

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

TRANSCRIPT OF PROCEEDINGS

Local Public Hearing

June 29, 2010

Palmyra State Bank  
400 S. Main Street  
Palmyra, Missouri 63461

Volume 2

In the Matter of Atmos     )     File No. GR-2010-0192  
Energy Corporation's         )  
Tariff Revision Designed    )  
To Implement A General       )  
Rate Increase For Natural    )  
Gas Service in The           )  
Missouri Service Areas Of    )  
The Company                   )

HAROLD STEARLEY, Presiding  
DEPUTY CHIEF REGULATORY LAW JUDGE  
ROBERT CLAYTON, III, Chairman  
KEVIN GUNN, Commissioner

REPORTED BY:

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1 P R O C E E D I N G S

2 JUDGE STEARLEY: Good afternoon. It's  
3 Tuesday, June 29, 2010, and the Missouri Public Service  
4 Commission has set this time for a public hearing in File  
5 NO. GR-2010-0192 in which Atmos Energy Corporation's seeks  
6 to implement a general rate increase for its natural gas  
7 service here in Missouri.

8 My name is Harold Stearley, and I'm the  
9 regulatory law judge that will preside over today's  
10 hearing. Before you had an opportunity to have the  
11 Chairman makes some introductions and give you some  
12 additional information. Commissioner Gunn, would you like  
13 to make an opening statement.

14 COMMISSIONER GUNN: Nothing other than  
15 just welcome everybody here, and thank you very much for  
16 taking time out of your busy day to come here. We really  
17 appreciate it. This is an important part of the process,  
18 and we look forward to hearing from you.

19 JUDGE STEARLEY All right. And with  
20 that we'll begin by taking entries of appearance from  
21 counsel, beginning with Atmos Energy Corporation.

22 MR. DORITY: Thank you, Judge Stearley.  
23 Please let the record reflect on behalf of Atmos Energy  
24 Corporation Larry W. Dority with the firm Fischer and  
25 Dority, P. C. Our address is 101 Madison, Suite 400,



1 And the Office of the Public Counsel.

2 MR. POSTON: Thank you. Marc Poston  
3 appearing for the Office of the Public Counsel and the  
4 public, P. O. Box 2230, Jefferson City, Missouri 65102.

5 JUDGE STEARLEY Thank you, Mr. Poston.  
6 I don't believe we have any of the interveners today  
7 represented by counsel, but we'll note that for the record  
8 that they have not made an appearances.

9 And we will proceed as I do have a list of  
10 people who signed up. I have one person on that list, and  
11 I'll call that person forward. But we will go -- are going  
12 to offer a couple of different opportunities for people to  
13 make comments, so if you all just not run off too quickly  
14 here. We're going to give everyone a full opportunity to  
15 make whatever comments they have regarding the rate  
16 increase or the company.

17 Starting on our list, we have Mr. Kevin  
18 Suffern.

19 MR. SUFFERN: Suffern.

20 JUDGE STEARLEY Mr. Suffern, if you'd  
21 please come forward and have a seat. And if you would  
22 please state and spell your name for our court reporter.

23 MR. SUFFERN: My name is Kevin Suffern.  
24 Spelled S-U-F-F, as in Frank, -E-R-N.

25 JUDGE STEARLEY And, Mr. Suffern, if

1 you would please raise your right hand.

2 (Thereupon, Mr. Kevin Suffern was sworn  
3 on his oath by Judge Stearley.)

4 Thank you, and you may proceed.

5 MR. SUFFERN: Thank you. Good  
6 afternoon. I have prepared a written statement in  
7 opposition to the requested Atmos Energy Corporation's rate  
8 increase on behalf of Legal Services clients.

9 I should back up a minute to say I am  
10 managing attorney for Legal Services. My office is based  
11 in Hannibal, Missouri. I -- I am employed at Legal  
12 Services of Eastern Missouri, which represents 21 counties.  
13 I, in turn, cover 14 counties in northeast Missouri. Legal  
14 Services, by definition, represent low-income clients. You  
15 cannot exceed 125 percent of the poverty level if you were  
16 to get our services.

17 So I am speaking on behalf of the group that  
18 was referred to by someone earlier today the income people,  
19 and I have to say I side with that in this case to say that  
20 low-income people use more -- more services, more -- more  
21 gas than -- than I think more well-to-do clients.

22 I would like to submit for the record my  
23 written statement, and I just have a couple of brief formal  
24 statements to follow up on the written testimony that I  
25 would present, and I don't know if I give a copy to each

1 person or how --

2 JUDGE STEARLEY Yes. And we'll mark  
3 that as Exhibit 1.

4 (Thereupon, evidence was marked for  
5 identification as Exhibit No. 1.)

6 And, Mr. Suffern, have you had an  
7 opportunity to share your written comments with the other  
8 attorneys that are here?

9 MR. SUFFERN: No, I have not.

10 JUDGE STEARLEY: All right. Well, you  
11 go ahead and proceed, and we'll be sure that they can get a  
12 copy.

13 MR. SUFFERN: Okay. I'll be very brief  
14 here. As I said, we represent 21 counties. We estimate  
15 there are about 350,000 low-income people in our service  
16 area, and the bottom line is that for people -- there was a  
17 gentleman earlier who spoke about he's on a fixed income,  
18 and any kind of an increase impacts people on fixed income  
19 in a much more significant way than does an increase to  
20 someone who has a job and a good paycheck.

21 But one -- the couple of other points I  
22 wanted to make here, we actually did some focus groups --  
23 we did some focus groups out in the northeast territory to  
24 see what issues were of most concern to low-income -- the  
25 low-income population, and that was conducted actually in

1 May and June. We're trying to see what we should be most  
2 responsive to as Legal Services attorneys. But I will say  
3 that problems with paying utility bills was one of -- the  
4 biggest problem for low-income people.

5                   Again, they're on fixed income or they have  
6 no income. The balanced budgeting process of the budget  
7 billing is nice if you have money, but it doesn't really  
8 help people out who are on fixed-income basis. So -- and  
9 the income assistance programs that exist to seek financial  
10 assistance are under funded oftentimes or they just don't  
11 provide the kind of support, financial support, that is  
12 necessary.

13                   And I do -- all you have to do is go around  
14 and look at some of the houses that the low-income people  
15 live in that when they turn on their heat, there's going to  
16 be enormous inefficiency, and I think that it does impact,  
17 not only just the lower income, but the elders who really  
18 need this kind of service.

19                   So I just close by saying that we did have  
20 one person make a comment directly to me, and she said with  
21 the trouble clients are having paying utility bills, this  
22 large increase will make it much harder to pay 137.40 a  
23 year is unreasonable. I don't know if that number is  
24 exactly correct, but it would be somewhere, and we cannot  
25 afford it.

1                   So I'm just speaking on behalf of all Legal  
2   Services clients and with the low-income population that is  
3   simply unable to sustain itself barely these days. So any  
4   increase is -- is extremely prejudicial to them and their  
5   survival.

6                   JUDGE STEARLEY: Okay. Mr. Suffern, if  
7   you'd just hold on for a minute, I'll see if we have  
8   questions for you, starting with the Commissioners.

9                   CHAIRMAN: Thank you, Judge. Mr.  
10   Suffern, thank you very much for being here. First of all,  
11   let me say I appreciate the work that you do. I'm well  
12   aware of Legal Services, and have done work with them as an  
13   attorney in years past, and you all an important part of  
14   the community throughout northeast Missouri.

15                  What I wanted to ask you, in addressing  
16   low-income issues, folks that they don't make a lot of  
17   money or have a very limited means, fixed income, and that  
18   sort of thing. Aside from opposing the rate increase, what  
19   else can the Commission do to help those customers maybe  
20   help reduce their usage, help them in making the energy  
21   more affordable? Is it a design of rates type issue? Do  
22   we need to provide more assistance in weatherizing homes?

23                  Is there anything that the Commission can do  
24   or that Atmos can do to help alleviate those concerns other  
25   than just say no to rate increases?

1                   MR. SUFFERN: Well, certainly  
2 weatherizing and educating the public on the benefits of  
3 weatherizing and storm windows and just general  
4 conservation type actions would be helpful.

5                   Again, most of the people that I deal with,  
6 they live in housing it's rented. They can't control what  
7 the landlord does with respect to the insulation and -- or  
8 old furnaces and inefficient furnaces and things like that.

9                   I do know that people oftentimes have  
10 difficulties. They get a large bill. They can't pay it.  
11 There's a shutoff problem, and I know there's a procedure  
12 that that Atmos has to go through to shut people down. But  
13 the reality is that -- that people's survival is at stake.  
14 So I know they have a balanced budget thing. I know they  
15 have an installment plan that can be superimposed, you  
16 know, during the cold weather months, and stuff like that.

17                  But and just financial energy assistance for  
18 these people, conservation, educational efforts to -- but I  
19 guess more than that money to pay for the types of  
20 improvements, whether it be furnace or weather stripping or  
21 double-paned windows or whatever. There's a lot of money  
22 going up in smoke, so to speak. So yes, I think that  
23 that's important.

24                  CHAIRMAN: Do you -- when you are  
25 serving your clients, I'm assuming that there are

1 opportunities where the attorneys from Legal Services will  
2 interact with the utility or utilities regarding their  
3 service, maybe disconnect notices, maybe bill collection  
4 issues. Can you give me an idea of weather, is Atmos good  
5 to work with? Are they -- do they try to find creative  
6 solutions in addressing these issues?

7 MR. SUFFERN: My perception is that  
8 Atmos basically plays it by the book according to, well,  
9 you can do an installment, but you have to pay this much  
10 money up front and then this much money in addition for the  
11 month.

12 I would say actually that some of the  
13 unregulated utility providers, particularly those for  
14 cities and towns, for example, Hannibal, it's like if you  
15 don't pay, boom, you're gone. We don't -- we don't -- it's  
16 all or nothing. There was -- so to some extent, the fact  
17 that Atmos being private investor owned, it's regulated by  
18 -- by the Public Service Commission and there are cold  
19 weather rules and there are installment plan rules is  
20 beneficial.

21 I realize this is not a problem you can  
22 solve, but many of the towns and cities that somehow  
23 produce their own, buy their own utilities or whatever,  
24 they're not covered by the Public Service Commission as we  
25 know. And people there are really basically -- I know in

1 Hannibal, like if you don't pay, you get shutoff. I had a  
2 -- I got a shutoff notice.

3 I paid my bill every month for I don't know  
4 for how many years, and I don't know what happened. It got  
5 late, and boom, bang, you get a shutoff notice. There's no  
6 margin for error.

7 So I don't know what the Public Service  
8 Commission can do about that. I don't know the percentage  
9 of utility service that's provided by the private company  
10 that you would regulate versus publicly, you know,  
11 governmental or public owned type situation, but as far as  
12 to get back to your question. To me Atmos just basically  
13 plays it by the book.

14 CHAIRMAN: Are they better or worse  
15 than to deal with than say the Hannibal Board of Public  
16 Works?

17 MR. SUFFERN: I would have to say  
18 better in the sense that they're -- but that's because of  
19 the regulations. There's the cold weather rules. There's  
20 the installment plan. I mean, at least there's a  
21 possibility of some kind of spreading the arrearage out and  
22 perhaps being able to pay.

23 So I don't know that Atmos, per se, is  
24 better. It's better because of the rules and regulations  
25 that exists regarding cold weather shutoffs and installment

1 plans and those kinds of procedures.

2 CHAIRMAN: Thank you for coming today.

3 MR. SUFFERN: Thank you.

4 JUDGE STEARLEY: Commissioner Gunn?

5 COMMISSIONER GUNN: I just have a few  
6 questions, and in the interest of full disclosure, I've  
7 been involved with Legal Services in St. Louis for a while,  
8 and both my wife and I have done some things for them. So  
9 that's just in the interest of full disclosure.

10 MR. SUFFERN: Sure.

11 COMMISSIONER GUNN: Just to clarify  
12 Commissioner Clayton's question, how often do you actually  
13 interact directly with the utilities?

14 MR. SUFFERN: Well --

15 COMMISSIONER GUNN: Or do you? Let me  
16 clarify that. Or do you refer clients that come in to  
17 other social service agencies to -- to deal with the  
18 utilities?

19 MR. SUFFERN: If I'm dealing with a  
20 rate shutoff, someone is proposed to be discontinued, then  
21 I will work with the client to advise them of exactly what  
22 the options are as I understand them under the existing  
23 regulations.

24 Okay. You can perhaps you can do an  
25 installment plan, or if it's in the middle of the winter,

1 they can't shut you off if the temperature is below this 32  
2 degrees, et cetera, et cetera. So long -- so mostly I work  
3 with the client to enlighten them as to what their options  
4 are given the regulations as I understand them.

5 COMMISSIONER GUNN: All right.

6 MR. SUFFERN: Sometimes I go so far as  
7 to get -- to actually work with Atmos itself and say look,  
8 this person is a diabetic, they're on oxygen, you're going  
9 to kill this person if you -- if you can't work something  
10 out. But by and large, as I said, Atmos plays it by the  
11 book, which is that's their right and it's understandable,  
12 so that they basically say well, this is -- this is what we  
13 have to work with, and we're sorry, but --

14 Now, of course, if a person is in a medical  
15 emergency situation, it is possible to get some kind of a  
16 doctor's certification. There's medical emergency type  
17 situations, but that can get very difficult because  
18 individuals may not have access to medical care. They may  
19 not have Medicaid -- or it's actually called MO Health Net  
20 now, but getting certification of a serious illness can be  
21 a problem.

22 COMMISSIONER GUNN: Do you find that  
23 your clients, once you counsel them as to what their  
24 options are, that when they call Atmos or they interact  
25 with the utility, that they are having the same experience

1 that you are as a lawyer representing a client?

2 MR. SUFFERN: Yes. I do not see -- or  
3 at least I'm not aware of situations where the client is  
4 informed as to their options, and then they call Atmos and  
5 Atmos says, gee, you know, you're in a tough spot. We're  
6 going to defer -- you know, we're going to defer your bill  
7 for a couple of months, or we're going to make some kind of  
8 adjustment.

9 They go by the book is the way I understood  
10 it.

11 COMMISSIONER GUNN: But the process  
12 itself is simple enough or clear enough that your clients  
13 get the same options. You don't have -- they -- Atmos  
14 isn't -- doesn't provide special treatment or provide a  
15 system that requires there to be someone that has the  
16 knowledge of those rules and regulations in order to -- in  
17 order to access them?

18 MR. SUFFERN: Well, I will say that I  
19 have prepared a one-page simple English summary of rights,  
20 because if you -- for an average person that is a client of  
21 Legal Services, their education and their experience tends  
22 to -- well, let's just say their educational background  
23 tends to be limited. So if you say here are the Public  
24 Service regulations, go for it, they -- they can't really  
25 understand it.

1                   COMMISSIONER GUNN: Do you have clients  
2 that come in to you that have said I've tried on my own to  
3 deal with Atmos, and just can't get through or can't get  
4 anything done?

5                   MR. SUFFERN: Yes. Yes. I certainly  
6 have clients come in and say I've called them, and they say  
7 there's nothing we can do. And then I start to look at it  
8 and see well, what about these other options? Can we put  
9 them in to installments. Is it cold weather, is it -- what  
10 is it.

11                   So as it often the case, they're unaware of  
12 what their options are.

13                   COMMISSIONER GUNN: And that's -- and  
14 that's what I'm trying to get at. What I'm trying to get  
15 at is -- is -- is are the -- when -- if a -- if a normal  
16 person having problems with the utilities, all the problems  
17 that you're dealing with that hasn't come to you calls  
18 Atmos, and I understand this is anecdotal and this is not  
19 -- this is -- this is -- I'm not asking you to give an  
20 expert opinion.

21                   But just from what you've seen, when they  
22 call Atmos, are they turned down initially, or are they  
23 given -- you said they're by the book. There are certain  
24 things that they have to do. I just want to make sure  
25 they're doing that from your understanding to -- to the

1 people that are coming in, and then when you talk to them  
2 what suddenly became -- was a there's nothing we can do,  
3 suddenly becomes oh, there might be something we can do.

4 MR. SUFFERN: Well --

5 COMMISSIONER GUNN: Or is that a -- if  
6 -- that may happen, but is it an unusual occurrence, or is  
7 it rare or does it hap- -- are you do you have -- does it  
8 happen all the time?

9 MR. SUFFERN: Let -- let me say I --  
10 and from my experience when people call, they just called  
11 to say, you know, I'm going to be shut off. And they do  
12 not seem to be aware of -- of issues such as cold weather  
13 rule or balanced budget billing type things or installment  
14 plans.

15 So it is not clear to me how proactive Atmos  
16 is with respect to advising someone who calls with respect  
17 to a -- an arrearage. How proactive they are in saying,  
18 well, you know, we could do this, we could do that.

19 COMMISSIONER GUNN: So they may send a  
20 bill that says you're getting shut off, and then if a  
21 client calls, they may -- they may lay out the options.  
22 But they don't say anything you're about to shut -- you're  
23 about to get shut off. Call us and we'll try to -- try to  
24 figure out or hear?

25 MR. SUFFERN: I can't swear -- swear to

1 it. I don't -- don't know exactly what information Atmos  
2 puts in its discontinuance notices.

3 COMMISSIONER GUNN: Okay.

4 MR. SUFFERN: But it does -- it just  
5 seems to me anecdotally that people are not aware of the  
6 cold weather rule or balanced budget billing or installment  
7 plans, and that -- and it may be that somehow they convey  
8 that in some piece of paper. I just -- I don't know, but  
9 generally again the people I deal with are less educated,  
10 and all they know is they're about to be shut off, --

11 COMMISSIONER GUNN: Right.

12 MR. SUFFERN: -- and how do I -- what  
13 do I do.

14 COMMISSIONER GUNN: Fair enough. So --  
15 and let me -- some of your statements about -- about some  
16 of the programs that are offered, the main problem with the  
17 program is funding, that they just don't have enough money.  
18 It's not that they are somehow designed incorrectly or not  
19 doing what they're supposed to be doing. It's a resource  
20 issue --

21 MR. SUFFERN: Correct.

22 COMMISSIONER GUNN: -- rather than a  
23 program issue. Is that right?

24 MR. SUFFERN: That's correct.

25 COMMISSIONER GUNN: Okay. Are you a

1 customer of -- of Atmos?

2 MR. SUFFERN: I am.

3 COMMISSIONER GUNN: Any issues that  
4 you've had, billing, service issues, anything -- anything  
5 of that nature?

6 MR. SUFFERN: Well, as I say, I always  
7 pay my bill on time. So I haven't really had an issue with  
8 Atmos personally. I don't -- at least not that I can  
9 really recall because I just -- but I'm in a position to do  
10 that.

11 COMMISSIONER GUNN: Right.

12 MR. SUFFERN: But if the rate -- all of  
13 a sudden a bill jumps up and a person's on a flat income,  
14 it's like wait a minute. Do I buy my medicine, or do I pay  
15 for, you know, the utilities?

16 COMMISSIONER GUNN: Sure, and but part  
17 of what we have to do too is to make sure that even the  
18 people that pay their bill on time are -- are finding that  
19 there aren't any service or billing issues. And so that's  
20 -- that's one of the reasons why I asked.

21 So I don't have any other questions. Thank  
22 you very much for coming in.

23 JUDGE STEARLEY: Any other questions  
24 from the Commissioners?

25 MR. SUFFERN: I want to disperse these

1 to the other parties.

2 JUDGE STEARLEY: Okay. One -- one  
3 minute.

4 MR. SUFFERN: Oh, I'm sorry.

5 JUDGE STEARLEY: I just wanted to ask  
6 quickly if counsel had any questions for this witness?

7 MR. POSTON: I did have one question.

8 JUDGE STEARLEY: Mr. Poston.

9 MR. POSTON: Hi. Your second point  
10 that you made was you highlighted the disagreement between  
11 Atmos and fellow counsel regarding low-income usage levels,  
12 and you stated it's your opinion that low-income people use  
13 more than average usage. And I was wondering if that was  
14 based off of some study that Legal Services has formed or  
15 is aware of that may be helpful in this case.

16 MR. SUFFERN: No. I don't want to mess  
17 up the reporter. No, it is anecdotal. When you travel  
18 around and see the places that people live in, with the  
19 windows that don't seal and the doors that don't seal and  
20 the lack of insulation and other types of things. Not to  
21 mention low -- low efficiency furnaces and so on.

22 It's -- it's just based on my observations  
23 over time. I've been with Legal Services for ten years,  
24 but it is not based on a statistical analysis.

25 MR. POSTON: And do you think the

1 people that would come to use your services may be  
2 low-income people that do have more than average usage, and  
3 they may be in more need of your services?

4 MR. SUFFERN: I don't know if I can  
5 answer that question. I just know I've seen some  
6 low-income people with some pretty astronomical bills. And  
7 one has to assume if my bill say runs \$100 a month for gas,  
8 but somebody else has got a \$600 bill for gas, you know,  
9 there's -- there's something going on beyond just normal  
10 consumption.

11 I mean, yes, they could put the thermostat  
12 up to 93, I suppose, but when -- when my rate say is \$100 a  
13 month and somebody else gets a \$600 bill, something is  
14 going on. And to me, again it's anecdotal, but it's  
15 clearly inefficiency in terms of how these houses, which  
16 are often rentals and stuff, they don't have any control  
17 over the insulation and the furnace or any of that stuff.  
18 So they just heat the house, and it all goes out the  
19 windows and up the chimney.

20 And so it just seems to me that low-income  
21 people suffer more with utility bills and increases,  
22 especially to fixed income people like that gentleman back  
23 there. Those people are even more impacted.

24 MR. POSTON: Thank you. That's all.

25 JUDGE STEARLEY: Mr. Dority.

1                   MR. DORITY: Thank you, Judge. If I  
2 may, I'd like to come over here so the witness doesn't have  
3 to turn his back on the Commissioners.

4                   JUDGE STEARLEY: Okay.

5                   MR. DORITY: Mr. Suffern, my name is  
6 Larry DORITY. I haven't had the pleasure to meet you  
7 personally, but thank you for being here today, and we  
8 appreciate your testimony.

9                   I want to just touch on one area, and that  
10 was the Atmos Energy Efficiency and Conservation Program  
11 that Mr. Martin touched on when he gave his remarks earlier  
12 today.

13                   One of the key components of that program is  
14 weatherization, and we essentially work with the Missouri  
15 Department of Natural Resources' Energy Center and EIERA  
16 and forgive me, I don't recall what the acronym is. You  
17 may be aware of that -- that agency as well.

18                   But weatherization is one of the primary  
19 components, and quite frankly, the -- the company I know  
20 has been frustrated in recent years. We've had the program  
21 in place for over three years. I think that the Atmos  
22 shareholders have provided over half a million dollars in  
23 that three-year program. Weatherization is a major  
24 component.

25                   We also offer furnace rebates, major

1 appliance rebates, and education. And the weatherization  
2 component, a good many of those funds have been rolled over  
3 from year to year because it appears, for whatever reason,  
4 the agencies are just not able to get out and get the homes  
5 weatherized.

6                   So there's information out on the table  
7 regarding that program. I would encourage you to please  
8 take that information, and if you have any questions, I'll  
9 be happy to give you one of my cards, but we would very  
10 much like to see that program utilized. And it sounds to  
11 me like from your testimony that that's a need that's  
12 certainly available up here in this area as well.

13                   MR. SUFFERN: Well, it is, but as I  
14 said, if the person -- if the client rents, it's up to the  
15 landlord to make these changes. And when you talk to the  
16 average landlord about replacing a furnace, even though it  
17 may be rebated, I don't know what the amount of it is, I  
18 mean, the landlords typically their -- their posture is I'm  
19 not going to do anything. Anything that's costs money,  
20 forget about it. I'm not doing it.

21                   So -- and again, many of the low-income  
22 people are not -- cannot afford to actually own a home.  
23 They rent, and so they are at the mercy of the landlord.  
24 And the landlords typically are not interested in doing  
25 anything that's going to cost them money; albeit, they may

1 get some subsidy or some partial return. But landlords are  
2 notoriously tight, I'm going to say, when it comes to  
3 improvements of the property.

4 MR. DORITY: Okay. Well, I appreciate  
5 your comments.

6 MR. SUFFERN: I -- I appreciate the  
7 company's, you know, efforts to do weatherization. It's  
8 obviously important.

9 MR. DORITY: Well, something very  
10 important to these Commissioners as well.

11 MR. SUFFERN: Yeah, sure. Absolutely.  
12 There's no doubt.

13 MR. DORITY: -- on the forefront try to  
14 make sure that these programs are available. Then like I  
15 say, there's information out there, and if you'd please  
16 take it and read that.

17 MR. SUFFERN: I will. I'd be glad to  
18 do that.

19 MR. DORITY: Okay. Thank you.

20 MR. SUFFERN: Thank you.

21 JUDGE STEARLEY: Mr. Ritchie, any  
22 questions?

23 MR. RITCHIE: No questions from the  
24 staff. Thank you.

25 JUDGE STEARLEY: All right.

1                   CHAIRMAN CLAYTON: Judge, just to -- to  
2 finish the thought on that. I -- I completely understand  
3 the -- the landlord/tenant issue that you just mentioned.  
4 It's a problem statewide, and there are no easy answers for  
5 it.

6                   MR. SUFFERN: Right.

7                   CHAIRMAN CLAYTON: But where you have  
8 people that are trying to buy their own homes, there are  
9 these programs out there, and if we can help them reduce  
10 that \$600 bill down, we got to -- we got to work it from  
11 both sides.

12                   So take that information, and --

13                   MR. SUFFERN: I will.

14                   CHAIRMAN CLAYTON: -- and hopefully  
15 you'll find some benefit.

16                   MR. SUFFERN: I will. Does anybody  
17 need one of these?

18                   JUDGE STEARLEY: I was going to say --  
19 Counsel, Mr. Suffern has offered this exhibit. So I was  
20 going to ask if he'd share a copy with you, and if you had  
21 any objections to its admission.

22                   MR. DORITY: No objection.

23                   JUDGE STEARLEY: Go ahead. Thank you.  
24 Thank you for your testimony. And Exhibit 1 will be  
25 admitted into the record.

1                   (Thereupon, evidence was admitted into  
2                   the record as Exhibit No. 1.)

3                   All right. I did not have any other names  
4                   on my sign-up sheet. If there -- are there any other  
5                   people who would like to testify? I saw the lady's hand  
6                   come up first. Why don't you please come forward.

7                   And if you would please state and spell your  
8                   name for our court reporter.

9                   MS. MAHSMAN: Teresa Mahsman.  
10                  T-E-R-E-S-A. Mahsman is M-A-H-S-M-A-N.

11                  JUDGE STEARLEY: All right. And, Ms.  
12                  Mahsman, am I saying that correctly?

13                  MS. MAHSMAN: Yes.

14                  (Thereupon, Ms. Teresa Mohsman was  
15                  sworn on her oath by Judge Stearley.)

16                  JUDGE STEARLEY: Thank you. You may  
17                  sit down and you may proceed with your statement.

18                  MS. MAHSMAN: Well, first of all, I  
19                  didn't come prepared to make -- to make a statement. I was  
20                  going to just put something on the website, and I was also  
21                  planning on attending the meeting in Hannibal. But then  
22                  when I saw that there was going to be a pretty good  
23                  opportunity to say something, I decided I'd go ahead  
24                  because I'm just afraid an e-mail is just going to get lost  
25                  in the shuffle. So I -- I have a college degree and I'm a



1 just no way that you should be asking people to pay 52  
2 percent more or 137 percent more, not in this climate. And  
3 the problem is that this is on their base bill. So I don't  
4 really see how it encourages energy conservation. Turning  
5 down the thermostat isn't going to help. They're going to  
6 pay this every month, or they're not going to have gas in  
7 their home.

8 I also don't have any figures, but in my  
9 heart, I disagree with the characterization that elderly  
10 and poor are the biggest natural gas users. But I do think  
11 they're the ones who suffer the most from rate increases.  
12 I will say though that my mom does -- she turns her heat up  
13 more than I do. I think that sometimes as people get  
14 older, their circulation decreases, and it's harder for  
15 them to feel warm.

16 I don't think they can help that, but I  
17 don't know if her bill is more than my bill. So in this  
18 climate where we have possible increased taxes, possible  
19 inflation, cap and trade on the horizon, talk about a VAT  
20 tax. I think that any company that wants to increase its  
21 bills this much is -- it's just incredulous to me. And  
22 when I -- I was an investor at one time. I took everything  
23 out of the stock market just in time, and I do have some  
24 money in with the retire- -- the State employees -- I  
25 forget what you call it. It used to be PEBSCO.

1 CHAIRMAN CLAYTON: I -- ING?

2 MS. MAHSMAN: Yes.

3 CHAIRMAN CLAYTON: ING?

4 MS. MAHSMAN: Yes, I put it all in the  
5 other account. So I don't have any stock market  
6 investments. But I think anybody who wants a 10 percent  
7 return on investment or equity, well, they -- everybody  
8 wants that, but hardly anybody is getting it.

9 I think if you're getting 5 of 6 percent,  
10 you're doing pretty good. And so that takes me to why I --  
11 I don't understand why they're asking for such a large  
12 increase unless they're operating the way that state  
13 agencies and departments do during budget season. You ask  
14 for more than you think you're going to get. You add a  
15 percentage on, and then you hope that you get 90 percent of  
16 that, and so that's going to make your budget.

17 I don't know if that's how Atmos is  
18 operating or not, but I do know that that's how a lot of  
19 state agencies operate during budget season. And PSC.  
20 Having been a state employee and working in Jefferson City  
21 all those years, I knew a lot of state employees, and I  
22 believe the PSC staff to be very professional, and I'm sure  
23 that many of them are hard-working and have good  
24 intentions.

25 However, my opinion or somehow over the

1 years my -- the agency, the Commission itself, has been  
2 colored in my mind because of all the times when I heard  
3 about businesses asking for increases and getting them.  
4 Time after time after time they got them. Maybe it was  
5 decreased a little bit. Maybe the -- the company didn't  
6 get everything they were asking for, and I -- I haven't  
7 kept any records, but just during the time when I lived in  
8 Jefferson City, it seemed like -- well, I just think the  
9 consumers came out on the short end, way, way more than  
10 they should.

11 And I do think the PSC staff does try hard.  
12 I think they go through the books. It just -- I can't  
13 understand how come so often the big business gets the  
14 increase, and the consumers are shafted again.

15 And as far as the five-person -- it is five  
16 people, I -- I understand -- who make the judgment on these  
17 types of cases, I know nothing about them. I don't know  
18 any of the people. I -- I think someone said they were  
19 appointed. And that right there, I think, throws some  
20 questions into the mix.

21 You don't like to think that people can be  
22 bought off, but you wonder.

23 And that's the end of my statement.

24 JUDGE STEARLEY: Questions from the  
25 Commissioners?

1                   CHAIRMAN CLAYTON: Thank you, Judge.  
2   Ms. Mahsman, thank you very much for being here. Hang on  
3   before you go, I've got some questions for you.

4                   You've got two of the five people here,  
5   myself --

6                   MS. MAHSMAN: Well, I didn't know you  
7   -- I don't know anybody who's on the panel.

8                   CHAIRMAN CLAYTON: That's all right.  
9   That's all right. But you, no, you have questions. So  
10  this is -- this is an opportunity to raise that.  
11  Commissioner Gunn and I are two of the five members of the  
12  Commission. We are appointed by the Governor to fixed  
13  terms. Traditionally there's been a party identification.  
14  Right now we have three Democrats and two Republicans, and  
15  it was three Republicans and two Democrats under the last  
16  administration.

17                  The terms are kind of scheduled out where --  
18  where people overlap and the -- the terms are staggered.  
19  We have to file financial disclosure forms, which are  
20  available through the Missouri Ethics Commission, on -- on  
21  whether we have -- we are not allowed to have any financial  
22  interest in the company. We just passed new ethics rules  
23  that prohibit communications between commissioners and  
24  utilities while cases are pending, even before the case gets  
25  pending.

1                   So the gentlemen that have been talking,  
2   we're not allowed to have a closed-door meeting with those  
3   folks anymore. At least not without providing notice to --  
4   to everybody, and giving you the opportunity to show up.

5                   And I -- I appreciate your -- your comments  
6   about the staff being professional. As a veteran of the  
7   State of Missouri, you're aware of probably a number of  
8   people who work at our agency, and they do work very hard.  
9   And especially right now. It's a very busy time for us.

10                  This is the question I'm going to ask you.  
11   You've raised questions with the Public Service Commission,  
12   this utility, that type -- sort of thing. But you're a  
13   resident of Hannibal; is that right?

14                  MS. MAHSMAN: That's correct.

15                  CHAIRMAN CLAYTON: All right. How  
16   would you compare Atmos Energy and the treatment, the rates  
17   that you get in your gas service with the Hannibal Board of  
18   Public Works and the electricity service, the rates, and  
19   the treatment that you get from them?

20                  MS. MAHSMAN: Well, the people that I  
21   -- that greeted me when I came in know that I'm not happy  
22   with the electric rate increases. I -- I even asked them  
23   if the PSC has anything to do with -- with that, and of  
24   course, they pointed out that it's a municipality and that  
25   the PSC doesn't have any direct involvement with the rates.

1                   As far as treatment --

2                   CHAIRMAN CLAYTON:  Would you rather us  
3   be involved in those rates?

4                   MS. MAHSMAN:  I think it would -- it's  
5   a better process, yes.  Because I'm here.  I have a chance  
6   to say something.

7                   CHAIRMAN CLAYTON:  Uh-huh.

8                   MS. MAHSMAN:  With BPW, you don't have  
9   a chance.  It just shows up on your next bill.

10                  CHAIRMAN CLAYTON:  Yeah.

11                  MS. MAHSMAN:  And they just had a 30  
12   percent increase in January of 2009, which I knew about  
13   when I moved to Hannibal last June.  So I've been there one  
14   year, and now here all of a sudden there's another  
15   increase.

16                  CHAIRMAN CLAYTON:  Yeah.  It's -- it's  
17   a challenging time for folks.

18                  MS. MAHSMAN:  And I apologize.  I -- I  
19   don't -- actually I'm not sure I was even aware there was a  
20   commission, a five-person panel until I came to this hearing  
21   today.  So I've learned a lot of things, and I don't mean  
22   to make any remarks that question anyone's integrity that's  
23   in this room.

24                  CHAIRMAN CLAYTON:  And I --

25                  MS. MAHSMAN:  But the -- the cases I'm

1 talking about were back when I lived in Jefferson City, and  
2 I haven't lived there, oh, more than ten years.

3 CHAIRMAN CLAYTON: More than ten years.  
4 Yeah.

5 MS. MAHSMAN: Uh-huh.

6 CHAIRMAN CLAYTON: I -- I just -- some  
7 of the things that you mentioned tend to be common themes  
8 that we hear at local public hearings.

9 MS. MAHSMAN: Well, they're things the  
10 average person has questions about in their mind.

11 CHAIRMAN CLAYTON: We have got to do  
12 better in -- in telling people what we do and who we are,  
13 and that's kind of the reason why -- were here for the  
14 Power Point, the --

15 MS. MAHSMAN: Yes.

16 CHAIRMAN CLAYTON: -- the slide?  
17 That's new. That's why we're doing that, so that we try to  
18 address some of these answers.

19 MS. MAHSMAN: The only bad thing about  
20 that presentation was something about the screen and  
21 sometimes the bottom row wasn't on the screen.

22 CHAIRMAN CLAYTON: All right.

23 MS. MAHSMAN: And from the back row, I  
24 couldn't see the bottom -- the bottom line of writing.

25 CHAIRMAN CLAYTON: Well, I'm going to

1 have a chat with somebody.

2 MS. MAHSMAN: I'm sorry.

3 CHAIRMAN CLAYTON: That's what we need  
4 -- that's what we need to hear. Now, but we need to hear  
5 that. I don't have any other questions, but I appreciate  
6 your coming out and coming all the way from Hannibal.  
7 You're welcome to come to that one tonight. We'll be out  
8 at the high school.

9 MS. MAHSMAN: Okay, great.

10 CHAIRMAN CLAYTON: Thank you for  
11 coming.

12 COMMISSIONER GUNN: I just have a  
13 couple, and I -- I don't mean to keep you, but I was struck  
14 by the -- you talked about the first time you got the bill  
15 and you -- and you had this charge on it.

16 Did you -- did you use no gas, and so the  
17 only charge was the customer charge?

18 MS. MAHSMAN: It was in June. Yeah,  
19 and I wasn't --

20 COMMISSIONER GUNN: So it was --

21 MS. MAHSMAN: And I was afraid to use  
22 the stove because I wasn't sure it was working. So --

23 COMMISSIONER GUNN: Okay.

24 MS. MAHSMAN: There might have -- I'm  
25 just wondering. The hot water heater. I did use a little

1 bit of hot water, but basically the -- the gas usage on the  
2 bill showed basically zero.

3 COMMISSIONER GUNN: Zero. Can you tell  
4 me what -- what time or how long ago that was?

5 MS. MAHSMAN: Well, I moved in there in  
6 June, and I guess this would have been within a few weeks.

7 COMMISSIONER GUNN: Of last year?

8 MS. MAHSMAN: Of -- yes.

9 COMMISSIONER GUNN: Last year, okay.

10 MS. MAHSMAN: Yes.

11 COMMISSIONER GUNN: Now, there was kind  
12 of -- the gas -- the gas portion is -- is a commodity. So  
13 it flows. Have you noticed -- has your gas usage stayed  
14 relatively stable in that -- in that year period of time?

15 MS. MAHSMAN: I can't say for sure  
16 because I do -- seems like I do a little bit better if I  
17 don't pay too much attention to the details. Otherwise, I  
18 feel like my blood pressure is going up.

19 COMMISSIONER GUNN: I understand.

20 MS. MAHSMAN: But I think it is pretty  
21 much the same, or I would notice, you know.

22 COMMISSIONER GUNN: And -- and the  
23 price of gas has actually decreased, and I don't if you've  
24 noticed -- if you've noticed any --

25 MS. MAHSMAN: I've heard in the news.

1 COMMISSIONER GUNN: But you haven't --

2 MS. MAHSMAN: I haven't actually looked  
3 on my bill --

4 COMMISSIONER GUNN: -- paid attention  
5 on the bill?

6 MS. MAHSMAN: -- to see that it has.

7 COMMISSIONER GUNN: Okay. So I don't  
8 think I have anything else.

9 MS. MAHSMAN: Okay.

10 COMMISSIONER GUNN: I appreciate it.  
11 Thank you very much for coming out. Your comments are very  
12 well taken. Thank you.

13 JUDGE STEARLEY: And -- and just to add  
14 one other comment in relation to the Chairman's comments  
15 and the Commission's structure itself, its staff serves as  
16 a neutral party to be able to analyze the books and present  
17 those numbers to the Commission.

18 And you may be wondering well, if we have  
19 five commissioners, why do we have people like me who are  
20 judges. We are separate so that we can ensure procedural  
21 fairness through all these processes so that we can't have  
22 anyone controlling the procedures in a way that would favor  
23 one party or another.

24 So the Commission does have a lot of  
25 safeguards built into its structure to try to prevent any

1 type of bias.

2 MS. MAHSMAN: Well, I understand that,  
3 and -- and I think that it's a good group. The point I was  
4 trying to make was just that over time it's just been a  
5 perception. And I'm probably not the only one in Missouri  
6 that has that perception, that the PSC seems to side with  
7 the corporations more than the consumers.

8 And I don't know why I have that perception,  
9 but it's there.

10 COMMISSIONER GUNN: And -- and you're  
11 not the only one. We'll give you that as well. So --

12 JUDGE STEARLEY: And -- and before --  
13 before you leave, I do want to ask does counsel have any  
14 questions for this witness?

15 MR. POSTON: No, sir.

16 MR. DORITY: No, thank you.

17 JUDGE STEARLEY: And we'd like to thank  
18 you very much for your testimony.

19 MS. MAHSMAN: Thank you.

20 JUDGE STEARLEY: I -- earlier I saw a  
21 couple of other hands go up.

22 MS. MAHSMAN: That's why I didn't want  
23 to take too much time.

24 JUDGE STEARLEY: We're -- we're going  
25 to stay till everyone gets a chance to speak. The

1 gentleman in the blue shirt, if you'll please come forward.  
2 And if you would also please state and spell your name for  
3 us and our court reporter.

4 MR. GRAHAM: My name is Loren.

5 L-O-R-E-N. Graham. G-R-A-H-A-M.

6 (Thereupon, Mr. Loren Graham was sworn  
7 on his oath by Judge Stearley.)

8 JUDGE STEARLEY: All right. You may  
9 proceed.

10 MR. GRAHAM: Okay. Thank you. I'm the  
11 mayor in Palmyra, and I'm here to speak for the citizens of  
12 the community in opposition to the -- the increase. Today  
13 with the way the economy is, our senior citizens are  
14 struggling. We've got unemployment, and for them just to  
15 put food on the table is a struggle, let alone to have an  
16 increase, you know, in -- in their gas -- gas cost.

17 In Palmyra, as a matter of fact, our  
18 electric rates over the last three or four months, we've  
19 actually reduced our electric rates to our customers to  
20 give them a little benefit of reduced costs to the -- for  
21 their power.

22 And I -- one of the comments I made earlier  
23 during the comments and questions period, in 2006 just  
24 myself personally, I don't use any gas in the summertime.  
25 I do all -- my only gas that I have in my home is my heat.

1     So in the summertime, in 2006, I think I was paying eight  
2     or nine dollars a month for base service.

3                     In 2007 it went to 20 to 20 -- right at 20  
4     some dollars and \$21 or whatever my base fee every month.  
5     With this new proposed, it's going to go to like 33. So  
6     they stated earlier that since 1995 they haven't had any  
7     rate increases, but yet I look at it like my rates have  
8     tripled in three -- in three years from \$9 to \$33, and I  
9     don't -- when I don't even use it. And so that's in my  
10    books, that's a rate increase.

11                    One other -- I just want to be real brief,  
12    but I also brought a letter. I'd like to present it to you  
13    all from District 6 Representative Rachel Bringer. She  
14    couldn't be here today, and she asked if I would present  
15    you with her letter also opposing this increase.

16                    JUDGE STEARLEY: Okay.

17                    MR. GRAHAM: I brought three copies.

18                    CHAIRMAN CLAYTON: That's all right.  
19    We'll mark it and make it an exhibit.

20                    MR. GRAHAM: Okay.

21                    JUDGE STEARLEY: Mark that as Exhibit  
22    No. 2.

23                    (Thereupon, evidence was marked for  
24    identification as Exhibit No. 2.)

25                    MR. GRAHAM: That's really all I have.

1 I just wanted to --

2 JUDGE STEARLEY: All right. Have  
3 counsel had an opportunity to see this document?

4 MR. DORITY: No, we haven't.

5 JUDGE STEARLEY: Let me pass this copy  
6 back so they will have an opportunity to look that over.

7 MR. GRAHAM: That's the only comments I  
8 really wanted to make.

9 JUDGE STEARLEY: Thank you, Mr. Graham.  
10 Are there any questions from the Commissioners?

11 CHAIRMAN CLAYTON: I do have just a  
12 couple of questions, and I'll try to keep this brief.  
13 First of all, thank you very much for being here, Mayor  
14 Graham. We appreciate you taking time out of your  
15 schedule.

16 It -- it is accurate to state that there  
17 wasn't a rate increase, even though the rate design changed  
18 in '06-'07. But it -- it basically didn't change the  
19 amount of money that went to the company, but it did shift  
20 around who paid what. And what happened was that basically  
21 was put on a fixed -- on a larger fixed rate, and then if  
22 you use zero gas, then you have a zero commodity charge.

23 And the more gas you used, the higher that  
24 charge is. So if it -- it was a slight decrease for larger  
25 gas users, and it was a slight increase for smaller gas

1 users. So you have to look at your bills year long to kind  
2 of compare to see where you stand. But there is no  
3 question during those summer months that the rate goes up,  
4 and -- and that was a surprise.

5 It is not a proposal that I supported in the  
6 last rate case. In fact, I wrote an opinion where I  
7 opposed it, and I put it out on the table if you want to  
8 take a look at it.

9 The question I wanted to ask you about this  
10 rate design is that now that it's been in place now for two  
11 or three years, do you understand why it's there or the  
12 reasons that -- that support it? Do -- do you continue to  
13 disagree with it, agree with it, understand it? Can you  
14 give me any thoughts or feedback now that it's been in  
15 place for a couple of years?

16 MR. GRAHAM: Not really. I -- I'm not  
17 a big user, so to me I don't agree with it I guess. Maybe  
18 the bigger users are going to agree, but I just feel that  
19 going from a base charge of \$9 to 30 some dollars is  
20 excessive over three years.

21 CHAIRMAN CLAYTON: When you looked at  
22 your bills during the winter months where you're supposed  
23 to see the bill doesn't go up, you know, when -- when you  
24 start turning on the furnace and the gas and you start  
25 using it, did you notice or did you ever do a comparison to

1 see if it was actually lower than -- than what it was in --

2 MR. GRAHAM: I look at my bill and look  
3 at my usage from year to year showing what I did last year  
4 and this year.

5 CHAIRMAN CLAYTON: Uh-huh.

6 MR. GRAHAM: And I haven't noticed a  
7 tremendous difference from year to year. I mean, I don't  
8 -- I haven't compared, okay, last year my bill was \$87 and  
9 this year it's \$67. I haven't really compared that, but I  
10 haven't felt I guess in my budget or whatever. I have  
11 noticed a big change from year to year in what my expense  
12 is.

13 CHAIRMAN CLAYTON: That eight or nine  
14 dollars to 21 a month jumps out at you. That increase  
15 during the summer jumps out at you?

16 MR. GRAHAM: Yeah, that just -- that  
17 just sticks in my craw.

18 CHAIRMAN CLAYTON: Anything -- any  
19 savings during the winter doesn't -- doesn't seem to be --

20 MR. GRAHAM: No.

21 CHAIRMAN CLAYTON: -- you don't seem to  
22 be realizing it?

23 MR. GRAHAM: I don't see a big  
24 difference.

25 CHAIRMAN CLAYTON: As -- as mayor of

1 the community, are you -- are you satisfied with how Atmos  
2 treats Palmyra and treats industry, business? Are they  
3 good to work up digging up streets, any problems that we  
4 need to be aware of?

5 MR. GRAHAM: Now, I -- I can't -- I  
6 can't say any complaints there. I mean, I think they're --  
7 they're good to work with.

8 CHAIRMAN CLAYTON: Good corporate  
9 citizens or --

10 MR. GRAHAM: Yeah, yeah.

11 CHAIRMAN CLAYTON: -- or any different  
12 to that?

13 MR. GRAHAM: I haven't heard any  
14 complaints at all about the -- the gas company as far as  
15 the service or any --

16 CHAIRMAN CLAYTON: Any abuses to  
17 customers or problems, billing issues that -- that have  
18 come up?

19 MR. GRAHAM: I'm not aware of any. Of  
20 course, we probably wouldn't hear of any billing issues.  
21 No, I don't think so.

22 CHAIRMAN CLAYTON: Okay. I don't have  
23 any other questions. Thank you for being here, and if  
24 you'd please convey to Representative Bringer that we've  
25 noted her letter for the record, and it will be made part

1 of this case.

2 JUDGE STEARLEY: Commissioner Gunn.

3 COMMISSIONER GUNN: Just one or two.

4 Thank you very much for hosting us, by the way. I've been  
5 through here before. It's -- it's beautiful town.

6 MR. GRAHAM: Thank you.

7 COMMISSIONER GUNN: I really appreciate  
8 you -- your allowing us to be here.

9 Does the City administer or operate any  
10 utility assistance programs or weatherization programs or  
11 anything like that?

12 MR. GRAHAM: No, we don't.

13 COMMISSIONER GUNN: You don't, okay.

14 MR. GRAHAM: We don't.

15 COMMISSIONER GUNN: All right.

16 MR. GRAHAM: We have our own -- I mean,  
17 we of course our electric is supplied through --

18 COMMISSIONER GUNN: Right.

19 MR. GRAHAM: -- out of Columbia.

20 COMMISSIONER GUNN: But not for -- not  
21 for -- not from Atmos?

22 MR. GRAHAM: Not from Atmos.

23 COMMISSIONER GUNN: Or -- or general  
24 financial assistance or social services?

25 MR. GRAHAM: No, we don't do any kind

1 -- any kind of -- we don't have any kind of assistance that  
2 way. We have a lot of citizens that receive assistance on  
3 their bills will be contacted by different organizations or  
4 agencies that will help citizens pay their bill.

5 COMMISSIONER GUNN: Have you seen an  
6 increase that -- in those contacts?

7 MR. GRAHAM: Yeah. We've seen a lot of  
8 -- a big increase in -- in people who go to ask for  
9 assistance.

10 COMMISSIONER GUNN: Just --

11 MR. GRAHAM: But I'm talking now their  
12 electric, water and sewer, basically electric.

13 COMMISSIONER GUNN: Okay. As -- as  
14 mayor, I'm sure everywhere you go, people stop you all the  
15 time and have a laundry list of things that they like to  
16 talk to you about.

17 MR. GRAHAM: There's some.

18 COMMISSIONER GUNN: Have you -- have  
19 you noticed an increase in concerns about -- I understand  
20 utility might have been an increase, but about Atmos,  
21 specifically about this particular increase lately?

22 MR. GRAHAM: No.

23 COMMISSIONER GUNN: No, okay. All  
24 right. That's all I have. Again, thanks for -- thanks for  
25 hosting us, and I appreciate the testimony, Mayor.

1 MR. GRAHAM: Thank you.

2 JUDGE STEARLEY: Any questions from  
3 counsel?

4 MR. POSTON: No questions.

5 MR. DORITY: No questions.

6 MR. RITCHIE: No, thank you.

7 JUDGE STEARLEY: All right. Any  
8 objections to the admission of Exhibit No. 2?

9 MR. RITCHIE: No objections.

10 JUDGE STEARLEY: Hearing none, it shall  
11 be received into the record.

12 (Thereupon, evidence was admitted into  
13 the record as Exhibit No. 2.)

14 Thank you, Mr. Graham.

15 MR. GRAHAM: Uh-huh.

16 JUDGE STEARLEY: I saw at least one  
17 other hand back there. Please come forward, sir. And if  
18 you would also please state and spell your name for our  
19 record.

20 MR. JOHNSON: David. D-A-V-I-D.  
21 Johnson. J-O-H-N-S-O-N.

22 JUDGE STEARLEY: All right.

23 (Thereupon, Mr. David Johnson was sworn  
24 on his oath by Judge Stearley.)

25 You may proceed.

1                   MR. JOHNSON: I'm a residential  
2 customer in Hannibal. My -- my biggest issue is with the  
3 rate structure change two or three years ago where the  
4 monthly charge was raised. I think it works against  
5 conservation and discourages people that try to use less  
6 gas. And I'd like to see the rate structure go back to  
7 where it was before. I don't know if that's a possibility,  
8 whether this hearing has anything to do with that, this  
9 rate increase, weather that has any --

10                  JUDGE STEARLEY: That -- that issue is  
11 involved in this case.

12                  MR. JOHNSON: -- realm of possibility,  
13 but I -- I would really like to see it go back. I did,  
14 when that rate increase first went into effect, I did  
15 compare what the charges would be from my previous year  
16 with the new rate structure and the old rate structure.  
17 And it actually only cost me about \$2 more a month over the  
18 whole year, but it's still -- it just seems like you have  
19 the usage charge are based on what your usage is as far the  
20 delivery charge and not have it all front-end loaded.

21                  The second point I'd like to make is on the  
22 amount of the rate increase, which a lady earlier said was  
23 52 percent. I've been an Atmos customer for about 12  
24 years, and can't say anything bad about their service. Any  
25 dealings with them has always been good. I want them to

1 have enough money to keep their infrastructure up in first  
2 class, but 52 percent sounds like an awful lot.

3 I personally don't know how long it's been  
4 since they've had a rate increase. I don't know whether --  
5 and I -- I didn't know you were going to have a  
6 presentation earlier. I got here late. So you may have  
7 addressed that, and you may not have.

8 But -- but basically going back to the old  
9 rate structure is -- is my biggest concern. And that's  
10 really the point I wanted to make.

11 JUDGE STEARLEY: Questions from the  
12 Commissioners?

13 CHAIRMAN CLAYTON: Thank you very much  
14 for your testimony, Mr. Johnson. First of all, I  
15 understand your concern, but the change in rate design was  
16 a big issue in the last -- in the last case. As I  
17 mentioned, I -- there's something out on the table you can  
18 take a look at.

19 MR. JOHNSON: Yeah, I got a copy of it.

20 CHAIRMAN CLAYTON: Good. What I wanted  
21 to ask you is Atmos has been replacing a lot of mains in  
22 Hannibal over the last couple of years. I wanted to ask if  
23 you know have they been through your neighborhood where you  
24 live replacing a main or service lines or anything?

25 MR. JOHNSON: Not in my exact

1 neighborhood, but I -- I have seen them working.

2 CHAIRMAN CLAYTON: Okay. Have you ever  
3 heard of any problems with how they've treated residential  
4 homeowners? For example, they go in, they dig up the --  
5 the old pipe and put in the new and then they put down  
6 straw a grass seed and all that.

7 MR. JOHNSON: Uh-huh.

8 CHAIRMAN CLAYTON: Have you ever heard  
9 any problems with --

10 MR. JOHNSON: No.

11 CHAIRMAN CLAYTON: -- with that  
12 program?

13 MR. JOHNSON: No.

14 CHAIRMAN CLAYTON: Nothing like that at  
15 all? Any problems with customer service? Have you ever  
16 had to -- have you ever had to call the company?

17 MR. JOHNSON: Yeah, I -- I have.  
18 Mainly on -- on billing and payments, and anybody I've ever  
19 talked to handled themselves in a business-like way and --

20 CHAIRMAN CLAYTON: Now, when you look  
21 in the Hannibal phone book and you look up Atmos Energy, is  
22 there a local phone number there?

23 MR. JOHNSON: I seriously doubt it.

24 CHAIRMAN CLAYTON: You have to dial a  
25 1-800 number, right?

1                   MR. JOHNSON: Yeah, I -- I probably  
2 looked at my bill --

3                   CHAIRMAN CLAYTON: I understand.

4                   MR. JOHNSON: -- for a number on the  
5 bill.

6                   CHAIRMAN CLAYTON: Did that cause you  
7 any problems? Were you comfortable with that when you --  
8 when you made the call to get your questions answered?

9                   MR. JOHNSON: Yeah, yeah. Almost --  
10 unless it's just a local agency, almost everybody is out of  
11 town that you deal with.

12                  CHAIRMAN CLAYTON: I understand. Thank  
13 you very much for coming, Mr. Johnson.

14                  COMMISSIONER GUNN: Just a -- just a  
15 couple of quick questions. You talked about conservation  
16 and efficiency. Do you have -- do you take measures in  
17 your own home to conserve gas and try to be as efficient  
18 with your gas usage?

19                  MR. JOHNSON: Yes.

20                  COMMISSIONER GUNN: Did you -- have you  
21 ever gotten information from the company that's helped you  
22 to implement that, or has it been stuff on your own?

23                  MR. JOHNSON: From Atmos? I live in a  
24 fairly new home. So I really didn't need any information  
25 from them.

1 COMMISSIONER GUNN: Okay.

2 MR. JOHNSON: So no, I haven't.

3 COMMISSIONER GUNN: If there were

4 information available, would you take advantage of it, do

5 you think, or -- or -- or are you just -- or do you feel

6 comfortable that you're doing what you need to do in the

7 home right now?

8 MR. JOHNSON: Well, if -- if I was

9 trying -- if I was looking for information, I'd look

10 anywhere I could from Atmos, on the internet, you know,

11 anywhere that I could gather information.

12 COMMISSIONER GUNN: Does Atmos have a

13 website? Have you gone to --

14 MR. JOHNSON: Oh, yeah.

15 COMMISSIONER GUNN: -- gone to it?

16 MR. JOHNSON: They've got a website.

17 COMMISSIONER GUNN: Easy to use and

18 navigate?

19 MR. JOHNSON: I pay my bill through

20 that, and it's very easy to use.

21 COMMISSIONER GUNN: Great. Do you pay

22 extra for that when you pay over the internet?

23 MR. JOHNSON: Used to have to, but not

24 anymore.

25 COMMISSIONER GUNN: Not anymore. Okay.

1 Great. Great. Thank you. I don't have any further  
2 questions.

3 JUDGE STEARLEY: Any questions form  
4 counsel?

5 MR. POSTON: No questions.

6 MR. RITCHIE: No questions.

7 JUDGE STEARLEY: Good enough. Thank  
8 you, Mr. Johnson. We appreciate your testimony.

9 Is there anyone else who would like to offer  
10 testimony? Yes, please come forward, sir.

11 And if you would please state and spell your  
12 name.

13 MR. GRAVOT: Eugene Gravot.  
14 E-U-G-E-N-E G-R-A-V-O-T.

15 (Thereupon, Mr. David Gravot was sworn  
16 on his oath by Judge Stearley.)

17 JUDGE STEARLEY: Thank you, and you may  
18 proceed.

19 MR. GRAVOT: I have one complaint. I'm  
20 on a fixed income. I'm retired. I have money invested.  
21 My investment does not get 52 percent. I am lucky if I get  
22 1 percent. Now, I'm supposed to turn around and get 1  
23 percent and give this company 52 percent?

24 That's all I have to say.

25 JUDGE STEARLEY: All right, sir. Any

1 questions from the Commissioners?

2 CHAIRMAN CLAYTON: I -- I just want to  
3 be clear. Mr. Gravot, are you a Palmyra resident?

4 MR. GRAVOT: Yes, I am. I've lived  
5 here close to 40 years.

6 CHAIRMAN CLAYTON: Sure, sure. Are you  
7 happy with the service that you get here in Palmyra?

8 MR. GRAVOT: I'm happy with it. I have  
9 no complaints about the service. I just don't understand  
10 how a CEO or the big shots of a company can make all this  
11 money and expect somebody that's out here like myself, I  
12 worked all my life.

13 CHAIRMAN CLAYTON: I think that message  
14 has come through loud and clear. Thank you very much for  
15 being here.

16 JUDGE STEARLEY: Commissioner Gunn.

17 COMMISSIONER GUNN: I don't have any  
18 questions. Thank you, sir. Appreciate it.

19 JUDGE STEARLEY: Hold on one moment,  
20 Mr. Gravot. Let me check. Do counsel have any questions?

21 MR. DORITY: No, thank you.

22 MR. POSTON: No, sir.

23 MR. RITCHIE: No.

24 JUDGE STEARLEY: Thank you very much  
25 for your testimony, sir.

1                   Is there anyone else who would like to offer  
2 the Commissioners testimony?

3                   Now, let me ask this question. I know  
4 there's a few other people who haven't provided testimony.  
5 Does the formal environment of taking sworn testimony in  
6 front of people, does that discourage you in any way?  
7 Would you feel more comfortable just having a more -- a  
8 less formal process of just giving comments?

9                   Well, I'm not -- not hearing any responses,  
10 but we're going to -- if there's no further people -- yes.

11                   MS. MAHSMAN: I'm sorry. I just have  
12 to say this. I didn't know anything about the format. And  
13 I'm here so casual, and everybody else is in suits. And I  
14 really do feel out of place.

15                   CHAIRMAN CLAYTON: You shouldn't feel  
16 out of place.

17                   JUDGE STEARLEY: No, you shouldn't.

18                   CHAIRMAN CLAYTON: You shouldn't.  
19 that's -- but if we didn't show up wearing a tie, then we  
20 wouldn't be showing the respect that you would be due.  
21 So --

22                   JUDGE STEARLEY: I'm -- I'm going to in  
23 a moment here adjourn the formal process, but we are going  
24 to stick around for a little bit longer, and if anyone  
25 would like to stop and make an informal comment, we're

1 going to stay here for a little while longer. You're  
2 certainly free to do that.

3                   Additionally, I wanted to remind people that  
4 you can always make comments by just phoning the Public  
5 Service Commission, by using our e-mail page, by mailing  
6 the Public Service Commission, or by contacting the Office  
7 of the Public Counsel. Mr. Poston is here today.

8                   So if -- yes.

9                   MR. POSTON: I was going to ask how is  
10 that informal comment, how's that going to work?

11                   JUDGE STEARLEY: What we would do is  
12 people would not required to be sworn unless they wanted to  
13 be, but we would still have our court reporter take down  
14 comments. And that way the parties would still be able to  
15 review them. If they wanted to follow up with those people  
16 as potential witnesses, they would still be able to.

17                   But that way, the Commission would still be  
18 allowed -- be able to see comments similar to the way that  
19 are posted on our website without being sworn.

20                   MR. POSTON: Okay. Thank you.

21                   JUDGE STEARLEY: Seeing that no one  
22 else at this time wants to offer sworn statements, do the  
23 Commissioners have any closing remarks?

24                   CHAIRMAN CLAYTON: Just thank -- thank  
25 everyone for being here. If you have any questions, or if

1   you want to continue the discuss, take advantage of the --  
2   the Atmos Energy officials that are here, take advantage of  
3   our staff, public counsel are here, now is the time to get  
4   those questions out there and get them answered.

5                   COMMISSIONER GUNN:  The only other  
6   thing that I would say is that this is only one part of the  
7   process.  We have evidentiary hearings in a few weeks.

8   They're scheduled?

9                   JUDGE STEARLEY:  They start August  
10  23rd, --

11                  COMMISSIONER GUNN:  August 23rd.

12                  JUDGE STEARLEY:  -- and they are  
13  scheduled to run potentially through September 3rd.

14                  COMMISSIONER GUNN:  And those are  
15  webcast on our website, so if you have an internet  
16  connection, at psc.mo.gov, you can actually watch all of  
17  the very exciting testimony that takes place over -- over  
18  about a week and a half.  So we welcome everybody to watch.

19                  JUDGE STEARLEY:  And the Commission's  
20  decision won't be handed down until late November.

21                  Okay.  All right.  Well, I thank you all  
22  very much for being here.  And the public hearing in File  
23  No. GR-2010-0172 is hereby adjourned.

24                  (Thereupon, the proceedings concluded  
25                  at 1:59 p.m.)

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1  
2 CERTIFICATE OF REPORTER  
3

4 I, PATSY A. HERTWECK, Professional Court  
5 Reporter, the officer before whom the foregoing examination  
6 under oath was taken, do certify: that the witness whose  
7 testimony appears in the foregoing examination under oath  
8 was duly sworn by me; that the testimony was taken by me to  
9 the best of my ability and thereafter reduced to  
10 typewriting by me, or under my direction; that I am neither  
11 a counsel for, related to, nor employed by any of the  
12 parties to the action in which this examination under oath  
13 was taken; and further that I am not a relative or employee  
14 of any attorney or counsel employed by the parties hereto;  
15 nor financially or otherwise interested in the outcome of  
16 the action.

17  
18 \_\_\_\_\_  
19 Patsy A. Hertweck, C. C. R.

20 MO CCR 1276(T)  
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