1 STATE OF MISSOURI PUBLIC SERVICE COMMISSION 2 3 4 TRANSCRIPT OF PROCEEDINGS 5 Evidentiary Hearing 6 May 18, 2010 7 Jefferson City, Missouri 8 Volume 13 9 In the Matter of Missouri ) American Water Company's ) Request for Authority to ) Implement a General Rate ) File No. WR-2010-0131 10 11 Increase for Water Service ) 12 Provided in Missouri ) Service Areas ) 13 14 15 DANIEL JORDAN, Presiding, REGULATORY LAW JUDGE 16 ROBERT M. CLAYTON III, Chairman, 17 JEFF DAVIS, TERRY JARRETT, 18 KEVIN GUNN, ROBERT S. KENNEY, 19 COMMISSIONERS. 20 21 REPORTED BY: 22 PAMELA FICK, RMR, RPR, CCR #447, CSR MIDWEST LITIGATION SERVICES 23 24 25

```
1
                         APPEARANCES:
 2
 3
     W.R. ENGLAND III, Attorney at Law
     PAUL A. BOUDREAU, Attorney at Law
 4
     DEAN L. COOPER, Attorney at Law
     Brydon, Swearengen & England, P.C.
 5
     312 East Capitol
     P.O. Box 456
 б
     Jefferson City, MO 65102-0456
     (573)635-7166
     paulb@brydonlaw.com
 7
     rmitten@brydonlaw.com
 8
9
     JOHN REICHART, Corporate Counsel
     American Water Company
10
     727 Craig Road
     St. Louis, MO 63141
11
12
               FOR:
                      Missouri American Water Company.
13
     STUART CONRAD, Attorney at Law
14
     DAVID WOODSMALL, Attorney at Law
     Finnegan, Conrad & Peterson
15
     3100 Broadway
     1209 Penntower Officer Center
     Kansas City, MO 64111
16
     (816)753-1122
17
     stucon@fcplaw.com
18
               FOR: Ag Processing, Inc.
19
     WILLIAM D. STEINMEIER, Attorney at Law
20
     William D. Steinmeier, P.C.
21
     2031 Tower Drive
     P.O. Box 104595
22
     Jefferson City, MO 65110
     (573)734-8109
23
     wds@wdspc.com
24
               FOR: City of St. Joseph.
25
```

```
1
    LISA C. LANGENECKERT, Attorney at Law
    Sandberg Phoenix & von Gontard
 2
    600 Washington Avenue - 15th Floor
    St. Louis, MO 63101
 3
    (314)446-4238
    Llangeneckert@sandbergphoenix.com
 4
          FOR: Missouri Energy Group.
 5
 6
    JAMES M. FISCHER, Attorney at Law
    LARRY W. DORITY, Attorney at Law
 7
    Fischer & Dority
    101 Madison, Suite 400
 8
    Jefferson City, MO 65101
    (573)636-6758
9
    jfischerpc@aol.com
10
          FOR: Public Water Supply District No. 1 of
                                     Andrew County.
                 Public Water Supply District No. 2 of
11
                                      Andrew County.
12
    KARL ZOBRIST, Attorney at Law
13
    Sonnenschein Nath & Rosenthal, LLP
14
    4520 Main Street, Suite 1100
    Kansas City, MO 64111
15
    (816)460-2545
    kzobrist@sonnenschein.com
16
          FOR: Triumph Foods, LLC.
17
18
    MARC ELLINGER, Attorney at Law
19
    THOMAS R. SCHWARZ, Attorney at Law
    Blitz, Bardgett & Deutsch
20
    308 East High Street, Suite 301
    Jefferson City, MO 65101-3237
21
    (573)634-2500
    mellinger@blitzbardgett.com
22
23
          FOR: City of Joplin.
24
25
```

1 TERRY ALLEN, Attorney at law 612 East Capitol Avenue 2 P.O. Box 1702 Jefferson City, MO 65102 3 (573)636-9667 terry@tcallenlawoffices.com 4 FOR: St. Louis Area Fire Sprinkler 5 Association. б JOE BEDNAR, Attorney at Law Spencer Fane Britt & Browne, LLP 7 308 East High Street, Suite 222 Jefferson City, MO 65101-3237 8 (573)230-8515 jbednar@spencerfane.com 9 FOR: City of Riverside. 10 BYRON E. FRANCIS, Attorney at Law J. KENT LOWERY, Attorney at Law 11 Armstrong Teasdale, LLP One Metropolitan Square, Suite 2600 12 St. Louis, MO 63102 (314)621-5070 13 bfrancis@armstrongteasdale.com 14 FOR: Metropolitan St. Louis Sewer District. 15 CHRISTINA BAKER, Assistant Public Counsel Office of the Public Counsel 16 200 Madison Street, Suite 650 Jefferson City, MO 65102-2230 17 (573)751 - 485718 FOR: Office of the Public Counsel and the 19 Public. KEVIN THOMPSON, Chief Staff Counsel 20 JENNIFER HERNANDEZ, Legal Counsel 21 ERIC DEARMONT, Legal Counsel SHELLEY BRUEGGEMANN, Chief Litigation Counsel RACHEL LEWIS, Deputy Counsel 22 Missouri Public Service Commission 23 200 Madison Street Jefferson City, MO 65102 24 (573)751-3234 25 FOR: Staff of the Missouri Public Service

1 PROCEEDINGS JUDGE JORDAN: We are on the record. 2 3 The Commission is calling File No. WR-2010-0131, 4 which is in the matter of Missouri American Water 5 Company's application for a new rate. б Though I understand we're going to be 7 here only briefly, I am going to go ahead and turn off my cell phone, and I'm going to ask everyone to 8 9 do so because an interruption of that may be embarrassing and disruptive. 10 We will take entries of appearance this 11 morning, and we will start with Missouri American 12 13 Water Company. 14 MR. ENGLAND: Thank you, your Honor. Let the record reflect the appearance of Trip England 15 on behalf of Missouri American Water Company. 16 17 JUDGE JORDAN: Thank you. And for 18 Staff. MS. HERNANDEZ: Good morning. Jennifer 19 Hernandez appearing on behalf of the Staff. And we 20 21 entered our appearance yesterday as well as the 22 address, and the other attorneys' names are in the 23 record. Thank you. 24 JUDGE JORDAN: Thank you. And for the 25 Office of Public Counsel.

1 MS. BAKER: Thank you, your Honor. Christina Baker, appearing on behalf of the Office of 2 3 the Public Counsel and the ratepayers. 4 JUDGE JORDAN: And let's see. I'm going 5 to skip through the list of persons that I don't see 6 here. I don't see anyone for UWUA Local 335, and I 7 don't see anyone here for AG Processing, Inc., and 8 City of Warrensburg I have excused. 9 The St. Louis Fire -- St. Louis Area Fire Sprinkler Association, I do not see counsel. 10 City of Joplin. 11 12 MR. ELLINGER: Marc Ellinger, the law firm of Blitz, Bardgett & Deutsch, for the City of 13 14 Joplin, Judge. Thank you. JUDGE JORDAN: Thank you. The Missouri 15 Energy Group? No. The Water Districts, Public Water 16 17 Supply Districts Nos. 1 and 2 of Andrew County. 18 MR. DORITY: Thank you, Judge. Larry Dority with Fischer & Dority, appearing on behalf of 19 the Public Water Supply District Nos. 1 and 2 of 20 21 Andrew County. 22 JUDGE JORDAN: Thank you. For the 23 Metropolitan Sewer District? I see there's nobody here. For the City of Riverside. 24 25 MR. BEDNAR: Joe Bednar, Spencer, Fane,

197

1 Britt & Browne, for the City of Riverside.

2 JUDGE JORDAN: Thank you. For the City 3 of St. Joseph. 4 MR. STEINMEIER: Thank you, your Honor. 5 William D. Steinmeier, William D. Steinmeier, P.C., 6 on behalf of the City of St. Joseph, Missouri. 7 JUDGE JORDAN: Thank you. For Triumph Foods, LLC. I see counsel is not here. For the City 8 9 of Jefferson. City of Jefferson I've excused. And 10 Missouri Industrial Energy Consumers, I do not see 11 counsel. 12 All right. Well, perhaps counsel for the Applicant would like to state on the record how 13 14 he'd like to proceed. MR. ENGLAND: Thank you, Judge. As I 15 indicated a little bit before we went on the record, 16 17 I believe we are very close to a global settlement of 18 the case. I would request or move that the hearings 19 be suspended for the time being to allow us to develop a written Stipulation and Agreement. And my 20 21 hope is that we have that filed by the end of the 22 week. JUDGE JORDAN: Okay. Does anyone have 23 any objection to canceling the remainder of this 24

25

evidentiary hearing?

1 (NO RESPONSE.) 2 JUDGE JORDAN: Or anything else to add 3 to the procedure that counsel has suggested? 4 (NO RESPONSE.) 5 JUDGE JORDAN: Commissioner? б COMMISSIONER JARRETT: Thank you, Judge. 7 I just wanted to express on behalf of the Commission, my fellow Commissioners, to the parties, that we 8 9 certainly appreciate the efforts of getting this 10 settled. I know there were a lot of complicated issues in this case and it took a lot of effort on 11 your parts to get this done, and certainly I think 12 settling issues is a lot better than contesting them, 13 14 so we appreciate your efforts. JUDGE JORDAN: Well, the Commissioner 15 has pretty much taken the words out of my mouth with 16 17 almost nothing to say, except to add my thanks to the 18 parties for the hard work in coming to an arrangement 19 from positions that started so far apart. That, I know, takes a lot of work and a lot of effort and a 20 21 lot of deep thought and consideration. 22 Anything else before we adjourn this 23 hearing and go off the record? 24 (NO RESPONSE.) 25 JUDGE JORDAN: Going once, going twice,

```
thank you very much. This hearing is adjourned. We
 1
    are off the record.
 2
 3
                 (EXHIBIT NO. 850 WAS MARKED FOR
     IDENTIFICATION BY THE COURT REPORTER.)
 4
 5
                 (EXHIBIT NOS. 800, 801 AND 802 WERE
 6
    MARKED FOR IDENTIFICATION BY THE COURT REPORTER.)
 7
                  (WHEREUPON, the hearing in this case was
 8
     concluded.)
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
```

1	INDEX		
2		MARKED	RECEIVED
3	Exhibit No. 800	200	*
4	Exhibit No. 801	200	*
5	EXHIBIC NO. OUT	200	
б	Exhibit No. 802	200	*
7	Exhibit No. 850	200	*
8		200	
9			
10	* Neither offered nor received	into eviden	ce.
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

CERTIFICATE STATE OF MISSOURI ) ) ss. COUNTY OF COLE ) I, Pamela Fick, Registered Merit Reporter and Certified Shorthand Reporter do hereby certify that I was personally present at the proceedings had in the above-entitled cause at the time and place set forth in the caption sheet thereof; that I then and there took down in Stenotype the proceedings had; and that the foregoing is a full, true and correct transcript of such Stenotype notes so made at such time and place. Given at my office in the City of Jefferson, County of Cole, State of Missouri. PAMELA FICK, RMR, CCR #447, CSR