

25

STEVE HERMAN, Laclede Gas Company

1

2

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

3

4

5

6

7

8

JUDGE DIPPELL: It is Tuesday, May 22, 2007, Missouri Public Service Commission at this time for public comment hearing in case Number GR2007-0208 in which Laclede Gas Company seeks a general rate increase in its natural gas area of Missouri.

9

10

11

My name is Nancy Dipple. I'm the attorney law judge who will be providing over tonight's hearing.

12

13

14

15

16

As most of you probably already heard the details about the Commission, I won't go into those again. But basically the Commission regulates rates and services as well as the safety of investor owned utilities.

17

18

19

20

The Commission itself is made up of five commissioners. They're unable to be here this evening, so I will be representing the Commission on their behalf.

21

22

23

24

25

The commissioners will however be reading your comments. That's why we have a court reporter in the Poplar Bluff location and she or he is taking down all of the comments as well as Mr. Ochoa says we're broadcasting this on

1 our internet site, and so the video and voice will also  
2 be recorded in our offices here in Jefferson City.  
3 This is an official hearing of the Missouri Public  
4 Service Commission, and therefore the statements and  
5 testimony and the witnesses will be recorded by the  
6 court reporter, they must be given under oath or  
7 affirmation.  
8 That way all the commissioners will have an  
9 opportunity to read the witnesses' remarks.  
10 And as I said, we're video conferencing this  
11 hearing from the three locations; the high school in  
12 Farmington and the college in Poplar Bluff as well as  
13 here at the Commissions offices.  
14 And I want to add my thanks to those locations  
15 also for allowing us to use their equipment. There is  
16 members of our staff at each location as well as I  
17 believe representatives for the company. And Mr.  
18 Poston, or Public Counsel, are you at one of the  
19 locations?  
20 MR. POSTON: Yes, Farmington.  
21 JUDGE DIPPELL: Thank you. And I believe there is  
22 someone also from, no longer, we have staff here with  
23 us, and I was looking at somebody who used to work for  
24 the Public Counsel.  
25 So Mr. Poston represents the public before the

1 commission and he's also there to answer questions if  
2 you have any afterwards, if you haven't had your  
3 questions answered at this point.  
4 The purpose of this hearing tonight is to receive  
5 your comments regarding the rate increase. And the  
6 company will not present any witnesses and will not  
7 answer questions while we're on the record.  
8 And I'm also not here to answer questions while  
9 we're on the record. But this is your opportunity to  
10 give your remarks and be a part of the official case.  
11 If you wish to testify and not already done so,  
12 please ask the staff member at your location to put  
13 your name on a sign-up sheet. And what I'll do is call  
14 the name of each witness who's signed up the sheet.  
15 And I will begin by calling the witness, Mr. Rabego in  
16 Farmington and I'll go to Poplar Bluff and ask if there  
17 are any witnesses there.  
18 Let me just ask at this time are there witnesses;  
19 how many witnesses have signed up in Farmington?  
20 MR. POSTON: We have two witnesses.  
21 JUDGE DIPPELL: And in Poplar Bluff?  
22 MS. FRED: Judge, we have no witnesses signed up  
23 at this time.  
24 JUDGE DIPPELL: Okay. Well, in that case we will  
25 take our witnesses in Farmington and then we will move

1 back to Poplar Bluff. And if someone has come in or if  
2 someone has changed their mind, I will ask if anyone  
3 else would like to speak.

4 When your name is called, I will ask you to come  
5 forward. And I will ask you to spell your name for the  
6 court reporter so she can get it in the record  
7 correctly. Then you'll be allowed to make your  
8 statement.

9 At the end of your statement, there may be some  
10 questions from an attorney or from myself and I will  
11 ask you to remain until you're excused.

12 So I would like to begin by asking counsel to go  
13 ahead and make their entries of appearance. Mr.  
14 Pendergast?

15 MR. PENDERGAST: Yes, Michael Pendergast appearing  
16 on behalf of Laclede Gas Company. My business address  
17 is 720 Olive Street, St. Louis, Missouri 63101. Mr.  
18 Zucker is also appearing on behalf of Laclede in the  
19 Poplar Bluff location.

20 JUDGE DIPPELL: Thank you. Mr. Poston?

21 MR. POSTON: Yes, Marc Poston appearing on behalf  
22 of the office of the Public Counsel, P.O. Box 22  
23 Farmington, Missouri.

24 JUDGE DIPPELL: And I have Ms. Shermell here for  
25 the staff.

1 MS. SHERMELL: Thank you, Your Honor. Lera  
2 Shermell representing the staff of the Missouri Public  
3 Service Commission, post office Box 360, Jefferson  
4 City, Missouri. 65102

5 JUDGE DIPPELL: Is there anyone present for any of  
6 the intervenors?

7 Not hearing any answers, so I'm assuming that none  
8 of the interventors are appearing  
9 here by counsel tonight.

10 Let's go ahead. Looks like we're pretty  
11 much ready to go on Farmington.

12 Can I get the name of the first witness?

13 MR. POSTON: Yes, it is Anna Wampler.

14 MS. WAMPLER: Wampler.

15 MR. POSTON: Wampler, I'm sorry.

16 JUDGE DIPPELL: Ms. Wampler, would you  
17 please spell your name for the court reporter?

18 MS. WAMPLER: Anna Wampler. Anna M.  
19 Wampler, middle initial M.

20 JUDGE DIPPELL: Can you spell your last  
21 name for us?

22 MS. WAMPLER: W-a-m-p-l-e-r.

23 JUDGE DIPPELL: Would you please raise  
24 your right hand? Thereupon:

25 ANNA WAMPLER

1           A witness herein, being first duly sworn,  
2   was examined and testified under oath as  
3   follows:

4           JUDGE DIPPELL: You can be seated if  
5   that's more comfortable for you. Go ahead with  
6   your statement.

7           MS. WAMPLER: I didn't know I had to swear  
8   to tell the truth.

9           Well, my comment or my concern is about  
10   the difference between what the Missouri  
11   Commission recommends, which I think is between  
12   14, 12.4 and 18 million, and the request from  
13   Laclede which is 42 million, I believe, 52.9  
14   million.

15          My concern is that's four times the cost.  
16   And 400 percent, you know, to me, all of us  
17   would like to have a 400 percent increase in  
18   salary and to me I have a concern about that  
19   big difference. And then I notice on one of  
20   the other things that the investors are being  
21   paid, based on their return, is 8.2 percent to  
22   9.2 percent, which I think is a good return on  
23   the investors' money.

24          Not very many of us are getting that  
25   return on CDs, unless we're willing to risk the

1 stock market, not very many of us.

2 I think that's a good return. And my  
3 concern is the big lapse are between what  
4 they're requesting and what the Commission is  
5 recommending and what Laclede is asking.

6 And I understand earlier they said that  
7 the audit, I don't know how recently the audit  
8 has been done, but if an audit had been done  
9 of their financial records, which I would  
10 assume would be correct, you know, so I just  
11 comment on the difference, the big difference.

12 JUDGE DIPPELL: All right. Do you have,  
13 have you had any service related issues with  
14 Laclede?

15 MS. WAMPLER: You mean what service we  
16 have?

17 JUDGE DIPPELL: Yeah, I mean like any  
18 outages or problems of this nature.

19 MS. WAMPLER: We haven't had any outages.  
20 In fact we were appreciative of Laclede or  
21 Missouri Natural Gas, and when we was out of  
22 electricity, we had both we have had no  
23 outages. We have had good service.

24 JUDGE DIPPELL: All right. And the other  
25 question I wanted to ask is since we have kind



1 of a light turnout at both of our locations  
2 tonight. We haven't had many hearings in  
3 Farmington or Poplar Bluff for that matter in  
4 the past. And I was wondering how you heard  
5 about tonight's meeting or if there's anything  
6 that you think we might do to make it better?

7 MS. WAMPLER: First I read about it in our  
8 Daily Journal Newspaper, I think it was in, I  
9 believe it was Sunday's edition. And then we  
10 got the card through the mail of the Notice of  
11 Public Hearing.

12 JUDGE DIPPELL: Okay. Thank you, very  
13 much for your participation tonight. I  
14 appreciate it.

15 Let me ask you if there are any questions  
16 for you really quick.

17 Are there any questions from Laclede?

18 MR. PENDERGAST: No questions, Your Honor.

19 JUDGE DIPPELL: The staff?

20 MS. SHERMELL: No, thank you.

21 JUDGE DIPPELL: Office of Public Counsel?

22 MR. POSTON: No, thank you.

23 JUDGE DIPPELL: Thank you, Ms. Wampler,  
24 you may be excused.

25 Who is our second witness there in

1 Farmington?

2 MR. POSTON: It is a Mr. Walter Lanham.

3 JUDGE DIPPELL: Thanks, Sir. Could you  
4 give us your name and spell it for the court  
5 reporter?

6 MR. LANHAM: Yes, it is Walter Lanham,  
7 L-a-n-h-a-m from De Soto, Missouri.

8 JUDGE DIPPELL: Very good, Mr. Lanham,  
9 could you go ahead and give us your comment?  
10 Or I'm sorry, let me swear you in. Thereupon:

11 WALTER LANHAM

12 A witness herein, being first duly sworn,  
13 was examined and testified under oath as  
14 follows:

15 JUDGE DIPPELL: Thank you. Go ahead with  
16 your comment.

17 MR. LANHAM: Okay. I will point to the  
18 public hearing AmerenUE had about two or three  
19 months ago, and I had the annual report that  
20 AmerenUE had, and they were making huge  
21 profits. And I noticed that on the news today  
22 they got a increase in their rates.

23 So I would like to know why these  
24 companies that are making good profits are  
25 getting increases in rates when the customers

1 normally are not getting increases in salaries  
2 like the companies are getting these increases.

3 Really, it hurts the poor people to have  
4 to pay these increased rates.

5 I notice the article that we had given out  
6 to us tonight, the average customer will have  
7 an increase in their bill of six and-a-half a  
8 month. And that's a pretty large increase when  
9 you consider there are people that are on fixed  
10 income or low income.

11 And I think something needs to be done.  
12 It looks like the Public Service Commission is  
13 just going along with the companies instead of  
14 protecting the public.

15 And I think the public needs somebody to  
16 go to bat for them for a change.

17 Then I know the CEOs are getting huge  
18 salaries. They're getting millions of dollars  
19 a year. While a small increase like that  
20 doesn't hurt them, but people on low income, it  
21 does.

22 So I know something needs to be done to  
23 protect the consumers instead of protecting the  
24 companies all the time.

25 That's my main comment.

1 JUDGE DIPPELL: Thank you, sir. I would  
2 like to ask you the same question I asked Ms.  
3 Wampler about have you had any issues with  
4 service with Laclede?

5 MR. LANHAM: No, I haven't had any  
6 problems with gas issues, no.

7 JUDGE DIPPELL: And it sounds like you're  
8 active and a good citizen participating in our  
9 hearings a couple of times, so we appreciate  
10 that. Is there anything that you can think of  
11 that the Commission could do to get a bigger  
12 crowd at these hearings, here more from the  
13 public?

14 MR. LANHAM: Well, I didn't see any  
15 articles in the Sunday newspapers about it. I  
16 received a card like the lady before me.  
17 That's how I found out about it. It was  
18 through the card. But I think if the  
19 newspapers and radios and TV stations would  
20 cover this more, I think they would get more  
21 people out in the crowd.

22 JUDGE DIPPELL: Okay.

23 MR. LANHAM: That would be my suggestion.

24 JUDGE DIPPELL: Well, we appreciate your  
25 comments tonight and pretty much appreciate you

1 coming from De Soto to testify.

2 Any questions from Laclede?

3 MR. LANHAM: Thank you.

4 MR. ZUCKER: No questions, Your Honor.

5 JUDGE DIPPELL: Thank you, sir.

6 MS. SHERMELL: Mr. Lanhan, I would like to  
7 ask you if you had read at least the annual  
8 report?

9 MR. LANHAM: No, I didn't. I would like  
10 to have had a copy of their report to look over  
11 but I didn't have one. I should have. If I  
12 would received the notice sooner, I would have  
13 contacted Laclede and tried to get their annual  
14 report.

15 MS. SHERMELL: Do you have internet  
16 access, sir?

17 MR. LANHAM: I'm sorry?

18 MS. SHERMELL: Do you have internet  
19 access?

20 MR. LANHAM: No, I don't have annual  
21 internet section says?

22 MS. SHERMELL: You can contact  
23 Mr. Pendergast and leave him your name and  
24 number. I'm sure he will be happy to get that  
25 to you. Thank you, sir, for your comments.

1 JUDGE DIPPELL: Mr. Poston, do you have  
2 any questions?

3 MR. POSTON: No, thank you.

4 JUDGE DIPPELL: Thank you, sir. You may  
5 be excused. Thank you very much for coming.

6 Is there anyone else in Farmington wishes  
7 to testify?

8 MR. POSTON: Yes, there is, Your Honor.  
9 We have a Larry Cooper.

10 JUDGE DIPPELL: Has anyone come at Poplar  
11 Bluff who wishes to testify?

12 MS. FRED: No, Your Honor, there hasn't.

13 JUDGE DIPPELL: Okay. Then we'll go to  
14 Mr. Cooper.

15 MR. COOPER: Good evening, Your Honor.

16 JUDGE DIPPELL: Hi. Would you spell your  
17 last name for the court reporter?

18 MR. COOPER: Cooper, C-o-o-p-e-r. Thereupon:

19 LARRY COOPER

20 A witness herein, being first duly sworn,  
21 was examined and testified under oath as  
22 follows:

23 JUDGE DIPPELL: Go ahead with your  
24 comment.

25 MR. COOPER: Your Honor, my comments

1 basically are that I encourage the Commission  
2 to stick with their rate increase rather than  
3 go with Laclede's.

4 I have a neighbor who's in her 80's who  
5 was widowed shortly after I moved in in 2002.  
6 She had to make a choice every month between  
7 whether she was going to heat and cool her  
8 home, buy her prescriptions, pay her medical  
9 bills or eat.

10 I have a very difficult time understanding  
11 why they want an increase like this when I know  
12 that they're making money. Everyone here has  
13 already mentioned that fact.

14 I did have a problem with the Public  
15 Service Commission as well when I received the  
16 bill from the Laclede's Missouri Natural Gas.

17 And I asked how they determined what the  
18 bill is. And they tell me that they consider  
19 the ambient temperature outside and then  
20 consider a number of things. But no one could  
21 give me an actual description of it. When I  
22 pull up to the pump it says 309.9 a gallon.  
23 And in Missouri it goes around and make's sure  
24 that I am getting a gallon every time I pump  
25 one. But with Laclede Natural Gas, as well as

1 other utilities, you get a bill and that's  
2 pretty much all you get. After I went through  
3 the Public Service Commission, I still did not  
4 understand how they charged their bill. I have  
5 a barbeque grill, which was the only gas  
6 appliance I had in my home, from the time I  
7 moved in. Every month, whether I used it or  
8 not, I paid a fee. I eventually closed out  
9 that account because I was paying way too much  
10 where no services were received.

11 Now that was my decision. I have a  
12 business and I pay gas through there. And  
13 that's where I raise my question, because I  
14 can't determine how they determine what the  
15 bill is going to be.

16 All I'm here to do is encourage the  
17 Commission to stick by their rates rather than  
18 grant the lead there is because of the people  
19 like my neighbor who have to make decisions on  
20 whether or not they're going to pay. Thank  
21 you.

22 JUDGE DIPPELL: Thank you very much  
23 Mr. Cooper. I'm going to ask you if you have a  
24 chance after you're finished testifying to talk  
25 to staff that's there tonight and maybe they



1 can, I want you to get an understanding of  
2 those charges on your bill. So if you will  
3 give us a second chance, maybe they can help  
4 you out there tonight.

5 MR. COOPER: Thank you.

6 JUDGE DIPPELL: And if not, I want you to  
7 let us know and we're going to work on it until  
8 we get it right.

9 MR. COOPER: Thank you.

10 JUDGE DIPPELL: And I will ask you the  
11 same question about, is there something that  
12 you think the Commission could do to make it  
13 easier for the people in Farmington or more  
14 convenient for the people in Farmington or  
15 those areas to participate in this hearing.

16 MR. COOPER: I guess it would be kind of  
17 like a tax increase, put it to a vote, but you  
18 would never get it. So I really don't know  
19 other than trying to maybe do it at certain  
20 times like voting times. Ask people for their  
21 input. And I don't mean through a vote, but I  
22 mean actually be able to site up there for  
23 Missouri Natural Gas and Public Service  
24 Commission to ask those people, because that's  
25 when the majority of people who represent

1 themselves do anything.

2 JUDGE DIPPELL: Okay. I appreciate your  
3 suggestion.

4 Mr. Pendergast, do you have any questions  
5 for Mr. Cooper.

6 MR. PENDERGAST: I have no questions, Your  
7 Honor, but I just want to say, sir, if we can  
8 be helpful in trying to resolve your concerns  
9 on how you are billed and how it's calculated,  
10 let us try it again, too.

11 MR. COOPER: Thank you.

12 JUDGE DIPPELL: Staff?

MS. SHERMELL: No questions, thank you.

12 JUDGE DIPPELL: Mr. Poston?

13 MR. POSTON: No, thank you.

JUDGE DIPPELL: Thank you, very much, Mr.  
14 Cooper. Appreciate your patience. Is there  
15 anyone else who wishes to testify in  
Farmington?.

MR. POSTON: No, there isn't.

16 JUDGE DIPPELL: Has anyone come in that  
17 wishes to testify in Poplar Bluff?

18 MS. FRED: No, Your Honor.

19 JUDGE DIPPELL: Well, then, I guess if we  
20 have to more witnesses, then that will conclude  
21 our hearing.

22 Again, I want to thank you for those of  
23 you who did come out.

24 I really appreciate your participation.

25 (Proceedings concluded at 6:25 p.m.)

1	INDEX	
2	WITNESS:	PAGE
3	ANNA WAMPLER	8
4	WALTER LANAHAM	12
5	LARRY COOPER	17
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		