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STATE OF MISSOURI

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PUBLIC SERVICE COMMISSION

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TRANSCRIPT OF PROCEEDINGS

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PREHEARING CONFERENCE

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February 9, 2006

10

Jefferson City, Missouri

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Volume 3

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In the Matter of Hickory Hills)

Water & Sewer Co.'s Request)

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for a Small Company Rate) Case No. SR-2006-0249

Increase)

16

In the Matter of Hickory Hills)

Water & Sewer Co.'s Request)

17

for a Small Company Rate) Case No. WR-2006-0250

Increase)

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STEVEN C. REED, Presiding,

REGULATORY LAW JUDGE.

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REPORTED BY:

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STEPHANIE L. KURTZ MORGAN, RPR, CCR

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MIDWEST LITIGATION SERVICES

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

2 JUDGE REED: Let's get started and go on the
3 record, if we could.

4 This is a -- there are two cases this morning for
5 prehearing conference. They are in the matter of Hickory
6 Hills Water & Sewer Company's request for a small company rate
7 increase. Case No. WR-2006-0250 is the water company case.
8 SR-2006-0249 is the sewer company case.

9 As I said, prehearing conference here this morning.
10 Let's have entries of appearance.

11 Mr. Clifford?

12 MR. CLIFFORD: Yes.

13 JUDGE REED: Could you state your name and give us
14 your address, please?

15 MR. CLIFFORD: Randy Clifford, Post Office Box 297,
16 Tipton, Missouri 65081.

17 JUDGE REED: Thank you, sir.

18 Staff?

19 MR. BERLIN: Robert S. Berlin, Post Office Box 360,
20 Jefferson City, Missouri 65102, appearing on behalf of the
21 Staff of the Missouri Public Service Commission.

22 MR. DANDINO: Good morning, Your Honor. Michael
23 Dandino, Office of the Public Counsel, Post Office Box 2230,
24 Jefferson City, Missouri 65102, representing the Office of
25 Public Counsel and the Public.

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1 JUDGE REED: Anybody else?

2 (NO RESPONSE.)

3 JUDGE REED: In this case -- in these cases the
4 Commission suspe-- suspended the tariffs or the increase in
5 the -- in the rates that were evidenced by the tariffs --
6 suspended those tariffs until June 1st, 2006.

7 Currently we're en-- we're entering what's called a
8 contested case procedure. Mr. Clifford, I'm looking at you,
9 because we're gonna talk this morning a little bit about
10 setting this for an evidentiary hearing, which the question
11 that comes to my mind, based on the Commission rules, is
12 whether or not Hickory Hills Water & Sewer Company is a
13 corporation or -- or do you run this as a sole
14 proprietorship? Do you understand my question?

15 MR. CLIFFORD: It's registered with the Secretary
16 of State as a corporation.

17 JUDGE REED: As a corporation?

18 MR. CLIFFORD: Yes.

19 JUDGE REED: Well, the -- the question arises,
20 based on Commission rules, you may not be able to represent
21 the corporation because you're not an attorney, which begs the
22 question whether you're going to retain an attorney or not in
23 order to proceed with this case, in order to process this
24 through an evidentiary hearing. So that's something to think
25 about.

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1 MR. CLIFFORD: My position on this is that the
2 Commission is concerned with rates for the customers. If the
3 Company has to hire an attorney, it would be an additional
4 cost to the customers because it would be a cost to the
5 Company which should be passed on to the customers. It's the
6 cost of doing business.

7 If we can -- if we can reach agreement without
8 that, that would be to the benefit of the customers.

9 JUDGE REED: That's something that you guys can
10 talk about later this morning here, all right?

11 Another question that I wanted to address was
12 if -- as we move toward evidentiary hearing in this case and
13 the Commission requires prefiled testimony -- I -- I guess
14 this depends on what the Commission wants to do with regard to
15 Mr. Clifford having to hire an attorney or not to process the
16 case.

17 Does Staff intend to pres-- present evidence to
18 support the rate increase in these two cases?

19 MR. BERLIN: We do, Your Honor.

20 JUDGE REED: The Office of Public Counsel had filed
21 a motion January 25th asking, among other things, that these
22 two cases be consolidated. And I guess procedurally, so that
23 everybody doesn't have to file two pleadings, you know, one
24 for each of these cases, I -- I'm going to consolidate the
25 two with the lead case being the WR-2006-2050 (sic).

1 So as I understand it, when these cases are
2 consolidated, that will be the case number that's on the -- on
3 the pleadings, is that right, Mr. Dandino? Is that how we do
4 it when we consolidate?

5 MR. DANDINO: I -- I think they -- they end up
6 putting both of them --

7 JUDGE REED: All right.

8 MR. DANDINO: -- but they -- they just have the
9 other one as the lead case, and it's just consolidated for
10 hearing and decision.

11 JUDGE REED: Okay. Okay.

12 MR. BERLIN: Well, Your Honor, I --

13 JUDGE REED: Yes.

14 MR. BERLIN: -- believe you may have said the --
15 the Case No. WR-2006 -- it's actually 0250.

16 JUDGE REED: Yes. Did I get it wrong?

17 MR. BERLIN: I think you might have said --

18 JUDGE REED: W --

19 MR. BERLIN: -- something different.

20 JUDGE REED: WR -- the lead case will be
21 WR-2006-0250. That's what I meant to say, in any event.

22 Okay. I brought a copy of the Commission's
23 calendar, which I'm gonna leave. This is -- this is as
24 up-to-date as I can get it. There were some dates that
25 weren't officially on the calendar yet, but I can see they're

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1 going to be taken, so I put that an X on those dates with the
2 Room no. 310 being taken. So you'll see that here.

3 Can we have a procedural schedule by next week --
4 by the end of next week, I guess?

5 MR. DANDINO: Sure.

6 MR. BERLIN: Yes, Your Honor.

7 JUDGE REED: And is there a comment on this, if you
8 will? Is there -- if these cases are consolidated when this
9 case goes to evidentiary hearing and the witnesses appear and
10 the prefiled testimony is prepared, will -- will -- will the
11 issue for the water case and the issues for the sewer case --
12 they'll be somehow separated in the testimony and when
13 they -- when they actually have the hearing?

14 In other words, it'll -- they'll be consolidated,
15 but we'll have what will essentially be two hearings, one
16 right after another?

17 MR. DANDINO: Well, Your Honor, I -- I would think
18 that we would -- we would do -- like put one witness on and
19 he -- the witness would address, you know, the -- the water
20 side and the -- and the sewer side in the same testimony.

21 JUDGE REED: Okay.

22 MR. DANDINO: Because I think there's -- there's
23 gonna be some common questions, I guess, management expenses
24 and that and -- and just general operation.

25 But I think it can be one hearing and we don't have

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1 to, you know, keep running witnesses up.

2 JUDGE REED: Right.

3 MR. DANDINO: I think they can address all the
4 issues or the -- whatever issues they're dealing with all at
5 one time.

6 JUDGE REED: Okay. I understand.

7 Is there anything else for me?

8 Mr. Clifford?

9 MR. CLIFFORD: Yes. I would like to call your
10 attention to Missouri Revised Statutes, Chapter 386,
11 Section 480 about information not to be divulged except for
12 penalty.

13 It is my position that the citizens -- that my
14 customers are attempting to gain information about the company
15 so that they can take the company over when it's being forced
16 into bankruptcy by the Commission's actions.

17 JUDGE REED: What -- what does that have to do with
18 information not being divulged?

19 MR. CLIFFORD: No information furnished to the
20 Commission by the corporation or public utility, except such
21 matters as are specifically required to be in open -- be open
22 to public inspection or provisions of this chapter.

23 The -- in our public meeting we met -- we had with
24 our customers in August, they openly stated that they felt all
25 the records of the Company should be public information. And

1 it's my opinion that they're working through the Office of
2 Public Counsel to try to obtain more information that they
3 were rightfully entitled to.

4 They also stated that they would rather see the
5 Company go bankrupt, and then they could take it over.

6 JUDGE REED: I see.

7 MR. CLIFFORD: And I -- I feel that they're working
8 to that end.

9 JUDGE REED: Is there anything else?

10 MR. CLIFFORD: And also after our -- we had a
11 meeting here in this room on this case back in January.

12 MS. CLIFFORD: December.

13 MR. CLIFFORD: December. And at that time, the
14 gentleman sitting at the end after the meeting, he represented
15 to members of the Public Service Commission Staff that one of
16 the persons on the committee was an attorney, which I do not
17 believe she is. I believe this all bears into this case --

18 JUDGE REED: All right.

19 MR. CLIFFORD: -- somehow.

20 MR. ROBERTSON: I'd like to address that.

21 JUDGE REED: We're not gonna address that.

22 If you think that needs to be addressed, you can
23 file something -- have the attorney file something.

24 This case is gonna be about the issues involving
25 the rates. I understand, Mr. Clifford, there may be other

1 issues that you want to address in that. But things that I
2 don't -- you know, that I or the Commission don't determine to
3 be relevant to the rates will not be allowed into evidence.

4 If you have a different view about these issues
5 that you've raised, you can file a pleading seeking some
6 relief in that regard, all right?

7 Some of these issues will have to be taken to the
8 Commissioners to make decisions on. So be -- it would be best
9 if -- if you have things you want brought to their attention,
10 that you put it in writing, all right?

11 MR. CLIFFORD: Okay.

12 JUDGE REED: Is there anything else?

13 (NO RESPONSE.)

14 JUDGE REED: Can we get this case heard in April
15 possibly?

16 (NO RESPONSE.)

17 JUDGE REED: We have some dates -- the Commission
18 has some dates. It depends on how quickly the -- the
19 testimony and those sorts of things can be put together.

20 In any event, April looks good, but May is
21 possible, too. So here is the calendar. And if there's
22 nothing else with that, we're gonna go off the record.

23 MR. CLIFFORD: Well, we're opposed to April. We
24 would like this -- this to be set as soon as possible.

25 JUDGE REED: Well --

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1 MR. CLIFFORD: This -- this is -- this company is
2 in distress. You know, any --

3 JUDGE REED: Well -- well, you'll have to --

4 MR. CLIFFORD: -- any --

5 JUDGE REED: Mr. Clifford, you'll have to work with
6 the Commission's calendar, all right, and the parties as well.

7 Okay. Because here, as in any courtroom, the case
8 will be heard when it can be heard. So you guys will need to
9 sit down after I leave and work out the kind of dates within
10 which the case can be tried.

11 All right. Anything else?

12 (NO RESPONSE.)

13 JUDGE REED: Okay. We'll go off the record and
14 I'll leave you guys to -- you folks to figure something out.

15 MR. DANDINO: Thank you, Your Honor.

16 WHEREUPON, the on-the-record portion of the
17 prehearing conference was concluded.

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