

1 16-G-0257 - National Fuel Dist. - 10-26-16 - 3:00 p.m.

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3 STATE OF NEW YORK
4 DEPARTMENT OF PUBLIC SERVICE

5 16-G-0257 - NATIONAL FUEL GAS DISTRIBUTION CORP. - GAS
6 RATES

7

8 PUBLIC STATEMENT HEARING

9

10 Wednesday, October 26, 2016
11 3:00 p.m.

12

13 Buffalo and Erie County Public Library
14 Central Branch
15 One Lafayette Square
16 Buffalo, New York

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DAKIN LECAKES
Administrative Law Judge
Three Empire State Plaza
Albany, New York 12223-1350

DIANE BURMAN, Commissioner

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2 A.L.J. LECAKES: Okay. Let's go on
3 the record.

4 Good afternoon, everyone.

5 I am an Administrative Law Judge,
6 Dakin LeCakes. I actually work here in the -- the
7 Department of Public Service, Public Service
8 Commission's Buffalo Office.

9 Welcome, everyone, to the public
10 statement hearing. We are here for Public Service
11 Commission Case 16-G-0257, the proceeding on the
12 motion of the Commission, as to the rates, charges,
13 rules and regulations, of National Fuel Gas
14 Distribution Corporation, for gas service. The
15 notice of this public statement hearing was issued by
16 the Secretary to the Commission on September 27th,
17 2016.

18 I would like to thank the Consumer
19 Services and Outreach Staff of the Department of
20 Public Service, as well as the Buffalo and Erie
21 County Public Library for helping with the
22 arrangements for today's session.

23 Today, we have the honor of having
24 Commissioner Dianne Burman. Commissioner Burman,
25 would you like to say anything?

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2 COMMISSIONER BURMAN: Thank you very
3 much.

4 I've been on the Commission since 2013
5 and it's very important to me to come to as many
6 public statement hearings as I can and so I'm glad
7 for the opportunity to be here today, really as a
8 listener. That's my role today, to go back to the
9 Commission and to share what I've heard today.

10 So, thank you all for coming out.
11 It's a pleasure to be back in Buffalo. I used to
12 live here when I was a college student, unfortunately
13 many years ago. So, thank you.

14 A.L.J. LECAKES: Thank you very much,
15 Commissioner. Welcome to Buffalo.

16 I am the presiding Hearing Officer in
17 this case. My purpose is to collect the public's
18 comments and to hear the positions of all the parties
19 that are participating in this case and then to make
20 a recommendation to Commissioner Burman and -- and
21 her fellow Commissioners. The Commission then makes
22 the final decisions on NFG's requests.

23 Before we start taking your
24 statements, I just want to explain a bit about the
25 process and -- and how we got to where we are.

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2 In April of 2016, NFG filed a request
3 to increase its annual gas delivery rates by
4 approximately forty-one point seven million dollars.
5 That amount would be collected from all of New York
6 State -- NFG's customers in New York State.

7 After NFG made its request, I held a
8 conference in Albany in June, to establish a
9 schedule. Other parties representing different
10 interests, including residential and low-income
11 customers, as well as business and industry
12 customers, attended that conference. At the end of
13 August, those parties filed documents providing their
14 own analysis of NFG's request.

15 Staff from the Department of Public
16 Service, the companion agency to the Commission
17 recommended that NFG be given only a one point eight
18 million dollar increase from the company's existing
19 rates.

20 Now, during the process I also held
21 public statement hearings for this case, on June
22 28th, in Williamsville and June 29th, in Jamestown.
23 On October 5th, 6th and 7th, I held evidentiary
24 hearings in Albany, New York, which were attended by
25 all parties and at those hearings the parties were

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2 able to cross-examine the witnesses of the other
3 parties. The transcript of that hearing is available
4 on the Department of Public Service website,
5 DPS.ny.gov and has approximately two thousand seven
6 hundred pages of testimony. In addition, the parties
7 provided over three hundred and thirty exhibits.

8 Right now, I am in the process of
9 writing a recommendation to the Commission, based on
10 the October hearings, the public statements that were
11 held in June and the ones being held here today and
12 all the other public -- public comments that have
13 been received from email, regular mail or telephone.

14 On Thursday, last week, NFG filed a
15 notice that it was going to also pursue settlement
16 discussions in this matter, to see if they can
17 propose a cooperative resolution. The parties have
18 met once and as far as I know, plan to continue
19 meeting.

20 If a settled resolution is eventually
21 proposed, then my job would be to make a
22 recommendation based on that party's agreement.
23 Until then, I continue to make a -- to review
24 everything that's been received so far and make a
25 recommendation based on the hearing records, as they

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2 exist.

3 Either way that it turns out, my
4 recommendation, as I said, will be given to
5 Commissioner Burman and the other Commissioners for
6 their final decision. That can be expected sometime
7 next spring.

8 In addition to today's public
9 statement hearing, comments for the Commission can
10 also be provided in a variety of other ways. As
11 described in the public statement hearing notice and
12 the information packet that's available outside, you
13 can send comments to the Commission secretary, either
14 by email or by regular mail. You can also submit
15 comments via the internet, at the Department's
16 webpage for this case, using comment page dedicated
17 to case 16-G-0257. Finally, you can call the
18 Commission's toll-free number, one eight hundred
19 three three five twenty-one twenty, two one two zero
20 and leave your message on that answering system.

21 As you came in today, we asked those
22 who wish to speak, to fill out a participation card
23 and leave the completed card with the staff at our
24 table outside. They have numbered those cards in --
25 as they receive them and then given them to me. I

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2 will call for the speakers in the order that they
3 were received.

4 For your comments, we have two
5 microphones on either side. As you can see, we have
6 a court reporter with us here today, that will be
7 making a transcript of today's proceedings. So,
8 please approach the microphone when your name is
9 called, speak clearly, speak loudly so that everyone
10 can hear you and so that we can make a proper
11 transcript.

12 I will also be receiving any written
13 comments. So, if you brought something that you're
14 reading from, or have something in writing that you'd
15 rather give to me, rather than make your comments
16 orally, I'd be happy if you'd just come to the front
17 of the stage and hand them up to me to collect them
18 from you.

19 We will continue until everyone else
20 is heard. If we finish before four p.m., we will
21 hold an adjournment to see if any late-comers arrive
22 and continue until them, as they come in. Otherwise,
23 we will adjourn at four o'clock, unless there are
24 still people waiting to be heard and then we will
25 continue -- we will resume tonight, at six p.m.

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2 What I'll do to get people ready is I
3 will call each card as it was given to us and then
4 I'll call the person that's on deck, the -- that can
5 be waited.

6 So first we'll have Jay Wopperer and
7 on deck, we have Sara Schultz.

8 Also, when you start to give your
9 comment, please identify yourself by name again, just
10 to match the name that I have on the card.

11 Thank you.

12 MR. WOPPERER: Okay. We don't have to
13 give out the address again, just the name?

14 A.L.J. LECAKES: Just your name.

15 MR. WOPPERER: Okay. Fine.

16 A.L.J. LECAKES: One moment.

17 Yes, please?

18 UNIDENTIFIED SPEAKER: Did you plan on
19 having any informational session?

20 A.L.J. LECAKES: There is no
21 informational session today. The reason is, is
22 because the hearings in this matter have already been
23 held and the -- the ethical questions that surround
24 having a company give a -- a presentation with the
25 Commissioner here and myself here, when there's been

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2 other parties that have provided not only testimony,
3 but also cross-examination and evidence in this case,
4 creates problems. So, that's why we don't have any
5 information session today.

6 UNIDENTIFIED SPEAKER: (Off mic) Well
7 -- our statements, without knowing it?

8 A.L.J. LECAKES: I -- I'm not sure
9 what you mean by contradictions. If there's --

10 UNIDENTIFIED SPEAKER: Like I say --

11 A.L.J. LECAKES: -- questions that you
12 have as to the -- the company's filing or as to the
13 other testimony, that is all available online.

14 UNIDENTIFIED SPEAKER: Okay.

15 A.L.J. LECAKES: So, proceed.

16 MR. WOPPERER: Okay. Jay Wopperer.

17 I don't do this very often, so I'm a
18 little nervous.

19 Commissioner, Judge -- sir.

20 Yes. I am against the increase of
21 National Fuel Gas for what they're asking for, for a
22 few reasons.

23 One, is that there's no inflation
24 hardly in the system at all. I know that because --
25 and I'm -- I'm saying I'm a social security recipient

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2 now and that's kind of a weird thing to say, but
3 that's true. We get old pretty quick. But we've had
4 no increases, so -- there's no increases, meaning
5 there's no inflation in the system and so this --
6 what they're asking me seemed to be quite extreme on
7 what they're asking here.

8 Also, the -- also, there's AWASHA Gas
9 in Pennsylvania and that should keep prices down.
10 This is fracked gas. As a person who reads the paper
11 and such, I'm also against this kind of gas because
12 of what it took to get the gas and the transportation
13 of the gas.

14 I noticed, as I drive around Buffalo,
15 I can smell leaks and I usually call them in, if I
16 can. So, I know that -- I'm not against their
17 modernization of their system. Any increase should
18 go for that. Certainly, it's an older system and we
19 like to see that kind of money go for that.

20 I see this economic development. I've
21 been following this -- and I know this is not the
22 hearing on it, but that Northern Access Pipeline
23 Project. I don't know if this increase, a lot of
24 this money is going to go to that. I would think it
25 is. It's a ninety-six mile pipeline, as you well

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2 know, from Pennsylvania, Niagara River, hundred and
3 eighty streams, two hundred and seventy wetlands,
4 seven ponds. Cattaraugus, Allegheny, Erie, Niagara
5 Counties and the infrastructure that it has.

6 And it doesn't benefit western New
7 York. It goes from Pennsylvania to Canada and it
8 seems like that's -- and underneath Niagara River and
9 that's where that gas is going to go to Canada, I
10 would think for export because the Canadians have a
11 lot of natural gas.

12 So, I'm against this increase for that
13 -- for the reasons I mentioned and thank you very
14 much.

15 A.L.J. LECAKES: Thank you.

16 Next I have Sara Schultz and then
17 Robert Cielsielski.

18 MS. SCHULTZ: Well, thanks for coming
19 back to Buffalo. Hopefully it's not too cold for
20 you.

21 So, last night I looked up National
22 Fuel on the internet and you have to go through a lot
23 of websites to get to anything that's not written by
24 the company. The Buffalo News however, reported that
25 National Fuels' earnings from its operations, rose by

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2 twenty-four percent, as energy prices stabilized and
3 the company's expanded pipeline system allowed it to
4 increase production from its wells in the Marsalis
5 Shell Region in Pennsylvania. The earnings were
6 better than analysts were expecting and National Fuel
7 raised its profit forecast for the full fiscal year,
8 by about two percent, which I understand is higher
9 than most companies of that nature make a year -- or
10 get -- rise a year.

11 Now, I appreciate that National Fuel
12 is one of the biggest, private employers in the
13 Buffalo-Niagara Region, with nearly thirteen hundred
14 full-time workers. But what distresses me is the
15 very people who work for the company and the
16 ratepayers in our entire region, will be adding from
17 five dollars and seventy-five cents, to twenty
18 dollars or more a month, for gas that is still cheap
19 for a new pipe and infrastructure being built to send
20 fracked gas from Pennsylvania to Canada and for the
21 increased dividends of the shareholders in the one-
22 percent at the top, who are asking for this rate
23 increase.

24 According to the research of Professor
25 David Riley (phonetic spelling) of Niagara

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2 University, the rate increase will increase the
3 revenues of National Fuel, just like you said a few
4 minutes ago, by forty-one point seven million dollars
5 each year. They already provide robust dividends for
6 the shareholders and provide a six point seven
7 million dollar salary, to their president and CEO
8 along with a million and change salaries each, for
9 four other National Fuel executives in Western New
10 York.

11 These facts, just -- just opposed to
12 the fact that Buffalo is third, only to Detroit and
13 Cleveland, with a poverty rate for children under the
14 age of seventeen, just under fifty percent. It's
15 outrageous. How much money is enough.

16 There are big companies that do right
17 by people, the planet and their shareholders. It is
18 clear that National Fuel speaks of their commitment
19 to low-income customers, but acts on their commitment
20 to profit.

21 You are the Commission to serve the
22 public, the Public Service Commission. How are we
23 serving the public by still promoting and supporting
24 dirty fossil fuel development, extraction and
25 exportation? Isn't it time to see real regulation?

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2 Isn't it time to stop being pressured by corporations
3 in to deals that put the public in harm's way? Isn't
4 it time to say wow, last year, there were a hundred
5 and thirty-two significant oil spills, or roughly one
6 every three days, or almost one for each thousand
7 miles for pipe? Thank you, David Riley.

8 Let's say wow together. This has to
9 stop. There have been eighty -- and there have been
10 eighty in the first eight months of this year, more
11 than a quarter of those incidents were due to
12 corrosion.

13 Many countries in the developed world,
14 have already implemented the renewable alternatives
15 that can change the trajectory of rising
16 temperatures, one hundred year storms and
17 disappearing island nations. Are we going to
18 continue paying billions of dollars to clean up,
19 after this industry rapes our land, poisons our water
20 and fills our air with toxic particulate that drives
21 away -- and then drives away smugly in their limos?

22 I don't get it. Let's instead pay for
23 funding that staffs our Pipeline and Hazardous
24 Material Safety Administration so that all projects,
25 old and new can be rigor -- rigorously inspected.

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2 Let's invest in more research and development, so all
3 sustainable technologies can expand and bring healthy
4 change that is going in the right direction.

5 So what we dream about, affordable,
6 sustainable energy, healthy children and
7 grandchildren, the forever guarantee that we will
8 have pure landscapes and wild places to nurture it,
9 so that can be a reality in everyone's life here in
10 New York State and across the country, let's support
11 that. Let's insist our politicians overhaul the
12 system of eminent domain, the system that grabs our
13 land for corporate initiatives. Let's require FERC
14 to do thorough and honest analysis of existing and
15 new fossil fuel projects and hold them accountable.

16 Let's reject the impulse to push or
17 risks on that other neighborhood. Let's say no to
18 pressure from fossil-fuel industries and spread the
19 message, keep it in the ground.

20 This is more than one company, more
21 than one state. This is shifting from one culture to
22 a new culture, an enlightened and more loving
23 culture, a smarter and more-inclusive culture. This
24 is a shift to a new understanding that we only get
25 one chance to make things right, to see the other and

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2 to care.

3 Thank you so much.

4 A.L.J. LECAKES: Thank you.

5 I have Robert Cielsielski and Gary
6 Cutright on -- afterwards.

7 MR. CIELSIELSKI: Good afternoon.

8 My name is Bob Cielsielski, a
9 volunteer with the Sierra Club and Chair of the
10 Energy Committee of the New York State Atlantic
11 Chapter.

12 The Sierra Club opposes National Fuels
13 requested rate hikes for a number of reasons. First,
14 low-income ratepayers would be hit the hardest by the
15 proposed increase. It also appears that customers
16 who use less gas, will see a larger increase in their
17 tax bills, as much as fifteen to twenty percent.
18 This pricing structure appears to be contrary to the
19 energy-efficiency policy stated in the New York State
20 Energy Plan.

21 One of New York State's policy goals,
22 according to the Energy Plan is to increase energy
23 efficiency by some twenty-three percent from 2012
24 energy-usage levels, by the year 2030. This would be
25 a reduction of six hundred billion BTUs over this

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2 period, yet National Fuel's pricing policies would
3 not incentivize energy efficiency, but penalize it.

4 Any rate increases should take in to
5 account it's actual effects upon low-income users.
6 It should also meet New York's public policy
7 concerning increases in energy efficiency.

8 Next, the company states that the rate
9 increase will be used to repair aging gas lines and
10 also to expand its gas infrastructure network. While
11 it is prudent and necessary to reduce leakage of the
12 greenhouse gas methane, the expansion of the gas
13 network is also contrary to state policy. It appears
14 that the gas fossil fuel and gas pipeline industries
15 are intent on the expansion of an infrastructure
16 based on fracked gas, to the detriment of renewable
17 energy development in the state.

18 The New York State Energy Plan sets
19 two more important policy goals. One is that fifty
20 percent of the state's electricity will be provided
21 from renewable energy sources by the year 2030, only
22 fourteen years away. And the other calls for a
23 reduction in greenhouse gas emissions of forty
24 percent below 1990 levels by 2030. An
25 expansion of infrastructure depended on high-volume

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2 fracked methane gas, flies in the face of both these
3 goals. Methane itself is eighty-six times more
4 potent to greenhouse gas than carbon dioxide in the
5 first twenty years of its release in to the
6 atmosphere. Leakage from the production of methane
7 from high-volume hydro-fracking drill sites,
8 transportation through pipelines, compressor station
9 and dehydration stations, as well as the carbon
10 release that the combustion of methane, makes the use
11 of the gas more dangerous greenhouse gas, than other
12 fossil fuels. The state ratepayers are to subsidize
13 nuclear energy under the Clean Energy Standard, in
14 order to reduce greenhouse gas emissions, payment at
15 the same time, totaling forty million dollars to
16 National Fuel by its ratepaper -- ratepayers, for an
17 expansion of the greenhouse gas network, makes no
18 sense.

19 Moreover, as National Fuel requests
20 these rate hikes, claiming economic disparity, while
21 simultaneously derives profits from its fracked gas
22 wells in Northern Pennsylvania. It's proposed
23 construction of the Northern Access Pipeline to
24 deliver its fracked methane gas through western New
25 York and across the Niagara River in to Canada for

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2 export, is purely -- purely for profit. National
3 Fuels proposed rate hikes are indirectly funding this
4 potential methane export operation, based on the
5 exploitation of Northern Pennsylvania fracking
6 fields, as well as the businesses, farms and
7 communities along the proposed Northern Access
8 Pipeline route through New York State.

9 The Sierra Club opposes the expansion
10 of a fracked methane gas infrastructure, which is not
11 only inconsistent with New York State's expressed
12 energy policy, but also against the precips of
13 greenhouse gas reduction, set forth in the recently
14 enacted climate treated based on the Paris Climate
15 Summit. We are asking the PSC to take affirmative
16 steps to enact the state's policies of renewable
17 energy development and energy efficiency. Both these
18 policies will act to increase jobs, manufacturing
19 investment in New York, based on a sustainable energy
20 economy, free of greenhouse gas emissions.

21 It was announced that this week,
22 worldwide, renewable energy development has
23 outstripped all other sources of new energy. This is
24 a clean wave of the future.

25 New York has set some wonderful goals

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2 and the PSC has done that -- and has done admirable
3 work in laying the groundwork for renewable energy
4 development and energy efficiency through the energy
5 -- through the Clean Energy Standard. We ask the PSC
6 to review the entire energy picture in our state and
7 to deny or limit National Fuels requested rate hikes.

8 Thank you.

9 A.L.J. LECAKES: Thank you.

10 I have Gary Cutright next and then
11 afterwards is Richard Burke Hughes.

12 MR. CUTRIGHT: My name is Gary
13 Cutright.

14 Commission, your Honor, thank you for
15 coming.

16 My perspective is a little bit
17 different. My family and I are low-income. We do
18 not qualify for any financial assistance for the --
19 from the state, due to the recent minimum-wage
20 increase, which has affected my family drastically.
21 We are still trying to pay off our gas bill from last
22 winter and this will affect us drastically. We're --
23 we're already at the point of whether to -- choosing
24 to get groceries for my kids or paying gas and we're
25 already set up on a payment plan with National Fuel

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2 and it's still a little bit steep for us, due to last
3 year's winter increases from us moving up here.

4 So, I'd please like you guys to think
5 about all the thousands of low-income families that
6 fall right over the assistance line from the federal
7 government and state government, that can hardly
8 afford to pay their bills and are living paycheck to
9 paycheck.

10 Thank you.

11 A.L.J. LECAKES: Thank you, Mr.
12 Cutright.

13 Richard Burke Hughes and then Richard
14 Ford is next.

15 MR. BURKE HUGHES: Hi. My name is
16 Richard Burke Hughes and I'm speaking -- I work for
17 National Fuel Gas, years ago and I think where you
18 should be looking for a rate increase, they should be
19 looking to themselves.

20 At the time that I worked for them,
21 for instance, I don't know if the Public Service
22 Commission has a number sitting in their union
23 contract -- union contract with the employees, but I
24 knew a woman, worked for National Fuel for years, she
25 took a year off at full time -- full pay, right.

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2 This was in the union contract. She was off for a
3 year at full pay and she was entitled to another year
4 at half pay, before she would be terminated at that
5 point.

6 The ridiculous of -- they -- they --
7 they come -- on the union contract one year, now this
8 was fifty years ago and they finally agreed to what
9 the union was asking for, but you will no longer be
10 paid for your lunch hour, your lunch half-hour. So,
11 in other words, your forty-hour week dropped to
12 thirty-seven and a half hours a week, was your base
13 pay.

14 Okay. Bernie worked for National Fuel
15 Gas, about the same time he was in the Land
16 Department. He rose up to become Chief Executive
17 Officer. I have no idea what his salary was, but I
18 do remember a few years back, he donated what was it,
19 twenty-five million dollars to a school up there in
20 Delaware and now the building there is named after
21 him.

22 I -- I mean, it -- it -- after a
23 while, it just kind of boggles your mind and then the
24 company would want a rate increase. Well, what --
25 what about going back to the union and say well, all

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2 right, look, years ago, a forty-eight hour week was a
3 -- a -- oh, no, then it went to forty hours and then
4 anything over forty hours was time and a half.

5 It -- it's not just unions. It's --
6 it's the management and it -- it -- it's every day
7 you're reading the papers -- what did I read
8 yesterday? I think it was there's a man -- the
9 education -- Nassau County I think it was. His
10 pension -- not his pension, not his union -- it's a -
11 - his pension was three hundred and twenty-six
12 thousand dollars a year. Come on. Come on.

13 It -- it -- they're ten people in the
14 same Nassau County doing two hundred and fifty
15 thousand dollars a year. It -- it's -- everybody
16 wants more, more, more.

17 Now, here at the library, computers
18 were donated. Computer using every day, all day.
19 Well -- well, isn't Mr. Gates wonderful and Mr. Paul
20 Allen. They're both from Microsoft, but -- but Bill
21 Gates built himself a sixty-five million dollar home
22 up in Seattle. Okay. Mr. Paul Allen, just two years
23 ago, I think, took possession of a new four hundred
24 and twelve foot yacht. All right. His old yacht was
25 a hundred footer shorter. He was asking, I think

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2 three hundred and sixty million for it, to -- and --
3 and I read this stuff in the papers and I thought,
4 come on. Come on.

5 Labor wants too much, given the world,
6 you know. Money grows on trees.

7 Back at the same time, when a lot of
8 this stuff was going on, Bethlehem Steel, which had
9 fantastic gas bills, right, they got a new contract.
10 The new contract, my friend came and said oh, you --
11 we got it at three and a half percent the first year,
12 two and a half the next year and three -- three and a
13 half the next year.

14 But the big thing was there was a guy
15 that was getting four weeks paid vacation, right.
16 The big thing is every fifth year, you're going to
17 get a thirteen-week paid vacation, right. I mean - -
18 I mean, you know what -- I'm sorry. It just boggles
19 my mind that -- that people can look and say now,
20 where's Bethlehem Steel now. It's not there anymore.
21 They priced themselves right out of the market.

22 A friend of the -- my -- mine had a --
23 a company -- a family-owned company. They had a
24 hundred and four or so. I said to him one day, I
25 said Jarrod (phonetic spelling), where is that

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2 Belgian in Pennsylvania that you're getting this
3 steel from, when you got a steel plant right next
4 door. He looked at me and said well, Belgian, out in
5 Europe. I said wait a minute, you have this big coil
6 of steel to use in your manufacturing. You ship it
7 across the Atlantic Ocean from the United States,
8 truck it from the seaport to Buffalo and you get it
9 cheaper than you can buy it right next door at
10 Bethlehem Steel.

11 You know, I -- I just -- I'm sorry. I
12 just -- I -- I read this stuff and -- and I -- I
13 don't know.

14 When -- when Bethlehem gave the
15 thirteen-weeks paid vacation, they turned right
16 around and built the Bethlehem Management Club.
17 World-class golf course, anybody from the foreman on
18 up, they were, you know, swimming pools, tennis
19 courts, beautiful golf course.

20 Everybody grab, grab, grab and it
21 never stops.

22 Thank you for listening.

23 A.L.J. LECAKES: Thank you very much.

24 Richard Ford and then on deck, I have
25 Richard Price.

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2 MR. FORD: My name is Richard Ford.

3 I'm a residential customer of National Fuel Gas.

4 I may be the only one speaking today
5 who has a degree -- degree in mathematics. Some of
6 my neighbors don't understand all the equations
7 National Fuel uses to calculate their bills. They
8 just think their bills are too high already and --
9 and they're right about that.

10 Some of my neighbors just think
11 they're being treated unfairly and it's not right for
12 them to pay a higher delivery price for CCF than
13 National Fuel charges to people who own mansions and
14 some of my neighbors think they can't afford a -- an
15 increase on top of bills that are already too high.

16 I've already submitted twelve pages of
17 calculations to the Commission, telling exactly
18 what's wrong with the National Fuel Gas proposal. I
19 won't repeat those this afternoon. This afternoon,
20 I'll just tell how National Fuel Gas rates affect me
21 personally.

22 When I was sixty-eight years old, I
23 married a widow who is handicapped. We bought a one-
24 story ranch house because she had trouble with
25 stairs.

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2 During the fourteen months that she
3 lived after the wedding, I kept the thermostat up to
4 sixty-nine degrees to keep her as comfortable as
5 possible as she was -- had cancer. Our house used
6 one thousand thirty-seven CCF of gas and National
7 Fuel charged us forty-four point eight cents per CCF

8 After my wife passed away, I closed
9 off half of the house in winter and one-half I turned
10 the thermostat down to sixty-five degrees in the
11 daytime and fifty-five at night and the other half, I
12 turned the thermostat down to forty-five degrees. I
13 spent as much as I could afford to on insulation and
14 sealing out the cold air. The result was, my gas use
15 went down by forty-eight percent, but my deliver
16 price per CCF went up by forty-four percent as a
17 result of use -- using less -- less gas.

18 There isn't anything on the National
19 Fuel Gas bill that says penalty for energy
20 conservation or widower-surcharge. They have the
21 nicest sounding name for something that does the same
22 thing. It's called the customer charge.

23 National Fuel's customer charge is
24 already among the highest in the nation and far
25 exceeds the -- the cost of metering the -- the gas.

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2 It's not enough to reject National Fuel's request for
3 a twenty-six point five percent increase in the
4 customer charge. The customer charge should be
5 abolished or at least reduced to the metering cost of
6 three dollars and thirty-eight cents per month, per
7 customer.

8 There's an old expression, adding
9 insult to injury. National Fuels Gas bills are quite
10 example of adding insult to injury. First, I lost
11 the love of my life and then as a result, I got a
12 forty-four percent increase in my deliver price per
13 CCF

14 The Governor promised real reform of
15 utility rates two years ago and it's time to make
16 that happen.

17 Thank you.

18 A.L.J. LECAKES: Thank you.

19 I have Richard Price next and then
20 Linda Schneekloth afterwards.

21 MR. PRICE: So my name is Richard
22 Price and most of the talking points that I had
23 thought about bringing up, have already been
24 mentioned by other, more eloquent speakers than
25 myself, but I did feel it was still important that I

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2 let people know that I agree with all of them.

3 A couple of things that I thought were
4 least addressed were the heavier burden that this
5 increase is going to put on -- on low-income people.

6 Other than that, I came in wondering
7 and I was going -- going to ask, is National Fuel Gas
8 a public utility, or a for-profit corporation with
9 shareholders? Well, that question has been answered.

10 I -- I think anybody's salary at seven
11 million dollars is totally outrageous. No one is
12 worth that much on paper.

13 The fracking issue, the one question
14 that was not brought up is fracking and water
15 contamination. We can find out renewable,
16 sustainable energy sources, but when our water is
17 contaminated, we're finished.

18 So, I would support all of the other
19 things that people have said, including bringing down
20 that forty-one million dollars, to -- to something
21 reasonable.

22 Thanks.

23 A.L.J. LECAKES: Thank you very much.

24 I have Linda Schneekloth and then
25 Robert Jahnke afterwards.

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2 MS. SCHNEEKLOTH: Hi and thank you --
3 thank you for coming.

4 I'm speaking on behalf of the Western
5 New York Environmental Alliance, which is an alliance
6 of over one hundred environmental organizations in
7 Western New York and we would like to state our
8 opposition to the rate hike as proposed by National
9 Fuel for customer across Western New York.

10 This is a company that has continued
11 to make significant profits and provide steady
12 increases and dividends to its shareholders and it's
13 provided, as we know, multi-million dollar
14 compensation packages to its leadership and yet,
15 they're asking average and modest-income people to
16 continue to support their efforts, people who are
17 already having difficulty paying for their energy
18 bills.

19 Thousands of low-income community
20 members don't receive HEAP and pay up to forty
21 percent of their monthly income on energies. And as
22 we heard from the gentleman earlier, that can
23 sometimes be the choice between heating your home and
24 getting food on the table. This leads to serious
25 health impacts, as service is cut during bad weather

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2 and it continues the cycle of poverty, that many
3 people in our community find themselves in.

4 In the name of justice, National Fuel
5 should use its own resources to protect the well-
6 being of customers, which is the stated goal of their
7 proposed hike. One wonders if they would not repair
8 these aging pipes and not proceed, if they didn't
9 actually get the rate hike that they're asking for,
10 or whether they would be able to find the resources.

11 Further, it's not the time to be
12 expanding gas infrastructure in the state of New York
13 or anywhere. As members of the Public Service
14 Commission, you're up to date on -- on climate-change
15 issues and on the international agreement to stop
16 fossil-fuel use. I don't need to tell you about
17 that.

18 And we also know that methane's a
19 significant contributor to global warming and there's
20 no question that a sane energy policy insists that
21 National Fuel and other fossil-fuel companies keep it
22 in the ground.

23 The executives at National Fuel are no
24 doubt very smart business people and it's time for
25 them to find a new business model instead of

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2 endangering life on earth. I'm sure they can figure
3 it out.

4 The people of New York do not want any
5 more dangerous pipelines, compressor stations,
6 dehydrating stations near our cities and our wild
7 lands, or going across our farms. It's beyond irony
8 that we're being asked to pay for this
9 infrastructure.

10 The Western New York Environmental
11 Alliance, opposes the rate hike on the basis of
12 social, economic justice and ecological justice. Our
13 children and grandchildren are relying on us to move
14 to renewables right now.

15 Thank you very much.

16 A.L.J. LECAKES: Thank you.

17 I have Robert Jahnke and then Jean
18 Dickson afterward.

19 MR. JEHNKE: Hello.

20 Do I need to spell my name for the
21 record?

22 A.L.J. LECAKES: We do have the
23 spelling of your name. Just --

24 MR. JEHNKE: Okay. Thank you.

25 A.L.J. LECAKES: -- confirm that

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2 you're who you are.

3 MR. JEHNKE: Okay. I'm here,
4 informally representing PUSH Buffalo and I wrote down
5 a few insights that I thought of when I realized the
6 problems with this rate increase.

7 Number one, the annual payouts to
8 shareholders are constantly exceeding inflation and
9 cost of living increases of social security recipient
10 ratepayers.

11 Number two, nationwide, on the
12 average, Western New Yorkers pay one of the highest
13 percentages of their monthly disposable income
14 towards their utility bills. Upwards of twenty
15 percent, where the national average is under seven
16 percent.

17 Number three, a CEO who makes thirty-
18 two hundred dollars an hour, or six point seven
19 million a year, with declining supply costs, should
20 not need a rate hike to maintain his business model
21 and balance his books.

22 Number four, the cost burden of any
23 infrastructure build out should be charged to the
24 segment of ratepayers who will benefit directly and
25 not spread over a population of perennially over-

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2 burdened residential ratepayers.

3 Number five, in light of the current
4 climate change and greenhouse gas initiatives, it is
5 really -- is it really wise to finance expansion of
6 any fossil-fuel based infrastructure?

7 Number six, with the Reforming Energy
8 Vision proceedings currently promising to make a
9 positive impact on bringing renewable distributed
10 generation online in our state, do we really want to
11 subsidize its competition, at a time so crucial to
12 developing its economies of scale?

13 And number seven, it's time to walk
14 the walk, while we talk the talk.

15 A.L.J. LECAKES: Thank you.

16 Next we Jean Dickson.

17 MS. DICKSON: Thank you and thank you
18 for coming.

19 I'm going to repeat a little bit, but
20 -- of some of the other speakers, but my -- I am --
21 first of all, concerned about the disproportionate
22 pressure this puts on the poor people of Buffalo and
23 -- and around Buffalo. They're -- we know that
24 Buffalo is one of the poorest cities in the country
25 and we have many people, who in the wintertime,

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2 really, really suffer. That would be number one.

3 I think this kind of move discourages
4 the growth of renewables, which is a stated policy
5 goal of New York State. Other people have covered
6 this.

7 This is -- I think the reason they're
8 doing this sort of thing in -- in this horrible
9 pipeline -- rush to build all these horrible -- these
10 pipelines, in order to move the gas from Pennsylvania
11 and West Virginias in to Canada or other -- other
12 ports, so that they can be sold on -- much more
13 profitably over-seas, is this shareholder nation
14 model that we have, you know, it -- where the
15 shareholders are -- they want more and more and more.
16 It has to grow -- their -- their share has to keep
17 growing at the same time that we have a glut in non-
18 natural gas.

19 What happened to the old model of
20 supply and demand? Since there's a huge supply now,
21 why hasn't the cost actually gone down? It's -- it
22 seems to be constantly going up because of these
23 artificial constructs that the gas company puts up
24 including the pipelines and the -- and the move to --
25 to make use of Chinese or European buyers.

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2 This -- what they have is a kind of a
3 monopoly. Instead of these gas companies competing
4 with each other to sell us this over-supply of gas at
5 more reasonable prices, it's becoming a -- a --
6 they're cooperating and selling it at higher and
7 higher prices. It makes no sense.

8 And last of all, I think this is very
9 reckless of them to risk our environment the way
10 they're doing. To risk the water supplies -- I think
11 you probably know that they're -- that this new
12 pipeline, the Northern Access Pipeline would travel
13 under something like two hundred and eighty water
14 bodies in order to reach Canada from Pennsylvania.
15 This is crazy. This is -- it goes straight through
16 the -- the -- what do they call it? The -- the whole
17 area from which the water is drawn for the Buffalo
18 River, the water shed. It goes right through --
19 under most of the creeks that supply water in to the
20 Buffalo River and the Buffalo River, as everybody who
21 -- here knows, flows in to Lake Erie.

22 The -- why would we want to jeopardize
23 that water supply, especially when a -- River Keeper
24 and other organizations have worked for many years
25 now, since 1987, on -- on cleaning up the Buffalo

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2 River, trying to make it a -- a river in which one
3 can go fishing, ducks can swim. We can't swim there
4 yet, but it's no longer the dead, disgusting,
5 stinking river full of garbage that it used to be.

6 So, to have the gas company come in
7 and -- and ruin that with its pipeline and -- and
8 ruin the livelihoods of people in Buffalo with their
9 rate increases, I just think it's reckless and crazy.

10 So thank you very much.

11 A.L.J. LECAKES: Thank you.

12 The next card I have has the name Bob
13 Cielsielski. We had Robert Cielsielski. Is this a
14 different person, or --?

15 Oh, okay.

16 And then I have Annemarie Jason.

17 MS. JASON: We have one earth and we
18 don't want National Fuel to rape and pillage it
19 before -- I die anyway and before the children I
20 worked with for many years in the Buffalo Schools
21 die, which may be an earlier death than we hope --
22 than any of us would ever hope for.

23 I -- I'm against fracking. I'm
24 against fracked-gas pipelines and the damage that can
25 result from them. And I'm also against the National

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2 Fuel Gas rate hikes because of the way that it
3 effects the poorest people and I work with some of
4 the poorest people and I'm just here, I suppose, on
5 an emotional level, it all -- all of this just brings
6 to mind what the effect would be for some of the
7 children I've spent my life working with.

8 And I give to you just one little
9 story and that is that at Christmastime, I would have
10 second-graders write down their wishes and many kids
11 at Christmastime of course, have long, long lists of
12 any number of greedy things that they want and I was
13 one of them. I had my long list. I grew up having
14 everything.

15 But a number of the kids would write
16 out wishes that just broke my heart and one of them
17 stands out in my mind and that is this wish. I wish
18 that I didn't have to share my bread -- my bed with
19 all my brothers and sisters. I wish that I had my
20 own blanket.

21 And maybe this year, maybe National
22 Fuel Gas could have a nice blanket drive, unless they
23 want to abandon hiking the rates.

24 A.L.J. LECAKES: Thank you.

25 I next have Cynthia Broughton, B-R-O-

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2 U-G-H-T-O-N.

3 MS. BROUGHTON: Hi. I'm Cynthia
4 Broughton and I am a customer of National Fuel Gas in
5 Buffalo.

6 I'm very fortunate that no matter what
7 their hike is, I will be able to afford it. But it
8 breaks my heart when I'm listening to these people in
9 the audience, talking about how this rate will affect
10 their life.

11 I wish they could see and be part of
12 the experience I've had in the last year, because I
13 also live in Pendleton and I've seen what National
14 Fuel has been doing with their lawyers. Their
15 lawyers are everywhere. They've hired a firm.

16 And as they're talking about a rate
17 hike and these poor people who don't think they can
18 afford it, if they only knew how these lawyers are
19 everywhere pushing a Northern Access Pipeline to
20 areas that none of us want. Our communities don't
21 want it. The lawyers just keep fighting us and
22 fighting us. They don't care about our zoning laws.
23 They don't care about our town's wishes.

24 So, maybe if National Fuel didn't put
25 -- try to force compressors and dehydrators and new

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2 gas lines on us, maybe they wouldn't have to spend so
3 much money on lawyers and ask for a rate hike and so,
4 like -- people like this gentleman here, do not have
5 to worry about whether its food or gas for their
6 children.

7 Thank you.

8 A.L.J. LECAKES: Thank you very much.

9 That's the last card I have right now.
10 It's about eight minutes till four, so what we'll do
11 is we'll go off the record and then we'll officially
12 adjourn at four o'clock, in case anyone else comes in
13 in the next five minutes or so.

14 Thank you.

15 (Off-the-record discussion)

16 A.L.J. LECAKES: Okay. We're going to
17 go back on the record now.

18 We do have one more speaker for the
19 afternoon session that's come in. Providencia
20 Carrion.

21 MS. CARRION: Yes, sir.

22 A.L.J. LECAKES: Proceed.

23 MS. CARRION: I'm here on behalf of
24 the seniors. Many of them don't speak English and
25 many of them are not aware of what is in the city,

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2 for them to help them solve -- to make their gas or
3 their light bill lower.

4 I'm talking on behalf of Mrs. Celinda
5 Valley (phonetic spelling). Mrs. Celinda is a
6 ninety-four year old senior. She's from Peru but her
7 income comes from there. Five hundred dollars a
8 month, which is for rent, for gas, lights, medical
9 expenses and everything. A lot of times, we have to
10 do collection to help her out.

11 If this gas bill go up, I don't know
12 what she's going to do to have her apartment. Five
13 hundred dollars a month is nothing because some of us
14 are making more money and we can't make ends meet.
15 So, can you imagine a senior that probably needs all
16 these medications to survive and continue living? To
17 have to pay eight percent more on her gas bill, is
18 unheard.

19 So, I hope that you take that in to
20 consideration. And she's not the only one. I'm --
21 I'm talking on behalf of this lady, but at the union
22 -- at that building where she is, there are forty-
23 seven more people living there in a low-income status
24 that I'm sure they won't be able to pay those bills.

25 Thank you.

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2 A.L.J. LECAKES: Thank you.

3 It's now after four o'clock. We are
4 going to go off the record and adjourn until six p.m.

5 Thank you.

6 (The hearing adjourned.)

7 STATE OF NEW YORK

8 I, Howard Hubbard, do hereby certify that the foregoing
9 was reported by me, in the cause, at the time and place,
10 as stated in the caption hereto, at Page 1 hereof; that
11 the foregoing typewritten transcription consisting of
12 pages 1 through 41, is a true record of all proceedings
13 had at the hearing.

14 IN WITNESS WHEREOF, I have hereunto
15 subscribed my name, this the 1st day of November, 2016.

16

17

18 Howard Hubbard, Reporter

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