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STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
  
TRANSCRIPT OF PROCEEDINGS

Local Public Hearing  
April 1, 2010

St. Louis, Missouri (University of Missouri - St. Louis)

Volume 5

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

DANIEL R. E. JORDAN, Presiding  
REGULATORY LAW JUDGE

KEVIN GUNN,  
ROBERT S. KENNEY,

COMMISSIONERS

REPORTED BY:

Patsy A. Hertweck, C. C. R.  
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P R O C E E D I N G S

JUDGE JORDAN: The Commission will call the case known under File No. WR-2010-0131. I'm Daniel Jordan, Regulatory Law Judge assigned to this case. With me this evening are two members of the Commission, Commissioner Robert Kennedy and Commissioner Kevin Gunn.

As I call your name, please come up to the witness stand, which is that table right there. I will administer an oath or affirmation, and we will take your testimony. A few tips on this process. I will -- first, I will ask everyone to be precise out of respect for everyone's time so that everyone can have their say, because we want to hear what everyone has to say.

Also be mindful that when you speak, Commissioners may have questions for you, and representatives of the parties may have questions for you also.

With that, I'll start taking entries of appearance. We'll start with the Applicant Missouri-American Water Company.

MR. REICHART: Thank you, your Honor. Here on behalf of Missouri-American Water Company, John J. Reichart. My address is 727 Craig Road, St. Louis, Missouri 63141.

JUDGE JORDAN: Thank you. For Staff?

1 MS. BRUEGGERMANN: Appearing on behalf  
2 of the staff Shelley Brueggermann. Our address is 200  
3 Madison Street, Jefferson City, Missouri 65102. Thank you.

4 JUDGE JORDAN: Thank you. And for the  
5 Office of Public Counsel?

6 MS. BAKER: Thank you, your Honor. Ms.  
7 Christina Baker, P. O. Box 2230, Jefferson City, Missouri  
8 65102 appearing on behalf of the Office of the Public  
9 Counsel and the rate payers.

10 JUDGE JODAN: Andrew Miner at the  
11 Office of Public Counsel represents the public. So if you  
12 think of something, something occurs to you later, you can  
13 get in contact with the Office of Public Counsel or with  
14 staff, and they will address your concerns.

15 Well, with that, we'll begin taking  
16 testimony. The first name I have on my list is John  
17 Coffman. John Coffman.

18 MR. COFFMAN: Okay.

19 (Thereupon, Witness Coffman was sworn  
20 on his oath by Judge Jordan.)

21 Thank you for having this hearing here in  
22 St. Louis. I am a customer of Missouri-American Water  
23 Company. I also serve as the general counsel to the  
24 Consumers Council of Missouri, which is a consumer  
25 statewide membership based consumer group with a particular

1 emphasis on the utilities, insurance and finance matters.

2                   We sometimes intervene informally in  
3 commission cases. In this case, the Board of Consumers  
4 Council asked me to come and to share some thoughts here at  
5 this local hearing. And I appreciate the opportunity to do  
6 so.

7                   We -- the Consumers Council of Missouri has  
8 been contacted by several of its members expressing deep  
9 concern about the large proposed increase, the almost 23  
10 percent rate increase, in this case. And of particular  
11 concern is the return on equity, the request to increase  
12 this water company's profit to 11.6 percent. And it is our  
13 wish that you take that -- that request and give it much  
14 scrutiny.

15                   The Public Service Commission is supposed to  
16 balance the interest of the rate payers against the utility  
17 and its shareholders' interest. And we believe that, you  
18 know, since the recession double digit profits for monopoly  
19 utilities are -- are excessive, and 11.6 percent is not  
20 what most residential customers were getting on their  
21 investments. It's not what small businesses are earning  
22 generally in this area of St. Louis, and I think that you  
23 should scrutinize that.

24                   I know it -- it's hard to bring down return  
25 on equities, at least it seems to be harder, than it is to

1 raise them. But I hope you -- you consider the other side  
2 of the equation and what -- what levels of earnings the  
3 customers are making when you take that into account. We  
4 generally support the recommendations of staff for a 9.25  
5 return on equity at most.

6                   In considering what -- what risks should be  
7 related to this return, of course, this is a monopoly, they  
8 have no competition, and many of the risks of this utility  
9 are already taken care of. And one of the risks that has  
10 been grant- -- alleviated is through the Legislature would  
11 be infrastructure system replacement surcharge, the ISRS,  
12 and this is a -- a surcharge that is not favored by  
13 consumers. And it is a surcharge that is -- is liable to  
14 increase even beyond what increase comes out of this case.

15                   So I hope the Commission takes that into  
16 account, that the ISRS surcharge is something that's  
17 available to this utility even after you come to a  
18 determination about what's just and reasonable in this  
19 case, and recognize that the ISRS has, for this very  
20 company, permitted over earnings above the earnings cap at  
21 about -- in 2001 at a point where the Commission found that  
22 this utility was earning too much money. They had already  
23 collected about a million dollars from St. Louis area  
24 customers thought the ISRS surcharge, and that money was  
25 never refunded, and there's no mechanism to do so.

1                   So take that into account, at least when you  
2 are scrutinizing the return on equity.

3                   Another area that I didn't see in the -- the  
4 original round of testimony that I think is -- is worthy of  
5 scrutiny for this company, and that is affiliate  
6 transactions. The -- the various service company fees that  
7 come from American Water Service Company, there are -- it's  
8 a difficult thing to audit, but it's an area that I think  
9 bears some scrutiny. That is, what -- where are -- are the  
10 service company fees that are being billed to  
11 Missouri-American Water Company fair, based  
12 jurisdictionally, and you know, are they -- are they double  
13 counting, or is it too much in this.

14                   And it's a difficult thing because you have  
15 so many different affiliate entities to do that. So I  
16 would urge the Commission and the staff to take a hard look  
17 at that.

18                   Another thing that has been brought up here  
19 before we went on the record, and is something that the  
20 Consumers Council has heard from several customers about,  
21 and that's concern over the quarterly bill. and that's  
22 sort of a historical thing with the old St. Louis County  
23 Water Company. Most of the folks in this room and I get a  
24 quarterly bill, and -- and with the increases, the massive  
25 increases that we've had in the last two cases and the one

1 proposed here, we're now talking about a quarterly bill  
2 that for most people will be, I guess, an average of \$91.  
3 Or we're getting close to \$100 that you get in one bill,  
4 and that's getting to be a sizeable amount.

5                   And I know that there is some cost savings  
6 to a quarterly bill as opposed to a monthly bill, but I  
7 think at some point, it might be worth reconsidering  
8 whether a quarterly bill is worth continuing. A lot of  
9 folks have trouble having to pay that much at one time, and  
10 it's exacerbated by the fact that they have a short  
11 turnaround. So you wait three months to be billed, and  
12 then you have I don't know, I think it's maybe 10 days  
13 before the due date. And that's not necessarily the  
14 delinquent date, but it does cause a lot of consternation  
15 on the part of some folks. The water bill comes, and you  
16 have to pay it immediately.

17                   So I'm expressing what we've heard from  
18 several consumers, and hope that's also considered by the  
19 other parties.

20                   We appreciate the thought in the low income  
21 proposal. Certainly when rates are going up this high, you  
22 might have to start looking at low income options as -- as  
23 the Commission has for gas and electric customers. And --  
24 and I don't -- we don't have an opinion on that, whether  
25 their proposal to offer a discount on the customer charge



1 is the right thing, but I think that -- that keeping the  
2 customer charge down is something that you can do for small  
3 users, and for individuals, seniors, who live alone,  
4 apartment dwellers.

5                   And we had -- we had a heated exchange  
6 earlier, just -- just now, and I hope individuals that have  
7 an opinions on that will come up and tell you about it, but  
8 obviously there's a lot of dispute about whether, you know,  
9 ever fixed charge should go into the customer charge. And  
10 I think generally we believe it's good public policy for  
11 more of the rates to be in the volumetric portion than in  
12 the customer charge and keep that customer charge down as a  
13 way of recognizing how hard it is for some small users to  
14 -- to afford the rates.

15                   So those are my main points, and I  
16 appreciate the opportunity to -- to share those with you in  
17 this fashion.

18                   JUDGE JORDAN: Thank you, Mr. Coffman.  
19 Questions from the Commissioners?

20                   COMMISSIONER GUNN: Yes, just a couple.  
21 Good to see you, Mr. Coffman.

22                   The issue -- over earning issue that you  
23 talked about, --

24                   MR. COFFMAN: Yes.

25                   COMMISSIONER GUNN: -- was that -- was

1 there a formal complaint, a formal finding by the  
2 Commission that there was over earning?

3 MR. COFFMAN: The -- the case was  
4 settled by stipulation, but it was a rate reduction, --

5 COMMISSIONER GUNN: Okay.

6 MR. COFFMAN: -- and so there was a --  
7 there was an actual finding by the Commission that during  
8 the test period, the utility had been over earning.

9 COMMISSIONER GUNN: What -- do you know  
10 what year that was, was it 2000?

11 MR. COFFMAN: I believe 2001.

12 COMMISSIONER GUNN: 2001.

13 MR. COFFMAN: And that was the same  
14 period that the first ISRS was charged to consumers. So  
15 the -- the prob- -- one of the problems with the surcharge  
16 -- with surcharge is single issue rate being raised. They  
17 allowed rates to go up, even when costs overall are going  
18 down.

19 And that's probably unlikely with -- with  
20 this water company, but it is -- it has happened before,  
21 and this -- the fact that they have the surcharge is -- is  
22 a risk-reducing mechanism, and -- and all I'm saying is  
23 that since the Legislature is allowing them to have the  
24 surcharge and reducing their risks as a business, the  
25 return should be reduced accordingly.

1                   COMMISSIONER GUNN: On the -- on the  
2 quarterly bill issue, are --

3                   MR. COFFMAN: Okay.

4                   COMMISSIONER GUNN: -- I was just -- I  
5 just want to be clear. Are you now advocating to go to a  
6 monthly bill, or are you saying that we just need to  
7 monitor so -- and we -- and we look at the offset cost --  
8 cost savings? Are you finding that --

9                   MR. COFFMAN: I've heard from several  
10 customers that would like a monthly bill, and I know  
11 there's a corresponding cost increase to that, but I think  
12 maybe you should consider that. I think you should also  
13 consider maybe the turnaround time on the bill. Maybe if  
14 you get a bill this large, you should have more time to pay  
15 it perhaps.

16                   COMMISSIONER GUNN: All right. But the  
17 Consumer Council right now isn't advo- -- there are other  
18 fixes to that, you're not necessarily advocating for a  
19 monthly -- for a monthly bill at this time?

20                   MR. COFFMAN: Don't have a specific  
21 proposal.

22                   COMMISSIONER GUNN: Okay. And then  
23 finally I just want to talk about this -- this volumetric,  
24 and I know that traditionally you'd rather see more in  
25 volumetric.

1                   When it comes to efficiency measures, just  
2 talk to me a little bit about the position on if -- if you  
3 -- how the efficiency measures the fact that with more  
4 stuff going into the volumetric.

5                   MR. COFFMAN: Well, I think the -- the  
6 more that the rates are apportioned to the volumetric  
7 portion of the bill, the more inc- -- the more you are  
8 encouraging consumers to -- to be efficient. In other  
9 words, the more -- if more of the rates are in the variable  
10 portion, the more they savings they see if they are able to  
11 conserve on water. That -- does that answer your question?

12                   COMMISSIONER GUNN: It does, but  
13 there's not corresponding incentive to the company to  
14 encourage their customers to -- to save.

15                   MR. COFFMAN: Well --

16                   COMMISSIONER GUNN: I'm not saying  
17 there should be -- I'm not saying there should be. I'm  
18 just -- I'm -- I'm just -- I wanted to ask that question.

19                   MR. COFFMAN: Yeah. Certainly the --  
20 the consumer organizations that I'm affiliated with are  
21 very suspicious of rate-making mechanisms that allow the  
22 utility to earn the same amount no matter what consumers  
23 earn. I think that's a -- there have a lot of problems  
24 with that.

25                   I think we -- we would urge you to continue

1 to do cost-based rate design and error on the side of  
2 volumetric so that that sends the proper price signal. No,  
3 I don't think the utility needs an incentive to encourage  
4 people necessarily. I think most customers would like the  
5 option perhaps to have some efficiency tools, but --

6 COMMISSIONER GUNN: Thank you. I don't  
7 have anything else. Thank you, Mr. Coffman.

8 COMMISSIONER KENNEDY: Mr. Coffman,  
9 thank you. Just so I'm clear. The Consumers Council of  
10 Missouri is not a party to this case, are they?

11 MR. COFFMAN: Not formally, no.

12 COMMISSIONER KENNEDY: Well, do they  
13 intend to become a party in the case?

14 MR. COFFMAN: No. No, they don't.

15 COMMISSIONER KENNEDY: Okay.

16 Secondly, you said there was a heated exchange earlier  
17 with respect to seniors and apartment dwellers.

18 MR. COFFMAN: Yes.

19 COMMISSIONER KENNEDY: What was the  
20 nature of that exchange?

21 MR. COFFMAN: Well, it was a rate  
22 design discussion about basic -- how high the customer  
23 charge needs to be, and the debate as to whether all fixed  
24 charges should be in the customer charge. And I think the  
25 -- the rebuttal to that is there are many fixed charges

1 that the utility has which are not related to all  
2 customers. And some of those fixed charges are only -- or  
3 fixed costs are only needed because of high-use customers.

4                   So it's more appropriate to -- to spread  
5 those into the volumetric part of the rates. So it's -- in  
6 other words, it's not as simple as fixed costs go into the  
7 minimum charge and variable costs go into the volumetric.

8                   COMMISSIONER KENNEDY: Now, with  
9 respect to the ISRS and other mechanisms that allow the  
10 utility to recoup its costs, it's your opinion that it  
11 doesn't create an incentive. Is it -- would you agree it  
12 does create a disincentive -- or removes the disincentive  
13 though?

14                   MR. COFFMAN: No, I -- I don't buy into  
15 that removing the disincentive --

16                   COMMISSIONER KENNEDY: Okay.

17                   MR. COFFMAN: -- argument, and -- no, I  
18 -- the utility -- the bargain is the utility is allowed an  
19 opportunity to earn a health profit. In return, they have  
20 an obligation to serve and they -- they have to maintain  
21 safe and adequate services. And the -- many years ago, 10,  
22 50 years ago, we had -- there were a lot of debates with  
23 St. Louis County Water Company, the previous owner here,  
24 and their -- the neglect of the system that many people  
25 thought that -- that they had. And I know it's difficult

1 for you as a commission if you have a system that, you  
2 know, pipes need to be replaced, they need to be replaced.

3 But I think again we're in the situation  
4 because of deferred maintenance I think, and maybe the best  
5 way to look at that is to realize that this utility  
6 purchased St. Louis County Water Company knowing that it  
7 was in the state that it was, and their earnings should be  
8 set accordingly.

9 COMMISSIONER KENNEDY: Thank you.

10 MR. COFFMAN: That needs to be  
11 something to be taken into account in the ROE.

12 COMMISSIONER KENNEDY: Thank you very  
13 much.

14 JUDGE JORDAN: Questions from the  
15 Company?

16 MR. R: Thank you, your Honor. One  
17 question I think of Mr. Coffman.

18 My name is John Reichart, and I represent  
19 the company. Just a clarifying question. You made  
20 reference earlier to over earnings. Do you have a specific  
21 docket number and a page reference for the order of that  
22 finding was?

23 MR. COFFMAN: It would -- the case was  
24 settled by stipulation. I believe it was WR-2000- -- I  
25 don't remember the exact number.

1 MR. R: Okay. But it --

2 MR. COFFMAN: It was a 2000, 2001  
3 issuance.

4 MR. R: It's your position there was a  
5 finding and an order that there was no -- I just want to be  
6 clear so I can reference it.

7 MR. COFFMAN: It was -- it was a  
8 stipulation and agreement, and the Commission found that  
9 rates needed to be reduced based on that -- that test  
10 period.

11 MR. R: Okay. So it is --

12 MR. COFFMAN: It's my --

13 MR. R: I'm not trying to be difficult  
14 here. Was it a stipulation or was it a Commission order?

15 MR. COFFMAN: Commission order  
16 approving the stipulation and agreement.

17 MR. R: Okay. And it was in the year  
18 2000?

19 MR. COFFMAN: Yeah, 2000, 2001.

20 MR. R: Is that something you could  
21 provide me afterwards, a --

22 MR. COFFMAN: Sure.

23 MR. R: -- a reference, at some point?  
24 Okay.

25 MR. COFFMAN: Yeah, it may have -- it



1 may have actually -- I don't know. Maybe it was 2002- --  
2 but I don't remember the case, but it would be the --

3 MR. R: Okay. I'll look at afterwards.

4 MR. COFFMAN: It would be whatever case  
5 number it was.

6 MR. R: I appreciate it. Thank you.

7 MR. COFFMAN: Yeah.

8 JUDGE JORDAN: Questions from Staff?

9 MS. BRUEGGEMANN: No, thank you, Mr.  
10 Coffman.

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

13 MS. BAKER: No questions, but thank you  
14 for the Consumer Council's comments, and I really  
15 appreciate those.

16 MR. COFFMAN: Appreciate you too.

17 JUDGE JORDAN: Thank you, Mr. Coffman.  
18 For the court reporter, the spelling is C-O-F-F-M-A-N.

19 MR. COFFMAN: Do you need my address?

20 JUDGE JORDAN: No.

21 MR. COFFMAN: You don't do that  
22 anymore. Thank you.

23 JUDGE JORDAN: We have a record of that  
24 right here.

25 Another tip for testifying if someone has

1 said something that is what you will say, come up and --  
2 and tell us you agree with it nonetheless, because we want  
3 to hear that.

4                   The next name on my list is Joe Blasingame.  
5 Joe Blasingame. I hope I've got that name right.

6                   MR. BLASINGAME: Blasingame, but that's  
7 okay.

8                   JUDGE JORDAN: Please feel free to  
9 correct my pronunciation.

10                  MR. BLASINGAME: One of the few times I  
11 would do that to a judge. Okay.

12                   (Thereupon, Witness Blasingame was  
13 sworn on his oath by Judge Jordan.)

14                  JUDGE JORDAN: Please spell your name  
15 for the court reporter.

16                  MR. BLASINGAME: B-L-A-S-I-N-G-A-M-E.

17                  JUDGE JORDAN: And, Mr. Blasingame, are  
18 you a customer of Missouri-American Water Company?

19                  MR. BLASINGAME: Yes, I am.

20                  JUDGE JORDAN: Please tell the  
21 Commission what you would like the Commission to hear.

22                  MR. BLASINGAME: I'm the voice of  
23 reason. When I speak, I speak for many. We are the very  
24 hard working people of this area. We are homeowners,  
25 renters, middle class people, with a deeply pressing

1 concern. I'm speaking of my neighbors, friends and family  
2 that reside within the jurisdiction of the  
3 Missouri-American Water Company.

4                   We are living in a time when an increase in  
5 household operational costs are not offset by salary  
6 increases or bonuses, but have to be some form of  
7 trade-off, less food placed on the family table, less funds  
8 for gas in our car to get to work, or maybe even a  
9 reduction of medicine we should be taking, to make up the  
10 difference. The days of robbing Peter to pay Paul are upon  
11 us.

12                   Missouri-American Water Company is part of  
13 the giant American Water Works, which is the largest public  
14 water utility in the United States of America, with their  
15 reach reaching into 32 of our states. This is an  
16 exceptionally large operation, and therefore, can yield a  
17 large amount of power. With over \$1.26 billion in  
18 operating revenue, you can call them a successful and  
19 necessary part of our lives.

20                   We can enjoy the flow of their services into  
21 our homes while they reap the reward of our efforts -- of  
22 their efforts. But when the water problem starts is when  
23 the same company decides to over tighten the feed line,  
24 wanting to increase their rates by an unfair percentage.  
25 This is undue stress and pressure on an already currently

1 fragile system.

2                   We cannot afford to see this increase of  
3 over 22 percent at a given time. I hold down two jobs, and  
4 know that if either of these businesses increased their  
5 rates by even 20 percent, the facility would be closed  
6 within a number of months.

7                   Most businesses don't have the luxury of  
8 automatic customers that are there day after day, month  
9 after month, year after year. The utility companies affix  
10 themselves to your home or business, and continue to draw  
11 revenue from that same source with mostly minimal efforts.

12                   I am the voice of reason. Another reason  
13 this is -- that this proposed increase should be rejected  
14 is the simple fact that the Missouri-American Water Works  
15 was allowed to increase rates from \$62.19 to 74.83 just  
16 back in the end of November 2008 in our very own district.

17                   That's less than two years ago. Was the  
18 company happy about that? You bet. General revenue  
19 indeed, grand revenue in deed. In fact, I quote from their  
20 earnings call transcript of September 25, 2009 stated by  
21 Donald Correll, President and CEO. And I quote:

22                                    "In 2008, the company  
23                                    completed rate cases in 14 states  
24                                    generating 206.3 million in  
25                                    additional revenue annualized.

1                   This includes the New Jersey rate  
2                   case, which will result in  
3                   approximately 72.1 million in  
4                   additional revenues, and the  
5                   Missouri rate case, which will  
6                   result in approximately 34.5  
7                   million in additional revenues,  
8                   and the Illinois rate case, which  
9                   will add approximately 22.7  
10                  million in annual operating  
11                  revenue per year."

12                  End of quote. Again, he stated 206.3  
13 million in additional revenues. Talk about drowning in  
14 their own riches.

15                  I'm the voice of anger. When I see my  
16 household, my neighbors' household, my dear friends'  
17 household struggling more and more to just maintain what we  
18 have while this major utility goes to the watering hole at  
19 will, I say when is their thirst quenched? Probably not  
20 until the waters of the well are dry.

21                  We cannot allow this practice of unfair rate  
22 increases to harm the good people of our community. To  
23 them, we are but another water district on their map of our  
24 country on their boardroom wall.

25                  Currently to us, they are the giant outside

1 our window, peering in to see how much more they can drain  
2 our limited pocketbook. We cover our face and shutter each  
3 time they decide they want to take more, more from the very  
4 people who feed them.

5                   Where are we to derive this additional fund  
6 from? It's hardly a chance we have a pool of discretionary  
7 funds at our disposal. These are funds that simply aren't  
8 there. Again, they continue to expand their reach. So how  
9 is this even remotely fair?

10                   Why they can't request a more reasonable  
11 rate increase? Why does it have to come so soon on the  
12 heels of the last? Have they not budgeted funds to offset  
13 any necessary replacement costs? And lastly, are they not  
14 currently turning a profit for their shareholders and  
15 executives?

16                   Hear our plea.

17                   JUDGE JORDAN: Thank you, sir.

18 Questions from the Commissioners?

19                   COMMISSIONER GUNN: Just -- just one.  
20 Thank you very much for taking the time to come out. I  
21 appreciate it, and we hear what you're saying a lot. So we  
22 appreciate you -- you testifying.

23                   You made a reference earlier, and I think it  
24 was -- it was an allegory about tightening the lines. But  
25 that -- that was in reference to rates? That wasn't in

1 reference to the physical -- physical infrastructure?

2 MR. BLASINGAME: Creative writing.

3 COMMISSIONER GUNN: Very good. I just  
4 wanted to make sure I got -- I got that clear.

5 MR. BLASINGAME: Yes.

6 COMMISSIONER GUNN: Other than that, I  
7 don't have any more questions. Thank you very much.

8 COMMISSIONER KENNEDY: Mr. Blasingame,  
9 I didn't -- I didn't get to say this before. I don't have  
10 any questions, but thank you for taking the time to come  
11 out and very eloquently speak your position.

12 This is -- you, the rate payers, at these  
13 local public hearings are an integral part of the overall  
14 process. Your testimony is transcribed, it becomes a part  
15 of the record, and it is included in the rate cases.

16 So Commissioner Gunn and I are two of the  
17 five Commissioners. The other Commissioners will have an  
18 opportunity to either view this on the web, as it's being  
19 broadcast in real time, or they'll have the opportunity to  
20 go back and read the testimony. So you are a very, very  
21 critical part of this process, and we appreciate you taking  
22 the time to come out here tonight.

23 MR. BLASINGAME: Okay.

24 COMMISSIONER KENNEDY: Thank you.

25 JUDGE JORDAN: Questions from

1 Missouri-American?

2 MR. R: No questions. Thank you very  
3 much.

4 JUDGE JORDAN: Okay. Questions from  
5 Staff?

6 MS. BRUEGGERMANN: No questions. Thank  
7 you.

8 JUDGE JORDAN: Any questions from the  
9 Office of Public Counsel?

10 MS. BAKER: No questions, but thanks  
11 for your comments.

12 JUDGE JORDAN: Okay. Thank you.

13 The next name looks like Mary Degonia or  
14 Desonia. I hope you'll --

15 MS. GONIA: No, that's good. Yes,  
16 that's it. Yes, gentlemen, thank you for giving us this  
17 oppor- -- oh, sorry.

18 JUDGE JORDAN: That's fine.

19 (Thereupon, Witness Degonia was sworn  
20 on her oath by Judge Jordan.)

21 Thank you. Please state your name and spell  
22 it for our reporter.

23 MS. DEGONIA: Okay. My name is Mary  
24 Degonia. It's spelled D-E-G-O-N-I-A. And I appreciate  
25 your -- the opportunity to have this discussion and to hear



1 the information, because I -- I have -- I live in a planned  
2 urban development, which is similar to a condominium. And  
3 we are modest to low income, and we are elderly. So all of  
4 those things are impacted hugely by an increase in our  
5 water bills.

6                   We -- it is distressing to see the commodity  
7 being charged so high, because that eliminates the ability  
8 for you to do any conserving on your water bill. You're  
9 paying not much for the volume of water, but you're paying  
10 a lot for the service.

11                   So that -- that puts you in an extremely  
12 difficult position of trying to -- to -- to pay the water  
13 bill. And then it's a little bit difficult to see a profit  
14 rate of 11.6 percent for a utility, when people with their  
15 savings accounts and 401(k)s are not getting anything like  
16 that.

17                   And if we are interdependent and we work  
18 together, then we need to conserve and suffer together.  
19 And that should not all be on -- on the consumer. And the  
20 basic -- the basic thing about the monthly water bill, the  
21 water company does not read the meters very often. You can  
22 very well get a bill that says estimated readings and we  
23 are correcting it, and now you owe \$200 because we under --  
24 we under estimated it.

25                   I feel that the service from the water

1 company should be equal to the service -- the commitment of  
2 the homeowner, the user. If we're going to -- to put our  
3 money into this, then they need to put some effort into  
4 this. And I didn't feel that very reassured by the  
5 information that they were talking about some kind of low  
6 income benefit. There doesn't really seem to be a plan  
7 there. It just seems to be that might be something to sort  
8 of soften the blow.

9                   So until they can show us they have a real  
10 interest in our well-being, then I think that this rate  
11 increase is just not -- just not a good thing.

12                   That's pretty much it.

13                   JUDGE JORDAN: Thank you. Questions  
14 from the Commissioners?

15                   COMMISSIONER GUNN: I just have a few.  
16 Thank you very much for coming in.

17                   Do you take active conservation meas- --  
18 means in your home? Or are you -- do you have low-flow  
19 shower heads and things like that?

20                   MS. DEGONIA: Yes. Yes, we do. And  
21 let me -- let me say this. Back years ago before -- when  
22 we were American Water, whatever, before their changeover  
23 to Missouri Water, we used to get with the bills that come  
24 into the office for the water bills, we would get a notice  
25 if a unit's water bills suddenly went up. And then we

1 could be proactive. We could go where we could talk to the  
2 homeowners and see if we could find that leak.

3                   They've discontinued doing that. So now we  
4 go through the bills looking at them, and when we find  
5 them, we go to our -- to our homeowners, and we say look,  
6 you know, you have this. Now you've got this. We need to  
7 find where is this. Is it a bathroom running, is there a  
8 pipe broken that you're not seeing. We have to do it.  
9 American Water doesn't. They -- Missouri Water doesn't do  
10 it. They no longer notify you of that change.

11                   They used to -- used to we'd get a letter.  
12 Now they no longer notify us. So they -- they don't really  
13 participate in attempts to save the water, and it appears  
14 that now what they'd like to do is just charge you a whole  
15 lot for the commodity setup, not that much for the water,  
16 they don't care how much water you use. They're not  
17 interested in that. They're interested in getting this  
18 base amount of money.

19                   And it just does not seem to be a fair  
20 exchange to the consumer.

21                   COMMISSIONER GUNN: Do -- do you manage  
22 the development that you live in?

23                   MS. DEGONIA: I am the president of the  
24 association. And --

25                   COMMISSIONER GUNN: Okay.

1 MS. DEGONIA: And very active in it.

2 Very -- very active in it.

3 COMMISSIONER GUNN: So are people  
4 generally cooperative in giving you their -- their bills,  
5 or do they come to you when they think they see a spike?

6 MS. DEGONIA: The bills -- all of the  
7 bills come for each unit to the -- to our office.

8 COMMISSIONER GUNN: Okay.

9 MS. DEGONIA: And we -- when we had a  
10 management company, we -- we did this too, but we look at  
11 those. We look at them, and then what we do is we  
12 apportion. Like I said, we -- we have one water meter for  
13 four units.

14 COMMISSIONER GUNN: Okay.

15 MS. DEGONIA: So we have to divide that  
16 water then into four components, and each person pays  
17 one-fourth of it.

18 COMMISSIONER GUNN: Okay.

19 MS. DEGONIA: In many cases that's --  
20 that's like maybe three retired people in -- in one unit,  
21 couples. So but there's in -- in a situation where low  
22 income is going to get some kind of different structure, we  
23 want to be involved in that. We want to know how can I get  
24 that for my people.

25 COMMISSIONER GUNN: So do your people

1 pay four customer charges, or they pay one customer charge?

2 MS. DEGONIA: They pay -- they pay one  
3 customer charge to --

4 COMMISSIONER GUNN: Divided.

5 MS. DEGONIA: -- pay one-fourth.

6 COMMISSIONER GUNN: Divided among four.  
7 Okay.

8 MS. DEGONIA: Yeah.

9 COMMISSIONER GUNN: Now, on that -- on  
10 the estimated reading portion, when -- when you saw that  
11 the bill spiked up because there was an actual reading, --

12 MS. DEGONIA: Right.

13 COMMISSIONER GUNN: -- did you contact  
14 the company about that, or did you just --

15 MS. DEGONIA: Oh, yes. Oh, yes.

16 COMMISSIONER GUNN: How was that -- how  
17 was that experience?

18 MS. DEGONIA: Well, basically it's been  
19 -- there's been many ongoing events with that. You know,  
20 we'll call them, and they'll say well, we -- oh, yeah, we  
21 couldn't find it. We've been there 40 years. We couldn't  
22 find it.

23 And then they came and said well, there was  
24 dirt over the meter cover, and you are supposed to clean  
25 that out.

1                   I said we can't clean it out unless you  
2 notify us you've got a problem. You have to notify us you  
3 got a problem because I do not go out and check the water  
4 meters. So you know, those were kind of -- the kind of  
5 answers we got. We got one, I think, went six months with  
6 estimated bills. And we put in a number of calls.

7                   We -- and they still come in every month and  
8 they're the same water meters. There's 50 water meters.  
9 The same 50 water meters that's been there for 40 years,  
10 but we will get estimated bills every month.

11                   COMMISSIONER GUNN: Okay. Now, was  
12 there any adjustment to the -- you mentioned one particular  
13 one.

14                   MS. DEGONIA: Uh-huh.

15                   COMMISSIONER GUNN: And I don't know if  
16 that was just a general comment or whether it was specific.  
17 Have you had a specific issue? Was there any resolution or  
18 reduction in that?

19                   MS. DEGONIA: No.

20                   COMMISSIONER GUNN: Or did you just  
21 decide to pay?

22                   MS. DEGONIA: No, they just -- right.  
23 They basically just said -- I said, you know, we did --  
24 this bill, which would normally be like -- our water bills  
25 are about \$25 a month -- or a quarter. I'm sorry. And per

1 person because we have a --

2 COMMISSIONER GUNN: Sure.

3 MS. DEGONIA: But basically they just  
4 said well, you know, we couldn't -- that's the way it is.  
5 You just have to pay it. So what happens is the  
6 association pays it. If we talking -- we're pretty small.  
7 There's about 209 units in our place. We will then, if a  
8 homeowner has a problem, they'll call us. And we'll --  
9 we'll work that out.

10 COMMISSIONER GUNN: Have they ever over  
11 estimated? Do you ever get a credit?

12 MS. DEGONIA: Oh, yeah. Oh, yeah,  
13 they've done that. But we've gotten notes saying, just a  
14 letter saying you -- this is a correction to your bill. We  
15 don't know why sometimes.

16 COMMISSIONER GUNN: I think that's all  
17 I have, but I appreciate your testimony.

18 MS. DEGONIA: Thank you.

19 COMMISSIONER GUNN: It's very helpful.

20 COMMISSIONER KENNEDY: Ms. Degonia,  
21 thank you for coming out tonight. I don't have any  
22 additional questions.

23 MS. DEGONIA: Thank you.

24 COMMISSIONER KENNEDY: Thank you.

25 JUDGE JORDAN: Any questions from

1 Missouri-American of this witness?

2 MR. R: No questions. Thank you.

3 JUDGE JORDAN: Any questions from  
4 Staff?

5 MS. BRUEGGEMANN: Just one. Ms.  
6 Degonia, my name is Shelley Brueggemann. I'm the staff of  
7 the Commission. A real quick clarifying question.

8 You said that there was at one point you had  
9 six months worth of estimated bills, and I guess that means  
10 you had two quarterly bills --

11 MS. DEGONIA: Right.

12 MS. BRUEGGEMANN: -- that were  
13 estimated?

14 MS. DEGONIA: Right.

15 MS. BRUEGGEMANN: Do you know what year  
16 that was? Was it last year or two years ago or three years  
17 ago?

18 MS. DEGONIA: I'm -- I'm thinking, oh  
19 wow, maybe two -- maybe two.

20 MS. BRUEGGEMANN: Okay.

21 MS. DEGONIA: A year and a half to two  
22 years ago would be my best guess.

23 MS. BRUEGGEMANN: And have you had  
24 recent problems with estimated bills?

25 MS. DEGONIA: Well, we get 50 bills.



1 There's always some estimated bills. It seems there's  
2 always some.

3 MS. BRUEGGEMANN: Okay. Thank you.

4 MS. DEGONIA: Thank you.

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

7 MS. BAKER: No, I have no questions for  
8 her. Thank you for your comments. And I would suggest  
9 that you talk with some of the staff of the Public Service  
10 Commission and give them a little more detail about that.

11 MS. DEGONIA: Thank you.

12 JUDGE JORDAN: Thank you. The next  
13 name on my list is Janet Westbrook.

14 (Thereupon, Witness Westbrook was sworn  
15 on her oath by Judge Jordan.)

16 Please state your name for the court  
17 reporter and spell it.

18 MS. WESTBROOK: Janet Westbrook.

19 W-E-S-T-B-R-O-O-K.

20 JUDGE JORDAN: And are you a customer  
21 of Missouri-American Water Company?

22 MS. WESTBROOK: Yes, I am. I live in  
23 the same community as Ms. Degonia. I'm also a member of  
24 the board of directors. I've been on it for five years,  
25 and I just want to express my concerns for our community,

1 because as she said a number of them are elderly. We have  
2 a lot of single moms. We have a lot of people who have  
3 either lost jobs or had their hours cut back.

4                   We have people who are cleaning houses to  
5 try to avoid foreclosure, and a 21 percent increase would  
6 be a hardship on them. It would -- I'm concerned that it  
7 would impact our community because we are 40 years old, and  
8 we have infrastructure problems as well. We're trying to  
9 maintain maintenance fees as well as practical and still  
10 make the improvements that we need.

11                   And in the case where a customer cannot  
12 afford to pay the water bill, it goes back to the  
13 association. The association still has to cover that bill  
14 out of our maintenance fees. So it would impact us if  
15 people are having trouble paying.

16                   That's all I have.

17                   JUDGE JORDAN: Thank you.

18                   MS. WESTBROOK: Thank you.

19                   JUDGE JORDAN: Any questions from the  
20 Commissioners?

21                   COMMISSIONER GUNN: Just a quick  
22 question, ma'am. You talked about infrastructure problems.

23                   MS. WESTBROOK: Yes.

24                   COMMISSIONER GUNN: Is that the  
25 development's infrastructure problems, or are there other

1 -- other water infrastructure problems?

2 MS. WESTBROOK: The com- -- no, the  
3 community itself, erosion problems, things with our -- our  
4 grounds and things that -- improvements that we would like  
5 to make in our community of maintenance and grounds.

6 COMMISSIONER GUNN: That would come out  
7 of those maintenance fees?

8 MS. WESTBROOK: Right.

9 COMMISSIONER GUNN: So every dollar  
10 that you have to go back to pay for -- for the water bills  
11 doesn't allow you to do the stuff you need to do with  
12 maintenance?

13 MS. WESTBROOK: That is correct.

14 COMMISSIONER GUNN: Okay. All right.  
15 Thank you. I don't have any further questions.

16 JUDGE JORDAN: Commissioner Kennedy?

17 COMMISSIONER KENNEDY: No questions.  
18 Thank you very much.

19 MS. WESTBROOK: You're welcome.

20 JUDGE JORDAN: Any questions from  
21 Missouri-American for this witness?

22 MR. R: No questions. Thank you.

23 JUDGE JORDAN: Any questions from the  
24 Staff?

25 MS. BRUEGGEMANN: No. Thank you.

1 JUDGE JORDAN: Any questions from the  
2 Office of Public Counsel?

3 MS. BAKER: No. Thank you very much.

4 JUDGE JORDAN: The next name on my list  
5 is Yvonne Harris. Yvonne Harris.

6 (Thereupon, Witness Harris was sworn on  
7 her oath by Judge Jordan.)

8 Please state your name and spell it for our  
9 reporter.

10 MS. HARRIS: My name is Yvonne Harris.  
11 Spelled Y-V-O-N-N-E, last name Harris, H-A-R-R-I-S.

12 JUDGE JORDAN: And are you a customer  
13 of Missouri-American Water Company?

14 MS. HARRIS: Yes, I am.

15 JUDGE JORDAN: Please proceed.

16 MS. HARRIS: Okay. Oh, I am the  
17 coordinator for the AARP Information Center located in St.  
18 Louis at 600 North Kingshighway, and I'm not -- I don't  
19 have any -- I don't have any names, but I can tell you one  
20 thing that quite often I talk to other seniors like myself  
21 who are having problems with the bill -- with their bills  
22 that they have already, their current bills.

23 They're calling, not only because of say now  
24 water, but they have complained about like TV, the whole  
25 thing, the whole works. They're not able to keep up with

1 this changing economy, and of course, no one seems to care  
2 because when they can't turn on their TV because they can't  
3 hook up a box because they're in a wheelchair or because  
4 they are blind or because they don't have someone that they  
5 can trust to come in and do these things for them.

6                   They -- they are still -- they are still  
7 human beings. They still have the same needs as a person  
8 who is able to pay for all those things, and people who  
9 want those same commodities, those same privileges. And  
10 they will call, and they just talk because they can't even  
11 watch a TV anymore. They talk because now the water --  
12 here we go with this water increase.

13                   What are they going to talk now? We can't  
14 afford the water. People have medical needs. They have a  
15 certain income that's not going to go up and hasn't gone  
16 up, but they still have their medical needs that has to be  
17 taken care of with water. They have their medicine goes  
18 up, and without water, what can you do. If you can give  
19 water to an animal, you can give water to a human being  
20 without continuously increasing the rate.

21                   And that is one my biggest complaints here.  
22 No one has gotten an increase on their fixed incomes, and  
23 yet you go up on the rate of water, everything. How can  
24 you be a consumer commission or whatever, and here you  
25 can't even understand that nobody wants an increase. Why

1 would you ask such a question? Why would you make -- I  
2 can't imagine why you would ask.

3                   You can't afford gasoline. You can't afford  
4 anything. Then you say would you like your water bill to  
5 go up? Are you listening? You don't even have to listen.  
6 Just know that we cannot afford a continuous increase in  
7 every consumer item there is. People have to live. Are we  
8 all supposed to die? You know, I don't know.

9                   But people have to live. They call -- their  
10 phones are getting cut off. Everything is going downhill.  
11 I don't know where it stops. Where is your ceiling?  
12 What's the problem? I mean, you have to replace the  
13 infrastructure. I understand that, but it should have been  
14 happening all along.

15                   And then I heard someone say we have to get  
16 awarded at a -- it was a budget I guess -- I mean, a  
17 discount. We really have had a great prize here with our  
18 water. I agree. Well, let's keep it that way. Why take  
19 that gift from us, you know?

20                   Let us have one gift in live, and that's  
21 water. We're not going to get it with the electric. We're  
22 not getting it anyplace else. Give us water. And I think  
23 it's wrong for anybody -- you get your water free. It  
24 falls from the sky. You're not paying for the drops that  
25 come down. You're just paying to -- to -- you're paying to

1 take care of the water and put the chemicals in.

2 Well, everything else has gone automated.  
3 Automate the procedure, and then you don't have to pay the  
4 machine. You don't care about laying people off. Who  
5 cares? Who's going to continue to pay for the water that  
6 you cannot process, and who's -- I mean, they're not going  
7 to be drinking dirty water anyhow. If you can't pay to  
8 have it processed, people are going to drink what they can  
9 find on the ground.

10 And it's just wrong to continue to go up on  
11 every single thing, all at once when our economy is in a  
12 state of decline. We're having problems every place, and I  
13 think that the water service should not be increased. And  
14 I'm totally against it. I've barely able to make it  
15 myself, and it absolutely should not be increased. It's  
16 not only the senior citizens, but also the younger people.  
17 They're not starting off in jobs making big-time money with  
18 insurance and all the other bene- -- fringe benefits. So  
19 why in the world would you go up on something that is  
20 absolutely necessary?

21 And that's it. Thank you.

22 JUDGE JORDAN: Thank you, ma'am. Any  
23 questions from the Commissioners?

24 COMMISSIONER GUNN: I just have a  
25 couple of questions, ma'am.

1 MS. HARRIS: Yes.

2 COMMISSIONER GUNN: Thank you very much  
3 for coming out tonight. You said that the seniors come to  
4 you with the problems with their bills. Is it -- is it  
5 mostly what you talked about, which is the difficulty in  
6 affording it, or are they having any other like technical  
7 billing problems?

8 MS. HARRIS: Well, it's -- it's  
9 affording the bills.

10 COMMISSIONER GUNN: Okay.

11 MS. HARRIS: Because everything else  
12 has gone up also.

13 COMMISSIONER GUNN: Now, does AARP  
14 provide any financial assistance to -- to folks?

15 MS. HARRIS: No, but as soon as the  
16 water program is established by -- I mean, the help program  
17 is established by the water company, we can then refer them  
18 to your -- I mean, to that help program.

19 COMMISSIONER GUNN: Well, and do you do  
20 that -- do you do that in other ways, do you refer people  
21 to other community action agencies?

22 MS. HARRIS: Yes. That's exactly what  
23 we do.

24 COMMISSIONER GUNN: Okay. And that --  
25 that has -- has your interaction with the -- and obviously,



1 nobody ever has enough money in those community action  
2 agencies.

3 MS. HARRIS: Right.

4 COMMISSIONER GUNN: But -- but has your  
5 experience once -- once you do refer someone to them, have  
6 you -- have you got -- do you followup with those people?

7 MS. HARRIS: Yes, yes.

8 COMMISSIONER GUNN: And has their  
9 experience been -- been okay with the community action  
10 agencies?

11 MS. HARRIS: No.

12 COMMISSIONER GUNN: Other than the lack  
13 of funds, are there other barriers that -- that are a  
14 problem?

15 MS. HARRIS: Most of the times no.  
16 They end up crying is what happens.

17 COMMISSIONER GUNN: Is it because  
18 there's not money available, or is it --

19 MS. HARRIS: They can't get out. A lot  
20 of people are confined to their homes.

21 COMMISSIONER GUNN: Right.

22 MS. HARRIS: They don't have  
23 transportation. They can't even get out to apply for the  
24 funding. So they sit there with nothing to do. They call  
25 and cry on the phone. And I think some consideration

1 should be given to that group.

2 COMMISSIONER GUNN: Thank you. Thank  
3 you very much.

4 MS. HARRIS: You're welcome.

5 COMMISSIONER GUNN: The only other  
6 thing I would suggest, is I would talk to one of our staff.  
7 There -- there are certain legal requirements that -- that  
8 we have as the commissioners and why we're here and what  
9 we're required to do and what we're required to consider.  
10 And I -- you might want to ask those questions, just to  
11 give a little bit of clarity of what -- what we're doing  
12 here and why we have to ask some of these questions.

13 MS. HARRIS: Okay.

14 COMMISSIONER GUNN: But I appreciate --  
15 there might be some other questions from some of these  
16 other folks.

17 MS. HARRIS: Oh.

18 COMMISSIONER GUNN: But thank you very  
19 much.

20 MS. HARRIS: Sure, you're welcome.

21 COMMISSIONER KENNEDY: I don't have any  
22 additional questions, Ms. Westbrook (sic), but thank you  
23 for coming out and --

24 MS. HARRIS: Harris.

25 COMMISSIONER KENNEDY: I'm sorry. Ms.

1 Harris, thank you for coming out and thank you for the  
2 wonderful things you do with AARP as well.

3 MS. HARRIS: Thank you.

4 COMMISSIONER KENNEDY: Thank you.

5 JUDGE JORDAN: Any questions from  
6 Missouri-American?

7 MR. R: No questions. Thanks, Ms.  
8 Harris.

9 MS. HARRIS: Thank you.

10 JUDGE JORDAN: Any questions from the  
11 Staff?

12 MS. BRUEGGEMANN: No. Thank you.

13 MS. HARRIS: Thank you.

14 JUDGE JORDAN: Any questions from the  
15 Office of Public Counsel?

16 MS. BAKER: No. Thank you.

17 MS. HARRIS: Okay. Thank you for  
18 listening.

19 JUDGE JORDAN: Thank you. The next  
20 name on my list is Sharon Sharp.

21 (Thereupon, Witness Sharp was sworn on  
22 her oath by Judge Jordan.)

23 Please state your name and spell it for our  
24 court reporter.

25 MS. SHARP: My name is Sharon Sharp.

1 That's S-H-A-R-O-N S-H-A-R-P, like in Peter.

2 JUDGE JORDAN: Thank you. And are you  
3 a customer of Missouri-American Water Company?

4 MS. SHARP: Absolutely.

5 JUDGE JORDAN: All right. Well, go  
6 ahead and tell the Commission what you'd like to tell us.

7 MS. SHARP: Okay. Well, I'm not  
8 representing any group. I'm representing me. And one  
9 thing I've been to one of your public -- one of your  
10 meeting. The problem is that with four or five utility  
11 companies and everyone wants 8 to 10 percent raise, and  
12 people are not getting 8 to 10 percent raise on their  
13 paychecks. Retired people's salary is frozen. The money  
14 is not there.

15 I am one of those people that don't have  
16 AMNet -- I mean, I'm sorry, don't have cable or whatever  
17 that TV is. My TV freezes while I'm looking at it. So I  
18 hardly -- barely see anything, but I have to sacrifice that  
19 in order to pay my bills.

20 So when you're asking five times a 10  
21 percent raise, that's like 50 percent to us. People cannot  
22 afford this, and we want to take care of our property. We  
23 want to water our lawns and make them look nice. We want  
24 to do everything -- we want to keep our credit up like  
25 everybody else. But it's ridiculous when companies, and

1 you say no MDS who think they got it all with no  
2 competition. They think they've got it.

3                   It's frustrating. They can put a lean on  
4 your house. They can do anything they want to, and we have  
5 no voice. I do want to say this, that you know, I pay my  
6 water bill. But if you jacked it up -- if you raise my  
7 water bill and you say oh, that's only \$20. I agree with  
8 people. Twenty dollars more a month -- or I'm sorry -- \$20  
9 more in three months, and oh by the way, the gas went up  
10 too. And oh, yes, so did the electric.

11                   So where is the money coming from? There's  
12 not any money. I just want to say we cannot absorb the  
13 losses. We just can't absorb them. We just don't have  
14 that kind of money, and it's very frustrating to us.

15                   That's all I want to say, and you know --

16                   JUDGE JORDAN: Thank you.

17                   MS. SHARP: You're welcome.

18                   JUDGE JORDAN: Questions from the  
19 Commissioners?

20                   COMMISSIONER GUNN: I don't have any  
21 questions. Thank you very much for testifying. We  
22 appreciate it.

23                   COMMISSIONER KENNEDY: No -- no  
24 questions, Ms. Sharp, but we again do appreciate you coming  
25 out and -- and representing yourself. And I'm sure that

1 your opinions are of lots of other folks. Thank you for  
2 coming out.

3 JUDGE JORDAN: Any questions from  
4 Missouri-American?

5 MR. REICHART: Thank you, Ms. Sharp.

6 JUDGE JORDAN: Staff have any questions  
7 for this witness?

8 MS. BRUEGGEMANN: No. Thank you.

9 JUDGE JORDAN: Office of the Public  
10 Counsel?

11 MS. BAKER: No questions, but thank  
12 you, Ms. Sharp.

13 MS. SHARP: You're welcome.

14 JUDGE JORDAN: Thank you, ma'am.  
15 Thanks for coming out.

16 The next name on my list is Patricia Murray.

17 (Thereupon, Witness Murray was sworn on  
18 her oath by Judge Jordan.)

19 Please have a seat. State your name and  
20 spell it for our court reporter.

21 MS. MURRAY: My name is Patricia  
22 Murray. P-A-T-R-I-C-I-A and Murray is M-U-R-R-A-Y.

23 JUDGE JORDAN: And are you a customer  
24 of Missouri-American Water Company?

25 MS. MURRAY: Yes, I am.

1 JUDGE JORDAN: Well, then, please  
2 proceed and tell the Commission what you'd like it to hear.

3 MS. MURRAY: Okay. I cannot say that  
4 I've had any run-ins with the water company. I cannot say  
5 that they have over estimated my bills. I -- I kind of  
6 regulate myself, so my bills are usually about the same,  
7 except in the winter months when I let the water run a  
8 little bit because it 's -- you know, you don't want  
9 the pipes to freeze. And I can't say that I've been treated  
10 badly when I've called in to customer service.

11 But like the lady before me, I may not be  
12 part of a group, but I think I represent a huge group of  
13 single, working mothers. I'm a single mother of twins,  
14 14-year-olds. I also -- I'm a student. I go to school. I  
15 want to try to get more money because I need it. With two  
16 14-year-olds in high school with costs going up and all  
17 this kind of thing, I need more money.

18 I mean, when my child says well, Mom, I got  
19 a play and I need an outfit, I'm not a seamstress, so I  
20 have to go buy it. I don't own anything. I don't have any  
21 credit cards. I rent. I have a modest vehicle. I don't  
22 wear expensive cloths or jewelry, anything like that.

23 I go to work, I do my job, try to be a good  
24 mother, a good person, and live day-to-day life. I do not  
25 live extravagantly. I haven't been on a trip in I don't

1 know when. I don't -- I mean, I'm just basically everyday  
2 person.

3                   When I got the letter in the mail that they  
4 were having this meeting because the water was going up, at  
5 first I said, okay. Everybody is going up. Deal with it.  
6 When I found out how much they were going up, then that's  
7 when I decided I needed to come out and say something.

8                   Going from \$67 to \$90 a quarter, yeah, I can  
9 see the issue about the bill being quarterly. Yeah, it can  
10 be a surprise, because when I got my bill in January and it  
11 was almost \$90 then, then I went whoa. What the heck?

12                   But the plain matter of it is, according to  
13 what the gentleman that was sitting there was saying, the  
14 whole purpose of this is, their -- they have invested in  
15 infrastructure already, and they are asking for this  
16 increase because they want to provide a return on  
17 investment back to their investors of 11.6 percent.

18                   Now, to show, I guess, goodwill, they want  
19 to throw in, okay, we're -- we're offering to do a low  
20 income program for those low income. Well, first of all,  
21 we haven't heard what those standards of low income is.  
22 Who's going to meet it? What's the criteria? How many  
23 will they cover? Because there are a lot people that could  
24 fit that.

25                   So my question to them -- I didn't get to



1 ask them because they cut that off when you guys come in.  
2 My question is, okay, you're trying to get this 11.6  
3 percent to offset future values. Okay. You're trying to  
4 get a profit, and then you're also trying to pay your  
5 stockholders along with fixing the infrastructure.

6                   St. Louis has a very, very old  
7 infrastructure. The question that comes to mind is: How  
8 much more will you need if you are not successful and if  
9 you have a certain percentage of low income families that  
10 may not make up that 11.6 percent, how much more will be  
11 put on somebody like me who does have a job? Although my  
12 income is like 30 something a year, but I do have a job.

13                   How much more of the increase will be put on  
14 me to make up your 11.6 percent on items you're trying to  
15 pay your stockholders. And if they don't -- if they're not  
16 able to do all of the infrastructure, because St. Louis  
17 County is a vast area, okay, then are you going to be back  
18 having another meeting like this a year from now and  
19 another after that? Two years from now and so on and so  
20 on?

21                   And if my -- and it's a known fact in the  
22 United States wages have not kept up with the cost of  
23 living in the United States. It just hasn't. Just to live  
24 -- just to put food on the table, the basics costs is  
25 requiring more of your income. We're talking about your

1 gross, your net because I don't -- if I brought home what I  
2 made, I'd be a happy person, but I don't.

3                   Because one-third of my income comes out for  
4 taxes, insurance, et cetera, et cetera before I even get to  
5 rent, light, gas, phone, and this and that. And I have to  
6 beg. I don't have a big screen TV in my house. You know,  
7 I don't have expensive furniture. Everything I bought I  
8 paid cash for, probably got it second-hand somewhere, and  
9 I'm not ashamed to say it.

10                   But the point of the matter is, that extra  
11 \$23 that they're asking for may only be \$7.66 a month, but  
12 that \$7.66 can pay for lunch for my -- my son at school two  
13 days out of the week. Right now my kids brown-bag it  
14 because when they raised lunch rates at the school this  
15 year, I couldn't afford to pay it for two kids. And yes, I  
16 get child support or whatever, but that's not enough,  
17 especially with food going up and up and up.

18                   So the reason why I am here is because I  
19 thought I represent 70 percent of homes in America, working  
20 mothers. And it is not easy to keep things straight at  
21 home. My kids have never known a day of -- a day of  
22 hunger, but that's because I made the sacrifice myself. I  
23 go without so my children can have.

24                   But there have been a couple times where we  
25 didn't have that much to eat. Now, the situation -- the

1 unique situation I'm in, I make too much to get AF- --  
2 AFDC, food stamps. I go up there to the Welfare office,  
3 and they laughed at me. What are you doing here? You got  
4 a job. You got skills. But I don't make enough to cover  
5 the basics. So I rob Peter to pay Paul as it is. Then  
6 everybody is going up, and I'm -- I cannot go to the man I  
7 rent from and say well, you know, I don't have the -- all  
8 of the rent because I had to pay an extra \$30 on my water.

9                   He doesn't care about that. He wants his  
10 money. Laclede Gas, same thing. Ameren-UE, same thing.  
11 It cost me, what, 50 to 75 dollars a week to drive to work  
12 because my drive is 30 miles from my house. I got a job,  
13 but I got to get there. BiState -- oh, well, they have cut  
14 out bus service, so oh, well, you can always take the bus.  
15 No.

16                   There has to be some kind of medium for us  
17 to not feel this burden on our back and for them to get  
18 what they want. Yes, I would like the pipes and  
19 infrastructure in St. Louis to be fixed, but my point that  
20 I asked this other gentleman, why are they waiting so late.

21                   St. Louis is what a hundred and something  
22 years old. Did -- did anyone not know that the pipes were  
23 aging? Why are we in 2010 now in the emergency and we just  
24 got to have this increase or else the pipes are going to  
25 burst. You know, the sewer is going to be running all over

1 the streets. Okay. Did we not know this 10 years ago, 20  
2 years ago? Heck, 50 years ago, didn't anybody know this?

3                   Why wasn't someone trying to gradually  
4 replace the infrastructure 10, 15 years ago when the  
5 economy was much better before now. We -- you know, we are  
6 all a check away from being homeless and semi-depressed.

7                   And so to say well, you know, we have to  
8 reimburse our stockholders. I understand that. Every  
9 major company you've got to say their business is to make  
10 sure their stockholders are paid. And I understand that,  
11 but not at the expense of hard-working people who are  
12 barely making it. Because there's no relief for me.  
13 Someone like me, I can't go -- you know, I -- you know, I  
14 feel bad going to the Pantry asking for food when I don't  
15 have food when I see people that lives on the street and  
16 they have nothing.

17                   I feel bad for them, so I don't go. So you  
18 know what I do. I do what I got to do short of doing  
19 anything illegal. I won't eat so my kids can eat. I don't  
20 buy anything for me so my kids can have it. Because that's  
21 what a mother does. I make a sacrifice. How come these  
22 major companies in the United States can't make some kind  
23 of sacrifice and still get the job done when the rest of us  
24 is doing it.

25                   That's the only question I have. And the

1 main question is, if they don't get this 11.6 percent ROE  
2 that they're trying to get, are they going to increase it a  
3 year or two from now? What guarantee do we have we're not  
4 going to be back here and they're going to be asking for 22  
5 percent next year, because they had a shortfall this year,  
6 because one of the infrastructures on Kingshighway blew up  
7 and water went everywhere? What guarantee do we have? We  
8 don't, and because we don't have no guarantee, I have to  
9 say I'm very leery about you -- somebody saying to me you  
10 got to pay this because you got to have water and you don't  
11 have a choice.

12 I have a problem with that. That's all I  
13 wanted to say.

14 JUDGE JORDAN: Thank you. Any  
15 questions from the Commissioners?

16 COMMISSIONER GUNN: I don't have any  
17 questions, but thank you very much for coming out. I  
18 really appreciate it, and I would suggest that, if you have  
19 time, any thoughts that you have on what should qualify for  
20 low income and kind of giving a -- I think you bring a real  
21 good perspective to -- to what low income should mean and  
22 what an assistance program would look like.

23 And if you would give those thoughts, if you  
24 have time, to a member of our staff in the Office of Public  
25 Counsel, because during the interim proceeding they'll be

1 talking about things like that, and I think that they would  
2 benefit greatly from your perspective. If you -- if you  
3 don't have time and you need to go, there's some folks  
4 outside that -- that are on our staff, and you could just  
5 talk to them on your way out. I understand.

6 MS. MURRAY: No, I have time.

7 COMMISSIONER GUNN: I appreciate you  
8 coming out, but if you have time, I would -- I would really  
9 like you to give your perspective on -- on what you think a  
10 design of a low income program should -- should look like  
11 and how that would give the biggest benefit to people that  
12 are kind of caught in this middle making too much for --  
13 for assistance but not making enough to really do what they  
14 need to do. And then I think it would be a really great  
15 perspective to have as we -- as we go forward.

16 So if you would talk to Public Counsel and  
17 our staff and give them -- give them your thoughts, I would  
18 really appreciate it.

19 MS. MURRAY: Okay.

20 COMMISSIONER GUNN: Thanks very much  
21 for coming in.

22 MS. MURRAY: Thanks for listening.

23 COMMISSIONER KENNEDY: Ms. Murray,  
24 ma'am.

25 MS. MURRAY: Oh, I'm sorry.

1                                   COMMISSIONER KENNEDY: That's okay. I  
2 don't have any questions, but I did want to say thank you.  
3 It's -- because you asked some very valid and legitimate  
4 questions, and I don't know that there are good answers or  
5 satisfactory answers for all your questions, but in  
6 addition to providing the Office of Public Counsel and our  
7 staff your perspective, they may be able -- we can't answer  
8 those questions. But -- but they're valid nonetheless, and  
9 you might be able to get some answers from our staff and  
10 from the Office of Public Counsel.

11                                   But thanks for taking the time and lending  
12 your voice to the process. It is important.

13                                   MS. MURRAY: Thank you.

14                                   JUDGE JORDAN: Any questions from  
15 Missouri-American for this witness?

16                                   MR. REICHART: No questions. Thanks,  
17 Ms. Murray.

18                                   JUDGE JORDAN: Staff?

19                                   MS. BRUEGGEMANN: No. Thank you, Ms.  
20 Murray.

21                                   JUDGE JORDAN: Anything from the Office  
22 of Public Counsel?

23                                   MS. BAKER: No. Thank you, Ms. Murray,  
24 but come over and I'll give you my card.

25                                   JUDGE JORDAN: Thank you, ma'am. Thank

1 you for coming.

2                   The next witness on my list is Lawrence  
3 Wilson. Lawrence Wilson. Is Lawrence Wilson present and  
4 ready to testify? (No response.)

5                   All right. Not hearing from Lawrence  
6 Wilson, so I'm going to move to the next name. The next  
7 name on the list is Delores McMillan.

8                   (Thereupon, Witness McMillan was sworn  
9 on her oath by Judge Jordan.)

10                   Please state your name again and --

11                   MS. McMILLAN: Okay. My name is  
12 Delores McMillan. D-E-L-O-R-E-S. McMillan. M-C-capital  
13 M-I-L-L-A-L.

14                   JUDGE JORDAN: And are you a customer  
15 of Missouri-American Water Company?

16                   MS. McMILLAN: Yes, I am a customer.

17                   JUDGE JORDAN: Then please tell the  
18 Commissioners what you'd like them to hear.

19                   MS. McMILLAN: You know what, I think  
20 this whole thing is a joke, because you know what, you  
21 ought to have two locations here that people can come and  
22 voice their opinion.

23                   Way out there at Meramec College, I used to  
24 go out to Meramec College. And I went out there one in the  
25 behalf of the sewer company. They was talking about going



1 up. I walked all over that place until I found the  
2 cafeteria, because they had such a small group of people  
3 till they decided to have it in the cafeteria. I walked  
4 for I don't know how long. I was younger then, because I'm  
5 going on 65 now.

6                   Okay. I come here today at this place. You  
7 see I'm looking like a crazy person because my hair is all  
8 over my head because the winds blowing my hair when I was  
9 trying to find this place today. No signs but that little  
10 sign out there in front when I talked up here, and I was  
11 fortunate enough to meet two security guards, and they told  
12 me where the elevators were.

13                   So they said go down there and catch the  
14 elevator, ma'am, and we'll show you how to get up here.  
15 You know what, you seem like you are hiding from the people  
16 or you don't want to be bothered with your customers. And  
17 this is not right, because you know what, you all got  
18 enough money to have this meeting everywhere where people  
19 can come, get there if they have to get there on a bus or  
20 whatever.

21                   They should not come all the way out here  
22 and drive all around this campus and try to find out what  
23 building is what. And they shouldn't have to go out the  
24 Meramec because Meramec is a lot of buildings out there  
25 just like there, and you have to walk and walk and walk.

1                   Okay. Now getting to this monopoly. All  
2 these monopolies do that. Union Electric, Laclede Gas  
3 Company, water company, sewer company, we only got one of  
4 them. You either have to do or do without. You know what  
5 they are, they're corporate welfare. That's all they are,  
6 corporate welfare, stealing from poor people.

7                   And it's not right. And you know what, what  
8 is wrong with all these meetings, because I come to all  
9 these meetings, and I'm tired, but I prayed before I come  
10 and I asked God to give me the decision to keep on coming  
11 or stay away, because it don't seem like it's doing no good  
12 at all, because you all still do what you got to do to  
13 satisfy the people that are paying you all to come here and  
14 represent them.

15                   You go up on the utility bills or water bill  
16 or whatever because we are just people that you all come to  
17 talk to, and it seems like we're just talking and talking  
18 and getting nowhere. Because when we go home, a month or  
19 two later, the bills are going up.

20                   I'm paying \$90 in the wintertime. I pay 90  
21 some or 98 dollars in the summertime. I do not water my  
22 grass because most of the time I'm not at home. I keep the  
23 grass cut and try to keep my yard looking respectable.

24                   But as far as me watering the grass, I do  
25 not water the grass. So I guess I'm going to have to stop

1 taking showers or either get stopped -- you know, brushing  
2 my teeth in the morning and at nighttime because it's got  
3 to be something that we have to do to try to save on the  
4 water, because it looks like it's very scarce if we have to  
5 pay all this money out for water.

6                   And you know what, that budget that you all  
7 talking about, that low income thing, Laclede Gas Company  
8 got that and Union Electric got that, and it's just a joke  
9 because a lot of people go there and they get no help at  
10 all.

11                   If you make \$1 over what you're supposed to  
12 make, they tell you no. And if they were to help you, you  
13 have to have yourself disconnected. Now, you got to do  
14 without water in order for them to try to help you with  
15 this low income program. They going to come out and cut  
16 your water off like they cut your gas and light off. And  
17 you know what, I want to inspect everybody's memory in  
18 here. They have had a lot of fires in the state of  
19 Missouri and Illinois, and I'll bet you two to one a lot of  
20 them people don't have no gas, they're using all kind of  
21 methods of trying to provide heat in their place because we  
22 have had a cold winter.

23                   Some people don't have lights. They're  
24 using cerosin lights and candles. That causes fires. You  
25 know, there's got to be an end to this madness. There

1 really has. And you know what, I have seven run-ins with  
2 the water company, but by me being a fighter, I thank God.  
3 I raise my right hand to God. I won because I am a  
4 fighter.

5                   Do you know what I did? I went to the  
6 Better Business Bureau and got the Better Business Bureau  
7 on the water company. First time I talked to the lady  
8 because they had messed up my payment. They had lost my  
9 money in their office. So they warned me and told me if I  
10 didn't get it in there in two weeks, another payment, that  
11 they was going to go on and cut my water off.

12                   So I had to go to the Better Business Bureau  
13 and ask for more time. They gave me more time. Okay.  
14 During that time, I got my money up, sent it in. They told  
15 me no, don't send it no money. You got to go to the Cash  
16 and Check place or Western Union. I went to the Cash and  
17 Check -- Cash and Check place, and I did that I paid them  
18 to rush it through.

19                   And by that time, when I got through running  
20 around all over town trying to trace that money, which they  
21 had all the time, but somebody was too lazy, I guess, to  
22 put it on the books. So by the time I've got through  
23 taking it through Cash and Check, I had two payments there.

24                   Do you think they sent me my payment back?  
25 They told me, no, ma'am, we're keeping both of them. And

1 that's what they did. They kept both of them.

2                   Okay. I had another problem back in, I  
3 think it was, October or November. I had something wrong  
4 with my shower, so I called the plumber. And he went  
5 downstairs to cut the main water off. And the cutoff valve  
6 was laying on the side. I ain't had nobody down there  
7 looking at my plumbing in a long time, so I said well, I  
8 guess the water company must have did it, because they did  
9 come out and gave me a meter at one time. I think it was  
10 two years before that.

11                   And so I called them, and telling them about  
12 all this. I said somebody had broke my valve and just set  
13 it off -- on the top of it and set it off on the side. So  
14 the lady was very obnoxious with me. She told me, she  
15 said, "Ma'am, I don't have to hear your problem because,"  
16 you know what -- now I'm not telling no lie. I raise my  
17 right hand to God because I don't raise my hand to you,  
18 Judge, but I'm raising my hand to God. Do know what the  
19 woman told me? She said, "All we is supposed to do it  
20 supply you with water, ma'am, and nothing else."

21                   And so I said well, fine, send me that in  
22 writing. I want to see is that all you're supposed to do,  
23 I said, because you all are getting good money from me, and  
24 I am paying you all on time. I'd be late some time, but I  
25 do pay it. Paid in full.

1                   So she sent me a diagram of some old mess of  
2 a meter and pipes and everything. She never did explain  
3 why they only supply water.

4                   So I had to go to the Better Business Bureau  
5 because my plumber told me, he said, "We have to go outside  
6 and turn it off the main source."

7                   I could not find the little blue top. I had  
8 no indication of a blue top at all. So I asked the water  
9 company to come out and use the diagram or something to run  
10 over to my, you know, pavement to see where my water, you  
11 know, top was, the side that cut off the main valve. They  
12 told me no. So I went to the Better Business Bureau, and  
13 they was out there the next day.

14                   See, that don't make so sense. That was  
15 wasting my time, and I had to keep on running back and  
16 forth to the Better Business Bureau to make them do their  
17 own job.

18                   And you know what, they came out there. She  
19 told me they was only supply water now, nothing else. They  
20 came out there and they painted the curb and they painted  
21 the grass all the way up. Then they turned around and  
22 painted them water tops blue. And the line they painted  
23 all the way up to the water meter top was blue because blue  
24 stands for water.

25                   But I shouldn't have to go through all of

1 that, you know, because I am paying my way. They're not  
2 paying my way. I'm paying them to give me service and all.  
3 And I don't think it's right. I think the water company  
4 should be a better monopoly than what they are, and the  
5 main thing that I am concerned about is this raise they're  
6 going to get.

7                   And you all are going to give them that  
8 raise. Why you're looking at me like I'm from outer space.  
9 You going to give them that raise, because you know what,  
10 it seems the same way I had said before about nursing  
11 homes. I worked in nursing homes 19 years, and when the  
12 state came in there, they found no deficiency, because they  
13 was paid.

14                   They went into the office of the DON, and  
15 they came back out and walked right outside. Old people  
16 didn't have proper medication, they didn't have proper  
17 treatment, they didn't have a proper diet, and they said  
18 they found no deficiency. And they walked right back out.

19                   So I hope that you all are finding in you  
20 all's minds and hearts to see that this is not right. But  
21 you know what, the main thing is actions. Actions speak  
22 louder than words. It's nobody here but you all people.  
23 You all got all you all's people here, and how many poor  
24 people are here representing poor people?

25                   See, that's the problem. And mainly you

1 ought to have these at different locations, and maybe other  
2 people would have come out and voiced their opinions like  
3 I'm voicing mine. Because I was determined I was going to  
4 come here tonight, because I go to all the rest of them,  
5 and I won't stop coming to this one because I think this is  
6 wrong. And one of these days, all this stuff will be  
7 straightened out.

8                               That's all I have to say.

9                               JUDGE JORDAN: Thank you. Any  
10 questions from the Commissioners?

11                              COMMISSIONER GUNN: I don't have any  
12 questions, ma'am, but -- but your point about locations, is  
13 well taken, and I would suggest that if you have  
14 suggestions for other locations that -- that we could do  
15 this that you let -- let our staff know because we do want  
16 as much public involvement as we can.

17                              And so appreciate any suggestions that you  
18 have. If you want to tell the Public Counsel or -- or our  
19 staff and give them suggestions about places that we should  
20 think about going, that would be great. But I appreciate  
21 you taking the time to come out and having the -- the  
22 determination to come out here and testify. It's much  
23 appreciated. Thank you.

24                              MS. McMILLAN: Yeah.

25                              COMMISSIONER KENNEDY: Ms. McMillan,



1 thank you for coming out. There -- there are evaluation  
2 forms out at the desk, and your words are not lost on us.  
3 And your efforts aren't for granted. So thank you for  
4 coming out.

5 JUDGE JORDAN: Any questions --

6 MS. McMILLAN: Anybody else have  
7 anything to say over here?

8 MR. RICHARDT: No questions. Thank you  
9 for being here.

10 JUDGE JORDAN: Staff?

11 MS. BRUEGGEMANN: Yes, ma'am. If I can  
12 ask a couple of clarifying questions.

13 MS. McMILLAN: Yeah, uh-huh.

14 MS. BRUEGGEMANN: You talked about the  
15 whole payment problem and the two payments you made with  
16 the lost money order. How long ago did that happen?

17 MS. McMILLAN: That was in 2008.

18 MS. BRUEGGEMANN: Okay. And then on  
19 the valve being broken off and --

20 MS. McMILLAN: That was last year, 2000  
21 -- I discovered it in 2009, I think it October or November.  
22 But it was just setting over there on the side. So it  
23 might have been longer than that because I didn't have  
24 trouble with my plumbing till that, you know, came up.

25 MS. BRUEGGEMANN: Okay.

1 MS. McMILLAN: And I went down there  
2 and found the valve setting over on the side.

3 MS. BRUEGGEMANN: Okay. If after  
4 you're done, if we could talk to you for a minute, I --

5 MS. McMILLAN: Okay.

6 MS. BRUEGGEMANN: -- we'd appreciate  
7 it. Thank you.

8 MS. McMILLAN: All right.

9 JUDGE JORDAN: Any questions from the  
10 Office of Public Counsel?

11 MS. BAKER: No questions, but I know  
12 you have my card.

13 MS. McMILLAN: All right.

14 JUDGE JORDAN: Thank you, ma'am.

15 MS. McMILLAN: Okay.

16 JUDGE JORDAN: I have one more name on  
17 my list, and that is Kim Costello.

18 MS. COSTELLO: Good evening.

19 JUDGE JORDAN: Good evening.

20 (Thereupon, Witness Costello was sworn  
21 on her oath by Judge Jordan.)

22 Thank you. Please spell your name for our  
23 court reporter.

24 MS. COSTELLO: My name is Kim, K-I-M,  
25 Costello, C-O-S-T-E-L-L-O.

1 JUDGE JORDAN: Are you a  
2 Missouri-American Water customer?

3 MS. COSTELLO: I sure am.

4 JUDGE JORDAN: Please tell us what you  
5 have to say.

6 MS. COSTELLO: I'm not a senior  
7 citizen, and I'm not a mother. I'm just me. And I own a  
8 single dwelling home, and all this stuff you put on here, I  
9 do this and more. And I make sure my water bill is under  
10 \$20 a month, and I really can't afford this. I sit in my  
11 house with my coat in the winter. I don't turn on the  
12 lights in my house. If you drive past, looks like nobody's  
13 home.

14 I'm really trying hard to keep my bills  
15 down, and I'm not with that flat rate thing you all charge  
16 me by how much water I use. So I'm not -- I mean, I  
17 understand you have to do a small increase, and I'm with  
18 that because I think you should get a little bitty raise,  
19 but I don't think you should get a lot because I'm not  
20 getting a raise.

21 I get paid by the City and they're  
22 furloughing up and they're cutting our -- our -- our  
23 overtime. This is how I was paying my bills, was when I  
24 got overtime. And now I'm not getting that. So I don't  
25 qualify for any program anywhere for any reason for

1 anything, but I pay for everybody's everything for  
2 everything.

3 I pay extra taxes because I have no children  
4 or no dependents. I pay for low income. I pay for senior  
5 citizens. I pay for everything. So even though I don't  
6 make a lot of money, by the time you all finish with taxes  
7 -- well, not you but the government, I make even less. And  
8 so I think this is unfair. I mean, I'm already doing  
9 everything you said. I bought a low-flor toilet. I --  
10 I've done all of this. I wash clothes only twice a month.  
11 I hardly water my grass. I mean, I don't know what else  
12 there is for us to do, and I've been robbing Peter to pay  
13 Paul. They're best friends.

14 So I mean, you know, I just don't know what  
15 else is there left to do. And I don't think it's fair that  
16 as a single person that I should have to pay for anything  
17 else, and yet, I think you ought to do dollar just like --  
18 like the gas company. I give them a couple of dollars  
19 because I think low income people should have help.

20 And I don't know what else. I just know  
21 it's frustrating, and I'm having a hard time, and it's just  
22 hard.

23 JUDGE JORDAN: Thank you. Any  
24 questions from the Commissioners?

25 COMMISSIONER GUNN: I don't have any

1 questions, but thank you very much. I appreciate you  
2 participating and giving us important testimony.  
3 Appreciate it very much.

4 MS. COSTELLO: Okay. Now, as far as  
5 the -- the thing I did have a problem with my meter with  
6 the water company. And I had an old meter, and the guy who  
7 did my house before I moved in, they redid the basement,  
8 and enclosed the meter in. Which I don't know why. Don't  
9 ask me. And the water company kept saying well, you have  
10 to pay to get that meter taken outside.

11 I'm like why should I have to pay? That's  
12 your meter. When I move, I can't take the meter with me?  
13 So why should I pay for the meter to get moved outside?

14 And so they just kept estimating my water as  
15 \$80. I said, I'm not paying \$80 on this home. I'm not  
16 using \$80 worth of water. So I'll make them come out on my  
17 days off and they get mad, and they was like we shouldn't  
18 have to keep coming out here. You should pay for a meter.

19 It's your meter. You should pay for it. So  
20 finally they threatened to turn off my water, which really  
21 was upsetting to me. So I called the water company and  
22 talked to customer service, which I wasn't happy with her.  
23 So I talked to her supervisor, and I wasn't happy with her.  
24 And I talked to her supervisor, and I wasn't happy with  
25 her. So I finally talked to the district manager, and he

1 was really, really nice.

2                   And this was last year, and I don't remember  
3 the guy's name, but he was ultra sweet, and he did take  
4 care of the problem, which I did appreciate. But it was a  
5 lot before he even was able to handle it.

6                   COMMISSIONER GUNN: How long do you  
7 think your bill was estimated?

8                   MS. COSTELLO: For about -- I got about  
9 four or five bills for \$80, and my bill is under \$20  
10 because I'm telling you I work hard at keeping my bills  
11 down.

12                  COMMISSIONER GUNN: And -- and those  
13 were quarterly bills?

14                  MS. COSTELLO: No, I think I get my  
15 bill every month. So I think my bill's like -- my bill's  
16 like \$14, \$16, but I'm there by myself.

17                  COMMISSIONER GUNN: All right. Okay.  
18 Thank you.

19                  MS. COSTELLO: And when I was getting  
20 overtime, I wasn't home, so I wasn't using water.

21                  COMMISSIONER GUNN: Okay. Thank you.  
22 I don't have anything else. Thank you for coming out.

23                  COMMISSIONER KENNEDY: Ms. Costello,  
24 thanks for coming out and thanks for participating.

25                  JUDGE JORDAN: Does Missouri-American

1 Water Company have any questions?

2 MR. REICHART: We have no questions.

3 Thanks, Ms. Costello.

4 JUDGE JORDAN: Staff?

5 MS. BRUEGGEMANN: Just one quick  
6 question. Did your meter get moved outside, or did they  
7 just come and read it then?

8 MS. COSTELLO: No. Finally the -- the  
9 guy, the district manager, who was a guy, he fixed it where  
10 they came out and they moved the meter. But the guy who  
11 had redid the house, he had closed it in, and they said  
12 that was my problem, my fault. And I was like I wasn't  
13 even here when they done that, and why is it I have to pay?  
14 Unless I'm going to take the meter with me when I move, I'm  
15 not paying for a meter.

16 MS. BRUEGGEMANN: Thank you.

17 JUDGE JORDAN: Office of the Public  
18 Counsel?

19 MS. BAKER: No. But thank you for your  
20 comments.

21 JUDGE JORDAN: Thank you, ma'am.  
22 That's the last name I have on the list, but since we're  
23 here to take testimony, if someone else would like to  
24 testify, they may certainly do so.

25 Would anyone else like to come forward and

1 be sworn and give testimony to the Commission? Sir, have a  
2 seat.

3 (Thereupon, Witness was sworn on his  
4 oath by Judge Jordan.)

5 Thank you. Please state your name and spell  
6 it for our court reporter.

7 MR. COLEMAN: Jefferey Coleman.  
8 J-E-F-FE-R-E-Y C-O-L-E-M-A-N.

9 JUDGE JORDAN: Sir, are you a customer  
10 of Missouri-American Water Company?

11 MR. COLEMAN: I am a customer. I'm  
12 also the Libertarian Committee man for the Spanish Lake  
13 Township of St. Louis County.

14 JUDGE JORDAN: Okay. And please tell  
15 the Commission what you would like the Commission to hear.

16 MR. COLEMAN: Well, I'd like to  
17 respectfully disagree with the testimony of some of those  
18 who have preceded me this evening. I've heard testimony  
19 from some of the folks here that they believe that  
20 Missouri-American deserves only a small increase in this  
21 current rate case.

22 I would submit that they in fact deserve a  
23 decrease in their revenues, in consideration of the fact  
24 that they have received a total of 35 percent increase in  
25 the past four years, one of those increases being 17



1 percent, the other 18 percent I believe we were told  
2 earlier. I find 35 percent to be excessive, and I believe  
3 that that amount should be reduced, and I believe that  
4 reduction should take place by eliminating the fixed  
5 customer charge.

6                   That would benefit low income rate payers  
7 the most, and small volume users of water. And that  
8 decrease should be subsidized by shareholders of the  
9 company. Those owners of the company are culpable because  
10 the maintenance that was deferred for many years that is  
11 now becoming a crisis, it would appear, that was the  
12 decision of the owners of the company, not the rate payers.

13                   And the company did not ask the opinions of  
14 the rate payers when -- in previous years when maintenance  
15 apparently in hindsight should have been performed. So at  
16 this point, it seems appropriate and fair that the owners  
17 of the company, the shareholders, should bear the brunt of  
18 the expense of catching up on that maintenance.

19                   I would also like to state that providing  
20 customers with only ten days to pay the bill seems -- seems  
21 strange when for -- particular for customers who have  
22 quarterly billing, other service providers that have  
23 quarterly billing like garbage collectors tend to give  
24 30-day payment terms. Oftentimes, my bill will -- by the  
25 time I receive it in the mail, I only have one week to pay

1 it before the due date. I have not heard any explanation  
2 from the company of why that is and why would not be able  
3 to do 30-day payment terms.

4 So I would like to see -- see them move in  
5 that direction as well.

6 That's all I have. Thanks.

7 JUDGE JORDAN: Thank you. Do the  
8 Commissioners have any questions for this witness?

9 COMMISSIONER GUNN: I don't, but thank  
10 you. The billing issue is important. Thank you very much  
11 for your testimony.

12 COMMISSIONER KENNEDY: Mr. Coleman,  
13 thank you very much. Your comments are very thoughtful and  
14 well thought out, and we appreciate your participation.  
15 Thanks a lot.

16 MR. COLEMAN: Thank you.

17 JUDGE JORDAN: Questions from  
18 Missouri-American?

19 MR. RICHARDT: We have no questions.  
20 Thank you, Mr. Coleman.

21 MR. COLEMAN: You bet.

22 JUDGE JORDAN: Staff, any questions?

23 MS. BRUEGGEMANN: No. Thank you.

24 JUDGE JORDAN: Office of the Public  
25 Counsel, any questions for this witness?

1 MS. BAKER: No questions, but thank you  
2 for your suggestions.

3 MR. COLEMAN: You're welcome.

4 JUDGE JORDAN: Who else would like to  
5 testify this evening? (No responses.) Anyone, any further  
6 comments for the Commission, any further testimony?

7 Ma'am?

8 MS. McMILLAN: You know what, I have a  
9 question. During the process of me going to the Better  
10 Business Bureau then talking to my plumber, he called  
11 somewhere, but I don't know where he called. But he said  
12 that American Water Company is not in the United States.  
13 Said the company is owned by a company in Germany. Because  
14 you know they was on Ballas Road a long time ago, the water  
15 company was. You could go out there and see them in  
16 person.

17 Now, where is your location now?

18 JUDGE JORDAN: Staff and the company  
19 can explain that.

20 MS. McMILLAN: Where is your location  
21 now?

22 MR. WILLIAMS: Missouri-American Water  
23 Company headquarters are in St. Louis. It's a subsidiary  
24 of American Water, which is -- has corporate headquarters  
25 at Warbeast, New Jersey. It's an American corporation

1 that's listed on the New York Stock Exchange.

2 MS. McMILLAN: So I would have to go to  
3 New Jersey in order to talk to somebody in person to walk  
4 into the office to talk to somebody in person?

5 MR. WILLIAMS: Certainly not.

6 MS. McMILLAN: I'm talking about where  
7 is one in the city of St. Louis.

8 MR. WILLIAMS: Our local -- our local  
9 offices are at 727 Craig Road Road.

10 MS. McMILLAN: Because you know what,  
11 it used to be on Ballas. You said what now, 727?

12 MR. WILLIAMS: It's the same address  
13 that I wrote down for you on --

14 MS. McMILLAN: 720?

15 MR. WILLIAMS: 727.

16 MS. McMILLAN: Oh, 727 Craig Road.

17 MR. WILLIAMS: That's about two blocks  
18 from the old office you were speaking of.

19 MS. McMILLAN: Yeah, because they used  
20 to be right down the street from St. John's Hospital.

21 MR. WILLIAMS: It's just about two  
22 blocks farther away then.

23 MS. McMILLAN: Okay. Do it say St.  
24 Louis Water Company, you know, American Water Company?

25 MR. WILLIAMS: It says

1 Missouri-American Water Company.

2 MS. McMILLAN: Oh, okay. Now, what is  
3 this about Germany?

4 MR. WILLIAMS: They -- a German  
5 company --

6 MS. McMILLAN: Said a German company  
7 owned the -- you know, the Missouri water company.

8 MR. WILLIAMS: Right. A German company  
9 bought American Water Works Company back in 2003, and they  
10 have since fully divested themselves. They are no longer  
11 owners of the company.

12 MS. McMILLAN: Now, are you sure about  
13 that?

14 MR. WILLIAMS: Yes, ma'am.

15 MS. McMILLAN: I sure hope so.

16 MR. WILLIAMS: I'm absolutely sure.

17 JUDGE JORDAN: Thank you. Any closing  
18 remarks from the Commissioners?

19 COMMISSIONER GUNN: I just wanted to  
20 thank everybody for coming out again tonight. And this is  
21 -- I'm not sure if it was explained at the beginning, but  
22 this is kind of the middle part of the process. We'll  
23 finish up these hearings, and then in about six weeks,  
24 we'll have evidentiary hearings, and -- and those are  
25 broadcast over the internet if you have internet access.

1                   Our web site is www.psc.mo.gov. So all the  
2 evidentiary hearings are -- are done. For those people  
3 that couldn't get there, we're still accepting written  
4 comments that can be sent in by mail, or they can be done  
5 over the web, and we're happy to do that.

6                   I would also encourage anybody that has any  
7 other suggestions about the process, about how the -- the  
8 beginning part of the evening went, how this process went,  
9 or any other suggestions to talk to the staff in the Office  
10 of Public Counsel, and especially if you have comments  
11 about how -- we're doing these things a little bit  
12 differently in order to maximize customer input. So if you  
13 have comments, good or bad, about the way the process went  
14 tonight, those two gentlemen in the back or the folks  
15 outside, Kevin and Greg, if you could just raise your hand.  
16 Give your comments to them or the folks outside because  
17 we're constantly trying to make these even better.

18                   But thank you very much for coming out, and  
19 I don't have anything else.

20                   JUDGE JORDAN: Commissioner Kennedy?

21                   COMMISSIONER KENNEDY: Yes, thank you.  
22 Just to be clear, we don't work for the water company, and  
23 we work for the utility. And that may have been explained  
24 during the Power Point presentation, and it's -- sometimes  
25 what we do is not immediately clear to everybody. There

1 are five commissioners that are appointed by the Governor,  
2 and we are an objective disinterested body that regulates  
3 public utilities.

4                   And so your voice, your voices, are critical  
5 and an integral part of this process. And it is something  
6 that we take seriously. It is something that we do take  
7 into account in addition to all the other evidence that  
8 comes into play. But it's a long deliberative process, and  
9 we do pay attention to what you say and to what every --  
10 all the other parties in the case have to say. So please  
11 know that you are a very critical and integral part of this  
12 process, and we very much appreciate your participation in  
13 it.

14                   Thank you for coming out.

15                   JUDGE JORDAN: On behalf of the  
16 Commission, thank you for your participation and your  
17 patience in this process.

18                   I adjourn this meeting. We are off the  
19 record.

20                   (Thereupon, the proceeding concluded at  
21 8:45 p.m.)

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