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STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS  
Hearing  
July 16, 2001  
Jefferson City, Missouri  
Volume 1

In the Matter of Laclede Gas            )  
Company's Tariff to Revise            ) Case No. GR-2001-629  
Natural Gas Rate Schedules.            ) Tariff No. 200101125

KEITH THORNBURG, Presiding,  
REGULATORY LAW JUDGE.

REPORTED BY:  
KELLENE K. FEDDERSEN, CSR, RPR  
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1 P R O C E E D I N G S

2 JUDGE THORNBURG: We'll go on the record at  
3 this time.

4 It's Monday, July 16th, 10 a.m. We're here  
5 for a prehearing conference in the Matter of Laclede Gas  
6 Company's Tariff to Revise Natural Gas Rate Schedules, Case  
7 No. GR-2001-629, Tariff File No. 200101125.

8 My name is Keith Thornburg. I'm the  
9 Regulatory Law Judge assigned to hear this matter.

10 I want to note some things that went out  
11 Friday. On Friday an Order Granting Intervention was  
12 issued. There were four intervenors that were granted  
13 intervention. One is Missouri Energy Group, which I think  
14 might be abbreviated MEG, and that group Barnes Jewish  
15 Hospital, Daimler Chrysler Corporation, Emerson Electric  
16 Company, SSM Healthcare, St. John's Mercy Health Care.

17 The second intervenor was the Paper Allied -  
18 Industrial, Chemical and Energy Workers Local No. 5-6  
19 AFL-CIO.

20 A third intervention was granted to Union  
21 Electric Company, doing business as AmerenUE. And the  
22 fourth intervenor was Missouri Industrial Energy Consumers,  
23 and I'm assuming that will be abbreviated MIEC, and that  
24 consists of Adams Mark Hotel, Alcoa Foil Products,  
25 Anheuser-Busch, the Boeing Company, Ford Motor Company,

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1 General Motors Corporation, Hussman Refrigeration,  
2 Malincrodt, Inc., MEMC Electronic Materials, Monsanto  
3 Company, Proctor & Gamble Manufacturing and Ralston Purina.

4           Also on Friday I put out a notice correcting  
5 the suspension dates for the tariff in a nunc pro tunc  
6 notice. The Suspension Order had noted the suspension of  
7 the tariffs ran through I believe a date in March 2002.

8           The notice corrected that to April 16th, 2002,  
9 which reflects a 120-day initial suspension period plus an  
10 additional six months. And the tariff -- the tariff sheets  
11 filed in this case won't become effective earlier than that  
12 unless ordered otherwise by the Commission.

13           At this time we'll take entries of appearance  
14 from represented parties, and I'd like to begin with Laclede.

15           MR. PENDERGAST: Thank you, your Honor.  
16 Gerald T. McNeive, Jr. and Michael C. Pendergast appearing  
17 on behalf of Laclede Gas Company. Our business address is  
18 720 Olive Street, St. Louis, Missouri 63101.

19           JUDGE THORNBURG: Thank you. And Staff?

20           MS. SHEMWELL: Good morning. Thank you, your  
21 Honor. Lera Shemwell representing the Staff of the Missouri  
22 Public Service Commission, Post Office Box 360, Jefferson  
23 City, Missouri 65102.

24           JUDGE THORNBURG: Office of the Public  
25 Counsel?

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1                   MR. MICHEEL: Douglas E. Micheel appearing on  
2 behalf of the Office of the Public Counsel and the Public,  
3 P.O. Box 7800, Jefferson City, Missouri 65102-7800.

4                   JUDGE THORNBURG: Do I have an attorney here  
5 from Missouri Energy Group?

6                   MS. LANGENECKERT: Lisa Langeneckert appearing  
7 on behalf of Missouri Energy Group, law office of Robert  
8 Johnson, 720 Olive, 24th Floor, St. Louis, Missouri 63101.

9                   JUDGE THORNBURG: Did I correctly identify all  
10 your participants in that group?

11                  MS. LANGENECKERT: Yes.

12                  JUDGE THORNBURG: Thank you. Is there an  
13 attorney here for the Paper Allied - Industrial, Chemical  
14 and Energy Workers Local?

15                  MR. SCHULTE: No, your Honor, I'm not an  
16 attorney. I'm the business rep for Local 5-6.

17                  JUDGE THORNBURG: Could you give your name and  
18 address.

19                  MR. SCHULTE: My name is Joe Schulte. I'm the  
20 business rep for Local 5-6. Our address is 7750 Olive,  
21 63130, St. Louis, Missouri.

22                  JUDGE THORNBURG: Okay. Your application to  
23 intervene was filed by an attorney named Jan Bond. Will  
24 that attorney be participating in these proceedings?

25                  MR. SCHULTE: That's correct, your Honor, she

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1 will be.

2 JUDGE THORNBURG: Okay. AmerenUE? No  
3 appearance today at the prehearing by AmerenUE.

4 And then the Missouri Industrial Energy  
5 Consumers?

6 MR. DOWNEY: Ed Downey, Bryan Cave, LLP,  
7 221 Bolivar Street, Suite 101, Jefferson City, Missouri.

8 JUDGE THORNBURG: Thank you.

9 The main reason for the early prehearing  
10 conference in this proceeding will probably focus primarily  
11 on scheduling issues, and I understand there are some early  
12 issues the parties have come to an agreement on involving  
13 items related to appropriate test year for this case, the  
14 date that that test year will be updated and the provision  
15 for a true-up audit and true-up hearing and generally the  
16 items that are going to be addressed there, although I  
17 understand those aren't completely locked down, but we do  
18 have some items that were offered by Iacleda.

19 And I would encourage you to discuss any other  
20 issues you have among yourselves today that help this  
21 proceeding go on a little bit smoother. Of course, I'm here  
22 today if you have any issues you need to bring to my  
23 attention, and we'll do that in a moment if there are any  
24 issues.

25 With respect to the scheduling of the

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1 evidentiary hearing in this case, the Staff offered two  
2 alternatives, and I know there was a general consensus to go  
3 with the hearing dates in January, but I don't believe that  
4 would allow sufficient time for myself or the Commission to  
5 fully consider your evidence and your arguments you're going  
6 to be presenting.

7               I would suggest that the parties work on a  
8 procedural schedule that involves the December dates that  
9 Staff offered, and that's the week of December 17th through  
10 the 21st 2001 for evidentiary hearings. I do have those  
11 dates blocked out, and I have the large hearing room  
12 reserved for that, and if at all possible, that's going to  
13 be the target date for the hearing.

14              When the parties file an agreed procedural  
15 schedule, it would be helpful to me if you would reiterate  
16 the items regarding the test year and the true-up audit  
17 hearing. When I issue an Order, I'll just go ahead and  
18 incorporate those things also.

19              And in your procedural schedule, I would  
20 appreciate all the detail you can give me on the important  
21 dates that should be listed, and if some of those have to be  
22 adjusted later, that's fine, but it would be helpful to me  
23 to have all the detail necessary, and I'd rather see things  
24 drop off the schedule than have to add things at a later  
25 date.

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1           In filing the procedural schedule, if you'll  
2 indicate that all parties are in consensus on it, I can  
3 issue an Order right away. We did provide for that to be  
4 filed on July 26th, but if it can be filed sooner I'll go  
5 ahead and turn that around sooner.

6           If the parties are not in agreement on the  
7 proposed procedural schedule, I'm going to ask that any  
8 responses in opposition be filed within five days rather  
9 than the standard ten days, and that would speed this up a  
10 little bit. I'm going to assume the parties will be in  
11 communication with each other, and if there are objections,  
12 the party that would be objecting to the proposed schedule  
13 would be able to do a quick response.

14          Another matter, I passed out a draft public  
15 notice for Iacleda to mail or include in billing for the  
16 local public hearings and for the evidentiary hearing. The  
17 original Suspension Order notice dealt with a notice of the  
18 evidentiary hearing. If possible, I'd like to combine this  
19 and do a notice of the local public hearings also, and  
20 instead of keying off the evidentiary date, this would be  
21 keyed off the public hearing dates, 10 to 45 days prior to  
22 the public hearings.

23          I will note that I added information for the  
24 Public Counsel's phone number, e-mail address, and if  
25 there's a problem with that, Public Counsel can address

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1 that.

2 MR. MICHEEL: The number's wrong, and the  
3 e-mail address has 222 as opposed to www.

4 JUDGE THORNBURG: Okay. I picked that up out  
5 of another Order, so it went out somewhat in error in  
6 another notice. If we use that, it should be www instead of  
7 222.

8 MR. MICHEEL: And your main line number is  
9 751-4857.

10 JUDGE THORNBURG: Would you have any concern  
11 if you're included in that notice in that fashion?

12 MR. MICHEEL: We ask to be included so we can  
13 hear from the clients.

14 JUDGE THORNBURG: And then for Laclede Gas, I  
15 provided opportunity for you to list a phone number and/or  
16 an e-mail address. Would there be any problem for you to  
17 list those?

18 MR. PENDERGAST: I don't believe so, your  
19 Honor, no.

20 JUDGE THORNBURG: Okay. And the e-mail  
21 address will be optional.

22 Laclede had filed a motion with the percentage  
23 increase issue. I went ahead and substituted the 5 percent  
24 in there, and no parties filed any responses to that. Would  
25 anyone have any comment or suggestion regarding the

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1 percentage increase that would be stated in the notice?

2 (No response.)

3 I hear no comments. I'll probably be issuing  
4 an Order on the notice, and that will be to incorporate  
5 these changes that I have here today and also to respond to  
6 Laclede's request to change the percentages stated in the  
7 notice, which I think is simply an error, the percentage  
8 increase.

9 That's all I had to cover, I believe. Does  
10 Laclede have any issues for me?

11 MR. PENDERGAST: Your Honor, just a  
12 clarification. You know, we obviously have both the  
13 evidentiary hearing and the true-up hearing, and, of course,  
14 Staff had proposed alternative schedules for both of those,  
15 and we had indicated our preference for the second  
16 alternative.

17 I understand that there's a feeling that won't  
18 give the Commission enough time, and so we want to move the  
19 evidentiary hearing back into December.

20 You know, generally speaking, the true-up  
21 hearing is at most a one-day affair. My recollection is in  
22 the past it's something that can be done during the briefing  
23 process and perhaps even a week or so before the briefing  
24 process is concluded.

25 And my assumption would be that the

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1 Commission's primarily concerned about when it will be  
2 getting the briefs and how much time between when it gets  
3 the briefs and when it has to make its decision would be --  
4 is that what pretty much drives the situation for the  
5 Commission?

6 JUDGE THORNBURG: My concern was getting the  
7 briefs in, and I realize that the tentative suggestion for  
8 the true-up hearing would be about the time the first round  
9 of briefs might be due, and I can accommodate the parties  
10 there. If you want to have the true-up hearing while you're  
11 in the briefing process, the true-up can be moved up a  
12 little bit. If you want to keep it outside the briefing  
13 process, we can push it back a little bit.

14 But I notice that in the suggestion that we'd  
15 be having the true-up about the same time the first round of  
16 briefs would be, but I would anticipate that. We can move  
17 that.

18 MR. PENDERGAST: And you were looking to sort  
19 of have the briefs due around what time?

20 JUDGE THORNBURG: If we don't expedite the  
21 transcript, it's going to take ten days to two weeks to get  
22 the transcripts. The first round of briefs will be due  
23 roughly 30 days after the evidentiary hearing is what I  
24 anticipated. And whether or not we would need -- there  
25 would be reply briefs or response briefs, and then I haven't

1 decided if there will be another round of briefs after that  
2 or not.

3 MR. PENDERGAST: Okay. That's helpful.

4 JUDGE THORNBURG: If you want to address that  
5 in the procedural schedule, feel free to do that. Granted,  
6 those don't have to be hard dates, but if you want to go  
7 ahead and include them, then we can readdress them at the  
8 close of the evidentiary hearing.

9 MR. PENDERGAST: Very good.

10 JUDGE THORNBURG: But if we had suggested  
11 dates, we can also have an idea for if you can take any  
12 trips around the New Year or Christmas or if you're going to  
13 be busy writing briefs. Okay.

14 MR. PENDERGAST: Very good. Thank you.

15 JUDGE THORNBURG: Staff?

16 MS. SHEMWELL: Judge, if we shorten -- ask for  
17 an expedited transcript and shorten the briefing time a  
18 little bit, might that change your thoughts about a January  
19 hearing?

20 JUDGE THORNBURG: Not really, because I still  
21 feel I was two or three weeks short for consideration on  
22 this.

23 Anything else?

24 MS. SHEMWELL: Staff just is suggesting that  
25 if we expedite things we could pick up maybe two or three

1 weeks. We had also thought about starting on the 3rd of  
2 January, which is a Thursday. Everybody should be back from  
3 the holidays, and that would cut a couple of days.

4 JUDGE THORNBURG: I think I'd rather stay with  
5 the December date. If you guys get into discussions today  
6 and people just are tearing their hair out over that, call  
7 me and we'll talk about it some more. I prefer the December  
8 date.

9 MR. MICHEEL: I guess one thing that I want to  
10 raise, and I don't know how many issues are going to be  
11 litigated, but, you know, you're only giving us a week and  
12 I'm not certain that, depending on the number of issues,  
13 that a week is going to be enough.

14 So I just want to go on the record right now  
15 saying a week may not be enough, but it's too early to tell.

16 JUDGE THORNBURG: If you want to give me some  
17 delayed dates, such as the January date for another couple  
18 of days to reserve in case we need them, we could go ahead  
19 and block that out. It's certainly easier to have them set  
20 up that way than to try to find hearing space and  
21 conflict-free dates at a later date.

22 So that will be fine to offer a couple more  
23 days after the first week. Sometimes that works well, too,  
24 depending on what the issues are, to have some separation  
25 there.

1                   MR. PENDERGAST: We can certainly discuss  
2 that, sure.

3                   JUDGE THORNBURG: Thank you. Did any  
4 intervening parties have any questions for me today?

5                   With respect to the local public hearings, if  
6 you can include in the suggested procedural schedule how  
7 many hearings you think would be appropriate and give me a  
8 period of three or four days or a week and window in which  
9 to schedule those. Sometimes the best facilities, we may  
10 have to move things a day or two to get a good facility, and  
11 so just a little bit of flexibility there, and then after we  
12 get a schedule set, then I'll do a separate Order setting  
13 the public hearings.

14                  I want to thank you for being here today and  
15 wish you good luck on the procedural issues, and I hope you  
16 have some time to even discuss some substantive matters  
17 today if possible since you're here. I appreciate your  
18 time. Thank you very much.

19                  WHEREUPON, the recorded portion of the  
20 prehearing schedule was concluded.

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