

1 STATE OF MISSOURI
2 PUBLIC SERVICE COMMISSION

3 PREHEARING CONFERENCE
4 October 18, 2000
5 Jefferson City, Missouri
6 Volume 1
7

8 In the Matter of Laclede Gas)
9 Company Regarding an Incident) Case No. GS-2000-525
10 at 1904 Birchwood Drive,)
11 Barnhart, Missouri, on)
12 February 7, 2000)
13)
14 The Staff of the Missouri)
15 Public Service Commission,)
16)
17 Complainant,) Case No. GC-2001-19
18)
19 v.)
20)
21 Laclede Gas Company,)
22)
23 Respondent.)
24)
25 (Consolidated)

BEFORE:

BILL HOPKINS, Presiding,
SENIOR REGULATORY LAW JUDGE.

REPORTED BY:

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1 APPEARANCES:
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7 FOR: Laclede Gas Company.
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9 BRUCE H. BATES, Assistant General Counsel
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11 Jefferson City, Missouri 65102
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13 FOR: Staff of the Missouri Public Service
14 Commission.
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1 P R O C E E D I N G S

2 (Written Entries of Appearance filed.)

3 JUDGE HOPKINS: This is in the matter of
4 Laclede Gas Company. And it is the 18th of October,
5 year 2000, Jefferson City, Missouri, Governor Office
6 Building, Public Service Commission Offices. And
7 there is a consolidated case, Nos. GS-2000-525 and
8 GC-2001-19, and for convenience purposes, I will just
9 call this the Laclede Gas Company case.

10 My name is Bill Hopkins. I'll be the
11 presiding officer here.

12 And I would like to ask for entries of
13 appearance, and we can start with Mr. Bates over here.

14 MR. BATES: Thank you, your Honor.

15 My name is Bruce H. Bates, attorney
16 representing the Staff of the Missouri Public Service
17 Commission. My mailing address is Post office
18 Box 360, Jefferson City, Missouri, 65102-0360.

19 JUDGE HOPKINS: Thank you.

20 MR. PENDERGAST: Thank you, your Honor.

21 Michael C. Pendergast appearing on behalf of
22 Laclede Gas Company. My business address is 720 Olive
23 Street, St. Louis, Missouri, 63101.

24 JUDGE HOPKINS: Okay. Thank you.

25 The main reason for this prehearing

1 conference is to determine whether there are any
2 actual issues in controversy and whether the
3 controversy can be resolved or settled.

4 The prehearing order, which was issued on
5 the 19th of September, 2000, states that an early
6 prehearing conference should be scheduled to afford
7 the parties the opportunity to discuss, define and
8 possibly resolve the issues presented in this case, or
9 at least to agree on a procedural schedule.

10 And, Mr. Pendergast and Mr. Bates, are
11 you-all prepared to comply with the Commission's
12 order?

13 MR. PENDERGAST: We are, your Honor.

14 MR. BATES: Yes, your Honor.

15 JUDGE HOPKINS: Thank you, gentlemen.

16 Basically, Mr. Bates, if you could give me
17 your position or just real briefly why you filed
18 this -- these two cases?

19 MR. BATES: Your Honor, briefly, Staff
20 believes that there was -- there is no contest that
21 there was an incident involved here in which there was
22 physical destruction of property after a natural gas
23 explosion, also the loss of a human life.

24 While we believe that there are a number of
25 reasons why that happened, not all of them, by any

1 means, related to Laclede Gas Company. We do believe
2 that Laclede Gas Company is in violation of Commission
3 regulation as to in some respects how they reacted to
4 that, and that is why the complaint was filed
5 originally.

6 If you would like further detail, we can
7 certainly supply that. And they are contained within
8 the pleadings in the file.

9 JUDGE HOPKINS: That's fine. Thank you,
10 Mr. Bates.

11 And Mr. Pendergast?

12 MR. PENDERGAST: Thank you, your Honor.

13 Can you hear me?

14 JUDGE HOPKINS: Yes.

15 MR. PENDERGAST: As Mr. Bates indicated in
16 his opening comments, there was a fatality in this
17 particular instance, and, in fact, it was a Laclede
18 employee who was killed as a result of this incident.
19 And while we take any incident very seriously that
20 involves public safety, obviously, this has had an
21 even more profound impact on us.

22 And we are committed to doing whatever we
23 can to protect the public safety and prevent a
24 recurrence of something of this nature.

25 Our view is that we have a fundamental

1 disagreement with the Staff on the reasonableness of
2 what our employees did on the scene. We think that
3 our employees acted in a professional and heroic
4 manner in accordance with our usual procedures and
5 that they did everything they reasonably could have
6 been expected to do under the circumstances to try and
7 prevent this from happening.

8 But we're trying to move beyond that. We're
9 trying to today come up with proposals that will
10 enhance our response to these particular situations,
11 and it's a tricky thing to do. I think Staff has
12 recognized and we have recognized that it's very hard
13 when you're talking about field conditions that vary
14 from time to time and place to place to come up with a
15 laundry list of what you should do. You need to be
16 very careful there. But I think we've come up with
17 some proposals that will address that part of the
18 issue.

19 The second part of the issue is to go ahead
20 and prevent third-party hits to our facilities that
21 was the primary cause of this incident, and I think
22 the Staff has acknowledged in its incident that it was
23 a third-party contractor hitting our facilities that
24 was the probable cause of the incident.

25 That is a substantial and significant safety

1 problem in the state of Missouri. We think there are
2 some things we can do and have done to help address
3 that, and we believe very firmly that there are things
4 that the Commission can do by way of enforcing its own
5 rules relating to telecommunications companies and how
6 they install facilities that can help in that arena as
7 well.

8 So we're going to approach this in hopefully
9 a very constructive way with a view towards coming up
10 with some common sense proposals for the Commission to
11 consider that will address the situation and will
12 hopefully make for a safer Missouri in the future.

13 Thank you.

14 JUDGE HOPKINS: Thank you, Mr. Pendergast.

15 If we had a full-blown evidentiary hearing,
16 and I'm not asking you to commit yourself one way or
17 another on that, on the number of witnesses, can you
18 just give me a guess, Mr. Bates?

19 MR. BATES: I would think that we might have
20 three to four witnesses.

21 JUDGE HOPKINS: Mr. Pendergast?

22 MR. PENDERGAST: I think we would be in that
23 ball bark, too, your Honor.

24 JUDGE HOPKINS: Thank you very much.

25 Anything further for either party?

1 (No response.)

2 JUDGE HOPKINS: All right. Hearing nothing,

3 I'm assuming that you're ready to go ahead with this.

4 And I want to remind you-all of the date of

5 2 November -- the 2nd of November for the procedural

6 schedule.

7 And if you need to talk to me today, I will

8 be available. And I appreciate your cooperation.

9 Thank you.

10 We'll go off the record.

11 MR. BATES: Thank you, your Honor.

12 MR. PENDERGAST: Thank you.

13 WHEREUPON, the on-the-record portion of the

14 prehearing conference was concluded.

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