

1 BEFORE THE ARIZONA CORPORATION COMMISSION

2

3 IN THE MATTER OF THE)
4 COMMISSION'S GATHERING OF) DOCKET NO:
5 INFORMATION CONCERNING) G-00000C-11-0081
6 NATURAL GAS OUTAGES IN THE)
7 SOUTHWESTERN UNITED STATES.) PUBLIC
8) COMMENTS
9)
10) SPECIAL OPEN MEETING

10

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12 At: Sierra Vista, Arizona

13 Date: April 6, 2011

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17 REPORTER'S TRANSCRIPT OF PROCEEDINGS

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20 ARIZONA REPORTING SERVICE, INC.
21 Court Reporting
22 Suite 502
23 2200 North Central Avenue
24 Phoenix, Arizona 85004-1481

25 Prepared for: By: Kate E. Baumgarth, RPR
26 Certified Reporter
27 Certificate No. 50582

1 BE IT REMEMBERED that a Public Comment Meeting
2 was held at Buena High School, 5225 Buena School
3 Boulevard, Sierra Vista, Arizona 85635, commencing at
4 6:00 p.m., on the 6th day of April, 2011.

5

6 BEFORE: GARY PIERCE, Chairman
7 BOB STUMP, Commissioner
8 SANDRA D. KENNEDY, Commissioner
9 PAUL NEWMAN, Commissioner
10 BRENDA BURNS, Commissioner

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10 For Southwest Gas Corporation:

11 Mr. Justin Lee Brown

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14 KATE E. BAUMGARTH, RPR
15 Certified Reporter
16 Certificate No. 50582

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1 (6:09 p.m.)

2 CHMN. PIERCE: Let's begin this public comment
3 session. I don't know if -- okay. We will begin this
4 public comment session.

5 I want to thank Buena High School for giving
6 us -- for letting us have this gorgeous room to do this
7 in --

8 (Applause.)

9 CHMN. PIERCE: Yes, thank you.

10 -- and having people here to make sure we are all
11 comfortable.

12 I'm Gary Pierce, Chairman of the Arizona
13 Corporation Commission, and we are here for public comment
14 regarding Docket No. G-00000C-11-0081. That is important
15 for you if you want to read what has gone on in this
16 docket, but we can give that to you again later on. We
17 are gathering information concerning the natural gas
18 outage in the Southwestern United States.

19 I want to thank everyone for coming again. It's
20 so -- you know, it's an honor to represent you. All of us
21 feel that way. Many of you have provided comments and
22 e-mails to us when this occurred. I will make a few
23 comments and let each of the Commissioners do that, and
24 then we will get right to your comments.

25 And, like I said, typically we are not going to

1 say very much and let you say your part. We will take
2 notes so that we can deal with this the way we should.

3 On this form it says, at the bottom, a
4 three-minute speaking limit. Please, please, for
5 everyone's -- that is not for us; that is for everybody
6 else. That is at the bottom. So thank you.

7 And we sent out an e-mail letting people know
8 where -- everybody that e-mailed us, we tried -- I think
9 you got an e-mail back from our office letting you know,
10 here is what is happening and here is the information,
11 where you can go to get information so you can have it.

12 So many of you that have e-mailed us, if you
13 e-mailed me, or any of us, we will refer you to that
14 docket where you can actually pull up more information on
15 this case.

16 So again, this was a tragic event. As Chairman
17 of the Commission it's not anything that you want to see
18 happen, but at the same time it's one of those that, from
19 a political standpoint, it's important not to politicize
20 this. When power or natural gas goes down, it's important
21 for the companies to react and for us to be informed of
22 what is going on but stay the heck out of their way
23 politically and not tie up resources that they need to
24 react to the crisis. I think we did a pretty good job of
25 that.

1 We were writing letters. We were talking and
2 meeting with representatives of the company, but I think
3 you know that we believe this is important. We did have a
4 hearing in Phoenix earlier this last month -- it might
5 have been end of February -- and we said we will get down
6 here in about 30 days. Pretty close. And what we found
7 is lot of reasons for what occurred, and there are
8 solutions to making sure it doesn't occur again.

9 So with that I will let each of the
10 Commissioners -- we will start with Commissioner Newman.
11 I will ask each Commissioner to try to hold to the same
12 thing, just a couple minutes, so we can get to your
13 concerns.

14 Commissioner Newman.

15 COM. NEWMAN: Thank you, Mr. Chairman.

16 I want to make sure everyone hears me. Can you
17 hear me?

18 First, I want to say, it's good to be back to
19 Cochise County. As many of you know, I was the County
20 Supervisor here, and I'm on the Commission now. I
21 represent you guys. Typically we cover Arizona, but we
22 are all over the state, but it's really good to be back
23 home. It's been an interesting day. It sort of rained
24 all over, which was pretty amazing.

25 I have been on the Commission now for almost --

1 going on three years; plan to run another term. You can
2 have two four-year terms. We have done a lot on energy
3 efficiency. We have done a lot in the solar energy area,
4 but I know that we are here to talk about the gas
5 situation, and I wanted to just outline a couple points.

6 You are at a little bit of a disability in the
7 sense that you are not going to get a whole outline from
8 Southwest Gas or from El Paso Pipeline like we had up in
9 Phoenix about a month ago. We could have brought them
10 down here. There are some representatives sprinkled
11 around the audience, but they will not give you their
12 spiel, if you will, about everything that went on.

13 So I just want to give you a couple facts that we
14 gleaned from the lecture, really, on what happened. It
15 was well run. As you can think it would be well run, it
16 was companies like El Paso Gas and Southwest Gas that
17 presented us with these issues.

18 Southwest Gas admitted to communication failure,
19 and they said that basically they are working on it with
20 new communications equipment and things like that. But
21 they realize that it was hard for them to communicate with
22 you during that five-day period. And since they had to
23 turn all the pipelines back on, it took a long time. They
24 are apologizing -- I'm not apologizing for them -- but
25 that is what you would have heard, more or less.

1 Now, from the El Paso Gas standpoint, they
2 also -- they're responsible for bringing the power supply
3 this way, and they are basically saying that everything
4 worked okay there; it was the actual power suppliers in
5 the fields that got so cold in Texas that the plants went
6 down.

7 I'm not trying to make an excuse. I'm just
8 trying to give you an overview of what -- an overview in
9 what I can say in a couple words.

10 What is interesting about that is that there were
11 an incredible number of 80 power plants down at that time.
12 So what we found is -- the lesson learned is that we had a
13 problem with our grid. That is a big problem. That is a
14 national problem. There is a Federal Energy Regulatory
15 Commission that is sort of in charge of those issues, the
16 power issues that caused this.

17 And then they say also the wellheads themselves
18 froze. It isn't like it is in Canada where they will make
19 the wellheads for Alaska or Allegheny weather. They were
20 making them more for what is usual in that weather period
21 for the Midwestern United States.

22 I just want to tell you all that because you
23 didn't get the benefit of actually a pretty good briefing
24 on some of the problems that happened. It doesn't wipe
25 the injuries and things like that.

1 When I asked them about compensation for people
2 who might have lost work or other things like that, they
3 said they are working on those kinds of things, and I
4 haven't had any more information from the company on that.
5 But there are some people in Tucson that would like to see
6 compensation or reimbursement. I'm not sure whether any
7 of you folks have.

8 And then there are three other lessons I learned
9 so far, and I am here to get more. I want to tell you
10 something that I really found out that I thought was very
11 interesting because I used to be the County Supervisor
12 here. We have a reverse 911 system, an emergency system,
13 that can use -- call up all folks in the time of an
14 emergency. And there were a lot of very hardworking
15 County employees that finally got that done, but one of
16 the things that happened was that the reverse 911 system
17 in Cochise County is not designed as well as it is in Pima
18 County. And that is something that we have to get with
19 Mr. Call about and Mr. Ortega and the people from the
20 County. That is something I wanted to mention. That is a
21 big lesson learned.

22 The other lesson is that we probably have storage
23 somewhere in Arizona or near Arizona. Storage would help
24 the situation.

25 And then there is one thing that I want to bring

1 up that may or may not be on the nightly news, but --
2 because it is important, and I will have to ask Southwest
3 Gas about this as well. I will ask them tonight about it
4 actually, if I can.

5 There is a possibility that the infrastructure,
6 the gas infrastructure, that goes into Sierra Vista which
7 was originally constructed -- I don't know exactly which
8 year -- but probably sometime in the transition from Fry
9 to Sierra Vista, sometime in that period of time -- it was
10 all dirt roads --

11 CHMN. PIERCE: Commissioner Newman.

12 COM. NEWMAN: I'm about to conclude. I told you
13 this was my last point.

14 -- that there may be a problem with that
15 infrastructure. Now, I'm going to ask questions about
16 that tonight. I will expect answers about that.

17 But there is a possibility that that pipe that
18 comes down here doesn't have -- you know, perhaps is not
19 the kind of pipe that we want to go into a metropolitan
20 area of more than 50,000 people.

21 That is all I wanted to say. I just wanted to
22 give you an overview of what happened last month. Thank
23 you.

24 CHMN. PIERCE: Commissioner Burns.

25 COM. BURNS: Well, I will try to hold to the

1 three minutes, but that was a lot of good information, and
2 I will try not to repeat it.

3 Indeed you know that we did have a meeting in
4 Phoenix, and we learned some of what you just heard about,
5 but there was some other issues as well.

6 Clearly we are hearing about the provider, where
7 it was coming from, Texas, what was going on there. Those
8 are things that we hear that we can sort of research, but
9 it's really -- as far as delving into it better, the
10 Federal Energy Regulatory Commission is also doing a
11 thorough investigation, which I think will be very helpful
12 to help round out the story and make sure that all the
13 facts are as they should be. So we are working with FERC
14 to make sure their information yields what we would hope
15 and expect that it does.

16 But there is the issue that happened. There is
17 the problems that we had. There is how it was dealt with.
18 First of all, were we prepared? Was the preparedness done
19 appropriately? Were there things we could have done
20 differently ahead of time, or how much we put on the
21 provider, El Paso, and what was going on in Texas?

22 And then there is simply, while it was going on,
23 was it handled properly? We do all understand that
24 communication is something that could have been improved
25 on. Southwest Gas has said they could have. They are

1 looking at different ways that things could have been done
2 better and to try to fix it so that should such an
3 occurrence happen again, that you'd get the information
4 that you need.

5 There were a lot of areas which we need better --
6 we just needed it referred to you better. We just needed
7 the reverse 911. We needed the west side to work. We
8 needed a lot of things. We will hear more from you and
9 learn about things that could have been done.

10 I was reaching out to people here during the
11 outage, so I was hearing directly from Sierra Vista,
12 people who were having the outage, exactly how they were
13 doing, what the Red Cross did, what options you had
14 available to you. But we, again, need to do better.

15 And I have long been a believer that we need gas
16 storage in this state so we are not so reliant on other
17 places, other states, to deal with the needs of our
18 Arizona residents and hoping that we can make some
19 progress on the storage. If we had it in this instance,
20 we would not have had the outages that we did.

21 I will look forward to hearing you.

22 CHMN. PIERCE: Thank you.

23 Commissioner Stump.

24 COM. STUMP: Thanks, Mr. Chairman.

25 Sierra Vista, of course, was particularly hard

1 hit a couple months ago, and my colleagues and I have felt
2 it was important to have a meeting in Phoenix to figure
3 out what went wrong, but we wanted to hear from you in
4 person, to come down here.

5 I know I speak for all of them in saying we are
6 very happy to be here tonight, and we are certainly all
7 ears. And some representatives of the companies are here.
8 I know they are all ears as well, and we look forward to
9 hearing some of your comments.

10 The end result, hopefully being, of course, that
11 this never happens again. So I look forward to hearing
12 what you have to say, and I want to thank you all for
13 being here as well.

14 CHMN. PIERCE: Thank you.

15 Commissioner Kennedy.

16 COM. KENNEDY: Thank you, Chairman.

17 Can you hear me?

18 Okay. Let me first thank everyone for coming out
19 tonight, and let me acknowledge the mayor and former
20 representative, Pat Fleming, for coming out this evening.
21 I really appreciate you just coming to show your presence,
22 to show that you are concerned.

23 I am really here tonight to listen to you.

24 Tonight is your night, and I want to hear what you have to
25 say. I will be taking lots of notes, and for those of you

1 who would like to e-mail me, you can e-mail me and I will
2 have your comments docketed in the docket so that they are
3 part of the record, not just part of the transcript
4 tonight, but your actual comments can be part of the
5 docket.

6 And, again, thank you for coming out tonight.

7 CHMN. PIERCE: Okay. Thank you, everyone.

8 And now we will turn the time over to you. What
9 I will do is I will read a name, and then I will read an
10 on-deck person. If you could be ready, that would be
11 great.

12 We don't mind applause. Applause takes time, so,
13 you know, quick ones, because we know the longer you take,
14 the longer -- everybody supports, and I know what that
15 applause means.

16 First is Gary or Denna Lium. Did I say that
17 right?

18 MRS. LIUM: Donna.

19 CHMN. PIERCE: Donna. I'm sorry, Donna. I need
20 to put on glasses.

21 Okay. But both of you, and then after that is
22 Marie Aira.

23 Okay. Go ahead.

24 MRS. LIUM: So we have three minutes to take care
25 of something that took four or five days?

1 MR. LIUM: Six minutes, two of us.

2 MRS. LIUM: Well, our main complaint is that we
3 have -- we are involved with three places: Our own
4 personal residence, the residence that belongs to our son
5 who is now in assisted living and cannot take care of it
6 anymore -- we have it up for sale and have been taking
7 care of that and found out the gas was shut off there --
8 and then the assisted living place where he is living with
9 four other residents. They were cut off also. So we are
10 concerned about three places.

11 Our son's place, we have pictures of the holes in
12 the pipes that -- because the water froze because there
13 was no heat. We had called the furnace man to come out,
14 and he tried to light the furnace. We couldn't get it
15 started, so we called him to come out, and it was \$50 for
16 him to tell us that there is no gas. Okay?

17 So I called the gas company, and they said, "Oh,
18 the gas has been shut off." That is the first we knew
19 anything about it.

20 So then -- finally then after four or five days
21 then the plumbing pipes froze. That bill was over \$800.
22 And then, like I say, we have all of these holes in the
23 pipes that had been repaired.

24 Then a week or so later, maybe two weeks, the
25 furnace wouldn't come back on again. So we had to call

1 the furnace repairman back, and that was another \$350.

2 MR. LIUM: And due to the stuff --

3 CHMN. PIERCE: Please speak into the mike.

4 MR. LIUM: It's due to the gas being shut off and
5 turned back on and not blowing out.

6 And actually this circumstance, I think, is more
7 accreditable not only to personal damage but to public
8 safety simply because I went down to check out my son's
9 house and found out the hard way, with a \$57 bill, that it
10 had been shut off. That is the first time I knew about
11 it.

12 I went home to find out mine had been shut off
13 while I was at my son's. And my outside water heater --
14 instant hot -- froze up.

15 What I am getting at here, nobody -- it's like a
16 thief coming during the night and breaking into your
17 house. They did the same thing by shutting our gas off.
18 They caused damage. They caused life to be at risk.

19 Some of these older people, when it's three
20 degrees, that is not easy for them to survive. It's darn
21 cold for some of us right now when it gets cold. Just
22 imagine what some of these people went through.

23 They went through this. In assisted living where
24 they are trying keep people alive and take care of them,
25 they lost their heat, too.

1 MRS. LIUM: While we were on our way to see him
2 after we had been to his home and went to the assisted
3 living, we saw a gas company truck on the road. We
4 stopped and asked the guy when they were going to go down
5 to the assisted living place and turn on the gas there,
6 and he got on the phone. And he said, "Well, it's not on
7 my list of things to go -- of places to go, so he called
8 his supervisor, and she said they had to go -- this is
9 Saturday -- they had to turn on the church's first and
10 then they would take care of assisted living. That was a
11 low blow. These are older people and sick people that
12 needed care.

13 Right now we are out almost \$1200 for repairs,
14 and we feel like we should be somewhat compensated.

15 MR. LIUM: And what could have been done to
16 notify everyone that they had the gas shut off was to have
17 the PD, the sheriff's office, the assist team, and
18 search-and-rescue go around and pound on doors and let
19 them know what was going on. Because Southwest Gas never
20 answered their phones. We never got anything on the news
21 until the next day. By that time we are the second day
22 into it and the third day.

23 So there was not enough reaction from our public
24 official to protect life.

25 CHMN. PIERCE: Thank you.

1 Marie Aira, and after Marie is Barbara Denniss.

2 MS. AIRA: Actually my name is Margie.

3 CHMN. PIERCE: I'm sorry.

4 MS. AIRA: That's all right. Not a problem.

5 It's my handwriting.

6 Tonight I had the opportunity to speak briefly
7 with some of the Southwest Gas representatives, and I
8 think Mr. Newman alluded to it, as did Ms. Burns, but
9 basically my concern and my complaint and if I were to ask
10 the Commission to come away with anything tonight would be
11 basically to ask all the utilities -- Southwest Gas,
12 SSVEC, even the various water companies here in the local
13 area -- what is your contingency plan, first of all, to
14 notify your customers?

15 As the gentleman before me alluded to, we
16 couldn't get through on the phone lines. There was
17 nothing as far as the media was concerned until almost
18 10:30 or 11:00 in the morning, and that again came from
19 Tucson. There was nothing that addressed specifically
20 what was going on in Cochise County.

21 So if the Commission is going to take anything
22 away from this, it would be to go to them and say, "What
23 is your disaster contingency plan? How are you going to
24 notify your customers? Within what time frame are you
25 going to notify them?" They knew at 6:30 in the morning.

1 As a community we didn't know anything until almost 10:30
2 or 11:00.

3 There needs to be more expediency as far as
4 notifying their customers, and again, when it came back
5 on, to keeping us notified, up to date: We are going to
6 start turning it back on; we are going to go north to
7 south; we will go south to north; what neighborhoods can
8 we expect to be turned on first; are they going as
9 indicated here to the hospitals, to the nursing homes, and
10 all that.

11 So again, it isn't just Southwest Gas. If
12 something happens to SSVEC, what is their contingency
13 plan, and as far as all water companies, as I said.

14 So thank you.

15 CHMN. PIERCE: Thank you.

16 Barbara Denniss, D-e-n-n-i-s-s. And after
17 Barbara is Rick Young.

18 MS. DENNISS: I just want to tell you that we
19 were not notified that the gas was out. We had to move
20 out of our home, stay in a motel for two nights at our
21 expense because my husband is on medical -- has medical
22 problems.

23 I e-mailed to Southwest Gas. The other day I got
24 a reply from them with a report to have a doctor sign. I
25 took it over to the local office, and for 14 years we have

1 lived in Sierra Vista and they had our wrong information,
2 the wrong social security number, the wrong age.
3 Everything was incorrect; however, they always took our
4 check.

5 CHMN. PIERCE: Thank you.

6 Okay. Rick, and then Steve Scheumann is after
7 Rick.

8 MR. YOUNG: Thank you very much for hearing me,
9 Rick Young for Sierra Vista.

10 I guess one of the problems I am having with
11 Southwest Gas is that they are the only game in town. You
12 can't go to another place and say I want your gas service
13 versus these guys. So we are over the barrel in this.

14 The other thing that bothered me after I spent
15 \$250 on a hotel bill was the fact that it looks like I'm
16 not going to receive any money back. According to the
17 Arizona Daily Star in February, "The utility is not
18 responsible for damage claims related to interruptions to
19 service under Arizona rules adopted as part by the gas
20 company's rates."

21 So I am kind of listening to this and reading
22 this and going, "Well, you folks approve the rates," and
23 now according to this that was lumped in as I'm not going
24 to get compensated. So I would like to know how you would
25 respond to that. Thank you.

1 COM. NEWMAN: Mr. Chairman.

2 CHMN. PIERCE: Well, the thing is, I would like
3 to have -- if we have an attorney for the Commission
4 available, we can probably get into the statutory language
5 that prohibits us from doing that, but I think -- those
6 things are statutory legislative, so that is it.

7 COM. NEWMAN: Mr. Chairman, if I may, I am an
8 attorney, too, and I'm not the attorney for the gas
9 company.

10 They did make a public statement to us that they
11 were reticent about reimbursement, but I'm still pushing
12 on that point, which is why I want to hear everybody on
13 that. And there may be statutes, but there is something
14 about good faith. And there is something about being a
15 monopoly and you being a captured audience for them.

16 So I am not letting up hope no matter what the
17 statute says about on this.

18 MR. YOUNG: Thank you.

19 CHMN. PIERCE: Steve.

20 MR. SCHEUMANN: Yes, Steve Scheumann. I'm glad
21 you came down here. I sent e-mails to all of you on this.
22 I got responses from two of you here, Pierce and
23 Brenda Burns. Thank you very much.

24 Chairman Pierce also sent out e-mails to me about
25 the agenda in Phoenix and the presentation. I read those.

1 I appreciate that very much.

2 Also your staff, I sent my concerns on to
3 Southwest Gas up to them. Southwest Gas responded within
4 five days. Southwest Gas listened to my comments, was
5 great.

6 I tried that with El Paso Gas, they gave nothing.
7 They never responded. I never got a follow-up. Maybe
8 because they are not in this state they don't have to do
9 anything. I don't know what happened with them.

10 As for Southwest Gas, there has been many
11 comments on this. The only one I would like to make was
12 somewhat alluded to here, I do think if it's possible to
13 have -- they need to consider, some party, a plan for
14 restoral of service. I certainly would like to have mine
15 done first, but I'm not a hospital, I'm not somebody that
16 is infirm. I don't know exactly what the right categories
17 are. I don't know if that is possible, but I think that
18 is certainly important. We don't want people losing their
19 lives or getting sick over something like this.

20 As for communications, that has been discussed,
21 but I do appreciate the e-mails I got from Pat Call and
22 the City. They did a better job than the other
23 communication channels. Hopefully we can do better than
24 that the next time.

25 As for restoral of service, it took two knocks

1 two times to our house. The second time they showed up,
2 they knocked on the door and they ran off. My wife had to
3 go literally run down the street to get them. I realize
4 it's frustrating for them to go around and knock on doors,
5 but they need to stay. Fortunately my wife was fast
6 enough to catch them, and once she did, they did a great
7 job of restoring our service.

8 As for the plans I saw for El Paso Gas, which is
9 really the culprit in this as far as I'm concerned, not
10 Southwest Gas, I think their plans, they need to really --
11 they need to really be held their feet to the fire when
12 they come to the briefing for when it comes to making sure
13 they don't lose power at critical facilities, again,
14 right, and their plan to put more storage in place. There
15 is probably some other things they need to do, but those
16 are the two basic things.

17 They just basically couldn't get enough gas here
18 because they lost power. They should have had in place
19 plans with the electric companies and other things else,
20 maybe backup power in certain critical facilities. They
21 told that in their briefings. They need to make sure that
22 happens, not just some PR thing to keep you off their back
23 and keep charging Southwest Gas and us for no real
24 backups.

25 I also think that gas storage would be great. I

1 came from the East. We had big storage tanks in big
2 cities. My neighbor worked for a gas company there that
3 helped them out in emergencies. I know there has been
4 problems. You worked on it here. I hope that -- I hope
5 that thing doesn't get lost somewhere because I'm not sure
6 it would help in some huge emergency, but it certainly
7 would mitigate it, hopefully, and get the gas back
8 because we are at the end of the line, and this is going
9 to happen to us again. It ain't going to happen to
10 somebody who is on the mainline somewhere.

11 Thank you for your time.

12 CHMN. PIERCE: Thank you.

13 And next is -- I apologize I didn't get you on
14 deck -- Walter Davis. And after Walter is Robert Hebert.

15 I'll let the Commissioners know, I am sure there
16 are things we would like to comment on. We will have a
17 closing statement from each of us which covers some of
18 these things that you said. So you will be able -- I think
19 we are moving pretty fast, so I think we will still all be
20 here.

21 MR. DAVIS: Commission, I got a little other view
22 on this. I'm 100 percent combat disability rating. At
23 this time this went off I had four cracked ribs and
24 pneumonia, and they wouldn't put me in the hospital
25 because they said too many germs in there. That's the

1 doctor's statement.

2 However, Thursday -- I mean Wednesday night was
3 cold. My house survived everything. They came in
4 Thursday, knocked on my door. The guy couldn't get back
5 to my meter. There is a gate there, but it's broad iron.
6 They can read it, but they can't get back.

7 I opened it. They cut my gas off. I asked him,
8 I said, "When we will we get this back on?"

9 Now, I know this is not the worker's fault. All
10 they could do is like this. He didn't know.

11 And we didn't know. The lack of giving
12 information to the public, and for those of us who are,
13 more or less, housebound has to improve. You have to
14 improve on that so we can take the necessary actions if we
15 have to.

16 I spent over a month, just got out on the 15th or
17 16th in a motel from the 15th of March on while they were
18 trying to clean up their mess that happened in my home.

19 Needless to say, yes, I am put out. I'm not put
20 out with the guy that goes out and turns my gas on and
21 off. I'm put out by the people who do the planning. I am
22 an old military man. You say we don't plan much, but we
23 do plan for emergencies, and by golly, they didn't. And
24 they didn't even have the courtesy to let us know anything
25 until the next day or so when we found out on the radio.

1 And this is my great complaint. Let the people
2 know so they can take some kind of action, some kind of
3 action to take care of their stuff and take care of
4 themselves.

5 I know I look around this crowd here. We are not
6 all -- we are all getting up in age a little bit. And a
7 lot of us have trouble, and a lot of us stay home and we
8 have to have certain treatments and certain stuff to
9 survive. So my biggest complaint, I guess, is get the
10 information out so people can take care of themselves.

11 Thank you Commission.

12 CHMN. PIERCE: Thank you.

13 And Robert Hebert. After Robert is
14 Carol Cottrell.

15 MR. HEBERT: Ladies and gentlemen, Robert Hebert.

16 CHMN. PIERCE: Hebert.

17 MR. HEBERT: I would like to speak as an injured
18 party and as somewhat of an expert.

19 A week prior to this outage I came home from the
20 hospital from a quad-bypass open heart surgery. I laid
21 wrapped in blankets with a space heater sitting on my
22 chest.

23 Luckily being a building contractor as a trade, I
24 had switched my house out to PEX piping. It all froze but
25 it wasn't damaged because PEX expands and contracts.

1 I think I should have been notified a day or two
2 prior to this outage by the gas company. They should have
3 been able to look at the weather reports and tell me what
4 was going to happen and then come to my house and shut the
5 gas off at my house, not throw a valve on Buffalo Solider
6 Trail shutting 2500 or 4500 people out of gas.

7 Because when they shut that major valve off, air
8 then entered the entire system. The big delay in getting
9 the system back on was pumping gas from a truck into those
10 pipes so that they had gas back in those pipes so that
11 they could even pump the air back out of the pipes in your
12 home. It would have taken days less to turn things back
13 on if the valves had been turned off at each house
14 individually and if we had been notified.

15 As a building contractor -- I am licensed in the
16 state of California and Arizona as a general contractor,
17 in the state of Arizona residential, commercial, and
18 engineering. Engineering qualifies me to build this kind
19 of a system.

20 So I think I can say that there was probably a
21 cost benefit analysis done when they built these systems
22 to try to maximize their profits rather than provide for
23 the contingencies of this kind of situation. You don't
24 find this happening in the North. You don't find this
25 happening in the East. You find it happening here because

1 they didn't care enough to have a contingency plan for
2 cold weather.

3 I think that since corporate officers are hardly
4 ever punished for criminal negligence, that the thing to
5 do when the next time they ask for a rate increase is to
6 ask for an 8 percent reduction in their salaries.

7 CHMN. PIERCE: Thank you.

8 And Carol. And after Carol is Linda Garcia.

9 MS. COTTRELL: Thank you. I wanted to talk about
10 notification, but I think that has been well covered. You
11 gave us more notification tonight that you would be
12 sitting down in two minutes than we ever got.

13 But the other thing that really, really bothered
14 me was the way you went about turning it on. They didn't
15 go down the street and go to this house and then this one
16 and this one. They picked out where they wanted to go.
17 They drove by my house. I am on oxygen and I'm a
18 diabetic. And my husband was out hunting, so I was there
19 alone. If it hadn't been for a neighbor blocking the road
20 with her car and telling them, "There is a lady over on
21 that corner you need to turn on the gas for," I don't know
22 when I would have got gas, and I was home all the time.
23 And that is my number one -- number two thing.

24 Number three I wasn't going to say anything
25 about, but it made me so mad at that time I think I will.

1 I don't like being called "fingertips," and "to
2 save the hand they cut off the fingertips" is a quote from
3 the newspaper, and it was made by a woman that worked for
4 Southwest Gas. My bill doesn't seem to count as
5 fingertips. They sent it out. I got it. I know it was
6 in the mail. I got it the day after I got gas back.

7 CHMN. PIERCE: Thank you.

8 And Linda. And then Rose Mandell after that.

9 MS. GARCIA: I woke up on Thursday morning the
10 first day of the gas crisis and it was cold in my house.
11 We tried the furnace, and it didn't work. And I would
12 imagine everybody in here, their first reaction was, "Oh,
13 heck. I'm going to have to call the furnace company," and
14 from the sound of it a few of you people did.

15 Carol and I communicated and started a phone tree
16 with all of our friends to find out what was going on.
17 Had one of her neighbors not had a friend whose husband
18 works for the gas company who came over to tell the
19 neighbor what the problem was with the gas, we would have
20 never found out. But we all kept our tree going so we
21 would know when anyone got some information.

22 The interesting part was the people around the
23 country club area got their gas turned off on Thursday,
24 and guess what, it was on on Friday. And if you look at
25 the people around this room, you are seeing older people.

1 I live outside of Sierra Vista on Bevers Street,
2 and we live, a lot of people out there, on big five-acre
3 lots. We are not on small lots where you can go 15
4 minutes and turn the gas on.

5 The other thing is, I had to -- when I was the
6 one that stopped the gas people and blocked them in with
7 my car to ask if they could go to Carol's house to turn
8 her gas on, and informed them that my husband was home and
9 that I lived at 5008 East Bevers and would they please go
10 down there, assuming they were going down house to house.
11 That didn't happen.

12 When Carol got her gas on, she called a friend of
13 hers over in the country club area and found out, oh, gee
14 wiz; they had their gas turned on on Friday. So it was
15 kind of interesting that they were very selective.

16 I would have hazard a guess that the majority of
17 the people that had their gas turned off were on the --
18 from Buffalo Soldier out. And you are looking at a lot of
19 old people. Well, my husband got tired of me griping
20 about money talks, so he went and found himself a
21 Southwest Gas man, drove around the neighborhood until he
22 found one and asked a guy if he would come over and turn
23 on our gas. And he told him he had been suffering all
24 month with pneumonia and had just had a new pacemaker put
25 in so he didn't need any more health challenges.

1 The guy was down in the Sierra Reserve area, and
2 he came down within about ten minutes and turned on our
3 gas. Now, the positive thing I can say about this is that
4 the Southwest Gas individuals that turned on the gas were
5 very positive. This guy came right away, turned on our
6 gas, lit all of our appliances, and we had no problems.

7 But you are looking around this room. There are
8 older people with health problems. There was no
9 notification. Had we not found out from a friend of a
10 friend, we wouldn't have known what was going on.

11 And then to select areas where predominately
12 supposedly it's the poorer sections of town and sections
13 with the older people, that is unacceptable.

14 If you can have the gas turned on at the country
15 club area after being off less than 24 hours and we had to
16 wait until Saturday afternoon to get the gas turned on, we
17 were smart enough to go get heaters and we lived in one
18 room and slept under electric blankets so we didn't have
19 any problems.

20 But I think there were some communication
21 problems. And like one of the individuals said, we can't
22 take it off on the poor meter readers or the guys that
23 turned off the gas.

24 That is all I have to say.

25 CHMN. PIERCE: Thank you, Linda.

1 Okay, Rose. And after Rose is Amy McCormick.

2 This is Rose Mandell.

3 MS. MANDELL: I dressed for the occasion.

4 All right. Very bad communication. I told them

5 6:00 on Thursday they had no gas. I'm a Detroit girl.

6 They told me my furnace was broken. I said, "I'm not
7 neurotic. It's not."

8 The communication was so poor. And I went to a
9 Southwest Gas meeting on Monday and they were told that
10 communications and the way they came back -- I didn't get
11 my gas back on until Saturday late afternoon. And we are
12 a wealthy part of town. That has nothing to do with it.
13 They turned it off. It was off, period. But there was
14 radio. I'm up at 4:00 in the morning. There was radio
15 and television. There was nothing. Communications and
16 then how they were going to get it back on, that is what
17 they should do, and that is what everyone is angry about.

18 This is going to happen again, I can guarantee
19 you. But with no communications, that is what everybody
20 has said. And I was the treasurer of a homeowners
21 association -- it was 88 families -- and that is what
22 everyone said, communication.

23 Thank you for coming.

24 CHMN. PIERCE: Thank you, Rose.

25 Amy. And after Amy McCormick is Corinne Sugitan.

1 MS. McCORMICK: Hi. Thank you for coming. I'm
2 kind of here on behalf of my parents.

3 I was pretty patient about the gas outage. I
4 found out on Thursday at work. Someone at work found out
5 about it and told us.

6 First thing I did was go to the Web site and
7 confirm the information was true. Second thing I did was
8 call my father, who lives next door to me, and tell him he
9 needed to get a space heater. He struck out at three
10 different stores in town and finally got the last one at
11 the Exchange.

12 He then spent the next three days in his living
13 room chair under blankets with the heater at his feet. He
14 is diabetic. He is 86 years old. My mother died
15 four weeks before this. He was extremely sick, and I put
16 up with all of that, worrying about him, that his house
17 might burn down because my house was colder than his. He
18 lives next door to me. I put up with worrying if he had
19 hypothermia and made him wear a hat in the house. I was
20 so concerned for him.

21 I found out later that his 89-year-old neighbor
22 who had two major open heart surgeries in the past was
23 doing the same thing, sitting alone in her house waiting
24 for the gas company -- because we didn't know when they
25 would come -- sitting in her chair under her blankets. He

1 couldn't even rest in his own bed, my dad couldn't.

2 And I put up with all that until the Wednesday
3 after our gas was turned on. We got ours Sunday morning.
4 I got mine about 30 or 40 minutes after him. The
5 89-year-old neighbor got hers Sunday afternoon.

6 On the Wednesday following that I was speaking to
7 an acquaintance who does live in the country club who told
8 what he thought was an amusing anecdote, that he got his
9 gas on early asking the meter man who came to turn on his
10 neighbor's gas if he could turn on his own and he said,
11 "yes." He thought it was funny because they came to turn
12 on his neighbor's gas, and his neighbor was affluent and
13 had a second home and had left when the gas went off. But
14 they came to his house anyway because he was on a special
15 priority list.

16 I went to their Web site many times. I watched
17 the news. I read the paper. There was no publication of
18 any priority list. If people like my father and my
19 neighbor and the folks who have spoken here with all their
20 health conditions had known of any priority list, this was
21 never advertised. We were never told that it existed.

22 I would not have had to worry for three days
23 about my father. I would not have been so stressed.
24 People would have had heat. I would give up my heat for
25 another week if he had it a day sooner, and nobody said

1 anything about such a list. And I'm sure it exists
2 because this man was not lying to me when he said that
3 they came and turned on his empty neighbor's house's heat
4 because that man was on a list. And the first couple said
5 that the gas company had such a list.

6 I wish we had known about that, and I can excuse
7 them for almost anything except for failing to communicate
8 information that was within their power to tell us. They
9 were perfectly able to publicize the existence of a list
10 like that and they chose not to do so. And that is what
11 upset me, and that is why I came to you to say that I feel
12 badly and that it was a huge failure on their part.

13 CHMN. PIERCE: Thank you, Amy.

14 Corinne, yes, you have to go up there. And after
15 Corinne is Albert Davis.

16 MS. SUGITAN: Well, everyone has spoken about
17 communication, so I won't go there because that has been
18 spoken about enough.

19 Bottom line for me is I think we should -- we
20 deserve some kind of compensation, some credit monetarily.
21 I know no gas, so we don't get charged, but for all that
22 everybody went through, like -- because the way I look at
23 it is, if we didn't pay our bill, Southwest Gas would cut
24 us off, charge us all kinds of late fees, blah, blah,
25 blah, all kind of stuff. So I feel like they owe us

1 something.

2 Okay. It's been said that it's not Southwest
3 Gas's problem or cause of it, but somebody needs to give
4 us credit, I feel. That is what my thing is. I want some
5 kind of credit for my bill, something, if that is
6 possible.

7 Now Southwest Gas is looking for another rate
8 hike pretty soon. That angers me. That is like putting
9 salt on a wound when I found out about that.

10 So that is about all I have to say for now.

11 CHMN. PIERCE: Thank you, Corinne.

12 And Albert Davis.

13 MR. DAVIS: Okay. I own Anaconda Plumbing, and I
14 watch the weather every night. I knew the zero-degree
15 weather was on its way three days in advance, and I said,
16 "Oh, my goodness. It's going to be cold." We got
17 hundreds of service calls.

18 And I guess what aggravates me the most is -- for
19 me, for instance, when I shut somebody's water down,
20 "Hello. I'm shutting your water down." No. If I -- I
21 learned one time you never shut the water down without
22 knocking on the door because, you know, I shut the water
23 down with a lady in the shower one time, and I never
24 forgot that.

25 So what aggravates me was, "Hey, we are shutting

1 you down. Prepare for the worse." I knew it was coming,
2 but I didn't know it was the gas. I knew there was going
3 to be broken water lines from one end of the county to
4 another. Tucson had approximately 100,000 broken water
5 lines. Cochise I figure about 10,000 simply because it
6 was just way too cold. It was colder here than it was in
7 Anchorage, Alaska, minus the windchill factor. It was
8 very cold.

9 And that is what I am so aggravated about. I
10 knew it was coming. We have a lot of electric, but we got
11 the last electric heaters. We bought a couple, had a
12 couple of blankets. And I'll tell you one thing, Katrina
13 taught me one lesson: In the event of a disaster there is
14 no help, or at best, little too late.

15 We as Americans are spoiled. Most of us have
16 never gone without for very long. And it's a shame. It's
17 taught me that you really need to prepare for yourself.
18 And I have got 4,000 gallons worth of water stored up in
19 the event of an emergency for my animals, myself, my
20 plants, my garden. And I am going to start buying -- I
21 need to buy a generator, because I'm going all electric.
22 That is the way to go, solar, and you can't depend on
23 anyone but yourself in this world really, unless you have
24 money; then you pay someone to do it for you.

25 There was a lot people that were in a lot of deep

1 trouble. I came home at 8:00 at night with my feet
2 soaking wet. My wife was on the couch with her hoodie
3 playing with her laptop and no heat. She says, "There is
4 no gas."

5 I said, "I know."

6 So we went three or four days. That won't happen
7 again. I will turn it back on myself. I don't care. I
8 will deal with the Arizona statute at a later date.

9 But my main -- it taught me a very valuable
10 lesson. We must be prepared for unnatural events, and
11 they are going to happen. And a lot of people don't have
12 the money to prepare. It costs a lot of money to get
13 generators, and we shouldn't have to have generators. But
14 there is more and more people and less and less resources.

15 And we as Americans are just wasteful. We use
16 most of our natural gas, electricity more than any other
17 country. And it's really -- the whole thing is a crying
18 shame.

19 But like I said before, to not -- the service
20 tech that shut us down should have at least knocked on the
21 door.

22 CHMN. PIERCE: Okay. Is there anyone else?

23 Pat, did you want to say anything?

24 I see Supervisor Call here. Thank you for being
25 here. I am sure you found it very interesting today. You

1 knew these things already. Thank you for being here.

2 You know, it is the end of those who turned in
3 speaker slips, but I would offer it to someone who wants
4 to say anything, we would need a slip, but raise your hand
5 if you would like to say a couple of things.

6 Hi. Yes.

7 Would you guys give me some slips so he can fill
8 it out as soon as --

9 I will let you speak first, but I need you to
10 give me your name when you get to the mike. I'm sorry.
11 It's so that she can hear you up here.

12 MR. DOSEY: My name is Wayne Dosey. I live in
13 Hereford. The night before all this happened, the lady
14 from Southwest Gas got on the television, said there is no
15 need to worry about the gas; we got plenty; there's no
16 shortage of gas, no nothing; we will take care of it.

17 That is all.

18 CHMN. PIERCE: Thank you.

19 Okay. What we will do now -- if we could get a
20 slip to Wayne over there, right at the desk there, I'd
21 appreciate that.

22 And is there anyone else?

23 Okay. What we will do now is, I know the
24 Commissioners want to say something, but we will hold them
25 to the same rules. We will hold ourselves to the same

1 rules we did for you. We will have three minutes only.

2 We will -- I will speak last. We will go in reverse

3 order. We will start with Commissioner Kennedy,

4 Commissioner Stump, Commissioner Burns, and then

5 Commissioner Newman, and then I will go at the very end.

6 We'll proceed. Thank you.

7 Commissioner Kennedy.

8 COM. KENNEDY: Thank you, Mr. Chairman.

9 Let me say to everyone that I have taken this
10 outage very personally. I have written lots of letters,
11 sat down with El Paso Natural Gas and have asked them,
12 "What are you going to do if this happens again?" And I
13 have asked them to work and coordinate with other utility
14 companies here in this state to put on a mock emergency,
15 act it out as if the same incident happened again. I have
16 gotten a commitment that all of the utility companies are
17 going to participate, and I said "all utility companies
18 are going to participate."

19 I have heard here tonight all of your concerns,
20 and I do believe that when I hear you, the consensus
21 really is that Southwest Gas didn't have the ability to --
22 or the inability to apologize, to communicate,
23 acknowledge, and act in a timely but safe manner. And I
24 think we as a Commission will be working very diligently
25 to make sure that something happens.

1 We will have to respond to your comments. This
2 will not -- as far as I'm concerned, this will not go
3 undealt with. And yes, I do plan to do something. What
4 that something is, I don't know yet; that is why I wanted
5 to hear from you tonight. You will hear from me after
6 tonight's comment period.

7 So thank you for coming.

8 CHMN. PIERCE: Commissioner Stump.

9 COM. STUMP: Thanks, Mr. Chairman.

10 I think, you know, Walt summed it up best, and,
11 Walt, you said, "Let the people know" -- I think that is
12 the crux of the matter tonight -- so that you can be
13 prepared should a disaster of this sort occur again.

14 You know, I represented Sun City in the
15 legislature, and one of the reasons I ran for office was
16 to work on long-term care issues. And so, Commissioner
17 Kennedy, I hear you when you say that it hits you
18 personally. When I hear stories about, you know, folks
19 having to go to motels due to the cold, people who have
20 undergone surgery, those stories get to me as well.

21 And obviously this is a matter of public health
22 and survival. I think that was very much impressed upon
23 us tonight. This was much better than getting e-mails,
24 hearing you in person, understanding precisely what you
25 all went through.

1 And I want to thank also Commissioner Kennedy for
2 asking for a mock drill. And if anybody would like to
3 know the outcome of that, certainly feel free to e-mail
4 me. My e-mail address is bstump@azcc.gov. I would be
5 happy to let you know how that went.

6 I do promise you and pledge to you that all five
7 of us will continue to work very hard so this doesn't
8 happen again.

9 Again, I want to thank you for coming out
10 tonight.

11 CHMN. PIERCE: Thank you.

12 Commissioner Burns.

13 COM. BURNS: Thank you, Chairman.

14 Thank you all for being willing to step up here
15 and share your personal and sometimes very painful stories
16 with us. I can see the pain. When many of you were
17 talking, especially the lady with her father and who had
18 lost her mother, I can visualize when you are telling me
19 things that happen, the state that you must have been in.

20 When this was going on, as I said, I reached out
21 to some people here because my first concern was, "What is
22 happening to those people that are homebound, and how are
23 they being taken care of?" So those are some of the more
24 painful and direct things that must be dealt with.

25 And I had a number of discussions with Southwest

1 Gas. We have all met with these companies, as well as
2 having a hearing. We are all trying to work with them and
3 see where we can help make that better.

4 This is how I learned about something call PURPA,
5 Public Utility Regulatory Policy Act, which is something
6 that actually, you know, tells these companies that they
7 need to have a priority list for turning back on. And so
8 they had a list, but it was obviously very, very
9 inadequate, which they shared with me. We talked about
10 the fact -- you know, I was told before I got here about a
11 90-year-old woman who was homebound and needed it turned
12 on and a neighbor -- I don't think parked her car -- but
13 was in the road to block them, but, you know, the same
14 kind of thing happened.

15 So we need to work with the company to find out
16 how they can get that list updated. If people are willing
17 to tell them, "Hey, I am of this age and I have this
18 ailment" and be willing to get on their list so that it's
19 a remedy if something should occur again -- we can
20 certainly hope it does not -- that this will be ready to
21 go.

22 You know, communication -- so my previous
23 comment, the common thread -- communication has been a
24 common thread from day one, that we were finding out that
25 the people said they weren't notified. Sometimes just

1 knowing helps, and in today's technological society there
2 is text and there are e-mails and phone calls and helping
3 to build that list. So we need that communication, and
4 it -- there is no reason for it not to be updated. And
5 Southwest Gas has told us that they are committed to doing
6 that, and we will continue to work with them and make sure
7 that it doesn't get put on the back burner. And, of
8 course, the contingency plans, the emergency plans, as
9 well, I think they will work on.

10 I very much want to thank you for sharing your
11 stories with us. I know it's painful, and it has affected
12 so many.

13 CHMN. PIERCE: Thank you.

14 Commissioner Newman.

15 COM. NEWMAN: Yeah, I associate myself with
16 Commissioner Burns' remarks. They are remarkable. I do
17 want to thank you for coming out and for your time and
18 telling us your stories. They are very touching and quite
19 concerning to me because they involve life and safety,
20 which is so important to everyone here.

21 We are supposed to -- we are on the Commission to
22 sort of regulate the monopolies, and we do the best we
23 can. They come to us all the time with rate increases,
24 and they are doing some good programs on energy
25 efficiency. I hope that you look into that, but there are

1 several problems that have come up lately regarding the
2 natural gas -- actually several things going on in the
3 natural gas industry, which should be concerning to
4 everybody.

5 First of all, the Shell gas that they are getting
6 out of Pennsylvania and other places, while it's good and
7 while it also, with our national security problems on
8 fuel, there could be a lot of environmental problems
9 associated with it. There is a New York Times article
10 about that. That is about, you know, how we rely on
11 natural gas.

12 We should know, even amidst all the complaints --
13 and I totally commensurate with the complaints with
14 communication, and I'll work with the company on these
15 things -- but you should know that you spend -- Arizona
16 taxpayers spend \$1.5 billion on natural gas -- or
17 electricity. \$800 million is for natural gas. That is
18 \$2.3 billion. That is a lot of money that we are sending
19 out of state to El Paso and to other states that are
20 blessed with natural gas.

21 So natural gas is a big fuel that we use. And
22 what I'm trying to say is that where we're getting it from
23 now more may be because of environmental problems. You
24 may have heard there have been a lot of explosions. San
25 Bruno, California, more than -- around ten people passed

1 away -- I don't have the exact number -- eight people
2 passed away. There have been exposures in downtown
3 Pennsylvania. There have been exposures in Minnesota
4 recently. And the Secretary of Transportation in the
5 Obama Administration now has asked PHMSA, which is another
6 agency -- I will give you another alphabet -- but it's
7 basically the federal agency that looks at all of the
8 pipelines in the United States, not just this state. So
9 there is a federal agency, and they are going to do a
10 total audit of a lot of these, they say, problems with the
11 pipes. I just wanted to bring that up. This is another
12 thing that we -- you know, it's all part of the same
13 scope.

14 So what has happened on the night in question
15 wasn't a grid problem, but many problems, and most
16 apparent tonight is the lack of communication. And they
17 promised us a new computer system. I don't know what that
18 will look like. They promised Commissioner Kennedy and I
19 a tabletop exercise, a emergency exercise. I haven't
20 gotten a chance to talk to the County about the 911
21 system, but that might take a long time to do.

22 CHMN. PIERCE: Commissioner.

23 COM. NEWMAN: Hold on, please. Just let me sum
24 up. You can say, "Commissioner, could you please sum up?"

25 CHMN. PIERCE: We are at four minutes.

1 COM. NEWMAN: Well, these folks raised a lot of
2 issues, and I want to tell them that it's more than just
3 the trauma that you went through.

4 So we have not seen the end of this, and I would
5 like to ask the Chairman for special permission to ask the
6 company to come up, to ask -- because I would like to ask
7 the question, only one question. I will give the scope of
8 the question, and I will tell you what it was. I
9 announced it when I first talked, and I would like to
10 finish off my activities tonight, not only thanking
11 everyone who came, but ask a Southwest Gas representative
12 to come up to talk about whether there is indeed any
13 information about pipes or any engineering that needs to
14 be done so we can find out whether the pipe size to Sierra
15 Vista had anything to do with the accident.

16 And if my Chairman won't let me do that -- I have
17 asked the question, see if Southwest Gas has heard it --
18 and I am sure that someone wants to know the answer to
19 that question, as I do. But if the Chairman chooses not
20 to have them come up and not have them give me a spiel
21 which will -- so the County will know the answer to that
22 question for that -- even myself to know the answer, we
23 will do it another day.

24 CHMN. PIERCE: Well, interesting. I appreciate
25 that.

1 COM. NEWMAN: Well, Mr. Chairman --
2 CHMN. PIERCE: They don't pay me enough.
3 COM. NEWMAN: Well, Mr. Chairman, I --
4 CHMN. PIERCE: You abuse this process.
5 COM. NEWMAN: I'm not abusing the process. I'm
6 asking you permission to ask the question.
7 Are you going to do it or not?
8 CHMN. PIERCE: Commissioner Newman --
9 COM. NEWMAN: Are you going to do it or not?
10 CHMN. PIERCE: Commissioner Newman, you are
11 shouting.
12 COM. NEWMAN: Are you not going to do it? Okay.
13 Then I object --
14 CHMN. PIERCE: Commissioner Newman.
15 COM. NEWMAN: Then I object.
16 CHMN. PIERCE: You are completely out of order.
17 COM. NEWMAN: I object, and I also object that
18 the Chairman did not bring Southwest Gas representatives
19 to meet you, to meet with you.
20 CHMN. PIERCE: Commissioner Newman.
21 COM. NEWMAN: This meeting was supposed to be a
22 face-to-face meeting for Southwest Gas and El Paso. They
23 are not here, and they are not talking, only the people
24 who suffered, and I'm very, very sorry about that.
25 CHMN. PIERCE: Well, you know, Commissioner, I

1 appreciate that you are all here. I don't appreciate
2 Commissioner Newman's abuse of the privilege in
3 speaking --

4 COM. NEWMAN: Mr. Chairman, I got more votes than
5 you.

6 (Audience spoke out.)

7 CHMN. PIERCE: All right. You know, and I
8 apologize, but any comments have to be so that our court
9 reporter can hear them, and so you need --

10 Let me just say what I want to say about the
11 hearing, and then I will respond.

12 You know, I listened to this. I think about --
13 you know, my mom is 79, and my father is deceased -- he is
14 buried in the cemetery across Charleston Road, as a matter
15 of fact -- and my in-laws are in their 80s, mid-80s. I
16 think about and I listened particularly to, what would you
17 do when you are that frantic?

18 Someone who knew what he was doing probably would
19 do the same thing -- did what I would probably do, which
20 is, you know, I know how to turn on the gas, and a lot of
21 people here do. And I think -- but, you know, you abide
22 by the rules and the laws, and I wonder what I would have
23 done when I am trying to protect those that I love.

24 And that is the issue here; it really, really is.
25 And for me, the responses by Southwest Gas, all of those

1 things, are important. I recognize that, you know, the
2 age of the pipes and that sort of thing. We've understood
3 this pipe in Arizona is pretty solid. And if Southwest
4 Gas wants to comment publicly, I would welcome them to do
5 that, actually. I didn't quite get the chance to respond,
6 but I would also like them to do that in writing to the
7 docket so that we can read that.

8 Now, it will be in the hearing if they desire to
9 speak to that tonight. That is certainly their option,
10 and if they're prepared to look at the question that the
11 Commission would raise -- and we have time to do that.

12 But my thoughts are, you know, I listened to what
13 occurred and to a little plumbing background myself, and I
14 think and I think, you know, the communication issue is
15 important. Communicating up front is important, and what
16 is the plan for the future? That is another thing. What
17 is the contingency plan for the future for all the
18 utilities, particularly in rural areas where there might
19 not be resources that we have in other places? So that is
20 what we're going to get to the bottom of.

21 And certainly storage is the issue. Someone
22 talked about tanks. We are talking about big underground
23 caverns for storage that would store a lot of natural gas
24 so we could flow that either towards Phoenix or towards
25 wherever the need is. So there are solutions to make sure

1 that it doesn't happen again, and it takes a little time
2 to get that constructed underground.

3 But I hear you, and it's upsetting. I spent a
4 lot of years here in my younger days -- this is -- in my
5 20s. My dad is buried here. My third son was born here,
6 not quite at this large hospital, but it was quite smaller
7 for those who lived here. The recovery room was the
8 hallway for my wife. It was not the same.

9 So I understand. I'm glad to have been here for
10 this. We will do the same thing tomorrow in Tucson. I am
11 sure we will hear similar stories. But again, thank you
12 for being here.

13 And now I would like to ask Southwest Gas if they
14 could respond. If someone could respond about the
15 questions asked, please come to the mike. Identify
16 yourself, if there is someone who will, and then we would
17 ask you to respond to the docket.

18 Thank you, Justin.

19 MR. BROWN: Chairman Pierce, my name is
20 Justin Lee Brown. I'm assistant general counsel with
21 Southwest Gas.

22 I heard Commissioner Newman's comment or
23 question, and I will address that, but first I just want
24 to take this time to let everybody know, those that we
25 haven't communicated with in writing, that we sincerely

1 regret the outage that everybody experienced and that you
2 and your families experienced. And I want everyone to
3 know that we are here. We are listening. We are
4 communicating with our customers to elicit feedback
5 because we want to make sure that in the future we do a
6 better job of meeting your expectations in the event there
7 is an issue in the future.

8 And so I want to thank everyone for being here
9 tonight, and we appreciate your comments. And we are
10 taking sincere notes to see what we can do to make
11 improvements at the company along those lines of the
12 concerns that were expressed tonight.

13 With respect to Commissioner Newman's question, I
14 can assure you that had we actually received the physical
15 gas that we had ordered, had it come through our system
16 and we did not have the pressure issues, our system would
17 have performed as designed, and we are not aware of any
18 design issues regarding the pipeline that feeds this
19 community.

20 And so we are more than willing to work with
21 Commissioner Newman off-line to find out, you know,
22 exactly what information he has been made aware of so we
23 can make sure to address those concerns that he has.

24 COM. NEWMAN: Thank you.

25 CHMN. PIERCE: Thank you.

1 Everyone, again, thank you for coming. If you
2 have any additional questions, I am sure we will be
3 hanging around a little bit for some one-on-one, if you'd
4 like.

5 Again, it is a pleasure to be here and to be able
6 to hear your concerns, and we plan to completely address
7 them all the way through. I am not sure how long that
8 will take. We will take the time necessary to make sure
9 that these things are addressed, and you will know -- we
10 will feed it to the docket. Then if you e-mail me, you'll
11 be on this e-mail.

12 I heard people say, "Well, he's got Commissioner
13 Pierce." That is because we formatted it to be able to
14 respond back to you. Staff really is not -- that
15 information you got -- you get -- you know, we will make
16 sure you have this, folks.

17 So thank you again. Have a wonderful evening,
18 and have a great summer.

19 (TIME NOTED: 7:20 p.m.)

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1 STATE OF ARIZONA)
2 COUNTY OF MARICOPA) ss.
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7 I, KATE E. BAUMGARTH, RPR, Certified Reporter
8 No. 50582, for the State of Arizona, do hereby certify
9 that the foregoing printed pages constitute a full, and
10 accurate transcript of the proceedings had in the
11 foregoing matter, all done to the best of my skill and
12 ability.

13

14 WITNESS my hand this 14th day of April, 2011.

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20 Kate E. Baumgarth, RPR
21 Certified Reporter, No. 50582
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