

1 ROBERT LEONBERGER, being sworn, testified as follows:

2 DIRECT EXAMINATION BY MS. MARTIN:

3 Q. Would you state your name, please.

4 A. Robert Leonberger.

5 Q. And you are aware that you've been noticed
6 for deposition in connection with two separate complaints
7 filed by USW Local 11-6; is that correct?

8 A. Yes.

9 Q. And one of them is 2006-0313, which
10 involves the Grunsky bag method, and the other is
11 2006-0390, which involves the automated meter reading
12 program, correct?

13 A. Yes.

14 Q. Mr. Leonberger, who is your employer?

15 A. Missouri Public Service Commission.

16 Q. And how long have you been with that
17 employer?

18 A. Got to calculate this. 25 years.

19 Q. What is your present position?

20 A. I'm the assistant manager of the gas safety
21 engineering area.

22 Q. What are your duties in that position?

23 A. Overseeing the gas safety program of the
24 Commission. We inspect all the gas utilities in the
25 state, the -- all the regulated utilities and the

1 municipal utilities for gas safety.

2 Q. And have you had those same duties the
3 entire time that you've been employed by the PSC?

4 A. I've had the supervisor's job since about
5 1991.

6 Q. Okay.

7 A. Before that, I was an inspector with the
8 department.

9 Q. Were you always in gas safety?

10 A. Yes, I've always been in the gas safety
11 area.

12 Q. Do you belong to any professional
13 organizations whose focus are issues of gas distribution
14 or safety?

15 A. I'm a member of the National Association of
16 Corrosion Engineers.

17 Q. And what is that?

18 A. It's a -- NACE is the acronym. It's a
19 national -- it's an international association of corrosion
20 technicians and engineers that corrosion, one of the
21 aspects is the corrosion of pipelines.

22 Q. Do you have annual meetings or --

23 A. There's annual meetings, but I haven't
24 attended one of those for a while.

25 Q. Okay. Any other professional organizations

1 related to gas distribution or safety?

2 A. I was -- associations, the National
3 Association of Pipeline Safety Representatives.

4 Q. National Association of?

5 A. Pipeline Safety Representatives. It's an
6 organization of state pipeline safety managers like
7 myself.

8 Q. Does that have a short thing?

9 A. NAPSR.

10 Q. NAPSR. Does that association hold any
11 meetings?

12 A. Yes, there's regional meetings and national
13 meetings.

14 Q. Do you attend those at all?

15 A. Yes.

16 Q. How often?

17 A. I attend basically all the regional
18 meetings annually and all the national meetings annually.

19 Q. And what regional meeting is that? What
20 region is covered by the region?

21 A. The NAPSR is broken up into regions the
22 same as the Federal Pipeline Safety regions. They have
23 different -- the Federal Pipeline Safety Organization has
24 different regions, and Missouri's in the central region.
25 129 states in the central region. So we just mirror their

1 breakup of the states.

2 Q. And so the people you meet with are your
3 counterparts in other states?

4 A. Yes, as well as the federal office of the
5 Pipeline Safety people.

6 Q. Okay. And those people work for the
7 Federal Government?

8 A. Right.

9 Q. Now, I wanted to ask you a couple of
10 questions about gas incident reporting. The PSC, does the
11 PSC receive reports of gas incidents from gas utilities in
12 the state of Missouri?

13 A. Yes.

14 Q. And how does that -- what is the -- is
15 there a regulation in the State Code of Regulations that
16 requires that sort of reporting?

17 A. It requires a notification to the Staff of
18 certain incidents.

19 Q. What are the incidents that need to be
20 reported?

21 A. There's if it involves injury requiring
22 hospitalization, if it involves a death, if it involves
23 property damage more than \$10,000.

24 Q. Greater than 10,000. So if there is a gas
25 incident that does not cause any property damage, say for

1 anybody from Laclede about their implementation of AMR or
2 their plan to implement AMR?

3 A. Over the years? yes.

4 Q. Yes, over the years. Let's just go back,
5 though, to when you first learned about it. Do you recall
6 having discussions with folks at Laclede about their plan
7 to implement AMR?

8 A. Yes, we had discussions about it.

9 Q. Okay. Do you know who you discussed it
10 with?

11 A. Various people. The person that was the
12 head of that was Bo Matisziw, M-a-t-i-s-z-i-w.
13 M-a-t-i-s-z-i-w.

14 Q. Were you provided any documents from
15 Laclede about AMR?

16 A. I can't recall if we had documents or not.

17 Q. Well, did the PSC Staff do a formal
18 investigation of the AMR project?

19 A. Did our Staff?

20 Q. Yeah.

21 A. No.

22 Q. So --

23 A. I know that our engineering analysis or our
24 people had back, I think in the mid '80s had done a
25 recommendation that Laclede actually go to AMR. So our

1 one area where Staff had made a recommendation in one of
2 our audits that Laclede should consider using AMR, I think
3 it was a 1985 case.

4 Q. And that's a case with a 1985 dash --

5 A. It's a management audit case.

6 Q. What's a management audit?

7 A. The PSC has a section that does management
8 audits and looks at the efficiency of the operations. In
9 this case they looked at using AMR as one of the aspects
10 of that particular audit.

11 Q. So when a management audit is done and a
12 gas utility or another utility, but we're talking about
13 gas utilities, so --

14 A. Right. Not only gas utilities, I think,
15 but in this case, that's the one they did on Laclede.

16 Q. Other than that, did the PSC Staff prepare
17 any written documents discussing the benefits or costs of
18 AMR?

19 A. No, my staff didn't.

20 Q. Do you know whether or not there was a test
21 program with Laclede for the AMR implementation?

22 A. I think they had a pilot program, but I
23 don't know when it exactly was.

24 Q. There are other gas utilities in Missouri
25 that have AMR on their gas meters; is that correct?

1 A. Yes.

2 Q. Do you know which ones they are?

3 A. I know MGE has a form of AMR. It's not
4 quite the same as what Laclede is using, and then AmerenUE
5 has the -- basically used the same Celnet technology, I
6 believe.

7 Q. And do either MGE or AmerenUE have to
8 provide statistics or reports to the PSC about their
9 automated meter reading programs?

10 A. To my group specifically about safety or --

11 Q. Well, safety effectiveness, how well it
12 works, problems that are associated with it.

13 A. They may be required in a rate case or some
14 other case, but I'm not aware. It's not given to me.

15 Q. They don't have to report anything to you
16 about how well the system's working?

17 A. Correct. There may be other things in like
18 a rate case that a management audit looks at or something
19 like that, but I'm not aware of it. My staff does not
20 have anything.

21 Q. Now, if a -- hypothetically, if a gas leak
22 occurred at a Celnet, when the Celnet device was put in,
23 it would be reported should it fall into the categories we
24 talked about earlier where it caused property damage over
25 a certain amount or loss of life or injury or something

1 looked at a couple of addresses where there's a --
2 supposedly a severe leak caused and we checked with
3 Laclede about what they -- they wanted to test that meter.

4 Q. And is a formal investigation done at that
5 time?

6 A. We just ask them if they tested that meter
7 and what the specifically was the problem with that meter.

8 Q. You're talking about you asked Laclede?

9 A. Yes.

10 Q. Okay. So the consumer would call the PSC
11 and then the PSC calls Laclede?

12 A. I don't know if it's a consumer or if it's
13 someone else.

14 Q. Someone else?

15 A. Could be an employee or something. I'm not
16 sure.

17 MR. ZUCKER: Excuse me a minute. This is
18 Rick Zucker. We're talking hypothetically now, or are we
19 talking about an actual complaint?

20 MS. MARTIN: Well, I was actually asking
21 about a hypothetical, just generally what the PSC would do
22 in that situation, and I think he's just mentioned a
23 couple of addresses but we haven't specifically asked
24 about those addresses.

25 MR. ZUCKER: He's mentioned a couple of

1 addresses?

2 MS. MARTIN: He just mentioned that he
3 looked at a couple of addresses.

4 MR. FRANSON: Rick, he has not said it's
5 123 Laclede Building in St. Louis, Missouri or something
6 like that. No, he has not named a specific address yet.

7 MS. MARTIN: Does that answer your
8 question?

9 MR. ZUCKER: Sort of. Go ahead.

10 BY MS. MARTIN:

11 Q. Okay. So in any event, somebody called.
12 We don't know if it's a consumer or an employee. They
13 tell you there's a problem, and you-all will call Laclede
14 to ask Laclede to give you information about it; is that
15 correct?

16 A. Yes.

17 Q. And that would be the general process when
18 a customer calls in with a leak or an employee or
19 whoever's calling it in, that's the normal process you-all
20 would follow?

21 A. It depends on what the allegation is.

22 Q. Okay. So for other sorts of allegations
23 you would perhaps follow a different path?

24 A. Perhaps we would -- in the course if we're
25 going to do an inves-- we do our annual inspections of

1 some good part of the installation of AMR's been completed
2 have any safety concerns about the AMR installation?

3 A. Do we have any concerns, specific concerns
4 at this point?

5 Q. At this point.

6 A. No.

7 MR. FRANSON: Okay. I should have made
8 this clear a long time ago. There is a distinction
9 between the PSC and the PSC Staff. And when you say does
10 the PSC have some concerns as an example, that would
11 suggest maybe that the PSC has held some kind of hearings
12 and made a determination. I think every question like
13 that's going to be no. However, Mr. Leonberger represents
14 the PSC Staff, and so when he's been saying the PSC, he's
15 really meaning the PSC Staff; is that correct?

16 THE WITNESS: Yes. Sorry. I apologize.

17 MS. MARTIN: No. Because I think some of
18 the questions will sometimes say PSC or PSC Staff, and
19 then sometimes I've gotten sloppy and just said PSC. I
20 always mean PSC Staff.

21 MR. FRANSON: I should have made that
22 clear.

23 THE WITNESS: And many times, like I said
24 before, as far as the AMR, AMR is basically a
25 metering-type function, not necessarily a safety function,

1 so there may be other areas of the Staff, like the
2 engineering analysis section that may be doing things that
3 I'm not necessarily aware of. I'm not saying I'm speaking
4 for the whole Staff in most cases that aren't involving
5 safety.

6 BY MS. MARTIN:

7 Q. Now, is it your understanding that once an
8 AMR device is on a gas meter, that Laclede no longer has
9 to visit the customer home to obtain a meter reading?

10 A. Yes.

11 Q. That's the premise of AMR, correct?

12 A. Right.

13 Q. So Laclede no longer has to turn off gas
14 service when a transfer of service is made; is that
15 correct?

16 A. If they're doing a transfer they would not
17 have to go there to read the meter, no.

18 Q. Because they could get their reading for
19 the final bill and start -- when the new customer comes
20 in, they can get the remote read?

21 A. There would be no requirement from the
22 safety regulations for them to go physically to the site,
23 no.

24 Q. Okay. And if they're not having to turn
25 off the gas and then turn the gas back on, Laclede does

1 Q. And if you had reason to believe that the
2 Grunsky meter change method was unsafe, what would you do?

3 A. If we had knowledge of something, a
4 particular method or particular material that wasn't --
5 that we believed wasn't working correctly or wasn't good,
6 we would probably ask the company not to use that, and if
7 we felt strongly that it was a bad method, we would
8 probably go to the Commission and have them order them not
9 to use it.

10 Q. With regard to AMR, do you have any idea of
11 about how many AMR units Laclede has installed to date?

12 A. To date, no. I don't know. I mean, I know
13 it's over -- I believe it's over 200,000, but that
14 number's quite a few months ago. I really don't know the
15 exact number to date, no.

16 Q. Okay.

17 A. I'm not getting -- I'm not getting a week
18 by week or, you know, day by day update on the number
19 that's being installed, no.

20 Q. And. Have you received -- since Laclede
21 began installing AMR devices on meters last year, have you
22 received any reports of incidents related to the
23 installation of an AMR meter?

24 A. Incident like leaking gas causing a formal
25 incident?

1 Q. Yes, sir.

2 A. No.

3 Q. And if you were concerned about the safety
4 of AMR installation, what would you do?

5 A. As I stated before, when we find something
6 that the Staff believes is an unsafe method or unsafe
7 material, we would take measures to talk to the company
8 about stopping to use that. If we believed the method or
9 material was bad and they weren't voluntarily stopping to
10 use it, then we would talk to the Commission about having
11 an order to stop.

12 MR. ZUCKER: Thank you. That's all I have.

13 MR. FRANSON: A couple clarifying
14 questions, Mr. Leonberger.

15 CROSS-EXAMINATION BY MR. FRANSON:

16 Q. Let's talk about pipes in an average
17 household. Let's use a hypothetical residential customer
18 of Laclede. It's a normal three-bedroom, two-bath home,
19 we'll say 1,500 square feet, and it is set up, piped for
20 natural gas. What facilities would ordinarily be used to
21 provide service by Laclede to this customer, and where
22 does Laclede ownership and responsibility for those
23 facilities begin and end, and where would the customer
24 ownership and responsibility begin and end?

25 A. In a typical residential service, there