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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

Local Public Hearing

March 31, 2010

St. Louis Community College, Meramec
St. Louis, Missouri
Volume 4

In the Matter of Missouri-American)
Water Company's Request for)
Authority to Implement a General)
Rate Increase for Water Service) No. WR-2010-0131
Provided in Missouri Service Areas)

DANIEL R.E. JORDAN, Presiding
REGULATORY LAW JUDGE

KEVIN GUNN,
ROBERT S. KENNY,
COMMISSIONERS

REPORTED BY:
Beth O. Zink, RPR
MO/CCR#799; ILCSR#084.004477

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APPEARANCES

John Reichart, Attorney at Law
727 Craig Road
St. Louis, Missouri 63141
FOR: Missouri-American Water Company

Christina Baker, Senior Counsel
P.O. Box 2230
Jefferson City, Missouri 65102
(573)751-4857
FOR: Office of Public Counsel
and the Public

Eric Dearmont, Legal Counsel
P.O. Box 360
Jefferson City, Missouri 65102
(573)751-4255
FOR: Staff of the Public Service Commission

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

2 JUDGE JORDAN: What I'll do is I'll just pretend
3 that the microphone is not here and I'll talk into the
4 microphone as if it weren't here, so I hope that everyone
5 can hear me. Good evening, everyone. And on behalf of
6 the Missouri Public Service Commission, I'm grateful to
7 you for coming out and sharing your insights on this
8 issue with us.

9 My name is Daniel Jordan. I'm what's called
10 a regulatory law judge, and what that means is that the
11 Commission hires me to conduct proceedings, proceedings
12 like this one, investigatory proceedings, where the
13 Commissioners try to gain insights into how policy
14 actually impacts people at the service end of utilities.
15 I also conduct evidentiary hearings, which are very much
16 like a trial, as you've heard, and right now I'm assigned
17 to the trial in this case as well.

18 My job this evening is to conduct an orderly
19 proceeding and I'm grateful for your attention to the
20 presentation so far. As I call your name, I would like
21 you to come up to the podium and speak into it. Our
22 court reporter is recording this and a transcript can be
23 made later if anyone wants to review it.

24 Before I begin, I'm going to introduce the
25 Commissioners who have come to this meeting today to

1 personally hear your testimony. We have Commissioners
2 Gunn and Kenney and I will let them make remarks as well.

3 COMMISSIONER GUNN: Thank you, Judge. I want
4 to thank everybody for coming out tonight. It's a
5 beautiful night, and we very much appreciate you taking
6 the time to come out to express any concerns you might
7 have. Just to give you a little bit of background, I
8 know it was probably explained to you beforehand, but we
9 sit as judges in this case, and so we are not able to
10 answer questions, as much as we would like to answer
11 questions. And as frustrating as it is for you, it's
12 also frustrating for us not to be able to explain how
13 some of this works, but unfortunately the way the
14 procedure is set up, we are not allowed to do so,
15 although we may have questions for you and that's
16 follow-up questions.

17 I wouldn't read anything into the questions
18 that we're asking. We're just trying to elicit
19 information that will help us and the other commissioners
20 who will be making a determination in this case. As the
21 judge said, this is kind of the middle part of the
22 proceeding. The Staff has done the work up to this
23 point, we have the local public hearing and then in a few
24 weeks we will have an evidentiary hearing using
25 information gathered by the staff, through their audits,

1 information submitted by the company and information
2 that's gathered at this local public hearing, so I just
3 want to thank everybody for their time in coming out and
4 I look forward to having the discussion. Thank you.

5 COMMISSIONER KENNEY: Good evening. My name
6 is Robert Kenney and I'm one of five commissioners that
7 sits on the Public Service Commission. Your input is
8 very important to the process. All your testimony will
9 be sworn and transcribed and become part of the official
10 record, and it's part of the evidence, like all the other
11 evidence in the case, that will be a part of the decision
12 making process. So this portion of the entire 11-month
13 process is very valuable to us. And there are two of us
14 here, but there are very likely commissioners that are
15 listening via the web site and will also have the
16 transcripts that are produced as a result of this public
17 hearing and they will have those available as well. So
18 again, your input is very, very critical, so thank you
19 for coming out tonight.

20 COMMISSIONER GUNN: I forgot one other thing.
21 We have staff members that are at the back of the room.
22 I think they were introduced to you. We may direct you
23 to -- after we hear your comment, or ask you to speak to
24 one of those staff representatives if you want to. Do
25 not feel like you have to wait until the end of the

1 hearing to do that.

2 If you want, you're not going to offend us if
3 you stand up and go talk to a staff member and try to get
4 either your complaint resolved or a question answered,
5 because they are allowed to answer your questions, and so
6 we may direct you to them. But if you feel the need to
7 do it, go ahead, stand up, go out in the hallway and talk
8 to them. We would much rather get the concern or
9 question answered tonight in a timely fashion than have
10 to wait until the end. So feel free to do that during
11 the hearing. You won't offend us at all. Thanks.

12 STAFF MEMBER: Judge, we're hearing an echo
13 in the back of the room, so I don't know if we need to
14 have those microphones so the people in Jefferson City
15 can hear us, but when you're talking, there's a little
16 bit of an echo back here in the back. I don't know if we
17 can ask the questions without the microphones.

18 JUDGE JORDAN: Thank you. I don't know what
19 to do about the echo and I'm reluctant to turn the volume
20 down any further because of the air conditioner that's
21 behind me.

22 AUDIENCE: That's better.

23 JUDGE JORDAN: That's better? And can
24 everyone still hear in the back row? Can you still hear?
25 Good deal, all right. A few more tips on testifying.

1 After you've made your statement, the Commissioners may
2 have questions for you, the parties to the case may have
3 questions for you, so don't leave the podium right away.
4 There may be some follow-up for you. And now that we are
5 on the record, I am going to formally take entries of
6 appearance from the parties, and I will begin with the
7 Company, Missouri-American Water Company. Would counsel
8 enter an appearance, please.

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

13 JUDGE JORDAN: I'll just remind everyone that
14 we do have a court reporter recording. Make sure you
15 speak up, especially since she has the air conditioner
16 right in her ear, so thank you. And for Staff?

17 MR. DEARMONT: Thank you, Judge. Eric
18 Dearmont on behalf of the Staff of the Missouri Public
19 Service Commission, P.O. Box 360, Jefferson City,
20 Missouri 65102.

21 JUDGE JORDAN: And for the Office of Public
22 Counsel? Counselor, I'm going to ask you to repeat that
23 information. We had a problem with the sound there.

24 MS. BAKER: Certainly. Christina Baker, P.O.
25 Box 2230, Jefferson City, Missouri 65102, appearing on

1 behalf of the Office of the Public Counsel and the rate
2 payers.

3 JUDGE JORDAN: Thank you, counselor. All
4 right. I appreciate your time, and I want to be
5 respectful of it, so I will cut out any further
6 preliminary statement from me and I will get right to the
7 testimony. We will begin with Michael Schafer. Mr.
8 Schafer, please raise your right hand.

9 (Whereupon, Mr. Michael Schafer was sworn.)

10 JUDGE JORDAN: Please spell your name for the
11 reporter.

12 MR. SCHAFFER: S-c-h-a-f-e-r.

13 JUDGE JORDAN: And Mr. Schafer, are you a
14 customer of Missouri-American Water Company?

15 MR. SCHAFFER: Yes, I am.

16 JUDGE JORDAN: Please tell the Commission
17 what you would like the Commission to know.

18 MR. SCHAFFER: I recently purchased a mobile
19 home park, and the previous owner of the mobile home park
20 had a problem with the water meter. Well, there really
21 wasn't a problem with the water meter. The fact of the
22 matter is is that the water meter had been estimated for
23 the past five years, and in doing that, the previous
24 owner was paying about \$75 every three months for the
25 water service for this mobile home park.

1 When it was finally actually an actual read
2 on the water meter, the water bill was almost \$10,000.
3 And due to the fact that the water meter hadn't been read
4 for over five years, that water bill was eliminated. She
5 paid about \$1,000 of that water bill and that was
6 eliminated due to the fact of the -- you know, just not
7 being diligent in reading the water meter. And that's my
8 statement there that, you know, instead of almost a 25
9 percent rate increase, if we had a little bit more
10 diligence in collecting the actual monies that are
11 collectible, we might not be having to pay almost a 25
12 percent increase. I know of no other business that can
13 raise their price almost 25 percent and stay in business.
14 That was my point.

15 JUDGE JORDAN: Okay. Thank you.

16 MR. SCHAFER: Thank you.

17 JUDGE JORDAN: Hang on. There may be a few
18 follow-up questions for you. Commissioners?

19 COMMISSIONER GUNN: Just some information.
20 Thank you very much for coming.

21 MR. SCHAFER: That's okay.

22 COMMISSIONER GUNN: What year did the
23 transfer occur?

24 MR. SCHAFFER: Two or three years ago.

25 COMMISSIONER GUNN: Okay. So you've owned it

1 for two or three years?

2 MR. SCHAFER: Yes.

3 COMMISSIONER GUNN: And do you know the date
4 of the incident when the bill --

5 MR. SCHAFER: The previous five years before
6 that.

7 COMMISSIONER GUNN: Was the meter -- was the
8 problem caught because of the transfer?

9 MR. SCHAFER: The problem was caught because
10 of that and then also because they actually went out and
11 read the meter. Just timing was everything.

12 COMMISSIONER GUNN: So no one asked them to
13 come out to read the meter?

14 MR. SCHAFER: Correct. Just all of a sudden
15 they decided to do an actual read on the meter and that
16 was the situation.

17 COMMISSIONER GUNN: And then they realized --
18 or the company realized that they hadn't actually read
19 it?

20 MR. SCHAFER: Yeah, they had been just
21 estimating the bill and the lady just didn't realize that
22 the bill had been being -- you know, granted, it was a
23 cheap price and I probably would have just kept paying
24 it, too.

25 COMMISSIONER GUNN: Were you involved in any

1 of the discussions about taking care of the water?

2 MR. SCHAFER: Her attorney was involved as
3 well with that.

4 COMMISSIONER GUNN: But you were?

5 MR. SCHAFER: Yes, I was as well.

6 COMMISSIONER GUNN: How was it to deal with
7 the company? Were they responsive? Did it take a lot to
8 solve your problem?

9 MR. SCHAFER: Well, you know, it did take a
10 lot of follow-up, without question, but I think the --
11 kind of the unnerving part about it was is that it was
12 made obvious that this is not the first time that they
13 had went through this process, and that definitely was
14 the feeling that was given.

15 COMMISSIONER GUNN: Just one more question
16 and then Commissioner Kenney might have some questions.
17 Any water quality issues that you've had or that you want
18 to bring up?

19 MR. SCHAFER: No, I have no problem with the
20 water quality.

21 COMMISSIONER GUNN: Thank you, sir. I don't
22 have any further questions.

23 MR. SCHAFER: Thank you.

24 COMMISSIONER KENNEY: Mr. Schafer, thank you
25 for coming tonight. Do you still own the park?

1 MR. SCHAFER: Yes.

2 COMMISSIONER KENNEY: How has the meter
3 reading been since that problem has been discovered?

4 MR. SCHAFER: In what regard?

5 COMMISSIONER KENNEY: Are they doing it
6 regularly and is the meter working --

7 MR. SCHAFER: Yes.

8 COMMISSIONER KENNEY: -- and functioning
9 correctly?

10 MR. SCHAFER: Yes, yes.

11 COMMISSIONER KENNEY: They're not estimating
12 anymore?

13 MR. SCHAFER: No. No, I'm not going to get
14 stuck in that mess.

15 COMMISSIONER KENNEY: Have you had any other
16 customer service dealings with the company since that
17 time?

18 MR. SCHAFER: No. No, I really haven't, to
19 be honest. I mean, at one point in time because of how
20 much the water bill went up, we actually questioned the
21 water meter that was on there and we actually took the
22 water meter out, took it to Missouri-American Water and
23 tested the volume that was sent through there, and it did
24 test out okay, but I just think my point of view is that
25 you guys should have caught a meter being estimated for

1 over five years. If this was a private company, there's
2 no way in the world that would have gotten through, and
3 this is a true statement.

4 COMMISSIONER KENNEY: Thank you very much for
5 your time.

6 JUDGE JORDAN: Okay. Any more questions from
7 the Commission?

8 COMMISSIONER GUNN: No. Thank you.

9 COMMISSIONER KENNEY: Thank you.

10 JUDGE JORDAN: Questions from the company?

11 MR. REICHART: No.

12 JUDGE JORDAN: No, all right. Questions from
13 staff?

14 MR. DEARMONT: No questions. Thank you.

15 JUDGE JORDAN: Questions from the Office of
16 Public Counsel?

17 MS. BAKER: No, sir. Thank you for coming.

18 JUDGE JORDAN: Thank you, counselor. Thank
19 you, Mr. Schafer. I'm going to just go ahead and ask
20 everyone who steps up, to go ahead and spell their name
21 for the court reporter just so I don't have to ask you to
22 do that each time. Also, let me ask the people in the
23 back, were you able to hear Mr. Schafer? Okay. Good.
24 The next name I have on my list is Doug Smith.

25 MR. SMITH: Thank you. Good evening.

1 JUDGE JORDAN: Please raise your right hand
2 and I will swear you in.

3 (Whereupon, Mr. Doug Smith was sworn.)

4 JUDGE JORDAN: Thank you. Please proceed.

5 MR. SMITH: My name is Doug Smith. I live in
6 St. Louis County and my name is spelled S-m-i-t-h, 63128.
7 One of the things that I've noticed this evening is that
8 during the question and answer period there's been a lot
9 of excellent comments being made, and it would be my
10 recommendation that maybe there be more explicit notice
11 given before the meeting starts so that -- because
12 there's going to be a lot of repetition tonight. People
13 are going to be repeating what they told before, probably
14 not as well as what they did during the question and
15 answer. That would just be one of the recommendations.

16 One of the things that I've noticed is the
17 efficiency of the water company, and that's been brought
18 up once before. Last year, I being one of the trustees
19 of the subdivision, had noticed that most of the water --
20 the fire hydrants were in dire need of painting again, so
21 I tried to contact the fire department. They said no,
22 that that was the water company that did that.

23 I could not find the water company in the
24 phone book. I had to look on the internet to find
25 Missouri-American Water Company. I finally found it,

1 called them on an 800 number and gave them the
2 information. Within two weeks, all of the fire hydrants
3 were painted. I thought that was amazing. Six months
4 later here they are being repainted again, but I didn't
5 know who had repainted them the first time, I never saw
6 who did it. The second time they were out in front of my
7 house and I went out to ask the gentleman from the water
8 company what he was doing, and he said I'm painting the
9 hydrant, and I go why, there's nothing -- it just was
10 painted six months ago, and he says I have an order to
11 paint it. So there could be maybe a little bit more
12 efficiency in that.

13 The thing that I -- this has been -- there
14 have been other people that have other comments that are
15 probably more pertinent than mine, but this one right
16 here would be my main concern. I really have a huge
17 problem with a 22 percent or 23 percent request for an
18 increase. And what I've heard earlier this evening is
19 that there's been knowledge of this -- Missouri-American
20 Water Company has known that they needed more money to
21 replace the infrastructure, but yet they can't request it
22 on a yearly or semi-monthly -- semi-yearly basis, they
23 have to wait until a certain -- I don't know what time
24 period it is, but they have to wait so long and then all
25 of a sudden we need this huge increase.

1 This is probably -- it's probably the worst
2 time that they could ask for that with the way that the
3 economy is and people's jobs. This is going to impact
4 drastically a number of -- a large amount of people.
5 That's all I have to say. Thank you for your time.

6 JUDGE JORDAN: Thank you. Questions from the
7 Commission?

8 COMMISSIONER GUNN: First, there's a definite
9 answer to your question about when the company can come
10 in, and I will suggest that you ask the Staff, because
11 they can give you what that answer is and what the
12 reasoning is behind it. You're a trustee of the
13 subdivision?

14 MR. SMITH: Yes, sir.

15 COMMISSIONER GUNN: Do you hear -- if there
16 were complaints about the water system, water quality,
17 cost, would that go through you or is that --

18 MR. SMITH: No, nobody would complain to me.
19 I have nothing to do with it. I mean, they would call
20 the Missouri-American Water Company.

21 COMMISSIONER GUNN: Call them directly?

22 MR. SMITH: Yeah.

23 COMMISSIONER GUNN: So let me ask you as an
24 individual. Have you had any sort of water quality
25 issues, any --

1 MR. SMITH: No.

2 COMMISSIONER GUNN: -- pressure issues?

3 MR. SMITH: No.

4 COMMISSIONER GUNN: Water has been fine?

5 MR. SMITH: There's only one other thing that
6 I would like to add, and that is the -- well, go ahead.

7 COMMISSIONER GUNN: No, please, add.

8 MR. SMITH: That's okay. Go ahead. I lost
9 my train of thought here. I'm sorry.

10 COMMISSIONER GUNN: I'm sorry. I just wanted
11 to make sure you haven't had any water quality issues.

12 MR. SMITH: No, no water quality issues, no.

13 COMMISSIONER GUNN: And if the company had
14 stopped after that two weeks and painted the hydrants and
15 not painted them again, that would have been great?

16 MR. SMITH: Well, yeah, I just -- yeah, I
17 mean, I was amazed at the speed that they did that by the
18 response that I had gotten from some person who I spoke
19 with in New Jersey on the 800 number, because I asked, I
20 said, where are you, and so she told me, and I told her
21 that I couldn't get a -- I couldn't find a phone number
22 in the phone book, and she said -- I don't remember what
23 she said, but she said that she would pass my information
24 along, which she did. I know what it was that I was
25 going to bring up. The way that I was notified, and I'm

1 sure the rest of the people here were notified about this
2 meeting tonight, was a flyer that was addressed to each
3 individual person, but it had no return address. People
4 would have no knowledge as to what that letter was about,
5 and I've got it with me. I can show it to you.

6 So I'm thinking that probably there's a
7 number of people that threw it away as thinking it was
8 junk mail, not knowing who it was from. It would really
9 be helpful if you would put your return address on any
10 solicitations and informational mailings that you send
11 out.

12 JUDGE JORDAN: If you would like the
13 Commission to see that, the court reporter --

14 MR. SMITH: I have that, yes.

15 JUDGE JORDAN: -- can mark it and we'll put
16 it in the file.

17 MR. SMITH: I will do that. I've got it
18 right here.

19 JUDGE JORDAN: Okay.

20 COMMISSIONER GUNN: Sir, we appreciate that.
21 We are always trying to make these local public hearings
22 better, and the folks here may not know it, but you're
23 part of a little bit of an experiment. We're doing it
24 slightly different with the presentations that were there
25 and letting the question and answer period. Typically

1 these things start a little earlier and the question and
2 answer period is shorter, and we're trying some new
3 things in order to try to get better. So I would
4 encourage everybody to let the staff know, and I think
5 there may even be some ability to comment on how these
6 things go, but we're constantly trying to improve our
7 process, and that's a great point that is a pretty easy
8 fix that we would be able to do to make this better, so I
9 appreciate those comments. And if people do have a
10 comment, please let staff know. And part of this
11 experiment is gathering input from people so we can make
12 it better, so I thank you. I don't have anything else.
13 I'm going to turn it over to Commissioner Kenney.

14 COMMISSIONER KENNEY: Mr. Smith, thanks again
15 for coming out. When did this happen with the fire
16 hydrants being painted?

17 MR. SMITH: Oh, it's been -- I would say it's
18 been -- it was last summer, and then they -- last spring
19 probably, last spring, and then they came back in late
20 fall, which I thought was bizarre.

21 COMMISSIONER KENNEY: Spring and fall of 09?

22 MR. SMITH: Uh-huh.

23 COMMISSIONER KENNEY: Thank you very much,
24 and thanks again for being part of the process.

25 MR. SMITH: Thank you.

1 JUDGE JORDAN: And are there any questions
2 from Missouri-American?

3 MR. REICHART: No questions. Thank you.

4 JUDGE JORDAN: Anything from Staff?

5 MR. DEARMONT: No questions. Thank you.

6 JUDGE JORDAN: Any questions from the Office
7 of Public Counsel?

8 MS. BAKER: No questions. Thank you, Mr.
9 Smith.

10 JUDGE JORDAN: And Mr. Smith, while you're
11 bringing your document up, I'm going to adjust my
12 microphone.

13 (Whereupon, Hearing Exhibit No. 1 was marked
14 for identification.)

15 JUDGE JORDAN: And I'm going to ask you a few
16 questions about that document while the reporter is
17 marking it. Okay. The reporter has marked that as
18 Exhibit 1. Can you give us a brief description of the
19 document that's been marked as Exhibit 1?

20 MR. SMITH: It's just a letter that I had
21 received from the water company stating that there was
22 going to be a hearing and questions and answers, but it
23 had no return address, so no one would know, until you
24 opened it, what it really -- who it was from. And I'm
25 thinking the way that it was addressed, it could have

1 been taken as junk mail by a number of residents.

2 JUDGE JORDAN: Okay. So what you're saying
3 is, looking at the outside of the document, you have no
4 idea what it is?

5 MR. SMITH: That's exactly true.

6 JUDGE JORDAN: Okay. I understand.

7 MR. SMITH: It would be very helpful to put
8 the return address and who it was from.

9 JUDGE JORDAN: Just generally, I see that
10 there are a few marks in blue ink. Did you add those?

11 MR. SMITH: I added those.

12 JUDGE JORDAN: Other than that, is that in
13 the shape that you received it?

14 MR. SMITH: Yes, sir.

15 JUDGE JORDAN: Okay. Do the Commissioners
16 have any questions about that?

17 COMMISSIONER GUNN: No, except you bring up a
18 very good point.

19 COMMISSIONER KENNEY: It came like this?

20 MR. SMITH: Yes.

21 COMMISSIONER KENNEY: Thank you. That's
22 very helpful.

23 JUDGE JORDAN: Thank you, Mr. Smith.

24 MR. SMITH: Thank you.

25 JUDGE JORDAN: The next name on my list is

1 Bob Pieper.

2 MR. PIEPER: My name is Bob Pieper.

3 JUDGE JORDAN: Pieper.

4 MR. PIEPER: I accept either. P-i-e-p-e-r,
5 7439 Warner in Richmond Heights 63117.

6 JUDGE JORDAN: Thank you. Please raise your
7 right hand.

8 (Whereupon, Mr. Bob Pieper was sworn.)

9 JUDGE JORDAN: Thank you.

10 MR. PIEPER: I'm sorry. I didn't mean to
11 mess up the order there.

12 JUDGE JORDAN: You didn't, and since my name
13 is Jordan and in some clans that's pronounced Jordan and
14 sometimes it's spelled with a G, first pronunciation is
15 important to me.

16 MR. PIEPER: I appreciate that.

17 JUDGE JORDAN: It's a small matter of respect
18 and I'm happy to do it.

19 MR. PIEPER: I have three comments I would
20 like to make. I'll make the major one first. As we were
21 discussing during the question and answer session, I
22 would like to submit that the rate of return that the
23 company is requesting, or even that the PSC staff is
24 recommending, is excessive in light of the current market
25 conditions.

1 As we all know, we are in a depressed
2 economic condition which is expected to last for some
3 time. As we all know, interest levels are at record lows
4 and the Federal Reserve is telling us they are likely to
5 remain that way for years to come. In light of that, I
6 think that the current five percent rate of return the
7 company is experiencing, if I understand correctly, is
8 probably reasonable. I think the 11 percent they have
9 requested is clearly excessive, and again, in my point of
10 view, even the 9 percent the Commission is recommending
11 is -- the Commission staff is recommending is excessive.

12 And the major reason I say that is there are
13 always two major components in any investment. There is
14 risk and there is return, and in the case of a utility,
15 the reason they can be regulated monopolies is that they
16 enjoy the benefit of basically a guaranteed market, which
17 is why they're traditionally called, you know -- forgive
18 the comment -- but granny stocks. People who need that
19 guaranteed income will buy them so they will have a
20 guaranteed rate of return that, you know, they really
21 need the security.

22 So given the security that a utility offers,
23 particularly in this market, I think it's very fair to
24 expect, you know, a somewhat below rate of return. And
25 again, I submitted during the question and answer session

1 that, you know, three percent might even be a reasonable
2 rate of return. There was some disagreement with that,
3 as I can imagine, but still I think clearly the 11
4 percent the company is asking for is excessive.

5 Again, I would submit the 9 percent, in light
6 of the current market conditions, where basically the Fed
7 is sending out money into the market at zero percent, I
8 think, you know, the current five percent rate of return
9 should be considered. I'll just make two additional
10 points very quickly.

11 Again, in these current economic conditions
12 which are expected to go on for some time, I think it's
13 very important to remember that even a minimal increase
14 in a basic utility like this can really reek havoc on a
15 lot of people. I used to live in some underprivileged
16 neighborhoods, lower income neighborhoods. Anybody who
17 has lived in a neighborhood like that will tell you it's
18 common for people, as they get near the end of the month,
19 to not have money for basics such as food.

20 Anybody who lives in a low income
21 neighborhood has seen people go through the grocery and
22 they'll say, as they get to the end of the check-out, you
23 know, as they get to the end of checking out will say,
24 well, I don't have enough money, you know, what can we
25 put back, how much if we put this one back. I have, on

1 any number of occasions, given money to friends and
2 neighbors, I still do, who have a hard time getting near
3 the end of the month.

4 So when you're talking about basic utilities
5 like this and a pretty -- you know, a pretty substantial
6 increase, I think it's really important to remember that,
7 particularly as the population ages and particularly as
8 we consider that in the new economic realities, they're
9 calling it now, there are going to be a lot of people who
10 think more about those basic utility bills, because they
11 don't have the good union job or the good white collar
12 job they used to have. And I can tell you there's some
13 neighbors of mine in Richmond Heights who are suddenly
14 much more frugal than they used to be.

15 The final thing I would say with respect to
16 the service the company offers, which I agree is good, I
17 would make just one point with respect to billing, which
18 I think actually the Commission has helped already
19 address. Most people either send in a check to pay their
20 bill or you can pay it at many grocery stores, I believe,
21 or you can go right up here to the company and pay them
22 if you want. Most grocery stores, however, will charge
23 like a 50 cent, 75 cent, dollar surcharge or something to
24 pay the bill, and again, when you're talking about low
25 income people and maybe even middle class people, that

1 essentially is a de facto rate increase, an additional
2 buck or two.

3 Now, I believe that the Commission has
4 recently instituted a proposal for like billing stations
5 that would be placed various places around the community
6 so people could pay bills without charge conveniently. I
7 just wondered if -- or, you know, that's what I read in
8 the newspaper anyway. I would certainly hope that the
9 water company will take part in that program. I mean, it
10 would be a great thing, again, for these very low income
11 people who have a real issue with something like that.
12 And again, I commend the Commission, if that's the
13 proposal they put forward. Thank you.

14 JUDGE JORDAN: Questions from the Commission?

15 COMMISSIONER GUNN: Thank you for bringing
16 this up. This is something that we hear about a lot
17 actually when we go out in rate cases. Do you know
18 anybody that has either approached the company or used
19 any low income or financial assistance programs that the
20 company may offer?

21 MR. PIEPER: No, actually I do not, and have
22 never even considered that they offered them. Can I ask
23 you a question?

24 COMMISSIONER GUNN: Well, let me -- you
25 can't, but a lot of the utilities do have assistance

1 programs, and I don't want to talk specifically, but I
2 can just talk generally, but those are things that we
3 look at and make sure that they're being administered
4 correctly and they're appropriate, and one of the ways we
5 can evaluate it is if you know people that have dealt
6 with either the company directly or any other agencies
7 that help with not only -- with utility bills in general.
8 And so that was the point of my question, was to see
9 whether you have any kind of direct knowledge or even
10 secondhand knowledge of people that have interacted with
11 either community action agencies or the company directly
12 looking for assistance.

13 MR. PIEPER: Community action agencies in
14 terms of the St. Patrick's Center and the New Life
15 Evangelistic Center pay a lot of utility bills for
16 people. I thought they did that through their own
17 programs, but maybe they're administering assistance
18 programs offered by the utilities, I don't know, but I do
19 know some people who have done that.

20 MR. COMMISSIONER: Okay. But you don't have
21 any direct knowledge of how those programs work or how
22 well those programs have been working if they're
23 connected with the company?

24 MR. PIEPER: Not directly enough, no.

25 COMMISSIONER GUNN: I don't have anything

1 else, but thank you for testifying.

2 COMMISSIONER KENNEY: Mr. Pieper, thank you
3 for coming out. If you did have specific questions about
4 what the company might have available in terms of helping
5 low income people out, I know our staff might be able to
6 assist you in getting those types of questions answered
7 if you have some specific questions in that regard.
8 Otherwise, thank you very much for coming out and sharing
9 your thoughts with us. Thank you.

10 MR. PIEPER: Thank you all.

11 JUDGE JORDAN: Any questions from
12 Missouri-American?

13 MR. REICHART: No questions. Thank you.

14 JUDGE JORDAN: Any questions from Staff?

15 MR. DEARMONT: None, thank you.

16 JUDGE JORDAN: Any questions from the Office
17 of Public Counsel?

18 MS. BAKER: No. Thank you for coming, Mr.
19 Pieper.

20 JUDGE JORDAN: Thank you, sir. The next name
21 on the list is Thomas Allen.

22 MR. ALLEN: Yes, sir. Thomas Allen,
23 A-l-l-e-n, the last name.

24 (Whereupon, Mr. Thomas Allen was sworn.)

25 JUDGE JORDAN: Please tell the Commission

1 what you would like the Commission to know.

2 MR. ALLEN: First of all, I want to thank the
3 Commission for this hearing. I've made myself some
4 notes. I do not have the capabilities of the modern
5 world today as a computer. The best I've gotten is I
6 finally got a cell phone. I know I'm going to miss some
7 stuff, but I would like to address the issue, but it will
8 take me a little bit of time here because I've got notes
9 on two sheets of paper. By the way, you'll be welcome to
10 my sheet, if you want it, as an additional sample of the
11 notice of the hearing.

12 First of all, I had two options when I heard
13 about this hearing. One was being intimidated, stay home
14 and absorb whatever the Commission gives the water
15 company for a rate increase, or come and do my best to
16 explain my situation and my feelings about a 20.9 percent
17 increase rate, I believe is what this sheet says -- 22.9,
18 I'm sorry. See, my mind is not as sharp as it used to
19 be.

20 Anyway, you know, I consider myself an
21 average citizen, you know. I never had -- I was a
22 country boy, so I have no more than a high school
23 education. I don't feel that I ever had the capabilities
24 to go out and make the kind of money that even my
25 children are making, but I had a great life, or have had

1 a great life to this point. My wife was a homemaker and
2 a mother and she never had a business career of her own,
3 and so therefore she had no income.

4 She took care of the house, the children,
5 paid the bills. So I seen a chance for myself to retire.
6 I was in the printing trade. I seen a chance to retire,
7 I jumped at 62, because that was the magic number. I
8 took the early social security, took my pension from the
9 union. My wife is seven years younger than I am. She
10 never worked, so she is drawing her social security based
11 on what I made.

12 It was probably a mistake. You know, in
13 today's world, it was probably a mistake. You know, if I
14 was still working and with the economic conditions what
15 they are today in this world, I would not retire, I would
16 continue to work until I dropped dead on the job. I
17 thought I had enough money to make -- you know, to live
18 comfortable. Fortunately we own about five different
19 homes. I poured everything back into the home when we
20 sold, so I was able to see my way clear that I knew what
21 pension I got and the social security, I could pay the
22 house off, so I retired.

23 You know, this is where I come from. My
24 pension from the union, two little pensions from the
25 union, they're fixed, you know, I never get a penny

1 increase off of them. And you all know social security,
2 it's catch-up time. They only pay you for what the
3 economy has already taken away from you. I went back,
4 got all of my social security status sheets. I'm not a
5 mathematician, but I know these figures are right. You
6 know, you basically wear out a calculator. Speaking of a
7 calculator, I have spent an hour looking for \$1.15
8 mistake on my checking account.

9 Now, I went back and looked at the increases
10 that my wife and I have gotten off of social security. I
11 started this year, 2010, which we have nothing. I go
12 clear back to 2003, that is a 21.7 percent increase that
13 took me eight years. You know, you don't even want to
14 think about putting a CD in the bank now. Sometimes I
15 feel like I would be better off to just stick it under
16 the mattress than to take it down and put it in the bank;
17 that's how bad things are.

18 Over the eight years on my social security, I
19 got a net increase of \$217 per month. My wife, she got a
20 \$20 increase. Now, I mean, that's hard for you to
21 understand that, but she started drawing her social
22 security and she was not 65. So when she turned 65, the
23 first thing the government did was take out \$75 for
24 Medicare, you know. I've had increases of \$37.80 a month
25 for my medical care. Her increases, because of the

1 status of where it's at, she's had a \$96.50 increase
2 because that's the current rate.

3 You know, I mean, I'm just trying to be
4 explanatory under my conditions. We have a 2003 Ford
5 Taurus, which I bought used. It's got 85,000 miles on
6 it. That's why I say, I'm just the average citizen. I
7 can't believe that there isn't 100 people or 200 people
8 with my status in this room. I don't know if they were
9 intimidated by coming before this Commission or whether
10 they just, you know, like me, just take it and run.

11 I just, you know, I feel like I'm, in a
12 sense, wasting my time, because I don't have -- I've got
13 a high school education. I don't have the knowledge that
14 -- 50 percent of the people in this room are better --
15 has much more education than I have. That's why I say, I
16 feel I'm just an average citizen, because there's lots of
17 people like me. That's really all I have.

18 That pretty much tells my story, you know,
19 and I sometimes feel like, you know, the quote -- I'm
20 just going to say big corporations -- meaning, you know,
21 there's no way that I can complain about the price of
22 gasoline, you know, that's out the window, but sometimes
23 I think that big companies have got a target on my
24 wallet. You know, everybody wants a little bit more and
25 a little bit more.

1 And for instance, I live in Rockwood school
2 district, I live out in Fenton. I didn't know that the
3 taxes were going to be that high in that particular
4 district, but I got a good buy on the house, so that's
5 where I moved to, but they now have another bond issue on
6 the ballot. They have, I believe it's a 68 cent
7 surcharge on the tax base to support their first bond
8 issue that they got several years ago. Now they're going
9 to run another one and they advertise it no tax increase,
10 but they don't tell you the truth that if you don't okay
11 it, the 68 cents will eventually come off of the tax
12 rate. But anyway, I thank you for your time and I hope
13 that you understand some where I'm coming from. Again, I
14 just can't believe there isn't more people here.

15 JUDGE JORDAN: Thank you, Mr. Allen.
16 Questions from the Commission?

17 COMMISSIONER GUNN: I don't have any
18 questions, but I want to thank you very much for taking
19 the time to come out and I think you are representative
20 of a lot of people, and we understand, so thank you very
21 much for coming out. We appreciate your testimony.

22 COMMISSIONER KENNEY: Mr. Allen, thank you
23 very much for participating in the process, and
24 irrespective of how much education a person has, your
25 voice is as important as anybody else's in this room, if

1 not more so. And we're all average citizens and your
2 input is valuable. Please know that you have not wasted
3 time by coming out here and sharing your story with us.
4 Thank you.

5 MR. ALLEN: Thank you, and I appreciate the
6 opportunity to get here and voice my opinion.

7 JUDGE JORDAN: Questions from the company?

8 MR. REICHART: No questions. Thank you, Mr.
9 Allen.

10 JUDGE JORDAN: Questions from the Staff?

11 MR. DEARMONT: No questions. Thank you.

12 JUDGE JORDAN: Any questions from the Office
13 of Public Counsel?

14 MS. BAKER: No, but thank you very much, Mr.
15 Allen.

16 JUDGE JORDAN: Thank you, sir.

17 MR. ALLEN: Would you like this extra sample
18 here?

19 JUDGE JORDAN: If you would like to enter
20 that into the file.

21 MR. ALLEN: The only marking on it, I put the
22 date on it when I knew the hearing, that I was going to
23 attend, and I can't agree more that -- by the way, just a
24 little side issue here. Had that been a letter from a
25 solicitor and it had a postage-paid envelope in it, it

1 would have got every bit of it back. That is my
2 philosophy. Everything that I get unsolicited, if it has
3 a postage-paid envelope in it, I send it back to the
4 company.

5 JUDGE JORDAN: Let me ask you just a couple
6 of questions. This is the notice that informed you of
7 this hearing; is that correct?

8 MR. ALLEN: Yes, sir.

9 JUDGE JORDAN: And other than what you have
10 described, it is in the same general condition as when
11 you received it?

12 MR. ALLEN: Yes, sir. The only thing that's
13 on there, I put the date on the outside of it.

14 JUDGE JORDAN: Okay. And we will mark that
15 as Exhibit 2.

16 MR. ALLEN: Thank you. Yes, and I can't
17 agree more with identifying information that is mailed to
18 you.

19 JUDGE JORDAN: Thank you. Fred H. Auferheid,
20 is that correct? Has Mr. Auferheid left? I don't see
21 Mr. Auferheid, so I will go to the next name on my list,
22 and that is David Pannell. Did I pronounce that
23 correctly?

24 MR. PANNELL: That's correct, David Pannell.

25 JUDGE JORDAN: Thank you very much. Please

1 raise your right hand.

2 (Whereupon, Mr. David Pannell was sworn.)

3 JUDGE JORDAN: Please go ahead.

4 MR. PANNELL: I would like to testify just
5 for a few minutes about a few essential facts based on
6 the bills that I receive. I have absolutely no concerns
7 or complaints whatsoever with the quality of the service
8 I receive from American Water, Missouri-American Water.
9 It's always been just fine, and for the record, I would
10 state that even my dogs like the hydrant service,
11 especially the one about 100 yards uphill, but they do
12 not like the 24 percent increase in fire hydrant service
13 charges from -- and I'm looking here at my notes -- from
14 December of 07 to December of 09, an increase of 24
15 percent over a two-year period.

16 Then I look in my bills and see in terms of
17 customer charge, the rate increase of 45 percent, and let
18 me note the period was a two-year period from January of
19 07 to January of 09. A base rate increase per cubic
20 foot, I'm assuming that is, or per hundred cubic feet,
21 I'm not sure, but per CF, is up 37 percent over a
22 15-month period from September 07 to January of 09, and I
23 doubt very seriously that anyone has experienced those
24 kinds of returns on any of the investments that they
25 make, so I'm here to question the propriety of a rate

1 increase.

2 I'm not competent to address whether or not
3 the facts of that increase are merited based on the
4 expenditures. By way of conclusion, I would state that
5 this "Saving Water Can Save You Money," is a really great
6 idea, so much so that my wife and I invested I think
7 somewhere around \$15,000 to \$18,000 in new plumbing,
8 toilets at half the capacity. One of the four people in
9 the house moved out. We put in a new shower, new
10 dishwasher, new washing machine. We eat probably three
11 or four meals out of the house. We belong to a health
12 club and are able to use the facilities there as well.
13 And yet given all of those things that we have done,
14 which we would consider responsible, to save us money on
15 our utility bills, as of today we are paying as much for
16 our water as we did four years ago. But here's the
17 catch, we're only using 68 percent of what we used then.

18 Our most recent bill was \$71.72, that's for
19 this past month for 22 CF, and four years ago -- not even
20 four years ago, for 32 CF in June of 06 our bill was
21 \$70.25. That's really what I would like to offer. I'm
22 really, as I said, not competent to say anything about
23 the merits of their request other than that.

24 JUDGE JORDAN: Thank you. Questions from the
25 Commissioners?

1 COMMISSIONER GUNN: Yeah. Thank you very
2 much for testifying. I appreciate you doing that. On
3 the customer charge, the 45 percent increase, do you know
4 -- and you may not -- what that means in real dollar
5 terms?

6 MR. PANNELL: Sure. It went from \$8.51 in
7 December of 06 to \$9.01 in January of 07, then to \$9.60
8 by September of 07, then \$10.23 by January of 08, and
9 then \$12.31 by January of 09, where it has essentially
10 remained. And so over that 24 months between January 07
11 and January 09, we saw an increase of \$3.80 against the
12 original base of \$8.51, which is approximately 45
13 percent.

14 COMMISSIONER GUNN: I don't think I have
15 anything else, but thank you very much.

16 COMMISSIONER KENNEY: I don't have any
17 questions. Thank you for coming out, Mr. Pannell.

18 JUDGE JORDAN: Any questions from the
19 company?

20 MR. REICHART: No questions.

21 JUDGE JORDAN: Questions from Staff?

22 MR. DEARMONT: No. Thank you.

23 JUDGE JORDAN: Any questions from the Office
24 of Public Counsel?

25 MS. BAKER: No questions, but thank you, Mr.

1 Pannell.

2 JUDGE JORDAN: The next name on my list is
3 Ken Phelan, P-h-e-l-a-n. It might be Phelan. Ken Phelan
4 or Phelan? I don't see anyone responding to that name,
5 so I will move to the next one, and that is Pat Stoll.

6 MR. STOLL: Patrick Stoll, St. Louis,
7 Missouri 63123.

8 JUDGE JORDAN: Thank you.

9 (Whereupon, Mr. Patrick Stoll was sworn.)

10 MR. STOLL: To the best of my knowledge that
11 I pulled off the internet, yes. That's my disclaimer.

12 JUDGE JORDAN: Go right ahead.

13 MR. STOLL: The first thing that I want to
14 know from the Public Service Commission -- I don't know
15 if you can answer this -- does American Waterworks own
16 Missouri-American or is Missouri-American a separate
17 company? Are all their profits tied together as one
18 corporate entity?

19 JUDGE JORDAN: You have to ask that of either
20 staff or the company. The Commission cannot answer.

21 MR. STOLL: Okay. Well, in regards to their
22 asking for this rate increase, I want the Public Service
23 Commission to understand that they're asking for a rate
24 increase on an item that is vital for life. It's water.
25 It's not like petroleum, it's not like natural gas, it's

1 not like electricity, all of the things that a director
2 of PSC told me are luxuries, not necessities. But water
3 happens to be a necessity, and I don't think it's
4 something that should be put up to a vote of how much
5 percentage of money should be earned off of selling water
6 that we're pulling out of our rivers for free.

7 And in the City of St. Louis, as I explained
8 earlier, my water rate in the City at that house is \$32
9 every three months. My water rate for Missouri-American
10 water in the County is \$62 every three months. No matter
11 how you look at it, water service in St. Louis County is
12 100 percent more expensive than water service in St.
13 Louis City.

14 Now, American Waterworks is this giant
15 multi-state conglomerate that should experience huge
16 economies of scale in purchasing products, whether it be
17 treatment chemicals, pipes, gate valves; whereas the City
18 of St. Louis is a little small entity, and they manage to
19 produce clean drinking water, too, just like
20 Missouri-American Water, only at half the cost. As a
21 matter of fact, they're so good at doing it that
22 Missouri-American Water actually, during high demand
23 periods, will purchase water from the City of St. Louis.
24 And I just don't see where earning 9 percent or 10
25 percent on an item like water, that we all need to live,

1 is fair.

2 I don't think it's fair to the tax payers and
3 I don't think it's fair to consumers. I mean, to take
4 water and use it as a tool to make money off of, to me
5 seems almost morally wrong. That's about it. That's all
6 I've got to say.

7 JUDGE JORDAN: Okay. I had one question I
8 wanted to clarify. You mentioned the water bill for the
9 City and County. Is that for the same volume?

10 MR. STOLL: Same volume of water. City
11 doesn't care if you use one gallon or one million
12 gallons, they're still going to charge you \$32 for a flat
13 rate. When I spoke with their director down there, he
14 told me they operate in the black. At the end of every
15 year, they don't -- they're solely funded by their water
16 bills. They don't receive any funding. I asked him, do
17 you receive any state or federal grants, and he said
18 we've applied for them, but we haven't received one in 10
19 years. But Missouri-American Water could also apply for
20 grants from federal and state agencies to get money and
21 improve their water supplies, but unfortunately most of
22 that money that comes in federal money or state money
23 goes to your more rural areas, you know.

24 With Missouri-American Water, with this
25 company as a whole, just in the last year they've

1 acquired 12 more water companies in what they call a
2 tuck-in expansion plan that they're working on where
3 they're basically just buying up water companies next to
4 the last water company they buy, and they're increasing
5 it to where they are right now. They're the largest
6 provider of water services around, and I'm just afraid
7 they're going to get so big to where they're going to be
8 the only people providing water, and then your head is in
9 a guillotine right now.

10 I can't go to anybody else to get service,
11 you know, and it's something that I need to live. And I
12 just think it could be done a lot cheaper than what
13 they're doing. If the City can do it in St. Louis, which
14 only has 330,000 residents, I'm sure a giant multi-state
15 conglomerate like American Waterworks can clean water
16 cheaper than the city can. That's all I've got to say.

17 JUDGE JORDAN: Thank you. Any questions for
18 the Commission?

19 COMMISSIONER GUNN: Just one quick one. Any
20 service issues or quality issues for the County?

21 MR. STOLL: No. You know, side by side, when
22 you put the City water and County water next to one
23 another, when you look at their water quality reports,
24 they're about equal; you know, it's apples to apples,
25 oranges versus oranges. The only difference is

1 Missouri-American Water is twice as expensive as the
2 City.

3 COMMISSIONER GUNN: Okay. I don't have
4 anything else. Thank you, sir.

5 MR. STOLL: Thank you.

6 COMMISSIONER KENNEY: I don't have any
7 questions. Thank you, Mr. Stoll.

8 JUDGE JORDAN: Questions from
9 Missouri-American?

10 MR. REICHART: No questions. Thank you.

11 JUDGE JORDAN: Questions from Staff?

12 MR. DEARMONT: No questions.

13 JUDGE JORDAN: Questions from the Office of
14 Public Counsel?

15 MS. BAKER: No questions. Thank you, Mr.
16 Stoll.

17 MR. STOLL: You're welcome.

18 JUDGE JORDAN: The last name I have on my
19 list is Ron Canby. Come forth and be sworn and remember
20 to spell your name for our reporter.

21 MR. CANBY: Okay. Ron Canby. Last name is
22 C-a-n-b-y.

23 JUDGE JORDAN: Thank you. Please raise your
24 right hand.

25 (Whereupon, Mr. Ron Canby was sworn.)

1 JUDGE JORDAN: Please proceed.

2 MR. CANBY: Just by way of observation, and
3 it's just coincidental that this happened at the time
4 that this hearing came up that there was a -- we were
5 notified of a project in our neighborhood, and that's to
6 replace the water lines. And so one Monday morning there
7 were two vehicles parked out in front of my house. I'm
8 retired, so I'm -- that's very unusual, and so they were
9 still there at lunch time, so I went out to one of the
10 vehicles to find out who this was, and the one guy was
11 sleeping, so I didn't bother him. The other guy was
12 watching a little TV, and they said, oh, we're with
13 American Water and we're about ready to start this
14 project, we're just waiting on the project to start. So
15 there's two guys out sleeping, watching TV in front of my
16 house. This was the first day.

17 The second day they had moved one door up, so
18 I'm taking my dogs for a walk and there were the guys
19 there. They were sleeping in their vehicles, so they
20 were there all day. That's the second day. The third
21 day I'm taking my dog for a walk, and I know that they
22 had moved up around the corner and they were still
23 sitting in the vehicle in the morning. Now, what
24 happened in the afternoon, I don't know, but they were
25 there for at least two and part of a third day. Now,

1 they were on the clock, they're getting paid, sitting in
2 their vehicle waiting for the project to start, and it
3 goes to efficiency that we've talked about.

4 I'm retired, had a 35-year plus career in
5 manufacturing and administration, and of course one of
6 the things that we watched were, obviously, costs because
7 it all goes to the bottom line, and certainly labor costs
8 were one of those. And I thought the Commission might be
9 interested to hear this. I mean, it's just that this
10 incident occurred at about the same time that this rate
11 increase is coming up in the hearing, so I thought the
12 Commission might be interested to hear, you know, some of
13 this. And again, as I said, it goes to efficiency.
14 That's all I have.

15 JUDGE JORDAN: Thank you. Questions from the
16 Commission?

17 COMMISSIONER GUNN: Yes. Thank you for
18 coming out. What time in the morning was this, would you
19 estimate, that you saw the folks sleeping in the truck?

20 MR. CANBY: Well, they arrived early in the
21 morning, 7:30-ish, and I went out -- I went out about a
22 little after lunchtime and they were there all day. I
23 mean, I could look out -- I can look out my front window
24 and see them sitting in the vehicles, and when I went
25 out -- when I went out to satisfy my curiosity about who

1 these guys were, and that was a little after lunch, one
2 of the guys was sleeping, the other guy was watching a
3 little TV.

4 COMMISSIONER GUNN: Did you ever see them get
5 out of the van and do any work?

6 MR. CANBY: No. No, they were -- they stayed
7 in the vehicle all day.

8 COMMISSIONER GUNN: Did you notice any
9 evidence of any work, any digging, any tools?

10 MR. CANBY: None. No.

11 COMMISSIONER GUNN: Did anybody else join
12 them during the day?

13 MR. CANBY: No, they did not.

14 COMMISSIONER GUNN: Do you know what -- this
15 was a couple weeks ago?

16 MR. CANBY: This was a Monday, about three,
17 maybe four weeks ago. Not more than four, not less than
18 three, something in that time frame.

19 COMMISSIONER GUNN: And what's the
20 neighborhood?

21 MR. CANBY: It's Claymont subdivision in
22 Ballwin. I mean, it's a big project. I mean, they're a
23 ways down the street now. They're still there. They're
24 not sleeping now, but they haven't slept for three weeks,
25 but --

1 COMMISSIONER GUNN: So now there's some
2 evidence of them actually doing some work?

3 MR. CANBY: Exactly, but it took about -- it
4 took at least two to three days for these guys to get out
5 of their vehicles and go to work.

6 COMMISSIONER GUNN: Was it a marked truck?
7 Was it a marked Missouri-American truck?

8 MR. CANBY: No, it's their personal vehicles.
9 It's their personal vehicles, yeah. They drive their
10 personal vehicles, my guess is, to the job site and, you
11 know, like I say, they stayed in their vehicles for the
12 first day. Second day they were up the street, and I
13 know they were still sitting because I'm in and out of
14 the house taking my dogs for a walk and going to the
15 store, et cetera, so they were in the vehicles all day
16 the second day as well.

17 COMMISSIONER GUNN: And they self-identified
18 themselves as being from Missouri-American?

19 MR. CANBY: Well, I asked them. I asked the
20 one guy what he was doing there. He says, well, we're
21 waiting for the project to start for Missouri-American.

22 COMMISSIONER GUNN: Could you tell whether
23 they were direct employees or whether they were
24 contractors?

25 MR. CANBY: Well, I see them working now, so

1 they're laborers. I see the same guys there, see the
2 same vehicles sitting there, only now they're working,
3 you know, but it took them two or three days to get
4 going.

5 COMMISSIONER GUNN: There was a ramp-up
6 period?

7 MR. CANBY: Yeah, yeah.

8 COMMISSIONER GUNN: So other than that, and
9 thank you for that, thank you for the specifics --

10 MR. CANBY: Sure.

11 COMMISSIONER GUNN: Because that will help us
12 figure this out a little bit. Any other quality issues
13 or service issues or billing issues that you know?

14 MR. CANBY: No. We've had -- we had an
15 outage. We had an outage a few months ago. There was a
16 leak and they shut the water off so they could repair
17 that.

18 COMMISSIONER GUNN: How did that process go?
19 Was notification and repair done efficiently?

20 MR. CANBY: No, it was -- I mean it was an --
21 it was an accident. I mean, a leak occurred and they had
22 to come out and fix it. They had to shut the water off.
23 I mean, that's understandable, in order to get the leak
24 fixed, and that was some months ago.

25 COMMISSIONER GUNN: Right, but the process

1 itself, when they fixed the leak, they came out and they
2 found it in a timely manner and they fixed it in a timely
3 manner?

4 MR. CANBY: Yeah. There was water all over
5 the street, so it was a matter of -- I mean, they had the
6 location. It was a matter of finding where the leak was.

7 COMMISSIONER GUNN: Did you interact with
8 them at all in terms of was there anything that you
9 needed to do from a water safety or water quality
10 standpoint?

11 MR. CANBY: No, not that I'm aware of.

12 COMMISSIONER GUNN: Thank you. I don't have
13 anything further.

14 COMMISSIONER KENNEY: Mr. Canby, I don't have
15 any questions. Thank you for taking the time to come
16 out.

17 MR. CANBY: Sure.

18 JUDGE JORDAN: Any questions from
19 Missouri-American?

20 MR. REICHART: No questions. Thank you.

21 JUDGE JORDAN: Questions from the Staff?

22 MR. DEARMONT: No questions. Thank you.

23 JUDGE JORDAN: Questions from the Office of
24 Public Counsel?

25 MS. BAKER: No. Thank you for your comments,

1 Mr. Canby.

2 MR. CANBY: You're welcome.

3 JUDGE JORDAN: That was the last name on one
4 list, but I have another list with one name on it, and
5 that name is Tom Ratzki.

6 MR. RATZKI: The name is spelled R-a-t-z-k-i.

7 JUDGE JORDAN: Thank you.

8 (Whereupon, Mr. Tom Ratzki was sworn.)

9 JUDGE JORDAN: Please tell the Commission
10 what you would like them to know.

11 MR. RATZKI: I want to testify to a customer
12 service situation I had at my home. It was a Sunday
13 afternoon. My neighbor across the street had a leak on
14 the surface near the curb. I had done some work on my
15 own sprinkler system and some other sprinkler systems.
16 He thought it was a sprinkler leak. It was about this
17 time of year. I went over to help him, got into it, saw
18 there was a lot more water than a sprinkler could be
19 letting out. Told him you ought to call
20 Missouri-American, this must be a leak.

21 His wife went in and called
22 Missouri-American. It was not more than two hours, or
23 probably closer to an hour, someone was out there to
24 investigate, check the sprinkler systems, checked
25 everything else. He declared that it was definitely a

1 leak on the pipe or at the connection. He said somebody
2 would be out on Monday to take care of it. It was not
3 more than another hour or two hours, somebody from the
4 marking service was out there marking other utilities,
5 electric, gas, that type of thing, it was marked. I kind
6 of commiserated with my neighbor saying this doesn't look
7 good, they're going to be digging up your front yard
8 soon, sometime, you might have a big mess there, you
9 know, sorry, wish it was a sprinkler leak, but it wasn't.

10 I go to work the next day and my wife called
11 me during the day and said Missouri-American is out there
12 in the morning, dug it up, got it fixed, everything. So
13 then I'm driving home that night, again worried about my
14 neighbor's yard, thinking, well, there will be a big pile
15 of dirt and mess. Come home and don't see anything.
16 It's flat, sod was pulled back nicely, left it to settle
17 and my neighbor thanked me for giving him the advice to
18 call Missouri-American.

19 He was very pleased with the service he had.
20 I was impressed that being a Sunday and they still came
21 out Monday before, you know, mid afternoon was already
22 taken care of and fixed. And the ironic thing was it
23 wasn't even his connection, it was mine, because I live
24 across the street from him and the water line is on the
25 other side of the street, so I felt double sorry that it

1 was my connection that caused the problem. So I was very
2 impressed with Missouri-American's service.

3 JUDGE JORDAN: Thank you. Any questions from
4 the Commission?

5 COMMISSIONER GUNN: I don't think I do.
6 Thank you very much for coming out.

7 COMMISSIONER KENNEY: Thanks for sharing. I
8 appreciate it.

9 JUDGE JORDAN: Any questions from
10 Missouri-American?

11 MR. REICHART: No questions. Thank you.

12 JUDGE JORDAN: Questions from staff?

13 MR. DEARMONT: I have none. Thanks.

14 JUDGE JORDAN: Any questions from the Office
15 of Public Counsel?

16 MS. BAKER: No questions. Thank you, Mr.
17 Ratzki.

18 JUDGE JORDAN: That's all the names that I
19 have on the list, but we are here to take testimony, so
20 if someone has not signed up and still would like to
21 testify, we're here to listen to you. Would anyone else
22 like to come forward and be sworn and give some testimony
23 to the Public Service Commission? Anyone else? Going
24 once, going twice.

25 Well, with that then, I will adjourn this

1 public hearing. I thank you very much for coming and
2 giving your attention, and we will go off the record.

3 COMMISSIONER GUNN: Actually, Judge, if I
4 could just --

5 JUDGE JORDAN: Yes.

6 COMMISSIONER GUNN: Just to give some more
7 information. If any of you have folks that were not able
8 to make it tonight, there is another public hearing
9 tomorrow at UMSL, at the University of Missouri, that
10 everyone is welcome to go to. I believe our web site is
11 set up to take comments over the internet. That's
12 psc.mo.gov, and so if you have friends that want to do
13 that, they can do that over the internet or they can
14 write letters, and our staff can give you the proper way
15 to direct those written comments, and those will also be
16 considered.

17 This is, as I said, the middle part. Within
18 about probably a month or so or six weeks, we'll have the
19 evidentiary hearings. All of those evidentiary hearings
20 are webcast and can be seen on psc.mo.gov. I would also
21 encourage you to, if you have comments about the local
22 public hearing process, about what you saw tonight and
23 how it works, to tell our staff things that you were
24 happy with and things that you were not happy with. We
25 are always trying to make these better and more

1 meaningful to the public and to our process. So if you
2 have good comments, bad comments, let our staff know,
3 because we're trying to make it better.

4 Other than that I just want to thank
5 everybody again for taking the time to come out. Public
6 interaction is very important here, and the Commission
7 greatly appreciates hearing from you. And it may
8 surprise you that the company actually appreciates the
9 time that you take to come out here, and I know the
10 Office of Public Counsel, which does a very good job of
11 representing the public interest in front of our
12 Commission, also very appreciates the ability and the
13 time to interact with the public. So thank you all very
14 much for coming. This is very helpful.

15 COMMISSIONER KENNEY: Thank you very much.

16 JUDGE JORDAN: And with that, we now are
17 adjourned and we are off the record. Thank you.

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20 (Whereupon, the proceedings were adjourned
21 at 8:25 P.M.)

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I N D E X

WITNESS NAME	PAGE
Michael Schafer.	8
Doug Smith.	14
Bob Pieper.	22
Thomas Allen.	29
David Pannell	36
Patrick Stoll	39
Ron Canby	44
Tom Ratzki.	50

E X H I B I T S

HEARING EXHIBIT NO.	DESCRIPTION	PAGE NO.
1	Notice of Proposed Rate Increase and Public Hearings Addressed to Douglas Smith	20
2	Notice of Proposed Rate Increase and Public Hearings Addressed to Tom Allen	35

1
2
3
4
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6
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