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STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

USW LOCAL NO. 11-6  
vs.  
LACLEDE GAS COMPANY

Case No. GC-2006-0060

Hearing – Volume 3

May 23, 2006

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1 JUDGE DIPPELL: Okay. Then let's go ahead  
2 and take a lunch break. I looked at the Commission's  
3 calendar just in case we don't wrap up today, and I'm  
4 seeing panicked looks on faces, and that's the reason why  
5 I'm hoping that we will wrap up today. But the  
6 Commission's calendar is open Thursday and Friday, but I  
7 thought there might be other conflicts. Mr. Schwarz, you  
8 just have other matters to attend to?

9 MR. SCHWARZ: Yes. Yes.

10 JUDGE DIPPELL: Okay. All right. Well,  
11 just keep that in mind if we don't finish on today, that I  
12 may make you come back here Thursday or Friday. Okay.  
13 Mr. Elbert, you had something to say?

14 MR. ELBERT: Just one question, your Honor.  
15 Yesterday I had offered into evidence the deposition of  
16 Mr. Stewart, and you asked us to go back and try to find  
17 pages that were designated rather than offering the whole  
18 thing. We have done that. We can take care of it after  
19 lunch. I just don't want to forget about that.

20 JUDGE DIPPELL: This is a good time.

21 MR. ELBERT: It turns out to be a  
22 relatively small portion of the transcript.

23 JUDGE DIPPELL: Very good. That makes me  
24 happy.

25 MR. ELBERT: I thought it might. I don't

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1 know what exhibit number that would be.

2 JUDGE DIPPELL: It was Exhibit No. 22. I  
3 originally marked it and it was withdrawn. We'll just go  
4 ahead and leave those pages marked as 22.

5 MR. ELBERT: Do you want to read into the  
6 record what pages they are or is that --

7 JUDGE DIPPELL: I think it will be clear,  
8 isn't it, from your copies there? Why don't you  
9 distribute those?

10 Exhibit No. 22 is going to be excerpts from  
11 the deposition of Kevin Stewart taken on May 10th, 2006.

12 MS. SCHRODER: And, your Honor, I would  
13 just request the right to supplement that when we review  
14 what he has put in, if we think there's anything  
15 misleading.

16 JUDGE DIPPELL: We'll just let you all  
17 review this, and we'll actually take objections and stuff  
18 later when we get back from our lunch break.

19 MS. SCHRODER: All right. Thank you.

20 JUDGE DIPPELL: Are there any other matters  
21 we need to take up before we adjourn for lunch?

22 All right. Seeing none, then, we'll take a  
23 break until 1 o'clock. We can go off the record.

24 (EXHIBIT NO. 22 WAS MARKED FOR  
25 IDENTIFICATION BY THE REPORTER.)

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1 (A BREAK WAS TAKEN.)

2 JUDGE DIPPELL: Let's go ahead and go back  
3 on the record. Okay. We're back from our lunch break,  
4 and I believe we're ready to begin with Staff's witness.

5 MR. SCHWARZ: Staff would call Mr. Robert  
6 Leonberger.

7 (Witness sworn.)

8 JUDGE DIPPELL: Thank you.

9 ROBERT LEONBERGER testified as follows:

10 DIRECT EXAMINATION BY MR. SCHWARZ:

11 **Q. Good afternoon. Are you the same Robert**  
12 **Leonberger who caused to be filed in this case some direct**  
13 **testimony which has been marked as Exhibit 11?**

14 A. Yes.

15 **Q. Do you have any corrections to that**  
16 **testimony?**

17 A. I looked back over my testimony. I would  
18 like to clarify a possible misinterpretation. On page 8  
19 of my testimony, on lines 15 and 16, I say that the TFTO  
20 inspections involved inspection of customer-owned piping  
21 equipment, clearly the responsibility of customers.

22 It was not my intention to convey that the  
23 TFTO inspections only involved customer-owned piping  
24 equipment. TFTOs do involve inspections of customer-owned  
25 piping equipment that are clearly the responsibility of

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1 the customers; however, the TFTO inspections also involve  
2 inspections of company-owned piping.

3 **Q. Do you have a correction?**

4 A. No, I just wanted to clarify that there may  
5 be some mischara-- misinterpretation.

6 **Q. Thank you. Well, with that, if I asked you**  
7 **the same questions as are in your testimony, would your**  
8 **answers be the same?**

9 A. Yes.

10 **Q. Are those answers true and correct to the**  
11 **best of your information, knowledge and belief?**

12 A. Yes.

13 MR. SCHWARZ: With that, I would move the  
14 admission of Exhibit 11 and tender the witness for cross.

15 JUDGE DIPPELL: Would there be any  
16 objection to Exhibit No. 11?

17 MS. SCHRODER: No objection from the Union.

18 JUDGE DIPPELL: Then I will admit Exhibit  
19 No. 11 into evidence.

20 (EXHIBIT NO. 11 WAS RECEIVED INTO  
21 EVIDENCE.)

22 JUDGE DIPPELL: Okay. Is there  
23 cross-examination from Laclede?

24 MR. ZUCKER: Yes, your Honor.

25 CROSS-EXAMINATION BY MR. ZUCKER:

33 (Pages 413 to 416)

1 Q. Okay. And if you find -- if the safety  
2 staff here at the Commission finds a problem in the -- a  
3 gas utility system, what kind of action do they take?

4 A. If we find problems that -- of the specific  
5 nature that we believe that need to be addressed above and  
6 beyond the current rules, we would try to address those by  
7 more frequent -- more frequent leak surveys, replacement  
8 of pipe or something like that.

9 Q. Can you give any specific examples?

10 A. Yes. The -- currently Laclede is replacing  
11 8,000 copper service lines a year, and they are leak  
12 surveying those annually, which is not currently in the  
13 rules.

14 Q. Okay. Has the safety staff found anything  
15 to justify any additional requirements in the --in  
16 response to turn off/turn on orders --

17 A. No.

18 Q. -- or orders in which --

19 A. Right.

20 Q. Your answer was no to that?

21 A. Right.

22 Q. Let me just confirm that, these are orders  
23 in which the customers are changing but there's no  
24 interruption in the flow of gas?

25 A. Right.

1 meter reading.

2 Q. And is that the reason, then? They're just  
3 there for a special meter reading?

4 A. A meter -- meter reading is one of the  
5 exceptions.

6 Q. And why is that an exception?

7 A. We changed the rule to require certain  
8 times that the -- these requirements would be made, and we  
9 had a list of exceptions for those, and we believe that  
10 was one of them. It wasn't a customer service call.  
11 First the rule said customer service call, then we put  
12 exceptions in there for various items.

13 Q. Okay. So in your opinion, there's no need  
14 to do, in effect, what would be similar to a TFTO  
15 inspection while on the customer property to read the  
16 meter?

17 A. Well, not TFTO inspection, but the  
18 requirements in 14B-6.

19 MR. ZUCKER: Okay. That's all I have, your  
20 Honor.

21 JUDGE DIPPELL: Thank you. Public Counsel?

22 MR. POSTON: Yeah.

23 CROSS-EXAMINATION BY MR. POSTON:

24 Q. Good afternoon. Mr. Leonberger, it's your  
25 position that there's no safety justification for

1 Q. There's no reason to justify any additional  
2 safety requirements?

3 A. No.

4 Q. Are you familiar with safety Rule 14B-6?

5 A. Yes.

6 Q. Does that rule generally state that when  
7 Laclede personnel are on a customer's property, they are  
8 to do certain safety activities on that property?

9 A. Yes.

10 Q. Does that include a bar hole survey?

11 A. Includes a bar hole survey with some  
12 exceptions.

13 Q. And a leak survey?

14 A. Yes.

15 Q. And is one of the exceptions a  
16 read in/read out, if Laclede personnel are there to do a  
17 read in/read out?

18 A. Yes.

19 Q. And is it your understanding that a  
20 read in/read out is the same thing as a TFTO?

21 A. That's my understanding, yes.

22 Q. And so if Laclede personnel are on customer  
23 property to do this read in/read out or TFTO, they're not  
24 required to do these -- take these safety measures?

25 A. Yeah. We believe that's just a special

1 requiring TFTO inspections or annual inside meter reads;  
2 is that correct?

3 A. Correct.

4 Q. And you were here during the Union  
5 witnesses who testified about safety hazards found as a  
6 result of meter reads and TFTO inspections, correct?

7 A. I was here during the testimony, yes.

8 Q. Has that testimony changed any position  
9 you've taken in this case?

10 A. No. It's very similar to what was in the  
11 written testimony.

12 Q. And can you please explain where the  
13 company-owned equipment stops and the customer-owned  
14 equipment begins on a typical single-family dwelling with  
15 a single meter?

16 A. It ends at the outlet of the meter.

17 Q. So the piping going out of the meter from  
18 that point on is customer -- what you would call  
19 customer-owned equipment?

20 A. The regulations say it ends at the outlet  
21 meter.

22 Q. Would you agree that where there's a  
23 transfer of service due to a new Laclede customer coming  
24 into a home or coming into a rental unit that's already  
25 being serviced by Laclede, that there would be an

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1 considerably less than that. It's rare to find anything  
2 of substance.

3 Occasionally, the most common thing is I  
4 think Mr. Hendricks testified caps missing from ranges.  
5 The gas is off, there's no flow, but there's a flex  
6 connector or a valve that needs a cap put on it. In and  
7 of itself, I'm not sure how much of a hazard that  
8 constitutes, but we do -- our procedures do require them  
9 to cap it.

10 **Q. If the cap's off, isn't it -- isn't it true**  
11 **that that's more likely to develop a leak?**

12 A. Only if you've had -- only if the valve is  
13 bad. You've got to have the cap off and the valve bad.

14 **Q. All right. What is your estimation of the**  
15 **percentage of time -- percentage of times that a hazard is**  
16 **found in a TFTO inspection?**

17 A. I would suggest something less than 5.

18 **Q. Than 5 percent?**

19 A. That's correct.

20 **Q. And have you reviewed hazard tickets to**  
21 **come to that conclusion?**

22 A. Yes.

23 **Q. Did you review, for instance, all the**  
24 **hazard tickets for 2005?**

25 A. I don't know specifically the time frame

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1 that I reviewed, but we've watched as we're preparing for  
2 contemplating TFTOs going away as part of AMR coming into  
3 place, we just kind of did a casual, not a sophisticated  
4 survey, you know, just kind of monitored things that were  
5 coming in, hazards and things of that nature, and found it  
6 to be relatively low and significantly minor.

7 **Q. Because we were told in this case that**  
8 **Laclede had approximately 79,000 hazard tickets in 2005 I**  
9 **think that resulted from TFTOs.**

10 MS. SCHRODER: And I will count on Rick.  
11 Is that correct?

12 MR. ZUCKER: The number 79,000 that I  
13 remember is the number of TFTO orders that we did in 2005.

14 MS. SCHRODER: All right. Thank you.

15 BY MS. SCHRODER:

16 **Q. There were approximately 79,000 TFTOs in**  
17 **2005, and that that was too burdensome to produce to the**  
18 **Union. Did you look at a smaller sampling?**

19 A. As to?

20 **Q. Time period. Did you look at a smaller**  
21 **time period or did you just do what you said was a casual**  
22 **survey?**

23 A. For a couple of months, as those came in,  
24 we just kind of tracked raw numbers of hazards that were  
25 coming in, and then anything of significance I asked to be

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1 sent to me. I received nothing of significance. No  
2 Class 1 leaks were turned in, you know, nothing like that.  
3 And the number of hazards that were found were relatively  
4 small. And I specifically don't know the number, but it  
5 was a couple months, and it was just raw numbers, just  
6 check off how many hazards came in versus how many TFTOs  
7 were done.

8 **Q. And when you were doing that, were you**  
9 **looking just at the Form 627?**

10 A. I believe we did 626s and 627s, the notice  
11 of code violations.

12 **Q. So you looked at notice of code violations**  
13 **and hazard reports?**

14 A. Correct.

15 **Q. So you didn't look at the CIS forms that**  
16 **would show if they fixed it on the spot or the reports of**  
17 **leak or the referrals to the C&M or street department; is**  
18 **that right?**

19 A. The 712s would have been included in there,  
20 in what they sent me. I didn't receive any, but that  
21 would have been one of the forms they would have sent me.  
22 They wouldn't have sent me the 626 -- or I'm sorry -- the  
23 686.

24 **Q. Or the CIS?**

25 A. Or the CIS form.

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1 **Q. Would you agree that hazards that were**  
2 **referred to, that hazards from TFTOs could have been**  
3 **referred to the street department on Form 686s?**

4 A. No, I would not agree with that. The  
5 686 form is not necessarily for hazards. Things we refer  
6 to the C&M with regard to hazards would typically be  
7 leaks. That would be a 712 form. 686 form is typically  
8 for brackets loose where the meter needs to be refastened  
9 to the wall, the riser sunk somewhat and needs to be  
10 raised up, the lock cock, the ear on the lock cock has  
11 been sheered off and needs to be replaced. That would be  
12 not necessarily what we would constitute as a hazard per  
13 se.

14 **Q. What do you constitute as a hazard?**

15 A. Something that's imminently dangerous or  
16 potentially dangerous. Depending on imminently dangerous  
17 requires on the CID side 627, the hazard form, it's a red  
18 tag, potentially dangerous, the 626, the code violation  
19 form, or a 712 if it's a leak.

20 **Q. And those things could also have been**  
21 **picked up and fixed on a customer and then reported on a**  
22 **customer information system form; is that correct?**

23 A. If a repair was made, correct.

24 **Q. Would you agree that in performing a TFTO**  
25 **that a service person, in addition to the other things**

63 (Pages 533 to 536)