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STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION OF CENTRAL JEFFERSON  
COUNTY UTILITIES, INC., FOR AN ORDER AUTHORIZING THE  
TRANSFER AND ASSIGNMENT OF CERTAIN WATER AND SEWER ASSETS  
TO JEFFERSON COUNTY PUBLIC SEWER DISTRICT AND IN  
CONNECTION THEREWITH, CERTAIN OTHER RELATED TRANSACTIONS

Case No. SO-2007-0071, et al

PREHEARING CONFERENCE

SEPTEMBER 29, 2006

VOLUME 1

1

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STATE OF MISSOURI

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PUBLIC SERVICE COMMISSION

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TRANSCRIPT OF PROCEEDINGS

5

Prehearing Conference

6

September 29, 2006

7

Jefferson City, Missouri

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Volume 1

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10 In the Matter of the Application of )  
Central Jefferson County Utilities, )  
11 Inc., for an Order Authorizing the )Case No.  
Transfer and Assignment of Certain )SO-2007-0071,  
12 Water and Sewer Assets to Jefferson )et al.  
County Public Sewer District and in )  
13 Connection Therewith, Certain Other )  
Related Transactions )

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HAROLD STEARLEY, Presiding,  
REGULATORY LAW JUDGE

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19 REPORTED BY:

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1 P R O C E E D I N G S

2 JUDGE STEARLEY: Good morning.

3 Today is September 29th, 2006, and we're  
4 here for the prehearing conference in the matter of the  
5 application of Central Jefferson County Utilities,  
6 Incorporated, for an order authorizing transfer and  
7 assignment of certain water and sewer assets to  
8 Jefferson County Public Sewer District and in connection  
9 therewith, certain other related transactions, Case  
10 No. SO-2007-0071, et al.

11 My name is Harold Stearley, and I'm the  
12 presiding officer in this matter. The court reporter  
13 today is Pat Stewart.

14 And we will now take entries of appearance,  
15 beginning with Central Jefferson County Utilities.

16 MR. COOPER: Dean L. Cooper from the law  
17 firm of Brydon, Swearngen & England, P.C., P.O. Box 456,  
18 Jefferson City, Missouri 65102, appearing on behalf of  
19 Central Jefferson County Utilities, Inc.

20 JUDGE STEARLEY: Okay. And for Jefferson  
21 County Public Sewer District.

22 MR. TOMA: I'm Martin Toma, P. O. Box 632,  
23 Hillsboro, Missouri 63050, and I'm the Chairperson of the  
24 Jefferson County Public Sewer District.

25 JUDGE STEARLEY: Thank you.

1                   And for Raintree Plantation Property Owners  
2 Association.

3                   MR. COMLEY: Thank you, Judge.

4                   Let the record reflect the entry of  
5 appearance of Mark W. Comley, Newman, Comley & Ruth,  
6 601 Monroe, Suite 301, Jefferson City, Missouri, on  
7 behalf of Raintree Plantation Property Owners  
8 Association, Inc.

9                   And also let the record reflect the entry of  
10 appearance of Mr. Stanley D. Schnaare, The Schnaare Law  
11 Firm, P.C., 321 Main Street, Courthouse Square, Post  
12 Office Box 440, Hillsboro, Missouri 63050, for Raintree  
13 Plantation Property Owners Association, Inc.

14                   And Mr. Schnaare is on the phone.

15                   JUDGE STEARLEY: Thank you, Mr. Comley.

16                   For the Missouri Department of Natural  
17 Resources.

18                   MR. SCHMID: Michael Schmid on behalf of the  
19 Department of Natural Resources, Schreimann, Rackers,  
20 Francka and Blunt, 2316 St. Mary's Boulevard,  
21 Suite 130, Jefferson City, Missouri 65109.

22                   JUDGE STEARLEY: Thank you.

23                   And Staff of the Missouri Public Service  
24 Commission.

25                   MR. KRUEGER: Keith R. Krueger,

1 P. O. Box 360, Jefferson City, Missouri 65102, for the  
2 Staff of the Missouri Public Service Commission.

3 JUDGE STEARLEY: And finally Office of  
4 Public Counsel.

5 MR. DANDINO: Michael Dandino, Christina  
6 Baker, Lewis Mills for the Office of Public Counsel,  
7 Post Office Box 2230, Jefferson City, Missouri 65102,  
8 representing the Office of Public Counsel and the public.

9 JUDGE STEARLEY: Thank you, Mr. Dandino.

10 I don't believe there is any preliminary  
11 matters or motions pending before us right now other than  
12 a request for local public hearing by OPC.

13 Is that correct?

14 MR. DANDINO: Yes.

15 JUDGE STEARLEY: Any other matters we need  
16 to address at this time?

17 Okay. We all know that the purpose of our  
18 prehearing conference is to get the parties together and  
19 give you a chance to -- an opportunity to discuss  
20 settlement of any issues and lay out a procedural  
21 schedule for us.

22 I did want to ask Staff and Office of Public  
23 Counsel if they still feel there is a need for the local  
24 public hearing since Raintree Plantation now has counsel  
25 representing all of the property owners?

1                   You do. And could you articulate a little  
2 bit more for me why you would think that we need local  
3 public hearings, please.

4                   MR. MILLS: Really, there is -- we filed an  
5 application for local public hearings not only in this  
6 case but in the overearnings complaint case.

7                   And there really are sort of two -- I  
8 wouldn't say conflicting but somewhat competing possible  
9 public interests at stake.

10                  One is the homeowners have an interest in  
11 getting this system transferred to an entity that is  
12 willing and able to make improvements and expansions, and  
13 that would be accomplished through these cases, and there  
14 certainly is a public interest in having rates set that  
15 are just and reasonable and that would be addressed in  
16 the complaint cases.

17                  And it may be that the customers are  
18 perfectly willing to pay whatever rates it takes in order  
19 to get the system transferred, and they would not want to  
20 have these cases held up while the Commission does an  
21 investigation into the rate level.

22                  It may be that the customers are outraged  
23 that their rates are so high and they want to have that  
24 addressed as soon as possible.

25                  We won't really know for sure what the



1 public sentiment is until we have a chance to hear from  
2 the public directly.

3 And I realize that having the property  
4 owners association may give us some insight into it, but  
5 I think it's important to hear directly from the public.  
6 So that's why we requested the public hearings.

7 JUDGE STEARLEY: And I know you've also  
8 requested one in the companion or associated complaint  
9 cases as well.

10 MR. MILLS: Right.

11 JUDGE STEARLEY: I've looked at the  
12 procedural schedule for that case, and it looks like your  
13 evidentiary hearings aren't going to be until the end of  
14 April, May for the complaint case.

15 And you know schedules are really tight  
16 right now for the Commissioners in terms of local public  
17 hearings.

18 If they decide that they want to have a  
19 local public hearing, you have suggested that prior to  
20 the end of October, and I'm not sure that that's going to  
21 be possible.

22 If the Commissioners want a local public  
23 hearing, is there any objection perhaps to having one  
24 local public hearing to cover both the sale and the  
25 complaint cases?

1                   MR. MILLS: No, there is no objection. In  
2 fact, I believe that was our request.

3                   MR. COOPER: There will be from the Company,  
4 Your Honor. We're going to file later today responses  
5 both in this case and in the complaint case to the local  
6 public hearing request, and those responses will separate  
7 the two.

8                   And primarily because while we would  
9 certainly acknowledge that in this case a public hearing,  
10 to the extent there needs to be one, is ripe and timely,  
11 we would suggest that in the complaint case such local  
12 public hearing would not be appropriate until after  
13 responsive testimony has been filed by the Staff and the  
14 Company.

15                   That's the way we would normally handle  
16 things in a general rate case. We don't generally do  
17 local public hearings until the Staff and OPC have filed  
18 their side of the case, so that the public really has  
19 before it the information from both sides to consider in  
20 making comments.

21                   And we plan to make a similar comment in  
22 regard to the complaint case here, that if we're going to  
23 have valuable public testimony, it should be based upon  
24 information that has been provided by all sides in the  
25 case before we have that local public hearing.

1 JUDGE STEARLEY: All right. Thank you,  
2 Mr. Cooper. I'll wait for those written replies before I  
3 put this on for a case discussion, which may be as early  
4 as next week, depending on if Mr. Cooper has those  
5 responses filed today.

6 I did bring copies -- a couple copies of our  
7 current scheduling of hearings which can help you-all  
8 with setting up a procedural schedule for this matter.

9 Are there any other matters we need to  
10 address at this time?

11 MR. DANDINO: Your Honor, what would be  
12 the -- I know the plate is full. Would there be any  
13 opportunity for a public hearing in October, even late  
14 October?

15 JUDGE STEARLEY: It's possible for late  
16 October. I would have to take a real close look at the  
17 schedule there myself, but I think it might be a little  
18 bit of a stretch for October. We might be looking at  
19 November.

20 I certainly will make myself available for  
21 that, but I'm not sure about the Commissioners at this  
22 point. I may have a better idea of that next week.

23 MR. DANDINO: I was trying to see if there  
24 were any other public hearings in the area, but  
25 apparently not.

1 JUDGE STEARLEY: If there are no other  
2 issues we need to discuss at this time on the record, we  
3 can go off the record and I'll leave you-all to your  
4 deliberations.

5 Thank you very much.

6 WHEREUPON, the on-the-record portion of the  
7 Prehearing Conference is concluded.

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