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STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

Prehearing Conference

November 19, 2014  
Jefferson City, Missouri

Volume 1

In the Matter of the Petition )  
of Missouri-American Water )  
Company for Approval to Change )  
its Infrastructure System )  
Replacement Surcharge (ISRS) )

JUDGE MICHAEL BUSHMANN, Presiding  
SENIOR REGULATORY LAW JUDGE

REPORTED BY: Monnie S. Mealy, CCR, CSR, RPR  
Midwest Litigation Services  
3432 W. Truman Boulevard, Suite 207  
Jefferson City, MO 65109  
(573) 636-7551

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A P P E A R A N C E S

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(573) 996-2279

1 P R O C E E D I N G S

2 JUDGE BUSHMANN: Let's go on the record.  
3 Today is November 19th, 2014, at 1:30 p.m.

4 The Commission has set this time for a  
5 prehearing conference in the case captioned In the  
6 Matter of Petition for Missouri-American Water  
7 Company for Approval to Change its Infrastructure  
8 System Replacement Surcharge (ISRS), File No.  
9 WO-2015-0059.

10 My name is Michael Bushmann, the  
11 Regulatory Law Judge assigned to this matter.

12 Let's have attorneys make their entries of  
13 appearance. For Missouri-American Water Company?

14 MR. COOPER: Dean Cooper and Timothy Luft  
15 on behalf of Missouri-American Water Company. The  
16 court reporter has the addresses.

17 JUDGE BUSHMANN: Commission Staff?

18 MS. MAYFIELD: Cydney Mayfield. And the  
19 court reporter has our address and information.

20 JUDGE BUSHMANN: Office of Public Counsel?

21 MS. BAKER: Christina Baker. And my  
22 information is with the court reporter.

23 JUDGE BUSHMANN: Okay. So after reading  
24 yesterday's filings from Missouri-American, it  
25 appears there are issues in dispute. Are there

1 facts in dispute?

2 MR. COOPER: I think it's too early to  
3 tell. I think we need to have some conversation.

4 JUDGE BUSHMANN: Okay.

5 MR. COOPER: At least with a Staff and the  
6 company, if not OPC, to determine whether --  
7 whether there are facts that can be agreed to.

8 JUDGE BUSHMANN: Okay. That's the first  
9 thing that came to mind because we're on such a  
10 short time frame.

11 If there's a possibility that we could  
12 have stipulated facts or arguments in a brief, that  
13 would sure shorten the amount of time necessary to  
14 get done what we need to get done. So that would  
15 be something I would recommend the parties look at.

16  
17 As far as -- and I -- and we don't -- I  
18 mean, we're at the beginning stages here, in a  
19 sense, because there's no procedural schedule. So  
20 there's no formal filing of any list of issues.  
21 All I'm taking is what I'm reading from the  
22 recommendation and the response to it.

23 There's one case that you might want to  
24 look at, a recent case, In Re Laclede Gas Company,  
25 you might know this, but it's 471 Southwest Third

1 815.

2           And that case has a -- it's not exactly  
3 the same issue because, in that case, the issue was  
4 when the Commission can issue an order proving  
5 ISRS, and it sounds like, in this case, it's more  
6 of how much.

7           But the Commission did -- excuse me. The  
8 Court of Appeals did have a good discussion on page  
9 824 about exactly what is an ISRS. And that was  
10 raised, in my mind, because in looking at the Staff  
11 recommendation, Staff refers to ISRS numbers. And  
12 starting with the last rate case, they started at  
13 10 and then go up to 14. I don't know whether or  
14 not Staff's position is that those are separate  
15 ISRSes.

16           But according to the Court, they shouldn't  
17 be because the Court made a specific conclusion  
18 that an ISRS begins to exist when the first ISRS  
19 rate is approved after a rate case and there was  
20 only ever one ISRS at a time. And then subsequent  
21 changes are simply incorporated into the first  
22 ISRS.

23           So I don't know how that might affect your  
24 positions. But I thought I would just bring that  
25 up and point that out so that you can think about

1 how that might affect your position.

2 So as I mentioned in the order that set  
3 this conference, in looking at the event calendar,  
4 there is only one date for a hearing that's  
5 available, and that's December 1st.

6 And the only way for -- because of the  
7 Order that the Commission would have to issue to  
8 make the tariff effective would -- could be no  
9 later than December 31st in order for that to  
10 happen in the short -- and the amount of time  
11 that's left. And that would means that we'd have  
12 to have a brief due on December 8th so that the  
13 Commission could consider its positions on the 10th  
14 at agenda and then vote out an order on the 17th so  
15 that ten days can -- can expire before the  
16 compliance tariffs would have to become effective  
17 by the 31st.

18 So it looks like we're going to need to  
19 have a procedural schedule. So I -- because all  
20 we've got right -- well, we don't have anything  
21 right now. So I would think, at a minimum, we  
22 would need to have dates for pre-filed testimony, a  
23 list of issues, the order of witnesses, cross and  
24 openings and position statements.

25 There's not a lot of time for that to

1 happen. And -- and, also, if we're going to have a  
2 hearing, I'm going to have to give at least ten  
3 days notice. So that means that I'm going to have  
4 to issue a procedural schedule tomorrow because I'm  
5 in hearings all day on Friday, which is the last  
6 day to do that, to give the required ten-day  
7 notice.

8           So I'm going to have to have a proposed  
9 procedural schedule filed by Staff on behalf of all  
10 of the parties no later than noon tomorrow so that  
11 I can issue a procedural schedule by the end of the  
12 day.

13           Anybody have anything they want to bring  
14 up as far as the schedule, the timing?

15           MS. BAKER: If it turns out that we are  
16 just moving into oral arguments, does that change  
17 away from the December 1st date?

18           JUDGE BUSHMANN: I don't think so because  
19 the -- I'm in hearings on the 2nd and the 3rd.  
20 And the Commission -- and the Chairman leaves the  
21 country on the 4th and is gone till the 14th.

22           They still have to -- they still would  
23 have to consider and vote out an order at two  
24 different agendas, so I'm thinking we'd have to  
25 have oral arguments on the 1st instead of having a

1 hearing. We'll see how it -- how it fits.

2 Anything else anybody wants to bring up?

3 My suggestion would be if you don't want a December  
4 1st hearing, I would strongly suggest settling.

5 Okay. With nothing further, we're off the  
6 record. You have the -- the phone for two hours.

7 Thank you.

8 (The proceedings were concluded at 1:38 p.m. on  
9 November 19, 2014.)

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REPORTER'S CERTIFICATE

STATE OF MISSOURI )

) ss.

COUNTY OF OSAGE)

I, Monnie S. Mealy, Certified Shorthand Reporter,  
Certified Court Reporter #0538, and Registered Professional  
Reporter, within and for the State of Missouri, do hereby  
certify that I was personally present at the proceedings as  
set forth in the caption sheet hereof; that I then and there  
took down in stenotype the proceedings had at said time and  
was thereafter transcribed by me, and is fully and accurately  
set forth in the preceding pages.

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Monnie S. Mealy, CSR, CCR #0538  
Registered Professional Reporter

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