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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
Jefferson City, Missouri
Volume 17

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Local Public Hearing
January 23, 2012
Jefferson City, Missouri
Volume 17

MIKE BUSHMANN, Presiding
REGULATORY LAW JUDGE

TERRY M. JARRETT,
COMMISSIONER.

REPORTED BY:

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1 (WHEREUPON, the hearing began at
2 6:29 p.m.)

3 JUDGE BUSHMANN: Good evening. It's
4 Monday, January 23rd, 2012. The Missouri Public Service
5 Commission has set this time for a local public hearing in
6 File No. WR-2011-0337, which is captioned as in the matter
7 of Missouri-American Water Company's request for authority
8 to implement a general rate increase for water and sewer
9 service provided in Missouri service areas.

10 My name is Michael Bushmann. I'm the
11 Regulatory Law Judge that will be presiding over the
12 hearing this evening. With me is Commissioner Terry
13 Jarrett. Commissioner Jarrett, would you like to make any
14 opening remarks?

15 COMMISSIONER JARRETT: Thank you, Judge.
16 Just a few.

17 First of all, I'd like to welcome you all
18 here. These local public hearings for the Commissioners
19 is very important. It is a chance and an opportunity for
20 us as the decision-makers in this rate case to hear
21 directly from the ratepayers. Later on we'll have an
22 evidentiary hearing. We will hear from the parties'
23 witnesses and the lawyers, and ratepayers aren't normally
24 involved in that hearing. So this is our, really our only
25 chance as Commissioners to hear from you.

1 Hopefully when you testify, most of the
2 time folks are very clear and very precise. I usually
3 don't have any questions. I understand their testimony.
4 If there's something you say that I don't understand or
5 want some further clarification on, I might ask a couple
6 of follow-up questions. So you might be prepared for
7 that, but normally folks are pretty precise and I don't
8 ask too many questions.

9 This is important for all the
10 Commissioners. I'm the only Commissioner present here
11 tonight, but there is a court reporter here. She's
12 transcribing what will be testified to, and that will be
13 transcribed and all of the other Commissioners who aren't
14 here tonight will read that and take that into
15 consideration in this case.

16 We have lots of things going on at the
17 Commission, lots of different cases going on, so all the
18 Commissioners can't get to all the local public hearings,
19 but we all do do our share of them and we all do consider
20 them very important. So your testimony tonight is very
21 important to us.

22 Again, thank you for coming out tonight.
23 Look forward to your testimony, and I'll turn it back over
24 to you, Judge. Thanks.

25 JUDGE BUSHMANN: We'll begin with counsel

1 making their entries of appearance. For Missouri-American
2 Water Company?

3 MR. REICHART: Thank you, your Honor.
4 Appearing on behalf of Missouri-American Water Company,
5 John Reichart. My address is 727 Craig Road, St. Louis,
6 Missouri 63141.

7 JUDGE BUSHMANN: For Office of Public
8 Counsel?

9 MS. BAKER: Thank you. Christina Baker,
10 P.O. Box 2230, Jefferson City, Missouri 65102, appearing
11 on behalf of the Office of the Public Counsel and the
12 ratepayers.

13 JUDGE BUSHMANN: Staff of the Missouri
14 Public Service Commission?

15 MS. LEWIS: Thank you, Judge. Rachel Lewis
16 on behalf of the Staff of the Commission, P.O. Box 360,
17 Jefferson City, Missouri 65102.

18 JUDGE BUSHMANN: Is counsel for any of the
19 intervenors present? I'm sorry. Go ahead.

20 MR. BORGMAYER: And also for the Staff of
21 the Public Service Commission, John Borgmeyer, and the
22 address is P.O. Box 360, Jefferson City, Missouri 65102.

23 JUDGE BUSHMANN: Thank you, Mr. Borgmeyer.
24 Is counsel for any of the intervenors present?

25 (No response.)

1 JUDGE BUSHMANN: All right. I'd like to
2 advise everyone to please turn off any cell phones or
3 Blackberry devices that you might be having so we don't
4 have any interference with the recording equipment this
5 evening.

6 The process is that I'm going to read some
7 names off the signup sheet for persons who indicated that
8 they want to testify. When I call your name, please come
9 down forward to the podium to be able to make your
10 testimony. I'll ask you to state your name and spell it
11 so that the court reporter can accurately enter it into
12 the record. After I put you under oath, then you'll be
13 able to make any comments that you'd like to make to the
14 Commission.

15 The first witness that I have this evening
16 is Darlene Gillmore. Could you please come forward.
17 Could you please state your name and spell it?

18 MS. GILLMORE: Darlene Gillmore. That's
19 D-a-r-l-e-n-e, Gillmore, G-i-l-l-m-o-r-e.

20 JUDGE BUSHMANN: Please raise your right
21 hand.

22 (Witness sworn.)

23 JUDGE BUSHMANN: Please proceed.

24 MS. GILLMORE: Most of the things that I
25 was -- it's wastewater, it's not water itself that I'm

1 complaining about and making statements for tonight. The
2 wastewater when I moved in my house was like \$51, and
3 within two years it's up to \$53. And to me, everywhere
4 I've always lived before, we've always went off of our
5 water usage, which I think is the only fair way you can
6 treat people. I don't care if they're inside the city
7 limits or outside the city limits.

8 It was stated during our previous
9 conversation with the Commission that they could not get
10 our water usage from like the district waters, and to me
11 they just said no, they couldn't get them. Why? We
12 didn't get a good answer why they can't get them. Just
13 because somebody isn't paying their bill or they're not --
14 that doesn't cut it with me.

15 I mean, there has to be a way if they want
16 to take and go with these systems, you know, and buy all
17 of this out, Mid-America bought them all out, they should
18 have thought of a way, like they do in the city, to take
19 care of the folks in the county because we are definitely
20 being penalized because we choose to live out of the city
21 limits at this time.

22 And I myself, as of right now, on my road
23 there was probably eight or nine homes for sale, and I
24 think a lot of it is due to the sewer problem that we're
25 having out there. And like I say, we own -- I have a

1 sewer tank. It was there when I bought the home, and like
2 I say, I have to maintain that. Nobody maintains that for
3 me. And we continue -- now we're supposed -- they're
4 asking for more money again. If they keep asking for more
5 money, I don't know what they're improving because I don't
6 see any improvements. I can't tell any difference.

7 So until I can tell some difference, I
8 wouldn't be saying anything, but to me, the sewer right
9 now in the county where all these folks are paying is
10 completely outrageous, especially if you are on fixed
11 incomes. People has lost their jobs. My husband is on
12 disability. He will never go back to work again.

13 And right now, if this sewer goes up, I'm
14 going to be paying more per month for sewer than I am for
15 the gas to heat my house with, which I think is horrible.

16 And there's only one other statement that I
17 would like to make. I was gone last year in the winter,
18 January, February, March, three months. There was not one
19 gallon going in, one gallon going out. I called Aqua --
20 no. I called Mid-America, that's who it was, and I asked
21 them, I said, we've been gone for three months. We
22 have -- nobody's used anything. Do I still owe the full
23 amount? Yes, you do, ma'am. It's flat rate, \$53.22. And
24 that's how it was exactly put to me. It was not put to me
25 nicely. It was point blank. And I did not appreciate

1 that at all. I mean, they could have said it in a little
2 bit better manner than what they did, so I was not very
3 happy.

4 But to me, the people outside the city, I
5 mean, we just can't -- can't keep doing this. We just
6 can't. I mean, they're going to have to put a stop to it.
7 They're going to have to put a stop to it because when I
8 see somebody in the city and they have five kids and their
9 sewer bill is \$20 a month, my water bill is \$11 a month, I
10 pay 53.22.

11 And that's just my statement. It's going
12 to have to stop somewhere because we cannot continue with
13 everyone losing their jobs and the economy the way it is
14 these days.

15 JUDGE BUSHMANN: Thank you, ma'am.

16 MS. GILLMORE: Thank you.

17 JUDGE BUSHMANN: Could you wait there for
18 just a moment? Are there any questions from attorneys?

19 MS. BAKER: The only question that I have
20 is, what subdivision do you live in?

21 MS. GILLMORE: It's --

22 JUDGE BUSHMANN: Could you step up to the
23 microphone, ma'am?

24 MS. GILLMORE: It isn't really Strong
25 subdivision. It's like down past -- it's like where

1 Idlewood ends and then you go on to South Wood Hills Road,
2 and there's -- I don't really -- I think -- I can't
3 remember what the subdivision name is. It's like South
4 something, you know, because everything is south there, so
5 that's the subdivision where they built the newer homes
6 where Idlewood ended up there.

7 MS. BAKER: Thank you.

8 JUDGE BUSHMANN: Commissioner Jarrett, do
9 you have any questions?

10 COMMISSIONER JARRETT: Just a couple,
11 Ms. Gillmore. Thank you. I don't know if you gave your
12 address. What is your exact address?

13 MS. GILLMORE: My exact address is
14 3104 South Wood Hills Road, and that's Jeff City, 65101.

15 COMMISSIONER JARRETT: Okay. And you
16 indicated that your charge is 53.22. Is that just for
17 sewer or is that sewer and water?

18 MS. GILLMORE: No. No. Our water comes
19 from the district water up on Vieth Drive, and I have
20 their bill right here in front of me, and it's \$13, and I
21 have my bill right here in front of me, it's 53 -- well,
22 it says balance due zero because I have it set up on
23 automatic billing because I know how much it's going to be
24 every month.

25 And that's another statement. If we know

1 we're on this set rate forever and ever until they get
2 another raise, stop the billing. Stop the wasting the
3 money. Stop killing trees. I mean, we have the Internet.
4 There might be some people, yes, I know, that does not do
5 Internet. But if you know exactly what your water bill --
6 I mean your sewer bill is going to be, stop the waste. I
7 mean, save a tree. Postage has gone up again. I mean,
8 that has an effect on what we pay for our sewer rates.

9 So, I mean, there's a lot of ways you can
10 look at this stuff right here. Let's try and save some
11 money and save our customers some money and myself.

12 COMMISSIONER JARRETT: Thank you,
13 Ms. Gillmore. I don't have any more questions, but I
14 appreciate you sharing your testimony with us tonight.
15 Thank you.

16 MS. GILLMORE: Okay.

17 JUDGE BUSHMANN: Next witness is Roy
18 Hengerson. Could you please state and spell your name?

19 MR. HENGERSON: Roy Hengerson, R-o-y, last
20 name H-e-n-g-e-r-s-o-n.

21 JUDGE BUSHMANN: Please raise your right
22 hand.

23 (Witness sworn.)

24 JUDGE BUSHMANN: Please go ahead.

25 MR. HENGERSON: Some of the issues were

1 raised in the question and answer session. I'll try to be
2 real brief.

3 The first one is about combining of the
4 water and the sewer billing, which we enjoy in Jefferson
5 City all the years I've been on it, which is several
6 decades, and generating more paperwork and more small
7 bills that we have to keep track of.

8 And so I think the water company and the
9 city and the whoever has the relevant parts to it should
10 be cooperating together to make the billing cycle as
11 palatable as possible. We know we don't like increases,
12 but we want to have something that's reasonable, and so I
13 would suggest to the Commission and the company to at
14 least look at bimonthly or quarterly billing so we don't
15 get so many statements that get misplaced and maybe then
16 there's late charges.

17 The second one is about the practice of
18 doing the estimating of service and then basing the
19 billing on that. That usually happens once a year, and
20 this past year it happened twice. But I'm a very frugal
21 customer. I live by myself in the duplex. I travel a
22 lot, and when I'm home, I conserve water in many ways, and
23 so I have pretty small bills.

24 And when they go on this estimate billing,
25 they should take my average, not some person's average

1 that has a family of 12 or something. And I just show
2 you, I just got this bill and paid it today, by the way,
3 and if you can see, the bar for January is 700 cubic feet,
4 I believe that is, and then in February it was five, and
5 every other billing cycle, every other month it was one.
6 So how is seven or five or some combination of them my
7 average billing?

8 The electric utility does average, but they
9 don't base their average on what other users -- they don't
10 give me a bill based on what Wal-Mart is using. So I
11 think they ought to be consistent with the water billing.

12 My last point is that the whole way you put
13 together your rates with -- you talk about wanting to do
14 conservation and all this good stuff, but your billing,
15 your rate structure can be a big determinant in that. And
16 so if you have it so that the bill is based, is front end
17 loaded, if you will, then you're not encouraging
18 conservation. You're encouraging people to use without
19 worrying about conservation if you keep your higher
20 rates -- I'm not saying this exactly right, but that your
21 -- you're billed a lot for your first unit that you use
22 and then thereafter the rate drops precipitously down.

23 So those are my issues, and I appreciate
24 them being used in future programs about when we have an
25 opportunity to look at the billing for both the water and

1 the sewer. I personally haven't had any service problems,
2 so we are getting good quality water, at least I am, out
3 of the system. Thank you.

4 JUDGE BUSHMANN: Any questions from
5 attorneys?

6 MS. LEWIS: I have one.

7 JUDGE BUSHMANN: Ms. Lewis.

8 MS. LEWIS: Mr. Hengerson, thank you for
9 testifying. I just have a quick question. You were
10 discussing your estimated bill. Have you ever called the
11 company to discuss your estimated bill indicating that
12 it's higher than the other usages?

13 MR. HENGERSON: No. What I did this time
14 was I just didn't pay it.

15 MS. LEWIS: And was there a consequence to
16 that?

17 MR. HENGERSON: Yes. The month after, it
18 was down back at the low level the way it should be, but I
19 don't know whether my little protest succeeded or not. I
20 wrote on the bill your estimate is 700 and my estimate is
21 100, and so I'm paying you -- and it was backed up by what
22 you see on the statements, and, you know, they didn't
23 throw me in jail or anything like that.

24 MS. LEWIS: Thank you.

25 JUDGE BUSHMANN: Any other questions from

1 attorneys? Commissioner Jarrett?

2 COMMISSIONER JARRETT: I don't have any
3 questions, Mr. Hengerson, but thank you for your
4 testimony. It was very helpful, and appreciate you
5 sharing it with us.

6 JUDGE BUSHMANN: Thank you, sir.

7 MR. HENGERSON: Thank you for the
8 opportunity to comment.

9 JUDGE BUSHMANN: Vicki Graham. Will you
10 please state and spell your name.

11 MS. GRAHAM: Vicki Graham, V-i-c-k-i,
12 G-r-a-h-a-m.

13 JUDGE BUSHMANN: Please raise your right
14 hand.

15 (Witness sworn.)

16 JUDGE BUSHMANN: Please proceed.

17 MS. GRAHAM: Thank you. My name is Vicki
18 Graham, and I live at 1704 Wood Ridge Trail in Jefferson
19 City, 65109. I live in a small approximately 1400 square
20 foot house with my husband. We are two people. We bought
21 our property four years ago when the bill was indeed 27.75
22 for the sewer.

23 We have a lagoon, which neighbors have told
24 me has served 11 small houses in that area originally, and
25 there was two big subdivisions that were added on,

1 approximately 43 new large houses about twice the size of
2 mine, and they all share the same lagoon as us.

3 I don't understand why they can't do
4 metered consumption. I have my water bill, and it's \$8.98
5 for the month. That was half November, half December.
6 And it just doesn't seem right where other states or
7 counties can do -- take a water bill and do a percentage
8 of how much you owe for sewer. And they did briefly
9 comment that that has been done in the wintertime when
10 they're not watering their grass or big houses aren't
11 using, whatever I'm trying to say, that they're not using
12 it for non-sewer reasons.

13 Another thing, when -- Allied Waste is our
14 trash service. They increased our bill approximately 10
15 or \$15 last year, and I called them and I said that we're
16 just a small household with two people. Is there any
17 other size trash bin that you offer? They said no, but we
18 will give you a \$10 discount rate for a small family. So
19 I feel that they accommodated me appropriately.

20 So I guess my bottom line is, they're
21 calling it one size fits all. The accountant said there's
22 winners and losers, and I guess having a small house and
23 then knowing my resale value when I sell it and I have to
24 declare how much my utilities are, he said, like he said,
25 there's winners and losers, and I feel like I'm a loser.

1 Thank you.

2 JUDGE BUSHMANN: Any questions from
3 attorneys? Commissioner Jarrett?

4 COMMISSIONER JARRETT: Ms. Graham, I don't
5 have any questions, but I really do appreciate your
6 testimony. Thank you.

7 MS. GRAHAM: Thank you.

8 JUDGE BUSHMANN: Thank you, Ms. Graham.
9 Ken Lueckenotte. Could you please state and spell your
10 name, sir?

11 COMMISSIONER KENNEY: My name is Ken,
12 K-e-n, Lueckenotte, L-u-e-c-k-e-n-o-t-t-e.

13 JUDGE BUSHMANN: Please raise your right
14 hand.

15 (Witness sworn.)

16 JUDGE BUSHMANN: Please go ahead.

17 MR. LUECKENOTTE: I live at 2909 Foxdale
18 Drive, Jefferson City, Missouri. That's in Quail Valley
19 Subdivision. Thank you, Judge Bushmann. And I think
20 Commissioner Jarrett is probably saying, oh no, not him
21 again.

22 But anyway, No. 1, I don't have any problem
23 with the service that's being provided in Quail Valley,
24 and in the end I don't have any problem with the billing.
25 I thought last May when Missouri-American Water took over

1 from Aqua that there was a month of double billing, but
2 after talking with one of the staff back in whenever it
3 was, October/November, and going back through all the
4 billing, I think it was correct.

5 Anyway, less than two years ago I came
6 before the Commission reporting on the owner at that time,
7 Aqua, continual increase in revenues, profits and
8 dividends to its shareholders even during the recession
9 and the increase in the sewer rates was still granted.
10 This time I'll be a little more direct.

11 If this increase is approved, this would
12 nearly triple our rates in less than six years. If all of
13 our expenses increased at that same rate, we'd all be
14 filing bankruptcy, unless our income had tripled also. I
15 don't know about yours, but mine sure hasn't. How would
16 you like to be paying these rates and have these increases
17 over the last six years?

18 Missouri-American Water is requesting this
19 increase to help pay for their infrastructure investments
20 of approximately \$115 million from May of 2010 through
21 2011. Assuming that investments includes the acquisition
22 of our sewer system, here's the scenario. Quail Valley
23 residents initially paid for the system as part of their
24 property cost. The system was granted to Capital
25 Utilities back in '94, '95, whenever it was, who sold it

1 to Aqua Source, who sold it to Aqua America, who last year
2 sold it to Missouri-American Water. Each time one would
3 assume that there was a profit to the seller. So my
4 question is, how many times are we going to have to pay
5 for this infrastructure?

6 And I know earlier in the question and
7 answer session it was stated that, well, if the buyer paid
8 more than the previous owner and costs and so forth, that
9 that's not taken into consideration. It's hard to believe
10 that we have seen a 200 percent increase in operating
11 costs in five years. And in Quail Valley, we still have
12 to maintain the septic tank.

13 The PSC's mission is to ensure consumers
14 have access to safe, reliable and reasonably priced
15 utility service while allowing those utility companies to
16 earn a reasonable return on their investment.

17 I didn't research Aqua America's stock
18 values or dividends over the last two years, but based on
19 the previous years, they received a very reasonable return
20 and probably did on the sale of the system. And now we
21 have Missouri-American Water, whose stock price has risen
22 from \$25 to over \$32 in the last year, which is a 25-plus
23 percent increase, and dividends have been in the 3 to
24 4 percent range. That appears to be a reasonable return
25 and now they want more.

1 These utilities are similar to our federal
2 government. They keep spending and the consumer keeps
3 paying. When is the PSC going to make the utility company
4 hold the line on expenses and start ensuring that
5 consumers have access to safe, reliable and reasonably
6 priced utility service? It's about time. Please reject
7 this increase.

8 JUDGE BUSHMANN: Any questions from
9 attorneys? Commissioner Jarrett?

10 COMMISSIONER JARRETT: Yeah.
11 Mr. Lueckenotte, I do have one correction. It is always
12 good to see you. It's always good to hear your testimony.
13 Thank you.

14 MR. LUECKENOTTE: It's good to see you,
15 too, Commissioner.

16 JUDGE BUSHMANN: Thank you. Bruce Hoecker.
17 Could us please state your name and spell it?

18 MR. HOECKER: It's Bruce Hoecker,
19 B-r-u-c-e, Hoecker, H-o-e-c-k-e-r.

20 JUDGE BUSHMANN: Raise your right hand.
21 (Witness sworn.)

22 JUDGE BUSHMANN: Please go ahead.

23 MR. BATES: Several points tonight have
24 been brought up, and not to be redundant, but I really
25 think that the homeowners in our subdivision have to have

1 the burden of the cost of the septic tank maintenance,
2 which I don't agree with. There's other subdivisions just
3 right down the road who don't have that same cost of the
4 septic tank maintenance. That's my one point I really
5 want you guys to consider when making a decision.

6 And the other, I think that there are ways
7 around the cost of that septic tank maintenance that can
8 be passed on to Missouri-American Water. They say there's
9 not, but I really think if they explored it there could
10 be.

11 Also, again, another point that was brought
12 up was the water consumption going into the house and
13 basing that on the sewer bill. Again, they may have had
14 times in the past where they have run into problems with
15 that and not been able to get that information, but I
16 truly think that there are ways around that. To base that
17 on a single person living in a home versus a family, I
18 just truly don't think that's a fair way of billing. If
19 they're a business, they should be able to figure out ways
20 around that to make it a fair business for everyone's
21 billing.

22 That's about all I have to comment on
23 tonight.

24 JUDGE BUSHMANN: Any questions from
25 attorneys? Commissioner Jarrett?

1 COMMISSIONER JARRETT: I don't have any
2 questions, Mr. -- well, I do have one question. What
3 subdivision do you live in?

4 MR. HOECKER: Viola View, or that's my
5 street. Vanloo subdivision.

6 COMMISSIONER JARRETT: Vanly?

7 MR. HOECKER: Vanloo, V-a-n-l-o-o.

8 COMMISSIONER JARRETT: Well, I appreciate
9 your testimony tonight. I appreciate you sharing it with
10 us. Thank you.

11 MR. HOECKER: Thank you.

12 JUDGE BUSHMANN: Richard Allen. Would you
13 please state and spell your name, sir.

14 MR. ALLEN: My name is Richard Allen. That
15 is Richard, R-i-c-h-a-r-d. Allen is A-l-l-e-n.

16 (Witness sworn.)

17 JUDGE BUSHMANN: Please proceed.

18 MR. ALLEN: Yes, I have been a customer
19 with all of the previously named sewer companies from 1997
20 all the way up to the current date, and yes, the rates
21 have increased dramatically, and yet again we see another
22 request.

23 These requests for increases are supposedly
24 based on the investment that a company has had to make in
25 the systems, and what I want to state is I hope the

1 investments that Missouri-American is claiming for their
2 justification for this increase are not the same
3 investments that Aqua claimed a couple of years ago for
4 its increase. Talk about double billing. Seriously, I
5 think that should be looked at very carefully, and I hope
6 the Staff of the PSC does that.

7 And also, as I stated in my testimony a
8 couple years ago, there are ways that people can pad their
9 expenses, that companies can pad, when they could have
10 done things cheaper, but I won't go into that.

11 The statement made by the previous person
12 about the septic tanks, I want to echo that. I mentioned
13 that in the public questioning session. I too have a
14 septic tank that I'm responsible for, and I feel that if
15 Missouri-American is granted this rate increase, the
16 company should be ordered to pay or ordered to pump the
17 septic tanks.

18 The accountant talked about the economy of
19 scale. They sure could have an economy of scale by
20 contracting with somebody to do all the people in their
21 various systems, and it wouldn't cost them nearly as much
22 as it cost us individual homeowners, believe me.

23 I don't like people to treat this as the
24 goose that laid the golden egg, you know, I have a sewer
25 company and I can just ask for increases every year or two

1 and let's see if we can show enough expenses and we'll get
2 creative about those and hopefully we'll get most of what
3 we're asking for and we'll make huge profits. It's not
4 fair. There's a lot of people who are a lot economically
5 worse off than me that it's really going to affect.

6 Now, there's a minor billing issue, and if
7 this continues on the pattern they're doing it is going to
8 be a problem. I have my bill here from the first month
9 when Missouri-American took over, billing date June 17th.
10 Now, they did not put a service period on that month, so I
11 called and asked them, what is the service period?

12 And also I was looking at the last Aqua
13 bill because I wanted to make sure they weren't
14 overlapping, and they weren't. It was right. But the
15 service period was from May 16th to June 16th, which is
16 good. That's a one-month period. We're billed on a flat
17 monthly rate.

18 But subsequent bills have not been on a
19 full month. They've been for like 29 days. So we
20 continue to move forward until here's the billing date
21 from December. Billing period, November 10th to
22 December 9th. So we've moved from the 16th to the 9th
23 now. You see where we're going? If you keep doing this,
24 you're eventually going to squeeze another month out of
25 the customers.

1 So I don't want to keep seeing this billing
2 date moving forward like this. I'm going to track this
3 very carefully. It better start reversing or I'm not
4 going to be happy, and I will raise a fuss about that. A
5 month, folks, is the same date from one month to the next
6 month. That's what a month period is. It's not an
7 arbitrary amount that you want to put down there, like 29
8 days. Fix your billing system if you have a problem with
9 that.

10 Thank you. I'm done.

11 JUDGE BUSHMANN: Any questions from
12 attorneys? Commissioner Jarrett?

13 COMMISSIONER JARRETT: Mr. Allen, I don't
14 have any questions, but I do thank you for your testimony.
15 It's been very helpful.

16 MR. ALLEN: Thank you for allowing that. I
17 appreciate it.

18 JUDGE BUSHMANN: That's all the names on my
19 list. Is there anyone else who has not testified that
20 would like to testify this evening? Yes, sir. Please
21 come forward. Could you please state and spell your name?

22 MR. SCOTT: Yes. It's Kerry Scott,
23 K-e-r-r-y, S-c-o-t-t, and I live in the Vanloo
24 Subdivision.

25 JUDGE BUSHMANN: Please raise your right

1 hand.

2 (Witness sworn.)

3 JUDGE BUSHMANN: Please go ahead.

4 MR. SCOTT: I just kind of wanted to
5 reiterate some of the things that the other folks have
6 said tonight. I feel like -- I'm in one of the
7 subdivisions that have a recirculating sand filter, which
8 I know is a pretty low cost system. I know when we first
9 got into the subdivision, it was only \$17 a month or \$20,
10 around that. But once Aqua came in, they got this big
11 spike, you know, they almost tripled it. It went to what
12 we pay right now, 53.22 or 3, whatever that is.

13 And I kind of feel like we -- our little
14 system that we have, with Aqua coming in and taking over,
15 they took all their expenses that they had in their
16 company and applied it and we have this giant spike where
17 we doubled it, and I'm still -- I'm still doing -- we
18 still have the recirculating sand filter plant, and what
19 cost \$17 five years ago, now it costs 53.22.

20 Like I said, I feel like Aqua's come in and
21 however they would do it to show that they had expenses, I
22 feel like we're paying -- you know, we're subsidizing
23 plants that are higher, you know, higher maintenance, like
24 the ones that take solids.

25 Again, they said that we're responsible to

1 take our solids. And I know our little plant is smaller
2 and lower maintenance. And in the question and answer
3 period we had, you know, they were saying, well, you
4 still -- they let me believe that -- or they led us to
5 believe that there's the same amount of maintenance in a
6 recirculating sand filter plant compared to a plant that
7 takes solids. That's just not true.

8 So I would like the Commission to at least
9 consider, you know, these smaller recirculating sand
10 filters, either to give them a lower rate or actually -- I
11 don't want to increase rates, but like I said, they said,
12 you know, they're trying to say that it cost the same
13 amount as the solids. I just don't -- I don't know if I'm
14 getting my point across, but it just doesn't seem fair to
15 me that, you know, that we've had this big spike with Aqua
16 and now Missouri comes along and they've just -- they've
17 taken over that rate and they're just going to continue
18 building on it. Like I said, we just have a low
19 maintenance recirculating sand filter plant.

20 Again, in the question and answer period
21 they were talking about they've had to do some
22 improvements out there. Well, yeah, they did improvements
23 because our subdivision, you know, doubled in size. They
24 had to build a couple more, you know, all the -- all the
25 collection system's out there. All they had to do was

1 build another little -- you know, it looks like a basement
2 and they put gravel in it. They might have had to put a
3 couple pumps. I just don't see the added expense that,
4 you know, that made our rates go from \$17 to 53.

5 I think that's about all I really -- I just
6 wanted to consider that because I kind of feel like
7 some -- I just -- I want them to consider trying to at
8 least get our -- if we're going to have to pay that rate,
9 to at least handle our solids. Like I said, I -- it's
10 like some of the other people have said, it's kind of hard
11 to think about pumping your septic system when the guys
12 right over on the other side, all their solids are being
13 taken care of and we're paying the exact same rate.

14 I appreciate the consideration and hope it
15 made some sense.

16 JUDGE BUSHMANN: Any questions from
17 attorneys? Commissioner Jarrett?

18 COMMISSIONER JARRETT: No, I don't have any
19 questions of Mr. Scott. I think you made your points very
20 clear. I understand them, and thank you very much.

21 MR. SCOTT: Thanks.

22 JUDGE BUSHMANN: Is there anyone else who
23 would like to testify? I don't see any other witnesses
24 tonight.

25 Commissioner Jarrett, did you want to make

1 any closing remarks?

2 COMMISSIONER JARRETT: Sure. Thank you,
3 Judge. And thank you all for -- for those of you who
4 testified tonight, thank you again for your testimony. It
5 is very helpful. I know our staff is still here.
6 Hopefully in the question and answer session before you
7 had your questions answered, but if not, then please feel
8 free to talk to the Commission Staff, and I'm sure there's
9 some company representatives here as well. If you have
10 any further questions of them, I'm sure they're happy to
11 try to answer all your questions.

12 So again, thank you, and have a good
13 evening.

14 JUDGE BUSHMANN: I remind everybody that
15 you may make written comments by contacting the Office of
16 Public Counsel or by going to the PSC's webpage. The
17 evidentiary hearing is currently scheduled to take place
18 in this room beginning February 21st. If you have
19 Internet access, you can watch that hearing on your
20 computer as the hearing will be webcast on the
21 Commission's webpage. There won't be a final decision
22 until near the end of May.

23 I'd like to thank everybody who
24 participated in tonight's hearing. The local public
25 hearing in File No. WR-2011-0337 is now adjourned. We're

1 off the record.

2 (WHEREUPON, the public hearing concluded at

3 7:08 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