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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

PREHEARING CONFERENCE

November 2, 2001
Jefferson City, Missouri
Volume 1

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|---------------------------------|---|-------------|
| Staff of the Missouri Public |) | |
| Service Commission, |) | |
| |) | |
| Petitioner, |) | |
| |) | |
| v. |) | WC-2002-146 |
| |) | |
| St. Louis County Water Company, |) | |
| doing business as Missouri- |) | |
| American Water Company, |) | |
| |) | |
| Respondent. |) | |

BEFORE: KEVIN A. THOMPSON, Presiding,
DEPUTY CHIEF/REGULATORY LAW JUDGE.

REPORTED BY:

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2 APPEARANCES:

3 RICHARD T. CIOTTONE, Of Counsel
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5 Jefferson City, Missouri 65102

6 AND

7 DAVID P. ABERNATHY, Vice-President, General Counsel
and Secretary
8 Missouri-American Water Company
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9 St. Louis, Missouri 63141-6875

10 FOR: St. Louis County Water Company, d/b/a
Missouri-American Water Company.

11

12 ROBERT H. GRANT, Deputy County Counselor
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13 County Government Center
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14 Clayton, Missouri 63105

15 FOR: St. Louis County.

16

RUTH O'NEILL, Legal Counsel
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FOR: Office of the Public Counsel.

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20 KEITH R. KRUEGER, Deputy Counsel
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21 Jefferson City, Missouri 65102

22 FOR: Staff of the Missouri Public Service
Commission.

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

2 (Written Entries Appearances were filed.)

3 JUDGE THOMPSON: Good morning. My name is
4 Kevin Thompson. I'm the regulatory law judge assigned to
5 preside over this matter, which is in the matter of the
6 Staff of the Missouri Public Service Commission,
7 Complainant, versus St. Louis County Water Company,
8 Respondent.

9 This is Case No. WC-2002-146.

10 We'll go ahead and take oral entries of
11 appearance at this time, beginning with Staff.

12 MR. KRUEGER: Thank you, Your Honor.

13 Keith Krueger for the Staff of the Missouri
14 Public Service Commission. My address is P. O. Box 360,
15 Jefferson City, Missouri 65102.

16 JUDGE THOMPSON: Thank you.

17 Ruth.

18 MS. O'NEILL: Ruth O'Neill for Office of the
19 Public Counsel. The address is P. O. Box 7800,
20 Jefferson City, Missouri 65102.

21 JUDGE THOMPSON: Thank you.

22 Company.

23 MR. CIOTTONE: Richard T. Ciottone appearing on
24 behalf of Respondent, St. Louis County Water Company. My
25 address is 949 East Essex, St. Louis, Missouri 63122.

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1 My co-counsel is David P. Abernathy. He's
2 Vice-President and Corporate Counsel of the Respondent,
3 St. Louis County Water Company, d/b/a Missouri-American
4 Water Company.

5 MR. ABERNATHY: With an address -- a different
6 address than him of 535 North New Ballas Road, St. Louis,
7 Missouri 63141.

8 JUDGE THOMPSON: Thank you.

9 MR. GRANT: My name is Robert H. Grant. I'm
10 Deputy County Counselor, St. Louis County, Missouri. Our
11 address is 41 South Central, Clayton, Missouri 63105.

12 We filed a motion to intervene, Judge, which I
13 understand has not been ruled on, but we ask that we be
14 allowed to intervene.

15 JUDGE THOMPSON: Do you know when you filed
16 that?

17 MR. GRANT: It was, I believe, Wednesday of
18 this week.

19 JUDGE THOMPSON: Okay. I don't think it's made
20 its way into my file yet.

21 Does anyone have any objections to the
22 intervention application filed by St. Louis County?

23 MR. KRUEGER: Staff does not.

24 JUDGE THOMPSON: Staff does not.

25 Public Counsel?

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1 MS. O'NEILL: No, Your Honor.

2 MR. CIOTTONE: No, Your Honor.

3 JUDGE THOMPSON: Hearing no objections, the
4 application to intervene of St. Louis County will be
5 granted.

6 MR. GRANT: Thank you, Your Honor.

7 JUDGE THOMPSON: Thank you, sir.

8 Do the parties have anything to bring to my
9 attention at this time?

10 MR. CIOTTONE: No, Your Honor.

11 MS. O'NEILL: No.

12 MR. KRUEGER: No.

13 JUDGE THOMPSON: I don't want to keep the
14 reporter any longer than necessary, but, Keith, could you
15 give me a brief synopsis of exactly what it is that you're
16 fighting about in this case?

17 MR. KRUEGER: Briefly, a statute was enacted
18 authorizing the Company to authorize the collection of
19 monies for the purpose of service line repairs, and
20 St. Louis County then enacted an ordinance in compliance
21 with that. Then the County and the Company made a
22 contract attempting to comply with the ordinance and the
23 statute.

24 It's the Staff's position that the contract --
25 the terms of the County contract differ somewhat from the

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1 terms of the statute and the ordinance, in that the terms
2 of the contract would impose this fee upon customers
3 rather than upon the owners of the -- of the line.

4 JUDGE THOMPSON: I see.

5 MR. KRUEGER: That is one issue.

6 Another issue is the date at which those --
7 those fees started to be collected.

8 The Staff believes that it is to be collected
9 beginning July 1, and the Company began collecting it on,
10 I think, March 1 or March 31.

11 JUDGE THOMPSON: Okay.

12 MR. KRUEGER: So those are the main issues.

13 JUDGE THOMPSON: Okay. Thank you, Mr. Krueger.
14 Do you want to respond?

15 MR. CIOTTONE: Well, Your Honor, that's a
16 reasonable characterization, I think, of the Staff's
17 position, and it wouldn't serve me to restate what they
18 believe.

19 The Company's position is that we have filed an
20 approved tariff stating what we should do. We are not
21 married to the terms of the tariff, and we're perfectly
22 willing to discuss some sensible, expedient way to modify
23 that in the future.

24 We have no desire to aggravate or displease the
25 Staff. We have no desire to aggravate or displease

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1 St. Louis County. We're somewhat -- not somewhat. We are
2 intermediaries in this matter, and we simply would like to
3 work something out that serves the interests of everyone.
4 And to the extent that that's possible, we hope to
5 accomplish that today.

6 JUDGE THOMPSON: Thank you, sir.

7 Public Counsel?

8 MS. O'NEILL: I don't have anything to add to
9 the previous discussion, Your Honor.

10 JUDGE THOMPSON: St. Louis County?

11 MR. GRANT: Just briefly, Your Honor.

12 I think the only thing that was directed
13 towards St. Louis County pertains to the ordinances that
14 the County passed. And the County actually passed two
15 relevant ordinances in this case.

16 One was to actually impose the fee of \$1 per
17 customer, or whatever, and that that ordinance was
18 effective back in December of 2000 and provided for its
19 immediate collection.

20 The second ordinance actually provided the
21 program by which the water lines would be repaired. It
22 did have an effective date of July 1st, 2001.

23 But the County's firm position is that the
24 collection of the dollar pursuant to the contract with the
25 water company was definitely in effect prior to the

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1 July 1, 2001 date for the implementation of the practice.

2 JUDGE THOMPSON: Thank you, sir.

3 There is a procedural schedule -- or proposed
4 procedural schedule due, I believe, a week from today.
5 And most of you are old hands at practice here, so you
6 know what it will need to contain.

7 It sounds as though there is a reasonable
8 possibility of a settlement, perhaps, being reached. In
9 that case, you could perhaps just in a week tell me that
10 settlement negotiations are going on. Perhaps you'll want
11 to push the proposed procedural schedule off if it looks
12 like you're going to be able to settle and you don't need
13 to start filing testimony and the like.

14 Whatever you want to do is fine with me, and
15 nice to see you all here today.

16 There being nothing further, we will adjourn
17 the recorded position of the prehearing conference.

18 This room is available to you until
19 five o'clock. I hope you will have fruitful discussions
20 and make this case go away.

21 Thank you.

22 WHEREUPON, the recorded portion of the
23 Prehearing Conference was concluded.

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