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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

TRANSCRIPT OF PROCEEDINGS

Order Concerning Test Year and True-Up, Resetting
Evidentiary and True-up Hearings, Adopting Procedural
Schedule and Concerning Local Public Hearings

January 6, 2004
Jefferson City, Missouri
Volume 20

In the Missouri-American Water)
Company's Tariff to Revise Water) Case No.
And Sewer Rate Schedules) WR-2003-0500

KEVIN THOMPSON, Presiding,
Deputy Chief Regulatory Law Judge

REPORTED BY:
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 Service Commission.

1 PROCEEDINGS

2 JUDGE THOMPSON: We're here for the
3 resumption of the hearing in Case WR-2003-0500 in the
4 matter of Missouri-American Water Company, a general
5 rate case.

6 At this time, let's just take a role
7 call of the parties to see who's here. We'll start
8 at this end of the room and work our way across.
9 Again, please don't tell me where to mail anything to
10 you because I just don't need to know. Mr. Coffman.

11 MR. COFFMAN: John Coffman, Office of
12 the Public Counsel.

13 MR. STEWART: Charles Brent Stewart,
14 The Empire District Electric Company.

15 MR. FISCHER: James M. Fischer,
16 representing the water district in the St. Joe area.

17 MR. JEREMIAH FINNEGAN: Jeremiah
18 Finnegan representing City of Riverside, Missouri.

19 MR. CONRAD: Stu Conrad, Ag Processing.

20 MR. ENGLAND: Trip England representing
21 the Missouri-American Water Company.

22 MS. LANGENECKERT: Lisa Langeneckert,
23 Missouri Energy Group.

24 MR. ELLINGER: Marc Ellinger, City of
25 Joplin.

1 MR. KRUEGER: Keith R. Krueger for the
2 Staff.
3 MR. ZOBRIST: Karl Zobrist, St. Joseph
4 Water Rate Coalition.
5 MR. CURTIS: Leland Curtis, the City of
6 Warrensburg.
7 MS. VOLTSTAG: Diana Voltstag, Missouri
8 Industrial Energy Consumers.
9 JUDGE THOMPSON: Thank you. I think
10 all the parties are here.
11 Yesterday, several of the parties gave
12 me an informal report on the progress of the
13 settlement discussions yesterday; perhaps someone
14 would like to come to the podium and just give us an
15 on-the-record report that can go into the record at
16 this point, and then let me know what it is the
17 parties propose for today.
18 MR. CONRAD: Thank you, your Honor.
19 I'll do that. I think since I started the ball
20 rolling yesterday, I'll maybe continue it, but I
21 trust that others will have some comments.
22 As you correctly summarized, yesterday
23 afternoon, several of us made an informal report to
24 your Honor that the negotiations that had been
25 permitted had warranted, and I believe we do have an

1 agreement in principle, which obviously will need to
2 be reduced to writing.

3 I'm advised that there is an initial
4 draft that has been already worked up. I think Mr.
5 England may have a comment or something on that, and
6 I think it would be our proposal that we try to
7 expend effort toward that objective. The task of
8 drafting something like this for nine districts, each
9 of which is, to some extent different, and needs to
10 be addressed, to some extent differently in the text,
11 is not or is a formidable task in itself to
12 accurately reflect the understanding of the parties,
13 so that will take more than ten or fifteen minutes to
14 do, but our hope would be that that would be
15 available to your Honor later this afternoon as early
16 as we can get it to you, obviously, but somewhere
17 probably around 3:30, 4:30 with the expectation that
18 your Honor would be able to bring that to the
19 attention of the Commissioners, and they might, at an
20 early date, be able to decide whether they wish to
21 have questions about the draft and the nature of the
22 settlement.

23 Also, as I had mentioned, I believe
24 some others had mentioned yesterday, some parties
25 needed, at that time, to check with their respective

1 principals. In my case, I'm gratified to announce
2 that my client has indicated the acceptability of the
3 agreement in principle, obviously we have to put
4 things on paper.

5 To that end, maybe some others will
6 have comment on that, too, but to conclude quickly
7 this morning, I did want to say, again, as I did
8 informally, that had your Honor not seen fit to grant
9 the time yesterday that had been requested, this
10 would not have occurred.

11 It was the surmise, I think, of a
12 number of parties that we were fairly close, but had
13 we not had that time to bring it the rest of the way,
14 we frankly would have engaged and be engaged this
15 morning in a fist fight.

16 JUDGE THOMPSON: Well, believe me, I
17 didn't want to do anything to possibly put a stick in
18 the spoke of settlement. Now, summarize again for me
19 what it is you propose for today.

20 MR. CONRAD: Well, and others may want
21 to speak to this, too, but I think the thought that
22 we had yesterday would be that we would use this day
23 for the attorneys, in collaboration with their
24 prospective consultants and experts, to draft
25 language and to try to have that submitted to your

1 Honor, to the Commission, later this afternoon, if at
2 all possible.

3 JUDGE THOMPSON: Okay.

4 MR. CONRAD: And that would permit the
5 Commission to look at it and make a decision at an
6 early date whether they wish to have an on-the-record
7 presentation or an opportunity for them to ask
8 questions about.

9 Your Honor will understand that it's a
10 little difficult to deal with these types of issues
11 when we do not have resolution of some of the
12 revenue.

13 JUDGE THOMPSON: Well, that's exactly
14 true, and the pressing point, then, is when do we get
15 back to the revenue requirement issues that need to
16 be tried?

17 MR. CONRAD: And I think, if your Honor
18 please, I would defer either to Mr. England or to
19 Staff Counsel or OPC Counsel --

20 JUDGE THOMPSON: Okay.

21 MR. CONRAD: -- to address that.

22 JUDGE THOMPSON: Thank you, Mr. Conrad.
23 Mr. England, why don't you come up here.

24 MR. ENGLAND: Yes, sir, your Honor.

25 JUDGE THOMPSON: When can we get back

1 to hearing about revenue requirement?

2 MR. ENGLAND: I wish I could tell you.

3 Under the category of when it rains, it pours. One

4 of our witness's wives fell and broke her arm either

5 over the weekend or yesterday. I was advised

6 yesterday evening of this, and he has to take her to

7 an orthopaedic surgeon on Wednesday.

8 JUDGE THOMPSON: Which witness is this?

9 MR. ENGLAND: Mr. Kartmann.

10 JUDGE THOMPSON: Okay.

11 MR. ENGLAND: And one of the issues we

12 were looking at putting into Wednesday to hopefully

13 fill that void was an issue that he was responsible

14 for, so that's --

15 JUDGE THOMPSON: Okay.

16 MR. ENGLAND: -- that's not possible.

17 We're still working with -- we had suggested some

18 issues, Staff had suggested some others, depending on

19 the Commission questions, assuming we can file a

20 stipulation by the end of the day, we're just not

21 really sure where we are on Wednesday.

22 At the very least, I'm not going to

23 make any promises, but it's our expectation at the

24 very least we will be back in hearing on Thursday,

25 particularly to begin with Mr. Baryenbruch, who is an

1 outside consultant and flying in the night before for
2 his time on the witness stand.

3 JUDGE THOMPSON: Well, there's an awful
4 lot of lawyers involved in this case, and I don't
5 know why some of them cannot draft language resolving
6 rate design and others cannot, perhaps, put on some
7 witnesses on the revenue requirement.

8 I have Commissioners that are eager to
9 get down here and see this case tried, and frankly,
10 I've been given the hammer instruction in terms of
11 getting some sort of proceeding going here, so let's
12 work through this. On cost of capital, we still need
13 to hear from LaConte, if I'm saying that correctly,
14 right, Missouri Energy Group. When are we going to
15 hear from that person or will we?

16 MS. LANGENECKERT: She is a witness and
17 she is available, but it's my understanding that
18 there is no one who has any cross-examination for
19 her.

20 JUDGE THOMPSON: Okay.

21 MR. ENGLAND: She would only be
22 required if the Commission had questions of her;
23 otherwise, the parties, as I understand it, we have
24 waived any cross-examination.

25 JUDGE THOMPSON: Okay. I'll have to

1 ask the Commissioners whether they have questions, I
2 don't know. Flipping now to the group of issues
3 having to do with Belleville laboratory and American
4 Water Resources, we've yet to hear from Mr.
5 Baryenbruch, if I'm saying that right. I think you
6 were indicating that person would be available
7 Thursday; is that correct?

8 MR. ENGLAND: Correct, he's scheduled
9 for Thursday morning and barring any mishaps, we
10 intend to have him here.

11 JUDGE THOMPSON: Okay. Who about
12 acquisition premiums?

13 MR. ENGLAND: That -- my recollection
14 is that that needs to be tried. There has not been
15 any witness appearing on that issue yet, and we're
16 talking with Staff when we can do that.

17 JUDGE THOMPSON: Okay. We heard from
18 Mr. Wurtzler, and it was my impression he was not
19 going to be coming back.

20 MR. ENGLAND: That's right.

21 JUDGE THOMPSON: So Mr. Jenkins and Mr.
22 Grubb are in the room, I've seen them.

23 MR. ENGLAND: Correct.

24 JUDGE THOMPSON: So we could start with
25 them, couldn't we?

1 MR. ENGLAND: Well, except for the fact
2 that they haven't prepared themselves for that and
3 they have other issues that they're supposed to be
4 responsible for. Let me -- let me back up a minute.

5 It's not so much that we don't have
6 lawyers to try it, it's whether or not we have the
7 witnesses, and then whether the lawyers assigned to
8 that particular issue are prepared to cross-examine
9 those witnesses. I appreciate the Commission's
10 concern --

11 JUDGE THOMPSON: We might do better if
12 the lawyers who aren't prepared do the cross, because
13 frankly, cross hasn't been as helpful as perhaps it
14 was intended to be. You know the important thing is
15 for the Commissioners to have the opportunity to ask
16 their questions of the witness, at least from this
17 side of the bench, that appears to be the important
18 thing. I know you all are concerned with making your
19 record and making it in the way you need it to be, so
20 who is assigned to do acquisition premium with Mr.
21 Jenkins and Mr. Grubb?

22 MR. ENGLAND: Mr. Cooper, my partner.

23 JUDGE THOMPSON: Okay.

24 MR. ENGLAND: And he happens to be
25 attending public hearings in the Aquila case today in

1 Maryville and Platt City, so I'd say --

2 JUDGE THOMPSON: He's out of pocket.

3 MR. ENGLAND: That would be my surmise.

4 JUDGE THOMPSON: Okay. What about Mr.

5 Rackers. He's in the building, he's available, is he

6 not, Mr. Krueger?

7 MR. KRUEGER: I believe he is, I know

8 he's in the building.

9 JUDGE THOMPSON: And who is doing

10 acquisition premium from the Staff's point of view.

11 MR. KRUEGER: I don't know the answer

12 to that. I've sent for Mr. Snodgrass who can answer

13 that question.

14 JUDGE THOMPSON: Okay. Is Mr.

15 Snodgrass going to be with us today?

16 MR. KRUEGER: He's coming down shortly.

17 I've asked Mr. Johansson to get him and bring him

18 down.

19 JUDGE THOMPSON: Thank you. I

20 appreciate that. Mr. Coffman, what about witness

21 Bolin?

22 MR. COFFMAN: I don't believe Ms. Bolin

23 is here. I think that her husband's grandmother

24 passed away, and I think she's either attending a

25 funeral today or tomorrow.

1 JUDGE THOMPSON: So she's out of
2 pocket.
3 MR. COFFMAN: Yes.
4 JUDGE THOMPSON: Okay. And Ms.
5 O'Neill, is she available?
6 MR. COFFMAN: I believe she is, I'm not
7 sure.
8 JUDGE THOMPSON: Now, we haven't heard
9 from Mr. Gorman yet.
10 MS. BOND: Mr. Gorman is not here today
11 because we assumed that because we were settling
12 rates, we wouldn't go forward, but I can have him
13 here in relatively short order to answer any
14 questions the Commission might have. It's my
15 understanding the parties have waived cross.
16 JUDGE THOMPSON: So there's no cross
17 for Mr. Gorman?
18 MR. ENGLAND: From the parties, that's
19 correct, on the issue of acquisition adjustment as
20 well as other issues.
21 JUDGE THOMPSON: Okay. AFUDC, again,
22 Mr. Grubb is here, who's the lawyer doing that one?
23 MR. ENGLAND: I'll be doing it.
24 JUDGE THOMPSON: You'll be doing that
25 one, but you have to draft.

1 MR. ENGLAND: That's correct.

2 JUDGE THOMPSON: With Cooper out at a
3 local public hearing, then, okay.

4 MR. ENGLAND: Again, believe it or not,
5 there is some method to the madness --

6 JUDGE THOMPSON: Oh, I know there is.

7 MR. ENGLAND: -- that we've tried to
8 put together here, and my suggestion would be, you
9 tell us when the Commission wants to get back and
10 start hearing issues.

11 JUDGE THOMPSON: Well, that would be
12 about 9:30.

13 MR. ENGLAND: And unfortunately, today,
14 we wouldn't be able to accommodate that.

15 JUDGE THOMPSON: Okay. So basically
16 what I'm hearing is that there's just no way we can
17 have any evidence put on today --

18 MR. ENGLAND: Yes, sir.

19 JUDGE THOMPSON: -- because Mr. Cooper
20 is traveling, and you can't be in two places at once,
21 and if you're in here, then of course, the drafting
22 on the rate design isn't going to happen.

23 MR. ENGLAND: And depending on the
24 issue, I may know nothing about it.

25 JUDGE THOMPSON: Well, you'll be in the

1 same position as those of us on this side of the
2 bench. We can all learn together. Can we start
3 tomorrow morning?

4 MR. ENGLAND: We certainly can.

5 MR. SNODGRASS: Yes.

6 JUDGE THOMPSON: Why don't we plan to
7 start tomorrow morning at 8:30, and why don't we plan
8 to start tomorrow morning at 8:30 with acquisition
9 premiums and simply work our way through the
10 remaining revenue requirement issues unless someone
11 would like to change that for some reason.

12 Mr. Snodgrass.

13 MR. SNODGRASS: Yes, Judge, thank you
14 for asking. I'm working on a proposed schedule.
15 We've been talking to the company regarding these
16 multitude of unavailability issues. I believe that
17 I'm going to present something to the parties today
18 that we might be able to agree on of a schedule to go
19 forward starting tomorrow, as you suggest, your
20 Honor, but I believe Staff's going to suggest
21 starting with cash working capital --

22 JUDGE THOMPSON: Okay.

23 MR. SNODGRASS: -- and/or
24 cross-examination on non-rate design issues of
25 certain witnesses that were part of the rate design

1 group; that would be LaConte, Gorman, I believe Mr.
2 Baryenbruch, those people might be available for
3 either cross and/or questions from the Commission, as
4 I understand it, so Staff would propose perhaps you'd
5 give us a little time to circulate this proposed
6 schedule amongst the company and the parties and see
7 if we can agree on a moving forward schedule for
8 tomorrow.

9 JUDGE THOMPSON: Well, why don't we
10 take a recess for about a half an hour, and I will
11 allow the parties to confer and put together a
12 schedule, a proposed schedule, tentative schedule.

13 See, what I've been told by the
14 Commissioners is that they either want to be in here
15 hearing evidence or they want to know with certainty
16 what to read to prepare for the next time they're
17 going to be in here hearing evidence, okay, and they
18 are frustrated at not knowing what's going to be
19 heard when or when this case is going to start moving
20 forward again.

21 Now, I understand that you all have
22 been working very diligently and cooperatively to
23 settle the rate design issue. You know, the view of
24 things from this side and that side are not always
25 the same, so that's why I want to communicate to you

1 what I'm hearing from them, right, just as I
2 communicate to them what I hear from you so we can
3 move this forward.

4 So I'll give you an opportunity, then,
5 to put together some kind of schedule, and then I can
6 take that to the Commissioners, and they'll have
7 their homework to do, okay, and you guys can go out
8 and draft a rate design stip and everyone will be
9 reasonably happy.

10 MR. ENGLAND: May I ask whether or not
11 we ought to build in some time first thing tomorrow
12 morning, assuming we have a stipulation on rate
13 design, for questions from the bench regarding that
14 stipulation before we move into the revenue
15 requirement issues?

16 JUDGE THOMPSON: Well, what a difficult
17 question that is. That would be great, I suppose, if
18 you want to put on essentially a presentation, a
19 brief and distinct presentation through counsel as to
20 what the features of the rate design settlement are,
21 and then the Commissioners can ask questions, yes, I
22 think that would be a good thing.

23 MR. ENGLAND: I'm only speaking for
24 myself. I hadn't anticipated making a formal
25 presentation other than the document itself --

1 JUDGE THOMPSON: Okay.

2 MR. ENGLAND: -- but experience has

3 shown that the Commission may have questions

4 regarding that stipulation, and as long as the

5 intervenor attorneys are in town for what was going

6 to be three days of rate design testimony, that might

7 be a good opportunity to ask their questions, and

8 then we can release those interveners that don't have

9 interest in any of the remaining revenue requirement

10 issues.

11 JUDGE THOMPSON: I think that's

12 sensible, Mr. England. I appreciate that suggestion,

13 so someone will have to, I think, summarize what the

14 settlement is and what's happening in the different

15 districts, how we're seeing changes from the current

16 rate design so that the Commissioners then can ask

17 questions, can know what to ask, because they're not

18 going to see the document prior to tomorrow morning,

19 I assume, so -- and even if they do, I don't know

20 that, you know, a presentation, yes.

21 MR. ENGLAND: Okay. Well, my only --

22 and we can accommodate them, my only question is

23 should we -- in coming up with a proposed schedule

24 for tomorrow, allow some time for that --

25 JUDGE THOMPSON: Allow an hour for

1 that.

2 MR. ENGLAND: -- betting on the chance

3 that we'll have a filed stipulation this evening?

4 JUDGE THOMPSON: I would build in an

5 hour for that, and then I think we need to be ready

6 to go with cash working capital and whatever other

7 issues are going to come after that, and I would plan

8 to have things go lickety-split.

9 MR. ENGLAND: Fair enough.

10 JUDGE THOMPSON: We can always be

11 hopeful. Okay?

12 MS. LANGENECKERT: Judge.

13 JUDGE THOMPSON: Yes, ma'am.

14 MS. LANGENECKERT: Will you be able to

15 determine during the half-hour recess whether the

16 Commissioners will have any questions for witness

17 LaConte on cash working capital or any of the issues

18 that she's --

19 JUDGE THOMPSON: I will try.

20 MS. LANGENECKERT: I just want to be

21 able to have her down here.

22 JUDGE THOMPSON: They may still be in

23 agenda, so that would make it difficult for me.

24 MR. ENGLAND: And I would suggest add

25 mr. Gorman to that list as well.

1 MS. BOND: Mike Gorman, he can come
2 down here today, tomorrow, whenever he's needed, and
3 I can just have him be available, if that's your
4 preference, if it's difficult to find out if the
5 Commissioners do have questions. I don't want to put
6 you out, but if I can save him a trip, that would be
7 great, too, so whatever you can find out, I would
8 appreciate.

9 JUDGE THOMPSON: Yes, ma'am, I'll do
10 what I can. Anyone else want to go on the record and
11 tell me what they think?

12 MR. ENGLAND: How about off the record?

13 JUDGE THOMPSON: I feel like I'm
14 running a counseling group, are we feeling better
15 about ourselves now?

16 MR. COFFMAN: Are you expecting us to
17 be back here in a half an hour from now?

18 JUDGE THOMPSON: Yeah, a half an hour
19 from now to get a tentatively procedural outline as
20 to issue, issue, issue, witness, witness, so that the
21 Commissioners, again, know what to prepare.

22 MR. COFFMAN: My question is where,
23 would it be here or be delivered to you?

24 JUDGE THOMPSON: It would be here, it
25 would be on the record, it will be in 30 minutes.

1 We're now recessed. Thank you.

2 (A RECESS WAS HAD.)

3 JUDGE THOMPSON: Let's go back on the

4 record. Mr. England, Mr. Snodgrass, have you

5 prepared a schedule?

6 MR. SNODGRASS: Yes, Judge, we've

7 consulted with the company and some of the other

8 parties to the case, and I think we have some

9 suggestions we'd like to present to you at this time.

10 JUDGE THOMPSON: Great.

11 MR. ENGLAND: As we discussed earlier,

12 for Wednesday the 7th, we propose reserving some time

13 at the beginning of the hearing for questions from

14 the bench from the Commission regarding our

15 anticipated rate design settlement.

16 JUDGE THOMPSON: Okay.

17 MR. ENGLAND: Followed, then, by the

18 cash work in capital issue.

19 JUDGE THOMPSON: All right.

20 MR. ENGLAND: The transportation issue.

21 JUDGE THOMPSON: Okay.

22 MR. ENGLAND: And if we have time, the

23 employee expense -- expenses issue.

24 JUDGE THOMPSON: Very well. And then

25 how about for Thursday?

1 MR. ENGLAND: We begin with Mr.
2 Baryenbruch wrapping up Belleville Labs.
3 JUDGE THOMPSON: Okay. And after Mr.
4 Baryenbruch?
5 MR. ENGLAND: St. Joseph waste disposal
6 and chemicals.
7 JUDGE THOMPSON: Okay.
8 MR. ENGLAND: Property tax.
9 JUDGE THOMPSON: Very well. After
10 property tax?
11 MR. ENGLAND: On Friday, we would have
12 AFUDC.
13 JUDGE THOMPSON: Uh-huh.
14 MR. ENGLAND: Fire suppression.
15 JUDGE THOMPSON: Okay.
16 MR. ENGLAND: And security AAO.
17 JUDGE THOMPSON: All right.
18 MR. ENGLAND: Monday, acquisition
19 adjustment.
20 JUDGE THOMPSON: Okay.
21 MR. ENGLAND: Followed by the new St.
22 Joseph treatment plant capacity issue.
23 JUDGE THOMPSON: Very well.
24 MR. ENGLAND: And then on Tuesday, if
25 necessary, we'd have the weather normalization.

1 JUDGE THOMPSON: Okay. Now, does that
2 cover all the remaining issues?

3 MR. ENGLAND: It does, your Honor.
4 There were some issues with respect to cost
5 allocation manual and affiliate transactions, which
6 we propose to dispose of by way of, I think, some
7 sort of written stipulation.

8 JUDGE THOMPSON: So you'll settle
9 those?

10 MR. ENGLAND: Correct.

11 JUDGE THOMPSON: Great.

12 MR. ENGLAND: We'll have a
13 recommendation for you.

14 JUDGE THOMPSON: So that's the
15 allocation manual and the -- what was the other?

16 MR. SNODGRASS: Affiliated
17 transactions.

18 JUDGE THOMPSON: Affiliated
19 transactions. Now, is that the one that we've heard
20 American Water Resources, the 100,000 that Staff --

21 MR. ENGLAND: No, this is a proposal
22 for rule making.

23 JUDGE THOMPSON: Okay. Very well.
24 Now, in order to get this done in five additional
25 days of hearing, is it going to be necessary to put a

1 time limitation on cross? Is that a desirable
2 alternative to look at at this point?

3 MR. ENGLAND: I'm sorry?

4 JUDGE THOMPSON: In order to be sure of
5 finishing this in the five days of hearing that
6 you've mapped out, is it desirable to put some kind
7 of limitations on cross-examination? We've done that
8 in some other cases, most notably some arbitration
9 cases, and I thought it helped to move things along,
10 but perhaps the parties would be extremely unhappy to
11 contemplate something of that sort, I don't know.

12 MR. ENGLAND: Let me suggest that we
13 wait a couple of days and see where we are, say, at
14 the end of Thursday, the 8th, and if we're on
15 schedule and probably have a pretty good feel at that
16 time whether we'll continue on schedule.

17 THE COURT: Very good.

18 MR. ENGLAND: At this point, my
19 recommendation of preference would be no limitation
20 on cross-examination.

21 JUDGE THOMPSON: Very well.

22 MR. ENGLAND: I would like to point out
23 for you that Milton Roberts, who's the witness on
24 employee -- one of our witnesses on employee
25 expenses, which we've scheduled for Wednesday --

1 JUDGE THOMPSON: Yes, sir.

2 MR. ENGLAND: -- is not available

3 Wednesday, but I've been advised that Staff has no

4 questions.

5 JUDGE THOMPSON: Okay.

6 MR. ENGLAND: And our preference, if

7 the Commission has no questions, then we could

8 release her; conversely, if they do, we need to make

9 arrangements to bring her down on Friday, as that is

10 the only day she would be available.

11 JUDGE THOMPSON: All right. Why don't

12 we just take that up, then, on -- when we get to that

13 issue and the Commissioners are here and they'll have

14 read the stuff by then and they'll know whether or

15 not they have questions.

16 MR. ENGLAND: And that will be fine.

17 If we can know tomorrow, then we wouldn't have to --

18 potentially have to bring her down, so that would be

19 nice.

20 JUDGE THOMPSON: Well, you wouldn't

21 have to -- yeah, exactly.

22 MR. ENGLAND: That still would give us

23 plenty of time to alert her whether she needs to or

24 not be.

25 JUDGE THOMPSON: Questions?

1 MR. SNODGRASS: No, I think Mr. England
2 has handled the schedule very well. I have some
3 concerns there were some other witnesses, I think Ms.
4 LaConte and certainly others who were involved in
5 rate design, but also offered testimony on issues not
6 necessarily locked up with rate design, and I don't
7 know how the parties with those witnesses would like
8 those people included. There might be questions from
9 the Commissioners towards those witnesses.

10 JUDGE THOMPSON: Well, I do not know at
11 this moment if there are or not. My feeling is that
12 if you bring them in and put them up there, there
13 will be, and if you don't, there probably won't be.

14 MR. SNODGRASS: That's fair enough,
15 Judge.

16 JUDGE THOMPSON: That's a rough rule of
17 thought. I'll ask them if they have any questions
18 for those witnesses, and perhaps they have notes and
19 they know that they do or know that they don't. I
20 have not had an opportunity to ask those questions
21 yet.

22 Another thing I'm thinking is that
23 perhaps we will proceed and do questions from the
24 bench immediately after direct so that there would
25 only, then, be one round of cross rather than the two

1 that we've been doing. I think that might speed
2 things up, and it might be helpful for you doing your
3 cross to know what areas the Commission is interested
4 in.

5 All right? So that's a little -- as
6 long as no one has any objections, I think we'll make
7 that change. Okay. Great. Thanks for your hard
8 work, especially in settling rate design. Don't feel
9 constrained to not settle any other parts of the
10 case.

11 MR. ZOBRIST: What time are we meeting
12 tomorrow morning?

13 JUDGE THOMPSON: 8:30. We will be
14 here tomorrow at 8:30, ready to go. Hopefully you'll
15 have a stip. Now, if for some reason the stip isn't
16 ready or what have you, then let's start at promptly
17 at 8:30 with cash work in capital, and you can let me
18 know where the other one stands, if it's not ready to
19 go at that point and may not be. Okay.

20 Very well. If anyone has anything
21 else? Very well. Then we are adjourned until
22 tomorrow at 8:30. Thank you very much.

23 WHEREUPON, the hearing was recessed
24 until December 18, 2003.

25