

Schallenberg Public

Schedule 7

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BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

PUBLIC SERVICE COMMISSION vs.
MISSOURI PIPELINE COMPANY, ET AL.

Case No. GC-2006-0378 and GC-2006-0491

DEPOSITION OF DAVID WALLEN
TAKEN ON BEHALF OF THE COMPLAINANT
AUGUST 29, 2006

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Direct Examination by Ms. Shemwell

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1 BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
2
3 PUBLIC SERVICE COMMISSION)
4 COMPLAINANT,)

5 VERSUS) CASE NUMBER GC-2006-0378
6 MISSOURI PIPELINE COMPANY) and GC-2006-0491
7 ET AL.,)
8 RESPONDENT.)

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DEPOSITION OF DAVID WALLENS, taken on behalf of the complainant on August 29, 2006, at the offices of the Public Service Commission, 9900 Page Avenue, in the County of St. Louis, State of Missouri, before Linda A. Madel, a Certified Court Reporter and Notary Public.

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A P P E A R A N C E S

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18 Also Present:

19 David Ries
Janis Fischer
20 David McCormick (via phone)

21

Reported by:

22

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711 North Eleventh Street
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25

5

1 MS. SHEMWELL: On the record.

2 Q (By Ms. Shemwell) Mr. Wallen, I'm Lera Shemwell.

3 I represent the Missouri Public Service Commission staff in
4 this case. We have two case numbers GC-2006-0378 and
5 GC-2006-0491.

6 I will note for the record that a lot of
7 information or at least some of it will be highly
8 confidential. We will take the entire thing as a
9 confidential document until such time as the companies have
10 been able to mark the document and determine what may be

11 released as public.

12 Mr. Wallen, have you given your deposition in the
13 past?

14 A Long time ago I give a written one one time.

15 Q If I ask you a question that you don't understand,
16 just please ask me to clarify and I'll try to do so.
17 Otherwise I'm going to assume that you have understood the
18 question; is that all right?

19 A Sure.

20 Q If you need to take a break, please let me know.
21 The court reporter will stay on the record until I ask her to
22 go off the record. But if you need a break for any reason,
23 that's just fine; let me know.

24 I'm going to ask the court reporter to administer
25 the oath, please.

6

1 DAVID WALLEN,
2 of lawful age, being produced, sworn and examined on behalf
3 of the Public Service Commission deposeth and saith:

4 DIRECT EXAMINATION

5 BY MS. SHEMWELL:

6 Q I will ask you to answer verbally instead of
7 nodding your head so that she can take it down. All right?

8 A Okay.

9 Q Have you had any conversations with anybody about
10 your testimony here today?

11 A Just attorney.

12 Q Mr. DeFord? You're pointing to Mr. DeFord?

13 A Yes.

14 Q Not with Mr. Ries?

15 A Yeah, him and Dave. Just to explain, you know,
16 what we're doing because, like I say, I've never done this
17 before.

18 Q Did they instruct you how TO answer any
19 questions?

20 A No.

21 Q Is there anything that would prevent you from
22 testifying fully today? Are you taking cold medicine or --

23 A No.

24 Q Okay. Anything like that?

25 A I'm a little stuffed up, but --

7

1 Q Did you receive a subpoena from the Commission --

2 A Yes.

3 Q -- through Mr. DeFord? And what documents did you
4 bring with you in response to that?

5 A The imbalance summary by contract.

6 Q Is there a specific date on that?

7 A It's yesterday's gas day, which ended at 9:00
8 o'clock yesterday morning.

9 Q And what date does it have on it?

10 A It's imbalance as of 8/27.

11 Q '06, correct?

12 A Yes, ma'am.

13 Q And what else have you brought?

14 A The daily gas report for the MIG; it would be MRT
15 imbalance report.

16 Q For what dates?

17 A This is actually from the 1st through the 27th.
18 Q Of August, 2006?
19 A Yes, ma'am.
20 Q And any other documents?
21 A I brought what's called -- it's a Laclede flow
22 schedule.
23 Q And it says at the top Laclede Gas Company M.P.C.
24 forecast schedule, correct?
25 A Yes, ma'am.

8

1 Q And the date on it is Wednesday, August 23rd, 2006,
2 right?
3 A The top date, yes. It will have more than one
4 date.
5 Q I see. It goes through Sunday, August 27th. So
6 this is for a week?
7 A Uh-huh.
8 Q By day. No, it's for Wednesday through Sunday?
9 A Yeah. Wednesday through Sunday. I mean if the BTU
10 changes by very much, they'll send me another one today
11 because they adjust their nominations or flow schedule based
12 on the BTU value of gas.
13 Q Mr. Wallen, did you work for the prior owners of
14 the company?
15 A Yes, ma'am.
16 Q Was that UtiliCorp at the time?
17 A There's been several. I came here in December of
18 '89.
19 Q So who did you work for first?

20 A It was actually the first company was called Omega
21 and then we were sold to a company called Edisto and then
22 there was another part of that called Vesta.

23 Q E-d-i-s-t-o?

24 A Yes, ma'am.

25 Q V-e-s-t-a?

9

1 A Uh-huh.

2 Q Okay.

3 A Let's see. Then they were purchased by UtiliCorp
4 United.

5 Q Did they become Aquila while they still owned this
6 property?

7 A No, ma'am. They had a gas -- their gas marketing
8 portion of the company was called Aquila.

9 Q What is your job title?

10 A Vice-president of operations.

11 Q Has operations been your job since you started with
12 the company?

13 A I started out as technician, instrumentation
14 technician.

15 Q What does that mean?

16 A I constructed the loads, alcohol loads, computer
17 program loads to run the pipeline stations and I did all the
18 electronic installations.

19 Q Say a little more about the first thing you said,
20 the loads. What does that mean?

21 A We have remote terminal units at each one of our
22 delivery points and then we have a master computer system

23 that runs on a different software, but you construct the load
24 that is able to measure the gas.

25 Q Is a remote terminal unit, are there other names

10

1 for that?

2 A They just call it -- it's short for just RTU.
3 That's the lingo of the business.

4 Q And that's not the meter; you're not talking about
5 a meter?

6 A No, ma'am. It's a complete --

7 Q System that reads?

8 A Reads, it measures, it can stand completely alone.
9 In other words, if we were to lose our main system at the
10 office, whatever set points and such that were in there would
11 continue to hold those until the whole rest of the system was
12 back up and running. It controls flow pressure, has all the
13 alarms, local alarms.

14 Q What does a local alarm -- who does that alert?

15 A It comes in over our system and it prints out in
16 the office as to what, you know, what station, what the alarm
17 is and we respond to that.

18 Q So if you got a sudden high or low pressure --

19 A Correct, it would send an alarm.

20 Q Is there anyone locally that it alerts? Do you
21 hear it when you're out in the field?

22 A No, I don't hear it when I'm out in the field, but
23 there's always someone in the office monitoring it and it
24 does have a -- puts out a beep tone pretty loud so you know
25 something's going on.

1 Q Who monitors that when the Algana Court office is
2 closed?

3 A It's goes to Michigan -- well, they've changed
4 their name. It goes to Michigan monitors our system after
5 hours. They have an exact duplicate of the SCADA system and
6 it goes to them by satellite. And then each one of us takes
7 our turn on call duty seven days a week and they would call
8 whoever is on call.

9 Q Who do you work for now?

10 A I work for Missouri Pipeline Company.

11 Q And who's your boss?

12 A Dave Ries.

13 Q Does that mean you also work for MGC? Do you work
14 for MGC?

15 A Yeah.

16 Q And MIG?

17 A Yes, ma'am.

18 Q What about Omega?

19 A No, ma'am.

20 Q And what you have described -- well, tell me what
21 your job duties are as vice-president of operations?

22 A Well, my main responsibility is the operations of
23 the pipeline and complying with all the safety regulations
24 and maintenance. You know, I deal some with customers; not
25 too much. Just mostly with people in the operations side of

1 things.

2 Q When you say people in the operations side, are
3 those employees of MPC, MGC?

4 A No, those would be employees of Ameren, Laclede;
5 mostly Ameren.

6 Q Their outside people as well?

7 A Yeah.

8 Q Technical people?

9 A Yes, ma'am.

10 Q Is maintaining sufficient pressure on the system
11 one of your responsibilities?

12 A Uh-huh. Yes, ma'am.

13 Q And is keeping the pressure at a certain level?

14 A Depends on the time of the year. Summertime it's
15 not a big a concern as it is in, you know, real cold days.

16 Q Has over pressure been a concern?

17 A No. I mean we have controls to make sure that
18 doesn't happen. It's a concern; you don't want to do that.

19 Q Is that something you monitor more than daily?

20 A I don't understand what you mean.

21 Q The pressures, you monitor that constantly?

22 A Yeah, the SCADA system monitors constantly.

23 Q If one of those goes bad, one of the units, how do
24 you know?

25 A You mean as far as if we lost communications with

13

1 it?

2 Q That's how you know?

3 A Yeah.

4 Q Are you an officer of -- are you a vice-president
5 for MIG and MGC as well? He can't help you.

6 A I'm sorry. Yes.

7 Q He's not supposed to help you.

8 A Yeah, I mean all of our employees, we take care of
9 all three of those segments of the pipeline.

10 Q What about Omega or any other entities?

11 A No.

12 Q Would you perform any different duties for MIG or
13 MGC than you do for MPC?

14 A No.

15 Q Same duties?

16 A Yes, ma'am.

17 Q Did you work for Richard Kruell when you worked for
18 UtiliCorp?

19 A Yes, ma'am.

20 Q Anybody else?

21 A Oh, Rick was like the vice-president of the
22 company. I had several different supervisors between me and
23 him. Dolan Argo.

24 Q I'm sorry?

25 A Dolan Argo.

14

1 Q Dolan Argo, A-r-g-o?

2 A Yes, ma'am.

3 Q Was he in the similar position as Mr. Kruell?

4 A No, he was like director of engineering. Dolan
5 worked for the original company also. He left the company
6 when UtiliCorp bought us.

7 Q Is your office the Algana Court office?

8 A Yes, ma'am.

9 Q Has that moved?

10 A No, ma'am.

11 Q So that's where you were when you worked for
12 UtiliCorp as well?

13 A Uh-huh, yeah. We've been in the same building
14 since day one.

15 Q Did you go to work for the pipeline when it was
16 built?

17 A It was in the last phase of construction. I came
18 in December 17 of '89 and we started up the first stage in
19 Algana that New Year's Eve.

20 Q Mr. Wallen, are you familiar with the tariffs, the
21 Missouri Public Service Commission tariffs?

22 A Not very much, no, ma'am.

23 Q Do you know that there are tariffs?

24 A Yes.

25 Q Have you seen a copy of the tariffs?

15

1 A I've seen, you know, associated with our pipeline,
2 but not, you know, just kind of summary type stuff.

3 Q You've looked through them?

4 A Yes, ma'am.

5 Q Do you know where they're located in the Algana
6 office?

7 A No, I don't. All I've ever seen is just like a
8 spreadsheet summary that has each customer, shipper.

9 Q Do you know who's responsible to make sure that the

10 company's in compliance with its tariffs?

11 A That would be Dave Ries.

12 Q Did you perform work for Omega prior to the sale?

13 A Prior to the sale?

14 Q Uh-huh.

15 A Yes, ma'am.

16 Q What would you do?

17 A Well, it was kind of a totally different deal. I
18 mean the Fort Leonard Wood system distribution was the only
19 piece of Omega left prior to the sale. And basically I just
20 checked in with the employees down there once a week or if
21 they had problem, they will call me for technical advice.

22 Q And what kind of a problem might it be?

23 A Propane air plant down there and so when that's
24 ran, it's not on the SCADA system, so I would have to tell
25 them -- I would look at our system and tell them what the

16

1 flow of gas is because you have to maintain a ratio between
2 the propane air and the gas, those kinds of things. And sign
3 checks to pay bills, two signature checks.

4 Q Anything else you can think of?

5 A No, ma'am.

6 Q Who were the gentlemen with whom you would speak
7 down at the Fort?

8 A It was David Shockley and Jim Newton.

9 Q N-e-w-t-o-n?

10 A Yes, ma'am. And Ron Blevins at the time was a --

11 Q B-l-e-v-i-n-s.

12 Is he gone? You said at the time. Is he --

13 A Ron Blevins?

14 Q Uh-huh.

15 A Well, when Omega was sold, he went to stay with the
16 pipeline; the other two guys went to the company.

17 Q You said that with Omega the Fort's the only thing
18 left. What do you mean by that?

19 A Well, the Fort distribution system was Omega. That
20 was the Omega portion of the company.

21 Q What about ** _____ ** and some of those?

22 A Those are shipper customers. And Omega I believe
23 bought the gas for those customers after -- well, on the Fort
24 it used to be ** _____ ** bought the gas and then when Dave got a
25 new contract, ten year contract with them, then he became the

17

1 producer of the gas.

2 Q And so you're saying he also purchased gas for
3 ** _____ ** and ** _____ ** and some of the other --

4 A Yeah, ** _____ ** and ** _____ ** .

5 MR. KURTZ: Lera, I'm sorry to interrupt. If he
6 could maybe speak a little bit louder or a little closer to
7 the microphone. He's starting to trail off a little bit.

8 Thank you.

9 MS. SHEMWELL: Certainly.

10 Q ** _____

11 _____ **

12 A ** _____ **

13 Q Have you heard of them?

14 A No, ma'am.

15 Q So you don't know what they do?

16 A No, ma'am.

17 Q Who their officers are, if they went with the Omega
18 Pipeline Company?

19 A No, ma'am.

20 Q How have the pipeline's operations changed since
21 UtiliCorp sold its business?

22 A As far as operation?

23 Q Uh-huh.

24 A Few less people. Outside of that I mean we've
25 tried to just keep operating just like we always have. When

18

1 it was UtiliCorp, we just like emailed the daily readings to
2 them and they imported it into the system and did all that
3 there up in the Raytown office, but now that's all done in
4 St. Peters.

5 Q By?

6 A By Patty. Or when Patty's on vacation myself.

7 Q Do you report to the Algana location on a daily
8 basis; is that where you operate?

9 A Yes, ma'am.

10 Q Where would you go during the day?

11 A It depends on what's going on, but I go out and
12 I -- probably seventy-five percent of the time in the office
13 and twenty-five percent in the field. I go out and help do
14 all the normal maintenance.

15 Q What is normal maintenance?

16 A Well, we have set regulatory maintenance things
17 that we do that are on a schedule, but --

18 Q Give me an example?

19 A Valve maintenance where we go and inspect the
20 operation of the manual valve, make sure we operate them
21 halfway, grease them and that's all things we maintain
22 records for.

23 Q What do those valves do?

24 A Well, shut the gas off. Isolate another valve to
25 work on it. It's one that's controlled by the SCADA system.

19

1 Q When you say isolate, are you talking about you're
2 shutting down -- you're closing the valve to shut down the
3 gas flow --

4 A Yes, ma'am.

5 Q -- to that system? And under what other
6 circumstances would you use that valve?

7 A Emergency.

8 Q Keep full records of that?

9 A Yes, ma'am.

10 Q Do you work with the Commission safety people?

11 A Yes, ma'am.

12 Q Do you know who? Bob Leonberger?

13 A Bob Leonberger, John Kottwiz. I think I've
14 probably been inspected by all of them at one point in time
15 other than Bob, of course. It's annual; we're inspected
16 annually.

17 Q Do you have any involvement with safety work for
18 the Omega distribution system at Fort Leonard Wood?

19 A No, ma'am.

20 Q Did you at one point?

21 A No, not really. Dave Shockley and those guys -- I

22 mean Greg Williams those guys would come down there and
23 directly meet with them on their inspections.

24 Q The Commission's Greg Williams, right?

25 A Yeah.

20

1 Q Do you know Yvette Korb?

2 A Yes, ma'am.

3 Q Who is she?

4 A She's like the human resource person.

5 Q Where is she located?

6 A Shawnee, Kansas.

7 Q How often do you visit with Yvette?

8 A Oh, maybe once every six months when like the motor
9 vehicle insurance is being renewed or health benefits.

10 Q How many vehicles do the pipelines operate?

11 A Let's see. I believe seven.

12 Q How often is Yvette over at the St. Peters
13 location?

14 A She's only been there twice that I know of.

15 Q What about Ryan Ries; do you know Ryan?

16 A Yes.

17 Q Do you know who he is?

18 A Uh-huh, yes.

19 Q What does he do?

20 A Oh, he's like an engineer and he also maintains --
21 helps maintain the SCADA system and stuff.

22 Q What work matters do you discuss with Ryan?

23 A A lot of regulatory things. Ryan has helped me
24 with the operator qualification plans, public awareness plan.

25 Let's see. You know, just mostly technical stuff.

21

1 Q When you say public awareness plan, are you talking
2 something like DigRite or other things?

3 A Well, that's part of it, but the new public
4 awareness plan is a DOT regulation. It's something pretty
5 new; it's just this year.

6 Q Say a little more about it.

7 A Well, we joined in with some other pipeline
8 companies and what they do is go around to towns near the
9 pipelines where we operate and they have a public meeting and
10 talk about the safety, Missouri One Call system, Julie in
11 Illinois and --

12 Q What did you say about Illinois? I didn't catch
13 that.

14 A Julie in Illinois. That's their --

15 Q J-u-l-i-e?

16 A Yes, ma'am.

17 Q Illinois, okay.

18 A And it's a safety meeting with the public basically
19 and they give some presentations on pipeline safety whether
20 it be liquid, gas.

21 Q Are you involved with the lawsuit where someone put
22 a parking lot over a part of the pipeline?

23 A I'm aware of it.

24 Q Have you done any work in connection with that?

25 A Only initially.

1 Q What was that?

2 A I took pictures and checked the depth of the line
3 with a locator and I've -- I mean we originally had a sort of
4 a contract with this fellow and he just ignored it.

5 Q Is there a safety concern with that?

6 A Yes, ma'am.

7 Q And what is it?

8 A Well, he's got an office with I don't know how many
9 people right next to that. And when they put concrete over
10 the line, we didn't have an employee present, so we don't
11 know if they might have bumped the pipe, damaged anything.
12 And certainly we had four foot of cover on the pipe before
13 and now in spots it's eleven inches. It's definitely a
14 safety concern.

15 Q You mean they graded the parking lot enough that
16 they reduced the --

17 A Cover.

18 Q -- the cover of the pipeline by that?

19 A Yes, ma'am.

20 Q Any other safety concerns?

21 A Well, just I don't know if you're familiar with
22 like HCA areas and such. We measure distance, number of
23 people in a building and it classifies different
24 classifications, you know, on the pipeline which controls how
25 often we have to inspect things.

1 Q For a leak?

2 A For leaks, everything. And so it's got concrete on
3 top of it now. You can't really -- you couldn't leak survey
4 it properly.

5 Q Any other projects you've worked on with Ryan?

6 A Some on the gas accounting system, you know,
7 modifying it from the old system.

8 Q How often do you email or talk to Ryan?

9 A Maybe once a month.

10 Q How often do you visit with Mr. David Ries?

11 A Once a week; it depends on what's going on, but --

12 Q Phone once a week?

13 A Once a week.

14 Q Emails?

15 A Emails about probably once or twice a week. It
16 depends on if we got a project going on and I sometimes email
17 him because he's on his phone a lot.

18 Q What kind of project?

19 A New construction of new stations, maintenance.

20 Q Do you have construction of new stations going on
21 right now?

22 A One.

23 Q What is that?

24 A It's a Riverdale delivery station for Laclede Gas
25 Company.

24

1 Q And so you're putting in a new delivery point; is
2 that a correct description?

3 A Yes, ma'am.

4 Q Why would they need a new delivery point?

5 A This area -- it's north of St. Paul, Missouri --
6 it's out in the country. And T.R. Hughes bought like eight
7 hundred forty acres and their first phase of development is
8 four hundred fifty houses.

9 Q Who bought it?

10 A T.R. Hughes Company; it's a builder.

11 Q So there's going to be eight hundred residences in
12 that new area?

13 A Homes, yeah.

14 Q Any other projects going on?

15 A No, not really. We're got a levy project where the
16 City of St. Peters purchased all that ground between 370 and
17 the Darting Creek and there's going to be parks, lakes.
18 We're going to move the Algana station from its present
19 location down to a position in that development.

20 Q And Algana is a Laclede station, right?

21 A Yes, ma'am.

22 Q What about Preston Price; do you know Mr. Price?

23 A Yes, I know Preston.

24 Q What does he do for the company?

25 A He's like our IT computer guy.

25

1 Q And how often do you visit with him?

2 A At first quite a bit, but now probably once every
3 three months.

4 Q Has he been down to your location?

5 A Yeah, three or four times.

6 Q Where is his normal office?

7 A Shawnee, Kansas.

8 Q Did you bring a copy -- you had mentioned earlier
9 that you signed checks. Why do you sign checks?

10 A Because they're two signature checks and so it
11 requires myself and the accountant or Dave also has signature
12 authority. It's an in-house.

13 Q Does that mean that you have your signature on file
14 with the bank?

15 A Yes, ma'am.

16 Q And you and either Mr. Ries or who else would
17 sign?

18 A It would be Mike Martz now.

19 Q In the past it had been B.J. Lodholz?

20 A Yeah, Dave Leddles (phonetic).

21 Q He is a Dave, too?

22 A Yeah. And we'd have all the three of us and Dave
23 Shockley, you didn't know which Dave you're talking to.

24 Q Maybe that's why B.J. goes -- we couldn't figure
25 out why B.J. went by B.J., but we don't need to know that.

26

1 A I couldn't figure that out either.

2 Q I believe the subpoena asked for checks. Did you
3 bring any checks with you today that you had signed?

4 A I think it asked for Omega checks.

5 Q Okay.

6 A They're no longer available.

7 Q Where are they?

8 A I don't know for sure, but I would think with the
9 company that purchased us.

10 Q Do you know who purchased it?

11 A It's Tortoise.
12 Q Tortoise I think?
13 A Yeah.
14 Q Like the turtle, right?
15 A Like the turtle, yes, ma'am.
16 Q Who packed up those checks?
17 A I don't know.
18 Q Did you see them leave the building?
19 A No, ma'am.
20 Q Do you know if they were mailed?
21 A No, ma'am.
22 Q Have you shredded any documents in the last sixty
23 days?
24 A No, ma'am.
25 Q But you did sign checks for Omega; is that right?

27

1 A Yes, ma'am.
2 Q Do you know how often? Was it anything --
3 A Weekly.
4 Q What kind of checks?
5 A To pay like supply material, purchases; that's
6 really about it.
7 Q For example?
8 A Well, it could even be office supplies or just
9 checks that were going to vendors where pressures were made
10 and I reviewed those to some degree.
11 Q Miss Hawkins told us yesterday that she would put
12 them in a file. Would you look through that file and see
13 what needed to be paid?

14 A No, ma'am. Patty would present me with just an
15 Excel spreadsheet that had each vendor and the amount of the
16 bill listed and I initial off on the side, you know. She'd
17 have the invoice, the packing list, the material list,
18 whatever.

19 Q And why would you initial?

20 A Because if I didn't know what it was, I would call
21 one of the guys if they bought it and find out and I made
22 notes and things on that spreadsheet.

23 Q So you were initialing that you had received the
24 materials; is that --

25 A Right, and I was approving payment.

28

1 Q Who prepared the check?

2 A Well, it would have been B.J.

3 Q Would he type it in and --

4 A Yeah, yeah.

5 Q And now Mr. Martz?

6 A Yes, ma'am.

7 Q M-a-r-t-z, right?

8 A Correct.

9 Q Lodholz is L-o-d-h-o-l-z.

10 I'm going to hand you some -- we'll mark this

11 Exhibit 18.

12 (Exhibit 18 was marked for identification).

13 Q (By Ms. Shemwell) Are you able to read that, Mr.
14 Wallen?

15 A Yeah.

16 Q And this is a check to Blue Cross/Blue Shield of

17 Kansas City from Omega; is that right?

18 A Yes, ma'am.

19 Q You've explained that you sign this check because
20 you have a dual signature requirement for the company; is
21 that a correct statement?

22 A Yes, ma'am.

23 Q Do you or Mr. Lodholz have signature stamps?

24 A No.

25 Q Would you sign similar checks, let's say, to Blue

29

1 Cross/Blue Shield for MPC, MGC and MIG?

2 A Yeah. Yes. I don't think MIG was a separate
3 payment.

4 Q Do you remember writing any separate checks for
5 MIG?

6 A Not to my recollection.

7 Q Would you sit down once a week and sign the checks;
8 is that how it goes?

9 A Yeah. Yes.

10 Q Do you know if the companies had -- for example,
11 does Omega have a separate checking account?

12 A It did, yes.

13 Q Did MPC and MGC have separate accounts?

14 A No, ma'am.

15 Q Just one account?

16 A Yes, ma'am.

17 Q And so you don't know about MIG if it had an
18 account or not?

19 A No ma'am.

20 Q Do you know?
21 A No, I don't know.
22 Q If Mr. Ries were in the office, would he sign
23 instead of you or instead of Mr. Lodholz?
24 A I don't think he ever has.
25 Q You don't think he's signed checks?

30

1 A No.
2 Q It was you and Mr. Lodholz?
3 A Correct.
4 Q Does that include for Omega and MIG?
5 A Yes.
6 Q Do you know about MIG? What about Omega Pipeline
7 Services did you ever sign any check for Omega Pipeline
8 Services?
9 A I don't think so.
10 Q What other kinds of checks besides Blue Cross/Blue
11 Shield? You had mentioned vendors; would that be people --
12 just tell me what kind of vendors you're talking about?
13 A Pipeline suppliers of like I mean just maintenance
14 materials, operation materials.
15 Q What kind of materials would that be?
16 A All kinds of things, but an example would be like
17 tape wrap and primer like if you have the pipe exposed and
18 you need to prepare the coating, you use those materials to
19 do it. Flow control valve repair parts; we keep some in
20 stock and when we use them I reorder them and replace the
21 stock.
22 Q Did MPC and MGC write checks for natural gas;

23 Panhandle, MRT?

24 A No, ma'am.

25 Q But for transportation to Panhandle and MRT?

31

1 A Did MPC or MOGas make payments to Panhandle for --

2 Q Uh-huh.

3 A No, ma'am.

4 Q Or you didn't sign them anyway?

5 A Correct.

6 Q Did you sign expense checks?

7 A Expense checks? It's like with the people that
8 work for me it's part of their payroll.

9 Q So it's just part of their paycheck?

10 A Yeah. I would approve -- yes, ma'am. I would
11 approve their expense report, review it and their receipts
12 and then Mike would send, you know, he does the pay data
13 thing and all that.

14 Q So he just rolls that into paycheck on a weekly?

15 A Yes, ma'am.

16 Q Bi-weekly?

17 A Bi-weekly.

18 (Whereupon Mr. Schallenberg joined the proceedings).

19 Q (By Ms. Shemwell) What about checks, expense
20 checks, for Mr. Ries; did you sign those?

21 A I remember signing one a long time ago, but I don't
22 remember if --

23 Q Weren't were two signatures required for that?

24 A I believe so, yes.

25 MS. SHEMWELL: This will be Exhibit 19.

1 (Exhibit 19 was marked for identification).

2 Q (By Ms. Shemwell) That's three copies. If you'll
3 pass them down --

4 A I'm sorry.

5 Q -- please. Do you recognize this document?

6 A Is it okay if I take a little bit to look at it?

7 MS. SHEMWELL: Certainly. Let's go off the record
8 for a minute.

9 (Whereupon there was a discussion held off the record).

10 MS. SHEMWELL: Let's go back on the record.

11 A The top document I have seen before.

12 Q We're talking about Exhibit 19; is that correct?

13 A Yes, ma'am. The ones behind it I have not seen.

14 Q Are you aware that there's a cooperative I'll use
15 the word effort between Laclede and MPC for scheduling
16 volumes at the Algana Court meter station or the Algana meter
17 station?

18 A You mean do we schedule the volumes at Algana
19 different than we do the other Laclede stations?

20 Q I think that's my question?

21 A ** _____
22 _____
23 _____
24 _____
25 _____

1 _____
2 _____
3 _____
4 _____

5 _____ **

6 Q ** _____ **

7 A ** _____

8 _____
9 _____
10 _____
11 _____ **

12 Q Why does he send you a new schedule?

13 A Well, in the summertime we don't change their flows
14 much. If you take a look at that schedule, you'll notice
15 that it has different hours of the day.

16 Q Let's go ahead and mark this, so we'll know what
17 we're talking about. And this will be Exhibit 20. If you'll
18 just write Exhibit 20 up there.

19 (Exhibit 20 was marked for identification).

20 A If you'll notice that it's like from 9:00 to 10:00,
21 10:00 to 12:00. We basically are -- we serve Laclede as --
22 ** _____

23 _____
24 _____
25 _____

1 _____
2 _____
3 _____

NIP

4 _____

5 _____

6 _____

7 _____

8 _____

9 _____

10 _____

11 _____ **

12 Q ** _____ **

13 A ** _____

14 _____

15 _____

16 _____

17 _____ **

18 Q ** _____

19 _____ **

20 A ** _____

21 _____ **

22 Q Since we're looking at Exhibit 20, let's have a

23 little closer look at that. On Wednesday this is showing

24 that they took nothing at Al --

25 A Algana.

35

1 Q Algana?

2 A That's correct.

3 Q ** _____ **

4 A ** _____ **

5 Q ** _____ **

6 A ** _____ **

NP

7 Q ** _____ **

8 A ** _____ **

9 Q ** _____ **

10 A ** _____

11 _____

12 _____ **

13 Q ** _____ **

14 A ** _____

15 _____

16 _____ **

17 Q ** _____ **

18 A ** _____ **

19 Q ** _____

20 _____ **

21 A ** _____ **

22 Q ** _____

23 _____ **

24 A ** _____ **

25 Q ** _____ **

36

1 A ** _____

2 _____

3 _____

4 _____ **

5 Q ** _____

6 _____ **

7 A ** _____ **

8 Q ** _____

9 _____ **

10 A ** _____

11 _____

12 _____

13 _____ **

14 Q ** _____

15 _____ **

16 A ** _____

17 _____

18 _____

19 _____

20 _____

21 _____

22 _____ **

23 Q ** _____

24 _____ **

25 A ** _____ **

37

1 Q ** _____

2 _____ **

3 A ** _____ **

4 Q ** _____ **

5 A ** _____

6 _____

7 _____ **

8 Q ** _____ **

9 A ** _____ **

10 Q ** _____

11 _____

12 _____ **

13 A Right. Yeah, no.

14 Q You said you're moving the Algana location. Whose
15 responsibility is that to pay for that?

16 A Missouri Pipeline Company.

17 Q And that's in Missouri Pipeline's territory, not
18 Missouri Gas, right?

19 A Yes, ma'am.

20 Q So how does this document marked Exhibit 19 relate
21 to Exhibit 20 or does it?

22 A Well, it relates in the fact that you see they have
23 an MDQ or maximum daily quantity of ** _____ ** the wintertime.
24 They may use that full ** _____ ** or they may not; depends on the
25 weather. And so they can't put more than ** _____ ** a day on

38

1 this schedule. Now, that's the way it relates to me, okay.

2 Q Okay, sure. I can only expect you to answer what
3 you know what relates to you.

4 So if they put ** _____
5 _____ **

6 A I would call them if they tried to nominate more
7 than ** _____ ** and tell them you can't do that.

8 Q What would be the circumstances under which they
9 might want to do that?

10 A Oh, if they had some kind of emergency or something
11 I suppose. They don't -- to my knowledge they've never ever
12 done that. They've never nominated more than 55,000.

13 Q And this indicates that their monthly reservation
14 rate is ** _____ ** per decatherm, right?

15 A Yes, ma'am.

NP

16 Q Who figures that bill?

17 A The accounting system does.

18 Q ** _____

19 _____

20 _____ **

21 A ** _____ **

22 Q ** _____

23 _____ **

24 A ** _____

25 _____

1 _____ **

2 Q ** _____

3 _____ **

4 A ** _____ **

5 Q ** _____ **

6 A ** _____ **

7 Q ** _____ **

8 A ** _____ **

9 Q ** _____ **

10 A ** _____ **

11 Q ** _____ **

12 A ** _____ **

13 Q Do you have any input into the terms of this
14 agreement?

15 A No, ma'am. The only association I really have
16 there with this type of stuff is if it changes, if you have
17 to change something in the accounting system, you know. If
18 the rate changes or that, then he would let me know that,

NP

19 what it changed to.

20 Q Who would let you know?

21 A Dave.

22 Q Ries, Mr. Ries?

23 A Yes, ma'am.

24 Q What's the heading fuel mean?

25 A Well, that's gas consumed on the pipeline for

40

1 instrumentation, odor injection pumps.

2 Q Is that different from lost and unaccounted for
3 gas? Is that a single charge?

4 A I think it's all inclusive I believe.

5 Q Does Laclede work with you to schedule the
6 volumes?

7 A Yeah. Yes, ma'am.

8 Q At the various points?

9 A Yeah. I mean it's basically they pretty well tell
10 me what they want and we do it. If we can't, then I would
11 call them back and say we got something wrong with the
12 station here, I can't run it today or whatever.

13 Q And they tell you by Exhibit 20?

14 A Yes, ma'am.

15 Q Why do you need to schedule the volumes?

16 Operationally why do you need to schedule the volumes?

17 A Why do we need to schedule the volumes? Well, in
18 Laclede's case it's for the peak flow. When they need the
19 gas at the different times of the day we try to give them
20 what they need during that time period. But I need to know
21 on a daily basis how much total gas, estimate usage of the

22 whole pipeline and how much you can get in and those kinds of
23 things. So, yeah, I need to know every day what's
24 happening.

25 Q So they call you with their nominations on a daily

41

1 basis?

2 A They actually email them to Patty.

3 Q And then you look at that?

4 A I got a copy of that email.

5 Q I had a little confusion yesterday and I'm sure you
6 can clear this up. She said that some of the readings come
7 in by email, but that's a cell phone system; is that
8 correct?

9 A That's correct.

10 Q So it's not an email from an individual; is that
11 correct?

12 A That's correct.

13 Q That's the way she receives the information from
14 that station?

15 A Right. What we have is what's called a telemetric
16 unit and it has a cellular phone built into it and it's on
17 the Arius network I believe it is. And these meters are
18 owned by someone else; they're not ours. So we have -- well,
19 other than ** _____ ** But ** _____ ** connected to one
20 and we get a volume from ** _____ ** But ** _____ ** and
21 ** _____ ** both have a telemetric device on the meter
22 compensator when like a thousand cubic feet passes it puts
23 out a pulse and it emails us those every day at 9:00
24 o'clock.

NIP

25 Q Is that how you know their usage for the day?

42

1 A Yes, ma'am.

2 Q But the others come in across the SCADA system?

3 A Off the SCADA system, yes.

4 Q And how do those readings get to her computer?

5 A We manually take them off of the SCADA system.

6 There's a screen that has all the stations on it. One screen
7 for MPC, one screen for MOGas.

8 Q Do you know who owns the meters at

9 ** _____ **

10 A ** _____ **

11 Q What about ** _____ **

12 A ** _____ **

13 Q But I think we talked yesterday ** _____ ** used to be

14 --

15 A ** _____ **

16 Q -- ** _____ ** . Then were they somebody else between

17 ** _____ ** and ** _____ ** ; do you remember?

18 A No, they weren't somebody else. The meter didn't
19 belong to somebody else. That volume from ** _____ ** we get from
20 an email from ** _____ ** because they own the meters.

21 Q And Patty was indicating she went out on the Ameren

22 --

23 A That's it.

24 Q -- system?

25 A Yeah, we have to go into their system and pull it

NIP

1 off of their system each day.

2 Q She said their website. Is it a private website?

3 A Yes.

4 Q Okay.

5 A Yeah, you have to have a password and secure.

6 Panhandle also has one.

7 Q Is there anything confidential about the flows? Is

8 that the kind of information which others would be

9 interested?

10 A I don't understand your question.

11 Q Is that sensitive information?

12 A It could be.

13 Q How much Emhart's taking?

14 A Yes, ma'am.

15 Q ** _____

16 _____ **

17 A ** _____ **

18 Q ** _____ **

19 A ** _____

20 _____

21 _____ **

22 Q ** _____

23 _____ **

24 A ** _____ **

25 Q ** _____

1 _____ **

NP

2 A Yes, ma'am.

3 Q Who prepares this document?

4 A The accounting system does.

5 Q So it's automatically through the accounting
6 system?

7 A Yes, ma'am.

8 Q Who inputs the data?

9 A It would be Patty or myself.

10 Q So you do it sometimes if she's not there; is that
11 correct?

12 A Yeah, only when she's not there and I did it
13 whenever the position wasn't filled.

14 Q When was that?

15 A The first time was in 2003 I believe and then --
16 well, Patty came to work in December of 2004 so there was
17 like a three month period in there that I did it.

18 Q Do you get copies of this document then after it
19 comes out of the accounting system?

20 A No, I can look at it in the accounting system. Are
21 you asking me if I print it out every day?

22 Q Does someone print it out for you was really my
23 question?

24 A No, no.

25 Q I think you have multiple versions of this same

45

1 document in your hand, so there's just one there. So you
2 look at this daily?

3 A If I'm in the office.

4 Q And how do you use the information that's on

5 here?

6 A Well, mostly I look at the imbalances. I'm more
7 concerned with it in the wintertime, but I try to keep the
8 customers imbalances within a reasonable amount. And I mean
9 some of them are pretty small volume users, some of them are
10 large volumes users, but you have to treat them all the
11 same.

12 Q Do you have a definition that you would use for a
13 large imbalance?

14 A Large imbalance? Not really.

15 Q Would it be proportional to how much they use from
16 the system that you would judge that?

17 A Yes, ma'am.

18 Q So to sort of summarize if it's a bigger user, a
19 bigger imbalance would --

20 A Correct.

21 Q -- be tolerable?

22 A That's how I look at it.

23 Q Do you use this for anything other than looking at
24 the imbalances?

25 A This current inventory thing is something that

46

1 we've only had in the last year and I do look at that. It
2 tells me how much linepack or how much gas is sitting in the
3 pipeline basically.

4 Q What column is that?

5 A That is under -- it's down in the bottom section,
6 upper right hand.

7 Q Oh, I see. So OBA and imbalance, what does that

8 mean?

9 A OBA is operational imbalance between our system and
10 Panhandle's. It could be between our system and Laclede, our
11 system and MRT. We have an operating balancing agreement
12 with some of the shippers. ** _____

13 _____
14 _____ **

15 Q Would you explain to me how they can carry it on
16 their system; what that means?

17 A In other words, if that ** _____ ** uses
18 more gas than what they're nominating to ** _____ ** , then they'll
19 have to pay ** _____ ** for that overage or underage in that
20 particular case the way I understand. I'm no expert on all
21 that stuff.

22 Q What's linepack mean?

23 A Linepack is how much gas is just sitting in the
24 pipeline.

25 Q How much gas can just sit in the pipeline?

47

1 A Depends on at what pressure. I could tell you how
2 much is there at five hundred pounds; you know what I mean,
3 the system. You can go back and look at the pressures and
4 relate it to this right here, ths number.

5 Q Do the pipelines offer any storage? Would storage
6 fall within linepack?

7 A No, we don't have any storage.

8 Q We were talking about balancing agreements with
9 some companies and you have the PEPL OBA summary and that
10 stands for Panhandle, right?

NP

11 A Yes, ma'am.

12 Q And what is that telling you when you look at the
13 numbers there?

14 A Under the Panhandle OBA summary?

15 Q Yes, sir.

16 A For this particular day it's saying that there's
17 gas sitting on their pipeline that we haven't taken. If you
18 look underneath it if that number is negative, then that
19 means we have taken more than what we had nominated off of
20 their system.

21 Q So if we moved down to Laclede, that's the
22 situation there; is that right?

23 A Correct.

24 Q And MRT is to the right of Panhandle, correct?

25 A Yes, ma'am.

48

1 Q It has a cumulative OBA of ** ____ ** ; is that right?

2 A Yes, ma'am.

3 Q So what does that mean?

4 A That means that they still owe us ** ____ ** .

5 Q Does that mean that you've nominated and purchased
6 that?

7 A In this case it was purchased and paid for, yes.

8 Q By whom?

9 A By MIG.

10 Q But who wrote the check?

11 A I'm not sure.

12 Q Would you have signed the check?

13 A No, ma'am. I believe that gas purchases are paid

NP

14 electronically. I don't sign -- I've never signed a check
15 for a gas pressure.

16 Q So it would be a wire transfer is what you're
17 saying?

18 A Yes, ma'am.

19 Q An electronic transfer of funds?

20 A Yes, ma'am.

21 Q Between MIG and Panhandle?

22 A MIG and MRT.

23 Q Would Panhandle work the same way?

24 A We don't purchase gas on Panhandle.

25 Q Would you explain to me then the ** _____ ** that

49

1 you would say they owe you if you don't purchase gas on
2 Panhandle?

3 A Well, all of our customers or shippers nominate
4 volumes; they nominate to Panhandle.

5 Q Okay.

6 A Okay. And so if they don't -- if they take more
7 than what they've nominated, that number will go the other
8 way and vice versa. It's just nominations versus actual
9 deliveries.

10 Q Do you know who approves the electronic payments
11 for gas?

12 A No, I don't.

13 Q Would you explain to me why Laclede is separate on
14 here because they are a shipper on your system, right?

15 A Yeah, they're our largest shipper and they like
16 to -- Laclede tries to balance daily. Don't have too much

NP

17 trouble with them. Because if you look at that flow schedule
18 sheet again you can see that out here on the right-hand side
19 that they have to estimate what the little city gate stations
20 are going to use and in the wintertime sometimes they're a
21 little off on that and they will adjust that the next day.

22 Q Why?

23 A Because they want to stay completely in balance.

24 Q ** _____

25 _____

50

1 _____

2 _____

3 _____ **

4 A ** _____ **

5 Q ** _____ **

6 A ** _____

7 _____ **

8 Q ** _____

9 _____ **

10 A ** _____ **

11 Q ** _____ **

12 A ** _____

13 _____

14 _____ **

15 Q ** _____ **

16 A ** _____ **

17 Q ** _____

18 _____ **

19 A ** _____ **

NP

20 Q ** _____ **

21 A ** _____

22 _____ **

23 Q ** _____ **

24 A ** _____ **

25 Q ** _____

1 _____ **

2 A Most of this is listed just like this when we were

3 owned by UtiliCorp.

4 Q So the decision on what goes in here was made a

5 long time ago?

6 A Yes, ma'am. The only new things on here would be

7 the current inventory and MRT because we weren't connected to

8 them and then this additional information down at the bottom.

9 Q What does that additional information tell you?

10 A The very bottom number, the system balance, that

11 means -- what I look at this for is if I'm inputting the

12 nominations and Patty's not there if I make a mistake

13 inputting those nominations, that that number won't be zero;

14 it will be something other than zero so I know I've made an

15 input error.

16 Q ** _____ **

17 A ** _____ **

18 Q ** _____ **

19 A ** _____ **

20 Q ** _____ **

21 A The part above it I look at it some, but not all

22 that often because, you know, most of the time I'm right

NP

23 there looking at the computer. I would look at all of this a
24 lot more in the wintertime than I would in the summer.

25 Q Who has the ability to override the data that Patty

52

1 puts in?

2 A Explain. What do you mean override it?

3 Q Replace it with a different number?

4 A That would only be done if we had a problem with a
5 meter station or something and we had to estimate a volume
6 for one day. And then I guess I could do that, but sometimes
7 it might take two, three days to get a correct volume and so
8 you'd go back and change it. But there would be a note in
9 the system that you had to make an adjustment.

10 Q So there would be a note somewhere at the bottom?

11 A Yes, ma'am.

12 Q That it was an estimate?

13 A In the accounting system there's a place for
14 notes.

15 Q Do you know immediately when a meter's broken? I'm
16 talking about immediately within twenty-four hours?

17 A Sometimes. It depends on if it's one that's
18 attached to the SCADA system or not.

19 We lost a transmitter yesterday because of
20 lightning. The SCADA system's real time so, yeah, you know
21 pretty quick most of the time. But if it's somebody put in
22 the wrong orifice plate and we might not find it until the
23 next week or something when we go to replace it again, then
24 that takes a while to calculate.

25 Q So do you estimate in the meantime?

1 A Uh-huh.

2 Q How do you do that?

3 A Based on what its usage was previous like ten
4 days.

5 Q Because you don't keep this to look back a year; is
6 that right?

7 A No, ma'am.

8 Q Is there anything that you would go to to look back
9 and see what the usage was a year ago?

10 A The only thing I have is like our daily -- we have
11 a manual sheet that we take the daily read on. I have most
12 of those. We had a fire in the year -- I can't remember if
13 it was --

14 Q In your office?

15 A Yeah. And it's not good to be a smoker and be the
16 only one working. It was on a Saturday. And we lost some of
17 those older reports, the daily manual reads. But that's the
18 only thing we keep.

19 Q If you were call to Laclede though, would they have
20 their --

21 A I don't know.

22 Q -- data?

23 MS. SHEMWELL: Let's go ahead and take five
24 minutes, okay.

25 THE WITNESS: Okay.

1 MS. SHEMWELL: Let's go off the record.

2 (Whereupon there was a brief recess).

3 MS. SHEMWELL: Let's go back on the record.

4 Q (By Ms. Shemwell) Mr. Wallen, you'll consider
5 yourself still sworn, please.

6 I'm going to hand you copy of a document that you
7 brought today that's marked Exhibit 21. Is this the same
8 report as Exhibit 14 but as of a different day?

9 A Yes, ma'am.

10 Q And the date on Exhibit 21 is what?

11 A 8/28.

12 Q And that's the day that you printed it; is that
13 right?

14 A Yes, yes. That's for gas day 8/27/06.

15 Q It has the same shippers; is that correct?

16 A Yes, ma'am.

17 Q ** _____

18 _____

19 _____ **

20 A ** _____ **

21 Q ** _____

22 _____

23 _____ **

24 A ** _____ **

25 Q ** _____

1 _____ **

2 A ** _____ **

3 Q ** _____

NP

4 _____ **

5 A I don't know.

6 Q And the positive imbalance means that they need
7 that much gas to meet their needs; is that correct?

8 A Correct.

9 Q Let's look down at Fort Leonard Wood. It says
10 besides their name Omega, right, and has a contract number,
11 correct?

12 A Yes, ma'am.

13 Q ** _____ **

14 A ** _____ **

15 Q ** _____

16 _____

17 _____ **

18 A ** _____ **

19 Q ** _____ **

20 A ** _____ **

21 Q ** _____

22 _____ **

23 A ** _____ **

24 Q ** _____

25 _____ **

56

1 A ** _____ **

2 Q ** _____

3 _____

4 _____

5 _____ **

6 A ** _____ **

NP

7 Q So what are they going to have to do to correct
8 that current imbalance?

9 A They have to get put more gas in the pipeline.

10 Q ** _____

11 _____

12 _____ **

13 A ** _____ **

14 Q ** _____

15 _____

16 _____ **

17 A ** _____

18 _____ **

19 Q ** _____

20 _____ **

21 A ** _____ **

22 Q ** _____ **

23 A ** _____ **

24 Q ** _____

25 _____

57

1 _____

2 _____

3 _____

4 _____ **

5 A ** _____ **

6 Q ** _____

7 _____ **

8 A I would have to go back and look at the system to
9 see, but I wouldn't have it if it's last years. That gas

NP

10 belongs to shippers also, but I don't know which one it would
11 be.

12 Q Who ships through MRT?

13 A ** _____

14 _____

15 _____ **

16 Q ** _____

17 _____

18 _____ **

19 A ** _____

20 _____ **

21 Q Because?

22 A Depended which way the imbalance is. I mean if
23 we've got a whole bunch of gas that people has used and they
24 haven't put any in, our pressure are going to get real low.

25 Q Which means you can't move the gas through the

58

1 system; is that right?

2 A Well, we've never put the customer out, but we've
3 had to run a propane air plant.

4 Q When you say you've never put a customer out, what
5 does that mean?

6 A Never ran anybody out of gas.

7 Q You have interrupted somebody though; is that
8 right?

9 A A few times. The interruptible, yeah.

10 Q And who was that; do you remember?

11 A ** _____

12 _____ **

NP

13 so without having that to look at I'm just going from memory.

14 We haven't had to do that very many times.

15 Q Do you know what an OBA is?

16 A It's an operational balancing agreement.

17 Q Who would move -- what action would need to be

18 taken to bring Fort Leonard Wood or Cuba into balance?

19 A They would need to increase their gas input into
20 the system. But in the wintertime -- I'm sorry, in the
21 summertime when it's pressured up it's pretty hard to make up
22 those imbalances because I have no room for it basically. I
23 should't say I. We.

24 Q The pipeline doesn't have actual space within the
25 pipeline for the --

59

1 A We have a maximum level of operating pressure, so I
2 can't exceed that for safety concerns.

3 Q How is it that they can use this much off the
4 system and that doesn't reduce the pressure?

5 A I don't understand. I mean I know what you're
6 asking me, but I don't know why that number is so large.

7 Q I think we agree that Patty had been inputting this
8 data here?

9 A Yes, ma'am.

10 Q You look at it, right? Have you looked at this and
11 wondered why it's so large?

12 A I haven't looked at it for quite a while.

13 Q What does quite a while mean?

14 A Probably since February.

15 Q Who is looking at this on a daily basis?

16 A It would go to Dave Ries.
17 Q Anybody else? Does Ryan get this?
18 A I'm not for sure if Ryan does or not.
19 Q Anybody in the field get it?
20 A No, ma'am.
21 Q You do receive it if you want to look at it; is
22 that right?
23 A Yeah, the current calendar year I could just go in
24 and look at it.
25 Q Do you have those back for the year if you want to

60

1 look at it?
2 A I could go back to January I think maybe.
3 Q Electronically in your computer?
4 A Yeah, in the computer at the office.
5 Q Have you ever provided this information to a
6 shipper?
7 A Not on purpose. No.
8 Q Would you consider this --
9 A Intercompany business.
10 Q -- proprietary business?
11 A Yes, ma'am.
12 Q Sensitive information?
13 A Yes, ma'am.
14 Q ** _____
15 _____ **
16 A ** _____ **
17 Q ** _____ **
18 A ** _____ **

19 Q ** _____
 20 _____ **
 21 A ** _____ **
 22 Q ** _____ **
 23 A ** _____ **
 24 Q ** _____
 25 _____ **

61

1 A ** _____
 2 _____ **
 3 Q ** _____ **
 4 A ** _____ **
 5 Q ** _____
 6 _____ **
 7 A ** _____
 8 _____
 9 _____
 10 _____
 11 _____ **
 12 Q ** _____
 13 _____ **
 14 A ** _____ **
 15 Q ** _____ **
 16 A ** _____
 17 _____ **
 18 Q ** _____ **
 19 A ** _____ **
 20 Q ** _____ **
 21 A ** _____ **

22 Q ** _____ **
23 A ** _____
24 _____ **
25 Q Who else has access to this report and could change

62

1 numbers?

2 A Only the accountant. I mean as far as in our
3 office it would be Mike, but he's pretty new, so --

4 Q Mike or B.J.?

5 A Yeah.

6 Q Do you email this to Dave Ries?

7 A Yes.

8 Q And to Ryan Ries?

9 A I don't know about Ryan for sure.

10 Q Oh, that's right. Can any of you who receive this
11 electronically change numbers?

12 A You could only do it doing the St. Peters office.
13 I mean that's where the accounting system is located.

14 Q So remotely --

15 A Only myself and Patty are about the only ones that
16 know how to input the numbers in it right now. And it's not
17 impossible to input a wrong number; I've done it.

18 Q Sure. And what triggers it to let you say, oh,
19 this is a wrong number?

20 A On that side of things it's not -- it doesn't
21 really tell me. I just look at it and say something doesn't
22 look right. But this thing down here on the bottom, the
23 system balance.

24 Q Where it says --

NP

25 A If we enter in the nominations on Panhandle, MRT

63

1 and then each shippers nomination, if we put in the wrong
2 number that won't be balance.

3 Q ** _____

4 _____

5 _____ **

6 A ** _____

7 _____

8 _____ **

9 Q You're saying you don't know how the software works
10 exactly?

11 A Right.

12 Q But as long as it's zero, you are comfortable
13 with --

14 A Yeah, because I've put the wrong number and seen
15 where it showed something other than zero. That used to be a
16 real problem with the old system that we had from
17 UtiliCorp.

18 Q What's the system?

19 A It would take you a month to -- the accounting
20 system, the Excel spreadsheet accounting system.

21 Q So with that you don't have the same --

22 A No, it's got more checks, you know, automatic
23 checks.

24 Q ** _____

25 _____

NP

1 ___ **

2 A ** _____

3 ___ **

4 Q ** _____ **

5 A ** _____ **

6 Q ** _____ **

7 A ** _____

8 _____ **

9 Q ** _____

10 _____ **

11 A ** _____

12 _____

13 _____

14 _____

15 _____

16 _____

17 _____

18 _____

19 _____ **

20 Q ** _____ **

21 A ** _____

22 _____

23 _____

24 _____ **

25 Q ** _____

NP

1

2

3

4

**

5 A I would say that I don't know for sure, but I would
6 say that's a rounding thing. It will correct itself.

7 Q This has been marked Exhibit 17?

8 MS. SHEMWELL: Paul, do you need another one?

9 MR. DEFORD: No, I've got one. Thank you.

10 Q (By Ms. Shemwell) Would you take a minute and look
11 through that and tell me if you're familiar with this?

12 A Yes, ma'am.

13 Q Who develops this top sheet?

14 A The accounting system does.

15 Q Do you look at this on a daily basis?

16 A Not this time of the year.

17 Q But in the winter approximately November through
18 March or something you would?

19 A Yes, ma'am, if I'm in the office.

20 Q And you indicated I think earlier that you would be
21 in the office approximately seventy-five percent of the time;
22 is that --

23 A It's getting to be less.

24 Q So when you're in the office, you see this on a
25 daily basis; is that right?

66

1 A Yes, ma'am.

2 Q What do you do with this document at the end of the
3 month? Do you send it to anyone, do you keep it?

4 A I think that this gets emailed to Donna Fruiteter

NP

5 at Laclede.

6 Q And this is the daily gas control slash contract
7 balance report, correct?

8 A Yeah, for Laclede Gas Company.

9 Q And there's a contract --

10 A This goes to them daily.

11 Q So when we're not yet through the month are they
12 going to have zeros in some of these lines?

13 A Yes.

14 Q Is there a difference between decatherms and
15 MMBTUs?

16 A No, ma'am.

17 Q You use them interchangeable?

18 A Yeah. It confuses a lot of people, too.

19 Q Will you have Exhibit 14 available to look at,
20 please. Now, this is for the month of March, right, the
21 Exhibit 17 daily runs? Look at the next page, would you,
22 please.

23 A Sure.

24 Q Mr. Wallen, this is showing AmerenUE's daily gas
25 control sheet for the month of March, right?

67

1 A Correct.

2 Q '06?

3 A Yes, ma'am.

4 Q At the bottom it says please call Patty or Dave
5 Wallen if they have questions. Do you get calls from
6 companies with questions?

7 A Not very often.

8 Q Does that mean they agree with these numbers?

9 A Yeah, that's when we'll get a call is if they
10 don't.

11 Q And as we look at AmerenUE on 14 under prior month
12 we see 144 in parentheses?

13 A Okay.

14 Q ** _____
15 _____

16 _____ **

17 A ** _____ **

18 Q ** _____
19 _____

20 _____ **

21 A ** _____
22 _____

23 _____ **

24 Q ** _____
25 _____

68

1 _____ **

2 A ** _____ **

3 Q ** _____
4 _____

5 _____
6 _____ **

7 A ** _____ **

8 Q ** _____
9 _____ **

10 A ** _____ **

NP

11 Q ** _____

12 _____

13 _____

14 _____ **

15 A ** _____

16 _____ **

17 Q ** _____ **

18 A ** _____ **

19 Q ** _____

20 _____

21 _____ **

22 A ** _____ **

23 Q ** _____

24 _____ **

25 A ** _____ **

69

1 Q ** _____ **

2 A ** _____ **

3 Q ** _____

4 _____ **

5 A ** _____ **

6 Q ** _____

7 _____ **

8 A ** _____ **

9 Q ** _____ **

10 A ** _____ **

11 Q ** _____

12 _____

13 _____ **

NP

14 A ** _____ **

15 Q ** _____

16 _____ **

17 A ** _____ **

18 Q ** _____

19 _____ **

20 A ** _____ **

21 Q ** _____

22 _____ **

23 A ** _____

24 _____ **

25 Q ** _____

70

1 _____ **

2 A ** _____ **

3 Q ** _____ **

4 A ** _____ **

5 Q ** _____ **

6 A ** _____ **

7 Q ** _____ **

8 A ** _____ **

9 Q ** _____

10 _____

11 _____

12 _____ **

13 A ** _____ **

14 Q ** _____

15 _____

16 _____ **

NP

17 A ** _____ **

18 Q ** _____ **

19 A ** _____ **

20 Q ** _____

21 _____ **

22 A ** _____ **

23 Q ** _____

24 _____

25 _____

71

1 _____ **

2 A ** _____ **

3 Q ** _____

4 _____ **

5 A ** _____ **

6 Q ** _____ **

7 A ** _____ **

8 Q -- in the deliveries. When you input the data for

9 these documents, is it the same data that goes in that

10 generates both of these reports?

11 A I think so, but I don't -- you know, I don't know

12 how that whole system works.

13 Q But you don't go in personally and put in a set of

14 data for what's Exhibit 14 and then a different set of data

15 to generate Exhibit 17, these daily sheets; is that

16 correct?

17 A No. Yeah, that is correct. I don't.

18 Q And these sheets go to the customer every month; is

19 that correct in 17?

NIP

20 A Yeah, it goes with their invoice.

21 Q I think perhaps not this very first sheet that was
22 Exhibit 17, but the remaining sheets go to each customer,
23 correct?

24 A Yes, ma'am.

25 Q ** _____

72

1 _____ **

2 A ** _____ **

3 Q ** _____ **

4 A ** ___ **

5 Q ** _____

6 _____

7 _____

8 _____

9 ___ **

10 A ** _____ **

11 Q Would anyone reconcile these before they attached
12 the documents in Exhibit 17 to the invoice?

13 A Patty would check the numbers to make sure that the
14 volumes matched with what the invoice was.

15 Q That the volumes listed on the documents attached

16 --

17 A Yes.

18 Q -- in 17?

19 A But really the imbalance part of it wouldn't be
20 something that she would, but she would verify the deliveries
21 matched with what we're billing for.

22 Q So she'd look down to the daily deliveries then?

NP

23 A Yes, ma'am.

24 Q Can we look at Fort Leonard Wood again, please.

25 A Okay.

73

1 Q Are you there?

2 A Uh-huh.

3 Q Are you looking at that one? At the first of the
4 month there are receipts, which means that gas is delivered
5 to the system, correct?

6 A Nominated receipts.

7 Q Yes.

8 A Yes.

9 Q And then over to the far right --

10 A That means it was nominated; not necessarily put
11 in.

12 Q Then we look at the receipts line and --

13 A Correct.

14 Q And the delivery --

15 A That means it was -- that's how much we were
16 actually able to get in.

17 Q And then delivery means what?

18 A That's how much the Fort Leonard Wood consumed each
19 day for usage.

20 Q ** _____

21 _____ **

22 A ** _____ **

23 Q ** _____

24 _____

25 _____ **

1 A ** _____ **

2 Q ** _____

3 _____ **

4 A ** _____ **

5 Q ** _____ **

6 A ** _____ **

7 Q ** _____

8 _____ **

9 A ** _____ **

10 Q ** _____ **

11 A ** _____ **

12 Q ** _____ **

13 A ** _____ **

14 Q ** _____

15 _____

16 _____ **

17 A ** _____ **

18 Q ** _____

19 _____ **

20 A ** _____ **

21 Q ** _____

22 _____ **

23 A ** _____ **

24 Q ** _____ **

25 A ** _____ **

1 Q ** _____

2 _____

3 _____

4 _____ **

5 A ** _____ **

6 Q ** _____

7 _____

8 _____ **

9 A ** _____

10 _____

11 _____

12 _____ **

13 Q ** _____

14 _____

15 _____ **

16 A ** _____ **

17 Q ** _____ **

18 A ** _____ **

19 Q ** _____ **

20 A ** _____

21 _____ **

22 Q ** _____

23 _____

24 _____

25 _____ **

76

1 A ** _____ **

2 Q ** _____

3 _____

NP

4 _____ **

5 A ** _____

6 _____

7 _____ **

8 Q ** _____

9 _____ **

10 A ** _____ **

11 Q ** _____ **

12 A ** _____ **

13 Q ** _____

14 _____ **

15 A ** _____ **

16 Q ** _____ **

17 A I have very few times.

18 Q So if they're out of balance, you give them a

19 call?

20 A It would depend on the pipeline situation.

21 Q Meaning it would depend on the volume of gas you

22 have in the pipeline?

23 A Correct.

24 Q So if it's in the dead of winter on a really cold

25 day --

77

1 A Yeah.

2 Q -- that would be a situation where you would be

3 making those phone calls?

4 A Yes.

5 Q And you would be looking at this information on a

6 daily basis during that time?

NP

7 A Yeah, because I could kind of see how long I can
8 run on linepack, so when it gets close then I'd be calling.

9 Q Ever have a situation where the linepack was so
10 high that you could not get gas from either MRT or
11 Panhandle?

12 A You mean because of the MAOP of the pipeline?

13 Q They just couldn't get gas in because the pressure
14 was so high on MPC?

15 A On MPC. In the summertime sometimes.

16 Q Because you have so much linepack?

17 A Yeah.

18 Q That the pressure is high?

19 A Have no room to put it.

20 Q How does it happen that so much gas gets into the
21 system, but it's not being used?

22 A Well, people miscalculate their usage or under
23 calculate their usage and it could go either way.

24 Q Which way causes the high pressures and the high
25 linepack?

78

1 A When you're putting more in than you're taking
2 off.

3 Q When is that most likely to occur?

4 A Summer. And I mean it sometimes has compression
5 troubles, so you cram it in when you can get it basically
6 sometimes.

7 Q Were you involved in discussing additional
8 compression on the system with Panhandle?

9 A With Panhandle, no, ma'am.

10 Q ** _____

11 _____

12 _____ **

13 A ** _____ **

14 Q ** _____

15 _____

16 _____ **

17 A ** _____ **

18 Q ** _____

19 _____ **

20 A ** _____ **

21 Q ** _____ **

22 A ** _____ **

23 Q ** _____

24 _____ **

25 A ** _____ **

79

1 Q ** _____

2 _____ **

3 A ** _____ **

4 Q ** _____

5 _____ **

6 A ** _____ **

7 Q Do the pipelines ever own gas? Do you take title

8 to gas?

9 A Some do.

10 Q MPC and MGC?

11 A No.

12 Q What about MIG?

NP

13 A I'm not sure about MIG. I don't really understand
14 MIG.

15 Q Do you know how the MPC and MGC tariffs indicate
16 that imbalances are to be treated?

17 A No, ma'am, I don't.

18 Q Were you involved in any negotiations with the City
19 of Cuba for their transportation service?

20 A No.

21 Q Did you know that negotiations were going on with
22 the City of Cuba?

23 A Yes.

24 THE REPORTER: Can we go off the record.

25 MS. SHEMWELL: Certainly.

80

1 (Whereupon there was a brief recess).

2 MS. SHEMWELL: We're back on the record.

3 Mr. Wallen, if you would consider yourself still
4 sworn, please.

5 Q (By Ms. Shemwell) We were talking about the City of
6 Cuba. When did you -- did you receive written notification
7 from the City of Cuba that Omega would act as their agent?

8 A When did I or did I?

9 Q Did you?

10 A I saw it, but I'm not sure at what point.

11 Q And what would be the purpose of you seeing it?

12 A I would have signed the agreement for Missouri
13 Pipeline Company; MOGAS I believe.

14 Q Who would have signed for Omega?

15 A Dave Ries.

16 Q You signed for MPC?
17 A And Missouri Pipeline Company.
18 Q Did you read that before you signed it?
19 A Yes, ma'am.
20 Q And what information would be important to you in
21 that document?
22 A As far as my job goes?
23 Q Uh-huh.
24 A MDQ's, maximum daily quantities, things like
25 that.

81

1 Q Do you want to know that for every shipper on your
2 system?
3 A The maximum daily quantities?
4 Q Uh-huh.
5 A Yeah, I just have a spreadsheet that has that
6 information on it.
7 Q Why is that important to you to know what everybody
8 takes?
9 A On some customers that have a firm and
10 interruptible agreement if they're using the interruptible
11 and it goes above the MDQ, then it automatically put it to
12 the other contract.
13 Q It automatically puts it over to the firm
14 contract?
15 A I believe that's correct, yeah.
16 Q Is there a higher rate for firm?
17 A Yes.
18 Q Did the City of Cuba itself notify you of it's

19 agreement with Omega?

20 A No.

21 Q Did you receive any requests from them for
22 transportation on the pipeline?

23 A To me?

24 Q Or when I say you, I'm talking about the company in
25 this case?

82

1 A Oh. Ask me that again. I'm sorry.

2 Q Did you receive a written request from the City of
3 Cuba for transportation on the pipeline?

4 A I don't remember seeing one.

5 Q Does that mean that you didn't get one?

6 A That just means I don't remember if I did or not.

7 Q ** _____

8 _____

9 _____ **

10 A ** _____ **

11 Q ** _____

12 _____ **

13 A ** _____

14 _____ **

15 Q ** _____ **

16 A ** _____ **

17 Q ** _____ **

18 A ** _____ **

19 Q ** _____

20 _____ **

21 A ** _____ **

NP

22 Q When there's a new customer who's coming on the
23 line, what do you want to know besides the MDQ?

24 A Well, lots of things. Like whether or not we're
25 going to have to build a new measurement control station to

83

1 deliver that customer or if we've got one that they're
2 already coming off of.

3 Q New pipe?

4 A Yeah.

5 Q Location, receipt point?

6 A Receipt point.

7 Q What else?

8 A From my standpoint that's about all I need to know.
9 I mean I need to estimate usage just so I can size the
10 equipment.

11 Q Have you signed other contracts besides the City of
12 Cuba on behalf of the pipeline?

13 A I think so, but I'm not a hundred percent sure.

14 Q So you don't specifically remember right now --

15 A No.

16 Q -- which one? Who would sign for MPC if you
17 didn't?

18 A It would have to be another officer of the company,
19 so --

20 Q And that would be?

21 A Well, the accountant I would assume.

22 Q Mr. Martz or Mr. Lodholz?

23 A Yes.

24 Q Anybody else able to sign?

25 A I don't know if Yvette Korb could or not. I don't

84

1 know.

2 Q Is she an officer of the pipelines?

3 A Yes.

4 Q What's her position; do you know?

5 A She's human resources.

6 Q Is that a VP position or --

7 A I'm not sure. That's who sends me the, you know,
8 the stuff to sign each year is Yvette Korb.

9 Q What do you sign each year?

10 A To renew the company or whatever minute things or
11 something.

12 Q Or the board of directors minutes?

13 A Yeah.

14 Q Do you sit in on board meetings?

15 A No, ma'am.

16 Q Do you know who does?

17 A No, ma'am.

18 Q Let's say ** _____ ** had a new agent. Would you
19 get notification of that that they were changing from
20 ** _____ ** ?

21 A Yes, ma'am.

22 Q Written notification?

23 A I don't know if I'd get it in writing or I'd just
24 get a phone call.

25 Q Would the same be true for ** _____ ** where ** _____ ** is the

NP

1 agent; would you receive that information?

2 A If it could change to someone other than ** _____ ** ?

3 Yes, ma'am. I'd receive some type of notification because it
4 would have to change.

5 Q Do you know if you would receive that from the
6 shipper or from the agent or both?

7 A Probably both.

8 Q Do you know if you have any tariff requirements
9 regarding that?

10 A I don't know.

11 Q How would you get notification from Omega if they
12 take over one of these customers as the agent?

13 A Now?

14 Q Uh-huh.

15 A It would come from -- well, I probably would hear
16 from Dave, but it would come from the new owners plus like if
17 it's Ford or somebody, they would have to let us know, too.

18 Q Has Mr. Hopper contacted you since he's taken over
19 operation of --

20 A No, ma'am.

21 Q Have you met Mr. Hopper?

22 A You know what? I take that back. He called me one
23 time.

24 Q What about?

25 A He wanted to know what something stood for on one

1 of these reports, but I'm not sure what it was. He wanted to

NP

2 know what something was on the top, you know, short
3 abbreviated thing. And I don't remember what it is right
4 now. Maybe OBA.

5 Q You're saying to me that he -- let's say ** _____
6 _____ ** decided to change. You would hear from both them and
7 the new agent; is that your understanding?

8 A I probably wouldn't hear from both.

9 Q Who would?

10 A But I would find out that it did change.

11 Q Who would hear?

12 A Dave.

13 Q And I'll note you pointed to Mr. Ries.

14 From the City of Cuba did you get information
15 regarding who their upstream or downstream pipeline shippers
16 were when they went with Omega?

17 A I don't remember.

18 Q When is the last time gas flowed through MIG?

19 A It would have been earlier this year. I'm not sure
20 of the exact date, but I think we flowed a little bit. Which
21 month was real cold? Was it February maybe?

22 Q So during a cold month?

23 A Yes, ma'am.

24 Q Is there any gas flowing today through MIG?

25 A No, ma'am.

87

1 Q Is it your assumption that Panhandle is the
2 provider for all of these unless you hear otherwise, for all
3 of these shippers?

4 A You mean that that's the only place they're going

NP

5 to get gas off of?

6 Q Uh-huh.

7 A If they nominated off of MRT I think you would get
8 a notice of what they nominated off of them.

9 Q If they nominated from MRT, does that have to flow
10 through MIG?

11 A You mean do we have to take it when they nominate
12 it?

13 Q I'm just saying does it have to come in through MIG
14 or is there another station?

15 A No, if they nominated from MRT, it would have to
16 come in through that piece of pipe.

17 Q MIG?

18 A Yes.

19 Q ** _____
20 _____ **

21 A ** _____ **

22 Q ** _____
23 _____ **

24 A ** _____ **

25 Q ** _____ **

88

1 A ** _____ **

2 Q I'm asking from Panhandle where do they bring it?

3 A Oh, it's up at Curryville, Missouri.

4 Q Is there another location that customers can use
5 off of Panhandle? Are there two receipt points?

6 A No, ma'am.

7 Q Do you remember receiving any other written notices

NP

8 from the City of Cuba?

9 A No.

10 Q Would you look at Exhibit 14 again, please. It's
11 right there to your left. We talked about additional
12 information and we've been talking about pressures on the
13 system and linepack and that kind of thing. Under additional
14 information it shows the daily average pressure and it shows
15 249 psig, right?

16 A Yes, ma'am.

17 Q Do you know what the maximum is, average daily
18 pressure you could experience on the line?

19 A Our MAOP, maximum allowable operating pressure, is
20 813.

21 Q And as we look at Exhibit 21, a similar sheet, the
22 average daily pressure is higher, right?

23 A Yes.

24 Q If you're approaching eight hundred, what
25 happens?

89

1 A We have a system off of Panhandle that
2 automatically will have maximum over pressure overrides in
3 our SCADA system and those are all delivery points to the
4 Panhandle supply points. So if we get close to that setting,
5 it will cut the flow back to keep the pressure below the
6 maximum allowable.

7 Q Who requires that system? Is it the federal?

8 A Who requires we have a maximum allowable operating
9 pressure? It's actually DOT, but the Missouri Public
10 Commission rules are the same.

11 Q As we look at these two days, Exhibit 14 and
12 Exhibit 21, Exhibit 21 shows an average daily pressure of
13 557, correct?

14 A Yes, ma'am.

15 Q Why is it going up between April and August?

16 A Because warm weather, no load.

17 Q So the pressures go up?

18 A Yeah.

19 Q What is the linepack at maximum on Exhibit 21 at
20 37,000? Is that close to a maximum?

21 A No, it could go higher than that. It could go on
22 up -- I've had it up to 750 before as far as the pipeline
23 pressure. But it's not going to be the same all across the
24 whole pipeline.

25 Q Is there a correlation between the daily average

90

1 pressure and linepack?

2 A To some degree, but it's pretty -- you know.

3 Q Not a direct correlation?

4 A Yeah, it's not -- there's a lot of factors there
5 because gas is compressible.

6 Q So if you're at your max -- let's say you're at the
7 750 that you mentioned, which I'm guessing is about as high
8 as you went to get -- what's the linepack there?

9 A I'd have to calculate it. I don't know it off the
10 top of my head.

11 Q You don't know the maximum?

12 A I don't know how much gas -- I mean you'd have to
13 take pressures across the whole system because there's

14 different size of pipe; you have ten inch, six inch, four
15 inch. And that calculation is different for each one of
16 those segments of pipe. You'd normally use like a model or
17 something.

18 Q Do you have any way of knowing whose gas that is
19 within the linepack, which shipper owns that gas?

20 A Well, you could go by nominations or input volumes,
21 but just because it's nominated doesn't mean you put it in.

22 Q That it's been delivered?

23 A Correct. Or put in at the supply end. It can be
24 nominated, but they don't always take it, you know.

25 Q Mr. Wallen, do you know if MIG has a higher

91

1 pressure on it than is carried by MRT?

2 A Their maximum allowable operating pressure at out
3 take point is 350 pounds. At least they won't go above 350
4 on it right there at that point. It may be a little higher;
5 I don't know for sure.

6 Q And does that pressure have an affect on the
7 ability of MRT to deliver into that system?

8 A Into our system?

9 Q Into the MIG pipe?

10 A Yes, ma'am.

11 Q So what happens if you're 349?

12 A It wouldn't be enough differential to flow and
13 measure.

14 Q You can't get flow in at that high of a pressure?

15 A You'd get a very small amount, but you wouldn't be
16 able to meter it.

17 Q So how does MIG reduce pressure if you're trying to
18 get in there?

19 A We can isolate that part of the system off where
20 the Algana station is and the West Alton Brown station. We
21 have a pressure regulator at a split point out north of town
22 where the line comes off of a twelve inch and goes to MIG
23 basically. That picks up, you know, some in between, but we
24 can go out and change the setting on that valve and lower the
25 pressure on the pipeline or I can lower the pressure on the

92

1 entire pipeline.

2 Q By?

3 A Shutting down the supply station or cutting it way
4 back so that we're pulling more off than in. But we don't do
5 that unless it's like a safety concern or we got to take part
6 of the line out to work on it.

7 Q Explain to me how isolating part of the system
8 reduces the pressure?

9 A It's because -- well, you have to be taking some
10 off of that segment of pipe.

11 Q Okay.

12 A Okay. So if Laclede were taking gas either through
13 Algana or the Brown station, you shut off that main line and
14 it goes through like a four inch valve and controls the
15 pressure and won't open back up until that pressure gets
16 down.

17 Q So you can use the Algana station, too?

18 A Yes.

19 Q Or the Brown station?

20 A Yeah. Algana is currently out of service.
21 Q Is the other pipe that's going to replace Algana,
22 is it that in place already?
23 A Yeah, the line was already there. We had to take
24 it out of service and remove part of it for them to build a
25 levy.

93

1 Q But the fact that Algana is out of service now
2 doesn't have any affect on the flow of the gas or the
3 system?
4 A No, ma'am.
5 Q Exhibit 15 from yesterday, do you have a copy of
6 that?
7 A I don't think I do.
8 Q Mr. Wallen, are you familiar with this report?
9 A Yes, ma'am.
10 Q Did you develop this report?
11 A No, ma'am.
12 Q Who would?
13 A This comes from Panhandle Eastern.
14 Q And how often do you receive this?
15 A I think it comes three times a day actually.
16 Q And what does that information tell you?
17 A What the nominations from the shippers are on
18 their -- on our supply station or coming off Panhandle.
19 Q Do you get a similar report from MRT?
20 A Yes. If someone nominates gas, they send us like a
21 little confirmation.
22 Q It's not daily though from MRT?

23 A No, ma'am. Only when we're actually going to be
24 taking gas off.
25 Q So these are the --

94

1 A It doesn't look like this report, but it's
2 basically the same information. It says how much gas has
3 been bought by one of the shippers and how much they're
4 buying and how much the nomination is on a daily basis.

5 Q These are the Panhandle Eastern contracts, right?

6 A Yes.

7 Q Under allocation methodology what do B and L
8 mean?

9 A I asked that question before of Panhandle. It
10 means nothing to us.

11 Q Okay. And what does the R mean? Under that very
12 first column at the bottom there's some Rs; does that mean
13 anything to you?

14 A No, ma'am, it doesn't.

15 Q The up down name, who are those?

16 A Union Electric Company. That's Ameren.

17 Q But I mean are those shippers?

18 A Yes, those are shippers.

19 Q Do you know why it's called up down name at the top
20 of the heading, at the top of the column?

21 A No, I don't.

22 Q And I think you told me earlier Missouri Pipeline
23 Company does not hold title to natural gas; is that your
24 understanding or do they?

25 A No, my understanding is we did not.

1 Q Do you know then why Missouri Pipeline is listed
2 three times under the up down name?

3 A Ask me that question again.

4 Q Do you know why Missouri Pipeline is listed three
5 times under the --

6 A No, back up further.

7 Q Oh, do they hold title to gas, Missouri Pipeline?

8 A No, they don't hold title to gas.

9 Q So you don't know why they're listed here under
10 either up down name or service requester from Panhandle?

11 A Well, that contract number 17624, that's a contract
12 for the shipment of gas on the part of Missouri Pipeline
13 Company. I probably should say I just don't know because I
14 think we're getting outside what I do know here. I'm not
15 really involved in that part of it.

16 Q But you see these on a daily basis?

17 A I don't see them on a daily. They send them to us
18 over a fax machine.

19 Q When would it be important for you to look at
20 this?

21 A Wintertime for me.

22 Q Do you know if Missouri Pipeline Company has always
23 been listed since you've been there on this from Panhandle?

24 A I don't know.

25 Q ** _____

1 _____
2 _____ **
3 A ** _____
4 _____
5 _____
6 _____ **
7 Q ** _____
8 _____ **
9 A ** _____ **
10 Q Looking at the list under up down name, do these
11 entities hold transportation service contracts on MPC?
12 A On which ones now? I'm sorry.
13 Q Under up down name do they have transportation
14 contracts on MPC?
15 A I think so.
16 Q What about MGC?
17 A Yes.
18 Q Some?
19 A Some, yeah.
20 Q Who would that be?
21 A It would have both. Well, Ameren. Ameren has
22 delivery points off of Missouri Pipeline Company and off of
23 Missouri Gas Company. Fidelity Natural Gas is the last
24 delivery point on Missouri Pipeline Company before it changes
25 to Missouri Gas.

97

1 Q So they don't have both?
2 A I don't think so.
3 Q What about Omega; do you know if they have a

4 contract?

5 A No, I don't.

6 Q Would you look on the very last column; the second
7 one down is 15517. You've said that's a contract number,
8 correct?

9 A Yeah.

10 Q Do you know where the gas is delivered?

11 A On each one of those?

12 Q Well, just the 15517. Looking at this one do you
13 know where that gas is delivered to MPC or MGC; can you
14 tell?

15 A That right there, that number, is a Panhandle deal.
16 It has to do with their system and I'm not, you know, I don't
17 know exactly what that is. But that's -- Panhandle puts that
18 on there. It has something to do with the balance thing or a
19 fuel thing or something.

20 Q So it may or may not be a contract number?

21 A Yeah, it may not be.

22 Q So if we drop down to 17624, which is Union
23 Electric, does that have a specific delivery point there
24 under up down K where it says Vonhoff; is that the delivery
25 point?

98

1 A Yeah.

2 Q Or is that the customer?

3 A Well, that's a customer behind Union Electric and
4 if I understand this right then ** _____ ** is the marketing
5 company that's purchasing the gas for that point.

6 Q If you look down under 17624, do you know where

NP

7 that gas is being delivered?

8 A There's three of them.

9 Q Okay.

10 A No, I don't know what that means.

11 Q What are the service requesters? What does that
12 mean?

13 A I don't know for sure. I don't want to --

14 Q Can you tell looking at this exactly what delivery
15 point this gas is going to?

16 A From looking at this sheet?

17 Q Uh-huh.

18 A I can't.

19 Q Who could?

20 A Panhandle.

21 Q What does cycle ID mean? It has ONT below that.

22 What does that mean?

23 A Where are you looking at?

24 Q Sort of right in the middle.

25 A Oh, I don't have a clue what that means.

99

1 Q Do you know what up down K means? We've got

2 ** _____ ** under there and then some numbers lower?

3 A I don't know for sure. Up is upstream and the down
4 means downstream, but I don't know how to explain all that.

5 Q Under service requester are these entities that buy
6 gas to be delivered into the pipeline system?

7 A Would you ask me that again, please.

8 Q Are these companies who buy gas to be delivered
9 into the pipeline, MPC pipeline system, through Panhandle?

10 Are these the people that actually make the request?

11 A Where it says service requester?

12 Q Uh-huh.

13 A Yes.

14 Q They actually buy the gas --

15 A I think so.

16 Q -- that's delivered? And this is all that comes
17 through the Panhandle --

18 A Correct.

19 Q -- connection, right?

20 A Correct.

21 Q In the middle on the right-hand side there's a
22 reference number, then it says operation location capacity
23 80,000. Do you know what that means?

24 A Yeah, that means that's what we can put through
25 that delivery point up there under normal circumstances.

100

1 Q The Panhandle delivery point?

2 A Yeah, it's our station, but that's what the design
3 originally was on it. That's what I think it means.

4 Q Do you know how much gas can actually be delivered
5 through that?

6 A Depends on pressures and -- mostly their line
7 pressure. I can get more than that through for a period of
8 time, but not continuously.

9 Q When do you need that?

10 A The full capacity?

11 Q Yes.

12 A Coldest day of the year.

13 Q Do you remember the last coldest day of the year?

14 A Yeah, I remember some cold days in February. It
15 hasn't been very cold the last five years.

16 Q On those you mentioned I think interruption; do you
17 remember who was interrupted on those really cold days?

18 A ** _____ ** All the interruptibles, all of
19 them.

20 Q All of them are interrupted?

21 A When we interrupt, we interrupt all of them.

22 Q So it's not to a sliding scale or anything?

23 A No, ma'am.

24 Q What about ** _____ ** , are they on
25 interruptible?

101

1 A I think they have both interruptible and firm. I'm
2 not a hundred percent sure, but we've interrupted them,
3 too.

4 Q Has the pipeline been interrupted by Panhandle
5 because of an operational flow order?

6 A Not recently, but we have -- not totally
7 interrupted, but just say you can only take this much.

8 Q Do you know if the contracts with Panhandle are
9 interruptible?

10 A No, I don't.

11 Q Does that line run up to Chicago, the Panhandle
12 line?

13 A I think it changes to a different name someplace in
14 Illinois, but I'm not a hundred -- I'm not sure.

15 Q Do you have anything to do with the contracts with

16 Panhandle or MRT?
17 A No, ma'am.
18 Q Have you read them?
19 A Yeah.
20 Q But do you know if the service is interruptible or
21 firm that's being purchased from Panhandle?
22 A From Panhandle for --
23 Q Transportation?
24 A For Missouri Pipeline Company or for --
25 Q Yes, for Missouri Pipeline Company.

102

1 A I don't know for sure. I think it's firm, but --
2 Q But you don't know for sure?
3 A But I don't know for sure. So they can -- well,
4 never mind.
5 Q Is there something you want to add?
6 A I just was thinking that one time I remember
7 Panhandle doing that it's been a long time ago, but you could
8 still get gas; it just was like four times as expensive if
9 you went over what they limit you to.
10 Q And who would be responsible for paying that?
11 A The shippers if they didn't lower their stuff.
12 Q Some of your customers are not industrials, right?
13 You have some cities and Fort Leonard Wood where it's
14 actually heat for residences; is that right?
15 A For cities?
16 Q Uh-huh.
17 A Yeah.
18 Q It's not all industrial customers --

19 A No, ma'am.

20 Q -- on the line?

21 A Most of them have -- the smaller cities have both.
22 There's a little bit of factory work and stuff.

23 MS. SHEMWELL: I'm inclined to take a lunch break
24 now. It's right at noon. Would you rather go on or right
25 now?

103

1 MR. DEFORD: That's fine with us. We can take a
2 break if you want.

3 MS. SHEMWELL: I think this seems a good time. And
4 what time would you like to come back? I'm thinking less
5 than an hour. Forty five minutes? Tell you what. We'll
6 back in forty-five minutes and if you guys are back, fine.
7 If not, we'll plan to start.

8 So gentlemen we're looking at about forty-five
9 minutes for lunch, gentlemen on the phone.

10 MR. KURTZ: Thank you.

11 MR. MCCORMICK: Okay, thank you.

12 MS. SHEMWELL: We'll leave this line open.

13 (Whereupon there was a lunch recess).

14 MS. SHEMWELL: Are we ready to go back on the
15 record?

16 Mr. Kurtz, are you back?

17 MR. KURTZ: I'm back.

18 MS. SHEMWELL: And Mr. McCormick is on. Is there
19 anyone else on the line?

20 MR. MCCORMICK: Yes, Dave McCormick.

21 MS. SHEMWELL: Hi, Dave.

22 MR. MCCORMICK: Yes, hi.

23 MS. SHEMWELL: Before we start again with Mr.

24 Wallen I would note that Mr. Ries has had a family situation.

25 Would you care to --

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1 MR. RIES: My father-in-law is currently in the
2 hospital in fairly critical condition. He's been told that
3 he's got a heart condition that's not operable due to the
4 rest of his health. And we have a situation where we really
5 need to arrange for his care on a long term basis and it
6 needs to be done fairly urgently.

7 MS. SHEMWELL: So you're flying back to Colorado
8 tonight?

9 MR. RIES: Tonight.

10 Q (By Ms. Shemwell) Mr. Wallen, would you please
11 consider yourself still sworn?

12 A Yes, ma'am.

13 Q Mr. Wallen, what does it mean for an entity to be a
14 shipper on the Missouri Pipeline or Missouri Gas system?

15 A I don't really know how to explain that.

16 Q Well, let's talk about this. Do they have certain
17 privileges if they're a shipper?

18 A Certain privileges? Well, they have contracts to
19 be able to transport gas through our pipe.

20 Q So they move gas through the pipeline?

21 A Yes, ma'am.

22 Q Do they have duties to you as a shipper on your
23 system?

24 A Duties?

25 Q To report to you under certain circumstances?

105

1 A Not to me. Yeah, they --

2 Q To the system?

3 A They make their nominations and volume.

4 Q With whom do they make their nominations?

5 A On the delivery end it's on our system. On the
6 supply end Panhandle; they directly make their nominations to
7 Panhandle. That's what that one sheet is that Patty
8 balances.

9 Q What are their responsibilities to you? What do
10 you need to know from them?

11 A Their nominations.

12 Q Anything else?

13 A Not for my job.

14 Q What does the pipeline system need to know from
15 them?

16 A Nominations. I need to know what they've nominated
17 so I can make sure it gets put into the pipeline.

18 Q Let me try to be a little more specific. Let's
19 say --

20 A Estimated deliveries.

21 Q Would you want to know if somebody was going to
22 double their size?

23 A As far as the takes, the load?

24 Q Uh-huh.

25 A Certainly. They'd have to change the contract to

1 raise their maximum daily quantity or something.

2 Q What about if they were going to be shut down for
3 several months?

4 A Definitely.

5 Q And why do you need to know that?

6 A Because it affects the operation of the pipeline.

7 Q In what way?

8 A Well, it could be good and bad basically. I mean
9 if it's a segment of line then I need to take down to do
10 maintenance on, it would be the opportune time to do it.
11 Depends on what time of the year. Most of them would do
12 something like that in the summer when it's, you know, no
13 load.

14 Q What's the negative aspect? I'm assuming those are
15 positives that you mentioned?

16 A Lose the payment for transportation.

17 Q In other words, income from that?

18 A Income.

19 Q A firm shipper on your system, what do they have
20 the right to expect from the pipeline company?

21 A I don't really know how to answer that.

22 Q Do they have a right or can they expect that you
23 will deliver gas to them every day?

24 A Yeah, if they've nominated it.

25 Q Can they expect that you will deliver what they've

1 nominated?

2 A Most of the time, but their nomination is sort of
3 an estimate, you know, on a demand basis.

4 Q Pardon me. I'm not really talking about guarantee.
5 I'm talking about the day to day operations. What do they
6 have a right to expect from you as a pipeline system? Can
7 they expect a certain pressure on the system?

8 A I don't think there's anything in the contract
9 related to pressure.

10 Q Do you know if any of them are particularly
11 sensitive to pressure fluctuations?

12 A No, I don't know of any. There used to be a user
13 behind Laclede that manufactured light bulbs and they were
14 sensitive to BTU change if it went way up real high. Like as
15 far as I know that's the only one.

16 Q And when you say a BTU change, are you talking
17 about the quality of the gas delivered?

18 A The BTU rating of the gas.

19 Q And that means the --

20 A British Thermal Unit.

21 Q Which means? Is that compared to other components
22 in the gas? Is it a purity?

23 A It's determined -- yeah, we have a gas
24 chromatograph that measures that content. It depends on the
25 molecular percentage of each of the hydrocarbon components.

108

1 Q But other than them, they're no longer a customer;
2 is that right?

3 A Well, no. They were -- we used to ship through the
4 Laclede to them, but that's been a long, long time ago.

5 Q Anybody else sensitive to fluctuations in the
6 quality of gas through the system?

7 A Not to my knowledge.

8 Q Because the BTU can vary a bit from day to day,
9 can't it?

10 A Yes, ma'am.

11 Q I think we saw that on one of our earlier exhibits
12 where the --

13 A Yeah, if Panhandle has one of their gas plants go
14 down, they try to send notification unless it's something
15 they didn't have planned.

16 Q Do you know if your duties as a pipeline company
17 are defined in your tariffs?

18 A I don't know.

19 Q Do you know if records that are to be kept are
20 defined in your tariffs?

21 A I don't know.

22 Q When I say your, I'm talking about the pipeline
23 company?

24 A I understand.

25 Q ** _____

1 _____ **

2 A ** _____ **

3 Q ** _____ **

4 A ** _____ **

5 Q ** _____ **

6 A ** _____ **

7 Q ** _____

NP

8 _____ **

9 A It would be Omega.

10 Q So Omega arranges for the quantity of gas --

11 A Yes, ma'am.

12 Q ** _____ ** on a daily basis? Does Omega have a
13 contract with ** ___ ** ?

14 A I don't know.

15 Q Does Omega have a contract with Cuba?

16 A Yes.

17 Q Let's look at ** _____ ** , for example. They have
18 a number of shippers on your system. They're the agent for a
19 number of shippers; is that right?

20 A Yes, ma'am.

21 Q Does ** _____ ** have access to every delivery
22 point on your system?

23 A What do you mean access to?

24 Q Did they ship through every receipt point?

25 A I don't know for sure. I don't think so.

110

1 Q If they don't have a customer at, let's say, Algana
2 can they deliver gas at Algana?

3 A No, ma'am.

4 Q What about other points on the system; are they
5 limited to the delivery or receipt points where they actually
6 have someone taking gas?

7 A Yes, ma'am.

8 Q ** _____ ** . And is that true of ** _____ ** ?

9 A Yes, if I'm understanding what you're asking me
10 correctly.

NP

11 Q Well, I guess what I'm asking is do they have to
12 let you know that they have someone who's going to take gas
13 from a particular delivery point before they can flow gas off
14 of that point?

15 A Yes.

16 Q Is that true of Laclede as well?

17 A No. Not Ameren. But now I'm understanding your
18 question is like ** _____ ** , that's on Ameren's
19 distribution system, okay. I don't see their meter volumes
20 and some of the others. So Ameren carries the amount on
21 their system if they take more than what they nominated.

22 Q Can Ameren deliver gas let's say to the point where
23 ** _____ ** takes from the system?

24 A No.

25 Q What is the arrangement with Omega; can they

111

1 deliver gas to any point along the system?

2 A I don't know for sure.

3 Q Do you know if they have customers at every
4 delivery point along the system?

5 A Omega?

6 Q Uh-huh.

7 A No.

8 Q You don't know or they don't?

9 A No, they don't; not every point.

10 Q But you said you don't know if they can deliver to
11 every point along the system. Do they have access to
12 everyone? Say again, please?

13 A No.

NP

14 Q They don't have access or you don't know?

15 A No, they don't have access to every point on the
16 system.

17 Q Do they have access to any point where you might
18 not know that there was a customer there? Is there any point
19 where they would have access and you're unaware of a
20 customer?

21 A Not to my knowledge.

22 Q I'm going to hand out Exhibit 22 and say that it is
23 a sheet from tariffs on file.

24 Mr. Wallen, is Ameren -- I guess it's AmerenUE --
25 the shipper for customers behind their distribution system?

112

1 I'm going back a little bit. Are they the shipper for every
2 customer behind their system or do they have different
3 shippers?

4 A Well, all of ** _____ ** delivery points are
5 behind Ameren also.

6 Q Does the company have to know of every shipper on
7 its line?

8 A I don't know.

9 Q Well, is there a contract with every shipper? Have
10 we discussed that?

11 A I believe there's a contract with every shipper.

12 Q Let's say there was a shipper without a contract or
13 a shipper you did not know about. Would that --

14 A You mean if Ameren was delivering gas to some end
15 user and we didn't know about it?

16 Q Yeah, there's an end user with just a line off of

NP

17 the pipeline. Would that have an affect on your ability to
18 manage the system?

19 A There's not going to be a tap off the pipeline
20 without us knowing.

21 Q What if ** _____ ** starts delivering to three
22 other customers that you don't know about?

23 A I don't think they would -- they wouldn't do that,
24 but all the gas under their circumstances is metered through
25 our system. I mean that's all -- I don't get the volumes

113

1 from the delivery points.

2 Q As you look at Exhibit 22 are these a list of all
3 of the city gates, taps and service junctions?

4 A All the city gates for -- these are MOGas ones and
5 the splits at Sullivan between Missouri Pipeline Company and
6 MOGas.

7 Q Are there any taps off of that system and if so are
8 they shown?

9 A Well, ** _____ ** off of MOGas.

10 Q Do you consider ** _____ ** to fall under the term tap?
11 I think of a farm tap when I say that word, but it doesn't
12 say farm tap. Do you know what that means, tap?

13 A A tap. Well, it's a line laid off of the main line
14 service.

15 Q Is ** _____ ** the only one that you can think of
16 that's not listed here? This is Missouri Gas.

17 A Where we have direct end user, yes, that's the only
18 one I know of.

19 Q Are you aware of any service junctions on Missouri
20 Gas?

NP

21 A Service junctions. I don't know what --

22 Q That term is used right at the top on the tariffs,
23 service junctions?

24 A I think the service junction would be where it
25 changes from Missouri Pipeline to Missouri Gas.

114

1 Q At Sullivan?

2 A Yes, ma'am.

3 Q So there wouldn't be any other service junctions?

4 A I don't think so if I'm understanding what the --
5 you know, I'm not familiar with that term.

6 Q Missouri Gas Company ends at Fort Leonard Wood at
7 that city gate; is that right?

8 A That's the far west end of the system.

9 Q This has been marked as Exhibit 23. Are you
10 familiar with this agreement, sir?

11 A I've seen it before.

12 Q I'll identify it as contract number MP-1103-TAF.
13 What's MP mean?

14 A Missouri Pipeline.

15 Q And the 1103?

16 A That's a contract number.

17 Q And TAF?

18 A That's firm, firm transportation.

19 Q If it were interruptible, what would it say?
20 Something besides TAF?

21 A I saw it on something else a while ago. I'm
22 drawing a blank. Sorry. They're different though.

23 Q Is it TAI?

24 A Yeah.

25 Q Let me hand you -- if you look at Exhibit 21, I

115

1 think that might refresh your recollection.

2 A Yeah, TAI is interruptible.

3 Q Were you involved in the negotiation of this
4 contract?

5 A No, ma'am.

6 Q This is the contract between Missouri Pipeline
7 Company and Omega Pipeline Company, correct?

8 A Yes.

9 Q As we look at the very back sheet you signed on
10 behalf of the pipeline company; is that correct?

11 A On behalf of Missouri Gas Company.

12 Q And Mr. Ries signed for Omega; is that right?

13 A Yes, ma'am.

14 Q February 1st, 2005?

15 A Correct.

16 Q ** _____

17 _____

18 _____

19 _____ **

20 A ** _____ **

21 Q ** _____

22 _____ **

23 A ** _____

24 _____ **

25 Q ** _____ **

NIP

1 A ** _____ **

2 Q ** _____ **

3 A ** _____ **

4 Q Did Omega have a transportation agreement with

5 Missouri Pipeline Company prior to this one? Did this

6 replace a different contract?

7 A I don't know for sure.

8 Q Do you recall signing any other contracts for

9 Missouri Pipeline with Omega?

10 A No, ma'am.

11 Q Who else might sign besides you on behalf of the

12 pipeline, Missouri Pipeline?

13 A It would have to be one of the other officers.

14 Q And that would have been at the time B.J. Lodholz

15 or Yvette Korb?

16 A Yeah, B.J.

17 Q So probably it wouldn't be Yvette Korb, K-o-r-b?

18 A No.

19 Q If you had not signed the other contracts, would

20 you see them if you hadn't been the one to sign?

21 A If it happened the same time as this you mean or --

22 Q If it had been prior?

23 A Because I never used to see these at all.

24 Q My question is if B.J. had signed a prior

25 agreement, would you see the agreement?

1 A I think so, yes.

2 Q And what would be of interest to you in the
3 agreement to operate the Missouri Pipeline?

4 A The firm transportation quantity as far as my
5 job.

6 Q Anything else? For example, does the length of the
7 contract matter to you?

8 A Not so much to me.

9 Q The rates and charges?

10 A No.

11 Q But when we get down to the nominations and notices
12 on Number 6, is that something more of interest to you?

13 A Yes, ma'am.

14 Q And for what reason?

15 A As far as interruptions and things because I would
16 probably be the one that would be interrupting the
17 interruptibles.

18 Q This is a firm contract, but you're saying were it
19 an interruptible contract, that would be a more interest to
20 you?

21 A Yeah.

22 Q Have you interrupted firm customers?

23 A No, ma'am.

24 Q So on Page 3 -- and you'll see the page numbers are
25 kind of up in the upper right hand corner there -- where it

118

1 says manager of transportation, who would that be?

2 A Where are you?

3 Q Do you see that right up the top, the fourth line
4 down, attention manager of transportation. Is that the

5 Algana --

6 A The Algana office, yeah. That's the address of the
7 office.

8 Q ** _____
9 _____ **

10 A ** _____ **

11 Q ** _____
12 _____ **

13 A ** _____ **

14 Q ** _____ **

15 A ** _____ **

16 Q ** _____
17 _____

18 _____ **

19 A ** _____ **

20 Q That particular document is not dated, correct?

21 A That's correct.

22 Q Then as we look at what's marked Exhibit A on the
23 next page, which will be Exhibit A to Exhibit 23, again that
24 is your signature as vice-president of Missouri Pipeline,
25 correct?

1 A Yes, ma'am.

2 Q And did you develop this exhibit?

3 A Did I? No, ma'am.

4 Q ** _____
5 _____

6 _____
7 _____ **

NP

8 A From MRT?

9 Q Yes.

10 A Yes, ma'am.

11 Q Under what circumstances?

12 A I don't know what you're --

13 Q Cold day?

14 A Cold.

15 Q Rupture on the pipeline?

16 A Cold day.

17 Q What does point of redelivery mean or points of
18 redelivery?

19 A That would be the delivery points along our
20 pipeline, city gate.

21 Q And where it says including Missouri Gas Company,
22 Franklin County, is that where that interconnect is in
23 Franklin County?

24 A That's where it changes from Missouri Pipeline
25 Company to Missouri Gas Company.

120

1 Q If you'll turn back to the next page, please. I'll
2 note that this is the contract between Missouri Gas Company
3 and Omega MG-1103-TAF. So MG stands for Missouri Gas?

4 A Missouri Gas.

5 Q And, again the TAF is a firm contract, correct?

6 A Yes, ma'am.

7 Q Are you familiar with this contract?

8 A I've seen it before.

9 Q And, in fact, you signed it, right?

10 A Yes, ma'am.

11 Q On behalf of the pipeline?

12 A Yes.

13 Q Missouri Pipeline. And Mr. Ries signed on behalf
14 of Omega, correct?

15 A Actually, I signed this one for Missouri Gas
16 Company.

17 Q I'm sorry. Thank you. We're looking at Page 4 of
18 the Missouri Gas Company contract. That's not dated, is
19 it?

20 A No, ma'am.

21 Q Did you negotiate this contract on behalf of
22 Missouri Gas Company?

23 A No, ma'am.

24 Q Let's look at Exhibit A to the Missouri Gas Company
25 contract. Where is the point of redelivery on here? What

121

1 does -- under redelivery?

2 A It says all the available Missouri Gas Company
3 points including Fort Leonard Wood.

4 Q And is the Pulaski County where Fort --

5 A Yeah, that's where Fort Leonard Wood is.

6 Q Do you know why there's no fuel percentage here,
7 but there is a fuel percentage on Missouri Pipeline?

8 A They don't pay the fuel except on Missouri Pipeline
9 Company.

10 Q They don't pay their --

11 A Well --

12 Q -- charges to Missouri Gas?

13 A Yeah, they don't -- you don't hit them again for

14 the same volume of fuel once it moves into MOGas.

15 Q Is that true of all of the customers on MOGas?

16 A Yes, ma'am.

17 Q Who besides Omega, I'm sorry, ships on Missouri
18 Gas? Can we tell by looking at the prior exhibit? These are
19 all the Missouri Gas, people that come through both Missouri
20 Pipeline and Missouri Gas. If we add ** _____ ** to that, will
21 that be all of them?

22 A Yes, ma'am.

23 Q Mr. Wallen, since you signed the receipts for
24 materials, did you sign the receipts for the pipeline for
25 ** _____ ** ?

122

1 A For the construction materials?

2 Q Yes.

3 A Some of them. I would have seen all of them, but
4 we had a construction supervisor.

5 Q John?

6 A Mittelhauser.

7 Q M-i-t-t-e-l-h-a-u-s-e-r?

8 A A-u-s-e-r, yes.

9 Q So he would review those as well?

10 A Yeah, he would more than likely have ordered --
11 what I ordered for that particular project was all the
12 regulators, the measurement equipment and John would have
13 ordered the flanges and things like that.

14 Q Did he order those on behalf of Omega?

15 A Missouri Gas Company.

16 Q ** _____

NP

17 _____ **
18 A ** _____
19 _____
20 _____ **
21 Q But Missouri Gas Company is the one who asked?
22 A Yes, ma'am.
23 Q Did they ask Missouri Pipeline to build it?
24 A I don't know.
25 Q And Missouri Gas Company doesn't have a checking

123

1 account; is that right?
2 A Not to my knowledge.
3 Q So the bills would have been paid at Missouri
4 Pipeline?
5 A At Missouri Pipeline. Some are things are
6 expensed, some are capitalized.
7 Q Was there a transportation agreement with ** _____ **
8 before you built this line?
9 A I don't know. I never saw one.
10 Q In terms of these transportation agreements did you
11 know who the customers for Missouri Pipeline -- or I'm sorry,
12 who Omega's customers were before you signed these agreements
13 on behalf of Missouri Pipeline Company?
14 A Did I know who it was before?
15 Q Omega's customers were before you signed this?
16 A Repeat that one more time.
17 Q Did you know who Omega's customers were before you
18 signed this contract on behalf of Missouri Pipeline?
19 A I knew who the customers were, yeah, behind that

NP

20 contract.

21 Q Did you look over any of those transportation
22 agreements before you signed?

23 A Not as far as the rates and stuff go.

24 Q Did you look at the City of Cuba transportation
25 agreement?

124

1 A No.

2 Q With Omega as their agent?

3 A No.

4 Q Had you ever seen the City of Cuba transportation
5 agreement?

6 A I probably did, but I don't remember.

7 Q Did you tell me you didn't remember if Omega had a
8 contract with Missouri Pipeline prior to these?

9 A Yes.

10 Q Is that what you said?

11 A I don't know.

12 Q Is there a specific interconnection to serve
13 ** _____ ** ? Is there a point, delivery point?

14 A Yes.

15 Q And is that the ** _____ ** delivery point?

16 A Yeah, it's at the ** _____ ** .

17 Q And that's not listed in your tariff; we have
18 established that, right?

19 A Right.

20 Q Do you know when you first began delivering gas to
21 ** _____ ** ?

22 A Sometime in '04 I believe.

NP

23 Q Were you involved in that decision? Did you call
24 on ** _____ ** ?

25 A No, ma'am.

125

1 Q Involved in any way in the decision to serve
2 ** _____ ** ?

3 A No, ma'am.

4 Q Do you know who was?

5 A Dave Ries. That project was looked at several
6 times, too, previously.

7 Q When you say previously, is that before Mr. Ries
8 owned the company?

9 A Yes, ma'am.

10 Q So you're indicating UtiliCorp might have --

11 A Correct.

12 Q Do you know how it was that Mr. Ries triumphed over
13 the others?

14 A No, ma'am.

15 Q I could think of a different word, but --

16 So as MGC did you receive a request from a shipper
17 to provide transportation service to ** _____ ** ?

18 A From a shipper?

19 Q From a shipper.

20 A I don't remember.

21 Q Would the shipper have been Omega? Is it Omega?

22 A Yes, ma'am.

23 Q This will be Exhibit 24. Are you familiar with
24 this document, Mr. Wallen?

25 A I've seen it before, you know. I don't know in

1 detail or anything.

2 Q Whose responsibility is it to know the details?

3 A It would be the accountant.

4 Q Mr. Martz now?

5 A Mr. MArtz now.

6 Q Mr. Lodholz before that?

7 A Yes, ma'am.

8 Q Do you know what it means -- do you know what the
9 term nonconforming request means?

10 A No, ma'am.

11 Q This is just the MOGas Company tariff general terms
12 and conditions; it's not Missouri Pipeline tariff. I will
13 say that to you. Will you accept that as --

14 A Yes, ma'am.

15 Q -- the case? Okay.

16 Mr. Wallen, since you're not very familiar with
17 that does that mean that you do not have reason to refer to
18 it?

19 A Not in my job duties really.

20 Q For the ** _____ ** interconnect were you reimbursed
21 for any of those expenses by ** _____ ** ?

22 A I don't know.

23 Q Is there any agreement that if they're a customer
24 for a certain length of time, that the pipe will be theirs
25 or --

1 A No, not to my knowledge. I know Laclede we've
2 always put in a station at our cost, but they move so much
3 gas that we're able to get our money back.

4 Q In other words, you were able to justify that
5 because of the quantity of gas that they move?

6 A Yes, ma'am. I don't know of any other. There
7 might be, but I don't know.

8 Q How does what's shipped to ** _____ ** compare to
9 what -- you've mentioned Laclede's the biggest; how does that
10 compare?

11 A Oh, I mean Laclede's ** _____ ** probably -- it's
12 probably ** _____ ** percent of our volumes.

13 Q And ** _____ ** much less?

14 A Laclede and Ameren together at least.

15 Q Was it John that asked you to build the ** _____ **
16 tap?

17 A No.

18 Q Who asked you?

19 A No, John Mittelhauser was the construction
20 coordinator and his duties would be once the design is there
21 he would build, he would oversee the construction.

22 Q Who designed it?

23 A It's kind of -- well, all of us together really.

24 Q When you say all of us together?

25 A Dave Ries, myself, John.

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1 Q Who said okay, let's go build this pipe? Who gave
2 you the instruction?

NP

3 A David Ries.

4 Q Did you see any agreements with ** _____ ** ?

5 A Not that I remember.

6 Q Contracts, dates for construction, quantities?

7 A Not that I remember.

8 Q Was there a decision or are you aware of a decision

9 made that Missouri Pipeline would not ask for reimbursement

10 from ** _____ ** for that line?

11 A I don't know.

12 Q But you are aware that there's been a decision made

13 for Laclede not to do that because it's cost effective?

14 A Well, it was just in the original ten year contract

15 with Laclede if they requested a station we were required to

16 build it.

17 Q Is what they requested different from what ** _____ **

18 requested?

19 A I don't know.

20 Q It was just a receipt point station that Laclede

21 would request --

22 A Oh, yeah.

23 Q -- off of the pipeline?

24 A Yeah, Laclede's multiple points.

25 Q But as opposed to building a seven hundred foot

129

1 pipeline or whatever ** _____ ** was?

2 A Yeah, Laclede's substantially larger; metering

3 stations, everything.

4 Q But that's just a metering station that you put for

5 Laclede; is that right?

NP

6 A You do lay line.
7 Q You do lay line as well?
8 A Yes, ma'am.
9 Q Do you do that for Ameren as well?
10 A ** _____
11 _____
12 _____ **
13 Q ** _____
14 _____ **
15 A ** _____ **
16 Q Do you know who else would or would not reimburse
17 costs?
18 A No, ma'am.
19 Q Do you know under what transportation contract MPC
20 and MGC deliver gas to ** _____ ** ?
21 A Not off the top of my head.
22 Q Would we see it on the list that we have from 14?
23 A It's under the Omega contract according to this.
24 Q And which one are you looking at?
25 A I'm looking at that imbalance summary by

130

1 contract.
2 Q And what's the contract number there?
3 A It doesn't have one on this particular document.
4 Q Okay. We're referring to Exhibit 14 when we're
5 looking for the contract number; is that right?
6 A Yeah. I'd say this is I think the hand carried one
7 that I'm looking at one right now.
8 Q So that is not Exhibit 14, right? It's the other

NIP

9 exhibit?

10 A No.

11 Q Twenty-one?

12 A It's the one that's dated 8/28/06.

13 Q And that doesn't have a contract number?

14 A It just has HC on it.

15 Q Did we say we didn't know what HC meant?

16 A I thought it meant hand carried.

17 Q Oh, that means highly confidential.

18 A Oh.

19 Q At one point ** _____ ** served Fort Leonard Wood; is
20 that correct?

21 A Yes, ma'am.

22 Q And when Omega got that contract back, did that
23 change anything in terms of the delivery to ** _____ ** ?
24 Different contracts?

25 A Not to my knowledge, no.

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1 Q Different quantities?

2 A Did it change the Fort contract? No.

3 Q Are you familiar with the Highway 72 project?

4 A There are several, but yes.

5 Q For that project do the pipelines transport gas to
6 the shippers without transportation contracts?

7 A Ask me that again, please.

8 Q Do the pipelines transport gas for shippers who
9 don't have an executed transportation agreement?

10 A Not to my knowledge. Those are all Ameren delivery
11 points off of -- Highway 72 is the line that goes down to the

NP

12 City of Salem.

13 Q City of Salem isn't on your system, is it?

14 A Yes.

15 Q It is?

16 A Well, we have a city gate station and then Ameren
17 owns the distribution, which used to be Aquila's.

18 Q When Aquila owned the system, did they transport
19 gas for shippers without signed transportation agreements or
20 did they require a signed agreement?

21 A I don't know.

22 Q In your transportation agreement with Cuba are you
23 familiar enough with that to know if it contains a delivery
24 point other than the Cuba city gate?

25 A I don't know.

132

1 Q If you needed to refer to this, can you think of a
2 circumstance under which you would need to refer to the
3 tariff?

4 A Well, if we were going to change rates, but I
5 wouldn't be the person that would be doing that.

6 Q Do you know the circumstances under which you would
7 change the rates?

8 A No, I really wouldn't.

9 Q This will be Exhibit 25. I have not written on all
10 of these; just on Mr. Wallen's.

11 We've talked about occasion under which you've
12 interrupted transportation to shippers. Are you familiar
13 with this email from Miss Ainsworth?

14 A I know what it means.

15 Q What does it mean?
16 A They have -- they can burn different fuels.
17 Q Who's they?
18 A ** _____ **
19 Q And so this email tells them to do what?
20 A To switch to propane.
21 Q Does ** ____ ** have an interruptible contract?
22 A Yes.
23 Q And you know that they can switch to propane?
24 A Yes, ma'am.
25 Q Who else can switch to propane?

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1 A ** _____ ** , which is behind the ** _____
2 ____ ** . I'm not sure they can still do that; at one point that
3 was their primary fuel. ** _____ ** used to be able
4 to. A lot of them I'm sure about anymore.
5 Q Well, do some of them just shut down rather than
6 switch? Do you have any one who will just shut down?
7 A I don't know for sure.
8 Q ** _____ ** shut down anyway, right, in the winter?
9 A Yeah, yeah. In the cold weather they don't pave
10 roads most generally.
11 Q Have you interrupted anyone with a firm agreement
12 with Missouri Pipeline or Missouri Gas?
13 A Not to my knowledge.
14 Q This is particularly to ** ____ **. Do you know on this
15 date if anyone else was interrupted?
16 A There's like three days; there's more than one date
17 here.

NP

18 Q Right. Well, let's take the top page then, January
19 29th and 30th, 2004. Are you aware of anyone being --

20 A All of them would have been interrupted.

21 Q Where that says David with Omega, is that Mr. Ries'
22 phone number under there?

23 A Yes, ma'am.

24 Q And who is ** _____ ** ?

25 A I'm not sure. I think he's the local foreman of

134

1 the plant.

2 Q At ** ____ **

3 A Yes, ma'am.

4 Q Did you interrupt anyone else on this date; do you
5 recall?

6 A When we would interrupt, we interrupted everyone
7 that was interruptible. We wouldn't just pick one. We'd do
8 that to all of them or none of them.

9 Q As we look back at Exhibit, 14 is the ** ____ **
10 interruptible agreement shown on that?

11 A No, ma'am.

12 Q Have you seen an agreement with ** ____ ** , a firm
13 transportation agreement?

14 A I'm not sure. I don't remember.

15 Q Let's turn to the next page of Exhibit 25 if we
16 could. It says at the top curtailment; is that right?

17 A Is this one here Exhibit 25?

18 Q I'm sorry.

19 A Here it is.

20 Q If you turn to the second page it says curtailment

NP

21 at the top, right?

22 A Yes, ma'am.

23 Q Do you recall why there was a curtailment on those
24 days, December 5th through December 9th, 2005?

25 A It was probably -- I don't remember for sure, but

135

1 most generally it's because of a peak demand day where we're
2 not going to be able to supply all our customers.

3 Q Peak demand under what circumstances?

4 A Large volume.

5 Q From cold weather?

6 A Yes, ma'am.

7 Q Any other reason besides cold weather?

8 A No, not to my knowledge. I mean that's the only
9 time that we've ever done it to my knowledge.

10 Q And there appears to be someone at ** ___ ** saying at
11 the bottom hey, Dave, when are we going to get to go back on
12 natural gas; is that how you read that?

13 A Yes, ma'am. We try to always tell them when we
14 think we're going to be able to.

15 Another time we would have to interrupt is if
16 Panhandle puts their --

17 Q Operational flow order on?

18 A Yes, ma'am.

19 Q Is it known by any term other than OFO?

20 A I don't know.

21 Q I mean do they have any other names for it is my
22 question?

23 A Not my knowledge.

NP

24 Q Was there an OFO on these dates?

25 A I don't think so; not from Panhandle. There was a

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1 circumstance where -- and I don't remember what the date was,
2 where Panhandle had a compressor station failure and it was
3 like three or four days before they could get it back up, so
4 without the compressors they couldn't maintain their line
5 pressure to feed into us.

6 Q Do you know what time of year that was or what
7 year?

8 A No. I mean it's in the winter, but I don't know
9 what month.

10 Q So they couldn't deliver gas to you?

11 A Well, not just us; I mean it went out to
12 everybody.

13 Q So what's the order of people where you interrupt?
14 How did you --

15 A As far as the interruptible customers we'll
16 interrupt all of them.

17 Q So you interrupted all of those. Then did you have
18 enough gas to serve your firm?

19 A Yeah.

20 Q If you had to interrupt --

21 A We may have under delivered to Laclede, but I
22 couldn't tell you just based on those dates.

23 Q What other action might you need to take under
24 those circumstances? I'm thinking did the Fort go to
25 propane?

1 A We can run the propane air plant, yes, ma'am.

2 Q And what else?

3 A I could call Laclede and get them to lower their
4 takes because they have other suppliers. I could ask them
5 to.

6 Q Because they rely on your pipeline for some of the
7 pressures on the western side of their system; is that still
8 the case?

9 A Yes, but when you look at like from the Washington
10 city gate southwest we are the only supplier for the majority
11 of those customers. So even though they're not the largest
12 volumes, we try to make sure that they're taken care of.

13 Q When a compressor system is down like on Panhandle,
14 that would probably mean that others were not having similar
15 problems; is that right? As opposed to cold weather
16 situations?

17 A Well, it's coming off of Panhandle where they'll
18 all have problems beyond a certain point on their system if
19 it was downstream of this compressor facility.

20 Q Did you call on MRT under those circumstances to --

21 A I don't remember if we tried on this or not.

22 Q Are there other documents besides these regarding
23 interruption of transportation service; are there other
24 emails and to other customers?

25 A Some people don't have email; we fax. It's just a

1 standard form though; it's the same form for everybody. I

2 don't have one.

3 Q We're not seeing one of those forms here; is that
4 right?

5 A No, I don't see it here.

6 Q Who sends the form to the interruptible
7 customers?

8 A I would or Patty. But we wouldn't do it until they
9 would be involved.

10 Q You would say go ahead?

11 A We generally call to confirm receipt of it.

12 Q And then these documents are the result of in this
13 case Pam Ainsworth, A-i-n-s-w-o-r-t-h, emailing Mr. Ries,
14 correct?

15 A Yes.

16 Q They're having a conversation --

17 A Yes.

18 Q -- about the curtailment?

19 A Yes, ma'am.

20 Q On the third page of Exhibit 25, again is emails
21 between Mr. Ries and Miss Ainsworth and at the bottom ** _____
22 _____ ** is becoming involved in the conversation, right?

23 A Yes, ma'am.

24 Q And, again, tell me what it says. Hey, Dave, could
25 you put me on your notification list in the middle one; do

139

1 you know what that means?

2 A He just wanted to be added to the list of people to
3 notify for ** ___ ** if we needed to interrupt him because he's the
4 local man. I think the call, the interruption information,
5 went to Pam and then it came from Pam directly probably to

NP

6 him.

7 Q So what you're talking about is that somewhere
8 there's a list of all the people that you would send
9 information to in the event of an interruption and he --

10 A Yeah, basically it's all of them that got
11 interruptible contracts.

12 Q And you missed him or he wasn't on the list?

13 A Yeah. He was a foreman, so that wasn't who we deal
14 with.

15 Q So he asked to be put on the list so he'd know what
16 was going on?

17 A Yeah, he's the local guy.

18 MS. SHEMWELL: Can we just take five or just a
19 minute.

20 THE WITNESS: Okay.

21 (Whereupon there was a brief recess).

22 MS. SHEMWELL: Mr. Wallen, are you ready to go back
23 on the record?

24 THE WITNESS: Yes, ma'am.

25 MS. SHEMWELL: We're back on the record.

140

1 Q (By Ms. Shemwell) Mr. Wallen, you indicated that
2 you had a correction you wanted to make?

3 A Yeah. It was in this email correspondence between
4 Pam Ainsworth and --

5 Q Speak up.

6 A Where she asked to be put on the notification list.
7 I had that backwards. I said he. It was the other way
8 around.

9 Q I'm going to mark Exhibit 26. These are invoices
10 from Missouri Pipeline Company and Missouri Gas Company. The
11 shipper is ** _____ **. As you look at
12 that -- would you agree with me that that's what this is,
13 sir?

14 A Yes. Yes, ma'am.

15 Q And as you look on the second page of this we see
16 the 29th and 30th of '04. As I look at the top it's an
17 interruptible contract, correct? It says TAI?

18 A Yes, ma'am.

19 Q Can you tell if they were interrupted on those
20 days, January 29th and 30th?

21 A I can't tell from really from looking at this.

22 Q But we can tell that they received gas on the 29th
23 and 30th, is that correct, looking at receipts?

24 A Yes, ma'am.

25 Q Is there a way to assume from that then that they

141

1 actually took that gas and were not interrupted?

2 A That can happen.

3 Q You're saying they simply may have continued to
4 take gas?

5 A Yes, ma'am.

6 Q What do you do when an interruptible customer does
7 that?

8 A Well, we just tell them not to do it again
9 basically.

10 Q Is there a fine?

11 A Not to my knowledge.

NP

12 Q What kind of problems will that cause you then if
13 an interruptible customer doesn't interrupt?

14 A Well, it's gas that's taken off that wasn't put in.
15 And we wouldn't be interrupting them if it wasn't a special
16 situation.

17 Q It looks like they nominated just what they
18 received though; is that the way you're reading that?

19 A That's what it looks like.

20 Q If you went back, might you find a series of emails
21 like this to the ** _____ ** , Exhibit 25? Might
22 you find a series of emails to someone with the ** _____ **

?

23 A They would have been a fax then a phone call.

24 Q Who's their shipper?

25 A ** _____ ** I think.

142

1 Q ** _____ **

2 A And we would send the interruption notice to the
3 gal with ** _____ ** .

4 Q And then --

5 A And, you know, some of that is kind of changes over
6 the years, but it can be her responsibility to inform them.
7 But I don't remember what -- that's changed. I don't
8 remember if it was that way back then or not.

9 Q Do you know if MPC and MGC had a transportation
10 agreement with the City of Owensville prior to 2005?

11 A With the City of Owensville?

12 Q Uh-huh?

13 A Not with the City of Owensville.

14 Q Did they have an agreement with the city to deliver

NP

15 gas on behalf of ** _____ ** before 2005?

16 A Not to my knowledge.

17 Q Do you know if the transportation service to the
18 Owensville city gate is interruptible? And I'm asking on
19 behalf of ** _____ **.

20 A I'm not -- I don't know for sure.

21 Q Do you know if the transportation agreements from
22 2005 are still in effect?

23 A From 2005? As far as I know.

24 Q Who's the agent for Owensville?

25 A AmerenUE.

143

1 Q And on 14 we see that that's a firm contract to
2 Owensville, right?

3 A Yes, ma'am.

4 Q And under Emhart we don't see any contract number;
5 is that right?

6 A That's correct.

7 Q Again, do you know why there's no contract number
8 there?

9 A I don't know, no.

10 Q Do the Missouri Pipeline or Missouri Gas, and or
11 Missouri Gas, serve ** _____ ** prior to 2005?

12 A Ask me that again, please.

13 Q Was ** _____ ** receiving service from Missouri Pipeline
14 and Missouri Gas prior to 2005?

15 A I believe ** _____ ** bought their gas for them prior to
16 that time. I mean Ameren -- when Ameren took it over is
17 when -- for some reason there was too much cost to keep it

NP

18 with ** _____ ** or something and so they were going to switch
19 back to propane and something.

20 Q That's when Omega came into the picture?

21 A I think so, but I'm not a hundred percent sure.

22 Q Do you know if ** _____ ** might be served under
23 the contract used to serve Fort Leonard Wood as opposed to
24 the Owensville contract?

25 A I don't know.

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1 Q Does this arrangement with ** _____ **, the current
2 arrangement, produce less revenue for Missouri Pipeline than
3 when they were served by ** _____ **?

4 A You're talking about ** _____ **?

5 Q Uh-huh.

6 A I don't know. If they would have completely
7 switched to propane for their process rather than using
8 natural gas and stayed that way, it would definitely affect
9 our revenue.

10 Q Do you remember was ** _____ ** the immediately prior
11 supplier to ** _____ ** before Omega?

12 A I don't remember.

13 Q Was ** _____ ** the prior supplier for Fort Leonard
14 Wood?

15 A Yes, the marketer gas purchaser.

16 Q Do you know if you're getting more or less revenue
17 now that Omega -- if the pipelines MPC and MGC are getting
18 more or less revenue now that Omega is --

19 A I would not know that.

20 Q -- the agent? Who would know that?

NP

21 A The accountant. I wouldn't have anything to go
22 back and compare it to basically.

23 Q Would you be the one comparing anyway?

24 A No.

25 Q Who would that be?

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1 A That would be the accountant.

2 Q Do you know if revenue has been growing on this
3 system in the last two years for Missouri Pipeline and
4 Missouri Gas Company?

5 A I know that it's done better then when UtiliCorp
6 owned us. Not substantially, but --

7 Q Some?

8 A Yeah.

9 Q Can you quantify some?

10 A Not really. A lot less overhead cost. Before we
11 paying for all the services from UtiliCorp; we paid a portion
12 of all their salary and stuff. But I don't know how much
13 different it would be.

14 Q We've looked at some gas imbalance reports earlier
15 in the day. For example, 14 and 21 and then the ones
16 actually attached to the invoice, 17; is that correct?

17 A Yes.

18 Q Are there any other imbalance reports produced by
19 the pipeline, by MPC or MGC?

20 A Not to my knowledge.

21 Q Do you keep any reports just for yourself, notes?

22 A No, not really. I mean I may keep something for a
23 day until the issue's gone, then I get rid of it.

24 Q Is that just your policy?

25 A We've got a pretty small office. We don't have a

1 whole lot of file space.

2 Q Do you consider that you and Patty are responsible
3 for the accuracy of this report?

4 A For checking the accuracy of it?

5 Q Uh-huh.

6 A I'm not so much anymore. When I was entering
7 numbers and stuff, yeah, at that time.

8 Q What about for Exhibit 17; would your answer be any
9 different for that?

10 A Which one is Exhibit -- I'm sorry.

11 Q I believe that's the attached --

12 A Okay.

13 Q These.

14 A This one attached to the invoice?

15 Q Yes, sir. These that are attached to the invoice,
16 who's responsible for the accuracy of these?

17 A I guess all of us basically. I mean what's done at
18 the end of each month is to check to make sure that the
19 delivery volumes matches what's on the invoice.

20 Q ** _____

21 _____

22 _____ **

23 A ** _____ **

24 Q ** _____ **

25 A ** _____ **

NP

1 Q ** _____ **

2 A ** _____ **

3 Q ** _____

4 _____

5 _____ **

6 A ** _____ **

7 Q ** _____

8 _____ **

9 A ** _____

10 _____ **

11 Q ** _____

12 _____ **

13 A ** _____ **

14 Q When does Fort Leonard Wood take title to the

15 gas?

16 A At the outlet of the delivery station.

17 Q At the city gate?

18 A Yeah.

19 Q And who owns the gas up to the city gate; who has

20 title to it if you know?

21 A I don't know.

22 Q Was there any change in that arrangement since

23 Aquila owned the system?

24 A I'm not for sure. There was a time -- I'm thinking

25 there was a time when Aquial had something to do with it, the

NP

1 gas for the Fort, but I may be wrong, so -- it's changed a

5 A Correct.

6 Q -- that's of concern to you? And that's system
7 wide, right?

8 A Yeah, in the wintertime.

9 Q And it makes less difference in the summer because
10 there's less use?

11 A Yeah.

12 Q Or should I say less demand?

13 A It's both actually. That's the way I look at it.

14 Q Do you have different levels of tolerance for
15 different shippers?

16 A No, ma'am.

17 Q But we've discussed earlier that Laclede likes to
18 stay pretty close to --

19 A Yeah.

20 Q -- in balance. Okay. We have discussed, however,
21 that you don't call the City of Cuba or anyone if you see a
22 big imbalance?

23 A No, ma'am.

24 Q What if Laclede suddenly had 49,000, they were
25 suddenly out of balance by 49,000; are you going to be on the

150

1 phone to them?

2 A That's not going to happen, so --

3 Q Let's just say -- I mean I understand what you're
4 saying.

5 A Well, it would because that might be in one day
6 with them. You know what I mean?

7 Q Uh-huh.

2 lot.

3 Q Was anything different when ** _____ ** was their
4 supplier?

5 A As far as?

6 Q When they took title to the gas?

7 A Not to my knowledge.

8 Q Has the point when Omega or Fort Leonard Wood takes
9 title of the gas from Omega changed since 2005? Has it
10 changed in the last year or so?

11 A Has the station there on the Fort, has it changed?

12 Q When they take title to the gas, has that
13 changed?

14 A I don't think so.

15 Q Do any of Omega's customers take title to the gas
16 when it comes into the system from Panhandle?

17 A I don't know.

18 Q Referring again to? -- Or we can refer to 21,
19 either one -- have we established that all of Omega's
20 customers except ** _____ ** are on here?

21 A Yes.

22 Q Since you're trying to keep this system in balance,
23 what's your tolerance for out of balance? Can you tell me
24 how close you'd like to be? When you look here at the
25 cumulative imbalance what do you want to see there?

149

1 A I'd like to see it be zero, but that never happens.

2 Q But the closer to zero, the happier you are?

3 A Yes, ma'am.

4 Q So if it's get over a hundred thousand there --

NP

8 A They could go out that far out of balance in one
9 day in the wintertime.

10 Q Is it important to your system that they not do
11 that?

12 A Yeah.

13 Q Because?

14 A Because they're taking most of our gas already.

15 Q The winter is more critical than summer?

16 A Yes.

17 Q But you're saying they could go out of balance by
18 that much on a winter day or any day?

19 A It's possible. Unlikely, but it's not impossible.
20 Panhandle can cut people; they can cut their noms and
21 sometimes it doesn't get back to the, you know, Laclede end
22 or the Ameren end until the next day or something.

23 Q So they're taking gas off your system that's not
24 coming in and may not know it until the next day?

25 A Sometimes.

151

1 Q Okay.

2 A But it's not their fault; it's just the
3 communications indication between Panhandle Eastern and
4 then --

5 Q If it becomes their fault -- if it is their fault,
6 is there a penalty?

7 A Not to my knowledge.

8 Q We had looked at the contracts where you had signed
9 for MPC and that's the contract with Omega?

10 A Okay.

11 Q Exhibit 23 is the firm on top. Have you signed
12 other contracts on behalf of the pipeline companies besides
13 this one with Omega?

14 A For gas contracts?

15 Q Yes.

16 A I don't think so.

17 Q Who signs for MPC when you don't sign? We said the
18 other officers?

19 A I don't think that anyone else has to. I think
20 it's always been me to this date.

21 Q That signs for Missouri Pipeline?

22 A Yes, ma'am.

23 Q But Missouri Pipeline has contracts with others
24 than Omega, don't they?

25 A Missouri Pipeline has contracts other than -- yes.

152

1 Q Are you saying you have not signed those?

2 A I don't think so.

3 Q I'm trying to ask who else would have signed if you
4 didn't?

5 A If I didn't, it had to have been the accountant or
6 Dave.

7 Q Dave Ries or Mr. Lodholz or Mr. Martz?

8 A Yeah, exactly.

9 Q Do you know of those contracts?

10 A I know they exist, but a lot of them are pretty old
11 contracts.

12 Q Have you negotiated any of the transportation
13 agreements?

14 A Me personally?
15 Q Uh-huh.
16 A No, ma'am.
17 Q Is Mr. Ries the only person to whom you answer
18 directly?
19 A Yes, ma'am.
20 Q Can you say what your current salary is, please?
21 A I think it's like ** _____ **. You could ask my
22 wife.
23 Q Does the company pay bonuses?
24 A Not all the time, but sometimes.
25 Q And what are the reasons for bonuses?

153

1 A Good job performance.
2 Q Good performance?
3 A You know, you have a lot of projects and you got
4 those done along with your normal duties and stuff.
5 Q Got them turned in on time?
6 A It's based on performance.
7 Q Is it based in any way on sales?
8 A I don't know for sure.
9 Q Not responsible for --
10 A If you have a better year one year than another
11 year, certainly. It's got to have something -- I mean Aquila
12 did it that way, too. The business profitability was --
13 Q Mr. Ries has continued that?
14 A Yes, ma'am.
15 Q In much the same way?
16 A Not as much, doggone. The reason we did so well

NP

17 with UtiliCorp was because of Aquila, who is their gas
18 marketer, reported three hundred percent profits every year.
19 So it was based on the whole business unit, so we all got a
20 chunk of that. Kind of like Enron.

21 Q Has that market company since gone out of
22 business?

23 A I don't know for sure to be honest with you. The
24 whole company's called Aquila now.

25 Q Has anyone been indicted as a result of those

154

1 activities?

2 A No, but the one brother of the green, he was forced
3 to retire but he got a seventy million dollar bonus on the
4 way out.

5 Q Do you know if they have paid penalties to the CFTC
6 or the FERC?

7 A I don't know.

8 Q We digress.

9 A They don't have many assets; I can put it that
10 way.

11 Q Let's look back at your tariffs for a moment. We
12 had MGC tariffs, correct?

13 A Yeah.

14 Q If you would turn over to on the bottom of the page
15 they're still showing Mr. Kruell as the president, right?

16 A Yeah.

17 Q Paging to the back, look at Page 34, please. Do
18 you know what happens when you call that 816 number that's
19 there under 9-A?

20 A That number was the office of -- the Raytown office
21 of UtiliCorp. That would get you just the receptionist.

22 Q And what do they do if they get a call for
23 transportation service; do you know?

24 A I don't know how that was handled.

25 Q That post office box though is no longer the

155

1 company's correct address; is that right?

2 A No, that's no longer the company address.

3 Q And if you turn over to Page 35, that isn't
4 either?

5 A No, ma'am.

6 Q Have you called that number any time in the last
7 two years let's say?

8 A No, ma'am.

9 Q Have you put out information to customers that in
10 an emergency there's a different number that they need to
11 call?

12 A It's on all of our signs; we have a twenty-four
13 hour number.

14 Q Signs where?

15 A All of our pipeline marker signs. And then on the
16 fences in our city gates. And then like in the case of Fort
17 Leonard Wood the fire department has all of our emergency
18 contact phone numbers. Home phone numbers, too. And they
19 usually call the eight hundred number because it's toll
20 free.

21 Q I may have asked you this, but please bear with me.

22 When you signed the contract on behalf of MPC and MGC with

23 Omega, did you know who all the end users were intended to
24 be? Did you know who the customers were?

25 A I think I probably did, but I can't say as I

156

1 remember for sure.

2 Q Would you have seen a list of those customers in
3 writing?

4 A I don't know.

5 Q So do you know who their immediate upstream or
6 downstream pipeline shippers of gas Omega intended to deliver
7 under this contract?

8 A I don't know.

9 Q Did you know how much -- did you know the
10 quantities Omega intended to deliver under that contract?

11 A No, ma'am.

12 Q Do you know who's responsible for maintaining the
13 tariffs with the Commission?

14 A I believe it would be David Ries.

15 Q Did you know when you signed the contract for
16 Missouri Pipeline that Missouri Pipeline would be able to
17 deliver the gas that would be required under that contract,
18 had the ability?

19 A Repeat that, please.

20 Q Did you know when you signed the contract whether
21 or not Missouri Pipeline and Missouri Gas Company had the
22 ability to deliver the gas that would be required?

23 A Do you mean did we have enough gas to be able to do
24 that; is that what you're asking me?

25 Q And enough capacity?

1 A Yes.

2 Q How would you know that?

3 A Well, because those customers were already there
4 even though they were being served by someone else, so I
5 pretty well know what their loads were going to be.

6 Q Did Omega or did you know at the time that they
7 expected to make deliveries at every delivery point on the
8 Missouri Pipeline and Missouri Gas Company system?

9 A Did Omega intend to make --

10 Q Did you know whether or not they intended to?

11 A I didn't know.

12 Q Did you have any indication that they intended or
13 might deliver on every point along the system?

14 A No, ma'am.

15 Q Did Laclede let you know that Omega was authorized
16 to deliver gas for their points? Did you receive something
17 from Laclede?

18 A Not to my knowledge.

19 Q Did you receive authorization from any of the
20 customers -- Ameren, Laclede, any of the cities -- that Omega
21 was going to deliver to their delivery points?

22 A ** _____ **

23 Q ** _____ **

24 A ** _____ **

25 Q Do you know if the transportation agreement

1 specifically allows Omega to deliver gas to every individual
2 delivery point on the system?

3 A I don't know.

4 Q Do they deliver gas to every delivery point on the
5 system?

6 A I don't think so.

7 Q Does Laclede?

8 A Does Laclede deliver to every -- no.

9 Q Ameren?

10 A No.

11 Q ** _____ **?

12 A No.

13 Q ** _____ ** ?

14 A ** _____ **

15 Q ** _____ **

16 A ** _____

17 _____

18 _____ **

19 Q ** _____ **

20 A ** _____

21 _____ **

22 Q ** _____

23 _____ **

24 A ** _____ **

25 Q Did you have any ability to make any adjustment to

1 the contract on behalf of the pipeline company?

2 A No, ma'am.

NP

3 Q What we call interlineation where you would have
4 lined out part of the contract?

5 A No.

6 Q Do you know if all of the agents have the same
7 terms in their contracts; for example, ** _____ **
8 transportation contract with the pipelines is virtually the
9 same as ** _____ **?

10 A I don't know.

11 Q Or the same as Omega?

12 A I don't know.

13 Q I think you've explained that as people make
14 nominations it impacts your system. Tell me what -- the fact
15 that Omega has made a particular nomination on a particular
16 day for ** _____ **, what does that cause you to plan or to do?

17 A For ** _____ ** or for --

18 Q Or Fort Leonard Wood; just one of the customers?

19 A During the summer months it doesn't require me to
20 do anything operationally. In the wintertime it would depend
21 on the total usage off the pipeline. I mean I would try to
22 make sure that we've got enough gas to cover all the
23 customers.

24 Q So you're looking at the nominations --

25 A Yes, ma'am.

160

1 Q -- to try to determine that?

2 A And I estimate usage sometimes.

3 Q And what do you base that estimate on?

4 A A lot of times sitting in front of the SCADA
5 system. But actually previous days you can take what they

NP

6 tells us that they think that they're going to use and
7 sometimes I have a better idea than them.

8 Q We've seen, for example, Laclede has a pretty tight
9 correlation between nominations and receipts, right?

10 A Right.

11 Q And deliveries?

12 A Yeah, but one reason why that is is because it's
13 all on flow control. So when they give me a set point to put
14 in, that's what they're going to get. It might be off a few
15 digits, but it's going to be pretty close.

16 Q But the same is not true for Ameren?

17 A It is on the Winfield station and it was this way
18 on the Highway N station, but their loads -- the Highway N
19 Ameren station; it's out in Wentzville.

20 Q Highway N?

21 A Yes, ma'am. But we've been running that on both
22 flow and pressure control depending on what their needs
23 are.

24 Q Do all of these agents nominate gas? I'm looking
25 at 14, again but looking At 21. ** _____ ** nominates?

161

1 A Yes.

2 Q ** _____ ** nominates?

3 A Yes.

4 Q ** _____ **?

5 A Yes.

6 Q Omega?

7 A I don't know for sure how exactly they --

8 Q Okay.

NIP

9 A What I see is when the gas is bought.

10 Q So some days yes, some days no or --

11 A Yeah, sort of. Because I know when -- say gas is
12 bought from MRT or through one of the contracts of Panhandle
13 or something. I'm aware of what that is and it does go on on
14 the delivery point in the system as a nomination.

15 Q But it has not come through you; is that the point
16 you're making?

17 A Yeah, I'm not the one that went out and bought the
18 gas, no.

19 Q When they do nominate, how do you receive that
20 information?

21 A Patty usually tells me.

22 Q Patty just reports that to you?

23 A Yes, ma'am.

24 Q Where do you record the nominations for the day?

25 A It's in the gas accounting system, the whole

162

1 system. I don't know if there's a page in there that shows
2 it or not.

3 Q Does it print on the sheets we show on 17, behind
4 17. That's it in your right hand, the next sheets. There's
5 a line there, the fourth over, for noms, right? Like on
6 Ameren?

7 A Yeah. But when we input them in the system, this
8 is not what it goes into. There's links in there that we put
9 it in one particular spreadsheet and they link together.

10 Q It links over here?

11 A Yes, ma'am.

12 Q So you said you don't necessarily know if Omega
13 nominates on a daily basis?

14 A Not on a daily basis.

15 Q Okay. We've established that you do not know about
16 an entity called ** _____ **, right?

17 A No, ma'am.

18 Q Earlier you told me that Jay Hopper had called you.
19 Did you tell me that you had met Mr. Hopper?

20 A Yeah, when he -- just one time.

21 Q Do you know how the new Omega came to hire Mr.
22 Hopper?

23 A I don't.

24 Q The new owners of Omega. Did he call you on
25 Exhibit 14; is that what he called you about?

163

1 A I don't remember which one it was. He just wanted
2 to know what the abbreviation I think it was OBA stood for.

3 Q Is this a document that he would get, Mr. Hopper
4 might get?

5 A No.

6 Q What about those under 17?

7 A He would get a similar report. Well, it's not this
8 exact same report. This one he would get with the invoice,
9 you know, attached to it at the end of the month. But
10 there's a daily report that goes out to all of these folks.

11 Q Did it surprise you that he didn't know what OBA
12 meant?

13 A Not really because it took me a while to understand
14 what it was. I still don't understand how it all works.

NP

15 Q Does he know what SCADA means?

16 A I don't know. I didn't ask him. That's one that
17 everybody always asks what that means.

18 MS. SHEMWELL: Let's take five minutes. We'll go
19 off the record.

20 (Whereupon there was a brief recess).

21 Q (By Ms. Shemwell) Mr. Wallen, I'm going to hand
22 you what we will mark as Exhibit 27. Are you familiar with
23 this document? It is a service transfer agreement between
24 Missouri Interstate Gas Transportation, L.L.C. I say
25 between, but it's MIG's firm service transportation

164

1 agreement?

2 A I've seen it before.

3 Q Who is the party identified as the shipper in this
4 agreement?

5 A Missouri Interstate Gas.

6 Q Here's what's throwing me off. It says this
7 agreement is made and entered into between Missouri
8 Interstate Gas, Limited Liability Company, transporter, and
9 the party identified as shipper in this agreement.

10 So when we look back if MIG is the shipper, is this
11 a transportation agreement entered into by MIG with MIG?

12 A This is between Missouri Interstate Gas and
13 Missouri Pipeline Company is the shipper.

14 Q Which one's the shipper?

15 A Missouri Pipeline Company.

16 Q Okay.

17 A If you look at the Article X. It's page --

18 Q Article --
19 A Article X, specific information. It's a little
20 clearer there.
21 Q And you signed on behalf of MIG; is that correct?
22 A Yes, ma'am.
23 Q And Mr. Ries signed on behalf of the shipper, which
24 is Missouri Pipeline?
25 A That's what this shows, yes, ma'am.

165

1 Q Do you have any reason to doubt that that's Mr.
2 Ries' signature there?
3 A No, ma'am.
4 Q When you signed as vice-president are you
5 vice-president of MIG as well?
6 A Yes, ma'am.
7 Q And Mr. Ries is president of both MIG and Missouri
8 Pipeline; is that right?
9 A Yes, ma'am.
10 Q What role did you play in developing this
11 transportation agreement?
12 A Nothing, really. No role.
13 Q I see that the MDQ is ** _____ **; do you agree with
14 that?
15 A Yes, ma'am.
16 Q How was that determined?
17 A I'm not sure.
18 Q Do you know what MIG's -- do you know how much can
19 ship through MIG on a day?
20 A It depends on too many different conditions. Some

NP

21 days you can do more, some days not very much.

22 Q On a day when you couldn't do very much would that
23 be because there was too much pressure on Missouri Pipeline
24 Company? Is that an example of what might --

25 A That would be an example, yes, ma'am.

166

1 Q And when you could ship a lot, might that be a busy
2 cold day?

3 A Yes, ma'am.

4 Q Do you know how the price was determined for the
5 ** _____ **?

6 A ** _____ **

7 Q On Appendix A it shows the maximum receipt pressure
8 of 1,200 psig; is that from MRT?

9 A That would be the maximum pressure that we could
10 have on our pipeline at that point.

11 Q In order for them to put gas into the pipeline?

12 A Well, it's the MAO -- I believe that's the MAOP of
13 our line, that segment of it.

14 Q Who are the shippers through MIG? Did you know
15 when you signed this who the shippers were?

16 A No.

17 Q Are there any gas quantities that are contracted
18 for to come through MIG?

19 A Not that I know of.

20 Q Do you know if they're firm or interruptible?

21 A I don't know.

22 Q ** _____ **

23 A ** _____ **

NP

24 Q ** _____
25 _____

167

1 _____
2 _____ **

3 A I don't know.

4 Q So if you don't know if there are contracts that
5 are as a result of this agreement, then you would not have
6 been a signatory?

7 A There could be, but I'm not aware of any.

8 Q And you wouldn't have been a signatory on those; is
9 that right?

10 A No.

11 Q And you wouldn't know who negotiated those
12 contracts?

13 A No.

14 Q Mr. Wallen -- did you have something else you
15 wanted to add?

16 A No, no.

17 Q Did you participate in any way in the recent filing
18 at the FERC to bring MIG and MPC and MGC under FERC
19 jurisdiction?

20 A No, ma'am.

21 Q Any involvement at all in that?

22 A No.

23 Q ** _____
24 _____ **

25 A I don't know. I'm not seeing what you're talking

NP

1 about. I'm sorry. Is this Exhibit 27, this whole thing?

2 Q ** _____ **

3 A ** _____ **

4 Q ** _____ **

5 A ** _____ **

6 Q ** _____ **

7 A ** _____ **

8 Q ** _____

9 _____ **

10 A ** _____ **

11 Q ** _____ **

12 A ** _____ **

13 Q Where?

14 A Well, there's not quite a mile line in Illinois, we
15 cross the State of Missouri and there's seven miles or
16 another six miles and then there's a block valve receiver.
17 At that point that's the end of MPC, the beginning of MIG.
18 So that would be the point that MPC would be receiving the
19 gas.

20 Q Mr. Wallen, were you aware of the stipulation and
21 agreement entered into when Mr. Ries bought this company from
22 Aquila?

23 A Bought the whole pipeline?

24 Q Uh-huh.

25 A I saw a big document.

NIP

1 Q And were you aware that there was an agreement

2 concerning use of MIG?

3 A No.

4 Q Were you aware of any of the agreements?

5 A You mean with the Public Service Commission?

6 Q Yes.

7 A No, the line was TransMississippi but it was idle
8 and just had been full of nitrogen for years.

9 Q And you fill it with nitrogen for what reason?

10 A In case someone digs into it, you know that it's
11 been hit and to protect it from corrosion, internal
12 corrosion.

13 Q Why do you use nitrogen?

14 A I's inert, nonexplosive.

15 Q And what happened when MIG was open; how did you
16 open that section of the pipeline physically?

17 A Physically. Opened the valve. We don't control
18 the MRT delivery point; they control it.

19 Q Bled out the nitrogen?

20 A Oh, yeah, we had to bleed the nitrogen out, but
21 that was before the sale because that piece of pipeline had
22 never been hydro tested. So that was actually when we got
23 sold to UtiliCorp, I'm sorry, from the company before that.
24 And so we had to pressure test that, the river crossing
25 especially to make sure that it was in good shape before they

170

1 would allow the sale. They had to chemically gel pig it
2 because --

3 Q Chemically?

4 A Gel pig the line before it could go to natural gas

5 service.

6 Q Were you aware of any other restrictions in the
7 stipulation and agreement?

8 A No.

9 MS. SHEMWELL: I think that's all I have for you
10 today.

11 A Okay.

12 Q As you think back through, is there anything that
13 you would like to add or correct today?

14 A No, not that I can think of.

15 THE REPORTER: Signature? You want him to read it?

16 MR. DEFORD: Yes.

17 MS. SHEMWELL: Mr. Wallen, thank you so much.

18 THE REPORTER: Mr. McCormick, would you like to
19 order a copy of this?

20 MR. MCCORMICK: No, NO. I don't want to get a
21 copy.

22 MS. SHEMWELL: Is Mr. Kurtz there?

23 MR. KURTZ: Yeah, I'm here.

24 THE REPORTER: Did you want to order a copy?

25 MR. KURTZ: Yes, please.

171

1 THE REPORTER: I'm doing a rough ascii for the
2 Public Service Commision. Did you want to order the same or
3 would you like regular delivery?

4 MR. KURTZ: Regular delivery is fine. When do you
5 think you'll have that ready?

6 THE REPORTER: Early next week.

7 MR. KURTZ: That will work.

8 MS. SHEMWELL: Thank you both. We won't talk to
9 you tomorrow.

10 MR. MCCORMICK: Thank you.

11 MR. Kurtz: Thank you.

12 THE REPORTER: Mr. DeFord, did you want a rough
13 ascci or regular delivery?

14 MR. DEFORD: Just regular delivery.

15 THE REPORTER: And, Mr. Schallenberg we're going to
16 do a rough ascci this week with final early next week.

17 MR. SCHALLENBERG: Uh-huh.

18 THE REPORTER: Hard copy.

19 (WITNESS EXCUSED)

20
21
22
23
24
25

172

1 STATE OF)
COUNTY OF)

2 I, DAVID WALLEN, do hereby certify:

3 That I have read the foregoing deposition;
4 That I have made such changes in form and/or
5 substance to the within deposition as might be necessary to
6 render the same true and correct;

7 That having made such changes thereon, I hereby
8 subscribe my name to the deposition.

9 I declare under penalty of perjury that the
10 foregoing is true and correct.

Executed this day of
2006 at

10

11 My Commission Expires:
12 Notary Public:
13 Signature page to Paul DeFord/David Wallen/September 1,
14 2006
15 Witness Letter sent to Paul DeFord/David
16 Wallen/September 1, 2006
17 LAM/ David Wallen, August 28, 2006
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173

1 CERTIFICATE OF REPORTER

2
3 I, Linda A. Madel, a Certified Court Reporter and
4 Notary Public within and for the State of Missouri, do hereby
5 certify that the witness whose testimony appears in the
6 foregoing deposition was taken by me to the best of my
7 ability and thereafter reduced to typewriting under my
8 direction; that I am neither counsel for, related to, nor
9 employed by any of the parties to the action in which this
10 deposition was taken, and further that I am not a relative or
11 employee of any attorney or counsel employed by the parties
12 thereto, nor financially or otherwise interested in the
13 outcome of the action.

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Notary Public within and for
the State of Missouri

My commission expires February 18, 2007.

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Midwest Litigation Services
711 North Eleventh Street
St. Louis, Missouri 63101

Phone (314) 644-2191 * Fax (314) 644-1334

September 1, 2006

Lathrop & Gage
2345 Grand Blvd.
Kansas City, MO 64108

Attn: Paul DeFord

In Re: Public Service Commission vs. Missouri Pipeline
Company

Dear Mr. DeFord:

Please find enclosed your copy of the deposition of David Wallen, taken on August 29, 2006, in the above referenced case. Also enclosed is the original signature page and errata sheets.

Please have the witness read your copy of the transcript, indicate any changes and/or corrections desired on the errata sheets, and sign the signature page before a notary public.

dwallen 8-29-06

17 Please return the errata sheets and notarized signature page
to Ms. Shemwell's office for filing prior to trial date.

18

19 Thank you for your attention to this matter.

20 Sincerely yours,

21

22 Linda A. Madel
Certified Court Reporter
23 Notary Public

24 CC: Lera Shemwell

25 David Kurtz

175

1

WITNESS ERRATA SHEET

2

WITNESS NAME: DAVID WALLEN

3

CASE NAME: PUBLIC SERVICE COMMISSION VS. MISSOURI
PIPELINE COMPANY.

4

DATE TAKEN: AUGUST 29, 2006

5

6

Page # _____ Line # _____

7

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Reason for change: _____

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Page # _____ Line # _____

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Reason for change: _____

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Page # _____ Line # _____

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Should read: _____

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Reason for change: _____

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Page # _____ Line # _____

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Should read: _____

19

Reason for change: _____

20

Page # _____ Line # _____

21

Should read: _____

22

Reason for change: _____

23

24

WITNESS SIGNATURE: _____

25