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STATE OF MISSOURI

PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

Prehearing Conference

August 22, 2001
Jefferson City, Missouri
Volume 1

In the Matter of the Application)
of the City of Hannibal, Missouri,)
and Public Water Supply District)
No. 1 of Ralls County, Missouri,) Case No.
For Approval of a Territorial) WO-2002-17
Agreement Concerning Territory)
Encompassing Part of Ralls County,)
Missouri.)

KEVIN A. THOMPSON, Presiding,
DEPUTY CHIEF REGULATORY JUDGE.

REPORTED BY:

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

2 JUDGE THOMPSON: Good morning. My name is
3 Kevin Thompson. I'm the Regulatory Law Judge
4 assigned to preside over this matter, which is In
5 the Matter of the Application of the City of
6 Hannibal, Missouri, and Public Water Supply
7 District No. 1 of Ralls County, Missouri, for
8 Approval of a Territorial Agreement Concerning
9 Territory Encompassing part of Ralls County,
10 Missouri, Case No. WO-2002-17.

11 Let's go ahead and have oral entries of
12 appearance at this time. We'll start over here
13 with Public Counsel.

14 MS. O'NEILL: Good morning. My name is
15 Ruth O'Neill for the Office of Public Counsel. My
16 address is P.O. Box 7800, Jefferson City, Missouri
17 65102.

18 JUDGE THOMPSON: Thank you.

19 Staff?

20 MS. KIZITO: I'm Victoria Kizito. I'm
21 appearing for the Staff of the Missouri Public
22 Service Commission. My address is the Governor
23 Office Building, Suite 800, 200 Madison Street,
24 Post Office Box 360, Jefferson City, Missouri
25 65102.

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1 JUDGE THOMPSON: Thank you.

2 Sir?

3 MR. RODENBAUGH: Good morning. Rodney
4 Rodenbaugh here for Public Water Supply District
5 No. 1 of Ralls County. My address is 423 South
6 Main Street, New London, Missouri.

7 JUDGE THOMPSON: Sir?

8 MR. BLAYLOCK: My name is Jeff Blaylock.
9 I'm here for the City of Hannibal, Missouri. My
10 address is 609 East Walnut Street, Columbia,
11 Missouri 65201.

12 JUDGE THOMPSON: Thank you.

13 At this time do the parties have anything
14 to bring to the attention of the Commission?

15 MR. BLAYLOCK: Judge?

16 JUDGE THOMPSON: Mr. Blaylock?

17 MR. BLAYLOCK: On behalf of the City of
18 Hannibal, I understand we're here for the purpose
19 of a prehearing conference to discuss possibility
20 of settlement and also some scheduling and other
21 hearing particulars.

22 With respect to the territorial agreement
23 that has been presented to the Public Service
24 Commission for approval, as far as the parties are
25 concerned, that is, the Water District and the City

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1 of Hannibal, I do not believe there's any dispute
2 between us at this time as to the terms of that
3 agreement. However, it is our understanding that
4 the Water Supply District does have outstanding
5 Federal loans through the USDA. And as a term of
6 those loans, the USDA would also seek to -- well,
7 approve the agreement, if you will, with respect to
8 security for their loans.

9 It is my understanding that yesterday the
10 counsel for Water District and certain of the board
11 members met with USDA representatives and
12 attorneys, and it is my understanding that the USDA
13 does have some concerns about this agreement. I'm
14 not sure what the particulars of those concerns are
15 or what particular aspects of the agreement are
16 that the USDA has problems with.

17 For that reason, Judge, it would be my
18 request and suggestion -- and I have not had a
19 chance to speak with PSC Counsel or Public Counsel
20 in this regard. This just happened yesterday --
21 would be my request and recommendation that any
22 hearing that is ultimately had on the application
23 for approval be set as far as back as possible
24 within the 120-day timeline to allow us to meet and
25 confer with the USDA and each other and see if we

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1 can resolve any problems the USDA has in that
2 regard.

3 JUDGE THOMPSON: Okay.

4 MR. RODENBAUGH: Judge, if I may further
5 clarify?

6 JUDGE THOMPSON: Yes, Mr. Rodenbaugh?

7 MR. RODENBAUGH: I essentially concur with
8 what Mr. Blaylock has said. And to further state
9 to you and others here present, that I did, in
10 fact, meet with the USDA yesterday and there are
11 some potential problems they are looking at with
12 the agreement. They are supposed to get to us in a
13 timely way what those are and hopefully those can
14 be resolved to the satisfaction of all parties
15 involved here.

16 And I would agree with Mr. Blaylock, if we
17 can set this matter back far enough so that they
18 can inform us of what these problems are, and
19 hopefully we can resolve those and proceed with
20 this application.

21 JUDGE THOMPSON: Very well. Thank you.

22 Anybody else?

23 MS. O'NEILL: I don't have anything at
24 this time, Judge.

25 JUDGE THOMPSON: Thank you.

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1 MS. KIZITO: I also don't have anything.

2 JUDGE THOMPSON: I'm glad you mentioned
3 the 120-day timeline. We do have a statutory
4 drop-dead date in this case, so I don't know what
5 degree of flexibility we have or how far off we can
6 set things. This also, the territorial agreement,
7 falls into a small class of cases where it's our
8 interpretation of the law a hearing is required
9 even though the parties may be in complete
10 agreement and there is nothing that needs to be
11 determined from the evidence of witnesses.

12 So at some point we're going to have to
13 schedule and hold a hearing even if it's simply
14 15 minutes, put somebody on the stand to explain,
15 Hey, here's the agreement. We all agree.
16 Good-bye. The USDA matter raises some interesting
17 questions. I assume that you say you have got
18 outstanding loans, I guess they must have a
19 security interest in facilities owned by the Water
20 Supply District. The extent to which that can
21 impede the State of Missouri in setting out the
22 territory of a political subdivision is an
23 interesting question.

24 You-all will have the room until
25 five o'clock. You will have ample opportunity to

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1 discuss all of these issues and determine how best
2 to proceed. And there's a procedural schedule due
3 a week from today. We will, of course, entertain
4 any sort of motion that you might see fit to file
5 in order to derail that or change it or set it back
6 or whatever it is that you think is necessary.
7 Okay.

8 Anything else?

9 MS. O'NEILL: Not at this time.

10 JUDGE THOMPSON: There being nothing
11 further, the recorded portion of the prehearing
12 conference is adjourned. Thank you-all very much
13 for coming down today.

14 WHEREUPON, the on-the-record portion of
15 the prehearing conference was concluded.

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