

Public Hearing Ex 3
6:00pm.
9-19-05

MAXINE L. STARK
4701 WESTMINISTER PLACE
ST. LOUIS, MISSOURI
314-367-5695

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
GOVERNOR OFFICE BUILDING
200 MADISON STREET
P.O. BOX 360
JEFFERSON CITY, MISSOURI 65102

August 25, 2005

Dear Commissioners:

I wish to be heard concerning my gas budget. The proposed raise by the Laclede Gas Company is prohibitive to me.

I am an 89-year-old widow and the single occupant of my own home. My income is fixed and consists solely of a small teachers pension, Social Security and Medicare.

I have done every thing conceivable, as suggested in order to conserve gas usage. I use gas for heat and hot water only. My house is insulated. My windows are storm protected. My furnace and water heater are maintained regularly. I keep my thermostat on ~~70~~ degrees, most times requiring the use of sweaters and extra blankets ~~all year round~~.

Because of my age my medication needs have almost doubled. The costs of Lipitor, Actonel and my other medications have increased drastically. If I suspend the use of these needed medications I will die. My medications and prayers are my life support.

I do not cook with gas. I receive Meals-on-Wheels which I heat by microwave. For breakfast I eat a dry cereal along with a banana to control my cholesterol problem. My fireplace gas logs have not been lit for over 2 years.

Next April I will turn 90 years of age (God willing). By being careful, I am living independently, without being a burden to anyone. Now I am appealing to you to help me to continue to do this.

I cannot maintain my independence while facing such a tremendous increase in my gas budget, from \$204.00 to \$284.00 per month. It is impossible for me to make these payments. I have conserved in every way that I now know.

Due to the above noted changes in my use of gas, I am contesting this tremendous gas budget increase and request that the Commission reconsider this increase. The Commission is my only recourse. Please let me hear from you soon.

Sincerely,

Mrs. Maxine L. Stark

Wants to read own meter

THANKS for holding the
open meeting and allowing me
to speak.

PUBLIC HEARING
STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

In The Matter of:

LACLEDE GAS COMPANY'S)
TARIFF TO REVISE NATURAL) Case No. GR-2005-0284
GAS RATE SCHEDULES)

Hearing held at Harris-Stowe State University
Volume 6

TRANSCRIPT OF PROCEEDINGS

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APPEARANCES:

Laclede Gas Company was represented by attorney Michael Pendergast, 720 Olive Street, Suite 1520, St. Louis, Missouri 63101.

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

The Staff was represented by Deputy General Counsel, Mr. Meyer, P.O. Box 360, Jefferson City, Missouri

1 MS. DIPPELL: Thank you all for coming
2 this evening. I would especially like to thank Harris-
3 Stowe State University. The staff has treated us very
4 well, and we appreciate them hosting us here this
5 evening.

6 We are here tonight in the matter of Case
7 No. GR-2005-0284. We are here tonight to take
8 comments about the stipulation agreement that has been
9 introduced by the parties.

10 I would like to introduce the five
11 commissioners here tonight. To my immediate right is
12 the chairman, Jeff Davis. To his right is Commissioner
13 Connie Murray. On the far left is Commissioner Steve
14 Gaw. To my immediate left is Commissioner Lin Appling.

15 This is Mr. Mike Dandino. He is with the
16 Office of Public Counsel. He represents the Governor's
17 Commission.

18 Mr. Pendergast is the attorney for Laclede
19 Gas Company.

20 Mr. Meyer, of our staff, is sitting over
21 here.

22 I wish to say that this is officially a
23 Missouri Public Service Commission hearing. That's why
24 we have a court reporter who takes down comments
25 tonight, so that they can be officially in the record,

1 and we can review those. Therefore, we are asking that
2 you swear that the comments you are about to give in
3 this hearing are true. We're going to take a break in
4 about an hour and a half for the court reporter. We
5 will break at about quarter till eight.

6 What I'll do is I'll call you up and then
7 if you wish to comment, you may do so. I do have a
8 sign-in list which was at the door as you came in. I
9 will ask you to sign it, and you can go ahead and do
10 that, or you can wait until everyone else has testified
11 and then I'll ask if there are any other further
12 comments.

13 I will ask that while other witnesses are
14 commenting that you keep your comments to yourself and
15 avoid any outbursts, so that the court reporter may
16 take down your comments, and also keep the witnesses
17 who may have differing opinions from being intimidated
18 here tonight.

19 If you testified earlier today, I'm going
20 to ask that you wait until after those who haven't had
21 an opportunity to testify have given their testimony.
22 Then I'll call those people.

23 Any elected officials here?
24 Representative Meadows. Any other elected officials
25 here? All right.

1 Representative Meadows, you had planned to
2 testify at the earlier hearing, and I believe you could
3 not stay. Would you like to begin this evening?

4 MR. MEADOWS: Well, that's very kind of
5 you. Thank you.

6 MR. TIM MEADOWS,
7 of lawful age, being first duly sworn to tell the
8 truth, the whole truth, and nothing but the truth,
9 deposes and says on behalf of the Commission, as
10 follows:

11 MS. DIPPELL: Please state your name and
12 address for the court reporter.

13 MR. MEADOWS: Okay. I'm State
14 Representative Tim Meadows from Imperial,
15 Missouri. I reside at 617 Canterbury Circle, Imperial,
16 Missouri 63052.

17 MS. DIPPELL: Thank you. Could you give
18 us your comments, please?

19 MR. MEADOWS: Okay. I wish I would have
20 been able to be there earlier, but I'm glad I am able
21 to come before you tonight.

22 What I'd first like to say -- I guess what
23 I'm kind of curious about is -- and I'm not a customer
24 of Laclede Gas; however, I have many constituents of
25 mine that are, and I feel a great need to come and try

1 to get this, try to get some clarity.

2 What I first would like to do is just --
3 under State statute several years back, the Missouri
4 General Assembly, I believe it was a Senate bill that
5 they passed, that kind of brought this, this out in the
6 open as far as bringing this up. And I just wanted to
7 make sure that, are we sure, are we absolutely positive
8 that -- okay, the six million dollars, that Laclede Gas
9 gets this money ever so often; is that correct? Am I
10 going in the right direction with this?

11 MS. DIPPELL: I'm not going to be able to
12 answer your questions, but I will --

13 MR. MEADOWS: Well, my main concern is --
14 I just want to make sure that we're adhering to the
15 actual law here. And that's what I want to make sure
16 of. I mean, I will hold that you, as the Board, the
17 PSC, would go back -- and I had tried to research this
18 through my legislative research as well, but was not
19 successful in trying to find the actual bill, the
20 actual legislation. And that's what I came here
21 tonight, or earlier today, for. I was hoping to get
22 some sense of clarity. Let's make sure that we can go
23 back and review this to make sure the citizens of
24 Missouri and the citizens of the 101st First
25 District are being taken care of. We're trying to

1 bring something through upon folks, but they're not
2 really ready for it. I mean, the rate increase is a
3 big thing. I saw the news media out front when I came
4 in, and when I came earlier, they were there then,
5 also. So this is big news. So I just wanted to make
6 sure as a Commission, that you were doing this
7 properly.

8 And also, I would like to add that I'm not
9 in favor of any type of rate increase on the folks in
10 the state of Missouri, whether it be for any type of
11 purposes. Nor am I in favor of raising rate increases,
12 but then we're going to turn around and we're going to
13 cut jobs. Nor am I a big fan of outsourcing jobs.
14 We've had many, many -- we've had several of my
15 constituents have contacted me on this, as well, that
16 had worked for Laclede Gas for many years, and then
17 now, all of a sudden find themselves out of a job or
18 fear of losing their job.

19 So when we look at this, I would ask that
20 we, as a body, and as taxpayers, that we -- especially
21 the Commission. But if there is anything that we can
22 do to make sure that we are doing everything above
23 board, that we're just not granting something to a
24 large utility, that, you know. And I understand that
25 the price of the utility, of gas, is going through the

1 roof, but it's pretty tough on a lot of folks. I feel
2 badly for them.

3 MS. DIPPELL: Thank you, Mr. Meadows. And
4 I will ask that you find where it states, what section
5 of the law that --

6 MR. MEADOWS: Sure.

7 Commissioner Murray, did you have any
8 questions?

9 COMMISSIONER MURRAY: No, I don't. But
10 thank you for being here, Mr. Meadows.

11 JUDGE DIPPELL: Commissioner Gaw, did you
12 have any questions?

13 COMMISSIONER GAW: Good evening,
14 Representative Meadows.

15 MR. MEADOWS: Good to see you again.

16 COMMISSIONER GAW: Good to see you, too.
17 Just so I have a better understanding of your first
18 question, are you referring to the infrastructure in
19 place and the surcharge?

20 MR. MEADOWS: Absolutely. That's exactly
21 what I'm referring to.

22 COMMISSIONER GAW: That's what I thought
23 and I just wanted to clarify that. I believe you may
24 have been able to find an answer to your question by
25 looking at a couple sessions ago. And there was a

1 piece of legislation that was passed that provided for
2 recovery of certain expenses, in certain utilities if
3 they have to spend that money, or certain improvements,
4 that would be allowed outside the rate case. And for
5 that, the rule was generally in Missouri, that you
6 could not recover those expenses outside the rate case
7 because we not only look at those things that they are
8 spending money on, but you look at other areas where
9 they might be making more money, and you balance those.
10 After that legislation was passed, that portion was
11 removed from that factoring of things that might
12 actually cause you, in some cases, to have a rate
13 decrease.

14 I'm not going to go on any further. If
15 you would like to talk to our staff who is here, if
16 somebody could raise a hand that would be willing to
17 explain some of the details that are in that
18 legislation. Or you may be able to get some assistance
19 from the Office of Public Counsel, as well.

20 MR. MEADOWS: Okay.

21 COMMISSIONER GAW: This case does have
22 some areas where there is something to do with that,
23 the infrastructure and surcharge, because there was one
24 in effect before the rate case was filed.

25 MR. MEADOWS: No, that was --

1 COMMISSIONER GAW: Sir, again, I can't --
2 this isn't supposed to be question and answer. I'm
3 probably overdoing what I'm supposed to be able to do
4 here. But I know you can get the answers to your
5 questions appropriately by talking to staff and if --

6 MR. MEADOWS: There's one other question
7 that I have on it. When will this decision be made by
8 this lawyer? This may be something that -- how much
9 time do we have, may I ask?

10 MS. DIPPELL: The decision has to be made
11 January 9. And we have a hearing on the stipulation
12 itself, a question-and-answer for the Commission,
13 between the two parties. That's on Monday, the 26th,
14 at our office in Jefferson City. A decision about the
15 stipulation will probably be made pretty quickly.
16 After that, if the stipulation is rejected, the
17 Commission has to then still have a full-blown
18 evidentiary hearing on the rate case, and then close to
19 that time, new stipulations will be made.

20 MR. MEADOWS: Because I'd like to do some
21 more follow-up work, if I may, but I mean, it was the
22 infrastructure part and I'd sure like to go back to it,
23 because if we're constantly redoing that, then we're
24 just constantly -- I think -- I'm just making sure that
25 we're moving in the right spot, and so, and maybe, you

1 know, I need some more education on this.

2 COMMISSIONER GAW: I guess my other
3 question for you, Mr. Meadows, looking at your position
4 in regard to this particular case, give me some
5 perspective on your concerns about what this rate
6 increase might do to affect your constituents?

7 MR. MEADOWS: There are many senior
8 citizens in my district, and I just think that right
9 now is not the time for that. I just -- it's going to
10 be a hardship on a lot of them, and I don't just don't
11 know what they're going to plan to do.

12 COMMISSIONER GAW: Thank you very much for
13 your comments.

14 JUDGE DIPPELL: Commissioner Appling, did
15 you have any questions?

16 COMMISSIONER APPLING: Sir, I don't have
17 any questions for you, but I just want to say thank you
18 for coming out. It is always a pleasure to have
19 elected officials to show up at these hearings. Thank
20 you for coming. I appreciate it.

21 JUDGE DIPPELL: Mr. Chairman?

22 CHAIRMAN DAVIS: The representative has
23 referenced, I believe it was, the interest legislation
24 that was in the House bill from the 2003 session
25 sponsored by Represented Kevin Engler, and I apologize,

1 I cannot recall the bill name, but certainly we've
2 heard know from you and Representative Fraser, as well,
3 today. It seems like there's obviously someone that's
4 up there going to representatives and saying, "I have
5 these concerns about this particular piece of
6 legislation."

7 And whether or not the Commission is
8 actually following the law in this case, certainly if
9 people feel that the settlement is not in accordance
10 with the law the Missouri General Assembly passed, then
11 certainly, I invite them to come in and put on their
12 evidence as quickly as possible.

13 MR. MEADOWS: Okay. That's fair enough.

14 CHAIRMAN DAVIS: And I've got just one
15 more quick question for you, Representative Meadows.
16 You said that were not in favor of any type of an
17 increase; is that right?

18 MR. MEADOWS: Yes, sir.

19 CHAIRMAN DAVIS: So you're not in favor of
20 any type of tax increase, either?

21 MR. MEADOWS: No, sir.

22 CHAIRMAN DAVIS: So you do favor tax
23 increases?

24 MR. MEADOWS: No, sir, I don't. I'm
25 certainly not in favor of a tax increase.

1 CHAIRMAN DAVIS: All right. Thank you.
2 No further questions.

3 JUDGE DIPPELL: Do you have any questions,
4 Mr. Dandino?

5 MR. DANDINO: No questions. Thank you.

6 JUDGE DIPPELL: Mr. Pendergast?

7 MR. PENDERGAST: No questions. Thank you.

8 JUDGE DIPPELL: Mr. Meyer?

9 MR. MEYER: No, thank you. Thank you.

10 JUDGE DIPPELL: Thank you, Mr. Meadows.

11 MR. MEADOWS: Thank you.

12 MS. GWEN COGSHELL,

13 of lawful age, being first duly sworn to tell the
14 truth, the whole truth, and nothing but the truth,
15 deposes and says on behalf of the Commission, as
16 follows:

17 JUDGE DIPPELL: Please state your name and
18 address for the record.

19 MS. COGSHELL: My name is Gwen Cogshell.
20 I'm a board member of ACORN. First of all, I'd like to
21 thank you all for sending out the notices. I think
22 someone suggested it at the last meeting that they be
23 sent out with the heat bills. I appreciate that.

24 My problem is that I don't agree with any
25 kind of price hikes. We had twenty four hundred people

1 get laid off over at the Records Center. We have Matt
2 Blunt cutting out health care, Medicaid, and seniors
3 paying eighty dollars or more for their prescription
4 drugs, and we are at war, and we don't have time for
5 any price increases.

6 My main concern is how much the increase
7 is going to blow up in view of Katrina. And the
8 national disaster is important, but what I'm focusing
9 on, Mr. Woods said that the average size of our bill
10 was seven or eight, and it would probably go up to
11 nine-ninety. The average size of the bills in my
12 neighborhood, and I live in the 5200 block of Mitchell,
13 was \$2,500. Why a person in the City of St. Louis that
14 made less than \$18,000 a year, and you're talking about
15 them spending \$2,000 to \$3,000 in heating bills alone.

16 And my biggest problem is with these
17 estimated bills. That's got to stop. How can you sit
18 up and estimate my bill and say, estimate my bill for
19 12 months, estimate the deposit, and then cut my gas
20 off? How do you expect me to pay a bill that you don't
21 even know what it is? It used to be a policy two or
22 three years ago if you came out and you couldn't read
23 my meter, the gas man, the gas man left a note on the
24 door that said, "When would you have the time to come
25 in and read your meter?" And I feel like that policy

1 should be returned. They should turn back to that
2 policy.

3 Another thing is that the customer service
4 department is not, they're not in sync with each other,
5 because if I get a gas bill and I pay my gas bill, and
6 I see my gas bill is 449, and Laclede Gas, you call
7 customer service and they say, "Well, I'll accept \$300
8 to keep your gas on," they don't realize that \$300 is
9 going to put you, still keep you delinquent, and
10 they're going to hold that against you, and you can't
11 even clear that up because they tell you that you have
12 to pay 12 months consistently on time. But it's not
13 from January to December. It's a continuous rollover.
14 So it's like in 2004 to 2005. So if I got my bill cut
15 off in July, if I'm late again in January or February,
16 2004, I can get another deposit assessed to my bills.
17 So these policies are not fair.

18 I call -- and one more thing, with Ameren
19 UE, also, I called and got a bill in the mail for \$143.
20 I called the automatic service and see, and I asked
21 them, "How much do I owe." The service said \$70, so I
22 called the people back and asked, "Why is your
23 serviceman on the phone said I'm supposed to pay \$70,
24 and I owe \$143?" They said, "\$70 is acceptable to keep
25 your services on." But they don't tell you if you

1 don't pay the \$143, there's going to be a strike
2 against you, you're considered delinquent, and if you
3 do that five times within a year, and that's what the
4 problem is, a deposit will be assessed to your account.

5 In this Cold Weather Rule, it says that no
6 deposit will be paid if an agreement is kept. When I'm
7 talking to your customer service people and they are
8 accepting \$300 from me and they have told me that \$300
9 is acceptable, then to me, that is an agreement and I
10 shouldn't be assessed a deposit.

11 We have people who keep seeing deposits on
12 their accounts that they didn't even know that a
13 deposit was put on their accounts. We have estimated
14 bills for \$800. Estimated bills, mind you. These are
15 estimated bills. I do not feel like estimated bills
16 should be on -- held against you during the Cold
17 Weather Rule, from October 31st to March the 31st. I
18 just don't feel like that should be acceptable.

19 So my big thing is the deposit and the
20 estimated bills. And I'll take any questions.

21 MS. DIPPELL: Thank you.

22 Commissioner Murray, do you have any
23 questions?

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

1 JUDGE DIPPELL: Mr. Gaw?

2 COMMISSIONER GAW: I want to thank you for
3 coming again tonight. I appreciate your comments. Is
4 there anything in particular from your last testimony
5 that would have changed tonight? Because you were
6 there, weren't you, at the hearing a few weeks ago?

7 MS. COGSHELL: Uh-huh.

8 COMMISSIONER GAW: Is there anything
9 that's changed tonight in regard to your testimony from
10 that occasion?

11 MS. COGSHELL: Yes. The thing that I
12 wanted to change was to make sure that the policies
13 during these winter months, which I heard were going up
14 to seventy cents. Before, we didn't have Katrina.
15 Before, I was just concerned about it going up \$4. Now
16 they're talking seventy percent. So my concern is the
17 way they're going to be billing it and charging people.
18 The estimated bills.

19 COMMISSIONER GAW: Thank you.

20 JUDGE DIPPELL: Commissioner Appling?

21 COMMISSIONER APPLING: No questions.

22 JUDGE DIPPELL: Mr. Chairman?

23 CHAIRMAN DAVIS: Ms. Cogshell, it's nice
24 to see you again. Let me just make sure I got all this
25 down. You don't agree with the increase. You've got a

1 big problem with the estimated bills. First let me ask
2 you, this Ms. Cogshell: Are you aware of incidences
3 where people get these estimated bills, and then all of
4 the sudden, they get handed a new bill saying, "Well,
5 we didn't collect enough?"

6 MS. COGSHELL: Yes, I do. We do have
7 people. I was one of those people. In March, after I
8 had paid my bill all for eleven months, they sent me a
9 bill for \$452 saying it was an actual reading. I
10 didn't let them in my home.

11 And another thing I wanted to know, I want
12 to go on the record, I think there needs to be an
13 investigation because I want to know where all this
14 deposit money is going because nobody, no way, pays a
15 bill when it's just revolving twelve months. You could
16 never pay the bill. You can never clean up your
17 record. It has to be from January to December. But
18 the way they've got it set up, you could never get your
19 money back. And I just want to know where that money
20 is going.

21 COMMISSIONER DAVIS: Let me ask you this,
22 Ms. Cogshell, on the deposit, can you briefly describe
23 how that works from the customer perspective? I mean,
24 do they just call you up and say, "You've got put up a
25 \$400 deposit this month?" or how does -- can you

1 describe that in your own words?

2 MS. COGSHELL: My deposit was \$475. They
3 can charge you, to my knowledge, they can take your
4 highest bill, and if somebody's bill was \$800, they can
5 split that \$800 up and do it, and they split it up in
6 three payments. So like in February, all of the
7 sudden, since my highest bill was 400 or 500-something
8 dollars, \$662 shows up on that bill. It just shows at
9 the bottom. It says: You have been assessed a deposit
10 because you have been late paying your payment five
11 times in the revolving twelve months.

12 COMMISSIONER DAVIS: And so three payments
13 is all those spread out?

14 MS. COGSHELL: Right. All those spread
15 out. Three payments. So my bill was already \$700, and
16 they added \$152, which took it up to like \$850, and
17 then the month of March, then they put the other one on
18 and it was almost back up to \$1,000, when I had got it
19 down to almost six or seven hundred dollars.

20 COMMISSIONER DAVIS: Ms. Cogshell, I don't
21 want to put words in your mouth. Is it fair to say
22 that the deposits only being broken up into three
23 payments as a maximum puts a hardship on a lot of
24 families?

25 MS. COGSHELL: A deposit that's assessed

1 to people's account unfairly, unethically, like it's
2 being done, is not fair. It shouldn't be put on there
3 at all because we have, we have, I have evidence from
4 customers who pay their bills on time whose bill was
5 \$36, was assessed a deposit.

6 COMMISSIONER DAVIS: Thank you, Ms.
7 Cogshell. Thank you for coming again. I appreciate
8 your testimony.

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

11 MR. DANDINO: Ms. Cogshell, on the bill,
12 does it indicate why they were making an estimated bill
13 or when you called to complain about the estimated
14 bill, did they explain why the bill was estimated?

15 MS. COGSHELL: Laclede Gas says that in
16 the month of August, they do everybody's an estimated
17 bill because they have people on vacation. But the
18 problem I have with that is we have people, ACORN
19 members, who send in cards which Laclede Gas does not
20 accept, even in the month of August. I don't
21 understand why they do that. But, no, they don't give
22 you a reason. They say they couldn't read your meter.
23 That's what they said. The meter wasn't working. But
24 we've had members who one month, the meter's working,
25 the next month the meter's not. But to get an

1 estimated bill without Laclede Gas coming out and
2 saying, or leaving a note saying, "We need to get into
3 your house to give you an actual reading," is
4 ridiculous.

5 MR. DANDINO: Also, what do you have to go
6 through to finally get an estimated bill made into an
7 actual reading and adjusted? Can you tell us about the
8 process?

9 MS. COGSHELL: Well, the process to get an
10 actual reading is that you simply have to call Laclede
11 Gas and have them come out so somebody could read the
12 meter.

13 MR. DANDINO: Is the meter inside or
14 outside or --

15 MS. COGSHELL: The meter is inside.

16 MR. DANDINO: Do you have to be home?

17 MS. COGSHELL: Well, they changed the
18 meters to read them outside. But they said it's going
19 to take two years to perfect all of them.

20 MR. DANDINO: Thank you.

21 JUDGE DIPPELL: Mr. Pendergast? Do you
22 have any questions?

23 MR. PENDERGAST: I appreciate your
24 testimony about estimated bills. Are you aware that
25 the company has plans to install automated meter-

1 reading devices that will completely eliminate
2 estimated bills?

3 MS. COGSHELL: Yeah. They told me that on
4 the phone.

5 MR. PENDERGAST: And would you be in favor
6 of the technology to have this exist?

7 MS. COGSHELL: No, I would not. Because
8 for the simple reason my furnace caught on fire, and it
9 was gas seeping into my furnace, and if it wouldn't
10 have been for the gas man coming in to check on my
11 furnace, we would have been in danger, so I'm not in
12 agreement with these automated readings.

13 MR. PENDERGAST: Okay. You dislike
14 estimated bills. You're not in favor of the technology
15 to eliminate estimated bills, and you would prefer to
16 have the company continue to require a person to be
17 home in order to gain access in order to get actual
18 readings. Is that what your testimony is?

19 MS. COGSHELL: My testimony is that if
20 Laclede Gas -- our postman, he delivers mail every day
21 to every customer ninety nine percent of the time, so
22 if you cannot get in my house to read my meter, leave a
23 note on the door and tell me that if you cannot get in
24 my building by such and such date, you will receive an
25 estimated bill.

1 MR. PENDERGAST: And you would prefer to
2 maintain that system?

3 MS. COGSHELL: Yes, I would.

4 MR. PENDERGAST: Okay. Thank you, Ms.
5 Cogshell.

6 JUDGE DIPPELL: Mr. Meyer?

7 MR. MEYER: Nothing. Thank you.

8 JUDGE DIPPELL: Thank you, Ms. Cogshell.

9 MS. LILLIAN MOORE,
10 of lawful age, being first duly sworn to tell the
11 truth, the whole truth, and nothing but the truth,
12 deposes and says on behalf of the Commission, as
13 follows:

14 JUDGE DIPPELL: Would you please state
15 your name and address?

16 THE REPORTER: I'm sorry. I can't hear
17 you.

18 JUDGE DIPPELL: I'm sorry, Ms. Moore.
19 Please adjust the microphone. We still can't hear.

20 MS. MOORE: I live at --

21 THE REPORTER: I still can't hear.

22 MS. MOORE: Lillian Moore. 3214 Franklin,
23 Apartment B.

24 JUDGE DIPPELL: Thank you. Are you a
25 Laclede Gas Company customer?

1 MS..MOORE: Yes, I am.

2 JUDGE DIPPELL: Please give us your
3 comments.

4 MS. MOORE: I had --

5 THE REPORTER: I'm sorry?

6 JUDGE DIPPELL: Please speak up. You're
7 going a little fast for the court reporter.

8 MS. MOORE: I have some comments about
9 Laclede Gas of my -- personal. It all started right
10 off the bat charging \$200 for use of gas and --

11 THE REPORTER: I'm sorry. I can't hear
12 you.

13 JUDGE DIPPELL: The court reporter can't
14 take it down. She can't quite hear you. You're going
15 a little fast.

16 THE REPORTER: I can't hear you. I'm
17 sorry, and a little bit louder, please?

18 MS. MOORE: And they tell me that my gas
19 bill is \$200 estimated in their office. I asked how
20 much was the bill, and she said it's was \$200. Then
21 when I asked her -- once I got the bill, I realized
22 that they had charged me \$200, and I wanted to know
23 why. It wasn't a deposit. They just told me it was an
24 actual reading. And for a total of three months or
25 something, but I don't believe that's true. I turn my

1 furnace air down very low, to 60 degrees, and I
2 practically froze, to death. And from August to --

3 THE REPORTER: I'm sorry. I still can't
4 hear you.

5 MS. MOORE: I said I believe they should
6 be investigated. They should be audited.

7 JUDGE DIPPELL: Thank you. Excuse me.
8 Excuse me. Can you -- I do want to see if you had a
9 chance to talk to any of our staff about your --

10 MS. MOORE: At the times I was getting an
11 estimated bill, on my house. They sent notices so I
12 could go to --

13 JUDGE DIPPELL: Excuse me.

14 MS. MOORE: A lot of times, too, I run
15 into somebody and they give money to me to pay for the
16 bills. And I pay my own bills --

17 JUDGE DIPPELL: Thank you for your
18 comments. Commissioner Murray --

19 MS. MOORE: -- especially the low income
20 families.

21 JUDGE DIPPELL: Thank you for your
22 comments. Commissioner Murray, did you have any
23 questions?

24 Can you wait just a moment while we see if
25 there are any additional questions for you, please?

1 COMMISSIONER MURRAY: No questions.

2 JUDGE DIPPELL: Mr. Gaw?

3 COMMISSIONER GAW: No. Thank you for
4 coming, ma'am.

5 MS. MOORE: Thank you.

6 JUDGE DIPPELL: Mr. Appling?

7 COMMISSIONER APPLING: No questions.

8 JUDGE DIPPELL: Mr. Chairman?

9 CHAIRMAN DAVIS: No. Thank you for
10 coming.

11 MS. JOAN GRAY,
12 of lawful age, being first duly sworn to tell the
13 truth, the whole truth, and nothing but the truth,
14 deposes and says on behalf of the Commission, as
15 follows:

16 JUDGE DIPPELL: Please state your name and
17 your address.

18 MS. GRAY: I'm Joan Gray. My address is
19 7120 Washington Avenue, St. Louis, Missouri 63130.

20 I thank you for returning to St. Louis to
21 hear the comments on this issue. And I thank you for
22 the postcards you sent out. Very thoughtful.

23 I want to urge the PSC to deny the gas
24 rate increase request. I think there's both short- and
25 long-term reasons to compel you to do so. In the

1 short-term, we should not be adding any burdens to
2 consumers at this time. I had questions and doubts
3 about this rate increase a month ago. And at the time,
4 I focused on the process that have gone awry. But all
5 my previous judgments pale over the realization that
6 Hurricane Katrina will cause even more significant
7 national gas price increases than forecast a few weeks
8 ago.

9 Although the pipelines in the Gulf of
10 Mexico apparently may now be in better shape than
11 feared originally, the refineries have been damaged and
12 that will also affect the prices. The Gulf accounts
13 for about one-quarter of the nation's oil and natural
14 gas production. And according to the Federal
15 government's information, and based on a medium
16 recovery scenario, stock prices of natural gas will
17 rise 37 to 50 percent, depending on the severity of the
18 winter. I've heard a couple times estimates of above
19 70 percent, which makes it far more burdensome. So why
20 would the PSC want to add insult to the injury that is
21 surely coming to consumers this winter?

22 Katrina has caused a national emergency
23 with national impact and national obligations.
24 Everyone is being urged to unify and do what is best
25 for the country. Why not Laclede, as well? The

1 corporate executives and the shareholders should do
2 their part. Taking lower bonuses and dividends, and
3 not raising rates will contribute to the common good.

4 Laclede should not proceed with this rate
5 increase when it knows the consumer is going to be
6 facing huge gas bills this winter. The increase of
7 natural gas would pass directly to the consumer not in
8 the distant future, it's not way out there. It's in
9 the very coming months as the weather gets cold.

10 And I know that I have trouble with that
11 whole process, as well. Because the company is allowed
12 to just pass through the cost to the consumer, and I
13 know that's been the case for years, I still wonder
14 what incentive the company has to make sure to get the
15 best deal for when it purchases gas because knowing
16 it's not going to pay the cost. It will be the
17 consumer.

18 Now, concerning the long term. I know of
19 no natural gas policy in Missouri. Natural gas
20 production in the United States peaked in the 1970s.
21 After new improved technology, domestic production
22 seemed to have settled into a steady decline. Today,
23 according to the American Petroleum Institute, we
24 produce 83% of the natural gas we consume. The rest
25 comes from Canada. The cost of natural gas is only

1 going to go up.

2 The PSC has choices. It can continue to
3 let companies like Laclede take big risks and raises,
4 big bonuses, or the PSC could do the following: First,
5 hold discretionary rate increases such as this to a
6 minimum or nonexistent. Or require the companies to
7 inform the PSC about any projected cost savings
8 affecting those rates, and take those cost savings into
9 account to determine the rate, either at the time or in
10 the future retrospectively.

11 Second, tie all discretionary rate
12 increases to conservation and efficiency plans by the
13 utilities. We need to hold the prices and consumption
14 to a minimum until we get a clear picture of national
15 gas supply and where it comes from.

16 Third, PSC should require the company to
17 get the best deal on the cost of gas. The costs are
18 passed directly to the consumer. How do we know that
19 the buyer, if the company's buyer, is getting the best
20 cost and not just the easiest deal so he can get to the
21 golf course earlier, or worse yet, that he isn't making
22 a deal on the golf course with his buddy who sells gas?
23 If the company can't document his getting the best
24 deal, don't let the cost be passed on to consumers.

25 And, fourth, the PSC should set up a task

1 force to study natural gas supply and affordability and
2 to work with consumers on a strategy for supply in the
3 future. The State's energy challenge is to demand a
4 PSC that will look to the future with an eye to the
5 common good. Thank you very much.

6 JUDGE DIPPELL: Thank you, Senator. Ms.
7 Murray, do you have any questions for the senator?

8 COMMISSIONER MURRAY: Just one or two.
9 Good evening, Senator Gray. You testified at one of
10 the public hearings, I believe before, and at that
11 time, there was not a stipulation and agreement. Now
12 that we have a stipulation and agreement, are there any
13 portions of that that you like?

14 MS. GRAY: Well, I do like -- well, I
15 don't have it right in front of me, but I know there
16 are parts that take -- do more for more for me. The
17 weatherization and a couple of -- some of other the
18 programs that directly work with consumers who can't
19 pay their bills on, you know, the future ones, not all
20 at once and, you know, and there's one -- I wish I had
21 it right in front of me. There's one part where the,
22 the community is actually going to get involved in the
23 programs and --

24 THE REPORTER: I'm sorry. I can't hear
25 you.

1 MS. GRAY: Let's see. Yeah, the low, I
2 think, based upon the -- for the low income average.
3 The payment program part, you know, and then I think
4 the low income average, and then that part -- the
5 business -- yeah, you know, I think there's some
6 positive things in there, yes.

7 COMMISSIONER MURRAY: Do you think it was
8 positive that the percentage of increase by agreement
9 is limited to 1%?

10 MS. GRAY: That's better than higher,
11 sure. Yeah. I just, I just -- these discretionary
12 increases bother me because they're going to get non-
13 discretionary increases in a huge volume this year.
14 That's going to be a problem.

15 COMMISSIONER MURRAY: Do you agree that
16 it's important in terms of the rate payers and the
17 citizens of the State that we allow our utilities to
18 earn enough money that they can stay healthy as a
19 company in order to provide safe and --

20 MS. GRAY: Oh, I do believe that's
21 important. We have very, very healthy, well-run
22 utilities, especially on the eastern side of the state.
23 I do think that could work, absolutely. But my fear is
24 of the things you've done that, that the, that the
25 balance of -- is we're getting out of off balance when

1 consumers are suffering.

2 COMMISSIONER MURRAY: Well, we've heard a
3 lot of them. We've been here today for the other
4 public hearing this afternoon. And we've heard a lot
5 of people tell us a lot of different problems they're
6 having with that the increases that are going on, and
7 we have no doubt that people are having a difficult
8 time, particularly low income people. But when costs
9 for everything go up, how do you single out the
10 utilities and say, "Your utilities can never increase
11 because you're having a problem over here with paying
12 your medical bills or something else." Do we have to
13 balance everything?

14 MS. GRAY: Well, I think that's true, and
15 I know that I don't think -- and I know I don't -- I'm
16 saying right now, it's difficult. And, also, we know
17 of the cost savings apparently with the, and the
18 company is planning to lay off a bunch of folks, and
19 there's going to be some huge cost savings to the, you
20 know, personnel is a huge part of any business. And
21 yet, you I -- I'm not -- I have not been assured -- I'm
22 not sure if that's actually a cost savings, and our
23 standing is that in the future, the future cost savings
24 when there's a raise or rates change, that those cost
25 savings go right to the consumer to be considered, and

1 so that's my concern. I mean, I just think right now
2 is not the time to be hitting people even harder.

3 COMMISSIONER MURRAY: I would just like to
4 assure you that at the Public Service Commission, we do
5 take our obligations very seriously and we consider all
6 those factors, the cost savings and the cost increases.
7 And we take our obligations to balance very seriously.
8 So I appreciate your comments. Thank you.

9 JUDGE DIPPELL: Mr. Gaw, do you have any
10 questions?

11 COMMISSIONER GAW: Thanks for coming,
12 Senator Gray. I won't take much time. You mentioned
13 that one of the things that you thought would be
14 important is for us to look and see whether or not the
15 company was getting the best deal on the gas that they
16 were purchasing.

17 MS. GRAY: Uh-huh. I'm not sure there is
18 someone to do that.

19 COMMISSIONER GAW: So is it -- would you
20 be in favor of the Commission doing an investigation of
21 the purchasing practices of the gas companies like
22 Laclede with regard to whether or not they have been
23 prudent in planning for this winter and how they
24 purchase their gas, and perhaps how some are doing in
25 comparison to others?

1 MS. GRAY: I would be interested in that.
2 I was actually just down at the utility today, on a
3 different topic, but, but just a P.S., they informed me
4 about, of how they had bought, where they had bought
5 their gas for, and they were feeling good about --

6 THE REPORTER: I'm sorry. I can't hear
7 you.

8 MS. GRAY: I asked for and what percentage
9 of the cost, and they were feeling good about -- and it
10 was a much lower figure than that. She said mine was
11 cheaper than anybody else's. I -- well, and so, I
12 mean, I absolutely think it would be very interesting
13 to look at all the companies that provide gas and see
14 how they compare in their purchasing.

15 COMMISSIONER GAW: You're aware that how
16 the practice is today with the proportionate number
17 that is closing on gas purchases, that there is an
18 after-the-fact review by the Commission of those
19 purchases?

20 MS. GRAY: I am aware that.

21 COMMISSIONER: Of course, that's actually
22 the gas that's been paid for.

23 MS. GRAY: Well, that's not the same.

24 COMMISSIONER GAW: So coming into a
25 blizzard, especially as difficult as this one, looks to

1 be, you would you would be in favor of going ahead and
2 trying to make some determination about how much
3 companies have done on their practice of purchasing gas
4 for the winter ahead of time?

5 MS. GRAY: I think that would be very
6 interesting to know. And that gets into my second
7 point about long-term gas, a natural gas policy. And
8 if you took, you know, maybe really having uncovered,
9 or, you know, models of the very best price or
10 whatever. I think that would be an advantage.

11 COMMISSIONER GAW: Okay. Thank you very
12 much, Senator Gray. I appreciate you being here.

13 MS. GRAY: Sure. Glad to be here, as
14 well.

15 JUDGE DIPPELL: Commissioner Appling?

16 COMMISSIONER APPLING: How are you, doing,
17 Senator?

18 MS. GRAY: I'm doing fine, Mr. Appling.
19 How are you?

20 COMMISSIONER APPLING: Good to see you. In
21 your district, do you have a feel for the number of
22 households that have natural gas or other services?
23 1,000? 2,000? 3,000? Do you have a feel for that?

24 MS. GRAY: Well, I would think my entire
25 district, they've got, they got gas in their houses. I

1 represent 167,000 people, so --

2 COMMISSIONER APPLING: My question is, if
3 I understand you right, you said you would recommend to
4 this Commission that we deny rate increases?

5 MS. GRAY: Right. Not at this time,
6 knowing that the customers are going to get rate
7 increases real soon, anyway. I know it's a different
8 reason, but it's going, it's going to affect even more
9 consumers.

10 COMMISSIONER APPLING: Okay. We all find
11 ourselves in tough spots sometimes.

12 MS. GRAY: We do. Absolutely. We do.
13 Absolutely.

14 COMMISSIONER APPLING: Senator, thank you.

15 JUDGE DIPPELL: Mr. Chairman?

16 CHAIRMAN DAVIS: Yes. Senator Gray, when
17 Laclede Gas comes in to make a presentation to this
18 Commission on their gas purchasing practices, you want
19 that information?

20 MS. GRAY: Sure.

21 CHAIRMAN DAVIS: And unfortunately, we've
22 already had Ameren in --

23 MS. GRAY: Okay.

24 CHAIRMAN DAVIS: -- but we may have them
25 back again. Would you like the information from

1 Ameren, as well?

2 MS. GRAY: Oh, that would be great. I --

3 THE REPORTER: I'm sorry?

4 CHAIRMAN DAVIS: Are you familiar with the
5 term, dollar cost averaging?

6 MS. GRAY: I've heard, I've heard --

7 CHAIRMAN DAVIS: It's an investment term.

8 MS. GRAY: Okay. Yeah. Yeah. Uh-huh.
9 Yeah, I've heard it. I couldn't define it for you.

10 CHAIRMAN DAVIS: But generally, you're
11 aware of what the concept is, where, you know, for
12 instance, if you're purchasing sod or something like
13 that, that you would purchase it, you know, once a
14 month, twice a month, every month, you know, twelve
15 months, a year?

16 MS. GRAY: Uh-huh.

17 CHAIRMAN DAVIS: And if you knew that,
18 let's say Ameren was basically purchasing their gas
19 over a six-year period using some sort of dollar cost
20 averaging, would that make you feel better about their
21 gas purchasing?

22 MS. GRAY. Right. Uh-huh. I would feel a
23 little bit better I about that, yes.

24 CHAIRMAN DAVIS: Thank you.

25 JUDGE DIPPELL: Mr. Dandino, do you have

1 any questions?

2 MR. DANDINO: Not a question. Just a
3 comment. Senator, I want to follow-up on your desire
4 to for an investigation. Public counsel filed, I
5 believe it was last week or the week before, a motion
6 asking permission to open up such an investigation.

7 MS. GRAY: Oh, no, I didn't know that.

8 MR. DANDINO: The Commission approved it,
9 I believe, on Thursday.

10 MS. GRAY. Oh, good. Excellent. That's
11 completely fine.

12 JUDGE DIPPELL: Mr. Pendergast?

13 MR. PENDERGAST: Good evening, Senator.
14 How are you?

15 MS. GRAY: I'm just fine. How are you?

16 MR. PENDERGAST: Pretty good. I don't
17 know if you've had an opportunity to read all the
18 aspects of your --

19 THE REPORTER: I'm sorry. I can't hear
20 you.

21 JUDGE DIPPELL: Please step up to the mic.

22 MR. PENDERGAST: If you've had an
23 opportunity to read all of the aspects of the
24 settlements by both parties?

25 MS. GRAY: I have a chart of it. I have

1 looked through it. I can't remember it all, the tiny
2 print that. I just got my cheat sheet here.

3 MR. PENDERGAST: I have the same thing
4 myself. If you were told that it doesn't have an
5 incentive mechanism you expressed concern about --

6 MS. GRAY: Uh-huh. Uh-huh. Uh-huh.

7 MR. PENDERGAST: You said that the some of
8 those proposed the continuation of modification --

9 THE REPORTER: Excuse me? Excuse me? I
10 can't hear you.

11 MR. GRAY: Uh-huh. Uh-huh.

12 MR. PENDERGAST -- would that be a
13 favorable?

14 MS. GRAY: I -- from --

15 THE REPORTER: I can't hear you.

16 MS. GRAY: Would that -- I -- is that --
17 favorable aspect -- business --

18 MR. PENDERGAST: And from the standpoint
19 of the cost and high prices and other measures as a
20 result of Katrina, of course, we've got --

21 MS. GRAY: Even before that, the prices
22 have gone up.

23 MR. PENDERGAST: You think the most
24 important consideration is to make sure that utilities
25 are financially healthy enough. We can all disagree on

1 what constitutes what and what doesn't, but to have the
2 funds necessary to spend hundreds of millions of
3 dollars it takes to pay the Exxons, the BP Amoco's,
4 Conarcos, so that we make sure we have it, so that we
5 have the gas --

6 MS. GRAY: Uh-huh. Sure.

7 MR. PENDERGAST: -- so that customers --

8 MS. GRAY: Uh-huh.

9 MR. PENDERGAST: Do you believe that is
10 the most important consideration?

11 MS. GRAY: Right. I mean, yeah, if you,
12 if you, if you are a gas company providing people's gas
13 having trouble paying the gas bill, it is your
14 responsibility, absolutely, and, and, and it's also the
15 company's responsibility to the public to get at the
16 best deal. You know, you know, you don't, you don't
17 have to suffer the risks of those up-and-down prices
18 because you can pass it right through, and I'm just,
19 I'm just, I'm not sure that you aren't, I want to make
20 sure, you know, that your purchasing person, you know,
21 is not paying the bill --

22 MR. PENDERGAST: Sure. I understand.

23 Okay. Thank you.

24 JUDGE DIPPELL: Mr. Meyer, do you have any
25 questions?

1 MR. MEYER: No questions.

2 JUDGE DIPPELL: Thank you, Senator.

3 MS. GRAY: Thank you.

4 JUDGE DIPPELL: Mr. or Mrs. Bullard? Both
5 of you. Oh, okay. That's fine.

6 MR. GIRARD BULLARD,
7 of lawful age, being first duly sworn to tell the
8 truth, the whole truth, and nothing but the truth,
9 deposes and says on behalf of the Commission, as
10 follows:

11 JUDGE DIPPELL: Can I get you two to speak
12 one at a time so that the court reporter can take down
13 the testimony? Speak into the microphone a little
14 more? We're having trouble hearing you here on the
15 stage. I believe the microphones were really made to
16 go out this way.

17 Could you state your name and address,
18 please?

19 MR. BULLARD: I'm Girard Bullard. We live
20 on 1434 Central here in --

21 JUDGE DIPPELL: Could you spell your last
22 name?

23 MR. BULLARD: B-U-L-L-A-R-D.

24 THE REPORTER: I'm sorry. Could you speak
25 up?

1 JUDGE DIPPELL: Thank you. Go ahead with
2 your comments.

3 MR. BULLARD: We got our gas cut off this
4 past summer. We've been paying the bills all along,
5 and they just all the sudden turn it off one day.
6 There was no warning or nothing. They claim they did,
7 but we didn't actually get the warning until after they
8 cut it off. But we just paid the money to turn it back
9 on and then we got this slip, and it cost us almost
10 \$400 to turn it back on. And I'm just upset that they
11 didn't give us some kind of warning.

12 And then another subject, gas increased.
13 What was our last bill? It was supposed to go up \$14
14 or something on a little slip there. \$4? Okay. It
15 seems like it goes up every year, especially during the
16 wintertime. I just can't afford to pay it.

17 JUDGE DIPPELL: I'll have to refer you to
18 our staff to provide a possible solution if you have a
19 chance to talk to them about a particular problem. I'd
20 like you to talk to a member of our staff before you
21 leave tonight just to see if you might have a
22 particular complaint.

23 MR. BULLARD: We don't really have a big
24 choice of gas or electric, because our neighborhood is
25 gas, you know. If we wanted to have it all switched

1 over, we'd have to pay an enormous amount. So we don't
2 really have a choice of gas or electric.

3 JUDGE DIPPELL: Commissioner Murray, do
4 you have any questions?

5 COMMISSIONER MURRAY: No questions.

6 JUDGE DIPPELL: Commissioner Gaw, do you
7 have any questions?

8 COMMISSIONER GAW: No questions.

9 JUDGE DIPPELL: Commissioner Appling, do
10 you have any questions?

11 COMMISSIONER APPLING: No questions.

12 Thank you.

13 JUDGE DIPPELL: Chairman, do you have any
14 questions?

15 CHAIRMAN DAVIS: No questions.

16 JUDGE DIPPELL: Mr. Dandino?

17 MR. DANDINO: No questions.

18 JUDGE DIPPELL: Mr. Pendergast?

19 MR. PENDERGAST: No questions.

20 JUDGE DIPPELL: Mr. Meyer?

21 MR. MEYER: No questions.

22 MS. KAREN BULLARD,
23 of lawful age, being first duly sworn to tell the
24 truth, the whole truth, and nothing but the truth,
25 deposes and says on behalf of the Commission, as

1 follows:

2 JUDGE DIPPELL: Please talk into the
3 microphone. I'm having a hard time hearing you. Could
4 you state your name?

5 MS. BULLARD: Okay. Karen Bullard.

6 JUDGE DIPPELL: And do you live at the
7 same address?

8 MS. BULLARD: The same address. We're
9 husband and wife. We just came home and it was shut
10 off for no reason. It was shut off on our porch, you
11 know. And I said, I told my husband we're doing pretty
12 good at paying our bill every month, and we never got a
13 notice, you know --

14 THE REPORTER: Excuse me. Can you speak a
15 little louder? I can't hear you. Please speak up.

16 MS. BULLARD: I mean, you know, we pay our
17 bills pretty good every month. You know, steady. We
18 get paid and we just, we just wait until we get paid
19 and we pay it, you know. And we did call Laclede Gas,
20 you know, about sometimes we need to pay a certain day,
21 you know, when it takes about five or six days until we
22 get paid. You know what I mean? Just like we we're
23 doing. Like it's due on the 22nd, and we call and say,
24 "We'll pay it the 27th when I get paid," and they said
25 okay. You know, that's what they do, you know. We pay

1 our bills.

2 I was very, very angry with what happened,
3 when they shut off our gas. You know, we didn't have
4 any hot water, you know, dishwashing, take a bath, you
5 know. And couldn't use my gas stove, you know, for
6 cooking. It's awful, you know.

7 JUDGE DIPPELL: I appreciate your time,
8 Ms. Bullard. If you could talk to one of our staff
9 before you leave here tonight.

10 MS. BULLARD: Okay.

11 MR. BULLARD: I was just going to say
12 that, like my wife talked about earlier, where you can
13 pay a certain percentage of the gas bill, and well, it
14 doesn't really cover your whole bill. The reason they
15 gave us for turning our gas off is because they said we
16 were behind, but we've been paying our bills all along.

17 JUDGE DIPPELL: Thank you. Commissioner
18 Murray, do you have any questions?

19 COMMISSIONER MURRAY: No questions. Thank
20 you.

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

23 COMMISSIONER GAW: No questions. Thank
24 you both for coming.

25 JUDGE DIPPELL: Commissioner Appling, do

1 you have any questions?

2 COMMISSIONER APPLING: No questions.

3 Thank you.

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

6 CHAIRMAN DAVIS: Let me just ask one
7 question. If Laclede was required to give 30 days'
8 notice, would that be better for you? You think that
9 would better service the people?

10 MR. BULLARD: Yes, it would.

11 JUDGE DIPPELL: Mr. Dandino?

12 MR. DANDINO: No questions. You might
13 want to now go over there and talk to the PSC people.
14 Maybe go over and sit there.

15 JUDGE DIPPELL: Mr. Pendergast?

16 MR. PENDERGAST: Yes.

17 JUDGE DIPPELL: Mr. Bullard, before you
18 leave, Mr. Pendergast would like to ask some questions.

19 MR. PENDERGAST: Mr. Bullard, just one
20 question. I just want to let you know that if you have
21 had problems with this in the past, we'll go ahead and
22 fix it. We take our obligation to give our customers
23 notice of service suspension very seriously. If a
24 mistake occurred in this case, then I apologize. If it
25 wasn't, then we want to do what we can to avoid a

1 situation like this in the future.

2 JUDGE DIPPELL: Mr. Meyer?

3 MR. MEYER: No questions.

4 REVERAND EARL NANCE, JR.,

5 of lawful age, being first duly sworn to tell the
6 truth, the whole truth, and nothing but the truth,
7 deposes and says on behalf of the Commission, as
8 follows:

9 JUDGE DIPPELL: Please state your name?

10 MR. NANCE: Reverend Earl Nance, Jr. 4146
11 West Pine Boulevard.

12 MS. DIPPELL: Please make your comments.

13 MR. NANCE: Earlier today at the JC Penney
14 Center, University of St. Louis, I was informed that
15 one of my members of our Baptist Church spoke. Dr.
16 James Knight is a surgeon who deals with the elderly
17 and disabled, so he clearly is qualified to discuss the
18 negative health impacts and how of going without heat
19 in the winter months can be deadly.

20 I'm the pastor of the Northside Church,
21 and many of our parishioners are already having trouble
22 paying the already high gas bills. It seems that many
23 may be making a choice between heat and eating and
24 paying their prescriptions bills. These seniors are
25 disabled and we have some working class and working

1 poor parishioners.

2 Times are tough. It's a tough time,
3 ladies and gentlemen. Laclede and others should pass
4 any savings onto the individual rate payers. They've
5 had some lean years, I'm sure. But they've also had
6 great years. The natural gas shortage caused from the
7 aftermath from the hurricane in the Gulf may give them
8 and others a bump in their pockets, but they're talking
9 about a 6 or 7% increase.

10 The Public Service Commission can't
11 regulate natural gas prices from the pipelines, but
12 they can regulate their operating expenses. They can
13 throw about 5 or 10 million dollars more of their
14 profits this winter to help the needy, and hold off on
15 their operating expenses increases. Everyone is belt-
16 tightening these days. Laclede Gas management should
17 be no different. We're heading for a tough winter. I
18 certainly believe that. I pray that the folks at
19 Laclede will do the right thing and hold off.

20 \$12 or \$14 or thereabouts a year increase
21 might not be a lot of money to our commissioners and
22 some, but if you compound other uncontrollable
23 expenses, it's going to be a tough winter for everyone,
24 including me and my family. But I want you just to
25 think about our the poor, the unemployed, the elderly,

1 and the disabled. These are tough times. I'm asking
2 that you hold off any operating increases. And I would
3 like to thank you for giving me this opportunity.

4 JUDGE DIPPELL: Thank you. Commissioner
5 Murray, do you have any questions?

6 COMMISSIONER MURRAY: No questions.

7 JUDGE DIPPELL: Commissioner Gaw, do you
8 have any questions?

9 COMMISSIONER GAW: Good evening, Reverend
10 Nance.

11 MR. NANCE: Good evening, Commissioner
12 Gaw. Nice to see you.

13 COMMISSIONER GAW: Good to see you, too.
14 First of all, let me thank you for coming.

15 MR. NANCE: Sure.

16 COMMISSIONER GAW: Give me an idea of
17 about how many parishioners you have in your church?

18 MR. NANCE: I have about 1,200.

19 COMMISSIONER GAW: 1,200. And you see
20 them at least once a week? Sometimes more often?

21 MR. NANCE: Oh, sure, during the week, at
22 least once a week.

23 COMMISSIONER GAW: Give me an idea about
24 what kind of impact the price of gas and losses of
25 Medicaid and any other things that might be going up,

1 like the cost of living increase that might impact
2 people that you know of in the church. Would you
3 explain that?

4 MR. NANCE: Sure. Well, the seniors. In
5 my church, we have a lot seniors. And many of them
6 have trouble choosing between food and prescription
7 bills and paying for the heat bill. Because of that,
8 they're already behind in making payments and are
9 having a hard time catching up. Then you put a rate
10 increase on top of that, it makes it hard. They come
11 to us for help and we do as much as we can. We are
12 also encouraging them to apply for other help to give
13 them some relief. The steady increases are really
14 something that keeps them on a treadmill to make other
15 life decisions and to live.

16 COMMISSIONER GAW: So at times, does that
17 have an adverse effect on their health and well-being?

18 MR. NANCE: Well, absolutely. Absolutely.
19 There are many who will turn their heat off, try to
20 heat with space heaters or use the BBQ. Of course,
21 that could lead to some fatality, as well.

22 COMMISSIONER GAW: Your church, I assume
23 is involved in trying to help some people who are
24 having difficulties?

25 MR. NANCE: Absolutely. We are doing as

1 much as we can to give many parishioners help and to
2 give them some assistance.

3 COMMISSIONER GAW: And you've done that
4 for several years, right?

5 MR. NANCE: Several years, yes.

6 COMMISSIONER GAW: Have you noticed any
7 kind of trend in regard to need for assistance in
8 getting through some of these winter months?

9 MR. NANCE: The trend I notice more is
10 that they all need assistance because of losing their
11 jobs. That many people who have helped us help other
12 people now need help themselves.

13 COMMISSIONER GAW: The donations that are
14 apparently going south, is there any consequence to
15 that assistance going south that may in some way impact
16 the amount of money that is available those needing
17 help through this winter?

18 MR. NANCE: It could be. I mean, we've
19 asked our people to give as much as we can to, you
20 know, give to those who have been affected by Hurricane
21 Katrina in the south and those to come here. But
22 people give as much as they can. They understand the
23 possibility that it could be them next time.

24 COMMISSIONER GAW: You also see other
25 ministries in the area and visit with them on a regular

1 basis, don't you?

2 MR. NANCE: Yes, I sure do.

3 COMMISSIONER GAW: Would you say that your
4 experience is much different than theirs in regard to
5 seeing the need that may be out there right now for
6 some individuals who are struggling to pay the bills?

7 MR. NANCE: We talk all the time and we go
8 over the same things. It's the same story with each of
9 us. We try to help each other.

10 COMMISSIONER GAW: And I understand if I
11 heard you correctly, that you are particularly
12 concerned about this winter?

13 MR. NANCE: Yes, I am. With the rate
14 increase, it's going to be hard to keep up.

15 COMMISSIONER GAW: Well, Reverend Nance,
16 thank you very much. It's always good to see you.

17 MR. NANCE: Thank you, sir. Good to see
18 you, too.

19 JUDGE DIPPELL: Commissioner Appling, do
20 you have any questions?

21 COMMISSIONER APPLING: I don't have any
22 questions of you, Reverend Nance, but hopefully, within
23 the next couple weeks, I'll be sending you a letter. I
24 hope that you will ally myself and my friend, Ms.
25 Hutchison, to come see you and talk to you.

1 MR. NANCE: I'm looking forward to that.

2 MR. APPLING: And I'd like to give you an
3 invitation to come and see me.

4 MR. NANCE: I sure will. I sure
5 appreciate that. Thank you.

6 COMMISSIONER APPLING: Thank you very
7 much. It was good to see you.

8 JUDGE DIPPELL: Chairman, do you have any
9 questions?

10 CHAIRMAN DAVIS: I have just one.
11 Reverend Nance, this Commission, and I think at times,
12 state government in general, has been criticized for
13 not reaching out to African-Americans in the north city
14 or wherever. What can we do specifically to try to
15 reach out more to people?

16 MR. NANCE: Well, the fact that you came
17 and talked to us, many of us, at the meeting so that we
18 understand what you're going through, the entire
19 situation. I think that helps us communicate to
20 brothers and sisters what's needed and what the problem
21 is. We talk to members every day and they've asked us
22 to be the people that you talk to.

23 CHAIRMAN DAVIS: Thank you for your
24 testimony, sir.

25 JUDGE DIPPELL: Mr. Dandino?

1 MR. DANDINO: No questions.

2 JUDGE DIPPELL: Mr. Pendergast?

3 MR. PENDERGAST: No questions.

4 JUDGE DIPPELL: Mr. Meyer?

5 MR. MEYER: No questions.

6 JUDGE DIPPELL: Thank you, Reverend Nance.

7 MS. JACKIE HUTCHISON,

8 of lawful age, being first duly sworn to tell the
9 truth, the whole truth, and nothing but the truth,
10 deposes and says on behalf of the Commission, as
11 follows:

12 JUDGE DIPPELL: Please state your name and
13 address.

14 MS. HUTCHISON: My name is Jackie
15 Hutchison. My address is 6921 Edsel. That's
16 University City.

17 JUDGE DIPPELL: Are you a Laclede Gas
18 customer?

19 MS. HUTCHISON: I am.

20 JUDGE DIPPELL: Please go ahead and give
21 us your comments.

22 MS. HUTCHISON: I'm sorry?

23 JUDGE DIPPELL: You want to give us your
24 comments?

25 MS. HUTCHISON: Okay. I'd like to start

1 out by saying that I, I am very concerned about the
2 increase in the rates this winter. However, I fully
3 support the Office of the Public Counsel, the
4 Commission and the utility companies in reaching a
5 settlement agreement that will minimize the impact on
6 all customers.

7 That being said, I'd like to talk about
8 impact of any rate increase on particularly the low
9 income and other rate payers that are struggling to
10 figure out a way to pay the bills. Last year, the
11 Human Development Corporation served over 15,000
12 households through the low income assistance program.
13 But that was a 15% increase over previous winters. We
14 also served over 3,000 households with other crises
15 assistance. The average household income of the people
16 we served was about \$665 per month. That is well below
17 the poverty guidelines for a family of three, which is
18 about \$995.

19 I'm concerned because in the 2001 winter,
20 we had rate increases. At one time, we had the highest
21 increase, increases anywhere from 100% to higher than
22 100%. So I am concerned about the impact that any
23 increase will have. Again, in 2001, we saw families
24 paying anywhere from 26 to 50% of their monthly income.
25 In some cases, they had bills that exceeded their

1 monthly income.

2 The impact of that, instead of paying
3 their bill, a family could possibly buy warm clothes
4 for their kids to go to school. We've seeing families
5 who lose their housing and have to move from place to
6 place because of the utility bills. So any increase in
7 utility bills has a greater burden on low income
8 people.

9 I do support the low income program that's
10 proposed; however, I think that it is inadequate. It
11 will serve 1,200 to 1,500 households, and we have
12 approximately 32,000 households in the city of St.
13 Louis who are living under the poverty guideline. I
14 would like to see a more comprehensive education
15 program included for all the customers.

16 There are some other design flaws that I
17 see in the program, but I hope you can, we can work
18 through them, but I am, I'm excited. This is the first
19 time we have ever proposed putting on a program. This
20 is first time we've had in the St. Louis area a program
21 proposed that would assist families in the handling of
22 the bills on the gas. And, you know, the long term,
23 keeping the service on long term. This is the first
24 time, and it's not going to serve a lot, but I think
25 that it is the first step.

1 I would like the program to lead to some
2 more comprehensive rate structure so that all low
3 income people would be protected, and we can
4 distinguish between people who can't pay and people who
5 don't pay, and that there is a provision in the rates
6 to take care of low income people, the elderly
7 particularly. About 25% to 30% of the people who were
8 served last year were either elderly or disabled. And
9 I'm very concerned that if the rates double, they will
10 have a health and safety impact on the St. Louis
11 population.

12 Although you did make some adjustments to
13 the Cold Weather Rule, too, I have these concerns: I
14 think that the Cold Weather Rule is not effective when
15 the rates are much higher than a family's ability to
16 pay. I think that they are most likely going to fail,
17 and then they're punished the next year by having to
18 pay a greater portion of the bill. So and so, you
19 know, if there's any way you can go back and take a
20 look at some punitive things that we have in the rates
21 and the Cold Weather Rule that would give some relief
22 to families that are going through the winter with
23 service off, I would think that would be most helpful.

24 Again, I'd like to state that I'm pleased
25 that if there has to be a rate increase, that there has

1 been a settlement agreement that minimizes the effect
2 of that rate increase. And I support, also, the Public
3 Counsel's representation to keep that in line.

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

6 COMMISSIONER MURRAY: No questions. Thank
7 you.

8 JUDGE DIPPELL: Commissioner Gaw, do you
9 have any questions?

10 COMMISSIONER GAW: Thank you for coming
11 tonight. I just have a couple of things. In regard to
12 the Cold Weather Rule, do you think there are ways that
13 we could, on an emergency basis, get to some changes in
14 the Cold Weather Rule that would be beneficial in helping
15 for this winter season?

16 MS. HUTCHISON: Well, I think that we
17 could. I don't have the numbers yet on how many people
18 are going into the winter with disconnected service,
19 and I'm expecting to get that information shortly. Of
20 the people who are, 80% of folks who are in default,
21 previous agreement has caused not only a great burden
22 on families who have service off, but it causes a great
23 problem for our agencies that are trying to process
24 applications. It causes more people to need to speak
25 to our customers who need to get their service restored

1 initially. In addition, it eats the funds faster. And
2 so we're going to be going into the winter where we
3 still have a financial burden.

4 COMMISSIONER GAW: Okay. And in regard to
5 funding, what does it look right now?

6 MS. HUTCHISON: Right now, it's looking
7 like maybe somewhere around \$2 billion, which would
8 equate to just a little bit less than we were seeking
9 last year. That determination hasn't been made,
10 however, and in light of other things in the past, the
11 gas prices going up and Katrina and all that, that it
12 could get to be a little higher. I just don't know
13 where it's going to be. I can say that we are
14 expecting some 15%, at least, increase in people who
15 are seeking assistance.

16 COMMISSIONER GAW: Is the number that
17 you're giving us in regard to your expectations of the
18 increase of individuals derived from the current gas
19 price predictions for this winter, or is it based upon
20 something that was done earlier?

21 MS. HUTCHISON: It was actually derived
22 for the current gas price prediction, so I believe this
23 could be a lot higher. What happens when gas prices do
24 increase, like we saw in 2001, people who are the
25 working poor or who are on fixed incomes or that are

1 maybe a little bit higher than our guidelines, get in
2 trouble because they don't have the resources where
3 they've been paying \$100 a month and then it doubled to
4 \$200 a month. So we get a lot of people who don't
5 normally apply for assistance who are struggling very
6 much. And in, you know, 2001, I think our
7 complications increased about 25%.

8 COMMISSIONER GAW: 2001 was the year that
9 there was a spike in gas prices?

10 MS. HUTCHISON: Yes.

11 COMMISSIONER GAW: And then predictions
12 were supported this year, increases on the gas prices
13 themselves were much higher than in 2001? Would that
14 be accurate?

15 MS. HUTCHISON: Yes.

16 COMMISSIONER GAW: Okay. We could talk
17 all night, I could talk to you all night, but I'm done
18 for now. Thank you.

19 JUDGE DIPPELL: Commissioner Appling, do
20 you have any questions?

21 COMMISSIONER APPLING: I hope you don't
22 mind me volunteering you a few minutes ago to meet with
23 Dr. Nance and I?

24 MS. HUTCHISON: No, I don't.

25 COMMISSIONER APPLING: Okay. So I will be

1 talking to you very soon about that.

2 You mentioned in your comments a few
3 minutes ago about a more comprehensive education
4 program. Could you expand on that just for a second?
5 Knowing there are a lot of people waiting to testify
6 here tonight, what's your comment on it again?

7 MS. HUTCHISON: Yes. I think that an
8 education program that uses the media and gives all
9 consumers tips on how to conserve energy, things that
10 they can do to conserve energy, will be helpful to all
11 rate payers. Everyone is going to be impacted on
12 higher rates. And so in addition to telling us that
13 the bill is going higher, tell us what we can do to
14 prevent that. In addition, it helps the environment.

15 I think we have not done a comprehensive
16 job with reaching families with good information on how
17 to reduce their usage. And I'm talking more about
18 including the media, something that's on TV or on the
19 radio, some public service announcements, programs that
20 run, whatever it takes, other than just putting a
21 little insert in the bill, that would begin telling
22 people that they can to some extent control their usage
23 with some simple things that they can do themselves. I
24 think that there's a need for more the loan program,
25 winterization for low income, but in addition, moderate

1 income people who can afford to -- maybe pay a portion
2 of it to give an incentive to do that. Maybe some
3 discounts to help people who can afford to do things.
4 Expansion of the use of the utility loan program, and
5 advertising that. There's very little -- I've not
6 heard any advertisements on TV for use of the loan
7 program that Laclede Gas has where we could borrow
8 money.

9 COMMISSIONER APPLING: Jackie, thank you.
10 And we have several people here tonight who want to
11 speak, so in light of that, I will call you, okay?
12 Thank you.

13 MS. HUTCHISON: Okay.

14 JUDGE DIPPELL: Chairman, do you have any
15 questions?

16 CHAIRMAN DAVIS: No questions. I just
17 wanted to say thank you, Ms. Hutchison. I agree that
18 we haven't done a very good job of reaching people.

19 JUDGE DIPPELL: Mr. Dandino?

20 MR. DANDINO: No questions.

21 JUDGE DIPPELL: Mr. Pendergast?

22 MR. PENDERGAST: No questions. Thank you.

23 JUDGE DIPPELL: Mr. Meyer?

24 MR. MEYER: No questions.

25 JUDGE DIPPELL: It is now quarter till

1 eight, and we're going to take a short break, about ten
2 minutes. Thank you for coming.

3 (Thereupon, a short recess was taken.)

4 MR. FRED PAYNE,
5 of lawful age, being first duly sworn to tell the
6 truth, the whole truth, and nothing but the truth,
7 deposes and says on behalf of the Commission, as
8 follows:

9 MR. PAYNE: My name is Fred Payne and I am
10 a representative from the 65th District in South St.
11 Louis. And for the record, I'm a customer of Laclede.
12 My district is roughly the St. Louis Hills up to The
13 Hill and the areas in between. Most of the things have
14 already been said. I don't want to be redundant. I'd
15 like to talk basically about the people that live in my
16 district. There are a tremendous amount of elderly
17 folks may age, and there's working class, and a
18 tremendous amount of fixed income people.

19 And a percentage increase, even \$1 a month
20 on a fixed income, considering all the other increases
21 that we're dealing with now and will be dealing with in
22 the very near future because of the gasoline crisis, is
23 only going to increase every single commodity, I
24 believe, that we consume, due to the fact that most
25 everything we eat, sit on, sleep on, and everything

1 else is delivered by a truck. And the cost of gasoline
2 is, for my constituents, is an item that they choose to
3 use. Unfortunately, gas, which even in my case, is, I
4 would venture to say that 99% of the people who live in
5 my district are customers of Laclede Gas, and it will
6 be a tremendous burden on the fixed income people. So
7 with that, I would just encourage the Public Service
8 Commissioners to seriously consider that this may not
9 be the time, as it was stated many times before, to do
10 an increase for any kind of, anything at Laclede Gas
11 at this time.

12 There are some things you can do.
13 Speaking as a previous business owner myself, when
14 times are tough, you have to make decisions based on
15 the operation of your company, and, you know, there are
16 some things that were discussed, and I certainly would
17 recommend an investigation and an audit of Laclede Gas
18 and all of the utilities to make sure that they are
19 running as efficient as they possibly can to deliver
20 their product to the citizens as best as they can, as
21 cheaply as they can. The necessity of gas is so
22 important in heating and it's insurmountable, and we
23 must do the best that we can to keep down the prices.
24 I encourage you to seriously consider not giving an
25 increase.

1 JUDGE DIPPELL: Thank you. Commissioner
2 Murray, do you have any questions?

3 COMMISSIONER MURRAY: No questions.

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

6 COMMISSIONER GAW: Just thank you very
7 much. I appreciate your input and your work.

8 JUDGE DIPPELL: Commissioner Applling, do
9 you have any questions?

10 COMMISSIONER APPLING: Thank you very much
11 for coming. I appreciate your comments.

12 JUDGE DIPPELL: Mr. Chairman, do you have
13 any questions?

14 CHAIRMAN DAVIS: Just one quick question.

15 MR. PAYNE: Sure.

16 CHAIRMAN DAVIS: You said the increase is
17 too much; is that correct?

18 MR. PAYNE: That's correct.

19 CHAIRMAN DAVIS: Would you be willing to
20 sponsor legislation that says it will cap the amount of
21 increase that municipalities and political subdivisions
22 would receive from their gross receipts tax on natural
23 gas?

24 MR. PAYNE: Yes.

25 CHAIRMAN DAVIS: Thank you.

1 JUDGE DIPPELL: Thank you. In the
2 interest of time, I'm just going to ask counsel if they
3 have any questions, maybe you could motion to me and
4 I'll call on you.

5 MR. DANDINO: That would be fine.

6 MR. PENDERGAST: Thank you.

7 JUDGE DIPPELL: Thank you, Representative.
8 As I announced earlier, I will continue on with the
9 list and ask those who testified earlier today to wait
10 until the end.

11 MR. MARK RICE,
12 of lawful age, being first duly sworn to tell the
13 truth, the whole truth, and nothing but the truth,
14 deposes and says on behalf of the Commission, as
15 follows:

16 JUDGE DIPPELL: Could you state your name
17 and address, please?

18 MR. RICE: Mark Rice. 3546 California.
19 I'm an employee and I'm also a customer of Laclede Gas
20 Company.

21 I was here at the last meeting and
22 testified, and I'm still not sure that I don't feel
23 like everything was done in the open on this increase.
24 I think it would be helpful if we had an actual
25 breakdown the people could read and understand why they

1 want this increase.

2 Now, I wasn't going to come here tonight,
3 but my neighbor, I offered to take her, but she's
4 working a second job and she can't come here tonight,
5 so I'm actually coming down because, I told her I'd go
6 ahead and come down here and testify. Now, she's a
7 single mother with four children and she's been working
8 two jobs, and she definitely cannot afford any increase
9 in her gas bill.

10 And I also feel like over the years that
11 I've been employed at the gas company, I know things of
12 20 years ago, 25 years ago, we were supposed to remove
13 all these type of services that you people, or the gas
14 company, are taking out now. And, basically, you guys
15 rubberstamp everything that Laclede Gas ever asks for.
16 You never put a burden on the gas company. You've
17 never held prices down for the consumers.

18 And at that this time -- and also, with
19 this Katrina thing, we buy our gas six months or nine
20 months at a time, and they came out and said that there
21 was going to be a 70% increase in natural gas. Laclede
22 didn't do anything to stop this. They're putting into
23 people's heads already, "Well, we what need is an
24 increase." But we already paid for this gas last March
25 April. So there is no 70% increase for the gas prices

1 for this year.

2 JUDGE DIPPELL: Is that the end of your
3 comments?

4 MR. RICE: What?

5 JUDGE DIPPELL: Is that the end of your
6 comments?

7 MR. RICE: Yeah. Basically, that's all.

8 JUDGE DIPPELL: Commissioner Murray, do
9 you have any questions at this time?

10 COMMISSIONER MURRAY: Mr. Rice, is it?

11 MR. RICE: Yes. Rice, R-I-C-E.

12 COMMISSIONER MURRAY: Mr. Rice, did you
13 understand that those 70% numbers that you are hearing
14 are national statistics about the price of the
15 commodity and that was not necessarily what is
16 happening to utilities in this state? That there are
17 various ways to purchase gas and that our utilities
18 purchase the gas through various methods which helps
19 them hold down that increase set nationally? National
20 statistics show that constant commodity is increasing
21 70 to 71%?

22 MR. RICE: Yeah, I'm aware of that. But
23 when the public hears that, they're saying, "Oh there's
24 going to be an increase in our bill." Laclede should
25 come out right off the bat and say, "Listen, we've

1 already paid for our gas last year. We don't need an
2 increase." You're setting the public up to think
3 automatically there's going to be an increase, they
4 need an increase, but they don't.

5 COMMISSIONER MURRAY: Well, the utilities
6 have some gas in storage, that's true. But the prices
7 have been elevated. Even the gas in storage was
8 purchased at a higher rate than it was just a year ago,
9 for example. So there will be some increases in the
10 cost of the commodities, no matter how good the
11 utility's purchasing dollar practices are. And that's
12 why we are trying to reach out to the public and let
13 you know that in advance.

14 There is absolutely nothing that can be
15 done to stop those increases in the commodity at this
16 time.

17 MR. RICE: I understand that, but you're
18 scaring the customers. You're letting people think
19 that there's a 70% increase. Now, this gas was paid
20 for last year. So everybody's saying, "Well, we know
21 our gas bill's going to go up because it's going up
22 70%." And it hasn't.

23 COMMISSIONER MURRAY: Well, I'm trying to
24 tell you that 70% you're hearing on national --

25 MR. RICE: I heard that, but I'm saying ,

1 that Laclede should come out and publicly say that
2 we're not having the 70% increase. We paid for this
3 year's season last year when the prices were lower.

4 COMMISSIONER MURRAY: Thank you.

5 JUDGE DIPPELL: Commissioner Gaw, do you
6 have any questions?

7 COMMISSIONER GAW: Mr. Rice, thank you for
8 coming in. I appreciate you giving us your comments.

9 JUDGE DIPPELL: Commissioner Appling, do
10 you have any questions?

11 COMMISSIONER APPLING: Mr. Rice, I would
12 just like to ask you just one quick question. You're a
13 gas company employee, correct?

14 MR. RICE: Yes, sir.

15 COMMISSIONER APPLING: Are you one of the
16 workers that will be affected by these layoffs per your
17 testimony?

18 MR. RICE: No, sir. But they have to --

19 COMMISSIONER APPLING: But do you know
20 about the workers affected?

21 MR. RICE: Yeah, I know about it.

22 COMMISSIONER APPLING: I guess my question
23 is, is the company making efforts to reach out to those
24 people by finding them new jobs within the company or
25 anything?

1 MR. RICE: I'm not aware of any -- no,
2 there is no guarantee, if that's what you're saying.

3 COMMISSIONER APPLING: Okay. Thank you.

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

6 CHAIRMAN DAVIS: No questions.

7 JUDGE DIPPELL: Any questions from
8 counsel?

9 MR. DANDINO: No questions.

10 JUDGE DIPPELL: Mr. Pendergast, please
11 speak into the mic.

12 MR. PENDERGAST: Just a couple of
13 questions. Mr. Rice, first of all, you were asked a
14 number of questions.

15 JUDGE DIPPELL: Mr. Pendergast, I'm going
16 to need you to kind of speak into the microphone.

17 MR. PENDERGAST: Certainly.

18 JUDGE DIPPELL: Thank you.

19 MR. PENDERGAST: You were asked a question
20 about what happens, if Laclede reached out to its meter
21 reader employees, and you communicated that no
22 guarantee had been offered. Do you have any knowledge
23 of whether or not Laclede has offered positions or
24 opened up any departments to its meter readers?

25 MR. RICE: Look, I'm just, I'm just a --

1 I'm not a union official at all. I'm just a guy that
2 works there, and I don't know.

3 MR. PENDERGAST: Okay. So you have no
4 personal knowledge of that?

5 MR. RICE: No, I don't have none.

6 MR. PENDERGAST: You made some comments
7 about the 70% increase in gas. Are you aware that that
8 nationwide figure was circulated in the press that
9 Laclede indicated that they had set a consumption war
10 based on the current price of about 40% historically?

11 MR. RICE: No, I'm not. But my point
12 was -- is that the people hear it, and it sounds like
13 gas is going up 70%. They're already putting it in
14 their minds that their gas bill is going to go up. I'm
15 saying that Laclede should come out and calm the
16 public's fears, and say, "Hey, they're not going up
17 70%."

18 MR. PENDERGAST: And are you aware, sir,
19 that when that news came out that Laclede was -- an
20 employee sitting right over there went in and corrected
21 the record and told the Post-Dispatch and KMOX and
22 other media outlets about what the -- are you aware of
23 that or not?

24 MR. RICE: I read the paper every day and
25 watch the news. No, I never heard that. If you did,

1 it didn't get out to the public. I read the paper
2 every day.

3 MR. PENDERGAST: Okay. Fine. You're not
4 aware of Laclede taking those steps?

5 MR. RICE: No. I don't think anyone else
6 is, either.

7 MR. PENDERGAST: We'll be happy to go
8 ahead and give you what appeared on the radio and go
9 ahead and give you what editions of the Post-Dispatch
10 it appeared on so that you can go ahead and consult
11 that. Would that be helpful to you?

12 MR. RICE: Yeah, that would be very
13 helpful. I appreciate it. Thank you.

14 MR. PENDERGAST: Thank you.

15 JUDGE DIPPELL: Thank you, Mr. Rice.

16 MAGGIE WILLIAMS,
17 of lawful age, being first duly sworn to tell the
18 truth, the whole truth, and nothing but the truth,
19 deposes and says on behalf of the Commission, as
20 follows:

21 JUDGE DIPPELL: Can you state your name
22 and address?

23 MS. WILLIAMS: My name is Maggie Williams.
24 My address is 4137 Patterson, St. Louis, Missouri
25 63107.

1 And I have -- first of all, I would like
2 to thank you for sending me the card with the location
3 that the hearing was going to be tonight. I thought it
4 was last week. I even called Jefferson City. I
5 thought I had missed the meeting. So I'm very glad to
6 be here.

7 Now, I am a concerned citizen. I speak
8 for myself as a senior, and also for many other senior
9 citizens. The average senior citizen of the Missouri
10 Ward, 5th District, and where there's mostly low income
11 and fixed income persons.

12 I believe at this time, we should not have
13 a rate increase because besides the gas bills, we've
14 see other utility bills. I had never had a gas bill
15 over \$120 a month until March of this year. And I
16 called Laclede Gas and had them come out and get
17 inspected, and then they did. And then they inspected
18 the furnace, and you know, they checked the meter, and
19 still, the bill was really high. And so I did a survey
20 to learn about, of the neighbors, to see if everybody's
21 bill was high, and then most of everyone's bills,
22 whether they had, if heat was central or not, it was
23 the same. What I was considering was other options of
24 heat because, you know, it was just getting too high.

25 So all I wanted to say that at this time,

1 if you would reconsider, reevaluate, that we will not
2 have the rate increase. Thank you.

3 JUDGE DIPPELL: Commissioner Murray, do
4 you have any questions?

5 COMMISSIONER MURRAY: No questions. Thank
6 you.

7 JUDGE DIPPELL: Commissioner Gaw, do you
8 have any questions?

9 COMMISSIONER GAW: Ms. Williams, thank you
10 very much for coming tonight. I appreciate your
11 comments.

12 JUDGE DIPPELL: Commissioner Appling, do
13 you have any questions?

14 COMMISSIONER APPLING: No questions.
15 Thank you.

16 JUDGE DIPPELL: Chairman, do you have any
17 questions?

18 CHAIRMAN DAVIS: No questions. Thank you,
19 Ms. Williams.

20 JUDGE DIPPELL: Any questions from
21 counsel?

22 MR. DANDINO: No questions.

23 MR. PENDERGAST: No.

24 JUDGE DIPPELL: Thank you, Ms. Williams.

25 MS. LORING,

1 of lawful age, being first duly sworn to tell the
2 truth, the whole truth, and nothing but the truth,
3 deposes and says on behalf of the Commission, as
4 follows:

5 JUDGE DIPPELL: Please state your name and
6 give us your address.

7 THE REPORTER: I'm sorry. I can't hear
8 you.

9 MS. LORING: Is that better?

10 THE REPORTER: No. I'm sorry. I still
11 can't hear you. I could hear you for a little bit.

12 JUDGE DIPPELL: Are you able to come down
13 here further by the stage? I think these microphones
14 are not working well.

15 THE REPORTER: Thank you.

16 MS. LORING: All right. Can I --

17 JUDGE DIPPELL: Thank you. Just go ahead.

18 MS. LORING: Now, what I wanted to say is
19 that everybody that I know, whether they're on a fixed
20 income or working class people that I work with, we try
21 to figure out how to keep the gas bills within reason
22 and keep our families healthy at the same time.
23 Everybody that I know, this year was running around in
24 layers. I mean in the house. Sweaters, sweats and you
25 know, I mean extra clothing so they could keep the

1 bills down. Trying to get thermal windows in,
2 weatherizing our houses, just do everything that we can
3 do to keep the bills down.

4 So I don't know anybody, and I am of the
5 working class, that are comfortably using the gas.
6 Because the way I like it, you know, I like heat. I
7 mean, I'm from Africa, I like heat. Not like it was
8 today. It was too much. But I like heat. And I like
9 to be comfortable. At least 78 degrees or something
10 like that. Well, I can't afford that. When it's
11 really cold outside, it makes my bills so high.

12 And especially like the lady that just
13 talked mentioned that this past bill, I mean, it was so
14 high that I did a survey of the building. And we had
15 Jay Williams out there checking the furnaces and they
16 assured us that because you guys went up, gas has went
17 up 50%, that was the reason. I mean, all the furnaces
18 checked out fine and the meters were fine and
19 everything was fine. It was just the hike and no one
20 could really believe it. You know, I mean, they heard
21 that the gas was going up, and when it actually hit the
22 pocket, when the bill actually hit the box, it was not
23 making sense to us because, I mean, everybody's trying
24 to thing, what do we have to do? Get a second job? Do
25 we have to start working overtime? My company, then

1 there's dealing with that, also. We don't get
2 overtime. You know, they're trying to cut, everybody's
3 cutting down. Somebody tell me what's going on here
4 because everything is getting so tight, and everybody's
5 wanting more. And I'm just here trying to see what is
6 going on with the price of gas because I don't
7 understand.

8 The gas people went up 50%. I've never
9 got that big of a raise on my job. Has anybody here?
10 No. I mean, you know, so I'm trying to understand.
11 That sounds illegal to me right there, where you just
12 announce, "We're going up 50%." You know, and it's
13 legal? I mean, it's like I might as well just dump my
14 pockets out, and you know, because how can I prove I
15 don't have any?

16 And it is a lot of other people that's
17 asking for the same money. So I'm just here to say, to
18 me, and I don't know about -- and I mean, when you say
19 you serve 1 point what, 4 billion of us, or 1.8 million
20 customers and everybody uses your service, that's got
21 to be a lot of money, you know. So I'm not on that
22 scale up there and I don't know how you figure things
23 out, but I mean, come on, give us a break down here.

24 I used to feel like I was in the moderate
25 income. Now I feel like I'm the working poor already,

1 so it's like why not just go up on the gas? I can't
2 afford anything, anyway. But, no, I'm not saying that.
3 I don't want you to go up. We're not really utilizing
4 the gas service the way I thought it was supposed to
5 have been used. Everybody's supposed to be comfortable
6 in their house, you know, kick your shoes off. You
7 know, that's yesterday. You have to have your house
8 shoes and some, possibly, some really thick socks, you
9 know, the way they make the men's socks thicker than the
10 women's. You have to have men's socks and men's long
11 johns. I'm just -- okay, I'm going overboard.

12 But to make my point: We just cannot
13 afford, with everything happening, and it's no wonder
14 Katrina's going out of control because, and everything
15 else, and I think that we have to stop ourselves if we
16 want some mercy down here. We have to stop it from the
17 top because we're going to get wiped out. I'm just
18 saying it, and I'm not a predictor or anything, but I
19 mean, why is everything that's happened like this?
20 Because nobody has feelings for nobody else around
21 here. So any questions?

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

24 COMMISSIONER MURRAY: No questions.

25 JUDGE DIPPELL: Commissioner Gaw, do you

1 have any questions?

2 COMMISSIONER GAW: No. Ma'am, thank you
3 for coming. I appreciate that input. When you say --
4 maybe one real quick question. Give me an idea, when
5 you say that before you were of moderate income and now
6 you feel like you're in a different class, give me an
7 idea of -- your income hasn't changed, or at least, it
8 hasn't changed very much; is that what you're telling
9 me?

10 MS. LORING: I'm saying that I don't get
11 50% raises, and I never get cost of living 50%, you
12 know. The people in my building, I mean, they drive
13 school busses. I mean, we all do something. We're all
14 working.

15 COMMISSIONER GAW: You're all working?

16 MS. LORING: We're all working.

17 COMMISSIONER GAW: And you're not making
18 much more money than you were a year or two, right?

19 MS. LORING: Well, let me tell you what
20 happened.

21 COMMISSIONER GAW: Okay.

22 MS. LORING: The gas company came out, and
23 everybody, I mean, everybody's afraid to really open
24 the door for the gas people because we don't know what
25 situation the other neighbors have had. We know that

1 we're struggling here and everybody can't get paid. So
2 the gas people finally made it in and they cut off two
3 people's gas. I mean, they shut them off. Now, I was
4 surprised and shocked and thank God it wasn't me, but I
5 can't brag because it could have very well been me.
6 You know, that's what I'm trying to -- I mean, I'm not
7 trying to speak for everybody's building, but they got
8 their gas cut off, and, you know, I just wish sometimes
9 like they got that dollar -- I wish could get a dollar
10 bill on my bill. Serious.

11 COMMISSIONER GAW: You're telling me that
12 your income has not changed much, but your expenses are
13 going up?

14 MS. LORING: Everything that you buy, like
15 the man said, is going up, so everything that you need,
16 you're paying more money for. And then other things
17 that come up that you don't even -- it's always
18 something that comes along that you don't even imagine
19 is going to happen. It happens, okay. So everybody's
20 asking for the same dollars, and your income hasn't
21 increased, and certainly not 50%, but everybody's
22 asking for the extra, so you have to either get a
23 second job or try to get overtime somewhere or
24 something, you know. Christmas rush, try to get in on
25 them kind of things just to pay your bills.

1 COMMISSIONER GAW: I understand. I
2 appreciate what you're telling me and I appreciate you
3 coming tonight. Thank you very much.

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

6 COMMISSIONER APPLING: No questions.
7 Thank you for coming.

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

10 CHAIRMAN DAVIS: No questions.

11 JUDGE DIPPELL: Counsel?

12 MARLENE PHILLIPS,
13 of lawful age, being first duly sworn to tell the
14 truth, the whole truth, and nothing but the truth,
15 deposes and says on behalf of the Commission, as
16 follows:

17 JUDGE DIPPELL: Please give your name and
18 your address?

19 MS. PHILLIPS: My name is Marlene Phillips
20 and I live at -- St. Louis, Missouri 63047.

21 THE REPORTER: I'm sorry. I can't hear
22 you.

23 MS. PHILLIPS: I'll try to speaker louder.
24 I have some comments, questions and concerns. My first
25 comment is I wish that you all would reconsider,

1 reconvene and maybe in same way come to a decision
2 before you decide to give a raise to the gas prices. I
3 consider myself a working citizen. I represent working
4 citizens. I even represent senior citizens because I
5 have some in my family. I have a pretty decent job
6 with a pretty decent salary, but as bills increase, my
7 salary isn't increasing, so it causes a hardship on my
8 household.

9 I would speak for people in the education
10 field as an example. Some have lost their jobs or been
11 reassigned to different jobs making less money, but
12 their bills are constantly increasing. So that causes
13 a hardship. I have not been put in a position where I
14 had to choose between eating and paying bills, but I
15 have been put in the position of thinking of giving up
16 my house. Because you can't afford the topped out
17 bills, mainly the gas bill.

18 I went on budget billing because I
19 couldn't afford the gas bill. I do not have a large
20 house because it's only me, and to have a \$1,000 gas
21 bill, that's a bit much for me, and I'm hardly ever at
22 home and running gas because I'm always working, even
23 with a second job, just to pay the bills.

24 JUDGE DIPPELL: Commissioner Murray, do
25 you have any questions?

1 COMMISSIONER MURRAY: No questions. Thank
2 you.

3 JUDGE DIPPELL: Commissioner Gaw, do you
4 have any questions?

5 COMMISSIONER GAW: No questions. Thank
6 you very much for coming.

7 JUDGE DIPPELL: Commissioner Appling, do
8 you have any questions?

9 COMMISSIONER APPLING: No questions.
10 Thank you.

11 JUDGE DIPPELL: Mr. Chairman, do you have
12 any questions?

13 CHAIRMAN DAVIS: No questions.

14 JUDGE DIPPELL: Any questions for counsel?
15 Thank you. Maxine Stark?

16 UNIDENTIFIED SPEAKER: Mrs. Stark is 89
17 and asked me to read her letter for her.

18 (Thereupon, the unidentified speaker was
19 sworn in by the judge.)

20 JUDGE DIPPELL: Okay. You'll have to
21 speak up. You'll have to compete with the rain, I'm
22 afraid.

23 UNIDENTIFIED SPEAKER: Oh, I'm sorry.

24 JUDGE DIPPELL: That's all right. Please
25 state your name.

1 UNIDENTIFIED SEPAKER: From Mrs. Stark:
2 The proposed rates by Laclede Gas --

3 THE REPORTER: I can't hear you. Could
4 you please come down here closer to me away from the
5 microphone?

6 UNIDENTIFIED SPEAKER: I'm an 89-year old
7 widow. I'm the single occupant of my own home. My
8 income is fixed, and is --

9 THE REPORTER: I can't hear him.

10 UNIDENTIFIED SPEAKER: -- Social Security
11 and -- I've done everything conceivable to suggest --

12 THE REPORTER: Excuse me. Excuse me.
13 Maybe you could move down here?

14 JUDGE DIPPELL: We can't hear you. Could
15 you please move down here?

16 UNIDENTIFIED SPEAKER: I'm sorry. Yes.
17 I've done everything conceivable as suggested in order
18 to conserve gas usage. I use gas for heat and hot
19 water only. My house is insulated. My windows are
20 storm-protected. My furnace and water heater are
21 maintained regularly. I keep my thermostat on 70
22 degrees. Most of the time, I'll try to use sweaters
23 and extra blankets. Because of my age and my
24 medication needs, my costs have almost doubled the cost
25 of the medications, which I -- without the use of these

1 medications, I will likely die.

2 THE REPORTER: I still can't hear you.

3 UNIDENTIFIED SPEAKER: I do not cook with
4 gas. I receive Meals on Wheels, and I heat in my
5 microwave. For breakfast, I eat dry cereal along with
6 a banana. That helps control my cholesterol and
7 doesn't require me to cook. My fireplace gas log has
8 not been lit for over two years.

9 Next April, I will turn 90 years of age,
10 God willing. I am currently living independently
11 without being a burden to anyone. Now I'm appealing to
12 you to help me continue to do this. I cannot maintain
13 my independence while taking such a tremendous increase
14 in my gas budget from \$204 last year to a projected
15 \$284 per month this coming winter. It is impossible
16 for me to make these type of payments. I have
17 conserved in every way that I know. Due to the weather
18 changes and my use of gas, I'm contesting this
19 tremendous gas budget increase and request that the
20 Commission reconsider the increase. The Commission is
21 my only recourse. Please let me hear from you soon.
22 Sincerely, Maxine Stark. Also, she says thanks for
23 holding the open meeting and allowing me to speak.

24 And she wants to read her own meter so
25 that she can be sure of the usage. And there was a

1 letter like this sent to you August 25th.

2 JUDGE DIPPELL: I want to make sure that
3 Mrs. Stark has had an opportunity to meet with our
4 customer service people and she can get some
5 information from them. Did you need a phone number?

6 UNIDENTIFIED SPEAKER: It's hard for her
7 to come forward.

8 JUDGE DIPPELL: I understand. One of our
9 staff members will come over and visit with her.

10 Commissioner Murray, do you have any
11 questions?

12 COMMISSIONER MURRAY: No questions. Thank
13 you.

14 JUDGE DIPPELL: Commissioner Gaw, do you
15 have any questions?

16 COMMISSIONER GAW: No questions. Thank
17 you very much for coming.

18 JUDGE DIPPELL: Commissioner Appling, do
19 you have any questions?

20 COMMISSIONER APPLING: No questions.
21 Thank you.

22 JUDGE DIPPELL: Mr. Chairman, do you have
23 any questions?

24 CHAIRMAN DAVIS: No. I just want to say
25 thank you to Mrs. Stark. I know that you're 89 years

1 old and I applaud you for making the effort to get here
2 this evening. Thank you for your patience in waiting
3 in this hearing.

4 JUDGE DIPPELL: Any questions from
5 counsel? Thank you, Mrs. Stark. I appreciate your
6 patience. Frank Martin is next.

7 UNIDENTIFIED SPEAKER: I'm also Frank
8 Martin.

9 JUDGE DIPPELL: Mr. Martin, did you have
10 anything you wanted to say?

11 MR. MARTIN: Yes, I do.

12 JUDGE DIPPELL: You've already been sworn
13 in. Go ahead.

14 MR. MARTIN: Really, my name is Art Perry,
15 and I put Frank Martin because I never get to talk on
16 any of these issues with the gas company or the
17 electric company, so I used Frank Martin. I'm going to
18 give you my real name. My address is 4706 Westminster.
19 I'm a customer for about 50 years. Do you want me to
20 swear again?

21 JUDGE DIPPELL: Go ahead with your
22 comments.

23 MR. PERRY: Okay. About 25 years ago, I
24 went to a meeting in St. Louis, and there were
25 representatives there from Ameren, which was UE at the

1 time, and Laclede Gas and then some other utilities,
2 Southwestern Bell Corporation. And we had a discussion
3 with them about cost of utilities of folks in St.
4 Louis. And I mention it somewhat as an impasse, but
5 the point brought was the cost for electric, and that's
6 Ameren, of course, shouldn't be borne by the new users
7 of the electricity at that time. Meaning the folks of
8 developments that were to be located either south of
9 Lindbergh, west of Lindbergh, and north of Lindbergh,
10 because the cost of bringing the new services online
11 was a greater expense --

12 THE REPORTER: Excuse me. I can't hear
13 you.

14 MR. PERRY: -- which is now the burden
15 being carried by the folks who are in the homes within
16 the city, and that's most of us. And after you're done
17 making these, it would be -- and it was -- that does
18 include gas and also Ameren. The maintenance of those
19 are borne by everybody, but the expansion of those
20 services, as I mentioned, south, north and west of
21 Lindbergh, should very well be borne by private
22 developers and new homeowners.

23 Now, another add-on to this currently is
24 the rates we're charged for the new developments and
25 developers and, then of course, all the citizens where

1 there are quite a few where Mrs. Stark and I come from,
2 the rates will remain the same for them, and the cost
3 of bringing new services online could, of course, be
4 borne by the folks with the big bucks and with the new,
5 if you will, infrastructure, that's required --

6 THE REPORTER: I can't hear you now. The
7 rain's picked up and I can't hear you. Can you come
8 back down here, please? Sorry.

9 MR. PERRY: Any electrical wire from the
10 Mississippi River out to Lindbergh, 270, Wildwood, you
11 name it, is a terrific cost. But you can't expect the
12 people inside the areas that I mentioned --

13 THE REPORTER: I can't hear you.

14 MR. PERRY: Before you all leave tonight,
15 I'd like for one of you to explain the distribution of
16 the one, two, and five dollars of the check-off. It's
17 been on the bill ten or fifteen years now, but I've
18 never known where the money actually goes and how the
19 distribution is made throughout our citizens throughout
20 the metro.

21 And again, I'm sorry we got here late. I
22 don't know who all of you all represent, but that would
23 be good to know. At some point, is there a list with
24 your names and what your occupations are and who you
25 represent available to us?

1 JUDGE DIPPELL: I don't think there is a
2 list, but on the stage is the Commission. The people
3 around me are commissioners and I am the law judge.
4 For hearings like this, we do have some staff over
5 here. I think they can answer some of your questions,
6 as well.

7 MR. PERRY: Okay. I think you all can
8 explain before you all leave what happens to the one,
9 two and five dollars, that will help all of us.

10 JUDGE DIPPELL: Okay. Commissioner
11 Murray, do you have any questions?

12 COMMISSIONER MURRAY: No questions. Thank
13 you.

14 JUDGE DIPPELL: Commissioner Gaw, do you
15 have any questions?

16 COMMISSIONER GAW: I don't have any
17 questions, but I'm expecting that the people over here
18 can give you that information if you must know before
19 you leave tonight.

20 MR. PERRY: Okay.

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

23 COMMISSIONER APPLING: No questions.
24 Thank you.

25 JUDGE DIPPELL: Mr. Chairman, do you have

1 any questions?

2 CHAIRMAN DAVIS: Mr. Perry, will the
3 people from Laclede Gas not talk to you if you use your
4 real name, or is there a problem there or --

5 MR. PERRY: Oh, no. Coming to a public
6 meeting like this, and we don't actually get to talk to
7 the individuals who really make the big decisions about
8 where the profits go and why the price increases each
9 year and so forth. I thought I would be as anonymous
10 as they are. But since you asked me to swear, I
11 wouldn't do that. I wouldn't swear to it.

12 CHAIRMAN DAVIS: A pseudonym. All right.
13 Thank you, sir.

14 JUDGE DIPPELL: Any questions of counsel?

15 MR. PENDERGAST: Just a quick comment, Mr.
16 Murray. I appreciate your question on the check-off
17 and where that money goes to. It supports our --

18 JUDGE DIPPELL: Mr. Pendergast, please
19 step up to the mic.

20 MR. PENDERGAST: And we have a number of
21 folks here who can go ahead and tell you exactly where
22 that money goes, who it helps, and they'll be happy to
23 go ahead and do that.

24 MR. PERRY: Well, on the sheet that
25 provided tonight, one of the yellow sheets that said

1 that you were, I think, on that yellow sheet, that --

2 MR. PENDERGAST: Excuse me?

3 MR. PERRY: On that yellow sheet.

4 JUDGE DIPPELL: The information sheet?

5 MR. PERRY: The information sheets and the
6 \$2 million that --

7 MR. PENDERGAST: We gave \$31 million to a
8 low income program. That's in addition to any money
9 that we raise bring --

10 JUDGE DIPPELL: Please speak into the mic.

11 MR. PENDERGAST: -- any governmental
12 assistance in the federal level and perhaps even the
13 state level.

14 MR. PERRY: So the \$2 million that I asked
15 about, is that the sum of the dollar check-offs?

16 MR. PENDERGAST: No. That dollar check-
17 off is a separate dollar program altogether.

18 JUDGE DIPPELL: Thank you, sir.

19 GINA BARRY,
20 of lawful age, being first duly sworn to tell the
21 truth, the whole truth, and nothing but the truth,
22 deposes and says on behalf of the Commission, as
23 follows:

24 JUDGE DIPPELL: Would you please state
25 your name and your address?

1 MS. BARRY: My name is Gina, G-I-N-A. My
2 last name is Barry, B-A-R-R-Y. My address is 7457
3 Williams, 63117.

4 JUDGE DIPPELL: Please state your
5 comments, ma'am.

6 MR. BARRY: My comment is -- actually,
7 there's two concerns. The first one is just as Mr.
8 Pendergast talked about earlier Laclede Gas being a
9 viable company. To my knowledge, Laclede Gas has not
10 reported any profit loss for quite some time, so the
11 viability of that company is really not at stake. He
12 talked about, you know, operating expenses and
13 accounting practices --

14 THE REPORTER: Excuse me. I can't --

15 MR. BARRY: Also, with regard to the
16 increase or the rate hike in the utilities, I would
17 request that that not be given at this particular time,
18 the reason being my own personal experience of the
19 gentleman here talking about addressing the African-
20 American community and I think it's safe to say that I
21 represent the African-American community and also the
22 working class. I currently work four jobs and I cannot
23 pay my gas bill on time. I had two last year, I had to
24 pick up two more this year just to be able to -- I
25 don't live an extravagant lifestyle, as you can see,

1 but just to be able to maintain the same standard of
2 living. Everything seems to increase, but my salary
3 has not increased.

4 Also, what other, what else, you know,
5 they say, they're talking about, you know, they're
6 going to give \$1 million for the low income fund.
7 That's a penny on the dollar basically. And you talk
8 about a low income fund, there is no funding primarily
9 for the working class people. Low income is \$9,000 a
10 year. Roughly, that's \$200 a week. Most workers,
11 teenagers won't even work for \$200 a week.

12 One of the areas that I work in, I work at
13 a homeless center, and we've seen an increase in the
14 homeless, and the reason the people are unable to
15 rebuild and stabilize their lives is they cannot afford
16 to get back on their feet and pay their utilities.
17 It's not that they don't qualify for any of these so-
18 called low income funding, so then, it's like you can,
19 you know, you can go without food, or you can go
20 without something else. A lot of people that I work
21 with, they go without, they have their gas turned off
22 because they can't afford it. They don't qualify for
23 any of the programs to help them, you know, maintain
24 their gas.

25 So I respectfully request that at this

1 time, you do not grant any price increase. I feel
2 that, you know, everybody that's in the hurricane --
3 but you've seen the prices of gas, natural gas,
4 escalate overnight and it continues to escalate and
5 with that escalation of the gas that we use to drive,
6 nobody is -- if you look at where teachers are only
7 given a 3% raise, but you're taking away their health
8 benefits. You're not giving them a raise. Basically,
9 all they're saying is we're making you pay for your
10 benefits now because if you increase one thing, you've
11 got to decrease another. So at this time, I
12 respectfully request that no increase be given to them.
13 Questions? Comments? Concerns?

14 JUDGE DIPPELL: Thank you. Commissioner
15 Murray, do you have any questions?

16 COMMISSIONER MURRAY: No questions. Thank
17 you.

18 JUDGE DIPPELL: Commissioner Gaw?

19 COMMISSIONER GAW: Ms. Barry, you said you
20 work four jobs?

21 MS. BARRY: I work four jobs, and I work
22 four jobs, and when I say this, I represent the people
23 with higher education. I hold a Bachelor's degree and
24 30 hours beyond a Bachelor's. There are no jobs that
25 can create a decent standard of living, so I work four

1 jobs.

2 COMMISSIONER GAW: So about how many hours
3 a week are you working?

4 MS. BARRY: Oh, it just depends. Let's
5 see. I work 8 at one job. Then I go and then I do 8
6 more at another job, and then, you know, I pick up a
7 couple, three hours in the morning, and then maybe
8 three hours on the weekends. So it just depends.

9 COMMISSIONER GAW: Well, okay, but how
10 many hours does that add up to a week?

11 MS. BARRY: How many hours does that add
12 up to a week?

13 COMMISSIONER GAW: Yeah. About?

14 MS. BARRY: I don't know. Somewhere, I
15 want to say 60, maybe 70 hours. It just depends.

16 COMMISSIONER GAW: Okay. So you're quite
17 a bit over that 40-hour week then?

18 MS. BARRY: Yeah, I'm over a 40-hour week
19 because I work --

20 COMMISSIONER GAW: There are people who
21 have been working many, many years to achieve
22 something. Somewhere around the turn of the last
23 century, it seems like we're going backwards to me.

24 MS. BARRY: We are digressing. I mean, we
25 cannot work 40 hours a week, or I cannot work 40 hours

1 a week and be able to afford the utilities. My
2 utilities doubled. And the gas doubled. My question
3 is the reason. I'm questioning the reason because the
4 cost has been passed onto the consumer and it's not for
5 usage. I was gone for a month and my utility bill was
6 \$10 less than it was the month I was at home using it.
7 So it's not for usage. So then I called and asked the
8 company and asked Laclede Gas to come out and the
9 reason I need -- today is September the 19th, and I
10 still have not seen -- have anyone read my meter.

11 And not only that, you know, I called them
12 and I asked them, you know, can you give me a price
13 sheet or whatever and I'll read it myself, I'll do the
14 calculation. Because the price fluctuates from day to
15 day.

16 COMMISSIONER GAW: Thank you.

17 MS. BARRY: I mean, what is the cost based
18 on? The cost that the consumer is paying is not based
19 upon the actual usage. So what is the cost based upon?

20 COMMISSIONER GAW: I want you to ask that
21 question when we're done here of some of our staff over
22 here, and let them give you that answer if you have
23 time.

24 MS. BARRY: Okay. Thank you.

25 JUDGE DIPPELL: Commissioner Appling, do

1 you have any questions?

2 COMMISSIONER APPLING: No questions.

3 Thank you.

4 JUDGE DIPPELL: Mr. Chairman, do you have
5 any questions?

6 CHAIRMAN DAVIS: No questions. Thank you,
7 Ms. Barry.

8 JUDGE DIPPELL: Any questions of counsel?
9 Thank you, ma'am.

10 KENNETH LEE,
11 of lawful age, being first duly sworn to tell the
12 truth, the whole truth, and nothing but the truth,
13 deposes and says on behalf of the Commission, as
14 follows:

15 JUDGE DIPPELL: Thank you. Please state
16 your name and your address.

17 MR. LEE: My name is Kenneth Lee. 10633
18 Aylesford, A-Y-L-E-S-F-O-R-D, St. Louis, Missouri,
19 63126.

20 I have a couple things. I just want to
21 ask some questions. I want the Commission --

22 THE REPORTER: Excuse me.

23 MR. LEE: -- at this time, he was talking
24 about the --

25 THE REPORTER: Excuse me. Could you come

1 down here, please? I can't -- you're muffled. Oh, you
2 know what --

3 JUDGE DIPPELL: Maybe you could actually
4 just speak away from the microphone. It's hard for us
5 to hear up here. Maybe it would be easier for us to
6 understand.

7 THE REPORTER: Yes, just stand back?
8 Thank you.

9 MR. LEE: Oh, okay. I was wondering, at
10 the meeting that we had back a few months ago, I told
11 you, the Commission, and I told the people that heat
12 sometimes affects a person, so I don't use a lot of
13 heat. My heat stays down to 60 degrees or it affects
14 my health. I have to wear some coats jackets and
15 sweaters and everything on. But last time I was here,
16 I talked about it someone did send me information about
17 Laclede and the elderly and the disabled programs.

18 I filled out the information and sent it
19 to them, and when it came back, and when I called and
20 asked questions about it, they told me I didn't
21 qualify. I gave them all my information, I sent in all
22 the information they needed that was told to me, and I
23 have a copy here. And when I called, I don't know what
24 it is, the stipulation, what would be qualified for
25 this information to get service or to get help. I know

1 they do well, they call you when they want to pay, then
2 they call you automatically. So I don't know if we're
3 paying for that service or not. I guess that's a
4 generosity that they call and say, you know, that you
5 haven't paid.

6 Another concern I have, I want to find out
7 -- you have the dollar help. You have the people who
8 stand outside in front of the stadium asking for help.
9 I would like to find out how much funds, how much has
10 been given to different charities.

11 And even at my last meeting, people came
12 and gave information, you call them, if I didn't live
13 in that particular area, I didn't qualify for any
14 assistance. And so when they gave me numbers for the
15 assistance that I have in my area, well, they were out
16 of funds.

17 So, you know, I used to when I was able,
18 when I was working, I was able to go to Schnucks and
19 Dierbergs and put an extra dollar onto a little
20 contribution to help, you know, whatever. I didn't
21 ever think that I would get to this situation in my
22 life. Now that I'm in the situation now, I have to go
23 through all the red tape. You go to all this
24 aggravation, all these agencies and fill out all the
25 information, and by the time you get all the

1 information filled out, and by the time they get back,
2 Laclede Gas and Union Electric, they're turning your
3 stuff off, sending you disconnection notices and all of
4 that, and they still tell you that your application is
5 still in process. But yet, all those agencies,
6 sometimes they don't have any and they do have it.

7 So I want to know is there a record of how
8 much proceeds, or do you, you know, when you go to the
9 ball game, how much they collected, how much they spend
10 a year, or how much funds, or other funds do they give
11 to, or how many agencies they give it to? Is there a
12 record for all that?

13 And then, also, my concern is low income
14 assistance -- I asked that question already. And then
15 it says, this says -- I believe that there ought to be
16 -- I don't have no trouble about using Laclede Gas.
17 They make pledges. And then the next month, I get
18 another pledge. They mix them up. Then it seems like
19 a couple of months ago, they paid about \$300 for me,
20 and then when I get my other bill, it's \$200. It's
21 summertime. I say what do I have to do to keep my
22 bills down. I mean, I'm not using no gas. I don't
23 believe it is worth it to do an increase.

24 It costs me \$2,300 for the medicine that I
25 take every month, and so when I divide that up into

1 what I need to have to keep my medicine, my utilities
2 and all that, you know, it has to balance out. I can't
3 get Medicaid because I ain't old enough. And I have to
4 spend so much money to get them to pay something, so I
5 mean, where can we go from here?

6 So I believe that we ought to look into --
7 I'm not saying that I don't owe you nothing. I know I
8 have to pay something. I don't have no other choice.
9 It seems that maybe you ought to, the customer service
10 people ought to be able to be more considerate or
11 whatever because I don't know who I'm talking to on the
12 other end, sometimes they be so rude, so you know, you
13 can't get to them, you know, you can't go to the
14 office. You can't even go down and talk to people face
15 to face sometimes. Even when you go down there
16 sometimes, they don't want to hear you.

17 But it seems like you ought to help me if
18 I'm paying something. It ain't like I'm going a whole
19 year and not paying nothing. If I'm trying to pay
20 something and if I've got pledges from other
21 organizations that are trying to help me, you know, it
22 ain't like I'm trying to overlook the gas bill. Seems
23 like you'd try to be more friendly or more kind to
24 someone. That is my concern. Thank you.

25 JUDGE DIPPELL: Thank you, sir. I'm

1 sorry, but I don't have an answer for you about where
2 you can get amounts for the charitable organizations.
3 I'm hoping that maybe Mr. Dandino or somebody else has
4 some idea of someplace you can go for that information.

5 Commissioner Murray, did you have any
6 questions?

7 COMMISSIONER MURRAY: No questions. But I
8 would suggest that you talk to Ms. Jackie Hutchison who
9 was here earlier tonight, or Mr. Gentry Trotter who is
10 still here, and perhaps they can answer some of your
11 questions.

12 JUDGE DIPPELL: Commissioner Gaw, do you
13 have any questions?

14 COMMISSIONER GAW: No questions. You've
15 asked several questions here, sir, and if you have any
16 questions for the Commission's staff, please let them
17 know and maybe there you can get some information on
18 some things that you asked about. I appreciate you
19 being here and the other night. I remember when you
20 spoke the first night, and I appreciate your
21 information here this evening.

22 JUDGE DIPPELL: Commissioner Appling, do
23 you have any questions?

24 COMMISSIONER APPLING: No questions.
25 Thank you.

1 JUDGE DIPPELL: Mr. Chairman, do you have
2 any questions?

3 CHAIRMAN DAVIS: No questions. But thank
4 you again for coming in. I know it's a hardship for
5 you to get in.

6 JUDGE DIPPELL: I did want to say, Mr.
7 Lee, that when you testified originally, we do still
8 have that testimony, also, as part of the record, and
9 we will be getting all of that. I appreciate your
10 testimony.

11 Any questions of counsel? Thank you.

12 MR. DANDINO: Judge, maybe Mr. Pendergast
13 is going to get to it, but he raised an issue with
14 regard to his qualification was denied. I'd like to
15 hear that clarified.

16 MR. PENDERGAST: We would like to talk to
17 you, sir. Let's see what you've got here. I'd like to
18 talk to you about where you can get information about
19 Dollar Help, and what your situation is as far as
20 qualifying for special assistance, and so if you've got
21 the time, I'd like to talk to you about that.

22 MR. LEE: Sure.

23 JUDGE DIPPELL: You want to give your card
24 to some of these people who can't wait?

25 MR. PENDERGAST: Okay.

1 MR. JOHN BOWMAN,
2 of lawful age, being first duly sworn to tell the
3 truth, the whole truth, and nothing but the truth,
4 deposes and says on behalf of the Commission, as
5 follows:

6 MR. BOWMAN: Good evening. Thank you. I
7 appreciate you guys taking time to come to this area
8 and do this for us today. I would like to have gotten
9 to you earlier today, but unfortunately, I'm attending
10 a lot of town hall meetings today.

11 One thing that has become more keenly
12 aware to me as a representative, and I had this
13 question put me and it's hard to answer: An elderly
14 lady said, "For one thing I'm noticing that the elderly
15 people, children and the disadvantaged, it appears that
16 there's a trend that says that they have too much
17 money, and the wealthier corporations don't have
18 enough."

19 And I'm just having a tough time going
20 back to my constituents and trying to explain it.
21 Because, see, when I walked in, I heard conversation
22 about cost benefit analysis. When I go back to my
23 district -- because one thing I'm clear is going to
24 happen, I received a card on this notice, and the
25 people in my district are not going to hear anything

1 about these hearings. So if these rates go up, they're
2 going to call me and they're going to say, "What
3 happened here? What justifies them increasing my
4 bill?"

5 So I can't go to them and talk about cost
6 benefit analysis. I can't talk about return on
7 investments, shareholders' wealth. The only thing they
8 know about the future value of the dollar is how much
9 they can afford to eat of the few dollars they have.
10 Their dollars don't seem to have a future.

11 So my concern is, there is something, and
12 I know it's been a long day for all us. But I want you
13 guys to please consider, make sure that Laclede is
14 using the best practices. That some of these costs
15 need to go up somewhere other than on the backs of the
16 people who already don't have any money. We have got
17 to make sure we don't continue to go down this path,
18 because in a society as a whole, it's going to come
19 back, it's going to come back in a most costly manner.
20 Please consider at this time not increasing these
21 rates. Thank you. Any questions?

22 JUDGE DIPPELL: Commissioner Murray, any
23 questions?

24 COMMISSIONER MURRAY: No questions. Thank
25 you, Representative.

1 JUDGE DIPPELL: Commissioner Gaw, do you
2 have any questions?

3 COMMISSIONER GAW: Representative Bowman,
4 I want to thank you for coming tonight. Thank you for
5 staying. I appreciate your working with the community
6 and reaching out to your constituents with your town
7 hall meetings.

8 JUDGE DIPPELL: Commissioner Appling?

9 COMMISSIONER APPLING: No questions, but
10 thank you for coming, Representative.

11 JUDGE DIPPELL: Mr. Chairman, do you have
12 any questions?

13 CHAIRMAN DAVIS: No questions. Thank you
14 for your time and your energy, Mr. Bowman.

15 JUDGE DIPPELL: Any questions for counsel?
16 Thank you, Mr. Bowman. Thank you for your patience.

17 JUDGE DIPPELL: Mr. Schulte.

18 MR. SCHULTE: I'm not going to go over
19 everything I talked about this morning.

20 JUDGE DIPPELL: You were previously sworn
21 in, correct?

22 MR. SCHULTE: Correct. I still have a
23 concern about the savings that Laclede's going to have
24 by eliminating 90 plus meter reader jobs, or what their
25 cost savings is going to be on that. And the question

1 is that I assume that by increasing the rates, that at
2 the end, that there is going to be some savings, but
3 nobody will ever tell us what the savings is going to
4 be in the next two years. The cost of the automatic
5 readers, what it's going to cost to have these
6 automatic readers, and the cost of the present salary
7 and the rates that are there now. So it is going to be
8 some savings, and I think this Commission ought to take
9 that into consideration.

10 And I've heard numerous people sit here
11 and talk tonight, the elderly and the disabled, about
12 how it's going to affect them, and I think Laclede
13 needs to look at a lot of management people. They want
14 to cut everywhere else, I think they ought to look in
15 their own house and look at the management that they
16 have here. Nobody will ever tell us how many
17 management people they have here. It's like a big
18 secret. And I suspect that something like two workers
19 to every one management. That's the case as well. And
20 I think this Commission ought to look at that and take
21 that into consideration.

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

24 COMMISSIONER MURRAY: No questions. Thank
25 you.

1 JUDGE DIPPELL: Commissioner Gaw, do you
2 have any questions?

3 COMMISSIONER GAW: Mr. Schulte, I think
4 there will be a scheduled time for us to talk to the
5 counsel about the situation coming up. Do you know
6 whether or not the union's counsel will be available?

7 MR. SCHULTE: I assume she will be, yes.

8 COMMISSIONER GAW: Okay. Thank you.
9 Maybe some of the questions can be asked at that time.
10 Thanks for coming, Mr. Schulte, and for being at all of
11 our meetings.

12 MR. SCHULTE: I wouldn't miss it.

13 JUDGE DIPPELL: Commissioner Appling, do
14 you have any questions?

15 COMMISSIONER APPLING: No questions.

16 JUDGE DIPPELL: Mr. Chairman, do you have
17 any questions?

18 CHAIRMAN DAVIS: Mr. Schulte, real quick.
19 Has Laclede made any overtures to meter readers about
20 finding any other employment or --

21 MR. SCHULTE: I'm glad you asked that.
22 I'll tell you about the overtures. There's all kinds
23 of misleading stuff that people are asking me what the
24 overtures were. When this started out -- there's two
25 different clauses in the contract, which one is the

1 technology clause and one is another clause. And we
2 had a disagreement on that. We said that if we use
3 this one clause, that these workers should have a right
4 to qualify for whatever seniority they were qualified
5 to get. Well, they didn't want to do that. They
6 wanted to use the other clause where they could
7 terminate the employees, give them 30 hours for each
8 year of service, and then they're out the door.

9 CHAIRMAN DAVIS: Thirty hours for each
10 year of service; is that correct?

11 MR. SCHULTE: That's correct. Okay. And
12 then in that meeting, they offered five jobs. Period.
13 I don't care what they're telling you. This is what
14 was offered in the meeting. They offered five jobs,
15 and then any other jobs that would become available, if
16 they qualified for those jobs. There was no guarantee.
17 They did not guarantee anything there. And then it's
18 up to the department head whether they would let you
19 come into that department. We're talking 30-year
20 employees here that you have employees here two years
21 or three years that are being given jobs or the
22 opportunity to try to qualify for these jobs, and these
23 30-year and 25-year employees are not getting anything.

24 CHAIRMAN DAVIS: Okay. Real quick. And
25 in your earlier testimony today, you talked about you

1 thought that the average meter reader made
2 approximately \$21 an hour; is that correct?

3 MR. SCHULTE: Yes, approximately.

4 CHAIRMAN DAVIS: Okay. So this is just my
5 armchair calculations here. You tell me if I'm in the
6 ballpark or not. So I figured \$21 an hour, and that
7 was 40 hours a week, roughly \$840 a week, times 52
8 weeks, is approximately \$43,680. And then your
9 benefits are probably another 30% or so on top of that,
10 and so for the cost of 90 to 100 employees, I estimate
11 it somewhere between 5.1 and 5.7 million dollars. Does
12 that sound ballpark?

13 MR. SCHULTE: You're probably pretty
14 close. I'm sure those are pretty accurate numbers.

15 CHAIRMAN DAVIS: Okay. Thank you.

16 JUDGE DIPPELL: Any questions of counsel?

17 MR. PENDERGAST: Just to clarify on the
18 record, did Laclede offer meter readers an opportunity
19 to be placed in other positions that were open at the
20 company on the basis of seniority, and has that
21 particular proposal been rejected by the union?

22 MR. SCHULTE: Yes.

23 MR. PENDERGAST: Of the number of jobs
24 that were available at the time, was the indication
25 that some additional jobs --

1 MR. TROTTER: Yes, you offered five jobs.

2 MR. PENDERGAST: -- would be set up on the
3 basis of seniority, as well?

4 MR. SCHULTE: If they came open with a
5 seniority qualification.

6 MR. PENDERGAST: And once again, your
7 union membership rejected that; is that correct?

8 MR. SCHULTE: That's correct. Because you
9 didn't do it -- you said you were going by
10 qualifications and if you qualified, you could have the
11 job. That's the jobs that came open. There was no set
12 number of jobs. The only thing that was put up there
13 was the five jobs.

14 MR. PENDERGAST: Okay. And can you tell
15 us, of the 90 meter readers you're referring to, how
16 many of them were temporary meter readers?

17 MR. SCHULTE: We don't consider anybody
18 temporary. I think there was 90 meter readers here.
19 You had hired some temporary to replace the people
20 that's went into other jobs, correct? And by the way,
21 of some of these meter readers who are temporary,
22 you've already placed in a permanent job.

23 MR. PENDERGAST: And once again, was that
24 because the union rejected the company's offer to have
25 people offered positions based on seniority?

1 MR. SCHULTE: We rejected it because you
2 didn't offer with something that was fair. That's why
3 we rejected it. We wanted to be able to have these
4 people bid wherever their seniority, wherever they were
5 qualified, and the company rejected it.

6 MR. PENDERGAST: Okay. Thank you, Mr.
7 Schulte.

8 JUDGE DIPPELL: Thank you, Mr. Schulte.
9 Mr. Trotter.

10 (Mr. Trotter was previously sworn.)

11 MR. TROTTER: I would like to --

12 JUDGE DIPPELL: Mr. Trotter, could you --

13 THE REPORTER: Mr. Trotter --

14 MR. TROTTER: -- and set up programs. I
15 think that's pretty good. In some programs --

16 THE REPORTER: I can't hear you.

17 MR. TROTTER: -- so thank you for doing
18 that. That's the most rewarding thing I've done this
19 evening. I just wanted to point out that I left out in
20 my last -- there's three things. One is just for the
21 record, let me -- the judge should have let us know
22 orally when we were at the other hearing that those who
23 had forgotten or wanted to add an addendum to their
24 testimony that we should have known the time frame
25 because I would have went off and done some other

1 things and then come back. I think it's important to
2 give us that notice in advance.

3 Number two is I'm still concerned about
4 the safety issues I have here in the exhibit, that you
5 gave me a copy back. And I'm concerned that over the
6 years, we've been told that the Laclede Gas meter
7 readers are assigned, that they are responsible --

8 THE REPORTER: Mr. Trotter --

9 MR. TROTTER: -- are assigned -- that they
10 are entitled to --

11 THE REPORTER: Mr. Trotter --

12 JUDGE DIPPELL: Mr. Trotter, the rain.

13 MR. TROTTER: -- and I'm concerned, I'm
14 concerned, I'm concerned that --

15 THE REPORTER: Mr. Trotter, it's not you.
16 It's the speaker system. It's not you. Could you
17 please just come down here maybe so I can hear you?

18 MR. TROTTER: I'm concerned, I'm
19 concerned, I'm concerned --

20 JUDGE DIPPELL: If you can maybe move to
21 the other microphone? Speak so that the court reporter
22 can hear you. We're having a hard time understanding
23 you. She can't hear you. She needs to be able to hear
24 you.

25 THE REPORTER: I'm so sorry. I'm just --

1 there is a lot of feedback on these mics and --

2 MR. TROTTER: Can you hear me now?

3 THE REPORTER: Yes. Thank you.

4 MR. TROTTER: I'm concerned -- and I don't
5 know where I left off, so I'll do the best I can.

6 I'm concerned that there are eyes, ears
7 and nose, and I think we're going to have some class
8 action lawsuits the first time we have, if there's
9 nobody there, except for these senior citizens, some of
10 these other places where we have these same situations
11 with unsafe situations. Because they're not going back
12 into their homes, based upon what I read. And based
13 upon that article, based on what it said,, there are
14 100 -- and we no longer --

15 THE REPORTER: I can't hear you again.

16 MR. TROTTER -- and I think you can look
17 into this very seriously. I'm not interested in
18 negotiating for the union or negotiating for Laclede.
19 What I'm interested in is protecting the safety and the
20 health of the gas consumers, mainly me and my neighbors
21 and the 600,000 people who are Laclede Gas customers.
22 They've told us for years that those are the lifelines,
23 those are the grapevines, those are the most
24 knowledgeable persons, so I hope they can work this out
25 for the benefit of the consumer, the gas consumer.

1 Then the next thing is I wanted the
2 Commission to know is these omissions, that what we
3 really new to do is do a better job of -- and I think
4 Ms. Hutchison said it, about communication. But we
5 have this misnomer that Laclede is not going to -- just
6 a very, very, very difficult job, and so this
7 Commission, in defending another tariff, not trying to,
8 came out kind of at war at one of the people. At least
9 that's what the people tell me in the audience. But I
10 think we need to straighten out this issue once and for
11 all, through public education or some sort of way, that
12 Laclede Gas is not a racist organization in the sense
13 that it has double charges.

14 Double charges -- I've known these people
15 for 20 years and I've in the industry in and out, and
16 they do not charge St. Louis County, St. Louis City and
17 so forth and so on. I've lived all over this county,
18 all over Missouri. I've live in a part of Missouri
19 where we had the Cuivre River Coop, which I'd love to
20 have in St. Louis. The problem here is we have old
21 housing spots. And we have a lot of other issues. We
22 have old homes. I have an old home, too, and we have
23 some insulation issues. And from that standpoint -- I
24 wanted to speak to one of the ladies earlier today and
25 I didn't. We need to take a better position of

1 supporting that --

2 THE REPORTER: I can't hear him.

3 MR. TROTTER: You want to be able to
4 strengthen that and put in place -- and charge them a
5 better rate.

6 Last, but not least, I think that the
7 tradition -- I'm sure you noticed the responses from
8 today from our seniors, which were just a little more
9 lively than this subdued audience. It gives you a
10 general feeling about the reality of life, of our
11 poverty issues. In all due respect to the real life
12 the Commission is living in, I mean no disrespect to
13 you, but there's got to be some sort of training on
14 interfacing and communicating with the public and
15 understanding the nuances of the different cultures
16 when you come into the, into the city of St. Louis,
17 when you come in to certain areas, how whites behave,
18 how different the cultures of people are, and there's
19 nothing wrong with that. But you've just got to know,
20 so that you will not go out to the people, having them
21 thinking that you're thumbing your nose at us, or that
22 you're better than us.

23 The senator who was here earlier had
24 questions to ask. I think the Commissioner on the end
25 made an editorial comment. Having been in the media 30

1 years, I know an editorial comment shouldn't be made by
2 a commissioner, a lawyer or a newspaper person. To
3 give comments, it gives other people the impression
4 that you're taking a position as opposed to having a
5 well-qualified gentleman over there for Laclede who
6 can't take a position and expound on whatever is his
7 position from the company.

8 So I'm going to end with when you get with
9 representatives, Mr. Chairman, and a lot of other
10 people, just remember there's a little housekeeping to
11 do on how we relate to the person for the interests of
12 the community. I will be keeping the faith that you
13 are fair, that you are open, that you are honest, that
14 you are a human being, and that you want to do what's
15 best for our community. By doing that, we want to make
16 sure that we're not misunderstood or misread. And it
17 doesn't become personal. It just keeps it professional
18 and organized. Those are my comments.

19 JUDGE DIPPELL: Thank you, Mr. Trotter.
20 Commissioner Murray, do you have any questions?

21 COMMISSIONER MURRAY: No questions. Thank
22 you, Mr. Trotter.

23 JUDGE DIPPELL: Commissioner Gaw, do you
24 have any questions?

25 COMMISSIONER GAW: No questions.

1 JUDGE DIPPELL: Commissioner Appling, do
2 you have any questions?

3 COMMISSIONER APPLING: No questions.

4 Thank you.

5 JUDGE DIPPELL: Mr. Chairman?

6 CHAIRMAN DAVIS: Thank you, Mr. Trotter.

7 Excellent performance.

8 JUDGE DIPPELL: Counsel?

9 MR. DANDINO: No questions.

10 MR. PENDERGAST: No questions.

11 JUDGE DIPPELL: Thank you, Mr. Trotter. I

12 appreciate your patience.

13 That is all the people that had signed up
14 to speak. Are there any other people that did not sign
15 up that would like to testify?

16 ARNIE DIENOFF,
17 of lawful age, being first duly sworn to tell the
18 truth, the whole truth, and nothing but the truth,
19 deposes and says on behalf of the Commission, as
20 follows:

21 JUDGE DIPPELL: Please state your name and
22 address.

23 MR. DIENOFF: My name is Arnie, A-R-N-I-E.
24 Last name is Dienoff, D-I-E-N-O-F-F. 914 Aneral,
25 A-N-E-R-A-L, Circle. I live in Bellefontaine

1 Neighbors, Missouri, which is 63137.

2 Good evening, Commissioners. You probably
3 remember my testimony from last month. It was very
4 lengthy. Since then, I've done a lot of homework and a
5 lot of research just to try to find out some facts. So
6 I would like to bring them to the Commission's
7 attention.

8 Three years ago, 20 September, was the
9 last increase that Laclede Gas has had. This is taken
10 from our inquiries from the Public Utility Commission.
11 This business, Laclede Gas, is one of the few private
12 businesses that is at your mercy. Laclede Gas, I
13 believe, has come to a fair compromise, which is one-
14 fourth of the their original 100% of what they were
15 asking for. Basically, they're asking for \$10 million
16 of the \$40 million originally sought. Laclede Gas has
17 the same increases as all businesses do, whether it be
18 small businesses, large businesses or individuals. It
19 has the fuel increases, volume increases, and enormous
20 insurance to their employees that they absorbed the
21 last three years. And also, the general cost has gone
22 up, along with an ancient piping and safety concerns,
23 which it's my understanding from Laclede Gas that part
24 of this \$10 million is going to go to replace some
25 major structure that is due to fail in the next few

1 years. I also applaud Laclede Gas for coming up with
2 \$1 million to start a new low income energy assistance
3 program. It's desperately needed.

4 However, again, the 90 jobs that have been
5 brought up, those positions are near and dear to those
6 families that bring in that income. I asked Laclede
7 what would happen to those 90 employees. First of all,
8 a third of those employees are temporary employees, so
9 they won't be affected. So, basically, we're talking
10 about another sixty employees. It's my understanding,
11 and testimony can prove that, that those people are
12 going to be offered other positions within the company
13 as they become available. So far, I think Laclede has
14 agreed to five positions, and hopefully, they'll agree
15 to 55 positions when the final outcome is.

16 However, what really concerns me, and it's
17 not Laclede's fault, but it does concern me, there's
18 not going to be any costs at Laclede's end, it's just
19 passed on the costs to the consumer. The Commission's
20 going to have to grasp and come to some type of
21 understanding of how Missourians are going to be
22 affected this winter. Laclede Gas is estimating 7.1%
23 increase in utilities and their charge, what they're
24 going to be in bulk gas. They're going to pass on that
25 cost directly to the homeowners and residents. That's

1 a real concern for families. You need to really
2 address that issue. What are Missourians going to do
3 when they get turned off this year?

4 If you recall my testimony last time, I
5 told you what my position is with Laclede Gas, and how
6 I've cut down on my usage of natural gas. I think we
7 need to look into alternative fuels, alternative
8 sources, and some desperately needed help for these
9 families. We may be talking about elderly people,
10 people on disability, talking about a mother that has
11 children. And if her gas gets cut off, guess what?
12 Her children are going to be evaluated by the
13 Department of Children and Family Services.

14 But I do feel that this is a fair
15 compromise. I feel the \$1 a month increase is
16 something fair. I feel that it's going to go towards
17 general cost increases, fuel increase, insurance, aging
18 piping, pipeline, and also, to address some legal
19 concerns. So I know you have a position, but you also
20 have to understand that Laclede Gas is a private entity
21 and they're basically at your mercy, and any time that
22 they want to increase the cost -- in three years, I
23 think it's, you know, they've waited three years
24 without an increase. I think the compromise is fair
25 and equitable. We have to decide what we're going to

1 do with the increase on the natural gas and how it's
2 going to be well spent. Thank you.

3 JUDGE DIPPELL: Thank you. Commissioner
4 Murray, do you have any questions?

5 COMMISSIONER MURRAY: No real questions,
6 but I thank you for your comment about the fact that we
7 really need to be thinking about what happens this
8 winter when the commodities costs that are inevitable,
9 have passed through to people. Because we've been
10 thinking about that and it's difficult to know how to
11 communicate to the public, to the people, that these
12 increases are really happening and how to go about
13 addressing them. Thank you for your comments.

14 JUDGE DIPPELL: Commissioner Gaw, do you
15 have any questions?

16 COMMISSIONER GAW: Thank you, sir, for
17 coming again tonight. I appreciate you coming and your
18 study on that.

19 JUDGE DIPPELL: Commissioner Appling, do
20 you have any questions?

21 COMMISSIONER APPLING: Thank you.

22 JUDGE DIPPELL: Mr. Chairman.

23 CHAIRMAN DAVIS: Thank you, Mr. Dienoff.

24 JUDGE DIPPELL: Counsel?

25 MR. DANDINO: No questions. Thanks.

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MR. PENDERGAST: No. Thank you.

JUDGE DIPPELL: Thank you, sir. Is there anyone else who sign up who would like to testify?

Seeing no one, I will complete this hearing. I thank you all very much.

(Thereupon, the hearing was adjourned.)

1 STATE OF MISSOURI)
) SS
2 COUNTY OF PIKE)

3 I, Elizabeth R. Blackburn, a Certified Court
4 Reporter within and for the State of Missouri, do
5 certify that I was present at Harris-Stowe State
6 University, Emerson Performance Center Theater, 3026
7 Laclede Avenue, St. Louis, Missouri, on the 19th day of
8 September, A.D., 2005; that thereafter, a public
9 hearing was held, commencing at 6:00 p.m. of that day,
10 that all proceedings which then transpired were
11 contemporaneously reduced to voice writing by me, and
12 later transcribed into typewriting, and that the
13 foregoing 125 pages are a true and accurate transcript
14 of the record of proceedings made by me at that time.

15 IN WITNESS WHEREOF, I have hereunto set my hand
16 this 29th day of September, A.D., 2005.

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Elizabeth R. Blackburn #1092
Certified Court Reporter within
and for the State of Missouri

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