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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

Public Hearings
October 24, 2006

St. Joseph and Slater, Missouri

Volume 1

In the Matter of Missouri Gas)
Energy's Tariffs Increasing) Case No. GR-2006-0422
Rates for Gas Service)
Provided to Customers in the)
Company's Missouri Service)
Area.)

KENNARD L. JONES, Presiding,
SENIOR REGULATORY LAW JUDGE
CONNIE MURRAY,
STEVE GAW,
LINWARD "LIN" APPLING,
COMMISSIONERS
(Via Video Conference in Jefferson City)

REPORTED BY: Tammy S. Menke (In St. Joseph)

1 APPEARANCES:

2 Representing MISSOURI GAS ENERGY:
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8 (In Jefferson City)

9 and

10 MISSOURI GAS ENERGY
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12 Legal Department
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15 Representing OFFICE OF THE PUBLIC COUNSEL and PUBLIC:
16 MISSOURI OFFICE OF THE PUBLIC COUNSEL
17 Mr. Marc D. Poston
18 Senior Public Counsel
19 Post Office Box 2230
20 Jefferson City, Missouri 65102
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22 Representing STAFF, PUBLIC SERVICE COMMISSION:
23 MISSOURI PUBLIC SERVICE COMMISSION
24 Ms. Lera L. Shemwell
25 Deputy General Counsel
Post Office Box 360
Jefferson City, Missouri 65102
(In Jefferson City)

Staff Present:
Mr. Kevin T. Kelly (Jefferson City)
Ms. Lena M. Mantle (Slater)
Mr. Gregg A. Ochoa (St. Joseph)

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

2 JUDGE JONES: Good evening. We are here
3 for GR-2006-0422. This is a local public hearing in
4 Missouri Gas Energy's rate case.

5 I'll note to those of you in Slater and St. Joe
6 that we are holding this hearing here in Jefferson
7 City, there in Slater and St. Joseph. Comments will
8 be taken in both locations.

9 If you wish to submit comments to the Public
10 Service Commission and do not wish to testify, your
11 comments can be mailed to the Public Service
12 Commission in Jefferson City, at 200 Madison, P. O.
13 Box 360, Jefferson City, Missouri 65102. Or if you
14 would like to submit those comments over the internet
15 you can do so at www.psc.mo.gov. That's
16 www.psc.mo.gov. On our website page you will go to
17 where it says comments. It will prompt you from
18 there on how to supply those comments.

19 Now, is there anyone in Slater, Missouri who
20 wishes to testify?

21 MS. MANTLE: No, there is not.

22 JUDGE JONES: Is there anyone in
23 St. Joseph?

24 MR. OCHOA: Yes, we have one person, your
25 Honor.

1 JUDGE JONES: What we're going to do first
2 is take entries of appearances from the attorneys in
3 the matter. First we'll have the entry from Missouri
4 Gas Energy.

5 MR. COOPER: Dean L. Cooper, from the law
6 firm of Brydon, Swearingen & England, PC, appearing
7 on behalf of Missouri Gas Energy, a division of
8 Southern Union Company.

9 JUDGE JONES: And from the Staff of the
10 Commission.

11 MS. SHEMWELL: Good evening and thank you.
12 Lera Shemwell, representing the Staff of the Missouri
13 Public Service Commission, Post Office Box 360,
14 Jefferson City, Missouri 65102. Thank you.

15 JUDGE JONES: And from the Office of the
16 Public Counsel?

17 MR. POSTON: Thank you, Mark Poston
18 appearing on behalf of the Office of the Public
19 Counsel and the Public.

20 JUDGE JONES: Is there anyone here from
21 Trigen-Kansas City Energy Corporation? From Midwest
22 Gas Users Association? From the University of
23 Missouri-Kansas City? From Central Missouri State
24 University? From the County of Jackson? Or from the
25 City of Kansas City?

1 Noting that no one is here to represent those
2 entities who have intervened in the matter we'll move
3 on to take testimony from our sole witness tonight
4 in, I believe, St. Joseph, wasn't it?

5 MR. OCHOA: Yes. Mr. Robert Hart.

6 JUDGE JONES: Robert Hart, will you please
7 approach the podium there.

8 MR. HART: Yeah. My name is Robert Hart.

9 JUDGE JONES: Good evening, sir.

10 MR. HART: Hello.

11 ROBERT HART,
12 being first duly sworn, was examined and testified as
13 follows:

14 JUDGE JONES: Thank you. Would you spell
15 your first and last name.

16 MR. HART: Robert, R-o-b-e-r-t, Hart,
17 H-a-r-t.

18 JUDGE JONES: Thank you, sir. And you may
19 proceed with your comments.

20 MR. HART: Well, I just want to tell you I
21 think the natural gas is the most dangerous substance
22 there is in energy. And I just want to tell you that
23 I think that we -- I work for the gas company. I'm a
24 welding foreman. We take pride on safety.

25 I think safety is one of our most important

1 things, but we have to have equipment for that. We
2 have to have backhoes. We have to have trucks that
3 get to our spots quick in case of a leak. We have to
4 have a quick response time. And I believe that
5 having adequate equipment and everything will supply
6 us with adequate stuff we need to do to get there.
7 Some of it is a little worn down. We feel a little
8 bit more money and whatever we could keep it going
9 and keep all the equipment going and be better off
10 that way.

11 I think that's all I have to say about that. I
12 mean, if you have any questions I'll be sure to
13 answer them.

14 JUDGE JONES: I have one quick question.

15 You are an employee with Missouri Gas Energy?

16 MR. HART: I sure am. I am a welding
17 foreman.

18 JUDGE JONES: Okay. All right. Thank you.

19 Are there any questions from the commissioners
20 who are present?

21 Commissioner Murray.

22 COMMISSIONER MURRAY: Thank you.

23 Good evening, Mr. Hart. Thank you for being
24 here. I just have a question about what you said
25 about equipment being important for provision of

1 safety.

2 Do you have any problem with the equipment you
3 currently have?

4 MR. HART: No, we don't. But it's good to
5 keep the upkeep on it. And, you know, sometimes your
6 equipment gets a little bit rundown. But they try to
7 do the best they can to give us modern equipment.
8 But I think if you give them a little more money they
9 can update all that and keep the trucks up-to-date.
10 You have got quick response time.

11 I'm talking about quick response time, if
12 somebody's got a gas leak you want to get there in an
13 adequate time because you're talking about pride of
14 safety of the property and the people. You have to
15 have that.

16 COMMISSIONER MURRAY: Okay. And you are
17 just really basically testifying that you don't want
18 us to deny the company an adequate revenue to be able
19 to continue to keep the equipment and the
20 employees --

21 MR. HART: You got it.

22 COMMISSIONER MURRAY: -- property -- is
23 that what you are saying?

24 MR. HART: That is correct.

25 COMMISSIONER MURRAY: All right. Thank

1 you.

2 JUDGE JONES: Any other questions from the
3 Commission?

4 Commissioner Gaw.

5 COMMISSIONER GAW: Just a few to follow up.

6 Mr. Hart, thank you for coming. I wondered if
7 you could give me some examples of some of the
8 equipment that you think needs to be updated.

9 MR. HART: Well, you know, you put a lot of
10 miles on trucks. I tell you, it's like my truck,
11 it's a 2000. I mean, my goodness, I've got 70,000
12 miles on it. And, you know --

13 COMMISSIONER GAW: How many? How many?

14 MR. HART: 70,000.

15 COMMISSIONER GAW: 70,000?

16 MR. HART: Yeah. But you're talking about
17 a welding truck that I get in and out of every day.
18 I open the bins. I do this. You know, there is a
19 lot of work done to it. So you're talking about
20 everyday usage, you need to keep that updated. So,
21 you know, to me is every four or five years you need
22 to get another good vehicle in there to maintain what
23 you need to do, especially getting to a leak. That's
24 the way I look at it.

25 COMMISSIONER GAW: Okay. So you think that

1 -- now, have you been told that you will not be able
2 to have a truck replaced at the appropriate time if
3 this rate increase doesn't go through?

4 MR. HART: No. They're not saying that.
5 But, I mean, I basically, you know, think this rate
6 case would help that and make sure that we do get
7 that modern technology of getting the trucks, you
8 know, maintained. And even if we need new ones,
9 getting them going. I think that's the best --

10 COMMISSIONER GAW: Is there any other
11 specific items of equipment that you think you would
12 have some concerns about needing updating?

13 MR. HART: Well, you know, there's a few
14 machines that need updates all the time. You're
15 talking about you use a backhoe, a trencher or
16 whatever every day. You got to put tires on it. You
17 got to maintain oil changes. There's a lot of
18 maintenance there. I tell you what, it's hard to
19 keep up with that.

20 COMMISSIONER GAW: Are those pieces of
21 equipment being properly maintained today?

22 MR. HART: They are properly being
23 maintained today. They are always having an hour
24 check on them. They are always being changed at
25 their time intervals. Every quarterly, I think.

1 COMMISSIONER GAW: Thank you very much,
2 Mr. Hart, for coming.

3 MR. HART: Thank you.

4 JUDGE JONES: Any other questions from the
5 Commission?

6 COMMISSIONER APPLING: Mr. Hart, this is
7 Commissioner Appling. I just want to say thank you
8 for coming in tonight. Appreciate it. Thank you
9 very much and I have no questions for you.

10 MR. HART: Thank you.

11 JUDGE JONES: All right. I'll ask again:
12 Is there anyone else testifying in St. Joseph,
13 Missouri?

14 MR. OCHOA: No, there is not, your Honor.

15 JUDGE JONES: Thank you.

16 And in Slater, Missouri?

17 MS. MANTLE: No, there is not.

18 JUDGE JONES: All right. Well, with that
19 we will go off the record.

20 (Public hearing closed at 5:40 p.m.)

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E X H I B I T S

No exhibits marked.