

1 STATE OF MISSOURI
2 PUBLIC SERVICE COMMISSION
3
4 TRANSCRIPT OF PROCEEDINGS
5 Local Public Hearing
6 May 24, 2010
7 Fox C-6 High School
8 Volume 2
9 In the Matter of Laclede)
Gas Company's Tariffs to) File No. GR-2010-0171
10 Increase its Annual)
Revenues for Gas Service)
11
12 Ronald Pridgin, Regulatory Law Judge
13
14 Kevin Gunn, Commissioner
15 Eric Dearmont, Staff Attorney
16 Marc Poston, Office of Public Counsel
17 Michael Pendergast and Mr. Zucker,
18 counsel for AmerenUE
19
20 Reported by:
21 Jeanne M. Pedrotty, CCR/CSR
Midwest Litigation Services
22
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1 JUDGE PRIDGIN: Good evening. The Missouri
2 Public Service Commission has set this time for a
3 local public hearing in case number GR-2010-0171. The
4 Missouri Public Service Commission regulates the rates
5 charged by investor-owned utility companies in
6 Missouri to ensure that those rates are just and
7 reasonable. The Commission also regulates the quality
8 of service and safety of the operations of these
9 utilities. The Commission is made up of five
10 commissioners, one of whom is with me this each. They
11 are appointed by the Governor to fixed terms and
12 confirmed by the Senate. The Commissioners employ a
13 staff of engineers, accountants, attorneys, financial
14 analysts, and other specialists in the field of
15 utilities regulation. I'm Ron PRIDGIN. I'm a
16 regular tore law /SKWR for Missouri public service
17 commission and I will reside over this /AOEFPG
18 hearing. With me today is commission /KPHER Kevin
19 gun. And this is an official hearing of the
20 commission and statements and testimony of witnesses
21 will be recorded by the court reporter and must be
22 given under oath. All of the commissioners will have
23 the chance to read all of your remarks. The purpose
24 of this hearing is to hear from you. The company will
25 not present witnesses and will not answer questions

1 during the hearing. This is your chance to testify
2 and your remarks will be made part of the official
3 record of this case.

4 I'll call the name of each witness who has
5 signed up to speak. When your name is called please
6 come forward and sit in the witness chair. I'll ask you
7 your name and ask you to spell your name for court
8 reporter so she can get it into the record correctly.
9 And then ask you if you have a statement for the
10 commissioners. And then when you are finished, there
11 may be questions from me or from Commission Gunn, so
12 please do not leave the witness area until we are
13 finished with questions. If there is someone who
14 wishes to testify, but for religious reasons does not
15 wish to take an oath, please tell me and I'll ask that
16 your testimony be affirmed instead of sworn.

17 Does anyone have any questions about the
18 procedure tonight? Seeing no questions, we'll begin
19 the public hearing in request number GR-2010-0171. We
20 are in Arnold, Missouri. The time is about five after
21 six p.m.. And the date, I believe, is May 24th, 2010.
22 Let me get entries of appearance from counsel, please,
23 beginning with Laclede Gas.

24 MR. PENDERGAST: Thank you. Michael
25 Pendergast and Rick Zucker appearing on behalf of

1 Laclede Gas. Our business address is 720 Olive
2 Street, St. Louis, Missouri, 63101.

3 JUDGE PRIDGIN: Mr. Pendergast and Mr.
4 Zucker, thank you. On behalf of the commission
5 please?

6 MR. DEARMONT: Thank you, Judge. Eric
7 Dearmont on behalf of the staff of Missouri Public
8 Service, P. O. Box 360, Jefferson City, Missouri,
9 65101.

10 JUDGE PRIDGIN: Mr. Dearmont, thank you.
11 On behalf of the office of public counsel please?

12 MR. POSTON: Thank you. Marc Poston
13 appearing on behalf of the office of public counsel
14 and the public, P. O. Box 2230, Jefferson City,
15 Missouri, 65101.

16 JUDGE PRIDGIN: Mr. Poston, thank you.
17 Any other counsel wishing to enter an appearance. All
18 right. Seeing none, I'd like to begin by calling the
19 first witness on my list, which is Norma Davis. Ms.
20 Davis, will you come forward to be sworn please?
21 Would you raise your right hand to be sworn please?
22 Do you swear the evidence you're about to give will be
23 the truth, the whole truth, and nothing but the truth,
24 so help you God?

25 MS. DAVIS: Yes.

1 JUDGE PRIDGIN: Thank you very much.

2 Please have a seat. And would you please state your
3 name and spell it for the court reporter?

4 MS. DAVIS: Norma Davis; N-o-r-m-a;
5 D-a-v-i-s.

6 JUDGE PRIDGIN: Are you a customer of
7 Laclede Gas Company?

8 MS. DAVIS: Yes.

9 JUDGE PRIDGIN: All right. Do you have a
10 statement for the commissioner, ma'am?

11 MS. DAVIS: Yes. I'd just like to voice my
12 opinion because basically it's what I want to do. I
13 listened to the gas man talk about what we're doing.
14 We're not really paying for the gas, I understand
15 everything he said. We're paying for the lines and
16 things like that. But he doesn't realize with the
17 economy, I don't think is right now they don't realize
18 -- Laclede Gas doesn't know. Just from my own
19 experience, my very own experience, my husband back in
20 October got his hours cut, also got a cut in pay. And
21 it's been a hardship. I also am on a fixed income and
22 I didn't get a raise. He has not gotten a raise for
23 two years. They don't give them right now. They will
24 get one next year, but it's not going to help me this
25 year. And I just feel like they don't realize how the

1 economy is. I realize they are having a hard time,
2 too, but you have to cut back somewhere maybe that
3 means employees. They have done that at my husband's
4 work believe you me. His company is very shallow with
5 employees compared to what it had. If anybody knows
6 Hussmann Refrigeration is a big company, it's not any
7 more. Not any more. I just want them to know that
8 people don't have the money. That's what I want to
9 say.

10 JUDGE PRIDGIN: Thank you, Ms. Davis.
11 Thank you very much. And let me see if Commissioner
12 Gunn has any questions.

13 COMMISSIONER GUNN: First of all, thank you
14 for coming out. I appreciate you taking the time.
15 Just some real general questions. Have you had any
16 interactions with Laclede Gas customer service group
17 or ever had to call them with a problem or issue?

18 MS. DAVIS: No. I have a couple times
19 maybe in my whole 40 years, I guess you'd say. And
20 never had a problem with them. I'll be honest about
21 it. I have gotten excellent service. I won't say I
22 ever got bad service.

23 COMMISSIONER GUNN: And in terms of
24 reliability, when you turn on the gas, gas always
25 comes on?

1 MS. DAVIS: Yeah.

2 COMMISSIONER GUNN: Never had a problem
3 with that?

4 MS. DAVIS: No. Never had a problem.

5 COMMISSIONER GUNN: Okay. Natural gas
6 prices have gone down pretty substantially because of
7 the economy. Have you noticed that in your bill? Has
8 your bill been less?

9 MS. DAVIS: Well, let's put it this way.
10 We moved five years ago, and got a bigger house and
11 no, I have not. If anything, it's bigger.

12 COMMISSIONER GUNN: Okay.

13 MS. DAVIS: I guess maybe that's because I
14 am in a bigger house. So it is bigger. And I do have
15 a gas dryer and gas hot water heater and gas furnace.

16 COMMISSIONER GUNN: Have you ever contacted
17 the company for any kind of efficiency information or
18 looked on their web site?

19 MS. DAVIS: I get things in the mail from
20 them periodically telling you different things how to
21 save gas and stuff, and I have done that. In fact,
22 all winter long I sat with a coat on. He went into
23 work saying my wife is wearing two coats at home
24 because she is cold to keep our furnace from going up
25 higher. I'm trying. But can you tell me a way,

1 better? I mean you got to cut the heat down and I
2 don't do as much laundry as I used to. I had two kids
3 at home and now they are gone and I don't do as much
4 laundry. So I don't know why it's so high.

5 COMMISSIONER GUNN: I don't think I have
6 anything else, but just to assure you, we have one
7 commission who is stuck in traffic and got some others
8 that are traveling today, but your comments are on the
9 record. We read these things.

10 MS. DAVIS: Okay.

11 COMMISSIONER GUNN: As we go through the
12 case and I certainly appreciate --

13 MS. DAVIS: I know I'm not the only one in
14 this boat.

15 COMMISSIONER GUNN: Absolutely.

16 MS. DAVIS: That's what I'm saying. And I
17 think if everybody is in the same situation, how do
18 they expect us to put more money and they are all
19 wanting more money. Everybody wants more money. And
20 I just don't think we can do it right now.

21 COMMISSIONER GUNN: Thank you very much.

22 MS. DAVIS: Maybe later on.

23 JUDGE PRIDGIN: Ms. Davis, thank you very
24 much for your testimony and for coming out this
25 evening. I don't have anyone else signed up to

1 testify. First, let me ask if anybody else will do
2 that. Come forward and be sworn if you would, sir.
3 If you raise your right hand and be sworn please. Do
4 you swear the evidence you're about to give shall be
5 the truth, the whole truth, and nothing but the truth,
6 so help you God?

7 MR. POST: Yes.

8 JUDGE PRIDGIN: Have a seat and thank you
9 very much. If you would please state your name and
10 spell it.

11 MR. POST: B-r-i-a-n; P-o-s-t.

12 JUDGE PRIDGIN: Mr. Post, are you a
13 customer of Laclede Gas Company?

14 MR. POST: Yes.

15 JUDGE PRIDGIN: Do you have a statement
16 for the commissioners?

17 MR. POST: I'd like to not see the rates
18 increase. It seems some years ago I got my gas bill
19 and all of a sudden it had doubled from what it was.
20 And I don't remember getting a notice that it was
21 going to happen, certainly not one that it would
22 double. And this recently happened with Union
23 Electric over in Illinois. And their rates went
24 through the roof. Like her, I haven't gotten a pay
25 raise in a while. The cost of regular gas keeps going

1 up even though it's dropping right now, but when it
2 goes up, that's a pay cut. I'd just as soon have the
3 gas go where it was and not worry about having to get
4 a space heater so I can keep it a little warmer and a
5 little more comfortable. Right now the gas bill is
6 higher than my electric bill. It's unfortunately not
7 financially responsible to switch over from gas to
8 electric. The cost of switching would far outweigh
9 the savings that I would get from going to electric.
10 But given the choice, if I buy another house or
11 something like that, if I felt that Union Electric
12 wasn't going to raise their rates over here like they
13 did in Illinois, I'll probably go with an all-electric
14 house. And I just don't want to see them go up.

15 JUDGE PRIDGIN: Mr. Post, thank you. Let
16 me see if Commissioner Gunn has any questions.

17 COMMISSIONER GUNN: You said right now your
18 gas bill is higher than the electric. Do you have
19 mostly gas appliances?

20 MR. POST: No. I'd say it's probably
21 pretty much even. It costs so much more to heat house
22 than cool the house. That's where the discrepancy
23 comes from. I have got an electric dryer, but I have
24 a gas water heater. It probably breaks even, but my
25 cost for electricity when it's really hot is not as

1 much as it is for when it's really cold. And it's
2 usually colder a lot less than being hot.

3 COMMISSIONER GUNN: And any service
4 problems similar to what I asked previously.

5 MR. POST: No.

6 COMMISSIONER GUNN: Have you ever called
7 them for customer service?

8 MR. POST: Not that I can remember. I
9 never called UE either.

10 COMMISSIONER GUNN: But this particular
11 case, never had any service problems or had a reason
12 to call them; no billing issues or anything?

13 MR. POST: Not that I remember except when
14 the price went through the roof. And I think there
15 was also another instance where they raised them a
16 little more after that without asking, but I can't
17 remember for sure.

18 COMMISSIONER GUNN: And sometimes because
19 of the price of gas you may see those fluctuations,
20 but the staff out there can tell you exactly why that
21 happens.

22 MR. POST: A little bit is okay, but I
23 tracked my bills for two years and my thermal usage
24 went down, but the bill still went up in that time
25 frame where we started paying more.

1 COMMISSIONER GUNN: There may be an
2 explanation for that and I encourage you to talk to
3 some of the staff to get a clear reason why that
4 happened if you want. It's not --

5 MR. POST: I called the company and they
6 told me it's because the cost had gone up. You guys
7 raise the rates, but I don't remember you asking in a
8 forum like this at the time. The rates went up, but
9 my usage -- once that happened, I made my usage go
10 down. We bought space heaters and that kind of thing.

11 COMMISSIONER GUNN: Other than space
12 heaters, have you gone on the web site or done any
13 other efficiency measures?

14 MR. POST: Yes, I have. I have looked.
15 There really isn't anything that costwise is going to
16 make any difference. I would end up spending more
17 money to do those things like change my windows than
18 for any savings I would see in approximately three or
19 four months where my gas bill is high when it's cold.
20 It would cost me thousands of dollars to make up the
21 difference. It's pennies. None the less, I don't
22 think it should go up. I like it when it's low. I
23 can buy more stuff. I can help the economy more by
24 spending more of my money on frivolous junk.

25 COMMISSIONER GUNN: Thank you. I don't

1 think I have anything else.

2 JUDGE PRIDGIN: I don't have any
3 questions. I think I saw you come in a little late.
4 And to make sure you understand, there are people here
5 in the room from the commission, from the company, and
6 public counsel. And if you'd like to, you're free to
7 speak to them about any of these issues.

8 MR. POST: Okay. Thank you.

9 JUDGE PRIDGIN: Is there anyone else who
10 wishes to testify? I see nothing. Is there anything
11 from counsel. I know sometimes -- it's about 6:15.
12 My guess is if people are going to be here for a six
13 o'clock hearing, they would probably be here. Is
14 there anything from counsel?

15 MR. PENDERGAST: Nothing from us, Your
16 Honor.

17 JUDGE PRIDGIN: Anything in completing
18 remarks, Commissioner?

19 COMMISSIONER GUNN: Just a couple things.
20 This is kind of the beginning -- actually, it's kind
21 of the middle of the process. The company filed,
22 folks have gone through and done some auditing and
23 some recommendations. We have open public hearings
24 and an evidentiary hearing, which is like a trial.
25 Those right now are scheduled from August 22nd. They

1 will be web cast on our web site www.psc.mo.gov. So
2 if anyone is interested in watching them -- they can
3 sometimes be tedious, but you are certainly welcome to
4 watch those. If you have any folks that you know that
5 could not be here tonight, we have hearings all this
6 week. And those are also listed on our web site. And
7 our staff can let you know where the other hearings
8 are for people to go to in person, or we can take
9 comments by mail. And on one of the sheets there is
10 an address at the bottom of one of the hand-outs.
11 There is the address where you can send comments
12 physically or you can electronically e-mail them to us
13 and they become part of the record of the case. So if
14 you have anybody that couldn't physically get here,
15 they can still comment through the mail or through the
16 web site or attend one of the other hearings in
17 person. And some of the later meetings are also over
18 the lunch hour, so if the time is more convenient.
19 They are also in the St. Louis area so there should be
20 hopefully easier, convenient locations over the next
21 week if someone wants to come.

22 Other than that, I know everybody's time is
23 valuable. And we appreciate you coming out on this
24 Monday night and letting us know what you think.

25 JUDGE PRIDGIN: Commission, thank you very

1 much. If there is nothing further from counsel, thank
2 you very much. That will conclude tonight's local
3 public hearing in case GR-2010-0171. Thank you very
4 much. We're off the record.

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