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STATE OF MISSOURI  
  
PUBLIC SERVICE COMMISSION  
  
TRANSCRIPT OF PROCEEDINGS  
  
Prehearing Conference  
  
July 15, 2013  
  
Jefferson City, Missouri  
  
Volume 1

(Starting time of hearing: 10:03 a.m.)

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STATE OF MISSOURI

PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

Prehearing Conference

July 15, 2013

Jefferson City, Missouri

Volume 1

In The Matter Of The Application )  
Of Lincoln County Sewer Of A ) SR-2013-0321  
Rate Increase )  
In The Matter Of The Application )  
Of Lincoln County Sewer Of A ) WR-2013-0322  
Rate Increase )

KENNARD L. JONES, Presiding  
Senior Regulatory Law Judge

REPORTED BY:  
Ms. Pamela S. Gentry, CCR  
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A P P E A R A N C E S

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1 (Starting time of conference: 10:03 a.m.)

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

3 JUDGE JONES: We're on the record with Case Nos.  
4 SR-2013-0321 and WR-2013-0322, Lincoln County Sewer and  
5 Water, LLC's Request For Increases In Their Sewer And  
6 Water Rates.

7 At this time -- or I should say my name is Kennard  
8 Jones. I am the Judge assigned to this matter. Let's  
9 take entries of appearances, beginning with Lincoln  
10 County.

11 MR. COOPER: Thank you, your Honor. Dean Cooper  
12 with the law firm of Brydon, Swearingen & England, P.C.,  
13 appearing on behalf of Lincoln County Sewer and Water,  
14 LLC. The Court Reporter has the address.

15 JUDGE JONES: And the Office of Public Counsel.

16 MS. BAKER: Thank you. Christina Baker, P.O. Box  
17 2230, Jefferson City, Missouri, 65102, appearing on behalf  
18 of the Office of the Public Counsel and the customers.

19 JUDGE JONES: And from the Staff of the  
20 Commission.

21 MS. MOORE: Thank you. For the Missouri Public  
22 Service Commission, Amy Moore and Kevin Thompson, P.O. Box  
23 360, Jefferson City, Missouri, 65102.

24 JUDGE JONES: Okay. So, Staff and Company want to  
25 come to an agreement?

1 MS. BAKER: Correct.

2 MS. MOORE: Correct.

3 JUDGE KENNARD: And, OPC, you're requesting a  
4 local public hearing?

5 MS. BAKER: Yes.

6 JUDGE KENNARD: So, we have to, I guess,  
7 presumably, complete a local public hearing and an  
8 evidentiary hearing in two months, and get an order issued  
9 within two months. I don't know how feasible that is.  
10 So, I believe in Chapter 3, Commission has some power to  
11 waive the rules of the chapter. That may be considered,  
12 because the Company filed -- just got their rates approved  
13 last July when they were granted the CCN, and little time  
14 has passed.

15 So, somebody thinks that that was wrong. So,  
16 maybe we can get it right this time.

17 MR. COOPER: Well, there's been some additional  
18 investment. From the Company's perspective, there's been  
19 some additional investment.

20 JUDGE KENNARD: That's the -- since July, the  
21 Company's have invested. I mean, this is a fact, right?

22 MR. COOPER: Yes.

23 MS. BAKER: Yes.

24 JUDGE KENNARD: So, the impact or mode of the  
25 investment is in dispute. What exactly are you guys

1 arguing about?

2 MR. COOPER: There's a variety of things, your  
3 Honor.

4 JUDGE KENNARD: Let's start here. What do you  
5 agree on?

6 MS. BAKER: We did attempt to come to, at least, a  
7 partial settlement, and we weren't able, at least by that  
8 deadline. We're still -- I think all of us are open to  
9 discussing as we proceed; but, until this point, we don't  
10 even have a partial agreement.

11 JUDGE KENNARD: You don't have -- so, you don't  
12 agree -- you haven't come to an agreement on anything in  
13 particular?

14 MR. COOPER: No. I guess I would think that there  
15 would be the possibility of at least a partial agreement  
16 on some things. You know, how many, it remains to be  
17 seen.

18 JUDGE KENNARD: Okay. Well, do you all agree that  
19 there should be a rate increase?

20 MR. COOPER: No. There's a difference of opinion  
21 on that.

22 JUDGE KENNARD: Oh, wow. Check that out. All  
23 right. Let's see if there's anything else. Would you all  
24 consider arbitration? That's provided for in the rules?  
25 You haven't thought about it?

1 MR. COOPER: I haven't given it any significant  
2 thought.

3 JUDGE KENNARD: Okay. All right. Well, maybe you  
4 ought to talk about that. Let's see. Well, I guess the  
5 only thing I would add is I looked through some of the  
6 customer comments from the rate case, and I don't know if  
7 I should ask this question, but I will anyway.

8 Have -- have the company -- in your opinion, Mr.  
9 Cooper, do the Company's investments address some of those  
10 concerns in the public conference?

11 MR. COOPER: I have not gotten into those to take  
12 a look at them, so I can't even reply now.

13 JUDGE KENNARD: Okay. Do you know, Ms. Moore, if  
14 that is the case?

15 MS. MOORE: Just --

16 JUDGE KENNARD: Are you aware that they've  
17 invested?

18 MS. MOORE: Yes. From memory, I would say that  
19 the investments the Company made to address some of the  
20 concerns of the customers.

21 JUDGE KENNARD: And, Ms. Baker, do you agree with  
22 that?

23 MS. BAKER: I would say some, but not all,  
24 certainly.

25 JUDGE KENNARD: Okay. Well, we can try to do it

1 by September. I really don't know how feasible that is  
2 and, like I said in the beginning, I will look for ways to  
3 increase the time line because I'd rather get it right  
4 than hurry up and get it wrong. So, you all might talk  
5 about that, also.

6 The whole public hearing, we will take care of on  
7 our end. And scheduling, does it matter? I guess you  
8 want the local public hearing prior to the evidentiary  
9 hearing, certainly, right?

10 MS. BAKER: Yes.

11 JUDGE KENNARD: All right. Well, we'll try to get  
12 that scheduled within the notice requirements of the  
13 rules. Is there anything you all want to discuss on the  
14 record that I haven't brought up?

15 MR. COOPER: I don't think so.

16 JUDGE KENNARD: With that, we will go off the  
17 record, and maybe you guys can come to an agreement. If  
18 not, we'll reach a conclusion some other way. All right.

19 MS. MOORE: Thank you.

20 (Adjournment.)

21 (Whereupon, the record ended at 10:09 a.m.)

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C E R T I F I C A T E

STATE OF MISSOURI            )  
  ) ss.  
COUNTY OF COLE            )

I, Pamela S. Gentry, Certified Court Reporter with the firm of Midwest Litigation Services, do hereby certify that I was personally present at the proceedings had in the above-entitled cause at the time and place set forth in the caption sheet thereof; that I then and there took down in Stenotype the proceedings had; and that the foregoing is a full, true and correct transcript of such Stenotype notes so made at such time and place.

Given at my office in the City of Jefferson, County of Cole, State of Missouri.

\_\_\_\_\_  
Pamela S. Gentry, CCR #426

PREHEARING CONFERENCE 7/15/2013

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