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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

In the Matter of Missouri-American)
Water Company's Request for)
Authority to Implement a General)
Rate Increase for Water and Sewer) File No. WR-2011-0337
Service Provided in Missouri) et al.
Service Areas)

Local Public Hearing
January 23, 2012
Mexico, Missouri
Volume 16

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Local Public Hearing
January 23, 2012
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Volume 16

DANIEL R.E. JORDAN, Presiding
REGULATORY LAW JUDGE

TERRY M. JARRETT,
COMMISSIONER.

REPORTED BY:

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1 (WHEREUPON, the hearing began at
2 12:11 p.m.)

3 JUDGE JORDAN: The Missouri Public Service
4 Commission is calling File No. WR-2011-0337, and the style
5 of this action is in the matter of Missouri-American Water
6 Company's request for authority to implement a general
7 rate increase for water and sewer service provided in
8 Missouri service areas.

9 This part of the proceeding is on the
10 record. There's a court reporter that will be taking down
11 what we say. The purpose of this proceeding is to gather
12 testimony on the proposed rate increases in water and
13 sewer service.

14 To my left is Commissioner Terry Jarrett.
15 He is one of the Commissioners of the Public Service
16 Commission appointed by the Governor. People call me
17 judge, but I call him sir.

18 Also present, as you've already met, is the
19 Applicant, the Staff of the Missouri Public Service
20 Commission and Office of the Public Counsel. Staff
21 participates in these proceedings like any other party, so
22 that Staff must submit testimony and make its contacts the
23 same as anyone else. The Staff is not just whispering in
24 the Commission's ear and giving them secret advice.

25 We'll start with an entry of appearance

1 from Staff, please.

2 MS. LEWIS: Rachel Lewis on behalf of the
3 Staff of the Public Service Commission. I've given my
4 address to the court reporter for the record.

5 JUDGE JORDAN: Thank you. And for the
6 Applicant.

7 MR. REICHART: Thank you, Judge. Appearing
8 on behalf of Missouri-American Water Company, John
9 Reichart. My address is 727 Craig Road, St. Louis,
10 Missouri 63141.

11 JUDGE JORDAN: Thank you. And for the
12 Office of the Public Counsel.

13 MS. BAKER: Thank you. Christina Baker,
14 P.O. Box 2230, Jefferson City, Missouri 65102, appearing
15 on behalf of the Office of the Public Counsel and the
16 ratepayers.

17 JUDGE JORDAN: Thank you. In this
18 proceeding, the company doesn't present evidence. They
19 don't answer questions. I can't make anyone answer a
20 question from someone who testifies because no one who
21 testifies here is a party to the case, but we do want to
22 hear what you have to say. What you have to say is
23 important to the Commission.

24 As I hope you've gathered, the Staff works
25 very hard to do the right thing, as all the Commission

1 does, but there are only so many of Staff, and that's part
2 of why we hold these local public hearing proceedings. In
3 particular, I think of this kind of proceeding as more
4 something more like investigation because there's some
5 things that Staff simply cannot find, that OPC cannot
6 find, that the utility cannot find no matter how hard it
7 looks.

8 So we'll want to hear particularly about
9 service issues, water quality, quality of service, billing
10 issues, things like that. Even if you have said what you
11 have to say during the question and answer period, tell it
12 to us again here in this proceeding so it will be on the
13 record so the Commissioners can all read it and consider
14 it as they're making their decision.

15 If you want to testify and you haven't
16 signed up yet, sign up on -- here's the list right here.
17 I have some names and I'll call these names, and
18 afterwards if someone else wants to testify, I will give
19 you a chance.

20 When you are called, please come here to be
21 seated, come up from the audience, be seated here so that
22 the court reporter can take down your testimony, can hear
23 what you have to say. I'll probably -- I will administer
24 an oath, or if you have religious convictions that
25 prohibit you from taking an oath, I will administer an

1 affirmation. Just let me.

2 I'll ask a few questions to get you started
3 off, and then I'll basically just have you take it from
4 there. Do speak clearly so the court reporter can hear
5 what you have to say, and if you agree with something
6 that's already been said, you can definitely come up and
7 say that, just say I agree with what the last guy said or
8 whatever it is.

9 Now, when you are testifying, because this
10 is related to a trial-type action, stay where you are
11 until the judge tells you it's okay to leave because other
12 parties may have clarifying questions for you. And if you
13 think of something later or if you don't feel like
14 testifying right now, do remember that you can have input
15 in writing. You can send written comments to Staff or to
16 the Office of Public Counsel. Office of the Public
17 Counsel represents the ratepayers of the state. They are
18 like your lawyer in this action. You can also contact
19 Staff either by phone or online.

20 And I think that's about all I have to say.
21 Does anyone have any questions about my procedure before
22 we begin taking testimony?

23 Okay. With that, we will open this hearing
24 to testimony.

25 COMMISSIONER JARRETT: Thanks, Judge

1 Jordan. I just wanted to introduce myself again. I'm
2 Terry Jarrett, one of the Commissioners on the Public
3 Service Commission. I will be one of the -- one of the
4 decision-makers in the case, along with all the other
5 Commissioners.

6 We consider these local public hearings to
7 be very important to the process because it is a chance
8 for the Commissioners to hear directly from the
9 ratepayers, and that is very important to us. As
10 Commissioners, we have a lot of different things going on.
11 We've had a lot of different public hearings all over the
12 state in this case, and so we don't always have all of the
13 Commissioners at all of the local public hearings.

14 So the fact that I'm the only Commissioner
15 here, please don't take that as that the Commission
16 doesn't consider these very important. I can assure you
17 that all the other Commissioners who are not present here
18 today will read the transcripts of all the local public
19 hearings that they haven't attended in person and that
20 they do consider them in the case.

21 In one of my prior lives, I was an attorney
22 in private practice, and I've appeared here in the Audrain
23 County Courthouse many times representing clients. So
24 it's always nice to get back here. You have a lot of good
25 judges here in Audrain County. I've appeared before

1 several.

2 So anyway, it's good to be back here. I
3 look forward to your testimony, and again, take it very
4 seriously. As the judge said, normally people that
5 testify are very clear and to the point, and so I don't
6 normally have too many questions. Sometimes if somebody
7 says something and I don't quite understand it, I might
8 ask a couple of follow-up questions just to make sure I
9 understand your testimony.

10 But with that, Judge, I will turn it back
11 over to you. Thank you for being here today. I look
12 forward to your testimony.

13 JUDGE JORDAN: The first name I have on my
14 list is Hazel L. Roberts. Hazel L. Roberts, would you
15 like to come forward and testify?

16 MS. ROBERTS: I will. Do you want my name
17 and address?

18 JUDGE JORDAN: Let's start with your name.
19 Spell it for the court reporter, please.

20 MS. ROBERTS: Hazel, H-a-z-e-l, initial L,
21 Roberts, R-o-b-e-r-t-s.

22 JUDGE JORDAN: Please raise your right
23 hand.

24 (Witness sworn.)

25 JUDGE JORDAN: Very well, then. Are you a

1 customer of Missouri-American Water and Sewer?

2 MS. ROBERTS: I am.

3 JUDGE JORDAN: Please tell the Commission
4 what you would like them to know about this action.

5 MS. ROBERTS: I am not in a position to be
6 able to accept much of a rate increase on any of my
7 utilities. I'm with a previous question and answer
8 person, I only got a small increase on my Social Security.
9 I have a small mutual fund, which I try to take very
10 little out of because I want it to last as long as I do
11 and it may not. I plan to last a long time hopefully.

12 I hope to be able to pay all my bills every
13 month while I'm still living, and the way things are
14 increasing, I'm not sure I can. That small raise we got
15 on Social Security is based on the amount we were
16 receiving per month at that time. Therefore, if you get a
17 small amount, you get a small raise.

18 I understand the president of the water
19 company got a 2, 2 and a half percent increase. Well, if
20 you've got a lot of money, that's a lot of money to
21 increase. If you're getting a small amount, even a big
22 percentage can still be a small increase in income.

23 My income is small. I manage to make ends
24 meet. I have changed some things to help me make ends
25 meet. If my water bill goes up more, I expect it to go up

1 a little more. I can't afford it to go up very much. I'm
2 thinking a few cents to a dollar a month is all I can
3 handle, folks. I have insurance that went up, a
4 prescription plan that went up. You know, these things go
5 up anyway. The Ameren bill, which was brought up earlier
6 in the question and answer session, that has gone up. My
7 budget billing I pay every month has gone up. I refused
8 to pay an increase earlier, but at this point I had to pay
9 the increase.

10 With a small amount of income and no future
11 plans to get a job -- I've been retired for several years,
12 and that's my intent, to stay retired for several years.
13 I volunteer with some organizations for some things, but I
14 can't handle long-term employment.

15 I wish to keep the rate increase small.
16 I'm pleading for the Commission to keep that increase
17 small. I understand the pipes need replaced, the valves
18 need replaced, et cetera. That's something I consider.
19 If I'm a shareholder, I want a little return on my
20 investment.

21 But I can't take very much, and I'm here
22 fighting for all the people in my position. I have a lot
23 of friends that are living on Social Security and maybe a
24 small income from something else, maybe not. So as this
25 increase takes place for this utility, I wish it to stay

1 small because I can't afford much. And I'm hoping that
2 the small things that I've done to keep my usage small
3 aren't going to become more drastic because it could be
4 nasty. You know, you use a little less water for this, a
5 little less water for that and so on so that you don't
6 increase your bill. If I have company sometime, I can't
7 tell them they can't take a shower because I can't afford
8 the water. That's ludicrous.

9 So I'm with all the other poor people in
10 this area saying, please, the increase I know will come,
11 but please keep it small. We can't afford a bigger
12 increase.

13 JUDGE JORDAN: Thank you. Questions from
14 Missouri-American?

15 MR. REICHART: No questions.

16 JUDGE JORDAN: Questions from Staff?

17 MS. LEWIS: None, your Honor.

18 JUDGE JORDAN: Any questions from Office of
19 the Public Counsel?

20 MS. BAKER: No, but thank you for coming
21 today.

22 JUDGE JORDAN: And Commissioner, any
23 questions?

24 COMMISSIONER JARRETT: Ms. Roberts, I think
25 you stated your position very well. Thank you for your

1 testimony. I don't have any questions, and thank you for
2 testifying and good luck.

3 MS. ROBERTS: Thank you.

4 JUDGE JORDAN: Thank you. You may be
5 excused.

6 The next name on my list is, looks like
7 Eldon Mellott.

8 MR. MELLOTT: Mellott.

9 JUDGE JORDAN: Mr. Mellott, would you like
10 to come forward, be sworn and testify. Please have a
11 seat. Mr. Mellott, will you spell your name for the court
12 reporter.

13 MR. MELLOTT: E-l-d-o-n, M-e-l-l-o-t-t. I
14 live at 718 East Jackson Street in Mexico.

15 JUDGE JORDAN: Thank you. Please raise
16 your right hand.

17 (Witness sworn.)

18 JUDGE JORDAN: Very well. Now, are you a
19 customer of Missouri-American?

20 MR. MELLOTT: Yes, sir.

21 JUDGE JORDAN: Then go ahead and tell the
22 Commission what you would like the Commission to know.

23 MR. MELLOTT: Like I said, I'm not against
24 the investors investing money, making some money. It's
25 the good old American way. But the way this is set up,

1 we're boxed in. If we push for the decrease side of it
2 and later on they could come back and sock it to us on a
3 higher rate, or we go for the higher rate now and keep our
4 fingers crossed. So we're kind of boxed in on this. We
5 could end up losing either way we go.

6 Now, like the woman said, she's on Social
7 Security. I'm on Social Security and SSI. I can't work.
8 I just barely go. I'm just making bills just by the skin
9 of my teeth. We get a raise, they turn around, take food
10 stamps away from us. AmerenUE got a raise. They raised
11 my budgeted billing. So we end up 10, \$15 a month shorter
12 than what we did. Where the water company, they've had a
13 raise in the last three years.

14 So it's going to be up to you, but, you
15 know, to me, we're just being boxed in. Either we go for
16 a lower rate and take our chances later or just go for the
17 higher rate. Either way we kind of catch it. And that's
18 about all I've got to say about it other than, you know,
19 we're hurting, and you can't do without water. So I think
20 the stringents ought to be a little bit tougher, you know.

21 Like AmerenUE, you've got an option. It
22 may not be much of an option, but at least you've got an
23 option. Water you don't. That's about the long and the
24 short of it, gentlemen.

25 JUDGE JORDAN: Thank you. Any questions

1 from Missouri-American for this witness?

2 MR. REICHART: No questions, your Honor.

3 JUDGE JORDAN: Any questions from Staff?

4 MS. LEWIS: No. Thank you for your time,
5 sir.

6 JUDGE JORDAN: Office of the Public
7 Counsel, any questions?

8 MS. BAKER: No, but thank you for coming.

9 JUDGE JORDAN: Commissioner, have you got
10 any questions?

11 COMMISSIONER JARRETT: No. Mr. Mellott,
12 thank you for your testimony. I appreciate your position
13 and appreciate your testimony. Thanks for being here.

14 JUDGE JORDAN: Thank you. You're excused.
15 That exhausts my list of people who have
16 signed up to testify. Does anyone else want to testify
17 before we go off the record?

18 I am not seeing anyone. So with that, I
19 thank everyone for attending on behalf of the Missouri
20 Public Service Commission. And Commissioner, any final
21 remarks?

22 COMMISSIONER JARRETT: No. Just again
23 thank you for being here. Thanks for the testimony. It's
24 helpful and, again, will be considered by the Commission
25 when we take the case.

1 JUDGE JORDAN: And with that we will go off
2 the record.

3 (WHEREUPON, the public hearing concluded at
4 12:27 p.m.)

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C E R T I F I C A T E

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

I, Kellene K. Feddersen, Certified
Shorthand Reporter with the firm of Midwest Litigation
Services, do hereby certify that I was personally present
at the proceedings had in the above-entitled cause at the
time and place set forth in the caption sheet thereof;
that I then and there took down in Stenotype the
proceedings had; and that the foregoing is a full, true
and correct transcript of such Stenotype notes so made at
such time and place.

Given at my office in the City of
Jefferson, County of Cole, State of Missouri.

Kellene K. Feddersen, RPR, CSR, CCR