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August 2, 2000

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Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: WR-2000-281, et al.

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **RESPONSE TO ORDER DIRECTING FILING**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Keith R. Krueger
Deputy General Counsel
(573) 751-4140
(573) 751-9285 (Fax)

KK/jb
Enclosure
cc: Counsel of Record

FILED²

AUG 02 2000

Missouri Public
Service Commission

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

FILED²
AUG 02 2000

Missouri Public
Service Commission

In the Matter of Missouri-American)
Water Company's Tariff Sheets Designed)
to Implement General Rate Increases for)
Water and Sewer Service Provided to)
Customers in the Missouri Service Area)
of the Company.)

Case No. WR-2000-281, et. al.
(Consolidated)

RESPONSE TO ORDER DIRECTING FILING

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through its undersigned counsel, and for its Response To Order Directing Filing states to the Missouri Public Service Commission (Commission) the following:

1. On July 7, 2000, the Office of the Public Counsel (OPC), filed a motion for the establishment of a separate case in which to investigate the quality of the water delivered by Missouri-American Water Company (MAWC) in its St. Joseph, Missouri service area.
2. On July 17, 2000, MAWC responded to OPC's motion and stated that it is in favor of the motion because it "would like to take the opportunity to directly address . . . the concerns and misconceptions that have developed since the new St. Joseph treatment plant was brought on line."
3. On July 18, 2000, the Commission issued its Order Directing Filing (Order), wherein it directed the Staff to respond to OPC's motion and MAWC's response. Specifically, the Commission's Order required the Staff's response to " . . . state whether or not an investigation as requested by the Public Counsel is necessary, or would be useful, and, if so, how it ought to be conducted."
4. The Staff believes that the investigation sought by the OPC, and supported by MAWC, would be useful and thus recommends that the Commission establish a "spin-off" case for

the purpose of the investigation. Further, the Staff sees no reason why the Commission cannot establish such a case prior to the completion of the instant case.

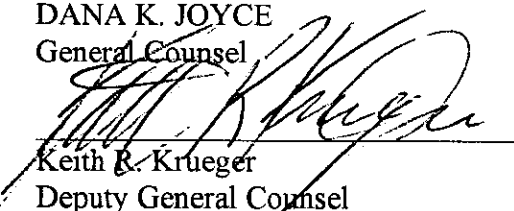
5. Regarding the question of how the investigation should be conducted, the Staff would point the Commission to Case No. WO-98-203 for guidance as to how the spin-off case should proceed. (Case No. WO-98-203 was a case that the Commission established for the purpose of investigating water quality issues in MAWC's Warrensburg District that were raised during MAWC's last rate case.)

6. In addition to the matters discussed in Paragraphs 4 & 5 above, the Commission's July 18 Order also directed the Staff to report to the Commission " . . . the resolution of each consumer complaint, made at a local public hearing in this case, which it was expressly directed to investigate and resolve."

7. Attached hereto as Appendix A is a "Staff Report On Customer Complaints Raised At Local Public Hearings" (Report). The Staff is submitting this Report in response to the Commission's directive referenced in Paragraph 6 above.

Respectfully Submitted,

DANA K. JOYCE
General Counsel

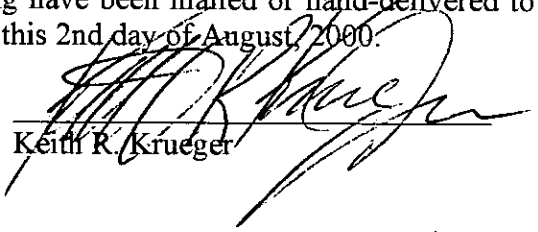


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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 2nd day of August, 2000.


Keith R. Krueger

STAFF REPORT ON CUSTOMER COMPLAINTS RAISED AT LOCAL PUBLIC HEARINGS

CASE NO. WR-2000-281; MISSOURI-AMERICAN WATER COMPANY

PREPARED BY:

DALE W. JOHANSEN – MANAGER

WATER & SEWER DEPARTMENT

Background

On July 18, 2000, the Commission issued an Order Directing Filing (Order), wherein, among other things, the Staff was directed to report to the Commission “. . . the resolution of each consumer complaint, made at a local public hearing in this case, which it was expressly directed to investigate and resolve.” The Staff is submitting this Report in accordance with the Commission’s July 18 Order.

In order to plan its complaint investigations, the Staff reviewed the transcripts from the five local public hearings that the Commission held in this case, as well as the notes taken by the Staff members that attended those local public hearings. The review of these items resulted in representatives of the Staff and/or Missouri-American Water Company (MAWC or Company) conducting investigations of the service-related complaints that the Company’s customers raised at the Joplin, Mexico and St. Charles local public hearings. (Complaints that customers raised at the St. Joseph local public hearing essentially dealt only with water “quality” issues, which the Staff is addressing separately in the pleading to which this Report is attached. The Staff did not identify any complaints that customers raised at the Warrensburg local public hearing for which investigations were necessary.)

In preparing this Report, the Staff utilized the reports of the investigations that Staff members conducted and the reports of the investigations that MAWC representatives conducted.

APPENDIX A

Joplin Local Public Hearing

The Staff identified six customer complaints that required investigation. The names of the customers raising the complaints, the nature of the complaints, the findings of the Staff's and/or the Company's investigations and any actions taken as a result of those investigations are summarized individually below.

Fred Ferguson – Mr. Ferguson commented upon the difference between his normal monthly bill and the amounts noted in the notice for the local public hearing and also upon a change in his billings when the Company moved from quarterly to monthly billing in the Joplin District. The Staff's and the Company's investigations revealed two things regarding these comments. First, the discrepancy between Mr. Ferguson's billings and the amounts contained in the hearing notice have to do with the fact that Mr. Ferguson has a one-inch meter rather than a standard residential 5/8" meter, which was the basis for the billing comparison contained in the hearing notice. Second, the apparent increase in Mr. Ferguson's billing between quarterly and monthly billing coincided with the increase that the Commission granted in the Company's last rate case. On May 22, Bill Nickle of the Commission's Water & Sewer Department discussed these two items with Mr. Ferguson, who was apparently satisfied with these explanations.

Bill Knaust – Mr. Knaust also commented upon a change in his billings when the Company changed from quarterly to monthly billing, both from the viewpoint of the dollar amount of the bill and the usage amounts shown on the bills. As noted above for Mr. Ferguson, the change in the dollar amount of Mr. Knaust's billings coincided with the Company's most recent rate increase. Regarding the differences in the usage amounts, there was no apparent reason for the change. Bill Nickle of the Staff and representatives of MAWC met with Mr. Knaust on May 19 (the day after the local public hearing) to discuss his situation. The Company offered to perform an inspection of Mr. Knaust's premises to determine if there were any leaks, but that offer was declined. Mr. Nickle noted that the meter serving this residence after the billing change is the same one that served the residence before the change. However, it is the Staff's understanding that the Company has changed Mr. Knaust's meter.

Barbara Landreth – Ms. Landreth complained that her meter pit had sunk into the ground and that she was having difficulty in getting the Company to respond to her calls regarding this situation. A MAWC crew was dispatched to Ms. Landreth's residence on May 19 and the meter pit was raised to ground level. Bill Nickle of the Staff confirmed that this work had been done.

Harold Layton – Mr. Layton raised concerns about the quality of the water, particularly about “sediment” in his toilet’s flush tank. Bill Nickle of the Staff visited Mr. Layton’s premises on May 19, obtained a sample of water from the flush tank and took the sample to the Company for testing. The tests revealed that the particles in the water sample were calcium and dissolvable. Mr. Nickle reported these findings to Mr. Layton and noted that the particles were likely coming from the galvanized service line serving the premises. Mr. Nickle noted that Mr. Layton was satisfied with the test results and the explanation given regarding the likely source of the particles in the water.

Virgil Lewis – Mr. Lewis’ complaint was in regard to his service being disconnected by the Company. This situation actually dates back to 1998 and involves a private well being connected to the premises, as well as the premises receiving service from MAWC, without a “back-flow prevention device” having been installed on the customer’s service line on the customer side of the Company’s meter. This constitutes a “cross connection” in violation of the Company’s rules. Bill Nickle of the Staff investigated this situation in 1998 when it was first brought to the Staff’s attention. Attached to this Report, and identified as Attachment 1, is a letter dated September 1, 1998 from MAWC to Mr. Lewis regarding this situation. Mr. Nickle’s records show that the Company did disconnect service to Mr. Lewis’ premises in 1998, but only after the letter was sent and three trips were made to Mr. Lewis’ residence to see if he had either disconnected the well or installed a back-flow prevention device, neither of which had been done. The Staff believes the Company’s actions in dealing with this situation were appropriate.

Shirley Mondt – Ms. Mondt’s complaint had to do with a billing for approximately \$345 that she believed was related to a broken water line, with problems related to payment of that bill and with problems getting someone from the Company to talk to her about the situation. In response to this situation, MAWC representatives visited the premises shortly after the local public hearing and inspected the meter and meter box facilities, but found no leak on those facilities. Subsequently, a local economic assistance agency paid a portion of the bill (approximately \$150) and the Company credited the balance of the bill (approximately \$195) to Ms. Mondt’s account. Bill Nickle of the Staff confirmed the agency payment and the Company credit.

Mexico Local Public Hearing

The Staff identified three complaints that required investigation, two of which were raised by the same customer. The names of the customers raising the complaints, the nature of the complaints, the findings of the Staff’s and/or the Company’s investigations and any actions taken as a result of those investigations are summarized individually below.

David Buhr – Mr. Buhr's complaint was in regard to what he considered to be inadequate restoration of the area around a leak repair on his property. Mr. Buhr had previously complained to the Company's subcontractor about the condition of the yard after the leak repair was completed, but had not contacted MAWC about this situation prior to the local public hearing. On May 11 (the day after the local public hearing), the owner of the subcontractor that performed the leak repair visited Mr. Buhr's property and found that the "bell" that supports the meter box lid was above ground. The subcontractor subsequently lowered the meter lid to grade, installed topsoil and seeded and strawed the area around the meter lid. According to a letter from the Company to the Staff, Mr. Buhr stated that he was satisfied with these actions. The Company also provided the Staff with "before and after" pictures of this area to confirm the actions taken. The Staff believes that MAWC responded adequately to this complaint, once it was brought to the Company's attention.

Harold Enslen (two issues raised) – Mr. Enslen's first issue was in regard to who is responsible for the maintenance of the areas around fire hydrants. The Company's response to the Staff regarding this issue, which the Staff believes is adequate, is summarized as follows. Basically, the Company is responsible for the maintenance of its facilities (including hydrants, valves, meter boxes, etc.) but does not routinely maintain the area where such facilities are located, particularly if they are located on a customer's premises as these types of facilities often are. However, if necessary for performing its maintenance functions, the Company does cut back the grass and weeds around such facilities, even if they are located on a customer's premises.

Mr. Enslen's second issue was in regard to what he considered an inadequate response to a leak located near the Audrain County Museum at the corner of Quisenberry and Muldrow Streets. MAWC's response to the Staff regarding this issue, which the Staff believes is adequate, states that the Company had originally asked its subcontractor to repair a leak on a ten-inch cast iron water main in this area approximately three weeks prior to the local public hearing. However, due to other higher priority work, the subcontractor had not yet completed its repair of this leak at the time of the local public hearing. The Company did not consider this particular leak a high priority because the leak was on a raw water main, was sporadic in nature and when noticeable was producing a relatively small loss of water. On May 11 (the day after the local public hearing), the subcontractor repaired the leak in question, which was a hairline crack in the ten-inch cast iron raw water main. MAWC provided the Staff with a photograph of the leak repair area to show that the leak had been taken care of by the Company.

St. Charles Local Public Hearing

The Staff identified nine complaints that required investigation, six of which were in regard to pressure problems. Arlie Smith and Steve Loethen of the Commission's Water & Sewer Department conducted investigations of these complaints on May 18 & 19 and were accompanied by the Company's local Operations Supervisor.

The six pressure complaints are grouped together below, with the names of the customers raising the complaints and the findings of the Staff's investigations summarized individually. For the three remaining complaints, the names of the customers raising the complaints, the nature of the complaints, the findings of the Staff's and/or the Company's investigations and any actions taken as a result of those investigations are summarized individually below.

Pressure Complaints

Jerry Heintz – This situation involves a split one-inch service line serving two residences. The Staff put a pressure gauge on Mr. Heintz' house and turned the neighbor's water on at an outside faucet. The pressure reading with the neighbor's water on was 48 psi, which is considered adequate for residential service. MAWC's representative noted that the Company has many services of this type in the system and generally does not have problems with them.

Joe Menears – The Staff obtained a pressure reading of 42 psi at Mr. Menears' house, which is considered adequate for residential service. Mr. Menears stated that he had to install a booster pump for his sprinkler system to work properly. The Staff talked to a neighbor who was outside watering his lawn and the neighbor stated that he did not have any problems with the water service pressure.

Luceen Wood – The Staff obtained a pressure reading of 70 psi at Ms. Wood's house, which is considered more than adequate for residential service.

Crystal Dewitt – The Staff obtained a pressure reading of 40 psi at Ms. Dewitt's house, which is considered adequate for residential service. Ms. Dewitt indicated that the main problem occurs when she is using two major appliances at the same time, which is not that uncommon in many homes. Ms. Dewitt had also commented on a taste problem, but indicated to the Staff that this problem had essentially gone away.

Jeff Chapple – The Staff obtained a pressure reading of 68 psi at Mr. Chapple's house, which is considered more than adequate for residential service.

James Williams – The Staff obtained a pressure reading of 66 psi at Mr. Williams' house, which is considered more than adequate for residential service.

Timothy Boul – The Staff obtained a pressure reading of 68 psi at Mr. Boul's house, which is considered more than adequate for residential service.

General Staff Comments: Many of the people that the Staff talked to during its investigation of these complaints indicated that the water service pressure is adequate except during those times that they are watering their lawns. MAWC's representative also noted that such times are when the Company receives most of its complaints about pressure problems. MAWC is currently undertaking or planning to undertake several improvements throughout its St. Charles District to further address these problems. Additionally, the Staff plans to conduct further pressure tests in the areas where these complaints originated, hopefully during dry weather when lawn watering is at a maximum, in an effort to determine if the problems noted are related to Company-owned facilities or may be related to customer-owned facilities. Mr. Smith and Mr. Loethen noted that the complaints investigated were at homes located "in the middle of many" homes, which could be an indication of problems related to customer-owned facilities.

Other Complaints

Tom Masters – Mr. Masters' complaint was in regard to the taste of the water. The Staff discovered that Mr. Masters is not on MAWC's system and conducted no further investigation of this complaint.

Donna Owens – Ms. Owens' complaint was also in regard to the taste of the water. Ms. Owens was not at home during the Staff's investigation, but the Staff noted that this is the only complaint received from the subdivision where Ms. Owens resides. The Staff further noted that Ms. Owens' house is located in the vicinity of many other houses in the subdivision, which could be an indication that the problem is related to customer-owned facilities or results from this customer's preferences as to water characteristics.

Katie Wannstedt – Ms. Wannstedt's complaint was in regard to what she felt was a slow response to a leak report that she had submitted to the Company. MAWC has completed the repair of the leak in question and the Staff inspected the leak repair site during its investigation. The final grading and reseeded of the area was not yet completed at the time of the Staff's investigation, but the leak had been properly taken care of by the Company. Attached to this Report, and identified as Attachment 2, is a report from MAWC regarding its investigation and repair of this leak.



Missouri-American Water Company

Joplin District • Seventh and Joplin Streets • Joplin, Missouri 64801

Phone: (417) 623-2100 • Fax: (417) 623-0502

G. A. Trim
Manager

September 1, 1998

Mr. Virgil Lewis
3509 Ivy Lane
Joplin, MO 64804

Dear Mr. Lewis:

Pursuant to your request, the following is the primary reason why Missouri-American Water Company inspected your connection to our distribution system:

Approximately two months ago, we received a call from the Missouri Department of Health in Jefferson City, requesting we forward a list of our customers who reside in Silver Creek. The reason for the request had something to do with property owners who still use their private wells. We received another call, on August 10, 1998, from the Department of Health on the same issue. The representative from the Department of Health indicated they had talked to a property owner who still utilized their well as a primary source. That property owner was also listed as one of our customers. Since Missouri-American's policy is to have property owners disconnect all fixtures from their private well that are attached to the structure if they elected to take service from our system, it prompted us to inspect all homes located on Ivy Lane. The Department of Health did not disclose to us the name of the property owner with whom they spoke.

As you are aware, we inspected your residence and found the outside faucet which we believed was still connected to the well.

Mr. Lewis, some years ago an incident occurred involving a customer who had their outside faucet connected to their private well which resulted in a contamination problem. At that point in time, we allowed private wells to be connected to outside house faucets. As a result of that incident, the Department of Natural Resources stated that two obvious problems exist with houses having part of the plumbing on public water and part of the plumbing on private water: First, the difficulty of an inspector (or plumber, or homeowner) to determine how the two plumbing systems are connected or disconnected; and second, the possibility of plumbing modifications which could connect the two systems. Therefore, the Department of Natural Resources recommended that we consider a more stringent policy regarding private and public plumbing in the same house. Subsequent to that recommendation, we changed our policy which is our current policy and of which you are aware.

Mr. Virgil Lewis
September 1, 1998
Page 2

We must protect the integrity of the public water supply, Mr. Lewis, but more importantly the property owner must be aware of the potential problems that could exist if a cross-connection should be made.

With this information, please let me know of your decision to disconnect your outside faucet from your home.

Sincerely,
Missouri-American Water Company
Joplin District

A handwritten signature in black ink, appearing to read "Gary A. Trim", with a long horizontal line extending to the right.

Gary A. Trim
Manager

GAT:bp

Attachment 1
page 2 of 2 pages

Public Service Commission
Jefferson City, MO

RE: Response to PSC Hearing Complaint regarding Wrenwyck Subdivision

The following occurred in the Wrenwyck Subdivision:

On Friday, April 14th, utility men were involved in the valve maintenance program. This valve was checked-water did not surface until Sunday, April 16th. The leak was not considered an emergency because the water was no more than 1/4" line and was running down the curb. On Monday, April 17th, the utility men thought it was 8" line valve and on Tuesday, April 18th, called for a Standard Locate (three day time period). The water was doing no damage and was not considered an emergency. On Friday, April 21st, the utility men dug up the valve, and in the process struck a street light cable (and had to repair it). The area was barricaded for the weekend, with the water still leaking but not classified an emergency. On Monday, April 24th, the utility men finished digging up the valve and realized it was not the 8" line valve leaking. On Tuesday, April 25th, the area was backfilled. Mike Huffman, Operations Supervisor investigated the area and found the leak on the hydrant valve located approximately 12' away from the valve previously dug up. Standard locates were called on April 28th. On May 2nd, the utility men started digging and on Wednesday, May 3rd, while in the process of digging shoring was needed as they dug 12' deep and started repairing. On Friday, May 5th, the area was backfilled and job was completed. The entire time water was leaking it was never considered an emergency since it was not more than 1/4" line and was running down the curb. Both the main and valves were embedded in gravel making it more difficult to locate the area where the leak was.

Attachment 2
page 1 of 2 pages

3) The following will provide documentation on the company's steps to resolve the water leak in the Wrenwyck Subdivision. It is noteworthy that during this time period, the leak was not categorized as an emergency since the leak was no larger than a 1/4" line and water was running down the curb. Also, both the water main and valves were embedded in gravel, making it a challenge to determine the exact location of the leak.

Friday, April 14, 2000	Missouri-American utility men checked the valve during a routine valve maintenance program; no leak detected
Sunday, April 16, 2000	Suspected water leak reported; situation analysis indicated that no emergency existed since potential leak was no larger than a 1/4" line and water was running down the curb
Monday, April 17, 2000	Utility men checked situation and considered that leak might be located on 8" line valve
Tuesday, April 18, 2000	Company called for standard locate (3-day time period); further analyzed situation and determined that no damage was being created by leak
Friday, April 21, 2000	Utility men excavated valve and struck a street light cable; repair necessary to cable; area was barricaded for the weekend; water was still leaking but not classified an emergency
Monday, April 24, 2000	Utility men completed excavation of valve; determined that leak was not on 8" line
Tuesday, April 25, 2000	Area backfilled; Mike Huffman, Operations Supervisor investigated the area and located leak on hydrant valve approximately 12' from previous excavation
Friday, April 28, 2000	Company called for standard locate
Tuesday, May 2, 2000	Excavation started
Wednesday, May 3, 2000	Excavation continued; shoring required for 12' trench; repair started
Friday, May 5, 2000	Repair completed; job site backfilled

Attachment 2
page 2 of 2 pages

**Service List for
Case No. WR-2000-281, et al.
August 2, 2000**

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