

1 STATE OF MISSOURI
2 PUBLIC SERVICE COMMISSION

3
4 PUBLIC HEARING

5 May 10, 1999
6 Mexico, Missouri
7 Volume 4
8

9
10 In the Matter of Missouri-American)
11 Water Company's Tariff Sheets)
12 Designed to Implement General Rate) Case
13 Increases for Water and Sewer) No. WR-2000-281
14 Service Provided to Customers in)
15 the Missouri Service Area of the)
16 Company.)
17
18
19

20 BEFORE:

21 KEVIN A. THOMPSON, Presiding,
22 DEPUTY CHIEF REGULATORY LAW JUDGE.
23 CONNIE MURRAY,
24 M. DIANNE DRAINER, Vice-Chair,
25 COMMISSIONERS.

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22 FOR: Staff of the Missouri Public Service
23 Commission.
24
25

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

2 (Written Entries of Appearance filed.)

3 JUDGE THOMPSON: We'll go ahead and go on
4 the records.

5 We are here in the matter of Missouri-
6 American Water Company's tariff sheets designed to
7 implement a general rate increase for water service
8 provided to customers in the Missouri service area of
9 the Company, Case No. WR-2000-281.

10 May I have the witness list, please?

11 My name is Kevin Thompson. I am a
12 Regulatory Law Judge employed by the Missouri Public
13 Service Commission. I will be presiding over this
14 hearing tonight.

15 The purpose of this hearing is to take your
16 testimony with respect to the proposed rate increase.
17 The Commission is not here to answer questions. The
18 Company is not here to answer questions. We will
19 simply take your testimony.

20 It will be transcribed verbatim by the court
21 reporter. It will become part of the official record
22 of this case.

23 There are five Commissioners on the Public
24 Service Commission, two of whom are here tonight,
25 Vice-chair Dianne Drainer and Commissioner Connie

1 Murray. All five Commissioners will read the
2 transcript, so whatever it is you have to say will be
3 read and considered by the entire Commission.

4 If there are attorneys present, and I see a
5 few, they may ask you clarifying questions only. You
6 may not be examined. The Company, the Commission, the
7 Office of the Public Counsel are not putting on any
8 witnesses tonight.

9 Any person who wishes to testify may do so.
10 You have to sign up. There is a sign-up sheet. I
11 will call your names in the order in which you have
12 signed up. No one may testify that has not signed up.
13 If you are arriving late, you can still sign up.

14 Are there any questions before we begin?
15 (No response.)

16 JUDGE THOMPSON: Mark Farnen.

17 COMMISSIONER DRAINER: I have a statement I
18 do want to make.

19 JUDGE THOMPSON: Okay. We have a statement
20 from Vice-chair Drainer.

21 COMMISSIONER DRAINER: I do want to, on the
22 record, welcome all of you for coming this evening.

23 I want to -- I have one gentleman that noted
24 I was here four years ago, the last time we had a rate
25 case with Missouri-American Water. At that time we

1 were down at your Chamber of Commerce building.

2 I want to be sure that you understand that

3 the Commissioners -- we have not made any decisions in

4 this case at all. The hearing will not be becoming

5 before us, the evidentiary hearing, until June.

6 Your statements as members of the public are

7 very important to us. We take them as testimony. We

8 give them a lot of weight. And it's -- we very much

9 appreciate you being here tonight.

10 So please feel comfortable coming up and

11 giving us your statements, and I look forward to

12 hearing from you. And thank you for taking this

13 evening to come out to tell us your views on the case

14 that's before us.

15 JUDGE THOMPSON: Commissioner Murray?

16 COMMISSIONER MURRAY: No.

17 JUDGE THOMPSON: Before we go to the first

18 witness, could we have counsel make their entries of

19 appearance, please, starting with you, Mr. England?

20 MR. ENGLAND: Thank you, your Honor.

21 Let the record reflect the appearance of

22 W.R. England. I am the attorney for the Company. My

23 mailing address is Post Office Box 456, Jefferson

24 City, Missouri, 65102.

25 JUDGE THOMPSON: Thank you, sir.

1 Mr. Snodgrass?

2 MR. SNODGRASS: Judge, thank you.

3 My name is Cliff Snodgrass. I am with the

4 Staff of the Missouri Public Service Commission. I'm

5 here today, your Honor, pro hac vice. I've entered an

6 appearance form to that effect earlier in this case.

7 And my formal address of record is 301 West

8 High Street, P.O. Box 360, Jefferson City, Missouri.

9 Thank you, Judge.

10 JUDGE THOMPSON: Thank you, sir.

11 MR. COFFMAN: Appearing on behalf of the

12 Office of the Public Counsel and the Public, John B.

13 Coffman, P.O. Box 7800, Jefferson City, Missouri,

14 65102.

15 JUDGE THOMPSON: At this time I will call

16 the first witness, Mark Farnen.

17 Please raise your right hand, sir.

18 (Witness sworn.)

19 JUDGE THOMPSON: Thank you.

20 State your name, please.

21 MR. MARK FARNEN: My name is Mark Farnen.

22 JUDGE THOMPSON: Could you please spell your

23 last name for the reporter?

24 MR. MARK FARNEN: It's spelled F-a-r-n-e-n.

25 JUDGE THOMPSON: What is your address,

1 Mr. Farnen?

2 MR. MARK FARNEN: I reside at 103 East
3 Brandon in Columbia, Missouri. And I am here
4 representing my brother, Ted Farnen, who is a State
5 Representative from this area, tonight.

6 JUDGE THOMPSON: Okay. Mr. Farnen, are you
7 yourself presently a customer of Missouri-American
8 Water Company?

9 MR. MARK FARNEN: I am not.

10 JUDGE THOMPSON: Okay. But the statement
11 you are going to make is that of your brother?

12 MR. MARK FARNEN: Yes. In fact, it's in his
13 words, and it reflects his sentiments and his thoughts
14 exactly.

15 JUDGE THOMPSON: Please proceed, sir.

16 MR. MARK FARNEN: My name Mark Farnen. I'm
17 here tonight standing in for my smarter, better
18 looking brother Ted, who represents this district in
19 the Missouri House. Ted wanted to be here tonight,
20 but there are only two days left in the legislative
21 session, and the House is scheduled to meet tonight,
22 so he asked me to come deliver these remarks on his
23 behalf. This is one time when it is a benefit to have
24 eight brothers and sisters.

25 First, Ted said he would like to thank you,

1 the Public Service Commission, for coming to Mexico
2 and listening to the citizens who will be affected by
3 your decisions. This is not something you have to do,
4 so we're grateful that you are willing to listen to
5 our input.

6 So that there is no doubt, let me begin by
7 saying that I think Missouri-American does a good job
8 in providing water, and I appreciate the capital
9 improvements that have been made here in Mexico.

10 Missouri-American does deserve some type of
11 rate increase for the investments it has made. We
12 here in Mexico know that there is no such thing as a
13 free lunch, and we understand that Missouri-American
14 can't make all of these improvements for free. But
15 what we do object to is the size of the increase, the
16 timing of the increase, and the method in which it has
17 been requested.

18 Members of the Commission, Missouri-American
19 Water is asking to be reimbursed for \$90 million in
20 improvements to its water plants across Missouri. The
21 problem is that \$75 million, 80 percent of those
22 costs, \$75 million, was spent on a new water plant in
23 St. Joseph, yet Missouri-American wants all of its
24 customers to have their bills increased by 51 percent.
25 That is blatantly unfair.

1 Mexico will get no benefit from the
2 St. Joseph plant, yet we are being asked to pay a
3 disproportionate amount for it. The spokesman for
4 Missouri-American will tell you that it will all even
5 out in the long run. That's not quite true. If it
6 was true, Mexico should expect the same as St. Joe,
7 \$75 million worth of improvements in the long run.

8 Missouri-American just spent 5 million on
9 improvements here in Mexico, and according to an
10 October article in the Mexico Ledger, those
11 improvements will be good for 50 years. So what the
12 Company is telling us, if what the Company is telling
13 us is true, we should be expect another \$70 million
14 worth of investment here in Mexico, although \$5
15 million just took care of us for the next 50 years.

16 We will never see 70 million more worth of
17 work here, not this year, not next year, not in the
18 next 50 years, so we shouldn't have to pay for it.

19 It's also imperative that you reject or
20 modify Missouri-American's request to use single
21 tariff pricing. The worst thing about single tariff
22 pricing is that it takes away any incentive for the
23 utilities to be prudent in their spending. For
24 example, if you were going to dinner and you knew that
25 your pals were going to pick up the tab, why order

1 just a salad when you know they will buy you a
2 lobster.

3 Missouri-American used this same logic when
4 it overbuilt its plant in St. Joe. According to an
5 engineer hired by the Office of Public Counsel, the
6 St. Joe plant could have been adequately renovated for
7 about \$29 million, not 75 million.

8 But the allure of single tariff pricing put
9 Missouri-American into a state of complacency and
10 extravagance. They figured they could recoup all
11 plant reimbursement costs plus take -- tack on a 10.5
12 percent profit margin.

13 You as public servants must demonstrate to
14 Missouri-American that you are not to be taken for
15 granted. You should not reward Missouri-American for
16 their extravagant ways, and you must not punish the
17 citizens of Mexico for a bad business decision made by
18 a small group of water company execs. Fifty-one
19 percent is too much, too soon.

20 One of the most laughable arguments made by
21 Missouri-American is that if you don't use the single
22 tariff pricing method, Mexico's rates would go up
23 101 percent. Ridiculous. That's like the bully who
24 smacked some kid on the play ground and then says,
25 Quit your crying. You ought to be glad I didn't hit

1 you twice.

2 The notion that Missouri-American is trying
3 to do us a favor by raising our rates 51 percent is
4 wrong. That 101 percent rate is assuming that Mo-Am
5 customers must pick up all of the costs of capital
6 improvements, that Mo-Am doesn't put anything back
7 into its districts, and that it's entitled to a nice
8 10.5 percent profit to line the pockets of its execs
9 in New Jersey. You must not except this flawed and,
10 frankly, greedy philosophy.

11 It is important that you make a stand here.
12 Missouri-American Water either has or is in the
13 process of acquiring water systems in Jefferson City
14 and St. Louis County. If you rule against the people
15 of Mexico on this issue, there will be nothing to stop
16 Missouri-American from requesting future increases
17 that will require Mexico citizens to pay for
18 improvements in those areas. It must stop here.

19 Please reject Missouri-American's
20 extravagant request, or, at the very least, let any
21 increase be phased in so that it will not be such a
22 burden on our citizens, particularly those with fixed
23 incomes.

24 American Water Works is the New Jersey-based
25 conglomerate that owns Missouri-American. It grossed

1 about \$1.3 million last year with an 11 percent profit
2 margin and substantial dividends to its stockholders.
3 Denying this overreaching request will not harm the
4 company financially, but it would strike a blow for
5 justice for the citizens of Mexico.

6 Thank you for your time.

7 JUDGE THOMPSON: Thank you, Mr. Farnen.

8 If you would remain.

9 Questions from the Commissioners.

10 Vice-chair Drainer?

11 COMMISSIONER DRAINER: Yes. Since you are
12 delivering messages this evening --

13 MR. MARK FARNEN: Yes.

14 COMMISSIONER DRAINER: -- please carry one
15 back to your brother.

16 MR. MARK FARNEN: Okay.

17 COMMISSIONER DRAINER: I realize the last
18 week of the session is an extremely busy time for the
19 legislators, and that he took the time to write such
20 eloquent words and such organized for us to hear, and
21 for the public, to show his grasp of the situation I
22 greatly appreciate. Thank you so much.

23 MR. MARK FARNEN: Thank you very much. I'll
24 tell him that.

25 JUDGE THOMPSON: Just a moment.

1 Commissioner Murray?

2 COMMISSIONER MURRAY: I have no questions,
3 but thank you for being here.

4 MR. MARK FARNEN: Thanks a lot.

5 JUDGE THOMPSON: Questions from counsel.
6 Mr. England?

7 MR. ENGLAND: None. Thank you.

8 JUDGE THOMPSON: Mr. Snodgrass?

9 MR. SNODGRASS: None, Judge. Thank you.

10 JUDGE THOMPSON: Mr. Coffman?

11 MR. COFFMAN: No.

12 JUDGE THOMPSON: You are excused, sir.
13 Thank you.

14 MR. MARK FARNEN: Thank you.

15 JUDGE THOMPSON: Before I call the next
16 witness, let me just go over a couple ground rules.
17 Please remain at the podium when you are
18 finished testifying for questions, and when the
19 questions are done, then you can sit down. Okay?

20 Another important point, we have
21 approximately 26 people who have signed up, 27 people.
22 We have about two hours. So please make your remarks
23 succinct. If someone else has said something already
24 that you agree with, you may simply stand up and say,
25 I agree with what that person said. All right?

1 With those points in mind, then, I will call
2 Thomas A. Crowes (sic).
3 MR. THOMAS A. GROVES: Groves.
4 JUDGE THOMPSON: Excuse me?
5 MR. THOMAS A. GROVES: Groves.
6 JUDGE THOMPSON: Okay. I apologize.
7 Raise your right hand, sir.
8 (Witness sworn.)
9 JUDGE THOMPSON: Thank you.
10 Please state your name.
11 MR. THOMAS A. GROVES: Thomas A. Groves,
12 G-r-o-v-e-s.
13 JUDGE THOMPSON: What's your address?
14 MR. THOMAS A. GROVES: 7793 Audrain County
15 Road 377, Mexico, Missouri.
16 JUDGE THOMPSON: Sir, are you presently a
17 customer of Missouri-American Water Company?
18 MR. THOMAS A. GROVES: Yes, I am.
19 JUDGE THOMPSON: And is it your belief that
20 you will be affected by the proposed rate increase?
21 MR. THOMAS A. GROVES: Yes, I will.
22 JUDGE THOMPSON: Do you have a statement you
23 would like to make tonight?
24 MR. THOMAS A. GROVES: Yes, I do.
25 JUDGE THOMPSON: Please proceed.

1 MR. THOMAS A. GROVES: I'm also a County
2 Commissioner for Audrain County serving the western
3 district, and I believe that I have to speak for my
4 constituents, and also that I am a -- I raise cattle
5 for, my wife says, a part-time job.

6 I get my water from Water District No. 2,
7 which buys their water also from Missouri-American
8 Water Company. My family consists of two, myself and
9 my wife. We -- my average water bill a month is \$22.

10 And when I read it in -- or heard on the
11 radio this morning about the 53.97 percent increase, I
12 done some figuring, and so a little later on I found
13 out that actually my rate increase was going to go up
14 66 percent. So that's going to raise my average water
15 costs to about \$40 for a very small family.

16 And I don't use that much water because I
17 have a deep well that I water my livestock out of.
18 Now, there is a lot of people out in the country that
19 don't do that.

20 But let me put it on -- put it to you this
21 way: In the country we have to pay as you go. One
22 thing, my meter costs me \$1,000. To run the water
23 line under the road, which was my misfortune, that
24 cost me \$400. And then, of course, I chose to live a
25 quarter mile off the road to stay away from road dust.

1 That was another \$3,000. So that was a total cost out
2 of my pocket of \$4,400.

3 Like I say, my water is used only for
4 household use only as baths, washing, and that's it.
5 Other families use a lot more. My well waters all of
6 the outside things. I mean, my water bill is very low
7 compared to a lot of the other people.

8 My main concern, though, is that this --
9 this rate increase both for the city and the county,
10 people in the rural area, a lot of these people in
11 this area are on a fixed income. Your average hourly
12 wage for factory workers here in Audrain County is \$8
13 an hour. And a lot of these people rent and they have
14 to pay their utilities. It's a great hardship on
15 these young people and also the people that are on a
16 fixed income.

17 Just one little thing, when I farm, I pay
18 all of my costs out of my pocket, and I hope to make a
19 profit. A lot of times that doesn't happen. And I
20 have to work off of a market that is very, very
21 unsteady, and a lot more times than not I lose money,
22 so that's why I have another job in town.

23 But just for the record, I think that this
24 rate is unfair. The increase that we're having in
25 housing in the rural area right now, this is going to

1 hurt that, and the only reason that we have an
2 increase in the rural area is because of rural water
3 now, and that was just a few years ago that we got
4 rural water. And it'll just put everybody in a big
5 bind.

6 And I thank you for your time.

7 JUDGE THOMPSON: Thank you, sir.

8 Questions from the Commission. Vice-chair
9 Drainer?

10 COMMISSIONER DRAINER: Yes, just a couple.

11 QUESTIONS BY COMMISSIONER DRAINER:

12 Q. How much -- do you read your own meter?

13 A. Yes. I read my meter once a month.

14 Q. And so how many gallons do you use a month?

15 A. My wife figures that. I just give her the
16 numbers.

17 Q. I live out in the country, and I read the
18 meter, and my husband would answer the same way you
19 did.

20 A. My water district manager was sitting right
21 behind me, and I asked her that very same question,
22 and she couldn't answer that for me.

23 Q. But there is just -- do you have a water
24 softner?

25 A. Yes.

1 Q. Okay. So, really, other than just for, as
2 you said, just the dishes and --
3 A. There is no children. Just my wife and I.
4 Q. -- laundry and --
5 A. We're not home during the day. And this is
6 basically your nighttime activities and during the
7 weekend. We don't even wash our cars out of the --
8 out of the rural water.
9 Q. Okay. Well, I very much appreciate your
10 remarks. Thank you for taking the time to come in.
11 A. Thank you.
12 JUDGE THOMPSON: Commissioner Murray?
13 QUESTIONS BY COMMISSIONER MURRAY:
14 Q. Do you have any complaints about the quality
15 of the service that you receive?
16 A. No. Our -- I think our service, both, and
17 the quality of the water is superb. I think that the
18 service that we get from our District No. 2, which
19 serves my water line, is excellent.
20 Now, there are other water companies that do
21 come into Audrain County, and they are very comparable
22 as far as right now as in price as District No. 2, and
23 I think it's going to cause a lot of problems for my
24 district, an undue hardship, really.
25 Q. Thank you.

1 A. You're welcome. Thank you.

2 JUDGE THOMPSON: Thank you.

3 Questions from counsel. Mr. England?

4 MR. ENGLAND: No, sir.

5 JUDGE THOMPSON: Mr. Snodgrass?

6 MR. SNODGRASS: None, Judge.

7 JUDGE THOMPSON: Mr. Coffman?

8 MR. COFFMAN: No questions.

9 JUDGE THOMPSON: Thank you, sir.

10 You are excused.

11 Jim Dause (sic)?

12 Excuse me if I garble your name. I'm

13 attempting to read your handwriting. This would be a

14 gentleman residing at 827 North Calhoun.

15 MR. JAMES DANSER: That's me.

16 JUDGE THOMPSON: Yes, sir. Please come

17 forward.

18 Raise your right hand, sir.

19 (Witness sworn.)

20 JUDGE THOMPSON: Thank you, sir.

21 Please state your name.

22 MR. JAMES DANSER: My name is Jim Danser,

23 D-a-n-s-e-r.

24 JUDGE THOMPSON: What's your address, sir?

25 MR. JAMES DANSER: 827 North Calhoun.

1 JUDGE THOMPSON: Are you presently a
2 customer of Missouri-American Water Company?
3 MR. JAMES DANSER: I am a client -- a
4 customer, yes.
5 JUDGE THOMPSON: And is it your belief that
6 you will be affected by the proposed rate increase?
7 MR. JAMES DANSER: Most definitely.
8 JUDGE THOMPSON: Do you have a statement you
9 would like to give tonight?
10 MR. JAMES DANSER: Yes, I do.
11 JUDGE THOMPSON: Please proceed.
12 MR. JAMES DANSER: This is my statement and
13 my feeling.
14 I think that the Missouri-American Water
15 Company is being a little heavy-handed. I've never
16 heard of such an increase percentage-wise.
17 I'm living on a retirement income which is
18 small, and everything in the world is going up these
19 days, and it's getting tighter and tighter to make
20 ends meet. So when you consider what they are asking
21 of you, the Commission, please remember, there are a
22 lot of people like me in this town and other towns,
23 too, I'm sure, that are living near poverty. And
24 there is an awful lot of people in this country that
25 are in poverty. So please consider them and make sure

1 that the Missouri-American Water Company is justified
2 in asking for what they want.
3 Thank you.
4 JUDGE THOMPSON: Thank you, Mr. Danser.
5 Please don't leave the podium just yet.
6 Questions from the Commission. Vice-chair
7 Drainer?
8 COMMISSIONER DRAINER: No, but I wish to
9 thank you for coming this evening and taking the time
10 to give us your statement. I appreciate it.
11 MR. JAMES DANSER: Thank you.
12 JUDGE THOMPSON: Commissioner Murray?
13 COMMISSIONER MURRAY: No questions.
14 JUDGE THOMPSON: Question from counsel?
15 MR. ENGLAND: No questions. Thank you.
16 MR. SNODGRASS: None, Judge.
17 MR. COFFMAN: No.
18 JUDGE THOMPSON: You are excused,
19 Mr. Danser.
20 Alma Houchins.
21 MALE VOICE: Sir, we can't hear. You've got
22 to do something.
23 JUDGE THOMPSON: Let's try facing out, and
24 if we can't hear, we'll --
25 (A DISCUSSION WAS HELD OFF THE RECORD.)

1 COMMISSIONER DRAINER: It has to be turned
2 to us.

3 (A DISCUSSION WAS HELD OFF THE RECORD.)

4 JUDGE THOMPSON: Excuse me. I apologize for
5 the quality of the sound system. However, I would
6 like you to consider, the testimony needs to be heard
7 by the Commissioners and by the court reporter rather
8 than by the public. Okay? Please bear with us as
9 best you can.

10 Thank you.

11 Please raise your right hand and be sworn.

12 (Witness sworn.)

13 JUDGE THOMPSON: Please state your name,
14 ma'am.

15 MS. ALMA HOUCHINS: Alma Houchins. That's
16 spelled --

17 JUDGE THOMPSON: Could you spell your last
18 name for the recorder, please?

19 MS. ALMA HOUCHINS: H-o-u-c-h-i-n-s.

20 JUDGE THOMPSON: What's your address, ma'am?

21 MS. ALMA HOUCHINS: 7842 Highway 15, Mexico,
22 Missouri.

23 JUDGE THOMPSON: Are you presently a
24 customer of Missouri-American Water Company?

25 MS. ALMA HOUCHINS: Yes.

1 JUDGE THOMPSON: And is it your belief that
2 your rates will be affected by the proposed rate
3 increase?
4 MS. ALMA HOUCHINS: Yes.
5 JUDGE THOMPSON: Do you have a statement you
6 would like to give tonight?
7 MS. ALMA HOUCHINS: Yes, I do.
8 JUDGE THOMPSON: Please proceed.
9 MS. ALMA HOUCHINS: As a new Board Member of
10 the Public Water Supply District No. 2, I would like
11 to express my concerns and protest the large increase
12 of 53.9 percent that would affect our district in the
13 amount of a 66 percent increase. This would prove a
14 financial burden to many of our customers, especially
15 those on a fixed income.
16 JUDGE THOMPSON: Thank you, ma'am.
17 Questions from the Commission. Vice-chair
18 Drainer.
19 COMMISSIONER DRAINER: Thank you for your
20 statement and for helping us with the mike.
21 JUDGE THOMPSON: Commissioner Murray?
22 COMMISSIONER MURRAY: No questions.
23 Thank you.
24 JUDGE THOMPSON: Questions from counsel?
25 MR. ENGLAND: No questions.

1 MR. SNODGRASS: None, Judge.
2 JUDGE THOMPSON: You're excused, ma'am.
3 Eugene Affolter.
4 MR. EUGENE AFFOLTER: I agree with
5 Mr. Farnen.
6 JUDGE THOMPSON: Please come forward to the
7 podium.
8 (Witness sworn.)
9 JUDGE THOMPSON: Thank you, sir.
10 State your name.
11 MR. EUGENE AFFOLTER: Eugene Affolter.
12 JUDGE THOMPSON: Could you spell your last
13 name for the reporter, please?
14 MR. EUGENE AFFOLTER: A-f-f-o-l-t-e-r.
15 JUDGE THOMPSON: Are you presently a
16 customer of Missouri-American Water Company?
17 MR. EUGENE AFFOLTER: Yes.
18 JUDGE THOMPSON: Is it your belief you will
19 be affected by the proposed rate increase?
20 MR. EUGENE AFFOLTER: Yes.
21 JUDGE THOMPSON: Please proceed, sir.
22 MR. EUGENE AFFOLTER: I agree with all of
23 the statements that Mr. Farnen said awhile ago. That
24 was what I came for, is the same thing, only he said
25 it much better than I can.

1 COMMISSIONER DRAINER: Thank you very much.
2 JUDGE THOMPSON: Thank you, sir.
3 Questions from the Commission. Vice-chair
4 Drainer?
5 COMMISSIONER DRAINER: No.
6 JUDGE THOMPSON: Commissioner Murray?
7 COMMISSIONER MURRAY: No.
8 JUDGE THOMPSON: Counsel?
9 (No response.)
10 JUDGE THOMPSON: You are excused, sir.
11 Thank you.
12 Erma Rumke (sic).
13 (Witness sworn.)
14 JUDGE THOMPSON: Thank you, ma'am.
15 Please lean closer to the microphone.
16 State your name.
17 MS. ERMA RENNEKE: Erma Renneke,
18 R-e-n-n-e-k-e, 1410 Neptune, Mexico, Missouri.
19 JUDGE THOMPSON: Ma'am, are you presently a
20 customer of Missouri-American Water Company?
21 MS. ERMA RENNEKE: Yes, sir.
22 JUDGE THOMPSON: And do you believe you will
23 be affected by this rate increase?
24 MS. ERMA RENNEKE: I do.
25 JUDGE THOMPSON: Would you like to make a

1 statement?

2 MS. ERMA RENNEKE: I think that it is too
3 much to be raised as much as they want to make it. It
4 will hurt our income very much.

5 JUDGE THOMPSON: Thank you, ma'am.

6 Questions from the Commission. Vice-chair
7 Drainer?

8 COMMISSIONER DRAINER: No, but thank you
9 very much for coming this evening and for your
10 statement.

11 JUDGE THOMPSON: Commissioner Murray?

12 COMMISSIONER MURRAY: No.

13 JUDGE THOMPSON: Counsel?

14 MR. ENGLAND: No questions.

15 MR. SNODGRASS: None, Judge. Thank you.

16 JUDGE THOMPSON: You are excused, ma'am.
17 Thank you very much.

18 Flossy Bitey. I believe it is Flossy Bitey,
19 1623 West Boulevard, Mexico.

20 FEMALE VOICE: She had to leave.

21 JUDGE THOMPSON: She had to leave. Okay.
22 Mrs. Clark Stephens.
23 (Witness sworn.)

24 JUDGE THOMPSON: Thank you, ma'am.
25 Please state your name.

1 MRS. CLARK STEPHENS: Mrs. Clark Stephens.

2 JUDGE THOMPSON: Okay. Could you spell your

3 last name for the reporter?

4 MRS. CLARK STEPHENS: S-t-e-p-h-e-n-s.

5 JUDGE THOMPSON: What's your address, ma'am?

6 MRS. CLARK STEPHENS: 409 North Wade Street.

7 JUDGE THOMPSON: Are you presently a

8 customer of Missouri-American Water Company?

9 MRS. CLARK STEPHENS: Yes.

10 JUDGE THOMPSON: Is it your belief that you

11 will be affected by the proposed rate increase?

12 MRS. CLARK STEPHENS: I definitely do.

13 JUDGE THOMPSON: Please proceed.

14 MRS. CLARK STEPHENS: I think that

15 Mr. Farnen and Mr. Groves definitely said what I think

16 and feel, and they can do it much better -- or did do

17 it much better than I would have done it.

18 Thank you.

19 JUDGE THOMPSON: Thank you, ma'am.

20 Questions from the Commission. Vice-chair

21 Drainer?

22 COMMISSIONER DRAINER: No. Thank you for

23 coming this evening and for helping us with this mike.

24 MRS. CLARK STEPHENS: Thank you.

25 JUDGE THOMPSON: Commissioner Murray.

1 COMMISSIONER MURRAY: No questions.

2 JUDGE THOMPSON: Counsel?

3 MR. ENGLAND: No questions.

4 MR. SNODGRASS: None, Judge.

5 JUDGE THOMPSON: You're excused.

6 Thank you, ma'am.

7 Sue Priest.

8 (Witness sworn.)

9 JUDGE THOMPSON: Thank you, ma'am.

10 Please lean close to the microphone.

11 Thank you.

12 State your name.

13 MS. SUE PRIEST: Sue Priest, P-r-i-e-s-t.

14 JUDGE THOMPSON: And do you reside here in

15 Mexico, Missouri?

16 MS. SUE PRIEST: Yes.

17 JUDGE THOMPSON: Are you presently a

18 customer of Missouri-American Water Company?

19 MS. SUE PRIEST: Yes.

20 JUDGE THOMPSON: Is it your belief you will

21 be affected by the proposed rate increase?

22 MS. SUE PRIEST: Yes.

23 JUDGE THOMPSON: Please proceed.

24 MS. SUE PRIEST: Do you need my address?

25 JUDGE THOMPSON: Go ahead and state it for

1 the record.

2 MS. SUE PRIEST: 417 North Wade.

3 JUDGE THOMPSON: Thank you.

4 MS. SUE PRIEST: And in addition to the

5 concerns stated by the previous speakers, my concern

6 also is that fixed income folks, people who are on

7 their Social Security amounts, that this very greatly

8 affects them percentage-wise. And if this -- can we

9 give Willy a hand?

10 (Applause.)

11 MS. SUE PRIEST: Thanks, Willy.

12 -- that it very much concerns me that if all

13 of our utilities were to go up this percentage what it

14 would do to us.

15 And I would also like to see some figures on

16 if other cities of our size, what rate increases they

17 have experienced and how this is proportional to those

18 increases. That's my concerns.

19 JUDGE THOMPSON: Thank you, ma'am.

20 Questions from the Commission. Vice-chair

21 Drainer?

22 COMMISSIONER DRAINER: No, but thank you

23 very much.

24 JUDGE THOMPSON: Commission Murray?

25 COMMISSIONER MURRAY: No questions.

1 Thank you.

2 JUDGE THOMPSON: Counsel?

3 MR. ENGLAND: No questions.

4 MR. SNODGRASS: No questions, Judge.

5 JUDGE THOMPSON: You are excused, ma'am.

6 Robert Marty.

7 (Witness sworn.)

8 JUDGE THOMPSON: Thank you.

9 Please state your name.

10 MR. ROBERT H. MARTY: Robert H. Marty.

11 JUDGE THOMPSON: Could you spell your last

12 name for the reporter?

13 MR. ROBERT H. MARTY: M-a-r-t-y.

14 JUDGE THOMPSON: What is your address, sir?

15 MR. ROBERT H. MARTY: 1411 Bennington.

16 JUDGE THOMPSON: Are you presently a

17 customer of Missouri-American Water Company?

18 MR. ROBERT H. MARTY: Yes.

19 JUDGE THOMPSON: Is it your belief you will

20 be affected by the proposed rate increase?

21 MR. ROBERT H. MARTY: Yes.

22 JUDGE THOMPSON: Please proceed, sir.

23 MR. ROBERT H. MARTY: I would like to

24 welcome Commissioner Drainer and Commissioner Murray

25 here again. I know Commissioner Drainer was here

1 before. We're glad to have you back in Mexico,
2 Missouri, and I hope you bought dinner here. It helps
3 the economy.

4 I want to comment that the St. Joe plant,
5 which we're going to have to help finance, was built
6 originally in a flood plain, which wasn't the smartest
7 place to put a water plant. And even though you have
8 moved it away from the flood plain, it appears that
9 the Public Counsel believes that it could be
10 refurbished for about \$29 million.

11 You've gone ahead and built a new plant --
12 they've gone ahead, Missouri Water has gone ahead and
13 built a new plant without approval for the funding,
14 and now come after the fact to get us.

15 What's even more worrisome about us paying
16 for St. Joe's water plant is that Missouri-American
17 Water Company is the largest water company in the
18 world, and they have bought St. Louis Water Company
19 and some others, and the infrastructure in those are
20 not good.

21 So this is a slippery slope for us. We're
22 going to start paying for St. Joe, and then we're
23 going to be paying for St. Louis and so forth. We
24 need to stop that so we can only take care of our own
25 selves.

1 If they want to pay for the St. Joe
2 building, then they ought to pass a bond issue. Now,
3 as I was walking in I heard somebody comment that
4 Missouri Water is almost broke and they didn't have
5 the money and their creditor lowered the bond rating,
6 and I think that's hogwash. American Water Company is
7 the largest water company in the United States, and
8 they certainly could float a bond for that issue.

9 I want to recall for you, Commissioners,
10 that the City of Mexico offered to buy the water
11 company. We went through two court hearings and were
12 successful. Finally, we lost at the last one, but the
13 offer to buy it amicably still would be on the table.
14 If they are so strapped, they may want to sell the
15 water company back to the City of Mexico.

16 I comment to you that at different times
17 I've been mayor of the City of Mexico and president of
18 Administrative Alliance, and now I'm president of the
19 Mexico School Board. And I've appeared for you in
20 none of those cases. It just shows that they're
21 having difficulty finding a job I can do. But it does
22 show community involvement in what I tell you.

23 I also would like to say that if you do
24 approve some unit for this plant -- and I hope you
25 don't, I hope you don't do that -- it should have a

1 sunset provision. Somehow there is a cost here and
2 it's going to end, and it should come off the bill at
3 some other time.

4 Also, I want to advise you that the City of
5 Mexico made an informal study of the results of the
6 Missouri Public Service Commission's findings for
7 rates. And overtime -- this is an informal study --
8 they found that the average rate increase granted was
9 42 percent.

10 Now, there's some cases where no rate
11 increase was granted or -- was granted at all, but it
12 was a small volume, and it was thrown out. It was
13 more cosmetic, I thought, than a rate increase.

14 Now, I worry, if we can figure out that it's
15 42 percent of the rate requested is granted, certainly
16 the water companies and utilities can as well. And
17 I'm afraid it's like turkey hunting with a bow and
18 arrow. You allow for the wind. And they may increase
19 what they want so they can get back to the 42 percent.
20 And I would encourage you to have a formal study of
21 your own rate increases and see just how it is, and
22 make sure that they aren't allowing for the wind on
23 that.

24 I thank you for having this hearing here.
25 It's important. This turnout, as you can see, is

1 quite strong, and we appreciate you doing it, and
2 we're glad to have you in the City of Mexico.

3 Thank you.

4 JUDGE THOMPSON: Thank you, sir. If you
5 would stay at the podium.

6 Questions from the Commission. Vice-chair
7 Drainer?

8 COMMISSIONER DRAINER: Last time I was
9 here -- this is an aside, but I would like to know.
10 Did they get all of the fire hydrants painted?

11 MR. ROBERT H. MARTY: They did. They did
12 get the fire hydrants painted, and I have to tell you
13 they've done a good job. They have been a good
14 company here. And we're not complaining about the
15 work they've done here.

16 You remember that night, however, they had
17 issued a press release and said the rate increase was
18 going to be 10 percent, and right there we figured
19 out, no, it was wrong. It was 15. All of the
20 information they had issued would have been incorrect,
21 but we got that straightened out that night. They
22 were a little embarrassed, but it didn't bother us, of
23 course.

24 Any other questions?

25 JUDGE THOMPSON: Commission Murray?

1 COMMISSIONER MURRAY: No questions.

2 JUDGE THOMPSON: Counsel?

3 MR. ENGLAND: No questions. Thank you.

4 MR. SNODGRASS: No questions, Judge.

5 JUDGE THOMPSON: You are excused, sir.

6 MR. ROBERT H. MARTY: Thank you.

7 JUDGE THOMPSON: L.O. Biggerstaff, Junior.

8 (Witness sworn.)

9 State your name, please.

10 MR. L.O. BIGGERSTAFF, JR.: L.O.

11 Biggerstaff, Junior.

12 JUDGE THOMPSON: Could you spell your last

13 name for the recorder?

14 MR. L.O. BIGGERSTAFF, JR.: Sure. B-, as in

15 boy, -iggerstaff.

16 JUDGE THOMPSON: What is your address, sir?

17 MR. L.O. BIGGERSTAFF, JR.: 218 South

18 Alabama.

19 JUDGE THOMPSON: Are you presently a

20 customer of Missouri-American Water Company?

21 MR. L.O. BIGGERSTAFF, JR.: Yes, sir, I am.

22 JUDGE THOMPSON: Is it your belief you will

23 be affected by the proposed rate increase?

24 MR. L.O. BIGGERSTAFF, JR.: Yes, I will be.

25 JUDGE THOMPSON: Please proceed.

1 THE WITNESS: Okay. I own three houses in
2 Mexico, Missouri, two of them which have water service
3 by Missouri-American Water. I'm a factory worker. I
4 make \$8 an hour. If I get a raise, it's not
5 51 percent. It's more like 15 to 20 percent.
6 How can Missouri-American Water go above our
7 raise when if Missouri-American Water raises their
8 rate 51 percent, then our city sewer bill will go up
9 and our trash bill will go up. No telling how high
10 that'll all go up.
11 And that's all I have to say.
12 JUDGE THOMPSON: Thank you, sir.
13 Questions from the Commission. Vice-chair
14 Drainer?
15 COMMISSIONER DRAINER: Thank you very much
16 for taking the time to come this evening and give us
17 your statement. We do appreciate it.
18 JUDGE THOMPSON: Commission Murray?
19 COMMISSIONER MURRAY: I have no questions.
20 Thank you.
21 JUDGE THOMPSON: Counsel?
22 MR. ENGLAND: No questions. Thank you.
23 MR. SNODGRASS: No questions, Judge.
24 JUDGE THOMPSON: Mr. Coffman?
25 MR. COFFMAN: Yes.

1 QUESTIONS BY MR. COFFMAN:

2 Q. You mentioned your sewer bill and trash

3 bill. Are you aware if your sewer bill in Mexico is

4 linked to your water rate in any way?

5 A. Yeah. They say it's based on the water rate

6 that I use.

7 Q. Is it based on your water usage?

8 A. Yeah.

9 MR. COFFMAN: Thank you.

10 JUDGE THOMPSON: Any further questions?

11 COMMISSIONER DRAINER: I just have one. I

12 want to also let everyone know, if you came late, we

13 had a public meeting before the public hearing where

14 Staff and Office of the Public Counsel could also help

15 answer some questions. And I do know that if you

16 weren't able to come before 6:30, as soon as this

17 meeting is over, I'm sure that our Staff members that

18 are here and the Public Counsel will be happy to work

19 to answer any of the questions that you feel you still

20 have and need to have answered tonight.

21 JUDGE THOMPSON: Thank you.

22 You are excused, sir.

23 Leonard Biggerstaff.

24 MR. LEONARD BIGGERSTAFF: I pass.

25 JUDGE THOMPSON: You pass?

1 MR. LEONARD BIGGERSTAFF: Yes.

2 JUDGE THOMPSON: Thank you, sir.

3 Ed Gullion, residing at 1509 C West, Mexico,

4 Missouri?

5 (No response.)

6 JUDGE THOMPSON: Nick Shah.

7 (Witness sworn.)

8 JUDGE THOMPSON: State your name, please.

9 MR. NICK SHAH: Nick, N-i-c-k. The last

10 name is Shah, S-h-a-h. My address is 808 North

11 Calhoun Street, Mexico, Missouri.

12 JUDGE THOMPSON: Are you presently a

13 customer of Missouri-American Water Company?

14 MR. NICK SHAH: Yes, I am.

15 JUDGE THOMPSON: Is it your belief you will

16 be affected by the proposed rate increase?

17 MR. NICK SHAH: Yes, I do.

18 JUDGE THOMPSON: Proceed, please.

19 MR. NICK SHAH: Only one thing is that when

20 you're working someplace, you don't get a raise

21 53 percent at one time. You have to work 20 years to

22 make that amount of percentage rate increase. So I

23 think the water company is -- this is really, really

24 high.

25 And then one other thing, I own the motel

1 business, and that motel business, you're talking
2 about tremendous amount of high bills with this
3 53 percent water bill, and it's going to go to the
4 customers. You know, how I am -- it's not easy. You
5 know, you can't put a dollar more for a room to
6 collect this money, and you use a lot of water. And I
7 think my concern is that -- I don't mind them having a
8 raise, but it doesn't have to be one time 53 percent,
9 just straight out, you know. And, you know, it's
10 better that way. That's it.

11 JUDGE THOMPSON: Thank you, sir.

12 Questions from the Commission. Vice-chair
13 Drainer?

14 COMMISSIONER DRAINER: Yes.

15 QUESTIONS BY COMMISSIONER DRAINER:

16 Q. Mr. Shah, you have a motel in Mexico,
17 Missouri?

18 A. Yes. Holiday Inn Express.

19 COMMISSIONER DRAINER: Okay. Thank you very
20 much.

21 JUDGE THOMPSON: Sir.

22 Commissioner Drainer -- excuse me -- Murray?

23 COMMISSIONER MURRAY: I have no questions.

24 Thank you.

25 JUDGE THOMPSON: Counsel?

1 MR. ENGLAND: No questions.

2 JUDGE THOMPSON: Mr. Coffman?

3 QUESTIONS BY MR. COFFMAN:

4 Q. I was interested in your motel business.

5 Are you aware of what your average bill is for water

6 use?

7 A. \$300 this month.

8 Q. \$300?

9 A. So it will go up 53 percent.

10 JUDGE THOMPSON: Further questions?

11 (No response.)

12 JUDGE THOMPSON: You are excused, sir.

13 E.V. Garner.

14 (Witness sworn.)

15 JUDGE THOMPSON: Would you state your name,

16 please?

17 MS. E.V. GARNER: E.V. Garner, G-a-r-n-e-r.

18 JUDGE THOMPSON: Could you state your

19 address, please?

20 MS. E.V. GARNER: 1601 North Kentucky.

21 JUDGE THOMPSON: Are you presently a

22 customer of Missouri-American Water Company?

23 MS. E.V. GARNER: Yes, I am.

24 JUDGE THOMPSON: Is it your belief you will

25 be affected by the proposed rate increase?

1 MS. E.V. GARNER: Yes.

2 JUDGE THOMPSON: Please proceed.

3 MS. E.V. GARNER: All I want to do is to say

4 that I concur with all of those who have expressed

5 opposition to a 51 percent increase which is certainly

6 excessive.

7 JUDGE THOMPSON: Thank you, ma'am.

8 Questions from the Commission. Vice-chair

9 Drainer?

10 COMMISSIONER DRAINER: No. Just thank you

11 very much for coming this evening.

12 JUDGE THOMPSON: Commissioner Murray?

13 COMMISSIONER MURRAY: No questions.

14 Thank you.

15 JUDGE THOMPSON: Counsel?

16 MR. ENGLAND: No questions.

17 JUDGE THOMPSON: You are excused, ma'am.

18 Ralph Rudd. Mr. Ralph Rudd.

19 (No response.)

20 JUDGE THOMPSON: Frank Giger.

21 (Witness sworn.)

22 JUDGE THOMPSON: Thank you, sir.

23 Please state your name.

24 MR. FRANK GIGER: Frank Giger, G-i-g-e-r.

25 JUDGE THOMPSON: What is your address, sir?

1 MR. FRANK GIGER: 222 East Monroe.

2 JUDGE THOMPSON: Are you presently a

3 customer of Missouri-American Water Company?

4 MR. FRANK GIGER: That's correct.

5 JUDGE THOMPSON: Is it your belief you will

6 be affected by the proposed rate increase?

7 MR. FRANK GIGER: I don't see how I can get

8 out of it.

9 JUDGE THOMPSON: Please proceed, sir.

10 MR. FRANK GIGER: Okay. I'd like to thank

11 Mr. Marty for his comments, and Mr. Farnen for his

12 statements. I'd like to reaffirm what they said

13 concerning the increase, and I think they spoke quite

14 well.

15 My concern is, I have 14 apartment units and

16 this increase either I'll have to absorb or eventually

17 pass on to my renters, and -- because I -- because of

18 the way the laws are written right now for Mexico.

19 The -- some of my -- several renters are on fixed

20 incomes so it's going to be hard to pass on the

21 increase to them.

22 That concludes my comments.

23 JUDGE THOMPSON: Thank you, sir.

24 Questions from the Commission. Vice-chair

25 Drainer?

1 QUESTIONS BY COMMISSIONER DRAINER:
2 Q. Do you -- do your individual renters pay for
3 their water, or is that built into their rate that
4 you --
5 A. Well, I've always paid for the water.
6 Q. Okay.
7 A. I figured it was simpler, because we pay
8 utilities. And several older people rent, and it
9 makes it easier for them to rent the apartment.
10 Q. Okay. So, obviously, if that goes up, you
11 have to put that in?
12 A. I'll have to pay it. I'll be the first one
13 to see the bill.
14 COMMISSIONER DRAINER: All right. Thank you
15 very much.
16 JUDGE THOMPSON: Commission Murray?
17 COMMISSIONER MURRAY: No questions.
18 Thank you.
19 JUDGE THOMPSON: Counsel?
20 MR. ENGLAND: No questions.
21 MR. SNODGRASS: None, Judge. Thanks.
22 JUDGE THOMPSON: You are excused, sir.
23 MR. FRANK GIGER: Thank you.
24 JUDGE THOMPSON: Norma Giger.
25 (Witness sworn.)

1 JUDGE THOMPSON: Thank you.
2 State your name, please.
3 MS. NORMA GIGER: Norma Giger. Giger is
4 spelled G-i-g-e-r.
5 JUDGE THOMPSON: What is your address,
6 please?
7 MS. NORMA GIGER: 222 East Monroe, Mexico,
8 Missouri.
9 JUDGE THOMPSON: Are you presently a
10 customer of Missouri-American Water Company?
11 MS. NORMA GIGER: Yes, I am.
12 JUDGE THOMPSON: Is it your belief you will
13 be affected by the proposed rate increase?
14 MS. NORMA GIGER: Yes. That's right.
15 JUDGE THOMPSON: Please proceed.
16 MS. NORMA GIGER: My husband was up here
17 just before I was, and I want -- you know, we own the
18 apartments, like he says, but sometimes we -- I don't
19 know that there is excessive water use until the water
20 bill comes, so if a tenant has let a stool run, the
21 bill may go from \$25 to \$80, and, you know, that's not
22 my fault, but, yet, that's something that I'll have to
23 pay for.
24 And then with a law or regulation, whatever
25 you want to call it, that went into effect in Mexico

1 last year, the landowner, or the property owner, is
2 responsible for paying the water bills. So, like my
3 husband said, we've always done that, but that caused
4 undue hardship on a lot of the property owners. And
5 this -- this hike that the Mo-Am Water Company is
6 wanting to propose is just -- it's too much.

7 And I have nothing else to say.

8 JUDGE THOMPSON: Thank you, ma'am.

9 Questions from the Commission. Vice-chair
10 Drainer?

11 COMMISSIONER DRAINER: No, but thank you
12 very much for explaining to me about the law.

13 JUDGE THOMPSON: Commission Murray?

14 COMMISSIONER MURRAY: I have a question.

15 QUESTIONS BY COMMISSIONER MURRAY:

16 Q. Have you ever approached the water company
17 if you've had a tenant who had a leak or -- or left a
18 faucet running all weekend, or something like that?
19 Have you ever approached the company or the city --

20 A. No, I have not.

21 Q. -- to see if they would provide a waiver of
22 any type?

23 A. I don't know. Someone else might know, but
24 I don't know about that.

25 COMMISSIONER MURRAY: Thank you.

1 JUDGE THOMPSON: Questions from counsel?
2 MR. ENGLAND: No questions.
3 MR. SNODGRASS: None, Judge.
4 JUDGE THOMPSON: Further questions?
5 (No response.)
6 JUDGE THOMPSON: You are excused, ma'am.
7 Thank you.
8 John (sic) Harrison.
9 (Witness sworn.)
10 JUDGE THOMPSON: Please state your name.
11 MS. JOANN HARRISON: Joann Harrison.
12 JUDGE THOMPSON: I apologize for garbling
13 your name, ma'am.
14 What is your address?
15 MS. JOANN HARRISON: 2 Branchwood Road,
16 Mexico.
17 JUDGE THOMPSON: Are you presently a
18 customer of Missouri-American Water Company?
19 MS. JOANN HARRISON: I am.
20 JUDGE THOMPSON: Is it your belief you will
21 be affected by the proposed rate increase?
22 MS. JOANN HARRISON: Yes.
23 JUDGE THOMPSON: Please proceed.
24 MS. JOANN HARRISON: Mr. Farnen and
25 Mr. Marty have very eloquently expressed my opinions,

1 and they know a good bit more about this than I do.

2 I do think that we have excellent service

3 from the water company. I do think the proposed rate

4 is exorbitant.

5 Thank you.

6 COMMISSIONER DRAINER: Thank you.

7 JUDGE THOMPSON: Questions from the

8 Commission. Vice-chair Drainer?

9 COMMISSIONER DRAINER: No.

10 JUDGE THOMPSON: Commissioner Murray?

11 COMMISSIONER MURRAY: No questions.

12 JUDGE THOMPSON: Counsel?

13 MR. ENGLAND: No questions.

14 Thank you.

15 MR. SNODGRASS: No questions, Judge.

16 JUDGE THOMPSON: You are excused.

17 Harry Flynn.

18 (Witness sworn.)

19 JUDGE THOMPSON: Please state your name.

20 MR. HARRY FLYNN: Harry Flynn, 11 Terrace

21 Circle.

22 JUDGE THOMPSON: Could you spell your last

23 name for the recorder, sir?

24 MR. HARRY FLYNN: F-l-y-n-n.

25 JUDGE THOMPSON: Mr. Flynn, are you

1 presently a customer of Missouri-American Water?

2 MR. HARRY FLYNN: Yes, sir.

3 JUDGE THOMPSON: Is it your belief you will

4 be affected by the proposed rate increase?

5 MR. HARRY FLYNN: Yes, sir.

6 JUDGE THOMPSON: Please proceed.

7 MR. HARRY FLYNN: I agree with Mr. Farnen

8 and Mr. Marty and the others that have spoken, and I

9 think it would be a hardship on our elderly people on

10 fixed incomes.

11 That's all I have to say.

12 JUDGE THOMPSON: Thank you, sir.

13 Questions from the Commission. Vice-chair

14 Drainer?

15 COMMISSIONER DRAINER: No, but thank you

16 very much for coming.

17 MR. HARRY FLYNN: Thank you.

18 JUDGE THOMPSON: Commissioner Murray?

19 COMMISSIONER MURRAY: No questions.

20 Thank you.

21 JUDGE THOMPSON: Counsel?

22 MR. ENGLAND: No questions.

23 Thank you.

24 MR. HARRY FLYNN: Thank you.

25 MR. SNODGRASS: None, Judge.

1 JUDGE THOMPSON: You are excused, sir.
2 Dave Boone (sic).
3 MR. DAVID BUHR: It's Buhr, B-u-h-r.
4 JUDGE THOMPSON: I apologize, sir.
5 (Witness sworn.)
6 JUDGE THOMPSON: Thank you.
7 State your name.
8 MR. DAVID BUHR: David Buhr.
9 JUDGE THOMPSON: Could you please spell your
10 name for the reporter?
11 MR. DAVID BUHR: Yes. David, D-a-v-i-d,
12 B-u-h-r.
13 JUDGE THOMPSON: Sir, are you presently a
14 customer of Missouri-American Water Company?
15 MR. DAVID BUHR: I am.
16 JUDGE THOMPSON: Is it your belief you will
17 be affected by the proposed rate increase?
18 MR. DAVID BUHR: Most definitely.
19 JUDGE THOMPSON: Please proceed.
20 MR. DAVID BUHR: I also live at 919 Virginia
21 Court, which you didn't ask, but I think you need to
22 know that.
23 JUDGE THOMPSON: Thank you, sir.
24 Please proceed.
25 MR. DAVID BUHR: You're welcome.

1 Missouri-American Water Company literature
2 states, "This, in turn, lays the foundation that's
3 necessary to attract a broader range of businesses and
4 investment to our community." What about retaining
5 existing businesses?

6 Agri business is still our largest business
7 in Audrain County and the Mexico area. Think about
8 such businesses as MFA agri business, which uses large
9 quantities of water during the last month or two of
10 this year where then they dilute up a lot of sprays
11 and other solutions for the farmers. Do you think
12 they are going to continue to absorb these costs of
13 all that water they have to use for agri business,
14 community and our farmers?

15 Also, I've got a real concern in regards to
16 the Balanced Budget Act of 1997 which has done a
17 significant -- been a significant problem for our
18 hospital, which is a large medical center, and several
19 nursing homes that are in this town and in the area.
20 They have had a very difficult time financially making
21 a profit. They feel fortunate if they have a 1 or
22 2 percent bottom line.

23 They are large users of water, as you can
24 well expect, and this will have a definite impact on
25 them, and I'm sure it's something they did not budget

1 for. It would hurt -- it would bother me a lot as an
2 individual if these providers of health care have to
3 reduce services because of significant impact with
4 their water bills.

5 Missouri-American Water Company also states
6 that the complexities of their regulatory issues
7 involved have led to financial challenges to water
8 providers. Well, I would like to know what are the
9 rules and regulations that have changed from the year
10 2000 from 1999 or 1998 and what were those costs that
11 were involved in those regulatory changes and those
12 complexities.

13 Last of all, a couple of years ago a water
14 main broke in our yard. It took them a couple of days
15 before they did anything about it. When they did
16 repair it, they did not leave the yard in a very good
17 order. It took a lot of my own manual labor to get
18 the yard in a proper order so you could even use a
19 lawn mower to run over that area after they were
20 finished with it. So as a personal resident that's
21 been impacted by a problem with the water company, I
22 would say I would not agree with them having superb
23 services.

24 Thank you for listening to me.

25 JUDGE THOMPSON: Thank you, sir.

1 Questions from the Commission. Vice-chair
2 Drainer?
3 COMMISSIONER DRAINER: Yes.
4 QUESTIONS BY COMMISSIONER DRAINER:
5 Q. I would like to ask you about the leak in
6 your yard.
7 When you notified them, did you feel that it
8 took an -- a long period of time for them to respond?
9 They didn't respond immediately?
10 A. They didn't respond immediately. They left
11 it bubble out of the yard for awhile. Luckily, there
12 was a ditch close by where the water was able to go
13 into versus going into our basement.
14 Q. And then when they repaired it, they did not
15 repair and regrade?
16 A. Not -- not very well. It was very sloppily
17 done. Granted, I think it was a subcontract job, but
18 they are still responsible for it.
19 Q. Absolutely. Did you -- did you express to
20 them that you were not pleased with the results?
21 A. I expressed it to the subcontractor.
22 Q. And -- but not to Missouri-American Water --
23 to the water company itself?
24 A. No, because I don't know who the officials
25 would be that you would contact.

1 Q. Tell me, the state that your yard is in now,
2 are you satisfied with the state of repair that your
3 yard is currently in?

4 A. Well, the existing metal cap that goes over
5 the area that was repaired is cockeyed like that
6 (indicated), so we avoid that area entirely with the
7 lawn mower.

8 Q. And it was not that way before?

9 A. No. There was no metal cap or anything in
10 the yard prior to the main breaking there. They just
11 went ahead and dug hole, stuck in a rim of something
12 around it and then a metal cap that now sticks out and
13 protrudes in the yard.

14 Q. Sir --

15 A. That was their repair.

16 Q. Would you mind speaking to our -- one of our
17 Staff members after this meeting and explain to him
18 exactly what the situation is so he can review it?

19 A. Sure. I'd also invite him to come over this
20 evening and look at it, if he wishes.

21 Q. I think he would probably be happy to do
22 that.

23 A. I would be more than happy to have him in
24 the neighborhood.

25 COMMISSIONER DRAINER: Okay. Would you

1 please raise your hand so that he can see who we have
2 here from our water department.

3 Thank you. Thank you very much. I
4 appreciate your response.

5 JUDGE THOMPSON: Commissioner Murray?

6 COMMISSIONER MURRAY: Yes.

7 QUESTIONS BY COMMISSIONER MURRAY:

8 Q. I have a question about, did you say you did
9 not attempt to tell the company that you were
10 displeased with the repair job?

11 A. Well, I used to know the contacts in the
12 water company before Missouri-American made a lot of
13 the changes here. I'm not sure who you contact, so I
14 just contacted the subcontractor that did the work,
15 thinking that they would be responsible for taking
16 care of it.

17 Q. And who did you contact to report the
18 problem, in the first place?

19 A. I called the City, I believe, because I
20 didn't know who to contact. I just called the City of
21 Mexico and told them I had a water leak in the yard,
22 and then they took it from there, I believe.

23 Q. You never spoke directly with the company?

24 A. No.

25 Q. And to this day, do you know how to reach

1 someone at the company?

2 A. Probably go through the City again, I guess.

3 COMMISSIONER MURRAY: Thank you.

4 JUDGE THOMPSON: Questions from counsel?

5 Mr. England?

6 MR. ENGLAND: No questions.

7 Thank you.

8 JUDGE THOMPSON: Mr. Snodgrass?

9 MR. SNODGRASS: None, Judge.

10 Thanks.

11 JUDGE THOMPSON: Mr. Coffman?

12 MR. COFFMAN: No.

13 JUDGE THOMPSON: Further questions?

14 (No response.)

15 JUDGE THOMPSON: You are excused, sir.

16 Harold Enslen.

17 (Witness sworn.)

18 JUDGE THOMPSON: Please state your name.

19 MR. HAROLD ENSLEN: I'm Harold Enslen.

20 JUDGE THOMPSON: What's your address, sir?

21 MR. HAROLD ENSLEN: 901 Ruth Court in

22 Mexico, Missouri.

23 JUDGE THOMPSON: Could you spell your last

24 name for the reporter?

25 MR. HAROLD ENSLEN: E-n-s-l-e-n.

1 JUDGE THOMPSON: Are you presently a
2 customer of Missouri-American Water Company?
3 MR. HAROLD ENSLEN: Yes, I am.
4 JUDGE THOMPSON: Is it your belief you will
5 be affected by the proposed rate increase?
6 MR. HAROLD ENSLEN: Yes, I do.
7 JUDGE THOMPSON: Please proceed.
8 MR. HAROLD ENSLEN: I would like to
9 reaffirm -- agree with most everything Mr. Marty said.
10 And also -- and I'll stand corrected on this
11 as far as the fixed income people. This is 20 -- 24
12 percent of the community is fixed income. And I'll
13 stand corrected on that, if that's not correct, but it
14 was at one time. And some of those people can afford
15 an increase of this type, but some of us can't.
16 I really haven't had much problem with their
17 service.
18 And the City of Mexico -- being interested
19 in what's going on in the City of Mexico -- is just
20 beginning to overcome the loss of about 190 white
21 color jobs when the A.P. Green Company was sold about
22 two years ago. The other industries that are coming
23 along are -- have a pretty good work force, but these
24 people need help also.
25 And I might say that the businesses that are

1 using the water, this will definitely affect their
2 product line.

3 And I would like to speak to a leak right
4 now as we speak, unless it's been fixed in the last
5 two or three hours. There is a leak at Muldrow Street
6 and Quisenberry. It's been leaking for about a year,
7 water running out of the street out of the curb,
8 behind a curb.

9 MR. ROBERT MARTY: That's right.

10 MR. HAROLD ENSLEN: Now, if that's not a
11 leak, maybe it's a spring. I'm not sure. But if it's
12 a spring -- and I'm not trying to be smart about it,
13 or funny. If it is a spring, the water company ought
14 to tap onto it because it's right across the street
15 from their property, their water tower. But there is
16 water running across there, and it runs down into the
17 ditch into our town branch.

18 And you -- Commissioner, you mentioned the
19 fire hydrants awhile ago. I'm not sure who is
20 supposed to maintain the area around fire hydrants,
21 but I'm concerned about them, about the weeds growing
22 up and hiding them, and the weeds growing up where
23 they can't get the hoses hooked onto them, two in
24 particular. One of them is on my street, and the
25 other one is out on Northwestern -- yeah, Northwestern

1 at the edge of the city limits.

2 That's all I have.

3 JUDGE THOMPSON: Thank you, sir.

4 Questions from the Commission. Vice-chair

5 Drainer?

6 QUESTIONS BY COMMISSIONER DRAINER:

7 Q. On -- the weeds are so high, and they are

8 not maintained or cut back on a regular basis?

9 A. That's correct.

10 Q. All right.

11 A. I don't know who is supposed to maintain

12 that. I don't know if the City is supposed to or the

13 water company. But if you've got to find them in the

14 dark -- they do show up a little better because

15 they're painted white and blue rather than what color

16 they were.

17 Q. All right. Well, I believe that we will

18 need to get an answer from our Staff on that so that

19 we can follow up with it if we need to.

20 MR. HAROLD ENSLEN: Okay.

21 JUDGE THOMPSON: Commission Murray?

22 COMMISSIONER MURRAY: Yes.

23 QUESTIONS BY COMMISSIONER MURRAY:

24 Q. Have you spoken to anyone with the company

25 regarding the leak?

1 A. Yes. I told one of the maintenance men one
2 time about it, but it's -- it's just a leak on a busy
3 street in front of the museum, or at the corner of the
4 museum property, but I didn't follow up on it, because
5 people think I'm complaining all of the time. But I'm
6 interested in what's going on in the community.

7 FURTHER QUESTIONS BY COMMISSIONER DRAINER:

8 Q. Is that the Audrain -- I'm sorry -- the
9 Audrain County Museum?

10 A. Yes.

11 Q. Is that on 15 or 22?

12 A. Well, it's on Muldrow Street, and then, I
13 think, 15 and 22. The business route goes around that
14 place.

15 COMMISSIONER DRAINER: Yeah. Okay.

16 JUDGE THOMPSON: Questions from counsel.

17 Mr. England?

18 MR. ENGLAND: No, sir.

19 JUDGE THOMPSON: Mr. Snodgrass?

20 MR. SNODGRASS: None.

21 JUDGE THOMPSON: Mr. Coffman?

22 (No response.)

23 JUDGE THOMPSON: You are excused, sir.

24 Thank you.

25 MR. HAROLD ENSLEN: Thank you.

1 JUDGE THOMPSON: Nancy Archer.
2 (Witness sworn.)
3 JUDGE THOMPSON: Thank you.
4 Please state your name.
5 MS. NANCY S. ARCHER: Nancy S. Archer,
6 A-r-c-h-e-r.
7 JUDGE THOMPSON: What is your address,
8 ma'am?
9 MS. NANCY S. ARCHER: 1003 Ringo.
10 JUDGE THOMPSON: Are you presently a
11 customer of Missouri-American Water Company?
12 MS. NANCY S. ARCHER: Yes, I am.
13 JUDGE THOMPSON: Is it your belief you will
14 be affected by the proposed rate increase?
15 MS. NANCY S. ARCHER: Yes.
16 JUDGE THOMPSON: Please proceed.
17 MS. NANCY S. ARCHER: Okay. I have a very
18 small water bill. It's just my husband and I, and so
19 our water bill runs between, oh, \$11 and \$13, \$14 a
20 month. And, of course, it goes higher in the
21 summertime when I'm watering to protect my grass or my
22 bushes, or whatever.
23 And so when I got the notice about the rate
24 increase I kind of figured it up, and just roughly
25 50 percent, if my water bill is \$14, then it's going

1 to raise it up to seven bucks. That's \$21. And over
2 the course of a year, \$7 times 12 is \$84, and that's
3 just me. When you consider that the schools use all
4 of the water, and they're not budgeting nearly as
5 much, you know, because they don't know what the rates
6 will be, your churches, your non-profit organizations
7 are also going to be fazed by this, then I think that
8 it's imperative that -- we don't mind a water
9 increase, a rate increase, I don't mind a rate
10 increase, but not such a great one.

11 JUDGE THOMPSON: Questions from the
12 Commission. Vice-chair Drainer?

13 COMMISSIONER DRAINER: I was going to ask
14 you if it was the size of the increase, and you've
15 answered my question. Thank you very much.

16 JUDGE THOMPSON: Commission Murray?

17 COMMISSIONER MURRAY: No questions.

18 Thank you.

19 JUDGE THOMPSON: Counsel?

20 MR. ENGLAND: No questions.

21 Thank you.

22 MR. SNODGRASS: No questions, Judge.

23 JUDGE THOMPSON: Thank you.

24 You are excused, ma'am.

25 Linda Herndon.

1 (Witness sworn.)
2 JUDGE THOMPSON: Thank you.
3 Please state your name.
4 MS. LINDA HERNDON: Linda Herndon,
5 H-e-r-n-d-o-n.
6 JUDGE THOMPSON: What's your address, ma'am?
7 MS. LINDA HERNDON: 1010 Ringo, Mexico.
8 JUDGE THOMPSON: Are you presently a
9 customer of Missouri-American Water Company?
10 MS. LINDA HERNDON: Yes, I am.
11 JUDGE THOMPSON: Is it your belief you will
12 be affected by the proposed rate increase?
13 MS. LINDA HERNDON: I know I will.
14 JUDGE THOMPSON: Please proceed.
15 MS. LINDA HERNDON: I agree with what most
16 everyone here has said about the increase. I think
17 50-whatever percent is way too much for anything to go
18 up.
19 JUDGE THOMPSON: Thank You.
20 MS. LINDA HERNDON: You are welcome.
21 JUDGE THOMPSON: Questions from the
22 Commission. Vice-chair Drainer?
23 COMMISSIONER DRAINER: I want to thank you
24 for taking the time this evening to come and express
25 your views.

1 MS. LINDA HERNDON: Thank you for coming to
2 this hearing.

3 JUDGE THOMPSON: Commission Murray?

4 COMMISSIONER MURRAY: No questions.

5 MS. LINDA HERNDON: Thank you.

6 JUDGE THOMPSON: Counsel?

7 MR. SNODGRASS: No questions, Judge.

8 MR. ENGLAND: No questions.

9 JUDGE THOMPSON: You're excused, ma'am.

10 Thank you.

11 COMMISSIONER DRAINER: Is everyone able to
12 hear better now that the fans are off?

13 AUDIENCE: Yes.

14 JUDGE THOMPSON: Tim Dye? Jim Dye?

15 MR. JIM DYE: Yes.

16 JUDGE THOMPSON: I apologize.

17 (Witness sworn.)

18 JUDGE THOMPSON: State your name, please.

19 Jim Dye, D-y-e.

20 JUDGE THOMPSON: What's your address, sir?

21 MR. JIM DYE: 1341 Bennington.

22 JUDGE THOMPSON: Are you presently a
23 customer of Missouri-American Water Company?

24 MR. JIM DYE: Yes, I am.

25 JUDGE THOMPSON: Is it your belief you will

1 be affected by the proposed rate increase?

2 MR. JIM DYE: Yes, sir.

3 JUDGE THOMPSON: Please proceed.

4 MR. JIM DYE: Thank you.

5 First, I want to thank the Commissioners for

6 coming here this evening and listening to the people.

7 I want you to know that I think that the

8 proposed increase is an unconscionable amount for the

9 people of Mexico. I think this single tariff pricing

10 system is ridiculous.

11 If they were making a \$70 million

12 increase -- improvement to the Mexico water system and

13 \$5 million in St. Joseph, I don't think you would be

14 here asking for this increase. The people of

15 St. Joseph wouldn't stand for that for a minute.

16 I think whatever -- whatever money is spent

17 on a water system here in Mexico, whatever amount

18 benefits the people of Mexico, that money should be

19 built into our rate structure, but not the increases

20 and not the improvements to water systems all across

21 the state.

22 And I also believe, as Mr. Marty said awhile

23 ago, there should be a sunset on whatever this

24 increase is. Whenever it's paid off, it should come

25 out of the rate.

1 I want to thank you again for coming this
2 evening.

3 JUDGE THOMPSON: Questions from the
4 Commission. Vice-chair Drainer?

5 COMMISSIONER DRAINER: No questions.
6 Thank you.

7 JUDGE THOMPSON: Commission Murray?
8 COMMISSIONER MURRAY: None.
9 Thank you.

10 JUDGE THOMPSON: Counsel?
11 MR. ENGLAND: No questions.
12 Thanks.

13 MR. SNODGRASS: None, Judge.
14 JUDGE THOMPSON: You are excused, sir.
15 Thank you.

16 I'm having a little trouble reading the next
17 name. It looks like it's RGL Dean, Senior. Well,
18 that's -- that's -- 203 -- does anyone live at a
19 street address 203?

20 COMMISSIONER DRAINER: S-k--
21 JUDGE THOMPSON: Or South something.

22 MR. BOB GENE DAVIS, SR.: I live at 203
23 South Kentucky. My name is Bob Gene Davis, Senior.

24 JUDGE THOMPSON: It's you, sir. Please come
25 forward.

1 MR. BOB GENE DAVIS, SR.: I apologize for
2 not being able to scribble. I didn't have my glasses
3 that I usually have.

4 JUDGE THOMPSON: No, sir. I apologize that
5 I was unable to read your name, but we gotcha now.

6 (Witness sworn.)

7 JUDGE THOMPSON: Thank you, sir.

8 Please state your name.

9 MR. BOB GENE DAVIS, SR.: Bob Gene Davis,
10 Senior, 203 South Kentucky, Mexico, Missouri.

11 JUDGE THOMPSON: Are you presently a
12 customer of Missouri-American Water?

13 MR. BOB GENE DAVIS, SR.: Yes, sir, I am.

14 JUDGE THOMPSON: And is it your belief you
15 will be affected by the proposed rate increase?

16 MR. BOB GENE DAVIS, SR.: I definitely know
17 I will be.

18 JUDGE THOMPSON: Please proceed, sir.

19 MR. BOB GENE DAVIS, SR.: I think everybody
20 out here has pretty well spoke of what's going on,
21 Mr. Farnen, Mr. Marty, Mr. Groves.

22 I've been a resident of this place. For
23 40 years I've been with the water company. I drilled
24 wells. I know what some of it's all about. I've lost
25 a lot of my brains. I'll have to admit that. I went

1 through a lot of illness and stuff.

2 I'm on disability. I can't get disability
3 from my wife. She's had four heart attacks, a dual
4 quad bypass. I live on a fixed income, and if this
5 bill goes up any more than what we're already
6 paying -- I think I'm paying something like \$25, \$26 a
7 month now. If it goes up any higher, we're just going
8 to have to give it up, because even our kids that are
9 grown up in this community is leaving the community.
10 And the ones that are staying around is the older
11 people like us that can't go nowhere else.

12 And, like I say, everybody else is pretty
13 well spoke what it's about, and that's about all I
14 have to say.

15 JUDGE THOMPSON: Thank you, sir.

16 MR. BOB GENE DAVIS, SR.: Thank you.

17 JUDGE THOMPSON: Questions from the
18 Commissioner. Vice-chair Drainer?

19 COMMISSIONER DRAINER: No, but I do greatly
20 appreciate that you took the time to come this
21 evening --

22 MR. BOB GENE DAVIS, SR.: Thank you.

23 COMMISSIONER DRAINER: -- to express your
24 views.

25 Thank you.

1 JUDGE THOMPSON: Commission Murray?
2 COMMISSIONER MURRAY: No questions.
3 MR. BOB GENE DAVIS, SR.: Thank you.
4 JUDGE THOMPSON: Counsel?
5 MR. ENGLAND: No questions.
6 MR. SNODGRASS: No questions, Judge.
7 JUDGE THOMPSON: You are excused, sir.
8 MR. BOB GENE DAVIS, SR.: Thank you.
9 JUDGE THOMPSON: Terry Jones.
10 (Witness sworn.)
11 JUDGE THOMPSON: Please state your name.
12 MR. TERRY JONES: Terry Jones.
13 JUDGE THOMPSON: What is your address, sir?
14 MR. TERRY JONES: 800 South Jefferson.
15 JUDGE THOMPSON: Could you step closer to
16 the microphone?
17 MR. TERRY JONES: 800 South Jefferson.
18 JUDGE THOMPSON: Thank you.
19 Are you presently a customer of
20 Missouri-American Water Company?
21 MR. TERRY JONES: Yes, I am.
22 JUDGE THOMPSON: And is it your belief you
23 will be affected by the proposed rate increase?
24 MR. TERRY JONES: Yes, I do.
25 JUDGE THOMPSON: Please proceed, sir.

1 MR. TERRY JONES: I agree with most of the
2 people that are talking tonight, but I've seen some of
3 the improvements up there, and they have done a lot of
4 improvements to make our water better. But I don't
5 see us having to pay for some of the other plants. If
6 they'd just divide out from our plant here that
7 they've improved that, but not the other plants. I
8 can't see that.

9 Thank you.

10 JUDGE THOMPSON: Thank you, sir.

11 Questions from the Commission. Vice-chair
12 Drainer?

13 COMMISSIONER DRAINER: No, but thank you
14 very much for your comments.

15 JUDGE THOMPSON: Commissioner Murray?

16 COMMISSIONER MURRAY: Yes. I just want to
17 clarify something.

18 QUESTIONS BY COMMISSIONER MURRAY:

19 Q. Are you saying you don't mind paying for an
20 increase in the cost of delivering water to you so
21 long as it is the cost of delivering it to you?

22 A. To me.

23 Q. Is that what you're saying?

24 A. Yes.

25 COMMISSIONER MURRAY: Thank you.

1 JUDGE THOMPSON: Counsel?
2 MR. ENGLAND: No questions.
3 MR. SNODGRASS: No questions, Judge.
4 JUDGE THOMPSON: You are excused, sir.
5 Charles Herndon.
6 (Witness sworn.)
7 JUDGE THOMPSON: Please state your name.
8 MR. CHARLES A. HERNDON: My name is
9 Charles A. Herndon.
10 JUDGE THOMPSON: Could you please spell your
11 last name for the reporter?
12 MR. CHARLES A. HERNDON: H-e-r-n-d-o-n.
13 JUDGE THOMPSON: Mr. Herndon, what is your
14 address?
15 MR. CHARLES A. HERNDON: 621 West Maple.
16 JUDGE THOMPSON: Are you presently a
17 customer of Missouri-American Water Company?
18 MR. CHARLES A. HERNDON: Yes, I am.
19 JUDGE THOMPSON: Is it your belief you will
20 be affected by the proposed rate increase?
21 MR. CHARLES A. HERNDON: Yes, I do.
22 JUDGE THOMPSON: Please proceed.
23 MR. CHARLES A. HERNDON: I would just like
24 to say that seven-seventy-two may not be a big
25 increase to some people but for people that's making

1 little money like I am, yes, it is a big increase.
2 And I'm not only speaking for just myself in Missouri,
3 I'm speaking for all Missourians in this wide world.
4 And also I would like to say I think if
5 public people in housing have to pay, like,
6 residential like myself, I also think that housing
7 itself should have to pay water also. And I do
8 believe that it is the truth.
9 JUDGE THOMPSON: Thank you, sir.
10 Questions from the Commission. Vice-chair
11 Drainer?
12 COMMISSIONER DRAINER: Thank you very much,
13 Mr. Herndon, for coming this evening and giving you us
14 your opinions. I appreciate it.
15 JUDGE THOMPSON: Commissioner Murray?
16 COMMISSIONER MURRAY: No questions.
17 Thank you.
18 JUDGE THOMPSON: Counsel, you have no
19 questions, I assume?
20 MR. ENGLAND: No questions.
21 JUDGE THOMPSON: You are excused, sir.
22 Thank you.
23 JUDGE THOMPSON: Edward Black? Edward
24 Black? Someone residing at 1989, a street address
25 beginning with 1989?

1 (No response.)

2 JUDGE THOMPSON: Gay (sic) Webster?

3 MR. GARY WEBSTER: Gary Webster.

4 JUDGE THOMPSON: Gary Webster.

5 (Witness sworn.)

6 JUDGE THOMPSON: Thank you, sir.

7 Please state your name.

8 MR. GARY WEBSTER: Gary Webster.

9 JUDGE THOMPSON: What is your address, sir?

10 MR. GARY WEBSTER: 1780 Martin Place.

11 JUDGE THOMPSON: Are you presently a

12 customer of Missouri-American Water Company?

13 MR. GARY WEBSTER: Yes.

14 JUDGE THOMPSON: And is it your belief you

15 will be affected by the proposed rate increase?

16 MR. GARY WEBSTER: Yes.

17 JUDGE THOMPSON: Please proceed, sir.

18 MR. GARY WEBSTER: Well, it appears that if

19 the St. Joseph plant needed \$70 million in

20 investments, then Missouri-American may have made a

21 real poor decision to go in there, and it appears that

22 they are trying to make the ratepayers in the rest of

23 these cities take up the slack there for their

24 mistake. So I agree with the Office of the Public

25 Counsel's thought that they could -- would have been

1 much better off just upgrading the plant they had.

2 And in regards -- also, I would presume that
3 since the City of Mexico didn't have to have their
4 plant upgraded except I believe it is \$5 million,
5 obviously, they are taking better care of the plant
6 here. I don't feel that it's fair to burden us
7 because they're doing the job directly here with what
8 has to be done in St. Joe.

9 And then I believe the stock market has
10 rewarded Missouri-American Water Company with a pretty
11 heavy run-up in price. Clearly, these people who are
12 buying the stock, the large investors, know something,
13 that there is a pretty good return on Missouri-
14 American's stock. That obviously has to be because
15 there was a better rate of return than with a typical
16 water utility because all water utilities have not
17 observed that run-up in price.

18 JUDGE THOMPSON: Thank you, sir.

19 Questions from the Commission. Vice-chair
20 Drainer?

21 COMMISSIONER DRAINER: No, but thank you
22 very much for coming.

23 MR. GARY WEBSTER: You're welcome.

24 JUDGE THOMPSON: Commissioner Murray?

25 COMMISSIONER MURRAY: I have no questions.

1 Thank you.

2 JUDGE THOMPSON: Counsel?

3 MR. ENGLAND: No questions.

4 JUDGE THOMPSON: You are excused.

5 Thank you.

6 MR. GARY WEBSTER: Thank you.

7 JUDGE THOMPSON: Teresa Jennings.

8 (Witness sworn.)

9 JUDGE THOMPSON: Please state your name.

10 MS. TERESA JENNINGS: Teresa Jennings.

11 JUDGE THOMPSON: Could you stand closer to

12 the microphone, ma'am?

13 Please spell your last name for the

14 reporter.

15 MS. TERESA JENNINGS: J-e-n-n-i-n-g-s.

16 JUDGE THOMPSON: What is your address,

17 ma'am?

18 MS. TERESA JENNINGS: No. 2, Quantica.

19 JUDGE THOMPSON: Are you presently a

20 customer of Missouri-American Water Company?

21 MS. TERESA JENNINGS: Yes, I am.

22 JUDGE THOMPSON: Is it your belief you will

23 be affected by the proposed rate increase?

24 MS. TERESA JENNINGS: Yes.

25 JUDGE THOMPSON: Please proceed.

1 MS. TERESA JENNINGS: On a personal level, I
2 have five children that love water and everything to
3 do with water, so the lowest my bill is a month is \$30
4 to \$35, so the increase would drastically be -- would
5 be drastic.

6 On a business level, I am a family service
7 advocate. I work with a non-profit organization
8 called Care Share, and I do things on the side, so I
9 pretty well get out in the community with low-income
10 and people on limited incomes and stuff. They have a
11 hard enough time buying food and making day-to-day
12 things with utility bills and, yes, there is housing
13 available; however, if they do get a job, then their
14 rent goes up on housing. It makes a big difference.
15 So any step they take, it's like they are running into
16 a brick wall.

17 The rate increase on the water would be
18 drastic. I mean, I have seen families literally do
19 without water just to buy food, or do without
20 electricity just to buy food. It's like they've got
21 to pick and choose what's more important, and that's
22 not right, so bringing the water up is not going to
23 help any.

24 I looked up on the internet and
25 Missouri-American Water Company has 90,616 customers

1 at this time according to their web site. I don't
2 understand why it should have to be raised so much
3 with that many customers. And maybe I haven't read up
4 enough, but I plan on doing so. But, however, I do
5 really think this is going to be drastic, and it's not
6 going to benefit any of our Mexico residents
7 whatsoever.

8 Thank you.

9 JUDGE THOMPSON: Thank you, ma'am.

10 Questions from the Commission. Vice-chair
11 Drainer?

12 COMMISSIONER DRAINER: No, but I very much
13 appreciate your coming tonight.

14 Where are the children?

15 MS. TERESA JENNINGS: They are home. I have
16 one over there.

17 JUDGE THOMPSON: Commissioner Murray?

18 COMMISSIONER MURRAY: No questions.

19 JUDGE THOMPSON: Questions from counsel?

20 MR. ENGLAND: No. Thank you.

21 MR. SNODGRASS: None, Judge.

22 JUDGE THOMPSON: You are excused, ma'am.

23 Thank you very much.

24 JUDGE THOMPSON: Chad Shoemaker.

25 (Witness sworn.)

1 JUDGE THOMPSON: Thank you, sir.
2 Please state your name.
3 MR. CHAD SHOEMAKER: My name is Chad
4 Shoemaker.
5 JUDGE THOMPSON: Could you spell your last
6 name for the reporter, please?
7 MR. CHAD SHOEMAKER: S-h-o-e-m-a-k-e-r.
8 JUDGE THOMPSON: What is your address, sir?
9 MR. CHAD SHOEMAKER: 500 West Robinson,
10 Mexico, Missouri.
11 JUDGE THOMPSON: Are you presently a
12 customer of Missouri-American Water Company?
13 MR. CHAD SHOEMAKER: Yes, I am.
14 JUDGE THOMPSON: Is it your belief you will
15 be affected by the proposed rate increase?
16 MR. CHAD SHOEMAKER: Yes, I will, sir.
17 JUDGE THOMPSON: Please proceed.
18 MR. CHAD SHOEMAKER: When we got the notice
19 in the mail, my wife brought it up to me and she
20 showed it to me, and she said, "This can't be right."
21 I looked at it, and, you know, the very
22 first thing I felt was just complete and total
23 outrage. If I go buy IBM stock tomorrow, and I decide
24 to spend more money than I have right now, I can't
25 call IBM up and say, Excuse me. I need a 17 percent

1 rate of return on this for the next ten years because
2 I might have overspent a little bit, you know. My car
3 payment is due. My house payment is due.

4 You know, if there's accounting tricks going
5 on here, so be it. I assume that's the State's job to
6 find, and that's why you're going to have a further
7 investigation and what you-all are here for.

8 The second thing I have to say, this smacks
9 of just sheerly and purely mean greed, taking
10 advantage of people in a small town. If you look
11 around at the people who are out and have come to
12 talk. None of them are dressed fancy. I mean, these
13 are not people who make a lot of money. This is not a
14 rich community. It's an agricultural center and it's
15 an industrial center. You know, I think the average
16 median income last year in this county was around
17 19,000 for a family of four.

18 I'm sure these people who are sitting back
19 there in their fancy suits from the water company are
20 probably in the neighborhood where their earnings are
21 quite a bit larger than that.

22 I also think it's unfair for a company from
23 New Jersey to dictate to us such a large rate increase
24 when none of the money is going to be spent in
25 Missouri.

1 In closing, I don't think the State of
2 Missouri is protecting its citizens properly if you
3 let this happen.

4 JUDGE THOMPSON: Thank you, sir.

5 Questions from the Commission. Vice-chair
6 Drainer?

7 COMMISSIONER DRAINER: Thank you very much
8 for very well organized thoughts. I appreciate them.

9 JUDGE THOMPSON: Commissioner Murray?

10 COMMISSIONER MURRAY: No questions.

11 JUDGE THOMPSON: Questions from counsel?

12 MR. SNODGRASS: None, Judge.

13 MR. ENGLAND: No, sir.

14 JUDGE THOMPSON: You are excused.

15 Are there any persons who signed up to speak
16 who have not been called?

17 (No response.)

18 JUDGE THOMPSON: Are there any persons who
19 would like to testify who have not had an opportunity
20 to sign up?

21 Sir.

22 MR. DANIEL CARSON: My name is Daniel
23 Carson.

24 JUDGE THOMPSON: You will need to come
25 forward and sign the witness list, sir.

1 (Complied.)

2 JUDGE THOMPSON: Step to the podium, sir.

3 (Witness sworn.)

4 JUDGE THOMPSON: Please state your name.

5 MR. DANIEL L. CARSON: My name is Daniel L.

6 Carson.

7 JUDGE THOMPSON: What's your address, sir?

8 MR. DANIEL L. CARSON: 1306 Santa Fe,

9 Mexico, Missouri.

10 JUDGE THOMPSON: Are you presently a

11 customer of Missouri-American Water Company?

12 MR. DANIEL L. CARSON: I am on Water Supply

13 District No. 1, which purchases their water from

14 Missouri Water supply.

15 JUDGE THOMPSON: So is it your belief that

16 you would be affected by any rate increase?

17 MR. DANIEL L. CARSON: I definitely will be

18 affected by any water increase which will go --

19 possibly go into effect.

20 JUDGE THOMPSON: Please proceed, sir.

21 MR. DANIEL L. CARSON: And as everybody

22 knows, with public water supply districts, we usually

23 read our own meters, so there is a fact that what they

24 wrote down 6,000 gallon water is going to cost --

25 right now it costs you 17.60. Well, according to my

1 records, 6,000 gallons of water right now will cost me
2 27.65, 26.65, which I have got evidence of that.

3 So at a 51 percent increase, it's going to
4 change my monthly usage, which usually runs around
5 14.77 a month, and that's for 2,700 gallons of water,
6 so -- which is great, because it's closer to 6,000
7 gallons of water for 16- or 17-something, or this book
8 right here (indicated).

9 And that's all I got to say.

10 JUDGE THOMPSON: Thank you, sir.

11 Questions from the Commission. Vice-chair
12 Drainer?

13 QUESTIONS BY COMMISSIONER DRAINER:

14 Q. Sir, you're on the Water District No. 2?

15 A. I'm on Water District No. 1 --

16 Q. Water District No. 1.

17 A. -- which is on the east end of town, and we
18 are in the city limits of Mexico.

19 Q. And can you tell me, is the water rate for
20 Water District No. 1 the same rate as the city's water
21 for folks?

22 A. Not definitely, because I don't have exactly
23 any idea what the city water limit is. But if they
24 get an increase, it's going to be passed on to us
25 also.

1 JUDGE THOMPSON: Commissioner Murray?
2 COMMISSIONER MURRAY: I have no questions.
3 Thank you.
4 JUDGE THOMPSON: Questions from counsel?
5 MR. ENGLAND: No questions.
6 Thank you.
7 MR. SNODGRASS: No questions.
8 JUDGE THOMPSON: Thank you, sir.
9 You are excused.
10 At this time the local public hearing in
11 this matter is concluded.
12 Commissioner Drainer?
13 COMMISSIONER DRAINER: I'm making it
14 difficult for him tonight. I'm sorry.
15 The only way that the Commissioners can get
16 answers to questions in this format -- I can't go up
17 afterwards and ask our Staff to tell me what happened.
18 I am concerned about the leak that was
19 expressed that was by the museum, so I would like to
20 ask the parties, through our Staff, to respond and
21 find out why that leak is there. I don't want to come
22 back here in four years and find out we've still got
23 the leak and I wasn't able to follow up. And,
24 obviously, I would ask the Company's attorney to --
25 and the parties here, Public Counsel, you will see the

1 response Staff makes and will be able to respond to
2 that, but I would like to know what that leak is and
3 that -- how it has been corrected, if it is indeed a
4 part of Missouri Water Company's system.

5 I would also like that Mr. Hubbs does follow
6 up, and the Company, and let us know what happened to
7 the lawn.

8 MR. HUBBS: I'm sorry? I'm sorry? I didn't
9 hear you.

10 COMMISSIONER DRAINER: The lawn. The
11 gentleman's lawn, that you follow up after you've
12 talked to him, okay, those two things.

13 And, finally, I don't normally do this. I
14 don't know that I ever have, but I would like to let
15 young Mr. Jennings know that with this Mother's Day
16 coming up, I think your mother has done an excellent
17 job of showing an example that it is important to come
18 out to public meetings and express opinions. They
19 make a difference, and I applaud you for doing that
20 and being an example for your son. I think that's
21 quite wonderful.

22 Thank you.

23 JUDGE THOMPSON: Any further comments from
24 the Bench?

25 (No response.)

1 JUDGE THOMPSON: Further testimony?
2 (No response.)
3 JUDGE THOMPSON: At this time, this local
4 public hearing is concluded.
5 Thank you-all very much for appearing. We
6 are adjourned.
7 WHEREUPON, the local public hearing at
8 Mexico, Missouri was concluded.

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