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PUBLIC SERVICE COMMISSION

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TRANSCRIPT OF PROCEEDINGS

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Evidentiary Hearing

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Volume 13

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13 In the Matter of Missouri Gas)
Energy and its Tariff Filing to)
14 Implement a General Rate Increase) File No. GR-2009-0355
For Natural Gas Service)

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RONALD D. PRIDGIN, Presiding,
SENIOR REGULATORY LAW JUDGE.

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ROBERT M. CLAYTON III, Chairman,
JEFF DAVIS,
TERRY JARRETT,
COMMISSIONERS.

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

2 JUDGE PRIDGIN: Good morning. We're back
3 on the record in GR-2009-0355. On today's schedule I show
4 energy efficiency, and Public Counsel has Mr. Kind and
5 Mr. Trippensee scheduled to testify, and I believe the
6 Bench before we get to that will have some questions from
7 Ms. Fred from the consumer services department of the
8 Staff of the Commission, and Mr. Poston, you'll still have
9 an opening, I think, on energy efficiency.

10 All right. Is there anything from counsel
11 before Ms. Fred is sworn and takes bench questions?

12 MS. SHEMWELL: Judge, Judge. Thank you.
13 Missouri Gas Energy was kind enough to bring additional
14 copies of Exhibit 102 that we marked last week. They
15 noted that 102 was actually a draft, and this is the final
16 version that's going to customers. So I would like to,
17 with the Commission's permission, substitute this for 102,
18 the most recent. It describes the Home Performance with
19 Energy Star program.

20 JUDGE PRIDGIN: All right. Any objection
21 to Ms. Shemwell's proposal?

22 (No response.)

23 JUDGE PRIDGIN: Hearing none, it's granted.

24 (EXHIBIT NO. 102 WAS REMARKED FOR
25 IDENTIFICATION BY THE REPORTER.)

1 JUDGE PRIDGIN: Is there anything else?

2 MS. SHEMWELL: I have an additional
3 brochure.

4 JUDGE PRIDGIN: Is it related to 102?

5 MS. SHEMWELL: This is just a different
6 brochure about the Home Efficiency with Energy Star
7 program.

8 JUDGE PRIDGIN: Did you want that offered
9 as part of 102?

10 MS. SHEMWELL: I will offer it as part of
11 102.

12 JUDGE PRIDGIN: Any objections?

13 (No response.)

14 JUDGE PRIDGIN: Hearing none, that brochure
15 is part of 102.

16 MS. SHEMWELL: And that's all I have, and
17 we're ready to call Ms. Fred if the Commission is ready.

18 JUDGE PRIDGIN: All right. Ms. Fred, if
19 you'll come forward to be sworn, please.

20 (Witness sworn.)

21 JUDGE PRIDGIN: Thank you very much.
22 Ms. Shemwell, anything before she has Bench questions?

23 MS. SHEMWELL: Yes, thank you, Judge.

24 GAY FRED testified as follows:

25 DIRECT EXAMINATION BY MS. SHEMWELL:

1 Mr. Chairman.

2 QUESTIONS BY CHAIRMAN CLAYTON:

3 Q. Good morning, Ms. Fred.

4 A. Good morning.

5 Q. Can you just start off here today since
6 we're starting fresh on Monday morning, it looks like our
7 clock is not accurate in back, but starting here fresh
8 this morning, can you summarize Staff's position on this
9 issue?

10 A. Yes. As far as the number of complaints
11 versus inquiries for Missouri Gas Energy, it appears that
12 if we would go back to 2003 --

13 Q. Hang on. Hang on. What is the issue
14 you're testifying on today?

15 A. On the number of complaints and inquiries
16 that we received at the Missouri Public Service Commission
17 over the last several years with MGE and whether or not we
18 have seen any changes in that as a result of the fixed
19 variable rate rate design.

20 Q. Okay. Good. Go ahead and I guess give me
21 the summary that you just started with.

22 A. Okay. If you would look at the exhibit
23 that has been handed to you, you're going to see a chart,
24 the first chart that says MGE Complaints and Inquiries.
25 You will see that the top line represents the number of

1 complaints that we received from 2003 to 2009. On the
2 bottom line, that's the number of inquiries.

3 You will see that from 2003 to 2005, it was
4 somewhat level on the number of complaints that we were
5 handling from the company, and then started to decline
6 down into 2007. But April of 2007 is when Missouri Gas
7 Energy first implemented the fixed variable rate, and it
8 was from that point forward we started to see another
9 incline in complaints.

10 However, I don't believe that the
11 complaints are as much of a key as the inquiries are.
12 Inquiries will show you that we started seeing a number
13 of -- a larger percentage number of calls into the
14 Missouri Public Service Commission following the 2007 rate
15 case.

16 The purpose for that is the fact that
17 customers were calling the Missouri Public Service
18 Commission, getting their summer bills after that rate
19 design, for the first time seeing that now summer bills
20 are higher than what they were experiencing previously,
21 and that that was causing a great deal of consumer
22 confusion.

23 We often when customers call us will
24 initially ask if they've contacted the utility company,
25 and if they have not, we will revert those customers to

1 the utility so they can get the information from them
2 firsthand.

3 However, if customers are still confused or
4 unsure, they often will call our office again stating that
5 they're not clear on why their rates or bills have
6 adjusted as they have. So we then take those as
7 inquiries. In other words, we're answering those
8 questions from the consumer without showing that as a
9 complaint that's actually sent to the utility company.

10 Q. How do you -- so how do you define what is
11 an inquiry versus a complaint?

12 A. An inquiry is one that we can answer the
13 question when we first receive the call and we do not have
14 to divert it to the company to receive additional
15 information in order to respond to that customer.

16 Q. So if you can answer the question, it's
17 purely an inquiry. So how does it rise to the level of a
18 complaint under your definition?

19 A. If, for example, a customer is still not
20 sure why their rates would be as high as they are, they're
21 not understanding and we're not able to see a copy of that
22 bill before us when we're talking to the customer, we may
23 have to send that on to the utility company and say, give
24 us the actual usage versus the customer charge amount in
25 order for us to explain this to the customer. So then at

1 that level it escalates to a complaint.

2 Q. Okay. So the definition of inquiry versus
3 a complaint is purely from what role the Commission Staff
4 can play as it answers that call?

5 A. Correct.

6 Q. For example, if they raise a question and
7 you can answer that question, it's seen purely as an
8 inquiry?

9 A. Exactly.

10 Q. Complaints will move potentially further in
11 the process, perhaps working with the company to try to
12 address the concern, could eventually lead to a formal
13 complaint, I guess, which would be the most extreme
14 example?

15 A. Yes, exactly. If we're not able to resolve
16 to the customer's satisfaction, they are given the appeal
17 process that's on record as part of our rules to appeal it
18 to a formal complaint.

19 Q. Okay. Now, from the standpoint of
20 satisfaction or no satisfaction or happiness or
21 unhappiness or pleasure, displeasure, your process, your
22 system is not really set up to define or evaluate whether
23 or not customers are happy when they make these calls to
24 you?

25 A. Correct.

1 Q. So if you receive a phone call where
2 someone raises a question regarding a particular rate
3 design issue and you're able to provide that information
4 that answers the question, that's noted purely as an
5 inquiry?

6 A. Correct.

7 Q. Now, even if that customer was still upset
8 and unhappy with that rate design, it's simply an inquiry
9 and there's nothing else that you can do about it; is that
10 a fair assessment?

11 A. That is correct, uh-huh.

12 Q. So the term complaint, which could mean
13 people calling to complain, isn't really registered in
14 your system that way. A complaint is defined differently
15 and means something completely different?

16 A. Right.

17 Q. Does the Staff keep track of customer
18 dissatisfaction with certain issues?

19 A. The only way we have a way of tracking
20 customer dissatisfaction, especially dealing with a rate
21 design or an issue that's come out of a rate case, is
22 through what we refer to as public comments, and public
23 comments then will register a simple statement by the
24 customer like I don't like it or I'm unhappy with it or I
25 wish you-all would do something different. That's where

1 those comments would be stored.

2 Q. And where would you receive those?

3 A. We would receive those in numerous ways,
4 either by phone to our 800 number, by e-mail, by a written
5 comment in, by a fax. So we could receive those in a
6 number of forms.

7 Q. And that would -- you could receive those
8 outside of a formal rate case --

9 A. Yes.

10 Q. -- proceeding?

11 A. Yes.

12 Q. And outside of a local public hearing
13 proceeding?

14 A. Yes.

15 Q. So what does -- or what have you found in
16 that comment process on happiness or unhappiness with rate
17 design issues following the 2007 rate case?

18 A. Following the 2007 rate case, we really
19 didn't see a number of public comments that were
20 registered that were totally, you know, to the level of
21 raising my interest, thinking we need to do something
22 different to help these customers. And when I mean do
23 something different, I'm referring to education
24 opportunities. Because once the Commission's made a
25 ruling, our role is to make sure that the company and the

1 customer knows the compliance and the purpose of that
2 filing or that decision.

3 Q. Now, it just seemed like right there you
4 gave me your assessment of the comments received, and I
5 think you may have jumped ahead.

6 Can you give me an idea, do the numbers
7 that are listed on this exhibit, the numbers that went up,
8 the complaint numbers that went up and the inquiries
9 numbers that went up, do those take into consideration the
10 comments that you received either through the comment
11 process in EFIS or the comments that were made through the
12 phone call system?

13 A. All of the calls, whether it's a phone call
14 or comments made through EFIS, are noted right here. I
15 mean, they're all collectively put together.

16 Q. Okay. So any contact that you receive
17 through your office would be -- would register on these
18 numbers?

19 A. Absolutely.

20 Q. Okay. For the number that is listed, is
21 this a public number? Are these numbers public or are
22 they highly confidential?

23 A. These numbers are usually highly
24 confidential because we don't necessarily put together
25 numbers publicly for all utilities. So we treat all of

1 these numbers in summary form for all utilities as public,
2 but not individual company form.

3 Q. So this would be an HC document? I mean,
4 this has been offered as an exhibit. Potentially the
5 judge is going to rule on it.

6 MS. SHEMWELL: Yes, it will be.

7 CHAIRMAN CLAYTON: It's not noted as an HC
8 document.

9 MS. SHEMWELL: It needs to be.

10 MR. POSTON: I don't understand what would
11 be highly confidential.

12 MR. BOUDREAU: I just need some clarity,
13 too. Is the Staff going to offer this as an HC document?

14 MS. SHEMWELL: Yes, unless -- it's your
15 information to protect.

16 MR. BOUDREAU: Well, I would just note for
17 the record that at least with respect to the complaints in
18 company witness' or company witness Ron Crow's testimony
19 at page 5, he has not all of this information in terms of
20 numbers of complaints, but this was information about PSC
21 complaints that were contained in his testimony, in his
22 direct testimony. We didn't claim any aspect of HC
23 information. I don't know that we have any concern about
24 the inquiry information either. So if that simplifies
25 things...

1 MS. SHEMWELL: If the company doesn't feel
2 that it's HC, then we don't feel the need to mark it HC.

3 JUDGE PRIDGIN: What I think I'm hearing is
4 that none of the lawyers seem to mind this being made
5 public.

6 CHAIRMAN CLAYTON: Well, have you-all seen
7 the document, Mr. Boudreau?

8 MR. BOUDREAU: I have not seen this
9 particular document before. Well, I --

10 CHAIRMAN CLAYTON: I want clarity on
11 whether I can ask about the information that is on this or
12 not. I don't want to assume or --

13 MR. BOUDREAU: When we're talking -- what
14 I'm looking at is the first page of this document. Maybe
15 for the -- for the public comments, I think that I would
16 just indicate that I have a standing objection with
17 respect to the public comment parts. But the information
18 itself, I'm not sure that I'm asserting that it's
19 confidential information.

20 So, I mean, to answer the Commissioner's
21 question, I don't have an objection to him pursuing the
22 line of questions concerning this exhibit, with the
23 understanding that I have a standing objection with
24 respect to the comment portion.

25 JUDGE PRIDGIN: I understand. It sounds

1 like everyone agrees this can be public. All right.

2 Thank you.

3 CHAIRMAN CLAYTON: So there is no --
4 there's no information that is confidential on this
5 document? I can ask about any of the numbers that are
6 listed here?

7 MS. SHEMWELL: This first page.

8 CHAIRMAN CLAYTON: I'm sorry?

9 MS. SHEMWELL: The first page.

10 CHAIRMAN CLAYTON: Well, I have a packet of
11 documents. I'm asking about -- I was given a stapled
12 compilation, 1, 2, 3, 4, 5, 6, 7, 8. So I assume that the
13 entire exhibit was an eight-page document. So I guess
14 what I'm asking is, can I ask questions about all of them
15 or do we need to work through them one by one?

16 MS. SHEMWELL: Mr. Chairman, Ms. Fred was
17 preparing this on Friday as a result of your remarks, and
18 so the other parties have not seen it until this morning,
19 and that's probably the reason for hesitation on their
20 part.

21 JUDGE PRIDGIN: I'm sorry. Do the parties
22 need a moment to look through that? I mean, if we need to
23 go in-camera, I don't mind, but I don't know how the
24 parties feel.

25 MR. BOUDREAU: Just give me a moment. I

1 think I'll be able to respond fairly quickly.

2 From the company's perspective, this
3 appears to be aggregations of data. It doesn't appear to
4 be customer specific with respect to any particular piece
5 of information that's on here. So we don't see it as
6 being highly confidential, so we're not going to invoke
7 that, and that, for the Chairman's benefit, is with
8 respect to the entire document. This appears to be
9 tabulations or aggregations of data.

10 BY CHAIRMAN CLAYTON:

11 Q. All right. So I'm scratching off the HC.
12 Everything is fair game on here, right, Ms. Fred?

13 A. It sounds that way.

14 Q. All right. Good. I feel better about
15 that. Now, since we can talk about this document,
16 basically your compilation suggests an increase of
17 contacts of nearly 100 complaints between 2000 and 2008.
18 For clarity, let me ask this question. What was the date
19 on which the new rate design tariffs took effect?

20 A. April of 2007.

21 Q. Okay. So you had an increase of, what, 30,
22 40 percent in complaints between that time period?

23 A. Right. Approximately 30 percent.

24 Q. All right. And then in inquiries you had
25 maybe a -- maybe a tripling of the number of inquiries

1 that came into your office?

2 A. Correct.

3 Q. Now, of the 351 that are listed on the
4 complaints that were made, do one of these other documents
5 set out what makes up those 351 complaints?

6 A. Yes. If you'll go to the document that is
7 in spreadsheet form, one says MGE complaint. It will give
8 you a breakdown of the complaint issue and then the number
9 of complaints related to those issues. The same would
10 hold true for the inquiry page. It shows you from 2007 to
11 2009 a breakdown of the various types of what we refer to
12 high level inquiries.

13 Q. Okay. So the column that is on -- four
14 pages in, you have a spreadsheet that has columns set out
15 by year, 2006 through 2009, and if you work -- if you work
16 down in those columns, that will reach the results that
17 are suggested in the totals on the front page of the
18 graph?

19 A. Correct.

20 Q. Is that accurate? So basically if you look
21 down the 2008 column, that will reach the number 351 for
22 2008 on the page; is that correct?

23 A. That's near to correct. You're not going
24 to have the exact number, and if you -- if you go to the
25 bottom of those, of that second page, I'm not sure, does

1 your list show the total number for years of complaints at
2 the second page?

3 Q. Second page is MGE public comments.

4 A. No. I'm sorry. It would be your third or
5 fourth page.

6 Q. Third page says MGE public comments, and
7 then the fourth page is the two-page spreadsheet.

8 A. Right. On the two-page spreadsheet, the
9 second page, does it reflect the total number?

10 Q. No.

11 A. Okay. Let me give you those totals if you
12 like. For 2006 it's 319. 2007 is --

13 Q. Hold on.

14 MR. BOUDREAU: I'm having a little trouble.
15 I don't have an objection. I'm just having trouble
16 tracking what's being talked about.

17 MS. SHEMWELL: Judge, shall we number the
18 pages?

19 JUDGE PRIDGIN: Certainly.

20 MS. SHEMWELL: Mr. Chairman?

21 CHAIRMAN CLAYTON: I mean, I assumed this
22 was the packet that was given to everybody else. I
23 apologize if I'm working off script or not on script here.

24 MS. SHEMWELL: We were just scrambling this
25 morning to get it ready, and it appears to me that pages 2

1 and 3 are the same, but let's mark them 2 and 3 anyway.
2 And then MGE complaints that fills the entire page with
3 10/30/2009 at the bottom will be 4. The partial page that
4 says two on the left will be page 5 for this exhibit. MGE
5 inquiry report will be page 6.

6 JUDGE PRIDGIN: And page 7 looks identical
7 to 6?

8 MS. SHEMWELL: Yes. And then --

9 JUDGE PRIDGIN: 6, 7 and 8 all look
10 identical.

11 MS. SHEMWELL: So let's just --

12 CHAIRMAN CLAYTON: So I can remove the last
13 two pages, or are we going to leave that in? What's
14 easiest?

15 MS. SHEMWELL: Remove the last two pages.
16 I need to approach the witness, Judge.

17 JUDGE PRIDGIN: Certainly.

18 CHAIRMAN CLAYTON: So are we going to leave
19 this page 3 in here even though it's a duplication, or do
20 you want to take that out, too? It may be easier just to
21 leave it in.

22 MS. SHEMWELL: That was my thinking as
23 well.

24 CHAIRMAN CLAYTON: Okay. Everybody ready?

25 BY CHAIRMAN CLAYTON:

1 Q. I don't even remember what my question was.

2 A. Your question was whether or not the
3 numbers would match up to the chart that's also --

4 Q. And you were going to give me some totals
5 on page 4 and 5 at the end of the column?

6 A. If you go to page 5, the end of the column,
7 2006 would be 319, 2007 would be 251, 2008 is 331, 2009 is
8 355.

9 Q. So they're not identical, but they -- they
10 kind of fluctuate in a similar manner. Is that because --
11 what makes up the difference?

12 A. Okay. What makes up the difference is
13 oftentimes some complaints come in and go to our
14 operations department, and whether or not those complaints
15 are keyed into EFIS and tracked in EFIS, or they may be
16 but they're not part of my department's tracking, that
17 makes up some slight differences in the numbers.

18 Q. Okay. I'm looking over the rows on pages 4
19 and 5, and I just don't see an entry -- I don't see an
20 entry on straight fixed variable rate design.

21 A. No. That's correct.

22 Q. Okay.

23 A. And let me explain that.

24 Q. Okay.

25 A. Oftentimes when customers are calling in,

1 the initial intake person is listening to what the
2 customer is saying. They may be talking about their
3 billing in general. They may be talking about an increase
4 in their budget plan. They may be talking about the
5 customer minimum charge. There's a number of variables
6 that could be actually entered into our system based on
7 what the customer's saying.

8 When we're looking at then an impact of an
9 issue such as fixed variable rate would be, we're not
10 looking at one particular element. We're having to look
11 at billing in general, budget plans, customer minimum
12 charges, high bill, disputed bill, incorrect bill, minimum
13 bill. Those entities then make up, well, if we get into
14 the details, I go in and look up these customers specific,
15 I will see then that they're referencing more the fixed
16 variable rate impact than they are having other issues.

17 So if I were to go through and have
18 isolated those, I would have picked out the ones that
19 generally, when we look at the specifics of the complaint,
20 would be referring to fixed variable. And as I stated, a
21 lot of those may be marked billing in general, budget
22 plan, customer minimum charge.

23 Q. Hang on just a second. Let me mark these.
24 Billing in general, budget plan?

25 A. Customer minimum charge, disputed bill,

1 which is down toward the middle of the page, and going
2 down to high bill, incorrect bill, minimum bill, and then
3 rates in general.

4 Q. Rates in general.

5 A. Which I can tell you I did pull all of
6 these complaints and go through them, and those were the
7 areas where fixed variable was being talked about.

8 Q. So the change in rate design to the
9 straight fixed variable, which was the increase in the
10 fixed monthly charge and elimination of the -- one of the
11 volumetric charges, can register through EFIS in the
12 consumer services department through six or seven
13 different areas?

14 A. Correct.

15 Q. Okay. In terms of measuring or trying to
16 measure customer reaction, customer mood, customer
17 happiness or unhappiness on a particular issue, would it
18 most accurately be displayed in 2007 when the rate design
19 occurred rather than 2008?

20 A. No. Actually, it would have been 2008
21 where we would have seen customers' emotions finally
22 catching up with the impact of the adjustment.

23 Q. Now, the change in the rates would have
24 taken place in April/May of 2007. Why would it take six
25 or seven months for it to register?

1 A. Humans being what they are, a lot of times
2 they won't notice those immediate changes right off the
3 bat, so they didn't notice it the summer of 2007. Then
4 the winter of 2008, you know, they -- or 2007 into 2008,
5 again, they didn't necessarily notice that. But come the
6 summer of 2008 where they're finally getting a true
7 picture of what the adjustment has created, that's when
8 the emotions get involved and they get more -- things
9 become more noticeable and they contact someone.

10 Q. Okay.

11 A. And I think in addition to that, we have to
12 take into account economy plays a role, where customers
13 are now starting to be a little bit more mindful of their
14 bills, and so they're paying a little bit more attention
15 to that information, and there again, that's why there's
16 more questions.

17 Q. Okay. So 2008 is when you would register,
18 you believe it would be appropriate to calculate the
19 customer reaction to a potential change or to an actual
20 change in rate design?

21 A. Absolutely.

22 Q. And, in fact, there was a change between
23 calendar year 2007 and 2008 -- well, I don't know. Would
24 you consider an increase of 99 complaints and a change of
25 71 inquiries, is that significant in your office?

1 A. On the same issue, yes.

2 Q. Okay. So from your perspective, there has
3 been a significant change in customer happiness over
4 bills?

5 A. There has been a noticeable change in
6 customers' happiness.

7 Q. Okay. How much of that would you lay on
8 the change to a straight fixed variable rate design versus
9 gas prices, versus other issues? I'm not trying to ask
10 for a specific percentage, but can you just give me a
11 sense of, over this increase, how much of that do you
12 think relates to that increase in fixed monthly charge?

13 A. I think once the customers understand how
14 that fixed variable charge works and why it was done the
15 way it's done to help levelize, it's not any different
16 than their being dissatisfied with the spike in gas costs
17 in the winter.

18 Q. Say that again.

19 A. I don't see that customers have that much
20 of a difference in their feeling about it compared -- of a
21 fixed variable rate compared to a higher spike in gas
22 costs in the winter.

23 Q. Let me ask the question a different way.
24 If we would have kept with the traditional rate design
25 rather than go to the straight fixed variable, do you

1 believe that these numbers that increased in '08 and '09
2 would have been lower?

3 A. Possibly, because you wouldn't have had the
4 confusion factor there.

5 Q. Okay. So you wouldn't have had confusion.
6 Are you aware between 2007 and 2009, did gas prices go up,
7 go down? Did they remain constant? Do you know offhand?

8 A. I believe gas prices were slightly up.

9 Q. Slightly up. Now, according to 2009, you
10 have a spike in inquiries, significant spike in inquiries
11 between 2008 and 2009. What accounts for that? Do you
12 know?

13 A. The rate case proposal for adjustment on
14 the fixed variable rate, or on the customer charge.

15 Q. So is it -- the inquiries are just about
16 the filing of a rate case and the fact that another
17 utility's asked for another rate increase, or did you get
18 specific inquiries into the increase in the fixed monthly
19 charge? You kind of said both there.

20 A. We got --

21 Q. Is it both?

22 A. We got inquiries regarding rates in
23 general. That was the biggest bulk of those inquiries.

24 Q. Okay. Do you break them into categories
25 where you could assign how much relates to the

1 dissatisfaction with the rate design versus just an
2 unhappiness with an increase in rates?

3 A. No.

4 Q. You don't break it down in that?

5 A. No.

6 Q. On the complaint number, do you keep track
7 of or keep a record of specific objections or complaints
8 in the EFIS process, in the EFIS system by customers who
9 have filed written complaints? Do you keep those records?

10 A. Yes. Written versus phone calls or fax,
11 yes, uh-huh.

12 Q. So do you have records which would
13 summarize the number of customers that have expressed
14 specific dissatisfaction with the straight fixed variable
15 rate design that are just a part of the 351 and the 410?

16 A. I'm sure we do. I'm sure if we went
17 through and read each one of those, we would find some
18 specific comments made on that.

19 Q. I'm assuming somebody reads those when they
20 come in.

21 A. Yes.

22 Q. I hope somebody reads them.

23 A. Yes. Unfortunately, consumer services has
24 read each and every one.

25 Q. Okay. But you can't give me with certainty

1 today how many on that increase in the fixed monthly
2 charge are included within that figure which amounts to
3 761 complaints?

4 A. Right. No, I cannot.

5 Q. I'm assuming you're not in a position to
6 venture a guess either?

7 A. No, I'm not.

8 Q. Now, does consumer services participate in
9 the preparation of testimony filed by other Staff
10 witnesses?

11 A. I don't know if I'd say we participate. We
12 talk. You know, we talk about what do we -- we may have
13 operations staff come and ask us, you know, what are we
14 seeing, what are we experiencing, what are we hearing from
15 customers. We have those casual conversations.

16 Q. Okay. How -- how detailed do you get in
17 your communication of these results that you've summarized
18 for me here today? How much detail do you convey to your
19 colleagues in other departments or divisions?

20 A. Well, I don't know that we have recently
21 provided statistics for them to review. If we were asked,
22 we definitely would, but generally they'll ask what are
23 you seeing as an increase, are you seeing any impact from
24 this, what did the customers say? And we can run a few
25 numbers at that time. Maybe we're looking at -- say, for

1 example, right after the April 2007 implementation of
2 that, we might have pulled some numbers up for them to
3 just be aware of, but we're not preparing anything to give
4 to them.

5 Q. Well, unless they ask for it?

6 A. Unless they ask for it.

7 Q. If they ask, you can run the figures?

8 A. Absolutely.

9 Q. Generally, it sounds to me you're answering
10 the inquiry comes in in general terms from other
11 divisions?

12 A. Right.

13 Q. So if a Staff member asks you, has there
14 been an adverse reaction from customers relating to the
15 change in rate design, in general, what is your response
16 to them?

17 A. I would say based on public comments or
18 e-mails or -- that we received, it appears that they're
19 unhappy with the adverse effect of the new rate design.

20 Q. Now, the complaint numbers you've given me
21 are not statistically or scientifically determined, so we
22 can't use this as an actual survey. But in your
23 experience, how do you evaluate customer mood or whether
24 there is a problem out there? How does it rise to the
25 level where consumer services says, we have a problem out

1 here and the Commission needs to rethink what it's doing?
2 How do you get to that point, or do you personally ever
3 get to that point?

4 A. I don't think I personally ever get to the
5 point where I make it a point to tell some other Staff
6 member, the Commission needs to we think this. That's not
7 my role, or at least I don't view that to be my role. I
8 view my role as making sure that the companies are in
9 compliance with rules and regs and their tariffs, and that
10 the customers are being treated fairly according to those
11 rules and tariffs.

12 So I do track on a weekly basis complaints,
13 and I have staff meetings generally on a weekly basis to
14 say, what are you seeing? What's coming in? And I can
15 run those reports and see myself, but sometimes it helps
16 to hear what they're hearing from the consumer firsthand.

17 We will then make notes of that, and if I'm
18 seeing a dramatic incline, what I mean dramatic, a 50
19 percent incline in complaints for a week on one issue, I
20 generally would contact operations and say, we're having
21 this issue. What's going on? What do we need to know?
22 Can you help us put something together?

23 And they are very helpful in giving us
24 information, maybe even helping us with a letter so that
25 we can actually convey to the consumer on their level

1 what's going on and educate that consumer. So we do a lot
2 for what I call outreach and education, trying to help the
3 consumer better understand.

4 Q. Okay. So if you notice something changing
5 in customer mood or the relationship between a customer
6 and the utility, at some point, any change of
7 significance, you will convey that concern or that
8 observation to colleagues in other divisions?

9 A. Absolutely.

10 Q. Okay. Was there ever an occasion with the
11 implementation of the straight fixed variable with a
12 change in customer responses, inquiries and complaints
13 where you conveyed concerns to colleagues within the
14 Commission?

15 A. Yes. We did contact operations and advised
16 them that we're getting a lot of calls on this issue. I
17 think we need to figure out a better way to explain it, a
18 better way to educate the customer on what it is and how
19 it impacts them. So we collectively worked together on a
20 letter that we prepared so that we could send it to the
21 customer. Not only do we communicate it verbally, but we
22 send them something in writing so they have it in black
23 and white as well.

24 Q. Okay. But it sounds to me like that is
25 more of an education component than an effort to gauge

1 customer satisfaction in any way --

2 A. Right.

3 Q. -- is that accurate?

4 Would consumer services ever upon receiving
5 a change in customer mood or customer concern advocate for
6 any type of change in policy? I think you earlier said
7 that that's not really your role, but is there ever an
8 occasion where you'd step up and say, we think we have a
9 real problem, we need to do something and change here?

10 A. I think we've made comments to that effect,
11 that this doesn't seem to be working well, but we've never
12 advocated it and actually asked someone to take a position
13 on that.

14 Q. Do you think the straight fixed variable
15 rate design is working well from a customer perspective?

16 A. I think from a customer perspective,
17 they're totally confused, literally confused. I don't
18 know that -- I don't know that I believe the company is
19 doing a very good job at educating them well on this. I
20 think we could all do more in educating the customers on
21 what the purpose of it is.

22 I think once we have communicated to a
23 number of customers, they understand it, we've gotten them
24 to understand it, they're more comfortable with it. But I
25 think overall, emotions being what they are, the economy

1 today being what they are, customers aren't satisfied with
2 this, and I'm not sure they'd be satisfied with any type
3 of rate increase.

4 Q. Sure. I understand. I mean, no matter how
5 you set things up, you're probably going to have
6 dissatisfaction somewhere.

7 What would be your impression following
8 your education process where you provide explanation to a
9 customer that's confused and you complete an education
10 process, are you able to advise whether they walk away
11 understanding and satisfied with the change in rate design
12 or feel that it's fair versus being unfair or still very
13 frustrated with the change or feeling offended by the
14 change?

15 A. I think after communicating, we can
16 communicate, get communications through to their level,
17 they seem to be satisfied, maybe not totally happy, but
18 satisfied, content and understanding it and can live with
19 it.

20 Q. Can live with it?

21 A. I mean, that's the basic perception I get
22 from people is that, okay, now that I understand, I can
23 manage this. I understand it.

24 Q. Have you gotten any calls, someone calling
25 in saying, I love this new rate design, it makes it easy

1 to understand, it's fair, keeps my bill a little more
2 even? Do you get any calls like that?

3 A. No.

4 Q. All right. Tell me how consumer services
5 has been involved in this whole comment card business.
6 Was that your idea?

7 A. No. I'll go on the record to say no. We
8 have been the recipient of all the comment cards. When
9 the comment cards went out, they had our return -- they
10 had consumer services department return address on them.
11 Therefore, we received each of them in. We read each and
12 every one of them to determine are they making simply a
13 comment, you know, I am opposed to the rate increase or I
14 can't take another increase in my utilities right now,
15 those type of comments versus a question, why is my bill
16 being estimated, why is my bill going higher, why is it
17 that the Commission chooses to do this at this time.

18 Those type of questions then we take and we
19 address. We're marking those such that we're responding
20 to those customers. We're sending them a letter of
21 explanation or we're contacting them to try to help them
22 better understand what the processes are.

23 Q. Okay. What was the purpose of the comment
24 cards? Do you know, or were you a part of that and you
25 can give me an idea what the purpose is?

1 A. I wasn't necessarily a part of that. I
2 understand that the purpose was to notify customers of
3 upcoming local public hearings and the rate increase, and
4 then as a part of that, there was an additional part that
5 they could make written comments. But unfortunately, I
6 think the way it was worded customers were under the
7 impression they were voting for something or that they had
8 to respond, and that's why I believe we did receive so
9 many of them in this case versus other cases.

10 Q. Explain to me how this works. You really
11 weren't a part of the decision to send out the comment
12 cards, and yet you're the one who ends up receiving them
13 all. How did you luck out on that?

14 A. That's a good question.

15 Q. But your department has reviewed all of
16 those comment cards?

17 A. Yes, we have reviewed every single one.

18 Q. Have you broken them into categories?

19 A. No. Had we been asked by the Commission or
20 some party to do so, we could have that done upon receipt
21 and starting to log those. But we were not asked to do
22 any categorization, any summaries, so we were just simply
23 reading them for public comment versus a question that
24 needed to be addressed, separating them that way, and then
25 sending them to the data center to be scanned and put into

1 the EFIS system.

2 Q. So we have no way of knowing what
3 percentage of those cards would even relate to the rate
4 design question?

5 A. Not without going back through them again
6 and determining that.

7 Q. Can you explain to me how these comment
8 cards are being used as a part of this process or where
9 they are useful in this process?

10 A. Well, I would assume whoever was requesting
11 that they be -- they be sent and that there be a return of
12 some comment to us would have taken those and done an
13 analysis and done a matrix of what the comments were and
14 what actually was the purpose of getting the customers'
15 feedback.

16 Q. Did you ever provide any feedback or
17 analysis to any colleagues at the Commission relating to
18 the contents of the comment cards?

19 A. No. You mean officially? No.

20 Q. Did you help participate in the preparing
21 of testimony that would assess whether or not there has
22 been a positive or negative customer reaction to this rate
23 design with analysis from these cards?

24 A. No. I do know that there was a Staff
25 witness who went through some of those cards to help to

1 prepare their testimony.

2 Q. We have no way of knowing how many
3 addressed this whole rate design issue?

4 A. Specifically, no.

5 Q. You have no categories at all in terms of
6 different types of inquiries?

7 A. No.

8 Q. Overall, in light of -- well, I'll get to
9 that here in just a second.

10 Let me ask you about the local public
11 hearings that were held in this case. Are you familiar
12 with the testimony that was received at the local public
13 hearings?

14 A. Yes.

15 Q. How many hearings did we have in this case,
16 do you recall?

17 A. No.

18 Q. Do you remember? Five? Five hearings. Do
19 you recall how many witnesses that appeared at those five
20 local public hearings testified relating to the straight
21 fixed variable rate design?

22 A. No. And I say that based on the fact that
23 I was not present at all of them.

24 Q. Can you answer the question, did anyone
25 complain about the straight fixed variable rate design at

1 local public hearings?

2 A. Yes.

3 Q. Can you give me an idea from Staff's
4 perspective at what point consumer services would consider
5 negative customer reaction based on local public hearing
6 testimony? Do you have a threshold of a certain number of
7 witnesses? Do you have -- have you measured the degree of
8 hostility that potentially can come up?

9 How do you use local public hearings in
10 assessing customer satisfaction or concerns that may be
11 out there relating to the utility/customer relationship?

12 A. I generally, when I'm at a local public
13 hearing, I have to remove a certain level of the
14 customers' emotion. I'm listening for what is the issue,
15 what is the point that they're trying to make, what is the
16 point they're confused about, what is the point they need
17 education about. Because there are various levels of
18 emotions, and if you put the emotions in, that's an
19 assessment for perhaps social psychological issues, but
20 not for rate design issues.

21 And listening to customers, you could pick
22 out there was confusion, frustration and understanding.
23 There were customers who still weren't being convinced or
24 understanding how this really played out for them. Had
25 there been some way that there could have been, here's

1 where you're at today compared to here's where you would
2 be tomorrow, so they could see an actual black and white
3 comparison, I think that would have been more convincing
4 to the consumer than just people telling them this is what
5 it's going to do and this is how it works.

6 A lot of times -- you know, a picture's
7 worth a thousand words. They can see the very exact
8 changes before them pre and post, it's much more
9 convincing.

10 Q. Overall -- I'll get back to this. Overall,
11 with your impressions from the EFIS comment process, the
12 inquiries and complaints made through consumer services,
13 any other complaints made through other divisions or
14 departments of the agency, the local public hearing
15 process as well as the MGE public comment cards that were
16 distributed by the company and received by the agency,
17 would you say overall that reaction by customers to the
18 change to the straight fixed variable rate design has been
19 positive or negative?

20 A. Negative.

21 CHAIRMAN CLAYTON: Thank you.

22 JUDGE PRIDGIN: Mr. Chairman, thank you.
23 Commissioner Davis?

24 QUESTIONS BY COMMISSIONER DAVIS:

25 Q. Good morning, Ms. Fred.

1 A. Good morning.

2 Q. You're the head of consumer services,
3 correct?

4 A. Correct.

5 Q. So you would get complaints for both MGE
6 and Atmos and all other utilities, correct?

7 A. Correct.

8 Q. And your office received all of the 12,000
9 MGE complaint cards?

10 A. Comment cards, yes.

11 Q. Was it fair to say that a fair portion of
12 those cards were just blank?

13 A. There were a number that were just blank,
14 yes.

15 Q. Is it your general impression that people
16 are just opposed to any kind of rate increase in general
17 at this time? Is that -- do you think that's a -- I'll
18 stop there.

19 A. Today's economy, everyone's opposed to any
20 type of increase regarding if it's utility or some other
21 commodity.

22 Q. Any type of increase?

23 A. Any kind.

24 Q. So if we were raising, let's just -- let's
25 just pick a number. Let's say -- I'm trying to recall

1 what the Universal Service Fund charge is. If we were
2 raising -- if we were just raising the fixed charge
3 15 cents, do you think people would oppose that, too?

4 A. Yes.

5 Q. Do you think of the -- of the contacts that
6 your office has received, is it your impression that more
7 of them are opposed to any kind of rate increase in
8 general than they are an increase in their fixed monthly
9 bill?

10 A. I would say yes, they're opposed to any
11 type of increase.

12 Q. Do you think that's -- I mean, is it
13 your -- is the majority of those people that are opposed
14 to any type of rate increase, is that a -- do you think
15 it's a more significant number of people?

16 A. You mean total overall more significant
17 numbers that we're seeing now opposed to maybe two, three
18 years ago?

19 Q. I'm just saying that -- let's compare the
20 number of people, number of complaints you've received
21 about straight fixed variable rate design versus the
22 number of people that are complained about -- complaining
23 about bills going up in general. Okay? Do you think that
24 number of people complaining about higher bills in general
25 is significantly higher than the number of people

1 complaining about straight fixed variable?

2 A. I think it's the same. I mean, I think
3 really you're talking about the same.

4 COMMISSIONER DAVIS: Okay. No further
5 questions, Judge.

6 JUDGE PRIDGIN: Commissioner Davis, thank
7 you. Commissioner Jarrett?

8 QUESTIONS BY COMMISSIONER JARRETT:

9 Q. Good morning, Ms. Fred. How are you?

10 A. Fine.

11 Q. I just have a few questions. I believe you
12 indicated that your job when folks call in with
13 complaints, concerns, questions is to try to determine
14 what the issue is and then try to give them information or
15 educate them about their situation; is that accurate?

16 A. Yes, that's correct.

17 Q. Now, when people would call in about this
18 straight fixed variable rate design, would they -- would
19 they -- what was their complaint? Were they complaining
20 about their rate design or were they just complaining
21 about this new charge that was showing up on their bill
22 and they didn't understand it?

23 A. They were primarily complaining about this
24 new charge on the bill, they didn't understand it, wanted
25 to know why it was separated like it was because that's

1 not how they saw it before. So it was really confusion on
2 what that was appearing on their bill.

3 Q. And I believe you testified that you talked
4 with some folks from Staff, got some information, put
5 together a letter, put together some information to give
6 them over the phone. And would you say that most people,
7 once you explained it to them, were they satisfied after
8 the phone call?

9 A. I think they understood it. Now, whether
10 they were satisfied, I can't speak to that, but they
11 understood it better and were accepting of it.

12 Q. All right. Now, how long have you worked
13 in the consumer services division here at the Public
14 Service Commission?

15 A. About seven years now.

16 Q. Is it your experience that any time some
17 new charge shows up on any type of bill, whether it's
18 electric, gas, water, that you receive a spike in calls?

19 A. Yes.

20 Q. Regarding the cards that came in, were
21 people complaining about the increase in the fixed charge
22 or were they complaining about the rate design?

23 A. The prime -- keep in mind, most customers
24 don't even understand what rate design is. They don't
25 know there's various components to a rate design. So the

1 majority of the calls or cards would have implied, I'm
2 opposed to the rate increase. I don't like this new rate,
3 this rate structure or I don't like how you're doing the
4 new rate. So most of them were just opposing the rate
5 increase.

6 Q. They were opposing the rate increase
7 versus, I liked the rate the way it was before, why don't
8 we go back to the rate like it was before?

9 A. Yeah. We didn't get too many of those,
10 although there would be some educated customers that were
11 savvy enough to understand there is a difference, and they
12 would make statements that, you know, they liked the prior
13 rate design structure than the current. But those weren't
14 near as many as those just opposing to a rate increase.

15 Q. Those were relatively few compared to the
16 ones opposing the rate increase?

17 A. Right.

18 Q. And I think you had indicated earlier that
19 a lot of times it's consumers' emotions that cause them to
20 call in and complain?

21 A. Correct.

22 Q. And once you give them information, they
23 are -- at least walk away with an understanding and are no
24 longer complaining --

25 A. Correct.

1 Q. -- is that right?

2 Did you do any analysis when people were to
3 call in as to whether or not they were better off or worse
4 off under the straight fixed variable rate design?

5 A. In some cases, yes. I mean, when they were
6 complaining about this high bill compared to what they had
7 before, that we would escalate and make that a complaint.
8 We'd send it to the company. We'd try to do that analysis
9 to see if they're better or worse off, and in many cases
10 maybe not worse off, but it was explaining to them in a
11 form that they could understand and comparing their prior
12 bills compared to their current bills, and usually we did
13 that over a period of months, not just a one-month
14 snapshot.

15 Q. Right. And what generally were your
16 findings? Were they better off, worse off? Was it a
17 wash?

18 A. For a lot of customers it was pretty well a
19 wash. Once they understood that and could see that in
20 black and white, again, they understood more about why it
21 was that way. They maybe didn't necessarily always like
22 the fact. It was a change, and people just being human
23 don't like change, but at least had a better understanding
24 and were accepting of it.

25 Q. So for the most part it was a wash for

1 folks. Would you say that most people that called in and
2 complained got that kind of analysis so they never really
3 knew whether it was a wash or not?

4 A. No. Generally, if they got that type of
5 analysis, we would actually get to the bottom and be able
6 to show them a differential.

7 Q. I'm talking about the people that didn't
8 file the formal complaint, the people that just would call
9 in and say, what's this charge, I don't like it, you would
10 give them the general information --

11 A. Right.

12 Q. -- but you didn't do any type of
13 analysis --

14 A. No.

15 Q. -- for them as to whether it was a wash or
16 not?

17 So they didn't know after they talked with
18 you whether or not they were better off, worse off or it
19 was a wash?

20 A. Not necessarily, although we did advise
21 them to go back and look at their prior bills and compare
22 it to the current bills and see if they saw some real
23 differentials and then call us back if they did because
24 then we could do further analysis.

25 Q. Did you get a lot of calls back after you

1 advised them that?

2 A. Not necessarily, no. Huh-uh. Maybe we got
3 one or two, and they were usually elderly people that were
4 having a hard time just trying to gather and understand
5 the information.

6 Q. So after you told them to go back and
7 compare their bills, you didn't receive a lot of callbacks
8 saying I'm worse off?

9 A. No.

10 COMMISSIONER JARRETT: Thank you. No
11 further questions.

12 JUDGE PRIDGIN: Commissioner Jarrett, thank
13 you. Any cross from counsel? Ms. Woods, any cross?

14 COMMISSIONER DAVIS: Can I go back and ask
15 Ms. Fred?

16 JUDGE PRIDGIN: Certainly.

17 FURTHER QUESTIONS BY COMMISSIONER DAVIS:

18 Q. Ms. Fred, we had some questions earlier
19 about what was the -- what was the genesis of the comment
20 cards. To your recollection, what was the genesis of the
21 comment cards?

22 A. They were opposing a rate increase.

23 Q. Well, no. No, no, no, no. Where did the
24 whole concept come from? Where did it originally
25 originate?

1 A. Oh, you mean the whole concept of doing the
2 comment cards?

3 Q. Yeah. Where did it come from?

4 A. It was my understanding Office of Public
5 Counsel requested it.

6 COMMISSIONER DAVIS: Okay. All right.
7 Thank you.

8 JUDGE PRIDGIN: Thank you. No further
9 Bench questions? I'm sorry. Cross from counsel.
10 Ms. Woods, any questions?

11 MS. WOODS: No, thank you, your Honor.

12 JUDGE PRIDGIN: Mr. Poston?

13 MR. POSTON: Yes, thank you.

14 CROSS-EXAMINATION BY MR. POSTON:

15 Q. Good morning, Ms. Fred.

16 A. Good morning.

17 Q. How many comment cards did you personally
18 read?

19 A. Personally, probably about 9,000.

20 Q. Okay. And you mentioned a letter that you
21 would send to customers explaining the straight fixed
22 variable?

23 A. Yes.

24 Q. And do you have a copy of that with you?

25 A. No, I don't.

1 Q. And are you familiar with what the notice
2 that went out to customers said?

3 A. Yes.

4 Q. And did it advise customers that one
5 proposal before the Commission was to revert back to a
6 traditional rate design with a lower fixed charge?

7 A. Well, if it said that, it wasn't clear for
8 the customer.

9 Q. Isn't it true that the notice only showed
10 customers what their current rate was under a fixed charge
11 and that that fixed rate was going to increase if the
12 company's request was granted?

13 A. Yes.

14 Q. From the \$26 fixed fee now and change to
15 \$29?

16 A. Correct.

17 Q. Okay. So customers looking at that notice,
18 then, they only had that option before them, either it's
19 the current fixed charge or --

20 MR. BOUDREAU: I'm going to object to this
21 line of questions. I don't think it's responsive to
22 anything the Commissioners asked the witness.

23 JUDGE PRIDGIN: Mr. Poston?

24 MR. POSTON: I think this goes directly to
25 customers' perception of the rate increase request.

1 JUDGE PRIDGIN: Overruled.

2 COMMISSIONER DAVIS: Is customer
3 satisfaction an issue in this case, Mr. Poston?

4 MR. POSTON: Well, okay. Then maybe
5 satisfaction was -- customer response, customer
6 understanding of the rate increase request. That's what
7 we've been talking about.

8 COMMISSIONER DAVIS: Is that an issue in
9 this case?

10 MR. POSTON: I believe it's an issue that
11 was raised by Bench questions, and yes, I would say it's
12 an issue in this case.

13 COMMISSIONER DAVIS: Okay.

14 JUDGE PRIDGIN: I'm sorry. Mr. Poston, did
15 you need to ask your question again?

16 BY MR. POSTON:

17 Q. The customer notice did not advise
18 customers of anything but, as far as residential customers
19 and their rate design, that they had a \$26 fixed charge
20 now and that it would be going to a \$29 fixed charge.
21 There was no explanation about a different type of rate
22 design possibility; is that correct?

23 A. Correct.

24 Q. And I believe you stated that you didn't do
25 any aggregation or you didn't categorize the public

1 comments really?

2 A. That's correct.

3 MR. POSTON: That's all I have. Thank you.

4 JUDGE PRIDGIN: Mr. Poston, thank you.

5 Mr. Boudreau?

6 MR. BOUDREAU: Yes, thank you.

7 CROSS-EXAMINATION BY MR. BOUDREAU:

8 Q. Good morning, Ms. Fred.

9 A. Good morning.

10 Q. I just have a few questions for you. I
11 believe in response to some questions that you got from
12 the Chairman and with respect to the first page of your
13 exhibit, you indicated that 2008 would be the relevant
14 year to look at in terms of customer reaction to whatever
15 change occurred as a result of the decision in the 2006
16 rate case; is that correct?

17 A. Correct.

18 Q. So we have -- you've got some spot marks
19 here in terms of customer complaints, and I'm looking at
20 the upper of the two lines. For 2008 we've got 351, and I
21 assume that's the total for the year; is that correct?

22 A. That's correct.

23 Q. So it doesn't indicate because it shows up
24 in the middle of 2008, it's just the summer of 2008
25 number?

1 A. Right.

2 Q. Just so we're on the same sheet of music.

3 So you can take a look at your chart, then, and relate it

4 back to the number of customer complaints that the

5 Commission was receiving prior to the time that the

6 straight fixed variable rate design went into effect; is

7 that correct?

8 A. Uh-huh. That's right.

9 Q. You said that was April of 2007 --

10 A. Right.

11 Q. -- right?

12 So if we go back to 2005, we've got

13 customer complaints of 423?

14 A. That's right.

15 Q. Go back to 2004, 224?

16 A. Correct.

17 Q. Go back to 2003 -- excuse me. 424. Excuse

18 me. I misspoke. 2003, 425; is that correct?

19 A. Correct. Uh-huh.

20 Q. And that was a period of time -- or do you

21 know this? I mean, do you know whether or not that

22 preceded implementation of straight fixed variable rates?

23 A. Oh, yes.

24 Q. So if you look at the customer complaint

25 numbers that came in in 2008 after it had been in effect

1 for a little bit over a year and a half; is that correct?

2 A. Right.

3 Q. We've got a customer complaint level that's
4 actually lower than was the case prior to the
5 implementation of straight fixed variable rates; is that
6 correct?

7 A. That's correct.

8 Q. You said also, I think, in response to some
9 questions from Chairman Clayton that you did not attend,
10 at least did not attend all of the local public hearings?

11 A. Yes.

12 Q. And did not make an assessments of how many
13 witnesses may have testified concerning the rate design
14 issue; is that correct?

15 A. Correct.

16 Q. Do you know whether or not company witness
17 Russell Feingold in surrebuttal testimony, in fact, did an
18 assessment of that and counted up that there were 11
19 witnesses at the local public hearings?

20 A. No, I'm not familiar with that.

21 Q. All right. You also, I think, in response
22 to, and it was with reference to the -- I believe it was
23 with reference to the comment cards, in response to a
24 question from Commissioner Clayton, and I believe your
25 statement with respect to that is that -- that you made a

1 reference as opposed to other cases, I think in the
2 context of talking about the comments cards. Do you
3 remember that?

4 A. Uh-huh.

5 Q. Do you know if there's any other cases, any
6 other rate cases that have occurred where comment cards
7 like this were sent to the customers as part of the public
8 notification process?

9 A. To my knowledge, there have been none.

10 Q. So there's no real baseline to compare this
11 number in terms of prior cases; is that correct?

12 A. That's correct.

13 Q. And you also testified that your group,
14 you, your group, customer services division, didn't do any
15 sort of assessment about what, if any, of the comments and
16 comment cards dealt with straight fixed variable rates as
17 opposed to rates generally as opposed to any other issue
18 that's going on; is that correct?

19 A. That's correct.

20 Q. I believe you indicated in response to a
21 question from Commissioner Jarrett that customers in your
22 experience just don't like change; is that correct?

23 A. That's correct.

24 Q. If the Commission -- in your view, if the
25 Commission were to switch back from straight fixed

1 variable rate design to some other rate design, let's say
2 the traditional rate design that's being advocated by
3 Public Counsel, do you think that that would initiate a
4 number of inquiries from customers about why their bills
5 have changed?

6 A. I'm sure they'd be making some calls to us
7 to find out why.

8 Q. I want to take a look at your breakdowns.

9 A. Okay.

10 Q. Okay?

11 A. Uh-huh.

12 Q. And again, I want to take a look first at
13 the MGE complaints. I was a little slow in tracking you
14 on your responses to Commissioner Clayton about where --
15 excuse me. Page 4. Thank you -- about where in this
16 breakdown that you used, that your department uses
17 questions about rate design might show up.

18 A. Okay.

19 Q. And I had billing in general?

20 A. Right.

21 Q. Billing switched -- excuse me. Budget
22 plan?

23 A. Budget plan, yes.

24 Q. Tell me if I miss one going down here.

25 Denial of service?

1 A. No.

2 Q. That was not one?

3 A. Customer minimum charge.

4 Q. Customer minimum charge. Okay. Disputed

5 bill?

6 A. Yes.

7 Q. High bill?

8 A. Yes.

9 Q. Incorrect bill?

10 A. Yes.

11 Q. Rates in general?

12 A. And minimum bill.

13 Q. And minimum bill. Oh, yeah. Skipped right

14 over that one. So again, we can take a look at the

15 numbers in 2008 -- let's just stick with 2008 because you

16 seem to have honed in on that number rather than 2009,

17 which isn't complete anyway.

18 So let's look at 2008 versus 2006. 2006

19 would not have included any change in the rate design

20 because -- because I think as you note, it didn't really

21 go into effect until early 2007; is that correct?

22 A. Uh-huh.

23 Q. So you can take a look across here and

24 compare some of these numbers -- for instance, let's go to

25 billing in general, 2006 versus 2008. 2006 the number is

1 31. 2008, the number's 16. So that number drops. And
2 would you agree with me that as we go down through here,
3 some of those numbers will go up, some of those numbers
4 will go down, and some of them are essentially unchanged?

5 A. That's correct.

6 Q. Would you agree with that characterization?

7 A. That's correct, uh-huh.

8 Q. Bear with me here a second. I believe you
9 got some questions from Mr. Poston about the notice that
10 was sent out by the Commission concerning this case. Do
11 you recall that?

12 A. Yes.

13 Q. And that was a notice that was approved by
14 the Commission, was it not?

15 A. Yes.

16 Q. Do you know whether the -- or let me
17 rephrase the question.

18 Do you know whether with respect to any
19 other rate case that has been instituted since MGE filed
20 its rate increase request, whether the Commission has
21 directed the customer comment cards be sent out?

22 A. Yes.

23 Q. You are aware that they have or have not?

24 A. They have.

25 Q. And what case was that?

1 A. Empire.

2 Q. Just to put the numbers in perspective, as
3 far as the customer complaints that we're looking at and
4 that you have charted on page 1 of your exhibit --

5 A. Uh-huh.

6 Q. -- 351 in 2008, 410 in 2009, do you know
7 how many residential customers MGE serves?

8 A. Approximately 530,000, I believe.

9 MR. BOUDREAU: Give me a moment. I think
10 I'll be able to wrap up here pretty quickly.

11 JUDGE PRIDGIN: Certainly.

12 BY MR. BOUDREAU:

13 Q. You also, I think, indicated that there are
14 other factors that could have caused a higher degree of
15 customer inquiry in 2008 as opposed to previously, and
16 that I think you said just general economic conditions?

17 A. Yes.

18 Q. So if you look at the time that -- look at
19 your page 1 of your chart, and you have 69 inquiries in
20 2008, 354 in 2009. Do you have a view as to whether or
21 not that could just be driven as much by anything else as
22 by just general economic conditions and the unemployment
23 news and just the general financial condition of the
24 country?

25 A. I believe for the 2009, the 354 have been

1 primarily driven by the rate case and customers making
2 comments regarding that.

3 Q. Okay. But I think you also testified that
4 that might be -- their concern about that may be enhanced
5 currently simply because of general financial conditions?

6 A. Absolutely.

7 MR. BOUDREAU: I don't think I have any
8 further questions.

9 JUDGE PRIDGIN: Mr. Boudreau, thank you.
10 Ms. Shemwell?

11 MS. SHEMWELL: Thank you.

12 REDIRECT EXAMINATION BY MS. SHEMWELL:

13 Q. Ms. Fred, thank you for putting this
14 together. Are all of the complaints and inquiries from
15 residential customers?

16 A. No. It's a combination.

17 Q. Is it common for you to get calls
18 supporting a rate increase?

19 A. Seldom.

20 Q. Do you get calls complimenting utility
21 companies in general?

22 A. Seldom.

23 Q. Let's talk about the comment cards and
24 categorization of them. Are the comment -- for whom are
25 the comment cards available for review? To whom are they

1 available for review?

2 A. They're reviewed by all of Staff, Office of
3 Public Counsel, attorneys to the case.

4 Q. Commissioners?

5 A. Commissioners.

6 Q. Could you explain how you can put a query
7 into the system?

8 A. Yes. There is an area under what we refer
9 to as resources. You can go under resources, non-case-
10 related entity, select public comment, put your date
11 range, your utility company. If you are looking for a
12 particular complaint or issue, you can select that, or you
13 can put in just rate case or rate change or fixed variable
14 and do a search, and it will pull up all the public
15 comments that have any of those terms in it.

16 Q. How many of the 12,000-plus public comments
17 you received does the comment section in EFIS say see
18 attached?

19 A. In this case, probably 98 percent of them
20 do.

21 Q. Why is that?

22 A. Well, because it was a comment card
23 received by the Commission, and rather than key any of
24 that information in, which would be a redundant job
25 function, we can just simply attach the handwritten

1 comment with the initial components of it and enter it
2 into EFIS.

3 Q. Are those attachments searchable?

4 A. No. You do have to open up each attachment
5 and read them.

6 Q. So that is an issue with this particular
7 case?

8 A. That's an issue we're trying to do an
9 analysis and trying to do -- figuring out a matrix of what
10 the comments were really about, that needed to be done up
11 front. It should have been asked up front. Had it been
12 asked up front, then Staff or any party could have gone
13 through them one by one and actually done that analysis
14 and made a matrix of those comments.

15 Q. What parties could have asked you to do
16 that? Who could ask you to do that?

17 A. The Commission. The OPC could ask the
18 Commission to ask us to do that. Given they were
19 addressed to us, it would have to be some request made to
20 the Commission to basically ask the Staff to conduct that
21 analysis.

22 Q. Do customers understand the ACA/PGA
23 process?

24 A. No. They're just as confused about that as
25 they would be a fixed variable rate, but I think over the

1 years some have become educated on it and there's less
2 confusion about that rate than there would be perhaps a
3 rate similar, you know, a usage rate that would apply in
4 electrical service.

5 Q. Do customers understand the ISRS, capital
6 I-S-R-S, surcharge?

7 A. No, they do not understand that as well.

8 Q. How do you believe a more complex rate
9 design would be received by customers?

10 A. Well, again, I think it's confusing, and I
11 think it's difficult to explain unless you can explain it
12 on that particular customer's level. Each customer has a
13 different level of understanding, and it kind of takes
14 some hands-on education in some cases to actually help
15 them understand that.

16 Q. Do you know how many customers MGE has,
17 residential customers?

18 A. Well, I'm not sure exactly residential. I
19 thought I understood that their total customer base was
20 about 530,000.

21 Q. Do you get calls asking about conservation
22 programs?

23 A. Yes.

24 Q. And what do you send them? What do you
25 send a customer who asks about a conservation program?

1 A. Depending on the program that they're
2 inquiring about, it may be information that we already
3 have readily available and what we call our fact sheet,
4 our information sheet, or we may send them a copy of the
5 tariff or we may have to actually get with operations and
6 ask them to help the customer understand what programs are
7 available.

8 Q. Do you refer them back to the company
9 sometimes?

10 A. Oftentimes. I mean, initially with every
11 call that we intake, we ask if they've contacted the
12 company initially. If they have not, we always ask the
13 customer to go back to the company first; if they're
14 unsatisfied, to call us back. For the most part,
15 customers that call us have already talked to the company
16 before they talk to us.

17 Q. Have you seen an increase -- first let me
18 ask, would those go into the inquiry portion of this?

19 A. Yes, most of them would go into inquiry.

20 Q. Have you seen an increase in the number of
21 calls concerning conservation programs or opportunities?

22 A. No, I wouldn't say I've seen an increase in
23 that.

24 Q. Let me ask, since 2003, have you seen an
25 increase?

1 A. I think from 2003, 2004, given it's been
2 more visible to the public that there's conservation
3 measures now that they can take control and manage
4 themselves, we're seeing more inquiries asking about that.
5 And I know my group is doing what we call public outreach,
6 and that's what we concentrate on is how to be more energy
7 efficient, how to take control of your own energy costs,
8 and various ways that they can do that, both low cost, no
9 cost or long-term energy efficiency measures they can
10 take.

11 Q. Are you specifically referring to the Be
12 Energy Efficient, otherwise BEE program?

13 A. Yes.

14 Q. How was that received?

15 A. It's been very well received. Customers
16 find it very interesting. They find it -- a lot of new
17 information they hadn't been familiar with. They also
18 find it interesting that we have other resources that we
19 can refer them to for either obtaining rebates, tax
20 credits, other information now that's out there available
21 to them to take advantage of.

22 Q. What's the basis for your analysis that
23 it's been well received?

24 A. I think from customers' feedback saying
25 this is very good and then our inquiries to come out and

1 do more of those public forums is an indication that it's
2 a good program that we've been able to develop.

3 Q. How was it received at the Missouri State
4 Fair?

5 A. Very well. Customers -- we actually
6 created a Jeopardy game. It was an interactive game.
7 Customers would gather around in crowds rather than
8 individuals to play the game, and rather do several of the
9 questions in order to win a prize, they would want to play
10 the whole board because they were learning as a result.

11 Q. You've referred to an explanatory letter,
12 Ms. Fred. Can you make that available to the Commission?

13 A. Yes.

14 MS. SHEMWELL: Judge, we will make that
15 available to the Commission, and we would mark it as
16 Exhibit 104, and we will offer it as soon as it becomes
17 available and after the other parties have had the
18 opportunity to review it.

19 JUDGE PRIDGIN: All right. Thank you.

20 BY MS. SHEMWELL:

21 Q. Ms. Fred, did you -- how many public
22 hearings did you attend?

23 A. For Missouri Gas Energy?

24 Q. Yes.

25 A. One. I had my other staff attending the

1 others.

2 Q. Do you know -- do you know how many people
3 attended all of them, what the total number was?

4 A. From my staff?

5 Q. Yes. No. Who attended the public hearings
6 from the public.

7 A. Oh, no. No, I'm sorry, I don't.

8 MS. SHEMWELL: That's all I have. Thank
9 you, Judge.

10 JUDGE PRIDGIN: Ms. Shemwell, thank you.
11 This looks to be a convenient time to take a break, and I
12 apologize, the clock at the back of the room is not
13 accurate. Now that --

14 MS. SHEMWELL: Before we go off, Judge, may
15 I offer Exhibit 103 into the record, please?

16 JUDGE PRIDGIN: 103 has been offered.
17 Thank you, Ms. Shemwell. Any objections?

18 MR. BOUDREAU: Actually, I think I do. I
19 don't want to object to the whole exhibit, but I still
20 have a standing objection to the comments card item. I
21 think I would just point out -- here's what I'll -- here's
22 what I'll do. I have some concerns about page 3.

23 MS. SHEMWELL: 2 and 3.

24 MR. BOUDREAU: Well, that's right. Thank
25 you for that. Pages 2 and 3. My objection -- my concerns

1 about it hit on a number of different levels. I still --
2 I question the relevance of the exhibit in light of
3 Ms. Fred's testimony that there really hasn't been an
4 assessment done of what these comment cards say or the
5 information hasn't been categorized or broken apart in a
6 similar fashion on the complaints and inquiry data that is
7 attached to.

8 I question the relevance. I don't think
9 there's been a foundation for it. I'm also concerned that
10 it's just flat-out misleading in the sense that -- and I
11 don't think it was intended to be this way, but it shows
12 rather low numbers percolating along until 2008, which
13 according to her own testimony is the first year that the
14 Commission even ordered that these comment cards -- or the
15 first case that these comment cards have been used. So it
16 suggests, I think, that everything's been percolating
17 along with 7, 23, 6, fairly low numbers of comment cards,
18 and all of a sudden this big spike to 12,000. I think the
19 exhibit is misleading in that sense.

20 And with that, I'll lodge that objection,
21 and here's what I request that the Bench do in terms of
22 handling this particular matter, is just reserve ruling on
23 this until it's had a chance, I think, to rule on the
24 filing that I'll make with respect to the official notice
25 request that Mr. Poston has put in as well. It may make

1 some sense just to rule on those two things at the same
2 time.

3 I don't have an objection to the other
4 pages of the exhibit. I'm just objecting to pages 2 and
5 3, which I understand to be duplicate or duplicative of
6 one another, but I'm not necessarily lodging an objection
7 to anything else in this particular exhibit.

8 JUDGE PRIDGIN: All right. Would it -- is
9 there any objection to admitting 103 except for the pages
10 to which you object and then reserve ruling on those pages
11 later?

12 MR. BOUDREAU: No.

13 MR. POSTON: Judge, I think that 12,000
14 number is clearly in the record. It's been discussed by
15 many witnesses, I believe. And all this is really showing
16 is the public comments that came in on the other years,
17 and so I don't -- I don't see how this is really tied to
18 those other objections. This seems to be a little
19 different and doesn't contain any new information.

20 JUDGE PRIDGIN: Again, I'll admit 103,
21 except for I realize pages 2 and 3 are identical, but
22 let's show pages 2 and 3 still have objections pending and
23 they will be ruled upon later. The remainder of 103 is
24 admitted.

25 (EXHIBIT NO. 103 WAS MARKED FOR

1 IDENTIFICATION AND RECEIVED INTO EVIDENCE.)

2 JUDGE PRIDGIN: Is there anything further
3 before we go to break?

4 Mr. Poston, you'll have opening on energy
5 efficiency, and then will you have Mr. Kind or Trippensee
6 testify first.

7 MR. POSTON: Mr. Trippensee.

8 JUDGE PRIDGIN: Very good. Anything
9 further from counsel?

10 (No response.)

11 JUDGE PRIDGIN: Thank you. Let's resume at
12 roughly 5 'til 11.

13 (A BREAK WAS TAKEN.)

14 JUDGE PRIDGIN: Good morning. We're back
15 on the record. I understand the parties are ready to move
16 on to energy efficiency, Public Counsel's witness or
17 witnesses rather on that topic, and that Mr. Poston has an
18 opening to give on that.

19 Is there anything further from counsel
20 before Mr. Poston gives his opening?

21 (No response.)

22 JUDGE PRIDGIN: All right. Mr. Poston,
23 when you're ready, sir.

24 MR. POSTON: Good morning. Public
25 Counsel's primary position on energy efficiency programs

1 as presented in OPC's direct testimony is that the
2 Commission should remove energy efficiency funding from
3 MGE's rates because the surplus of unspent funds from the
4 current program is sufficient to cover MGE's program
5 spending for at least two more years. Additional
6 expenditures beyond the surplus would be recorded and
7 recovered in MGE's next rate case.

8 We also recommend the current collaborative
9 continue to oversee the spending of the \$1 million surplus
10 and the additional funds that would be recorded for
11 recovery in the next rate case.

12 In MGE's direct testimony, MGE claims that
13 it would be willing to administer energy efficiency
14 programs only if it is allowed to recover rates under a
15 straight fixed variable rate design. The argument linking
16 energy efficiency programs to the straight fixed variable
17 rate design is that straight fixed variable would allow
18 MGE to recover its non-gas costs even when ratepayer
19 funded efficiency efforts reduce their usage.

20 This guaranteed recovery of non-gas costs
21 would make MGE indifferent to conservation efforts and,
22 therefore, MGE would be willing to administer programs.

23 In rebuttal testimony, Public Counsel
24 responds and proposes an alternative that will provide MGE
25 with this same indifference towards reduced usage that is

1 caused by the MGE energy efficiency programs. OPC's
2 alternative would employ a traditional rate design and
3 allow MGE to recover the non-gas revenues it does not
4 recover as a result of the energy efficiency programs.

5 I should clarify that this is Public
6 Counsel's alternative proposal if the Commission agrees
7 with MGE that MGE needs to be made indifferent to
8 efficiency and conservation efforts.

9 Our first proposal is that the Commission
10 order MGE to continue the current program with the funds
11 that MGE already recovered from ratepayers and agreed to
12 spend on energy efficiency programs. The Commission
13 should order MGE to finish what it started, that is
14 require it to continue the programs until all the funds
15 are spent. By that time we expect MGE will be back in for
16 its next rate case, keeping in line with its pattern of
17 rate case filing.

18 If the Commission believes MGE should not
19 lose revenues when ratepayers conserve their energy usage,
20 our alternative proposal provides the same level of
21 indifference while also employing a traditional rate
22 design that properly assigns long-term costs and that does
23 not place unreasonable burdens on our low volume and low
24 income population.

25 I'd also like to address the what I believe

1 to be misleading claim that straight fixed variable aligns
2 the interests of ratepayers with those of the shareholders
3 with regards to energy efficiency. MGE's customers are
4 interested in reducing their usage because it will reduce
5 their expenses. MGE shareholders on the other hand are
6 interested in recovering their costs and a fair return.

7 The straight fixed variable does not align
8 these two different interests. It only guarantees MGE
9 that its interests will be satisfied and merely makes MGE
10 indifferent to the conservation efforts of ratepayers.
11 Ratepayers still want to see the rewards for reducing
12 their consumption, and under straight fixed variable they
13 would see fewer rewards for their efforts.

14 The claim that straight fixed variable
15 aligns consumer and shareholder interests is simply false.
16 We believe that effective energy efficiency programs are
17 possible without the straight fixed variable, just as
18 MGE's sister company in Massachusetts administers programs
19 without recovering all non-gas through a fixed charge.

20 Mr. Ryan Kind will testify regarding our
21 energy efficiency program recommendations and MGE's
22 argument that a straight fixed variable is necessary to
23 achieve energy efficiency programs. Mr. Russell
24 Trippensee will testify regarding the proper interest rate
25 that should be applied to ratepayer funds. We believe

1 MGE's proposal would allow MGE to improperly leverage
2 these ratepayer funds to increase MGE's earnings.

3 That's all I have for an opening. I'd like
4 to call Russell Trippensee to the stand.

5 JUDGE PRIDGIN: Mr. Poston, thank you.
6 Mr. Trippensee, if you'd come forward to be sworn, please,
7 sir.

8 (Witness sworn.)

9 JUDGE PRIDGIN: Thank you very much, sir.
10 Please have a seat. Mr. Poston, when you're ready, sir.

11 RUSSELL TRIPPENSEE testified as follows:

12 DIRECT EXAMINATION BY MR. POSTON:

13 Q. Please state your name and spell it for the
14 record.

15 A. My name is Russell Trippensee,
16 R-u-s-s-e-l-l, T-r-i-p-p-e-n-s-e-e.

17 Q. By whom are you employed and in what
18 capacity?

19 A. I'm the chief utility accountant for the
20 Missouri Office of the Public Counsel.

21 Q. Are you the same Russell Trippensee that
22 caused to be prepared and filed direct, rebuttal and
23 surrebuttal testimony that has been marked as Exhibits 78,
24 79 and 80?

25 A. Yes, I am.

1 Q. Do you have any corrections or changes to
2 your testimony?

3 A. Yes, I do. My rebuttal testimony, page 5,
4 line 10, the sixth word in is supposed to be
5 determination. It needs an N on the -- at the end of that
6 word.

7 And my surrebuttal testimony, on page 7,
8 line 5, the sentence starts, all other monies supplied by
9 ratepayers, and continues on. In between the word by and
10 ratepayers, the phrase the general body of ratepayers. So
11 the sentence should read, all other monies supplied by the
12 general body of ratepayers in the regulatory process, and
13 then continues on.

14 Q. Those are your only changes?

15 A. Yes, sir.

16 Q. If I asked you the questions that appear in
17 your testimony, if I asked you those questions today,
18 would your answers be substantially the same?

19 A. Yes, they would.

20 MR. POSTON: Your Honor, I would offer
21 Exhibits 78, 79 and 80 into the record and tender
22 Mr. Trippensee for cross-examination.

23 JUDGE PRIDGIN: 78, 79 and 80 are offered.
24 Any objections?

25 MR. BOUDREAU: None.

1 JUDGE PRIDGIN: Hearing, none, 78, 79 and
2 80 are admitted.
3 (EXHIBIT NOS. 78, 79 AND 80 WERE RECEIVED
4 INTO EVIDENCE.)
5 JUDGE PRIDGIN: Cross-examination,
6 Ms. Woods?
7 MS. WOODS: Nothing for this witness.
8 Thank you.
9 JUDGE PRIDGIN: Thank you. Ms. Shemwell?
10 MS. SHEMWELL: No questions. Thank you.
11 JUDGE PRIDGIN: Mr. Boudreau?
12 MR. BOUDREAU: No questions. Thank you.
13 JUDGE PRIDGIN: Thank you. See if we have
14 any Bench questions. Commissioner Davis.
15 COMMISSIONER DAVIS: No.
16 JUDGE PRIDGIN: Commissioner Jarrett?
17 COMMISSIONER JARRETT: Thank you,
18 Mr. Trippensee.
19 JUDGE PRIDGIN: Mr. Trippensee, thank you
20 very much.
21 THE WITNESS: Thank you, everyone.
22 JUDGE PRIDGIN: Mr. Poston, do you have
23 Mr. Kind to call?
24 MR. POSTON: Yes.
25 JUDGE PRIDGIN: Mr. Kind, if you'll come

1 forward to be sworn, please.

2 (Witness sworn.)

3 JUDGE PRIDGIN: Thank you very much, sir.

4 Please have a seat. Mr. Poston, when you're ready, sir.

5 MR. POSTON: Thank you.

6 RYAN KIND testified as follows:

7 DIRECT EXAMINATION BY MR. POSTON:

8 Q. Would you please state and spell your name.

9 A. My name is Ryan Kind, and that's spelled
10 R-y-a-n, K-i-n-d.

11 Q. Are you the same Ryan -- I'm sorry. By
12 whom are you employed and in what capacity?

13 A. I'm employed by the Missouri Office of the
14 Public Counsel as the chief economist.

15 Q. Are you the same Ryan Kind that caused to
16 be prepared and filed direct, rebuttal and surrebuttal
17 testimony that has been marked as Exhibits 75, 76 and 77?

18 A. Yes, I am.

19 Q. Do you have any changes to that testimony?

20 A. Yes, I do. I have two corrections to my
21 rebuttal testimony and one correction to my surrebuttal
22 testimony.

23 The first correction to my rebuttal
24 testimony is on line 3. I'm sorry. It's on page 3 at
25 line 5, and down that line it says, no, since

1 Mr. Hendershot did propose. The word not should be
2 inserted after the word did, so it says, since
3 Mr. Hendershot did not propose.

4 The next correction that I have is on page
5 5, in line 15, which reads, of utility pricing by removing
6 the price signal. And I want to clarify that I'm speaking
7 there to the margin price signal, so the word margin
8 should be inserted before price signal. So it would read,
9 utility pricing by removing the margin price signal.

10 And the last correction that I have is in
11 my surrebuttal testimony. It's on page 4, at line 2, and
12 that line reads, its LDC, MGE and NEG, and it should be
13 LDCs plural. So there should be an S added to the end of
14 LDC, which is an abbreviation for local distribution
15 company. That's all the corrections.

16 Q. If I asked you the questions that appear in
17 your testimony today, would your answers be substantially
18 the same?

19 A. Yes, they would.

20 MR. POSTON: Your Honor, I offer
21 Exhibits 75, 76 and 77 into the record, and tender
22 Mr. Kind for cross-examination.

23 JUDGE PRIDGIN: Mr. Poston, thank you. 75,
24 76 and 77 have been offered. Any objections?

25 MR. BOUDREAU: Yes, I have a couple of

1 objections.

2 JUDGE PRIDGIN: Mr. Boudreau.

3 MR. BOUDREAU: If I might. First objection
4 is to Mr. Kind's rebuttal testimony, and specifically on
5 page 8, lines 8 through 26 at the bottom of the page,
6 carrying over into the following page through line 4. So
7 that is a question and answer appearing on those two
8 pages.

9 I've got also an objection to his
10 surrebuttal testimony. They're sort of linked together,
11 so I think I'll identify that as well. And then I'll give
12 my reasons for the objection, if that's agreeable to the
13 Bench.

14 JUDGE PRIDGIN: That's fine, Mr. Boudreau.
15 Could you give me the page reference again, please?

16 MR. BOUDREAU: Yes. Mr. Kind's rebuttal
17 testimony, page 8, lines 8 through 26.

18 JUDGE PRIDGIN: Okay.

19 MR. BOUDREAU: That takes it through the
20 bottom of the page, and then the answer that overlaps on
21 the following page, line 4. That would be in his rebuttal
22 testimony.

23 In his surrebuttal testimony, my objection
24 is with reference to his testimony that appears on
25 pages -- on page 1, starting at line 7, and continues from

1 that point all the way through page 7, including lines 1
2 and 2. Again, let me repeat. From page 1, line 7 on, and
3 continuously on through page 7, lines 1 and 2. And that
4 includes, by the way, Attachments 1 through 5 to his
5 testimony. I believe that's where these references to the
6 exhibits are included.

7 The basis for the objection with respect to
8 Mr. Kind's rebuttal testimony is that it's not proper
9 rebuttal testimony, in that it's not as the Commission's
10 rule on evidence requires responsive to the testimony and
11 exhibits contained in MGE's direct testimony. It is
12 rather direct testimony that goes to explaining apparently
13 Public Counsel's entire case in chief as an alternative
14 proposal, as Mr. Poston just described, to its principal
15 proposal.

16 I would argue that that is part of its case
17 in chief. So this is a proposal, alternative though it
18 may be, that should have been made at the outset in
19 Mr. Kind's direct testimony.

20 As to the surrebuttal testimony, the
21 surrebuttal references are reportedly linked to Mr. Hack's
22 rebuttal testimony where he simply referred to the direct
23 testimony of several company witnesses, of a couple of
24 company witnesses, those being David Hendershot at pages 1
25 and 2 of his direct and Mr. Feingold at pages 15 and 16 of

1 his direct, wherein they referenced the linkage between
2 the company's willingness to continue to administer energy
3 efficiency programs to the straight fixed variable rate
4 design that showed up in the company's direct case.

5 Again, I would argue it's not proper
6 surrebuttal testimony because it attempts to rebut the
7 company's direct case. I think the way that this has been
8 handled is not consistent at all with the Commission's
9 evidence rule 4 CSR 240-2.130 that specifically lays out
10 the manner in which prepared testimony is to address the
11 prior round of testimony.

12 I believe it's an effort to get in the last
13 word on this topic, where the company should have the
14 opportunity to respond more fully throughout this process
15 to proposals made in other parties' direct cases.

16 The other concern I have is, practically
17 speaking, it just opens the door to cross-examination
18 concerning utility regulation as it exists in the state of
19 Massachusetts, which may be a confusion of the record that
20 should not be welcomed by the Commission, but that's just
21 a practical concern.

22 My actual objection is that it's
23 inappropriate rebuttal, respectively rebuttal and
24 surrebuttal testimony for the reasons that I've lined out
25 and it should be -- frankly, Public Counsel should know

1 what the rules of filing prepared testimony are, and it
2 should be held to comply with those rules as every other
3 party is. And with that, I'll conclude my objection.

4 JUDGE PRIDGIN: Mr. Boudreau, thank you.
5 Any further objections from other parties?

6 (No response.)

7 JUDGE PRIDGIN: Mr. Poston, any response?

8 MR. POSTON: Yeah. I don't see where
9 Mr. Boudreau thinks this does not respond to MGE's direct
10 testimony. Starting with the rebuttal, Mr. -- the
11 question is referring back to prior statements that
12 Mr. Kind made in his rebuttal that was responding to the
13 company's straight fixed variable proposal and their
14 willingness to administer energy efficiency programs. And
15 so this is an alternate that responds directly to that
16 direct testimony. So I don't see how this is improper
17 rebuttal testimony. I just don't see it.

18 And the same with the testimony he
19 identified that begins on page 1 of surrebuttal. Mr. Kind
20 clearly states that he is responding to Mr. Hack's
21 rebuttal testimony. So I just -- I don't -- I mean, it
22 seems pretty clear to me this is responding directly to
23 their direct testimony, and the second -- and the
24 surrebuttal testimony is responding directly to rebuttal
25 testimony.

1 MR. BOUDREAU: If I might? According to
2 Mr. Poston, this is a proposal that is being offered to
3 the Commission by the Office of the Public Counsel. In
4 that sense, it seems to me that's part of its case in
5 chief. And if you look at the order of how the evidence
6 has been filed in this case, the company filed its direct
7 testimony, and then subsequently the other parties had an
8 opportunity to file their direct testimony setting forth
9 what they think the appropriate revenue requirement is on
10 the one hand and rate design is on the other.

11 And that was -- that it seems to me is the
12 time to come to the Commission and say, well, our baseline
13 proposal is A, but we have an alternative proposal to
14 address these concerns that have been addressed by the
15 company in its direct testimony, and that would be option
16 B. It seems to me that it's not so much that it's
17 responsive to somebody else's testimony, that it is a
18 direct proposal being made by the Office of the Public
19 Counsel and is not appropriate rebuttal.

20 If you look at the Commission's rule on
21 evidence it says that, where parties file direct
22 testimony, it shall include all testimony and exhibits
23 asserting and explaining the entire party's case in chief.
24 This is part of their proposal. It's an alternative
25 proposal, but it's part of their proposal to the

1 Commission for it to consider in this case, and,
2 therefore, it's appropriately direct testimony that was
3 held off and fashioned in the form of rebuttal instead.
4 That's my observation.

5 JUDGE PRIDGIN: All right. Thank you. The
6 objections are noted and overruled. Exhibits 75, 76, 77
7 are admitted.

8 (EXHIBIT NOS. 75, 76 AND 77 WERE RECEIVED
9 INTO EVIDENCE.)

10 JUDGE PRIDGIN: I'm sorry. Has Mr. Kind
11 been tendered for cross?

12 MR. POSTON: Yes.

13 JUDGE PRIDGIN: All right. Ms. Woods, any
14 questions?

15 MS. WOODS: Yes, your Honor. Thank you.

16 CROSS-EXAMINATION BY MS. WOODS:

17 Q. Mr. Kind, as I understand it, the company
18 has approximately \$1 million that it was not able to spend
19 on energy efficiency programs that it collected from
20 ratepayers, correct?

21 A. Yes, a little bit more than 1 million.
22 Approximately 1 million.

23 Q. And the assumption that it'll take two
24 years to spend that is based on the company's spending at
25 the same levels it's been spending on energy efficiency,

1 correct?

2 A. I don't know what you mean by at the same
3 level they've been spending. Are you talking about since
4 the rates last went into effect?

5 Q. Since the rates went into effect.

6 A. Then in that case, no, that statement would
7 not be correct.

8 Q. Well, if the company spends at a higher
9 level than it has been spending, it could spend that
10 1 million sooner than two years, correct?

11 A. A higher level than they've been spending
12 since the time that rates went into effect in the last
13 rate case?

14 Q. Yes.

15 A. That higher level was already taken into
16 account in my estimate.

17 MS. WOODS: That's all I have. Thank you.

18 JUDGE PRIDGIN: Ms. Woods, thank you.

19 Ms. Shemwell?

20 MS. SHEMWELL: Thank you.

21 CROSS-EXAMINATION BY MS. SHEMWELL:

22 Q. Good morning, Mr. Kind.

23 A. Good morning.

24 Q. On page 8 of your rebuttal, in the question
25 starting at line 8 and then the answer at 16, you propose

1 a mechanism that, I'm going to use the acronym LMRRN for
2 MGE. Do you have that, sir?

3 A. Yes, I do.

4 Q. Down on line 21, approximately, you propose
5 that, starting at line 19, the amount of annual usage
6 reductions that are directly attributable to MGE's energy
7 efficiency programs should be estimated by an independent
8 demand side management evaluator. Have I read that
9 correctly?

10 A. That's correct.

11 Q. You don't have -- do you have an estimate
12 for the cost of employing an independent demand side
13 management evaluator?

14 A. It would be somewhere in the
15 neighborhood -- I'm talking here about strictly an impact
16 evaluation, not a process evaluation. So it could be, I
17 think, accomplished by spending somewhere between, say, 10
18 and \$25,000.

19 Q. What's the basis for that?

20 A. Basis for that is that I have reviewed
21 dozens of responses to RFPs for demand side evaluation,
22 demand side consulting.

23 Q. Any specific to Missouri?

24 A. All those would be specific to Missouri,
25 yes.

1 Q. The LMRRM requires a true-up; is that
2 correct?

3 A. No. That's -- that's one approach to doing
4 this type of mechanism, but that's not the approach that
5 I've described in my testimony.

6 Q. You testify on behalf of the Public
7 Counsel; is that correct?

8 A. That's correct.

9 Q. The Public Counsel represents low income,
10 average income and high income customers, right?

11 A. Are you speaking with respect to
12 residential customers or --

13 Q. Residential.

14 A. We represent all residential customers,
15 yes.

16 Q. In this case, specifically MGE's Missouri
17 customers?

18 A. In this case, that's correct.

19 Q. And the Office of the Public Counsel or the
20 Public Counsel represents low, average and high use
21 Missouri customers, residential customers, correct?

22 A. Yes. I believe I've answered that already,
23 and that's correct. We represent all residential
24 customers.

25 MS. SHEMWELL: That's all I have. Thank

1 you.

2 JUDGE PRIDGIN: Ms. Shemwell, thank you,
3 Mr. Boudreau?

4 MR. BOUDREAU: Yes, thank you.

5 CROSS-EXAMINATION BY MR. BOUDREAU:

6 Q. Good morning, Mr. Kind.

7 A. Good morning.

8 Q. The current -- would you agree with me the
9 current MGE sponsored energy efficiency programs were
10 developed as part of an energy efficiency collaborative;
11 is that correct?

12 A. Yes, that is correct.

13 Q. And that collaborative was established by
14 agreement in Case No. GT-2008-0005?

15 A. I'd have to check. I've got that file with
16 me.

17 Q. Would you check, please?

18 A. Sure. That is correct.

19 Q. And would you also agree with me that MGE,
20 Staff, Public Counsel and Missouri Department of -- turn
21 on the microphone. I'll restate that.

22 Would you also agree with me that MGE,
23 Staff, Public Counsel and the Missouri Department of
24 Natural Resources all support continuation of an energy
25 efficiency collaborative to continue to work on energy

1 efficiency programs for the residential and small general
2 service classes for MGE, assuming that the straight fixed
3 variable rate design is approved?

4 A. I think that's correct. Not everyone
5 expressed that in their direct testimony, but at some
6 point all parties I believe have agreed to that.

7 Q. Now, the Report and Order in MGE's last
8 rate case, that's Case No. GR-2006-0422, became effective
9 on March 30th of 2007; is that correct?

10 A. I believe that's correct. I have the Order
11 here if you'd like me to verify that exact --

12 Q. If you wish to verify that number, that's
13 fine, or date. Excuse me.

14 A. It might take me a few minutes to find
15 that. I think I'll just say subject to check, I would
16 agree with that date.

17 Q. That's fine. Would you also agree with me
18 that MGE filed its energy efficiency program tariff sheets
19 about three months later on July of 2007?

20 A. Not all the tariff sheets, of course, that
21 they currently have in effect for energy efficiency
22 programs, but their initial tariff sheets, that's right.

23 Q. Thank you for that clarification. And
24 these tariff sheets were docketed by the Commission as
25 Case No. GT-2008-0005 after Public Counsel filed a motion

1 to suspend them?

2 A. I think they were initially docketed as
3 GT-2007-0477.

4 Q. Okay. But as far as the date is concerned,
5 does that seem correct to you, July 3rd, 2007 date?

6 A. As far as their initial filing?

7 Q. Yes.

8 A. No. I think in that case, in GT-2007-0477,
9 the tariff sheets were filed on June 1st, 2007.

10 Q. Were those tariffs -- were those tariffs
11 ultimately withdrawn by the company and then refiled?

12 A. Well, or something similar to those tariffs
13 at least was ultimately refiled. I think that's correct.

14 Q. And so if my reference to the July 3rd
15 date, would that be more correctly attributed to the
16 GT-2008-0005 case?

17 A. That's the correct date for that case, yes.

18 Q. Thank you. I apologize for the confusion.

19 And as a result of that filing, a
20 Stipulation & Agreement was filed on the end of July
21 specifically July 26, 2007; do you recall that?

22 A. That's correct, yes.

23 Q. And do you know what date those tariffs
24 were actually approved? The date I have is August 15,
25 2007. I'd ask you to confirm that if you can.

1 A. That sounds right. I don't think I have
2 that date handy. I could search for it, but that's
3 certainly very close.

4 Q. So that was approximately 15 months ago;
5 would you agree with that?

6 A. No. I think that would be just a little
7 over one year ago. We're in 2009 now. So add another 12
8 months your 15 figure, I think.

9 Q. I think you indicated earlier that the
10 program was expanded, is that correct, additional tariff
11 sheets were filed?

12 A. Yes. I did indicate that, yes.

13 Q. Do you know whether or not that was in
14 the -- in December of 2007?

15 A. Not off the top of my head, but I certainly
16 could review my files.

17 Q. I don't think I'm going to ask you to do
18 that. I want to turn my attention to your -- to page 7 of
19 your rebuttal testimony. Are you there, sir?

20 A. I am there.

21 Q. And at the top you have a question --
22 there's a question that appears in your testimony that
23 makes reference to Missouri's energy policy objectives.
24 Do you see that?

25 A. Yes, I do.

1 Q. And having read through that section of
2 your testimony, you do not mention the 2001 Attorney
3 General Nixon report to the Governor concerning natural
4 gas costs, do you?

5 A. No, I do not.

6 Q. Do you mention the 2001 report of the
7 natural gas commodity task force?

8 A. No, I don't.

9 Q. And you don't mention the 2004 report of
10 the Cold Weather Rule and long-term energy affordability
11 task force, do you?

12 A. No, I do not.

13 Q. And you don't mention Senate Bill 179 which
14 was enacted in 2005; is that correct?

15 A. No, and I wouldn't see that to be relevant.

16 Q. Do you not -- you don't mention the 2007
17 Federal Energy Independence and Security Act, do you?

18 A. No, I don't.

19 Q. And you also don't mention the 2009 federal
20 stimulus legislation and the state certification
21 procedures necessary for the state of Missouri to receive
22 energy efficiency block grants, do you?

23 A. No. I'm familiar with that if you'd like
24 me to speak about it.

25 Q. I'm not asking you to speak to it. I'm

1 just asking you whether or not you mentioned it in your
2 prepared testimony.

3 I want to turn my attention now to that
4 portion of your rebuttal testimony, there's some -- also
5 follow-up on it in your surrebuttal tomorrow, too, your
6 alternative proposal of a lost margin revenue recovery
7 mechanism.

8 A. I'm sorry. Which testimony, rebuttal or
9 surrebuttal?

10 Q. Your rebuttal testimony.

11 A. Rebuttal.

12 Q. It's actually mentioned in both pieces of
13 your testimony, but specifically you first bring it up in
14 your rebuttal testimony on page 8. Are you with me?

15 A. Yes, I am on page 8.

16 Q. Just for matter of clarity, the other --
17 one of the other Public Counsel witnesses, Barb
18 Meisenheimer, filed testimony on rate design; is that
19 correct?

20 A. Yes, it is.

21 Q. She did not mention anything about a lost
22 revenue rate recovery mechanism in the context of her
23 direct testimony, did she?

24 A. Not that I'm aware of.

25 Q. Going to the language that Ms. Shemwell

1 asked you about, your line 16 through 19, and you refer to
2 this mechanism as allowing MGE to recover the margin rate
3 revenues that MGE does not receive as a result of usage
4 reductions that are directly attributable to MGE's small
5 general service energy efficiency programs. Do you see
6 that?

7 A. Yes, I do.

8 Q. And is that -- that comment is not
9 necessarily just limited to small general service class,
10 is it? Because I believe -- let me just point you to what
11 I'm looking at, which is on page 9, lines 3 and 4, I
12 believe you say the same mechanism could be used for the
13 verified lost revenues associated with MGE's residential
14 energy efficiency programs. Do you see that?

15 A. Yes, I do.

16 Q. So you would see this as a mechanism that
17 might be available to address both customer classes; is
18 that correct?

19 A. That's correct.

20 Q. Now, your proposal as summarized here does
21 not address margin revenue losses that may occur as a
22 consequence of conservation efforts by MGE's customers
23 that engage in those -- in energy efficiency activities
24 without regard to any incentives that are available
25 through MGE's sponsored energy efficiency programs, does

1 it?

2 A. Well, not -- it doesn't include any usage
3 changes that would occur that weren't attributable to the
4 efforts of MGE.

5 Q. You draw a comparison to the conservation
6 charge in New England Gas Company's local distribution
7 access or adjustment charge tariff; is that correct? I'm
8 referring to your surrebuttal at pages 6 and 7.

9 A. I'm on that page. Could you please repeat
10 the question?

11 Q. Yes.

12 A. And maybe reference me to a line.

13 Q. I believe that you draw a comparison there
14 at pages 6 and 7 of your surrebuttal testimony to a
15 conservation charge in New England Gas Company's local
16 distribution adjustment charge tariff; is that correct?

17 A. I think I discuss how they would have --
18 that they are similar mechanisms.

19 Q. So that's a yes?

20 A. Well, if you're asking with respect to a
21 specific statement I made, I'd need to see that statement.

22 Q. I'm asking about what your testimony says
23 here, and I'll repeat the question. You draw a comparison
24 in terms of your lost revenue recovery mechanism proposal
25 to a conservation charge in New England Gas Company's

1 local distribution adjustment charge tariff, and that's at
2 pages 6 and 7 -- or starts on page 6 of your testimony,
3 but it overlaps on page 7. Do you make that connection or
4 not?

5 A. I'm reviewing my testimony at this time.

6 Q. Okay.

7 A. Yes, I note that they are comparable at
8 line 20.

9 Q. Does this mean that Public Counsel favors
10 cost trackers and adjustment clauses for ratemaking
11 purposes in the state of Missouri?

12 A. No, it does not.

13 Q. New England Gas Company's local
14 distribution adjustment charge tariff also contains
15 trackers and adjustments for the recovery of environmental
16 remediation costs, does it not?

17 A. I just reviewed the lost revenue part of
18 that for the most part.

19 Q. Well, you've attached the tariff to your
20 testimony; isn't that correct?

21 A. Yes, I have.

22 Q. I would ask you to review that tariff and
23 confirm whether that statement is correct, the statement
24 being it contains trackers and adjustments or a tracker
25 and adjustment mechanism for recovery of environmental

1 remediation costs.

2 A. Certainly we could speed this up if there's
3 a specific place you want to reference me to in that
4 tariff, I'd be glad to review it.

5 Q. Well, all I'm doing is referring to your
6 testimony, sir. Let me see if I can point you to page 6
7 of 16.

8 A. Yes, I see that. It appears to include a
9 tracker mechanism for that. Yes, it does.

10 Q. That tariff also contains a tracker and
11 adjustment factor for recovery of residential assistance
12 costs, isn't that so?

13 A. Yes, I believe it does.

14 Q. And would your answer be the same in terms
15 of that tariff including a tracker and adjustment factor
16 for recovery of pension and OPEB expenses?

17 A. Yes, it would.

18 Q. And it's also true, is it not, that with
19 respect to New England Gas Company, that local
20 distribution adjustment clause does not take into account
21 a separate environmental conservation services charge; is
22 that correct?

23 A. I'm not familiar with the term
24 environmental services charge.

25 Q. Let me direct your attention to

1 Attachment 4 to your surrebuttal testimony.

2 A. Okay. I'm there.

3 Q. And I could go through a number of them,
4 but let's just look at the top column left to right, and
5 if you go nearly to the end on the right, there's a column
6 that is abbreviated ECS.

7 A. I see that.

8 Q. Look down at the bottom. There's a boxed
9 bit of language down at the bottom. Says ECS in quotes.

10 A. Yes.

11 Q. Do you see what that says?

12 A. Monthly environmental conservation service
13 charge.

14 Q. So if we look at that top column, we look
15 from left to right, we have a base rate plus a GAF item.
16 That's an adjustment -- or gas adjustment factor. Do you
17 see that?

18 A. Yes, I do.

19 Q. And then the local distribution adjustment
20 factor. Do you see that?

21 A. Yes.

22 Q. Which lumps in all those various elements
23 you and I just talked about, which is environmental
24 remediation costs, residential assistance, pension and
25 OPEBs and demand side management factors. Do you agree

1 with me?

2 A. Yes, I do.

3 Q. If you look -- then you go over a little
4 bit further to the right, and you have the ECS. So that's
5 in addition to any of the other factors that show up in
6 the tariff that you've addressed -- that you've attached
7 to your testimony; is that correct?

8 A. In addition to the factors that are
9 addressed in the LDAF?

10 Q. Yes.

11 A. Yes.

12 MS. SHEMWELL: Judge, might I clarify just
13 a moment, please? I'm seeing on Attachment 3, Sheet 1
14 under ECS it says monthly energy conservation service
15 charge, not environmental, which I believe --

16 MR. BOUDREAU: I may have misstated. If I
17 did, I'll stand corrected.

18 MS. SHEMWELL: I just wanted to make sure
19 that we're talking about the same thing where it says ECS
20 monthly energy, not environmental.

21 JUDGE PRIDGIN: All right. Thank you.

22 THE WITNESS: Yeah. I'm not -- are you on
23 Attachment 3.

24 MS. SHEMWELL: Attachment 3, Sheet 1.

25 THE WITNESS: We hadn't discussed

1 Attachment 3 yet.

2 MR. BOUDREAU: 4.

3 MR. POSTON: It's the same on 4, I believe.
4 I believe you said environmental.

5 MR. BOUDREAU: I appreciate the
6 clarification. Thank you.

7 BY MR. BOUDREAU:

8 Q. Now, are you aware, sir, that offering
9 energy efficiency programs is mandated by the
10 Massachusetts Green Communities Act and its energy
11 efficiency programs by electric and gas utilities in
12 Massachusetts?

13 A. No, I'm not.

14 Q. Have you read that act?

15 A. No, I haven't.

16 Q. Okay. So you're not holding yourself out
17 as an expert on regulation of natural gas utilities in
18 Massachusetts, are you?

19 A. Just with respect to the rates that were in
20 effect for this division of Southern Union at the time I
21 filed my testimony.

22 Q. So you are holding yourself out as an
23 expert about the regulation of natural gas utilities in
24 the state of Massachusetts, and you haven't read the Green
25 Communities Act?

1 A. The rates that were in effect at the time I
2 read -- at the time I wrote this testimony.

3 Q. So would you agree with me that you're not
4 in a position to speak authoritatively about the complete
5 regulatory context in which New England Gas Company is
6 regulated in the state of Massachusetts?

7 A. Well, the regulatory context that was in
8 place --

9 Q. I asked you a yes or no question. Are
10 you -- would you agree with me you're not in a position to
11 speak authoritatively about the complete regulatory
12 context in which New England Gas Company operates in the
13 state of Massachusetts?

14 A. With respect to how they operated in the
15 past tense, that's what I'm testifying about, not the
16 future regulations.

17 Q. And you say this despite the fact that you
18 didn't really know all the various components in New
19 England Gas Company's local distribution adjustment charge
20 tariff, and you can say that without knowing anything
21 about the Massachusetts Green Communities Act?

22 A. I reviewed that full attachment to my
23 testimony when I filed it.

24 Q. When you say the full attachment, all the
25 tariffs -- the tariff that we just talked about?

1 A. Yes, 1 through 16.

2 Q. And with respect to which you weren't
3 familiar with the various components of the adjustments?

4 A. I'm not going to -- I am not the sort of
5 witness who testifies that something is -- that I -- is
6 true --

7 MR. BOUDREAU: Judge --

8 THE WITNESS: -- unless I have it in front
9 of me and I can say that.

10 MR. BOUDREAU: -- can I ask you to direct
11 the witness to answer the question?

12 JUDGE PRIDGIN: Yes, please. If you'll ask
13 the question again, Mr. Boudreau.

14 BY MR. BOUDREAU:

15 Q. The question is that you are sitting here
16 today stating that you can speak authoritatively about the
17 regulation of a natural gas utility, specifically New
18 England Gas Company in the state of Massachusetts, without
19 having been familiar with anything but one adjustment
20 clause in the larger tariff that you attached to your
21 testimony. Is that your testimony today?

22 A. I am not in agreement with your
23 characterization of my testimony.

24 Q. So the answer --

25 A. So I really can't answer that question.

1 Q. Let me rephrase the question. Not rephrase
2 it. Reask it. So you are not in a position today to
3 speak authoritatively about the complete regulatory
4 context in which New England Gas Company operates in the
5 state of Massachusetts, are you?

6 A. I don't believe that's correct.

7 Q. So you believe that you are able to testify
8 about the --

9 A. About the manner in which they've been
10 regulated, yes.

11 Q. Okay. And so I'll ask you once again, have
12 you read the Massachusetts Green Communities Act?

13 MR. POSTON: Asked and answered.

14 JUDGE PRIDGIN: Sustained. He said he
15 hadn't.

16 BY MR. BOUDREAU:

17 Q. Are you aware that New England Gas
18 Company's rates are formulated using 20-year rolling
19 weather normal instead of the once a decade 30-year normal
20 that's used here in the state of Missouri?

21 A. Not aware of the period of time over which
22 their rates are weather normalized.

23 Q. You would agree with me, would you not,
24 that energy efficiency programs are not mandated by law in
25 the state of Missouri, are they?

1 A. For?

2 Q. For natural gas utilities.

3 A. For gas utilities? No, I don't believe

4 they are.

5 Q. How does the winter weather in

6 Massachusetts compare to Missouri's? Is it colder on

7 average, do you think, or do you know?

8 A. I don't think there are huge differences.

9 They have -- it's located next to the ocean, which can

10 sort of moderate the climate to some extent. I've been to

11 Massachusetts in the wintertime.

12 Q. Have you looked at heating degree days in

13 Massachusetts compared to Missouri?

14 A. I haven't done that analysis, no.

15 Q. Are you aware that the Massachusetts

16 Department of Public Utilities has ordered all electric

17 and gas utilities in that state to implement revenue

18 decoupling mechanisms in their next rate cases?

19 A. No, I'm not.

20 Q. New England Gas Company's conservation

21 charge tracker in its LDAC tariffs contains a mathematical

22 formula for determining the amount of the adjustment

23 charge; is that correct?

24 A. That's correct.

25 Q. From the testimony that you filed today,

1 the Commission has no specific idea how a lost revenues
2 recovery mechanism such as you suggested would actually be
3 fashioned; isn't that correct?

4 A. No, it's not.

5 Q. So you have -- you have in your testimony a
6 specific proposal for how it would work in a mathematical
7 formula; is that correct?

8 A. Correct.

9 Q. And where does that show up?

10 A. I would direct you to my rebuttal testimony
11 at the bottom of page 8 where I state that, beginning at
12 line 25, if the LMRRM is approved by the Commission, then
13 MGE would be allowed to book the amount of verified margin
14 rate revenue reductions. And then following the term
15 verified margin rate reductions in parentheses is the
16 formula that states usage reductions times the applicable
17 volumetric rate.

18 Q. Let's take a look at your Exhibit --
19 Attachment 5 to your surrebuttal testimony, page 4 of 16.

20 A. All right.

21 Q. Okay. What is that page?

22 A. That is a page that talks about how the
23 LDAC would work with respect to a number of different
24 factors that affect how it's being calculated. One of
25 those factors is the LMR, which is the lost revenue

1 adjustment piece.

2 Q. But the Commission doesn't know how a
3 residential reconciliation adjustment, or whether or
4 not -- or let me put it this way.

5 The Commission sitting here today doesn't
6 know whether a residential reconciliation adjustment would
7 even be a feature of this proposal, does it?

8 A. I haven't proposed that. I've proposed a
9 deferral mechanism, and deferral mechanisms don't use
10 reconciliation as part of their construct.

11 Q. I want to -- Mr. Kind, I'd like to circle
12 back before we finish here to your Attachment 4, if I
13 could direct your attention back to that again, please.

14 A. Okay. And again, we're in surrebuttal, I
15 believe?

16 Q. Surrebuttal. Thank you. Yes, that's
17 correct. We had a conversation about the monthly energy
18 conservation charge. Do you recall that?

19 A. Yes, I do.

20 Q. And you would agree with me that the
21 monthly energy conservation charge is not a part of New
22 England Gas Company's local distribution adjustment factor
23 tariff; is that correct?

24 A. Right. It's not a part of the base rate,
25 not a part of the adjustment factor. It's a separate

1 factor.

2 Q. So it's not in the tariff that you've
3 attached to your testimony, right?

4 A. No. I wasn't -- you know, I don't believe
5 that, you know, the recovery of money used to fund energy
6 efficiency programs is not, you know, the point for which
7 I put these things in here.

8 Q. And you have not reviewed that tariff of
9 New England Gas Company, have you?

10 A. No, I have not.

11 MR. BOUDREAU: Just give me a moment. I
12 may be able to wrap this up.

13 JUDGE PRIDGIN: Certainly.

14 THE WITNESS: I'm familiar enough with it
15 to know that --

16 MR. BOUDREAU: I'm sorry. I haven't asked
17 the witness a question. I'd ask the Bench to direct him
18 to wait until a question is directed at him.

19 JUDGE PRIDGIN: Yes. Thank you. If you
20 would please do so, Mr. Kind. Thank you.

21 MR. BOUDREAU: I have no further questions
22 for Mr. Kind at this time. Thank you.

23 JUDGE PRIDGIN: Mr. Boudreau, thank you.
24 Commissioner Jarrett?

25 COMMISSIONER JARRETT: I have no questions.

1 JUDGE PRIDGIN: We're going to need to
2 break for lunch. The Bench I believe will still have
3 questions for Mr. Kind and will also perhaps have
4 questions for Mr. Noack from MGE and also Ms. Meisenheimer
5 from OPC. I'm going to need to take kind of an extended
6 lunch break for the benefit of the Bench. I plan on going
7 back on the report at approximately 2:30. That will give
8 us a nice long lunch.

9 Is there anything further from counsel
10 before we recess for lunch?

11 MS. SHEMWELL: No, thank you.

12 MR. BOUDREAU: As I understand it, the
13 Commission may have some questions for Mr. Noack? My only
14 point is he's been on the stand and off. We'll certainly
15 make him available.

16 JUDGE PRIDGIN: Yeah. That's correct.

17 MR. BOUDREAU: That's fine.

18 JUDGE PRIDGIN: If there's nothing further,
19 we will go off the record and we will resume at 2:30.

20 MS. WOODS: Judge, just to make sure, you
21 don't anticipate any questions for Mr. Buchanan from the
22 Bench?

23 JUDGE PRIDGIN: That's correct.

24 MS. WOODS: Thank you.

25 JUDGE PRIDGIN: You're welcome. If there's

1 nothing further? All right. Thank you. We're in recess
2 until 2:30.

3 (A BREAK WAS TAKEN.)

4 JUDGE PRIDGIN: Good afternoon. We are
5 back on the record. Mr. Kind is still on the stand, and I
6 believe when we broke for lunch, that we were at the point
7 of Bench questions for Mr. Kind. Is there anything
8 further from counsel before Mr. Kind takes Bench
9 questions?

10 (No response.)

11 JUDGE PRIDGIN: All right. Hearing
12 nothing. Mr. Kind, I'll remind you you're still under
13 oath, sir. And Commissioner Davis, when you're ready,
14 sir.

15 QUESTIONS BY COMMISSIONER DAVIS:

16 Q. Good afternoon, Mr. Kind.

17 A. Good afternoon, Commissioner.

18 Q. Are you appearing here as an expert just
19 for the purposes of energy efficiency recommendations, is
20 that correct, or are you here for rate design, too?

21 A. I'm here for rate design to the extent that
22 MGE has created a link between rate design issues, the
23 straight fixed variable specifically, and its willingness
24 to continue doing energy efficiency programs.

25 Q. All right. And then in your specific

1 program, the only thing that you recommend is the New --
2 the New England -- you've recommended the New England
3 piece be added on to Ms. Meisenheimer's testimony; is that
4 correct?

5 A. That type of approach. It's not exactly
6 the same mechanism.

7 Q. Right. But it's --

8 A. It's partial decoupling as opposed to full
9 comprehensive decoupling.

10 Q. Right. When you say partial decoupling,
11 it's only decoupling for the lost revenue associated with
12 that particular program or those particular programs,
13 correct?

14 A. That's the part I'm referring to, yes.

15 Q. Right. So you don't disagree with
16 Ms. Meisenheimer's statement that if OPC's proposed rate
17 design would have been adopted in the last case, that the
18 company would have lost \$18 million, do you?

19 A. I know Ms. Meisenheimer did a number of
20 analyses in that area, and I really have not focused on
21 them. I think some showed gains, some showed losses, but
22 I haven't focused on the specifics.

23 Q. If we were to leave the residential
24 customer charge the same as it is right now, do you think
25 that would be an improvement over the straight fixed

1 variable rate design as MGE has proposed it?

2 A. By leave it the same, I guess that means
3 there would be a volumetric rate in addition to a customer
4 charge --

5 Q. Yes.

6 A. -- to get the remainder?

7 Q. Uh-huh.

8 A. To some degree, that would be an
9 improvement, yes.

10 Q. Okay. Now, did you give -- give me just a
11 second here, Mr. Kind.

12 COMMISSIONER DAVIS: Judge, do you have, I
13 think it's Exhibit 102? I seem to have misplaced my copy.
14 Maybe it was the Laclede tariff that's been placed in
15 evidence. I'm sorry.

16 JUDGE PRIDGIN: That's all right.

17 COMMISSIONER DAVIS: Pardon me, Mr. Kind.
18 We can't very well make progress if we're losing exhibits
19 up here.

20 BY COMMISSIONER DAVIS:

21 Q. Well, Mr. Kind, while we're -- do you
22 recall, did you give testimony in the Laclede Gas rate
23 case in 2007?

24 A. I think -- I'm almost positive I did, but
25 I'm not sure what issues I addressed other than energy

1 efficiency.

2 Q. Energy efficiency. Are you -- are you
3 familiar with Laclede Gas' rates, rate structure at all?

4 A. Yes. I have just some familiarity in that
5 we -- there was a settlement several years ago that
6 resulted in a rather novel rate design.

7 Q. I guess I'm curious. How did -- for all
8 other gas and electric utilities the Cold Weather Rule
9 runs from November 1st through March 31st, and I assume I
10 guess the Cold Weather Rule still runs for Laclede Gas
11 that same period, but they actually have another month
12 tacked on to their winter billing; is that correct?

13 A. I'm not familiar with that specific.

14 Q. You're not familiar with that specifics?

15 A. No.

16 Q. But you have no reason to dispute that
17 their winter billing period runs November through April?

18 A. No reason to dispute, no.

19 Q. Okay. Now, that novel rate design that you
20 talked about, do you recall what exactly that is?

21 A. In a rough approximation, I do. I recall
22 that there was somehow a -- a settlement that addressed
23 changes in both their margin rates and their PGA rates at
24 the same time, and those changes were intended in general
25 to move recovery of margin costs up into early blocks. So

1 most of the recovery of their margin costs would be moved
2 to an early block, so that would make it essentially a
3 sort of a declining block rate design from a purely margin
4 rate perspective, but then I think there were some
5 corresponding changes in the PGA rate that sort of brought
6 things to where they were when they started more or less.

7 Q. Okay.

8 A. And when I say brought things to where they
9 were when they started, I mean the combined impact the
10 customers feel of both rates, the margin rate and the PGA
11 rate.

12 Q. Do you think it's possible to do that here?

13 A. Certainly possible. I don't think the PGA
14 rates have been at issue as part of this rate case, and
15 there probably would have to be an agreement of the
16 parties, something like that. But again, that's certainly
17 more of a legal issue in terms of the possibility, I
18 suppose.

19 Q. All right. So let me just make sure I've
20 got that straight. Yes to possible, but you'd also say
21 that it's improbable; would you say that?

22 A. I don't know that I'd say improbable. I
23 would say whether it could be done with -- without a
24 stipulation and agreement of all the parties is a legal
25 issue that I can't address.

1 Q. Okay. Okay. Is it fair to say that what's
2 been done with Laclede is that residential customers pay
3 an increased surcharge for the first block up to 30
4 therms?

5 A. A higher per unit rate. I wouldn't call --
6 surcharge has a special meaning to me. It's usually --

7 Q. They pay a higher rate?

8 A. Yes, higher volumetric rate.

9 Q. And then they pay a higher volumetric rate
10 during the summer than they do in the winter, correct?

11 A. I know the rates are different. I don't
12 know exactly what they are.

13 Q. You don't remember -- you don't recall why
14 that is, or do you? If you do --

15 A. I just think that the reason is because
16 most of the margin costs are typically recovered during
17 the winter for LDCs, and this sort of preserved that
18 relationship between winter and summer.

19 Q. Right. Is it fair to say that if the
20 margin costs are actually over-recovered under the Laclede
21 rate design, then that can actually be adjusted back
22 downward in the PGA under the Laclede rate design?

23 A. You sort of describe it as a two-stage
24 adjustment process, and it's my understanding that it's
25 more that there were offsetting changes made to the two

1 rates, so that there sort of was a built-in adjustment.

2 Q. Okay. Let's -- Mr. Kind, I want to go back
3 here. There's something I wanted to ask you about your
4 rebuttal testimony here.

5 A. Okay.

6 Q. Do you recall referencing Governor's Energy
7 Task Force Resolution No. 6?

8 A. I think -- I think that's the most recent
9 Governor's Energy Task Force.

10 Q. Right.

11 A. Oh, and No. 6 pertaining to energy
12 efficiency, yes.

13 Q. Right. Do you think we're doing all we can
14 to encourage energy efficiency?

15 A. Well, there's always more that could be
16 done in certain respects, I think. I've had continuing
17 disappointments with the degree which energy efficiency
18 programs are coordinated at the state level in Missouri
19 and the extent to which the energy efficiency programs are
20 coordinated and jointly offered by gas and electric
21 utilities.

22 I think we are on a rising trend that I've
23 seen going on, and I think one indication of that is that
24 I serve on an either energy efficiency collaborative or
25 advisory group for every single energy, regulated energy

1 utility in the state of Missouri. Actually, I should say
2 almost every one, all the major ones. I think that -- I
3 think there's one that may not yet have any kind of a
4 collaborative.

5 Q. Are you -- are you familiar with the
6 portion of Ms. Meisenheimer's testimony where she talks
7 about the fact that low income people tend to use less
8 electricity, and as income increases, people tend to use
9 more electricity -- I'm sorry, more energy?

10 A. I know that the conclusion she draws are
11 the opposite of that -- or no. Okay. I'm trying to get
12 that straight. Low income -- yes. I am familiar with
13 that.

14 Q. You're --

15 A. That's her conclusion, right.

16 Q. You're familiar with that concept?

17 A. Yes.

18 Q. So people that make more money consume more
19 energy? Agree? Disagree?

20 A. I think that, you know, that's generally
21 supported by national data. I haven't studied it on a
22 Missouri level myself.

23 Q. Okay. You recall Ms. Meisenheimer's
24 estimate, I believe, that the average MGE customer uses
25 about 70 therms of gas a month; is that correct?

1 A. I really don't know.

2 Q. You really don't know?

3 A. No.

4 Q. Do you know what the national average is at

5 all? Do you know what a Missouri average is or --

6 A. I'm afraid I don't off the top of my head,

7 no.

8 Q. Do you think we could do more in the area

9 of rate design to encourage consumption?

10 A. You said to encourage consumption. I

11 assume you mean conservation.

12 Q. Yes, encourage conservation. I apologize.

13 A. Well, yeah, I mean, to the extent we still

14 have some declining block rates in Missouri, and that's --

15 that's kind of out of date these days, I think. I mean,

16 that would be one of the first things that I think I would

17 want to address.

18 Q. Uh-huh. How would you -- how would you

19 design an inclining block rate?

20 A. Well, I would start off by making sure that

21 at least they are not, you know, going -- they are not

22 declining block and just set them so that someone doesn't

23 pay less for using more.

24 Q. Right.

25 A. In terms of designing an inclining block

1 rate, it would depend -- I guess we're talking gas
2 utilities?

3 Q. Uh-huh.

4 A. It takes a lot of thought, I'll say. I
5 know California tried something that was rather novel in
6 that area to try and take household size and everything
7 into account so that they would sort of be -- there would
8 be some fairness in equity to how you're doing it. I've
9 really never zeroed in on the specifics of that.

10 I certainly can speak to generalities, but
11 in general, I mean, I would think that it's -- needs to
12 take account of the fact that increased usage means that
13 the customer is getting more value from their service from
14 the regulated utility, and I think that should be
15 reflected in a rate. And I think that in general
16 increased usage means that you are causing the need for
17 more capacity, particularly in the area of gas mains for
18 LDCs, and I think that should be taken into account.

19 Q. So you're not recommending that we put a
20 surcharge or not -- I'm sorry. You don't like the word
21 surcharge, but that we adopt some sort of inclining block
22 rate structure where, you know, say if the average MGE
23 customer uses 70 therms and someone were to use 140 or
24 150, you're not recommending additional surcharge -- I'm
25 sorry, additional volumetric costs for them, are you?

1 A. No, but it concerns me at times, some
2 utilities, that people actually get a break at higher
3 levels of usage.

4 Q. Right. Okay. So is it fair to say that
5 you're opposed to the Sam's Club model, the more you buy,
6 the cheaper it is?

7 A. Well, I don't -- I don't know that I would
8 agree that that's how I would describe the Sam's Club
9 model.

10 Q. Okay.

11 A. For one thing, you essentially have an
12 access charge to enter the store, which is kind of unique,
13 but I don't think you really get --

14 Q. So that would be more like straight fixed
15 variable, wouldn't it?

16 A. It would be -- no. I would characterize it
17 more like a traditional rate structure where you have both
18 a customer charge and a volumetric rate. You still buy
19 for -- you still pay for each item that you purchase.

20 Q. Right.

21 A. That's where I was kind of thrown off by
22 your example, you buy more you get a cheaper rate, because
23 when I go to Sam's, they charge me the same no matter how
24 many I buy.

25 Q. Right. And OPC did agree to the Laclede

1 rate structure, did it not?

2 A. As part of a settlement of many issues in
3 that case, we agreed to that.

4 COMMISSIONER DAVIS: Okay. Thank you,
5 Mr. Kind.

6 THE WITNESS: You're welcome.

7 JUDGE PRIDGIN: Commissioner Davis, thank
8 you. Any recross based on Bench questions, Ms. Shemwell?

9 MS. SHEMWELL: No, thank you.

10 JUDGE PRIDGIN: Mr. Boudreau?

11 MR. BOUDREAU: No, thank you.

12 JUDGE PRIDGIN: Mr. Poston, any redirect?

13 MR. POSTON: No, thank you.

14 JUDGE PRIDGIN: Mr. Kind, thank you very
15 much. You may step down.

16 MS. SHEMWELL: May I note one thing, Judge?

17 JUDGE PRIDGIN: Ms. Shemwell.

18 MS. SHEMWELL: Mr. Kind referred to
19 provision No. 6, and I believe in the task force it's
20 provision No. 5, and I wanted --

21 COMMISSIONER DAVIS: I stand corrected. So
22 we need to correct the record on that. I couldn't find
23 the reference.

24 MS. SHEMWELL: Is the Commission interested
25 in having a copy of the task force action plan admitted

1 into evidence?

2 JUDGE PRIDGIN: If it's not already entered
3 and that's something you'd like to provide.

4 MS. SHEMWELL: I'll offer it, then, Judge.

5 JUDGE PRIDGIN: This would be No. 105.

6 MS. SHEMWELL: This is Missouri Energy Task
7 Force Action Plan. Commissioner Davis was chairman of
8 that task force.

9 (EXHIBIT NO. 105 WAS MARKED FOR
10 IDENTIFICATION BY THE REPORTER.)

11 MS. SHEMWELL: I'll offer that as 105.

12 JUDGE PRIDGIN: Exhibit No. 105 has been
13 offered. Are there any objections?

14 (No response.)

15 JUDGE PRIDGIN: Hearing none, 105 is
16 admitted.

17 (EXHIBIT NO. 105 WAS RECEIVED INTO
18 EVIDENCE.)

19 JUDGE PRIDGIN: According to the schedule,
20 I don't see any more energy efficiency witnesses listed
21 for the day. I do believe the Bench will have some
22 additional questions for Mr. Noack from MGE. I believe I
23 see Mr. Noack in the room. Is there anything from counsel
24 before he retakes the stand?

25 MS. SHEMWELL: At some point, Judge, I

1 would like to offer Staff's reports. We can do that after
2 Mr. Noack. That will be fine.

3 JUDGE PRIDGIN: Whenever you wish.

4 Mr. Noack, when you're ready, sir. Mr. Noack, correct me
5 if I'm wrong. You have previously testified in this
6 hearing?

7 MR. NOACK: Yes.

8 JUDGE PRIDGIN: You're still under oath,
9 then. And Commissioner Davis, questions for Mr. Noack.
10 MICHAEL NOACK testified as follows:

11 QUESTIONS BY COMMISSIONER DAVIS:

12 Q. Good afternoon, Mr. Noack.

13 A. Good afternoon.

14 Q. Can you refresh for my recollection what
15 your title at MGE is again?

16 A. I am the director of pricing and regulatory
17 affairs.

18 Q. Don't I recall, wasn't there something
19 about rates in there, too?

20 A. No. The official title is director of
21 pricing and regulatory affairs.

22 Q. Okay. Okay. Do you have knowledge of rate
23 design?

24 A. Somewhat, yes.

25 Q. Somewhat, yes. Would you agree with me

1 that rate design is a lot more art than science?

2 A. It definitely is, yes.

3 Q. Okay. So I think we established the other
4 day when Commissioner Kenney was here that, would you
5 agree with me that there's more than one possible way to
6 achieve the desired outcome in setting rates?

7 A. Yes, I would.

8 Q. Okay. You've heard me questioning Mr. Kind
9 and Ms. Meisenheimer about the Laclede Gas rate design?

10 A. Yes.

11 Q. Do you recall hearing those questions?

12 A. I have.

13 Q. If we were to leave MGE's residential
14 charge the same, do you think it would be possible for
15 this Commission to come up with a rate design where there
16 would be a charge for gas used, you know, that would go
17 into, say, the first 30 therms used per month year round
18 like Laclede has? Do you think it would be possible to
19 take that model and adjust it for Missouri Gas Energy?

20 A. I do.

21 Q. Do you think that for those people
22 concerned about the amount of the base monthly charge,
23 that that could potentially reduce some of their concerns?

24 A. If what we did was leave the 24.62 alone at
25 that level and move whatever residential increase into a

1 weather mitigation rate design similar to Laclede's, I
2 would think, yes, that would -- should help the concerns
3 of some people.

4 Q. If this Commission were to adopt a rate
5 design of that nature, what are -- what do you see are the
6 pros and cons?

7 A. The pros of the rate design is that, if set
8 properly -- and by properly I mean you have to analyze
9 individual customer data and individual bills, put it into
10 a type of frequency analysis so you can see how much gas
11 is being used in each step, you know, how many are taking
12 one, how many are taking two. The pros are that you --
13 you can collect your fixed costs in that first block and,
14 as such, mostly do away with the effects of weather.

15 Q. Okay.

16 A. You may not be able to do away with all of
17 the effects of conservation, but you can do away with
18 weather pretty much.

19 I think some of the cons are, it is to me
20 kind of -- it's difficult to understand in that when
21 Laclede first set up the rate, they looked at what the
22 total rate would be without the weather mitigation rate
23 design. Let's say it was 30 cents a therm. Added the PGA
24 to it. Let's say it was 90 cents. You have \$1.20 per
25 therm without the special rate design.

1 Then the -- they figure out how many therms
2 to collect all their fixed costs over, and let's say they
3 decide -- I think the first two cases it was 65.
4 Everything up to 65 had a trans -- a volumetric rate. And
5 if it was 65 cents, for example, to collect all the winter
6 costs, the PGA rate for that first block would be 55
7 cents, so that the total rate of \$1.20 stayed the same.
8 And then the next block, there was zero in the way of a
9 delivery charge and \$1.20 for a PGA charge.

10 And I think that's difficult to try and
11 explain to a customer because you're -- if you look at our
12 bill right now, we have a PGA rate. You can take your
13 consumption times that PGA rate and that's what your gas
14 costs are.

15 Q. Right.

16 A. For each customer of Laclede, you would
17 take the total PGA dollars that's being billed, divide it
18 by the usage, and you might have a different PGA rate,
19 effective rate for each customer depending on their usage,
20 because some was priced at 55 cents, some was priced at
21 \$1.20.

22 So it's just -- it's a harder rate to
23 explain to the customers than what, say, like this
24 straight fixed variable rate design that we have now, I
25 mean, it's a relatively simple rate to explain. You have

1 a fixed charge and you have your gas costs.

2 Q. Mr. Noack, do you -- does MGE have a summer
3 block or have a summer block and winter block right now?

4 A. Not for residential, no.

5 Q. Not for residential. What about for your,
6 what do you call them, your small general services?

7 A. Small general service, we have seasonal
8 rates currently. Large general service we have seasonal
9 rates, and our large volume sales and transportation we
10 have seasonal rates, winter and summer.

11 Q. Do you know how many users that you would
12 have that would use approximately 30 therms of gas a month
13 during the summer?

14 A. I do not right now. I can tell you that
15 the average consumption for a summer user --

16 Q. Residential?

17 A. Residential. For example, May, the average
18 usage per customer is 32.

19 Q. Okay.

20 A. June it's 23, July it's 17, August it's 15,
21 September it's 17, and October it's 27. So on an average
22 basis in the summertime, nobody uses 30.

23 Q. I started to say, I don't know how you get
24 to -- I'm not sure how -- how did you get to 32 again?
25 How did you get an average of 32? Is that a lot of usage

1 in April or --

2 A. How did I get to an average -- oh, May was
3 32.

4 Q. Right. Okay.

5 A. And then the rest of the months are below
6 30 in the summertime.

7 Q. Okay. Now, so are you on that same
8 six-month system like Laclede from November -- for
9 November 1st through April?

10 A. For our other rate classes other than
11 residential --

12 Q. Uh-huh.

13 A. -- we are November through March.

14 Q. You are -- okay.

15 A. Same cycle as the Cold Weather Rule.

16 Q. Same cycle as the Cold Weather Rule.

17 Because Laclede's the only one that's on that November
18 through April?

19 A. I think they did that because April is a --
20 is a pretty high shoulder month for them, and it is for
21 us, too. We use 7-- or an average customer will use 74
22 CCF in April. So it's -- it's a pretty high usage month
23 normally.

24 Q. Okay.

25 A. But our residential -- like I said before,

1 our residential class currently and before the straight
2 fixed variable was not a seasonal rate.

3 Q. Right. So Mr. Noack, you seem fairly well
4 versed in Laclede's rate design.

5 A. I was -- I was better versed in it the
6 first two cases that they had it when it was 65 or below
7 and the total rate was -- was something, but when they
8 moved this last case to 30, they changed the way that they
9 account for the PGA. So a couple of little changes have
10 been made to that rate that I don't fully understand yet.

11 Q. Uh-huh. Mr. Noack, if you could, could you
12 file a, I guess I'll call it a tariff or a rate schedule
13 that would be if we were just going to leave the customer
14 charge per month the same for residential customers and
15 then follow the -- follow the Laclede pattern, could
16 you -- can you file something with this Commission
17 indicating what those -- what the charge for gas used
18 would be for the first 30 therms used per month for MGE
19 customers in their summer billing period of, I would say,
20 I guess it would be April through October for MGE and then
21 their winter billing period which would be November
22 through March?

23 A. I could.

24 Q. You can do that? How long do you think it
25 would take you to get that prepared for us?

1 A. I am going to guess it might take upwards
2 of a week, just simply because of the way we would need to
3 query the, you know, the customer service database.

4 Now, I would hope that we could do it a lot
5 quicker than that, but without a programmer here to tell
6 me what's entailed to query that. I know we did it in the
7 2004 case. We requested the Laclede rate design in the
8 2004 case, and no other party liked it, so we didn't get
9 it. And so we had -- we had developed data back then that
10 I think we can fairly easily duplicate.

11 Q. Okay. Mr. Noack, would you agree with me
12 that a lot of things have changed in the world since 2004?

13 A. Absolutely.

14 COMMISSIONER DAVIS: Judge, do we need an
15 order directing Mr. Noack to file that?

16 JUDGE PRIDGIN: I can certainly issue one.
17 It sounds like Mr. Noack understands what he's to file,
18 but I'd be glad to issue one.

19 BY COMMISSIONER DAVIS:

20 Q. Okay. And then, Mr. Noack, we've -- we've
21 heard a lot of -- or at least anecdotally we've heard
22 about a lot of these people that are MGE customers that
23 apparently don't use any gas at all. Do you know how many
24 of those customers you have on your system that just have
25 a gas meter and don't use -- who would use less than five

1 or ten CCF of gas year round?

2 A. No, I don't. I do have the schedule that I
3 might be able to get from Ms. Ross that I prepared as --
4 in response to a Data Request that has a frequency table
5 that shows how many customers use zero to 50 in a year,
6 how many from 50 to 100 and on down, that that's really
7 easily --

8 Q. She didn't put that in evidence, did she?

9 A. Well, I don't think -- not as a -- not as
10 an exhibit. I mean, it's my work.

11 Q. Okay. All right.

12 A. But I can --

13 Q. Could you -- could you file that, too,
14 Mr. Noack?

15 A. I can. I can.

16 MS. SHEMWELL: Judge, before we go further,
17 Staff would appreciate the opportunity to respond to these
18 filings.

19 JUDGE PRIDGIN: Certainly.

20 COMMISSIONER DAVIS: Absolutely.

21 MS. SHEMWELL: Thank you.

22 COMMISSIONER DAVIS: Got to let all the
23 parties have an opportunity to respond, do you not, Judge?

24 JUDGE PRIDGIN: That's normally what we do,
25 yes.

1 BY COMMISSIONER DAVIS:

2 Q. Okay. Now, the small general services,
3 Mr. Noack, what is their current customer charge right
4 now? I'm sorry. I --

5 A. I believe it's -- excluding the ISRS, I
6 believe it's 18.65, in that vicinity.

7 Q. Do you know what -- do you know what
8 Laclede's residential -- I'm sorry, what Laclede's, do
9 they have the same thing for their small service
10 customers?

11 A. I do not know what Laclede's small general
12 service customers are charged.

13 Q. So can you also file tariffs if we did the
14 same thing for -- if we just left the customer charge the
15 same that it is right now, could you file -- could you
16 file those same tariffs for the -- for these small general
17 services class that you've created in this case?

18 A. Where we would have no increase at all to
19 the fixed charge for the SGS class?

20 Q. Well, Ms. Meisenheimer, even she had -- she
21 had a little bit of an increase, didn't she?

22 A. I believe so, because we did not have -- we
23 don't have the straight fixed variable rate for the SGS.
24 It was a strictly fixed charge volumetric as we've had in
25 the past.

1 Q. Is it fair to say that you under-recovered
2 from that class last year?

3 A. I believe so. In the cost of service
4 studies?

5 Q. Yes.

6 A. I believe so, yes.

7 Q. Okay. So why don't you take Mrs. --
8 Ms. Meisenheimer's proposed customer charge and start from
9 that point?

10 A. Okay. Is there any other level of
11 residential customer charge you want to see besides what
12 we have now?

13 Q. Is there anything else that you think I
14 need to be asking that I'm not?

15 A. No. No. I'm just -- I'm just trying to
16 make sure.

17 Q. I'm giving you a shot, Mr. Noack. Can't
18 get any more wide open than that. Is there anything else
19 that we need to know about this Laclede -- Laclede rate
20 design?

21 A. Oh, not about the Laclede rate design, no.

22 Q. Anything else we need to know about the
23 Laclede rate design?

24 A. No, I don't believe so.

25 COMMISSIONER DAVIS: Thank you, Mr. Noack.

1 No further questions.

2 JUDGE PRIDGIN: Commissioner Davis, thank
3 you. Commissioner Jarrett?

4 COMMISSIONER JARRETT: No questions.

5 JUDGE PRIDGIN: Any cross based on Bench
6 questions? DNR?

7 MS. MANGELSDORF: No questions.

8 JUDGE PRIDGIN: Mr. Poston, questions?

9 MR. POSTON: No, thank you.

10 JUDGE PRIDGIN: Ms. Shemwell?

11 MS. SHEMWELL: Just briefly.

12 CROSS-EXAMINATION BY MS. SHEMWELL:

13 Q. Mr. Noack, does having a blocked rate, do
14 you know, does it increase the complexity of the PGA/ACA
15 process?

16 A. Again, this is -- this is where with the --
17 with the current Stipulation & Agreement in the Laclede
18 case where they moved from 65 to 30, I don't know exactly
19 how the first block PGA rate is set. Now, I can talk to
20 them and I can ask them how they do it. But sure, it
21 would add a little complexity to it because I don't think
22 it's -- it's not charging the same PGA rate that it does
23 in the summertime.

24 MS. SHEMWELL: Thank you.

25 JUDGE PRIDGIN: Ms. Shemwell, thank you.

1 Any redirect?

2 MR. BOUDREAU: None, thank you.

3 JUDGE PRIDGIN: All right. Thank you.

4 Mr. Noack, thank you very much, sir. You may step down.

5 COMMISSIONER DAVIS: I see Anne Ross back
6 there. I think I want to call her up. I think she came
7 down here because she might have had something else to
8 say, and I think we should ask her.

9 JUDGE PRIDGIN: Welcome back, Ms. Ross.
10 I'll remind you you're still under oath. You can have a
11 seat. Commissioner Davis, when you're ready, sir.

12 ANNE ROSS testified as follows:

13 QUESTIONS BY COMMISSIONER DAVIS:

14 Q. All right. Ms. Ross, is it your opinion
15 that the -- that the straight fixed variable rate design
16 that MGE has proposed in this case is still -- is still
17 the most preferable rate design to be adopted?

18 A. Yes, it is.

19 Q. Okay. And would you say that one of the
20 advantages of the straight fixed variable rate design is
21 its simplicity?

22 A. Yes, that's one of the advantages.

23 Q. Okay. What are some of the other
24 advantages?

25 A. May I contrast it to the Laclede rate

1 design? Because you seem very interested in that rate
2 design.

3 Q. Absolutely.

4 A. I am concerned about Laclede's rate design
5 effect on the PGA.

6 Q. Okay.

7 A. Because customers pay different PGA rates,
8 which is not -- I don't think there's any other Missouri
9 LDC that charges residential cust-- different residential
10 customers different PGA rates. A small user pays margin
11 costs in the first block --

12 Q. Uh-huh.

13 A. -- but pays very, very little PGA.

14 Q. Right.

15 A. And I am -- I'm concerned about that. I
16 don't know if we've ever talked about that to decide if
17 that was fair and something that we wanted to do.

18 Q. Okay. Now, would you agree with me,
19 though, that Staff was a signatory to the settlement in
20 the 2007 Laclede rate case and previous rate cases where
21 this rate design model was agreed to?

22 A. Yes, and I worked on all those rate cases.

23 Q. Okay. Is there a way -- well, first of
24 all, since we have a much higher fixed customer charge for
25 MGE than we do in Laclede, is it -- is it fair to say that

1 the charge for gas if we were going to adopt a
2 Laclede-like rate design would be significantly less?

3 A. I -- I'm trying to remember what the
4 Laclede customer charge is. I'm not sure that it's less
5 than the one that we would have for MGE. I'm thinking
6 it's about \$15 or --

7 Q. Right. So --

8 A. -- thereabouts.

9 Q. The Laclede charge, according to --

10 COMMISSIONER DAVIS: Judge, what do we have
11 this as exhibit?

12 JUDGE PRIDGIN: I believe this is 101.

13 BY COMMISSIONER DAVIS:

14 Q. -- 101 is \$15.15 per month. So Laclede
15 collects that from November 1st through April because they
16 have a six-month winter billing cycle as opposed to MGE
17 which has a five-month billing cycle.

18 A. Okay.

19 Q. So roughly Laclede is collecting, 6 times
20 15.50 would be \$93 over that six-month period; whereas,
21 24.62 times 5 would be \$123.10?

22 A. That sounds right.

23 Q. Does that sound right?

24 A. Uh-huh.

25 Q. So they're collecting almost 20 -- if we

1 left that customer charge the same, you'd agree with me
2 that they'd be collecting almost -- even just during the
3 winter heating season, just during their five months,
4 they'd be collecting \$25 more over that period, and
5 actually over the year it would be significantly higher
6 than that, correct?

7 A. Yes.

8 Q. So in theory, then, the charge for -- the
9 charge for gas used, the -- I guess we'd call it the
10 delivery charge in the volumetric rates would be in theory
11 much -- should be significantly less than that charged by
12 Laclede, would it not, if they're collecting roughly -- on
13 a year-round basis it's almost 40 percent more in the
14 fixed customer charge. It would have to be less, wouldn't
15 it?

16 A. Yes. If there was a rate increase, but the
17 24.6 was left unchanged --

18 Q. Right.

19 A. -- then, yes, I believe there would be
20 quite a bit less.

21 Q. Ms. Ross, is there anything else that we
22 need to know about the Laclede rate design, other than --
23 I mean, you've already told us that it increases the
24 complexity factor significantly.

25 A. Yes. Just to clarify, for the general

1 service customers, they have -- it's pretty complex. They
2 have three different levels, three different classes of
3 small general service with different customer charges. I
4 think they may have different first blocks.

5 Q. Right. And Mr. Noack's only proposing this
6 for his, I guess what we would consider the first group of
7 small general services customers, is that fair, the
8 smallest group, is that --

9 A. Yes, those less than 5,000 CCF a year.

10 Q. So is there anything else we need to know
11 about the Laclede rate design?

12 A. No. I think that would be it. Well, let
13 me clarify one more thing, too, because Mr. Noack said
14 that, for example, the average use in, I think it was June
15 is 32 CCFs.

16 Q. Uh-huh.

17 A. And I just wanted to clarify that that --
18 that doesn't mean that if you set a block at 30 --

19 Q. Right.

20 A. -- that it would collect from each of those
21 customers, because the ones that -- if 32 is the average,
22 the ones that only got up to 15, you'd collect that much
23 margin from them. The ones that went up to 45, you'd quit
24 collecting margin at 30.

25 Q. Right.

1 A. Yeah.

2 Q. And so obviously Mr. Noack wouldn't recover
3 his entire cost of service from someone that used 15
4 therms of gas a month?

5 A. Right. Right. You'd have to set that
6 price a little higher for all the therms to collect it
7 from everybody in the first 30.

8 Q. Right. But would you agree based on --
9 because I assume you've had access to Data Requests that
10 we have not seen; is that a fair statement?

11 A. That's correct.

12 Q. So you've looked at data that we haven't
13 looked at. So is it fair to say that if we did establish
14 a first block for the first 30 therms, that that would, in
15 essence, recover most of the -- most of the charges that
16 Mr. Noack is -- that combined with a fixed customer charge
17 of \$24.62, that that would, in fact, recover most of MGE's
18 fixed costs?

19 A. Would you have the 24.62 in the summer as
20 well?

21 Q. Yes, year round.

22 A. Year round. Yes, I believe it would.
23 Another thing about the Laclede rate design is that in the
24 summer, in the non-winter months, it's just a regular flat
25 rate, just like any other LDC has.

1 Q. Now, Ms. Ross, did you review
2 Ms. Meisenheimer's testimony in this case?

3 A. I did.

4 Q. And it's my recollection you did not take
5 issue with her assertion that the difference between the
6 straight fixed variable rate design that this Commission
7 adopted in the last MGE case versus OPC's proposed rate
8 design in that case over about a period of, I believe,
9 April 2007 through December 2008, that it was about an
10 \$18 million difference. Do you recall that?

11 A. I do. No, I didn't take issue with that.

12 Q. Okay.

13 A. I pointed out that the choice of the time
14 period makes a difference.

15 Q. Right. And you agree that
16 Ms. Meisenheimer's proposal would leave MGE -- her
17 proposed rate design, even when coupled with Mr. Kind's
18 mitigation proposal or his whatever we call that, would --
19 it would place MGE in a position where they would be much
20 less likely to recover their cost of service; would you
21 agree with that statement?

22 A. Yes and no. They would be likely to -- to
23 recover less in their cost of service, but they'd also be
24 likely to recover more from the customers than the cost of
25 service or the revenue requirement in a cold winter.

1 Q. Right. If they had cold weather, they
2 could -- if they had really cold weather, they could hit
3 the jackpot, couldn't they?

4 A. That's correct, yes.

5 COMMISSIONER DAVIS: Thank you, Ms. Ross.
6 No further questions.

7 JUDGE PRIDGIN: Commissioner Davis, thank
8 you. Commissioner Jarrett?

9 COMMISSIONER JARRETT: I have no questions.
10 Thank you.

11 JUDGE PRIDGIN: Thank you. Any recross
12 based on Bench questions? DNR?

13 MS. MANGELSDORF: No, thank you.

14 JUDGE PRIDGIN: Mr. Poston?

15 MR. POSTON: No, thanks.

16 JUDGE PRIDGIN: MGE?

17 MR. BOUDREAU: No, thank you.

18 JUDGE PRIDGIN: Any redirect?

19 MS. SHEMWELL: Yes. Thank you.

20 REDIRECT EXAMINATION BY MS. SHEMWELL:

21 Q. Good afternoon, Ms. Ross.

22 A. Good morning, Lera.

23 Q. Commissioner Davis was asking you to
24 compare and contrast Laclede's rate design to straight
25 fixed variable. Do you have an opinion as to which is

1 more fair to the customer?

2 A. I believe that straight fixed variable is
3 the more fair because it doesn't distort the PGA at all
4 and because Staff just doesn't believe that there's a cost
5 difference based -- related to usage, to customers' usage.

6 Q. Do they send the same price signals to
7 customers?

8 A. No, they wouldn't.

9 Q. Why?

10 A. Well, the customer -- I haven't thought
11 about this, but it seems that the customer -- since the
12 Laclede rate mimics a regular rate design, it seems like
13 if a customer using less paid less, it's hard -- I'd have
14 to sit down and look at it. No, I don't think that they
15 would. I --

16 Q. Which one is most easily explained to
17 customers?

18 A. Straight fixed variable.

19 MS. SHEMWELL: That's all I have. Thank
20 you.

21 JUDGE PRIDGIN: Ms. Shemwell, thank you
22 very much. Ms. Ross, thank you very much.

23 THE WITNESS: You're welcome.

24 COMMISSIONER DAVIS: Judge, I don't think I
25 have any further questions.

1 JUDGE PRIDGIN: Commissioner Davis, thank
2 you. Commissioner Jarrett?

3 COMMISSIONER JARRETT: I don't have
4 anything.

5 JUDGE PRIDGIN: Thank you. According to
6 today's schedule, I don't see any more witnesses.

7 MR. BOUDREAU: Judge, if I might? I
8 apologize.

9 JUDGE PRIDGIN: Certainly.

10 MR. BOUDREAU: I understand that
11 Mr. Noack's got some homework to do, and he's committed to
12 get that information, but with respect to the --

13 COMMISSIONER DAVIS: Do we need to -- do we
14 need to reconvene to have him subject to cross-examination
15 about that homework?

16 MR. BOUDREAU: I think we can -- I think we
17 can make him available at the Commission's convenience.
18 It's going to take some time to put the information
19 together, but certainly I don't think that would be a
20 problem with doing that.

21 I just want Commissioner Davis and the
22 Commission generally to understand that, you know, we
23 understand the task is to take the Laclede rate design as
24 something of a template, that the actual breaks and the
25 information may not track exactly Laclede's circumstances

1 because MGE's circumstances are a little bit different.
2 We will certainly explain those. I just want you to know
3 that it's not likely to be a perfect mirror of the Laclede
4 rate design.

5 COMMISSIONER DAVIS: Right. We -- we
6 understand. I was trying to flesh Mr. Noack out on what
7 nuances. Obviously we know that there's a little bit
8 different winter cycle, six months versus five months, and
9 there may be some differences in usage and things, but --

10 MR. BOUDREAU: Precisely. I just wanted
11 you to understand that there may very well be some
12 variations because of those circumstances, and we'll
13 certainly explain those at the time that that information
14 is provided.

15 JUDGE PRIDGIN: Mr. Boudreau, thank you.
16 Is there anything further from counsel?

17 MS. SHEMWELL: I would like to offer
18 Exhibits 39, 40, 41, 42 and 43 into the record, which are
19 Staff's initial reports, cost of service and rate design
20 reports, and the appendix.

21 JUDGE PRIDGIN: Make sure I get the numbers
22 correct, Ms. Shemwell. I believe you offered 39
23 through --

24 MS. SHEMWELL: 43.

25 JUDGE PRIDGIN: -- 43.

1 MS. SHEMWELL: And also Imhoff direct 52,
2 who introduced Staff's reports, and Oligschlaeger 59,
3 which is his direct, 60, 61 and 62, if those have not been
4 received as Oligschlaeger direct, rebuttal, surrebuttal HC
5 and NP.

6 JUDGE PRIDGIN: I believe Ms. Shemwell has
7 offered, and correct me if I'm wrong, Exhibits No. 39, 40,
8 41, 42, 43, 52, 59, 60, 61 and 62. Is that correct,
9 Ms. Shemwell?

10 MS. SHEMWELL: Yes.

11 JUDGE PRIDGIN: All right. Thank you. Any
12 objections?

13 (No response.)

14 JUDGE PRIDGIN: Hearing none, those
15 exhibits are admitted. Again, those are Exhibits 39, 40,
16 41, 42, 43, 52, 59, 60, 61 and 62.

17 (EXHIBIT NOS. 39, 40, 41, 42, 43, 52, 59,
18 60, 61 AND 62 WERE RECEIVED INTO EVIDENCE.)

19 MS. SHEMWELL: Correct.

20 JUDGE PRIDGIN: All right. Thank you.
21 Anything further from counsel before we go off the record
22 today?

23 MS. SHEMWELL: No, thank you.

24 JUDGE PRIDGIN: Commissioner Davis.

25 COMMISSIONER DAVIS: Judge, I just want to

1 inquire. We're going to give Mr. Noack a week, he says
2 one week, and then we give the parties a week, anybody
3 that wants to respond to that, give them a week; is that
4 fair?

5 JUDGE PRIDGIN: That was going to be my
6 inclination is to wait to see because I believe Mr. Noack
7 said he wasn't exactly sure, he thought a week or so,
8 perhaps sooner, to wait until that was actually submitted
9 and then give the parties an opportunity. I would issue
10 an Order and give the parties an opportunity to respond to
11 that. Give them roughly a week.

12 MR. POSTON: Judge, I would just ask that
13 Mr. Noack's work papers and everything that would let us
14 know how he came up with all his calculations be included.
15 That would help us get a quick response back to the
16 Commission.

17 JUDGE PRIDGIN: Any objections to that?
18 Okay. There's nodding. Seems to be okay with that.
19 Thank you.

20 Anything further?

21 (No response.)

22 JUDGE PRIDGIN: All right. Thank you very
23 much. We will go off the record.

24 WHEREUPON, the hearing of this case was
25 concluded.

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1	E X H I B I T S I N D E X		
2		MARKED	RECEIVED
3	EXHIBIT NO. 39		
4	Staff Report Cost of Service	23	911
5	EXHIBIT NO. 40HC		
6	Staff Report Cost of Service	23	911
7	EXHIBIT NO. 41		
8	Staff Report Cost of Service Appendices	23	911
9	EXHIBIT NO. 42HC		
10	Staff Report Class Cost of Service and		
11	Rate Design	23	911
12	EXHIBIT NO. 43		
13	Staff Report Class Cost of Service and		
14	Rate Design	23	911
15	EXHIBIT NO. 52		
16	Direct Testimony of Thomas M. Imhoff	23	911
17	EXHIBIT NO. 59		
18	Direct Testimony of Mark L.		
19	Oligschlaeger	23	911
20	EXHIBIT NO. 60		
21	Rebuttal Testimony of Mark L.		
22	Oligschlaeger	23	911
23	EXHIBIT NO. 61HC		
24	Surrebuttal Testimony of Mark L.		
25	Oligschlaeger	23	911
26	EXHIBIT NO. 62		
27	Surrebuttal Testimony of Mark L.		
28	Oligschlaeger	23	911
29	EXHIBIT NO. 75		
30	Direct Testimony of Ryan Kind	56	850
31	EXHIBIT NO. 76		
32	Rebuttal Testimony of Ryan Kind	56	850
33	EXHIBIT NO. 77		
34	Surrebuttal Testimony of Ryan Kind	56	850

1	EXHIBIT NO. 78		
2	Direct Testimony of Russell W.		
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7	EXHIBIT NO. 103		
8	MGE Complaints and Inquires, MGE Public		
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9	Report	836	836
10	EXHIBIT NO. 104		
	Explanatory Letter	*	
11	EXHIBIT NO. 105		
12	Missouri Energy Task Force Action Plan	887	887
13	*Late-filed exhibit.		
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1 C E R T I F I C A T E

2 STATE OF MISSOURI)
3) ss.
4 COUNTY OF COLE)

5 I, Kellene K. Feddersen, Certified
6 Shorthand Reporter with the firm of Midwest Litigation
7 Services, do hereby certify that I was personally present
8 at the proceedings had in the above-entitled cause at the
9 time and place set forth in the caption sheet thereof;
10 that I then and there took down in Stenotype the
11 proceedings had; and that the foregoing is a full, true
12 and correct transcript of such Stenotype notes so made at
13 such time and place.

14 Given at my office in the City of
15 Jefferson, County of Cole, State of Missouri.

16 _____
17 Kellene K. Feddersen, RPR, CSR, CCR
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