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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

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TRANSCRIPT OF PROCEEDINGS

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Public Hearing

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August 24, 2005

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St. Louis, Missouri

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Volume 3

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In the matter of Laclede Gas Company's)
Tariff to Revise Natural Gas Rate) Case No. GR-2005-0284
Schedules)

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NANCY M. DIPPELL, Presiding
SENIOR REGULATORY LAW JUDGE

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JEFF DAVIS, Chairman,

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CONNIE MURRAY,

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STEVE GAW,

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ROBERT M. CLAYTON III,

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LINWARD "LIN" APPLING,

COMMISSIONERS

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REPORTED BY: Carol A. Green

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1 A P P E A R A N C E S

2 Laclede Gas company was represented by
3 attorney Michael Pendergast, 720 Olive Street, Suite
4 1520, St. Louis, Missouri 63101.

5
6 The Office of Public Counsel was represented
7 by Senior Public Counsel Mr. Mike Dandino, P.O. Box
8 2230, Jefferson City, Missouri 65102.

9
10 The Staff was represented by Deputy General
11 Counsel Mr. Tim Schwarz, P.O. Box 360, Jefferson City,
12 Missouri 63102.

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PROCEEDINGS

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JUDGE DIPPELL: First, I'd like to thank

St. Louis Community College. They graciously provided us this space to have our meeting. I just want to make clear that St. Louis Community College is in no way affiliated with the contents of the meeting today, or any of the opinions expressed. They were merely an available room for us to use, and graciously have been our host today.

The Missouri Public Service Commission has set this time for a local hearing in Case No. GR-2005-0284, in which Laclede Gas seeks to implement a general rate increase. The Missouri Public Service Commission regulates the rates charged by investor-owned utilities when in use in Missouri to ensure that these rates are just and reasonable. The commission also regulates the quality of service and safety of operations in investor-owned utilities.

The commission is made up of five commissioners, three of whom are here today, and also our chairman will be joining us shortly. The other commissioner is going to be in our Jefferson City Office, and she will be participating via teleconference and we should see her up on the screen, hopefully soon.

The commission also employs a staff of

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1 engineers, accountants, and attorneys, financial ana-
2 lysts and other specialists in the field of utility
3 regulations. As I said, my name is Nancy Dippell,
4 I'm a regulatory law judge for the commission and
5 I'll be residing over the hearing today. Let me in-
6 troduce the commissioners that are with me.

7 On the end here is Commissioner Clayton.
8 Next to him is Commissioner Gaw. This is Commissioner
9 Appling. Chairman Davis will be along shortly.
10 Commissioner Murray is on our screen. I see that she
11 can hear us, that's good.

12 We're not only videoconferencing this
13 hearing in our office in Jefferson City, but it's also
14 being broadcast over our web-cast so that the general
15 public, or anyone that wants to sign on to our Inter-
16 net site can hear that. And hopefully that will also
17 happen with this evenings hearing that's going to be
18 at seven. If anyone wants to try to log on to it.

19 We also have present today, some of our
20 staff, which I think most of you have already met.
21 Including the attorney for the staff, we have with us
22 Mr. Mike Dandino from the Office of the Public
23 Counsel. And we also have some of the Laclede Gas
24 Company staff, and some of their attorneys. Are there
25 any other introductions that need to be made? Mr.

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1 Pendergast is there anyone you would like to intro-
2 duce?

3 MR. PENDERGAST: Thank you, your Honor.
4 I would just like to make the customer service people
5 available, so if anyone has any concerns or issues
6 with regard to service, please let us know and we'll
7 try to address that immediately. Thank you.

8 JUDGE DIPPELL: This is an official hear-
9 ing of the Public Service Commission and the state-
10 ments and testimony of the witnesses will be recorded
11 by a court reporter and will be taken under oath or
12 affirmation. In addition, a trial-type evidentiary
13 hearing may be held beginning on October 3, at 8:30
14 a.m. in the commissioner's offices at the Governor's
15 Office Building. That hearing is also a public hear-
16 ing and the company will have the burden at that hear-
17 ing of showing that its plan is reasonable.

18 This is your opportunity to comment, and
19 your remarks will be made part of the official record.
20 So that anyone who is not with us today will be able
21 to read those comments. I'll call the name of each
22 witness who signed up to speak and call you in the
23 order in which you signed up. When your name is call-
24 ed please come forward, stand at the microphone,
25 please spell your name for the court reporter.

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1 I will ask a few preliminary questions
2 and then you can make your comments. There may be
3 questions from the commissioners or myself, so please
4 do not leave the microphone until you're excused. If
5 you want to just comment that you agree with the pre-
6 vious speaker, that's perfectly fine as well.

7 I think we're just about ready to get
8 this started. I'll ask the attorneys if they'll just
9 make written entries of appearance afterwards, if
10 that's agreeable.

11 COMMISSIONER GAW: Judge, I just have a
12 quick question. Sometime around August the 1st there
13 was a filing by parties in this case to suspend the
14 procedural schedule. In that filing the parties re-
15 quested the Commission to suspend the procedural
16 schedule with respect to direct testimony to be filed
17 on August 12, 2005, because the parties had reached a
18 tentative settlement and were in the process of pre-
19 paring a unanimous stipulation and agreement, which
20 the parties intend to resolve all issues in dispute at
21 this time.

22 My question to counsel is whether or not,
23 without going into the details of what the discussion
24 was prior to this open hearing, whether or not in the
25 beginning of the disclosure process or this meeting

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1 any of the details, or at least basic portions of that
2 so-called tentative agreement were disclosed to any of
3 the people here, who are here to comment about this
4 case? And I'll ask the Public Counsel first.

5 MR. DANDINO: Not to my knowledge, sir.

6 COMMISSIONER GAW: If that's the case,
7 then is the statement that was contained in the joint
8 motion to suspend the procedural schedule still accurate
9 given the synopsis?

10 MR. DANDINO: In terms of a tentative
11 schedule settlement?

12 COMMISSIONER GAW: Yes.

13 MR. DANDINO: Yes. Tentative.

14 COMMISSIONER GAW: If that's the case then
15 isn't it appropriate for the parties to have some opportunity
16 to make some comment to this commission, so
17 that we can take that into account once that settlement
18 is actually filed?

19 MR. DANDINO: At the very beginning of
20 the negotiations of this case, counsel informed the
21 parties that we're going to await any final decision
22 on final settlement upon comments we hear in the public
23 hearings. That is our normal course of action,
24 and we made it very clear at the very beginning, we
25 reserve the right in case we hear something in this

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1 process that conflicts with the general principals
2 we're going to agree on. That we're free to change
3 our mind. Until it is, I think the agreement hasn't
4 even been reduced to writing, is my understanding.
5 COMMISSIONER GAW: It's been clear since,
6 I believe August the 1st and this is what, today is
7 August 24. It's been between some concept of agree-
8 ment for nearly a month, and it strikes me that having
9 a hearing when the parties have basically signed off
10 verbally on the agreement, having a public hearing
11 where the public is not allowed to know at least the
12 basics of that agreement, does not provide the public
13 with an adequate opportunity to voice their opinion as
14 to what that agreement contains.
15 And it makes it more difficult for the
16 commission to assess if that stipulation is subse-
17 quently entered in and the commission is asked to
18 approve it, it makes it more difficult for this com-
19 mission to assess how the public feels about it. So I
20 wanted to make that comment before we started, because
21 I have a very deep concern about how this process is
22 being laid out. And because as we move forward, it
23 seems to me that if we're not going to provide the
24 public with an opportunity to comment on that so-
25 called agreement at this stage, then at a minimum

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1 there should be additional public hearings scheduled
2 that provide that opportunity to the public. I'm very
3 concerned.

4 I understand that there are difficulties
5 in dealing with disclosures of agreements that have
6 not been formalized. But when the parties make a for-
7 mal announcement in principal it changes the dynamic
8 in my mind, and it makes it important for the commis-
9 sion to be able to get that public feedback. That's
10 all I have, Judge.

11 JUDGE DIPPELL: Mr. Clayton, do you have
12 any opening comments?

13 COMMISSIONER CLAYTON: I want to be clear
14 also from my perspective, when the commission relieved
15 the parties of the obligation of filing a written doc-
16 ument, a written settlement in this case, it's my un-
17 derstanding that all terms, perhaps weren't agreed to
18 completely.

19 Not just the general nature of the rate
20 increase, of the large overarching provisions of the
21 settlement that would have direct impact on rate-
22 payers, on customers. I guess I want to ask the ques-
23 tion of all the parties, is it their intention to de-
24 cline to talk about those broad overarching principals
25 here today? Not just to single out the Office of

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1 Public Counsel.

2 MR. DANDINO: Well, I'd be glad to share
3 with you. I believe we're under ethical obligation,
4 we're still under -- talking in terms of it's a sett-
5 lement, until it's finalized, and I will not breach
6 that obligation. I will not discuss those matters.

7 COMMISSIONER CLAYTON: Is that the posi-
8 tion of each of the parties?

9 MR. PENDERGAST: Yes. If I can go ahead
10 and address the issue briefly. I appreciate your com-
11 ment. The only observation I would like to make is
12 that this is the way that these matters have been
13 handled at least in the last 25 years that I've been
14 before the Commission. That there is nothing unusual
15 about this process.

16 I'm not aware of any circumstance where
17 public hearings have been held to comment on a settle-
18 ment as opposed to what the utility went ahead and
19 proposed. I hope everybody understands that these are
20 complex matters, and we had a number of proposals in
21 our case relating to hopefully having a low-income
22 program to help our most vulnerable customers.

23 Expanding energy efficiency measures and
24 programs so we can help our customers conserve on
25 their gas and save money. Mechanisms to tie what kind

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1 of compensation we receive for our gas supply activi-
2 ties to how good a job we do at mitigating prices, at
3 reducing prices for our customers. Those are all com-
4 plex matters that have required a significant amount
5 of discussion in order to go ahead and finalize.

6 We met with a social service agency just
7 last week to try to work and finalize details on a
8 low-income program that will help our most vulnerable
9 customers cope with their utility bills. Those are
10 the kind of things we need to tie-up and need to go
11 ahead and get finalized.

12 And finally, as Mr. Dandino said, the
13 Public Counsel has all along indicated that they want-
14 ed to receive comments from the public before they
15 made any kind of final decision and final commitment.
16 The public has our proposal, they've had our proposal
17 since February. I think any comments they make on our
18 proposal would be directly applicable to any settle-
19 ment that may ultimately be reached, and may ultimate-
20 ly be filed by the parties. And from my perspective,
21 I don't believe anyone needs to know specifically what
22 that is in order to be able to comment on the reason-
23 ableness of what we have asked for. To go ahead and
24 share any concern they may have regarding the terms of
25 service they have, or what kind of economic concerns

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1 they may have regarding an increase in their utility
2 rates.

3 And I just want to say for the record,
4 that I fully respect Public Counsel's commitment to
5 uphold its ethical obligations under the law, and I'm
6 proud that they have done that.

7 COMMISSIONER CLAYTON: Was that a decline
8 to discuss the principals also?

9 THE WITNESS: The translation of that
10 would be, yes.

11 COMMISSIONER CLAYTON: Any other parties
12 that are present? Is it their intentions to decline
13 to discuss, not the settlement negotiations, not the
14 give-and-take that goes back and forth between settle-
15 ment of cases, but the overarching general principals
16 of the proposed settlement? Is that the position of
17 staff?

18 THE STAFF: The Staff's understanding is
19 that the Commission's order of last week indicated
20 that that was not going to be required of the Staff.
21 So at this stage, yes, we are declining to discuss the
22 specifics of where the arrangements are.

23 COMMISSIONER CLAYTON: The answers are
24 always a little more complicated. So yes, you are
25 declining?

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1 THE STAFF: Yes.

2 JUDGE DIPPELL: Mr. Appling, would you
3 like to make an opening statement?

4 COMMISSIONER APPLING: Not an opening
5 statement. I just want to say thank you, to every
6 one of you for taking the time out of your busy sche-
7 dules. If you have something to say, we're here to
8 listen, don't leave until you've aired your concern.
9 Thank you, very much.

10 JUDGE DIPPELL: I don't know if
11 Commissioner Murray wants to make an opening state-
12 ment from our Jefferson City office.

13 COMMISSIONER MURRAY: Thank you, Judge.
14 I don't have an opening statement.

15 JUDGE DIPPELL: Thank you. Then we'll
16 go ahead and begin.

17 MR. DANDINO: Your Honor, may I make an
18 opening statement?

19 JUDGE DIPPELL: Certainly, Mr. Dandino.

20 MR. DANDINO: On behalf of the Office of
21 Public Counsel I want to thank the people for coming
22 out here. We are, contrary to what some people may
23 think, we are interested in what you're saying. The
24 Office of Public Counsel reserves the right and wanted
25 to here your input on this. You also have to

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1 understand a little bit about the background of this
2 case.

3 It was filed in February of this year and
4 the Commission did embark upon a new procedural type
5 schedule to prevent the delay involved in the process.
6 A very commendable goal. But in part of that, was at
7 the time the company files their rate case, they also
8 file testimony and evidence in support of that rate
9 case, called direct testimony of prefiled testimony,
10 that supports their position.

11 The usual procedure is then for the
12 Staff, the Office of Public Counsel and any interested
13 parties, such as the industrials, to file testimony in
14 opposition to it or offer alternatives. Thereafter,
15 there's usually a public hearing prior to the eviden-
16 tiary hearing, the trial-type hearing held in
17 Jefferson City, of the merits.

18 This process is a little bit different.
19 After the testimony was filed, I believe a procedural
20 schedule came out where it had a period of technical
21 or settlement conferences. And at one litigation, the
22 matters were discussed and there was also testimony
23 scheduled at a later time as Commissioner Gaw pointed
24 out, I believe it was August 12.

25 Well, prior to that time the parties went

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1 into discussion and reached a general understanding,
2 so perhaps we don't need to go farther in the liti-
3 gation, and at that point they advised the Commission.
4 Once again, at that time Office of Public Counsel made
5 it very clear that we still wanted to hear from the
6 public before we inked a deal. During these discus-
7 sions -- by the ethics we cannot talk about discus-
8 sions and what was talked about and what was agreed
9 to, even in principal, during settlement discussions.
10 That is privileged and confidential information.

11 There is a statute that prohibits the
12 Office of Public Counsel and the Staff members from
13 disclosing confidential information to the public.
14 Certainly, we wouldn't want to run afoul of that.
15 There is also the obligation we take, that these are
16 not matters that are public matters. Like I said,
17 they're privileged and confidential. We're not trying
18 to hide anything, we are trying to get input.

19 And the input we want is on the original
20 proposal, because even with the comment on the origin-
21 al proposal, if this Commission decides to reject any
22 agreement or whatever stipulation is produced in front
23 of them, then it comes down to -- Well, we're back to
24 the companies position, and there is no evidence of
25 the record where comments are on that. It's important

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1 that they have that.

2 I just urge that you look at the results
3 and judge for yourself whether this Commission is pre-
4 sented with, and approves a just and reasonable rate
5 for your gas prices. Whether it's through litigation
6 or through the stipulation and agreement. Thank you.

7 JUDGE DIPPELL: Let's go ahead and begin.
8 If anyone would like to, there are plenty of seats in
9 the front of the room. If some of you who have just
10 come in are wanting to testify, there will be a sign-
11 up sheet in the back. Mr. Trotter, you're first on my
12 list, if you would like to begin. I'll first ask if
13 you'll raise your right hand.

14 THE WITNESS: I will affirm.

15 (Thereupon, the witness was duly
16 sworn/affirmed by the Judge to tell the truth.)

17 JUDGE DIPPELL: Thank you, sir. Could
18 you state your name and spell it for the court re-
19 porter.

20 THE WITNESS: Gentry Trotter, G-e-n-t-r-y
21 T-r-o-t-t-e-r. My address is 1509 Washington Avenue.
22 I'm a Laclede Gas investor, that's my purpose for
23 being here today.

24 JUDGE DIPPELL: Are you a customer as
25 well?

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1 THE WITNESS: Of course. I would be
2 both. I'm a ticked-off customer.

3 JUDGE DIPPELL: Go ahead and make your
4 comments.

5 THE WITNESS: First of all, Madam, I
6 appreciate the opportunity here, and I kind of concur
7 with commissioner Steve Gaw, and the other gentlemen.
8 These are public agencies and you have the trust of
9 the public to first of all beholding to, and not the
10 gas company.

11 The gas company is a monopoly, they're
12 out of control. They are greedy, and people are suf-
13 fering because of their greed. So I too, for the re-
14 cord, am opposed to these secret little things that
15 this Blunt Administration, which is different from any
16 other administration that I know of, that has decided
17 to get cozy with the Public Service Commission and the
18 Office of Public Counsel.

19 I'm very disappointed as a Missouri resi-
20 dent. I'm here today because Laclede Gas does not
21 need another rate hike, that's ridiculous. They've
22 got 1200 employees, or thereabout. They've got 600 or
23 so in management, that's ridiculous. So all of those
24 people, when you look at the management ratio to the
25 employee ratio, that's nothing but fat.

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1 What I say to them as a stockholder, we
2 can always make a profit, but why do we have to con-
3 tinue to make a profit on the back of the poor? And
4 now, the working middle class. I just find that out-
5 rageous. Then the other issue is, as it relates to a
6 safety issue. There are rumors that Laclede's manage-
7 ment is cutting back on the meter readers.

8 As it stands now, the gentleman earlier
9 said from Laclede that, we're going to support these
10 safety issues, and do whatever is necessary, etc. As
11 they stand today, as they stand in control by the
12 Blunt Administration, so we know that will change,
13 too. So I don't have any confidence in this commis-
14 sion as it's now structured.

15 I'm very disappointed. You failed to
16 meet the needs of the people. Now, I know you said
17 the Office of Public Counsel protects our interest,
18 but we protect our interest. And you are appointed by
19 the people through us, through a political process and
20 you should be protecting our interest, and it's not
21 happening.

22 39 million dollars is a lot of money.
23 When you look at four dollars you're asking people --
24 you've already got our bills jacked up. A lot of us,
25 including me had to pay a lot of money, and I was on

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1 budget billing last year. That's like, three or four
2 hundred dollars a month. That's ridiculous. What
3 about some poor lady that's on social security? What
4 about some poor lady that has to deal with medicine on
5 social security? What about some poor lady that has
6 to buy groceries, who is on social security, who has
7 to pay for her heating bill and electric in the middle
8 of the summer on social security?

9 What about the middle class? This
10 country is built on the back bone of the middle class.
11 Little Johnny has to go to school, has to go to col-
12 lege. All of these necessities are being swept away
13 by the greed of the monopolies of the utility com-
14 panies. It's got to stop somewhere.

15 I'm here. Probably, you go, "But you're
16 an investor, aren't you excited that they can make
17 money?" Yes. I'm excited that they can make money.
18 Last year \$7000 I made in profit from Laclede, and I
19 gave \$7500 back to a local charity, because I think
20 it's important for us to give back. It's a sham that
21 Laclede says they're doing this and this.

22 I got so upset that I stopped giving my
23 five dollars a month to their Dollar Help Program and
24 I started giving to another one. At some point we
25 have to look and see, how much profit can you continue

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1 to take out on the backs of the poor, from the backs
2 of the working class? How many deals do you cut un-
3 derneath the table with the new insensitive Republican
4 Administration? It's becoming outrageous.

5 So my concern is, profitability is good,
6 greed is bad. On the backs of the poor it's uncon-
7 sionable, on the backs of those middle class people
8 it's outrageous, and we need to stop it. And if we
9 can't cut back to riding those expensive cars, \$50,000
10 cars that the CEO of Laclede Gas has -- all these
11 fabulous expenses, all these management perks, enough
12 is enough. Let them cut back on that.

13 Let them protect the working people who
14 are protecting us. Which is another issue, on the
15 safety. If we remove, and let a computer go around
16 and once a year, on closing when you buy a house, and
17 then the next person wants to buy the house and the
18 computer comes in and says, okay, it's all right.
19 We're going to change that over, and read the meter.

20 It's about safety issues. A lot of these
21 guys, and I assume they're union, they have to go into
22 those houses and do eye-and-eye inspections, they've
23 saved a lot of lives. So how much are we going to
24 continue to let these utility companies get away with?
25 It's good to sit up here, and stand up here, and say

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1 -- and Laclede does -- it's a private company even
2 though it's a public corporation, they don't have to
3 tell us anything. But the integrity, the responsibil-
4 ity is for us as investors, and us as consumers, and
5 for you as commissioners to listen to every word we
6 have to say.

7 In there will lie the reality, they're
8 trying to make too much, and they certainly are.

9 JUDGE DIPPELL: Does that conclude your
10 remarks?

11 THE WITNESS: Yes.

12 JUDGE DIPPELL: Commissioner Murray, would
13 you have any questions for Mr. Trotter?

14 COMMISSIONER MURRAY: No questions.

15 Thank you.

16 JUDGE DIPPELL: Commissioner Gaw?

17 COMMISSIONER GAW: Not at this moment.

18 JUDGE DIPPELL: Commissioner Clayton?

19 COMMISSIONER CLAYTON: Mr. Trotter, I

20 just have one question, you suggested that steps need
21 to be taken to assist low income and middle income
22 folks who are having difficulty paying their gas
23 bills. I want to ask you, aside from the issue of
24 setting rates lower than the company would like, what
25 other steps do you see the commission having in pro-

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1 viding either assistance or leadership on this dif-
2 ficult issue for both low income and middle income
3 customers?

4 THE WITNESS: I hate to tell you, it goes
5 back to the basics of controlling the utilities on
6 profitability. On covering the bottom line and pro-
7 tecting the bottom line from the consumer. Because if
8 you keep the utilities in tow, if you keep them ac-
9 countable, you keep their expenses down, that will
10 help the middle class.

11 On the other side, that's a Pandora's
12 box. And I don't want to confuse anybody, I'm not
13 here to represent Heat Up St. Louis, they do not have
14 a position of advocacy in this. I'm here as an inves-
15 tor and as a consumer. But we all know that the fed-
16 eral government and state government can do their
17 share by doing -- and we had this task force that we
18 were on.

19 But in the reality of things what we need
20 to do is keep the costs down of the utilities, the op-
21 erating costs down. I know they can't control certain
22 things through the supply in the pipeline, but the op-
23 eration cost we need to keep down. How companies op-
24 erate, how they make a profit should be the regulatory
25 concern or view from the middle class.

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1 On the other side you have federal and
2 state and local issues on energy assistance. I hate
3 to say this, or be flippant about it, but I wouldn't
4 be surprised if this continues with the price of gaso-
5 line on one side and the price of natural gas on this
6 side, that a lot of middle class people won't be slip-
7 ping down and looking for energy assistance at some
8 point.

9 When you've got a bill that's \$400, \$500
10 a month and you've got all these other things you're
11 doing, that's tough. My thing, my friend, is to be
12 vigilant. Watch those nickles and dimes, and in this
13 case the outrageous dollars to make sure that these
14 utility people are kept in line, and they do not, do
15 not, stand for greed on the back of the poor or the
16 back of the middle class.

17 But they stand for profit within reason
18 so they can pay their employees. And if the commis-
19 sion watches out for investors by the way, because I'm
20 almost sure when you deal with that issue of safety,
21 that while Laclede says -- as it stands now, the rumor
22 is we don't want to go into the houses of the custo-
23 mers anymore.

24 From an investor's standpoint, it's a
25 liability standpoint. It's a liability standpoint

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1 that we're spending millions of dollars on liability
2 that could go back to the stock of the investors. So
3 from my standpoint it's vigilance, sir. I hope I've
4 answered your question. The latter one is complicated
5 energy assistance. If you could help with the state
6 legislator and come up with what they call an energy
7 assistance pack where you check off a dollar on our
8 Missouri income tax statement, or something of that
9 sort that we can find money within the budget.

10 Whatever you can do as a commission, I'm
11 almost sure that this Blunt Administration is run like
12 a business, so similar to a utility company that is
13 grossly insensitive to the needs of the poor. It's
14 already demonstrated since he first took office and
15 it's going down the same path. So I wish you well. I
16 wish you with the same vigor, vigilance, whatever you
17 can do.

18 I guarantee you're going to have a road
19 block coming down the line, a road block with these
20 little deals on the side. Where you're kept out and
21 you're kept out, and all these little changes that
22 they use. These overt deals they call them. There's
23 a covert. They were overt, now they're covert. I'm
24 sorry. So the covert deals are going to hurt us.
25 What you can do sir, as a commissioner is make sure we

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1 no longer have these little secrets that -- You
2 operate in the public's interest. If you do that I
3 guarantee you that it will help the working class and
4 it will help the poor.
5 JUDGE DIPPELL: Commissioner Appling, do
6 you have any questions?
7 COMMISSIONER APPLING: No questions.
8 JUDGE DIPPELL: Mr. Dandino, any
9 questions?
10 MR. DANDINO: No questions.
11 JUDGE DIPPELL: Did any of the other
12 parties want to ask any questions of this witness?
13 JUDGE DIPPELL: Thank you, Mr. Trotter, I
14 appreciate your comments. Joe Schulte.
15 (Thereupon, the witness was sworn/
16 affirmed by the Judge to tell the truth.)
17 THE WITNESS: My name is Joe Schulte. I
18 live at 4007 Hartford. I'm a business representative
19 for the gas workers.
20 JUDGE DIPPELL: Could you spell your
21 name.
22 THE WITNESS: S-c-h-u-l-t-e.
23 JUDGE DIPPELL: Are you a customer of
24 Laclede Gas?
25 THE WITNESS: Yes, I am. And I'm speak-

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1 ing both as a customer and as a union representative.

2 JUDGE DIPPELL: Go ahead and give us your
3 comments.

4 THE WITNESS: The company has informed us
5 that they are going to get rid of the meter readers,
6 and they're in the process of doing that right now.
7 They're putting automatic reading devices on, which
8 are being done by cellnet. I have a couple questions
9 on that. One is, laclede Gas has never given us, or I
10 don't know if they gave the Commission -- what are
11 they going to save? This is going to be a two year
12 process, after two years has this been injected into
13 the Commission, the savings on -- what the cost
14 savings is?

15 They never relayed any of that to us at
16 all. So if there is going to be a big cost savings in
17 that, then I think the Commission needs to take that
18 into account. They should not profit by eliminating
19 jobs. And that's -- I'm talking about safety sensi-
20 tive jobs.

21 The other part that I want to address is
22 Mr. Pendergast said earlier in off-the-record comments
23 that there was going to be no change in safety proced-
24 ures. Well, there is. Because every one of the meter
25 readers wear a device in their pocket. This device

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1 will detect a gas leak in a house even if they can't
2 smell it. Because we've had cases before where gas --
3 there are certain types of soil that will filter out
4 the odor that is put in -- because natural gas has no
5 odor.

6 Now, there could conceivably be times
7 when a meter reader would have went into that house,
8 wouldn't have smelled it, but the device would have
9 picked it up. So they are eliminating a safety
10 procedure. When they say they're not, they are.

11 You know, these meter readers have turned
12 in countless leaks when they've been in customers
13 houses. They call in to the dispatching board and
14 they send a service man out to check that out to make
15 sure that house was safe. So there's two procedures
16 right there that's going to be eliminated. One, is
17 the meter reader would have found the leak, and would
18 have called it in. The second, laclède would have
19 sent someone out to check it. That's no longer going
20 to happen. That's my comment. I'll be glad to answer
21 any questions.

22 JUDGE DIPPELL: I just want to make it
23 clear that there is another pending case before the
24 Commission that deals with the variance that they're
25 requesting for the meter reading. And I just want to

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1 make clear that is also currently pending before the
2 Commission.

3 THE WITNESS: I understand that. But I
4 just wanted this on comment because that variance will
5 be in a private hearing in Jefferson City. The public
6 here ought to know what's going on.

7 JUDGE DIPPELL: I will also state that
8 all the Commission hearings are public hearings.

9 THE WITNESS: Well, they are public hear-
10 ings, that will happening in Jefferson City.

11 JUDGE DIPPELL: I understand. I just
12 wanted to make it clear. I didn't want anyone to
13 think that they would be excluded from it.

14 THE WITNESS: I want to make it clear
15 too. Unless you drive up and drive back, or spend the
16 night up there, which is mostly pretty expensive. The
17 average customer here cannot afford that.

18 JUDGE DIPPELL: I appreciate your com-
19 ments. Chairman Davis has joined us. Chairman, we
20 are taking comments and I'm about to ask if
21 Commissioner Murray has any questions for this wit-
22 ness.

23 COMMISSIONER MURRAY: No, I don't. Thank
24 you, judge.

25 JUDGE DIPPELL: Commissioner Gaw?

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1 COMMISSIONER GAW: Mr. Schulte, how long
2 have you been around Laclede Gas as a worker and part
3 of dealing with safety issues with the company?

4 THE WITNESS: I've been there for 38
5 years. And soon I'll be walking out the door. But
6 I've been around Laclede Gas for 38 years. I started
7 out in the street department, worked about seven years
8 out there. Then I went into the service department,
9 which responds to these leaks, and also the street
10 department responds to leaks. So I'm familiar with
11 all aspects of it.

12 I can state for a fact that I've been in
13 houses where I've went in and had rubber bands tied
14 around open fuel lines, and had a baggie that was
15 blown up like a balloon. These are conditions that
16 could have caused problems.

17 COMMISSIONER GAW: If you would have had
18 an automatic reading device instead of going into
19 those houses, would you think that might be a poten-
20 tial hazard that could have occurred, could have
21 changed into a disaster for the people living there?

22 THE WITNESS: Yes. And I can state an-
23 other instance when we were changing gas meters every
24 10 years. We intervened probably five, six years ago,
25 and the Commission let Laclede go to sampling. Where

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1 you change so many meters, say there's 50,000 and
2 you'd change 2500, and if they worked okay you'd only
3 change every other one.

4 But before that was in there, there's
5 been houses I went into, and I'll cite one for an in-
6 stance, which a meter reader would have directly found
7 if he would have been in that house to read the meter.
8 I went into the house to change the meter, the man had
9 two unvented space heaters upstairs, and two unvented
10 space heaters downstairs. He came to the door stag-
11 gering, I thought the man was drunk.

12 But I found the house was full of carbon
13 monoxide. Probably an hour later, maybe 10 minutes
14 later, that man would have never answered the door.
15 This man would have died there if it wouldn't have
16 been for something that Laclede always done. And they
17 got the approval from the Commission not to go to the
18 sampling. There's cases that our members have prob-
19 ably saved lives out there. That's not all blown up
20 and the public don't know about all of that stuff that
21 we find out there.

22 COMMISSIONER GAW: We don't read about
23 the cases where you save someone's life because the
24 accident doesn't happen. We read about the cases
25 where you have an explosion and have someone die be-

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1 cause of carbon monoxide poisoning.

2 THE WITNESS: There's been a few that
3 Laclede put in their magazines where a meter reader
4 would be out there and see a house on fire and smoke
5 coming out, and would get the customers out of there.
6 But that's just in Laclede's magazine, but the public
7 don't know what's going on.

8 COMMISSIONER GAW: The safety device that
9 you're talking about, is that something that every
10 meter reader carries with them?

11 THE WITNESS: Yes, they do. The company
12 thought it was so important about three years ago they
13 give them all these devices. Before that they were
14 always supposed to use their sense of smell to detect
15 any leak. So they -- It was so important three years
16 ago to give every meter reader this device to carry so
17 they could detect any gas leak in that house. But now
18 three years later it's not important anymore.

19 COMMISSIONER GAW: Do you know, in this
20 rate case are there any reductions that are supposedly
21 occurring, because of the increase in rates, because
22 of it going to these new meters, or is that left to
23 some point in time in the future, do you have any
24 idea?

25 THE WITNESS: I have no idea. Our

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1 attorney intervened in it. I don't know anything of
2 what's going on. There's protective orders and I have
3 not talked to the attorney about any of this. This is
4 just my personal knowledge. But what I said before, I
5 don't know if they're going to reduce in this rate
6 increase, the cost of the savings on the meter reader
7 or any of that. The public don't know.

8 COMMISSIONER GAW: We don't know what
9 might be contemplated in this tentative settlement
10 either, do we?

11 THE WITNESS: No, we don't.

12 COMMISSIONER GAW: Thank you.

13 JUDGE DIPPELL: Commissioner Clayton?

14 COMMISSIONER CLAYTON: Mr. Schulte, very
15 quickly. Is the gas worker's union a party to this
16 case, did you say you all intervened?

17 THE WITNESS: Yes. We are a party to
18 this case.

19 COMMISSIONER CLAYTON: The joint motion
20 to suspend procedural schedule says, "the unanimous
21 stipulation and agreement." Are you aware of the
22 union's position?

23 THE WITNESS: Our position is that we're
24 against this rate increase. I don't know where you're
25 seeing "unanimous" because our attorney has not been

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1 directed to agree to anything. So we never agreed to
2 settle. She has to get approval from us to do that.

3 COMMISSIONER CLAYTON: Thank you.

4 JUDGE DIPPELL: Commissioner Appling, do
5 you have any questions?

6 COMMISSIONER APPLING: No questions.

7 JUDGE DIPPELL: Commissioner Davis, did
8 you want to ask any questions of this witness?

9 CHAIRMAN DAVIS: I apologize for walking
10 in late. When I came in you were speaking, I believe
11 that you were saying that you thought we should have
12 another public hearing on the stip agreement; is that
13 correct?

14 THE WITNESS: No. Someone else said
15 that. Mr. Trotter said that you should have another
16 public hearing. And I think Mr. Gaw said that, if I'm
17 not mistaken.

18 CHAIRMAN DAVIS: Well, for the record, I
19 agree with that. And I support having another public
20 hearing when this is filed.

21 THE WITNESS: I would have no problem
22 with that. I would welcome that.

23 JUDGE DIPPELL: Mr. Dandino, did you wish
24 to ask any questions of this witness?

25 MR. DANDINO: I have no questions.

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1 JUDGE DIPPELL: Do any of the other at-
2 torneys present want to ask any questions? All right
3 then. Thank you, Mr. Schulte.
4 THE WITNESS: Thank you.
5 JUDGE DIPPELL: Marian Whitfield?
6 (Thereupon, the witness was sworn/
7 affirmed by the Judge to tell the truth.)
8 JUDGE DIPPELL: Could you state your name
9 and spell it for the court reporter.
10 THE WITNESS: My name is Marian,
11 M-a-r-i-a-n, Whitfield, W-h-i-t-f-i-e-l-d.
12 JUDGE DIPPELL: Could you give us your
13 address.
14 THE WITNESS: My address is 4546 Newberry
15 Terrace, St. Louis, Missouri 63113-2411.
16 JUDGE DIPPELL: Are you a customer of
17 Laclede Gas?
18 THE WITNESS: I'm a victim of Laclede
19 Gas.
20 JUDGE DIPPELL: Go ahead and give us your
21 comments.
22 THE WITNESS: I agree with the gentleman
23 before me as far as the on-the-ground workers. When
24 you prune a tree at the top it's a good thing. When
25 you cut the trunk of a tree off, the top will surely

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1 fall. We in the African-American community here in
2 St. Louis -- yes, we still have one -- have suffered
3 terribly from Laclede Gas for many, many years. They
4 have caused evictions, they've caused illnesses, and
5 they've caused death. And then they have the arro-
6 gance enough to send a letter to some of their custo-
7 mers who have been victimized, stating it's been a
8 pleasure reviewing your records.

9 Every time I see that blue flame on that
10 truck, that yellow or white van, I get a nauseating
11 feeling in my stomach. I am very happy that you fin-
12 ally did give a public hearing on this, because some-
13 one has to put a stop to the terrorists that are at
14 the top of Laclede Gas.

15 We do need the meter readers, they do
16 come, eventually. Even if you do have to go through
17 the Better Business Bureau to get them. Also, they do
18 come around with the equipment where they detect gas
19 leaks. You can walk down the street and smell the
20 gas. They're knocking down houses like they rake up
21 leaves in the City of St. Louis, and every time they
22 knock down a house that's another few thousand dollars
23 that Laclede gas won't get.

24 What happens, is they disconnect the ser-
25 vice, then people have to go to court, then the frozen

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1 water pipes bust. Have you ever been in a house where
2 the house is so cold the water in the toilet is froz-
3 en? Where you have a bottle of water, it was frozen
4 so hard that the water -- the glass had busted and the
5 ice was standing by itself.

6 When you use kerosine heaters and the
7 black soot finally decides to blow all over the house.
8 When you have to go through the Better Business Bureau
9 to get information for the services that individuals
10 have or have not received. And there are people in
11 North St. Louis in the African-American community who
12 are suffering.

13 I do not have a problem with Dollar Help.
14 I do not have a problem with people giving, because we
15 need to do that. But what we're doing with Laclede
16 Gas is feeding the monster. Because what they do with
17 that money is not in the interest of the citizens of
18 St. Louis or the investigators or the workers.

19 If I were an investor in the City of St.
20 Louis with Laclede Gas, I'd fire all of them at the
21 top. Because what they're doing, is they're wasting
22 money for the actual investors. If they were really
23 about profit they would be a little more efficient
24 than they are. Sometimes when Laclede Gas disconnects
25 your gas it's a domino effect. One thing happens, you

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1 time you would have paid it. So if they keep doubling
2 it, how in the world do they think you're going to pay
3 it? I agree with this gentleman over here who is on
4 social security. A lot of people are having problems.
5 I've heard of some systems or programs that are avail-
6 able where there is a cap on Laclede Gas and other
7 utilities, where they can only charge you so much de-
8 pending on your income. This is a feasible, respons-
9 ible act to take. Other than letting Laclede Gas run
10 amok.

11 And this is exactly what they've done. A
12 lot of people have resorted to heaters, kerosene heat-
13 ers. You use these kerosene heaters, you are breath-
14 ing -- St. Louis is one of dirtiest cities in the
15 country as it is. The air pollution is horrible. If
16 you're in a situation where you don't have any gas
17 heat and you have to resort to this, then you're in a
18 deadly situation.

19 And if you really want to find out some
20 facts, you ask some of these doctors who are seeing
21 these people in the African-American community who are
22 almost dead because of what Laclede Gas has done to
23 them. And if you want to find out what's happening to
24 some of these children who are running amok in the
25 street, find out what's happening at home. Find out

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1 what's happening with their parents. Find out how
2 devastating their lives are because of the racist in-
3 stitution in the City of St. Louis. And it's happen-
4 ing with Laclede Gas.

5 Laclede Gas starts, the City of St.
6 Louis, the courts take over, and the next thing you
7 know everything is gone. I'm tired. Okay? I have a
8 lot more to say but I know there are other people
9 here. And I will restate my statement. When you
10 prune a tree, cut off the top, that's a good thing.
11 When you cut off the trunk, the top will surely fall.

12 JUDGE DIPPELL: Thank you.

13 THE WITNESS: You're welcome.

14 JUDGE DIPPELL: Ms. Murray, did you have
15 any questions for Ms. Whitfield?

16 COMMISSIONER MURRAY: No questions.

17 JUDGE DIPPELL: Mr. Gaw, do you have any
18 questions?

19 THE WITNESS: And another thing. When
20 someone blind-sides you, and you have young children,
21 they will take your children away if you don't have
22 certain utilities. They have taken so many children
23 away from their parents just because the utilities
24 have been disconnected. If the Gods are lucky enough
25 to work it out, maybe some of those at Laclede Gas at

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1 the top will have a chance to experience this first-
2 hand.

3 COMMISSIONER GAW: I want to thank you
4 for coming down. I appreciate your comments, and
5 they're important. I want to ask you, how long have
6 you been a resident in the city?

7 THE WITNESS: I was born in St. Louis. I
8 left for a while.

9 COMMISSIONER GAW: Okay. So most of your
10 life you've been around here?

11 I THE WITNESS: Since 1978, I came back for
12 the last time. I served in the military.

13 COMMISSIONER GAW: Can you tell me, in
14 the last few years are you familiar with the increases
15 that they have gone on in the price of heating your
16 home?

17 THE WITNESS: Yes.

18 COMMISSIONER GAW: Would you say that it
19 is getting to be extremely difficult, more difficult
20 than it has been because of the changes in prices?

21 THE WITNESS: Yes, absolutely. You're
22 talking to someone who has a \$4,000 gas bill.

23 COMMISSIONER GAW: Was that last year?

24 THE WITNESS: Yes.

25 COMMISSIONER GAW: Do you know about how

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1 much that has increased in the last few years, do you
2 remember?

3 THE WITNESS: Maybe 10 percent.

4 COMMISSIONER GAW: Would it surprise you
5 if it had actually increased a lot more than that in
6 the prices?

7 THE WITNESS: No, of course not. Because
8 we got an immoral majority running it.

9 COMMISSIONER GAW: That's all I have.
10 Thank you.

11 THE WITNESS: You're welcome.

12 JUDGE DIPPELL: Commissioner Clayton, do
13 you wish to ask any questions?

14 COMMISSIONER CLAYTON: I have no ques-
15 tions. Thank you, ma'am.

16 JUDGE DIPPELL: Commissioner Appling?

17 COMMISSIONER APPLING: No questions.

18 JUDGE DIPPELL: Chairman Davis?

19 CHAIRMAN DAVIS: Ms. Whitfield, just one
20 question, and that is specifically; can you give us
21 any examples that you are aware of where Laclede
22 treats African-American people differently than other
23 people, than other people in this state?

24 THE WITNESS: I didn't say they treated
25 them any differently than anyone else. I'm only

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1 speaking the fact that they -- how they're treating
2 us.

3 CHAIRMAN DAVIS: So they cut everyone off
4 equally?

5 THE WITNESS: I wouldn't know about the
6 rest of them, but I know about us.

7 CHAIRMAN DAVIS: Okay.

8 JUDGE DIPPELL: Mr. Dandino, do you have
9 any questions?

10 MR. DANDINO: I have no questions. Thank
11 you, Ms. Whitfield.

12 JUDGE DIPPELL: Did any of the other at-
13 torneys have questions for Ms. Whitfield?

14 Ms. Whitfield, you brought some docu-
15 ments with you, did you want any of them entered into
16 the record, or were you just bringing them?

17 THE WITNESS: I was just bringing them.

18 JUDGE DIPPELL: Thank you.

19 Again, I will say there are plenty of
20 seats in front. If you want to sit down, please feel
21 free to do so. Thomas Allen?

22 (Thereupon, the witness was duly sworn/
23 affirmed by the Judge to tell the truth.)

24 JUDGE DIPPELL: Could you please state
25 and spell your name for the court reporter.

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1 THE WITNESS: Thomas Allen, A-l-l-e-n.
2 One Smoke Tree Drive, Fenton, Missouri 63026.

3 JUDGE DIPPELL: Are you a customer of
4 Laclede Gas?

5 THE WITNESS: Yes, ma'am. I've been a
6 customer since, I believe December 1985 on the second
7 go-round. I previously was in Kansas City for a peri-
8 od of time prior to that. And I was also a Laclede
9 customer when I lived in Affton. I do not represent
10 any group or any organization. I'm here solely as a
11 senior citizen.

12 It's difficult for me to understand how a
13 company can ask for a four dollar increase when -- You
14 know, I'm on my retirement -- Thankfully, I had a good
15 job. I have what I call an adequate pension. My
16 social security, I believe I got a 2.5 or 2.7 increase
17 this year. Information that I have been able to ac-
18 quire, the chairman of Laclede Gas, the management
19 person, and I do not know the name. I understand that
20 they got a 14 percent increase.

21 Now, I would take 14 percent on my little
22 income, be it limited as it is. But 14 percent of
23 what that man makes is like me winning the lottery.
24 You know, I understand they also got like a 200-some
25 thousand dollar bonus. I don't believe I ever got a

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1 bonus. I did one time, I got \$100 check at Christmas
2 as a bonus one time. But that's hard for me to take
3 when somebody rakes in all that kind of money.
4 You know, I may ramble on here, because
5 my mind -- I try to worry about my wife, my children,
6 and my grandchildren. Some of these things they real-
7 ly irritate me. I don't know where to go here, but I
8 am opposed to this rate increase. Just sitting here
9 and understanding the figures. If I guess right, on
10 this four dollars a month -- and I don't know how long
11 it's going to go on, probably forever, until I die --
12 that's like 25 cents out of one of those four dollars
13 that I'm going to spend goes for the bonus of the
14 chairman of Laclede Gas.
15 Now, I don't accept that. You know, I
16 get no tips from anybody -- In fact, I don't do any-
17 thing. I got my priorities, I fish and mow the yard,
18 in that order. But I don't do any outside work. But
19 that's like me giving him a tip every time. Now, when
20 we go to restaurants I tip according to the type of
21 service I get. I do not feel that I'm going to get
22 any better service from Laclede Gas that I'm presently
23 getting, so why should I tip them?
24 You know, I appreciate the fact that members
25 of the Commission are here. But I also want to state

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1 that my eyes were opened today, because there's al-
2 ready some backwoods, backroom agreements made. In
3 fact, I think that is, and I'm going to use the word,
4 damned, deplorable. If they're going to make agree-
5 ments, why do they even bother to have this hearing?
6 There's no question that somebody has got the cart
7 before the horse.

8 I do want to say that I agree 100 percent
9 with Mr. Trotter and his statement. The other people
10 previous to me, they've all had good points. I just
11 don't know where to go from here. But I do tell you
12 that I'm very sincere that I think this is wrong. It
13 is definitely wrong.

14 If a company -- and I have to say that
15 the attorney for Laclede Gas comes to this meeting and
16 he doesn't know what the profits are -- Now, what is
17 wrong with people in this world? Is he pulling a
18 shyster move, does he really know, or is he just not
19 going to tell because he doesn't, quote, have to? You
20 know, I don't like to deal with people like that. If
21 a person is not straightforward with me -- I think a
22 handshake is better than a contract. If you don't
23 think somebody is going to deal with you on an even
24 keel, I don't want to deal with them. I'm very ada-
25 mant about things.

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1 In fact, you know, the type of person I
2 am, I just had a big argument with my cellular carrier
3 yesterday because I got my phone bill. I retrieved a
4 message when I came back into my home area from my va-
5 cation last month. I'm supposed to have coverage
6 within the State of Missouri. I retrieved a message
7 on my phone that I picked up in either Noel or
8 Anderson, Missouri. I was within the state line and
9 the cell tower in Springdale, Arkansas picked me up.
10 They tried to charge me \$1.90 and I spent
11 15 minutes on the phone and I finally got them to
12 agree to take it off. I told them if they didn't take
13 it off when I knew I was in the State of Missouri, if
14 they didn't take it off I was going to cancel my ser-
15 vice, and I will do it. I won't take up much more of
16 your time, I think you understand my point.
17 I sincerely appreciate you coming here.
18 I want to thank you for this opportunity, and please
19 think about the things that I have said, that the
20 backroom dealing has already taken place. I think
21 it's a railroad and I think I missed the train.
22 That's my opinion. Thank you so much.
23 JUDGE DIPPELL: Chairman Davis, did you
24 have any questions you wanted to ask Mr. Allen?
25 CHAIRMAN DAVIS: No questions. Thank

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1 you.
2 JUDGE DIPPELL: Commissioner Murray?
3 COMMISSIONER MURRAY: No questions.
4 JUDGE DIPPELL: Commissioner Gaw?
5 COMMISSIONER GAW: Thank you for coming,
6 sir. I want to ask you, you said you might change
7 your cellular service because you're dissatisfied.
8 Can you change your service to get natural gas?
9 THE WITNESS: I don't think that's pos-
10 sible. You know, it's a monopoly. They're the only
11 gas company in town. I appreciate you asking that
12 question.
13 JUDGE DIPPELL: Commissioner Clayton?
14 COMMISSIONER CLAYTON: I have no ques-
15 tions. Thank you.
16 JUDGE DIPPELL: Commissioner Appling?
17 COMMISSIONER APPLING: Thank you for
18 coming.
19 JUDGE DIPPELL: Mr. Dandino?
20 MR. DANDINO: No questions. Thank you,
21 Mr. Allen.
22 JUDGE DIPPELL: Are there any questions
23 from the other attorneys?
24 Thank you very much, Mr. Allen.
25 THE WITNESS: Am I free to leave?

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1 JUDGE DIPPELL: You are.

2 THE WITNESS: Okay. I want to go pay my
3 parking and have my lunch. Thank you so much.

4 JUDGE DIPPELL: We appreciate you being
5 here. Senator Bray?

6 (Thereupon, the witness was duly sworn/
7 affirmed by the Judge to tell the truth.)

8 JUDGE DIPPELL: Could you state your my
9 name and spell it for the court reporter.

10 THE WITNESS: Joan Bray. J-o-a-n
11 B-r-a-y.

12 JUDGE DIPPELL: Could you give us your
13 address.

14 THE WITNESS: 7120 Washington Avenue, St.
15 Louis, Missouri 63130.

16 JUDGE DIPPELL: Are you a customer of
17 Laclede Gas?

18 THE WITNESS: I am a customer.

19 JUDGE DIPPELL: Thank you. Would you
20 please give us your comment.

21 THE WITNESS: Thank you. Good day, Judge
22 Dippell and Commissioners Appling and Davis and Gaw
23 and Clayton and Murray. I'm delighted to have you all
24 in St. Louis today. And Commissioner Murray is on the
25 Internet, that's great.

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1 As I stand before you today, I feel like
2 it's that old adage, deja vu, all over again. In the
3 process of this rate case, once again the individual
4 customers are merely window dressing, the deal has al-
5 ready been cut. We are invited here today to testify,
6 give the appearance of inclusion, but we're not stup-
7 id, folks.

8 Information on your website says you'll
9 file your agreement the day after tomorrow. Whatever
10 we, the small consumers say will make no difference.
11 This past spring as utility-friendly legislation was
12 making its way through the legislative process, those
13 who represented the interest of the small consumers
14 were left out. I'm talking about -- in the senate we
15 refer to these small consumers as Grandma Millie --
16 the retirees, the moms, the dads, the struggling
17 twenty-somethings, the small business owners.

18 The deal on that bill, which will work
19 against these folks that I just mentioned, included
20 the Commission, the utilities, and the large powerful
21 industrial consumers, it ignored the small consumers.
22 Oh, sure, at one point along the way we were invited
23 to be window dressing at a gathering open to the pub-
24 lic.

25 But when the real negotiations started

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1 the Commission, the utilities and the large commercial
2 and industrial consumers retreated behind closed doors
3 and cut the deal. Absent were the average person and
4 small business owners. As a result, they will ultimately
5 be forced to pay higher prices with no recourse. Laclede Gas is asking for a rate hike that
6 will force consumers to pay more for the nongas portion
7 of their monthly bill.

8
9 This will occur simultaneously with the
10 sharp escalation of the cost for the gas itself. Up
11 to at least 26 percent this winter we are warned.
12 While I am not privy to the details and nuances of
13 this secret deal, I do know a little bit about the
14 public view. We are very fortunate in Missouri and
15 particularly in St. Louis, to have very well-managed
16 utilities.

17 I pointed this out during the debate in
18 the senate on the utilities rate-hiking bill that
19 passed without consumer input. And Ameren's recent
20 announcement of 57 percent increase in profit last
21 quarter confirmed that that company had done very well
22 by the rates we pay them for electricity.

23 Laclede Gas is very well-run as well.
24 Since 1946 the company has been paying dividends, and
25 since 1984 those dividends have been growing steadily.

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1 Last year, 2004, was another year the company achieved
2 overall record earnings. I also know that when this
3 deal, the predetermined outcome of these hearings
4 comes down, Laclede can plan to reduce costs, like
5 eliminate part of its work force. And the additional
6 profits from that action won't have been calculated,
7 because the calculations are made from earlier histor-
8 ical test years.

9 I also know that any look back at subse-
10 quent additional profits from such actions will not
11 result in any refunds from overcharges to the custo-
12 mers. Senate Bill 179, the utilities rate hiking bill
13 that passed last session, gave other utilities the
14 same ability the gas companies have to pass fuel costs
15 on to the consumer. We were assured during that de-
16 bate that the consumer was protected because such
17 pass-through's will come only as a result of a rate
18 case.

19 Well, my worst fears are borne out by the
20 process we are witnessing today. Rather than work
21 through the rate case in as public a manner as allow-
22 ed, the major players, the Commissioners, the company
23 and the new still-wet-behind-the-ears public counsel
24 went behind closed doors and cut the deal.

25 Today all the public can do is blow mean-

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1 ingless words into the air. The clandestine process
2 is a disgrace. I appeal to any sense of fairness you
3 can muster. Start fresh on this rate case and in-
4 clude everyone in the public process required by the
5 law.

6 Energy policy in this nation and state
7 are moving into a new era, regardless of our opinion
8 of such change. The policy of the future will be
9 driven by consumer demand for affordable, clean and
10 safe fuel. Consumers are certainly going to want to
11 lead. The question remains, will utilities follow.
12 The question remains unanswered, because the answer
13 depends on yet another question. Is our regulatory
14 mechanism up to the task of guiding our utilities
15 toward an energy policy for this millennium?

16 We seem to be stuck on an unproductive
17 past. Utilities continue with few new ideas other
18 than to increase their bottom line. Every three years
19 utilities ask for an exorbitant rate hike, knowing
20 that they will get somewhere around half of what they
21 ask. Large consumers negotiate for a deal that some-
22 what pacifies them. Regulators end up giving utili-
23 ties half of what they ask claiming that they are pro-
24 tecting the public. Everyone goes home happy except
25 the consumers, the employees, and our planet.

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1 Missouri needs to get smarter about reg-
2 ulation, and move our energy policy toward a sustain-
3 able future. A part of smarter means acknowledgment
4 that this doesn't have to be a zero sum game, where
5 someone usually loses big. And that someone is usual-
6 ly the consumers and workers.

7 If today is the first day toward that fu-
8 ture we have failed. We have distorted these hearings
9 and the process. I believe these hearings were sup-
10 posed to take place in October, in the act slowed down
11 input and innovation. We are going to play out the
12 same old scenario, little consumer input, a deaf ear
13 to employees.

14 Again, I urge you to delay the decision,
15 schedule more hearings and bring more state voters to
16 the table.

17 JUDGE DIPPELL: Thank you. Chairman
18 Davis, do you have any questions for Senator Bray?

19 CHAIRMAN DAVIS: Senator Bray, would you
20 prefer we use a forward looking test year instead of a
21 historical test year?

22 THE WITNESS: I'm not really well versed
23 on the intricacy, but I think we could discuss it to
24 see what might be the best circumstance. It seems
25 like, if things are known to be part of that calcu-

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1 lation then they somehow should be in there. They are
2 going to be part of the effect of what's going on.

3 CHAIRMAN DAVIS: Do you think that
4 Laclede should be entitled to any increase?

5 THE WITNESS: Again, I don't know the
6 details of the case, but I do know they are earning
7 very well. They're doing very well, and the custo-
8 mers are going to be really hurt by the increase they
9 are going to be paying for the gas itself. So if the
10 company can show -- I would prefer that they come
11 find efficiencies and ways to maximize the rest of
12 their costs through efficiencies, and not have to
13 pass that on to consumers.

14 CHAIRMAN DAVIS: Can you just summarize
15 again, how would you like to see the process be more
16 open, what can we do?

17 THE WITNESS: Well, we all know that the
18 deal's been made. There may be a few "T's" to be
19 crossed or "I's" to be dotted, but we don't know what
20 we're testifying about in this deal, and it's very odd
21 talking about something that we really don't know what
22 we're talking about.

23 I heard earlier that there could be an-
24 other hearing. But it was said, the words used, "once
25 it's been decided." Once it's decided, it's just

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1 going to be people coming in and moaning about the
2 decision, and not able to give ideas about how things
3 might be different.

4 CHAIRMAN DAVIS: Would you rather us --
5 Assuming a stip and agreement were filed with us,
6 would you rather us just outright reject that stip and
7 agreement without holding another public hearing, or
8 would you rather have public hearings where it could
9 be discussed and then the decision made?

10 THE WITNESS: I would like you to have
11 public hearings, and then a decision made once we
12 know what the elements of the proposal is.

13 CHAIRMAN DAVIS: Thank you.

14 JUDGE DIPPELL: Commissioner Murray, did
15 you have any questions for Senator Bray?

16 COMMISSIONER BRAY: I'd just like to say
17 hello to Senator Bray. Thank you.

18 THE WITNESS: It's nice to hear from you
19 Commissioner.

20 JUDGE DIPPELL: Commissioner Gaw?

21 COMMISSIONER GAW: Senator, do you have
22 any comments on this deal that you would like to pro-
23 vide to us, or do you know what's in it either?

24 THE WITNESS: I don't know what's in it
25 either.

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1 COMMISSIONER GAW: I don't know what's in
2 it. I'm curious about what's in it.

3 THE WITNESS: You are too?

4 COMMISSIONER GAW: Yes. But you haven't
5 been informed by anyone what the deal is, right?

6 THE WITNESS: I have not. People said
7 usually they come in asking for way more than they
8 want so they get about half of it. That's only an
9 assumption though.

10 COMMISSIONER GAW: But you don't know
11 whether there are any provisions that might help ad-
12 dress the adverse impacts to lower/middle class income
13 individuals who are out there struggling with these
14 increasing prices at the gas pump and in natural gas
15 prices, you don't know whether that's in there?

16 THE WITNESS: No. And I would certainly
17 hope that any of those kinds of provisions that the
18 people directly affected by that, and use those, need
19 those programs or allowances, are part of the process
20 of determining those, because I know some things get
21 done that just don't work.

22 COMMISSIONER GAW: But you'd like to have
23 an opportunity to look at that and provide some com-
24 ment on your behalf and on behalf of your constitu-
25 ents?

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1 THE WITNESS: Absolutely.

2 COMMISSIONER GAW: Do you think that --

3 You talk to your constituents on a regular basis,

4 don't you?

5 THE WITNESS: Yes. A lot lately.

6 COMMISSIONER GAW: Can you tell me what

7 kind of impact the current economic stresses have on

8 individuals out there, and particularly in relation to

9 what increases in prices to heat their homes will have

10 today, if you have any feedback.

11 THE WITNESS: Well, of course we hear in

12 the heating issues, we hear more from people in the

13 winter.

14 COMMISSIONER GAW: Where are we right

15 now, by the way, we're in August aren't we? Do you

16 think very many people are thinking about heating

17 their houses right now?

18 THE WITNESS: No, probably not. But

19 there have been some stories lately in the newspapers.

20 In fact, I think just last week our local paper had

21 some stories about how to conserve, and all that type

22 of thing. But part of it was, you know, that gas is

23 going to cost a lot more this year. Already just in

24 normal conversations and talking to people that have

25 brought this up, this is going to be a horrible year.

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1 And that's what my concern is, besides
2 just the passage of the gas cost, in addition to get-
3 ting this extra cost of all the other things, what-
4 ever else it covers, and again I don't know what else
5 it covers because I don't know the details. To a lot
6 of people that four dollars a month is huge. If
7 that's what it is, that's huge.

8 COMMISSIONER GAW: Do you know anything
9 about the suggestion in earlier testimony about the
10 head of Laclede getting a 14 percent increase on their
11 income, do you know about that?

12 THE WITNESS: I don't know about that. I
13 know I read some recent things about gas rising, and I
14 think I heard that CEOs and top officials are now mak-
15 ing like, 400 times the average worker. It used to be
16 about 100 times, and now it's 400 times. I don't know
17 if that applies to Laclede Gas, and here in St. Louis
18 it's probably not 400 times. But those gaps are wide-
19 ning between the top and the bottom, and that's very
20 disturbing.

21 COMMISSIONER GAW: I very much appreciate
22 you taking the time to come down here. I apologize
23 for the fact that you're coming down here without
24 knowing what this deal is. It strikes me that it
25 would be a lot more productive if we knew what it was

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1 so people could give us feed back on it. Instead of
2 having to come back again to do that later.

3 THE WITNESS: I totally agree. It was
4 all very sudden. I was out of town and got home and
5 found out this was this week. And it was -- Again, I
6 thought it was in the fall sometime.

7 COMMISSIONER GAW: Thank you, Senator.

8 JUDGE DIPPELL: Commissioner Clayton?

9 COMMISSIONER CLAYTON: Thank you, Judge.
10 Senator, I just want to say thank you for coming down
11 here. Some elected officials would not want to get in
12 the middle of something like this and I appreciate you
13 taking the time out of your busy schedule. You have a
14 lot of constituents to deal with, and we appreciate
15 you being here.

16 THE WITNESS: Well, I appreciate you com-
17 ing to St. Louis. Meeting here in St. Louis.

18 JUDGE DIPPELL: Commissioner Appling?

19 COMMISSIONER APPLING: It's good to see
20 you.

21 THE WITNESS: It's good to see you.

22 COMMISSIONER APPLING: Thank you for
23 coming.

24 JUDGE DIPPELL: Mr. Dandino?

25 MR. DANDINO: No questions. Thank you,

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1 Senator, for coming.

2 JUDGE DIPPELL: Do any of the other
3 attorneys have questions for Senator Bray? Thank you,
4 Senator Bray. Kevin Patterson?

5 (Thereupon, the witness was duly sworn/
6 affirmed by the Judge to tell the truth.)

7 JUDGE DIPPELL: Could you state your name
8 and spell it for the court reporter.

9 THE WITNESS: My name is Kevin Patterson.
10 K-e-v-i-n P-a-t-t-e-r-s-o-n. My address is 10500
11 Wisteria Lane, St. Louis, Missouri 63136.

12 JUDGE DIPPELL: Are you a customer of
13 Laclede Gas?

14 THE WITNESS: I'm a customer and an
15 investor, yes.

16 JUDGE DIPPELL: Go ahead and give us your
17 comments, please.

18 THE WITNESS: I just wanted to commend
19 the PSC for -- Agreeing with the Public Service
20 Commission, I ask that you have it in mid December,
21 when the weather is good and cold and let people come
22 up here. I agree a lot with some of the other state-
23 ments made up here and the questions.

24 I want to ask the Public Service
25 Commission not to grant this proposal increase because

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1 Laclede Gas has paid approximately 1.3 million dollars
2 in salaries and over 500 thousand dollars in bonuses
3 to its top executives. I have to agree with this lady
4 here, if you're going to trim the fat, let's start at
5 the top, and not pass it down to the customers.
6 Mostly, my mother is on a fixed income,
7 that did not receive my father's pension when he
8 passed away. She's living on a very low income, and
9 this is just something that the public cannot afford,
10 and is way unnecessary. That's just my comment.
11 JUDGE DIPPELL: Chairman Davis, do you
12 have any questions for this witness?
13 CHAIRMAN DAVIS: No questions, Your
14 Honor.
15 JUDGE DIPPELL: Commissioner Murray?
16 COMMISSIONER MURRAY: No questions.
17 Thank you.
18 JUDGE DIPPELL: Commissioner Gaw?
19 COMMISSIONER GAW: Just real quick.
20 Sir, where did you get the 1.3 million figure?
21 THE WITNESS: It was in the Sunday Post.
22 COMMISSIONER GAW: Do you know how many
23 individuals receive that?
24 THE WITNESS: No. I just know the top
25 five.

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1 COMMISSIONER GAW: The top five. Okay.
2 Thank you, sir.
3 JUDGE DIPPELL: Commissioner Clayton?
4 COMMISSIONER CLAYTON: I have no
5 questions.
6 JUDGE DIPPELL: Commissioner Appling, do
7 you have any questions?
8 COMMISSIONER APPLING: No questions.
9 JUDGE DIPPELL: Mr. Dandino?
10 MR. DANDINO: No questions. Thank you,
11 Mr. Patterson.
12 JUDGE DIPPELL: Any questions from the
13 other attorneys? Thank you, Mr. Patterson. Harold
14 Crumpton?
15 (Thereupon, the witness was duly sworn/
16 affirmed by the Judge to tell the truth.)
17 JUDGE DIPPELL: Please state your name
18 and spell it for the court reporter.
19 THE WITNESS: Harold Crumpton,
20 C-r-u-m-p-t-o-n
21 JUDGE DIPPELL: Could you give us your
22 address, Mr. Crumpton.
23 THE WITNESS: 400 North Fourth Street,
24 St. Louis, Missouri.
25 JUDGE DIPPELL: Are you a customer of

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1 Laclede Gas?

2 THE WITNESS: Yes, I am.

3 JUDGE DIPPELL: Please give us your
4 comments.

5 THE WITNESS: Thank you. First of all,
6 I'd like to recognize Mr. Lewis Mills who has become
7 the public counsel for the State of Missouri. I work-
8 ed with him in the Public Service Commission, and
9 found him to be a very reliable person, very stable
10 and he has an excellent training background that pre-
11 pares him for this job.

12 Also, I'd like to point out that I think
13 there's a lot of confusion in this room about why you
14 are here, and what we're supposed to be doing. And I
15 want to reassure the public, in the history that I
16 have with the Public Service Commission they have
17 never given Laclede Gas what they've asked for. It's
18 just never happened.

19 As a Public Service Commission, we
20 appointed, I believe a lead accountant for your inves-
21 tigative staff. And I want the public to know that
22 sometimes I call him Attila the Hun, because he is
23 that aggressive in going over the records of the
24 companies to make sure that he states the best case
25 possible from the Public Service Commission's point of

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1 view.

2 I came here because I'm concerned about
3 the impact of all rates on those who are living on
4 fixed incomes. As was mentioned earlier, I spent
5 about a year trying to work on some type of process
6 that would help the public avoid some of these rate
7 increase shunts. Especially, for those who are barely
8 paying their gas bills.

9 For instance, we had a citizen here who
10 said she had a \$4,000 gas bill. That's an unusual
11 bill, and it shows that somebody at Laclede Gas is
12 letting somebody else run up those kind of bills. But
13 for those people who are not paying their bills, I
14 think that the Public Service Commission and the
15 Office of Public Council and the parties to this case
16 ought to spend some time looking at a special rate for
17 the indigent, and those who are unable to pay those
18 high gas bills.

19 And the one I pursued a lot in the course
20 of the past year, is one that would eventually reduce
21 the very charges that we're talking about adding to
22 the customers bills in this hearing. And those are
23 the energy charges and the customer charges. If the
24 customer is not paying anything, at least we could pay
25 for the gas.

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1 And while the public thinks that they're
2 here because they're upset over these customer
3 charges, they're upset over the cost of gas. That's
4 the overriding issue here. People think that they're
5 here because they can effect that cost, you can't do
6 it here. This is something that is done by the free
7 market. And the public, Public Service Commission,
8 also Public Counsel, none of these attorneys can do
9 anything about that here.

10 But we can do something to relieve the
11 pressure on these fixed incomes. While the public may
12 not know it, if you instituted a special tariff for
13 those who are unable to pay, that would remove the
14 charges that I'm discussing, that would reduce the
15 customers' bills by about 30 percent annually.

16 Now, somebody has to pay that of course,
17 and in my world it would be paid by the large indus-
18 trial users who are all parties to this case. I not-
19 ice that almost every large industrial user in this
20 region is a party to this case. They would pick up a
21 bigger portion of the expenses, and those who are able
22 to pay would pick up some of those expenses.

23 I'm also concerned about the impact on
24 safety. Now, this is not an issue here, but just in
25 case you don't invite me to the hearing on the issue

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1 of dealing with the meters, I would like to say that
2 the Public Service Commission that I served on has
3 always encouraged implementation of these electronic
4 meter reading devices. But I, as a Public Service
5 Commissioner always took the position that we should
6 do everything we can to retrain and reassign those in-
7 dividuals who will be impacted by this change. Those
8 are very good paying jobs, they're electronic in na-
9 ture and they're network based and so those individ-
10 uals should not be forced to carry the burden of this
11 improvement.

12 The other thing, is just like the gentle-
13 man got up here and said, every meter reader carries
14 this little thing with him that can pick up the pres-
15 ence of gas, even in the absence of that odorizer that
16 they put in gas, those things can also be used with
17 those electronic meter readers. So not every house
18 that the meter reader goes to, but every house, is
19 under constant surveillance for leaking gas.

20 And it's not the ones that they catch
21 that worries us, it's the one that sits idle and
22 builds-up gas, and all of a sudden explodes and wipes
23 out that property and several adjoining properties.

24 So I think that when you do come to that
25 other case, that you invite me back, but just in case

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1 you don't you have my feelings on this issue. I, like
2 many others here are concerned about the effect of
3 this so-called agreement. The press has probably
4 taken it and made it something that it's really not,
5 because in my experience the Commission has never per-
6 mitted all those rates to be passed on to the users.
7 So because of the press involvement a-
8 round here the public is probably thinking the Public
9 Service Commission is getting ready to approve that
10 big agreement. I also wish that when the stipulation
11 and agreement is finally reached, keeping in mind that
12 Attila the Hun is offering advice to the Commission on
13 this agreement, that there will be public hearings.
14 And I understand that this may be a little bit dif-
15 ferent from what we've done in the past, but given the
16 circumstances where the public is under so much
17 stress, this might be a good opportunity to reach out
18 to the public and say, Listen we hear you, and this is
19 the agreement, we want to get your confidence. So
20 that when you do make your final decision you can in-
21 clude the input of the public.
22 I want to point out that you have here
23 the electronics we dreamt about as Public Service
24 Commissioners. You have Commissioner Murray in
25 Jefferson City, while you're having this hearing here.

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1 By the same token, you could have five locations that
2 have hookups to the hearing you're going to have in
3 Jefferson City. And I recall that was the last action
4 that I completed as a Public Service Commissioner, was
5 to wire that building and make sure you had the elec-
6 tronics that would make this possible.

7 So even though you may have the hearing
8 on the settlement and may not be able to come person-
9 ally to St. Louis, you should be able to use a facil-
10 ity like this, and let the rest of us hookup. And if
11 you had one of your employees at each location, they
12 could swear us in, or excuse me, the Judge could still
13 swear us in, but there would be local order so that
14 everyone, no matter where they are would get a chance
15 to have their input.

16 So while I am perhaps disappointed in
17 some, because I'm not impassioned by what I have to
18 say here, I do want to bring some balance and help the
19 public understand that this is nothing but a hearing.
20 That you're asking for their input on the effect of
21 this particular raise or increase on them, and their
22 past experience with the company.

23 THE SPEAKER: I would just like to
24 clarify that we are here for expenses, we are not here
25 for natural gas discussion. Judge, would you clarify

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1 that.

2 JUDGE DIPPELL: Mr. Trotter, I believe
3 you're question is, are we here to hear about the
4 natural gas ex- penses or the operating expenses of
5 the company.

6 THE SPEAKER: Yes.

7 JUDGE DIPPELL: This particular rate in-
8 crease is dealing with that set charge every month on
9 your bill, the operating expenses of the company and
10 not the charge for the actual natural gas itself.

11 THE SPEAKER: Just let the record reflect
12 that.

13 THE WITNESS: I think that was clear in
14 my remarks.

15 THE SPEAKER: No, it was not clear.

16 JUDGE DIPPELL: Let's let Mr. Crumpton
17 have the floor right now. When we're finished hear-
18 ing from all the witness, if there are further com-
19 ments I'll offer the microphone back to those people.

20 Mr. Crumpton, thank you for your re-
21 marks. Chairman Davis, do you have any questions for
22 Mr. Crumpton?

23 CHAIRMAN DAVIS: Yes. Mr. Crumpton, how
24 long were you on the Commission?

25 THE WITNESS: I was on the Commission for

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1 seven years.

2 CHAIRMAN DAVIS: The circumstances that
3 evolved around this alleged settlement, did you ever
4 encounter a similar set of circumstances when you were
5 on the Commission?

6 THE WITNESS: Fortunately, when I was on
7 the Commission most of my public hearings in St. Louis
8 had one or two people show up. Which meant that the
9 prices were very stable. Natural gas prices were not
10 going up and the public generally was satisfied with
11 the work that was being done. But it's common prac-
12 tice in hearings before the Commission, for the
13 Commission to be offered a settlement and an agreement
14 before the Commission hears the case, and before the
15 case is actually presented. So this is not unusual.

16 You may recall that in the newspapers
17 yesterday, Roger Maris's family and Anheuser-Busch
18 reached some kind of settlement and agreement even af-
19 ter they had gone to trial prior to the Judge ruling.
20 So these are common occurrences.

21 JUDGE DIPPELL: Commissioner Murray, do
22 you have any questions?

23 COMMISSIONER MURRAY: Yes. Thank you Mr.
24 Crumpton, it's nice to hear from someone who really
25 does understand the process. And I appreciate you

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1 helping to clarify some of the misunderstanding out
2 there. I agree with you that there is a great deal of
3 misunderstanding in that room today about the process,
4 and what it is that we are attempting to accomplish
5 here. And what the parties have done at this point in
6 time.

7 I'd just like to ask if you would agree
8 that there's nothing necessarily evil or untoward a-
9 bout parties reaching a settlement in this particular
10 situation?

11 THE WITNESS: Well, it's done all the
12 time. It's a part of the public body of law. I think
13 where the public is confused, is that it was reported
14 in the paper that the agreement was for 34 mil, and we
15 don't know what the agreement is. After the agreement
16 is revealed, if you give the public a chance to come
17 back and discuss it, I think the public would be sat-
18 isfied. Is not unusual.

19 COMMISSIONER MURRAY: Again, thank you
20 very much for sharing your thoughts with us.

21 JUDGE DIPPELL: Commissioner Gaw?

22 COMMISSIONER GAW: How are you
23 Commissioner?

24 THE WITNESS: Just fine, Steve.

25 COMMISSIONER GAW: You say you spent some

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1 time, as I know you did, spent a lot of time dealing
2 with the issues about affordability over the last year
3 or so. In that role did you come -- did you have in-
4 formation presented to you about the increases in the
5 cost of heating homes?

6 THE WITNESS: Sure.

7 COMMISSIONER GAW: In the St. Louis
8 region?

9 THE WITNESS: Yes.

10 COMMISSIONER GAW: Do you recall any of
11 the figures on how much, overall, increases have been
12 over the last few years?

13 THE WITNESS: They were substantial. I
14 would say that they have probably doubled by now with
15 the cost of natural gas. Doubled what it was when I
16 was a Public Service Commissioner.

17 COMMISSIONER GAW: Of course, we know and
18 you've already said, that we're not in this case deal-
19 ing with the price of gas itself? That's something
20 that the Public Service Commission does not have con-
21 trol over.

22 THE WITNESS: Right.

23 COMMISSIONER GAW: But the impact to the
24 consumer, it doesn't matter does it?

25 THE WITNESS: It doesn't matter.

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1 COMMISSIONER GAW: They still have to
2 pay?
3 THE WITNESS: Absolutely.
4 COMMISSIONER GAW: So when you get to
5 that point, the last few years have been pretty tough
6 would you say?
7 THE WITNESS: Yes.
8 COMMISSIONER GAW: And the forecast com-
9 ing into this winter looks even more bleak than they
10 have the last two or three winters, don't they?
11 THE WITNESS: Yes.
12 COMMISSIONER GAW: So when we're looking
13 at the other side of the equation you also look, I
14 assume at some of the assistance that's available out
15 there?
16 THE WITNESS: Right.
17 COMMISSIONER GAW: Did you see -- There's
18 a program called LIHEAP for short. That's used to
19 provide some federal assistance dollars back to some
20 people; is that correct?
21 THE WITNESS: Absolutely.
22 COMMISSIONER GAW: Do you recall, that
23 program was established in the early '80s?
24 THE WITNESS: Yes, it was.
25 COMMISSIONER GAW: Isn't it true that the

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1 funding for that program, if you compare that to the
2 current funding of that program, has basically remain-
3 ed the same for the last 20 years?

4 THE WITNESS: Actually, it's declined
5 quite a bit.

6 COMMISSIONER GAW: So the overall prices
7 since that time have gone up high, a lot higher than
8 what it has in the last few years, that we've
9 basically dealt with, right?

10 THE WITNESS: Right.

11 COMMISSIONER GAW: At least that's what
12 you think it was. Was there also a study presented by
13 Roger Colton?

14 THE WITNESS: Absolutely.

15 COMMISSIONER GAW: Could you give me a
16 little reminding about what that study indicated?
17 Well, first of all, was it a study dealing with the
18 impact on Missouri consumers, particularly low
19 income--

20 THE WITNESS: Well, he did include a
21 study on the low income customers in Missouri. And
22 I'm sorry, I'm just drawing a blank.

23 COMMISSIONER GAW: Well, in general did
24 he give some -- Did he come to some conclusion in re-
25 gard to what some people have to do in regard to allo-

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1 cating what resources they have between food and pre-
2 scription drugs and paying their heating bill?

3 THE WITNESS: Absolutely. Actually, he
4 didn't have to tell us that, we already knew that cit-
5 izens are having to make serious decisions about
6 whether or not they take all of their medicine, or cut
7 it in half and take half a dose, or skip days taking
8 medicine in order to meet the requirements of utili-
9 ties, and other rising costs on their budgets.

10 COMMISSIONER GAW: Do you think this
11 Commission should take those kinds of things and im-
12 pact into account when making decisions?

13 THE WITNESS: I most certainly do. And I
14 think that the request that the Commission create some
15 kind of special rate dealing with these charges, you
16 know, I think that would be appropriate.

17 COMMISSIONER GAW: Thank you very much,
18 Commissioner. I appreciate you coming.

19 JUDGE DIPPELL: Commissioner Clayton?

20 COMMISSIONER CLAYTON: First of all, I
21 want to thank you for being here. You bring a unique
22 perspective, you've been on the inside and outside of
23 the Public Service Commission and that gives you a
24 unique perspective in looking at the work we do. My
25 question to you relates to affordability.

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1 Aside from limiting the increase or the
2 amount of rates that are involved in this case, is
3 there anything else in your experience that the
4 Missouri Public Service Commission ought to be doing,
5 any other types of programs or types of initiatives
6 that we should be thinking of in terms of dealing with
7 these affordability issues?

8 THE WITNESS: Absolutely. When we were
9 studying affordability, one of things we looked at was
10 the condition of the house, to have heat, period. For
11 instance, when I was a Public Service Commissioner I
12 had to go to Kansas City because they had put thous-
13 ands of people off the system, and some of the houses
14 I visited had no windows.

15 These people, they had huge bills assign-
16 ed to those homes, and they had been put off the sys-
17 tems. So in our affordability studies we thought that
18 first of all, there ought to be some kind of standard
19 as to what kind of property we're going to try to
20 heat. In order to make sure that the poor were not
21 overly impacted, we also asked that there be money set
22 aside either from general revenue, or as Commissioners
23 administering their responsibility tack on something,
24 so that we could create funding to bring houses up to
25 code for the poor.

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1 Now, for the housing stock, period, it
2 was felt that we should have standards when people
3 move into new homes or when homes are sold, that those
4 houses have some kind of efficiency study to make sure
5 that those houses are not going to use more than a
6 standard amount of energy in order to prepare for
7 prior heat.

8 So you have homes that, you know, like if
9 you have a 15 room house on three stories and you're
10 living in a small part of that house, and you're try-
11 ing to heat that whole house, then you're probably
12 putting yourself in a position where you have to pay
13 three or four hundred dollars a month. I've actually
14 seen some bills for six hundred a month.

15 When you implement programs such as effi-
16 ciency standards, programs such as the program that
17 Laclede Gas and its employees put on in the wintertime
18 to create comfort zones in the home, you can control
19 it. And actually lower the out-of-pocket cost for the
20 customers.

21
22 COMMISSIONER CLAYTON: I know there's a
23 program involving weatherization in the State of
24 Missouri right now. Is it a fair statement that that
25 program is inadequate to deal with the needs you just
26 suggested?

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1 THE WITNESS: Well, it's underfunded.

2 COMMISSIONER CLAYTON: Is it a matter of
3 money or is it a matter of having the ideas and the
4 initiative to go out and implement --

5 THE WITNESS: Well, it's probably a com-
6 bination of all of that. I know in Kansas City they
7 have a very structured program that the City of Kansas
8 City implements. They go around and try to bring
9 homes up to code. This would include insulation, hav-
10 ing windows of certain nature. Having heating units
11 that are efficient.

12 Like, for instance, you can have an old-
13 fashioned furnace, I don't care how many cubic feet of
14 natural gas you run through there, it's not going to
15 warm up much of that house. Some of these units were
16 like 56-years-old. It's hard to believe, but they
17 were that old. So they're just not efficient.

18 Where the government, or even the company
19 could have programs, and I'm sure they do, where they
20 would lend the customers money to replace the heating
21 unit and that would cut their heating cost a tremen-
22 dous amount.

23 COMMISSIONER CLAYTON: Can you point to
24 any part of the state that has had success in dealing
25 with the concept as a whole in affordability? There

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1 are many different components. You've mentioned
2 Kansas City a couple of times. In your travels, in
3 your experience have you seen any areas that have made
4 good steps in reaching a more positive goal?

5 THE WITNESS: I think St. Louis has made
6 an effort. I don't know where the process is at here.
7 Whoever was the running the program in St. Louis did
8 not attend our affordability conferences. So the one
9 that was spoken a great deal of was the one in Kansas
10 City. And it's a very structured program where they
11 are held accountable for results, and they are appar-
12 ently bringing about some relief.

13 If you understand what I'm saying, take a
14 15 room house -- take this room here for instance. If
15 I'm only going to live in this part of it, I can turn
16 this into an energy zone, a conference zone, and let
17 this just suffer the elements because I'm not living
18 in it. Then you go from heating all of this, to maybe
19 one-third of you heating cost.

20 So in some of the projects I personally
21 worked on in St. Louis, we went to homes where we
22 created conference zones in a small portion of their
23 house; the living room, the bedroom and bath, and the
24 foyer, but the rest of the house we didn't. And those
25 people were in a better position to survive the winter

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1 when rates came crashing.

2 Now, I'm not making any excuses for the
3 fact that energy costs a lot more money than it did in
4 the past. People don't realize this, but the total
5 operation of Laclede Gas, the total operation is prob-
6 ably one of the most efficient in the country, in the
7 sense that they buy gas when the price is low. The
8 unfortunate thing is that the price hasn't been low.
9 And by that I mean, they were buying gas when it was
10 like \$2.00-something a hundred cubic feet back in the
11 old days. Now it's like \$6 or \$7 for 100 cubic feet
12 right now. And I may be off --

13 COMMISSIONER CLAYTON: Or more.

14 THE WITNESS: Or more. So you never get
15 a chance to fill up your storage facility with cheap
16 gas, so they can flow it out to the customers in the
17 winter. So the customers in our region while they
18 have enjoyed relatively low prices for gas right now,
19 we're caught in this trap of rising prices, increasing
20 demand and so the price in the summer never drops.

21 COMMISSIONER CLAYTON: I want to thank
22 you for your testimony. I would encourage you to stay
23 involved in working on these important issues. Thank
24 you.

25 JUDGE DIPPELL: Commissioner Appling, do

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1 you any questions?

2 COMMISSIONER APPLING: Commissioner, it's
3 good to see you. Is there anything else you can think
4 of that the Commission can do to continue to inform
5 people that there's not going to be any major changes
6 in the cost of the gas in the foreseeable future?
7 What do we need to do?

8 THE WITNESS: I think we need to get out
9 and encourage the more efficient use of energy in this
10 state. If the problem is everywhere, and by that I
11 mean the programs that the Public Service Commission
12 already has in place for assisting people with infor-
13 mation about the use of energy, those could be expand-
14 ed. If we could get the TV and radio stations and the
15 newspapers who are blowing this issue way out of pro-
16 portion right now, if we could get them to cooperate,
17 then there would be, people would make better use of
18 the energy. So it's training and education.

19 COMMISSIONER CLAYTON: Thank you very
20 much.

21 JUDGE DIPPELL: Mr. Dandino?

22 MR. DANDINO: I have no questions, thank
23 you.

24 JUDGE DIPPELL: Are there any questions
25 from the attorneys? Thank you, Mr. Crumpton for

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1 coming. LaDoris Payne?

2 (Thereupon, the witness was duly sworn/
3 affirmed by the Judge to tell the truth.)

4 JUDGE DIPPELL: Could you state your name
5 and spell it for the court reporter.

6 THE WITNESS: L-a-D-o-r-i-s, Payne,
7 P-a-y-n-e. I'm a Laclede Gas customer. I live in
8 Jennings at 6350 Garesche. In my work in the commun-
9 ity I've been informed that Laclede Gas is asking for
10 a rate increase. I came here as a citizen today to
11 say that I oppose that increase.

12 I understand the economics of the market,
13 the cost of gas increases so that the amount that we
14 pay, that increase must be paid. It is however, my
15 understanding that much of what is being requested is
16 not for the additional cost of the product. And to
17 the small working consumer it will have a dispropor-
18 tionate effect. And perhaps these extra costs should
19 be borne by Laclede Gas as the cost of doing business.

20 There may not be many consumers here to-
21 day, and one reason is that the request for a rate in-
22 crease hearing was not in our bills as they would nor-
23 mally be. Your body gave permission to put it in the
24 paper. The notices in the paper certainly don't reach
25 all of Laclede's customers. As I'm sure that many

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1 cannot financially afford to subscribe to the paper.
2 People I work with don't believe it matters if you
3 come here and speak, because the decision has already
4 been made.

5 I'm disabled and I live on a very small
6 fixed income. For other people like myself on a small
7 income, there's no way to make up for the extra
8 charges that I'll see on the gas bill this winter.
9 Though the bill may increase, my income won't. And I
10 have to make the decision about whether I can afford
11 the other necessities of life, medication, food and
12 other things as I contemplate whether I can pay my
13 bills.

14 In addition, I work as a volunteer for a
15 small community service center in Jennings. After 13
16 years we sit and face the decision about whether we
17 keep our doors open. And utility bills are a prime
18 cause of that. So it's not just me as an individual
19 that suffers, but that families we serve. We can't do
20 it without heat and we can barely afford to pay any
21 more.

22 We don't begrudge our situation, but un-
23 less others have walked in our shoes and understand
24 the struggle that it is for me and many others to keep
25 our bills current to avoid cut-off, it is probably

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1 difficult for you to understand what it is like. So I
2 speak for people like me, who just don't have any more
3 money to pay. People who work, who are retired, who
4 are disabled, and who are getting by, who don't need
5 any obstacles to our self-sufficiency.

6 You could easily vote for the increase
7 and it's difficult I know, to admit the request is in-
8 flated, and you're only planning to accept part of it
9 any way. And that's how business operates and that's
10 how business is done. But I do expect you to remember
11 that you are the Public Service Commission and there-
12 fore public servants. You serve the entire public,
13 and I ask you to consider what that means as you move
14 forward in this process. And I ask you, do you really
15 represent me as a consumer, who has no choice but to
16 use utilities? Thank you.

17 JUDGE DIPPELL: Chairman Davis, did you
18 have any questions for this witness?

19 CHAIRMAN DAVIS: I'd like to pass for
20 right now.

21 JUDGE DIPPELL: Commissioner Murray, did
22 you have any questions?

23 THE SPEAKER: Commissioner Murray has
24 stepped away for a moment.

25 JUDGE DIPPELL: Commissioner Gaw?

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1 COMMISSIONER GAW: Thank you for coming.
2 Can you give me some idea about the impact heating
3 your home and maybe heating the center where you work,
4 how that has been over the last few years, how the im-
5 pact on your total income and availability to pay has
6 changed?

7 THE WITNESS: Well, it's increasingly
8 difficult. The utilities are our largest bills for
9 the center where we work.

10 COMMISSIONER GAW: Do you know about what
11 they -- I don't want to ask you this, if you just want
12 to volunteer it?

13 THE WITNESS: Well, I do know in the last
14 year it was a struggle to pay. And in addition to the
15 struggling to pay the bills, we also had to pay exorb-
16 itant deposits because we were late paying. So we
17 have money that we can't access for our needs because
18 it's tied up in deposits. We are an all-volunteer
19 center, we have no paid staff so we don't have any
20 money going to anything except the expenses of doing
21 business.

22 But there are months during the year be-
23 cause of the cost of utilities where we actually don't
24 operate a full week because we just can't afford to
25 turn the heat on.

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1 COMMISSIONER GAW: Can you tell me what
2 the center does?

3 THE WITNESS: Imani Family Center. We
4 provide social support to low income families, pri-
5 marily African-American families. We hold support
6 groups for families who have children in school. We
7 have groups that work, antiviolence groups. I work
8 with grandparents who are raising children.

9 But we also serve as a hospitality center
10 for groups around the world. We are part of a nation-
11 al and international group of some 43 countries. In
12 fact, the year before last we were fortunate enough to
13 have Wangari Maathai, the 2004 Nobel Prize winner come
14 to stay with us. We were fortunate that she came when
15 it was warm, because we can't keep that building very
16 warm when it's cold.

17 When people come to see us that's one of
18 the things that we talk about, that we are struggling
19 with just to stay alive and to stay open and to sup-
20 port ourselves.

21 COMMISSIONER GAW: And I know you believe
22 that the center is very important. How long have you
23 been there?

24 THE WITNESS: For 13 years I've worked as
25 a full-time volunteer.

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1 COMMISSIONER GAW: What kind of impact on
2 the community if you weren't able to keep the doors
3 open?

4 THE WITNESS: In the community where I
5 live there is not a gathering place. There is not a
6 sit-down restaurant in Jennings, there's not a lib-
7 rary, there's not a hotel. So other groups other than
8 our own group, the United Way, other community groups,
9 City of Jennings, uses our building to host meetings
10 in the community. Also groups like the University of
11 Missouri hold classes there. We just can't afford to
12 -- I don't know what we're going to do, I really
13 don't. We're right now, trying to figure out if we
14 can maintain the property because of the expense. I
15 know the Catholic Church sold, they couldn't keep it
16 up. So I don't know how long I can.

17 COMMISSIONER GAW: Thank you very much.
18 I really appreciate your comments.

19 COMMISSIONER CLAYTON: I didn't get the
20 name of the family center.

21 THE WITNESS: Imani Center. I-m-a-n-i.

22 JUDGE DIPPELL: Commissioner Appling?

23 COMMISSIONER APPLING: No questions.

24 JUDGE DIPPELL: Chairman Davis?

25 CHAIRMAN DAVIS: Ms. Payne, I just

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1 wanted to say that I did agree with you with regard
2 to the newspaper ad. I thought that their placement
3 was poor and insufficient. From now on I'll make
4 sure to do everything I can to make sure that public
5 hearing notices go in the customer's bills so every-
6 one is notified.

7 THE WITNESS: And the we would greatly
8 appropriate that.

9 JUDGE DIPPELL: Mr. Dandino?

10 MR. DANDINO: I have no questions. Thank
11 you, Ms. Payne.

12 JUDGE DIPPELL: Any other attorneys have
13 any questions? Thank you, Ms. Payne. George
14 Neunreiter?

15 (Thereupon, the witness was duly sworn/
16 affirmed by the Judge to tell the truth.)

17 JUDGE DIPPELL: Could you state your name
18 and spell it for the court reporter.

19 THE WITNESS: George Neunreiter,
20 N-e-u-n-r-e-i-t-e-r.

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

23 THE WITNESS: I put it down as 720 Olive
24 Street. I'm here, unfortunately I don't have gas at
25 my home, but I am representing several schools in the

00089

1 gas segregation program that are signing up this year.
2 That's why I'm here to testify.

3 I am currently representing a denomi-
4 national set of schools, which will be signing up for
5 the first time this year. In our analysis between
6 what happened last year and this year, we saw a dras-
7 tic decrease in the offset of cost, and several of
8 these smaller facilities do show that to sign up for
9 the gas segregation program will cost those schools
10 more money than if they stayed under the Laclede Gas
11 rate exclusively.

12 I know the Commission is aware of the
13 gas segregation program, but some of the audience may
14 not be. My concern is that in the spirit of the gas
15 segregation program, to facilitate the schools coming
16 together to increase the efficiency of delivery as
17 well as reducing the cost for operating those facili-
18 ties, that is not always the case under the present
19 program.

20 So as these nonenergy costs impact the
21 bills, these schools are still paying Laclede Gas
22 rates and then receiving the dividends on a quarterly
23 basis. My concern is that they will have this lia-
24 bility with nothing to show for it. I am providing
25 my services on virtually a no-cost basis, because of

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1 my return of rewards that I receive practicing as an
2 energy consultant in the past. So I am not impacting
3 the cost.

4 However, this structure -- we need to
5 be careful of the intent of the gas segregation pro-
6 gram as it relates to this year and future years.

7 JUDGE DIPPELL: Thank you very much.
8 Chairman Davis, do you have any questions?

9 CHAIRMAN DAVIS: No questions. Thank
10 you, sir.

11 JUDGE DIPPELL: Commissioner Murray? I
12 don't believe Commissioner Murray has joined us.
13 Commissioner Gaw?

14 COMMISSIONER GAW: No questions. Thank
15 you for coming, sir.

16 JUDGE DIPPELL: Commissioner Clayton?

17 COMMISSIONER CLAYTON: No questions.

18 JUDGE DIPPELL: Commissioner Appling?

19 COMMISSIONER APPLING: No questions.

20 Thank you, sir.

21 JUDGE DIPPELL: Mr. Dandino?

22 MR. DANDINO: No questions. Thank you,
23 Mr. Neunreiter.

24 JUDGE DIPPELL: The attorneys for the
25 other parties? Thank you Mr. Neunreiter, for coming.

00091

1 Shawn Johnson?

2 (Thereupon, the witness was duly sworn/
3 affirmed by the Judge to tell the truth.)

4 JUDGE DIPPELL: Could you state your name
5 and spell it for the court reporter.

6 THE WITNESS: My name is Shawn,
7 S-h-a-w-n, Johnson, J-o-h-n-s-o-n.

8 JUDGE DIPPELL: Could you give us your
9 address.

10 THE WITNESS: My address is 4359 Hunt,
11 St. Louis, Missouri 63110.

12 JUDGE DIPPELL: Are you a customer of
13 Laclede Gas?

14 THE WITNESS: Yes. I'm a customer and
15 investor.

16 JUDGE DIPPELL: Please give us your
17 comments.

18 THE WITNESS: Well, my comments is, I sat
19 back and listened to a lot of the testimonies, some of
20 it was good, a lot of it was rhetoric. And I'm prob-
21 ably the youngest person that's in this room right
22 now. To hear from a young person like me should serve
23 as some type of dividend to you all.

24 I mean, I really don't know the purpose
25 of your panel or the Commission. I don't understand

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1 it, yet. But from what I see, I'm sitting, I'm
2 looking, this is my first time. I see a lot of head
3 nodding and I see a lot of, "Do you have any ques-
4 tions?" And most of you all have no questions for the
5 people coming up here, and giving you -- and pouring
6 their heart out to you all.

7 And I find that very interesting for a
8 panel not to have any questions for anyone that has
9 problems with this particular utility company. This
10 company is a monopoly, and it's been monopolizing the
11 City of St. Louis for some time now. Back in the day
12 when Southwestern Bell, SBC, was also a monopoly they
13 had the control over whether you were going to talk on
14 the phone or not. And they treated the people very
15 differently, just as Laclede Gas.

16 They know there's no other form of gas in
17 St. Louis, because if there were it would be a lot
18 better and more efficient in how they handle and con-
19 duct their daily operation and daily business. My
20 concerns are by being young and in St. Louis, what's
21 going to happen? Are we going to allow them to con-
22 tinually just run amok and do what they want to do, or
23 are we going to put regulations and cap them off? Let
24 them know, Hey, you work for the people too.

25 Because everybody in here who pays their

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1 utility bills, everyone, you are an investor. You
2 don't have to buy stock, or nothing. You're investing
3 your time and money into this company and they should
4 be giving you some retribution back, and they're not.
5 I mean, just look at it. One man stood up here, and
6 most of you all were in agreement with him because he
7 sounded like a spokesman for Laclede Gas. He stood up
8 here and said a bunch of rhetoric about what's not
9 even going on here today.

10 Today we're talking about expenses. Not
11 talking about any hypothetical, any rhetorical thing
12 that he brought up. We're talking about expenses and
13 why the bills are so high, why the people are not get-
14 ting more efficient gas. They're not getting prompt,
15 scheduled appointments and all that. Laclede Gas is
16 not prompt in how they schedule their appointments.

17 I had an incident where Laclede Gas, they
18 charged me, my gas bill was \$700-something. I'm bare-
19 ly home, I'm on the road a lot. When I'm here, I'm
20 not in the house that much where my bill can be \$700-
21 something. So they told me I had to pay the whole
22 bill to get it turned back on, or I just go without
23 gas. That is not fair to me because I'm doing repairs
24 on my house and I just put in a \$300-something water
25 heater. And I'm like, am I going to have to replace

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1 this because of a mistake they made, or am I just
2 going to have to bite the bullet and pay for something
3 I know I didn't use?

4 And who is going to regulate that? Is it
5 going to be good just to sit up and talk about it, or
6 is it going to be good just after we do something
7 about it? I don't see anything changing. I don't see
8 anybody saying, Well, we're going to try our best.
9 How do we know, the public? This is a public hearing,
10 right? How do we know you all haven't already agreed
11 to whatever it is they asked you all to? We don't
12 know that.

13 All we know is you're sitting up in front
14 of us making it seem like everything is all right.
15 But it's not. I mean, are you going to allow the uti-
16 lity companies to just do what they want to do to the
17 customers? Because believe it or not, we pay their
18 salary. Without us, there's no them. But, they have
19 you believe that you need us. What's the problem in
20 that? I mean, how are we going to regulate something
21 that's not regulated? Or is it?

22 I mean, like I said I'm the youngest per-
23 son in the room right now. If my concerns are this
24 intense, just imagine how the people that are younger
25 than me, and what their mothers and fathers are going

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1 to do. I mean, are any of you going to write to
2 Laclede Gas and say, Hey, look, you made a mistake on
3 Shawn's bill, you need to give him a break on it? No.
4 But you will sit up here and listen and then when
5 you're asked, do you have any questions? No
6 questions. No questions. You should.

7 You should have plenty of questions.
8 Because this company is not, has not been a viable
9 company in St. Louis. And one of the ladies stood up
10 here and she said that they're racist, and they're
11 going, I don't know, I think we all should come to-
12 gether for a common cause. You in know there's dis-
13 parity in certain neighborhoods.

14 Urban, whatever that means. I don't know
15 what urban means, but that's what they label it. You
16 know there's disparity in those neighborhoods as far
17 as when you go out to Ladue, you know that. That's a
18 the question that shouldn't even have been asked.
19 Yes, it's racism. Yes. Too bad, but it is that. And
20 we haven't eradicated it, we just help it, we just
21 fuel it. We just keep on throwing fire on it, and
22 that's ridiculous.

23 Because you hear, you see a lot of
24 attorneys here, of course they're going to protect
25 their interest because they work for the company.

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1 What kind of question are you going to ask him? They
2 don't have any questions because they represent their
3 company. And you've got this older gentlemen who
4 stood up, poured his heart out and was almost in tears
5 about something that was bothering him, and all any of
6 you could do is sit up there, Oh, no questions. You
7 need to get in there and give something that that man
8 could take home to his wife and kids.

9 I mean, that's your duty, that's your job
10 as a public servant. Why have a public hearing if
11 you're trying to exclude the public? What is that?
12 Public means for everybody. And then you have one man
13 up here, like I said, he sounded like he was a repre-
14 sentative of Laclede Gas.

15 And I heard the lady in Jeff City, she
16 had no comments for nobody else, no questions. But
17 when he got up and said some stuff, that was really
18 off the record, and wasn't even viable to what we are
19 talking about. Well, she raises her hand then and she
20 starts talking. Where you at now, give some questions
21 to me. She don't want to talk to me because I'm not
22 going to feed into the same rhetoric that she and the
23 people of this distinguished state. Blunt wants to
24 cut Medicaid but raise gas prices. What's that? How
25 can you cut something somebody needs and hire

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1 something that people can do without.

2 You can use electricity to heat your
3 house, you don't need gas. Now, if we had other com-
4 panies here that competed with Laclede Gas I guarantee
5 you would see a difference in how they conduct their
6 operations, daily. Just like you have all these phone
7 companies coming up. SBC don't treat you like they
8 used to. I get letters all the time, Oh, please come
9 back. I get letters all the time from them. But
10 because we have a disparity between natural gas and
11 all that, we know that the war on terror, whatever is
12 over there, and we know that that's causing the gas
13 and everything to go up, whatever, crude oil. We need
14 crude oil for that and that and that, but this is
15 natural gas.

16 So where does that tie in? Natural means
17 natural, it comes from the Earth, right? The last
18 time I checked that's what natural means. So what are
19 we exactly going to do about this? It seems to me,
20 and like I say, I'm one of the youngest, it seems to
21 me that all I see is a bunch of head nodding. I don't
22 understand the purpose of the Commission if we're not
23 going to take into consideration what these people are
24 saying.

25 Because it's hard to get in front of a

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1 microphone and tell something deep and personal to a
2 person. I mean this man was almost in tears, man.
3 That made me rethink a lot of things, so I know you
4 had to. And I really do not agree with a lot of this
5 stuff they told you. Maybe I need to grow a little
6 bit.

7 Maybe I need to grow to understand a
8 little bit. But it seems to me that Laclede Gas is
9 really capitalizing on their monopoly. And they are
10 monopolizing St. Louis. Monopoly means when you have
11 control over certain areas. I mean, you can learn
12 that just by playing the game of Monopoly. I really
13 don't understand what is going on, but I do see what I
14 see. We need to really, really get down on Laclede
15 Gas and make them treat their customers like they're
16 viable customers and then --

17 I'm not saying nothing is free in the
18 world. I'm not asking for nothing. I'm not asking
19 for a so-called tax break, because we know that don't
20 work. I'm asking for something that's fruitful and
21 viable to the people of St. Louis. I ain't just
22 speaking for myself, I'm speaking for people just like
23 me. And I'm not poor. I heard you using the word,
24 poor. Poor means you have a poor mind of thinking.
25 You can be -- You don't have to have a lot of money to

00099

1 be rich.

2 So we need to understand what our purpose
3 is. And your purpose is to come together, and come up
4 with some type of plan to help do it. But don't just
5 sit up here and act like everything is all right when
6 it's not. You know this company is a problem. Not
7 had a problem, is a problem. Any time your hierarchy
8 is getting paid 14 percent -- Do you know what that
9 is? 14 percent increase in your pay?

10 Then you want to cut jobs? That means
11 more people are going to be out of work and we're
12 going to have more public hearings. Because there are
13 going to be more people that used to work for Laclede
14 Gas can't pay their gas bills. Then what? We really
15 need to understand what we're trying to do here. Be-
16 cause we all just sitting around here like it's all
17 good, and it's not. It's not.

18 How do you tell a man he can't pay for
19 his gas, get out in the cold. Then you see the young
20 soldiers over there sacrificing their lives for us.
21 What do they got to come home to? No lights, no gas?
22 We've got to understand what's more important. That's
23 all I have to say.

24 JUDGE DIPPELL: I'm not trying to be pat-
25 ronizing or anything. I'm very serious, we have a

00100

1 Commission, a consumer hotline and we have some of our
2 consumer staff here today, who would be happy to talk
3 to you if you have a complaint that you might like to
4 file with the Commission about your certain situation
5 with Laclede. Do speak to her afterward, if you feel
6 it's necessary.

7 THE WITNESS: Okay.

8 JUDGE DIPPELL: Chairman Davis?

9 CHAIRMAN DAVIS: Mr. Johnson, are you
10 still disputing your \$700 gas bill?

11 THE WITNESS: Yes, I'm still disputing
12 it. Because it's, like, for me to barely be at home
13 and for my bill to be that high, it's curious.

14 CHAIRMAN DAVIS: Okay. Can one of our
15 staff people catch Mr. Johnson after he's done testi-
16 fying and take down his information and look at that?

17 THE WITNESS: Yes, and if I did use that
18 much gas, I want to know how, and why. Because they
19 don't explain that, they just tell you you have to pay
20 this or you're off. I want to know why. Because when
21 they came out and read the meter about three or four
22 times, and it's not adequate for what they charge me.

23 CHAIRMAN DAVIS: I understand. I had the
24 same problem where they actually took out my meter,
25 and said it was my meter. And I've had similar prob-

00101

1 lems with another gas company. I've heard a lot about
2 the word monopoly, and I get the feeling that a lot of
3 people here think that -- Are in favor of deregulating
4 the gas distribution market here in St. Louis, and
5 bringing in more competition to St. Louis; is that a
6 fair statement?

7 THE WITNESS: Yes. We need it, so we can
8 show them that, Hey, there's somebody else out here.
9 Do what you do.

10 CHAIRMAN DAVIS: As part of that, I guess
11 this condition of having a monopoly they also have an
12 obligation to serve, so you would relieve them of that
13 obligation to provide service to people?

14 THE WITNESS: Well, I mean, I say this,
15 that's a good question in a question within a
16 question. But I'm going to say that, if they don't
17 take care of what they need to take care of, they do
18 need do competition. They do. Because if you have
19 competition you tend to attack problems better. That
20 is my opinion from what I've seen. Not even an opin-
21 ion, that's what I've seen. Look at SBC, look at
22 their history then, and look at it now. And then
23 answer your question.

24 CHAIRMAN DAVIS: MR. Johnson, I think you
25 stated quite eloquently that you are probably the

00102

1 youngest person here testifying. How can we do a bet-
2 ter job of reaching out to young people like yourself
3 in your community? Newspaper ads don't seem to be ef-
4 fective. I think putting something in the customer
5 bills, but how else can we get the word out to people
6 that we are here and we do want to help?

7 THE WITNESS: For one, I'd say show the
8 people that you're with them, not against them. That
9 is a big thing, show them that you're with them. Like
10 you just gave me some personal information, that you
11 had a problem. That's valuable information, a lot of
12 people don't know that. Show the people that you're
13 with them instead of standing against them.

14 Then buy some airtime. They listen to
15 the radio all the time, put it on the radio. Tell
16 them, hey, look, we're having a public hearing, you
17 need to do this. If your parents are having a problem
18 with their bill this is the way you get help. You
19 don't always have to do this, you can go do this.
20 Your voice needs to be heard. You got to show the
21 young people that they have a voice. All we want is a
22 voice, and to know that somebody is listening.

23 CHAIRMAN DAVIS: Thank you, Mr. Johnson.

24 THE WITNESS: You're welcome.

25 JUDGE DIPPELL: Commissioner Murray are

00104

1 thing that makes people work harder than what they
2 should. So if that means a rate increase, yes, I'm
3 opposed to it.

4 COMMISSIONER MURRAY: Is that at all
5 times and under all circumstances? Or just for this
6 particular rate increase? Or am I just to assume you
7 don't ever want a rate increase?

8 THE WITNESS: I see. That's good.
9 You're using semantics, that's real good. I'll say
10 this, I think that you deserve a rate increase when
11 you do the job. And Laclede Gas hasn't been doing
12 their job.

13 COMMISSIONER MURRAY: And your reason
14 that you say they haven't been doing their job, is
15 that based on your billing?

16 THE WITNESS: No. Based on their prac-
17 tices.

18 COMMISSIONER MURRAY: And would you just
19 tell me one or two of those practices, again. I
20 didn't hear all of your testimony.

21 THE WITNESS: Okay. One of the practices
22 they do, they do a lot of unfair charges and they
23 don't explain your bill to you.

24 COMMISSIONER MURRAY: That's the billing
25 issue you were talking about?

00105

1 THE WITNESS: Yes, of course. I read
2 very well. If you want me -- I'm not one of those you
3 can say if you want anything hidden from me put it in
4 a book, because I'm going to open the book.

5 COMMISSIONER MURRAY: That's why I asked
6 you what the other things were other than the billing
7 issue.

8 THE WITNESS: They do a lot of unfair
9 hike rate, hiking the bill up.

10 COMMISSIONER MURRAY: That's a billing
11 issue. What are the nonbilling issues?

12 THE WITNESS: Oh, nonbilling. I'm sorry.
13 They're not prompt on their time. If they set an ap-
14 pointment, they make you sit and wait until they can
15 get around to you. That's not fair.

16 COMMISSIONER MURRAY: For what?

17 THE WITNESS: For anything. If you have
18 an odor.

19 COMMISSIONER MURRAY: Why would you call
20 them?

21 THE WITNESS: Gas leaks.

22 COMMISSIONER MURRAY: You're saying you
23 called about a gas leak, and they did not respond?

24 THE WITNESS: They respond. But they re-
25 spond when they want. Not when it was called.

00106

1 COMMISSIONER MURRAY: You can talk to our
2 customer service people when you're finished, is that
3 okay?

4 THE WITNESS: Yes.

5 COMMISSIONER MURRAY: Thank you very
6 much.

7 THE WITNESS: Thank you. I appreciate
8 it.

9 JUDGE DIPPELL: Commissioner Gaw?

10 COMMISSIONER GAW: Mr. Johnson.

11 THE WITNESS: Hey, how you doing?

12 COMMISSIONER GAW: How are you doing?

13 THE WITNESS: All right.

14 COMMISSIONER GAW: Thank you for coming.

15 I want to say this to you. It really is important to
16 have people turn out here. I can't -- I can imagine
17 what people think, but I don't know that that's right.
18 And I need to hear it. I want to know. One of the
19 things I want to know from you, is tell me what you
20 think about how this request for a rate increase is
21 going to impact some of the people around that you
22 know, that are in your age group and paying the bill?

23 THE WITNESS: Okay. For one, it's going
24 to make people have to work harder than what they're
25 already doing.

00107

1 COMMISSIONER GAW: Is it difficult today
2 for a young person to make ends meet?

3 THE WITNESS: Yes. I'm going to be hon-
4 est with you, you either got three jobs or you got
5 four.

6 COMMISSIONER GAW: Do you have a lot of
7 friends -- I don't want to get into your personal life
8 --

9 THE WITNESS: No problem.

10 COMMISSIONER GAW: -- unless you want to.
11 But you have friends that are working three or four
12 jobs right now trying to get their bills paid?

13 THE WITNESS: Yes. I got friends that
14 are working for themselves and their parents. I mean,
15 that's enough said in itself. Any time you have to
16 have two jobs and you need extra money to pay your
17 utilities? Come on man. You got two jobs already.

18 COMMISSIONER GAW: And you're paying your
19 own utilities?

20 THE WITNESS: Yes. I'm paying every-
21 thing. That's the point.

22 COMMISSIONER GAW: Do you have a car, a
23 truck?

24 THE WITNESS: Yes. But it's paid for.

25 COMMISSIONER GAW: Are you paying the gas

00108

1 bill for that, too?

2 THE WITNESS: Yes.

3 COMMISSIONER GAW: Has that gone up,

4 lately?

5 THE WITNESS: Yes.

6 COMMISSIONER GAW: Because mine has gone

7 up, I know that.

8 THE WITNESS: I got an old school. So

9 you know, it's an '85 Cadillac El Dorado, so it's like
10 \$45.

11 COMMISSIONER GAW: It uses a little bit

12 of gas. It's got a big tank.

13 THE WITNESS: Yes. So I think any time

14 you have people working a lot harder than what they

15 should, you tend to have a disparity in people being

16 happy. If people are not happy, then a lot of bills

17 don't get paid on time.

18 COMMISSIONER GAW: Do you think other

19 people your age are interested in the outcome of this

20 hearing?

21 THE WITNESS: Yes. If they knew the

22 make-up of it, and they knew how you say, the impor-

23 tance of it, yes, they would be here. You probably

24 wouldn't have any chairs. It would have been standing

25 room only.

00109

1 COMMISSIONER GAW: Did you tell your
2 friends you were coming here today?

3 THE WITNESS: I didn't know about it. I
4 only heard about it through an associate. I'm sup-
5 posed to be at work right now. I took off time from
6 work making money so I could let you hear what I have
7 to say.

8 COMMISSIONER GAW: So you're taking time
9 off work right now to come down here and tell us what
10 you think about this?

11 THE WITNESS: Yes.

12 COMMISSIONER GAW: Well, that makes a lot
13 of difference, doesn't it?

14 THE WITNESS: Yes.

15 COMMISSIONER GAW: That's a pretty big
16 sacrifice.

17 THE WITNESS: Well, it's a small sacri-
18 fice when -- For the sake of the people, and the
19 people that you see struggling every day, having to go
20 through -- because it's not all about me. It's about
21 people you see struggling, and now they got to strug-
22 gle even more because a company wants to fatten their
23 pockets, and that's not right. If you want to fatten
24 your pocket, make sure you're doing an adequate job.

25 COMMISSIONER GAW: What do you want to

00110

1 see this Commission do, what do you expect out of this
2 hearing?

3 THE WITNESS: What do I expect? More
4 than just head nodding. I expect something to get
5 done. I expect for Laclede Gas -- If they were to
6 send me a bill and say we heard, we're going to try to
7 do our best. That would be adequate to me, because
8 that would let me know that somebody heard what I had
9 to say. Put the pressure on these companies.

10 Put the pressure on them, take the pres-
11 sure off the people, or some of it, and put it on
12 them. Make them accountable for everything they do.
13 Because we're accountable for every cent. Every time
14 we turn on the gas, we're accountable for that. Every
15 time we run hot water we're accountable for that.
16 Where are their accountabilities?

17 COMMISSIONER GAW: Thank you, Mr.
18 Johnson.

19 JUDGE DIPPELL: Commissioner Clayton?

20 COMMISSIONER CLAYTON: Thank you, Judge.

21 Mr. Johnson, I want to thank you for being here. And
22 I just want to clarify from one commissioner's per-
23 spective, as you mentioned there's a lot of head nod-
24 ding up here. I don't know if that means you're call-
25 ing us bobbleheads, or not. I've been called worse.

00111

1 I just want to say something because I
2 don't want to diminish the seriousness of some of the
3 testimony we've already heard. This is a local public
4 hearing. This is a chance for the commissioners to be
5 here for the testimony, and a chance to hear from the
6 people. It's not for us to talk, you didn't come to
7 hear me give a speech. You didn't come here to just
8 hear that type of conversation.

9 We came here to hear you. I appreciate
10 your comments and I appreciate you being here to do
11 that, but I don't want you to walk away from this
12 hearing thinking just because I didn't ask this lady
13 right over here a question, means I didn't hear what
14 she had to say, because I did hear. And that gentle-
15 man that sat over here and had the cap, who was going
16 to lunch afterwards, who you mentioned, I heard him
17 too.

18 Just because we don't ask questions
19 doesn't mean we don't care. I do not want people to
20 walk away from here today saying that just because the
21 Commission doesn't ask questions of a particular wit-
22 ness means that we don't care about what they're say-
23 ing. So I just wanted to clear that up, because I
24 don't have any questions for you. I just wanted to
25 say that before I said, no questions.

00112

1 THE WITNESS: With all due respect, sir,
2 I don't want that to happen either. So that's why I
3 made the comment. It's really trying to wake people
4 up and let everyone know it's serious.
5 COMMISSIONER CLAYTON: It's very serious.
6 Thank you.
7 JUDGE DIPPELL: Commissioner Appling?
8 COMMISSIONER APPLING: Mr. Johnson, how
9 are you doing?
10 THE WITNESS: All right. How are you
11 doing?
12 COMMISSIONER APPLING: How involved are
13 you in the political system in our country?
14 THE WITNESS: I'm very involved. I vote
15 all the time.
16 COMMISSIONER APPLING: Do you know who
17 your state representative is?
18 THE WITNESS: Yes. I've got a couple of
19 them.
20 COMMISSIONER APPLING: Do you know who
21 your senator is? I'm not trying to put you on the
22 spot.
23 THE WITNESS: No, no. That's fine.
24 COMMISSIONER APPLING: I'm trying to get
25 to a point where I'm saying that there are many ways

00113

1 to have impact on what's happening. We are one of the
2 avenues you can get your voice heard, but you can also
3 get your voice heard through other means. Such as
4 your state senator, such as your state representative,
5 such as political impacts on what we are trying to do.
6 I just want to say to you, thank you for having the
7 guts to come out here today and say what you've said.
8 Thank you.

9 THE WITNESS: Thank you.

10 JUDGE DIPPELL: Mr. Dandino?

11 MR. DANDINO: Thank you, Mr. Johnson, for
12 coming here.

13 JUDGE DIPPELL: Any questions from the
14 other attorneys? Mr. Pendergast.

15 MR. PENDERGAST: I don't have any ques-
16 tions. I just want to let you know if you'd like to
17 sit down and talk to us about the \$700 gas bill, and
18 give us an opportunity to look at it and see if there
19 is anything wrong with it. At the very least we can
20 find an explanation for that. We'd be more than happy
21 to do that. I'd also like to visit with you and have
22 our customer service visit with you about any concerns
23 you have about the promptness and timeliness. Because
24 we want to make sure we get those corrected. I don't
25 know if you need to leave right away.

00114

1 THE WITNESS: I would appropriate that.

2 Thank you.

3 JUDGE DIPPELL: Thank you, Mr. Johnson.

4 Gwendolyn Cogshell?

5 (Thereupon, the witness was duly sworn/
6 affirmed by the Judge to tell the truth.)

7 JUDGE DIPPELL: Could you state your name
8 and spell it for the court reporter?

9 THE WITNESS: My name is Gwendolyn,
10 G-w-e-n-d-o-l-y-n, Cogshell, C-o-g-s-h-e-l-l.

11 JUDGE DIPPELL: Could you give us your
12 address.

13 THE WITNESS: My address is 5229 Maple,
14 63113. And I'm a Laclede Gas customer.

15 JUDGE DIPPELL: Thank you. Please give
16 us your comments.

17 THE WITNESS: I'm the vice president of a
18 political action group for ACORN, Association for
19 Community Reform Now. If you're not familiar, we have
20 12,000 members, we represent people of low income. We
21 are responsible for the living wage law that was pass-
22 ed a couple of years ago. The people across the
23 street will be getting paid \$8.63 an hour, and if they
24 don't supply health benefits they will be getting paid
25 \$11 an hour. Because that's what we do. We deal with

00115

1 legislation and changing legislation for people who
2 can't speak up for themselves.

3 I'm here because we don't feel like
4 Laclede Gas needs a rate increase, period, dot. And
5 I'm really upset about where this meeting is being
6 held. There was no parking, there's no accessibility
7 to this meeting. It was held during the day. I'm
8 missing work four hours just to be here in attendance,
9 because I have a personal vendetta against Laclede
10 Gas.

11 I feel like it should have been in the
12 evening. For the people in the county you're having
13 it in the evening, where people can get off work and
14 attend the meeting. You're having it during the day
15 at 12 o'clock where most of the people in the city,
16 who is going to mostly be affected by this are not
17 able to attend. But that's what we do, we represent
18 them today.

19 But another thing with my personal exper-
20 ience, last year in 2004 my furnace was actually dis-
21 connected in November because of some -- it just was
22 not up to par. In December I received a bill for
23 \$663. I was living on the third floor with space
24 heaters so my gas was never on. The only thing on was
25 the stove, and they sent me an estimated bill.

00116

1 I don't believe in the system, so I'm
2 dealing in realty that you all are going to give these
3 people an increase. So I want to deal with what's go-
4 ing to happen when it happens. I don't want an esti-
5 mated bill saying that because you used \$500 last year
6 we're sending you out an estimated bill of \$663, when
7 my gas was cut off at the time.

8 The lawyer -- I want you to do some work,
9 since I know you got a \$50,000 bonus out of this money
10 they about to get. Because you all are doing is, you
11 are putting illegal deposits on people's gas. And I
12 have proof, for the simple reason they send you a gas
13 bill and say your gas is due on October the 6th, it is
14 delinquent after October the 16th. If you pay your
15 bill on October the 16th the Laclede Gas system is
16 generating a disconnect notice, which most people get
17 the next day.

18 If you get a disconnect notice the next
19 day, Laclede Gas holds that against you and says that
20 you have been late paying your bill four times a year,
21 we are going to access your highest bill, which was
22 \$600, they split it up in three months, they added
23 \$200 a month to my bill and put that deposit. They
24 didn't just do that to me, they've been doing that to
25 customers all over. It is illegal and it is not

00117

1 right.

2 My neighbor -- I called the Public
3 Service Commission and worked with somebody and I got
4 mine removed. But it's illegal, I can't help because
5 your system is setup to generate a disconnect notice.
6 If you say I'm due on the 16th, then I got to the 16th
7 to pay my bill. I can't help it because your system
8 is kicking out a disconnect notice that's saying if I
9 receive four disconnect notices I'm going to receive a
10 deposit on my bill.

11 And then I have to pay 12 months on
12 time, when you sending me estimated bills for six
13 months, \$663 in December, \$589 in January, and it goes
14 on and on and on. I pay \$2200 on estimated bills.
15 How are you going to disconnect my stuff and add a
16 deposit on me on an estimated bill? You haven't even
17 came out to read my bill. You need to come out and at
18 least get an actual reading before you put deposits on
19 these people's bills.

20 That is illegal, and I feel like every
21 last deposit needs to be given back to these constitu-
22 ents and these people who you been -- My niece's bill
23 was \$100 and because she didn't pay it you all taxed
24 \$382 on it. And she had to come up with \$400 for a
25 \$100 bill because you all are taxing because she was

00118

1 three times late.
2 Now, you got a cold weather rule saying
3 you can't be disconnected, but if you are disconnected
4 Laclede Gas will put up the highest bill, if your
5 highest bill was \$700, they can put up to \$700. They
6 say it's legal, it's in the regulations that they can
7 do that. I think that is crazy for people to be al-
8 lowed to do things like that, because like I said, I
9 don't want an estimated bill. If they're estimating
10 bills, then they should not be disconnecting people's
11 services.

12 You don't disconnect people's services
13 until you get an actual reading. And that's what I
14 need the lawyer to check out, because that's what
15 ACORN is going after. We going after these people to
16 get they money back. All these deposits you all hold-
17 ing, we ain't using for God knows what. We want that
18 money back, returned to the people. We would also
19 like to meet with the Public Service Commission and
20 talk about some things we would like done. And I'm
21 open to any questions anybody has to ask.

22 JUDGE DIPPELL: Thank you. Chairman
23 Davis, do you have questions?

24 CHAIRMAN DAVIS: Yes, I do.
25 Ms. Cogshell, thank you for coming today. First

00119

1 question, and I heard about this from Mr. Trotter the
2 moment I walked in. If, in the future we're going to
3 have hearings in the City of St. Louis, can you give
4 us two or three locations where it would be more opti-
5 mal to get better attendance, to be more easily acces-
6 sible, where would you suggest holding these public
7 hearings, and also when would you suggest holding
8 them?

9 THE WITNESS: I would suggest you hold
10 the meetings after six o'clock. And I would suggest
11 you hold it at a public school where there would be
12 plenty of parking, and where it would be accessible to
13 everybody to attend. And as far as advertizing when
14 the meetings are, Laclede Gas and AmerenUE, when they
15 going to put that deposit on your bill, they print up
16 special printings on that bill to let you know that
17 you're going to get a deposit on your account.

18 When you all have a public hearing, they
19 could print the same thing on that bill to make sure
20 that everybody is reached, and not by spending extra
21 money advertizing on television where people won't see
22 it. Or you could contact people like ACORN, who have
23 an outreach program where we can notify people about
24 when you're going to have these meetings.

25 CHAIRMAN DAVIS: Then you said that you

00120

1 were desirous, or ACORN was desirous of sitting down
2 and meeting with the Commission about various issues.
3 Are you the person that we would need to contact about
4 that or -- I'm assuming they are unrelated to this
5 case. Are you the contact person, or who would be the
6 contact person and how do we get in touch with you?

7 THE WITNESS: The telephone number is
8 (314) 531-7023 and the contact person would be Ken
9 McKoy, K-e-n M-c-K-o-y.

10 CHAIRMAN DAVIS: Do you think the whole
11 issue regarding these deposits is more than just
12 Laclede, it's Ameren, it's everyone to your knowledge?

13 THE WITNESS: To my knowledge, it's
14 AmerenUE, they've been exercising this policy. MSD is
15 also on it, but they haven't yet been exercising, I'm
16 looking for them to do it also, because Ameren did
17 used to do it. Laclede was the only one doing it ini-
18 tially, now Ameren jumped in. But I heard it's a rule
19 that all the utilities can, you know, tap on these
20 deposits.

21 CHAIRMAN DAVIS: And you would like us to
22 look into that?

23 THE WITNESS: Yes, I would. Because it's
24 illegal the way they're doing it. Then when you get a
25 cutoff notice and you have a bill that says you need

00121

1 to pay \$449. When you go down to Laclede Gas and ask
2 them, Well, I can't pay \$449, how much can I pay?
3 They say, Well, you can pay \$200 to keep your gas on.
4 What they don't tell you, if you don't pay the \$449,
5 the \$200 is held against you and that's another reason
6 why they will access the deposit. They telling you
7 that what you need on the bill is \$449.

8 If you talk to somebody or go down there
9 then just give us \$200. They not telling you that
10 they using that \$200 against you when you get back to
11 your budget billing. They adding that on to your bud-
12 get billing and they using it against you. And that
13 is another reason -- I am just as confused -- to add
14 on the deposit. I'm just as confused as you are, but
15 that's what the lady told me. That they will keep
16 your gas on, but they don't tell you they using it
17 against you. And that is another reason for adding on
18 the deposit, because you still are considered delin-
19 quent if you don't pay the full amount.

20 CHAIRMAN DAVIS: I agree. That's an issue
21 we definitely need to look into some more. Ms.
22 Cogshell is there anything else you'd like to say?

23 THE WITNESS: The estimated bills -- you
24 estimate my bill one month, then you come tell me --
25 when my neighbor gets estimated bills one month and

00122

1 then you send the meter reader out the next month.
2 Then the meter reading the next month is no consis-
3 tency, either the meter is broke or it's not. Esti-
4 mated bills is not acceptable. If you can't get in
5 then you need to write the people and say, we need to
6 get into the house this month, or you will receive an
7 estimated bill. Your meter did not read.
8 Just like they print everything else on
9 that bill. Your meter did not read this month, if we
10 need to get in your house before such-and-such date,
11 before the end of the billing, if you do not let us
12 in, or if they don't send in a card or whatever you
13 will receive an estimated bill. I don't believe
14 estimated bills should be -- if they're not paid, I
15 don't believe they should be held against you for the
16 deposit. Because if you're late four times paying you
17 get a deposit.

18 CHAIRMAN DAVIS: Thank you, Ms. Cogshell,
19 I appreciate that. In terms of things that need to be
20 addressed, those are some real issues we need to take
21 a look at.

22 JUDGE DIPPELL: Commissioner Murray?

23 COMMISSIONER MURRAY: In the interest of
24 allowing everyone an opportunity to speak, I'm not go-
25 ing to ask any questions. Thank you.

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1 JUDGE DIPPELL: Commissioner Gaw?

2 COMMISSIONER GAW: Thank you for being
3 here. Let me ask you first of all, would you make
4 sure that you recontact the staff of the Public
5 Service Commission that are here, so that -- I know
6 you said you contacted them before and they got some
7 of that straightened out for you, but it might be
8 helpful to make sure that -- and we could have outside
9 of this case some contact with them. If you could
10 give them some more information so they can pull that
11 file back up, and anybody else who you think might be
12 an appropriate contact who is having difficulty with
13 this. So we can get that information from you. Would
14 you mind doing that?

15 THE WITNESS: Sure.

16 COMMISSIONER GAW: In your capacity in
17 representing ACORN, give me a general sense of the im-
18 pact this rate increase request will have on some of
19 the people who's interest you represent through ACORN?

20 THE WITNESS: Well, I have a neighbor
21 that's an ACORN member who uses space heaters to keep
22 warm. Myself, I stayed up in the third floor because
23 my furnace went out. And when I went to Laclede Gas
24 to try to go through they program, they said my credit
25 was not good enough to get a furnace. So the effi-

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1 ciency that they talk about, you need an efficiency
2 furnace, then I don't qualify for their program, so
3 that's useless. The people that qualify for it don't
4 even need it.

5 Myself -- We've had fires in the neigh-
6 borhood from people using space heaters --

7 COMMISSIONER GAW: I want just for a min-
8 ute to stop you, because I want to ask you about that.
9 Why were they using the space heaters?

10 THE WITNESS: Because the gas was discon-
11 nected.

12 COMMISSIONER GAW: That's what I thought.
13 I just wanted to clarify that. Go ahead. I'm sorry.

14 THE WITNESS: The cold weather rule says
15 the gas is not supposed to be disconnected during the
16 wintertime. That's what this says, but it was discon-
17 nected. Some people were using -- you know, people
18 have resorted in using burning wood and different
19 things.

20 COMMISSIONER GAW: Inside the house?

21 THE WITNESS: Right. If it's a choice of
22 paying the rent or paying the gas bill that's ridicu-
23 lously high, then the people are going to pay the rent
24 and just be on the inside suffering.

25 COMMISSIONER GAW: So they'll go out and

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1 get some space heaters, and they'll try to make due.
2 How comfortable is it when you're using space heaters
3 to try to keep it warm.

4 THE WITNESS: From my own personal opin-
5 ion, when the gas, the furnace was disconnected at an
6 inconvenient time, I had a daughter in college. I had
7 to just stay up on the third floor to try to stay
8 warm. And I was just running in and out, just trying
9 to stay warm. It's very inconvenient.

10 COMMISSIONER GAW: Is it problematic
11 sometimes with the water?

12 THE WITNESS: You can't wash. Just like
13 the lady said, you can't wash. It's very incon-
14 venient. That was only a temporary thing for me, but
15 I could just imagine people who make less money than
16 me what they're going through, what they have to deal
17 with.

18 My niece is one of them, who has to pay
19 \$300 or \$400 a month for child care and she's only
20 making \$7.50 an hour. In order for her to go work --
21 when she got off welfare and start working, then they
22 cut out the little \$80 or \$100 food stamps that would
23 not assist her on anything. So she was resulted --
24 actually went back on welfare because she couldn't
25 afford the \$400 a month daycare, because they took

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1 that away from her. And now she can't even pay her
2 gas and her utilities. This isn't a thing about --
3 this is all about economics.
4 You know, everybody cannot pay these uti-
5 lity bills. Now, if you want to subsidize -- I don't
6 know if I should even say that -- I'm just saying, you
7 know, it's just people out here that needs help and I
8 think you need to sit down and talk about how we can
9 keep the gas on in the wintertime, and uphold this
10 cold weather rule.
11 Stop adding these \$600 deposits on people
12 who can't even pay the \$80. Now, why would you turn
13 around and put \$600 on a bill and they can't even pay
14 the \$80. This is cruel, that's just cruel in America,
15 red, white and blue. We're supposed to be taking care
16 of people. That's what we over there fighting, for
17 democracy. We need to get it together over here and
18 take care of our own people instead of sending them
19 billions of dollars over there.
20 COMMISSIONER GAW: Thank you very much
21 for coming.
22 THE WITNESS: Thank you.
23 JUDGE DIPPELL: Commissioner Clayton?
24 COMMISSIONER CLAYTON: I don't have any
25 questions. All my questions have been answered.

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1 and spell it for the court reporter.

2 THE WITNESS: John Cross, J-o-h-n

3 C-r-o-s-s.

4 JUDGE DIPPELL: Could you give us your
5 address, please.

6 THE WITNESS: 4417 Forest Park, Apartment
7 206. ZIP code 63108.

8 JUDGE DIPPELL: Are you a customer of
9 Laclede Gas?

10 THE WITNESS: Yes, ma'am.

11 JUDGE DIPPELL: Please give us your
12 comments.

13 THE WITNESS: I am the political
14 organizer for ACORN, I'm one of the staff. There are
15 a couple of comments I would like to make. Number
16 one, I know who my alderman is, I know who my state
17 senator is, and I know who my state rep is.

18 I think we represent mainly poor people
19 in low income and moderate income. That's our base,
20 that's who we represent. And we represent them on a
21 lot of issues, in terms of health care, housing, jobs,
22 minimum wage. That's what Ms. Cogshell touched on,
23 the minimum wage campaign in the city.

24 We are a national organization, we have
25 the largest community organization in the country. We

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1 were the first ones to go after banks, in terms of
2 territory lending, especially in low income neighbor-
3 hoods. So I'm here today representing the organiza-
4 tion on this issue because every day I get close to --

5 The phone system that we have at ACORN is
6 an old system, so every day I get 30 messages left on
7 the phone, every day, from people talking about how
8 either their medical bill has been -- or they've been
9 cut out. Or how their electric bill has been cut out,
10 or gas bill has been cut out. They are trying to make
11 ways to pay for their mortgage.

12 ACORN is one of best housing programs in
13 this country, and in St. Louis we work with the banks
14 in terms of getting decent interest rates for our mem-
15 bers. And that's because we went after the banks in
16 terms of the community reinvestment act. So that
17 gives you the scope of who we are and what we do.

18 We are here today to tell you very clear-
19 ly that we are opposed to this gas hike, because of
20 the nature of what it's doing to our people in the
21 city and county of the St. Louis metropolitan area.
22 Poor people and low income people are living on a
23 check on a daily basis. I don't know if you know
24 this, but the government has cut out 100,000 people
25 from the Medicaid program.

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1 And today in the Post-Dispatch it gives
2 you a description of how severe the program is. They
3 have even taken away oxygen tanks from people who need
4 it. So that is the severity of the cuts. You have
5 the medical cuts in terms of health care, you have a
6 tax on poor folks in terms of this gas hike. This
7 just doesn't make sense. You have people after people
8 coming in giving you a variety of testimonies on how
9 this is unfair.

10 So I plead with you, Public Service
11 Commission, to meet with ACORN on the time and date
12 that is available for you guys so that we can talk
13 about -- the gentleman commissioner over there asked
14 about ways how we can help. And we have some sugges-
15 tions in terms of how we can help to reduce this bur-
16 den on poor people and low income people.

17 You asked about places, schools were
18 mentioned. We will tell you churches. We work with a
19 lot of churches in the city and the county. They are
20 another place where we can get the people to hear what
21 they have to say. So before you agree to this rate
22 increase I plead with you to meet with us, so you can
23 hear this concern. So we can put a moratorium on this
24 hike. So you can listen to the concerns of the people
25 before you make that decision.

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1 ACORN is willing to negotiate and repre-
2 sent our base potential, what we think is fair and
3 just. Because you have heard a lot of people talk
4 about how unjust this system is. There's got to be a
5 better way. When you are paying CEOs \$400,000, 400
6 percent more than the worker that is making the profit
7 for the company, that just doesn't make sense. And we
8 are the only nation in this world to have that kind of
9 -- to compare that ratio in terms of workers and CEOs.

10 And it's going on everyday. So I plead
11 with you to meet with us so we can resolve this. Like
12 I said, the time and place you can choose, and we will
13 be there to represent the people. I'm free to take
14 any questions.

15 JUDGE DIPPELL: Thank you. Chairman
16 Davis, do have any questions?

17 CHAIRMAN DAVIS: Thank you for getting
18 people organized and for getting people here. I cer-
19 tainly do want to take you up on that offer to come
20 meet with you. Let me just clarify. I don't know
21 that we could meet with you outside of the hearing or
22 case, to discuss the specifics of this request, but I
23 think we can meet with you to discuss pretty much
24 anything else that's out there, any time.

25 THE WITNESS: That doesn't have a bearing

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1 on the rate increase?

2 CHAIRMAN DAVIS: Right. I think it
3 would be -- we heard a lot of talk about doing
4 things, quote, out in the open, and we obviously want
5 to do that. With regard to this case anyway.

6 THE WITNESS: Why can't you meet in a
7 formal public hearing in a sense of listening to the
8 concerns of the people? Because a lot of people have
9 mentioned that you are having this hearing at 12
10 o'clock when most people are working.

11 CHAIRMAN DAVIS: Assuming that there is
12 an agreement that gets filed, I am supportive of com-
13 ing back here for a hearing, and we will have the pub-
14 lic hearing here in the City of St. Louis at night. I
15 don't have any further questions. Thank you.

16 JUDGE DIPPELL: Commissioner Murray?

17 COMMISSIONER MURRAY: No questions.

18 JUDGE DIPPELL: Commissioner Gaw??

19 COMMISSIONER GAW: Mr. Cross, thank you
20 for coming. How long have you been with ACORN, about?

21 THE WITNESS: A couple of years.

22 COMMISSIONER GAW: And in that -- During
23 that timeframe have you been particularly in-tune of
24 what's going on with the impact of heating costs on
25 some of your constituents?

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1 THE WITNESS: Absolutely.

2 COMMISSIONER GAW: Do you know of speci-
3 fic events or specific stories of people having dif-
4 ficulty paying their bills?

5 THE WITNESS: Like I told you, we have
6 one of the best housing programs. When somebody comes
7 to the ACORN house to talk about trying to get a
8 house, looking at the credit report you will find
9 money owed, and then guess the number one reason why
10 people have bad credit? It's a medical debt. Number
11 two, two is some form of not paying their heating
12 bill.

13 COMMISSIONER GAW: Do you have personal
14 knowledge of people having difficulty with that?

15 THE WITNESS: Absolutely.

16 COMMISSIONER GAW: Can you tell me wheth-
17 er or not that difficulty has been increasing or de-
18 creasing --

19 THE WITNESS: Increasing on a daily
20 basis.

21 COMMISSIONER GAW: Do you have -- In what
22 you're wanting to do with additional presentations to
23 the Commission with regard to this case, do you have
24 other individuals who you want to bring forward in
25 giving us input, or more input you want to give us?

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1 THE WITNESS: It can be a combination of
2 both. A collection of stories from people in terms of
3 what's been going on. You asked for suggestions in
4 terms of how we can alleviate this problem. One sug-
5 gestion that comes to mind is a sliding scale based on
6 their income.

7 COMMISSIONER GAW: Are you familiar with
8 programs that perhaps ACORN has worked on in other
9 areas of the country, that have been used and have
10 produced positive results for individuals out there
11 trying to?

12 THE WITNESS: Not off the top of my head.
13 I'm sure there are.

14 COMMISSIONER GAW: If you have additional
15 opportunity to make presentations, do you suspect that
16 that could be part of what the presentation would en-
17 tail?

18 THE WITNESS: Absolutely.

19 COMMISSIONER GAW: Have you been person-
20 ally in touch with the Office the Public Counsel with
21 regard to this case?

22 THE WITNESS: No.

23 COMMISSIONER GAW: Is that something that
24 you might be able to do?

25 THE WITNESS: Yes.

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1 COMMISSIONER GAW: I think that's all I
2 have. Thank you, sir.
3 JUDGE DIPPELL: Commissioner Clayton?
4 COMMISSIONER CLAYTON: I don't have any
5 questions.
6 JUDGE DIPPELL: Commissioner Appling?
7 COMMISSIONER APPLING: No questions.
8 JUDGE DIPPELL: Mr. Dandino?
9 MR. DANDINO: I have no questions. Thank
10 you.
11 JUDGE DIPPELL: Other party's attorneys?
12 Mr. Pendergast.
13 MR. PENDERGAST: Good afternoon, sir.
14 My name is Mike Pendergast. I appropriate your com-
15 ments. And I just want to invite you to meet with us
16 afterwards if you like. I certainly understand your
17 point about some customers having a very difficult
18 time affording their heating bills. One of the things
19 we proposed was a program to help our more vulnerable
20 customers with their energy bills. If you would like
21 to sit down and talk to us, and give us your views on
22 this after this hearing -- we understand there's a
23 problem and we recognize it's a problem and we want to
24 be proactive about it.
25 THE WITNESS: I have a question for the

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1 commission.

2 JUDGE DIPPELL: Well, the Commission
3 isn't going to answer questions today. We are going
4 to hear from the public, and I've got one more wit-
5 ness, so do you have any further comments?

6 THE WITNESS: No.

7 JUDGE DIPPELL: I believe we have one
8 more witness.

9 THE WITNESS: I happen to represent an
10 organization that brought some information up, so I
11 need to be sworn in as a different witness.

12 JUDGE DIPPELL: You were previously sworn
13 so I'm afraid you're the same witness, Mr. Trotter.

14 THE WITNESS: Well, technically I'm not.
15 The last time we did something like this they re-swore
16 me in, because I'm representing someone else, Heat Up
17 St. Louis. So I'm not the same witness. I was a
18 witness before as an investor, now I'm a witness as
19 the founder of Heat Up St. Louis. So I just want to
20 tell you -- that's the way your predecessors had us do
21 it.

22 I just want to say three things. What
23 Commissioner Steve Gaw brought up, is that the Fire
24 Chief's Association is about 46 fire chiefs from a-
25 round the metropolitan area. We have a representative

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1 on our board who is, I think Sherman, of the City of
2 St. Louis. One of the issues that we deal with, with
3 that and Dr. Knight, is health and welfare issues and
4 how being without heat in the winter -- we'll stick
5 with the winter -- How heat in the winter, how it im-
6 pacts emotionally the kids, and how it impacts the
7 health of seniors and so forth.

8 Through our Dr. Knight, who is the vice
9 president of our board, you know Donna Knight's hus-
10 band James. We have those 46 members because they
11 support what we're trying to do in public education,
12 and I think it's important to note that out of the
13 last year, we impacted, for the record, because you
14 were asking other people, and we hear from them more
15 than anybody here.

16 We had about 8000 calls on our hotline,
17 which my company phone is pro bono, as you know. Of
18 that, 50 percent of those people had issues with util-
19 ity deposits. Of that, 80 percent were not -- they
20 didn't really complain about -- they complained -- We
21 have to break it down. 80 percent of them complained
22 about Ameren being insulting, condescending and rude.
23 50 percent of them complained about Laclede Gas, on
24 how they treat people. All of them -- none of them,
25 and he knows this to be the record, none of them were

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1 told where they can get energy assistance.

2 So they wind up calling us after they had
3 called Laclede Gas, who has its own program, they call
4 us. I brought this up to one of the executives at
5 Laclede a couple of years ago in hopes that those
6 calls would stop. But they still come, and the first
7 question our volunteers ask -- and I work on the vol-
8 unteer phone bank --

9 Why did you call us, who gave you our
10 number? You break it down, did you see it on TV, did
11 you see it in the newspaper, public service, four
12 o'clock in the morning, whatever. The majority of
13 them will say Laclede Gas told us to call. We don't
14 have any. So there needs to be a communication
15 speech, and I wanted to go on the record for, this
16 hasn't changed.

17 I wanted to bring this up now instead of
18 writing a long letter, I might as well get it on the
19 record. So those are reality issues. The other real-
20 ity issue of fellow commissioners, is that all of the
21 people we've helped, 75 thousand we've impacted over
22 the last three and-a-half or four years since our
23 existence for Heat Up St. Louis, for the winter is
24 that the majority of these people range --

25 Well, first of all, most of them have to

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1 get federal funding and we supplement you, with the
2 utility charities and us. But the majority of these
3 people are seniors or disabled, on fixed incomes. The
4 reality is, what the young lady said is true about her
5 neighbors. For a reality check, where the fire chief
6 and others have gone out and we've seen people burning
7 wood in their homes.

8 In the wintertime, for the record,
9 documented, go to the website you'll find the fire
10 chief's association that wintertime is the worst time
11 for home fires, and the most deadly time for home
12 fires impacted by senior citizens and the disabled.
13 They're victims because of one thing, unsafe methods
14 of heating their home. They go to the electric com-
15 pany to do the space heaters, which we don't recommend
16 for supplementary heat.

17 If they have gas heat they got to get it
18 turned back on through the process. But what happens
19 is that those space heaters just tilt, they're not
20 made for primary heating. What we try to educate
21 people, but more important than that, the people who
22 do put the coal and different things in their homes,
23 they just don't have anything else.

24 The reality is there. We can give you
25 reams and reams -- and this was a good time to bring

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1 it up, because there is no other time to talk about
2 this, to document what some of these people were
3 saying. First-hand knowledge, not just what the
4 volunteers told me about the thousands of people --
5 but I sit on that phone bank. I also sit on the phone
6 bank for the commission, or talk unofficially to the
7 commission or certain members about finding money
8 somewhere.

9 I think the young man who was so elo-
10 quent, he said it all for so many people. What a
11 wonderful guy. But you got to pay for time. The
12 public, your spots run when our public spots run. And
13 most of them, there are a lot of media people on our
14 board, and they run it at three o'clock in the morning
15 or early in morning. So I think the young man is
16 right, if you want a good turn out there's two things
17 you have, three.

18 One, is you have to -- and you know who
19 your demo's are, and you know where the issues are.
20 You need to find some money somewhere, put the ads in
21 the right papers. I'm not endorsing any papers, but
22 there are some papers that you have to put the ad in,
23 the community papers, I'll say it like that. And you
24 have to buy some time on radio and television.

25 Television is expensive, but on radio

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1 where people can hear your spots. And you have to get
2 to the churches, is what we mentioned to one of our
3 members of the commission. We have a minister, which
4 you know, Steve, on our board, Reverend Manns. And
5 there's a bigger group that reaches out to all races
6 and religions. Put it in their bulletin. And I
7 couldn't do it before, because my other reason for
8 speaking was all together different. The church bul-
9 letin system is a good contact.

10 When we do our summer program your pre-
11 decessor, Mr. Chairman, complimented us on our wonder-
12 ful program called Watch Your Neighbor, catch Up with
13 Your Neighbor, whatever. What we do in the summer-
14 time, we go out and we try, through the churches and
15 make sure we follow up on these heat-related deaths
16 and keep them down in the summer through Cool Air St.
17 Louis.

18 So those are the things that line the
19 fence. Starting with the churches and starting with
20 the community. That will help you. But if you really
21 want those spots to run, you're going to really have
22 to do that, buy some time. And then the last thing,
23 make sure you have it accessible for the community,
24 where people can get to it.

25 I recommended to a previous commissioner,

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1 and previous chairman not present here, is that if you
2 have it at some of these churches, some of these or-
3 ganizations, if there's a liability issue you make
4 them take out the insurance, whatever that is when we
5 hold special events. So the churches, the community
6 groups, Harris-Stowe years ago. The last time you had
7 a Commission meeting was in St. Louis County, not way
8 out in St. Louis County, it was right in Clayton and
9 you had a packed house, that worked out.

10 So you need to make these things, if you
11 want to hear from the public you've got to have the
12 wherewithal of doing that. You've already heard from
13 a lot of these people, including an organization,
14 which protocol is watching my language -- but it won't
15 do a heck of any good telling you -- We told certain
16 commissions, we told them what to do and where to go
17 and it never happens.

18 So I go back to my stance even as a Heat
19 Up St. Louis guy, that's a bunch of crap. They don't.
20 They say they want to do something, and every time
21 we've given them ideas -- with present company exclud-
22 ed -- we have had them to do nothing. So for the re-
23 cord I've given you some advice, as plain as I can say
24 it, you really want to hear from the public, then
25 that's what you're going to have to do from the Heat

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1 up St. Louis standpoint.

2 Finally, from the Heat Up St. Louis
3 standpoint, we stopped as an advocacy group. For the
4 record, we do public education, energy assistance, we
5 work in 17 counties in Missouri and Illinois, with 14
6 service agencies. In doing this we have been very
7 fortunate, last year to send to the Public Service
8 Commission 150 people who have had real serious issues
9 on our hotline, where we felt that they needed some
10 issues resolved. We're not a lawyer so we sent them
11 over there. And then we sent another 250 to actual
12 lawyers because there were some issues that were just
13 blatant.

14 So we are out of the advocacy position,
15 but we are not out of helping people and educating
16 people. We just decided to stay with public awareness
17 and public education, is what we do. In that regard
18 we are available from a Heat Up St. Louis staff with
19 our board members. But I'll be honest with you, you
20 are going to have to do what our poor Chief Mokawa is
21 doing now. He's running spots because he had to find
22 some money and run some spots if he wants to get some
23 policemen. But public service is not primetime.

24 JUDGE DIPPELL: Chairman Davis, do you
25 have any questions for Mr. Trotter?

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1 CHAIRMAN DAVIS: No questions. Mr.
2 Trotter, I apologize for getting here late that I
3 didn't hear your earlier testimony, but I can assure
4 you I will go back and read the transcript.
5 THE WITNESS: It's a doozy. I'm sure you
6 will.
7 JUDGE DIPPELL: Commissioner Murray, any
8 questions?
9 COMMISSIONER MURRAY: No, questions.
10 Thank you.
11 JUDGE DIPPELL: Commissioner Gaw?
12 COMMISSIONER GAW: Thank you, Mr.
13 Trotter.
14 JUDGE DIPPELL: Commissioner Clayton?
15 COMMISSIONER CLAYTON? Nothing from me.
16 Thank you.
17 JUDGE DIPPELL: Mr. Dandino?
18 MR. DANDINO: No questions. Thank you,
19 Mr. Trotter?
20 JUDGE DIPPELL: I appreciate so much St.
21 Louis Community College provid- ing this space for us,
22 and being patient with us for running over our time.
23 Thank you all very much for your attendance. This
24 concludes this public hearing, we can go off the
25 record.

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