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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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Early Prehearing Conference

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June 19, 2006

Jefferson City, Missouri

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Volume 1

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In the Matter of the Tariff Filing)

of Algonquin Water Resources of)

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Missouri, LLC to Implement a)

General Rate Increase for Water) Case No. WR-2006-0425

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and Sewer Service Provided to)

et al.

Customers in Its Missouri Service)

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Areas)

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RONALD D. PRIDGIN, Presiding,

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REGULATORY LAW JUDGE.

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REPORTED BY:

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KELLENE K. FEDDERSEN, CSR, 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 PRIDGIN: Good morning. We're on the
3 record. This is the prehearing conference in Case
4 No. WR-2006-0425, in the matter of the tariff filing of
5 Algonquin Water Resources of Missouri, LLC to implement a
6 general rate increase for water and sewer service provided
7 to customers in its Missouri service area.

8 I'm Ron Pridgin. I am the Regulatory Law
9 Judge assigned to preside over this case. This prehearing
10 conference is being held June 19th, 2006 at 10 o'clock in
11 the morning. We are in the Governor Office Building in
12 Jefferson City, Missouri.

13 I would like to get entries of appearance
14 from counsel, please, beginning with Staff.

15 MR. KRUEGER: Good morning, your Honor.
16 Keith R. Krueger and Shelley Syler for the Staff of the
17 Missouri Public Service Commission. Our address is
18 P.O. Box 360, Jefferson City, Missouri 65101.

19 JUDGE PRIDGIN: Mr. Krueger, thank you.
20 Ms. Syler, thank you. On behalf of Algonquin, please?

21 MR. COOPER: Dean L. Cooper from the law
22 firm of Brydon, Swearngen & England, P.C., P.O. Box 456
23 Jefferson City, Missouri 65102, appearing on behalf of
24 Algonquin Water Resources of Missouri, LLC.

25 MR. MOLTENI: Mr. Cooper, thank you. On

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1 behalf of the Office of the Public Counsel, please?

2 MR. DANDINO: Thank you, your Honor.

3 Michael Dandino, Office of the Public Counsel, Post Office
4 Box 2230, Jefferson City, Missouri 65102, representing the
5 Office of the Public Counsel and the public.

6 JUDGE PRIDGIN: Mr. Dandino, thank you. If
7 I recall correctly, I'd issued an Order allowing parties
8 the opportunity to intervene, and we had no intervenors.
9 I don't see any other counsel in the room. Is anybody
10 aware of anybody else who wants to intervene? All right.
11 Seeing none.

12 I do understand pending, Mr. Krueger, you
13 had a request to file your recommendation concerning the
14 test year on June 26th; is that correct?

15 MR. KRUEGER: Correct, your Honor.

16 JUDGE PRIDGIN: And I do want to give
17 parties the chance to respond to that if they wish. And I
18 don't know if the parties -- I'm inclined to grant that
19 motion. I don't see time being of any essence, unless I
20 have any objections.

21 MR. COOPER: We don't have any objection.

22 MR. DANDINO: Public Counsel has no
23 objections.

24 JUDGE PRIDGIN: All right. Very good. I
25 will issue a written order and grant Staff's motion.

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1 Other than the test year, are there any
2 other pending motions or matters that counsel wish to
3 alert me about?

4 MR. KRUEGER: No, your Honor.

5 JUDGE PRIDGIN: Just, I guess, for my
6 curiosity, Mr. Cooper, is it your understanding that your
7 client would have been eligible to use the small company
8 rate increase procedure? I guess I'm curious as to why
9 we're --

10 MR. COOPER: Why we're here in a rate case?

11 JUDGE PRIDGIN: Yes.

12 MR. COOPER: I think the easiest way to
13 explain that is probably that at the time Algonquin
14 acquired these properties not so long ago from Silver
15 Leaf, several issues came up in the course of that
16 acquisition case that will have rate case implications,
17 and I think that it was -- and Cary's sitting here. I'm
18 trying to figure out how to say this just exactly the way
19 I want to.

20 But I think it was pretty clear that there
21 were differences of opinion. There were differences of
22 opinion that would likely call for some form of
23 litigation. As you know, the small company rate case
24 procedure does not afford you that opportunity.

25 JUDGE PRIDGIN: Right. Okay. I guess one

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1 reason I ask is, I assume I'm going to have Commissioners
2 ask me at some time. They're going to scratch their head
3 if we go down the road that far and say, wait, why didn't
4 we go the small company route? So that was just for my
5 benefit and also to answer what I think their questions
6 will be down the road.

7 MR. COOPER: Yeah. I think once you get to
8 a certain point in the small company case, if the parties
9 do not agree, you're left with starting a formal case.

10 JUDGE PRIDGIN: You're doing this anyway.

11 MR. COOPER: So if there's an indication
12 that there is going to be some sort of disagreement,
13 perhaps it's better to start the clock and move on down
14 the formal route.

15 JUDGE PRIDGIN: Good enough. I appreciate
16 it. Anything else from counsel?

17 All right. Seeing nothing further, I will
18 go off the record here in just a moment. Obviously you
19 have access to this room until five o'clock. I'm up on
20 the ninth floor if anybody has any questions. And if I'm
21 not mistaken, I had reserved, I think, three weeks or so
22 for hearing, and I don't recall the case. I think there
23 is another Commission case, and somebody's perhaps wanting
24 to grab some of those dates for hearing.

25 MR. COOPER: It's the Missouri Gas Energy

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1 rate case, I believe.

2 JUDGE PRIDGIN: Your client as well. So if
3 counsel, whenever you file your proposed procedural
4 schedule, if you-all think that the three weeks would not
5 be needed, and they may not be, if there's other dates
6 that you want to recommend, and that way I could perhaps
7 free up those dates for MGE.

8 MR. KRUEGER: We will do that.

9 JUDGE PRIDGIN: Anything else from counsel?
10 All right. Seeing nothing further, that will conclude
11 this prehearing conference in Case No. WR-2006-0425. We
12 are off the record.

13 WHEREUPON, the recorded portion of the
14 prehearing conference was concluded.

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