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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

LOCAL PUBLIC HEARING

AUGUST 10, 2010

STOCKTON, MISSOURI

VOLUME 1

In The Matter Of The Application
Of Stockton Hills Water Company File No. WR-2010-0202
For An Increase In Annual Water
System Operating Revenues

RONALD D. PRIDGIN, Presiding
SENIOR REGULATORY LAW JUDGE
JEFF DAVIS
COMMISSIONER

REPORTED BY:

TRACY HACKLEMAN, CCR
MIDWEST LITIGATION SERVICES

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1 Stockton, Missouri

2 August 10, 2010 6:00 p.m.

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JUDGE PRIDGIN: Good evening. Welcome to tonight's hearing. The purpose of tonight's hearing is to hear from you on Stockton Hill's Water Company's proposal of rate increase. If you have any specific questions or complaints, you can see staff members or someone from the Office of Public Counsel after the hearing. I believe you've been visiting with them for a while and you're certainly welcome to speak with them after the hearing.

12

If you want to testify we have a signup sheet, I believe Mr. Ochoa has it and we have a few people signed up. If you're not able to speak today but you wish to file your comments, we have a way to do that online, you can also call the Staff of the Office of Public Counsel and give your comments to them later.

18

You notice I have a court reporter. We'll be on the record and what will happen here in a minute is, I will read an opening statement and I will then ask for witnesses to testify. Because the room is so small and I think the acoustics are pretty good, you're welcome to testify right where you are. We would normally have a microphone and a podium to stand by, but in this room you're just welcome to keep your seat, if you would like

25

1 when you testify.

2 Are there any questions about the process
3 so far? All right. I will read an opening statement,
4 give some introductions, ask counsel to introduce
5 themselves, and we'll start taking testimony.

6 Good evening. Missouri Public Service
7 Commission has set this time for a local hearing in case
8 number WR-2010-0202. The Missouri Public Service
9 Commission regulates the rates charged by investor owned
10 utility companies in Missouri to make sure those rates and
11 just and reasonable. The Commission also regulates
12 quality of service and the safety of the operations of
13 these utilities.

14 The Commission is made up of five
15 commissioners, one of them is with me this evening.
16 Commissioners are appointed but the Governor for fixed
17 terms and confirmed by the Senate.

18 The Commissioners employ a staff of
19 engineers, accountants, attorneys, financial analysts and
20 other specialists in the field of utility regulation.

21 I'm Ron Pridgin, I'm a regulatory law judge
22 for the Commission presiding over this evening's and with
23 me this evening is Commissioner Jeff Davis.

24 This is an official hearing of the
25 Commission and your statements and testimony must be given

1 under oath and will be reported by the court reporter.

2 All the Commissioners will have a chance to
3 read your remarks. The purpose of the hearing is to hear
4 from you. The company will not present witnesses and will
5 not answer questions during this hearing. This is your
6 chance to testify and your remarks will be made a part of
7 the official record of this case.

8 When your name is called, I will ask you a
9 few preliminary questions such as, what your name is.
10 I'll ask you to spell it so that the court reporter spells
11 it correctly. I will ask if you are a customer of
12 Stockton Hills Water Company and then ask if you have a
13 statement for the Commission.

14 When you're finished, I may some questions
15 for you or Commission Davis may have some questions for
16 you. After that, we will go on to the next the witness
17 and we will continue until nobody else wishes to testify.

18 If there is someone who wished to testify
19 but for religious reasons cannot take an oath, please let
20 me know and I will ask that your testimony be affirmed
21 instead of sworn.

22 Does anyone have any questions about the
23 procedure? All right. Let me get entries of counsel
24 please as they are appearing from the General Counsel's
25 Office.

1 MR. RITCHIE: Thank you Judge. Appearing
2 on behalf of the Public Service Commission Staff, Sam
3 Ritchie, PO Box 360, Jefferson City, Missouri, 65102.

4 JUDGE PRIDGIN: Mr. Richie, thank you.
5 Appearance on behalf of the Public Counsel, please.

6 MS. BAKER: Thank you, Your Honor.
7 Christina Baker, PO Box 2230, Jefferson City, Missouri,
8 65102, appearing on behalf of the Office of Public Counsel
9 and the Rate Payers.

10 JUDGE PRIDGIN: Ms. Baker, thank you. Any
11 other appearances from counsel? All right. We will then
12 proceed with the testimony.

13 Mr. Ochoa, if you will call the first
14 witness.

15 MR. OCHOA: Marge Price.

16 JUDGE PRIDGIN: All right. If you'll raise
17 your right hand and be sworn, please. Do you swear the
18 evidence you are about to give will be the truth, the
19 whole truth, and nothing but the truth, so help you God?

20 MS. PRICE: I do.

21 JUDGE PRIDGIN: Thank you very much. If
22 you would please state your name and spell it for the
23 court reporter.

24 MS. PRICE: Marjorie Price.

25 M-a-r-j-o-r-i-e, P-r-i-c-e.

1 JUDGE PRIDGIN: And are you a customer of
2 Stockton Hills?

3 MS. PRICE: Yes, I am.

4 JUDGE PRIDGIN: All right. Do you have a
5 statement for the Commission, ma'am?

6 MS. PRICE: Yes. The majority of the folks
7 that live in Edgewood, which are served by the Stockton
8 Hills Water Company, mostly on fixed incomes as my husband
9 and I are. For many of them, this \$66.72 a year increase
10 might not seem like a lot to you, but we don't get an
11 increase on our social security, but everybody is getting
12 increases on what they're getting.

13 So, my question is, at this time we're
14 being asked to shell out more money for the same services
15 that we've been getting all along and I wonder if that is
16 an appropriate thing to do at this time, during this time
17 in the economy. That's what I have to ask or what I'm
18 meaning to say.

19 JUDGE PRIDGIN: Okay. All right. Thank
20 you very much, I appreciate your comments. Commissioner
21 Davis, do you have any questions.

22 COMMISSIONER DAVIS: Ma'am, we're not
23 necessarily supposed to respond comments. It's our job to
24 listen and decide things, but I want you to know that we
25 have to decide these cases based on the facts and on the

1 evidence. And you know, I'm just going to paraphrasing
2 the law and I don't know what was said in the previous
3 meeting, what people asked, but the company is entitled to
4 have the opportunity to earn a fair return on its
5 investment. And usually the way it works is, if they
6 invest more money, you know, then they will come and
7 present evidence to them Commission and that's up to us to
8 make the decision. That's, kind of, where we are right
9 now. So, I mean, does that help you understand the
10 process at all?

11 MS. PRICE: I assume then, that it doesn't
12 make any difference the status of the income of the folks
13 in the community, it's only that the company can get a
14 return on their investment, not how it effects the overall
15 population of the area, as far as it biting into the
16 income. That doesn't enter into it at all. It's just
17 their return on their the investment. Is that what your
18 saying?

19 COMMISSIONER DAVIS: Perhaps Ms. Baker can
20 maybe answer that. Ms. Baker and Sam here can answer that
21 for you after the meeting. They can talk to you about it
22 about it if you're wanting to.

23 MS. PRICE: Okay.

24 JUDGE PRIDGIN: Any my further questions,
25 Mr. Davis.

1 at this point in time, with being a customer for several
2 years, a need for an increase. Not only because the
3 economy, but what little maintenance that I have witnessed
4 being done to the system. The rudeness and harshness you
5 get from the company when you make calls to them and ask
6 for certain things.

7 The water system, we have to put in our own
8 purification systems because they don't do that. So, if
9 you don't have a purification system, which most people
10 can't afford, your replacing hot water tanks every couple
11 of years, your faucets, your kitchen appliances, such as
12 coffee pots and so on and so forth, because the lime and
13 calcium builds up that comes out the water. So, we're
14 already at a major expense, yearly at replacing appliances
15 and household goods and items that we need every day. So,
16 now they want us to pay even more for that something
17 that's going to keep costing us more on top of that.

18 I just do not feel it's right at this point
19 in time.

20 Let alone there are no fire hydrants. I
21 found one hydrant in that entire area. It's an inch and a
22 half line which our local department just this last year
23 got the adapter to hook up to it and the water company is
24 more worried about who is going to pay for the water than
25 someone's house burning down, because I've watched two of

1 them burn down.

2 The fire department has had to come to
3 Stockton, or go back to the firehouse or up to lake to
4 pump water to fill their water trucks so they can keep
5 putting the fire out.

6 There's something wrong with this picture
7 to me. That's all I got at this time.

8 JUDGE PRIDGIN: Mr. Stone, thank you. Let
9 me see if we have any questions. Mr. Davis?

10 COMMISSIONER DAVIS: Mr. Stone you talked
11 about the rudeness of the employees when you called
12 in. And can you be a little more specific, kind of give me
13 an idea of when those, when that happened. Do you
14 remember who you talked to, do you remember what the
15 issues were, you know, was there another underlying
16 problem, did it ever, did the issues ever get resolved?

17 MR. STONE: The issue was a matter a of
18 reading the meter at my and my wife's old home. We wanted
19 the water shut off permanently. My wife had called and
20 talked to somebody, I'm not sure who it was, and she was
21 told that they would read it the next time they came out
22 to do the water meters, read all of the rest of water
23 meters. That's not the point, we wanted the water shut
24 off at that time so we weren't billed for any extra
25 seepage or anything else out of the meters.

1 As Ms. Cassel said, the meters are leaking
2 so she's had to replace them. Okay? I called up and I
3 talked to Ms. Cassel and I told her, I says, "I want the
4 meter read now, not next week or in two weeks or whenever
5 you come to do the meter readings because if it changes
6 from the time that I shut it off," I took the meter
7 readings, "And you come up with another number, I will be
8 one pissed off," whatever. And she said, "Goodbye," and
9 hung up. I never called her a name, I never said nothing
10 derogatory towards her, I said it about myself and I got
11 hung up on. I ain't talked to her since and if at all
12 possible, I won't, because I know where that goes. I
13 ain't going there. But that's, that was the big one.

14 COMMISSIONER DAVIS: Okay.

15 MR. STONE: That is the most recent. That
16 was this year.

17 COMMISSIONER DAVIS: So that was this year,
18 this spring?

19 MR. STONE: March.

20 COMMISSIONER DAVIS: March. And with
21 regard to the fire hydrants. It's just that there are no
22 fire hydrants, and that the one that's out there is
23 inadequate?

24 MR. STONE: Way inadequate. Our whole
25 water system is inadequate for fire hydrants.

1 COMMISSIONER DAVIS: Okay.

2 MR. STONE: I've already talked to a local
3 fireman and they cannot, they can't even pump water out of
4 it.

5 COMMISSIONER DAVIS: They don't have enough
6 pressure?

7 MR. STONE: Nope.

8 JUDGE PRIDGIN: Mr. Stone anything else
9 that you want to add?

10 MR. STONE: That's it.

11 JUDGE PRIDGIN: Thank you, sir. Mr. Davis,
12 thank you. Anything from Counsel?

13 MR. RITCHIE: No, thank you.

14 MS. BAKER: No questions, thank you.

15 JUDGE PRIDGIN: I don't have any
16 questions. Mr. Stone, thank you for your testimony and
17 your time. Mr. Ochoa.

18 MR. OCHOA: Linda Lindberg.

19 JUDGE PRIDGIN: Raise your right hand to be
20 sworn, please. Do you swear the evidence that you are
21 about is the truth, the whole truth and nothing but the
22 truth, so help you God?

23 MS. LINDBERG: I do.

24 JUDGE PRIDGIN: Thank you, ma'am. If you
25 would, please state your name and spell it for the court

1 reporter.

2 MS. LINDBERG: Linda, L-i-n-d-a, Lindberg,
3 L-i-n-d-b-e-r-g.

4 JUDGE PRIDGIN: And are you a customer of
5 Stockton Hills Water Company.

6 MS. LINDBERG: Yes, I am.

7 JUDGE PRIDGIN: Do you have a statement for
8 the Commission, ma'am?

9 MS. LINDBERG: Yes, I do. I read on the
10 paper here that you wanted to hear us tell you, in our
11 words, whether we had concerns about quality of service or
12 problems or how the rate increase would affect our
13 family. I'm going to publicly say that I am more than
14 willing to pay for my water if it is safe and reliable.
15 And the only thing that I have to go on that tells me that
16 that is not the case and leads me to worry about what's
17 going to happen in the future, is based on what's happened
18 in the past. And if you read the DNR engineer's report,
19 and I know nobody from the DNR is here and that's all
20 right, but there is a report and they did a sanitary
21 survey with results and there are a multitude of
22 recommendations made for the Stockton Hills Water Company
23 in terms of water safety, water quality, water
24 reliability. And my only concern is that we want to make
25 sure that our water supply is safe and reliable.

1 JUDGE PRIDGIN: Ms. Lindberg, thank you
2 very much. Mr. Davis?

3 COMMISSIONER DAVIS: Ma'am, do you know
4 approximately when this DNR Engineer's report, this
5 sanitary survey was?

6 MS. LINDBERG: It was done last fall.

7 COMMISSIONER DAVIS: Fall of 2009?

8 MS. LINDBERG: Right.

9 COMMISSIONER DAVIS: And --

10 MS. LINDBERG: It was a engineer's, a DNR
11 Engineer's report, or it was an DNR sanitary survey with a
12 previous engineer's report attached to it and I believe
13 that engineer's report was done in January, maybe January
14 2009.

15 COMMISSIONER DAVIS: Do you remember the
16 name of the DNR employees who might have worked on that
17 report by chance?

18 MS. LINDBERG: If I had been known I was
19 going to be asked I would have brought a complete copy of
20 the report which I have at home. I'd be more the happy to
21 send those to you, but I'm sure that you would have access
22 to that.

23 COMMISSIONER DAVIS: Right.

24 MS. LINDBERG: Yvonne, the engineer from
25 Springfield, the Springfield DNR office of DNR, was

1 Yvonne, somebody.

2 COMMISSIONER DAVIS: Okay.

3 MS. LINDBERG: She did the sanitary survey.

4 COMMISSIONER DAVIS: And ma'am, I'm just
5 going to ask you one more question, that is, what is your
6 mental impression of the findings of the sanitary survey
7 engineer's report mean?

8 MS. LINDBERG: You mean mental?

9 COMMISSIONER DAVIS: Yeah, what's your
10 impression? I can't ask you what was in the document,
11 that would be hearsay so I have to ask you what your
12 mental impression.

13 MS. LINDBERG: It makes me worry because
14 even they were recommendations, they were not mandatory
15 they were recommendations, they made me feel like my water
16 supply was not clean and reliable and unfortunately then,
17 that's why I don't support the rate increase.

18 COMMISSIONER DAVIS: And can you give me an
19 example of the recommendation that made you feel unsafe?

20 MS. LINDBERG: The system need to the
21 chlorinated.

22 COMMISSIONER DAVIS: Okay?

23 MS. LINDBERG: The standpipe needed to be
24 cleaned.

25 COMMISSIONER DAVIS: That's okay.

1 MS. LINDBERG: It was so long ago I saw it.

2 COMMISSIONER DAVIS: Anything else, ma'am?

3 MS. LINDBERG: No, thank you.

4 JUDGE PRIDGIN: Mr. Davis, any further
5 questions?

6 COMMISSIONER DAVIS: No.

7 JUDGE PRIDGIN: Counsel?

8 MR. RITCHIE: No questions.

9 MS. BAKER: No questions but thank you for
10 your comments.

11 JUDGE PRIDGIN: Ms. Lindberg, thank you
12 very much for your testimony and time and if that report
13 is something that you would like the Staff of Public
14 Counsel to see, you can certainly speak to the them after
15 the hearing and see how they can get that information.
16 Thank you.

17 MR. OCHOA: The last name on the sign up --

18 COMMISSIONER DAVIS: Would it be possible
19 for staff to file a copy of that with commission? Okay,
20 but I need to make sure that's it's in the record so that
21 we legitimately have ways to see it and so that everybody
22 has access to it. Thank you, I'm sorry, Judge.

23 JUDGE PRIDGIN: That's fine.

24 MR. OCHOA: The last name on the sign up
25 sheet is Ed Lindberg.

1 JUDGE PRIDGIN: Thank you, sir. Could you
2 raise your right hand and be sworn please. Do you swear
3 that the evidence that you are about to give is the truth,
4 the whole truth and nothing but the truth, so help you
5 God?

6 MR. LINDBERG: I do.

7 JUDGE PRIDGIN: Thank you, sir. Could you
8 please state your name --

9 MR. LINDBERG: My name is --

10 JUDGE PRIDGIN: I'm sorry, could you state
11 your name --

12 MR. LINDBERG: Edward, E-d-w-a-r-d,
13 Lindberg, L-i-n-d-b-e-r-g.

14 JUDGE PRIDGIN: And are you a customer of
15 Stockton Hills Water Company?

16 MR. LINDBERG: Yes, sir.

17 JUDGE PRIDGIN: Statement for the
18 Commission?

19 MR. LINDBERG: Yes. My biggest concern is
20 the fact that what was in the report, that mentioned
21 they're losing 30 percent of what their pumping. And if
22 she was selling 30 percent more of the water, she wouldn't
23 need the rate increase near as big as what she's asking
24 for. And that 30 percent is coming from someplace and
25 it's been said before, there's been no two little

1 maintenance done over time. Even when they came to change
2 my meter, I had no idea they were changing my meter. It
3 only a fluke that I saw them changing the meter, otherwise
4 I never would have known it was changed. That means they
5 opened my pipe, took out the meter, if they're losing 30
6 percent, who's to say what's going into that line where
7 these leaks are. Every time we have a leak we have a
8 problem with water quality. You have 30 percent of water
9 leaking somewhere. So that means that there is a chance
10 that something is going into the water and I don't trust
11 the way it's tested. And 30 percent is a lot of waste.
12 That's all I have to say.

13 JUDGE PRIDGIN: Mr. Lindberg, thank you.
14 Mr. Davis do you have any questions?

15 COMMISSIONER DAVIS: So Mr. Lindberg are
16 you saying that not only yourself but other people like
17 yourself had problems when the company replaced the meters
18 that they had --

19 MR. LINDBERG: They didn't know what was
20 going on.

21 COMMISSIONER DAVIS: So, nobody knew what
22 was going on --

23 MR. LINDBERG: No, sir. Nobody came to the
24 door, nobody knocked and said we're replacing the water --
25 they replaced the water meter and then they were gone.

1 COMMISSIONER DAVIS: Okay. And to the best
2 of your knowledge, did people have sanitary or water
3 quality problems associated with the change in meter?

4 MR. LINDBERG: I have no idea.

5 COMMISSIONER DAVIS: You have no idea?

6 MR. LINDBERG: All I know is that if
7 somebody is messing with my system, I want to know about
8 it.

9 COMMISSIONER DAVIS: And so, it's your
10 impression that this DNR's engineer's report shows that
11 they're losing approximately 30 percent of their water?

12 MR. LINDBERG: It was like 33 percent.

13 COMMISSIONER DAVIS: That they're probably,
14 they're just line losses? Okay. Thank you, sir.

15 MR. LINDBERG: You're welcome.

16 JUDGE PRIDGIN: Mr. Davis, thank you?
17 Counsel, anything?

18 MR. RITCHIE: No questions, thank you.

19 MS. BAKER: No questions but thank you.

20 JUDGE PRIDGIN: I don't have any questions.
21 Mr. Lindberg, thank you for your time and your testimony.

22 Mr. Ochoa, thank you. I don't think there
23 he has any more names on the signup sheet. Is there
24 anyone else who wished to testify? All right. I'm seeing
25 no indication anyone wishes to testimony at this meeting.

1 We have the closing remarks, Commissioner Davis?

2 COMMISSIONER DAVIS: I want to thank
3 everyone for coming out tonight and obviously I will go
4 back and report to my other four colleagues who couldn't
5 be here this evening. I promise you that I will take a
6 look at this DNR's engineer's report and the sanitary
7 survey and that we will take a look at all the issues that
8 you've raised this evening. Thank you.

9 JUDGE PRIDGIN: Commissioner Davis, thank
10 you. Anything from Counsel?

11 MR. RITCHIE: No, thank you.

12 MS. BAKER: Thank you all for coming
13 tonight.

14 JUDGE PRIDGIN: I will also echo them and
15 thank everyone for coming out and for participating in the
16 question and answer session and bringing your comments to
17 the commission.

18 There being no further witnesses this will
19 conclude the local public hearing for case number
20 WR-2010-0202. Thank you very much, we're off the record.

21

22 (PROCEEDING CONCLUDED AT 6:36 P.M.)

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1
2 CERTIFICATE OF REPORTER
3

4 I, Tracy L. Hackleman, Certified Court
5 Reporter within and for the State of Missouri, do hereby
6 certify that the witness whose testimony appears in the
7 foregoing deposition was duly sworn by me, that the
8 testimony of said witness was preserved via machine
9 shorthand by me to the best of my ability and was
10 thereafter reduced to written form under my direction;
11 that I am neither counsel for, related to, nor employed by
12 any of the parties to the action in which this deposition
13 was taken; and further that I am not a relative or
14 employee of any attorney or counsel employed by the
15 parties thereto, nor financially or otherwise interested
16 in the outcome of the action.

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19 _____
20 Tracy L. Hackleman, CCR
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