

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

November 12, 2003
Joplin, Missouri
Volume 9

0500

In the Matter of Missouri-American)
Water Company's Tariff to Revise) Case No. WR-2003-
Water and Sewer Rate Schedules)

KEVIN THOMPSON, Presiding
SENIOR REGULATORY LAW JUDGE

STEVE GAW
CHAIRMAN

REPORTED BY: JILL A. RENFRO, C.C.R.

APPEARANCES

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(ph.) - phonetic

(sic) - exactly as spoken

1 BY JUDGE THOMPSON:
2 We'll go ahead and go on the record
3 now and come to order. We are here
4 in the matter of the general rate
5 increase for water and sewer service
6 provided by Missouri American Water
7 Company, Case Number WR2003-0500.
8 The company has filed tariffs
9 proposing rate increases designed to
10 produce approximately an additional
11 twenty million dollars in gross
12 annual water service revenues, about
13 a 12.2 percent increase company
14 wide. There are also tariffs
15 providing for approximately a
16 sixteen hundred dollar sewer service
17 rate increase that applies to only
18 one service area that does not
19 include the Joplin area. I should
20 mention that the Commission staff
21 has filed an excessive earnings
22 complaint against the company,
23 suggesting that with its current
24 tariffs the company is earning
25 approximately twenty million dollars

1 over its authorized rate of return.
2 This hearing that we refer to as a
3 local public hearing is part of the
4 official evidentiary hearing that
5 the Commission is holding in this
6 case. We are holding nine of these
7 local public hearings, one in each
8 of the service areas. The reason
9 we come to the service area is to
10 give the rate payers an opportunity,
11 a convenient opportunity we hope, to
12 give their testimony as to the
13 proposed rate increase, and also as
14 to any service or quality issues
15 that they would like to bring to
16 the attention of the Commission.
17 The Commission consists of five
18 members who are appointed by the
19 governor to six year terms, they
20 are then confirmed by the Missouri
21 Senate. One member of the
22 Commission is with us tonight,
23 Chairman Steve Gaw. The other four
24 members who were unable to attend
25 tonight will nonetheless read your

1 testimony in the written transcript.
2 So whatever you say will be read and
3 considered by all five of the
4 members of the Commission. The
5 Commission regulates the activities
6 of investor owned utilities in the
7 State of Missouri. We do not
8 regulate municipals, we do not
9 regulate cooperatives. Investor
10 owned utilities. And the
11 Commission's duty in a case like
12 this one is to determine what is a
13 just and reasonable rate, one that's
14 fair to the company and fair to the
15 rate payers, and then instruct the
16 company to file tariffs accordingly.
17 Because this is part of the official
18 evidentiary hearing, all testimony
19 will be taken under oath. If you
20 prefer not to swear you may affirm.
21 So with all of that understood, why
22 don't we have - do you have any
23 opening remarks?

24 BY CHAIRMAN GAW: Just
25 briefly. Thank you, Judge. I

1 don't know if this is working or
2 not. Can you all hear me okay? I
3 just want to thank you for coming
4 tonight. And it's important for us
5 to hear from you about your opinion
6 in regard to this rate request. I
7 know everyone has other things, you
8 have other things that are important
9 to do. It's not easy to take the
10 time to come out, and it's
11 important for us that we hear from
12 you in regard to the rate request
13 and in regard to the service that
14 you receive. The other
15 Commissioners will also look at your
16 testimony, and, again, just if you
17 have something that you want us to
18 hear, please, take the time since
19 you are already here to tell us.
20 We want - we want to hear your
21 opinions. So thank you very much,
22 and, Judge, I'll turn it back over
23 to you.

24 BY JUDGE THOMPSON:

25 Thank you, Chairman. Why don't we

1 take oral entries of appearance from
2 counsel now beginning with the
3 company.

4 BY MR. ENGLAND: Thank
5 you, Your Honor. Let the record
6 reflect the appearance of W.R.
7 England on behalf of the company,
8 the Missouri-American Water Company.

9 BY JUDGE THOMPSON:
10 Thank you, sir. Ms. O'Neill.

11 BY MS. O'NEILL: Yes.
12 Good evening, Your Honor. My name
13 is Ruth O'Neill. I'm with the
14 Office of the Public Counsel,
15 representing the Office of the
16 Public Counsel and the public.

17 BY JUDGE THOMPSON:
18 Thank you. Mr. Krueger.

19 BY MR. KRUEGER: My
20 name is Keith Robert Krueger. I'm
21 the attorney for the staff of the
22 Missouri Public Service Commission.

23 BY JUDGE THOMPSON:
24 Thank you. I will call the first
25 witness now. Lettie Miller. Thank

1 you, ma'am. Use the podium or take
2 a seat as you prefer.

3 LETTIE MILLER

4 Having been first duly sworn and examined,
5 testified as follows:

6 BY JUDGE THOMPSON: Why
7 don't you go ahead and spell your
8 name for the reporter if you would.

9 BY LETTIE MILLER:
10 Lettie. L-E-T-T-I-E. Miller.

11 BY JUDGE THOMPSON:
12 M-I-L-L-E-R?

13 BY LETTIE MILLER:
14 That's right.

15 BY JUDGE THOMPSON: Yes,
16 ma'am. Are you presently a
17 customer of Missouri-American Water
18 Company?

19 BY LETTIE MILLER: Yes,
20 I am.

21 BY JUDGE THOMPSON:
22 Please proceed.

23 BY LETTIE MILLER: You
24 want my - do you want my address?

25 BY JUDGE THOMPSON: No,

1 ma'am, I don't need your address.

2 BY LETTIE MILLER: No,

3 I felt like that this needs to be
4 looked at seriously. First of all,
5 when this plant was sold we were
6 getting our bills every three
7 months, now it's monthly, then you
8 add the waste water to it, then you
9 get a letter saying that they need
10 \$4.00 a month for line protection,
11 which is garbage. If you have a
12 new line why would you - you know,
13 that would be like buying insurance
14 policy, you know, against a cold.
15 Then they come back with this rate
16 increase of \$2.26 a month, but they
17 don't tell you how long this
18 increase was going to go on. Is it
19 forever? And people in my age
20 bracket have already said they can
21 cut back by quit using their
22 dishwashers. Now, you know this is
23 sad. This is absolutely sad when
24 people have to cut back. I think
25 it's something that we really need

1 to look at. I know everything has
2 gone up. Tonight on the news it
3 said turkeys were going to be
4 twenty-nine cents a pound higher
5 this year. Well, yeah, but this -
6 this rate increase might cost us
7 more in the long run. I mean, I
8 know that you possibly will get an
9 increase, but this \$2.26, they said
10 average, so that doesn't tell you
11 how much more that's going to be,
12 and I thank you for letting us have
13 a hearing.

14 BY JUDGE THOMPSON: Yes,
15 ma'am. Thank you for your testimony.

16 BY LETTIE MILLER:
17 Uh-huh.

18 BY JUDGE THOMPSON:
19 Questions from the bench?

20 EXAMINATION BY CHAIRMAN GAW:

21 Q. Ms. Miller, thank you for coming this
22 evening.

23 A. Uh-huh.

24 Q. If you want to share it with me, can you
25 tell me what your average bill runs--

- 1 A. Well, I live alone, and it's \$17.00 a month.
- 2 Q. All right.
- 3 A. But that's with your waste water treatment.
- 4 And then the City is thinking about going
- 5 with the garbage on there the first of the
- 6 year. Now, what this is going to amount to
- 7 is a big utility, and -
- 8 Q. Do you know how much of that - is all of
- 9 that \$17.00 going to Missouri-American, if
- 10 you know?
- 11 A. About \$9.00 a month is for the water.
- 12 Q. About \$9.00. Okay. You said something
- 13 about line protection?
- 14 A. Well, yeah. We got a letter--
- 15 Q. Can you explain that a little more?
- 16 A. Everybody got one. About protection of
- 17 your line. Well, and it was \$4.00 a month.
- 18 And what they wanted to do, was they wanted
- 19 - but when you read everything about it, it
- 20 wasn't going to protect your line. If you
- 21 had a water leak you were paying for it.
- 22 So, I mean, it was like \$4.00 a month for
- 23 what. There was no guarantee that they
- 24 were going to fix anything.
- 25 Q. You got this from Missouri-American?

1 A. Yes. Uh-huh. Everybody got one.

2 Q. Did you bring a copy?

3 A. No, I didn't, but somebody probably has one
4 here.

5 Q. Okay. Well, maybe if someone is going to
6 testify that has a copy we might be able to
7 see it.

8 A. Okay.

9 Q. And I think that's all I have. Thank you.

10 A. Thank you.

11 BY JUDGE THOMPSON:

12 Thank you, Chairman. Questions from
13 counsel?

14 BY MR. ENGLAND: No.

15 BY MS. O'NEILL: No
16 questions.

17 BY JUDGE THOMPSON: Ms.

18 O'Neill, Mr. Krueger. There appear
19 to be none. You're excused. Thank
20 you very much, ma'am. John Orton.

21 BY JOHN ORTON: I just
22 agree with what she said, and I
23 don't have anything else.

24 BY JUDGE THOMPSON:

25 Okay. Could I put you under oath

1 real quick.

2 BY JOHN ORTON: Can I
3 do it here?

4 JOHN ORTON

5 Having been first dully sworn and examined,
6 testified as follows:

7 BY JUDGE THOMPSON: How
8 do you spell your last name, sir?

9 BY JOHN ORTON:
10 O-R-T-O-N.

11 BY JUDGE THOMPSON:
12 Okay. And the testimony that you
13 gave before I put you under oath,
14 is that testimony true so far as
15 you know?

16 BY JOHN ORTON: Yes.

17 BY JUDGE THOMPSON:
18 Thank you, sir. Questions from the
19 bench?

20 BY CHAIRMAN GAW: No.

21 BY JUDGE THOMPSON:
22 Counsel?

23 BY MS. O'NEILL: No,
24 Your Honor.

25 BY MR. ENGLAND: No.

1 BY JUDGE THOMPSON:

2 Okay. Brian Head.

3 BRIAN HEAD

4 Having been first dully sworn and examined,
5 testified as follows:

6 BY JUDGE THOMPSON:

7 Would you please go ahead and spell
8 your name, first and last?

9 BY BRIAN HEAD:

10 B-R-I-A-N, Brian, Head, H-E-A-D.

11 BY JUDGE THOMPSON: Mr.

12 Head, are you presently a customer
13 of Missouri-American Water Company?

14 BY BRIAN HEAD: Yes,
15 sir, I am.

16 BY JUDGE THOMPSON:

17 Please proceed.

18 BY BRIAN HEAD: Mr.

19 Chairman, Judge, I appreciate the
20 opportunity to testify on behalf of
21 the City of Joplin. I'm the City
22 Attorney for the City. Today we
23 are here for a public discussion of
24 this most recent rate case filed by
25 the Missouri-American Water Company.

1 As part of this rate case it is my
2 understanding that the company has
3 proposed that the \$900,000.00 excess
4 revenue charge levied against the
5 Joplin district in the last rate
6 case be transferred away from Joplin
7 to another district. While the City
8 of Joplin certainly does not oppose
9 relief for the Joplin rate payers
10 for this excess revenue charge that
11 we affectionately refer to around
12 here as the lug, we are concerned
13 that this previous rate case
14 imposing these excess revenue
15 charges has not yet been finally
16 resolved. Joplin district customers
17 have been and continue to pay this
18 excess charge. On October 2000
19 after the Commission had issued its
20 decision in Missouri-American's last
21 rate case, that's WR2000-281, the
22 City of Joplin appealed the
23 imposition of the, quote, "lug", on
24 the Joplin district because it felt
25 that the facts before the Commission

1 did not justify the decision. In
2 September of 2001 Cole County
3 Circuit Court Judge Thomas Brown
4 issued his ruling agreeing with the
5 City that the facts didn't support
6 the decision, and remanded the case
7 to the PSC for further findings of
8 fact. That decision of the Circuit
9 Court was subsequently upheld by the
10 Missouri Court of Appeals, which
11 ordered the PSC to reconsider the
12 case and provide facts supporting
13 its decision. This is where the
14 case sits today, and it's been over
15 two years at this point. We would
16 request that the Commission complete
17 its work on this previous case to
18 allow final review of the decision
19 so that all parties can proceed with
20 certainty in a more complete
21 understanding of the fundamental
22 structure of our water rates. The
23 lack of resolution of this final
24 piece of the district specific
25 pricing that was so hard fought

1 during the last rate increase
2 continues to insert issues of
3 uncertainty into business expansion,
4 long term resource planning, and
5 other economic development
6 processes. We would ask the
7 Commission to complete its work on
8 the findings of fact from the
9 previous case, and allow the
10 judicial review to continue without
11 further delay. In addition to our
12 concern about the lug discussed
13 above, this rate case now includes a
14 recent finding by PSC staff that
15 the Missouri-American Water Company
16 has overcharged rate payers by some
17 twenty million dollars. We
18 understand that PSC staff and
19 Missouri-American have serious
20 differences in the way that they
21 see this portion of the case. We
22 would ask the Commission to weigh
23 the staff's complaint in a careful
24 and deliberate manner. If PSC
25 staff is proven to be correct in

1 whole or in part, we would
2 certainly expect that the Joplin
3 district would receive return of its
4 overpayment. In any event, this
5 casts doubt upon any claim by
6 Missouri-American for the need of an
7 additional rate increase. Those are
8 my remarks.

9 BY JUDGE THOMPSON:
10 Thank you, sir. Chairman Gaw,
11 questions?

12 BY CHAIRMAN GAW: I
13 don't think I do. Thank you.
14 Thank you, Mr. Head.

15 BY JUDGE THOMPSON:
16 Questions from counsel?

17 BY MR. ENGLAND: No,
18 thank you.

19 BY MS. O'NEILL: No,
20 Your Honor.

21 BY JUDGE THOMPSON:
22 There appear to be none. Thank
23 you, sir. You may step down. Erma
24 Clement. I want to take a moment
25 and commend the people of Joplin

1 for their clear handwriting. This
2 is the first of these nine hearings
3 where I have actually been able to
4 read every name on the sign up list
5 with no difficulty at all, and I
6 appreciate that.

7 ERMA CLEMENT

8 Having been first dully sworn and examined,
9 testified as follows:

10 BY JUDGE THOMPSON:

11 Ma'am, could you please spell your
12 name, first and last?

13 BY ERMA CLEMENT:

14 E-R-M-A, C-L-E-M-E-N-T.

15 BY JUDGE THOMPSON:

16 Thank you. Are you presently a
17 customer of Missouri-American Water
18 Company?

19 BY ERMA CLEMENT: Yes,
20 we are.

21 BY JUDGE THOMPSON:

22 Please--

23 BY ERMA CLEMENT: We're
24 not in the municipal part of the
25 town. We live in the county.

1 BY JUDGE THOMPSON:

2 Please proceed.

3 BY ERMA CLEMENT: And I

4 might add that right now they are
5 getting ready to run the line two
6 whole miles from where it is right
7 now to do more of the county, also,
8 and this was evidently the part of
9 the town that was brought in to the
10 district, into the city, but right
11 now I do still live in the county,
12 and it's an expensive county. Our
13 school gets \$3.74 for every \$100.00
14 valuation on our property tax. And
15 I had the opportunity to have been
16 to Jefferson City not very long ago
17 with the Silver Haired Legislature.
18 I also had the opportunity to go to
19 the silver haired people that go to
20 the Senior Centers to have lunch,
21 and there's more and more of this
22 wonderful generation of people that
23 are needing help to help eliminate
24 some of the tax on them and not put
25 more on them. My water bill, this

1 is in July, the service charge was
2 \$7.08, my water bill was \$7.66, plus
3 they put \$13.00 - or thirteen cents
4 tax. Excuse the slip. I think in
5 dollars now because everything is so
6 expensive. But I don't feel like
7 they need the rate increase. I
8 think we need to start learning how
9 to do without, and start preparing
10 to do better with what they've got.
11 Not only the water utility, but also
12 the gas and the electric as well.
13 Thank you for your time.

14 BY JUDGE THOMPSON:
15 Thank you, ma'am. Questions from
16 the bench? Chairman Gaw?

17 EXAMINATION BY CHAIRMAN GAW:

18 Q. Ms. Clement, just a couple of questions.

19 A. Excuse me.

20 Q. That's all right. What did you say your
21 bill was again a month?

22 A. My service charge was \$7.08.

23 Q. \$7.08.

24 A. And my actual water bill, the usage was
25 \$7.66, and then they had put thirteen cents

1 tax on it, making a total of \$14.87.

2 Q. That's what I was trying to make sure I was
3 following. So the total bill--

4 A. And I am another one that has also used my
5 dishwasher once a month. That's just to
6 keep it working. I drain my dishes in it.
7 I do.

8 Q. Yes, ma'am.

9 A. But that saves on water. There's just the
10 two of us on the bill.

11 Q. That's what I was going to ask you.

12 A. Just the two of us.

13 Q. How did you know that? You're anticipating
14 my questions before I can get them out of
15 my mouth.

16 A. We're very conservative.

17 Q. Yes, ma'am.

18 A. Thank you.

19 Q. The - the area that you live in is outside
20 of town?

21 A. Yes, we do - we live in Newton County.

22 It's just across I-44.

23 Q. Yeah. If--

24 A. And we miss the city limits, now that they
25 have brought in part of it, by a quarter of

1 a mile.

2 Q. Are you served directly - do you pay your
3 bill to Missouri-American or to a--

4 A. Missouri-American.

5 Q. Okay. Not to a public water supply
6 district that's served by them?

7 A. Yes. And they're getting ready to have
8 some more customers brought in because
9 they're getting ready to send two miles of
10 line from Duquesne Road on east.

11 Q. Are you - are you telling me you think
12 that's a good or a bad idea?

13 A. Well, I think they - probably with new
14 customers they don't need the raise.

15 Q. I just wanted to make sure I understood
16 your point.

17 A. Yes.

18 Q. How long have you been a customer of this
19 company?

20 A. Well, let's see. We had the house built in
21 '91, and we were a customer at that time
22 for five years. We didn't have this
23 service charge at the time. Then when we
24 moved back over, why, we had been over
25 there a little over a year, and we

1 discovered that all of a sudden that they
2 were charging us for our meter, I guess,
3 the very fact that they've got that meter
4 out by the road.

5 Q. Were you the customer of another company--

6 A. No.

7 Q. --in the interim?

8 A. It's the same. American-Water.

9 Q. Okay.

10 A. Same. American-Water. But they found out
11 a way to charge a little bit extra.

12 Q. Are you satisfied with your service?

13 A. The water is fine.

14 Q. Okay.

15 A. I don't think they can hurt the water.

16 Q. Thank you.

17 A. Okay.

18 BY JUDGE THOMPSON:

19 Questions from counsel?

20 BY MS. O'NEILL: No,

21 Your Honor.

22 BY MR. KRUEGER: No

23 questions.

24 BY MR. ENGLAND: No,

25 Your Honor.

1 BY JUDGE THOMPSON:

2 There appear to be none. You're
3 excused, ma'am. Harlan Snow.

4 HARLAN SNOW

5 Having been first dully sworn and examined,
6 testified as follows:

7 BY JUDGE THOMPSON:

8 Would you please spell your name for
9 the reporter, first and last?

10 BY HARLAN SNOW: First
11 name Harlan, H-A-R-L-A-N, last name
12 Snow, as in winter. S-N-O-W.

13 BY MR. THOMPSON: Sir,
14 are you presently a customer of
15 Missouri-American Water?

16 BY HARLAN SNOW: You
17 betcha.

18 BY JUDGE THOMPSON:
19 Please proceed.

20 BY HARLAN SNOW: I'm
21 Harlan Snow, residing at 1722 Texas
22 Avenue, in the corporate limits of
23 the City of Joplin. I have resided
24 in Joplin thirty-five years, and
25 have been a residential customer of

1 Missouri-American Water Company
2 thirty-four years. I'm a retired
3 newspaper reporter, and a fire
4 department buff. I served in 1979
5 as a member of a citizens committee
6 appointed by the City Council to
7 conduct the first outside management
8 review of the Joplin Fire
9 Department. I have no complaints
10 about the quality of the water I
11 buy from Missouri-American, nor its
12 delivery to our house. While I
13 generally on the basis of being on a
14 relatively fixed income and facing
15 general cost of living increases
16 oppose public utility rate
17 increases, but I'm here now to
18 address a more narrow portion of
19 the pending rate case of
20 Missouri-American. I urge the
21 Commission to disallow the inclusion
22 of the company's request for a
23 monthly public fire hydrant service
24 charge and any change of rates. If
25 not disallowed in total, I urge the

1 Commission to allow hydrant charges
2 only in the alternative, in order
3 desirability as follows. A, a
4 surcharge such that would produce
5 annually substantially no more
6 revenue than the water used by the
7 appropriate fire services the
8 previous year, calculated on the
9 gallons used times the use rate
10 levied for a residential meter with
11 a 5/8 inch line. Or, B, require
12 the company to spend substantially
13 all such receipts from hydrant
14 charges to improve the fire flow
15 capabilities in each fire
16 jurisdiction served, such as larger
17 diameter mains, main booster bumps,
18 closer spacing of hydrants, and, but
19 lastly, greater production and
20 distribution capabilities. I have
21 had difficulties in obtaining
22 estimates of revenue that the
23 proposed hydrant charges would
24 produce for the company and the
25 costs to individual customers. The

1 Office of Public Counsel could not
2 pin these down for me this Monday
3 as I was drafting these comments.
4 However, based on the limited record
5 on company filings, I was able to
6 make some charge and revenue
7 estimates. Based on the proposed
8 company formula as contained on
9 sheet number six the company filed
10 last May 19th, I calculate the
11 proposed hydrant charge will produce
12 gross revenue of about \$448,700.00
13 per year, and will translate to
14 about \$1.66 per month per meter in
15 the Joplin district system. Now,
16 hypothetically only, if the
17 \$448,700.00 per year was raised at
18 the current residential usage rate
19 of 5/8 inch line, this would
20 represent hydrant flows totalling
21 about 237.55 million gallons a year,
22 or about 650,000 gallons per day.
23 Of course, the company does not sell
24 or meter the fire flow from
25 hydrants, and probably at a lower

1 rate than residential domestic use
2 if it did. As I looked at the
3 record the company is filing I
4 projected the base charge at my
5 home as going from \$7.08 per month
6 to \$8.50 per month, or an increase
7 of \$1.42 per month, or up by twenty
8 percent. Also, my cost per gallon
9 of the usage charge would go down
10 some, despite what I read in the
11 press. It is not clear to me if
12 the projected \$1.42 per month
13 increase in my base charge, in
14 fact, reflects the proposed hydrant
15 charge or not, or to what degree.
16 Back to fire flow. Speaking now of
17 the district company service area
18 only as it applies to the Joplin
19 corporate limits, I want to say
20 that we have a fine efficient fire
21 department, and a city building code
22 that combined appear to keep our
23 structural fire losses at a
24 reasonably low level. The Joplin
25 Fire Department typically goes

1 several days without a structural
2 fire requiring flow from a fire
3 hydrant. Fire officials have told
4 me that a typical structure fire
5 requiring a hose line attack will
6 require around two thousand to three
7 thousand gallons to put out. Major
8 fires requiring thousands of gallons
9 per minute to knock down come far
10 and few between. I believe in
11 these modern times the fire flow
12 capabilities via hydrants follow the
13 path of production and distribution
14 for domestic use in homes and in
15 businesses except that applies most
16 of the time to water main
17 diameters. Also normally day to day
18 the company water system is up and
19 running, charged full of water,
20 producing revenue and profit whether
21 a hydrant is opened or not. A fair
22 return on the company's costs should
23 be based on the use of water and not
24 hypothetical formula included in the
25 base or minimum charge. Increasing

1 my base or minimum charge with the
2 hydrant charge will not improve fire
3 suppression at my house. It will
4 not move the nearest hydrant closer
5 to my front door, nor increase the
6 flow in the main connect of that
7 hydrant, nor provide for more fire
8 fighters or their efficiency at my
9 house. Let's think about fire
10 suppression with hydrant flow.
11 Hypothetically let's say the
12 company's service area has an
13 average of one large working fire
14 per month, defined as two engines
15 pumping a total of two thousand
16 gallons per minute for thirty
17 minutes. That would be using about
18 sixty thousand gallons. Let's apply
19 the present residential use rate,
20 again, 5/8 inch line, to the above
21 mentioned, and we come up with a
22 so-called charge of \$102.00 per
23 month for the average working fire.
24 Okay, kick up the hypothetical to
25 ten such fires per month, and we

1 get six hundred thousand gallons and
2 \$1,020.00 per month. Now try a
3 factor of one hundred such fires,
4 and we come up with a million -
5 with six million gallon and
6 \$10,200.00 per month. Now,
7 remember, the probable monthly
8 revenue from the proposed hydrant
9 charge appears to be something like
10 \$37,400.00. I believe that the
11 company and its predecessor owners
12 have had something of a free ride
13 when it comes to providing modern
14 infrastructure for fire fighting in
15 a few older parts of town. For
16 example, presently company maps show
17 old style four inch diameter mains
18 with attached hydrants instead of
19 modern standard eight inch mains on
20 North Wall, south of E Street, North
21 Pearl, north of E Street, Joplin
22 Avenue, north of E Street, and
23 Sergeant Avenue between Fourth
24 Street and C Street. These four
25 examples also showed up on a

1 company map seventy years ago.
2 Except for downtown, Joplin hydrants
3 are typically two blocks apart,
4 while in many cities the typical
5 separation is one block. The
6 Commission should require the
7 company to prove in extreme detail
8 that the proposed hydrant charges
9 levied against its customers are
10 clearly linked to fire flow
11 experiences and expectations and
12 despite promised itemization on our
13 bills are not a soon to be crossed
14 over avenue for increased company
15 profits. If the proposed hydrant
16 charge is applied equal to all
17 meters, residential, commercial,
18 industrial, environmental, it would
19 be clearly unfair to most
20 residential rate payers. The
21 company filing suggests that about
22 eighty percent of its Joplin
23 district meters are at homes. It
24 takes a lot more water to put out a
25 fire in a one hundred thousand

1 square foot warehouse fully involved
2 with fire than it does in a fifteen
3 hundred square foot home even though
4 their domestic water usage may not
5 be similar. I don't like the idea
6 of my paying the same monthly
7 hydrant charge as, say, a sprawling
8 automotive garage or a lumberyard.
9 If the proposed hydrant charge will
10 not improve fire suppression on my
11 side of the meter I don't want it
12 on my bill, itemized or not. If I
13 was to drill a well and provide my
14 own domestic water needs and have
15 my company meter yanked, the fire
16 fighters will still come to my house
17 and use the nearest hydrant if they
18 need it. I appreciate the
19 Commission coming to Joplin and
20 hearing the rate case, and I hope
21 this represents more than an
22 exercise. Thank you.

23 BY JUDGE THOMPSON:
24 Thank you, Mr. Snow. Questions
25 from the bench? Chairman Gaw?

1 EXAMINATION BY CHAIRMAN GAW:

2 Q. Mr. Snow, thank you very much for that
3 information and the research that you have
4 done. I appreciate the fact that you took
5 time to do it. I am interested in knowing
6 based upon your experience whether or not
7 you believe that - and I think I heard you
8 answer this question, whether or not you
9 believe that money should be put in to
10 improve the mains and the hydrants if
11 you're looking at what should be the
12 standard for Joplin. And I'm interested in
13 your perspective on it.

14 A. Generally speaking, I think the water system
15 should be up to snuff to provide modern
16 fire fighting flow needs. The water should
17 be there for the water flow the fire
18 department requires in any part of town.
19 That's my general thinking. I think that's
20 a company general obligation. This system
21 started out as a local entrepreneur type
22 water system mainly for fire fighting, but
23 it evolved into a domestic use water
24 system, as most sizeable cities have, and -
25 but if - if I'm going to be charged

1 additional money, then I especially want
2 some or significantly most of it filed back
3 into the fire fighting system.

4 Q. Now, you--

5 A. I don't drink from the hydrant.

6 Q. Well, I guess what - I'm hearing you say
7 the part that says if there's going to be
8 additional money that's assessed to pay
9 extensively for hydrants and fire fighting
10 you want to make sure that that's where the
11 money goes?

12 A. I want - I want the revenue and the source
13 linked.

14 Q. So it can be seen, so you can see that that
15 fund is segregated, or something so that
16 it's clear--

17 A. I have no idea, not being an accountant or
18 lawyer or special engineer, what a fair
19 rate of return is for the company.

20 Q. I understand.

21 A. I'm not hear to offer any testimony in that
22 regard, but if we're going to perpetually
23 have a so-called hydrant charge on my bill I
24 want to know that it's going to the service
25 of the hydrants and the water use of the

1 hydrant. There are parts - there are some
2 jurisdictions in the suburbs where
3 Missouri-American hydrants are and there
4 will be very few residential customers
5 nearby that - and the hydrants won't be
6 open for fire fighting extremely rare, but,
7 again, it's linkage. I'm rambling, but
8 it's linkage. The water I drink, I want to
9 pay it - or use in my bath, I want to pay
10 it by the gallon. I'm quite satisfied with
11 paying by the gallon from the company. I
12 don't want to buy a charged hydrant a block
13 up the street and there's several dozen
14 people who use the same hydrant. If I'm
15 going to pay for that hydrant and its flow
16 I'll go up and open it up and maybe see if
17 I can water my lawn with it.

18 Q. If I ask you the question though to your
19 second sub part, which I understood you to
20 be saying that if there is--

21 A. Oh, B?

22 Q. Yes. In part B. Do you believe that the
23 number of hydrants in Joplin need to be
24 increased? I understood - I understand
25 you're saying that if it's going - if

1 you're going to raise more money you need
2 to invest it in that infrastructure, but--

3 A. The company--

4 Q. --what I'm asking is whether or not--

5 A. The company--

6 Q. --based on your experience you--

7 A. The company--

8 Q. --need more hydrants.

9 A. --has been investing in new mains and new
10 hydrants, but I - it's just as plain as
11 day. If the hydrants and the flow they use
12 cost X amount of money, I don't want the
13 hydrant service charge produce 2X.

14 Q. I'm following you. That's all I have.

15 Thank you.

16 BY JUDGE THOMPSON:

17 Thank you, Chairman Gaw. Questions
18 from counsel?

19 BY MR. ENGLAND: I

20 think I've got a couple of follow
21 up on the Chairman's questions.

22 BY JUDGE THOMPSON: Mr.

23 England.

24 EXAMINATION BY MR. ENGLAND:

25 Q. Mr. Snow, thank you for coming tonight.

1 A. You're welcome.

2 Q. If I understand your option A, you propose
3 to charge the costs of the fire protection
4 basically on a per gallon rate, is that
5 right?

6 A. Based on experience, some form of
7 experience. In other words, if they use a
8 million gallon there should be some sort of
9 formula stating, well, last year they used
10 a million gallons, let's pass on a surcharge
11 to the customer this year.

12 Q. Okay. And I think maybe you just answered
13 my question. Then that - that surcharge
14 would be applied to all customers, is that
15 right?

16 A. Well, I would presume it would be the fair
17 thing to do.

18 Q. Well, what about customers such as commercial
19 manufacturing customers that may provide
20 their own - what's called private fire
21 systems? Sprinklers in the building and
22 the warehouses and what have you. Should
23 they be charged?

24 A. Well, I noticed there are several of them
25 in town, and, no, I think - I think the

1 fair thing would be try some difficult
2 calculation. It should be an element, but
3 I think there would be more sophisticated
4 calculations for their charge.

5 Q. Should there also be a distinction between,
6 I guess what I would call the fixed charges
7 associated with the fire protection, the
8 hydrants themselves, versus the variable
9 charges, which is the water that you need
10 to put out the fire?

11 A. Well, I think the company should get a
12 return on its investments whether they're
13 in mains, and pumps, and whatever it takes
14 to get the water there to the fire flow. I
15 think they should be allowed to get a
16 return on their investment, and recoup the
17 investment, and make a profit, but I don't
18 - I want the link. I want there be clear,
19 fair linkage, so at least the Commission
20 could see, whether I could see it or not,
21 between those costs and the charge, and as
22 I said at one point, Mr. Chairman, I picked
23 up a document, it came out in 1933,
24 Underwriters Bureau, which is now ISO.
25 These old mains over in the northwest part

1 of the town were there then, and I don't
2 know why seventy years after the Fire
3 Inspection Bureau had recommended the change
4 that the company hasn't changed out four
5 inch diameter mains. To me that's pretty
6 dry. They didn't recoup their investment
7 on them when I was a kid.

8 Q. Mr. Snow, one last question.

9 A. Yes, sir.

10 Q. On your use of the word link, if I
11 understand, and I think I understand what
12 you're saying, is you want to be able to
13 track the revenues associated with fire
14 service with the cost to provide that fire
15 service, is that right?

16 A. At least - at least the Commission can.

17 Q. Okay.

18 A. I don't need to spell it out on my bill
19 every day.

20 Q. Fair enough.

21 A. But, yeah, I think the Commission should -
22 the Commission should require linkage to
23 their satisfaction. And, as I stated, I'm
24 not an engineer.

25 Q. Thank you, sir.

1 A. You're welcome.

2 BY JUDGE THOMPSON:

3 Further questions from counsel?

4 BY MR. KRUEGER: None,
5 Your Honor.

6 BY MS. O'NEILL: None,
7 Your Honor.

8 BY JUDGE THOMPSON:

9 Thank you, Mr. Snow, very much.

10 BY HARLAN SNOW: You're
11 welcome.

12 BY JUDGE THOMPSON:

13 Jerry L. Woolsey. Good evening,
14 Mr. Woolsey.

15 BY JERRY WOOLSEY: Good
16 evening.

17 JERRY WOOLSEY

18 Having been first dully sworn and examined,
19 testified as follows:

20 BY JUDGE THOMPSON:

21 Would you please spell your last
22 name for the reporter?

23 BY JERRY WOOLSEY:

24 W-O-O-L-S as in sugar, E-Y.

25 BY JUDGE THOMPSON:

1 Thank you, sir. Are you presently
2 a customer of Missouri-American
3 Water Company?

4 BY JERRY WOOLSEY: Yes,
5 sir, I am.

6 BY JUDGE THOMPSON:
7 Please proceed.

8 BY JERRY WOOLSEY: I
9 come from the old school, and this
10 company is a stock company, and the
11 purpose of stock is to sell stock in
12 order to get the money that you
13 need to upgrade your manufacturing
14 or whatever service you have, okay?
15 So it seems real simple. If you
16 need twenty million dollars, sell
17 twenty million dollars worth of
18 stock, and you have your twenty
19 million dollars. See, it's not
20 brain surgery, and it's not great
21 science, it's just common everyday
22 sense. And that's all I've got to
23 say.

24 BY JUDGE THOMPSON:
25 Thank you, Mr. Woolsey. Questions

1 from the bench? Chairman Gaw?

2 BY CHAIRMAN GAW: I
3 don't think so. I got your point.

4 BY JERRY WOOLSEY: Oh,
5 did I make sense to you? See, I'm
6 not a lawyer, but it makes sense to
7 me. If you need money, sell stock
8 and get the money. Does it make
9 sense to you?

10 BY CHAIRMAN GAW: Mr.
11 Woolsey, since you - since you are
12 still there, let me ask you, are you
13 satisfied with the service that you
14 get?

15 BY JERRY WOOLSEY: Oh,
16 yes.

17 BY CHAIRMAN GAW: Is the
18 water--

19 BY JERRY WOOLSEY: Yeah.
20 Every time I turn the tap on it's
21 there. Yes, sir.

22 BY CHAIRMAN GAW: All
23 right. Would you mind telling me
24 about what your bill runs a month?

25 BY JERRY WOOLSEY: It

1 runs probably about \$21.00 a month.

2 BY CHAIRMAN GAW: All
3 right. And how many are in your
4 household?

5 BY JERRY WOOLSEY: My
6 wife and I.

7 BY CHAIRMAN GAW:
8 That's all I think I have.

9 BY JUDGE THOMPSON:
10 Further questions? Questions from
11 counsel?

12 BY MS. O'NEILL: No,
13 Your Honor.

14 BY MR. KRUEGER: None,
15 Your Honor.

16 BY MR. ENGLAND: Yes.

17 BY JUDGE THOMPSON: Mr.
18 England.

19 EXAMINATION BY MR. ENGLAND:

20 Q. Thank you, Mr. Woolsey, for coming here
21 tonight.

22 A. Sure.

23 Q. Let me ask you, if we do sell an additional
24 twenty million dollars of stock to fund
25 planned improvements and that stuff, would

1 you also expect us to be able to pay a
2 dividend on that stock for the people that
3 purchase it?

4 A. That's customary deal isn't it?

5 Q. That's what I was asking you.

6 A. Yeah.

7 Q. Okay.

8 A. See, you're wanting this twenty million
9 dollars, but you don't tell me other than
10 residential. You say absolutely nothing in
11 here about commercial accounts. Are they
12 going to get up?

13 Q. I can't answer your question--

14 A. Right.

15 Q. --in this setting, but I can--

16 A. Right

17 Q. --after the hearing get information for you.

18 A. See, we're working with just part of the
19 information. Only what the company wants
20 us to know. That's the part we're working
21 on. Now, the part that I asked is if you
22 need twenty million dollars, sell twenty
23 million dollars worth of stock, and make
24 your upgrades, and therefore you're going
25 to get more revenue off of your upgrades

1 and you'll be able to pay the dividends on
2 the stock.

3 Q. Thank you, sir.

4 A. Yes, sir.

5 BY JUDGE THOMPSON:

6 Thank you, Mr. Woolsey. Other
7 questions?

8 BY MS. O'NEILL: No.

9 BY JUDGE THOMPSON:

10 Apparently there are none. Thank
11 you, sir. You may step down.

12 BY JERRY WOOLSEY: All
13 right.

14 BY JUDGE THOMPSON: Is
15 there anyone here that would like
16 to testify that has not had an
17 opportunity to sign up? Come
18 forward, sir. Go ahead and state
19 your name, sir.

20 BY DAVID RAMSEY: David
21 Ramsey.

22 BY JUDGE THOMPSON:

23 David Ramsey. R-A-M-S-E-Y?

24 BY DAVID RAMSEY: Right.

25 BY JUDGE THOMPSON:

1 Okay. Raise your right hand, Mr.
2 Ramsey.

3 BY DAVID RAMSEY: How
4 about left.

5 BY JUDGE THOMPSON:
6 Left will work.

7 DAVID RAMSEY
8 Having been first dully sworn and examined,
9 testified as follows:

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

13 BY DAVID RAMSEY: Yes.

14 BY JUDGE THOMPSON:
15 Please proceed.

16 BY DAVID RAMSEY: Okay.
17 This gentleman just spoke of a good
18 thing. As we all know, Missouri
19 Water was sold January 10th of this
20 year. The stockholders were paid
21 \$10.00 above what the stock was
22 selling for. The stock was worth
23 \$35.00 a share, and the company was
24 paid \$46.00 a share, I believe. As
25 we all know, the people that bought

1 stock in this company is out to make
2 dividends, that's correct, and we
3 all know that, and so, therefore,
4 American-Water expects to make
5 money, and we all - we all know it
6 takes money to run this company, and
7 we're not here to debate that issue.
8 The issue is how much does it take.
9 Well, I'm from the old school, too.
10 I was taught when you have to make
11 careful improvements it comes out of
12 the money that you make which
13 becomes part of the expenses of
14 performing the job, and what's left
15 over after the careful improvements
16 is what's left to give the
17 stockholders. Every time you want
18 a raise it's for - it's for careful
19 improvements, and also dividends for
20 the stockholders. Just how much
21 are we supposed to pay for those
22 dividends for the stockholders?
23 Companies nowadays advertise that
24 they've got to have eight, nine,
25 ten, twelve percent growth. Why do

1 they have to have that big of a
2 growth? What's wrong with a two
3 percent growth, because as long as
4 you're growing you're paying your
5 bills, you're taking care of
6 everything. There's so many people
7 in this community that live on a
8 fixed income, quite a bit of them,
9 myself included. Let's see, bear
10 with me a second to get my thoughts
11 together.

12 BY JUDGE THOMPSON:

13 Take your time, sir.

14 BY DAVID RAMSEY: Okay.

15 I've kind of gone blank. I'll just
16 tell this, tell you that we just
17 want you guys to - to keep that in
18 mind for us.

19 BY JUDGE THOMPSON:

20 Thank you, sir.

21 BY DAVID RAMSEY: Yes.

22 BY JUDGE THOMPSON:

23 Questions from the bench? Chairman
24 Gaw.

25 EXAMINATION BY CHAIRMAN GAW:

1 Q. Mr. Ramsey, thank you very much for coming
2 and testifying. We really, really
3 appreciate it. Do you - if you could tell
4 me about what your water bill runs, I would
5 like to know.

6 A. It's about \$21.00, \$22.00.

7 Q. And about how many people does that serve?

8 A. Just two.

9 Q. Two of you?

10 A. Yeah.

11 Q. And you live inside the city limits?

12 A. Yes. We've got no complaints. We get good
13 service. It's just that every time we turn
14 around the gas has gone up forty percent,
15 my social security goes up two percent next
16 year, and on the other hand, they take
17 twelve percent increase on Medicare. So
18 what little I get on my increase is gone,
19 we give it right back for my health care.
20 Health care for my wife at work went up
21 seventy percent. One more thing I would
22 like to say to all of you is that inflation
23 just keeps going and going and going.
24 Someone, someone needs to say, okay, this is
25 enough, I will take the initiative and do

1 something about it, and not charge any more
2 to lower that thing down. This country is
3 getting top heavy. Big companies and
4 corporations are getting richer and richer,
5 and they just keep going up in prices. The
6 working class, every year their budgets get
7 a little bit tighter and a little bit
8 tighter. Well, one of these days it's
9 going to be like 1920 again. If the top
10 gets too heavy something has got to give.
11 So we all need to work together and try to
12 do something about it and maybe - maybe
13 American-Water - I know they have to make a
14 profit for the investors, but also maybe we
15 might want to take a look at taking that
16 first step and showing that the company -
17 hey, look, that can be done. That's all
18 I've got.

19 Q. Thank you, Mr. Ramsey.

20 A. Yes.

21 BY JUDGE THOMPSON:

22 Thank you, sir. Questions from
23 counsel?

24 BY MS. O'NEILL: No,

25 Your Honor.

1 BY MR. ENGLAND: No,
2 Your Honor.

3 BY JUDGE THOMPSON:
4 You're excused, Mr. Ramsey. Thank
5 you. Is there anyone else who
6 would like to testify that hasn't
7 had an opportunity? Come forward,
8 sir. State your name, please.

9 BY RON SAMPSON: Ron
10 Sampson. S-A-M-P-S-O-N.

11 RON SAMPSON

12 Having been first dully sworn and examined,
13 testified as follows:

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

18 BY RON SAMPSON: Yes.

19 BY JUDGE THOMPSON:
20 Please proceed.

21 BY RON SAMPSON: I'm
22 here on behalf of The Joplin
23 Workshops, Incorporated of Joplin,
24 Missouri. We currently, and for the
25 last eleven years, have ran a

1 health care linen laundry for the
2 area hospitals and medical centers
3 and doctors and clinics within a
4 fifty mile radius of Joplin. We
5 currently use roughly 2.3 million
6 gallons of water per month,
7 approximately twenty-six to
8 twenty-seven thousand a year. Our
9 current bill runs about \$2,700.00 a
10 month, or up around \$25,000.00 to
11 \$30,000.00 a year. When we got the
12 notice about the hearing, again,
13 there was nothing in there about
14 the commercial rates. We have no
15 problem every time we fire up a
16 washer, every time we need to heat
17 the water, every time our folks at
18 the business need a drink of water
19 it's there and it's fine. Our
20 concern is that with everything
21 going on in the state of Missouri
22 losing manufacturing jobs, losing
23 businesses, due to all of the other
24 regulatory things that we're trying
25 to keep up with, we get a little

1 notice here, it's 12.2 percent for
2 residential, but we haven't been
3 notified of what is the commercial
4 rate going to be, and what other
5 dollars are going to be added to
6 that. We just ask the Commission,
7 and ask the water company to - if
8 there's going to be a residential
9 I'm sure there's going to be a
10 commercial, and we would just like
11 to know that because it's very
12 difficult for us to go to our
13 customers and ask for up front
14 twelve and a half percent, 12.2,
15 we're lucky to get a three percent
16 increase a year, and most times we
17 don't get that. So I guess I'm
18 just testifying on behalf of a lot
19 of business. We may not be the
20 largest user, but I think we use a
21 considerable amount of water, and we
22 testified at the last year, and,
23 again, that hasn't been resolved, so
24 if we're over paying we would like
25 to get to under paying, but I would

1 just like the Commission to take a
2 strong look because the service is
3 good, we're getting what we ask
4 for, but if the need is not there
5 don't tack another dollar on us.

6 BY JUDGE THOMPSON:

7 Thank you, sir. Questions from the
8 bench? Chairman Gaw?

9 EXAMINATION BY CHAIRMAN GAW:

10 Q. Mr. Sampson, do you know if you are paying
11 a different rate currently than residential
12 customers are?

13 A. You know, I can't tell you that right off
14 the top of my head. I didn't bring that
15 information. It's a dollar - it's 1.300792
16 per gallon.

17 Q. Okay.

18 A. That's about as close as I can get. I
19 could get you the information, but I don't
20 have that right off the top of my head.

21 Q. I think we probably can get it without you
22 having to do that, but - I'm sure we can,
23 but I was just wondering if you knew. You
24 have one site that you get your water from?

25 A. No, sir. We have three separate businesses.

- 1 Q. Okay.
- 2 A. I'm just mainly here concerned with the one
3 that uses--
- 4 Q. With the laundry?
- 5 A. --the two million, 2.3 million a month.
- 6 Q. Do you know what the basic charges are
7 before you use any water at that site?
- 8 A. Yes, I do, but I don't have that with me.
- 9 Q. That's okay.
- 10 A. I should have provided that for you. I
11 have ten year's worth of history that I did
12 not bring with me.
- 13 Q. Before we got - before we came in here for
14 this part of the proceeding there was a
15 question and answer session. Did you have
16 a chance to ask that question about is
17 there a difference, what is the difference
18 in what's being requested for the
19 commercial users?
- 20 A. No, sir, but I will. I have been told
21 since we have gotten in here that it would
22 be available.
- 23 Q. After we get done - we're not supposed to
24 do that in this part of the proceeding.
- 25 A. Okay.

1 Q. But after we get done there will be
2 representatives from the company, from the
3 staff, and from the Office of Public
4 Counsel, and I'm sure that they would be
5 more than willing to assist in getting you
6 the information on that.

7 A. We're not dissatisfied with the service.
8 Any time we have asked for anybody to come
9 they have been there. We just want to make
10 sure - we would like to make more money,
11 too.

12 Q. I understand. Thank you very much, Mr.
13 Sampson.

14 A. Thank you.

15 BY JUDGE THOMPSON:

16 Questions from counsel?

17 BY MS. O'NEILL: No,
18 Your Honor.

19 BY MR. ENGLAND: No.

20 BY JUDGE THOMPSON:

21 There appear to be none. You may
22 step down. Thank you, sir. Anyone
23 else that would like to testify but
24 has not had an opportunity to sign
25 up? Sir, step forward. State your

1 name, please.

2 BY CHARLES FISH:

3 Charles Fish.

4 BY JUDGE THOMPSON:

5 Would you go ahead and spell your
6 last name?

7 BY CHARLES FISH:

8 F-I-S-H, first name Charles,
9 C-H-A-R-L-E-S.

10 CHARLES FISH

11 Having been first dully sworn and examined,
12 testified as follows:

13 BY JUDGE THOMPSON: Are
14 you presently a customer of
15 Missouri-American Water Company?

16 BY CHARLES FISH: Yes.
17 Yes, I am.

18 BY JUDGE THOMPSON: Go
19 ahead and proceed.

20 BY CHARLES FISH: Very
21 simply I would like to stand up
22 here and say that if I didn't come
23 forward and say something I believe
24 I would be doing my family a
25 disservice. My mom is retired, she

1 lives with me, my sister comes and
2 stays with us on occasion, and what
3 I'm afraid of is every time my mom
4 goes to that faucet and turns it on
5 whether she is going to turn on the
6 faucet and wash dishes or whether
7 she's going to use the dishwasher or
8 whatever, she's looking to look at
9 that faucet being turned on and
10 she's going to think that she is
11 losing pennies each and every time,
12 and I think that's just wrong.
13 Water is not a quality of life
14 issue. We use it every day. It's
15 something that's just got to be
16 there. Now, I'm not going to
17 complain about the water service
18 that we've got at our house. Every
19 time I turn on the faucet it's
20 there, as I would expect it to be,
21 but I just don't think that raising
22 rates and affecting people in this
23 way is necessary. At least I don't
24 have enough information to say this
25 is something we've got to do. I

1 know that businesses have to support
2 their operating costs, and I have
3 done some reading on the internet,
4 and what I found out there, I
5 understand that they have to pay
6 their bills as well, but as one of
7 the gentlemen said earlier so well,
8 when is enough? How much are we
9 going to have to pay? When is it
10 going to stop? You know, there are
11 a lot of people here who are, in
12 fact, on fixed incomes. Whether
13 you're working, or whether you're
14 not working. And having to pay
15 additional money and not
16 understanding completely why, and
17 feeling in many instances that this
18 is just something we have no choice
19 in, I don't have a choice as to who
20 is going to provide water service to
21 my home, I don't have a choice as
22 to who is going to give me gas or
23 electricity, I just pay for their
24 services and hope that when I come
25 home and turn it on it's going to

1 be there. Water, gas, electricity.
2 She's already turning off the fans.
3 She stopped using the dishwasher.
4 In a lot of instances, I think the
5 next thing that's going to happen is
6 water, she's going to cut back. I
7 travel all over the world, and I
8 have seen the same thing before.
9 What's next? Am I going to get
10 charged for the run off of rain on
11 my roof? Thank you very much. I
12 appreciate the opportunity to come
13 forward and say something.

14 BY JUDGE THOMPSON:
15 Thank you, Mr. Fish. Questions
16 from the bench? Chairman Gaw?

17 EXAMINATION BY CHAIRMAN GAW:

18 Q. Mr. Fish, you might tell me what your -
19 what your monthly bill runs.

20 A. I don't handle that, but I brought my
21 financial person, my wife, with me.

22 BY JUDGE THOMPSON:
23 We'll have to swear her in.

24 BY CHAIRMAN GAW: He
25 has to do something about swearing

1 her in, and that will be fine.

2 ANITA FISH

3 Having been first dully sworn and examined,
4 testified as follows:

5 BY JUDGE THOMPSON:

6 What's your name, ma'am?

7 BY ANITA FISH: My name
8 is Anita Fish.

9 BY JUDGE THOMPSON:

10 A-N-I-T-A?

11 BY ANITA FISH: Yes.

12 BY JUDGE THOMPSON:

13 Okay. Ms. Fish, I assume you're
14 the wife of Mr. Fish here?

15 BY ANITA FISH: Yes.

16 BY JUDGE THOMPSON:

17 You're a customer of
18 Missouri-American?

19 BY ANITA FISH: Yes.

20 BY JUDGE THOMPSON:

21 Please proceed.

22 BY ANITA FISH: We
23 moved here about six years ago. We
24 have a four and a half people
25 household, four permanent and a half

1 on occasion. I know this is about
2 the water rates, but most people's
3 concerns I see is about other
4 utilities, taxes, and all of these
5 things. Now, as Charles, and as
6 some other said, people on fixed
7 incomes, they get raises that amount
8 to \$14.00 a month, and a lot of it
9 gets sucked up by taxes, so,
10 therefore, everything else goes up,
11 but the money they have available is
12 not. This is supposed to be the
13 cheapest area to live in. You pay
14 taxes on food, school taxes, there's
15 no help for sending kids to private
16 school, any of these issues, but
17 here is - here is the water thing.
18 For these four people we use, I
19 don't know gallon wise, but our bill
20 is average of \$35.00, give or take
21 a buck, every month. And we have
22 already bought appliances that are
23 not only energy efficient, but also
24 water efficient. We have also made
25 home improvements, such as siding,

1 and extremely expensive windows, and
2 for awhile there, I would say about
3 two or three months, we actually saw
4 some savings, and now that, plus a
5 whole lot of other things, are
6 being eaten up by raises again.
7 Minimum wage. This is a minimum
8 wage town. And even for those who
9 are upper-middle income, water is a
10 valuable resource. We've been
11 conservative all of our lives. We
12 do not waste it. We do keep our
13 plants alive in the summer. That
14 raises our water bill to about
15 \$87.00 for two months in the
16 summer. We have more than that in
17 plants. My mother-in-law is
18 extremely concerned and outraged
19 over increases everywhere. I guess
20 the problem I have is, it sounds
21 like, oh, this is just another two
22 dollars and something, but by the
23 time you add all of the little
24 taxes and water line maintenance or
25 whatever, insurance, franchise

1 charges, service fees, it's going to
2 come up more than \$2.00. Like I
3 said, her income was \$14.00 more a
4 month than last year. Minimum
5 wage, the same. Average, average
6 person working here does not make
7 enough money to even come up with
8 the raises. Now we're conserving
9 more and more. There will come a
10 point when we have to wonder do we
11 have to use a glass to brush our
12 teeth with instead of running water.
13 We shouldn't have to pack as much
14 in to our laundry to wonder if it's
15 going to come clean. All of these
16 little issues. I've heard extremely
17 small water bills for two and three
18 people households. Time your
19 showers? I mean, I just don't know
20 where else - like he said, she
21 turned off the fans and the
22 dishwasher. I don't want to ramble
23 on, but this is where we're at, and
24 I think right now we can start with
25 water. If you guys have a hearing

1 about electricity I'll be here and
2 I'll ramble on again, so - I
3 appreciate this man's research
4 because I didn't do any research
5 except what he showed me from the
6 internet, and I wasn't even prepared
7 to speak until he said, well, she
8 knows the amounts of the bills, but
9 I'm sure all of you have seen your
10 bills go up. All of these bills
11 that used to be quarterly are now
12 monthly bills and are higher than
13 our quarterlies used to be. Trash
14 used to be free. Trash pick-up.
15 Now it's like forty-two some odd
16 dollars every quarter. They charge
17 you - every time the gas at the
18 pump goes up they charge you for
19 extra gas. That's their cost of
20 business, doing business. They
21 shouldn't pass that on to us. If I
22 charge a certain amount for
23 something and it costs me a little
24 bit more to make a few phone calls
25 to do that, I don't add the phone

1 calls to their bill. I don't know.
2 Maybe lawyers do. Please, you
3 know, just think about all of these
4 little things. \$2.00 doesn't seem
5 like much. I mean, right now \$2.00
6 doesn't look like a whole lot to me
7 either, but when it comes in the
8 total bill it's not going to be
9 \$2.00 down at the end. So just
10 think about it. Do some more
11 research. Like the gentleman back
12 here said, when our income goes up
13 two percent everything else goes up
14 fifteen. That's not just inflation
15 adjustments costs. So as the
16 middle income people get poorer and
17 poorer there will come a point when
18 you only have two groups of people,
19 and it's the ones that are
20 showering once a week, and the ones
21 that can afford to shower every
22 day. Thank you.

23 BY JUDGE THOMPSON:
24 Thank you, ma'am. Questions from
25 the bench? Chairman Gaw?

1 BY CHAIRMAN GAW: No.

2 And, Charles, I wanted to see if
3 you were finished with what you were
4 saying earlier?

5 BY CHARLES FISH: Just

6 one last thing I would like to add.
7 We did move to Joplin several years
8 ago. My family had lived here for
9 quite some time before that.

10 Joplin has the capability of being a
11 very beautiful place, but if
12 businesses are afraid to put money
13 into the plantings in front of
14 their business because of the
15 summertime and it just dries up and
16 dies and goes away, they won't
17 spend that money. We don't have
18 attractions here, so why not make
19 Joplin a beautiful place to live, a
20 garden that people would enjoy to
21 come to. We can do that. I garden
22 in my yard. That's what I consider
23 my hobby. And if it gets to a
24 point where I've got to decide
25 whether or not I can water my

1 plants, or water the trees and
2 stuff that I planted, all I can say
3 is shame on us. Thank you.

4 BY CHAIRMAN GAW: I
5 want to thank both of you for
6 coming tonight. That's all I have,
7 Judge.

8 BY JUDGE THOMPSON:
9 Okay. Questions from counsel for
10 either Mr. Fish or Mrs. Fish?

11 BY MS. O'NEILL: No,
12 thank you.

13 BY MR. ENGLAND: No
14 questions.

15 BY JUDGE THOMPSON:
16 There appear to be none. Thank you
17 very much, sir. Thank you, ma'am.
18 Anyone else who would like to
19 testify at this time? Please come
20 forward, sir. You guys don't like
21 to sign up in advance do you?
22 You've got good handwriting, but you
23 don't sign up in advance. Okay.
24 I'm learning about Joplin. State
25 your name, sir.

1 BY RUSS LEINMILLER:

2 Russ, R-U-S-S. LEINMILLER,

3 L-E-I-N-M-I-L-L-E-R.

4 BY JUDGE THOMPSON:

5 L-E-I-N-M?

6 BY RUSS LEINMILLER:

7 N-M-I-L-L-E-R. Leinmiller.

8 BY JUDGE THOMPSON:

9 Okay.

10 RUSS LEINMILLER

11 Having been first dully sworn and examined,

12 testified as follows:

13 BY JUDGE THOMPSON: Are

14 you presently a customer of

15 Missouri-American Water Company?

16 BY RUSS LEINMILLER:

17 Yes, sir.

18 BY JUDGE THOMPSON:

19 Please proceed.

20 BY RUSS LEINMILLER:

21 I've been with American Water

22 Company since '85, '84, something

23 like that. Like the lady said, the

24 first one, about the service charge

25 of, you know - from the meter into

1 the house, the additional. I have
2 my own backhoe, so I've been, you
3 know, denying that, plus, I've
4 already got new water lines brought
5 into the house. I just wanted to
6 find out, you know, that, if the
7 additional money, you know, their
8 rate increase was for that, they're
9 just, you know, not saying, and St.
10 Charles or St. Joseph Water Company,
11 you know, here it is again.
12 They've been trying to get us to
13 pay for that. I was just wanting
14 to know, you know, if they're just
15 trying to hide something. And
16 that's about it.

17 BY JUDGE THOMPSON:

18 Okay. Questions from the bench for
19 Mr. Leinmiller?

20 EXAMINATION BY CHAIRMAN GAW:

21 Q. Mr. Leinmiller, if you have some questions
22 that you want answered, be sure and talk to
23 Office of Public Counsel, the company, or
24 the staff afterwards, so that you can get
25 those questions answered.

1 A. Okay.

2 Q. If you - and they'll hang around here and
3 talk to you afterwards.

4 A. Okay.

5 Q. Thank you for coming, and I appreciate you
6 coming up here and spending time with us.

7 A. Thank you.

8 BY JUDGE THOMPSON:

9 Questions from counsel?

10 BY MR. ENGLAND: No
11 questions.

12 BY MS. O'NEILL: No,
13 Your Honor.

14 BY JUDGE THOMPSON:
15 There appear to be none. You're
16 excused. Thank you, sir. Who is
17 next? I know there's somebody else
18 out there that didn't sign up and
19 would like to talk, so, please,
20 here is your opportunity. Come on.
21 We're doing the open mike night at
22 the water hearing. Have you got a
23 little stand up you want to share?
24 Nothing? Anyone else? We really
25 do want to hear your testimony.

1 There's no other way that we can
2 know what your experience is in
3 terms of your service, in terms of
4 the quality of your service, in
5 terms of your reaction to a
6 proposed rate increase, although I
7 think I'm getting a clear picture
8 of what that is. No one else?
9 Well, we'll go ahead then and
10 adjourn the hearing at this time.
11 Thank you all very much for
12 attending. We very much appreciate
13 it. We are adjourned.

14 (OFF THE RECORD)

15 (BACK ON THE RECORD)

16 BY JUDGE THOMPSON:

17 We're going back on the record.
18 Local public hearing in Joplin in
19 Case WR2003-0500. We have a
20 further witness. Mr. Fred Ferguson.

21 FRED FERGUSON

22 Having been first dully sworn and examined,
23 testified as follows:

24 BY JUDGE THOMPSON: Are
25 you presently a customer of

1 Missouri-American Water Company?

2 BY FRED FERGUSON: Yes,
3 sir.

4 BY JUDGE THOMPSON:
5 Please proceed.

6 BY FRED FERGUSON: Just
7 want to say I have been in the
8 insurance business for about thirty
9 years, and before that I was in the
10 grocery store business for seventeen
11 years, so that makes me pretty old.
12 I always believed in service to the
13 customers, and I found that very
14 lacking here in the last couple of
15 weeks from the water company in
16 that I sold some property in south
17 Joplin to Freeman Hospital where
18 there was four residences. On that
19 Thursday afternoon, October 30th, at
20 the closing I left there and went
21 to the electric company where I was
22 able to close down the service to
23 those four houses with the electric
24 company, and received a bill within
25 a week from the four residences. I

1 was not charged for reading the
2 meter or anything. The gas
3 company, I did the same thing.
4 Went to their office here in
5 Joplin. They took care of closing
6 down the service, received the bills
7 within a week. Also went to the
8 water company on East 32nd Street
9 where I was told that they do not
10 do that locally, that I would have
11 to call a 800 number and have the
12 service disconnected. I was also
13 informed that I would have to send
14 a fax in, which I did, terminating
15 a landlord agreement on the
16 properties. That's been two weeks
17 ago tomorrow and I have not heard a
18 thing from the water company. And
19 I would think that within a two
20 week period of time they would be
21 able to get final bills out to me.
22 Where the gas company and the
23 electric company did not charge me
24 for reading the meters, I'm sure
25 that the water company will charge

1 me \$20.00 per property, which they
2 have done in the past, for
3 disconnecting the water service. My
4 problem is I don't understand why it
5 has taken two weeks and I have not
6 heard anything from them. So I will
7 be forced in the morning to call
8 them and possibly spend thirty to
9 forty-five minutes on the telephone
10 with them hearing a recording
11 telling me how important my call may
12 be to them, that you hear out of so
13 many companies anymore, not just
14 utility companies, but all types of
15 companies that we do business with
16 anymore. We can't get a live
17 person to talk to. We have to
18 punch buttons and wait and hear
19 these recordings and songs played to
20 us telling us how important our
21 business is, and yet they don't have
22 anybody to take care of us. That
23 was just something that kind of
24 come to a boil this afternoon with
25 me when I did not receive a bill

1 again today from the water company
2 showing me what I might owe, and
3 not letting me know that they have
4 disconnected my service. I do not
5 know at this time whether they have
6 disconnected the service and stopped
7 charging me, or whether they're
8 continuing to run up a bill on my
9 water service out here at those
10 houses. That's all I wanted to say.

11 BY JUDGE THOMPSON:

12 Thank you, sir. Questions from the
13 bench? Chairman Gaw?

14 EXAMINATION BY MR. GAW:

15 Q. Mr. Ferguson, thank you for coming this
16 evening, first of all. And let me ask you
17 in regard to your statements about having
18 to wait on the phone. Have you called
19 Missouri-American and experienced that with
20 them up to this point in time, or were you
21 talking generally?

22 A. Well, that's a general feeling I have about
23 all companies anymore, but when we went to
24 the water company's office on 32nd Street
25 we were told we would have to call in, they

1 couldn't take care of us there at the
2 office.

3 Q. And did you do that?

4 A. Yes, we did.

5 Q. Did you--

6 A. At their office.

7 Q. Did you have - what was your wait like when
8 you made the call? Do you recall?

9 A. Well, I don't remember right off. My wife
10 usually gets on the phone and does that
11 because I tend to get upset with these
12 people whenever I have to wait so long, but
13 it seems like to me probably ten minutes to
14 fifteen minutes before she finally got
15 somebody to talk to.

16 Q. Before you got a live person?

17 A. Yeah. And then was told we would have to
18 fax in notification to them in writing that
19 we were wanting to terminate the landlord
20 agreement. They couldn't just take our
21 word over the telephone.

22 Q. Have you - have you terminated the - or had
23 a disconnection done before with
24 Missouri-American?

25 A. No. In the past what we have done is where

1 various renters would move in and out of
2 the houses, each time we would have a
3 \$20.00 charge for reading meters and
4 putting it back into our names whenever a
5 renter would move out, and we would have a
6 period of time of a month or so before we
7 would have a new renter move in, we would
8 have that charge.

9 Q. The reason I - part of the reason I'm
10 asking is because we had some comments
11 similar to this the other night in another
12 hearing, and I'm just trying to see whether
13 there's a consistency with that message.
14 The charge that you - that you have
15 received before when you had one tenant
16 move out and then - there's a \$20.00 charge
17 to put it in your name? Is that--

18 A. That's correct. Whenever we would - under
19 the landlord agreement they would move the
20 billing to us, and there would be a \$20.00
21 charge.

22 Q. All right. And that landlord agreement, is
23 that something that you sign with the
24 company, that you make an arrangement with
25 the company that if there's a termination

1 by the tenant that it reverts to you?

2 A. Yes. That's the way it is usually with all
3 of the utilities, but we were able to
4 cancel those here in town by just telling
5 them at the electric company or the gas
6 company that we wanted those terminated and
7 they terminated them.

8 Q. Do you know if one - if you have a tenant
9 move back in to a house that you're the
10 landlord on, or business or whatever, is
11 there another \$20.00 fee to the tenant
12 when--

13 A. That was my understanding, when the tenants
14 move back in then there will be another
15 charge to them for re-reading the meter.
16 It seems kind of expensive for somebody to
17 just come out and read the meter. I
18 realize they're in business to make money.

19 Q. And you haven't received any confirmation
20 in regard to the sale of this property, the
21 property that's being sold, being actually
22 disconnected by--

23 A. No, I have not received anything from the
24 water company yet, and I plan on calling
25 them in the morning, but since you was

1 having this meeting this evening I thought
2 maybe I would come and dump my bucket a
3 little bit here.

4 Q. My suspicion is that you may get contacted
5 before tomorrow morning.

6 A. Okay.

7 Q. We'll wait and see what happens with that.

8 A. Okay.

9 Q. That's all I have.

10 BY JUDGE THOMPSON:

11 Questions from counsel?

12 BY MS. O'NEILL: No,
13 Your Honor.

14 BY MR. KRUEGER: No,
15 Your Honor.

16 BY MR. ENGLAND: No
17 questions.

18 BY JUDGE THOMPSON:
19 There appear to be none. You're
20 excused. Thank you very much, Mr.
21 Ferguson.

22 BY FRED FERGUSON:
23 Thank you.

24 BY JUDGE THOMPSON: Now
25 we will really and truly adjourn the

1 hearing. Thank you all very much
2 for attending tonight.

3

4

5

6

7 (HEARING CONCLUDED)

REPORTER'S CERTIFICATE

STATE OF MISSOURI)
) ss.
 COUNTY OF NEWTON)

I, JILL A. RENFRO, Certified Court Reporter and a Notary Public in and for the County of Newton and State of Missouri, do certify that the foregoing is a true and accurate transcription of the testimony given, at the

Joplin

City Hall, in the City of Joplin, in Jasper County and said State.

office

GIVEN under my hand and notarial seal at my

in Newton County, and State of Missouri, this _____ day of _____, 2003.

My commission expires: 2/18/2005

Reporter's costs to be paid by

 Notary Public within and for
 Newton County, Missouri.