

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
TRANSCRIPT OF PROCEEDINGS
PUBLIC HEARING

MAY 18 2000

JOPLIN, MISSOURI

VOLUME 6

IN THE MATTER OF MISSOURI-AMERICAN)
WATER COMPANY'S TARIFF SHEETS DESIGNED)
TO IMPLEMENT GENERAL RATE INCREASES) CASE No. WR-2000-281
FOR WATER AND SEWER SERVICE PROVIDED)
TO CUSTOMERS IN THE MISSOURI SERVICE)
AREA OF THE COMPANY)

KEVIN A. THOMPSON, PRESIDING
DEPUTY CHIEF REGULATORY LAW JUDGE
SHEILA LUMPE, CHAIR,
M. DIANNE DRAINER, VICE-CHAIR
COMMISSIONERS

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HEARING

JUDGE THOMPSON: If I could have your attention please. Thank you very much. My name is Kevin Thompson. I'm a regulatory Law Judge with the Missouri Public Service Commission. It is my job this evening to preside over this local public hearing.

I'm going to explain the hearing procedures to you, and then we will go ahead and get on the record and start taking testimony. Everyone who would like to testify this evening needs to sign up on a sheet, a witness sheet. I will call each witness in the order in which you have signed up. You must come forward to the podium. I will swear you in. You will then give your testimony. Please do not leave the podium until you are excused; there may be some questions for you from counsel or from one of the Commissioners or for myself.

The purpose of the hearing tonight is to take your testimony. It is not for us to answer questions. We will take your testimony. It will become part of the official and permanent record of this case. Each of the commissioners will read and consider all the testimony that is given. When you first come to the podium, I will ask you to spell

1 your name for the court reporter. A record is
2 being made. This will result eventually in a
3 written transcript which will be part of the
4 permanent case record. At this time we can go on
5 the record.

6 We are here in the matter of Missouri-American
7 Water Company's tariff sheets designed to implement
8 a general rate increase for water service provided
9 to customers in the Missouri service area of the
10 company, Case Number WR-2000-281.

11 With me tonight, our Chair, Sheila Lumpe, of
12 the Missouri Public Service Commission, and Vice-
13 Chair Dianne Drainer. There are five Commissioners
14 on the Commission, and each of the Commissioners
15 will read the entire transcript of tonight's
16 hearing.

17 This is one of five local public hearings
18 which the Commission is holding in the various
19 portions of the service area of Missouri-American
20 Water Company to gather public comments. There
21 will also be a trial-type evidentiary hearing in
22 Jefferson City which will begin, I believe, on June
23 5th. That is scheduled to run for over a week. At
24 that time, the attorneys for the company, for the
25 public Counsel, for various other parties in the

1 case, will put on witnesses, will put on evidence
2 just like a court trial, in order to make an
3 evidentiary foundation with respect to this rate
4 increase. Our purpose tonight is to listen to your
5 comments, the record your comments with respect to
6 the proposed rate increase.

7 With all that being said, I will ask counsel
8 to make entries of appearance at this time. Mr.
9 Snodgrass, let's start with you.

10 MR. SNODGRASS: I have done that
11 Judge. My name is Cliff Snodgrass, I'm appearing
12 pro hac vice in this case. I represent the
13 interests of the staff of the Missouri Public
14 Service Commission.

15 JUDGE THOMPSON: Thank you, Mr.
16 Snodgrass. Mrs. Cook.

17 MS. COOK: Shannon Cook on behalf of
18 the Office of Public Counsel and the Public, P.O.
19 Box 7800, Jefferson City, Missouri 65102-7800.

20 JUDGE THOMPSON: Thank you.

21 UNIDENTIFIED SPEAKER: On behalf of
22 the Industrial Intervenors, Jeremiah D. Finnegan
23 and Stewart W. Conrad, 3100 Broadway, Suite 1209,
24 Kansas City, Missouri 64111.

25 JUDGE THOMPSON: Thank you.

1 MR. COOPER: Dean Cooper from the law
2 firm of Brydon, Swearngen and England, P.O. Box
3 456, Jefferson City, Missouri 65102, appearing on
4 behalf of Missouri-American Water Company.

5 JUDGE THOMPSON: Thank you. Are there
6 any other counsel here this evening?

7 (NO RESPONSES.)

8 JUDGE THOMPSON: Very well, I call
9 Representative Chuck Surface.

10 REPRESENTATIVE CHUCK SURFACE

11 was called as a witness, was sworn, and
12 testifies as follows:

13 JUDGE THOMPSON: State your name,
14 please.

15 JUDGE THOMPSON: Chuck Surface, S-u-r-
16 f-a-c-e.

17 JUDGE THOMPSON: Thank you. Do you
18 have a statement you'd like to make, sir?

19 MR. SURFACE: I do.

20 JUDGE THOMPSON: Please proceed.

21 THE WITNESS: Good evening. Welcome
22 Commissioners Lumpe and Drainer and their staff to
23 Joplin. Sheila, it's nice to see you again. I
24 would also like to welcome the citizens of Joplin
25 and the surrounding areas for taking the time to

1 make their feelings known. In the interest of
2 time, my remarks will be brief so that those who
3 wish to speak may be heard. And from what we've
4 come across in the last hour, I know there's a lot
5 of folks that want to be heard. I would like to
6 address Case WR-2000-281, which you will be called
7 upon to decide later this year.

8 We understand that there must be increases in
9 rates, but those increases should be based on the
10 cost of delivering services to us. A 54 percent
11 increase in water rates in our community is not
12 warranted, as the Joplin area does not benefit in
13 better service, better delivery, cleaner water, or
14 anything else. This is, pure and simple, a welfare
15 plan for St. Joseph, funded on the backs of rate
16 payers in the Joplin and other areas of the state.

17 Joplin is being asked to pay for new plant in
18 St. Joseph which Joplin consumers do not use and
19 cannot benefit from. With other utilities such as
20 gas and electric service, there are mechanisms to
21 move that power and those utilities around. In
22 this case, Missouri American Water does not have
23 such a mechanism. It is my hope that in this case
24 you abandon single tariff pricing, whereby all pay
25 for one, and instead utilize district specific

1 pricing, where each area pays its rightful share
2 for the benefits it receives.

3 It is my understanding that your staff has
4 recommended district specific pricing in Case 2000-
5 281. It is further my understanding that the
6 Office of Public Counsel has also stated that
7 district specific pricing should be applied to this
8 case. Sometimes when we talk about numbers, we
9 forget what those numbers mean. To our senior
10 citizens is another increase in services that they
11 must have to live, an increase they cannot pass on.
12 To our industrial customers, they may be able to
13 pass on the costs, but it makes them less
14 competitive, and it's artificial inflation, as
15 again, they receive no benefits but must account
16 for costs that they cannot control. Our retailers,
17 such as laundries, car washes, and other water
18 intensive businesses, must pass this cost on again
19 to the consumers of Joplin, thus multiplying the
20 effect of a 54 percent increase. I know that the
21 public Counsel will discuss overbuilding. That is
22 what is believed to have to have occurred in this
23 matter, as will others. I will leave that
24 discussion to them. My belief is that the
25 stockholders, not the ratepayers, should pay for

1 such extravagance.

2 (*APPLAUSE FROM AUDIENCE.*)

3 REPRESENTATIVE SURFACE: I again want
4 to thank you for showing interest by coming to our
5 community as well as other communities. I hope you
6 will look out over this audience and register their
7 interest in this matter and the way your decision
8 affects them. I hope that your decision is that,
9 in cases such as this, there should be no corporate
10 welfare paid for by ratepayers who can never glean
11 an ounce of benefits from increased rates.

12 At this time, I would like to present you with
13 copies of petitions with over 1000 signatures
14 opposing this unconscionable rate increase.

15 (*APPLAUSE.*)

16 JUDGE THOMPSON: *THANK YOU REPRESENTATIVE*
17 *SURFACE. I HAVE BEEN PRESENTED WITH THE FILE FOLDER WHICH I HAVE*
18 *MARKED AS EXHIBIT NUMBER 1.*

19 REPRESENTATIVE SURFACE: Any questions
20 that I can answer from you?

21 JUDGE THOMPSON: Questions from the
22 bench?

23 CHAIR LUMPE: I have no questions.

24 COMMISSIONER DRAINER: I have no
25 questions. I'd like to thank you very much for

1 your comments this evening. I think you have
2 probably summarized very well what many of your
3 citizens here would like to express to us, and I
4 appreciate your doing that. Thank you.

5 THE WITNESS: Thank you for your
6 coming in your consideration, Commissioner.

7 JUDGE THOMPSON: Any questions from
8 counsel?

9 (APPLAUSE)

10 JUDGE THOMPSON: Chair Lumpe, do you
11 have any remarks you would like to make of a
12 general nature?

13 CHAIR LUMPE: Very briefly, I would
14 just -- I'm very appreciative of the turnout that
15 we have here. The comments that you will make to
16 us will help us make better decisions. As it's
17 been stated, we will be -- we have visited two
18 communities. We will be going to two committees
19 later this month also to hear their comments. It's
20 very important that we hear, that it becomes part
21 of the record and becomes part of our making a
22 decision.

23 We are not the jury. We have made no decision
24 yet, and I think it's very important that you know
25 that, so that you know what you tell us is equally

1 important to anything we hear at the evidentiary
2 hearing. So thank you again for taking your time
3 to come.

4 JUDGE THOMPSON: Vice-Chair.

5 COMMISSIONER DRAINER: Yes. I, first
6 of all, would like to reemphasize that I agree
7 wholeheartedly with Chair Lumpe, that we are here
8 to hear you, this is your meeting. And I first
9 would like to say that I apologize this from wasn't
10 big enough. We asked to get as big a room as we
11 could, and I know that I see at least three seat --
12 If there is anybody standing in the back that
13 really needs to be seated, if you would come
14 forward, there are some open seats. Also, there's
15 room over here on this side of the wall. Please,
16 don't be bashful; come and make yourselves
17 comfortable, so that you can hear. So I would like
18 to offer that.

19 I guess also want to say, I've been to Joplin.
20 This is my third public meeting down in this area
21 in the last couple years. What you tell us tonight
22 makes a difference. It always has, it always will.
23 We are here to hear you, and to take and reconsider
24 this evidence, and we will use it. So I will also
25 ask that, as we have speakers tonight, if we could

1 refrain from clapping until the end, so that we can
2 -- so we need to hear you all. We have this
3 scheduled from 6:30 to 8:30, but I can guarantee
4 you we're going to sit here until we've heard the
5 last person. And we're not leaving, we're not
6 calling this, so we'll stay and will hear you, and
7 we look forward to your comments. Thank you very
8 much for coming this evening.

9 JUDGE THOMPSON: Thank you Vice-Chair
10 Drainer. In the interest of speeding things up
11 where possible, if another speaker has given a view
12 that you agree with, you may simply come to the
13 podium after you're sworn, state that you agree
14 with what that speaker said, okay.

15 As Vice-Chair Drainer said, we would ask you
16 to refrain from clapping, from applause, until the
17 end of the hearing. And if you have any exhibits,
18 hand them to me, please. Thank you.

19 At this time, I will call William A. Clark.

20 WILLIAM A. CLARK

21 was called as a witness, was sworn, and
22 testifies as follows:

23 JUDGE THOMPSON: Thank you sir. State
24 your name, please.

25 SPEAKER CLARK: Its William A. Clark,

1 Clark with an "E".

2 JUDGE THOMPSON: Okay.

3 SPEAKER CLARK: I'm a resident of 25
4 years in Joplin, Missouri, 2421 West --

5 JUDGE THOMPSON: Excuse me. Are you
6 presently a customer of Missouri-American Water
7 Company?

8 SPEAKER CLARK: I certainly am.

9 JUDGE THOMPSON: Please proceed.

10 SPEAKER CLARK: I'm a stockholder in
11 Missouri-American Water Works. However, I'm very,
12 very interested in being here tonight, and, after
13 what you said, I will not read what I have here. I
14 will make my comments very brief. I think our
15 representative Chuck Surface made an outstanding
16 comment. He happens to live on the same block that
17 I do.

18 But this whole increase, in my opinion, and
19 others that I've talked to, is simply absurd. We
20 are going on record tonight feeling that like that
21 we're being ungraciously asked to contribute to St.
22 Joe's new \$75 million plan. Now, we feel like that
23 there is a better way, and we would certainly like
24 for the Missouri Public Service Commission to ask
25 the American Water Works to find a better way than

1 the idea that they have of increasing our rates
2 like 54 percent. Thank you.

3 JUDGE THOMPSON: Thank you, sir.
4 Questions from the bench.

5 CHAIR LUMPE: I have not questions for
6 Mr. Clark, thank you.

7 JUDGE THOMPSON: Commissioner Drainer.

8 COMMISSIONER DRAINER: I just wish to
9 thank you very much for taking this public hearing
10 off and coming up and giving us your comments. I
11 appreciate that very much.

12 JUDGE THOMPSON: Questions from
13 counsel?

14 MR. SNODGRASS: None Judge, thank you.

15 GISELE PUTMAN

16 was called as a witness, was sworn, and
17 testifies as follows:

18 JUDGE THOMPSON: Please state your
19 name.

20 SPEAKER PUTMAN: Gisele Putman, G-i-s-
21 e-l-e, Gisele.

22 JUDGE THOMPSON: Could you spell your
23 last name for the reporter, please.

24 SPEAKER: Putman. P-u-t-m-a-n.

25 JUDGE THOMPSON: Thank you. Are you

1 presently a a customer of Missouri-American Water
2 Company?

3 SPEAKER PUTMAN: Yes.

4 JUDGE THOMPSON: Please proceed.

5 SPEAKER PUTMAN: I lived here now for
6 50 years, and I raised three boys and two
7 grandsons, and I'm paying out now the same water
8 bill I paid when I had my family, and there is no
9 way I could stand a raise. I'm on Social Security,
10 I'm living by myself. It just don't do any
11 farther. Or like I said, I may have to quit taking
12 my bath. I don't have a garden, I don't water the
13 grass. That was before my husband passed away. He
14 done all that. But I'm still paying the same
15 amount. So, please, I can't handle it. Thank you
16 very much.

17 JUDGE THOMPSON: Thank you, ma'am.
18 Please don't step away yet. Questions from the
19 bench, Chair Lumpe.

20 CHAIR LUMPE: No, I have no questions.

21 JUDGE THOMPSON: Vice-Chair Drainer.

22 COMMISSIONER DRAINER: No questions
23 other than thank you very much for coming.

24 SPEAKER PUTMAN: You're welcome.

25 JUDGE THOMPSON: Questions from

1 counsel.

2 MR. FINNIGAN I have one. I have a
3 question for you.

4 JUDGE THOMPSON: Please return to the
5 --

6 SPEAKER PUTMAN: I'm in a hurry.

7 JUDGE THOMPSON: Thank you, ma'am.

8 MR. FINNIGAN Giesele?

9 SPEAKER PUTMAN: Giesele.

10 MR. FINNIGAN Giesele. Are you aware
11 that there are parties in the case, including the
12 group that I represent, that are proposing a
13 \$642,000 decrease for Joplin?

14 SPEAKER: Oh, that would be nice. A
15 decrease in everything: light bill, water bill,
16 whatever.

17 MR. FINNIGAN Just for water. Would
18 you support that?

19 SPEAKER PUTMAN: A decrease, yes, I
20 sure would support that, but I haven't seen any
21 yet. They promise. They promise all the time.

22 MR. FINNIGAN: Okay, well, the
23 testimony in the case supported a decrease.

24 SPEAKER PUTMAN: Okay. Can I go? No?

25 JUDGE THOMPSON: Thank you, Mr.

1 Finnigan. Any further questions?

2 (NO RESPONSES.)

3 SPEAKER PUTMAN: Oh, thank you very
4 much.

5 (APPLAUSE)

6 JUDGE THOMPSON: Gloria Mitchell.

7 GLORIA MITCHELL

8 was called as a witness, was sworn, and
9 testifies as follows:

10 JUDGE THOMPSON: Please state your
11 name.

12 SPEAKER: Gloria Mitchell.

13 JUDGE THOMPSON: Could you please
14 state your last name for the reporter.

15 SPEAKER MITCHELL: M-i-t-c-h-e-l-l.

16 JUDGE THOMPSON: Are you presently a
17 customer the Missouri-American Water Company?

18 SPEAKER MITCHELL: I am.

19 JUDGE THOMPSON: Please proceed.

20 SPEAKER MITCHELL: I was born here,
21 and I love this town, and I agree with what Chuck
22 Surface said and the others, and it's just too much
23 of a raise.

24 JUDGE THOMPSON: Does that complete
25 your statement?

1 SPEAKER MITCHELL: That completes my
2 statement.

3 JUDGE THOMPSON: Thank you. Questions
4 from the bench, Chair Lumpe.

5 CHAIR LUMPE: I have no questions.

6 JUDGE THOMPSON: Vice-Chair Drainer.

7 COMMISSIONER DRAINER: No, but thank
8 you very much for coming out, thank you.

9 JUDGE THOMPSON: If you could just
10 wait a moment, ma'am. Questions from counsel.

11 (NO RESPONSES.)

12 JUDGE THOMPSON: You're excused, thank
13 you very much.

14 Anna Ruth Crampton.

15 ANNA RUTH CRAMPTON

16 was called as a witness, was sworn, and
17 testifies as follows:

18 JUDGE THOMPSON: Please state your
19 name.

20 SPEAKER CRAMPTON: I am Anna Ruth, A-
21 n-n-a, R-u-t-h, Crampton, C-r-a-m-p-t-o-n.

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

25 SPEAKER CRAMPTON: I am.

1 JUDGE THOMPSON: Please proceed.

2 SPEAKER: I am here this evening to
3 address WR-2000-281. Thank you for the opportunity
4 to speak to you this evening. I am an Anna Ruth
5 Crampton, as I've stated. I am Western District
6 Commissioner of Jasper County. I will present to
7 you later documents signed by Jasper and Newton
8 County commissioners regarding your rate increase
9 for water service to our area.

10 The quality of water in our lifestyle is very
11 important to us here in southwest Missouri. Water
12 is certainly a commodity that is of extreme
13 importance. We pride ourselves in neighbors
14 helping neighbors, and we strive for this on a
15 daily basis. The water increase of over 50 percent
16 certainly is not one that we feel part of our
17 policy of neighbors helping neighbors.

18 The area of St. Joseph, Warrensburg and Mexico
19 are located several hundred miles away from us, and
20 are not contingent on Jasper or Newton County. An
21 industrial park has recently been started in Jasper
22 County bordering Newton County. We have a strong
23 desire to see that this project will produce many
24 employment opportunities for our joint counties.
25 As a County Commissioner representing the citizens,

1 I strongly encourage you not to use this as
2 something to affect our county.

3 I do also have a statement I would like to
4 read from the Newton County Commission. "Dear Mrs.
5 Crampton, the Newton County Commission is in full
6 support of your position of opposition to the water
7 increase by the Missouri-American Water Company.
8 We applaud your efforts. Newton County, as
9 Missouri-American Water customers in Saginaw and
10 Silver Creek area who became customers because
11 their water wells were polluted by industrial
12 chemicals. The commission does not feel Missouri
13 American Water can justify such a large increase in
14 water rates for taxpayers of this area. The Newton
15 County Commission recognizes that the new
16 industrial park east of Joplin we'll be a great
17 economic benefit to both Jasper and Newton
18 counties, and it will provide opportunities for
19 employment and housing. For these reasons and
20 others addressed in your testimony before the
21 public -- the Missouri Public Service Commission
22 hearing May 18th, we again are in opposition to
23 this water rate increase and join Jasper County in
24 that opposition. I thank you for your attention.

25 JUDGE THOMPSON: Thank you, ma'am.

1 Questions from the bench, Chair Lumpe.

2 CHAIR LUMPE: I'm just wondering,
3 shouldn't we enter her statement into the record?

4 SPEAKER: Yes, I have a copy for you.

5 CHAIR LUMPE: If you could provide
6 them for us, thank you.

7 JUDGE THOMPSON: Vice-Chair Drainer.

8 COMMISSIONER DRAINER: Yes, thank you
9 for your well-organized thoughts and statement. I
10 would like to ask, you are a Commissioner for
11 Jasper County?

12 SPEAKER CRAMPTON: Yes.

13 COMMISSIONER DRAINER: And then are
14 you speaking tonight on your own behalf as a
15 Commissioner or on behalf of the Jasper County
16 Commission?

17 SPEAKER CRAMPTON: I'm speaking on
18 behalf of the entire Jasper County Commission. The
19 document is signed by all three commissioners.

20 COMMISSIONER DRAINER: Oh, very good.
21 Thank you very much, I appreciate that.

22 JUDGE THOMPSON: Questions from
23 counsel, Shannon Cook.

24 MS. COOK: Yes, ma'am. I'd like to
25 know your opinion as to both the water quality and

1 water service you are receiving presently.

2 SPEAKER: I really have no comments on
3 that. I have not had any complaints --

4 MS. COOK: No complaints.

5 SPEAKER CRAMPTON: -- brought to my
6 attention.

7 MS. COOK: Okay, thank you.

8 JUDGE THOMPSON: Other questions?

9 (NO RESPONSES.)

10 JUDGE THOMPSON: Thank you ma'am, you
11 are excused. If you could please give me the
12 exhibit.

13 (DOCUMENTS ARE HANDED TO JUDGE THOMPSON.)

14 JUDGE THOMPSON: I HAVE A PACKET OF
15 MATERIALS THAT I'M MARKING AS EXHIBIT 2.

16 Richard Russell.

17 RICHARD RUSSELL

18 was called as a witness, was sworn, and
19 testifies as follows:

20 JUDGE THOMPSON: Please state your
21 name.

22 SPEAKER RUSSELL: My name is Richard
23 Russell.

24 JUDGE THOMPSON: Could you spell your
25 last name for the reporter?

1 SPEAKER RUSSELL: R-u-s-s-e-l-l.

2 JUDGE THOMPSON: Are you presently a
3 customer of Missouri-American Water Company?

4 SPEAKER RUSSELL: Yes, both
5 residential and commercial.

6 JUDGE THOMPSON: Please proceed, sir.

7 SPEAKER RUSSELL: Yes. Give my
8 regards to Janet Herskin, please, when you get back
9 to Jefferson City.

10 JUDGE THOMPSON: We will, sir.

11 SPEAKER RUSSELL: I'm the Executive
12 Director on the Area Agency on Aging. The Federal
13 Older Americans Act passed in 1965 mandates that an
14 area agency on aging be an advocate for senior
15 citizens. As Director of Region Ten Area Agency on
16 Aging I would remiss not have spoken to you tonight
17 concerning this outrageous request for a 50 percent
18 plus rate increase. I along with some of my
19 colleagues at some of the other area agencies
20 around the state are concerned about the impact
21 that this issue will have on all citizens, but
22 especially on older Missourians, many of whom live
23 on a small fixed income. For tonight's purpose,
24 however, the issue at this time will especially
25 affect the citizens of Joplin.

1 Many of Joplin's senior citizens make a choice
2 daily about what to pay first: utilities, food or
3 medicine. American Water Company records show that
4 Joplin has been the profit center for the Missouri
5 operation. In fact, citizens of Joplin have
6 overpaid to the tune of approximately \$434,000 for
7 past rate approvals. If this rate increase is
8 approved, Joplin residents would be subsidizing
9 over \$1 million towards Missouri American Water
10 operation, especially in St. Joseph and Brunswick,
11 Missouri.

12 The good news is that you, The Commission,
13 have taken the position -- or so it has been
14 reported -- that this rate request is unreasonable
15 and have publicly stated that in some hearings, it
16 is your belief that the Joplin ratepayers should
17 have a rate reduction of eleven percent, not a rate
18 increase. We applaud these statements.

19 The bad news, however, is that, until tonight,
20 as early as last week, that the Office of Public
21 Counsel which is appointed to be an advocate for
22 the ratepayers, reportedly supported a rate
23 increase and not a freeze.

24 Other good news is that you, the counsel, have
25 been quoted that you feel rate pricing should be

1 done at the district level, which means that the
2 rates are based on water costs in each individual
3 area. We also appreciate and applaud those
4 statements.

5 But the other bad news is that the Office of
6 Public Counsel appears to take the position of a
7 single rate for all of Missouri, which until
8 tonight we heard different, which means that water
9 users in the individual areas would be paying the
10 same rate, no matter what the actual cost for water
11 in that area is.

12 There is no question that the federal
13 government is asking for diversification among some
14 utility companies. I myself am a retiree of 33
15 years of a major Missouri investor-owned utility
16 company. I understand that. But electric and
17 telephone companies are constructed in such a way
18 that they can transmit or transport through their
19 grids nationwide. The water Company is no such
20 critter. It appears that somebody was asleep at
21 the wheel when past increases were allowed after
22 audits of the American Water books for Joplin
23 residents to have been overcharged. One at this
24 time should praise you, the Missouri Public Service
25 Commission staff, for being awake to the concerns

1 of Missouri citizens. Unfortunately, the office of
2 public counsel still seems to be asleep at the
3 wheel when looking out for the best interest of the
4 Joplin ratepayers. Thank you for coming to Joplin
5 and for giving us an opportunity to voice the views
6 of hundreds of seniors, and to hear us say we
7 support a rate reduction for all of our citizens.
8 We also support the support of Representative Chuck
9 Surface, Senator Caskey, Senator Singleton, and the
10 entire Missouri State Senate on our behalf. Thank
11 you.

12 JUDGE THOMPSON: Thank you, sir.
13 Questions from the bench, Chair Lumpe.

14 CHAIR LUMPE: I'd just like to clarify
15 the staff of the Public Service Commission has
16 taken a position, as I said earlier, the commission
17 has yet to hear all the testimony and has not taken
18 a position yet. So, as I said, we are like the
19 jury, and that's why we want to all the concerns
20 and opinions before we take a position.

21 SPEAKER RUSSELL: I understand that.

22 JUDGE THOMPSON: Thank you, Chair
23 Lumpe. Vice-Chair Drainer.

24 COMMISSIONER DRAINER: Thank you for
25 much for coming and speaking to us on behalf of the

1 elderly of your region. How much region do you
2 represent down here?

3 SPEAKER RUSSELL: Four counties of
4 Southwest Missouri.

5 CHAIR LUMPE: Which four counties?

6 SPEAKER: Barton, Newton, Jasper,
7 McDonald.

8 CHAIR LUMPE: Okay, thank you very
9 much, I appreciate you coming on their behalf.

10 JUDGE THOMPSON: Thank you Vice-Chair
11 Drainer. Questions from counsel.

12 MS. COOK: SPEAKER RUSSELL: Yes, Your
13 Honor.

14 JUDGE THOMPSON: Ms. Cook.

15 MS. COOK: Sir, I have ask where you
16 came up with the impression that the public counsel
17 is recommending a single tariff pricing in this
18 case.

19 SPEAKER RUSSELL: In the hallways of
20 the legislature and in the city of Joplin.

21 MS. COOK: Okay, are you aware that
22 all the testimony we filed in this case has
23 recommended a zero percent increase for the City of
24 Joplin?

25 SPEAKER RUSSELL: Until tonight I was

1 not, no.

2 MS. COOK: Okay. I just wanted to
3 clear that up.

4 SPEAKER RUSSELL: Yes, thank you.

5 JUDGE THOMPSON: Further questions?

6 SPEAKER: None from staff.

7 JUDGE THOMPSON: You're excused, sir,
8 thank you.

9 SPEAKER RUSSELL: Thank you, sir.
10 David Niebur.

11 DAVID NIEBUR

12 was called as a witness, was sworn, and
13 testifies as follows:

14 JUDGE THOMPSON: Thank you sir.
15 Please state your name.

16 SPEAKER NIEBUR: David Niebur, N-i-e-
17 b-u-r.

18 JUDGE THOMPSON: Are you presently a
19 customer of Missouri-American Water Company?

20 SPEAKER NIEBUR: Yes, I am.

21 JUDGE THOMPSON: Please proceed, sir.

22 SPEAKER NIEBUR: I am also speaking
23 tonight on behalf of two organizations which are
24 also customers of American Water Corporation, and
25 they are the Lafayette House and the Salvation Army

1 of Joplin. We wish to express our -- I will speak
2 first for the Lafayette House. And the Lafayette
3 House is spelled L-a-f-a-y-e-t-t-e.

4 We wish to express our strong objection to the
5 revised water service tariffs proposed by the
6 Missouri-American Water Company for our area. It
7 is our understanding that, as proposed, our rates
8 for commercial service would increase by out 58
9 percent. We are a nonprofit agency providing
10 shelter to women and children who are victims of
11 domestic violence, and other behavioral health
12 services to women, children and families. We also
13 sponsor a boys and girls club at our location. We
14 serve more than 1,600 people each year.

15 Our services are funded primarily through
16 contracts with the State of Missouri as well as
17 county mental health tax boards and local United
18 Way and United Fund agencies. An increase of 58
19 percent in the water bill would significantly
20 impact our operating costs approximately \$2,200 per
21 year. Unlike the private sector, we do not have
22 customers to who we may pass along such an
23 increase. We do our very best to provide the most
24 comprehensive services to our clients and to be
25 good stewards of the funds we receive. It would be

1 difficult to explain to our funding sources why we
2 need such an increase in operating funds. We
3 respectfully request that the Missouri-American
4 Water Company rate increase be denied by the Public
5 Service Commission.

6 Speaking on behalf of the Salvation Army,
7 which I am a board member, we also object
8 vehemently to the proposed increase. The Salvation
9 Army of Joplin serves approximately 16,500 people a
10 year. We provide food and water to those persons.
11 We operate a transitional housing center in which
12 not only drinking water is used but also water for
13 bathing and for laundry use. And a 50 percent
14 increase would be devastating to us. It's hard to
15 tell people when you're out ringing a bell on a
16 street corner, "Would you mind bumping up your
17 donation by 58 percent, please." So the Salvation
18 Army also objects to it.

19 As a private citizen of Jasper County and a
20 customer of American Water, I also object to this
21 increase.

22 JUDGE THOMPSON: Thank you, sir.
23 Questions from the bench, Chair Lumpe.

24 CHAIR LUMPE: Just one, Mr. Neibur.
25 The two not-for-profit organizations are in the

1 commercial class, and the pay the commercial class
2 rates; is that correct?

3 SPEAKER NIEBUR: Yes, they do, yes.

4 CHAIR LUMPE: Thank you.

5 JUDGE THOMPSON: Vice-Chair Drainer.

6 COMMISSIONER DRAINER: I want to thank
7 you for coming. I would like to ask, is everyone
8 able to hear in the back?

9 (NEGATIVE RESPONSES.)

10 COMMISSIONER DRAINER: Can hear the
11 citizen when they're speaking?

12 (NEGATIVE RESPONSE.)

13 COMMISSIONER DRAINER: I thought that
14 might be the case, so I guess what I'll just ask is
15 as people come up, they project their voice into
16 the like, and we try to work at letting you hear.
17 I'll ask again after the next speaker. Thank you.
18 Thank you for speaking.

19 JUDGE THOMPSON: Questions from
20 counsel.

21 MS. COOK: None, sir.

22 MR. SNODGRASS: None from staff.

23 JUDGE THOMPSON: Thank you, sir, you
24 are excused. Harold Layton.

1 HAROLD LAYTON

2 was called as a witness, was sworn, and
3 testifies as follows:

4 JUDGE THOMPSON: Please state your
5 name, sir.

6 SPEAKER LAYTON: My name is Harold
7 Layton, L-a-y-t-o-n.

8 JUDGE THOMPSON: Are you presently a
9 customer of Missouri-American Water?

10 SPEAKER LAYTON: Yes, I am, have been
11 for fifty-some years.

12 JUDGE THOMPSON: Please proceed sir.

13 SPEAKER LAYTON: Well, I'm not
14 connected with any organization. I'm a private
15 citizen. I'm a retiree, 15 years. My pension has
16 not increased and my Social Security went up very
17 little. Due to this amount of the rate increase, I
18 don't see why the citizens of Joplin would have to
19 stand that much of an expense.

20 And another thing, too: the quality of water,
21 putting in a treatment plant at another place that
22 the cost doesn't justify, in my estimation, any
23 affect for us here in Joplin. And whenever you
24 have to clean your faucets out every three months,
25 and clean the sand out of your flush tanks, we need

1 a new filter system here, because of the water
2 quality. And I speak for several friends and
3 neighbors. And I told them that if I had a chance,
4 I would mention that we don't deserve this rate
5 increase. And that's it. Thank you.

6 JUDGE THOMPSON: Thank you, sir.
7 Questions from the bench, Chair Lumpe.

8 CHAIR LUMPE: I was going to comment
9 that on quality issues, if our staff would get with
10 Mr. Layton to address, to talk with you about the
11 quality issues.

12 SPEAKER LAYTON: The quality of water?

13 CHAIR LUMPE: Yes.

14 SPEAKER LAYTON: Now, I intended to
15 bring a sample that I took out of my flush tank on
16 one of my stools. And I had taken a sample once
17 before and talked to the company about it, and they
18 said it was dissolvable. And you could take and
19 lay it down and take a hammer and scrunch it around
20 on top of a vice, and it's not dissolvable.

21 JUDGE THOMPSON: Vice-Chair Drainer.

22 SPEAKER LAYTON: That's what comes
23 through the water system. So we need a new water
24 system here equally.

25 COMMISSIONER DRAINER: I'm sorry,

1 didn't mean to interrupt. We have with us here
2 tonight our manager of the water department, Mr.
3 Dale Johansen. If you would raise your hand. And
4 would you mind standing up, Dale, and turn around
5 so everyone can see you?

6 (MR. JOHANSEN DOES AS REQUESTED.)

7 COMMISSIONER DRAINER: What I would
8 ask is that, as Chair Lumpe asked, that if you
9 wouldn't mind after the meeting, or if you have to
10 -- you know you have to leave, to get him to go to
11 the side with you so he can get some information
12 and follow up on that.

13 And, also, are you all able to hear better
14 with having two mikes up there? Is that any better
15 at all?

16 (AFFIRMATIVE RESPONSES.)

17 CHAIR LUMPE: Thank you.

18 JUDGE THOMPSON: Questions from
19 counsel.

20 MS. COOK: Yes, Your Honor.

21 JUDGE THOMPSON: Ms. Cook.

22 MS. COOK: Thank you, sir.

23 Sir, do you find the water palatable for
24 drinking and bathing and so forth, or is it a hard
25 water problem primarily?

1 SPEAKER LAYTON: It's more of a hard
2 water problem, and as far as the taste of the
3 water, at times chlorination. I've noticed that
4 sometimes the chlorination in the water isn't what
5 it should be.

6 MS. COOK: And is there an odor
7 problem?

8 SPEAKER LAYTON: But otherwise I have
9 no trouble taking a bath in it because I --

10 MS. COOK: Okay, thank you.

11 JUDGE THOMPSON: Any further
12 questions?

13 (*NO RESPONSES.*)

14 JUDGE THOMPSON: Thank you, Mr.
15 Layton, you're excused.

16 SPEAKER LAYTON: Thank you.

17 JUDGE THOMPSON: Gregory J. Kuntz. If
18 you would hold that one mike close to your mouth
19 when you speak, sir.

20 SPEAKER KUNTZ: Okay.

21 GREGORY J. KUNTZ

22 was called as a witness, was sworn, and
23 testifies as follows:

24 JUDGE THOMPSON: Please state your
25 name.

1 SPEAKER KUNTZ: Gregory Kuntz, K-u-n-
2 t-z.

3 JUDGE THOMPSON: Are you presently a
4 customer of Missouri-American Water Company?

5 SPEAKER KUNTZ: Both a residential and
6 a commercial customer.

7 JUDGE THOMPSON: Please proceed, sir.

8 SPEAKER KUNTZ: Judge, members of the
9 commission, on behalf of Freeman Health System, I
10 thank for the opportunity to present some prepared
11 comments.

12 Freeman Health System is a large commercial
13 customer -- thank you -- Freeman Health System is a
14 large commercial customer of Missouri-American
15 Water Company and currently pays more than \$125,000
16 per year in water fees. The proposed 58 percent
17 water rate increase would create a tremendous
18 increase in Freeman's operating expenses. In fact,
19 the more than \$72,500 in added expense under the
20 proposal almost equals the salaries and benefits of
21 three health care workers. Three health care
22 workers at Freeman Health System literally touch
23 the lives of thousands of Joplin area residents
24 every year.

25 As a not-for-profit, locally-governed health

1 system, Freeman has a unique and important
2 responsibility to reinvest our resources in the
3 programs and resources advancing the health and
4 wellness of Joplin area residents. Those residents
5 have come to rely on Freeman to provide that only
6 the latest in medical technology but also provide
7 financial support for a variety of committee
8 programs, which include the Joplin Family YMCA, the
9 Ronald McDonald House of the Four States, The
10 Childrens' Center of Southwest Missouri and other
11 programs.

12 The rate increase the pay for improved water
13 Company and facilities is certainly reasonable if
14 it directly benefits those who use them. It is not
15 reasonable, however, to expect a community-owned
16 entity to pay for improvements for a community
17 hundreds of miles away, and from which no direct
18 benefit is derived. With dwindling federal
19 reimbursements for health care, Freeman's
20 opportunities to share residual resources dwindle
21 as well. In order to pay for the increase in water
22 rates, Freeman will have no other choice but to
23 pass the increase either along to its customers or
24 to reduce its involvement in the committee. Thank
25 you.

1 JUDGE THOMPSON: Thank you, sir.

2 Questions from the bench, Chair Lumpe.

3 COMMISSIONER DRAINER: No, thank you,
4 sir.

5 JUDGE THOMPSON: Vice-Chair Drainer.

6 CHAIR LUMPE: Thank you very much. I
7 appreciate your comments.

8 JUDGE THOMPSON: Questions from
9 counsel.

10 MS. COOK: None, Your Honor.

11 MR. SNODGRASS: None from staff.

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

14 SPEAKER: Thank you.

15 JUDGE THOMPSON: Melvin Barry.

16 (NO RESPONSE.)

17 JUDGE THOMPSON: Wade Shelton.

18 (NO RESPONSE.)

19 JUDGE THOMPSON: Judith Roamer (SIC).

20 JUDITH KRAMER

21 was called as a witness, was sworn, and
22 testifies as follows:

23 JUDGE THOMPSON: Please state your
24 name.

25 SPEAKER KRAMER: Judith Kramer.

1 JUDGE THOMPSON: Kramer, I'm sorry.

2 SPEAKER KRAMER: K-r-a-m-e-r.

3 JUDGE THOMPSON: Thank you. Are you
4 presently a customer of Missouri-American Water
5 Company?

6 SPEAKER KRAMER: Yes, sir.

7 JUDGE THOMPSON: Please proceed.

8 SPEAKER KRAMER: Okay. I wish to
9 protest the granting of the 50 percent plus rate
10 increase to the Missouri-American Water Company and
11 its parent company the American Water Works.

12 One of my questions to the commission would be
13 whether or not there were any insurance proceeds on
14 this plant in St. Joe, and if there were, who
15 receives those. I question whether the plant in
16 St. Joe was overbuilt, perhaps with the idea of
17 acquiring future customers for this water company.
18 Shortly about the beginning of this year, the
19 American water Company, Water Works, was involved
20 in 22 acquisitions across the country, and I wonder
21 if the users in these Missouri towns that are
22 affected by this request are not in part financing
23 these acquisitions. American Water Works is -- has
24 become the recipient of this plant in St. Joe,
25 which is, you know, a capital gain for them and

1 their stockholders. But neither the stockholders
2 nor the company officials are being asked to
3 participate in this improvement. Most companies
4 are restrained from overreaching by the financial
5 constraints of the market. But it's not that so --
6 or not so with utilities. The Public Service
7 Commission is the only obstacle that they have to
8 overcome. The users, for their part, are a hostage
9 simply because they have no place else to go. The
10 workers in Joplin cannot reasonably expect that
11 there is going to be a pay raise to cover this.
12 The retired people have absolutely no resource to
13 recoup this from. The City of Joplin in and of
14 itself will incur a substantial increase. And then
15 will the city be forced to raise taxes to cover
16 this? I think it might be. The rental property
17 owners will pass this tax on to their renters, and
18 those who will get hit twice. They will get twice
19 by a tax increase and a water rate increase. And
20 this is the segment of the population that can
21 least afford this. So we really ask that you
22 consider the ripple effect of what an increase like
23 this is going to have on this community. And I
24 don't really think that there's a justification for
25 this anywhere at all. Let's see. We all

1 understand that infrastructure rebuilding is an
2 expensive proposition, and I believe that if you
3 look beneath the surface of this request, what
4 we're really talking about is helping the American
5 Water Company expand. And right now this is
6 already the largest publicly traded water company
7 in the country. And I think you will -- if this
8 rate increase is approved, you will be forcing us
9 to help create and even larger monopoly. That
10 leaves the citizens of Joplin and these other towns
11 no other recourse. We have no place else to go. I
12 thank you for coming to Joplin.

13 JUDGE THOMPSON: Thank you for your
14 remarks, ma'am. Questions from the bench, Chair
15 Lumpe.

16 CHAIR LUMPE: No, I just thank you for
17 your remarks.

18 JUDGE THOMPSON: Vice-Chair Drainer.

19 CHAIR LUMPE: Thank you very much.

20 JUDGE THOMPSON: Questions from
21 counsel.

22 MS. COOK: None, Your Honor.

23 MR. SNODGRASS: None from staff.

24 JUDGE THOMPSON: Hearing none, you're
25 excused. Thank you.

1 Virgil Lewis.

2 VIRGIL LEWIS

3 was called as a witness, was sworn, and
4 testifies as follows:

5 JUDGE THOMPSON: Please state your
6 name.

7 SPEAKER LEWIS: My name is Virgil
8 Lewis, L-e-w-i-s.

9 JUDGE THOMPSON: Are you presently a
10 customer the Missouri-American Water Company?

11 SPEAKER LEWIS: Yes, sir I am.

12 SPEAKER: Please proceed.

13 SPEAKER LEWIS: 1998, we were out of
14 town for several days, came and home and found that
15 Missouri-American Water Company had disconnected
16 our water. When we asked why, they said, "That was
17 an in order to get your attention."

18 We moved to Joplin in 1996 in August. The
19 first thing we noticed, that we definitely needed a
20 filter. The quality of the water was unacceptable,
21 and still is. Rather than ask for an increase, the
22 fact that we have to buy a filter, have to change a
23 filter on our drinking water every thirty days,
24 that's a \$10 cost. That's not a lot of money, but
25 it's significant to some people. We think that

1 instead of an increase, we should have a rate cut
2 because of the quality of the water.

3 JUDGE THOMPSON: Thank you, sir.
4 Questions from the bench, Chair Lumpe.

5 CHAIR LUMPE: Yes, I would ask Mr.
6 Lewis also to touch base with our staff person
7 there to make your feelings known about that, and
8 the issues.

9 SPEAKER LEWIS: Yes, I will.

10 JUDGE THOMPSON: Vice-Chair Drainer.

11 COMMISSIONER DRAINER: Yes, I do want
12 to ask about the quality of the water. Do you have
13 to -- Besides the filter, do you have like a water
14 softer?

15 SPEAKER LEWIS: We don't have a
16 softer. We are thinking about that. But to
17 illustrate this point --

18 CHAIR LUMPE: Please.

19 SPEAKER LEWIS: -- we enjoy coffee.
20 Now, you you buy a good quality coffee, you're
21 wasting your money in Joplin because of the quality
22 of the water.

23 CHAIR LUMPE: I enjoy a good cup of
24 coffee too. That makes me sad to hear that.

25 SPEAKER LEWIS: You won't get it here.

1 CHAIR LUMPE: Thank you very much, I'm
2 glad to know that.

3 JUDGE THOMPSON: I would like to ask
4 if you could give me some more details about the
5 incident where your water was terminated.

6 SPEAKER LEWIS: We had a swimming
7 pool. We were -- We bought the house, like I say,
8 in 1996. We were unaware of the situation with
9 this monopoly. And we found out that -- We were
10 told that they came onto our property, disconnected
11 our watering system through the fixtures in the
12 shrubbery, and then to told us that that was in
13 order to get our attention. When I went down to
14 the office to talk to them, it was quite a song and
15 dance, but no answers. Then they said it was
16 against the law in the State of Missouri to have an
17 outside faucet connected to a well as an
18 independent watering system. So we drove to
19 Springfield to talk to the bureau of natural
20 resources, and they told us that wasn't so, that it
21 wasn't so at all. Missouri-American Water Company
22 insisted that we put in yard hydrants, but we
23 didn't do that. And then they wrote us a letter,
24 and then that was a lot of -- for lack of a better
25 term, song and dance. Didn't make any sense. We

1 have found that -- Oh, I think I've said enough.
2 We are disgusted with Missouri-American Water
3 Company. It's a monopoly and we have no other
4 choice.

5 JUDGE THOMPSON: Thank you, sir.
6 Questions from counsel.

7 MS. COOK: No.

8 JUDGE THOMPSON: Further questions
9 from the bench? None. You are excused.

10 CHAIR LUMPE: Well, I only want to
11 make the point to you, sir, and to the members of
12 the public here that we do ask that you talk to our
13 staff. Since this is on the record, and it will be
14 in the file, the commissioners aren't allowed to
15 talk to our staff or anyone else outside of the
16 hearing room. It would be considered ex parte, so
17 I can't come back and ask them off the record,
18 well, what did you find out. So what I do ask for
19 these type of meetings is that they talk to the
20 staff, and there be a report put in the record to
21 tell us how the problems are resolved, and that the
22 customer has been given all the information they
23 need, and that their problems have been taken care
24 of. We also ask that the company respond to it, so
25 that we then have our record what has been done, so

1 I don't come back in four years for another meeting
2 and hear that, well, nothing happened. I want
3 something to happen. So thank you.

4 JUDGE THOMPSON: Thank you, sir,
5 you're excused.

6 Brad Allen.

7 BRAD ALLEN

8 was called as a witness, was sworn, and
9 testifies as follows:

10 JUDGE THOMPSON: Please state your
11 name.

12 SPEAKER ALLEN: Brad Allen, A-l-l-e-n.

13 JUDGE THOMPSON: Mr. Allen, are you
14 presently a customer of Missouri-American Water
15 Company?

16 SPEAKER ALLEN: I'm representing our
17 company who is.

18 JUDGE THOMPSON: Okay, please proceed.

19 SPEAKER ALLEN: My name is Brad Allen.
20 I'm the plant manager at Gilster Mary Lee Joplin
21 plant, located at 3727 East 27th Street. I very
22 much appreciate the opportunity to speak to the
23 commission on the very important issue for our
24 company.

25 Gilster Mary Lee private label or store brand

1 food manufacturing company. Our products are not
2 sold under brands we own, rather the brands of our
3 customers. Grocer chains and wholesalers like Wal-
4 Mart, Albertson's, AWG, Kroger and others. The
5 company produces a wide variety of products,
6 including baking mixes, macaroni and cheese pasta,
7 popcorn, drink mixes, cocoa products and ready to
8 eat breakfast cereals. We currently operate 14
9 plants in four states. Gilster Mary Lee acquired
10 the Joplin plant a little over a year ago with the
11 purchase of Jasper Foods.

12 Product from the Joplin plant are marketed
13 extensively throughout the U.S. and Canada and
14 exported to many parts of the world. Our plant in
15 Joplin produces cereals, low-cost private label
16 versions of products from Kelloggs, General Mills,
17 and Post. It has been in operation since the fall
18 of 1993, it is approximately 140,000 square feet in
19 size, and employs 160 people in the local
20 community. The plant manufacture of cereal --
21 excuse me. The plant currently generate about \$30
22 million in gross sales.

23 Water is used extensively in the manufacture
24 of cereal processing and cleaning. We believe the
25 Joplin community has been an excellent location for

1 our operations, and we feel through our employment,
2 the additional economic activity generated by our
3 employees in tax review, we made a positive impact
4 on the community as well.

5 Due to several factors, the market for the
6 cereal manufacturing in Joplin has never been more
7 competitive. First and foremost, as private label
8 producers, we must show significant savings versus
9 the national brand in pricing, in most cases, half
10 the cost or less to even warrant the consideration
11 of our customers. The entire breakfast cereal
12 market itself has also shrunk slightly during the
13 last two years, between three and seven percent by
14 most estimates.

15 Finally, consolidation in our customer base
16 has driven our pricing and margins down and
17 increased competition. As the players get larger
18 in size and fewer in numbers, their demands and
19 expectations get bigger. Many of these
20 consolidations and acquisitions are heavily
21 leveraged. Instruction is then given to management
22 to drive out -- drive costs out of the system,
23 which usually starts with their suppliers. Today
24 five grocery chains control 50 percent of the U.S.
25 grocery market. Experts in our industry believe

1 this may reach 70 percent within 3 to 5 years.
2 With such a reduction in the number of potential
3 customers, companies like ourselves must compete
4 fiercely for a handful of accounts. It is clear
5 that only the most efficient companies will survive
6 in the long run. Gilster Mary Lee strongly
7 supports true cost base water rates for a number of
8 reasons. Any increased costs, particularly one
9 from which we receive no additional benefit, will
10 hurt our ability to remain efficient in what I've
11 described as a hyper competitive market. Our
12 customers consistently challenge us to get to the
13 true costs of our products. Anything but a true
14 cost in our utilities will prevent us from meeting
15 their expectations. In this extremely competitive
16 market, it is our customers -- our customers will
17 not accept price increases and will not pass them
18 on to consumers. Today, millions of dollars in
19 business literally swings on as little as five to
20 ten cents a case. Additionally, the Joplin plant
21 itself has reasons to be concerned about the
22 proposed increase of over 60 percent, as it relates
23 to the rest of the Gilster Mary Lee organization.
24 The company does operate three other cereal plants.
25 If the costs of operation in Joplin inflate to

1 unacceptable levels, company management would be
2 unlikely to consider any expansion of the site and
3 possibly even relocation of existing businesses.

4 As a corporate citizen of this water district,
5 Gilster Mary Lee certainly expects to pay its fair
6 share and proper share of costs of the water
7 service we enjoy. The utility also deserves to
8 make a reasonable return on its business. I would
9 also like to state clearly that I'm not holding
10 myself or the company as experienced in the area of
11 utility costing. We can only rely on our work --
12 on the work of others on this issue, and I'm here
13 only to speak on the impact of these proposed
14 increases on the Joplin plant.

15 The rate increases which have been proposed
16 for the Joplin Water District, especially in light
17 of the evidence indicating there may be an
18 overcharge in the amount of \$500,000, does not seem
19 either fair or proper. Our customers would
20 certainly not accept a price increase of 60
21 percent, or even 10 percent, that we said was
22 necessary to help support operations of another
23 customer.

24 We also understand that, in the case of public
25 services, the basic rules of business cannot always

1 apply in the simplest form. However, when a 50 to
2 67 percent increase in rates has been proposed in
3 an area which is already overcharged, we feel the
4 system has strayed too far from acceptable and
5 reasonable charges.

6 In the interest of fairness and long-term
7 competitiveness of our Joplin cereal plant, we
8 would urge the commission to adopt true cost base
9 rate calculation for Joplin Water District,
10 reducing water rates for both residential and
11 commercial water customers from current levels.
12 Thank you very much for your time and
13 consideration.

14 JUDGE THOMPSON: Thank you, sir.
15 Question from the bench, Chair Lumpe.

16 CHAIR LUMPE: No thank you. Thank
17 you, Mr. Allen.

18 SPEAKER ALLEN: Thank you.

19 JUDGE THOMPSON: Vice-Chair Drainer.

20 COMMISSIONER DRAINER: Thank you, Mr.
21 Allen, for your time. We appreciate that.

22 JUDGE THOMPSON: Questions from
23 counsel.

24 MS. COOK: None, Your Honor.

25 MR. SNODGRASS: None from staff.

1 JUDGE THOMPSON: YOU'RE EXCUSED, SIR,
2 THANK YOU. I HAVE RECEIVED A DOCUMENT WHICH I AM MARKING AS
3 EXHIBIT NUMBER 3.

4 Armond Burkhardt.

5 I'm disenfranchised. I was told the place was
6 totally wheelchair acceptable -- acceptable,
7 rather. I am boxed in back here. I don't have ABS
8 brakes so I can go down this incline, and I don't
9 have a -- to push me back up. I was told there
10 would be microphones available for us from where we
11 were sitting.

12 (A MICROPHONE IS BROUGHT TO MR. BURKHARDT IN THE
13 REAR OF THE AUDITORIUM.)

14 ARMOND A. BORCHARDT

15 was called as a witness, was sworn, and
16 testifies as follows:

17 JUDGE THOMPSON: Please state your
18 name.

19 SPEAKER BORCHARDT: Armond Borchardt.
20 A-r-m-o-n-d, A. middle initial, B-o-r-c-h-a-r-d-t.
21 And yes, I am a customer of American Water Company.

22 JUDGE THOMPSON: Please proceed, sir.

23 SPEAKER BORCHARDT: It seems to me
24 that this is excessive. I wonder if in the
25 architectural design of this facility in St. Joseph

1 if there were not some errors made. I understand
2 in the great flood the plant flooded. It was
3 flooded. Now, I don't know how bad. It was -- I
4 was informed by the papers that it did flood. Now,
5 this is a design that should not have happened.

6 Plus, the other thing, I agree with these
7 other people, yes, I don't know how we should be
8 expected to pay for someone else's equipment. I
9 worked for a major trucking companies some 25 years
10 ago. When we needed to buy equipment, new
11 equipment, new tractors, new trailers, add
12 personnel to do the repair and so forth, we
13 couldn't go to a competing trucking company and ask
14 them to kick in. We had to put the money in
15 ourselves. That company had to be self sufficient.
16 They had to plan ahead. Now, here I don't think
17 this was the case. As the previous speaker says,
18 yes, I would like to see them make a fair profit,
19 whatever a fair profit is. But I do not think we
20 deserve this increase. Thank you.

21 JUDGE THOMPSON: Thank you, sir.

22 Questions from the bench, Chair Lumpe.

23 CHAIR LUMPE: No, thank you. Thank
24 you for your comments, sir.

25 JUDGE THOMPSON: Vice-Chair Drainer.

1 COMMISSIONER DRAINER: Yes, thank you
2 very much for your comments and for you being
3 patient enough for us to get the mike up to you. I
4 greatly appreciate that.

5 SPEAKER BORCHARDT: And I appreciate
6 that.

7 JUDGE THOMPSON: Questions from
8 counsel.

9 MS. COOK: None, Your Honor.

10 MR. SNODGRASS: None from staff.

11 JUDGE THOMPSON: You are excused, sir.
12 Thank you very much.

13 Steve Hunter.

14 (NO RESPONSE.)

15 JUDGE THOMPSON: Steve Hunter. Please
16 bear with me if I mispronounce your name.

17 STEVE HUNTER

18 was called as a witness, was sworn, and
19 testifies as follows:

20 JUDGE THOMPSON: Please state your
21 name.

22 SPEAKER HUNTER: Steve Hunter, H-u-
23 n-t-e-r.

24 JUDGE THOMPSON: Mr. Hunter, are you
25 presently a customer of Missouri-American Water

1 Company?

2 SPEAKER HUNTER: Yes, I am.

3 JUDGE THOMPSON: Please proceed, sir.

4 SPEAKER HUNTER: I am somewhat by
5 default, I guess, representing Public Water
6 District Number One, Jasper County Public Water
7 District Number One.

8 On April 29th, we held a meeting in Carl
9 Junction, had over 100 citizens participate, and
10 passed out petitions. And since then we have
11 gathered -- and I want to present these as
12 information or documentation -- over 1,200
13 signatures. Now, there's a little bit of history.
14 Keep in mind, this is -- there are 5,400 customers
15 in Jasper County Water District number one, Public
16 Water District Number One, so that's better than 20
17 percent of the people signed it. And it's a good
18 thing nobody was -- -- you all weren't there the
19 night of the meeting because there was a lot of
20 outrage, to say the least.

21 Many people aren't aware of this, but Jasper -
22 - the Rural Water District is the biggest customer,
23 single customer, of Missouri American Water in the
24 state. And I had an opportunity to visit a while
25 ago with some people. The thing that bothers me

1 about this is the fact that, as we go along through
2 this little period of time, I'm seeing, instead of
3 having ten grocery stores to choose from, we have
4 two. Instead of four or five car lots, maybe we
5 have three major companies. We have this blending
6 together of companies. I'm working the
7 pharmaceutical industry. There are about four or
8 five. It went from 25 or 30 to 4 or 5. I'm seeing
9 this now in our utilities, and it frightens me.

10 This water situation, American Water is a
11 company -- the lady was very eloquent in her
12 research -- is one of the biggest water companies
13 in the United States. My concern is that, if this
14 happens, and there's a single rate across the
15 state, is it soon going to be that it's a single
16 rate across the country?

17 In this -- In this area right here, last week
18 it was announced, to drill a well, we have to go to
19 the second aquifer, which is about \$20,000. So if
20 you build a \$100,000 house, you got to build a --
21 you want to be private, have a private well, it's
22 going to be another \$20,000. That's something the
23 people ought to take into consideration.

24 But, anyhow, I want to present these things.
25 But it's something for people to think about,

1 because Representative Surface used a term called
2 corporate welfare. Mine's a little bit stronger.
3 This is pure socialism. It's complete passing --
4 It's all sharing. The term I want to use is
5 corporate fascism. And it's rapidly approaching
6 us, and it's costing us money, and it's a monopoly,
7 in almost every facet of our life. And you all are
8 the last hope to try to stop this. I thank you for
9 coming down, I thank you for your time, and I want
10 to present these. Thank you.

11 *JUDGE THOMPSON: THANK YOU, SIR. I*
12 *RECEIVED A FOLDER CONTAINING DOCUMENTS WHICH I AM MARKING AS*
13 *EXHIBIT NUMBER 4. QUESTIONS FROM BENCH, CHAIR LUMPE.*

14 CHAIR LUMPE: Yes, Mr. Hunter, does
15 the Public District buy all of its water from
16 Missouri American?

17 SPEAKER HUNTER: Yes, ma'am.

18 CHAIR LUMPE: You don't have any that
19 you --

20 SPEAKER HUNTER: Right, it's been like
21 that since -- for 20 or 30 years, however long it's
22 been in existence.

23 CHAIR LUMPE: Okay, thank you.

24 JUDGE THOMPSON: Vice-Chair Drainer.

25 COMMISSIONER DRAINER: Yes.

1 SPEAKER HUNTER: Excuse me.

2 COMMISSIONER DRAINER: That's quite
3 all right. Can you tell me, we've heard some
4 comments here this evening about the quality of the
5 water with the customers that you have in the
6 Public District Number One.

7 SPEAKER HUNTER: Right.

8 COMMISSIONER DRAINER: Are there any
9 concerns they have with the quality of the water?

10 SPEAKER: I have no -- I've had no
11 problems with the quality of the water.

12 COMMISSIONER DRAINER: Okay.

13 SPEAKER HUNTER: We had problems with
14 pressure, but that's because we're a Public Water
15 District and things you have to put up with. But,
16 you know, frankly, my bill is not -- my bill is
17 going to go from 14 to \$21, which I'm young enough
18 I can absorb it. But we have a lot of retired
19 people, people on fixed incomes, businesses. You
20 know, if you water bill is \$200, just add another,
21 what, \$100 can be \$300, you got to pass it on.
22 So...

23 COMMISSIONER DRAINER: Thank you for
24 coming and thank you for delivering the petition of
25 the 1,200 signatures.

1 SPEAKER HUNTER: There were a lot of
2 people who worked hard to get it. Thank you.

3 JUDGE THOMPSON: If you could remain
4 just a moment, sir. Questions from counsel.

5 MS. COOK: None, Your Honor.

6 MR. SNODGRASS: None.

7 JUDGE THOMPSON: You are excused, sir.
8 Thank you very much.

9 ED GOEBEL

10 was called as a witness, was sworn, and
11 testifies as follows:

12 JUDGE THOMPSON: Please state your
13 name.

14 SPEAKER GOEBEL: My name is Ed Goebel,
15 last G- as in George, o-e-b-e-l.

16 JUDGE THOMPSON: are you presently a
17 customer of Missouri-American Water Company?

18 SPEAKER GOEBEL: Yes, I am

19 JUDGE THOMPSON: Please proceed, sir.

20 SPEAKER GOEBEL: First of all, I'd
21 like to tell you that I'm from Purcell, and I hold
22 rental property here in town. And in Purcell,
23 we've had trouble with our water, so we're building
24 our own well and doing our own thing. And Oronogo
25 just done their own thing. So I hope American

1 Water understands they are not necessary.

2 The thing is, I'd also like to clarify the
3 fact that I've been a businessman since I was
4 twelve years old, and I'm a businessman now. But
5 I'm also employed by Economic Security, and we work
6 for the poor. And we have very many people who we
7 try our best to just save 10, \$15 a month, so they
8 can at least have one decent meal, in a
9 weatherization program for them. And that this
10 would just literally put them in deep poverty.

11 Now, I'd like to address the American Water
12 Company. First of all, in 1997 they asked for a
13 rate increase. And I asked them specifically in
14 the question and answer time, if they had asked for
15 the rate increase before or after they proposed the
16 deal in St. Joseph. They never did answer that, so
17 I assume they asked for the rate increase first,
18 and that they did not allow for this because they
19 knew they were going to come back and nail us three
20 years later. I also asked them what they had put
21 back for future expansion, and they gave us a run
22 around. And finally we got down to where somebody
23 asked them what they used for financing on this.
24 Forty percent of the money came from within their
25 company. They sold stocks and et cetera to people

1 who wanted to make future gains, not a big jump in
2 gains, but future gains, from this project. And so
3 that what they were selling was a pig in the poke,
4 and making him worth more and more money, so that
5 these people would spend it. They also got the
6 other 60 percent from private enterprise who wants
7 their interest rate back the same as any other
8 businessman. So I think that the most they should
9 ask for is a 60 percent, because a 40 percent they
10 already have of their own money, and we shouldn't
11 be financing that at all.

12 The next thing I'd like to bring up is just
13 this: that I wish this counsel would really
14 seriously consider claiming eminent domain, taking
15 this franchise and putting it on the open market
16 for somebody else to buy and run the City of
17 Joplin, and completely ignore the American Water
18 Company, because they said they certainly don't
19 have our interest in their best pocket, you know.
20 That's all I've got to say.

21 JUDGE THOMPSON: Thank you, sir.
22 Question from the bench. Question the bench, Chair
23 Lumpe.

24 CHAIR LUMPE: Yes. Mr. Goebel, is
25 Purcell -- what county is that in?

1 SPEAKER GOEBEL: That is in Jasper
2 County.

3 CHAIR LUMPE: Okay, it's in Jasper.
4 And you do have the ability to dig wells there and
5 --

6 SPEAKER GOEBEL: Yes, we've had our
7 own well there always. You know, Missourians are
8 pretty independent. Both Oronogo and Purcell have
9 always, sir been independent, and they've always
10 had their own wells, and they've always supplied
11 their own water. Oronogo was shut down for a week
12 and had to borrow water from other counties. We
13 had to haul it in for them so they could get theirs
14 fixed, and et cetera and et cetera. And the people
15 in Missouri will work together when they really
16 need help, but we don't like outsiders coming in
17 trying to milk us.

18 CHAIR LUMPE: Thank you.

19 COMMISSIONER DRAINER: I want to thank
20 you for coming this evening and giving us your
21 comments. I appreciate it.

22 SPEAKER: It's my pleasure and my
23 duty.

24 JUDGE THOMPSON: Question from
25 counsel.

1 MS. COOK: None, Your Honor.

2 MR. SNODGRASS: No.

3 JUDGE THOMPSON: You are excused sir,
4 thank you. John A. Williams.

5 JOHN A. WILLIAMS

6 was called as a witness, was sworn, and
7 testifies as follows:

8 JUDGE THOMPSON: Please state your
9 name.

10 SPEAKER WILLIAMS: John A.
11 Williams, W-i-l-l-i-a-m-s.

12 JUDGE THOMPSON: Mr. Williams, are you
13 presently a customer the Missouri-American Water
14 Company?

15 SPEAKER WILLIAMS: Yes, sir.

16 JUDGE THOMPSON: Please proceed.

17 SPEAKER WILLIAMS: I am 75 years old.
18 I have been retired for 15 years. Oh, I got a
19 raise in my pension this year, two percent raise.
20 But by the same token, why, my health insurance
21 went up. Like a majority of people here, I would
22 say over 90 percent, we are all retired. We live
23 on a fixed income. And with a 58 percent increase
24 in the water rate, that will not only mean our
25 water bill will come up, but stop and think all the

1 other companies that buy the water, why, their
2 rates will go up. So it will be a lot more than
3 just 58 percent. I'm in favor of the water company
4 making a fair amount of money, but not on us. That
5 is all I have to say.

6 JUDGE THOMPSON: Thank you, sir.
7 Questions from the bench, Chair Lumpe.

8 CHAIR LUMPE: No, thank you.

9 JUDGE THOMPSON: Vice-Chair Drainer.

10 CHAIR LUMPE: No, but thank you Mr.
11 Williams, for coming this evening. I appreciate
12 your comments.

13 JUDGE THOMPSON: Counsel.

14 MS. COOK: None, Your Honor.

15 MR. SNODGRASS: None from counsel.

16 JUDGE THOMPSON: You are excused, sir.

17 JOE ADAMS

18 was called as a witness, was sworn, and
19 testifies as follows:

20 JUDGE THOMPSON: State your name,
21 please.

22 SPEAKER ADAMS: Joseph Adams, Adams.

23 JUDGE THOMPSON: Mr. Adams, are you
24 presently a customer of Missouri-American Water
25 Company?

1 SPEAKER ADAMS: Yes, I am.

2 JUDGE THOMPSON: Please proceed, sir.

3 SPEAKER: Unlike many other people who
4 are here tonight, I live on a fixed income. I was
5 force retired retired at the age of 50 years old
6 due a massive heart attack. My income went up 2.4
7 percent this year. That's my Social Security. My
8 medical insurance also went up, and my deduction
9 for my Medicare premiums also went up. Gasoline
10 has gone up. Food has gone up, and food's going to
11 go up some more, and so is gasoline if this
12 increase goes through.

13 Now, I'm not opposed to an increase.
14 Increases have to be done to run a company, this I
15 understand. But 54 percent? I don't buy that, not
16 one bit. And I'd like to think the Commission for
17 coming here tonight. I'm very upset about this.
18 There's a lot of people that this is really going
19 to affect and put them between a rock and a hard
20 place. And as one great Missourian said, "The buck
21 stops here."

22 JUDGE THOMPSON: Thank you, sir.

23 Question for the bench, Chair Lumpe.

24 CHAIR LUMPE: Thank you to Adams.

25 JUDGE THOMPSON: Vice-Chair Drainer.

1 CHAIR LUMPE: Thank you very much for
2 coming this evening, Mr. Adams.

3 JUDGE THOMPSON: Counsel.

4 MS. COOK: No, Your Honor.

5 MR. SNODGRASS: None.

6 JUDGE THOMPSON: You're excused, sir,
7 thank you for coming.

8 SPEAKER: Thank you.

9 JUDGE THOMPSON: If I could ask you
10 once again to please hold the applause until the
11 end of the hearing. N. J. McCarran O.D.

12 (NO RESPONSE.)

13 JUDGE THOMPSON: Darieus Adams.

14 MAYOR DARIEUS ADAMS

15 was called as a witness, was sworn, and
16 testifies as follows:

17 JUDGE THOMPSON: Please state your
18 name sir.

19 SPEAKER ADAMS: Darieus Adams. The
20 first name is D-a-r-i-e-u-s. Last name, A-d-a-m-s.

21 JUDGE THOMPSON: Mr. Adams, are you
22 presently a customer of Missouri-American Water
23 Company?

24 SPEAKER ADAMS: I am.

25 JUDGE THOMPSON: Please proceed, sir.

1 SPEAKER ADAMS: Good evening. My name
2 is Darieus Adams and I'm the mayor of the City of
3 Joplin. I'd like to thank you all for coming to
4 Joplin and providing the customers of the Missouri-
5 American Water Company an opportunity to be heard.

6 As a review the analysis of Missouri
7 American's rate increase request, we found the
8 jargon, as most all citizens of Joplin do,
9 difficult to follow and to understand. I'll
10 attempt to express our concerns how the proposed
11 rate request by Missouri-American will affect or
12 community.

13 We find it hard to comprehend how Missouri-
14 American can request a rate increase varying from
15 50 to 66 percent for different classes of
16 customers. The public filings state that they have
17 invested \$96 million in capital improvements within
18 the State of Missouri, but only \$1 million of that
19 was invested in the Joplin district over the last
20 three years.

21 Missouri American's rate request is based upon
22 a single tariff pricing concept. But this concept
23 is not in the best contest of the customers of the
24 Joplin district. The requested rate structure by
25 Missouri-American would increase their revenues in

1 the Joplin district by \$4 million annually. \$2
2 million of that comes from the residential
3 customers. This proposed rate structure would
4 increase the residential right by \$9 a month.

5 Residential customer's cannot pass on the cost
6 of water to someone else. Our residential
7 customers can control their household expenses on
8 many other items but cannot control the water rates
9 where they are driven by the construction of
10 facilities on the other end of the state.

11 Twenty-two percent of our population is senior
12 citizens. This rate increase would have a severe
13 impact on their fixed income budgets. Every dollar
14 by which water bills increase eliminates a dollar
15 to be spent on other necessities of life.

16 The Joplin metro area has been very successful
17 in the economic development program in recruiting
18 new businesses. Many of these new customers have
19 high water demands, and the Joplin District of
20 Missouri American has benefited from the
21 substantial increase in revenues from these
22 customers with a minimal investment. Now we must
23 switch the modes from working on attracting new
24 industries to retaining the new jobs that we have
25 created.

1 Southwest Missouri is the fastest growing
2 region of the State of Missouri. The Joplin
3 district of Missouri-American will continue to see
4 an increase in revenues from this growth with
5 minimal investment. We would commend the PSC staff
6 for their efforts in analyzing the cost of the
7 Joplin District. Their analysis shows the Joplin
8 District should receive an 11 percent decrease in
9 our rates. Based upon this analysis, the concept
10 of single tariff pricing, where the Joplin
11 customers would share in the capital costs in St.
12 Joseph, Warrensburg and Mexico does make Missouri-
13 American's request a 61 percent increase when we
14 consider the difference between Missouri-American
15 request and the staff analysis. We also find the
16 recommendation of no decrease in the rates by the
17 office of the public Counsel unacceptable. The
18 customers of the Joplin district are willing to pay
19 for the cost of services in the Joplin district,
20 but we strongly oppose any rate structure that
21 includes costs from other districts. Therefore, we
22 respectfully request the commission took continue
23 to use the district specific pricing rate structure
24 for the Joplin district.

25 Again, thank you figuring this opportunity to

1 address you.

2 JUDGE THOMPSON: Thank you sir.

3 Questions from the bench, Chair Lumpe.

4 CHAIR LUMPE: Yes, mayor, what is the
5 population of Joplin?

6 SPEAKER ADAMS: Approximately 44,000.

7 CHAIR LUMPE: 44,000. And 22 percent,
8 I think you said, are senior citizens?

9 SPEAKER ADAMS: About 20.

10 CHAIR LUMPE: About 20?

11 SPEAKER ADAMS: Uh-huh.

12 CHAIR LUMPE: Thank you.

13 JUDGE THOMPSON: Vice-Chair Drainer.

14 CHAIR LUMPE: She asked my question.

15 I want to thank you and the City of Joplin for
16 hosting this public meeting here this evening for
17 us. We appreciate it, appreciate your hospitality.

18 SPEAKER: Thank you, and we thank you
19 for being here.

20 JUDGE THOMPSON: Questions from
21 counsel.

22 MS. COOK: No, Your Honor.

23 MR. SNODGRASS: No.

24 JUDGE THOMPSON: You're excused, sir.
25 Thank you very much.

1 JUDGE THOMPSON: I'M RECEIVING SOME
2 DOCUMENTS WHICH I'M GOING TO MARK AS EXHIBIT 5.

3 Stephen Lewis.

4 STEVEN LEWIS

5 was called as a witness, was sworn, and
6 testifies as follows:

7 JUDGE THOMPSON: Please state your
8 name.

9 SPEAKER: Steven Lewis, L-e-w-i-s.

10 JUDGE THOMPSON: Mr. Lewis, are you
11 presently a customer of Missouri-American Water
12 Company?

13 SPEAKER LEWIS: Yes, sir.

14 JUDGE THOMPSON: Please proceed.

15 SPEAKER LEWIS: Good evening, I'm
16 Stephen Lewis, city manager for the City of Joplin,
17 Missouri. I would like to thank the commission for
18 giving us this opportunity to address the proposed
19 rate increase requested by the Missouri-American
20 Water Company.

21 The City of Joplin, as owner and operator of
22 the community's waste water system, certainly
23 understands the challenges facing utilities. As we
24 know, people give little thought to their water and
25 waste water systems accept on those rare occasions

1 when services are unavailable. This is an unspoken
2 tribute to the many people operating water and
3 sewer systems throughout the country who day after
4 day deliver these services with so few disruptions.
5 However, as an operator of utility, we to the so
6 with a conflict between higher costs due to
7 inflation, increase service demands, and state and
8 federal mandates coupled with the reluctance of the
9 general public to accept higher utility rates,
10 taxes and fees.

11 Well, tonight I'd like to speak as a major
12 customer of the Joplin district of the Missouri-
13 American Water Company. When we received the
14 information about the rate request, we were shocked
15 to see that they were requesting a 58 percent
16 increase for our rate class.

17 I have requested arrested to analyze the cost
18 of water services for the City of Joplin. We find
19 a we have 35 service locations with an annual cost
20 of \$75,000. The proposed 58 percent rate increase
21 will increase or operating costs by \$44,000
22 annually. Approximately one half of these 35
23 service locations are for parks and recreation
24 facilities. Approximately 22 percent of the
25 increased costs will come out of our recreational

1 budget that provides services to youth and to
2 seniors.

3 The additional costs will require us to
4 consider the following options: 1) to either reduce
5 programs, 2) to reduce other city services in order
6 to maintain the level of recreational services
7 already provided, or 3) to raise user fees.

8 From the PSC staff's own analysis, the Joplin
9 district's operational cost of revenues, the Joplin
10 customers are already overpaying 11 percent. This
11 means that the City of Joplin has already overpaid
12 some \$8000. We would request the commission accept
13 the staff's recommendation to reduce the Joplin
14 district's rates by the 11 percent also.

15 We would also like express disappointment to
16 the Office of Public Counsel for their
17 recommendation that the Commission use single
18 tariff pricing concept with no decrease in rates
19 for the Joplin district. As a customer of the
20 Joplin district, we believe we should pay for the
21 cost of services within Joplin district only. We
22 see no advantages to the single tariff pricing
23 being recommended by the Office of Public Counsel.

24 We do feel that the city, as a customer,
25 should pay -- should have to pay for improvements

1 to other systems -- should have to pay for
2 improvements to other systems in other districts.
3 Missouri American has only invested one percent of
4 their total capital costs in Joplin over the last
5 three years. We do feel that we should share the
6 burden of the costs of the improvements made in
7 other communities. We feel that we should pay
8 ourselves for prudent and needed investments to
9 improve our quantity and quality of water.

10 In summary, I would say that in the City of
11 Joplin 1994, it was required by the Missouri
12 Department Natural Resources to upgrade our Turkey
13 Creek Wastewater Treatment Plant, at a cost of some
14 \$20 million. The citizens of Joplin did not
15 request St. Joseph, Warrensburg or Mexico to share
16 in the cost of this improvement, then why should
17 the customers of the Joplin district share in the
18 cost improving drinking water systems in those
19 committees?

20 There's a \$52,000 difference to the cost to
21 the City of Joplin between Missouri-American's
22 request and the staff's recommendation, therefore
23 we support the district specific pricing and we'd
24 urge the Commission to accept the recommendation of
25 the staff for 11 percent decrease in Joplin

1 district's water rates. Thank you.

2 JUDGE THOMPSON: Thank you, sir.

3 Question from the bench, Chair Lumpe?

4 CHAIR LUMPE: Yes, Mr. Lewis, the
5 wastewater plant, is that in the industrial class,
6 or what class?

7 SPEAKER LEWIS: All the city's
8 facilities that are charged, we're in the -- I
9 believe we're in the commercial class.

10 CHAIR LUMPE: Commercial class, thank
11 you.

12 JUDGE THOMPSON: Vice-Chair Drainer.

13 COMMISSIONER DRAINER: Thank you for
14 your comment, very much.

15 JUDGE THOMPSON: Counsel.

16 MS. COOK: None, Your Honor.

17 MR. SNODGRASS: None from staff.

18 JUDGE THOMPSON: *YOU ARE EXCUSED, SIR,*
19 *THANK YOU. I'M RECEIVING A DOCUMENT WHICH I'M MARKING AS EXHIBIT*
20 *NUMBER 6.*

21 Shirley Mondt.

22 SHIRLEY MONDT

23 was called as a witness, was sworn, and
24 testifies as follows:

25 JUDGE THOMPSON: Please state your

1 name, ma'am.

2 SPEAKER MONDT: My name is Shirley
3 Mondt, and it's spelled M-o-n-d, as in Dog, and -t,
4 as in Tom. As you can tell, I spell it quite
5 frequently.

6 JUDGE THOMPSON: Thank you, ma'am.
7 are you presently a customer of Missouri-American
8 Water Company?

9 SPEAKER MONDT: For about 46 years
10 now.

11 JUDGE THOMPSON: Please proceed.

12 SPEAKER MONDT: I'm scared as a
13 catfish out of water, as you could probably tell,
14 and my face is as read as a beet to prove it. I've
15 been looking out here to the public, and I'm up
16 there in the older years now, and most of us here
17 tonight are as well. There is not too many of us
18 that doesn't have at least one child 18 and older
19 in this bunch, and many of us have -- I've got one
20 that's -- I'd better not tell her age; she wouldn't
21 like it.

22 But here's what I want to say. I've got
23 something here I want to bring up to you. And
24 thank you very much for giving us this opportunity,
25 from my heart. But we always have to look after

1 our children of tomorrow. And if we don't fight
2 this now, what's going to happen to our kids. And
3 I'm always after those kids. I love them. And we
4 got to take care of our kids of tomorrow. And now
5 is the time, tonight, to say what we want to say.

6 My husband is disabled and I work two jobs.
7 We had a pretty rough time. Our house burned, and
8 I'm not going to go into jury. But I just -- we
9 been quite a while trying to get back on our feet
10 from the fire. And We pay our water bill. It runs
11 from 20 to \$30. Now, that maybe sounds like not
12 very much. But we really economize. We don't
13 water the lawns and a few other things. We do take
14 baths.

15 But, to me, tonight, this is not the American
16 way. I've lived for quite a few years, and this is
17 outrageous. It's unbelievable. In all my years, I
18 have never attended a public meeting, and never
19 felt it necessary because a raise increase is
20 necessary. But I got up and I came out tonight,
21 and as I said, I'm nervous as a catfish. But to me
22 this is just not the American way that I have known
23 it. And I been in Joplin, I was born and raised
24 here. You can tell from my lingo. And from the
25 shaking, too.

1 I received a bill. And it's here if you want
2 to see it. We had a dog that went under the house.
3 The pipes were down low, and he drug part of his
4 body across the pipes -- we found out this later --
5 and busted the pipe. We did -- were unaware of the
6 problem. We did not know. There was no water that
7 was outside of our house. The ground was dry. So
8 how are we to know? I had called two different
9 times prior to this incident to the water company
10 because while water meter area -- you know, where
11 you left that thing, I can't do it. But we, you
12 know, try to stay on top of things. But the water
13 is filled to the top. You cannot read the meter.
14 I have called the water company twice. They will
15 not come out and do anything about it, on that
16 water lake is on them, let me. Because our water
17 bill is running 20 to \$30 at a time, so it has to
18 be, can't be.

19 But this bill came out \$344.76. I nearly
20 passed out. And I called immediately the very day
21 I got this letter, and I told them our
22 circumstances, that my husband was disabled and I'm
23 working to jobs. I said, "And I don't expect you
24 to go half on this, but I do -- would like to ask"
25 -- and I was very, very nice, guys. There's some

1 of you in the audience that knows me and can verify
2 I'm not real mean. But I thought that they would
3 give me some type of a break on their profit that
4 they would have made, and that's all I was asking,
5 because I still wanted them to have profit, because
6 they had given me a service, even though it was
7 used and we were unaware. So in the fairness of
8 things, I thought that was right.

9 I was told that is needed to come from the
10 manager. I called the 1-800 numbers. I don't know
11 where that went too. But anybody, I waited one
12 week to the day. No manager ever called me. And
13 this was abuse to me. I feel the least that he
14 could have done was to have called me.

15 And so I called them back. The lady was very
16 nice, and I was as well again. She said, "Just a
17 minute and I'll go check with him." She came back
18 and she said, "I'm sorry, but there will be no
19 deductions." I pleaded with her once again. She
20 said, "I'm sorry, that was the final answer."

21 So I do volunteer community service project
22 work in the City of Joplin. I get no pay for that.
23 I do it because I want to. And I was mentioning
24 this to one of the people involved, and out --
25 Economic Security is part of it. She said,

1 "Shirley, I think we can help you." So she calls
2 the company. They still would not budge one inch.
3 But Economic Security did help us. Thank goodness
4 for Economic Security. I'm sure several of you
5 have had that help. But that's just what I want to
6 say. It's just -- It's just beyond belief, just
7 beyond belief.

8 And I know that all of us out here, the
9 majority of us here tonight, are facing this. Now,
10 this is the issue that I want to say. If this
11 increase went on and it's -- as it's pass -- or if
12 it passes, look what this bill would be. And
13 nobody wants to help us by deducting any part of
14 it, but we never even used any part of it. And
15 that's over \$700. How many of us can afford that?
16 I can't. It would take practically everything I
17 make all month. So thank you again. I'm sorry.

18 JUDGE THOMPSON: Thank you, ma'am.
19 Questions the bench, Chair Lumpe.

20 CHAIR LUMPE: Yes, Ms. Mondt, I'm
21 going to ask our staff person, Mr. Johansen, to get
22 with you and get the particulars. Thank you.

23 SPEAKER MONDT: Thank you.

24 JUDGE THOMPSON: Vice-Chair Drainer.

25 COMMISSIONER DRAINER: You did not

1 seem very nervous, you spoke very well. And you do
2 not need to say you're sorry. We greatly
3 appreciate your coming and giving us this
4 information.

5 I am concerned about the bill. I am concerned
6 about the two phone calls you may and wanting to
7 have it read. I live out in the country. I have
8 to pick up the big metal thing myself and read my
9 own meter, and when it's filled up, it is very
10 difficult to get --

11 SPEAKER MONDT: You can't see it.

12 COMMISSIONER DRAINER: No, you can't.
13 And so I would --

14 SPEAKER MONDT: I would like some
15 results on that, I really would.

16 CHAIR LUMPE: And so I really not only
17 want Mr. Johansen to respond, but I want the
18 company to respond on what they're going to do to
19 resolve the issues at your residence that this
20 doesn't happen again, and that they check out the
21 meter to make sure that it is -- that you are able
22 to read it --

23 SPEAKER MONDT: Thank you.

24 CHAIR LUMPE: -- to find out why it's
25 filling up. Unless you've had a lot of rain down

1 here. I think you've had more than we have, but --

2 SPEAKER MONDT: Well, it may not be so
3 full now, but it can happen.

4 COMMISSIONER DRAINER: Well, it's
5 still too difficult, so they should assist, and we
6 appreciate your time.

7 JUDGE THOMPSON: Questions from
8 counsel.

9 MS. COOK: One, Your Honor.

10 JUDGE THOMPSON: Ms. Cook.

11 MS. COOK: Ma'am, would you state your
12 address for me?

13 SPEAKER MONDT: 2010 Porter. I'm over
14 by St. Johns Hospital. 2010.

15 MS. COOK: Thank you, ma'am.

16 SPEAKER MONDT: Uh-huh.

17 JUDGE THOMPSON: Any other questions?
18 Hearing none, you're excused ma'am. Thank you.

19 Bill Joyce.

20 BILL JOYCE

21 was called as a witness, was sworn, and
22 testifies as follows:

23 JUDGE THOMPSON: Please state your
24 name, sir.

25 SPEAKER JOYCE: I'm Bill J-o-y-c-e is

1 the last name.

2 JUDGE THOMPSON: are you presently a
3 customer of Missouri-American Water Company?

4 SPEAKER JOYCE: I am. I'm with the
5 District Number One.

6 JUDGE THOMPSON: Please proceed, sir.

7 SPEAKER: Everything has been stated
8 that I was going to state. Chuck Surface pretty
9 well covered it. The one thing that I wanted to
10 point out is your electric utilities, your gas
11 utilities, they can help each other out. The water
12 utilities, as we all know, there's no way that they
13 can help us out if we run out of water. Thank you
14 very much. Thank you, sir. Questions the bench,
15 Vice-Chair Drainer.

16 MR. SNODGRASS: No, but thank you for
17 coming and thank you for your comment.

18 JUDGE THOMPSON: Questions from
19 counsel.

20 MS. COOK: None, Your Honor.

21 MR. SNODGRASS: None.

22 JUDGE THOMPSON: Hearing none, you're
23 excused, sir. Thank you.

24 SPEAKER JOYCE: Thank you.

25 JUDGE THOMPSON: Patrick Boyer.

1 PATRICK BOYER

2 was called as a witness, was sworn, and
3 testifies as follows:

4 JUDGE THOMPSON: Please state your
5 name.

6 SPEAKER BOYER: Patrick Boyer, B-o-y-
7 e-r.

8 JUDGE THOMPSON: Mr. Boyer are you
9 presently a customer Missouri-American Water
10 Company?

11 SPEAKER BOYER: Oh, yes.

12 JUDGE THOMPSON: Please proceed.

13 SPEAKER: I am not a part of all these
14 gray-haired saints out here. I am a part of the
15 middle class baby boomers. And like these older
16 folks have done in the past, I work. And I work
17 hard. And I work all day. So when I come home, I
18 like to take a shower, I like to water my flowers,
19 and make sure the lawn is watered and so forth.
20 And but the grass is not of importance to me. I
21 can let it burn. The flowers are not of importance
22 to me; they can burn too. I do need to drink
23 water, I do need to bathe, and I don't think I
24 should pay extra to do that.

25 I think that the citizens of St. Joseph and

1 that area should pay for their own water plant. I
2 shouldn't have to pay for that. My brothers know
3 that. They live there. I told them. They
4 wouldn't pay for mine. They have told me.

5 All the -- I just -- I was thinking about -- I
6 was the one that brought up the question about who
7 financed this mess. And I call it a mess because
8 that's what it is, because no -- obviously, nobody
9 put enough thought into it, because somebody said -
10 - and I think it was you, sir; I can't remember
11 your name, sorry -- said there was 40 percent that
12 was already there of the cost. Forty percent would
13 have pretty much paid for an addition to the old
14 one instead of funding a new one. That, to me, was
15 kind of stupid. Just because we can do a thing
16 does not mean that we must do that thing. Just
17 because we want a brand new plant doesn't mean we
18 absolutely need a brand new plant added onto the
19 old one. That would have been the first place that
20 Joplin would have looked, is to add on to the old
21 one first. They would not have considered even a
22 new one to begin with.

23 I have told these folks before, I have told
24 these folks here before that, if we needed a new
25 water plant, St. Joseph would not pay for it.

1 However, I would have been at the front of the line
2 giving my dollars to pay for an new plant for
3 Joplin. A will not do it for St. Joe. I don't
4 take it's fair and I don't think you should impose
5 that on us.

6 I am not great with words. I'm not -- I'm not
7 a judge. I'm not on some counsel. I am a
8 furniture restorer. I'm not a hick, though, from
9 the bottom of Missouri, and I am a normal citizen
10 just like those in St. Joseph. And if Missouri
11 Water thinks that they can push their price down on
12 me, they've got another thing coming, because it's
13 not fair and I'm putting my foot down. We've had
14 too many rate hikes on other things.

15 Look what the gas rate has done. What has
16 done? It raised the price of transportation,
17 raised the price of products in our stores because
18 the truckers have to charge more for getting it
19 there. And the producers have to charge more. And
20 who gets stuck with that one? We do.

21 If we raise the price of water, who will get
22 stuck with that one many times over? We will. I
23 feel sorry for the folks in St. Joe, of course, but
24 my brothers and sisters here in Joplin, we don't
25 want this to happen, and we will not stand for it.

1 If we have to go clear to Jefferson City to do it,
2 we will not stand for it. And that's all I have to
3 say.

4 JUDGE THOMPSON: Thank you, sir.
5 Questions the bench, Chair Lumpe.

6 CHAIR LUMPE: No.

7 JUDGE THOMPSON: Vice-Chair Drainer.

8 CHAIR LUMPE: No, but thank you very
9 much for coming.

10 JUDGE THOMPSON: Questions from
11 counsel.

12 MS. COOK: No, Your Honor.

13 JUDGE THOMPSON: You're excused, sir.
14 Naomi Brown.

15 NAOMI BROWN

16 was called as a witness, was sworn, and
17 testifies as follows:

18 JUDGE THOMPSON: Please state your
19 name.

20 SPEAKER BROWN: Naomi Brown, N-a-o-m-i
21 B-r-o-w-n.

22 JUDGE THOMPSON: Ms. Brown, are you
23 presently a customer of Missouri-American Water
24 Company?

25 SPEAKER BROWN: Fifty-three years.

1 JUDGE THOMPSON: Please proceed.

2 SPEAKER BROWN: I'm here on behalf of
3 myself and many of the seniors here. I am retired
4 from DFS, Jasper County DFS, 1987, and I worked 7
5 1/2 years more managing a senior center, and I know
6 how many people that are not able to pay their
7 bills way back. I know how many times we've run
8 out of money at DFS with our little allowances that
9 we had to try to help people with their -- that
10 owed their utilities. And water is one of the most
11 essential of all of these that we have.

12 I have tremendous medical bills, and I'm not
13 alone. There are many here that cannot afford --
14 And I kept my state insurance, and with that I can
15 barely afford mine. People that have to be
16 dehumanized because they cannot afford to purchase
17 the medicines that they need for their own body.

18 When are we going to be concerned about
19 humans? Corporations are going to make money, what
20 money, money, and I'm not against that. But but we
21 do have to learn to think about other people and
22 their needs. I don't meet mean there wants, their
23 needs. And there are just people that I know that
24 they can't -- that cannot afford it. I've worked
25 with too many of these kind of people to know this.

1 And I think that you need to take this into
2 consideration.

3 We have lots of senior citizens, and it's
4 going to be more as they have estimated. So why
5 can't we let each area take care of itself, while
6 we're trying to just exist down here? That's all I
7 really have to say.

8 JUDGE THOMPSON: Thank you, ma'am.
9 Questions from the bench, Chair Lumpe.

10 CHAIR LUMPE: No, Ms. Brown. I just
11 want to thank you for your service to the people.
12 Thank you.

13 JUDGE THOMPSON: Vice-Chair Drainer.

14 CHAIR LUMPE: Ms. Brown, when do you
15 say you retired from DFS?

16 SPEAKER BROWN: 1987.

17 CHAIR LUMPE: 1987. Yes, well, thank
18 you very much, as Chair Lumpe said, for all the
19 service that you've given to all the citizens of
20 the state. DFS really does a tremendous amount for
21 the people, and we do appreciate it. And we have
22 heard you, and we are very grateful to you for
23 coming this evening.

24 JUDGE THOMPSON: Questions from
25 counsel.

1 MS. COOK: No, Your Honor.

2 MR. SNODGRASS: None.

3 JUDGE THOMPSON: Randy Blaine.

4 (No RESPONSE.)

5 JUDGE THOMPSON: Randy Blaine.

6 (No RESPONSE.)

7 JUDGE THOMPSON: Melvin Barry.

8 (No RESPONSE.)

9 JUDGE THOMPSON: Bob Brasch.

10 ROBERT BRASCH

11 was called as a witness, was sworn, and
12 testifies as follows:

13 JUDGE THOMPSON: Please state your
14 name.

15 SPEAKER BRASCH: My name is Robert
16 Brasch, B-r-a-s-c-h.

17 JUDGE THOMPSON: Mr. Brasch, are you
18 presently a customer of Missouri-American Water
19 Company?

20 SPEAKER BRASCH: Yes, I am.

21 JUDGE THOMPSON: Please proceed.

22 SPEAKER: When I signed the sheet back
23 there, I thought it was a sign in sheet, I didn't
24 know it was a comment sheet, but I'll make a
25 current anyway. I just kind of what to echo what

1 all the others have said opposition. I think
2 everybody in the room is in opposition to this.
3 One, I would like to make is what one of our
4 senators said after a session in Jefferson City
5 that it was his opinion that, no matter what came
6 out of this hearing, with counsel or commission, he
7 felt that the rate increase would probably stand a
8 good chance of getting approval, no matter what was
9 said here tonight. And what you'll have said here,
10 I've heard comments from you that kind of
11 contradict that. So that's all I have to say.

12 JUDGE THOMPSON: Thank you, sir.

13 Questions the bench, Chair Lumpe.

14 CHAIR LUMPE: No but thank you for
15 your comments.

16 JUDGE THOMPSON: Vice-Chair Drainer.

17 CHAIR LUMPE: Thank you very much for
18 coming.

19 JUDGE THOMPSON: Questions for
20 counsel.

21 MS. COOK: None.

22 MR. SNODGRASS: None.

23 JUDGE THOMPSON: You're excused, sir.
24 Thank you. Paul Barr.

1 PAUL BARR

2 was called as a witness, was sworn, and
3 testifies as follows:

4 JUDGE THOMPSON: State your name.

5 SPEAKER: Paul Barr, B-a-r-r.

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

9 SPEAKER BARR: Yes.

10 JUDGE THOMPSON: Please proceed.

11 SPEAKER BARR: I'm here this evening
12 to represent the Joplin schools, and I'll read from
13 a letter to the Commission from Joplin's
14 Superintendent of Schools, Vernon Hudson, and I'll
15 submit it to testimony after I conclude.

16 The cost of water for Joplin schools in the
17 current year is projected to be \$48,000. If the
18 proposed increase is approved, the increase cost
19 the Joplin schools will be \$20,128, which is the
20 equivalent to the cost of one classroom teacher for
21 a class of 25 or more students.

22 We strive to utilize our revenues annually in
23 areas with the most benefit for the children of
24 Joplin schools. A significant increase and water
25 rates would force us to route taxpayer dollars away

1 from the classroom rather than using them to
2 improve technology, provide instructional
3 materials, and insure safe transportation for over
4 7,000 Joplin students.

5 We appreciate your consideration of our
6 request for a increase that is much less than the
7 proposed amount. We know and appreciate the
8 importance of a good, reliable water source for our
9 community, however we believe there's a better way
10 to maintain service while keeping the public trust.
11 Thank you.

12 JUDGE THOMPSON: Thank you, sir.
13 Questions from the bench, Chair Lumpe.

14 CHAIR LUMPE: No, I have no questions,
15 thank you, sir.

16 JUDGE THOMPSON: Vice-Chair Drainer.

17 COMMISSIONER DRAINER: I have no
18 questions. Thank you for coming. And you'll be
19 filing an exhibit with us?

20 SPEAKER BARR: Yes.

21 JUDGE THOMPSON: Can I have the
22 exhibit, sir?

23 SPEAKER BARR: Yes.

24 JUDGE THOMPSON: Any questions from
25 counsel?

1 MS. COOK: None, Your Honor.

2 MR. SNODGRASS: None.

3 JUDGE THOMPSON: I'VE RECEIVED A PACKAGE OF
4 DOCUMENTS WHICH I'M GOING TO MARK AS EXHIBIT NUMBER 7.

5 Barbara Landreth.

6 BARBARA LANDRETH

7 was called as a witness, was sworn, and
8 testifies as follows:

9 JUDGE THOMPSON: Please proceed ma'am.

10 SPEAKER LANDRETH: I'm --

11 JUDGE THOMPSON: State your name. I'm
12 sorry.

13 SPEAKER: Barbara Landreth, L-a-n-d-r-
14 e-t-h.

15 JUDGE THOMPSON: Ma'am, are you
16 presently a customer of Missouri-American Water
17 Company?

18 SPEAKER LANDRETH: For over 45 years.

19 JUDGE THOMPSON: Now you may proceed.

20 SPEAKER LANDRETH: All right. I'm
21 speaking not only as an individual but as a silver-
22 haired legislator from District 10, which
23 represents eight counties in southwest Missouri, to
24 voice mine and all seniors in Joplin's opposition
25 to this proposed exorbitant rate increase.

1 If all public utilities decided -- Empire, the
2 gas Company -- decided that they're going to raise
3 our rates by 53 percent, I don't know what people
4 would do. Our cable bill just went up this month.
5 I'd like to point out that the few years ago, not
6 that many, in the places rated survey, Joplin
7 ranked number one. And part of that a violation
8 was based on our low cost of living in this area.
9 Because of the trickle-down effect that has been
10 mentioned by others, our cost of living would just
11 price us out of business completely.

12 I have one personal comments, too, to the
13 Joplin Water Company, that I had called on more
14 than one occasion to tell them that my meter -- if
15 that's -- with the cover on it -- and I've lived in
16 this house for 35 years -- has slowly been sinking
17 into the ground. It's deeper and deeper and
18 deeper. No one has ever called me back, no one has
19 ever come out and done anything about it. The
20 leaves, the trash on top of the thing just gets
21 worse. I would appreciate some attention to it.
22 That's all I have to say. Thank you very much.

23 JUDGE THOMPSON: Thank you, ma'am.
24 Questions from the bench, Chair Lumpe.

25 CHAIR LUMPE: I'll just --

1 WATER CO. REPRESENTATIVE: You don't
2 have to.

3 CHAIR LUMPE: I don't have to say it
4 anymore, you'll just do it? Okay, thank you.

5 JUDGE THOMPSON: Vice-Chair Drainer.

6 COMMISSIONER DRAINER: You're going to
7 get some attention to it.

8 SPEAKER LANDRETH: Thank you.

9 JUDGE THOMPSON: Questions from
10 counsel.

11 MR. SNODGRASS: No.

12 JUDGE THOMPSON: Ms. Cook?

13 MS. COOK: Ma'am, would you state your
14 address for me.

15 SPEAKER LANDRETH: 2036 South Ozark
16 Street.

17 MS. COOK: Thank you.

18 JUDGE THOMPSON: Thank you, ma'am,
19 you're excused.

20 Fred King.

21 FREDERICK W. KING

22 was called as a witness, was sworn, and
23 testifies as follows:

24 JUDGE THOMPSON: Please state your
25 name.

1 SPEAKER KING: My name is Frederick
2 W. King, K-i-n-g.

3 JUDGE THOMPSON: Mr. King, are you
4 presently a customer the Missouri-American Water
5 Company?

6 SPEAKER KING: That's correct.

7 JUDGE THOMPSON: Please proceed.

8 SPEAKER KING: My remarks will be
9 quite brief. I've been very interested in what
10 we've heard here tonight, and particularly liked
11 Mr. Surface's original presentation as well as many
12 others. I would, like someone from Purcell
13 mentioned something, but I -- this -- I'm going to
14 give you a little different slant on that. He
15 mentioned in 1997 increase, and this is -- would be
16 a new one in the year 2000 -- I mean, yes, 2000.
17 That is only three years. Now, when I first read
18 the article in the *Joplin Globe*, I took the figures
19 which they presented at the time of an average cost
20 to the average consumer of water in Joplin. And if
21 you take the figure that existed prior to the 1997
22 increase and go to the new increase, new figure,
23 you will come not far over 50 percent, you're up
24 almost just under 100 percent. Now, it bothers me
25 that this has been mentioned many times, and that's

1 one of the reasons I came tonight. That's 50
2 percent increase. We haven't heard much about the
3 100 percent increase in a period of three years
4 time. That is unbelievable, gentleman and ladies.
5 That's all have to say, and thank you, very much.

6 JUDGE THOMPSON: Thank you, sir.
7 Questions from the bench, Chair Lumpe.

8 CHAIR LUMPE: I have no questions,
9 thank you, sir.

10 JUDGE THOMPSON: Vice-Chair Drainer.

11 CHAIR LUMPE: No questions, but thank
12 you very much for coming, sir.

13 JUDGE THOMPSON: Questions from
14 counsel.

15 MS. COOK: None, Your Honor.

16 JUDGE THOMPSON: You're excused, sir.
17 John Orton.

18 (NO RESPONSE.)

19 JUDGE THOMPSON: John Orton

20 (NO RESPONSE.)

21 JUDGE THOMPSON: Jack Golden.

22 JACK GOLDEN

23 was called as a witness, was sworn, and
24 testifies as follows:

25 JUDGE THOMPSON: Please state your

1 name.

2 SPEAKER GOLDEN: My name is Jack
3 Golden, G-o-l-d-e-n, citizen of Joplin and a user
4 of the American Water Company here.

5 JUDGE THOMPSON: Please proceed, sir.

6 SPEAKER GOLDEN: I also represent the
7 Housing Authority of the City of Joplin. That's my
8 main purpose of being here this evening.

9 We own 275 dwelling units that we lease to
10 folks who are low/moderate income persons. We
11 think -- And our best estimate of the impact that
12 it will have on us, in terms of the property we
13 own, is somewhere between \$25,000 and \$30,000 per
14 annum. We will be able to absorb that cost, if we
15 were forced to, for a year or two, then we're going
16 to be faced with cutting programs and services to
17 our people. That's of great concern to us, of
18 course.

19 The people what we serve, to give an example
20 how low income the folks really are. Our average
21 rent, we take a 30 percent of approximately 90
22 percent of most people's income is \$138.50 a month.
23 So we're truly serving people that have a great
24 deal of need. The money that we collect, we
25 collect it for rent and utilities, so that increase

1 we will absorb as the housing authority very
2 personally. That's one program that we operate.

3 We also operate another the program, we do not
4 own the property, we help people pay the rent. And
5 we have 450, approximately, of these units. And we
6 feel that this will be an even greater impact. The
7 guidelines that we have to operate this program
8 require that 75 percent of all the new tenants of
9 these 450 units have incomes of 30 percent or less
10 of the median income, median income for the area.
11 So here again we have a very low/moderate income
12 group that we're dealing with.

13 In addition to that, we also can only rent
14 properties that rent for a certain amount of money
15 or less, and those, they call those fair market
16 rents, and those rents are pretty tight. And if we
17 have to absorb this amount of money that you're
18 proposing, really we're going to do several things.
19 And one of the things we're going to do is we're
20 going to restrict the housing that's available --
21 it's already a very, very tight market for these
22 people -- because we cannot -- we cannot exceed
23 that fair market rent, which also includes both the
24 rent and the utilities.

25 The other thing that concerns us, if we got

1 the fair market rent increase, we have to be very
2 conscious of going into a neighborhood with 450
3 units, and so we're going go to have several in
4 each one of the neighborhoods of the city of
5 Joplin. We're going to drive the cost of rent up
6 in those neighborhoods for the entire low income
7 community. So we're very conscious of wanting to
8 keep rent standards as low as we can. I have a
9 very deep concern about that.

10 The housing authority does something else. We
11 also sponsor, at least in part, three neighborhood
12 houses which are located in three census tracts of
13 the city which are 51 percent low/moderate income.
14 And those are the older sections of the city, as
15 you would naturally suspect, and the housing is of
16 older stock. We have approximately 5,400 housing
17 units in those 3 census tracts, and about 2,500 of
18 those are rental units. And we estimate that the
19 majority of those rental units are being rented by
20 low/moderate income folks. The story being that we
21 have a lot of experience in dealing with the lower
22 income people within the community of Joplin. So
23 we think we know a little bit about what we're
24 talking about and a little about the severity of an
25 impact an increase of utilities on the folks.

1 To give you a quick story, one that occurred
2 this week, visiting with a son who was very
3 concerned about his mother. So we went through the
4 amount of money that she had coming in, which was
5 less than \$7,000 a year, and after we deducted her
6 rent and other fixed costs, we were down to less
7 than \$75 a week for her to sustain herself on. And
8 that is not very much money in this day and age.
9 So that's -- We don't guess. We know we have at
10 least several thousand persons living under those
11 circumstances here in the city of Joplin.

12 So the position of the authority is that we do
13 disagree with Missouri-American Water Company's
14 pricing policy, the single tariff pricing concept.
15 We hope that you will not allow that to happen. He
16 would also very much support having a decrease in
17 the rates because we feel that this would help --
18 help us with our mission, and it would opt the low
19 income community in general. Thank you very much.
20 Thank you, sir. Questions from the bench, Chair
21 Lumpe.

22 CHAIR LUMPE: Thank you, Mr. Golden.

23 JUDGE THOMPSON: Vice-Chair Drainer.

24 COMMISSIONER DRAINER: I want to thank
25 you for coming. I have just one question. I

1 wanted to ask, the additional 450 units, what is
2 the name of the -- is the name of that program fair
3 market rent?

4 SPEAKER: No, no, I'm sorry, the name
5 of the program it has a weird name that doesn't
6 make any sense to me, but they call it the Section
7 Eight Program. It's because it's -- it's Section
8 Eight of a certain federal act.

9 CHAIR LUMPE: Federal act, right,
10 okay.

11 SPEAKER GOLDEN: That's correct.

12 JUDGE THOMPSON: Questions from
13 counsel.

14 MS. COOK: None, Your Honor.

15 MR. SNODGRASS: No.

16 JUDGE THOMPSON: *YOU'RE EXCUSE, SIR, THANK*
17 *YOU. I AM RECEIVING A DOCUMENT WHICH I AM GOING TO MARK AS*

18 *EXHIBIT NUMBER 8.*

19 Rob O'Brian.

20 ROB O'BRIAN

21 was called as a witness, was sworn, and
22 testifies as follows:

23 JUDGE THOMPSON: Please state your
24 name.

25 SPEAKER O'BRIAN: My name is Rob

1 O'Brian. Last name is O--B-r-i-a-n.

2 JUDGE THOMPSON: Mr. O'Brian, are you
3 presently a customer Missouri-American Water
4 Company?

5 SPEAKER: SPEAKER O'BRIAN: Yes, I am,
6 both residential and commercial.

7 JUDGE THOMPSON: Please proceed, sir.

8 SPEAKER O'BRIAN: Chair Lumpe, Vice-
9 Chair drainer, Judge, numbers of the PSC, and the
10 Office of Public Counsel, thank you very much for
11 coming to Joplin this evening and allowing us this
12 opportunity. I am here tonight in my role as
13 president of the Joplin Area Chamber of Commerce,
14 and on behalf of the Board of the Chamber, and our
15 nearly 1,000 business members, I appreciate the
16 opportunity to talk to you about the business
17 community and our economic development effort, and
18 the impact this increase will have on both.

19 First, I do want to say that any comments that
20 I make should not be construed to be negative about
21 the local staff in the Joplin District. In an
22 economic development context, we have worked with
23 them closely. They have been responsive to
24 business and industry. They work closely with our
25 economic development staff and, in fact, we

1 consider them part of that team. However, this
2 proposal from the corporate level, if approved,
3 will be detrimental, if not disastrous to this
4 community, to our businesses, and to our
5 residences, many of who are here this evening.

6 JUDGE THOMPSON: Mr. O'Brian, if I
7 could ask you to hold the microphone closer?

8 SPEAKER O'BRIAN: I will be happy to
9 do that.

10 On the economic development front, the Chamber
11 is charged as a partner with the city in promoting
12 growth in the economic development arena,
13 particularly in the manufacturing arena, in this
14 community. Joplin has had great success with food
15 processing. Such companies such as Pillsbury,
16 Gilster Mary Lee, whom you heard this evening,
17 Jasper Products, Cliffstar, Glencourt, are all
18 substantial food processors in this community. We
19 have a number of high-tech firms, such as Eagle
20 Pitcher and American National Cam. And we have
21 some strong mainline manufactures, such as Owens
22 Corning and Tamco. All of these companies are
23 substantial water users, many of them have moved
24 here within the last ten years because of the
25 number of positives this committee has to offer,

1 including reasonable water rates.

2 These employers that I've just named
3 employ over 3,000 people in this community, many of
4 them in higher paying jobs with substantial
5 benefits. These firms universally operate on
6 narrow profit margins. It is a very competitive
7 market for them. An incremental increase is always
8 anticipated and can be absorbed. But an increase
9 of 65 percent in water rates can make the
10 difference between profitability and growth for
11 these companies in this community or losing money
12 and declining. You should recognize that these
13 companies not only compete against other companies,
14 other firms, but they also compete under the
15 umbrella other own company against other plants in
16 other communities for available business. Our
17 companies here have been very successful in that
18 competition and and have grown. We would hate to
19 see that end.

20 You heard earlier this evening from Brad Allen
21 at Gilster Mary Lee, who talked to you about very
22 specifically their situation, and his is highly
23 typical. He is one of several plants, and he has
24 to compete. Gilster Mary Lee is in the cereal
25 business. It is a very narrow profit margin

1 business.

2 Recently in St. Joseph, Quaker Oats announced
3 that they would be closing their plant there, with
4 a loss of several hundred jobs. There were a
5 number of factor that went into the closing of that
6 plant, including competition from other plants and
7 antiquated facility that Quaker Oats had in that
8 committee. But, certainly, I think it is worth a
9 question as to other a 65 percent increase in water
10 rates for a company that is a heavy water user
11 would have some bearing on a corporate decision of
12 which plant they are going to close.

13 Our small firms, nearly 800 of them in the
14 Chamber, and our commercial firms, also operate on
15 narrow margins. This is a significant increase to
16 them, and the only thing they can do is pass that
17 on on their customers. For those customers that
18 already Missouri-American customers, many of them
19 people were here in this room, this is a double
20 impact. They pay the increased water fee and they
21 then pay an increase for goods and services. Those
22 businesses also stand a chance of losing customers
23 to surrounding communities, because this is also a
24 very competitive retail and service market as well.

25 Our local government and our schools, as you

1 have heard, also have to bear on those increased
2 costs, and at some point in time they will have to
3 pass those along in the form of higher taxes,
4 higher taxes both to our companies -- again that
5 competitive impact -- and also to the residents.
6 Again, a double impact for them.

7 Single tariff pricing does make some sense for
8 electric, gas, telephone utilities, where they have
9 massive infrastructure, interconnected, serving
10 large areas, with the ability to move that service
11 from one area to another. But water has in this
12 state typically been a local source issue. It
13 comes from a local source, it's processed locally,
14 it's distributed locally. There is no
15 interconnection among the seven service districts
16 of Missouri-American Water in this state. There is
17 no opportunity to share the services, only,
18 apparently, costs.

19 In the case of water service, particularly
20 where the districts are not contiguous, and the
21 product cannot be moved from one community to the
22 next, single tariff pricing is unfounded and
23 unfair.

24 To give you a little bit of background, the
25 Joplin area population served by Missouri-American

1 Water Company has increased over 10 percent in the
2 last past 9 years. But employment in this area has
3 increased over 30 percent in the same period of
4 time. The Joplin area is one of the fastest
5 growing areas in the state, and Missouri-American
6 has benefited from increased revenue without the
7 need to make any significant infrastructure
8 investments here.

9 To increase rates over 50 percent and for
10 industry 65 percent is really killing the goose
11 that lays the golden egg for Missouri-American
12 Water. I encourage the Commission to endorse the
13 findings of your staff in determining the rates for
14 this area, and again appreciate the opportunity
15 to be with you this evening. Thank you.

16 JUDGE THOMPSON: Thank you, sir.
17 Question from the bench, Chair Lumpe.

18 CHAIR LUMPE: Mr. O'Brian, thank you
19 for coming.

20 SPEAKER O'BRIAN: Thank you.

21 JUDGE THOMPSON: Vice-Chair Drainer.

22 COMMISSIONER DRAINER: Thank you very
23 much for coming.

24 JUDGE THOMPSON: Counsel.

25 MS. COOK: No, Your Honor.

1 MR. SNODGRASS: No questions from
2 staff.

3 JUDGE THOMPSON: Thank you, sir.

4 SPEAKER O'BRIAN: Thank you very much.

5 JUDGE THOMPSON: Ladies and gentlemen,
6 at this time, in view of the lateness of the hour,
7 I would urge you to please make your remarks brief.
8 If someone else has already said, stated the
9 points, more or less, that you wanted to make,
10 please simply indicate your concurrence with those
11 points. We have perhaps as many as 50 more people
12 who have signed up to speak, and we have already
13 more than consumed the time which we set aside for
14 the hearing. So, please, out of consideration to
15 your fellow citizens, so that everyone will have a
16 chance to speak, keep your remarks brief. Several
17 community leaders have prepared remarks. If you
18 have prepared remarks, you may simply give them to
19 me as an exhibit without reading them. We will
20 make them part of the record. You will simply
21 testify that that's what you would say and that it
22 is true. The commissioners then can read it later
23 in Jefferson City. That will also help to speed
24 things along. At this time, I would like to call
25 Gary Frye.

1 UNIDENTIFIED SPEAKER: I would like to
2 decline my time, as it has already been covered.

3 JUDGE THOMPSON: Thank you, ma'am.

4 UNIDENTIFIED SPEAKER: Charlotte
5 Starchman (phonetic).

6 JUDGE THOMPSON: Linda Garrison.

7 (NO RESPONSE.)

8 JUDGE THOMPSON: Linda Garrison.

9 (NO RESPONSE.)

10 JUDGE THOMPSON: Mr. or Mrs. Arts.

11 (NO RESPONSE.)

12 JUDGE THOMPSON: Again, if I have
13 mispronounced your name, please bear with me; I
14 have difficulty reading some of the names.

15 Fred Ferguson.

16 SPEAKER FERGUSON: I was about to give
17 up on you guys. My father was about to go to sleep
18 back there.

19 JUDGE THOMPSON: We apologize, Mr.
20 Ferguson. We are moving as quickly as we can.

21 SPEAKER FERGUSON: I understand.

22 FRED FERGUSON

23 was called as a witness, was sworn, and
24 testifies as follows:

25 JUDGE THOMPSON: Please state your

1 name.

2 SPEAKER FERGUSON: Fred Ferguson.

3 JUDGE THOMPSON: Mr. Ferguson, are you
4 presently a customer of the Missouri-American Water
5 Company?

6 SPEAKER FERGUSON: Yes, I am.

7 JUDGE THOMPSON: Please proceed, sir.

8 SPEAKER FERGUSON: I'll try to make
9 this as brief as possible. Back in November of
10 1990, I moved into 3512 Norman Drive here in
11 Joplin. At the time we were paying water bills on
12 a quarterly basis. I today sat down while I was
13 home at noon and prepared a list of the quarterly
14 payments that I made and totaled those into annual.
15 1991, I paid out \$289; in 1992 paid out \$250;
16 '93, \$246; '94, \$264; '95, \$245; '96, \$234; '97,
17 \$239. Those were all on quarterly modes of
18 payment. Averaging that out for the 84 months -- 7
19 years times 12 months -- that averaged out to
20 \$21.04 per month. That's not bad for a water bill,
21 in my opinion.

22 In December of '97, you all switched to a
23 monthly mode, and a seven dollar wastewater fee was
24 also included in the monthly payment for the City
25 of Joplin. During 1998, paid out \$401, minus the

1 \$84 that year for the wastewater fee, left a
2 balance of \$313. In '99, paid out \$388, minus the
3 \$84, left \$304. Averaging those out, that was
4 \$25.70 per month just for the water fee, excluding
5 the wastewater. That looked like to me about a 20
6 - 25 percent increase in the rates at that time.

7 I don't remember a rate increase going into
8 effect at the time, but maybe that's what happened.
9 But maybe it was just that because we were paying
10 monthly, you guys needed the money earlier, and you
11 needed us to pay a little more to do that.

12 In the paper this morning, as I was reading
13 there at noon, it gave some figures for 6,000
14 gallons, the average customer usage in Joplin, at
15 \$17.67. Pardon me. That figure was to raise to
16 \$26.70 on the average bill here in Missouri -- or
17 in Joplin.

18 I believe I'm pretty well average there, what
19 I have been paying. And if it increases by the \$9
20 or whatever, I can pay that. But there's a lot of
21 people in this town that cannot. I'm an insurance
22 agent. I work with a lot of senior citizens. I
23 work with a lot of businesses, and it would hurt
24 the businesses in this town. It would also hurt
25 the senior citizens.

1 An example. My father gets about a \$700 a
2 month Social Security check. Two percent increase
3 last year, he got \$15 increase per month, and his
4 Medicare supplement, I'm sorry to say that I sold
5 to him, went up \$19. And then you take the other
6 things going up, he has to cut back on something.

7 I looked at my current bill for April of last
8 month, showed 4,500 gallons used with a water
9 charge -- this is not the city tax, pardon me, or
10 the wastewater -- \$19.57. I think up there before,
11 didn't it say 6,000 gallons was only \$17.67? How
12 come we're paying \$19 for 4,500 gallons?

13 I went back to July of '99, where I did find a
14 bill for 600 -- or 6,000 gallons of water, and that
15 charge, no taxes, it just says -- I got the bill
16 right here in front of me -- current charges:
17 water charge, and that was \$22.50. So if the paper
18 reported correctly, the 6,000 gallons was supposed
19 to be \$17.67, how come I'm paying \$22.50 for 6,000
20 gallons?

21 That is my statement today. I don't notice
22 these things, like a lot of men do. We take our
23 checks home, give them to our wives, and the
24 secretary/treasurer of the house pays out the bill.
25 It's not until something like this comes up that we

1 really pay attention and do a little research on
2 what is going on. I'm going to keep the remarks to
3 that right there.

4 JUDGE THOMPSON: Thank you, sir. I
5 would just clarify, if I might, that this rate
6 increase is not ours, it is the company's.

7 SPEAKER FERGUSON: Understand.

8 JUDGE THOMPSON: Thank you.

9 SPEAKER FERGUSON: You control it;
10 right? You say yes or no; is that correct?

11 JUDGE THOMPSON: Question the bench,
12 Chair Lumpe.

13 CHAIR LUMPE: You are correct, we will
14 make a decision at some point, sir. Thank you for
15 coming.

16 SPEAKER FERGUSON: Yes, ma'am.

17 JUDGE THOMPSON: Vice-Chair Drainer.

18 COMMISSIONER DRAINER: I would thank
19 you for coming, but I would like to have staff
20 answer your questions afterwards about the costs,
21 what your bill charges were. I would appreciate
22 them clarifying that. And I thank you for taking
23 the time today over your lunch hour to put all
24 those numbers together for us. I appreciate it.
25 You're welcome.

1 CHAIR LUMPE: Thank you very much.

2 JUDGE THOMPSON: Questions from
3 counsel.

4 MS. COOK: No, Your Honor.

5 JUDGE THOMPSON: You're excused, sir.
6 Thank you.

7 SPEAKER FERGUSON: Thank you.

8 JUDGE THOMPSON: Kevin Manard.

9 KEVIN MANARD

10 was called as a witness, was sworn, and
11 testifies as follows:

12 JUDGE THOMPSON: Please state your
13 name, sir.

14 SPEAKER MANARD: My name is Kevin
15 Manard. My last name is spelled M-a-n-a-r-d.

16 JUDGE THOMPSON: Mr. Manard, are you
17 presently a customer of Missouri-American Water
18 Company?

19 SPEAKER MANARD: Yes, I am.

20 JUDGE THOMPSON: Please proceed, sir.

21 I'm here tonight, I'm a director of
22 the Southwest Missouri Rental Housing Association.
23 We represent about 1,300 households here in Joplin.
24 It's an association of rental property owners.
25 I'll try to be brief because I think most of the

1 things have already been said tonight. Certainly
2 we are opposed to the increase and agree with most
3 of the speakers tonight.

4 One of the things I would like to bring up,
5 with regard to the gentleman's recommendation for
6 11 percent decrease. In the 1997 increase that was
7 awarded to Missouri-American, they were awarded an
8 automatic \$20 turn on fee, or turn on fee for each
9 meter that they turned on. At that time -- I got
10 that -- at that time, Missouri-American had
11 encouraged landlords and rental property owners to
12 the engage in what was called an automatic turn on.
13 That was if a resident terminated their service, it
14 would automatically be turned on into into the
15 landlord's name. That became an automatic \$20 to
16 the company. The notice was buried in a long
17 notice. It was. It was notified to customers,
18 however, I feel like not well. At the time, we
19 contacted Missouri-American and asked them to come
20 speak to us, which they did. And we do appreciate
21 that. In that same -- In that same increase, I
22 would mention to Missouri-American that one of the
23 reasons why there wasn't a whole lot opposition or
24 that we didn't notice the \$20 fee was Missouri-
25 American at that time agreed to collect the Joplin

1 sewer fee. And we did appreciate that, and do.
2 However, when we pointed out the inequities in what
3 had happened with the automatic turn on, and
4 although they did come to speak to us, they assured
5 us that they had no intention of making any
6 adjustments or changing any policies with regard to
7 that. And, in fact, when we felt like they could
8 have saved money, we felt like the automatic turn
9 on saved them money from sending a truck out to the
10 meter a second time. And so those were one of of
11 the -- that was one of the major points that we
12 wanted to make tonight. Along with we'd like to go
13 along with the gentleman that spoke earlier, that
14 the -- along with the 1997 increase and this
15 increase, it would be well over 100 percent. Thank
16 you.

17 JUDGE THOMPSON: Thank you, Mr.
18 Maynard. Questions from the bench, Chair Lumpe.

19 CHAIR LUMPE: I have no questions.
20 Thank you, Mr. Maynard.

21 JUDGE THOMPSON: Vice-Chair Drainer.

22 COMMISSIONER DRAINER: Mr. Maynard,
23 with with this turn on fee, is that something that
24 the landlord has to use that policy? Or do you
25 have a choice to not use the policy and have the

1 water turned off and then turned back on for a new
2 customer?

3 SPEAKER: Certainly, there was a mess
4 of landlords down at the water Company terminating
5 the automatic turn on fee. However, they -- I
6 think that the meeting that we had with the water
7 company was very hostile. I think that most of the
8 people felt like they had been set up somewhat.
9 And, you know, it did leave a lot of hostility
10 towards the water Company.

11 COMMISSIONER DRAINER: Mr. Maynard,
12 before that \$20 fee was implemented in 1997, did
13 you have that same service that could be put in
14 your name without a charge, or was that a new
15 service that was offered?

16 SPEAKER: No, there was no charge for
17 switching the water from one name to another.

18 COMMISSIONER DRAINER: Before that?

19 SPEAKER MANARD: Prior to that, no.

20 COMMISSIONER DRAINER: Prior to that.
21 So it was a new charge and it wasn't well, maybe,
22 notified to the landlords when that went into
23 effect. Is that what I was hearing you say?

24 SPEAKER: Yes, that's correct. You
25 know, I think that it could actually save the water

1 company a great deal of money by not having to make
2 a second trip out. Landlords use very little
3 water. You know, they may need to clean up, wash a
4 bathtub or a shower, and then almost immediately
5 turn the water back on. You know, this \$20 turn on
6 charge plus a minimum monthly fee, you know, for us
7 to use 10 to 20 gallons to clean up a rental unit
8 seems excessive. There is no way to pass that cost
9 on in our rents or otherwise. And we'd like to see
10 that, if the 11 percent reduction in our rate is
11 considered, that this be part of that reduction.

12 COMMISSIONER DRAINER: That the fee be
13 either eliminated or reduced, would that be a fair
14 --

15 SPEAKER MANARD: Eliminated.

16 COMMISSIONER DRAINER: Eliminated,
17 okay.

18 SPEAKER MANARD: Yes.

19 COMMISSIONER DRAINER: Thank you very
20 much. I appreciate that clarification.

21 JUDGE THOMPSON: Questions from
22 counsel.

23 MS. COOK: No, Your Honor.

24 MR. SNODGRASS: No.

25 JUDGE THOMPSON: You're excused, sir.

1 Thank you.

2 Bill Harned (phonetic).

3 (NO RESPONSE.)

4 JUDGE THOMPSON: Gwen Delano.

5 SPEAKER DELANO: I appreciate the
6 opportunity to speak, but my questions have been
7 addressed, sir.

8 JUDGE THOMPSON: Thank you, ma'am.
9 Marvin Gorham.

10 MARVIN GORHAM

11 was called as a witness, was sworn, and
12 testifies as follows:

13

14 Please state your name.

15 SPEAKER GORHAM: Marvin Gorham, G-o-
16 r-h-a-m.

17 JUDGE THOMPSON: Would you pronounce
18 your name, sir?

19 SPEAKER GORHAM: Gorham.

20 JUDGE THOMPSON: Gorham. Mr. Gorham,
21 are you presently a customer of Missouri-American
22 Water Company?

23 SPEAKER GORHAM: Yes, I am.

24 JUDGE THOMPSON: Please proceed.

25 SPEAKER GORHAM: What I don't

1 understand about this, when businesses have to
2 spend major money, \$75 million, there is
3 determination to it. But there is -- I guess maybe
4 this is the way utilities operate, in that when you
5 have a tariff increase, it goes on for eons. I
6 feel that, you know, there on the be some set to a
7 tariff this big, and not keep paying the same
8 tariff year, after year, at a year, after the 75
9 million is expended in St. Joe has been paid off.
10 I don't understand this, but I guess that's the way
11 utilities operate. Like the gentleman said before,
12 when it's paid off, it's just part of the expense
13 then, and you get no reduction in your tariff rate
14 after the 75 million is paid off. And that's the
15 only comment I have.

16 JUDGE THOMPSON: Thank you, sir.

17 Questions from the bench, Chair Lumpe.

18 CHAIR LUMPE: If I understand, sir,
19 what you're saying, is that perhaps something like
20 a surcharge that when it's paid off, the surcharge
21 ends? Would that be something you might be
22 suggesting?

23 SPEAKER GORHAM: Yes. I was thinking
24 about when the 75 million, which they keep talking
25 about is the reason for this, the expansion St.

1 Joe, there's no and to the tariff that pays it off.

2 CHAIR LUMPE: So instead of going into
3 the permanent rates, it would be a surcharge on
4 top, and then when it's paid off, the surcharge
5 goes away; is that correct?

6 SPEAKER: Yes. And then we'd get a
7 rate decrease; right?

8 CHAIR LUMPE: If that goes away, it
9 should be a decrease.

10 SPEAKER GORHAM: Yeah. Well, that's
11 what, you know, don't understand, when you have all
12 these tariff increases for 75 million job -- dollar
13 job in St. Joe, when it's paid off -- and we don't
14 know when it's going to be paid off. I haven't
15 read anywhere where it says it will be paid off in
16 10 years, 15 years. The tariff just rides on and
17 on and on after it's paid off. But I don't
18 understand all about surcharges. I just think
19 there ought to be an end to it after you have paid
20 on it for a number of years.

21 CHAIR LUMPE: Thank you for your
22 comments.

23 SPEAKER GORHAM: Thank you.

24 JUDGE THOMPSON: Vice-Chair Drainer.

25 COMMISSIONER DRAINER: Yes, thank you

1 very much your comments. I appreciate them.

2 JUDGE THOMPSON: Questions from
3 counsel.

4 MS. COOK: Just briefly.

5 JUDGE THOMPSON: Ms. Cook.

6 MS. COOK: Thank you, Your Honor.

7 Just to clarify, I was wondering if you're aware
8 that there is a mechanism whereby the Office of
9 Public Counsel or the Commission staff or the City
10 of Joplin could file a complaint in the future if
11 they felt like a rates were too high, so there is -
12 - I wonder if you're aware that there was a
13 mechanism.

14 SPEAKER GORHAM: No, I wasn't aware.
15 You know, it's possible they could, but who knows
16 whether they will or not.

17 MS. COOK: Thank you.

18 JUDGE THOMPSON: Further questions?
19 You're excused, sir. Thank you.

20 Frank Gardner.

21 (NO RESPONSE.)

22 JUDGE THOMPSON: Kenneth Nash.

23 (NO RESPONSE.)

24 JUDGE THOMPSON: George Sterling.

25 (NO RESPONSE.)

1 JUDGE THOMPSON: Jay Rosenberg.

2 (NO RESPONSE.)

3 JUDGE THOMPSON: Bill Marsh.

4 UNIDENTIFIED SPEAKER: How is that
5 pronounced?

6 JUDGE THOMPSON: Looks like Marsh to
7 me.

8 CHAIR LUMPE: Well, what is the
9 address.

10 JUDGE THOMPSON: 2004 South Ozark,
11 Joplin. I have one, then, a Kenneth Reed. Looks
12 like the address is 422 East Fountain Road.
13 Anybody have that address and would like to speak?

14 (NO RESPONSE.)

15 JUDGE THOMPSON: Ronald Parker.

16 (NO RESPONSE.)

17 JUDGE THOMPSON: Margaret Miller.

18 (NO RESPONSE.)

19 JUDGE THOMPSON: Larry Skelton.

20 (NO RESPONSE.)

21 JUDGE THOMPSON: Jeff Jiles.

22 UNIDENTIFIED SPEAKER: How about
23 Gibson?

24 CHAIR LUMPE: If you want it to be.

25 JUDGE THOMPSON: Newman Road.

1 CHAIR LUMPE: Newman Road? Is that
2 you?

3 SPEAKER GIBSON: My apologies for the
4 handwriting.

5 JUDGE THOMPSON: It's quite all right,
6 Mr. Gibson. I'm glad we found someone who's still
7 here.

8 JEFF GIBSON

9 was called as a witness, was sworn, and
10 testifies as follows:

11 JUDGE THOMPSON: State your name,
12 please.

13 SPEAKER GIBSON: My name is Jeff
14 Gibson, G-i-b-s-o-n.

15 JUDGE THOMPSON: Mr. Gibson, are you
16 presently a customer of Missouri-American Water
17 Company?

18 SPEAKER GIBSON: Both personally and
19 my employer.

20 JUDGE THOMPSON: Please proceed.

21 SPEAKER: For the sake of brevity, I'm
22 just going to cut right to the chase here. I
23 represent Missouri Southern State College, and
24 having done an analysis of our water rates
25 summaries for the year ending 12-31-99, we had

1 spent \$54,536 for water. That excludes any taxes
2 or any wastewater fees attached to that. If you
3 apply a 50 percent rate increase to that, our
4 charges for water would increase to \$86,166, which
5 would be an annual increase of 31,630, assuming
6 that the level of consumption stays the same. And
7 that will not be the case as we grow.

8 Missouri Southern prides itself and holding
9 its -- in providing an excellent education value to
10 the community and holding his operating costs in
11 line. Eighty-four percent of our revenue is
12 derived from Missouri state appropriations and from
13 student fees, those two sources combined. If the
14 rate increase as proposed as implemented, the
15 taxpayers and our students and their families will
16 eventually bear the burden of that increase in
17 operating expenses. So we would ask the PSC to
18 implement a water rate structure that appropriately
19 reflects the investment and expenditure in the
20 Joplin region and allow those communities that have
21 benefited from a recent investment to bear the
22 costs for that investment. Thank you.

23 JUDGE THOMPSON: Thank you, Mr.
24 Gibson. Questions from the bench, Chair Lumpe.

25 CHAIR LUMPE: No questions, Mr.

1 Gibson. We thank you for the hospitality of the
2 college.

3 JUDGE THOMPSON: Vice-Chair Drainer.
4 CHAIR LUMPE: Thank you very much.
5 JUDGE THOMPSON: Questions from
6 counsel.

7 MS. COOK: No, Your Honor.
8 MR. SNODGRASS: No.
9 JUDGE THOMPSON: You're excuse, sir.
10 Thank you.

11 SPEAKER GIBSON: Thank you.
12 JUDGE THOMPSON: Cheryl Nance.
13 (NO RESPONSE.)
14 JUDGE THOMPSON: Gerald Nance.
15 (NO RESPONSE.)
16 JUDGE THOMPSON: Isabel Mendoza.
17 (NO RESPONSE.)
18 JUDGE THOMPSON: Maxine Patton
19 (NO RESPONSE.)
20 JUDGE THOMPSON: Pat Toby.
21 (NO RESPONSE.)
22 JUDGE THOMPSON: Lavon McCurdy.
23 (NO RESPONSE.)
24 JUDGE THOMPSON: Jim McCurdy.
25 (NO RESPONSE.)

1 JUDGE THOMPSON: Patricia R. Shank.

2 (NO RESPONSE.)

3 JUDGE THOMPSON: Diana Swenson.

4 UNIDENTIFIED SPEAKER: Everything has
5 already been said that I want to say. I agree with
6 Mr. Surface.

7 JUDGE THOMPSON: Please into podium
8 and be sworn, and you can say that, and it will be
9 part of the record, ma'am.

10 DIANA SWENSON

11 was called as a witness, was sworn, and
12 testifies as follows:

13 JUDGE THOMPSON: Please state your
14 name.

15 SPEAKER SWENSON: Diana Swenson, S-
16 w-e-n-s-o-n.

17 JUDGE THOMPSON: Miss Swenson, are you
18 presently a customer of Missouri-American Water
19 Company?

20 SPEAKER SWENSON: Yes.

21 JUDGE THOMPSON: Please proceed.

22 SPEAKER: SPEAKER SWENSON: I agree --
23 or I oppose the rate increase and I agree with what
24 Mr. Surface said this evening, and with what our
25 city manager, Mr. Lewis, said this evening.

1 JUDGE THOMPSON: Thank you, ma'am.
2 Questions from the bench, Chair Lumpe.

3 CHAIR LUMPE: No questions, thank you.

4 JUDGE THOMPSON: Vice-Chair Drainer.

5 CHAIR LUMPE: No, but thank you for
6 coming, for staying and for sharing your thoughts.
7 We appreciate it.

8 JUDGE THOMPSON: Questions from
9 counsel. You're excused, ma'am. Thank you.

10 Mary Ann Hill.

11 (NO RESPONSE.)

12 JUDGE THOMPSON: Wayne Hill.

13 (NO RESPONSE.)

14 JUDGE THOMPSON: Randall Presley.

15 RANDALL PRESLEY

16 was called as a witness, was sworn, and
17 testifies as follows:

18 JUDGE THOMPSON: Please state your
19 name.

20 SPEAKER PRESLEY: Randall Presley,
21 P-r-e-s-l-e-y.

22 JUDGE THOMPSON: Mr. Presley, are you
23 presently a customer of Missouri-American Water
24 Company?

25 SPEAKER PRESLEY: Yes, sir.

1 JUDGE THOMPSON: Please proceed.

2 SPEAKER PRESLEY: I'd like to concur
3 with everybody that's spoken tonight. I don't
4 think anybody's had any intentions on wanting an
5 increase. I would like to you to take our voice
6 back to Jefferson City and do what the taxpayers of
7 this area would like to have done, and that's to
8 not have an increase.

9 JUDGE THOMPSON: Thank you, sir

10 SPEAKER PRESLEY: Thank you for your
11 time.

12 JUDGE THOMPSON: Thank you. Questions
13 from the bench, Chair Lumpe.

14 CHAIR LUMPE: Thank you for coming,
15 Mr. Presley.

16 JUDGE THOMPSON: Vice-Chair Drainer.

17 CHAIR LUMPE: Thank you, thank you
18 very much for your time.

19 JUDGE THOMPSON: Questions from
20 counsel.

21 MS. COOK: None, thank you.

22 MR. SNODGRASS: None, thank you.

23 JUDGE THOMPSON: You're excused, sir.
24 Thank you. Ken Shear.

25 (NO RESPONSE.)

1 JUDGE THOMPSON: Bill, I can't read
2 your last name, living at 1902 Joplin Street.

3 UNIDENTIFIED SPEAKER: He left.

4 JUDGE THOMPSON: Bill left, okay.
5 Thank you, sir.

6 Brian Greenwood.

7 (NO RESPONSE.)

8 CHAIR LUMPE: Nadine Black, 2404 East
9 -- something or other. I apologize.

10 (NO RESPONSES.)

11 JUDGE THOMPSON: Okay. Bill Mouk or
12 Nousk, 3220 Finley.

13 UNIDENTIFIED SPEAKER: I didn't
14 question you a while ago, but I had a shop teacher
15 in school, and there was a Daws and a Kanast, and
16 they called me everything but Kanast. So you can
17 call Daws, Naust and everything else. That's why I
18 said what I did. I thought maybe you missed me.

19 JUDGE THOMPSON: I apologize for
20 joining the long line of people who have garbled
21 your name, sir. It's nothing personal, believe me.

22 WILLIAM H. KNAUST

23 was called as a witness, was sworn, and
24 testifies as follows:

25 JUDGE THOMPSON: Please state your

1 name sir?

2 SPEAKER KNAUST: William H. Knaust.

3 JUDGE THOMPSON: Would you spell it
4 for us?

5 SPEAKER KNAUST: K-n-a-u-s-t.

6 JUDGE THOMPSON: Knaust?

7 JUDGE THOMPSON: Knaust.

8 JUDGE THOMPSON: Mr. Knaust, are you
9 presently a customer of Missouri-American Water
10 Company?

11 SPEAKER KNAUST: Yes, I am.

12 JUDGE THOMPSON: Please proceed, sir.

13 SPEAKER KNAUST: I am also opposed to
14 the water increase. Many of the things have been
15 brought up but I just went through some deal like
16 Mr. Ferguson did, and quickly will state, when the
17 rate increase went in in December the 10th, 1997,
18 my usage jumped to 6,000 gallons.

19 Now, the previous -- In 1996 through February
20 1997 -- November 8th, 1996 to February 10th, 1997,
21 for the three-month period, I used 9,750 gallons.

22 Then I went to the current billing, which is
23 almost the same period, November the 12th, 1999 to
24 December 13th, 1999, and through February, which
25 would be a three-month period, this other one was a

1 ninety-four day. This is a 91 day usage. And my
2 total usage has jumped to 15,750.

3 I would like to know why, because I have --
4 The reason I took this period is in the winter
5 time. I grew a garden here and had a lot of
6 flowers. I have since done away with the garden
7 here. I moved it out the country where I have
8 cheap water. I can pump water out there for 10
9 hours for 34 cents, and that's on Numac (phonetic),
10 which is very expensive, it's more so than Empire.
11 But I can pump 3,000 gallons of water out there for
12 34 cents, which here in town would cost me about
13 \$8.83. So I have moved my garden out the country.
14 And for the life of me, I can't understand --
15 because we --

16 Since that point in time, I have taken out my
17 stools, which were -- I built the house 41 years
18 ago. I took out the stools, which is a three-and-
19 a-half to five gallon flush, put in a 1.6, both
20 stools. We have the same occupancy, my wife and I,
21 but my usage jumped -- when they went to monthly
22 billing -- jumped from 9,750 gallons to 15,750
23 gallons. And I'd like to know why. I mean, it
24 doesn't make any sense to me.

25 So anyway, I no longer garden here in town

1 because it's too expensive. I moved my operation
2 out to the country where I have cheap water. And I
3 am strictly opposed to the rate increase because 54
4 percent, I think, that they're attempting to assess
5 us as household, I think that's drastic. I'm not
6 opposed to a slight increase.

7 I retired in 1990 from the Postal Service. My
8 pension then was \$41 more than it is today because
9 they keep taking out more for medical expenses.
10 I'd like to see the water company operate on less
11 money today than they did in 1990. That's what
12 we're having to operate on. And I don't feel like
13 that kind of an increase is justified in any way.

14 JUDGE THOMPSON: Thank you, sir.
15 Questions from the bench, Chair Lumpe.

16 CHAIR LUMPE: Just very quickly, who
17 supplies the water in the country? Is that a
18 private well there?

19 SPEAKER: Well, I'm on a well out
20 there.

21 CHAIR LUMPE: Oh, you have your own
22 well.

23 SPEAKER KNAUST: But I can pump the
24 water out there for 34 cents, and that's on Numac,
25 which is much more expensive than Empire. I could

1 do it for less. I can pump 3,000 -- The reason I
2 know this, I grow black walnuts, and I irrigate my
3 black walnut trees, and I pump sometimes for 10
4 hours a day consistently. And I read the meter
5 when the house wasn't rented, and I'd use from
6 three-and-a-half to four kilowatts to pump 3,000
7 gallons of water. And that's being generous,
8 because I can get it for eight-and-a-half cents. I
9 figured nine cents just to round it off. And so I
10 can pump water out there for that, and I can't
11 afford it here in town.

12 CHAIR LUMPE: The increase that you
13 talked about, did you -- was there any checking
14 with the company to see if there was a leak or
15 anything?

16 SPEAKER KNAUST: I don't know why
17 there'd be a leak, because, ma'am, when the gas
18 service company moved the meters from the street
19 out to the house, which they did a number of years
20 ago, I had them put in new line while they had the
21 yard tore up. I had them put in new line from the
22 water meter to the house so that we wouldn't have
23 that problem again, after tearing up my lawn for
24 the second time. So there's no leak under the
25 house.

1 We're using the same amount of water,
2 basically. My wife and I, I mean, it's just that's
3 all there is of us. And that's 200 gallons a day.
4 And for the life of me, I can't understand where we
5 could use 200 gallons of water a day, because we
6 don't even have a dishwasher. I mean, my wife
7 won't appreciate that, but she don't want to give
8 up cabinet space for it because she wants her
9 cabinet space. So we still wash dishes by hand, we
10 take our baths, and we drink about a gallon of
11 water a day. And the reason I know that, because I
12 purify my water, and we drink purified water, and I
13 use about a gallon a day for that.

14 And I don't -- When the Y2K came in -- thing
15 came in, I put four fifty-five gallon drums in the
16 -- in the garage. I drained those out here
17 recently and I flooded my whole front of my
18 neighbors over there draining that water out of the
19 garage out of these barrels. And 200 gallons of
20 water is a lot of water, and there's no way on this
21 earth that in the dead of winter, where you don't
22 water anything outside, that I can see where we're
23 using that much water. And before they went to
24 monthly billing, it was 6,000 gallons less.

25 CHAIR LUMPE: Mr. Johansen, would you

1 please check with this man? Thank you.

2 JUDGE THOMPSON: Vice-Chair Drainer.

3 CHAIR LUMPE: I just look forward to
4 knowing what the answer is. Thank you very much
5 for your time.

6 JUDGE THOMPSON: Questions and
7 counsel.

8 SPEAKER KNAUST: Thank you for staying
9 late.

10 MS. COOK: Just one. Would you
11 provide me with your address, sir?

12 SPEAKER: 3220 Finley, F-i-n-l-e-y,
13 Street.

14 COMMISSIONER DRAINER: Thank you very
15 much. We are looking into that also.

16 JUDGE THOMPSON: Further questions?

17 MS. COOK: No, thank you.

18 SPEAKER KNAUST: I have the bills here
19 if you guys would like them. I mean --

20 JUDGE THOMPSON: Are those copies of
21 the regionals?

22 SPEAKER KNAUST: These are the
23 originals.

24 JUDGE THOMPSON: You probably want to
25 hold on to those.

1 SPEAKER KNAUST: I would be happy to
2 mail the copies of them if you people would like
3 them, if you'll give me an address.

4 JUDGE THOMPSON: Why don't you work
5 that out with Mr. Johansen. We'd be happy to have
6 them.

7 SPEAKER KNAUST: Thank you.

8 JUDGE THOMPSON: Thank you, Mr.
9 Knaust, you're excused.

10 JUDGE THOMPSON: Deborah Vaughn.

11 DEBORAH VAUGHN

12 was called as a witness, was sworn, and
13 testifies as follows:

14 JUDGE THOMPSON: Please hold the
15 microphone close to your mouth.

16 SPEAKER VAUGHN: I understand that.
17 My voice doesn't carry very well.

18 JUDGE THOMPSON: That's quite all
19 right. Please state your name.

20 SPEAKER VAUGHN: Deborah, D-e-b-o-r-a-
21 h, Vaughn, V-a-u-g-h-n.

22 JUDGE THOMPSON: Mrs. Vaughn, are you
23 presently a customer of Missouri-American Water
24 Company?

25 SPEAKER VAUGHN: For 11 years.

1 JUDGE THOMPSON: Please proceed.

2 SPEAKER VAUGHN: Thank you. I
3 understand that there's a lot of the senior
4 citizens here tonight, and I appreciate that. I
5 work for Oxford and I work with the senior citizens
6 everyday. But the homes I see that's mostly absent
7 here is the single-parent family. And maybe it's
8 because they have the children in the bathtubs
9 washing them with the water and praying that
10 somebody like me may get up here and represent them
11 tonight.

12 I am a single parent, and I have been for 11
13 years, and I have not heard anybody say anything
14 about having a handicapped child in their house.
15 And I do that too. And she's being very patient
16 and very quiet back there, and I appreciate that.

17 I have three children and my income is about
18 one-third below poverty level. I would be glad to
19 get up to poverty level someday in my life. I
20 earned a 15 cent raise after two years for working
21 with my company. Because of that, my SSI goes down
22 that my daughter gets, and my child care goes up.

23 Because of government cutbacks, I get no child
24 support, I get no food stamps. Personally, I have
25 no Medicaid. I thank God that my daughter will

1 always be covered with some sort of Medicaid or
2 insurance for her medicines and her doctors
3 appointments. I get no AFDC. I have no housing
4 assistance.

5 Everything that -- Almost everything that we
6 own or have owned in the past is secondhand. I
7 have a hard time keeping shoes on my children's
8 feet and milk in the refrigerator.

9 Personally, I have had two fund raisers to get
10 my daughter to a specialist in Indianapolis and in
11 Dallas. The budget's tight. Single parents have a
12 hard time, too.

13 Nobody has given a solution, or nobody has
14 given a suggestion for a solution. Everybody is
15 asking questions of why, and the only thing with
16 gathering all the information tonight -- I don't
17 know if this is even feasible -- but one person
18 came up here and said that MO-AM Company is one of
19 the largest ones in the State of Missouri. And I
20 was wondering, if the increase has to go through,
21 why couldn't all the customers from MO-AM give to
22 this cause so that all the customers of MO-AM could
23 have better quality water. And that's all I have
24 to say. Thank you.

25 JUDGE THOMPSON: Thank you, ma'am.

1 Question the bench, Chair Lumpe.

2 CHAIR LUMPE: I just want to thank
3 you, Ms. Vaughn for another point of view. Thank
4 you.

5 SPEAKER VAUGHN: Thank you.

6 JUDGE THOMPSON: Vice-Chair Drainer.

7 CHAIR LUMPE: Yes, thank you for
8 coming. Thank you for staying late. And we do
9 appreciate it.

10 SPEAKER: Okay.

11 JUDGE THOMPSON: Questions from
12 counsel? Hearing none, you're excused, ma'am.

13 Charles Ames.

14 CHARLES AMES

15 was called as a witness, was sworn, and
16 testifies as follows:

17 JUDGE THOMPSON: Please state your
18 name.

19 SPEAKER AMES: Charles Ames.
20 That's A-m-e-s.

21 JUDGE THOMPSON: Mr. Ames, are you
22 presently a customer of Missouri-American Water
23 Company?

24 SPEAKER VAUGHN: Yes, I am.

25 JUDGE THOMPSON: Please proceed.

1 SPEAKER VAUGHN: I'd like a direct my
2 comments very quickly to the people here from the
3 Public -- whatever you are

4 CHAIR LUMPE: Service Commission.

5 SPEAKER VAUGHN: -- Service
6 Commission. I'm not very familiar with all these
7 because we don't spend much time looking into a lot
8 of these things. And that if in the near future
9 you should approve this increase for the Water
10 Company, then I think also you should in the
11 future, as a gentleman just before said, that when
12 the debt is paid off in St. Joseph, that the rates
13 be reduced back to the level they are now.

14 Secondly, I also believe that if in the future
15 certain improvements should be made to the Joplin
16 water system, that it should be required that the
17 people of St. Joseph pay for that also, so that
18 everybody has a chance to be equal if we're going
19 to have to be equal. I do not agree with this rate
20 hike. I suggest that you disapprove that, and I
21 hope that that will be your final judgment. Thank
22 you.

23 JUDGE THOMPSON: Thank you, sir.
24 Questions from the bench, Chair Lumpe.

25 CHAIR LUMPE: No, thank you, sir.

1 JUDGE THOMPSON: Vice-Chair Drainer.

2 COMMISSIONER DRAINER: Thank you very
3 much for your comments. We do appreciate you
4 staying.

5 JUDGE THOMPSON: Counsel?

6 COMMISSIONER DRAINER: None, Your
7 Honor.

8 MR. SNODGRASS: None, Judge, thank
9 you.

10 JUDGE THOMPSON: You are excused, sir.
11 At this time the commission will take a five-minute
12 recess.

13 (THE COURT RECESSED.)

14 JUDGE THOMPSON: At this time we will
15 go back on the record and we will call William
16 Ross.

17 WILLIAM ROSS

18 was called as a witness, was sworn, and
19 testifies as follows:

20 JUDGE THOMPSON: Please state your
21 name.

22 SPEAKER ROSS: William M. Ross, R-
23 o-s-s.

24 JUDGE THOMPSON: Mr. Ross, are you
25 presently a customer of Missouri-American Water

1 Company?

2 SPEAKER ROSS: Yes, sir.

3 JUDGE THOMPSON: Please proceed.

4 SPEAKER ROSS: Okay, I came here
5 tonight to testify about the economic principles
6 involved in the proposed water rate increase, but
7 those issues have already been well addressed by
8 other people.

9 I am a Ph.D. economist, and I am retired after
10 having taught economics and business for 40 years.
11 And during that 40 years, I spent 30 years in
12 Pennsylvania and served 12 years on the
13 Pennsylvania Council Of Economic Education, and
14 also 12 years on the Pennsylvania Environmental
15 Counsel as a member. And during that time I heard
16 a lot of testimony regarding water issues, because
17 Pennsylvania has a lot of polluted water and most
18 of the issues revolved around that.

19 But I'd have to confess that I didn't --
20 during the dozens and dozens of hearings that I sat
21 in on, both as a member of the Commission and as an
22 expert witness, I never heard anything quite like
23 the water rate increase that have been proposed
24 here. We're being asked to pay for improvements
25 made in a water district that's far removed from

1 the local area. Most of the testimony that we
2 heard revolved around shared responsibility where
3 there was interconnection in the water systems.
4 Where there's no connection in the water system, I
5 don't see any justification for the kind of water
6 rate tariffs that are being proposed here. So I
7 certainly am opposed to that.

8 But having retired from my teaching positions,
9 I moved to Missouri partly because I was born and
10 raised in Missouri and my whole family are still
11 here. I bought a place south of Joplin which does
12 not have any public water system. I have a private
13 well which are 180 foot deep. And when we began to
14 go about to improve the place, we found out that
15 the water's aquifer was contaminated, and they were
16 recommending that we drill down to 400 feet from
17 180 feet to receive adequate water, which turned
18 out to be a very expensive addition to the
19 development costs that we're going to have to
20 incur.

21 So my wife and I wound up buying a place north
22 of town which has a rural water system. It's six
23 miles north of town, Carl Junction Water District,
24 but the water is supplied through the Water
25 District of Joplin, okay. So this water rate would

1 directly impact our family and our property.

2 And one of the things I hoped to do in
3 retirement was to build an orchard, and so I sat
4 about last year doing that. Last year was a very
5 dry year, as you all know in Missouri, and as a
6 result with young trees I had to do a lot of
7 watering. The water bill went up considerably,
8 which was understandable because I was using a lot
9 of water, so I tried supplementing it from the pond
10 which is on our place. But because of the dry
11 weather, the pond would get very low, and was in
12 danger of killing all the fish and everything that
13 was in it and ruining it as it as a recreational
14 facility.

15 So I thought about drilling a well there, and
16 I ran into the problem that a lot of people are
17 beginning to incur now where this is requiring that
18 if you drill into the second aquifer, 400 feet
19 down, it may cost you up to \$20,000 to complete
20 that according to state regulations. So I'm left
21 with what my grandmother calls between the devil
22 and the deep blue sea, because I either have to let
23 my trees die or pay a very high increase in water
24 rates to keep them alive, or spend a lot of money
25 drilling wells. So I'm not sure -- I'm not going

1 to win in any of these situations.

2 So recently a rise Joplin resident, I find
3 that this rate increase is sort of souring my
4 opinion of what is going on here in Joplin. That's
5 what I have to say. So I am very much opposed to
6 both professionally and as a private citizen to
7 this kind of rate increase.

8 JUDGE THOMPSON: Thank you, sir.
9 Questions from the bench, Chair Lumpe.

10 CHAIR LUMPE: No, thank you for
11 coming, sir.

12 JUDGE THOMPSON: Vice-Chair Drainer.

13 COMMISSIONER DRAINER: What type of
14 orchard?

15 SPEAKER: It's a fruit orchard. A
16 variety of trees. I have planted so far over 100
17 trees and I also planted a lot of blueberries and
18 raspberries and gooseberries. I got a little over
19 ambitious, I think, for a retired person.

20 COMMISSIONER DRAINER: I hope we have
21 some rain.

22 SPEAKER: Well, I sure do too, because
23 if we don't, I'm going to be faced with the same
24 kind of problem I had this last year. And, you
25 know, I've been speaking to half of my neighbors,

1 who are all farmers, and some of them whose names
2 were called and have gone back home. I have a
3 neighbor who raises cattle, and last year he had to
4 spend a lot of time watering his cattle. And if
5 this rate increase goes, he said he said he might
6 have to get out of the cattle business. So, you
7 know, this kind of thing affects a lot of people.
8 And I know most of the people who have testified
9 are from the city, but those of us who are in the
10 country who use the same water source find this to
11 be very disturbing.

12 COMMISSIONER DRAINER: I appreciate
13 your comments. I appreciate you coming, really, on
14 behalf of another sector, the customers. Thank
15 you.

16 JUDGE THOMPSON: Further questions,
17 questions from counsel.

18 MS. COOK: No.

19 MR. SNODGRASS: No, Judge.

20 JUDGE THOMPSON: You're excused, sir,
21 thank you.

22 SPEAKER: Thank you.

23 JUDGE THOMPSON: Ron Sampson.

24 RON SAMPSON

25 was called as a witness, was sworn, and

1 testifies as follows:

2 JUDGE THOMPSON: Please state your
3 name.State your name, please?

4 SPEAKER SAMPSON: Ron Sampson, S-a-m-
5 p-s-o-n.

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

9 SPEAKER SAMPSON: Commercial.

10 JUDGE THOMPSON: Please proceed.

11 SPEAKER SAMPSON: My name is Ron
12 Sampson. I'm executive director of the Joplin
13 Workshops in Joplin, Missouri. We employ 250
14 disabled citizens in this Joplin metro area. We
15 have a health care linen laundry that we decided to
16 go into business in in 1992. We're processing in
17 excess of eight million pounds of laundry a year.
18 Our water bill was running approximately \$45,000 to
19 \$50,000 a year now, which would be a significant
20 increase to us if this 54 percent goes in, and I
21 think now they're saying like 61 percent for
22 commercial users.

23 Missouri Water has been a very strong
24 supporter of the workshop. We have no complaints
25 about the water. We use softeners and all that

1 type of chemicals.

2 I would think that putting in jeopardy 13 area
3 hospitals, which encompasses a three-state area
4 within a 60 mile radius of Joplin, and affects
5 about 250,000 people, that's another cost increase
6 that's going to be put onto the hospitals, which
7 goes onto the patients. And we don't want to be a
8 part of that.

9 One of the things that should be charged to
10 every corporation is a way to reduce costs. Joplin
11 Workshops are proud that in the seven years that
12 they've been in the laundry business, we have not
13 increased the cost of doing and processing linen
14 more than three percent because it would just
15 strictly put us out of the marketplace. And when
16 we have a quarter of a million people that we're
17 servicing, and 13 area hospitals, and 100 clinics
18 and doctors offices.

19 And come by the workshop and see those two
20 hundred forty some-odd people that are making more
21 money than they ever made in their life. It's very
22 valuable to them. And I think that Missouri Water,
23 being the corporate citizen locally that they are -
24 - I cannot speak for the corporate people because
25 we don't deal with those folks. We know when we

1 have a problem that -- with the billing, we don't
2 like to have to have to call Kansas City because we
3 don't feel like we get good response. We pay our
4 bills every month, we don't squabble about them.

5 And we just feel like that it's time that the
6 corporate people, maybe if they would have taken an
7 engineering standpoint -- We don't have all types
8 of people here in Joplin to do consulting work for
9 us. We're a little old business, and if we don't
10 spend our money efficiently, if we don't buy good
11 equipment, efficient equipment so we don't have to
12 pass costs on, we wouldn't be in business today.
13 And I think that the corporate people should have
14 looked at and talked to the local people down here
15 about how we do business, and let them come visit
16 us and see how efficient we are in southwest
17 Missouri. Thank you.

18 JUDGE THOMPSON: Thank you, sir.

19 Questions from the bench, Chair Lumpe.

20 CHAIR LUMPE: No, thank you.

21 JUDGE THOMPSON: Vice-Chair Drainer.

22 COMMISSIONER DRAINER: No, thank you.

23 JUDGE THOMPSON: Counsel.

24 MS. COOK: No.

25 MR. SNODGRASS: No, Judge.

1 JUDGE THOMPSON: Thank you. James
2 Bruce.

3 JAMES BRUCE

4 was called as a witness, was sworn, and
5 testifies as follows:

6 JUDGE THOMPSON: Please state your
7 name.

8 SPEAKER BRUCE: James Bruce, B-r-u-
9 c-e.

10 JUDGE THOMPSON: Mr. Bruce, could you
11 hold the microphone up by your mouth?

12 SPEAKER BRUCE: (Does as requested.)

13 JUDGE THOMPSON: Mr. Bruce, are you
14 currently a customer --

15 Yes, I am.

16 JUDGE THOMPSON: -- of Missouri-
17 American Water Company?

18 SPEAKER BRUCE: Yes, I am.

19 JUDGE THOMPSON: Please proceed, sir.

20 SPEAKER BRUCE: Tonight the question
21 was asked what the profits were in 1999 from
22 Missouri-American Water Company, and that
23 information was not forthcoming. The accountant
24 did say that approximately two percent of the
25 revenue, I think he said, was profit margin. But

1 on a meeting of this magnitude with a fifty-three-
2 point-something increase being asked of the
3 consumer, I think it's incumbent upon the Water
4 Company to have all this type of information
5 available to us. I don't think it's right ask that
6 much of an increase and then not put all the fact
7 on the table. That's my comment.

8 JUDGE THOMPSON: Thank you, sir.
9 Questions from the bench, Chair Lumpe.

10 CHAIR LUMPE: No. Thank you, Mr.
11 Bruce.

12 SPEAKER BRUCE: You're welcome.

13 JUDGE THOMPSON: Vice-Chair Drainer.

14 COMMISSIONER DRAINER: Thank you very
15 much for your comments, and I can assure you that
16 the staff of the Missouri Public Service
17 Commission, the Office of the Public Counsel, and
18 the other intervenors in the case will be trying to
19 get all of the facts put on the table so we will be
20 given those facts to make the decision.

21 SPEAKER: Well, if that's true, then,
22 I might favor somewhat of an increase. You know, I
23 don't know, but I think those statistics need to be
24 available in order to determine how much of an
25 increase should be there, if any. But that is

1 vital information, in my opinion.

2 COMMISSIONER DRAINER: Yes. Thank you
3 very much.

4 SPEAKER BRUCE: You're welcome.

5 JUDGE THOMPSON: Counsel.

6 MR. SNODGRASS: No questions, Judge,
7 thanks.

8 JUDGE THOMPSON: You're excused, sir.
9 Thank you.

10 Joseph Clayton.

11 JOSEPH CLAYTON

12 was called as a witness, was sworn, and
13 testifies as follows:

14 JUDGE THOMPSON: Please state your
15 name.

16 SPEAKER CLAYTON: Joseph Clayton.

17 JUDGE THOMPSON: Mr. Clayton, are you
18 presently a customer of the Missouri-American Water
19 Company?

20 SPEAKER CLAYTON: Yes, I am.

21 JUDGE THOMPSON: Please proceed.

22 SPEAKER CLAYTON: I'm opposed to any
23 kind of an increase in our current water billing.
24 I believe that most of the people in this area are
25 very conservative, if not by opinion, at least in

1 fact. Ever since I've lived in Joplin since I was
2 a small child, I have often heard Joplin wanting to
3 be more like Springfield. Springfield has a full-
4 service community. They own their own utilities.
5 I think this is something that we should look at in
6 this community.

7 I believe that Missouri American Water has
8 ownership of possibly the largest waterfall in a
9 creek this side of the Mississippi, this side of
10 the United States. They used to provide electric
11 source for this entire community, which also
12 benefited the community and made a mass profit. At
13 present, it's not in operation whatsoever. A
14 natural resource, I believe, is being wasted.

15 If we're going to have a 51 percent increase,
16 I think it should be put to the voters that are
17 utilizing the water system in this area, to have a
18 51 percent increase to actually take over the water
19 service, and have Joplin as a full-service
20 community for the first time in my lifetime. And
21 that's all I have to say.

22 JUDGE THOMPSON: Thank you, sir.
23 questions from the bench, Chair Lumpe.

24 CHAIR LUMPE: No, thank you, sir.
25 Thank you for coming.

1 JUDGE THOMPSON: Vice-Chair Drainer.

2 COMMISSIONER DRAINER: Thank you very
3 much.

4 JUDGE THOMPSON: Counsel.

5 MS. COOK: No, thank you.

6 MR. SNODGRASS: None, Judge, thank
7 you.

8 JUDGE THOMPSON: You're excused.
9 Debbie Markman.

10 DEBBIE MARKMAN

11 was called as a witness, was sworn, and
12 testifies as follows:

13 JUDGE THOMPSON: Please state your
14 name.

15 SPEAKER MARKMAN: Debbie Markman,
16 M-a-r-k-m-a-n.

17 JUDGE THOMPSON: Ms. Markman, are you
18 presently a customer Missouri-American Water
19 Company?

20 SPEAKER MARKMAN: Residential and
21 commercial.

22 JUDGE THOMPSON: Please proceed.

23 I'm with Economics Security
24 Corporation of the Southwest Area. We're the
25 community action agency that serves Barton, Jasper,

1 Newton, McDonald Counties here. Of course we're
2 concerned about the rate hike because we serve
3 primarily economically disadvantaged. We serve
4 approximately 1,600 families during any one year,
5 and our programs that we operate are housing
6 weatherization, Headstart, family planning,
7 homeless programs and a variety of emergency
8 services.

9 Probably the main thing that I want to talk
10 about, which Miss Vaughn did very well, 52 percent
11 of our customers are working families and about 23
12 percent of those are single female head of
13 household. So you can not multiply her comments by
14 that number, and that's the number of people that
15 should have, or could have, maybe, been here
16 tonight to voice their concern about that.

17 One thing that we haven't touched on are the
18 types of assistance programs that are available to
19 help low income folks. There are a lot of programs
20 for electrical, propane and natural gas, but there
21 are not very many for water customers, so this type
22 of increase is going to have a big effect on the
23 senior citizens who have spoken tonight, people
24 with disabilities who have spoken, and the working
25 group has spoken very highly.

1 But we don't have much programs. The programs
2 we do have, the company does have a program. It's
3 customer-driven. They do not add any of their own
4 money at all to that. And it equates to \$563
5 annually. That is not very much for a
6 contribution. Whereas both our other utility
7 companies in the area do add contributions on their
8 own. And that's all I have.

9 I do have an exhibit since we've covered those
10 other things. Thank you very much.

11 JUDGE THOMPSON: Thank you, ma'am.
12 Questions from the Bench, Chair Lumpe.

13 CHAIR LUMPE: No, thank you. I
14 appreciate your comments, and I'm glad to find out
15 what economic security was. I was curious about
16 that. Thank you.

17 JUDGE THOMPSON: Vice-Chair Drainer.

18 COMMISSIONER DRAINER: No, thank you
19 very much.

20 JUDGE THOMPSON: Counsel.

21 MS. COOK: None, Your honor, thank
22 you.

23 MR. SNODGRASS: None, Judge, thanks.

24 JUDGE THOMPSON: I'M RECEIVING A FOLDER
25 WHICH I AM MARKETING AS EXHIBIT NUMBER 9.

1 Sonjia Corum.

2 SONJIA CORUM

3 was called as a witness, was sworn, and
4 testifies as follows:

5 JUDGE THOMPSON: Please state your
6 name.

7 SPEAKER CORUM: My name is Sonjia,
8 S-o-n-j-i-a, Corum C-o-r-u-m.

9 JUDGE THOMPSON: Ms. Corum, are you
10 presently a customer Missouri-American Water
11 Company?

12 SPEAKER CORUM: Yes, I am.

13 JUDGE THOMPSON: Please proceed.

14 SPEAKER CORUM: Okay, I represent
15 myself and a bunch of other working stiffes, okay.
16 The economically disadvantaged that Ms. Markman
17 spoke about, that could be me shortly. You know, I
18 put together some figures to put in real dollars
19 for some of us regular folk, okay. My increase for
20 one year will be \$180, okay. That's real dollars.
21 That is over one week's take-home pay, okay. I
22 don't want to work a full week for water, okay.
23 Your estimate that was presented would be \$96.
24 That's still too darned high, okay.

25 A lot of people have talked about the ripple

1 effect. There's a lot of things that haven't been
2 covered: car washes, things like that, maintenance
3 to our vehicles. You know, all this affects every
4 facet of our lives. It just makes everything
5 harder.

6 One gentleman was really upset and used some
7 terms that were pretty strong: fascism, socialism,
8 et cetera, things like that. I may not go so far,
9 but I think we should take care of our own
10 communities. Federally, we fund a lot of programs.
11 Statewide, we fund a lot of programs. My tax
12 dollars go a lot of places: to food, they go to to
13 schools. I don't have any children, but I don't
14 have a problem with that, okay. I don't have a
15 problem with helping someone who is economically
16 disadvantaged. I currently have a multiple
17 household -- multiple family household now because
18 of friends that are disadvantaged that can't
19 qualify for these state programs, okay. But this
20 gets harder on all of us. There's a lot of
21 businesses that are out there that are saying look,
22 help us, okay. If a regular business -- If my
23 business, said, "Hey, we're just going to bump
24 everything up 50 percent," you know, we all know
25 what would happen. We'd go under, wouldn't we?

1 It's shortsighted on the side of Missouri-American
2 Water to not have prepared. If their facility was
3 not adequate, then they knew this in advance. They
4 should have slowly instituted a program on a local
5 basis in the St. Joseph area in order to have
6 slowly built those funds so that this would not
7 have been a major impact like this. Their
8 shortsightedness should not be my household
9 problem, okay.

10 It's been touched on that Missouri-American
11 Water is a monopoly. Okay, well maybe it's not.
12 Maybe I'm supposed to drill a \$20,000 well. Sorry,
13 I can't do it. There's some folks who spoke to me
14 from the audience that they live in one of the
15 surrounding communities called Bell Center. Ten
16 years ago their wells were shut down because of
17 some contamination, so now they must use Missouri-
18 American Water. You know we have a federal
19 regulation that tells us what kind of water that we
20 have to use. Then it sees fit to possibly allow
21 them to stick a gun in our face and force us to pay
22 extra for the water they say we must use, okay.
23 Not very well said, but point's there, probably.

24 Someone touched on the fact that when the
25 billing was split from a quarterly basis to a

1 monthly basis, I also saw a 25 percent increase.
2 And I don't care if that's clerical or whatever.
3 It's out of my pocket. They have increased --
4 They have increased their own costs through
5 personnel, mailing -- They have to bill three --
6 They have to process three times as many bills,
7 documents, however you want to put it, you know, as
8 they did before. Maybe they think that the
9 interest they're creating, you know, because they
10 get the money faster pays for it. I don't know
11 what that is, but they can save themselves some
12 money there.

13 I had a couple other things but I lost my
14 place. Give me a moment. I believe that has
15 covered it.

16 Oh, one other thing. A lot of folks have
17 spoken on the idea of the gray haired saints as
18 they were called earlier. I have a grandmother on
19 a fixed income. I have a mother on a fixed income.
20 Neither one of them gets more than \$550 a month.
21 Okay, how -- someone please tell me how they can
22 pay an extra \$96 a year. We already put a huge
23 stone in the toilet so that the toilet flushes
24 better, just so we don't use as much water, because
25 we can't afford to put new toilets in. You know,

1 these are issues for real people.

2 I don't know what the facility was like in St.
3 Joseph, pretty much don't care. You know. I live
4 in Joplin. This is the community that I live in,
5 and this is the community that I think should be
6 served by the dollars I spend. And that's all I
7 have to say.

8 JUDGE THOMPSON: Thank you, Ms. Corum.
9 Questions from the Bench, Chair Lumpe.

10 CHAIR LUMPE: Just briefly, did you
11 prefer the quarterly billing to the monthly billing
12 or --

13 SPEAKER CORUM: Absolutely.

14 CHAIR LUMPE: Thank you, that's all I
15 want to know. Thank you for coming.

16 JUDGE THOMPSON: Vice-Chair Drainer.

17 CHAIR LUMPE: Thank you for staying.
18 Thank you for all your comments. They were well
19 organized, and we really appreciate having you.

20 SPEAKER: Thank you. I would like to
21 have organized better, but I found out about this
22 at 3:00 in the morning last night. Uninformed
23 here, sorry.

24 COMMISSIONER DRAINER: You did fine.
25 Thank you.

1 JUDGE THOMPSON: Questions from
2 counsel.

3 MS. COOK: No, thank you.

4 JUDGE THOMPSON: You are excused,
5 ma'am. Thank you very much.

6 Jerry Smith.

7 JERRY SMITH

8 was called as a witness, was sworn, and
9 testifies as follows:

10 JUDGE THOMPSON: Please state your
11 name.

12 SPEAKER SMITH: Jerry L. Smith, S-
13 m-i-t-h.

14 JUDGE THOMPSON: Mr. Smith, are you
15 presently a customer Missouri-American Water
16 Company?

17 SPEAKER SMITH: Commercial and
18 resident.

19 JUDGE THOMPSON: Please proceed, sir.

20 SPEAKER SMITH: Well it's funny that
21 you mention a car wash because that's what I have.
22 If the -- I'll make this brief also. With the
23 rates that the oil companies has given us, we have
24 already received a 23 percent increase on the oil.
25 And if this goes through, that will basically make

1 an 85 percent increase in water and oil, and I'm
2 not too sure whether anybody can stay in business
3 with those prices. And I certainly oppose the rate
4 increase. Thank you.

5 JUDGE THOMPSON: Thank you, sir.

6 Questions from the bench, Chair Lumpe.

7 CHAIR LUMPE: No thanks. Thank you,
8 sir.

9 JUDGE THOMPSON: Vice-Chair Drainer

10 COMMISSIONER DRAINER: No, but thank
11 you very much.

12 JUDGE THOMPSON: Counsel.

13 MS. COOK: No.

14 MS. COOK: No, Judge.

15 JUDGE THOMPSON: Thank you very much.

16 Earl Carr.

17 EARL CARR

18 was called as a witness, was sworn, and
19 testifies as follows:

20 JUDGE THOMPSON: Please state your
21 name.

22 SPEAKER CARR: My name is Earl, middle
23 initial S as in Stanley, Carr, C-a-r-r, 2603
24 Monroe, Joplin, 64804.

25 JUDGE THOMPSON: Mr. Carr, are you

1 presently a customer of the Missouri-American Water
2 Company?

3 SPEAKER CARR: Yes, sir I am.

4 JUDGE THOMPSON: Please proceed.

5 SPEAKER CARR: As a former mayor of
6 the City of Joplin, I'd like to support the City's
7 position and the City's opposition to the rate
8 increase. I'd also like to also thank you for
9 coming to Joplin. It's really good that you come
10 down her here. It's very difficult for the people.
11 The trip to Jefferson City, as you know, coming
12 here, it's a long trip. And we thank you for
13 coming and we thank you for staying overtime
14 tonight.

15 I'd like this just to point out a few things
16 that happened back in 1997. And maybe it's some of
17 the reasons for some of the hostility. But we were
18 -- the last evidentiary hearing in 1997 said that
19 there was going to be a 16 percent increase
20 discussed, and so a raise increase in water rates
21 in the 1997 was 16 percent or less. But when you
22 look at your water bill, and you actually calculate
23 what you pay on your water bill for the same amount
24 of water, it's 23.7 percent. And then you heard
25 from Mr. Maynard about a \$20 turn on fee. Well,

1 you have to consider, that turn on fee is imposed
2 twice. It's imposed on a landlord if the water is
3 left on, and then it's imposed on the new tenant.
4 There are -- The number of rental dwellings in the
5 city of Joplin is about 45 percent of the total
6 housing. Renters move very frequently. The
7 average time in residence is something
8 approximately a year to a year-and-a-half. So a
9 tenant is being subjected to a \$20 turn on and the
10 landlord at the same time. This gives you another
11 10 or 20 percent increase in your water rate. So
12 this is little bit of a shell game. We were told a
13 raise of about 10 or 16 percent raise in our water
14 rates, but, in fact, we saw a rate increase
15 approaching 50 percent. And that happened in late
16 19 -- 1997. So all of a sudden we see this 50
17 percent again, but this time it says 54 percent or
18 58 percent. And then we really wonder, well, just
19 what is it really going to be when we get our water
20 bills. So that's the information I'd like to share
21 with you. Thank you very much for coming.

22 JUDGE THOMPSON: Thank you, sir.

23 Questions from the bench, Chair Lumpe.

24 CHAIR LUMPE: Just very briefly, did
25 you say 45 percent of the housing is rental or did

1 I get it wrong?

2 SPEAKER CARR: No that's correct, 45
3 percent of the property in Joplin is rental.

4 CHAIR LUMPE: Is rental property. And
5 are you a landlord?

6 SPEAKER CARR: I am.

7 CHAIR LUMPE: Okay. Thank you.

8 JUDGE THOMPSON: Vice-Chair Drainer.

9 COMMISSIONER DRAINER: She always asks
10 my question. Has the rental housing gone up in
11 Joplin? Has that been pretty consistent?

12 SPEAKER CARR: What do you mean gone
13 up? You mean, the amount percentage?

14 COMMISSIONER DRAINER: The amount
15 percentage.

16 SPEAKER CARR: That's been -- That's
17 been for quite a few years. We do have a high
18 number of renters in the City of Joplin. Joplin,
19 as you may have read in the paper, has been classed
20 as the lowest cost of living city in the United
21 States. And one of the reasons for that is we have
22 a lot of people who are not making as much as you
23 or I, and so a water rate increase like we've been
24 seeing, like we saw in '97, and like we're going to
25 see here if this were approved, is very hard on a

1 very significant part of our population.

2 COMMISSIONER DRAINER: Well, we thank
3 you very much for coming and for staying.

4 SPEAKER CARR: Oh it's been been very
5 interesting. I've enjoyed the evening.

6 JUDGE THOMPSON: Questions from
7 counsel.

8 MS. COOK: No, Your honor, thank you.

9 JUDGE THOMPSON: You're excused, sir.
10 Thank you.

11 SPEAKER CARR: Thank you very much.

12 JUDGE THOMPSON: Are there any other
13 any other persons who have signed up but have not
14 been called?

15 (NO RESPONSES.)

16 JUDGE THOMPSON: Are there any other
17 persons who have not signed up and would like to
18 testify?

19 (NO RESPONSES.)

20 JUDGE THOMPSON: Hearing none, at this
21 time I will --

22 UNIDENTIFIED SPEAKER: Here's one.

23 JUDGE THOMPSON: Come forward, sir.
24 Excuse me.

25 (UNIDENTIFIED PERSON APPROACHES.)

1 UNIDENTIFIED SPEAKER: I'm sure, last
2 and least.

3 LEROY GETCHELL

4 was sworn, and testifies as follows:

5 JUDGE THOMPSON: Please state your
6 name.

7 SPEAKER GETCHELL: My name is Leroy
8 Getchell, G-e-t-c-h-e-l-l. I reside at 3501 Ten
9 Pin Lane. That's two words -- Ten Pin Lane -- in
10 Joplin 64801. And, yes, I am a customer of
11 Missouri-American Water Company.

12 JUDGE THOMPSON: Please proceed, sir.

13 SPEAKER GETCHELL: I moved to the
14 Joplin area approximately 20 years ago, and I'm
15 going to touch upon something no one else has
16 touched upon, and that is the on esthetics of the
17 community and the impact of water consumption
18 costs.

19 My water bill this last year, I try to take
20 care of my home. I have a lot that's about 120
21 deep, 100 feet wide, and my water bill last summer
22 was \$60 a month, average. In fact, \$58.42 if you
23 want to get down to the penny. That increase that
24 I would -- assuming I use the same amount of water
25 -- is about \$30 a month.

1 One of the reasons I moved to the Southwest
2 Missouri area two years ago, I lived in the arid
3 West. I lived in the state of Nevada. We got six
4 inches of rain a year. We had to water a lot.
5 What I'm hearing people say today is that they're
6 not going to be watering their lawns. I recognize
7 that the consumption -- and I've been -- presented
8 testimony to the Federal Power Commission. I've
9 been a finance director of the city -- not only for
10 the City of Joplin that I am now but the city and
11 the state of Nevada, so I understand we set water
12 rates.

13 My concern is the impact upon people who
14 choose now not to water the lawn, the impact of the
15 dust that could then be generated -- because I'm
16 familiar with it. That's one of the reasons that I
17 left the area that I did -- and how that then can
18 impact the people's health. If the costs of
19 production of the water was truly borne only by the
20 citizens of Joplin, I would have less problem with
21 that, but when we are transferring cost to the City
22 of Joplin for the production of water in Jefferson
23 City, that certainly concerns me.

24 And I did want to mention the aesthetic side,
25 because I do think it will have a dramatic negative

1 impact upon the City of Joplin, and I think that's
2 one of the reasons -- I know the main reasons --
3 that I came here, and I know that other people who
4 live in this area, because they love the green. So
5 thank you for the opportunity I've been given to
6 speak tonight.

7 JUDGE THOMPSON: Thank you, sir.
8 Questions from the bench, Chair Lumpe.

9 CHAIR LUMPE: Thank you, Mr. Getchell,
10 for another foreign opinion.

11 JUDGE THOMPSON: Vice-Chair Drainer.

12 COMMISSIONER DRAINER: I want to thank
13 you. I know the hour is late, but I have to tell
14 you, when you say they love the green, back in the
15 very very very early '70s, my husband and I were
16 stationed for four years in Southern California, in
17 Albuquerque. And when we were driving back to
18 Illinois, what was our home, we entered this one
19 area that I thought was the most gorgeous place in
20 the whole world. I said to my husband it's the
21 most gorgeous place in the whole world, it's so
22 green and so beautiful. And It was the southwest
23 part of Missouri. And so I agree with you. I do
24 love your green. It's just beautiful. Thank you.

25 SPEAKER: I just wanted that point to

1 be known because that's why I'm here, and I chose
2 to move here, not that I grew up and lived here
3 forever. So thank you.

4 JUDGE THOMPSON: Questions from
5 counsel.

6 MS. COOK: None, Your Honor, thank
7 you.

8 MR. SNODGRASS: None, Judge, thank
9 you.

10 JUDGE THOMPSON: Thank you. You're
11 excused, sir.

12 At this time we will adjourn this local public
13 hearing.

14 MS. COOK: Before you adjourn, I was
15 offered three additional supplemental sheets to Mr.
16 Hunter's Exhibit Number 4, and I was asked to add
17 these to the record, if that's possible.

18 JUDGE THOMPSON: That's fine.

19 MS. COOK: So it's on the record. It's
20 approximately 100 more signatures.

21 JUDGE THOMPSON: WE WILL RECEIVE. I WILL
22 MARK THESE AS EXHIBIT 4A, AND WE WILL ADD THEM TO THE RECORD OF
23 THIS PROCEEDING.

24 Does anyone else have anything else to take up
25 at this time?

1
2
3
4
5
6
7

(NO RESPONSES.)

JUDGE THOMPSON: Hearing nothing, at
this time, I will adjourn this local public
hearing. Thank you all very much.

(THE HEARING ADJOURNED AT 10:03 P.M., 18 MAY, 2000.)

REPORTER'S CERTIFICATE

I, MICHAEL H. ZAJDEL, Certified Court Reporter No. 0465, do hereby certify that pursuant to Notice of Hearing, at Missouri Southern State College, Joplin, County of Jasper, and State of Missouri, came before me a Public Service Commission Hearing regarding the Matter of Missouri-American Water Company. The proceedings were taken down by use of Stenomask closed microphone by me, and afterwards transcribed, and said Public Service Commission hearing was thereafter returned to counsel for review.

I further certify that I am not counsel, attorney, or relative of either party, or clerk or stenographer of either party, or of the attorney of either party, or otherwise interested in the event in this suit.

Michael H. Zajdel, CCR, CVR
Certified Reporter No. 0465