

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

In the Matter of Missouri-American)
Water Company's Tariff Sheets Designed)
to Implement General Rate Increases) No. WR-2000-281
for Water and Sewer Service Provided)
to Customers in the Missouri Service)
Area of the Company)

Public Hearing

May 11, 2000

St. Charles, Missouri

Volume 5

REPORTED BY: Janina A. Jaeger, RPR
Concannon & Jaeger

STATE OF MISSOURI

PUBLIC SERVICE COMMISSION

In the Matter of Missouri-American)
Water Company's Tariff Sheets Designed)
to Implement General Rate Increases) No. WR-2000-281
for Water and Sewer Service Provided)
to Customers in the Missouri Service)
Area of the Company)

BE IT REMEMBERED, that the above-entitled matter came on for public hearing at the Administration Building, 201 North Second Street, Room 115, in the City of St. Charles, State of Missouri, on the 11th day of May, A.D., 2000, commencing at 6:30 in the afternoon of that day, said hearing having been called by the Public Service Commission pursuant to the issuance of due notice to all parties in interest, and the following is the transcript of all proceedings had during the course of said hearing.

BILL HOPKINS, Presiding - SENIOR LAW JUDGE

SHEILA LUMPE - Chair

ROBERT G. SCHEMENAUER - Commissioner

A P P E A R A N C E S

ROBERT V. FRANSON - Assistant General Counsel
Public Service Commission

W. R. ENGLAND, III
Missouri-American Water Company

I N D E X

WITNESSES:	PAGE
Miriam Mahan.....	13
Ron Griesenauer.....	14
Lawrence Matteson.....	17
Betty Lee Henrichs.....	19
Don Ohlms.....	21
Joe Ortwerth.....	22
Bill Macy.....	28
Becky Leonard.....	29
Neal Nowacki.....	31
John Meyer.....	35
John Griesenauer.....	38
Jean Schneider.....	41
Thomas Schultz.....	42
Curtis Frye.....	44
Jerry Heintz.....	46
Jerry Graham.....	49
Tom Masters.....	50
James Smith.....	54
Larry Miller.....	55
George Walker.....	58
Donna Owens.....	61
Don Moyer.....	64
Leo Lada.....	65
James Callaway.....	67
Joe Nichols.....	70
Joe Menears.....	73
Chet Boeke.....	75
Luceen Wood.....	80
Gary Spearman.....	83
Greg Irby.....	85
Devon Harris.....	89
Crystal Dewitt.....	93
Jeff Chapple.....	96
Katie Wannstedt.....	99
Becky Leonard.....	102

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

P R O C E E D I N G S

JUDGE HOPKINS: At the beginning of this hearing I'll ask the court reporter to go on the record.

I'm Judge Bill Hopkins from the Public Service Commission, and I will be running the hearing tonight.

I'm very glad to be in St. Charles, in your beautiful city, in your beautiful county, and in this new building. I like that.

If anybody needs to or wants to testify, we have some sign-up sheets, and we've got some more, if anybody wants to testify.

This hearing tonight is for all of you out there, because we came from Jefferson City to listen to you. That is what we are here for.

This is a contested case, and nothing has been decided yet, and part of our decision process is hearing witnesses exactly like you all, so you're very important, and I'm very proud to see this room full to overflowing.

We will have people come up here and you will be addressing us, but we've got the lectern turned a little bit so that the folks out in the audience can hear you, and if everyone will please speak up and remember

1 that this lady right here is trying to take down every
2 word that she hears, so if we just have one person speak
3 at a time, and if she doesn't understand something that
4 somebody says, she will ask that whatever it is be
5 repeated.

6 I want to thank the County of St. Charles for
7 the use of this facility, and I also have to tell you that
8 the views expressed here are not necessarily those of the
9 County of St. Charles.

10 The name of this case is Docket No.
11 WR-2000-281 in the Matter of the Missouri-American Water
12 Company's Tariff Sheets Designed to Implement General Rate
13 Increases for Water and Sewer Service Provided to
14 Customers in the Missouri Service Area of the Company.

15 We have Mr. Joe Ortwerth, your St. Charles
16 County Executive here tonight. Special thanks to him.

17 Also I would like to introduce to you two
18 members of the Commission.

19 This is Commissioner Sheila Lumpe. She is
20 the Chair of the Commission, and this is Commissioner
21 Robert Schemenauer.

22 We will ask these other persons sitting here
23 to enter their appearance for the record and kind of
24 generally introduce themselves.

25 If you could start.

1 MR. FRANSON: Robert Franson. I'm an
2 attorney for the Staff of the Public Service Commission.

3 We are actually a separate party to this and
4 we are here to hear what you folks have to say as part of
5 the hearing here tonight.

6 MR. ENGLAND: Thank you, Judge. My name is
7 W. R. England. I'm the attorney for the company, the
8 applicant in this case. My mailing address is Post Office
9 Box 456, Jefferson City, Missouri 65102.

10 JUDGE HOPKINS: We normally at these hearings
11 have a member of the bar who represents the Office of the
12 Public Counsel, and the gentleman that was supposed to be
13 here tonight had an emergency that he could not make it.
14 Generally the Office of the Public Counsel does have an
15 attorney here.

16 Let me just tell you a little bit about the
17 Missouri Public Service Commission.

18 We are the state agency that regulates
19 investor owned utility companies in Missouri, and we try
20 to make sure that the rates are just and reasonable, that
21 the quality of service is satisfactory, and that safety
22 practices are employed in the utility's operation, all of
23 this time ensuring that the utility companies have a
24 reasonable rate of return for their shareholders.

25 The Missouri Public Service Commission is

1 made up of five Commissioners who are appointed by the
2 governor. They are confirmed by the senate and they hear
3 and decide cases regarding the public utility issues
4 regulated.

5 I introduced earlier to you Commissioner
6 Lumpe and Commissioner Schemenauer.

7 We have three more people on the Commission,
8 and that is Vice-Chair Dianne Drainer, Commissioner Connie
9 Murray and Commissioner Harold Crumpton.

10 We have been having hearings practically all
11 over the state on this case, and some of those
12 Commissioners have been going to different hearings, but
13 the Commissioners that are not here, the three
14 Commissioners that are not here will read what you say to
15 us, so what you say to us, we take that to be very
16 important.

17 I want you to know that all five
18 Commissioners will read what you all tell us tonight.

19 The Missouri Public Service Commission
20 employs a staff of engineers, accountants, attorneys,
21 financial analysts and other specialists in the field of
22 utility regulation, and relies on their expertise, along
23 with other expert testimony and consumer testimony.

24 These people here that introduced themselves
25 earlier represent the PSC. We also have some staff

1 members, Jim Merciel and Gordon Persinger, and I'm not
2 sure if I missed anybody else.

3 We have also -- you had a fellow from the
4 Public Counsel introduce himself.

5 MR. PERSINGER: Jim Busch.

6 JUDGE HOPKINS: Jim Busch back there.

7 Mr. England, do you have somebody from the
8 water company that we didn't already introduce?

9 MR. ENGLAND: We didn't get to do that early
10 on. Would you like me to do that now?

11 JUDGE HOPKINS: Yes, sir. Would you do that
12 now.

13 MR. ENGLAND: Mike Huffman, the
14 Superintendent of the St. Charles District.

15 Next to him, Jeff Gard, also with the company
16 and he oversees water quality for this and a couple of
17 other districts.

18 Jim Salser, an accountant with the company.
19 He will help prepare the rate case.

20 In the back I see Jim Buckner, the president
21 of the company, and Lisa Golden, the Communications
22 Director, and if I missed somebody else, I apologize.

23 JUDGE HOPKINS: Thank you.

24 As I said earlier, the purpose of this
25 hearing is to get your input. We are taking evidence

1 tonight, and we want to take that evidence by the way of
2 your statement or your testimony, and we want you to
3 provide this to us, and this is in the matter regarding
4 the request for the Missouri-American Water Company's rate
5 increase.

6 We are going to take your comments that we
7 have tonight, and that will be evidence. We'll take it
8 along with the other comments from the other public
9 hearings. There will be a follow-up with a review and a
10 report that will be issued including any issues which you
11 may raise with us tonight relating to this proposed sale.

12 The Missouri Public Service Commission has
13 set this time for a local hearing in this case in which,
14 as I said, Missouri-American Water Company seeks a general
15 water rate increase.

16 Specifically, Missouri-American's proposed
17 water service tariffs are designed to produce an annual
18 increase of approximately 53.97 percent or a \$16,446,277
19 increase in the company's revenues.

20 As I say, we are here to listen to what you
21 all have to say. We would appreciate it if you would not
22 ask the Commissioners or me any questions, because we want
23 to hear you. We want to hear what everybody has to say.

24 What we are going to do is ask you all to
25 come up here to the lectern and ask you to state and spell

1 your name, and then you're free to make your statement to
2 us.

3 The Commissioners may have questions for you,
4 the lawyer from the PSC staff may have some questions, Mr.
5 England may have some questions for you. You will not be
6 put under cross-examination. This is not like TV.

7 So, Commissioner Lumpe, would you like to
8 make a comment at this time?

9 CHAIR LUMPE: I'll make a very brief
10 comment. I hope that you can hear me.

11 We really welcome you here. As has been said
12 by the Judge, we are here to hear your comments on the
13 record, and they become testimony along with all other
14 testimony. That helps us make our decision.

15 No decision has been made. We are like the
16 jury and we listen to everyone's comments and then put
17 that all together to help us make our decision, so we do
18 welcome you.

19 These public hearings are very, very
20 important to us. They help us know what your thoughts
21 are, and so we appreciate very much your coming tonight.

22 JUDGE HOPKINS: Thank you.

23 Commissioner Schemenauer.

24 COMMISSIONER SCHEMENAUER: Thank you.

25 I also would be very brief and would like to

1 welcome everybody for coming, and I just want you to know
2 that no decision has been made. I've got a stack of
3 testimony this high from all of the parties in this case,
4 but I don't have anything from you, so I'm looking forward
5 to some comments from you tonight, and we will read them
6 in and take them into consideration when we do our
7 deliberations, so thank you all for coming.

8 JUDGE HOPKINS: General Counsel, any
9 statement?

10 MR. FRANSON: Briefly. Thank you, Your
11 Honor.

12 What may not have been explained tonight is
13 there are several parties to this case. That is the Staff
14 of the Public Service Commission, the Office of Public
15 Counsel, various intervenors, these are whether they are
16 companies or cities or individuals that are wanting to
17 present evidence, and then there is the company,
18 Missouri-American Water.

19 The best way to think of the Commissioners
20 here, they are the jury. That is why they cannot answer
21 questions. They are the ones -- Commissioner Schemenauer
22 says he has a stack about this high. Before it's done, it
23 will be much higher, so that is why they can't answer any
24 questions. They are the jury and they are the fact
25 finders, and that is what they are here to do, and this is

1 part of the process.

2 JUDGE HOPKINS: Thank you.

3 Mr. England.

4 MR. ENGLAND: I have nothing to say. Thank

5 you.

6 JUDGE HOPKINS: Now, since this is an

7 official hearing, we are going to have everybody sworn in

8 when you come up here, and I'm going to call your names

9 off this list, come up here, I'll swear you in, spell and

10 state your name to the court reporter, please, and if

11 somebody comes up before you and says what you want to

12 say, you can come up here and say, get sworn in and say

13 the person before me told what I wanted to tell, or if you

14 change your mind and decide not to testify, you don't have

15 to, of course.

16 If everyone will please try to make your

17 comments concise. We are going to listen to everybody.

18 We would like to get out of here by 8:30, but nobody is

19 going to get cut off, so if you stand up here and make

20 your comments, remain there at the lectern and we will

21 start.

22 A VOICE: What if you didn't get signed on

23 the list?

24 JUDGE HOPKINS: We still have the list back

25 there, I believe.

1 MR. PERSINGER: We've got extra ones.

2 JUDGE HOPKINS: We've got extra ones.

3 I'll start here on the first name.

4 Miriam Mahan.

5 MIRIAM MAHAN,

6 having been duly sworn, testified as follows:

7 JUDGE HOPKINS: Please stand back there and

8 state and spell your name, please.

9 MS. MAHAN: Miriam Mahan, M-i-r-i-a-m,

10 M-a-h-a-n.

11 I am the director of St. Joachim & Ann Care

12 Services and a member of the Care Service Social Justice

13 Committee. I'm here to speak to you in regards to the

14 rate increase for water.

15 The families that we work with have an

16 average income of \$14,000 a year. Our senior citizens

17 fixed income averages are \$850 per month. These taxpayers

18 and consumers are at risk of homelessness every day of

19 their lives. Any rate increase, whether it's water,

20 gasoline, rent, or food increase increases their

21 vulnerability.

22 Your company has proposed a 54 percent

23 increase in the water rates. Any increase higher than 10

24 percent places this, the low income at risk.

25 We implore you to consider this plan of

1 action.

2 Thank you.

3 (Applause.)

4 JUDGE HOPKINS: Thank you.

5 When you get through speaking, if you would

6 remain at the lectern and see if any of the Commissioners,

7 either of the Commissioners have any questions.

8 CHAIR LUMPE: I have no questions.

9 JUDGE HOPKINS: Commissioner Schemenauer.

10 COMMISSIONER SCHEMENAUER: I have no

11 questions. Thank you for coming.

12 MR. FRANSON: No questions, Your Honor.

13 MR. ENGLAND: No questions.

14 JUDGE HOPKINS: Thank you very much.

15 Ron Griesenauer.

16 RON GRIESENAUER,

17 having been duly sworn, testified as follows:

18 JUDGE HOPKINS: Please step behind the

19 lectern and state and spell your name, please.

20 MR. GRIESENAUER: Ron Griesenauer,

21 G-r-i-e-s-e-n-a-u-e-r.

22 I'm a resident consumer, customer of the

23 company. I'm an alderman for the City of Weldon Spring.

24 I'm a stockholder of the company, and I do appreciate

25 this, being involved in this process, but I must tell you

1 I feel as though I'm also a potential victim of this
2 process.

3 I feel that this process, in general, allows
4 a monopoly, and I use the word monopoly because several
5 decisions were made without consideration of the
6 customers.

7 First of all, the company was purchased, or
8 this entity. Then investments were made elsewhere and
9 here, and now an increase is being requested, and this is
10 the first time that we have had literally a public
11 involvement in the process.

12 I do feel that the uniform rate approach is
13 unfair, and I'm not a lawyer, so I'm not going to be able
14 to back up what I'm saying with legal terminology, but I
15 feel that we are used to paying our way in St. Charles
16 County.

17 We are the growth area, and every time you
18 turn around there is more things to buy and more things to
19 install, and that kind of thing, so as the previous
20 speaker stated, a reasonable increase probably would not
21 even have gotten noticed because we are used to paying our
22 way, but we are also used to having things like the
23 Hancock Amendment protect us from undue increases in taxes
24 or government expenses and that type of thing. So we feel
25 that this is an unfair burden to put on this area.

1 If you were asking for particular
2 improvements that would improve the service, quality, or
3 delivery of the water to this area and couple that with an
4 increase, I feel that that would be worthwhile.

5 Thank you.

6 JUDGE HOPKINS: Any questions, Commissioner
7 Lumpe?

8 CHAIR LUMPE: Is it the percentage that is
9 bothersome and also the absolute amount of dollars that is
10 bothersome?

11 MR. GRIESENAUER: The percentage is what hits
12 home, because what we have to measure against is what are
13 we getting as increases in our own salaries, in the
14 government subsidies to many of the pensioners, and none
15 of those ever come near 53 percent.

16 If our elected officials came to us and
17 wanted a 53 percent increase, there would be a holy riot,
18 and so I feel that that is somewhat obscene, and had it
19 been presented to everyone prior to spending the money,
20 there may have been a few opinions expressed at that time
21 which might have kept, or led them to make a smaller
22 investment requiring a smaller increase.

23 CHAIR LUMPE: You also mentioned quality of
24 service. Are there -- have you received complaints about
25 quality of service, or do you yourself have some?

1 MR. GRIESENAUER: We have had some on the
2 pressure issue, and it is typically where there is a heavy
3 use day, somebody at the end of the line, or not as far
4 from the fall is affected. As far as I know, there has
5 been no complaints of the actual quality of the water
6 itself.

7 CHAIR LUMPE: Thank you. That's all that I
8 have.

9 JUDGE HOPKINS: Commissioner Schemenauer.

10 COMMISSIONER SCHEMENAUER: No questions.

11 JUDGE HOPKINS: Mr. Franson.

12 MR. FRANSON: No questions, Your Honor.

13 JUDGE HOPKINS: Mr. England.

14 MR. ENGLAND: No questions.

15 MR. GRIESENAUER: Thank you for the
16 opportunity.

17 JUDGE HOPKINS: Thank you. We appreciate it.
18 (Applause.)

19 JUDGE HOPKINS: Has everybody been able to
20 hear these first two witnesses real good?

21 A VOICE: No.

22 JUDGE HOPKINS: The next name is L. Matteson.

23 LAWRENCE MATTESON,
24 having been duly sworn, testified as follows:

25 JUDGE HOPKINS: Thank you, Mr. Matteson. If

1 you will stand back their behind the lectern, we will
2 listen to you.

3 MR. MATTESON: My complaint is this. I've
4 only been on this water for six months, and I'm fixing to
5 go back to my deep well. That is ridiculous.

6 I'm 78 years old and get a three percent
7 raise in my Social Security a year, and you want to raise
8 my rate about \$20 or more a month, that is ridiculous, and
9 I think what you need to start with is to get some new
10 Commissioners up to Jeff City so this don't come up like
11 this. You get the right committee up there, we won't be
12 out here.

13 Let St. Joe pay for their own water. That's
14 what I think. There ain't nobody going to come pay my
15 bill. I had open heart surgery last year and nobody came
16 to pay for that.

17 JUDGE HOPKINS: Thank you.

18 Any questions?

19 CHAIR LUMPE: I have no questions.

20 JUDGE HOPKINS: Commissioner Schemenauer.

21 COMMISSIONER SCHEMENAUER: No questions.

22 JUDGE HOPKINS: Mr. Franson.

23 MR. FRANSON: No questions, Your Honor,
24 though I would ask if he could state his name and spell it
25 for the court reporter.

1 MR. MATTESON: L-a-w-r-e-n-c-e,
2 M-a-t-t-e-s-o-n.
3 JUDGE HOPKINS: Thank you, sir.
4 (Applause.)
5 JUDGE HOPKINS: Betty Lee Henrichs.
6 BETTY LEE HENRICHS,
7 having been duly sworn, testified as follows:
8 JUDGE HOPKINS: Please state and spell your
9 name.
10 MS. HENRICHS: Betty Lee Henrichs,
11 H-e-n-r-i-c-h-s.
12 I'm only going to say this. We are on Social
13 Security which means limited income, dead end. We can't
14 go work no overtime to pay a little extra bill here or
15 there.
16 A VOICE: Would you talk louder?
17 MS. HENRICHS: I'm trying. I have emphysema
18 and I can't talk that loud.
19 But a 54 percent increase or, pardon me, a
20 53.97 percent increase is ridiculous. We don't get that
21 in Social Security. We are lucky if we get a one percent
22 increase. We are lucky if we get two percent. If we get
23 over a two percent we celebrate by buying a large bottle
24 of soda. It's ridiculous.
25 (Applause.)

1 MS. HENRICHS: When you make your decision,
2 stop and think of how many elderly people are going to
3 have to pay this increase. If we were going to get
4 something from it besides a bill, it would be all right,
5 maybe, but not 54 percent. Make it within reason. I know
6 it will have to go up.

7 Why can't the owners -- it's a private
8 company. Why can't the owners use some of their profits
9 and pay for this?

10 (Applause.)

11 MS. HENRICHS: They eventually will come back
12 and charge us for it eventually, but at least they kind of
13 sneak it in a little bit at a time, but right now gasoline
14 has gone up 10 cents a jump, 12 cents a jump. We don't
15 get that. Now, this comes along. Well, you can pay
16 double. That's all right. What are we supposed to do, go
17 out in our back yards and dig our own wells?

18 That's all I have to say. Thank you.

19 JUDGE HOPKINS: Commissioner Lumpe, any
20 questions?

21 CHAIR LUMPE: No questions.

22 JUDGE HOPKINS: Commissioner Schemenauer.

23 COMMISSIONER SCHEMENAUER: No questions.

24 JUDGE HOPKINS: Mr. Franson.

25 MR. FRANSON: No questions, Your Honor.

1 JUDGE HOPKINS: Mr. England.
2 MR. ENGLAND: None. Thank you.
3 JUDGE HOPKINS: Thank you very much.
4 (Applause.)
5 DON OHLMS,
6 having been duly sworn, testified as follows:
7 JUDGE HOPKINS: Please state and spell your
8 name for the court reporter.
9 MR. OHLMS: Don Ohlms, O-h-l-m-s.
10 I'm here as a customer and I'm also here
11 tonight as representing our trustees of our subdivision,
12 some 220 homes.
13 We talked already, or we have heard already
14 about what effect this would have on fixed and low income
15 people.
16 I think it would be very devastating to them,
17 to us. I don't think there is a company around that would
18 ask for a 54 percent increase of their product and expect
19 to sell it. Unfortunately, we need the water. We've got
20 to have the water. We don't have a choice, but the 54
21 percent increase is utterly out of the question,
22 especially if we are paying for a plant in St. Joe
23 Missouri. It has no effect on us here locally. It's
24 already been mentioned that we will pay for our own. We
25 have paid for our own, and that is the way it should be.

1 We have districts here, and each district should pay on
2 their own.

3 I guess I also wonder about the cost of the
4 plant in St. Joe. I know it could have been done
5 cheaperly, more cheaply, and I also wonder if when said
6 plant is paid off and these capital projects are paid off,
7 are we going to get a 54 percent decrease?

8 (Applause.)

9 MR. OHLMS: Any questions?

10 JUDGE HOPKINS: Any questions?

11 CHAIR LUMPE: No, thank you.

12 JUDGE HOPKINS: Mr. Schemenauer.

13 COMMISSIONER SCHEMENAUER: I don't have any
14 questions. Thank you for coming.

15 JUDGE HOPKINS: Mr. Franson.

16 MR. FRANSON: No questions.

17 JUDGE HOPKINS: Mr. England.

18 MR. ENGLAND: None. Thank you.

19 JUDGE HOPKINS: Thank you.

20 (Applause.)

21 JUDGE HOPKINS: Mr. Ortwerth, you're next, if
22 you would like to come down here.

23 JOE ORTWERTH,
24 having been duly sworn, testified as follows:

25 JUDGE HOPKINS: Please state and spell your

1 name for the court reporter.

2 MR. ORTWERTH: My name is Joe Ortwerth. The
3 last name is spelled O-r-t-w-e-r-t-h.

4 May I proceed?

5 JUDGE HOPKINS: Go ahead.

6 MR. ORTWERTH: Judge, members of the
7 Commission, members of the Commission's staff, and other
8 parties.

9 I appreciate the opportunity to appear
10 tonight as the county executive of St. Charles County to
11 speak on behalf of customers of Missouri-American Water
12 Company who are residents of this county.

13 It is my belief that the rate increase that
14 is requested by the applicant is extremely excessive,
15 would be extremely onerous to consumers, and is
16 unwarranted considering the facts that are before you in
17 this case.

18 I believe that if this rate increase request
19 is granted, that it would result in a discriminatory
20 action on the part of the Commission and an inequitable
21 outcome and, in fact, in my belief, an unlawful conclusion
22 to this matter.

23 First of all, we recognize that certain
24 investments were made by the company primarily in the St.
25 Joseph area.

1 The result of approving this rate increase
2 request would be to take that highly substantial rate base
3 investment and to assign it, in this case misassign it, to
4 customers who have no benefit or use of it.

5 The Commission, as you know, is charged with
6 establishing nondiscriminatory rates for utility services
7 provided to the public. If this increase is granted as
8 proposed here, we would simply see income being
9 transferred from one part of the state to another under
10 the guise of utility rate regulation from customers who
11 have had no benefit from the improvements to underwrite
12 the cost of that service being provided in another area.

13 I personally believe in analyzing state
14 statutes, and I know that it's your intention and desire
15 to stay true to the provisions of the Missouri law in the
16 deliberations that you undertake, it's my personal opinion
17 that state law does not permit this practice of single
18 tariff pricing that is being proposed by the applicant in
19 circumstances such as this where the districts are
20 geographically discreet and have no physical
21 interconnection of the service being provided.

22 The statute spells out the fact that all
23 charges that are made or demanded by any water corporation
24 for water service rendered or to be rendered shall be just
25 and reasonable, and that every unjust or unreasonable

1 charge made or demanded is prohibited.

2 Here we have a circumstance in which it is
3 suggested that charges should be assessed against
4 individuals who have not received the service, for whom it
5 has not been rendered, or is not to be rendered. This, in
6 my mind, runs counter to the letter and the spirit of the
7 statute.

8 State law also states that no water
9 corporation shall make or grant any undue or unreasonable
10 preference or advantage to any locality, or in any respect
11 whatsoever subject any locality to any undue or
12 unreasonable prejudice or disadvantage in any respect
13 whatsoever.

14 Were this rate increase request to be granted
15 and the full-fledged notion of single tariff pricing be
16 placed here, we clearly would have a situation in which
17 one area of the state is receiving a distinct preference
18 and advantage, and communities such as St. Charles County
19 are being assigned a very distinct prejudice and
20 disadvantage against their customers.

21 So, in summary, it would appear that single
22 tariff pricing is in violation of the law by creating an
23 undue and unreasonable preference or advantage to those
24 districts whose resulting rates are lower than the cost of
25 rendering such districts with water service, but also

1 subjecting other districts to undue or unreasonable
2 prejudice or disadvantage by requiring them to pay higher
3 rates than justified by the cost of rendering those
4 districts with water service.

5 The Commission has ruled in prior cases, and
6 I just would like to quote from some specific language
7 from a case years ago, that it is the opinion of the
8 Commission that the touchstone of rate design is that the
9 rates must and should reflect the cost to serve that
10 particular customer or group of customers.

11 That is clearly not the case in the
12 application before you, and for that reason I strongly
13 submit that the Commission should reject this tariff
14 filing as it has been submitted, and ensure that in future
15 rate making, district specific pricing be the avenue of
16 the rate making that is held to.

17 I would be happy to answer any questions.

18 JUDGE HOPKINS: Thank you very much, Mr.
19 Ortwerth.

20 Commissioner Lumpe.

21 CHAIR LUMPE: That is what I was going to ask
22 you, Joe, whether you supported the district specific and
23 then each district would pay for the infrastructure needs
24 that it needs by itself?

25 MR. ORTWERTH: Yes.

1 CHAIR LUMPE: Thank you.

2 MR. ORTWERTH: And as I think Commissioner
3 Lumpe has spoken to before, St. Charles County has
4 certainly had to undertake many, many public works type
5 and infrastructure type investments in this community to
6 keep pace. The residents have been willing to shoulder
7 that burden and to raise their taxes, if necessary, to
8 support the schools, to support the roads, to support the
9 needed enhancements to our infrastructure to handle the
10 growth. To expect our consumers to do that and yet at the
11 same time shoulder enormous rehabilitation costs for
12 another district is simply more than I think our people
13 should be expected to bear.

14 CHAIR LUMPE: Thank you.

15 JUDGE HOPKINS: Mr. Schemenauer.

16 COMMISSIONER SCHEMENAUER: I don't have any
17 specific questions, Joe. I thank you for your
18 enlightening remarks, and I'm glad you came to address us
19 tonight.

20 MR. ORTWERTH: I appreciate your public
21 service.

22 JUDGE HOPKINS: Mr. Franson.

23 MR. FRANSON: No questions, Your Honor.

24 JUDGE HOPKINS: Mr. England.

25 MR. ENGLAND: No questions. Thank you.

1 JUDGE HOPKINS: Thank you very much, sir.
2 (Applause.)
3 JUDGE HOPKINS: The next speaker is Bill
4 Morey. I'm sorry, I can't read that.
5 MR. MACY: Macy.
6 JUDGE HOPKINS: I'm sorry. Bill Macy. You
7 don't write quite as bad I do, but almost.
8 BILL MACY,
9 having been duly sworn, testified as follows:
10 JUDGE HOPKINS: Please state and spell your
11 name.
12 MR. MACY: Bill Macy, M-a-c-y.
13 I guess I have a general question, and it's
14 kind of a simple minded question.
15 I came to St. Charles County from St. Louis
16 County. It's been about ten years ago, and I got a bit of
17 a shock when I got my water bill and found out it was
18 about three times higher. Now, there is a real scientific
19 way that I figured that out.
20 I got billed every three months over there,
21 and my bill was exactly the same as the one I get for one
22 month over here. So it seemed to be about to balance out.
23 That seemed strange to me, and then I get my thing in the
24 mail that I am getting a 54 percent increase and I guess I
25 would like someone to explain to me why their water is

1 cheaper than mine, and why I need to pay a 54 percent
2 increase?

3 Thank you.

4 JUDGE HOPKINS: Thank you.

5 Any questions, Commissioner Lumpe?

6 CHAIR LUMPE: I have no questions.

7 JUDGE HOPKINS: Commissioner Schemenauer.

8 COMMISSIONER SCHEMENAUER: No questions.

9 JUDGE HOPKINS: Mr. Franson.

10 MR. FRANSON: No questions, Your Honor.

11 JUDGE HOPKINS: Mr. England.

12 MR. ENGLAND: No questions.

13 JUDGE HOPKINS: Thank you, sir.

14 (Applause.)

15 JUDGE HOPKINS: Becky Leonard.

16 BECKY LEONARD,

17 having been duly sworn, testified as follows:

18 JUDGE HOPKINS: Please state and spell your
19 name.

20 MS. LEONARD: Becky Leonard, B-e-c-k-y,
21 L-e-o-n-a-r-d. I don't have no important title. I'm just
22 me.

23 (Applause.)

24 MS. LEONARD: Anyway, I would like to say
25 something from my neighbors and where we live. We live in

1 Sunny Hill Mobile Park on Zumbehl Road, and this increase
2 is going to be a lot more than they are saying to us,
3 because we don't have no individual meters. The landlord
4 takes the water bill, they say, and splits it up between
5 everybody. If you have 10 kids in your trailer and you're
6 one person, you pay the same water bill every time it
7 comes. They tell you what to pay. You have to pay the
8 landlord. You don't pay the water company.

9 If they raise us 54 percent, that is really
10 going to wipe a lot of people out. These are mostly old
11 people on Social Security, and they have no more income.
12 They are choosing between medicine and food now, a lot of
13 them.

14 Most of their entertainment is to go to the
15 cemetery and read the tombstones, so that is really going
16 to affect a lot of the old people in there, and my
17 neighbor back there, she can tell you the same thing, so I
18 want you all to think about that.

19 And also I asked the question why we have
20 O'Fallon water since we live in the City of St. Charles.
21 We pay City of St. Charles taxes on utilities, personal
22 property and everything, and they could not answer that
23 question for us, so apparently our landlord has an
24 investment or something in this company if nobody can
25 answer that question, so I would appreciate it if you all

1 would look into some of this for us.

2 JUDGE HOPKINS: Thank you.

3 Any questions?

4 CHAIR LUMPE: Let me understand, you say your

5 water is provided by O'Fallon?

6 MS. LEONARD: Yes.

7 CHAIR LUMPE: By this company?

8 MS. LEONARD: Right, and they had an increase

9 last, I think it was last fall. They already gave us an

10 increase back then.

11 CHAIR LUMPE: Thank you.

12 JUDGE HOPKINS: Commissioner Schemenauer.

13 COMMISSIONER SCHEMENAUER: No questions.

14 JUDGE HOPKINS: Mr. Franson.

15 MR. FRANSON: No questions.

16 JUDGE HOPKINS: Mr. England.

17 MR. ENGLAND: None. Thank you.

18 (Applause.)

19 JUDGE HOPKINS: Neal Nowacki or Dale Rozolo.

20 Does Dale want to talk, too?

21 MR. NOWACKI: No. Just myself.

22 NEAL NOWACKI,

23 having been duly sworn, testified as follows:

24 JUDGE HOPKINS: Please stand behind the

25 lectern and state and spell your name for the court

1 reporter.

2 MR. NOWACKI: My name is Neal Nowacki,
3 N-o-w-a-c-k-i.

4 JUDGE HOPKINS: Spell Neal for her, please.

5 MR. NOWACKI: N-e-a-l.

6 JUDGE HOPKINS: Go ahead.

7 MR. NOWACKI: My name is Neal Nowacki, and
8 I'm a customer of Missouri-American Water Company. I'm
9 also the chairman of the board of the trustees of St.
10 Charles Hills Subdivision, and I have a letter that was
11 drafted today.

12 I have a letter that we drafted today to the
13 Missouri Public Service Commission that will be sent to
14 them, and I would like to read it to everyone this
15 evening.

16 "To Whom it May Concern: St. Charles Hills
17 Subdivision is located in St. Charles County, Missouri.
18 The subdivision consists of 1,157 single family homes that
19 are served by Missouri-American Water Company.

20 A special meeting was held by the trustees of
21 St. Charles Hills subdivision, St. Charles, Missouri, on
22 May 11, 2000. During this meeting a resolution was passed
23 that states the following: The elected board of trustees
24 of St. Charles Hills Subdivision, St. Charles County,
25 Missouri do hereby stand in opposition to

1 Missouri-American Water Company's proposed revised water
2 service tariff that would increase Missouri-American's
3 gross revenues by approximately 53.97 percent. This type
4 of tariff practice is unfair to the majority of
5 Missouri-American's customers. Expensive new construction
6 plans by Missouri-American should be paid by floating an
7 appropriate bond issue and/or by issuing new stock.

8 Customers who do not directly benefit from
9 Missouri American's increase in capacity should not have
10 to pay for the improvement.

11 We hereby petition the Missouri Public
12 Service Commission to deny Missouri-American's request for
13 an increase in the water service tariff proposed. We also
14 petition Missouri-American Water Company to reconsider
15 their position and withdraw their current request and
16 revised water service tariff.

17 To lend credibility to the position of the
18 trustees of St. Charles Hills subdivision, a petition
19 stating opposition to the current rate hike proposal by
20 Missouri-American is being developed for the 1,157
21 homeowners of St. Charles Hills Subdivision. This
22 petition will then be submitted to the Missouri Public
23 Service Commission.

24 In summary, the current increase of 53.97
25 percent is unacceptable. Improvements should be funded by

1 a balanced combination of a bond issue, stock issuance,
2 and appropriate and reasonable rate adjustment.

3 Thank you for your consideration in this
4 matter.

5 Sincerely, Neal J. Nowacki, Chairman, Jim
6 Schmidt, Secretary, Dale Rozolo, Treasurer."

7 I would like to thank you for the opportunity
8 to speak before this Commission today.

9 JUDGE HOPKINS: Thank you, Mr. Nowacki.
10 Any questions?

11 CHAIR LUMPE: Judge, do we need to admit that
12 as an exhibit?

13 JUDGE HOPKINS: We'll take this. I think you
14 said you were mailing that?

15 MR. NOWACKI: Once it's in its final form. I
16 made some revisions today. I can submit that. I will
17 mail this to the Commission.

18 JUDGE HOPKINS: Any questions?

19 COMMISSIONER SCHEMENAUER: No questions.
20 Thank you for coming.

21 JUDGE HOPKINS: Mr. Franson.

22 MR. FRANSON: No questions.

23 JUDGE HOPKINS: Mr. England.

24 MR. ENGLAND: None. Thanks.

25 JUDGE HOPKINS: Thank you, sir.

1 (Applause.)

2 JUDGE HOPKINS: John Meyer.

3 JOHN MEYER,

4 having been duly sworn, testified as follows:

5 JUDGE HOPKINS: Please state and spell your
6 complete name.

7 MR. MEYER: John Meyer, J-o-h-n, M-e-y-e-r.

8 I would like to first say that I didn't get
9 any information on this until today, and I thought the
10 question and answer period was going to be a little
11 longer, so I changed five pages of questions into a few
12 comments, and most generally when you see an increase in
13 something, you would like to see a benefit from it.

14 I don't see a single benefit or advantage to
15 an increase of 5 percent or 54 percent. My water service
16 has been okay. I don't have a problem with my pressure,
17 but I don't see a justification for a 54 percent increase.

18 As Mr. England stated in one of the comments
19 earlier, there was a comment about are you going to go out
20 of business if you don't get a 54 percent increase, are
21 you going to be bankrupt or something and, if they are,
22 then maybe they should be out of business because they
23 didn't do their due diligence quite right and figure out
24 exactly where they stand.

25 You know, it looks to me like they did a

1 whole bunch of investments up front, and the way he
2 explained it is they have to spend up front before they
3 can ask for the money.

4 I'm a partner in a business myself, and that
5 is a pretty risky way to expand your profit base, because
6 there is no guarantee that they are going to get it, is my
7 understanding. Then they want us to pay forever for their
8 investment up front, so it seems like a never ending
9 battle on my part.

10 Also I'm not real clear if the businesses in
11 the area are going to get the same increase and, if they
12 are, I guarantee you they are going to pass that on, so
13 it's kind of a double whammy for us, because they are
14 going to recoup their costs by charging us more, so I
15 don't see that as a big plus for us, and I'm kind of
16 curious how much money the company spent on lobbyists in
17 Jeff City to get their points across to all of the
18 agencies that are involved in the process. It seems to me
19 that could have been money better spent if, in fact, they
20 spent anything.

21 If this goes through, I would like to know
22 how to get regulated with my business to help me get a big
23 increase.

24 (Applause.)

25 MR. MEYER: We will make it so my customers

1 have to buy my product.

2 JUDGE HOPKINS: Thank you, Mr. Meyer.

3 Any questions?

4 CHAIR LUMPE: I think you were very clear,

5 Mr. Meyer.

6 JUDGE HOPKINS: Any questions?

7 COMMISSIONER SCHEMENAUER: No questions. I

8 understand you completely.

9 JUDGE HOPKINS: Mr. Franson.

10 MR. FRANSON: No questions.

11 JUDGE HOPKINS: Mr. England.

12 MR. ENGLAND: No questions. Thank you.

13 JUDGE HOPKINS: Thank you very much.

14 (Applause.)

15 JUDGE HOPKINS: Carl D. Hack. Mr. Hack.

16 Okay, if Mr. hack comes back in, he will get

17 his chance to speak.

18 The next name is Mike Dougherty.

19 MR. DOUGHERTY: I'm Mike Dougherty, and there

20 is a City of O'Fallon board meeting tonight, and I'm here

21 to speak for Patrick Banger, but his assistant John

22 Griesenauer has just arrived, and I'll defer my testimony

23 to him.

24 JUDGE HOPKINS: All right, sir. Thank you.

25 We'll skip down here to John Griesenauer.

1 MR. GRIESEN AUER: I'm on the list further
2 down.
3 JOHN GRIESEN AUER,
4 having been duly sworn, testified as follows:
5 JUDGE HOPKINS: Please state and spell your
6 name.
7 MR. GRIESEN AUER: My name is John
8 Griesenauer, G-r-i-e-s-e-n-a-u-e-r. I'm the assistant to
9 the city administrator for the City of O'Fallon.
10 As Mr. Dougherty said, Mr. Banger couldn't be
11 here today because there is a board of aldermen meeting
12 tonight, and that is also the reason why our elected
13 officials couldn't be here, because they would have been
14 here otherwise.
15 The City of O'Fallon is very definitely
16 opposed to the single tariff price being proposed by the
17 Missouri-American Water Company. The City of O'Fallon is
18 also equally opposed to the enormous size of the proposed
19 water rate increase that some residents residing in
20 certain portions of our city would be faced with.
21 The customers of Missouri-American Water
22 Company residing in St. Charles County should not have to
23 help pay for the expense of the St. Joseph water plant or
24 other water system improvements scattered in other areas
25 of the state.

1 Missouri-American has reported that it spent
2 over \$90 million for the new water plant serving St.
3 Joseph, Missouri and in other water system improvements
4 across the state in the last two years. Only a small
5 percentage of the over \$90 million total statewide water
6 system improvement project that has been built in the last
7 two years actually serves Missouri-American customers in
8 St. Charles County.

9 Therefore, the City of O'Fallon firmly
10 believes that only the small percentage of improvements
11 that have been built in St. Charles County be calculated
12 into any new water rate for St. Charles County residents.

13 The City of O'Fallon, on behalf of our
14 residents, which would be subject to the proposed huge
15 Missouri-American water rate increase, have not received
16 their fair share of actual water system improvement,
17 pleads the Public Service Commission to deny the proposed
18 single tariff pricing.

19 O'Fallon asks the Public Service Commission
20 to limit the amount of the water rate increase proposed by
21 the Missouri-American Water Company to its customers in
22 St. Charles County. We ask for our St. Charles County
23 water rate increases to be based only on the cost of water
24 system improvements the company has actually built in St.
25 Charles County and actually serve St. Charles County

1 residents.

2 No part of any St. Charles County water rate
3 increase should be based on any cost for improvements the
4 company may have spent in St. Joseph, Joplin, Parkville,
5 Brunswick, Mexico, or Warrensburg to serve their
6 residents.

7 That's all that I have.

8 JUDGE HOPKINS: Thank you, Mr. Griesenauer.

9 Any questions, Commissioner Lumpe?

10 CHAIR LUMPE: Is the entire City of O'Fallon,
11 are they all customers of Missouri-American?

12 MR. GRIESENAUER: No, ma'am. Roughly 1,500
13 residents of O'Fallon are affected.

14 CHAIR LUMPE: And the lady that talked about
15 the mobile home park, is that part of those 1,500?

16 MR. GRIESENAUER: I'm not quite sure how they
17 would be getting City of O'Fallon water. We have no lines
18 that run near Zumbahl.

19 CHAIR LUMPE: In O'Fallon you have 1,500
20 customers of the company and the rest are --

21 MR. GRIESENAUER: The City of O'Fallon has
22 our own water district, and then there is District No. 2.

23 CHAIR LUMPE: Thank you.

24 JUDGE HOPKINS: Mr. Schemenauer.

25 COMMISSIONER SCHEMENAUER: I have no

1 questions. Thank you for coming.

2 JUDGE HOPKINS: Mr. Franson.

3 MR. FRANSON: No questions.

4 JUDGE HOPKINS: Mr. England.

5 MR. ENGLAND: No thank you. No questions.

6 JUDGE HOPKINS: Are you any kin to Ron

7 Griesenauer?

8 MR. GRIESENAUER: No. It's kind of nice,

9 though, that somebody else had to spell my name.

10 (Applause.)

11 JUDGE HOPKINS: I believe the next name here

12 J. B. Schneider. I'm sorry if I'm mispronouncing it.

13 JEAN SCHNEIDER,

14 having been duly sworn, testified as follows:

15 JUDGE HOPKINS: Please state your and spell

16 your name.

17 MS. SCHNEIDER: Jean Schneider,

18 S-c-h-n-e-i-d-e-r.

19 I'm here representing my subdivision, Warwick

20 Downs, and I just have a petition here that I would like

21 to submit to you and ask you --

22 A VOICE: I can't hear you.

23 MS. SCHNEIDER: I just have a petition here

24 that I would like to submit to the Commission asking them

25 to deny the excessive rate increase.

1 That's about all that I have.

2 JUDGE HOPKINS: Thank you.

3 MS. SCHNEIDER: Thank you.

4 JUDGE HOPKINS: Just a moment, ma'am.

5 Any questions?

6 CHAIR LUMPE: I just want you to know that

7 that becomes part of the record, and then all of the

8 parties will be able to see that petition, as well as the

9 other Commissioners.

10 MS. SCHNEIDER: That will be fine. Thank

11 you.

12 JUDGE HOPKINS: Commissioner Schemenauer.

13 COMMISSIONER SCHEMENAUER: No questions.

14 JUDGE HOPKINS: Mr. Franson.

15 MR. FRANSON: No questions.

16 MR. ENGLAND: No questions.

17 JUDGE HOPKINS: Tom Schultz.

18 THOMAS SCHULTZ,

19 having been duly sworn, testified as follows:

20 JUDGE HOPKINS: Please state and spell your

21 name.

22 MR. SCHULTZ: My name is Thomas Schultz,

23 S-c-h-u-l-t-z.

24 JUDGE HOPKINS: Thank you, sir.

25 MR. SCHULTZ: I'm not a lawyer. I'm an

1 hourly wage worker, earner, and what we've got here is a
2 lot of the old people saying they are on a fixed income.
3 I am, too, in retrospect, because I don't get daily raises
4 of what it says here, 40 cents a day. I get 50 cents a
5 year. So they want a 53 percent increase on a residence.

6 The fact of it is, is that when they get an
7 increase in their monthly pay, I mean in their monthly
8 statement, also the taxes of that purchase is increased.
9 The development of anything is taken into consideration,
10 and then they propose a higher homeowners increase in
11 taxes, and if they can do this in St. Joe and get 53
12 percent, the State of Missouri is going to go, well, they
13 got theirs, we got to increase ours.

14 Now, St. Peters pays the highest rate in tax,
15 and now they even tried to change the law. Now, if there
16 is any improvement, then they tax that. And then, like
17 Mr. Macy said, I agree with him wholeheartedly, if a
18 business could do that, why they could make a fortune, and
19 the state would make a fortune on their taxes.

20 The thing of it is, when you get a monthly
21 pay, a monthly statement, mine is \$10.53 cents to \$15, and
22 then they increase that 53 percent -- it's got here
23 \$11.88. They said on this other paper it's \$17, and what
24 does it say, \$17 a month increase, so I don't know.

25 You know, they got two different numbers,

1 they got three different graphs, and there is three
2 different taxes on the taxes that they put on the monthly
3 pay, so I don't know.

4 You know, the only thing is I think 53
5 percent is outrageous anyway, and if you can't afford an
6 investment, you don't have any business making one.

7 That's all that I've got to say.

8 JUDGE HOPKINS: Thank you.

9 (Applause.)

10 JUDGE HOPKINS: Any questions, Chair Lumpe?

11 CHAIR LUMPE: I have no questions.

12 JUDGE HOPKINS: Commissioner Schemenauer.

13 COMMISSIONER SCHEMENAUER: No questions.

14 JUDGE HOPKINS: Mr. Franson.

15 MR. FRANSON: No questions, Your Honor.

16 JUDGE HOPKINS: Mr. England.

17 MR. ENGLAND: No questions.

18 JUDGE HOPKINS: Thank you very much, sir.

19 (Applause.)

20 JUDGE HOPKINS: Henry Bollengrange. Am I
21 pronouncing that correctly? Country something Court. No.
22 2 Country something Court, 63301.

23 How about Mr. Frye, Curtis M. Frye.

24 CURTIS FRYE,
25 having been duly sworn, testified as follows:

1 JUDGE HOPKINS: Would you please state and
2 spell your name, sir.

3 MR. FRYE: My name is Curtis Frye,
4 C-u-r-t-i-s, F-r-y-e.

5 I'm a retired person. I'm a retired person
6 on a fixed income, and I have been retired for about 10
7 years. My annual income increases only from whatever I
8 get from Social Security, and that in no way comes close
9 to the 50 percent increase in the water bill.

10 I think their proposal is a little out of
11 line, and I picked up off the table back here an Office of
12 Public Counsel Comparison, and the percentage of increase
13 proposed by the Public Counsel is 8.21 percent. Now, that
14 don't sound too bad to me. I think I could accept that,
15 but 50 percent is a little out of line.

16 JUDGE HOPKINS: Thank you, sir.

17 Any questions, Chair Lumpe?

18 CHAIR LUMPE: I have no questions.

19 JUDGE HOPKINS: Commissioner Schemenauer.

20 COMMISSIONER SCHEMENAUER: No questions.

21 Thank you.

22 JUDGE HOPKINS: Mr. Franson.

23 MR. FRANSON: No questions, Your Honor.

24 JUDGE HOPKINS: Mr. England.

25 MR. ENGLAND: No questions. Thank you.

1 JUDGE HOPKINS: Thank you very much, sir.
2 (Applause.)
3 JUDGE HOPKINS: John Gammon. John Gammon.
4 Ray Kiddibone.
5 Wilbert E. Lutz, L-u-t-z.
6 Jerry Heintz.
7 JERRY HEINTZ,
8 having been duly sworn, testified as follows:
9 JUDGE HOPKINS: Please state and spell your
10 name for the court reporter.
11 MR. HEINTZ: Jerry Heintz, H-e-i-n-t-z.
12 I'm a laborer for Illinois-American Water.
13 I'm not the best speaker, though.
14 I cannot understand why these people are
15 asking for a 53.88 percent, whatever it is. I only got a
16 two percent raise in April, and that is for all year,
17 folks, 40 cents an hour, and I can't believe they are
18 asking for this much money over a period of time. Once
19 the building is done, paid for, bottom line, are we going
20 to get a decrease?
21 Do you guys work for the water company? I
22 don't know about over here, but over there it's bad
23 management, totally bad management. The president don't
24 get nothing up to him. It all gets bypassed down here.
25 The president is up here. He don't see nothing, don't

1 hear nothing.

2 They had a meeting the other day. Everything

3 is going fine. Monday they are shooting out 40 employees,

4 three days after this meeting. Oh, everything is okay.

5 It don't sound right. I mean the rate increase, no. I

6 mean are you guys running a score board like St. Charles

7 County, I mean like Francis Howell? That is bad

8 management.

9 (Applause.)

10 MR. HEINTZ: My son goes to Francis Howell

11 School District, A student honor role. He is going to be

12 thrown in with one teacher and all of these kids. That's

13 bull.

14 You guys want to run the company, you better

15 start now. If you don't, get out.

16 That's all I have to say.

17 One other thing. I live at 432 Walnut Drive

18 in St. Charles. They say, like the one gentleman said,

19 I'm supposed to get 50 pounds per square inch. I got a

20 one-inch line coming across the street. My line splits

21 off the neighbor's. He's got a two story and I've got a

22 two story. You go up in my shower at 2:00 o'clock in the

23 afternoon, you get a good shower. Do it when Mark and

24 Tony and their kids are using theirs and I'm using mine, I

25 can pee faster than that water comes in.

1 (Applause.)

2 MR. HEINTZ: That's all that I have.

3 JUDGE HOPKINS: We are going to take your

4 word for that.

5 MR. HEINTZ: Okay.

6 JUDGE HOPKINS: Any questions, Chair Lumpe?

7 CHAIR LUMPE: I was going to ask you about

8 the quality of service issue, but I think you explained

9 the pressure issue.

10 MR. HEINTZ: The pressure, that's my only

11 thing, and, well, this rate increase, if they get it, that

12 is my only complaint, but the service -- the water is

13 good, but the pressure and the rate increase, if they get

14 it, no, but they said I got good pressure. They came and

15 checked it at 2:00 o'clock in the afternoon when I wasn't

16 there, and neither was my neighbors.

17 That's all that I have.

18 COMMISSIONER SCHEMENAUER: I have no

19 questions. Thank you for coming.

20 JUDGE HOPKINS: Mr. Franson.

21 MR. FRANSON: No questions, Your Honor.

22 JUDGE HOPKINS: Mr. England.

23 MR. ENGLAND: No questions. Thank you.

24 (Applause.)

25 JUDGE HOPKINS: David Brown. Mr. Brown.

1 Glen McKinney.
2 Jerry Graham. We'll let you come over here,
3 Mr. Graham.
4 JERRY GRAHAM,
5 having been duly sworn, testified as follows:
6 JUDGE HOPKINS: Please state and spell your
7 name for the court reporter.
8 MR. GRAHAM: Jerry, J-e-r-r-y, Graham,
9 G-r-a-h-a-m.
10 Everything that has been said up to this
11 point has been covered about what I wanted to say and
12 everything, and the only thing I would like to say is the
13 fact that if these people make any more improvements, we
14 won't be able to afford them, so I think the rate increase
15 is a little bit high.
16 JUDGE HOPKINS: Thank you.
17 Any questions, Chair Lumpe?
18 CHAIR LUMPE: I have no questions. Thank you
19 for coming.
20 JUDGE HOPKINS: Commissioner Schemenauer.
21 COMMISSIONER SCHEMENAUER: I have no
22 questions.
23 You had a tough act to follow, didn't you?
24 JUDGE HOPKINS: Mr. Franson.
25 MR. FRANSON: No questions, Your Honor.

1 MR. ENGLAND: None. Thank you.
2 (Applause.)
3 JUDGE HOPKINS: The next name is Robert, and
4 I'm sorry, I can't read that last name, Axtell,
5 A-x-t-e-l-l.
6 MR. AXTELL: My point has been stated several
7 times here. There is no sense of me taking up any more
8 time.
9 JUDGE HOPKINS: Thank you very much, sir.
10 Carl and Pat Phillips.
11 Judy Streck.
12 Jan Masters.
13 MR. MASTERS: How about Tom Masters?
14 JUDGE HOPKINS: I'm sorry, sir. Tom Masters.
15 I apologize for that.
16 MR. MASTERS: I apologize for the writing.
17 TOM MASTERS,
18 having been duly sworn, testified as follows:
19 JUDGE HOPKINS: Please state and spell your
20 name.
21 MR. MASTERS: My name is Tom Masters,
22 M-a-s-t-e-r-s.
23 I'm a resident of St. Peters and also an
24 employee of St. Louis County Water, which is owned by
25 American Water.

1 My question to the Committee is, which I
2 appreciate your time, is there a guarantee once this rate
3 increase has passed that this won't set a precedent for
4 other utility companies such as Laclede Gas or UE, the
5 phone, or the cable to come in and acknowledge that there
6 has been a rate increase and that those monies have been
7 sent back to another community without them asking also,
8 which will affect our rates.

9 I have a problem with my water quality. It's
10 got a very foul taste to it. It tastes like it's been
11 sitting out in a garden hose most of the day, even after I
12 flow it. A good example, Your Honor, you're drinking
13 bottled water instead of a pitcher of tap water. That
14 doesn't reflect on you.

15 JUDGE HOPKINS: I filled this up in the City
16 of Linn, and you don't want to taste Linn's water.

17 MR. MASTERS: I would also like to address
18 the comment from the gentleman from St. Louis County that
19 his bill was a little different. That's around the
20 corner. They will be paying very soon. It's a matter of
21 time.

22 I would like to thank you for your time. I'm
23 concerned about previous utilities and the amount of bills
24 that will come behind them if this sets a precedent, and I
25 would ask the Commission in the best interest of the

1 people in St. Charles, that they will deny no money to
2 leave our community. Thank you.

3 JUDGE HOPKINS: Thank you, Mr. Masters.

4 Any questions, Chair Lumpe?

5 Can everyone hear me better now?

6 A VOICE: No.

7 CHAIR LUMPE: Mr. Masters, you live in St.
8 Charles?

9 MR. MASTERS: I live in St. Peters.

10 CHAIR LUMPE: It's the St. Peters water that
11 has the foul taste?

12 MR. MASTERS: Yes, ma'am, it does.

13 JUDGE HOPKINS: Any questions, Commissioner
14 Schemenauer?

15 COMMISSIONER SCHEMENAUER: Did I understand
16 you correctly, are you a customer of Missouri-American
17 Water?

18 MR. MASTERS: I believe so, yes.

19 COMMISSIONER SCHEMENAUER: That's all that I
20 have.

21 JUDGE HOPKINS: Any questions, Mr. Franson?

22 MR. FRANSON: Yes.

23 Mr. Masters, could I ask your address? One
24 of our staff members is interested and would like to know
25 and get some more specific information.

1 MR. MASTERS: 1125 Treeshade Drive.

2 MR. FRANSON: Is that in St. Peters?

3 MR. MASTERS: In St. Peters.

4 MR. FRANSON: Do you know if you're a

5 customer of Missouri-American?

6 MR. MASTERS: I believe I am, yes, sir.

7 MR. FRANSON: What exactly is the problem

8 that you have noticed?

9 MR. MASTERS: Regardless of the time of day,

10 when I turn the water on, and being a customer, an

11 employee of a water company I understand that you need to

12 flow the water a few minutes sometimes to get the taste

13 out. It always has a distinctive taste like it's been

14 sitting in a garden hose, or aftertaste.

15 MR. FRANSON: Have you brought it to the

16 attention of the company?

17 MR. MASTERS: I have not at this point, no.

18 MR. FRANSON: Sir, if you would like to

19 contact Jim Merciel of the Public Service Commission

20 staff, he is one of our engineers, and he would be more

21 than happy to provide you information and put you in

22 contact with the proper people.

23 MR. MASTERS: I would be grateful.

24 MR. FRANSON: Mr. Merciel, if he can talk to

25 you on the side here.

1 JUDGE HOPKINS: Mr. England, any questions?

2 MR. ENGLAND: No questions.

3 JUDGE HOPKINS: James Smith.

4 JAMES SMITH,

5 having been duly sworn, testified as follows:

6 JUDGE HOPKINS: Please state and spell your

7 name for the court reporter.

8 MR. SMITH: My name is James Smith,

9 S-m-i-t-h.

10 Well, I'm a retiree, folks, and I can't add

11 anything here that hasn't already been said, but like

12 every person that is sitting in here, I'm concerned.

13 Whenever I was working for my company, I

14 knew, I know that there was waste from the bottom up. It

15 don't matter where it was at.

16 If I spend from my pocket, just like

17 everybody here, you're cautious, you're very cautious.

18 You are going to watch how you spend your coins because

19 you want the best for your money, but let me spend from

20 your pocket, your pocket, somebody else's pocket, hey, I'm

21 going to go out and do whatever it takes.

22 A VOICE: It sounds like my teenage son.

23 MR. SMITH: Like we here in St. Louis are

24 supposed to finance a building for St. Joseph, Missouri.

25 To me that is like living next door to my neighbor, and I

1 go and remodel my home and hand you the bill. There is no
2 difference. I don't think -- I think what the major
3 problem is is that everybody sees a 53 percent increase.
4 That is ridiculous. That is a lot of money. Even five
5 percent is going overboard, because if you take five
6 percent of a bill from 300,000 homes, that's a lot of
7 money.

8 But at the end of the time when the building
9 is completed and finished, I asked the question once
10 before, will we stop paying for that building once it's
11 completed? I don't think so, because we are still paying
12 a tax for the Spanish American War. It's still there.

13 Thank you.

14 JUDGE HOPKINS: Thank you, sir.

15 Any questions, Chair Lumpe?

16 CHAIR LUMPE: I have no questions.

17 JUDGE HOPKINS: Commissioner Schemenauer.

18 COMMISSIONER SCHEMENAUER: No questions.

19 Thank you, sir.

20 JUDGE HOPKINS: Mr. Franson.

21 MR. FRANSON: No questions, Your Honor.

22 JUDGE HOPKINS: Mr. England.

23 MR. ENGLAND: No.

24 (Applause.)

25 JUDGE HOPKINS: Larry and Laura Miller.

1 LARRY MILLER,
2 having been duly sworn, testified as follows:
3 JUDGE HOPKINS: Please state your name and
4 spell it for the court reporter.
5 MR. MILLER: Larry Miller, M-i-l-l-e-r.
6 I would just like to say that it appears to
7 me that the majority of the problems with this thing,
8 besides the 54 percent, which seems outrageous, is the
9 single tariff part of this thing, however you want to
10 explain that, and to the best of my knowledge, and I
11 haven't heard anybody mention it, there is a bill that
12 just passed the senate, Bill No. 1049 that would -- I mean
13 if there are ambiguities in the law that make people think
14 that it's different than what Mr. Ortwerth said, this bill
15 more than straightens it out. I mean it prohibits this
16 single tariff pricing completely, and I don't understand
17 why there is a possibility that the Public Service
18 Commission would even think of allowing a 54 percent rate
19 raise before they know how this thing is going to be
20 resolved in the legislature.
21 That's all that I have to say.
22 JUDGE HOPKINS: Thank you very much.
23 Any questions, Chair Lumpe?
24 CHAIR LUMPE: Mr. Miller, we are aware that
25 that piece of legislation is there. We have been

1 following it. It's now in the house, and my understanding
2 is that it has not come out of the committee there, but,
3 indeed, we implement the law. Should it pass, we would
4 implement the law.

5 JUDGE HOPKINS: Any questions, Commissioner
6 Schemenauer?

7 COMMISSIONER SCHEMENAUER: The only thing, I
8 appreciate your coming, but you understand we have to hear
9 every case that comes before us.

10 MR. MILLER: Yes, I understand that. I mean
11 we, as consumers, I think we look at the PSC, whether it's
12 fact or fiction, as being a watch dog agency to make sure
13 that we as consumers get a fair shake in these things and,
14 you know, I'm having a real doubt about that with what I
15 see happening.

16 COMMISSIONER SCHEMENAUER: That is why we are
17 here tonight is to hear your input and get your voices on
18 record.

19 MR. MILLER: I appreciate the opportunity.

20 COMMISSIONER SCHEMENAUER: I appreciate your
21 coming.

22 JUDGE HOPKINS: Any questions, Mr. Franson?

23 MR. FRANSON: Mr. Miller, you understand that
24 the Commission does not control what cases come before it.
25 That is by all the regulated utilities. They decide this

1 is the time we want to go ask for an increase, and the
2 Commission has to consider each case brought before it.

3 MR. MILLER: Yes, I understand that.

4 MR. FRANSON: No further questions.

5 JUDGE HOPKINS: Mr. England.

6 MR. ENGLAND: No questions. Thanks.

7 JUDGE HOPKINS: Thank you very much, Mr.
8 Miller.

9 (Applause.)

10 JUDGE HOPKINS: Laura Miller. Laura Miller.

11 MR. MILLER: She is with me.

12 JUDGE HOPKINS: Floyd O'Shea.
13 George Walker.

14 GEORGE WALKER,
15 having been duly sworn, testified as follows:

16 JUDGE HOPKINS: Please state and spell your
17 name for the court reporter.

18 MR. WALKER: George Walker, W-a-l-k-e-r.

19 When I came up here tonight I had a lot to
20 say, but there has been a lot said, and a lot of what I
21 had to say has already been covered.

22 I, too, am a board member of trustees of a
23 subdivision. We have 102 units, and 85 percent of them
24 people are retired on a fixed income. We have some people
25 in that subdivision, or in those units that are in their

1 80's, 70's, 60's, and they are retired.

2 Some of those people that are 85 years old
3 have been on fixed incomes for the last 20 years, and they
4 are now struggling just to make ends meet. Food prices
5 have been on the increase. Gasoline has gone through the
6 roof. Hospital, Medicare, they are being pushed from all
7 sides.

8 Our water bill in that complex at the end of
9 4/30, 2000 fiscal year was \$12,222.98. With this increase
10 of 54 percent, it would be \$18,364.47. You divide that up
11 between 102 units. Eighty-five percent of those people
12 are retired. Where is that money going to come from?
13 It's not going to come from the government. Social
14 Security gave them a 2.4 increase last year. And that was
15 about, that was about the rate of inflation, I believe,
16 for our entire economy.

17 A comment that I have to make, if you drive
18 down Highway 94, and the grocery stores on 94, say, Shop
19 'n Save, Dierberg's, Schnucks, if one or two of them
20 stores put a big sign out front that says we are going to
21 raise our prices 54 percent, I guarantee you there
22 wouldn't be a car on that lot. But they have a choice.
23 They can go up to the next grocery store that don't have
24 that sign. We don't have a choice.

25 You people want to raise it 54 percent. I

1 don't have another faucet. I don't have a well. If I
2 wanted a well, like someone said, the City of St. Charles
3 won't allow me to drill for one.

4 The only recourse we have is you people right
5 here. We have to come to you, give our testimony, and
6 hope that you will help us out.

7 But, like the other gentleman, I have some
8 doubts if 54 percent is what this company really wants. I
9 don't think they want 54 percent. I think they want maybe
10 35 percent, maybe they want 20 percent, and they are
11 hoping that you will give it to them, and you people are
12 our only recourse. This is outrageous. We shouldn't have
13 to pay for something else that is being built in another
14 part of the state.

15 A VOICE: Thank you.

16 (Applause.)

17 JUDGE HOPKINS: Thank you, Mr. Walker.

18 Any questions, Chair Lumpe?

19 CHAIR LUMPE: I have no questions of Mr.
20 Walker.

21 JUDGE HOPKINS: Commissioner Schemenauer.

22 COMMISSIONER SCHEMENAUER: No questions.
23 Thank you.

24 JUDGE HOPKINS: Mr. Franson.

25 MR. FRANSON: No questions, Your Honor.

1 JUDGE HOPKINS: Mr. England.
2 MR. ENGLAND: No questions. Thank you.
3 JUDGE HOPKINS: Thank you very much, Mr.
4 Walker.
5 (Applause.)
6 JUDGE HOPKINS: Jack Owens.
7 MR. OWENS: I appreciate the opportunity. My
8 views have been expressed.
9 JUDGE HOPKINS: Thank you, sir.
10 Donna Owens.
11 DONNA OWENS,
12 having been duly sworn, testified as follows:
13 JUDGE HOPKINS: Please state and spell your
14 name for the court reporter.
15 MS. OWNS: Donna Owens, O-w-e-n-s, and like
16 my husband, everybody has expressed what we came here to
17 say, but I want to add my two cents.
18 We have been residents of St. Charles County
19 for 25 years, 35 years, and we have been customers of the
20 water company, and we have seen the progression.
21 When we first moved here, our water was
22 orange, and I would wash a load of clothes and it would be
23 all spotted. Well, they improved the water with a slight
24 increase, and we got the benefits from that, we had better
25 water, and here a few years ago we got the pipeline into

1 St. Charles County supposedly for better water. But with
2 that came an explanation sheet that anybody that is on
3 dialysis, you must not use this. If you have tropical
4 fish, be sure and get a special product that all pet
5 stores will be stocking so it won't kill your tropical
6 pets, but it's not going to hurt you.

7 Now, I don't believe that. We've use a water
8 filter on our faucets for several years, and we are
9 retired now, not old enough for Social Security, but we
10 are on a fixed income, and the cost of the water filters
11 got to be a little extravagant, so we dropped that.

12 The gentleman that said he noticed, had the
13 foul taste in his water, we don't have a foul taste, but I
14 can't make a decent cup of coffee. We visit my in-laws in
15 Caseyville, Illinois every Thursday, they are elderly, to
16 help them with things around the house.

17 I bring two gallons from Caseyville each week
18 to make coffee with. Now, if Caseyville water makes good
19 coffee, and St. Charles County Water doesn't, then there
20 is something in St. Charles County water that makes it
21 taste foul, and I don't know any place else where you have
22 to pay for something you don't get, and if this price
23 increase goes through, we are paying for something that we
24 are not going to get, and I don't mind paying my way if I
25 get a benefit from something and I can afford it, then

1 I'll pay it, but -- and I care about the poor people that
2 maybe can't afford the improvements in their area, but I
3 hope that there is someplace, if this goes through that,
4 what is it, the dollar help that they put on the water
5 bills, and I understand the dollar help goes to anybody
6 that doesn't pay their water bill. I think there is a lot
7 of people that are not going to pay their water bill.

8 (Applause.)

9 JUDGE HOPKINS: Any questions?

10 CHAIR LUMPE: I wonder if Mrs. Owens would
11 also like to give her name and address to our staff to
12 check into the quality issue that she raised?

13 MR. FRANSON: We would be happy to put her in
14 contact with Mr. Merciel.

15 JUDGE HOPKINS: Any questions?

16 No questions.

17 Leo Howell.

18 MR. HOWELL: I'm way back here and I have
19 heard these people. I think they did a marvelous job. I
20 remember the city when we didn't even pay for water.

21 I was wondering one other thing.

22 JUDGE HOPKINS: Sir, if you want to testify,
23 we'll be glad to take your testimony if you would like to
24 come up here and be sworn in. That is the only way we can
25 listen to you.

1 MR. HOWELL: The last time I was sworn in was
2 when I was in the Army when I got drafted.
3 JUDGE HOPKINS: I better not comment about
4 that.
5 Don Moyer.
6 DON MOYER,
7 having been duly sworn, testified as follows:
8 JUDGE HOPKINS: Please step behind the
9 lectern and state and spell your name for the court
10 reporter.
11 MR. MOYER: Don Moyer, D-o-n, M-o-y-e-r.
12 I'm here as a trustee of the Wrenwyck Place
13 Homeowners Association.
14 JUDGE HOPKINS: Spell that, please.
15 MR. MOYER: W-r-e-n-w-y-c-k, Place,
16 P-l-a-c-e, representing the interest of 139 homeowners in
17 the town of Weldon Spring, and I'll make three quick
18 points.
19 No. 1, this rate increase should be
20 considered exorbitant; No. 2, advocate area by area
21 pricing, particularly in light of the potential aggressive
22 acquisition activity, and No. 3, recommend area
23 improvements be funded by surcharges and/or bond issues.
24 That concludes my testimony.
25 JUDGE HOPKINS: Thank you, sir.

1 Any questions, Chair Lumpe?

2 CHAIR LUMPE: No. Thank you.

3 JUDGE HOPKINS: Commissioner Schemenauer.

4 COMMISSIONER SCHEMENAUER: No questions.

5 Thank you for coming.

6 JUDGE HOPKINS: Mr. Franson.

7 MR. FRANSON: No questions.

8 MR. ENGLAND: No questions. Thank you.

9 JUDGE HOPKINS: Thank you, Mr. Moyer.

10 (Applause.)

11 JUDGE HOPKINS: Art Thaxton.

12 MR. THAXTON: Adios.

13 JUDGE HOPKINS: Thank you, sir.

14 Leo Lada, Jr.

15 LEO LADA,

16 having been duly sworn, testified as follows:

17 JUDGE HOPKINS: Please state and spell your

18 name.

19 MR. LADA: Leo Lada, L-a-d-a. I go along

20 with everything covered already, and I think it's

21 outrageous. All I want to add, I live in O'Fallon. I got

22 a second little spot, I'm retired, and it's out in the

23 boonies.

24 About the rate increase, I pay about \$120 in

25 real estate tax on about 40 acres by Paris, Missouri, by

1 Camden Dam Water System, so this rate increase in O'Fallon
2 would equal what I pay for real estate taxes out there.
3 It's just a place out in the woods, and that, to go
4 hunting and a few things like that.

5 I've got a motor home out there. It took me
6 about 12 years to pay for it when I was working for
7 McDonnell Douglas, and now I'm retired and I go out there,
8 and I just have a cistern out there, and I have to have
9 water drawn in.

10 I put myself on the list for Camden Dam Water
11 System, and you have to go at a certain rate from the
12 district that is closest to the lake and that, and as it
13 expands you put your name on a grant list so it's probably
14 about another four years before I get the water down to my
15 land, but when so many people are on the grant they extend
16 the water system from Camden Dam toward your area, so I
17 don't see why they can't do that in the St. Joseph area,
18 extend it, the people who are there apply for it and get a
19 grant, and then the grant is made by the government with
20 the Commission, and then it goes progressively through the
21 whole area. So I don't see why something like that
22 couldn't be done at St. Josephs, or Josephville.

23 That's all that I have to say.

24 JUDGE HOPKINS: Thank you, Mr. Lada.

25 Any questions, Chair Lumpe?

1 CHAIR LUMPE: No questions.

2 JUDGE HOPKINS: Commissioner Schemenauer.

3 COMMISSIONER SCHEMENAUER: No questions.

4 Thank for coming.

5 JUDGE HOPKINS: Mr. Franson.

6 MR. FRANSON: No questions.

7 JUDGE HOPKINS: Mr. England.

8 MR. ENGLAND: No thanks.

9 JUDGE HOPKINS: Thank you, Mr. Lada.

10 (Applause.)

11 JUDGE HOPKINS: John Bollinger.

12 James Callaway.

13 JAMES CALLAWAY,

14 having been duly sworn, testified as follows:

15 JUDGE HOPKINS: Please state and spell your

16 name for the court reporter.

17 MR. CALLAWAY: James Callaway,

18 C-a-l-l-a-w-a-y.

19 Words all but fail me when I try to express

20 my opposition to this proposal. This massive increase

21 levied against us to pay for a building, a new facility

22 somewhere else is just, it's obscene.

23 I firmly believe that this is just continuing

24 the new trend that we have seen recently in multimillion

25 dollar corporations wanting to expand to make more profit,

1 but they want working class people to pay for those
2 expansions. The companion to this kind of creating
3 financing is the TIFs. It's the same thing. The
4 taxpayers pay for expansions of huge corporations.

5 It's amazing that governments and commissions
6 and things that approve or disapprove these things would
7 even consider such things, but we are being faced with
8 this more and more anymore.

9 In the past, as long as I can remember, these
10 kind of expansions and ventures have been paid for through
11 municipal bonds, revenue bonds, and things of that nature.
12 But, evidently, that type of financing is not even
13 considered here. So, as I said, this new trend of having
14 the working class people pay for these expansions just
15 provides more and more profit for the corporations.

16 And when they are financing municipal bonds
17 and revenue bonds and such, profits from that expansion
18 pays for those bonds, but if they can persuade, coerce, or
19 whatever to get the working class people to pay for these
20 things up front, then they don't have to pay this back for
21 any of this expansion at any time in the future, and I
22 agree with the others that have mentioned previously that
23 even if we do have to pay for this new facility for a
24 multimillion dollar corporation, we'll never get this
25 increase removed from our bills. This increase, once the

1 building is paid for, the facility is paid for, this
2 increase will just become more profit for that
3 corporation.

4 If we allow this to continue, people don't
5 stand up and stop this kind of financing from going on,
6 where is it going to end? More and more companies are
7 going to want to do this when they see that it can be
8 done. Why wouldn't they? That's all that I have.

9 Thank you for hearing me.

10 JUDGE HOPKINS: Thank you, Mr. Callaway.

11 Any questions, Chair Lumpe?

12 CHAIR LUMPE: Just briefly, Mr. Callaway, I
13 think another gentleman suggested perhaps that there be a
14 surcharge put on for the infrastructure in each district.
15 Is that something -- and then when the surcharge is paid
16 for, the surcharge goes away.

17 MR. CALLAWAY: That would be a lot more
18 acceptable than this proposal, but I still don't
19 understand why these kind of expenses can't continue to be
20 financed through revenue bonds or municipal bonds and
21 things of that nature, as they have been in the past. All
22 down through the years that has been the case.

23 CHAIR LUMPE: That's all that I have.

24 JUDGE HOPKINS: Any questions, Commissioner
25 Schemenauer?

1 COMMISSIONER SCHEMENAUER: I have no
2 questions. Thank you for coming, sir.

3 JUDGE HOPKINS: Mr. Franson.

4 MR. FRANSON: No questions, Your Honor.

5 JUDGE HOPKINS: Mr. England.

6 MR. ENGLAND: No questions. Thanks.

7 MR. Callaway: Thank you.

8 (Applause.)

9 JUDGE HOPKINS: Jay L. Price.

10 Joe R. Nichols.

11 JOE NICHOLS,
12 having been duly sworn, testified as follows:

13 JUDGE HOPKINS: Please state and spell your
14 name for the court reporter.

15 MR. MILLER: My name is Joe Nichols,
16 N-i-c-h-o-l-s.

17 JUDGE HOPKINS: Thank you, sir.

18 MR. NICHOLS: First of all, I want to thank
19 you, Judge, and the Commissioners for having this public
20 hearing here tonight and allowing the St. Charles County
21 residents to speak, and I think you have heard pretty much
22 from us our opinion of this proposed rate increase.

23 First of all, I would like to say that I am
24 the county engineer, director of the St. Charles County
25 Water Department, and a customer of Missouri-American.

1 I'm here tonight to speak in opposition of
2 both the proposed method of charging St. Charles County
3 residents to build a plant in another part of the state
4 and in opposition to the 54 percent rate increase that is
5 being proposed.

6 We produce at the county water plant, we
7 produce and sell water wholesale to Missouri-American and
8 Water District No. 2, and they distribute it to their
9 customers. We charge them our cost of production, plus 10
10 cents per thousand gallons, which we use to maintain and
11 upgrade the plant.

12 These funds are used only to produce water
13 and to maintain the plant. None of the water department
14 funds are transferred or used in any other department or
15 to pay for any other county services except for the
16 production of water.

17 Missouri-American and the Public Service
18 Commission would be very concerned if we raised our rate
19 to Missouri-American by 54 percent.

20 (Applause.)

21 MR. NICHOLS: We completed a \$600,000
22 renovation to the plant within the last two years and paid
23 for it out of the 10 cent fund. St. Joseph did not pay
24 one penny toward that renovation.

25 St. Charles County taxpayers pay for our road

1 and bridge improvements, and we pay for all of the
2 improvements that we make, and St. Joseph has not paid one
3 penny toward any of the improvements in St. Charles
4 County, that we are aware of.

5 I don't think that it's fair to charge St.
6 Charles County residents for this improvement, and ask
7 that both the method and the rate be denied.

8 I think Mr. Walker made a very good point.
9 The utilities ask for large raises knowing they won't get
10 the full amount, but the lesser amount is what they are
11 happy to receive so, again, I ask that you deny both the
12 method and the raise that is being proposed.

13 Thank you.

14 JUDGE HOPKINS: Thank you.

15 (Applause.)

16 JUDGE HOPKINS: Any questions, Chair Lumpe?

17 CHAIR LUMPE: I have no questions. Thank
18 you.

19 JUDGE HOPKINS: Commissioner Schemenauer.

20 COMMISSIONER SCHEMENAUER: I have no
21 questions.

22 JUDGE HOPKINS: Mr. Franson.

23 MR. FRANSON: No questions.

24 JUDGE HOPKINS: Mr. England.

25 MR. ENGLAND: No questions.

1 JUDGE HOPKINS: Joe Menears.
2 Am I pronouncing that correctly, sir?
3 JOE MENEARS,
4 having been duly sworn, testified as follows:
5 MR. MENEARS: My last name is spelled
6 M-e-n-e-a-r-s.
7 Most of what I have to say also has been
8 said, but I would like to reiterate and state that I agree
9 with everything that has been said, and with all that has
10 been said, I don't know how there is any possibility at
11 all of this rate being approved in any degree. And as we
12 said earlier, if there were not a monopoly, I don't think
13 they would dare ask for such an increase.
14 In the Public Service Commission's literature
15 that you have here, you said your responsibility is for
16 ensuring that Missourians receive safe and reliable
17 services at just and reasonable rates. It also ensures
18 that those rates are sufficient enough to provide
19 shareholders with the opportunity to receive a fair rate
20 of return on their investment. But, to me, investors
21 invest realizing that there is a possibility they are
22 going to take a loss when they get into it.
23 A VOICE: We are losing right now.
24 MR. MENEARS: They state that the average
25 increase would be \$11.88 cents a month. Now, I don't know

1 how they arrived at this, but evidently they did not
2 include the hot dry summer months.

3 I have had in the last two years in those
4 months water bills of \$70 and \$75. It would be a much
5 more than \$11.88 a month increase at that rate.

6 Now, this time it's St. Joe. Next it can be
7 Kansas City. Next it could be Columbia. Next it could be
8 Jefferson City. Then we here in St. Charles would end up
9 getting four rate increases with no service. I think we
10 would much rather wait until we need some service and
11 something done here, and let us pay ours. That way,
12 instead of having four increases, we would only have one.

13 I would like to end up by saying pressure in
14 my area is very weak, also.

15 JUDGE HOPKINS: Thank you, Mr. Menears.

16 Any questions, Chair Lumpe?

17 CHAIR LUMPE: We have had three people
18 address the pressure issue, and again I wonder if staff
19 will look into it?

20 MR. FRANSON: We'll be happy to.

21 JUDGE HOPKINS: Any questions, Commissioner
22 Schemenauer?

23 COMMISSIONER SCHEMENAUER: No questions.
24 Thank you for coming.

25 (Applause.)

1 JUDGE HOPKINS: Larry Miller.

2 MR. MILLER: I already testified, Your Honor.

3 I got a little overzealous.

4 JUDGE HOPKINS: Was that a test?

5 Susan Summers.

6 MS. SUMMERS: I want to thank you for the

7 opportunity, but I think Joe Nichols said it eloquently.

8 Thank you very much.

9 JUDGE HOPKINS: William Struckman.

10 Chet Boeke.

11 CHET BOEKE,

12 having been duly sworn, testified as follows:

13 JUDGE HOPKINS: Thank you, sir.

14 Please state and spell your name for the

15 court reporter.

16 MR. BOEKE: My name is Chet, C-h-e-t, Boeke,

17 B-o-e-k-e. I live at 3114 Arrow Rock, St. Charles.

18 Well, I'm at the end of the line here.

19 I'm a former state representative. I served

20 with a couple of these people that are on the Commission.

21 I was surprised to see them up here.

22 Everybody did a good job. I can't add much

23 to it.

24 I would like to say this. The 53.87,

25 whatever, percent, were they afraid to put 54 percent

1 because they thought it would be too shocking to us and we
2 couldn't take it? I'm not sure how they arrived at this
3 53.9 or 8 percent, or whatever.

4 I think that maybe the company is somewhat
5 appalled that we didn't jump on this and think that it was
6 going to be pretty good.

7 I guess basically where I'm coming from on
8 this is the question, what is the bottom line going to be?
9 Is it going to be, well, we'll appease the audience and
10 give them a 25 percent rate increase? Gee, that is half
11 as good as what they anticipated.

12 I think the justification needs to be
13 strictly on the merits of our service and the delivery
14 rate. No more, no less, and if you consider anything
15 differently, you know, this all boils down to politics.

16 Ten years ago I recall in the capital this
17 starting up, the water situation, and I recall distinctly
18 this situation coming up about, well, we aren't a big
19 enough city, town, to be able to justify it.

20 So this is why we have come to this because,
21 you know, it's kind of like Ben Franklin said, you get the
22 government that you deserve, and not the one that you
23 want, and a lot of times when we go to vote for people we
24 say, well, I don't know too much about him, but I like
25 him, he's got a good smile, or whatever, and this is kind

1 of ultimately what derives out of it.

2 It's not meritorious on what this issue is,
3 you know, when we get the decision of the Commission, 10
4 percent, 15 percent, 17 percent increase. It's not like I
5 just recently changed to AT&T because I was not happy with
6 Southwestern Bell. I had a choice. We don't have a
7 choice here. We are kind of a captive audience, and that
8 is sort of a sad situation.

9 I don't know these people individually. I
10 know two of them. I know we do have a little bit of
11 protection with the Public Counsel. They are supposedly
12 for us, but there was some remarks earlier made, and I do
13 concur with these individuals that, you know, maybe our
14 best interest, even with the interest people that are
15 supposed to be in our interest, is not really being
16 protected properly, and I'm very concerned about that.

17 I think, especially this being election year,
18 a lot of people better put their heads up and realize what
19 we are saying. You know, we can play all kinds of games.
20 We are not going to be paying for the stadium, and I'm not
21 going to be paying for Columbia, St. Josephs, Booneville,
22 Branson. I don't know who is going to be next. I don't
23 intend to pay for it. One way or the other we certainly
24 shall overcome this.

25 Don't surprise us with a 22 percent rate

1 increase and say, well, gee, you know, that is a lot
2 better than it could have been. I think it's time to
3 stand up and do the right thing. Do the right thing.
4 Tell the big people no. Find another alternative method.
5 There is bonds. There is other ways. Maybe they might
6 even want to cut some of the top salaries out of some of
7 these boys.

8 (Applause.)

9 MR. BOEKE: I haven't had an opportunity to
10 review their salaries, the president, the vice-president,
11 or whoever else. I don't know who all is on the other
12 boards up there. Maybe some of the bonuses, some of the
13 obscene salaries that they make, let's see if they justify
14 that. Let's have the Commission look a little bit at that
15 first, whether it's really needed, if we can do a little
16 shuffling at the top and maybe make a big difference in
17 the rate increase here.

18 I'll basically close off with that, but has
19 anybody asked what is the profit of this company? They
20 won't say. I'll tell you a couple of reasons why on
21 closing that I don't think they will say.

22 I recently saw they bought St. Louis County
23 Water Company. Well, that is quite a great expansion, you
24 know, you buy this, you buy that. Pretty soon we are a
25 captive audience, and somewhere along the line without

1 good legislation I'm quite well assured that we are going
2 to be stuck with some increases that we can talk until we
3 are blue, green or purple in the face that we are going to
4 be very dissatisfied with, because the bottom line will
5 justify it.

6 We'll see an increase because they'll say,
7 gee, there is no other alternative. In order to deliver
8 water, this is what we are going to have to have. So I
9 suggest we are all going to be watching you all very
10 closely in the appointments and political ramifications of
11 this, and I suggest you listen closely and read through
12 that stack of papers in what we've said here in St.
13 Charles County this evening.

14 Thank you.

15 (Applause.)

16 JUDGE HOPKINS: Any questions, Chair Lumpe?

17 CHAIR LUMPE: No. I would like to tell Mr.
18 Boeke we will read through that, and the other
19 Commissioners will also, and thank you for coming.

20 MR. BOEKE: You will burn the midnight oil,
21 I'm sure.

22 JUDGE HOPKINS: Commissioner Schemenauer.

23 COMMISSIONER SCHEMENAUER: No questions.
24 I'm glad to see you alive and feisty as always.

25 MR. BOEKE: I'm running for the state

1 treasurer.

2 COMMISSIONER SCHEMENAUER: We certainly will
3 look at all aspects of the case, and our accounting
4 department will certainly examine everybody's salary in
5 that company.

6 JUDGE HOPKINS: Mr. Franson.

7 MR. FRANSON: No questions.

8 JUDGE HOPKINS: Mr. England.

9 MR. ENGLAND: No questions.

10 MR. BOEKE: Thank you.

11 JUDGE HOPKINS: Thank you.

12 (Applause.)

13 JUDGE HOPKINS: Frank Reis.

14 Luceen Wood.

15 LUCEEN WOOD,
16 having been duly sworn, testified as follows:

17 JUDGE HOPKINS: Please state and spell your
18 name.

19 MS. WOOD: Luceen, L-u-c-e-e-n, W-o-o-d.

20 I want to start out with a statement that I
21 read on the information provided by Missouri-American
22 Water Company trying to substantiate this increase.

23 It says that in 1997 in a case before the
24 Public Service Commission there was extensive review of
25 the company's plans, and an opportunity for effective

1 parties to note their objections. It leads me to believe
2 that they are saying we had our opportunity, and if we
3 didn't take it then, too bad now.

4 I don't remember hearing anything about this
5 water plant, and I know that we weren't notified that if
6 they built this water plant in St. Joe that it was going
7 to affect our rates and especially to the tune that they
8 are asking

9 If I had read about a water plant being built
10 in St. Joe, I wouldn't have had any opinion on it. There
11 would have been no need for me to, and I'm sure they
12 counted on that. So I don't see how we should be paying
13 for that water plant to the tune that they are asking, and
14 I can't imagine any company with any business sense taking
15 on such a large debt and then trying to decide how they
16 are going to pay for it. This is something that they
17 should have decided before they built the plant.

18 If they knew that they were going to ask us
19 for this increase when they built that plant, then we
20 should have been notified about it in that way so that we
21 could have stated our objections then.

22 The information provided by the Office of the
23 Public Counsel states that they felt that the previous
24 water plant would have been sufficient with upgrades, and
25 that this could have been accomplished with a substantial

1 savings.

2 I don't feel that we, as a customer, should
3 pay for their grandiose plan, when a smart business would
4 have gone the route of a more cost efficient answer, and
5 especially most businesses have to realize that
6 themselves, the best way to do it, the least expensive way
7 to do it. Businesses usually don't have other people's
8 pockets to dig into to pay for their ideas.

9 I also have a big problem with our water
10 pressure. If I am running my washing machine or it's
11 filling and somebody turns on the shower, I mean it
12 literally trickles into my washing machine, and this has
13 gone on for some time, and that doesn't take into account
14 the summer months when people are watering their lawns.

15 I mean we can tell the difference in the
16 pressure in our house just by turning on the faucet, and
17 somebody else has a faucet running in another part of the
18 house. That is how poor the water pressure is.

19 JUDGE HOPKINS: Thank you.

20 Any questions, Chair Lumpe?

21 CHAIR LUMPE: I would just ask that we add
22 this additional --

23 MR. FRANSON: We'll do that.

24 CHAIR LUMPE: -- complaint.

25 JUDGE HOPKINS: Any questions, Commissioner

1 Schemenauer?

2 COMMISSIONER SCHEMENAUER: No questions.

3 JUDGE HOPKINS: Mr. Franson.

4 MR. FRANSON: No questions.

5 (Applause.)

6 JUDGE HOPKINS: Leo Howell. Leo Howell.

7 Gary Spearman.

8 GARY SPEARMAN,

9 having been duly affirmed, testified as follows:

10 JUDGE HOPKINS: Please state and spell your

11 name.

12 MR. SPEARMAN: Gary Spearman,

13 S-p-e-a-r-m-a-n. I live at 4000 Kathleen in St. Peters.

14 I'm a father of three. I'm the only one that

15 works in the household, and I believe in paying your fair

16 share, but the City of St. Peters, unincorporated, just

17 came through my community, and I just wrote a check for

18 \$2500, my share of putting the sewer line in, although six

19 years ago when I bought my house I had \$6,000 put in the

20 ground in the form of a sewer pit, but since it would

21 benefit the whole community, I went ahead and paid my fair

22 share in the area that I live, and in looking at what is

23 going on here and the money involved, it's just really

24 unjustified when you look out there and you look at the

25 company itself. It has 23 subsidiaries and it covers 10

1 million people in 23 states, and they do have a nice
2 profit.

3 You can go on the internet and you can pull
4 up what their profit is. For the last, since 1994 to
5 1998, the net profit has increased 12 percent a year.

6 A VOICE: Ouch.

7 MR. SPEARMAN: Not only that. If you bought
8 a hundred dollars worth of stock in 1994, in 1998 that
9 hundred dollars worth of stock would be worth about \$264,
10 which is a pretty good increase. And when you are asking
11 people out here with all of the increases going on, fuel
12 cost, power, utility cost, water -- the earth is
13 two-thirds water and, like the man said up here, the
14 taxpayers that pay the cost to run the companies that
15 provide you with the water at a fee and they put their 10
16 cents back into their improvements, I think a company as
17 large as American Water can take some of their profit --
18 if you are going to build a business base, you are going
19 to have to invest money to make money. You don't invest
20 money off the poor people around here working hard to make
21 a living.

22 I, too, am in public service. I've got 17
23 years with the federal government. Every year my raises
24 are 3.2, 2.8. You know, the biggest one I have had in 17
25 years has been 4.8 percent, and right now I think it's

1 unfair and I think you should go back -- and I don't mind
2 paying you an increase every year, but I think a small
3 increase every year, like I get a cost of living increase,
4 with the financial profits that you are making, to ask us
5 to fund something in some other area of the state, the
6 next they they are going to be doing is saying, okay,
7 we've got a place over here in Massachusetts, they are one
8 of our subsidiaries, we are going to upgrade it. People
9 in Missouri are going to have to pay for that, too.
10 That's going to stop here. Pay for what you get.

11 (Applause.)

12 JUDGE HOPKINS: Thank you, Mr. Spearman.

13 Any questions, Chair Lumpe?

14 CHAIR LUMPE: I have no questions. Thank
15 you.

16 JUDGE HOPKINS: Commissioner Schemenauer.

17 COMMISSIONER SCHEMENAUER: No questions, sir.
18 Thank you.

19 JUDGE HOPKINS: Mr. Franson.

20 MR. FRANSON: No questions, Your Honor.

21 MR. ENGLAND: No questions.

22 JUDGE HOPKINS: Mr. Spearman has handed me
23 what appear to be printouts off the internet. Those will
24 be copied and given to every party.

25 Thank you, Mr. Spearman.

1 Greg Irby.

2 GREG IRBY,

3 having been duly sworn, testified as follows:

4 JUDGE HOPKINS: Please state and spell your

5 name for the court reporter.

6 MR. IRBY: My name is Greg Irby, I-r-b-y.

7 I apologize for looking like this. I just

8 got back off of Grand Jury, serving our community.

9 I'm a pastor, local pastor of a church here.

10 I have several elderly folks in my church that cannot

11 afford a 54 percent increase.

12 I want to echo some of the things that have

13 been said. First of all, I would like to maybe get a

14 question and answer.

15 Are you all elected officials?

16 JUDGE HOPKINS: No.

17 MR. IRBY: You're appointed.

18 This is the Water Company here?

19 MR. ENGLAND: Right here.

20 MR. IRBY: I just wanted to clear that up.

21 A VOICE: There are three people behind you

22 also.

23 MR. IRBY: A 54 percent increase is

24 ridiculous. I have talked to some, several folks out of

25 my church who can't afford this.

1 We just had a community get busted up because
2 a Lowes company wanted to come in and build a massive
3 construction store. Six people out of my church lost
4 their homes because of big business. Trio Mobile Home
5 Park.

6 My opinion is, and I'm always -- I'm for the
7 government. I'm not the kind of guy that thinks you ought
8 to have a militia running around, but we are close to
9 needing another tea party, to be honest with you, a Boston
10 Tea Party out here on the Missouri River because of the
11 insanity of government and big business. I don't know
12 where it's going to stop. I don't know where, who is
13 going to stop it or how it's going to be stopped. It's
14 almost like we have our hands tied. I don't know.

15 We are appealing to you, and I would hope you
16 would listen to the citizens of this city. Unfortunately
17 we don't have any recourse with you, because you are not
18 an elected official. We do have some recourse with
19 whoever appoints you.

20 (Applause.)

21 MR. IRBY: But I believe Microsoft is now in
22 court because they are considered a monopoly. We have no
23 other choice for a water company.

24 I'll state this. I'll move before I pay 54
25 percent. I'm not going to pay it. I'm not from this

1 area. I have been here since '97. You don't treat people
2 that way, you know. Also I don't know what else can be
3 added to what has been said. I appreciate what everybody
4 has said, and I hope seriously you will consider what has
5 been said tonight. Don't just slough it off.

6 I know how business works. They come in and
7 ask for a big increase. You will slide them 10 percent
8 and everybody is happy. Well, we are not happy. You
9 know, I pay my own way for everything.

10 You know, we are looking to buy a church
11 building. Would you like to slide some of that profit to
12 help us buy a church building?

13 One other question, and I'll finish because
14 there is a lot of others that would like to speak.

15 Are we going to get some of the profit from
16 this since we are paying for it? I know the answer to
17 that. That is a foolish question, but it goes along with
18 this foolish request.

19 (Applause.)

20 JUDGE HOPKINS: Thank you, Pastor Irby.

21 Any questions, Chair Lumpe?

22 CHAIR LUMPE: No questions, but thank for
23 coming.

24 JUDGE HOPKINS: Commissioner Schemenauer.

25 COMMISSIONER SCHEMENAUER: The only thing I

1 would like to point out to you is that this case before us
2 is part of the judicial process. Whatever we decide, if
3 the company doesn't like our decision, they can appeal it
4 to the circuit court or the court of appeals and the state
5 supreme court.

6 Any of the other intervenors, if we decide
7 the other way, they have that process available to them
8 also, and I would also like to point out that many cases
9 come before the Commission asking for rate increases and
10 they get, they are ordered to do a rate decrease, so it
11 isn't always the same way.

12 MR. IRBY: I understand that.

13 COMMISSIONER SCHEMENAUER: Thanks for coming.

14 JUDGE HOPKINS: Thank you.

15 The next name on the list is Cliff, and I'm
16 sorry, I can't read the last name. Cliff, last name
17 starts with a B.

18 Devon Harris.

19 DEVON HARRIS,
20 having been duly sworn, testified as follows:

21 JUDGE HOPKINS: Would you please state and
22 spell your name.

23 MR. HARRIS: Devon Harris, D-e-v-o-n,
24 H-a-r-r-i-s. Address is 3226 St. Joan Lane, St. Charles,
25 Missouri.

1 There is not a whole lot I care to add to
2 what has already been said tonight.

3 I think everybody has a good understanding of
4 what is going on, don't we?

5 Bottom line on this thing really comes down
6 to what happens after this meeting is over with. Now, we
7 are here tonight. There is a lot of discussion. You have
8 heard a lot of testimony. There has been a lot of
9 emotion. But the tendency seems to be after these
10 meetings is that we have had our say, you have had the
11 valve release, so to speak, but what happens after this?
12 We are going to have to stay on top of this. That is
13 really the bottom line of what is going to happen here.

14 As far as the free enterprise system, I don't
15 think there is anybody here that is against the free
16 enterprise system, but the free enterprise system is not
17 free. It is not. America was built on it. You see
18 businesses in your community built on it, but therein lies
19 the problem, is when we step outside of that free
20 enterprise system and we forget what the principles are
21 that build it. You have to provide the service when you
22 ask for the money. Otherwise it's called a free ride.
23 Okay. I would like to have a free ride, all I can get.
24 But, you know what, you don't plant green beans and get
25 corn. You get exactly what you plant.

1 And the only thing I care to close this with
2 is simply this, after this is over with, you've got to
3 spread the word, you've got to stay on top of it, you have
4 to find out what is going to happen with this Commission,
5 because this is not over.

6 The Water Company is going to be fighting
7 this, and they are going to be fighting hard for it.
8 Fifty-four percent is a big increase. If, in fact, the
9 agenda is a hidden one, it's only going to be 10 or 15
10 percent, I don't like that either. Okay. We pay for what
11 we get, and if we want something we should be willing to
12 pay for it, and if we don't want it, we shouldn't have to
13 pay for it.

14 That's all I've got to say,
15 Thank you,
16 (Applause.)

17 JUDGE HOPKINS: Thank you, Mr. Harris.

18 Any questions, Chair Lumpe?

19 CHAIR LUMPE: Mr. Harris, we held a meeting
20 just like this last night in Mexico, and there were a lot
21 of people there that informed us of their opinion. Next
22 week well be in Joplin listening to the people down there.
23 Then a couple of weeks later we'll be in Warrensburg and
24 St. Josephs and well be listening to the people there with
25 their opinions.

1 Also, as you said, keep on top of it. We
2 accept any petitions, we accept letters which go in the
3 record, and then are shared with everyone, so if there is
4 someone who didn't get here tonight, or didn't testify and
5 wishes to put it's in writing, they may do so, and it goes
6 to all of the parties, and we all get to read it.

7 MR. HARRIS: And the schedule will be
8 published in a timely fashion so we'll all know about it;
9 right?

10 CHAIR LUMPE: The changes would not occur
11 until we have the evidentiary hearing, and then at that
12 point the Commission will take all of that evidence, plus
13 the testimony we hear here and all of the other cities and
14 try to come to the best decision possible.

15 MR. HARRIS: I'm sure you will. I hope it's
16 the right decision.

17 CHAIR LUMPE: I just wanted to let you know
18 we are taking lots of testimony.

19 JUDGE HOPKINS: Any questions, Commissioner
20 Schemenauer?

21 COMMISSIONER SCHEMENAUER: The only thing I
22 would like to say, I would like to thank you for coming,
23 but the evidentiary hearing is scheduled in June. It will
24 be held in Jeff City, and those are public hearings. The
25 public is welcome to come to them.

1 MR. HARRIS: Thank you.

2 JUDGE HOPKINS: Mr. Franson.

3 MR. FRANSON: Mr. Harris, I would just like

4 to mention to you that in the Consumers Guide to Local

5 Public Hearings put out by the Public Service Commission

6 there is a web site, and any orders of the Commission are

7 available there.

8 MR. HARRIS: Very good.

9 JUDGE HOPKINS: Mr. England.

10 MR. ENGLAND: I have nothing to add. Thank

11 you.

12 JUDGE HOPKINS: Thank you, Mr. Harris.

13 Crystal DeWitt.

14 CRYSTAL DEWITT,

15 having been duly sworn, testified as follows:

16 JUDGE HOPKINS: Please state and spell your

17 name for the court reporter.

18 MS. DEWITT: Crystal Dewitt, C-r-y-s-t-a-l,

19 Dewitt is D-e-w-i-t-t. My address is 791 Meadow Cliff

20 Drive, St. Charles, Missouri.

21 I agree with everything that has been said.

22 I, too, obviously oppose the 54 percent increase, but I

23 have a couple of other, I guess different, or things I

24 would like to add as to why I oppose it, and one is the

25 gentleman mentioned you pay for what you get. I don't

1 think I'm paying for what I get, because I don't think I'm
2 getting very good service now.

3 I moved from Chesterfield to -- built a new
4 home, and I live at 94 and Caulks Hill, and I moved in
5 November of 1997, and I have called Missouri Water
6 numerous times since then, as somebody mentioned, about
7 water pressure.

8 You know the little rain trains that run off
9 of water pressure? If somebody flushes the toilet, my
10 train train stops. You don't dare do your laundry and
11 take a shower at the same time, or do anything at the same
12 time because the water pressure is so poor there. That is
13 one of the reasons why I oppose the rate increase, because
14 I don't think we have good water pressure as it is.

15 When I called the Missouri Water Company in
16 November of '97, I was told they were working on that,
17 that it just so happened to be the area I was living in,
18 it would be improved. It hasn't improved at all since
19 then.

20 The other thing I would like to also comment
21 on is our current rates that we are paying, and I just
22 found out in the meeting today that Missouri Water has
23 since bought St. Louis County Water, that that might
24 change St. Louis County Water rates, but I called, I
25 called St. Louis County Water, and I looked at my current

1 bill, and I called Missouri-American Water and I called
2 St. Charles City Water Company to get what everybody's
3 rates were, and it's interesting, first of all, that
4 Missouri Water bills once a month, St. Charles City does
5 every two months, St. Louis County does every three
6 months, and one thing that is included in your bill that
7 is not itemized is there is a usage fee. We pay a usage
8 fee. Missouri Water is \$5.94. I'm assuming, of course,
9 that the people I talked to gave me correct information,
10 but we pay a usage fee. Missouri Water's usage fee is
11 \$5.94 a month. St. Charles City usage fee is \$1.80 per
12 month. St. Louis County has no usage fee at all.

13 And then if you look at what your rate is per
14 thousand gallons, Missouri Water Company is higher than
15 St. Charles City, and it's higher than St. Louis County
16 currently is.

17 If you just want to look at a flat example,
18 this is what I did. I took 10,000 gallons of water per
19 month, what is it if you look at those three different
20 places.

21 Ten thousand gallons of water used by
22 Missouri-American Water Company with their usage fee,
23 which is included in your bill, it's not itemized in your
24 bill that there is a usage bill included, your bill is
25 \$25.44, St. Charles City is \$15.80 and St. Louis County is

1 \$19.30.

2 We already pay a higher rate than St. Charles

3 City and St. Louis County does, and I don't, my water

4 doesn't taste good and I have poor water pressure. Why

5 would I want to pay any kind of increase when I'm not

6 happy with the service that I have at all now, and again

7 I'm basing these figures on the numbers that people gave

8 me on the phone.

9 That's all that I have to say.

10 (Applause.)

11 JUDGE HOPKINS: Any questions, Chair Lumpe?

12 CHAIR LUMPE: I was going to ask again, you

13 said both the quality of taste and pressure issues you

14 have, and if you would give your name to the staff to look

15 at those.

16 JUDGE HOPKINS: Any questions, Commission

17 Schemenauer?

18 COMMISSIONER SCHEMENAUER: No questions.

19 Thank you for coming.

20 JUDGE HOPKINS: Mr. Franson.

21 MR. FRANSON: No questions, Your Honor, but I

22 would ask her to speak to Mr. Merciel.

23 JUDGE HOPKINS: Mr. England.

24 MR. ENGLAND: No questions.

25 JUDGE HOPKINS: Jeff Chapple.

1 JEFF CHAPPLE,
2 having been duly sworn, testified as follows:
3 JUDGE HOPKINS: Would you please state and
4 spell your name for the court reporter.
5 MR. CHAPPLE: Jeff Chapple, C-h-a-p-p-l-e.
6 First of all, I would like to start out by I
7 do agree with most of these people. I'm probably the
8 youngest person who spoke this evening. I'm in my first
9 home ever. I have had plenty of apartments where I didn't
10 have to pay for water.
11 I pay the utilities now, and I haven't had a
12 problem until last summer. My subdivision was 50 percent
13 occupied, and my mail box was taller than my sprinkler. I
14 called my water company. I spoke with, let's see here,
15 with Mr. William Harding. He called me on a nightly basis
16 to check on my pressure, because Mr. Huffman didn't agree
17 with him also. I had both of those gentleman with the
18 Public Works Commission here come to my house with a
19 meter. Of course, it was 2:00 o'clock in the afternoon
20 when they checked it, and my pressure problem is at 7:00
21 or 8:00 o'clock at night.
22 Now my subdivision is 100 percent occupied.
23 I can't wait to see what this summer brings. Of course,
24 they said it was due to a pumping problem in either
25 Defiance or Weldon Spring. I live in O'Fallon at Highway

1 K and Laura Hill. That is where the growth is.

2 It's not going to get any better unless we
3 build some infrastructure. We supposedly did. That's
4 fine. I'll pay for that, but I'm not paying for St.
5 Joseph, Missouri.

6 They are not paying for our Rascal Stadium.
7 They are not paying for our Family Arena. We are. That's
8 fine. We live here. They don't. It is definitely a
9 monopoly.

10 If I don't like my cable company, I can get
11 satellite or have an antenna. If I don't like my phone
12 company, I can get a different one, cellular, digital. If
13 I don't like my electric bill I could go down to solar
14 power, if I wanted to, but water, I don't have a choice
15 because, as somebody stated, we can't put wells out here.

16 I appreciate the time. I feel that it's
17 ridiculous that we have to come down here, that a company
18 would even bring 54 percent and think it would be
19 reasonable.

20 I have managed properties. I manage hotels,
21 and I do have one in St. Peters that my corporation is
22 going to flip when they find a 54 percent increase, so
23 what am I going to do, raise my rates and cover those
24 costs, so now I have to pay it at home, and now my guests
25 also suffer.

1 AT&T just sent me a letter. They are raising
2 my rates, too, my cable company. I'm getting more
3 channels. I get what I paid for.

4 That's pretty much all I have to say.

5 JUDGE HOPKINS: Thank you, Mr. Chapple.

6 Any questions, Chair Lumpe?

7 CHAIR LUMPE: No.

8 JUDGE HOPKINS: Any questions, Commissioner
9 Schemenauer?

10 COMMISSIONER SCHEMENAUER: No questions.

11 JUDGE HOPKINS: Mr. Franson.

12 MR. FRANSON: No questions.

13 MR. ENGLAND: None.

14 (Applause.)

15 JUDGE HOPKINS: Katie Wannstedt.

16 KATIE WANNSTEDT,
17 having been duly sworn, testified as follows:

18 JUDGE HOPKINS: Please state and spell your
19 name.

20 MS. WANNSTEDT: Katie Wannstedt, K-a-t-i-e,
21 W-a-n-n-s-t-e-d-t.

22 First of all, I'm like really nervous.

23 First off, as a consumer I'm very offended
24 that you would even expect that we would not be against
25 this increase, but the reason I came up is I also live in

1 Wrenwyck. One of our trustees was here earlier.

2 I was walking my dog one night a couple of
3 weeks ago and there was this river running down the gutter
4 into the sewer, so I was concerned. I live at the front
5 of the subdivision and I went up and there was a pipe,
6 there was an orange like little horse and there was a pipe
7 and this water is coming at me, flowing, and I went home
8 immediately and called the water company and told them
9 about it. That was a Tuesday night. I expected that
10 Wednesday someone would be out to fix it.

11 I got home from work Wednesday night, still
12 flowing, so I called again Wednesday night, I think, or
13 maybe I let it go Wednesday night. I did call again, I
14 think it was maybe Thursday night, because nobody had been
15 there to fix it, and I couldn't understand why all of this
16 water was rushing out.

17 The lady told me that she would report it as
18 an emergency. I get a call from, I believe the guy's name
19 was Larry, and he explained to me that they would be out
20 the following Monday, so that is almost a full week of
21 this water rushing down into the sewer back into the
22 creek. So I asked him who is going to pay for this water.
23 Oh, no, your subdivision doesn't have to pay for it. I
24 guess that makes it okay to allow it to continue to rush.

25 Monday morning they did come out and fix it,

1 supposedly. I think it's still leaking somewhat under the
2 person's driveway, but I want to know why I'm supposed to
3 look at my water as this valuable commodity that I am
4 going to have to pay a 54 percent increase on, when the
5 water company doesn't view it that way if they are going
6 allow it to rush down into a gutter. I find that
7 unbelievable.

8 Thank you.

9 JUDGE HOPKINS: Thank you.

10 Do you have any questions, Chair Lumpe?

11 CHAIR LUMPE: I have no questions. Thank
12 you.

13 JUDGE HOPKINS: Commissioner Schemenauer.

14 COMMISSIONER SCHEMENAUER: No questions.

15 Thank you.

16 JUDGE HOPKINS: Mr. Franson.

17 MR. FRANSON: No questions.

18 MR. ENGLAND: None.

19 (Applause.)

20 JUDGE HOPKINS: That was the last witness.

21 If there are no more witnesses --

22 MS. LEONARD: I forgot to say something
23 important.

24 JUDGE HOPKINS: All right. Would you please
25 come up here again, and your name?

1 MS. LEONARD: Becky Leonard.

2 JUDGE HOPKINS: And you are still under oath.

3 MS. LEONARD: I'm still under oath, that's

4 right.

5 Anyway, I was telling you about the trailer

6 park that I live in. I forgot to tell you that there is a

7 swimming pool and a laundromat, and to the best of my

8 knowledge, when they took that water bill and split it up

9 between one old person or ten people in a family, we are

10 paying for all of that, too, to the best of my knowledge,

11 and I don't think that is fair, and I think somebody

12 should look into that. And I want to say if any of you

13 have a dairy farm or any elephants, you better look out.

14 Cows drink a lot. Thank you.

15 (Applause.)

16 JUDGE HOPKINS: If there are no more

17 witnesses, this hearing is adjourned.

18 We certainly appreciate each and every one of

19 you and, believe me, all of the Commissioners will read

20 all of the testimony and take it into consideration.

21 Thank you.

22

23 (Whereupon, at 9:00 o'clock, p.m. the hearing

24 was adjourned.)

25

NOTARIAL CERTIFICATE

STATE OF MISSOURI)
) SS.
COUNTY OF ST. CHARLES)

I, JANINA A. JAEGER, a Registered Professional Reporter and a duly commissioned Notary Public within and for the State of Missouri, do hereby certify that I was personally present at the hearing in the above-entitled cause at the time and place set forth in the caption sheet hereof, that I then and there took down in stenotype the proceedings had, and that the foregoing is a full, true and accurate transcript of such stenotype notes so made at such time and place.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this _____ day of May, 2000.

My Commission expires April 1, 2004.

[Notary Public]