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4 STATE OF MISSOURI
5 PUBLIC SERVICE COMMISSION
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10 IN THE MATTER OF ATMOS ENERGY CORPORATION'S
11 TARIFF REVISION DESIGNED TO CONSOLIDATE RATES
12 AND IMPLEMENT A GENERAL RATE INCREASE FOR
13 NATURAL GAS SERVICE IN THE MISSOURI SERVICE AREA
14 OF THE COMPANY
15

16 Case No. GR-2006-0387
17
18

19 Public Hearing - Volume 3

20 September 25, 2006
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1 PROCEEDINGS

2 JUDGE DIPPELL: Let's go ahead and go on the
3 record. The Missouri Public Service Commission has set
4 this time for a local public hearing in case number
5 GR-2006-0387 in which Atmos Energy Corporation seeks to
6 implement a general rate increase. The Missouri Public
7 Service Commission regulates the rates charged by
8 investor owned utilities in Missouri to ensure that
9 those rates are just and reasonable. The Commission
10 also regulates the quality of service and safety of
11 operations in investor owned utilities. My name is
12 Nancy Dippell. I'm a Regulatory Law Judge for the
13 Public Service Commission, and it's my job to facilitate
14 this hearing this evening. We're video conferencing our
15 hearing with our office in Jefferson City so that
16 Commissioner Appling can be present. And in addition,
17 it's being recorded there so that it'll be taken down.
18 And also, we have a court reporter taking down your
19 comments so that the other commissioners can read those
20 and consider them.

21 We're also streaming this via our internet
22 website. So just so that you know that. As you've
23 probably seen Commissioner Lin Appling is in Jefferson
24 City this evening. The Commission is made up of a total
25 of five commissioners. The commissioners are appointed

1 by the Governor to fixed terms and confirmed by the
2 Senate. And commissioners employ a staff of engineers,
3 accountants, attorneys, financial analysts and other
4 specialists in the field of utility regulations. Also
5 present with me this evening are from our staff I think
6 you've probably met Greg Ocho and Lena Mantle. We also
7 have from the Office of the Public Counsel Mr. Mark
8 Poston. And there's several members from Atmos here
9 this evening, including their counsel Mr. Fischer from
10 Jefferson City. And Mr. Fischer, did you want to
11 introduce anyone if you haven't already?

12 MR. FISCHER: Thank you, Judge. I would
13 just mention that our Vice President of Regulations Pat
14 Childers is here, along with a number of folks from the
15 company. And if there are questions about billing or
16 quality of service issues, we'd like to try to take care
17 of those tonight if we can.

18 JUDGE DIPPELL: Okay, thank you. We also
19 have with us this evening Representative Terry Swinger,
20 and I believe he will make some remarks in a few
21 minutes. I'd like to thank the Hayti High School for
22 letting us use their very nice ITV room and just state
23 that the comments and statements proposed here tonight
24 are not necessarily the opinions of the school.

25 This is an official hearing of the Missouri

1 Public Service Commission and so the statements and
2 testimony of witnesses will be taken down by a court
3 reporter and will be taken under oath or affirmation.
4 In addition to this hearing, we'll have a trial type
5 evidentiary hearing beginning on November 27th at the
6 Commission's offices in Jefferson City. That's a public
7 hearing where the company will have the burden of
8 proving that their request is reasonable.

9 And the purpose of this hearing is to
10 receive comments from you regarding the rate increase.
11 The company is not here to testify or present witnesses
12 and they're not here to ask or answer questions on the
13 record. But as Mr. Fisher has said, they'll be happy to
14 answer any questions at a later time after the hearing.

15 If you wish to testify and you haven't
16 already done so, you can let Mr. Ocho know or you can --
17 I'm sorry. I was hearing some sounds in the background
18 there. If you'd like to testify and you haven't already
19 signed up, you can let Mr. Ocho know or after anyone has
20 testified that I have on the list then I will ask if
21 there's anyone else who wants to testify. And since we
22 have a small crowd you can let me know at that time is
23 fine. Let's see. When your name is called, I'll ask
24 you to come forward and sit in this chair so that the
25 camera can see you and speak up so the court reporter

1 can hear you. I'll ask you to spell your name and give
2 your address and I'll ask you if you're a customer of
3 Atmos. Then there could be some questions from me or
4 from Commissioner Appling or from some of the attorneys
5 just to clarify things, so I'll ask you to stay until
6 those questions are asked. Right now, I'd like to ask
7 the attorneys to go ahead and make entries of
8 appearance. Mr. Poston, can I begin with you?

9 MR. POSTON: Mark Poston, appearing on
10 behalf of the Office of Public Counsel.

11 JUDGE DIPPELL: And Mr. Fischer?

12 MR. FISCHER: James Fischer, from Jefferson
13 City, appearing on behalf of Atmos Energy Corporation.

14 JUDGE DIPPELL: And we have staff counsel in
15 Jefferson City.

16 MS. SHEMWELL: Yes, thank you, Judge. Lera
17 Shemwell, representing the staff of the Missouri Public
18 Service Commission. Thank you.

19 JUDGE DIPPELL: Thank you. Commissioner
20 Appling, would you like to make any opening remarks?

21 COMMISSIONER APPLING: Not at this time,
22 Judge. I think I'm okay, and we're ready to go up here
23 in Jefferson City.

24 JUDGE DIPPELL: Thank you.

25 COMMISSIONER APPLING: Thank you.

1 JUDGE DIPPELL: Representative Swinger, I
2 have you down as my first witness. Would you like to
3 come forward?

4 MR. SWINGER: Thank you, Judge.

5 JUDGE DIPPELL: Can I swear you in?

6 MR. SWINGER: You can. Should I stand?

7 JUDGE DIPPELL: You're fine.

8 (Witness sworn.)

9 JUDGE DIPPELL: Thank you. If you could
10 state your name and spell it for the court reporter.

11 MR. SWINGER: Terry Swinger, S-w-i-n-g-e-r.
12 Terry is T-e-r-r-y. And my address is Post Office Box
13 1137, Caruthersville, Missouri 63830.

14 JUDGE DIPPELL: Thank you. And are you a
15 customer of Atmos?

16 MR. SWINGER: I am.

17 JUDGE DIPPELL: Go ahead with your comments,
18 please.

19 MR. SWINGER: First of all, I'd like to say
20 that Atmos is a good neighbor. We enjoy having them in
21 our community and they're service-minded, public-minded
22 and we appreciate that. During the terrible disaster we
23 had over in Caruthersville on April the 2nd, all the
24 utility companies were very, very accessible and very
25 agreeable and very helpful, and we do appreciate that

1 very much.

2 The three things that I wanted to mention,
3 and one of them has already been answered for me. I was
4 concerned about Noranda since I know they are a customer
5 of Atmos, and I wanted to know what was happening there
6 because Noranda is -- one of the biggest employers, if
7 not the biggest employer in our entire region. I've had
8 the opportunity on three different occasions to visit up
9 there. They have over 1100 employees there and 140 of
10 them are located in Portageville, one of the three towns
11 where I practice optometry. And also, in Caruthersville
12 where I live, there's some 40 employees that are there.
13 And I know they have a payroll in excess of \$50,000,000,
14 and they have issues at times and they have issues of
15 being able to have the profits they need to have. And I
16 was concerned if this would affect them and I've been
17 assured tonight by Ms. Pat Childers that there would be
18 no rate increase to Noranda. And I'm very happy that I
19 came here tonight, because I didn't realize that that
20 was the case.

21 The other two issues that I wanted to
22 mention was that I realize that it's been a long time
23 since there has been a rate increase and having -- being
24 a small business person myself having three small
25 optometric practices in the area in Portageville, which

1 is one of the areas, Caruthersville is another and I
2 don't believe Kennett is. I think they have their own
3 city gas in Kennett, Missouri, where my other practice
4 is located. But I'm concerned because I also have the
5 privilege of representing this area as state
6 representative, which includes all of Pemiscot County,
7 which I assume that Atmos has the majority of Pemiscot
8 County and portions of Dunklin and portions of New
9 Madrid County, and I know Atmos is there. And we rank
10 at the bottom of the rung in nearly everything when it
11 comes to economic issues. And I am just concerned that
12 when I see the amount -- the rate increase is going to
13 be that it will not affect me very much because that's
14 affordable to me, but I do know I have a lot of
15 constituents that do have a lot of issues. And I'm
16 learning a lot. I got the materials here tonight, and I
17 see where you're talking about some levelized billings
18 and so maybe my concerns are going to be answered and
19 taken care of. But I'm just concerned because we do
20 have so many people that have low incomes. I know
21 there's many times they have a hard time paying their
22 bills. I know particularly when we have hard winters
23 and there's a greater demand on a heating fuel of any
24 kind, it's more difficult for them.

25 And then finally the third point that I'd

1 like to make, Judge, is that we did have the terrible
2 tornado on April the 2nd, which was very devastating.
3 It came way over to the southwest and came through parts
4 of Dunklin County when it came into Missouri. When it
5 crossed the county line and came into Pemiscot County,
6 it was very devastating. There was a community 12 miles
7 to the west of Caruthersville and is probably about the
8 same distance southwest of where we are here in Hayti
9 right now, but it destroyed a huge portion of that small
10 community and followed the Highway J and U on into
11 Caruthersville destroying 60 to 80 percent of everything
12 along that highway. And then when it went into
13 Caruthersville, it took a half mile path right out
14 through the center of town. And it was a very
15 devastating storm, and I'm very appreciative of all the
16 resources that the State of Missouri and the Federal
17 Government put into our area. I think we were maximized
18 on the help that we could get and we very much
19 appreciate it.

20 And as a side note, it was very impressive
21 to see what the utilities were doing. I know we're not
22 here talking about Ameren UE, but they came in and --
23 what they did in that disaster was very impressive to
24 me. I'd see like five huge trucks go down through a
25 street that had no power, and the first one would be

1 taking wires down, removing old poles, setting new ones,
2 another crew came in and in a short period of time they
3 took care of things. And I know that Atmos would
4 respond in like manner and probably did in many ways
5 that I'm not even aware of.

6 But for these reasons, even though there
7 hasn't been a rate increase in a long time, it concerns
8 me, because I know we have a lot of people in industry
9 that could be affected. Hopefully, will not be.
10 Hopefully, it will be -- no rate increases would go
11 there. Two other big employers who we have is the
12 hospital that employs some 350 people. The shipyard,
13 Caruthersville Shipyard, I don't know how much of your
14 services that they utilize there, but it's that, along
15 with the people that were affected by the tornado and
16 then the poorer people, which we have with a
17 disproportionately high percentage of in our area. So
18 those are my concerns, and I appreciate the opportunity
19 to voice those concerns, and hopefully, those concerns
20 will be addressed, taken care of and will not be a
21 problem.

22 JUDGE DIPPELL: Thank you. Do we have any
23 questions from Commissioner Appling?

24 COMMISSIONER APPLING: Just a couple, Judge.
25 Representative Swinger, just a couple of things. Number

1 one is thank you very much for coming out and
2 participating, and it's very important that the state
3 representative come and participate in these exercises
4 and make sure of that. And the second thing is we will
5 take your comments serious, and the third thing is I'm
6 very much aware of what Noranda means to your location
7 down there. So we'll be taking your comments very
8 seriously, and thank you for coming in. And if you have
9 any further questions of us, we'll be here in Jefferson.
10 We're no further away from you than your telephone.
11 Thank you.

12 MR. SWINGER: Thank you. I know that to be
13 the case, because one time I had questions for you and
14 you came to see me and gave me all the time that I
15 wanted, and it was -- I appreciate that very much. I
16 appreciate your other comments. And again, Noranda is
17 the largest employer in the area and probably floats all
18 the economic boats in our area, and so I appreciate you
19 taking those issues into consideration and appreciate
20 the opportunity to testify here tonight.

21 COMMISSIONER APPLING: Thank you very much,
22 and you tell the leadership of Noranda if they have any
23 questions that Lin Appling is in Jeff City, okay?

24 MR. SWINGER: I certainly will. Thank you.

25 COMMISSIONER APPLING: Thank you very much,

1 sir.

2 JUDGE DIPPELL: Ms. Shemwell, did you have
3 any questions?

4 MS. SHEMWELL: I have no questions. Thank
5 you, Judge.

6 JUDGE DIPPELL: Thank you. Mr. Fisher?

7 MR. FISCHER: Yes, your Honor. I'd also
8 like to thank you for testifying, Representative
9 Swinger. One thing I did want to clarify, at this point
10 the company has a position how the rates should be
11 divided, including the Noranda rates. Other parties
12 might have other proposals, and these would be taken
13 into account by the public service commission when they
14 eventually render their decision. So although the
15 company might not be proposing an increase for Noranda,
16 it might be that other parties might. Noranda does have
17 separate counsel, and they will be participating with
18 their experts as well. So it's still up in the air
19 about what the ultimate impact on any customer might be,
20 but I appreciate your comments very much, and thank you
21 for being here tonight.

22 MR. SWINGER: Thank you, Counselor.

23 JUDGE DIPPELL: Mr. Poston?

24 MR. POSTON: No questions. Thank you.

25 JUDGE DIPPELL: I didn't have anyone else on

1 my signup list, but would anyone -- ma'am, would you
2 like to testify?

3 MS. VINCENT: Yes.

4 JUDGE DIPPELL: Please come forward. Thank
5 you.

6 (Witness sworn.)

7 JUDGE DIPPELL: Could you state your name
8 and spell it for the court reporter?

9 MS. VINCENT: My name is Linda T. Vincent.

10 JUDGE DIPPELL: Can you spell that for us?

11 MS. VINCENT: Yes. V-i-n-c-e-n-t.

12 JUDGE DIPPELL: Can you give us your
13 address?

14 MS. VINCENT: 411 North Walnut Street.

15 JUDGE DIPPELL: And are you a customer of
16 Atmos?

17 MS. VINCENT: Yes, I am. Here in Hayti,
18 Missouri.

19 JUDGE DIPPELL: Okay. Go ahead with your
20 comments.

21 MS. VINCENT: Yes. I was thinking as I
22 listened.

23 COMMISSIONER APPLING: Use your mike,
24 because I can't hear.

25 MS. VINCENT: Oh, he wants me to use a mike?

1 JUDGE DIPPELL: We're going to move the
2 mike, so they can hear you a little better in Jefferson
3 City. Go ahead, ma'am.

4 MS. VINCENT: As Representative Swinger has
5 spoken about the senior citizens, they are on fixed
6 incomes and at this rate they're no longer able to
7 absorb the costs of the utilities, passing the costs
8 onto the consumer is no longer a viable option. And
9 once upon a time when the economy was better, then, Pat,
10 nobody noticed it, but personal income has not kept up
11 with the service cost. And when the economy is down --
12 since the economy is down, and if -- we can't absorb it
13 any longer. And we're paying for our services -- we are
14 paying more for the service, but our personal income has
15 not risen, and we're no longer able to absorb the costs.

16 It looked like that once upon a time we
17 could, but now we're not able to. So I'd really like
18 you to reconsider the area that you're working in. And
19 people, even when they can get help, everybody doesn't
20 qualify for it. So that's what I would like to say,
21 please reconsider the area that you're working with, and
22 the fact that more people here are on fixed incomes and
23 they are all elderly and they just cannot afford it.
24 And I don't think that burden should be placed on them.
25 When you have to choose between eating, heating,

1 medicine, some things -- some things should be
2 considered -- taken into consideration when you are
3 having your meetings. Thank you.

4 JUDGE DIPPELL: Thank you, ma'am. Could you
5 wait just one moment and let me see if there's any
6 questions for you. Commissioner Appling, did you have
7 any questions for Ms. Vincent?

8 COMMISSIONER APPLING: Judge, I have no
9 questions. I just wanted to say to Mrs. Vincent, thank
10 you very much for coming out and voicing your concerns
11 for the elderly and those people on fixed income in your
12 location. Thank you for coming out tonight. I
13 appreciate it.

14 JUDGE DIPPELL: Ms. Shemwell, did you have
15 any questions?

16 MS. SHEM WELL: I would like to ask
17 Ms. Vincent if she believes that customers in that area
18 could benefit from a weatherization program. In other
19 words, do these people own their own homes and does she
20 think that weatherizing the homes might be of benefit?

21 MS. VINCENT: Some do, some don't. But the
22 weatherization program can only do so much, and they're
23 limited in what they can do and there are for -- there
24 may be five or ten for each -- five or ten that go
25 lacking for each one customer that gets their house

1 weatherized.

2 MS. SHEMWELL: Ms. Vincent, do you believe
3 that this assistance that's available to customers is
4 adequately publicized? In other words, people know it's
5 out there, and that sort of thing?

6 MS. VINCENT: Yes, it's out there, but it's
7 gone -- the minute they hear about it, swoop, it's gone.
8 Just like they say on Hee Haw, it's gone.

9 MS. SHEMWELL: Thank you, Ms. Vincent.

10 JUDGE DIPPELL: Mr. Fischer, did you have
11 any questions?

12 MR. FISCHER: I have no questions. Thank
13 you for testifying.

14 JUDGE DIPPELL: Mr. Poston?

15 MR. POSTON: No questions.

16 JUDGE DIPPELL: Thank you, Ms. Vincent, very
17 much for testifying. Would anyone else like to speak?

18 MS. RAMIREZ: Yes, I would like to speak.

19 JUDGE DIPPELL: Can you come forward,
20 please.

21 MS. RAMIREZ: Sure.

22 (Witness sworn.)

23 JUDGE DIPPELL: Could you give us your name
24 and your address?

25 MS. RAMIREZ: Yes. I'm Versie L. Ramirez.

1 JUDGE DIPPELL: Can you spell that?

2 MS. RAMIREZ: Yes. V-e-r-s-i-e.

3 R-a-m-i-r-e-z.

4 JUDGE DIPPELL: Thank you. Can you give us
5 your address?

6 MS. RAMIREZ: Yes. I'm at 141 Rappaport.

7 JUDGE DIPPELL: And that's here in Hayti?

8 MS. RAMIREZ: In Hayti, yes.

9 (Interruption.)

10 JUDGE DIPPELL: We can hear you, Ms.
11 Shemwell. Are you having trouble hearing us?

12 MS. SHEMWELL: Yes.

13 JUDGE DIPPELL: Okay. I'm going to move the
14 microphone a little closer to Ms. Ramirez. Her voice is
15 a little soft. Go ahead with your comments.

16 MS. RAMIREZ: Well, basically, I wanted to
17 just piggyback off of Ms. Vincent, being that I am a
18 senior citizen, and I suppose she is also. And you
19 know, as she stated earlier, the income is not, you
20 know -- it's not coming up to -- every time we get
21 a raise -- yes, they give us a COLA raise at the end of
22 the year as you probably know. But when they give you
23 that raise, everything else is raised. You know, all
24 the taxes and everything goes up with that. So you
25 really in reality we don't really get a raise when you

1 really look at it. When I look at my -- you know, what
2 has been raised and then what I have to pay it's -- I'm
3 basically back to where I started. So I was thinking
4 about that, I said, let me come up here and see and have
5 an opportunity to see what's going on so I will know,
6 you know, like they say, you know, from the get go. And
7 I just feel like, you know, the raise is -- it will put
8 a hardship on a lot of people. That's what I'm feeling,
9 you know, about the issue. And you know, it's a lot of
10 things -- maybe they could do something else. I don't
11 know. It's a consideration. I would appreciate if they
12 could have a consideration, you know, for the seniors,
13 because after all, you know, we're in a position right
14 here in this area, this is a very much of a poverty
15 area. It's not an area that you can get that many jobs.
16 I mean, there's not any jobs really to get from what I
17 can see.

18 I haven't been here that long. In fact, I
19 have just relocated back here, you know, because I
20 thought maybe it would be a little easier on me to
21 relocate, you know, in a town that wouldn't be as much.
22 But then I'm seeing that it's quite a bit when you think
23 about it. Because I noticed the water bill. The water
24 bill is exorbitant. I mean down in the Heights where I
25 live, I said, my God, I didn't realize the water bill

1 was so high. I know you're not talking about the water
2 bill, but I'm speaking about that. The water bill is
3 expensive. When I came from Chicago, I mean in
4 comparison, that's expensive. You know, we're paying --
5 like 40, 50 some people are paying a hundred dollars on
6 a water bill. That's expensive to pay for that. I
7 think that's ridiculous. And I'm the only person in the
8 household, and how can I use that kind of water? That's
9 too much. I just can't see that.

10 And then now, you know, you want to raise
11 this, you know, raise the gas, and then the lights are
12 going to probably come next. And where do you stop?
13 You know, where is the stopping point? And so this is
14 what I'm thinking, you know, and I know I'm not going to
15 get any younger. I know I'm getting older. So now I'm
16 not going to be able to go out there and say get a job
17 like maybe say a younger person can get into the
18 technology and all of that, you know. Even when you do
19 get into the technology, you still are not as fast, you
20 know, learner like the ones that's already in it, you
21 know. So we got that kind of situation. And I just
22 feel like, you know, it should be some consideration
23 given to this. And I wanted to see. And as I say, I'd
24 like to check it out myself, and I will know. So this
25 is what I'm thinking about it, you know. And I wish it

1 would have been a lot more people come here from the
2 neighborhood, from the community that they could have
3 spoken, because I'm sure some of the people that have
4 much worse situation even than I do. And so that's --
5 you know, that's the way I look at it. You know, it's a
6 consideration. I don't know when the last time you
7 raised it, you know, they raised it. But, you know, I
8 have nothing to do with that, you know. I'm in this
9 situation right now. I'm here. So that's basically
10 what I want to speak about. You know, yes, I am a
11 senior citizen. I may not look like it, but I am. So
12 that's the way that it is. And thank you so much, you
13 know, for allowing me to speak.

14 JUDGE DIPPELL: Thank you for coming. I
15 just had a couple of questions for you. Can you tell me
16 who provides your water?

17 MS. RAMIREZ: Well, it's down in Hayti
18 Heights.

19 JUDGE DIPPELL: Is it the city?

20 MS. RAMIREZ: It's city of Hayti Heights
21 down in that area. Because Hayti and Hayti Heights is
22 different. What's going on with Hayti Heights, we have
23 no revenue down there, and so basically, you are kind on
24 the riding on the water, the water bill. So they raise
25 the water bill so you can kind of, you know, exist more

1 or less exist, you know, in that particular area. And
2 so it's no kind of -- you know, a business, you know,
3 down there, so that's what is going on. So it's
4 exorbitant to me.

5 JUDGE DIPPELL: And how long have you lived
6 here? You said you relocated over Chicago?

7 MS. RAMIREZ: I've lived here a little bit
8 over two years now. I've been back over two years.

9 JUDGE DIPPELL: Thank you very much for
10 giving your comments. Commissioner Mr. Appling, do you
11 have questions for Ms. Ramirez.

12 COMMISSIONER APPLING: Judge, I don't think
13 so. I think I'm just pleased that you did come in
14 tonight and give us your comments. And you really don't
15 look like a senior citizen, and I wanted to say that to
16 you. Are you sure you're not a teenager that is posing
17 as a senior citizen tonight?

18 MS. RAMIREZ: Thank you very much. I
19 appreciate that comment.

20 COMMISSIONER APPLING: Thank you very much
21 for coming. It's much warmer in Hayti Heights than it
22 is in Chicago in January, though. You can witness that,
23 can't you?

24 MS. RAMIREZ: Right. That was the idea.

25 COMMISSIONER APPLING: Thank you very much,

1 bye-bye.

2 MS. RAMIREZ: Bye.

3 JUDGE DIPPELL: Ms. Shemwell, do you have
4 questions for Ms. Ramirez?

5 MS. SHEMWELL: I do not. Thank you.

6 JUDGE DIPPELL: Mr. Fischer?

7 MR. FISCHER: No thanks.

8 JUDGE DIPPELL: Mr. Poston?

9 MR. POSTON: No thank you.

10 JUDGE DIPPELL: Thank you very much, Ma'am.
11 I appreciate your time. Anyone else like to speak?
12 Sir? All right. I don't see anyone else who wishes to
13 speak here this evening. I realize it is a light crowd,
14 but I appreciate the time that those of you that came
15 took out of your busy schedules to be here and give us
16 your comments. All of the commissioners will read the
17 transcript, and they take your comments very seriously.
18 And so I appreciate all of you being here and that will
19 conclude this hearing. We can go off the record. Thank
20 you.

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