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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

Local Public Hearing

March 29, 2010
Riverside, Missouri
Volume 2

In The Matter Of)
Missouri-American Water)
Company's Request For)
Authority To Implement)File No. WR-2010-0131
A General Rate Increase)
For Water Service)
Provided In Missouri)
Service Areas.)

DANIEL R.E. JORDAN, Presiding Regulatory
Law Judge.
ROBERT M. CLAYTON III, Chairman.

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APPEARANCES

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1 PROCEEDINGS

2 JUDGE JORDAN: Good evening everyone. We
3 have a healthy list of persons willing to testify this
4 evening, so I'm not going to take up your time with a
5 lengthy statement that I have prepared. So it's plain
6 to me that without having heard you but just by
7 watching, you've been very, very engaged in this. So
8 there's a lot that I'm going to not have so say. So
9 without further ado we will go on the record.

10 Missouri Public Service Commission is
11 calling Case Number WR-2010-0131. This relates to the
12 rate increase application of Missouri-American Water
13 Company. My name is Daniel Jordan. I am a Regulatory
14 Law Judge employed by the Missouri Public Service
15 Commission. And to my left is Robert Clayton,
16 Chairman of the Missouri Public Service Commission.

17 I'm going to yield the floor to him right
18 now so that he can tell you a little bit of the
19 background.

20 CHAIRMAN CLAYTON: Thank you, Judge. My
21 name is Robert Clayton. I'm Chairman of the Missouri
22 Public Service Commission. We are a five commissioner
23 board of which I am Chairman of that board. We are
24 appointed by the Governor to serve staggered terms to
25 make decisions in cases that involve utility

1 monopolies.

2 We are the regulators that decide in the
3 place of competition, what rates will be charged by
4 utilities and what level of service those utilities
5 will provide to their customers.

6 I wanted to start off tonight just very
7 briefly advising and suggesting that we are starting
8 to do things a little differently with the way we
9 conduct public hearings.

10 In the past if you would have come to this
11 meeting, after 30 minutes all the question-and-answer
12 would have been cut off. We would have proceeded to
13 this point. And what happens or what we have found is
14 that customers continue to have additional questions,
15 they feel like they haven't been answered.

16 And tonight we want to give everyone ample
17 opportunity to ask questions. Not only of the Public
18 Service Commission staff that are here, but also of
19 the Company who have traveled from various places in
20 the state. You have the people that are involved at
21 the center of this rate case. We wanted to make sure
22 you had the opportunity to ask those questions.

23 We're going to continue refining this
24 process, because there's several things we really want
25 to accomplish. Number 1, we want customers to walk

1 away with a better understanding of how rates are set.
2 It is not a political decision; it is not just
3 basically testing which way the winds are blowing.

4 There is law; there is case law; there's
5 statutes that provide direction. We have to operate
6 within a framework in how we set up rates, whether it
7 be water, electricity, natural gas, and in some cases
8 telecommunications.

9 This is our first local public hearing that
10 we are conducting in association with
11 Missouri-American Water, and as we mentioned it is
12 being videotaped and it becomes part of our record in
13 our electronic filing system. If you have additional
14 questions I would urge you to utilize the web site:
15 www.psc.mo.gov.

16 You can view all of the proceedings that we
17 do on that web site. From the evidentiary hearings,
18 which is more of a trial like here, you can view the
19 hearings that we conduct out in the field at various
20 service territories.

21 And on Wednesdays you can watch live as the
22 commissioners debate, how the commissioners will vote
23 on different orders that come before the Commission.
24 So when it comes time for us to make a decision in the
25 case, you can watch the deliberation of the

1 commissioners on the internet.

2 The second piece of that puzzle or what we
3 want to accomplish is give you an opportunity to
4 explain to us the problems that you're having with the
5 utility service. Since there is not competition, you
6 cannot let your fingers do the walking. You are
7 stranded and you are served by a monopoly.

8 We stand in the place to make sure that
9 that monopoly is providing quality of service. So we
10 want to know about quality of service issues; we want
11 to know about billing problems, customer service
12 problems. We want to know about all aspects of the
13 service that you receive. Any other comments that you
14 want to make on the record, we are here to receive
15 those here today.

16 So having said that, I'm going to stop
17 talking and ask the Judge to move forward with the
18 preliminary proceeding and then we'll move right into
19 taking your testimony here tonight. Thank you very
20 much for coming.

21 JUDGE JORDAN: Thank you, Mr. Chairman.
22 And you've already had introductions of the major
23 players. You know that none of you are suing
24 Missouri-American, and Missouri-American is not suing
25 you. But the customers do have a lawyer. That lawyer

1 is called Public Counsel. Will Public Counsel please
2 enter his appearance.

3 MR. MILLS: Thank you, Judge. Appearing on
4 behalf of the Public Counsel and the public my name is
5 Lewis Mills. My address is Post Office Box 2230,
6 Jefferson City, Missouri 65102.

7 JUDGE JORDAN: Thank you, Mr. Mills. Do
8 you have a representative from your office on the
9 technical side?

10 MR. MILLS: No, just me.

11 JUDGE JORDAN: Okay. And from the Staff
12 Counsel, enter your appearance, please.

13 MS. HERNANDEZ: Good evening. My name is
14 Jennifer Hernandez and I represent the staff of the
15 Commission. Those members here this evening are Kim
16 Bowlin in the back of the room, Jim Busch, Craig Ocho,
17 and Lisa Kramer is out in the hall.

18 I'll leave our address which is PO Box 360,
19 Jefferson City, Missouri 65102. You can leave
20 questions with them if we didn't have an answer during
21 the question and answer session, and then we can give
22 you a call back or help you this evening with those
23 questions. Thank you.

24 JUDGE JORDAN: Thank you. And for the
25 Company I understand their counsel is not present

1 today. Is there a representative from the Company
2 today?

3 MR. KARTMANN: I'm Frank Kartmann,
4 President of Missouri-American Water Company.

5 JUDGE JORDAN: Thank you. Is there anyone
6 else with you today from the Company?

7 MR. KARTMANN: Yes. Denny Williams, our
8 Senior Manager of rates and planning; Kevin Dunn; Greg
9 Weeks, our Vice President of Operations; Gary
10 Bellafiore, our Superintendent of the Parkville
11 District; Bradley Brown, our Manager of Government
12 Affairs.

13 Sitting next to him is Dave Pruitt, our
14 Construction Manager, one of our construction managers
15 in our Engineering Department; Lisa Adams in the green
16 sweater is our Supervisor of Water Quality for the
17 Parkville System as well as St. Joe/Brunswick.

18 JUDGE JORDAN: Okay. Anyone else that you
19 want to mention? That's about half the room. Thank
20 you very much. My purpose here is to conduct an
21 orderly proceeding, and so I'm going to give you a few
22 tips on testifying.

23 When I call your name from this list,
24 please come forward. I will administer an oath or
25 affirmation. Why do I do that? There are a couple

1 reasons. Number 1, some of what you say may find its
2 way into the record on which this decision will be
3 based, so I want to move -- put it into evidence.

4 The other reason is that we want you to
5 think carefully about what you're saying. It's
6 important. That's why the Commission is here; that's
7 why the Chairman is here.

8 So with that I think we will begin with
9 this list. And I will first call the name of Gerry
10 Richardson, Parkville, Missouri. Please raise your
11 right hand. Do you solemnly swear or affirm that the
12 testimony you are about to give will be the truth, the
13 whole truth and nothing but the truth?

14 THE WITNESS: I do.

15 JUDGE JORDAN: Please state your name and
16 spell it for the court reporter.

17 THE WITNESS: My name is Gerry Richardson.

18 JUDGE JORDAN: Is it spelled pretty much
19 like it sounds, I imagine.

20 THE WITNESS: G-E-R-R-Y.

21 JUDGE JORDAN: Are you a customer of
22 Missouri-American Water?

23 THE WITNESS: I am.

24 JUDGE JORDAN: And what would you like the
25 Commission to know?

1 THE WITNESS: I'm a resident of the City of
2 Parkville, a long-time Missouri-American Water
3 customer. And I'm here to respectfully request that
4 the rate increase for the utility be denied on the
5 following grounds:

6 The request that is before this Commission
7 proposes profit margins and/or returns on equity that
8 are excessive for a monopoly and a regulated utility.
9 It's only fair that a regulated utility receiving a
10 nearly-guaranteed profit be granted a fair profit and
11 return on equity that is towards the low end of what
12 private industry would be.

13 Before I suggested a profit margin of five
14 percent for a return on equity. Five percent would be
15 more than fair especially in light of this very
16 difficult overall economy that customers and the
17 private industry are currently experiencing; Number 1.

18 And Number 2, these rates are built upon
19 capital costs from past projects that have not
20 delivered the improvement in operations that were
21 indicated with those prior rate filings; therefore,
22 these past improvements do not fully meet the useful
23 component of the used and useful tests and should be
24 removed wholly or at least partially from the rate
25 base.

1 Two examples -- I'll try to keep it very
2 brief -- of those projects that has not proved to be
3 fully useful are the water storage tank located on
4 Park University land and the associated variable
5 volume pumping system.

6 Both of these projects were represented to
7 offer substantial improvement in the water pressure in
8 the area it served, which is primarily a subdivision
9 of Riss Lake, where I live.

10 JUDGE JORDAN: Please spell that for us.

11 THE WITNESS: R-I-S-S L-A-K-E Subdivision
12 in Parkville.

13 JUDGE JORDAN: Thank you.

14 THE WITNESS: I personally experienced low
15 water pressure during certain times of the day and
16 year before these improvements were made. I
17 experience essentially the same low-pressure problems
18 now that the project has been in place for some time.

19 I have discussed the situation with
20 Missouri-American staff. They have acknowledge that
21 there is some problem associated with that -- or that
22 there are some low pressures at taps in that area.
23 And they believe that they -- they've acknowledged
24 that such problem exists and they believe that problem
25 is either caused by or at least exacerbated by the

1 under sizing of the water branch that comes from their
2 mane to the residence.

3 And I can't say quite frankly whether the
4 size line that I have is, in fact, adequate for my
5 home. I would have thought that it would have been.
6 But I'm not here to dispute their contention.

7 What I can say is the size of the mane or
8 the size of the branch that serves my home has not
9 changed from the time before these modifications were
10 made until now. And I have lived there since before
11 the modifications were made, and I'm still living
12 there now. And I see essentially no improvement in
13 the water pressure at the tap in my home during
14 certain times of the day, certain times of the year.

15 So I'll have to contend that these projects
16 are not fully useful and that the rates should be
17 adjusted down accordingly. In fairness, I'd just like
18 to say that in general I found Missouri-American Water
19 Supply to be very reliable.

20 And I've gotten -- had discussions on these
21 topics with staff and I've always found them to be
22 very responsive, very straightforward and very
23 capable. I think they are due a fair profit, but I
24 think the profit that they are requesting is
25 excessive.

1 I just want to thank Your Honor and the
2 Commission and staff and Missouri-American Water's
3 staff for their time. Thank you.

4 JUDGE JORDAN: The Chairman would like to
5 ask you a question.

6 CHAIRMAN CLAYTON: You went -- you really
7 jumped through a number of issues here real quick, and
8 I just want some clarification on a few things. You
9 mentioned two things that you believe should be
10 removed from the rate base: One being the water
11 storage tank at Riss Lake Subdivision?

12 THE WITNESS: Yes.

13 CHAIRMAN CLAYTON: And then what was the
14 second piece?

15 THE WITNESS: It is the variable volume
16 pumping system associated with that, associated with
17 that tank.

18 CHAIRMAN CLAYTON: So basically what you're
19 saying is that these don't work. They're not working
20 to provide the quality of service they should be?

21 THE WITNESS: I'm not saying that they
22 won't work, that they don't work at all. I can't
23 really speak to that. But what I can say is I haven't
24 seen any visible improvement in the water pressure,
25 which was at least one of the purposes that was

1 presented as part of justification for those.

2 CHAIRMAN CLAYTON: When were those added to
3 the system; do you know?

4 THE WITNESS: I would be able to determine
5 that. The staff here may be in a position to help me
6 out. I'm going to say on the order of ten years ago.
7 It was probably put in place seven -- I believe the
8 water main came in approximately nine years ago, and
9 then variable volume pumping came in some time after
10 that, perhaps two years.

11 CHAIRMAN CLAYTON: That's close enough.
12 What is the reason that the company gives you for a
13 poor or low water pressure at your residence?

14 THE WITNESS: They believe it is caused or
15 at least exacerbated by the fact that the service to
16 my home is probably a one-inch -- I'm going by memory
17 now -- a one-inch service where they would have been
18 recommending it should have been one and a half inch.
19 Gary, have I got that right?

20 MR. BELLAFIORE: No. They're a one-inch
21 split to three quarters to two homes, and I think
22 there should be a one-inch single.

23 CHAIRMAN CLAYTON: So that's the service
24 line that runs from the company main -- that's the
25 service line that runs underneath your ground into

1 your house?

2 THE WITNESS: Yes, sir.

3 MR. BELLAFIORE: That's what the size is.

4 CHAIRMAN CLAYTON: Okay. Thank you very
5 much for your testimony.

6 THE WITNESS: Thank you.

7 JUDGE JORDAN: Hang just on a second.

8 Questions from the staff?

9 MS. HERNANDEZ: No questions.

10 JUDGE JORDAN: Questions from Public
11 Counsel?

12 MR. MILLS: I have no questions.

13 JUDGE JORDAN: Okay. Thank you very much.

14 CHAIRMAN CLAYTON: You clarified for me
15 with your questions and testimony.

16 JUDGE JORDAN: Next my list I have June
17 Gentry from Riverside. June Gentry?

18 AUDIENCE: She left.

19 JUDGE JORDAN: She left? Next on the list
20 would be Bill Beyer. Please raise your right hand.

21 Do you solemnly swear or affirm that the testimony you
22 are about to give shall be the truth, the whole truth
23 and nothing but the truth?

24 THE WITNESS: Yes.

25 JUDGE JORDAN: Please state your name and I

1 believe I'll have you spell if for court reporter.

2 THE WITNESS: My name is Bill Beyer. I'm a
3 resident of Parkville. I just wanted to comment more
4 upon an opinion basis.

5 JUDGE JORDAN: Sure. Are you customer of
6 Missouri-American?

7 THE WITNESS: I'm embarrassed to say I
8 don't know for certain, but I do use Public Water
9 Supply Number 6 off of Eastside Drive. I don't know
10 if that's in your system or not.

11 MR. BELLAFIORE: That is a single --

12 CHAIRMAN CLAYTON: Hang on, hang on.
13 Judge, we can't be having questions going to people
14 that haven't been sworn in. So let's -- that's all
15 right. Just make your best guess and give us what you
16 want to give us.

17 THE WITNESS: All right.

18 CHAIRMAN CLAYTON: Excuse me, sir. I
19 didn't mean to interrupt. Go head.

20 THE WITNESS: I just want to comment in
21 general about the rates, that the increases do not
22 seem reasonable in terms of such a large rate
23 increase. Over the past several years we have heard
24 of 25 percent, 28 percent, 20 percent.

25 I can see small increases annually perhaps

1 like five percent, somewhere in that range. Now there
2 are some of us, myself included, who have been forced
3 to hook up to sewer within the past year. We were on
4 septic before that.

5 We are going to be paying 100 percent of
6 the cost, it appears, of putting these pipes in. And
7 I'm anticipating I'm going to be paying over \$200 a
8 month for water and sewer. But we don't know what the
9 final cost of the sewer is yet, because we haven't
10 been told that. That seems very excessive and it's
11 going to put a lot of us into a hardship.

12 And the other point I wanted to make which
13 I asked earlier, it seems these large increases -- it
14 doesn't seem to make sense, the numbers on the paper
15 as far as how much this infrastructure is being
16 improved solely to accommodate all this suburban
17 expansion that's going on.

18 I believe that we have to quantify that
19 better. And if we need to increase the pipe size to
20 accommodate the massive numbers of new homes, that
21 cost ought to be past on to the developer that's
22 putting these new homes in rather than burdening the
23 existing customers with the cost of improving the
24 infrastructure. That's all I have to say. Thank you.

25 CHAIRMAN CLAYTON: Mr. Beyer, if I can ask

1 you a couple of questions just for clarification. You
2 said public water is supplied to you through Number 6?

3 THE WITNESS: Yes.

4 CHAIRMAN CLAYTON: And do you think you get
5 your water from the public water supply or
6 Missouri-American, or are you not sure?

7 THE WITNESS: I'm not sure.

8 CHAIRMAN CLAYTON: So you're not sure?

9 THE WITNESS: It comes out of a big storage
10 tank off of Eastside Drive.

11 CHAIRMAN CLAYTON: You can talk to him but
12 you can't talk to me.

13 MR. FAGAN: A rate increase will affect
14 you, because we buy our water directly from
15 Missouri-American. I'm on the Board of Directors of
16 the Water District.

17 THE WITNESS: Okay. So then it will affect
18 me.

19 CHAIRMAN CLAYTON: And then who is the
20 sewer provider? Is that Missouri-American?

21 THE WITNESS: No.

22 MR. FAGAN: Platte County Regional
23 Services.

24 THE WITNESS: Right. So Platte County
25 Regional Service. So if this rate increase does

1 occur, then they're saying -- I'm anticipating I'm
2 going to be over \$200 a month.

3 JUDGE JORDAN: Do you have any further
4 questions?

5 CHAIRMAN CLAYTON: No.

6 JUDGE JORDAN: Questions from staff?

7 MS. HERNANDEZ: No.

8 JUDGE JORDAN: Questions of counsel?

9 MR. MILLS: No questions.

10 JUDGE JORDAN: The next name I have on our
11 list is John Erickson. Please raise your right hand.
12 Do you solemnly swear that the testimony you are about
13 to give will be the truth, the whole truth and nothing
14 but the truth?

15 THE WITNESS: Yes, sir.

16 JUDGE JORDAN: Then please state your name
17 and spell it for our court reporter.

18 THE WITNESS: John Erickson,
19 E-R-I-C-K-S-O-N. Address, 5105 North Merrimac,
20 Riverside, Missouri 64150. I am a customer of
21 Missouri-American Water, have been since I moved here
22 about 2003, I believe it is.

23 JUDGE JORDAN: And what would you like the
24 Commission to know?

25 THE WITNESS: A couple things. Number 1, I

1 want to give a compliment first. I have been calling
2 at all hours of the day and night, excellent service;
3 that's the positive. Thank you for that. You've done
4 a great job on that.

5 The second thing is something I have with
6 the billing practices of the utility in that they've
7 been sort cycling the bills. We'd get our bills and
8 it seems like you used to have, like, 30 days or
9 something to get it back.

10 And pretty soon you get the bill and it's
11 due in about, seems like, two weeks. You're just
12 trying to -- I think with the interest rates, you're
13 trying to get folks -- you're trying to get a fair
14 return on your investment; I understand that.

15 But you're trying to squeeze the consumer
16 saying -- they'll make even more money by the time
17 they invest that money that comes in when they pay
18 that money quickly. And I have a real problem with
19 that, sir, as a consumer. I think it's just flat
20 wrong.

21 Now, the banks have gotten away with that,
22 and all of a sudden I'm just, you know, no. I want
23 you to please just say let's be fair, let's play fair.
24 You're a monopoly so let's play fair for the little
25 guys like me that are semi-retired and going back to

1 work to make some bucks.

2 Please help us, all of us. There's a lot
3 of aging people here. We don't want you to -- to put
4 you to the screws; we don't want it to be free.
5 That's all I want to say. Be fair.

6 The second thing I want to say, I do agree
7 with what's been said about the rate increases, that
8 it's too far and excessive. You know, you all deserve
9 a fair return on your investment, but to quantify on
10 what is fair, I think it's critical here. I think
11 everybody agrees with that.

12 We're willing to pay more, but not to the
13 degree that you all are asking. And hopefully we can
14 come to a lot less than what you wanted by being fair
15 with you. That's all I have to say.

16 JUDGE JORDAN: Thank you. Mr. Chairman?

17 CHAIRMAN CLAYTON: Thank you, Judge. Mr.
18 Erickson, thank you very much for your testimony. On
19 the short cycling of your bills, is it your impression
20 that they have changed the date or the actual -- is it
21 a mailing issue that they're mailing them late, or is
22 it --

23 THE WITNESS: I think if it serves me, my
24 mind -- the post office doesn't care about getting
25 mail out. They're supposed to get mail in one day. I

1 sent a package to Texas for my niece Saturday. It got
2 there already in Texas today, but I've seen cases of
3 ten days for a first-class letter. That is part of
4 the issue.

5 But some of that should be anticipatory in
6 your billing practices. They usually give us three to
7 five days for mailing it. Now they say if we assume
8 and put that thing in the mailbox, you're going to get
9 it. It ain't that way with the post office anymore.
10 So I'm saying I'd like 30 days. You get the bill,
11 you've got, say, 30 days or more time than we now
12 have.

13 CHAIRMAN CLAYTON: I want to be on the
14 record that we cannot help you with the post office.
15 So don't anyone take that in a negative way. So you
16 think in part it's the mailing, but in the date of the
17 bill, has it changed from what it used to be?

18 THE WITNESS: I don't know right offhand.
19 I just know it comes and it's due this time. It seems
20 like they're squeezing that date back. When I came
21 here we had -- I know we had more time. All the
22 sudden, man, this is due. And usually I'll be getting
23 to the bill, it used to be 30 days. And now it's cut
24 back some. Everybody is doing that.

25 And that's wrong, too, because everybody

1 shouldn't be doing that. You know, being fair to the
2 consumer, you're getting your money; you're going to
3 get your money. And if you have to pay a dollar
4 extra, you know, to be able to wait another week or
5 two a month, that might be okay.

6 I want to be fair with you. We'll give you
7 that. But give us that in return. We're supporting
8 you and you do good work. But on the other hand we
9 want you to be fair with us. That's the bottom line.

10 CHAIRMAN CLAYTON: Mr. Erickson, I don't
11 have any other questions. I did want to suggest to
12 you if you have any information, like you've got some
13 bills or you keep a journal, like, for a couple months
14 when the bill comes in, if you take one -- some of the
15 information out on the table, send those in and we can
16 certainly look into that. Specific information would
17 be helpful.

18 THE WITNESS: System wide I just wish you'd
19 look at when do you cut your bill, when do you make it
20 due; you need to expand the time. I think that's a
21 broad generic. I know utilities have; I know credit
22 card companies are doing it and they've had their
23 hands slapped.

24 Respectfully I think you need to have your
25 hand slapped. I know you need to make money, too, you

1 know, but be fair with us. We're in your court, but
2 just -- I'm sorry, I shouldn't be addressing you. All
3 right.

4 CHAIRMAN CLAYTON: That's all right. My
5 feeling are not hurt. That's quite all right. No
6 problem. Thank you very much for your time.

7 JUDGE JORDAN: Any questions from the
8 staff.

9 MS. HERNANDEZ: What is the timeframe of
10 the short billing cycle?

11 THE WITNESS: It seemed like it was a
12 couple weeks, it seemed like. I got the bill and
13 it's, like, well I'm going to miss it -- like two
14 weeks. I know one time it was.

15 MS. HERNANDEZ: What year and month?

16 THE WITNESS: I don't know right offhand.
17 I've got my bills going back for years. I can go back
18 and pick those out. But I know it has changed, and I
19 was very unhappy when I got it. I've got no choice.
20 You know, I've got to pay my bills. I've just got to
21 pay my bills.

22 MS. HERNANDEZ: I know Mr. Chairman was
23 correct. We actually do have a person from the staff
24 outside, Ms. Kramer outside. She does a lot of the
25 billing research. So if you give your name and number

1 to her, she can look at your account information and
2 help you.

3 THE WITNESS: I'll sort through those so
4 you can see exactly what I'm talking about.

5 CHAIRMAN CLAYTON: Lisa out front would be
6 great to talk to about that.

7 JUDGE JORDAN: Is there anything else from
8 the staff?

9 MR. HERNANDEZ: No thank you.

10 JUDGE JORDAN: Anything else from local
11 counsel?

12 MR. MILLS: No.

13 JUDGE JORDAN: The next name on the list is
14 Leland Finley. Please come forward. Please raise
15 your right hand. Do you solemnly swear or affirm that
16 the testimony you are about to give will be the truth,
17 the whole truth and nothing but the truth?

18 THE WITNESS: I do.

19 JUDGE JORDAN: Thank you. Please state
20 your name and spell it for the court reporter.

21 THE WITNESS: Leland Finley, L-E-L-A-N-D
22 F-I-N-L-E-Y 913 Valley Lane, Riverside, Missouri.

23 JUDGE JORDAN: Are you a Missouri-American
24 customer?

25 THE WITNESS: I am a customer of

1 Missouri-American Water.

2 JUDGE JORDAN: Please proceed.

3 THE WITNESS: My family moved to Riverside
4 in 1988. We have had relatively good service;
5 however, we own a water treatment system within the
6 home to reduce the hardness of that water. We were
7 told by the person who was doing the analysis of the
8 water, this is the hardest water he's ever tested. It
9 tested at 22 grains. Whatever that means, I don't
10 know, but typical water hardness in the ground is
11 around 13.

12 Because of the use of this water treatment
13 system, we have seen a dramatic improvement in the
14 longevity of washing equipment, of dishwashing
15 equipment. I would like to know what effort is being
16 made and how this is affecting the cost of their
17 operation if, in fact, this well water that tests at
18 22 grains of hardness is not causing excessive wear on
19 their equipment.

20 And should they be using some kind of
21 treatment to make this equipment last longer so they
22 don't have to replace it as quickly, and if the
23 build-up of these chemicals and this sediment within
24 the water manes is causing part of their breakage.

25 Up the street and around the corner from me

1 and it didn't affect me, but my daughter owns a house
2 up the street and around the corner from me. They
3 have just finished the street repair on a water
4 problem where a water main broke and was running for
5 approximately a full day before it was completely shut
6 down and repairs done.

7 The second thing that I would have to go
8 along with is based upon the cost of infrastructure
9 and capital investment that they have done. It seems
10 to me that a 27 percent increase for this district is
11 a little bit high.

12 Only \$2 million has been invested, \$2.1
13 million. And even if \$3 million has been invested and
14 is going to be depreciated over, say, a 40-year term,
15 that seems like a lot of money that's going to be
16 asked for in return for that amount of money being
17 spent.

18 That's about \$5500 a year, which I think a
19 27 percent increase in a water bill for that many
20 customers is quite a bit more than \$5500. That's all
21 I have.

22 JUDGE JORDAN: Thank you. I'll ask a few
23 clarifying questions, first. You mentioned a hardness
24 of the water and you referred to well water. Are you
25 referring to a source of Missouri-American Water?

1 THE WITNESS: Apparently they get their
2 water from deep wells. Now, that was not so during
3 the flood of '93 when they had to switch over and use
4 Kansas City, Missouri water.

5 There is a line, I am told and according to
6 news sources, that feeds into the Parkville Plant that
7 they just switched over. They had to go under water
8 to switch it over. It was frozen up and they had some
9 problems doing that at the time during the flood of
10 '93, and didn't switch back to their well water usage.

11 JUDGE JORDAN: Do you recall who it was
12 that did the testing on the hardness of the water?

13 THE WITNESS: At the time it was a company
14 called Eco Water, E-C-O, Eco Water.

15 JUDGE JORDAN: That's all the questions I
16 have. Mr. Chairman?

17 CHAIRMAN CLAYTON: Mr. Finley, I don't have
18 any questions. I was only going to suggest that our
19 water manager, the head of the Water Department, is
20 right back there in the red shirt. If you want to
21 talk about how the staff approached the audit of the
22 company in looking at those capital investments, I
23 think he could give you more information.

24 But I would just encourage you to have that
25 conversation. Also, water hardness, this is the first

1 time I've had someone bring up significant hardness in
2 the water.

3 THE WITNESS: It is significantly hard.

4 CHAIRMAN CLAYTON: I don't dispute that.

5 But any information you can give him would be helpful.

6 Thank you.

7 JUDGE JORDAN: Anything else?

8 CHAIRMAN CLAYTON: No.

9 JUDGE JORDAN: Anything from the staff?

10 MS. HERNANDEZ: No.

11 JUDGE JORDAN: Anything from the Office of
12 Public Counsel?

13 MR. MILLS: No thank you.

14 JUDGE JORDAN: Thank you, sir.

15 THE WITNESS: Thank you.

16 JUDGE JORDAN: The next name I have on my
17 list is Dale Williamson. Dale Williamson left? Then
18 we'll move on to the next one. I have Jennifer
19 Bickford. Please raise your right hand. Do you
20 solemnly swear that the testimony you are about to
21 give will be the truth, the whole truth and nothing
22 but the truth?

23 THE WITNESS: Yes, I do.

24 JUDGE JORDAN: Please state your name for
25 the reporter and spell it.

1 THE WITNESS: My name is Jennifer Bickford,
2 B-I-C-K-F-O-R-D. I'm a resident of Riverside,
3 Missouri. I'm a customer of Missouri-American water
4 since November 9 of 2009. I am also the daughter of
5 Mr. Finley who lives around the corner that had the
6 water main break.

7 Our concern since we have moved to the
8 neighborhood in which we receive service from
9 Missouri-American Water has been that the billing
10 statements are not clear as to what the service is
11 provided or reflected for the cost.

12 This evening coming to this hearing there's
13 a blown-up bill outside that I found out and read the
14 part that we pay for sewer goes to Kansas City.
15 There's no indication on our bill that tells us prior
16 to this evening where, in fact, that information was
17 gleaned, how we can glean that information or what
18 that was going to, whether it was going to the company
19 or to the city.

20 Also the customer service agents were
21 unable to answer why we were being charged as a
22 customer for water and a customer for sewer.

23 My other concern is we have reoccurring
24 breaks in the neighborhood. We have only lived there
25 five months and we were affected by a water main break

1 recently. We noticed the break; we called it in. It
2 was around 4:00 PM that we found it on a Sunday, and
3 it took over six hours before they were able to come
4 and dig up the area. And just today the road was
5 repaired.

6 It has been several months. And this
7 affected right outside of our driveway, turning in and
8 out of our home. We did share our driveway for the
9 purpose of making the repairs. And speaking with the
10 neighbors, this is not the first break.

11 It is very common in that section. There
12 are four of us that live and spoke that were affected
13 by this break, and it has been the third break in
14 three years in the same area. So our concerns are
15 they're just patching those manes rather than looking
16 at structural issues that would affect the service
17 coming into our home.

18 When moving into the home, we had clear
19 water. After the break we did not have clear water
20 for three weeks. We reported this and a gentleman did
21 come out to do a quality assurance test to test the
22 water, but we never received any report or information
23 as to what was learned from those tests.

24 And we were recommended we should flush our
25 lines. Having only lived in the home for two months

1 our lines were very flushed. We have installed in our
2 refrigerator a filter for drinking-water purposes
3 because the area which we came from had relatively
4 soft water, speaking, no filtration services.

5 Coming here, there is a distinctive change
6 in the water. So to accommodate for our family we
7 have installed a water filler in our refrigerator for
8 drinking purposes. And we have not changed any of our
9 other water or filtered our water in any other way
10 besides our drinking water through our refrigerator.

11 As Riverside residents our water district
12 is Parkville and we are not Parkville. We are a
13 separate entity. And this was another concern of mine
14 related back to billing. It took consecutive calls to
15 the company to make sure that they had my billing
16 address correct.

17 Because my concern was with local taxes
18 being assessed, that they were assessed in accordance
19 to Riverside, not Parkville. And this would be my
20 only complaint, that the customer service
21 representative did not care that we did not live in
22 Parkville. No offense to Parkville people, I just
23 like to live in Riverside.

24 The profits issue, I do believe that every
25 company deserves to earn a profit, and that they

1 deserve to be rewarded for their hard work. I don't
2 believe in our economic climate that it is appropriate
3 to increase one's profit at this time. I am not
4 receiving an increase for my work, and I get to work
5 hard every day. So I don't feel that the
6 justification is there for them not working harder to
7 get a profit. Thank you.

8 JUDGE JORDAN: Thank you. I just want to
9 clarify. Are you telling us that you live in one
10 territory but you were billed for service in another
11 territory? Is that what you're telling us?

12 THE WITNESS: Riverside is lumped into the
13 Parkville District, so there are city taxes assessed.
14 And I have not been able to ascertain a clear division
15 between the Parkville and Riverside designation. But
16 they did correct after two consecutive calls, they did
17 correct my billing address is Riverside.

18 JUDGE JORDAN: So your concern is taxes for
19 saleable water?

20 THE WITNESS: Yes. That I'm being assessed
21 by where I live.

22 JUDGE JORDAN: Right. That's all I have.
23 Mr. Chairman?

24 CHAIRMAN CLAYTON: Just a few questions,
25 Ms. Bickford. I appreciate your testimony. You've

1 got a list of things here. First of all going back to
2 the break, you reported it and it took six hours for
3 them to respond. When was that?

4 THE WITNESS: I don't have a date in front
5 of me. It was either December or January.

6 CHAIRMAN CLAYTON: Of this year?

7 THE WITNESS: Yes, 2009 I guess.

8 CHAIRMAN CLAYTON: 2009/2010. And you said
9 that today the street is fixed.

10 THE WITNESS: Today, literally.

11 CHAIRMAN CLAYTON: Public service
12 commissioner is our middle name. How many days did it
13 take to actually repair the street?

14 THE WITNESS: Today.

15 JUDGE JORDAN: No. I mean from when the
16 break occurred. So the break occurred in December.
17 Did it take four months?

18 THE WITNESS: Yes, sir. And the neighbor's
19 lawn was just restored last week. Their lawn was a
20 pile of mud until last week, and then their street was
21 filled in with concrete and asphalt today.

22 CHAIRMAN CLAYTON: And when you say the
23 third break in three years, is the break occurring in
24 the same spot or you're not sure or is it on the same
25 line but different parts of the street; do you know?

1 THE WITNESS: The same side of the road.

2 As to communications from the neighbors, this
3 particular location was new. And prior to that it
4 actually -- the two previous breaks were directly in
5 front of our house approximately six to eight feet
6 away from the current breaks in which they did have to
7 replace eight feet of pipe. Because every time they
8 went to dig it, it continued to break.

9 CHAIRMAN CLAYTON: Is your address
10 situation resolved?

11 THE WITNESS: Yes.

12 CHAIRMAN CLAYTON: Do you have any other
13 questions that you are not clear about your billing
14 statement today?

15 THE WITNESS: You know, the only other
16 question would be whether are we being assessed on
17 Parkville taxes, local taxes, sales taxes, or if we're
18 being assessed on Riverside City tax?

19 CHAIRMAN CLAYTON: I would urge you to
20 catch up with Lisa who's in back or any folks from
21 Missouri-American and try to get that resolved
22 tonight. So thank you for coming.

23 THE WITNESS: Thank you.

24 JUDGE JORDAN: Do we have any questions
25 from the staff?

1 MS. HERNANDEZ: I have no questions, but if
2 you can give Lisa a call. She has the exact
3 information and copies -- or if you want to provide
4 copies, she can analyze that and help you.

5 JUDGE JORDAN: Any questions from local
6 counsel?

7 MR. MILLS: No questions.

8 JUDGE JORDAN: Thank you very much.

9 THE WITNESS: Thank you.

10 JUDGE JORDAN: The next name on my list is
11 Bob DeVasher. I don't know if I'm saying that right.

12 THE WITNESS: He just left, sir.

13 JUDGE JORDAN: Okay. The next name is
14 Scott McRuer. I don't know if I said that right, but
15 it's important. It's a matter of respect and that's
16 what we want. Like I said I'd like to pronounce your
17 name properly. Please raise your right hand. Do you
18 solemnly swear or affirm that the testimony you are
19 about to give will be the truth, the whole truth and
20 nothing but the truth?

21 THE WITNESS: I do.

22 JUDGE JORDAN: Pleased pronounce your name
23 for us and also spell it for the court reporter.

24 THE WITNESS: Scott McRuer, M-c-R-U-E-R.
25 I'm a customer. I live in Parkville. I want to make

1 two points, and we discussed them earlier. The rate
2 increases that the company is asking for don't seem
3 reasonable based upon three things that, at least, I'm
4 aware of.

5 First is the known, and I identify a water
6 system investment that they're making in our area.
7 And those are the ones that you can see. Those that
8 are presented by the material on their web site, and
9 those that Mr. Williams and I discussed when I went to
10 their open house earlier or late last year don't seem
11 to explain rate increases.

12 Even when we're discussing, you know, we
13 know that it costs money to put them in; we want them
14 to have a fair rate of return; we want them to be
15 there and they are in terms of delivering water. But
16 we also know that some of the inputs that they've
17 mentioned in their material tonight probably aren't
18 increasing.

19 That would be labor in particular, because
20 there are a lot of people looking for work. And then
21 the cost to capital that they have available, you know
22 we've had for several years a fairly reliable and
23 predictable market for available money. And as one of
24 the other testifiers said earlier tonight, they pretty
25 much have a guaranteed rate of return.

1 I understand that they have shareholders
2 and the shareholders are seeking to compare investment
3 in their company versus others in deciding where to
4 put their money. But the risk of them not getting
5 paid isn't very significant. So that's my first
6 point.

7 The second point, I don't know how this
8 impacts their cost of doing business, but the options
9 that they have available for communicating with them
10 for payments and other services via the internet,
11 really isn't comparable of other utilities that
12 service our area.

13 Typically, if you want to contact them you
14 have to call them, and call them during business
15 hours. I think, and I -- this is -- I'm going to say
16 it. I'm not certain about this part, but I think you
17 have to call them during business hours for the person
18 who is servicing you who is probably not in Missouri
19 or the central time zone sometimes.

20 And sometimes there are pretty significant
21 wait times just to conduct basic business as compared
22 with the other regulating utilities that serve my
23 house. You can get on the web site, click, click,
24 click, click, they ping your bank account and you pay
25 your bill and you're done.

1 I typically take my bills to the City Hall
2 in Parkville, and they have the capacity to collect
3 payment there, although I think it's a service the
4 city just kind of delivers to the company. If they
5 were to have that kind of facility available, and it's
6 getting less and less expensive, it seems like that
7 might be a way for them to do business in a less
8 expensive manner which would permit them to charge us
9 less for having done so.

10 I presume that's a service, as they
11 discussed earlier, that's rendered by the mother ship,
12 if you will, or the parent company that's allocated
13 out, I presume, on some sort of pro rata basis to the
14 Missouri subsidiary company. If they consider that
15 they might find the ability to save some money. I
16 don't think it's material compared to the 20-some
17 percent increase that they're seeking, but those are
18 my two points.

19 JUDGE JORDAN: Thank you. I appreciate it.
20 Mr. Chairman?

21 CHAIRMAN CLAYTON: Mr. McRuer?

22 THE WITNESS: Yes.

23 CHAIRMAN CLAYTON: I have no questions for
24 you. You have a right to what you feel.

25 THE WITNESS: I appreciate that.

1 CHAIRMAN CLAYTON: Thank you very much.

2 JUDGE JORDAN: Any questions from the
3 staff?

4 MS. HERNANDEZ: No.

5 JUDGE JORDAN: Any questions from the
6 Public Counsel?

7 MR. MILLS: No questions.

8 JUDGE JORDAN: Thank you Mr. McRuer. The
9 last name I have on my list is David Cox. Could you
10 raise your right hand. Do you solemnly swear or
11 affirm that the testimony you are about to give will
12 be the truth, the whole truth and nothing but the
13 truth?

14 THE WITNESS: Yes. My name is David Cox.
15 I live in Parkville and Missouri-American Water is my
16 water company. And I have lived all over the City of
17 Kansas City: North Kansas City, Gladstone, Kansas
18 City, Missouri.

19 In 2001 I moved to Parkville, and when I
20 got my water bill I just kind of keeled over. It was
21 very high and it continues to be high. Earlier this
22 evening someone looked it up, and from 2000 to 2008,
23 the water has gone up 84.2 percent. And I'm sure
24 you're aware of all this.

25 I have had several dealings with

1 Missouri-American Water, and they've all been pretty
2 favorable, everybody pleasant. I have complained that
3 maybe I had a bad water meter. And after a while they
4 put in a new one. And the next month I got a \$100,000
5 water bill.

6 And so I called them and apparently they
7 put it in backwards. Okay. And I don't know how we
8 worked it out. If you're going to ask me when that
9 was, I don't know, but I'll give anybody my address,
10 and it happened.

11 CHAIRMAN CLAYTON: Were you able to get a
12 payment plan for that?

13 THE WITNESS: They wanted cash or they were
14 going to turn it off. (Laughing.) The only thing as
15 far as the quality, now, I'm not a spring chicken and
16 I've had a lot of dishwashers, and I can hardly keep a
17 dishwasher in my house in Parkville.

18 I moved into a brand new house in 2001. It
19 was an upper scale General Electric put in, and it
20 only lasted, like, six years. And what happened, I
21 couldn't get any water through it. So I bought
22 another one, and I bought a more expensive one.

23 It was a Kitchen Aid, top of the line, and
24 it lasted for about a year. And I called the company;
25 they came out and looked at it. And apparently there

1 was calcium and he said sand. I mean I've never seen
2 sand in a place, because I couldn't get any water in
3 it, either.

4 And so he gave me a new part to put in
5 there, and I haven't really had any problems with
6 that. But the calcium in my house is just once every
7 two months I have to undo the faucets and get that
8 stuff out. I mean it's just huge build-up. And I
9 also ran through a dryer or a washer that I think went
10 premature, also.

11 So it's a quality issue. I've talked to
12 them about it. They say, well we're getting lines
13 cut. You know, that's not my fault. I don't want to
14 have to do that. And I have lived in Gladstone, North
15 Kansas City and Kansas City, never an issue. Never an
16 issue. That's all I've got.

17 JUDGE JORDAN: Thank you. I don't have any
18 clarifying questions.

19 CHAIRMAN CLAYTON: I do. Mr. Cox, I want
20 to go through this again. So you're on your, what,
21 second or third dishwasher?

22 THE WITNESS: Third.

23 CHAIRMAN CLAYTON: You're on your third
24 dishwasher. And now every two --

25 THE WITNESS: Well, I'm on my second

1 dishwasher, but they had to replace that one part. It
2 worked okay.

3 CHAIRMAN CLAYTON: So that part has to be
4 cleaned every two months?

5 THE WITNESS: No.

6 CHAIRMAN CLAYTON: Which part has to be
7 cleaned?

8 THE WITNESS: When you take a shower and
9 then the faucet, you have to undo that thing.

10 CHAIRMAN CLAYTON: Have you looked into it?

11 THE WITNESS: As a matter of fact I was
12 going to bring it, but I was running late today. I
13 was just going to bring it. And it looks like sand in
14 it, but what it is, is this calcium. Because I had
15 brought it out to the service man, the one who fixed
16 the meter, because I thought I have him here; I'll
17 just have him see if this is calcium built up.

18 And it's just -- I mean it's terrible. The
19 water pressure just would just go down real quick, and
20 I don't know what causes it. But we're paying top of
21 the line. Someone here looked it up. North Kansas
22 City pays a third of what we have. I mean what are we
23 getting for our money? I mean I don't know. A third.

24 CHAIRMAN CLAYTON: Can you leave your
25 information with Mr. Busch, our water manager out

1 there, and maybe e-mail a picture of the faucet.

2 Because this is --

3 THE WITNESS: You know, I'm over there all
4 the time and I can just come by. I'll give you my
5 address and I've already shown it to the guy.

6 CHAIRMAN CLAYTON: Well, he hasn't -- this
7 is our staff. He's from Jefferson City. If he's been
8 to your house, I'm not going to ask him.

9 THE WITNESS: No, he's never been to our
10 house.

11 CHAIRMAN CLAYTON: So if you could just
12 share this information, because I'm assuming this is
13 related to the hardness issue.

14 THE WITNESS: You know, I have had and the
15 gentleman brought it up, I did have somebody out that
16 tested it. But to tell you the truth, I didn't know
17 if they were really trying to sell me something or
18 what.

19 He said it was definitely way too hard.
20 But maybe they -- surely they test it. I don't know.
21 And also I've noticed lately that there's these little
22 flakes in the bottom if you let the water sit. In
23 other words if you make a clear glass, you fill it up
24 and you leave it sit, you come back a couple hours
25 later, I find this --

1 CHAIRMAN CLAYTON: Sediment.

2 THE WITNESS: I don't know what that stuff
3 is, but I pour it out. I don't want to drink it.

4 CHAIRMAN CLAYTON: Out of the faucet, it's
5 coming out of the faucet?

6 THE WITNESS: It -- well, yes. In other
7 words I pour a glass of water; I set it down, come
8 back a couple hours later and I see some kind of silt
9 or something.

10 CHAIRMAN CLAYTON: I don't have any other
11 questions. Leave -- if you could leave some
12 information with Mr. Busch. He's in the red shirt at
13 the back of the room. Thank you.

14 JUDGE JORDAN: Questions from the staff?

15 MS. HERNANDEZ: No thanks.

16 JUDGE JORDAN: Questions from Public
17 Counsel?

18 MR. MILLS: No.

19 JUDGE JORDAN: Now, that's the last name
20 that I have off our list. But we're here to listen to
21 your testimony. So if there's someone else that wants
22 to comment and testify, we will listen. Would anyone
23 else like to come up and testify?

24 THE WITNESS: I'll just make a brief
25 statement on behalf of Public Water District Number 6.

1 JUDGE JORDAN: Come forward and be sworn.

2 Would you Please raise your right hand.

3 THE WITNESS: I'm Ronald Fagan.

4 JUDGE JORDAN: Do you solemnly swear that
5 the testimony you are about to give will be the truth,
6 the whole truth and nothing but the truth?

7 THE WITNESS: I do.

8 JUDGE JORDAN: And it's Mr. Fagan.

9 THE WITNESS: Fagan, F-A-G-A-N. We're a
10 small district. We've got over 700 customers. We buy
11 our water from Missouri-American and resell it. And
12 the majority of our customers are retired folks, you
13 know, on fixed incomes.

14 We just had a rate increase last time, and
15 it -- speaking for the constituents of the district, I
16 think it's a little in excess. And a lot of these
17 folks, you know, the cost of everything's going up.
18 You know, I can understand a small increase.

19 But this -- I'm retired from GM. Hell,
20 they keep taking away from my retirement all the time,
21 the benefits. It makes it harder and harder every
22 day. And like I said, most of the people around my
23 area are retired and on fixed incomes.

24 CHAIRMAN CLAYTON: Mr. Fagan, if I could
25 ask you just a few questions. How old is your system,

1 Public Water Supply District Number 6?

2 THE WITNESS: Oh, 30 or so, 30 years old.

3 CHAIRMAN CLAYTON: So it has -- would you
4 say it's younger than the Missouri-American system
5 that would serve other parts of Parkville?

6 THE WITNESS: Yeah. We take care of all of
7 our repairs. They have nothing to do with that.

8 CHAIRMAN CLAYTON: I understand that. But
9 it sounds like Number 6 is a relatively young system.
10 I mean if you compared, like, say the City of Kansas
11 City System, that would be a lot older than your water
12 district, correct?

13 THE WITNESS: Yes. We're about 30 years
14 old.

15 CHAIRMAN CLAYTON: And the people that they
16 get service from the water district, 30 or 35 years
17 ago would have gotten their water from a well,
18 probably? Or was there -- the customers that you
19 serve now, where would they have gotten their water
20 before you all?

21 THE WITNESS: I have been there since 1980.
22 I suppose a lot of them would have had wells or
23 cisterns. Because that was unincorporated Platte
24 County.

25 CHAIRMAN CLAYTON: Have you always received

1 your wholesale water supply from Missouri-American
2 Water?

3 THE WITNESS: Yes.

4 CHAIRMAN CLAYTON: Do you have any other
5 options from whom you can get your water?

6 THE WITNESS: Not really.

7 CHAIRMAN CLAYTON: So you're not
8 interconnected with Kansas City or any other --

9 THE WITNESS: No. The cost of
10 interconnecting with Kansas City is outrageous.

11 CHAIRMAN CLAYTON: What would be -- what
12 would you guess the average monthly bill for, say,
13 3500 to 5000 gallons would be?

14 THE WITNESS: About \$35.

15 CHAIRMAN CLAYTON: Which is about a little
16 more than half of what Missouri-American customers are
17 paying now.

18 THE WITNESS: That's about right.

19 CHAIRMAN CLAYTON: It's less than what
20 Missouri-American is paying right now?

21 THE WITNESS: I don't know.

22 CHAIRMAN CLAYTON: Are you happy with the
23 quality of water that you are provided?

24 THE WITNESS: It's okay. I have an issue
25 with the hard stuff on the faucets and stuff and

1 replacing water meters. Other than that it's okay.

2 CHAIRMAN CLAYTON: Thank you very much.

3 JUDGE JORDAN: Any questions from the
4 staff?

5 MS. HERNANDEZ: No.

6 JUDGE JORDAN: Any questions from local
7 counsel?

8 MR. MILLS: I do. Thank you. Is the rate
9 that the water district gets its water from, the water
10 company, is that pursuant to tariff or you have a
11 contract with the company?

12 THE WITNESS: It's pursuant -- it goes up
13 or down every time there's a rate increase.

14 MR. MILLS: So you're just -- you think
15 you're on a tariff rate rather than a contract rate?

16 THE WITNESS: We're not on contract. We're
17 just strictly resale, the resale rate that they buy
18 it.

19 MR. MILLS: Is there a process that you
20 have to go through to raise rates to the district
21 customers?

22 THE WITNESS: Yes. We have the Board of
23 Directors has to decide what to do when there's a rate
24 increase.

25 MR. MILLS: And I was unclear from your

1 earlier testimony. Is the rate that your customers
2 pay higher or lower than the rates that the
3 Missouri-American customers pay in Riverside?

4 THE WITNESS: Higher. If they have a rate
5 increase, then we have to look into if we're going to
6 raise our rates or not. Most of the customers, the
7 majority of the customers are retired on fixed
8 incomes.

9 MR. MILLS: Do you know by what percent
10 your retail rate exceeds the rate that you pay
11 Missouri-American?

12 THE WITNESS: No. I have not researched
13 none of that. I just come in from Oklahoma.

14 MR. MILLS: Okay. Well, thank you very
15 much.

16 JUDGE JORDAN: Thank you. Who else would
17 like to testify while we're all here together? Would
18 anyone else like to comment? Going once, going twice.
19 I want to thank everyone for their general civility,
20 their attention, their participation. Thank you all
21 very much. And with that I will adjourn this hearing
22 and we will go off the record.

23 (WHEREIN, the hearing was concluded at 8:30

24 PM)

25

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8	Scott McRuer	36
9	David Cox	404
10	Ronald Fagan	5
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CERTIFICATE OF REPORTER

STATE OF MISSOURI)

) ss.

CITY OF KANSAS CITY)

I, Penny J. Mullen, a Certified Court Reporter within and for the State of Missouri, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Penny J. Mullen, CCR #808