

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS
Hearing
November 27, 2017
Jefferson City, Missouri
Volume 3

In the Matter of the Rate)
Increase Request of Indian) File No. WR-2017-0259
Hills Utility Operating)
Company, Inc.)

DANIEL R.E. JORDAN, Presiding,
SENIOR REGULATORY LAW JUDGE.

WILLIAM KENNEY,
SCOTT T. RUPP,
MAIDA J. COLEMAN,
COMMISSIONERS.

REPORTED BY:

KELLENE K. FEDDERSEN, CSR, RPR, CCR NO. 838
ALARIS LITIGATION SERVICES

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

APPEARANCES:

DEAN L. COOPER, Attorney at Law
Brydon, Swearngen & England, P.C.
312 East Capitol
P.O. Box 456
Jefferson City, MO 65102-0456
(573) 635-7166
Dcooper@brydonlaw.com

FOR: Indian Hills Utility Operating
Company, Inc.

RYAN SMITH, Senior Public Counsel
Office of the Public Counsel
P.O. Box 2230
200 Madison Street, Suite 650
Jefferson City, MO 65102-2230
(573) 751-4857

FOR: Office of the Public Counsel
and the Public.

KEVIN A. THOMPSON, Chief Staff Counsel
NICOLE MERS, Assistant Staff Counsel
Missouri Public Service Commission
P.O. Box 360
200 Madison Street
Jefferson City, MO 65102
(573) 751-3234

FOR: Staff of the Missouri Public
Service Commission.

1 JUDGE JORDAN: Good morning, everyone.
2 We are on the record. The Commission is calling
3 the action in File No. WR-2017-0259. That is in
4 the matter of the rate increase request from Indian
5 Hills Utility Operating Company.

6 My name is Daniel Jordan. I'm the
7 Regulatory Law Judge assigned to this action, and
8 I'm going to begin by silencing my cell phone and
9 I'm going to ask everyone else to do the same. You
10 don't have to turn them off. Just make them
11 silent. And now the Commission will take entries
12 of appearance. Let's start with the Applicant.

13 MR. COOPER: Thank you, your Honor.
14 Dean Cooper from the law firm of Brydon,
15 Swarengen & England, P.C., appearing on behalf of
16 Indian Hills Utility Operating Company, Inc. The
17 court reporter has the address.

18 JUDGE JORDAN: Thank you. And for
19 the Commission's Staff.

20 MS. MERS: Nicole Mers appearing on
21 behalf of Staff, and my information has been
22 provided to the court reporter. Thank you.

23 JUDGE JORDAN: Thank you. For the
24 Office of the Public Counsel.

25 MR. SMITH: Ryan Smith on behalf of

1 the Office of the Public Counsel, here also with
2 Curtis Schube with the Office of the Public
3 Counsel. My information has previously been
4 provided to the court reporter.

5 JUDGE JORDAN: Thank you. Before we
6 begin to take opening statements, I want to clarify
7 a few things on the record. First, Staff has an
8 extra witness?

9 MS. MERS: Yes. To sponsor the EMS
10 run that was stipulated to, we have Kim Bolin
11 appearing on behalf of Staff.

12 JUDGE JORDAN: And in what order will
13 that witness appear?

14 MS. MERS: Do you have a preference
15 on just taking her the first witness Tuesday
16 morning, Mr. Smith?

17 MR. SMITH: Yes, the first witness
18 would be fine for OPC.

19 JUDGE JORDAN: So we're talk about
20 the tomorrow morning, being Tuesday, at 8:30?

21 MR. SMITH: Yes.

22 JUDGE JORDAN: Any objection from the
23 company on that?

24 MR. COOPER: No, your Honor.

25 JUDGE JORDAN: Thank you. I'd also

1 like to clarify something else on the record. We
2 have two settlements filed with the Commission.
3 One is without objection and resolves a part of the
4 issues, and the other resolves all the issues but
5 is only some of the parties. I will ask Staff to
6 clarify the status of that.

7 MS. MERS: I believe that OPC also
8 objected to the Partial Stipulation & Agreement, so
9 both agreements have been objected to by OPC. But
10 the total Nonunanimous Stipulation & Agreement that
11 was filed I believe Wednesday would incorporate the
12 partial and be a total resolution of the case
13 between Staff and the company.

14 JUDGE JORDAN: As far as
15 incorporating the partial resolution, I understand
16 there's some amendments to that information in
17 testimony? One of the witnesses made a correction
18 to something in the partial stipulation, if I
19 remember correctly.

20 MS. MERS: Yes, and the nonunanimous
21 would incorporate any corrections and, I guess,
22 supersede and incorporate and replace.

23 JUDGE JORDAN: All right. And
24 something else has come to my attention, which is
25 if you take a look at the more recent stipulation

1 document, the one entered into between Staff and
2 Indian Hills, I just want to point out paragraph 17
3 has a typo in it. Paragraph 17, just a clerical
4 error.

5 MS. MERS: Thank you for noticing
6 that. Yes, it should be corrected to Indian Hills
7 from Summit. Thank you.

8 JUDGE JORDAN: Any other preliminary
9 matters before we go to opening statements? Not
10 seeing any. The Commission will hear opening
11 statements, and we will begin with the Applicant,
12 Indian Hills.

13 MR. COOPER: Good morning. As I
14 mentioned before, I'm appearing today on behalf of
15 Indian Hills Utility Operating Company, Inc., which
16 is an indirect subsidiary of First Round CSWR, LLC.
17 First Round is also the ultimate parent of public
18 utilities Hillcrest Utility Operating Company,
19 Raccoon Creek Utility Operating Company, and Elm
20 Hills Utility Operating Company, as well as
21 Confluence Rivers Utility Operating Company which
22 is currently an applicant before the Commission
23 seeking to become a public utility.

24 On the wastewater side of the
25 business, First Round subsidiaries have purchased

1 seven wastewater treatment plants with the
2 associated sewer pumping stations, gravity force
3 mains and gravity conveyance lines. Companies have
4 designed, permitted and completed construction with
5 Missouri Department of Natural Resources' approval
6 of approximately \$2.4 million of sanitary sewer
7 systems since March of 2015.

8 On the drinking water side of the
9 business, the companies have designed, permitted,
10 and have completed construction, again with MDNR
11 approval, of approximately \$2.6 million of drinking
12 water systems since March of 2015.

13 Most recently, Elm Hills Utility
14 Operating Company closed on the purchase of two
15 wastewater systems and one water system near
16 Sedalia, Missouri. The water system and one of the
17 two sewer systems, those that had been belonged to
18 Missouri Utilities Company, had been in Missouri
19 state-appointed receivership for about ten years
20 and had Attorney General enforcement actions
21 pending. Improvements on those systems will soon
22 be underway.

23 As I mentioned before, Confluence
24 Rivers Utility Operating Company has filed with
25 this Commission an application to acquire

1 approximately 15 water and wastewater systems which
2 contain four wastewater systems currently in
3 state-appointed receivership, one water system in
4 receivership with an active AG enforcement action,
5 and two non-regulated wastewater systems that are
6 in AG enforcement actions, to include one of which
7 that has a current building moratorium in the area
8 it serves.

9 Indian Hills acquired its water
10 system from a company named IH Utilities, Inc.,
11 which was a public utility regulated by the
12 Commission. The company, Indian Hills, sought
13 approval of the proposed transaction in File No.
14 WO-2016-0045. Ultimately, a stipulation was
15 reached and the Commission approved the
16 transactions by its Order Regarding Stipulation &
17 Agreement and Certificate of Convenience and
18 Necessity issued on February 3rd of 2016, effective
19 March 4th of 2016, and closing on that system took
20 place on March 31st of 2016.

21 The original Indian Hills drinking
22 water system was constructed approximately 50 years
23 ago. Indian Hills does not believe any major
24 capital improvements were completed after the
25 initial construction. The original system was in a

1 state of significant disrepair that centered around
2 six major enforcement issues or schedules of
3 compliance associated with the system's operation
4 at the time Indian Hills bought the water assets.

5 First, there was only one well in
6 service. For drinking water systems serving over
7 about 50 homes, MDNR's design guides require two
8 drinking water wells. Indian Hills has
9 approximately 715 homes. There was no backup power
10 or backup pumping system.

11 Third, there was significant water
12 loss inside the system. IH Utilities was losing
13 about 75 percent of all the water pumped to leakage
14 from the existing water conveyance lines.

15 Fourth, there was a lack of
16 sufficient pressure in parts of the system. The
17 Department of Natural Resources' current design
18 guides require a minimum of 21 PSI of water
19 pressure, with a guideline of 35 PSI for
20 residential drinking water systems. At the time of
21 acquisition, Indian Hills registered a maximum of
22 20 PSI at the back of the lake community and during
23 peak usage would experience sometimes no water
24 pressure at all in that area.

25 Fifth, there was a lack of redundant

1 pumps to ensure system reliability. And sixth,
2 there was a lack of sufficient storage. The system
3 previously had 20,000 gallons of storage for a
4 system that can average 180,000 gallons per day
5 during the summer months.

6 Indian Hills had a list of 27 MDNR
7 compliance issues at the time of acquisition that
8 dated back to at least 2014. Indian Hills began
9 construction on the wastewater -- I'm sorry, on the
10 improvements approximately 30 days after it
11 acquired the systems. Those DNR violations were
12 addressed by November of 2016, and the remaining
13 improvements were completed by February of 2017.

14 Indian Hills, at least through the
15 period of time that's significant to this case, had
16 invested approximately \$1.84 million in the
17 facilities. As I mentioned before, the customer
18 base at Indian Hills is about 715 customers.

19 About half of those are part-time residents, people
20 for whom Indian Hills residence is a second home.

21 The current rates became effective in
22 October of 2009 and include a \$10.81 base rate,
23 which includes the first 4,000 gallons of water
24 used, and a volumetric rate of \$1.89 for every
25 thousand gallons used over the original 4,000.

1 Unfortunately, whether the Commission
2 follows the OPC, Staff, company or the
3 Staff/company nonunanimous stipulation
4 recommendation as to rates, a substantial rate
5 increase will result from this case. This is
6 because the water system required a substantial
7 rebuild, which is still underway to some extent, in
8 order to be operational for the provision of
9 service to the customers and to comply with federal
10 and state regulations relating to those services.

11 Now, I mention that the rebuilding
12 continues to some extent, and I think you'll hear
13 about this issue during the case, but the
14 distribution system itself was largely constructed
15 in a haphazard manner initially with insufficient
16 materials. Eventually much of that distribution
17 system will need to be rebuilt. Those inadequacies
18 are causing leaks as pressure, appropriate pressure
19 is brought to the system, and as I said, that will
20 be an issue that you'll hear about later in the
21 case.

22 Indian Hills will present its
23 testimony in this case and evidence to support the
24 positions as represented in its position statement
25 that was filed in the case. However, as we've

1 mentioned before, Indian Hills has reached a
2 Nonunanimous Stipulation & Agreement with the Staff
3 that represents a compromise of those positions.

4 Key points in the Nonunanimous
5 Stipulation & Agreement are as follows: There's an
6 incremental increase to Indian Hills' annual
7 revenue requirement in the amount of \$630,911,
8 which was based on a cost of debt of 14 percent, a
9 return on equity of 12 percent, and a hypothetical
10 capital struck of 35 percent equity and 65 percent
11 debt.

12 Prior to the effective date of any
13 rate change tariff sheets, the company has agreed
14 to submit a modification of loan agreement to
15 reduce the prepayment penalty term on its loan from
16 20 years to 10 years.

17 The stipulation includes a two-way
18 tracker for repair expenses related to water main
19 repair and service line repair expense with a
20 \$90,000 base amount. A rate design containing a
21 moderate seasonal commodity charge is included.

22 A requirement that an engineering
23 study be performed by Indian Hills to outline the
24 water system areas that should be scheduled for
25 main replacement based upon historical repair data

1 and current distribution line plans is included,
2 that study to be submitted with Indian Hills' next
3 annual report in April of next year. And the
4 submission of monthly usage data inclusive of water
5 loss on a quarterly basis is a requirement as well.

6 Indian Hills believes that the
7 Nonunanimous Stipulation represents a package of
8 items that Indian Hills believes would be a just
9 and reasonable resolution of this case. That's all
10 I have.

11 JUDGE JORDAN: Questions from the
12 Bench?

13 COMMISSIONER KENNEY: Just one
14 question. I'm sorry. I was reading some of the
15 material. You just mentioned the information that
16 you've agreed to in the Stipulation & Agreement.

17 MR. COOPER: Yes.

18 COMMISSIONER KENNEY: But you're
19 going to argue your points during the hearing,
20 correct?

21 MR. COOPER: We will still be
22 presenting the testimony which is based upon our
23 original positions, yes.

24 COMMISSIONER KENNEY: Thank you.

25 JUDGE JORDAN: I have nothing for

1 you. Thank you. Staff's opening statement.

2 MS. MERS: Good morning, Judge. Good
3 morning, Commissioner Kenney. If it pleases the
4 Commission?

5 As Mr. Cooper mentioned, Staff and
6 the company were able to come to a total
7 disposition of the case between Staff and the
8 company. OPC did not sign on and objected, which
9 makes this now the joint position of the Staff and
10 company.

11 I thought it might be helpful to
12 briefly walk through the small case proceeding from
13 Staff's end and then walk through the stipulation
14 reached with a recognition that how the stipulation
15 was reached and the decisions behind any changes in
16 positions are confidential and privileged
17 discussions and work product for both the company
18 and Staff, but the Staff witnesses today and myself
19 will still be happy to answer any questions about
20 the mechanics of the stipulation, its impact or why
21 Staff believed it was the best resolution for the
22 case.

23 4 CSR 350 outlines the small utility
24 rate case proceedings. As opposed to large rate
25 case proceedings, this process is more

1 collaborative with multiple attempts for settlement
2 driven resolution built into the timeline.

3 Section 6 requires Staff to conduct
4 an investigation. Section 9 requires Staff to
5 submit a preliminary report of its findings to the
6 company and OPC 90 days after the case is opened.
7 This report is 90 days in what could be an 11-month
8 process and is noted as a preliminary report when
9 it is circulated to the parties. Staff continually
10 updates its report when new information is
11 received, which is much like what happens in the
12 large cases where positions and numbers can change
13 up until true-up.

14 Staff also evaluates and incorporates
15 new information or positions suggested by the
16 company and OPC, but as Staff is the only party
17 required to conduct an investigation, Staff will
18 often not receive a party's full position on every
19 contested issue and, therefore, will not be able to
20 evaluate it as part of its decision-making process.

21 From day 90 up until the last filed
22 testimony, Staff continues to evaluate, discuss and
23 refine positions based on the information and facts
24 it receives through communication with the parties
25 and through Staff's own investigative efforts.

1 Section 10 requires Staff to present
2 a settlement package with revised tariffs to the
3 company and OPC. This occurs around day 20, and
4 you may hear this confidential settlement document
5 referred to as a day 120 report.

6 Since Section 11 requires Staff to
7 file a disposition between at least the company and
8 Staff on day 150, the 30 days between the day 120
9 offer and the day 150 partial filing consists of
10 confidential, privileged settlement activities in
11 general, such as presenting the initial offer to
12 the parties, settlement meetings, negotiated and
13 partial stip based on the information Staff has
14 received from the parties at the moment.

15 In this case, a partial disposition
16 between the company and Staff was filed, with OPC
17 opposing, which led us to the contested rate
18 proceeding and the filing of testimony.

19 As the Commission may know from the
20 order establishing the procedural schedule, there
21 was a settlement conference held on November 16th.
22 I will not discuss the details of that conference
23 or the following discussions as they are privileged
24 discussions from the company, OPC and Staff, but
25 eventually the company and Staff were able to

1 execute the nonunanimous full Stipulation &
2 Agreement that is presented for your approval
3 today.

4 As soon as this agreement was reached
5 in principle, it was communicated to OPC for their
6 review, and OPC ultimately decided to object to the
7 agreement.

8 As an overview, the stipulation
9 incorporates the partial disposition filed
10 September 1st, 2017. The incremental increase is
11 \$630,911, and the overall revenue requirement is
12 723,466.

13 I know those numbers may give people
14 some pause. The bulk of the dollars in this case
15 stem from Mr. Cox needing to expend nearly
16 \$2 million into the system. Indian Hills is a
17 50-year-old system that has had little to no
18 maintenance or repairs in the last five decades.
19 There has been substantial issues with pressure and
20 leaks, there were no meters, and multiple Missouri
21 DNR compliance issues.

22 Mr. Cox upon taking over spent
23 \$1.84 million to install new wells, generators and
24 bring the system back into DNR compliance. This
25 upgrade effort was described to the Commission in

1 the application associated with the company's asset
2 purchase case along with the estimate of the
3 investment necessary.

4 DNR compliance is an absolute
5 requirement for safe and adequate service, and no
6 party can argue that dollars spent to meet state
7 and federal regulations is improper. The bulk of
8 that money was spent to ensure the people of Indian
9 Hills had safe and adequate service, and no one in
10 this case will be able to argue that Mr. Cox and
11 the company did not need to make those improvements
12 to the system.

13 Even OPC's revenue requirement
14 proposes a \$30 customer charge increase and a \$5
15 commodity charge increase in the summer and a \$15
16 commodity charge increase in the winter.
17 Unfortunately, no matter how this case shakes out,
18 because of the artificially low rates that OPC
19 notes that have been in place under the previous
20 owners, the ratepayers in this case will be seeing
21 a larger than normal increase.

22 In light of the shape of the system,
23 a two-way tracker for repair expense has been
24 stipulated to. This measure allows the company to
25 continue repairs for safe and adequate service but

1 protects ratepayers by returning any unspent
2 portion of the base amount to ratepayers if repair
3 levels trend downward.

4 The company has also agreed to
5 perform an engineering study and use those results
6 for a replacement plan with progress reports
7 submitted to Staff and OPC. A replacement plan is
8 the best path forward to efficiently and
9 effectively increase quality of service, prevent
10 leaks and minimize repair expense going forward,
11 and that is done in a manner that is organized,
12 targeted, and minimizes destruction to the
13 community.

14 A moderate seasonal rate has also
15 been agreed to, along with monthly usage data
16 reports submitted to OPC and Staff. Curt Gateley
17 is the Staff witness who designed this proposal and
18 can answer questions on the mechanics of it and the
19 impacts it may have on the residents both full-time
20 and part-time.

21 Now for the really hotly contested
22 items in this case. The ROE is 12 percent. The
23 last litigated small water case, Hillcrest, which
24 is also a CSWR company, had an ordered ROE of
25 13 percent. Staff would like the Commission to

1 keep in mind that ROE is supposed to capture the
2 return a hypothetical investor would need to invest
3 in one investment over another.

4 Generally, the riskier the
5 investment, the higher the ROE needs to be to
6 entice capital sources. For example, Missouri
7 American, a large water system that is part of a
8 nationwide large water company, that is one of the
9 largest in the nation, is requesting a 10.8 ROE in
10 its pending rate case. Missouri American has
11 nearly half a million customers in Missouri.
12 Indian Hills has 715.

13 Cost of debt is 14 percent. This is
14 the actual cost of debt for the company and the one
15 that we know that they can attract the nearly
16 \$2 million of capital that they needed to invest in
17 the system. Honestly, no one likes the 14 percent,
18 but that's the number that we have credibly. And
19 the company has agreed to submit a modification of
20 their loan agreement to reduce the penalty term
21 from 20 years to 10 years. This is an agreement
22 the company made in a rate case where the
23 prepayment penalty terms were not otherwise subject
24 to modification, and Staff is very heartened by
25 that step.

1 Many of Staff's positions in the
2 stipulated EMS run are the same, and you can speak
3 to the appropriate Staff witness on those issues
4 for any questions. As it relates to the
5 stipulation, Curt Gateley can walk you through the
6 seasonal rate design. Natelle Dietrich is
7 available for questions about the policy regarding
8 cost of capital. And Kim Bolin, who is the late
9 add to the witness list, can answer questions
10 regarding both the stipulated EMS run and the
11 mechanics of how the tracker for repair expense
12 will work.

13 Thank you. And if you have any
14 questions, I'm happy to answer them.

15 COMMISSIONER KENNEY: Yeah. I just
16 have a short question or two. I notice in the
17 partial stip there were several issues that were
18 not decided in the stipulation. What was the
19 agreement on issues like payroll, auditing, tax
20 prep? And I know the Chairman would love to know
21 about rate case expense.

22 MS. MERS: Sure. Those issues have
23 been agreed to in the Staff EMS run, so they're
24 basically the accepted portion of this position
25 Staff has put on during the rate case. I think the

1 modifications really came from the ROE and the
2 rate -- repair expense.

3 COMMISSIONER KENNEY: So what's
4 the -- what's the answer to what I'm asking then?

5 MS. MERS: Sure. Let me grab the EMS
6 run and give you the numbers.

7 COMMISSIONER KENNEY: The numbers
8 are -- I don't see them in the stip.

9 MS. MERS: Yes. If you look at
10 Attachment A and B.

11 COMMISSIONER KENNEY: Let me see if I
12 can find that on my iPad.

13 MS. MERS: Sure. Those EMS runs are
14 always kind of hard to read, too.

15 COMMISSIONER KENNEY: I think the
16 problem is I might not have the attachment right
17 here, which is fine.

18 MS. MERS: Sure. So if you look
19 at --

20 COMMISSIONER KENNEY: Oh, wait. I think I
21 see it now. Okay. It's here. That's all I need
22 to know. Thank you.

23 JUDGE JORDAN: I have just one
24 question and it's clarification, partly for our
25 viewers at home as we stream online, and you

1 mentioned a two-way tracker. What do you
2 anticipate the evidence will show as to what a
3 tracker is and in particular a two-way tracker?

4 MS. MERS: Tracker is a deferral
5 mechanism that allows the company to record the
6 costs. There's a base amount set in rates. It's
7 around \$90,000 in this case. Anything over the
8 company's allowed to defer on their books and to
9 argue for recovery in the next rate case, and
10 anything that is under is captured on their books
11 to be returned, usually in the form of an
12 amortization or a mechanism that counts against
13 their expenses on the books to lower the cost of
14 service for the ratepayers.

15 So it's a mechanism that kind of
16 monitors the expense levels of an issue, and for
17 this one it's the repair expense. So the base
18 level is set at 90. Anything over we'd look at in
19 the future rate case to see if it needs to be
20 included or to set the base level higher, and then
21 anything under would be returned to customers.

22 JUDGE JORDAN: Okay. The over and
23 under, that's why you call it a two-way tracker; is
24 that correct?

25 MS. MERS: Yes, as opposed to a

1 one-way tracker which would just capture one type
2 of cost. Usually it's proposed that it cost -- it
3 captures the decreases in cost to return to the
4 customers. We felt in this situation that a
5 two-way tracker was more appropriate because of the
6 ongoing need for repair in a system that's 50 years
7 old.

8 JUDGE JORDAN: Does that constitute a
9 departure from the uniform standards of accounting
10 for water utilities?

11 MS. MERS: I don't believe so.

12 JUDGE JORDAN: Okay. That's all I
13 have for you.

14 MS. MERS: Thank you.

15 JUDGE JORDAN: An opening statement
16 from the Office of Public Counsel.

17 MR. SMITH: Good morning, Judge.
18 Good morning, Commissioner.

19 JUDGE JORDAN: Good morning.

20 MR. SMITH: May it please the
21 Commission?

22 JUDGE JORDAN: Go ahead.

23 MR. SMITH: I have some prepared
24 remarks, but before I get to those, I wanted to
25 respond to a few things I just heard. I heard a

1 lot of Staff's opening statement about
2 confidentiality. I heard settlement privilege. I
3 heard compromise. To me, that doesn't sound like
4 factual basis, which is what has to be decided in
5 this case.

6 I think Mr. Cooper, I think he said
7 50 homes or more requires a second well. I think
8 the number is 500 homes or more, so just a matter
9 of correction.

10 I also thought I heard Nicole or
11 Ms. Mers, excuse me, say that if levels trend
12 downwards, then a two-way tracker would protect
13 ratepayers. But if you look at Mr. Phil Macias'
14 testimony, you'll see that the trend is actually
15 upwards. So this two-way tracker isn't going to
16 protect anyone but the company, at least in the
17 short term.

18 I noticed also in Ms. Mers' opening
19 she talked about ROE and about how no one likes the
20 14 percent, and I think we agree on that part about
21 no one likes the 14 percent. But I also notice
22 some selective cases when comparing the ROE she
23 just compared it to the last Hillcrest rate case.
24 What about all the other small utilities that
25 operate in the state of Missouri? Those were

1 actually left out.

2 And Mr. Greg Meyer actually presented
3 some testimony on what the cost of debt is for
4 other small utilities in the state of Missouri, and
5 that average is around 5 to 6 percent, which
6 represents maybe an 800 or 9-- well, let's see
7 here. I guess it's either 8 or 900 basis point
8 departure. I'm sorry. That was for the cost of
9 debt. But for the ROE, that would be a different
10 matter.

11 A few other things I heard. Staff
12 said that this will be presented for your approval,
13 referring to the stipulation. I thought I heard
14 presented for your approval. Hopefully I just
15 heard presented for your review. I think
16 Mr. Cooper said that this represents a just
17 package.

18 Those sorts of things are concerning
19 to me. There's a case in 1982 called State ex rel
20 Fischer versus Public Service Commission, cite
21 645 SW 2d 39, which, and I'm paraphrasing, says
22 that you can't turn an evidentiary hearing into a
23 settlement hearing. In other words, the Commission
24 has to decide actually on the record, and there
25 have to be findings on each of the issues. So I

1 think, if I heard those parties correctly, I hope
2 they're not suggesting a departure from that legal
3 standard.

4 As to my prepared remarks, this as a
5 case about affordable water. The provider of the
6 water in this community is Mr. Cox, who owns the
7 company Indian Hills Utility Operating Company.
8 Indian Hills provides water service to residents
9 outside Cuba, Missouri. The company's staffed with
10 six employees. They have a large variety of
11 independent contractors.

12 The website shows that there are
13 challenges in these rural communities because the
14 size of the customer base is hard to spread costs
15 around to. On the website of Indian Hills -- or I
16 should say the parent of Indian Hills -- and I
17 think this is too small for you to read, and
18 actually I've got presentations of this slide show
19 that I had forgotten to hand out. Curtis, would
20 you mind? Would that be okay if he handed that
21 out? I think this is too small for you to read
22 that. Can you read that, Commissioner?

23 COMMISSIONER KENNEY: No.

24 JUDGE JORDAN: Is this marked as an
25 exhibit?

1 MR. SMITH: It is not. I do not plan
2 to introduce it into evidence. That's a little
3 better probably for your eyes but not that much. I
4 did the best I could. I'll read to you the
5 representations, which are that the company holds
6 itself out as having access to financial resources.
7 They're able to construct affordable facilities.
8 They can close compliance gaps at rates for
9 communities that they can afford.

10 Their approach, according to
11 themselves, is that they have expertise and
12 financial resources to facilitate cost-effective
13 solutions for communities like this one. They
14 claim affordability is important because the future
15 of entire communities is tied to water and
16 wastewater facilities.

17 These representations, however
18 genuine they were when they were written, stand in
19 contrast to history, and they stand in contrast to
20 present day. The media has reported on the rate
21 spike or the rate hike occurring with the other
22 affiliates of the parent of this company. Here are
23 a few exemplars. You can see one senator in the
24 headline, Wallingford, actually tried to propose
25 legislation to prevent these types of steep rate

1 hikes. Other articles are about the rate shock.

2 This case represents more of a spike
3 than previous affiliate cases. In Hillcrest I
4 believe it was around 400 percent as was proposed.
5 The prior owner in this case, it is true, had not
6 made necessary repairs, and the prior owners had
7 rates that were artificially low for many years.
8 If there is a silver lining to this story, it is
9 the repairs have been made and ratepayers did enjoy
10 low rates leading up to the filing of this rate
11 case.

12 However, as you'll see on this slide,
13 OPC's numbers are very different than the Staff's
14 and the company's numbers. OPC's numbers actually
15 started off very closely to Staff's preliminary
16 audit at day 90. As time progressed, Staff settled
17 and they became more in line with the company.
18 They jumped to 564.16 percent, and then the final
19 settlement, which happened on Wednesday,
20 Nonunanimous Stipulation & Agreement is a
21 648.48 percent increase. And if you look at the
22 company's initial request, I'd say it's a fair
23 characterization that Staff has met them more than
24 halfway on this.

25 But what's most important here is

1 that the Commission just needs to focus on what
2 rates are just and reasonable. The case from 1937
3 called State ex rel, and I'm going to mispronounce
4 this, I think it's Pitcairn versus Public Service
5 Commission, cite 111 SW 2d 982, it's from 1937, and
6 it said about public utility regulation this: The
7 primary purpose of regulation of utilities is the
8 ultimate good of the public and that protection
9 afforded to utilities is merely incidental to the
10 attainment of that objective.

11 This case involves two Unanimous
12 Stipulation & Agreements. So there's the other
13 legal standard that you need to be aware of, which
14 is the case I cited earlier, State ex rel Fischer
15 versus Public Service Commission. When considering
16 the promises made by the utility in their website,
17 consider the headlines in the media, and we can
18 consider that, but OPC really would prefer to hear
19 from the horse's mouth, which are the customers.
20 That's who we represent.

21 This was interesting to me, and I
22 thought there was an error so I checked it a few
23 times, but there were 225 public comments in this
24 case. There 715 water customers. In Missouri-
25 American Water's last rate case, WR-2015-0301,

1 there were 219 public comments with 460,000 water
2 customers.

3 And I thought, well, maybe I'm not
4 capturing something. So I went to the sewer rate
5 case because they consolidated their sewer/water
6 rate case with their water rate case and there were
7 ten sewer/water customer comments. So these
8 numbers speak to the outrage and the emotion and to
9 the genuine need for a voice.

10 Who are the customers in this case?
11 Crawford County, we were able to find some 2010
12 census data, and it's not perfect. It's general in
13 that it represents county statistics. Shows
14 household income of 48,500, median household income
15 of 36,700.

16 But I kind of like this description
17 from Mr. Kents, a ratepayer: It's a retirement
18 community and a weekend retreat, 730 homes,
19 350 full-timers, 380 weekenders. Now, we've
20 assumed for rate design that there's 715 customers.
21 He goes on to describe the majority are retirees.
22 They're living on fixed income. Can't afford stiff
23 increase. He has some words for the increase,
24 calling it insane. He says he's going to have to
25 sell his home or that it might be abandoned. Not a

1 good situation.

2 Who are the other customers?

3 Families, young families who can't afford it,
4 veterans, people on fixed income like Mr. Seden,
5 people who are retired, and there are lots of
6 retirees. You can see that in the public comments.
7 This person says they'll choose between medicine or
8 food if this is granted.

9 Another person says that it's going
10 to be a financial burden on the retirees, and they
11 speak to the fact that there are a lot of retirees
12 in the community. A number of people said they're
13 just going to either sell their home or maybe they
14 won't be able to sell their home and they'll just
15 leave it as is. Here's another one. We would not
16 be able to stay living here at the lake. I cannot
17 afford this exorbitant water bill.

18 There are also weekenders, who are a
19 little better off. That portion of the community,
20 however, also dislikes the increase, as you might
21 imagine. No one likes an increase. And I noticed
22 in the comments, though, they're concerned and they
23 do recognize the retirees and they also -- one
24 person said, I'm just going to turn my water off
25 during the winter and the fall.

1 And I thought, well, maybe under
2 Staff's and the company's stipulation agreement
3 that seems to me like that's -- that's what would
4 happen with a lot of those weekender customers,
5 which then creates more rate cases and more rate
6 case expense and not the best situation.

7 Missouri politicians are also
8 concerned. They entered public comments. Senator
9 Dan Brown and Senator Wayne Wallingford said they
10 think that this is becoming very prevalent in
11 Missouri.

12 And these customers are actually
13 smart. They noticed a few things that I hadn't
14 known. The meters, and I'd like to maybe obtain a
15 little more information in cross about this. One
16 person says that they actually didn't install his
17 meter pits and he would be able to testify, and
18 some other people didn't get their meter pits
19 installed. Another person said it tastes like pure
20 chemicals. That's just their opinion, but it is
21 there on the record.

22 Also, a number of other people
23 commented on road damage. There's a lot of road
24 damage because there are a lot of repairs. In both
25 the company's and Staff's opening statement they

1 described this necessary DNR standard. You have to
2 get those DNR standards. What was surprising,
3 though, is that there had never been a repair or
4 replacement plan. Actually, that's only coming
5 now. It's only coming now as a part of this
6 offered stipulation.

7 And so this company increased the PSI
8 for the purported reason of meeting a DNR standard
9 and then they had to -- they're like a trauma
10 center triaging different leak repairs because the
11 old antiquated pipes couldn't handle the increased
12 pressure. And it doesn't appear at least in the
13 stipulation or from the evidence that I saw that
14 there was a plan in place to think about the
15 consequences before actions were made.

16 And this is a recurring issue. I'll
17 turn now to the risk of self-dealing. It was
18 present in Hillcrest. It was present in Raccoon
19 Creek. It's present again. There in those red
20 boxes, I've tried to chart this out because
21 visually I'm a visual person and I think this is
22 helpful for me.

23 The way the company's structure works
24 is that the Glarners are equity owners of this
25 company called GWSD, and that company has a

1 membership interest in First Round. First Round is
2 a parent of Indian Hills. So you have some, if you
3 go up the ladder, who has an ownership stake in the
4 company, but you also have a totally separate
5 entity called Fresh Start Venture. Now, that
6 company also has ownership interest by the same
7 people. So there's interlocking ownership, and
8 whenever you have that, there is a risk of
9 self-dealing.

10 In this case it resulted in a
11 14 percent interest rate, and the utility could not
12 refinance itself. Well, they could but they would
13 have to prepay the entire amount of the penalty,
14 and that's got to be considered. Some people will
15 be living with that prepayment penalty as retirees
16 literally until they're dead.

17 I do -- Ms. Mers said she was
18 heartened by I guess the affiliate's decision to
19 reduce the prepayment to ten years or modify. If
20 that truly is what's happening, I think that's a
21 step forward, but it's still a ten-year prepayment,
22 and for retirees, likely some of them will die with
23 14 percent rates. And 10 years for a 20-year note
24 is a pretty long time to prevent refinancing.

25 There are also some other affiliate

1 relations. This company happens to bank with
2 American Bank and Enterprise Bank. Those are --
3 they both have relations with the Glarner family.
4 The company has a corporate office, and the
5 landlord is also the Glarners. So I think it's
6 fair to say there is someone who's benefiting from
7 this.

8 I guess before I move much further, I
9 just want to say, for all these issues, I think we
10 have a tendency here, we can become sort of
11 surgical or clinical about how we -- we get into
12 accounting terminology. And as I go through these,
13 just keep in mind each of these decisions has a
14 face to it, and that's really important to OPC.

15 On the payroll, it's a little
16 unclear, I think, from the company's position and
17 Staff's position and their stipulation, but I am
18 doing the best I can. I'm trying to interpret that
19 and also simultaneously interpret their filed
20 testimony for which I've been preparing this case
21 for several months.

22 Basically, the company can call
23 itself whatever it wants when it comes down to the
24 positions it treats itself, but in OPC/PSC
25 regulatory world we use MERIC. MERIC is a

1 benchmark and it allows boxes, and you can put
2 boxes and you can argue that certain people fit in
3 boxes and have different experience levels within
4 those boxes. As you might imagine, the most
5 expensive level of experience is an experience
6 category. There's also a mean category and an
7 entry level category.

8 In the testimony OPC and Staff are
9 aligned. We believe that a mean level is
10 appropriate. The company choose the higher cost
11 item and argued that they were -- that they should
12 fit in the experience category.

13 Mr. Cox is -- he styles himself as a
14 president. I'm not sure if there's a president
15 classification or not in MERIC. I know there's a
16 chief executive officer categorization.

17 So the reason that OPC opposes this
18 is we want to treat all small utilities fairly and
19 non-discriminatorily. Treating the top level
20 employee as a CEO in MERIC represents an outlier
21 and possibly a discriminatory practice. However,
22 OPC has chosen the normal practice, which is to
23 label the top level employee as a general
24 operations manager.

25 OPC and Staff are aligned on the

1 allocation factor. Both of us looked at the actual
2 hours. The company instead, what they did is they
3 looked at the total customer count. And in
4 Mr. Macias' testimony he says that customer count
5 is more accurate for allocating, and that seemed to
6 me a little strange because I would think customer
7 count would be a proxy for actual hours. So if you
8 have the actual hours, use the actual hours.
9 That's what Staff and OPC have done. That's what
10 we would recommend the Commission do.

11 Auditing and tax preparation fees
12 will be an issue in this case. There was no update
13 in this case. Some cases there are updates. Other
14 cases there are not updates. OPC tried to get
15 clarification from the parties on whether or not an
16 updated was going to -- an update was going to be
17 done. Initially we were open to having an update
18 occur, but no one could agree on it, and so the
19 case moved forward and no update, to my knowledge,
20 was done.

21 Consequently, we have some tax
22 preparation fees and some auditing expense fees
23 that occurred outside of the test year, violating
24 the matching principle, and so OPC would suggest
25 denying those items that are outside of the test

1 year.

2 I would make a modification to this.
3 OPC's position isn't exactly the same as Staff on
4 the top two items. The tax prep for the parent and
5 the auditing prep for the parent is a little bit
6 different, but it's pretty close. I couldn't tell
7 you exactly how close. Keri might be able to,
8 Ms. Keri Roth. But it is pretty close at least
9 with respect to what was filed in the testimony.

10 Another question with regards to the
11 audited financial statement of a subsidiary is why
12 do you need one? I understand there are benefits
13 of having one, but there are also substantial known
14 costs to having one. It's not a PSC requirement as
15 far as I know with the annual report. I don't know
16 that they have any SEC reporting obligations, but
17 I'm not thinking that Indian Hills subsidiary does,
18 but maybe the company can justify that.

19 Management consulting fee. The
20 management consulting fee relates to Mrs. Stanley.
21 She was the prior owner, and right around the time
22 of the case, the acquisition case, she got a
23 contract, and there was a -- as I understand it,
24 you get a three-year guarantee and then there's a
25 club option or a company option. So for the

1 remaining seven years of the deal the company gets
2 to choose at, as I understand it, its discretion
3 whether or not to keep the -- keep her or not.

4 The fee is a flat fee. Time is not
5 measured. There's no time logs. And like I said,
6 three years guaranteed. So there's really no way
7 to substantiate whether \$6,000 is a bargain for
8 customers or a detriment to customers. So that
9 raises some serious doubts that OPC thinks the
10 company should meet their burden on.

11 Also, there's another issue with this
12 management consulting fee, which is that most of
13 the help she's doing is to help locate leak
14 repairs. Well, we found out that she actually --
15 most of her records are mental records. So she's
16 relying on her memory, I guess. And so we're not
17 sure how good of a deal the ratepayers are getting
18 on that contract. Staff and the company think it's
19 fine. OPC raises some issues.

20 I bring this slide back up because
21 there's a subtopic here. We're going to bank fees.
22 Sure, you have that risk of self-dealing, but
23 there's a bigger question at work here. This
24 company is paying an outside service to do lockbox
25 and imaging services. It's not something that I've

1 seen while working at OPC with other small
2 utilities. And the company also has three
3 accountants, and they have contracted for a billing
4 service. They've contracted for a debt collection
5 service.

6 And so OPC and actually Staff agree
7 that maybe what should happen is the company should
8 consider doing this in-house. The difference,
9 though, OPC thinks that sort of evidence needs to
10 be presented in the record in this case. Staff, at
11 least through their filed testimony, has taken the
12 position that that cost/benefit evidence can come
13 in at a later date, maybe when there's a future
14 affiliate in a future year, but not in this case.
15 OPC thinks the company needs to meet its burden on
16 this.

17 Rate case expense. That's a big one.
18 So the company -- this is also new. I haven't seen
19 this at Ameren. I haven't seen this at Spire local
20 public hearings. They created this before and
21 after video. It's well done. It's sort of a short
22 documentary about before and after and what
23 happened before and what happened after. There's a
24 narrator. There's music. There's a musical
25 composition. I'm not sure if it's original or not.

1 But OPC just thinks that's great, but
2 that's not helping with safe and reliable service,
3 and that needs to be denied. I couldn't really
4 tell from the company what they wanted to do with
5 this, but it seemed like they wanted to include it
6 and normalize it over three years. So that's what
7 I have there. But from OPC's and Staff's position,
8 that absolutely needs to go away.

9 Expert witnesses, it seems that Staff
10 and OPC are relatively aligned here. We both think
11 that the amount that the experts in this case are
12 getting paid are way too much. We can't tell you
13 how much because the company has designated that
14 amount as confidential. And so I didn't challenge
15 that, but --

16 COMMISSIONER KENNEY: Mr. Cooper, why
17 is it confidential?

18 MR. COOPER: The hourly rate,
19 Commissioner?

20 COMMISSIONER KENNEY: I think we've
21 talked about this in the past.

22 MR. COOPER: I think we have, and I
23 think --

24 COMMISSIONER KENNEY: I think it
25 needs to be -- probably needs to be disclosed.

1 MR. COOPER: Well, I think the rule
2 now says that the total amounts charged certainly
3 are public, but I think it remains -- it provides
4 the ability to keep the individual hourly rates
5 because those are negotiated rates.

6 COMMISSIONER KENNEY: I'll just tell
7 you, I know the Chairman, he hates this stuff,
8 and -- but why don't you -- I'd like to before this
9 is over have a reason why you cannot disclose.

10 MR. COOPER: Sure.

11 MR. SMITH: Commissioner, I would
12 also note, OPC has hired experts, and we would --
13 we would extend the favor. If they open up their
14 books, we'll open up ours. Our interest is
15 transparency.

16 COMMISSIONER KENNEY: When I came on
17 this Commission, Robert Kenney, my little brother,
18 would always ask each witness, how much are you
19 getting paid, what are you getting paid, how much
20 are they paying you, what's your total bill,
21 because it's just -- because I think they should be
22 disclosed, and that was the methodology. We
23 will --

24 MR. COOPER: We certainly will take a
25 look at that, Commissioner. I would say, though,

1 that Mr. Smith's offer is a little -- not quite
2 what it seems in that he works for a state agency,
3 and I think some sunshine laws probably apply to
4 his documents that don't necessarily apply to mine.

5 COMMISSIONER KENNEY: Thank you,
6 Mr. Cooper. Sorry for interrupting.

7 MR. SMITH: On the matter of expert
8 witnesses, Staff and OPC take a little bit of a
9 different approach. OPC takes a proxy and we say
10 here we look at the market. We actually looked at
11 other big rate case expenses. Ms. Roth would be a
12 good witness for that. And we looked at what we
13 thought would be a reasonable fee for an expert.

14 Staff took a different approach,
15 which isn't a bad approach. It's a 50/50 split. I
16 think they come out pretty close to each other, but
17 I don't know the exact math, but I think the
18 experts might be able to tell you if you were to
19 ask them.

20 Attorney fees, notice to customers,
21 those are things that should be recovered, but we
22 want to spread it out. I believe the Staff wants
23 to spread it out over five years. I'm not sure
24 with the stipulation how that will work. OPC
25 originally had three years. So actually the Staff

1 was more generous to ratepayers in that respect.

2 So we appreciate that.

3 Treatment of leak repair, we
4 discussed this earlier. This is this idea that
5 there have been triaging of leaks. There's so many
6 leaks on this system, and what do you do when you
7 have a situation where there are lots of leaks?
8 Well, there are different positions, as you might
9 imagine, and the company took a different position
10 and Staff took a different position with this
11 two-way tracker that wasn't in play.

12 OPC does not recommend that you
13 approve a two-way tracker. That's going to benefit
14 the company. Mr. Macias' testimony shows there's
15 an upward trend in repair, so that's just going to
16 allow -- the other problem with this is it really
17 hasn't been explained. I don't know if there's
18 going to be a notice that's going to be sent out to
19 customers related -- related to the tracker. All
20 of this is sort of happening live during the
21 testimony, which I think is just terrible. I think
22 it's not the way it should happen.

23 Putting aside the stipulation for a
24 minute, if you look at the actual testimony, Staff
25 essentially, they didn't use the word regulatory

1 asset, but I think that's what they're trying to
2 do. They said to amortize, they had like a
3 grouping of expenses, amortized it three years, get
4 a return of and on it. Not a bad way to go
5 actually.

6 OPC said, you know, we also want to
7 spread these out, but we're just going to put them
8 in the NARUC account for mains and lines. Now, in
9 full disclosure, that's a very long life. That's a
10 50 year useful life. Part of the reason that OPC
11 did that is because from the beginning, and the
12 evidence will show in this case, the company didn't
13 keep very good records. There are cases where
14 repairs should have been actually accounted for as
15 a replacement or a replacement should have been
16 accounted for as a repair, and I think the company
17 will admit that at the beginning the records
18 weren't good.

19 So as a conservative effort to
20 protect the ratepayers from this bad recordkeeping
21 and triaging of this unusual situation, OPC has
22 recommended that capitalization. Mr. John Robinett
23 will be the OPC witness if you have any questions
24 about why he chose to do that.

25 One thing that's nice about this

1 stipulation, I should say, it was present in the
2 last stipulation and we did not object to it, is
3 that there will be a replacement and repair plan
4 going forward. That absolutely needs to happen.
5 And it's confusing. In the first stipulation it
6 says this is all -- there's going to be a five-year
7 replacement plan, but in the new stipulation it
8 doesn't specifically say five, but they have other
9 language.

10 And so I don't know if it conflicts,
11 but I don't think it does because they're also
12 incorporating the first stipulation from the last
13 stipulation. So perhaps more clarity from the
14 company and Staff as to the negotiation that they
15 entered into would be illuminating.

16 I know I've been going long. I'm
17 almost to the end. Extension of electric service
18 line, capitalize or amortize this. It's very
19 simple. OPC did the research. We reached out to
20 Crawford Electric Company. We got an affidavit.
21 Crawford Electric Coop said, we own that. The
22 company didn't know whether they owned it based on
23 the data requests. So we said, you can't treat
24 that as a company asset. That needs to be at best
25 amortized. So that's what OPC did. That's what we

1 recommend that you find. I should say Staff went
2 with the company as to that position in their
3 testimony.

4 On rate design, OPC has always
5 maintained a consistent position. However, the
6 company and Staff have maintained multiple
7 positions. At first the company wanted a \$84.21
8 fixed charge for 4,000 gallons. They were going to
9 charge \$14.72 per 1,000 gallons. That changed, but
10 it wasn't really changed with specificity, and then
11 it changed again in the stipulation.

12 Staff started out as a \$52.04 fixed
13 \$7.87 variable. Now that's changed. OPC is happy
14 to see that Staff and the company have come closer
15 to OPC in the seasonal and non-seasonal usage. But
16 a set fee of \$60, if you go back to the beginning
17 of my statement and you remember that weekender who
18 said, I'm going to shut off my rates if you're
19 charging me a high fee. I don't think there's
20 really, that I could see in the stipulation,
21 anything that kind of addresses that, and that
22 seems to be a worry there with me with having such
23 a high fixed charge. So OPC recommends a lower
24 charge, fixed charge, and a lower variable charge.

25 Keep in mind, these numbers are

1 created on each party's different revenue
2 requirement. So if I were to plug in my revenue
3 requirement, you get a proportional difference from
4 Staff and the company's proposal, just to clarify
5 that.

6 Rate design, more on this. We all
7 support monitoring the usage. This company just
8 put in meters, and we don't really have a lot of
9 usage data. So any rate design needs to be subject
10 to close examination. The company could very
11 easily overearn, could very easily under-earn. So
12 that needs to be monitored. We support quarterly
13 usage data reports as explained in the stipulation.

14 Risk of self-dealing again, why do I
15 have that up? Because we're here to talk about
16 cost of capital, the big issue in the case. OPC
17 equity, 9.34. That is the same as Staff and their
18 testimony. They jumped on their stipulation, and I
19 guess we'll wait to see what factual basis they
20 have to support that. I didn't hear any in the
21 opening statement, but we'll wait to see.

22 For the cost of debt, OPC has
23 6.75 percent as represented by Mr. Michael Gorman.
24 He'll be available on Thursday, not Tuesday but
25 Thursday for questions.

1 Mr. Meyer, Mr. Greg Meyer has
2 explored the cost of debt also, but rather than --
3 one thing he did do is he looked at all the small
4 utilities. He found 5 to 6 percent is roughly the
5 average here in Missouri. But he also looked at it
6 from a different perspective. Mr. Meyer will be
7 available to discuss things like when this company
8 actually looked for financing, what were they
9 doing? You know, were they offering a guarantee,
10 were they offering a personal guarantee? Did that
11 happen?

12 Did in this case the company start,
13 did they have a new company for each financing
14 deal? Is that something that maybe should be
15 considered? Whether, you know, there was adequacy
16 of capitalization or cash in the subsidiary at the
17 time that the company was applying for a loan.
18 That's an important thing if you've tried to get a
19 loan, they want to make sure that you're not
20 over-leveraged. So leverage is a big deal. This
21 company is very highly leveraged with debt.

22 Mr. Meyer also looked at the number
23 of applications to lenders. He looked at the
24 structure of the affiliates. He actually looked
25 through bank records to figure out what the cash

1 flows were and actually came to some other
2 realizations about the company that I think are
3 worth your attention if you were to read his
4 testimony.

5 And he's also available to talk about
6 the bond offering plan. This is the way in which
7 the company says it's going to seek to lower the
8 cost of debt. But this bond offering plan can't
9 happen unless the company makes a prepayment. That
10 prepayment penalty doesn't go away unless the
11 subsidiary goes to its lender and gets another
12 modification.

13 So as far as I can see, this bond
14 offering plan doesn't contemplate that sort of loan
15 modification, so I'm not sure how that's a prudent
16 plan.

17 And this is last slide. It's on
18 capital structure. I thought this was pretty good.
19 This is Staff's good work. This is Mr. Barnes.
20 What he did is he looked at our capital structure,
21 what we're proposing, and he also looked at what
22 Staff is proposing in the capital structure. And
23 then he said, what would the impact on rates be for
24 14 percent cost of debt versus 6.75 cost of debt?

25 I thought it was pretty telling. I

1 mean, it could at least under Staff's rate design
2 have as much as a \$11 impact. I mean, this isn't
3 like a small amount for someone who's a senior on a
4 fixed income that's a lot of money.

5 So thank you for listening to my long
6 opening. I would ask that you look back at those
7 representations on the company's website, make them
8 come true. Give the utility customers a more
9 affordable option than when the Staff and the
10 company -- than the option the Staff and the
11 company have presented. That power is in your
12 hands. Thank you.

13 COMMISSIONER KENNEY: Mr. Smith?

14 MR. SMITH: Yes.

15 COMMISSIONER KENNEY: Thank you for
16 your handout, by the way. It's easier to follow.
17 How long have you been with OPC?

18 MR. SMITH: A little under one year.

19 COMMISSIONER KENNEY: I'm not sure.
20 I wish somebody would do a study. What's the --
21 who turns over faster, young attorneys with OPC,
22 Staff or Commissioners?

23 A. I don't know. We're in high demand.

24 Q. **Because we come and go pretty quick,**
25 **too. But, you know, I appreciate your**

1 presentation. This is the -- I've been here five
2 years now. This is -- far and away, these are the
3 toughest cases we have. They all start off the
4 same way. No one -- they're just old systems. No
5 one repairs anything. So people are being served
6 when they should have had increases all along the
7 way.

8 I don't know going forward if it's
9 mandatory rate cases for all these small sewer and
10 waters, they have to come in every five years or
11 something. We need to do something.

12 MR. SMITH: I think there's some
13 things legislatively that could definitely address
14 some of what you're talking about.

15 COMMISSIONER KENNEY: You know, one
16 of the things, the last Missouri American Water
17 case, I'm just curious. I can't remember what
18 OPC's position. It went from I think seven rates
19 to three rates, and I don't think OPC supported
20 that. And for me, you know, if you want to
21 accomplish this maybe, a company like Missouri-
22 American Water if they had a single rate, they
23 could go into these small areas and probably --
24 because they wouldn't have the rate shock.

25 MR. SMITH: That is absolutely true.

1 COMMISSIONER KENNEY: I don't
2 think -- I don't believe OPC has supported that in
3 the past, and I doubt if you would know because you
4 weren't around for the last rate case.

5 MR. SMITH: I don't know if there's a
6 true comparable. From what -- I have seen a few
7 acquisition cases, and from what I've seen, the
8 pattern of Missouri-American, and I've only seen
9 two or three of these, but they tend to go for more
10 growing communities that have kind of
11 infrastructure in place, sometimes more affluent
12 communities.

13 COMMISSIONER KENNEY: They have made
14 exceptions within recent years.

15 MR. SMITH: They have.

16 COMMISSIONER KENNEY: They've gone
17 into troubled areas and been able to restore that
18 because it's just difficult, as we see now, every
19 time Mr. Cox has been here, we're dealing with a
20 14 percent interest rate.

21 MR. SMITH: Yeah. No. There's no
22 doubt about it, it's a -- it's a difficult
23 position.

24 COMMISSIONER KENNEY: Okay. Thank
25 you very much.

1 JUDGE JORDAN: Just a couple of
2 things. First I want to clarify for the record,
3 the handout you passed around that consists of the
4 slides for your PowerPoint presentation, follows
5 your opening statement; is that correct?

6 MR. SMITH: That is correct.

7 JUDGE JORDAN: And that's not going
8 into evidence?

9 MR. SMITH: I don't think it would be
10 proper.

11 JUDGE JORDAN: I agree. Just want to
12 clarify that for the record.

13 Number two, I just want to clarify a
14 fundamental matter with regard to billing
15 determinants and what you anticipate the evidence
16 will show. The Nonunanimous Stipulation &
17 Agreement, at page 5, paragraph 3, describes the
18 billing determinants as 715 customers and expected
19 water sales of 25,740,000 gallons? Is that OPC --
20 is OPC's evidence going to be the same?

21 MR. SMITH: Yes. OPC will have the
22 same evidence on customer count and usage, with the
23 one caveat that I think all parties recognize that
24 that usage number that you have is not really
25 supported by a lot of usage data because the meters

1 haven't been in place for a long enough time to
2 have that usage data tracked.

3 So as we go forward in time, I
4 understand that there will be quarterly reports to
5 track that usage data, if that makes sense. But
6 yes, those billing determinants will be the same.

7 JUDGE JORDAN: Thank you. That's all
8 I have. Thank you, counselor.

9 Well, we can start our first witness,
10 then, which is Staff's witness on policy, Natelle
11 Dietrich.

12 MS. MERS: Staff calls Natelle
13 Dietrich to the stand.

14 (Witness sworn.)

15 JUDGE JORDAN: Thank you.

16 NATELLE DIETRICH testified as follows:

17 DIRECT EXAMINATION BY MR. THOMPSON:

18 **Q. State your name, please.**

19 A. Natelle Dietrich.

20 **Q. Would you spell your last name for
21 the reporter, please.**

22 A. D-i-e-t-r-i-c-h, and Natelle is
23 N-a-t-e-l-l-e.

24 **Q. Thank you. How are you employed?**

25 A. I'm employed as a Commission Staff

1 Director for the Public Service Commission.

2 Q. And did you prepare or cause to be
3 prepared direct testimony that's been marked as
4 Staff Exhibit 100?

5 A. Yes, I did.

6 Q. Do you have any corrections to that
7 testimony?

8 A. No, I do not.

9 Q. If I were to ask you the same
10 questions at this time, would your answers be the
11 same?

12 A. My answers would be the same as far
13 as the questions are asked and the testimony as of
14 the time the testimony was prepared. I would add
15 that in the meantime Staff and the company have
16 reached a Nonunanimous Stipulation & Agreement. So
17 to the extent that my testimony would be updated to
18 incorporate the Nonunanimous Stipulation &
19 Agreement, I would make that change.

20 Q. Okay. And with that change in mind,
21 is your testimony true and correct to the best of
22 your knowledge and belief?

23 A. Yes, it is.

24 MR. THOMPSON: At this time I would
25 submit Staff Exhibit 100.

1 JUDGE JORDAN: Any objections?

2 MR. SMITH: No objection.

3 MR. COOPER: No objection.

4 JUDGE JORDAN: Hearing no objections,
5 that exhibit is entered into the record.

6 (STAFF EXHIBIT 100 WAS RECEIVED INTO
7 EVIDENCE.)

8 MR. THOMPSON: Thank you, Judge. I
9 tender Ms. Dietrich for cross-examination.

10 JUDGE JORDAN: Cross-examination from
11 Indian Hills?

12 MR. COOPER: No questions.

13 JUDGE JORDAN: Cross-examination from
14 the Office of Public Counsel?

15 MR. SMITH: Yes. Thank you. And
16 also permission to cross from my seat?

17 JUDGE JORDAN: Oh, absolutely.

18 MR. SMITH: Thank you.

19 CROSS-EXAMINATION BY MR. SMITH:

20 **Q. Good morning, Ms. Dietrich.**

21 **A. Good morning.**

22 **Q. I wanted to clarify a few things on**
23 **your timeline that you spent a lot of time in your**
24 **testimony talking about. As I understand, the day**
25 **90 is the preliminary audit; is that correct?**

1 A. That's correct.

2 Q. And do you know what the calculation
3 of the incremental increase in revenue requirement
4 was at day 90?

5 A. Not off the top of my head.

6 Q. Does \$443,925 sound right?

7 A. That sounds reasonable. It sounds
8 correct.

9 Q. Would you agree that OPC's revenue
10 requirement in this case is \$432,110?

11 A. Something close to that if not that
12 number, yes.

13 Q. Would you agree that that preliminary
14 day 90 initial audit was approximately \$10,000 away
15 from what OPC's incremental increase in revenue
16 requirement turned out to be?

17 A. Correct. Yes.

18 Q. Also as a part of Staff's initial
19 audit, I understand Staff sponsored a 5 percent
20 cost of debt; isn't that true?

21 A. Could you repeat that question?

22 Q. I understand as a part of the initial
23 day 90 audit, the preliminary audit, that Staff
24 sponsored a 5 percent cost of debt; isn't that
25 true?

1 A. I guess I'm not sure of your word
2 sponsored.

3 **Q. If I were to go to the EMS run and**
4 **show it to you, would that refresh your memory on**
5 **whether the term sponsor may have been used with**
6 **respect to the witness?**

7 A. Well, I guess what I'm saying is,
8 yes, I would agree that that was the number in the
9 EMS run. I'm just not sure that sponsored is the
10 correct word. It was presented as part of the
11 preliminary audit.

12 **Q. Would you agree that Staff's -- Staff**
13 **used the term sponsor when referring to the witness**
14 **that prepared the 5 percent cost of debt finding?**

15 A. Could you direct me to that?

16 **Q. Yes. Just a second.**

17 JUDGE JORDAN: While counsel's
18 locating the exhibit, I'll ask the witness one
19 question. You used the term EMS run. Would you
20 define that for the record.

21 THE WITNESS: I'm drawing a blank.

22 JUDGE JORDAN: If you can't answer,
23 that's all right.

24 THE WITNESS: I am completely drawing
25 a blank at this time. I'm so used to just saying

1 EMS.

2 JUDGE JORDAN: Can you describe it?

3 THE WITNESS: It's the accounting
4 runs that Staff inputs all the numbers. It's the
5 model that Staff uses to do its auditing and
6 develop its revenue requirement.

7 JUDGE JORDAN: Okay. So it's
8 something of a picture of the company's operations;
9 would that be fair?

10 THE WITNESS: It's a picture of all
11 the expenses, the costs, and that type of thing.

12 JUDGE JORDAN: Okay. Thank you.

13 BY MR. SMITH:

14 **Q. If you would take a little bit of**
15 **time to review that and let me know if that**
16 **refreshes your memory.**

17 A. Oh, okay. I see what you're saying.
18 Down at the bottom, yes, it says sponsor David
19 Murray.

20 **Q. Okay. And so what does that mean?**

21 A. He is the Staff witness that prepared
22 or worked on this issue.

23 **Q. Okay. And at that time, what does it**
24 **show as his long-term debt as the embedded cost of**
25 **capital?**

1 A. 5 percent.

2 Q. Does this appear to be a true and
3 correct copy of that document?

4 A. Yes.

5 Q. And you recognize it to be --

6 A. Yes.

7 Q. -- his capital structure schedule?

8 A. Yes.

9 MR. SMITH: I would then offer this
10 exhibit as, I think we're actually going to have
11 218.

12 MR. COOPER: Judge, I would object on
13 the basis of relevance. If I understand this
14 correctly, this is, what, a 90-day Staff accounting
15 run that really has no import to the case at this
16 point in time. It's not something that's agreed to
17 by any of the parties. It's something that's later
18 superseded by the small case process. So again, my
19 objection is to relevance.

20 MR. SMITH: Yeah. I'm going to
21 completely disagree. This is a finding, albeit a
22 preliminary finding. I think this Commission is
23 fair enough to give it the credibility and weight
24 that it holds as a preliminary finding.

25 MR. COOPER: Well, I disagree with

1 the categorization of it as a finding even. It's
2 a -- it's documents exchanged amongst the parties
3 at a very early point in the case.

4 JUDGE JORDAN: Right. The record
5 will -- the record describes the nature of this
6 document. I'm going to overrule this objection.
7 No. 218 of the Office of the Public Counsel is
8 admitted into the record.

9 (OPC EXHIBIT NO. 218 WAS MARKED AND
10 RECEIVED INTO EVIDENCE.)

11 BY MR. SMITH:

12 **Q. Who is David Murray?**

13 A. David Murray is the manager of the
14 Financial Analysis Department for the Staff of the
15 Public Service Commission.

16 **Q. What does the manager do?**

17 A. He oversees the financial analysis
18 unit. They work largely on cost of capital, debt,
19 those types of issues.

20 **Q. And how many years has Mr. Murray
21 worked at Staff, to your knowledge?**

22 A. I would guess 10 to 15. I don't know
23 for sure.

24 **Q. Do you consider him to be a highly
25 qualified witness?**

1 A. Yes, I do.

2 **Q. According to your testimony -- if you**
3 **could open up to your direct testimony. Let me**
4 **know when you have that.**

5 A. Okay.

6 **Q. If you would go to page 4, lines 11**
7 **through 14. Let me know when you're there.**

8 A. I'm there.

9 **Q. And I have a few questions related to**
10 **lines 11 through 14. Would you read those and then**
11 **I can build on those statements?**

12 A. Sure. From my direct testimony,
13 Staff necessarily must only put forth positions
14 that it can support by fact. Thus Staff's
15 preliminary audit and investigation continues to
16 evolve from day 90 to day 120 to day 150 as
17 additional data is obtained or as Staff's
18 preliminary recommendations are discussed and
19 refined.

20 **Q. And elsewhere in that testimony don't**
21 **you also say that, as an example, you refer to that**
22 **cost of debt; isn't that true?**

23 A. Not to the 5 percent. I refer to the
24 cost of debt of 14 percent.

25 **Q. Do you want to have a look at that?**

1 MR. THOMPSON: Have a look at what
2 exactly, counsel?

3 BY MR. SMITH:

4 **Q. Your direct testimony. Let me point**
5 **to the line.**

6 A. I'm sorry. I see it, yes.

7 **Q. So to rephrase that, you use the**
8 **5 percent as an example of a way in which things**
9 **might change from the initial preliminary audit;**
10 **isn't that true?**

11 A. Correct. In my testimony I state
12 that at the preliminary day 90 report the cost of
13 debt was estimated at 5 percent, and then I go on
14 to explain how it changed.

15 **Q. And you say things like additional**
16 **data can be obtained; isn't that true? And that**
17 **Staff's investigation continues to evolve; isn't**
18 **that true?**

19 A. Staff's preliminary audit and
20 investigation continues to evolve and additional
21 data is obtained or Staff's preliminary
22 recommendations are discussed and refined.

23 **Q. Specifically for the cost of debt,**
24 **did Staff actually review additional documents that**
25 **would have caused Staff to change its opinion from**

1 **the day 90 filing?**

2 A. Specific to the cost of debt, that
3 comes into the preliminary recommendations are
4 discussed and refined, and we did have discussions.
5 We did review the information that was -- the
6 documents that were used for the 5 percent
7 determination.

8 **Q. My question's a little different.**
9 **Not necessarily if discussions were had or that**
10 **additional reflection took place, but whether**
11 **additional new documents were reviewed after the**
12 **day 90 finding that would have caused Staff to**
13 **change its opinion?**

14 A. Clarifying the question in that way,
15 no new documents were reviewed specific to the cost
16 of debt.

17 **Q. Why did Mr. Murray's name no longer**
18 **appear as an affidavit to the Stipulation &**
19 **Agreement that was filed?**

20 A. Which Stipulation & Agreement?

21 **Q. The first one.**

22 A. Mr. Murray prepared and sponsored
23 the capital structure, which was labeled as
24 Exhibit 218, I believe. He did not participate in
25 the continuation of the case, and so he was not --

1 he did not submit an affidavit to the partial
2 disposition.

3 Q. Do you mean Mr. Barnes instead of
4 Mr. Murray?

5 A. No.

6 Q. So you're saying Mr. Murray filed
7 what document now?

8 A. Mr. Murray prepared the document that
9 you just submitted as an exhibit. He did not
10 participate in the rest of the case, and so he did
11 not submit an affidavit or testimony.

12 Q. Why did he not participate in the
13 rest of the case?

14 MR. THOMPSON: I object. That's an
15 internal Staff personnel matter.

16 MR. SMITH: I think it's important to
17 know. He was the original witness who was a part
18 of the day 90 finding. I think there are many
19 number of explanations I'd like to hear from the
20 witness.

21 JUDGE JORDAN: I don't really
22 understand the objection, so I will overrule it.

23 THE WITNESS: As part of any case,
24 Staff continues to review its positions, review its
25 information, and Staff does not put forth a witness

1 that is not comfortable in supporting a position
2 that is the Staff position. Mr. Murray had put
3 forth the 5 percent. We had discussions internally
4 both at the management level and also at the legal
5 level and determined that the 5 percent was not
6 supportable and that the 14 percent was supported
7 by previous cases, Commission decisions.

8 Mr. Murray was not comfortable with being the
9 witness on the 14 percent, so he did not proceed
10 with the case.

11 BY MR. SMITH:

12 **Q. Why was Mr. Murray not comfortable at**
13 **14 percent?**

14 A. I can't speak for Mr. Murray, but he
15 put forth the 5 percent.

16 **Q. I've noticed -- would you say Staff's**
17 **position is mainly a policy and settlement position**
18 **at 14 percent?**

19 A. I would say it was a policy decision
20 based on other factors, for instance, the
21 Commission decision in the Hillcrest case, some of
22 the language in the Commission's order in the
23 Hillcrest case, the order being upheld by the
24 appellate court.

25 **Q. But I guess was there a factual --**

1 was there any sort of analysis or witness that
2 Staff relied on, other than what Staff perceived to
3 be prior Commission policy?

4 A. It was a policy decision, if that's
5 what you're asking. So there is not a specific
6 witness supporting 14 percent other than myself as
7 the policy witness.

8 Q. Yeah. Are you the sole person
9 supporting the 14 percent?

10 A. To the extent that it stands along.
11 There are other witnesses that are supporting the
12 EMS run and how it works and all of that.

13 Q. And you're talking about policy
14 decisions. You don't actually mean like a written
15 policy, you mean more of a management decision;
16 isn't that true?

17 A. That's correct. Management policy
18 decision.

19 Q. So there's no written policy?

20 A. Not specific to what a cost of debt
21 should be or that the 14 percent is the proper
22 policy.

23 Q. So is this based on management
24 discretion?

25 A. It's based on management discussion

1 with other Staff witnesses and with legal counsel
2 and review, like I said, of previous Commission
3 orders. So it's not just a discretion. It is
4 subject to discussion and consideration.

5 **Q. So as I understand it, the current**
6 **position is to support prior Commission orders, is**
7 **that right, and the prior Commission order had**
8 **approved a 14 percent cost of debt; is that fair?**

9 A. I would not say that the policy is to
10 support prior Commission decisions. Generally, if
11 the Commission has made a decision, then Staff
12 would follow that decision unless there was
13 evidence or reason to depart from that. In this
14 case, there was not substantial -- or sufficient
15 evidence to depart from what the Commission had
16 ordered in previous cases.

17 **Q. I guess who would have reviewed that**
18 **sufficient evidence to determine when to depart?**
19 **Is that you?**

20 A. That would have been me in consult
21 with legal counsel.

22 **Q. And to make that review if there are**
23 **sufficient -- f there is sufficient evidence to**
24 **depart for policy reasons, just to clarify, you**
25 **didn't actually review new documents?**

1 A. That's correct.

2 **Q. Did you read Mr. Greg Meyer's**
3 **surrebuttal testimony?**

4 A. Yes, I did.

5 **Q. And were you present during the**
6 **Raccoon Creek on-the-record settlement hearing?**

7 A. I believe I was, yes.

8 **Q. Do you remember certain remarks by**
9 **Chairman Hall, Commissioner Stoll, Commissioner**
10 **Coleman on the record relating to the cost of debt**
11 **and how they would like to see the cost of debt**
12 **improve?**

13 A. I don't know that they specifically
14 said they would like to see the cost of debt
15 improved. They did express concerns and indicated
16 they would be reviewing the cost of debt going
17 forward.

18 **Q. Was that transcript or that**
19 **information included in your determination on**
20 **whether or not to depart from the 14 percent**
21 **recommendation?**

22 A. It was part of the discussion that
23 the Commissioners had expressed concerns during the
24 previous cases.

25 **Q. Is Staff's position that 14 percent**

1 **is a reasonable cost of debt?**

2 A. I would not say Staff would say it's
3 a reasonable cost of debt. It's a supported cost
4 of debt.

5 **Q. Then why did -- why was the agreement**
6 **signed if it's not a reasonable cost of debt, if**
7 **that's your testimony today?**

8 A. As I previously stated, it's the
9 testimony -- or it's the cost of debt that is
10 supported by previous Commission decisions. The
11 numbers that were being put forth in the case by
12 Staff and also by OPC in our opinion were not
13 supported and were not equivalent.

14 **Q. Didn't OPC support Staff's initial**
15 **5 percent cost of debt?**

16 A. 5 point something. I don't remember
17 if it was exactly five percent, but it was in the
18 5 percent range. But it was -- it was our
19 determination after discussing that the information
20 that was being put forth as support was not a
21 comparable situation to what we have in the current
22 situation.

23 **Q. So there is a second stipulation,**
24 **correct?**

25 A. Correct.

1 Q. Same cost of debt, correct?

2 A. Same cost of debt, yes.

3 Q. Same 14 percent rate?

4 A. Yes.

5 Q. There was, however, an improvement.

6 The company did offer to modify from 20 to 10
7 years, true?

8 A. For the prepayment penalty, that's
9 correct.

10 Q. Now on the return of equity, that's
11 12 percent in the stipulation; isn't that true?

12 A. That's correct.

13 Q. Did you make that determination or
14 did you rely on a Staff member to reach that
15 conclusion?

16 A. That was again in consultation with
17 other Staff members and reviewing previous
18 Commission decisions.

19 Q. Without divulging any privileged
20 content, what Staff members did you consult with?

21 A. Staff counsel Nicole Mers, Jacob
22 Weston, and Staff auditing personnel Mark
23 Oligschlaeger and Kim Bolin.

24 Q. Did you consult with Matt Barnes, the
25 Staff witness?

1 A. He's not available, so I was not able
2 to consult with him.

3 **Q. Did you consult with Dave Murray, the**
4 **prior Staff witness?**

5 A. He's not part of this case, so no, I
6 did not consult with him.

7 **Q. Now, ten years, we were discussing**
8 **that. Do you think ten years is a reasonable**
9 **prepayment penalty?**

10 A. I would not -- again not call it
11 reasonable. It's an improvement.

12 **Q. Why would you support something that**
13 **isn't reasonable for policy reasons?**

14 A. The use of the word reasonable is
15 subjective. When negotiating a settlement or when
16 putting forth a Staff position, you have to balance
17 all the factors, especially when negotiating a
18 settlement. So looking at just one component by
19 itself, for instance the ROE or the prepayment
20 penalty, and asking me if that in and of itself is
21 reasonable or not is -- it may not be in and of
22 itself, but as a package, the package is
23 reasonable.

24 **Q. Now, this is a pretty serious issue.**
25 **You realize people might die before that ten years**

1 runs out. They might be stuck literally for the
2 rest of their life with that 14 percent interest
3 rate as a part of their bill.

4 If Indian Hills did find a lower cost
5 of debt in the future before ten years, like let's
6 say a few years from now, what would the
7 ramifications of that prepayment penalty be, to the
8 best of your knowledge?

9 A. Well, I mean, first of all, I
10 wouldn't tie it to people passing away. We could
11 pass away tomorrow. But a lower prepayment penalty
12 would reduce the -- presumably reduce the rate that
13 would be charged.

14 Q. Did the prepayment penalty also go
15 down or just the time span?

16 A. The time span did.

17 Q. Okay. So there isn't a lower
18 prepayment penalty?

19 A. I believe the structure is it would
20 decrease over time because of it's being phased
21 out.

22 Q. Isn't a prepayment penalty, the one
23 I'm familiar with is that they can't refinance.
24 Isn't that true?

25 A. They can't refinance without there

1 being a prepayment penalty, but I believe the
2 percentage of the prepayment penalty is also
3 adjusted.

4 **Q. Is that in the Stipulation &**
5 **Agreement?**

6 A. The Stipulation & Agreement says to
7 reduce the prepayment penalty term from 20 years to
8 10 years.

9 **Q. So it just reduces the term, not the**
10 **amount, under the black ink of the text?**

11 A. Under the plain reading of the text,
12 yes.

13 **Q. Going back to the question, what**
14 **would the ramifications -- if Indian Hills did find**
15 **lower cost of financing in the next few years, what**
16 **would the ramifications of that prepayment penalty**
17 **be for customers?**

18 A. If the loan was refinanced prior to
19 the ten years, then the customers could be saddled
20 with the prepayment penalty. That would be up to
21 the Commission to determine in a future rate case.

22 **Q. When you were making this decision,**
23 **did you also weigh consideration of the risk of**
24 **self-dealing?**

25 A. I wouldn't characterize it as

1 weighing the risk. We did discuss self-dealing.

2 Q. Does that give you any doubts about
3 the prudence of this transaction?

4 A. No, it does not.

5 Q. Do you think it's reasonable for the
6 lender -- do you think there's a risk of
7 self-dealing?

8 A. In this situation, as a small water
9 and sewer company, there are no -- the Commission
10 does not have affiliate transaction rules for water
11 and sewer companies. And from my understanding
12 from consultation with Staff counsel and their
13 review, the laws do not prohibit the type of
14 situation that we have in this situation as far as
15 self-dealing.

16 Q. And the laws may be silent or they
17 may be expressed, but self-dealing is self-dealing,
18 would you agree?

19 MR. THOMPSON: I object. I don't
20 think it's at all clear to anyone what self-dealing
21 is self-dealing might mean.

22 MR. SMITH: I'll rephrase.

23 BY MR. SMITH:

24 Q. The law may be silent or it may be
25 express, but there still could be a risk of

1 **self-dealing, true?**

2 A. There could be a risk, but as far as
3 I'm advised and my understanding, it's not
4 something that's illegal, not allowed.

5 MR. SMITH: Thank you.

6 JUDGE JORDAN: Questions from the
7 Bench?

8 COMMISSIONER KENNEY: No questions.
9 Thank you.

10 COMMISSIONER RUPP: None for me.

11 JUDGE JORDAN: Redirect from Staff?

12 MR. THOMPSON: Thank you, Judge.

13 REDIRECT EXAMINATION BY MR. THOMPSON:

14 **Q. You were asked a lot of questions,**
15 **Ms. Dietrich, about the 5 percent cost of debt that**
16 **appeared in the day 90 preliminary audit and the**
17 **14 percent cost of debt that was stipulated to. Do**
18 **you recall those questions?**

19 A. I do.

20 **Q. Now, to your knowledge, is there**
21 **anyone offering money to this company at 5 percent?**

22 A. Not to my knowledge, no.

23 **Q. There's not a single bank that you're**
24 **aware of that's offering a 5 percent loan?**

25 A. No. And in response to data

1 requests, the company provided several e-mails and
2 documentation from banks saying that it was not an
3 option, financing was not an option.

4 Q. Thank you. And if you know, is there
5 money available for this company at 14 percent?

6 A. Yes, there is.

7 Q. So there is actual financing
8 available at that rate?

9 A. That's correct.

10 Q. Now, are you familiar from your job
11 and your involvement in this case, are you familiar
12 with the condition of this company?

13 A. Generally.

14 Q. And you're familiar with the
15 condition of its facilities?

16 A. Generally.

17 Q. And you're familiar with the size of
18 its customer base?

19 A. Yes.

20 Q. So if you had money to invest, would
21 you invest money in this company?

22 MR. SMITH: Objection. Calls for a
23 hypothetical.

24 MR. THOMPSON: Yes, it is a
25 hypothetical. You're quite correct.

1 MR. SMITH: I don't believe she's
2 qualified to make an opinion about what a lender
3 would or wouldn't do.

4 MR. THOMPSON: I didn't ask her to
5 speculate on what a lender would do. I asked her
6 to tell me if she would invest in this company,
7 knowing what she knows about it.

8 JUDGE JORDAN: I'm overruling the
9 objection.

10 MR. THOMPSON: Thank you, Judge.

11 THE WITNESS: Knowing what I know
12 about the company and assuming I had that kind of
13 money, I would be very leery about lending money
14 unless I had a pretty high interest rate.

15 BY MR. THOMPSON:

16 **Q. So would you consider this to be a**
17 **risky investment?**

18 A. Most definitely.

19 **Q. And would you want that investment to**
20 **be protected perhaps by a position as both an**
21 **equity owner and also as a creditor?**

22 A. If I'm the equity owner and creditor?

23 **Q. Yes. If you were going to put your**
24 **money into this company, would you want that sort**
25 **of security?**

1 A. Yes.

2 Q. **And is that, in fact, what's been**
3 **characterized as self-dealing or a possible**
4 **self-dealing in this case?**

5 A. To my under--

6 MR. SMITH: Objection. I think that
7 misstates the facts in the record.

8 MR. THOMPSON: Well, I think the
9 facts of record are that the source of the
10 financing, whether directly or whether through a
11 shell company, is both an equity owner and also the
12 lender.

13 MR. SMITH: I agree.

14 MR. THOMPSON: So how did I
15 mischaracterize?

16 JUDGE JORDAN: Okay. No need for
17 debate. Counselor, if you will give your
18 definition of self-dealing and ask your question
19 again, let's take it from there.

20 MR. THOMPSON: Thank you, Judge.

21 BY MR. THOMPSON:

22 Q. **If a lender is also an equity owner,**
23 **is it possible that the lender can induce the**
24 **company to take a loan at a rate that it otherwise**
25 **might not?**

1 A. Could you clarify what you mean by
2 induce?

3 **Q. Well, maybe I'll just leave the whole**
4 **self-dealing line of questioning alone.**

5 **When you testified that the 5 percent**
6 **was not supportable, did you mean that there was no**
7 **lender willing to offer money to this company at**
8 **5 percent?**

9 A. No. I meant that the information
10 that Staff relied on to develop that 5 percent was
11 not, in my opinion, and, as I said, discussing with
12 legal counsel supportable as to a comparable
13 company or comparable situation.

14 **Q. Okay. But in terms of reality, in**
15 **terms of practical reality, I think you told me**
16 **there's nobody that you are aware of offering money**
17 **to this company at 5 percent?**

18 A. That's correct.

19 MR. SMITH: Objection. This is very
20 leading.

21 JUDGE JORDAN: Try not to lead,
22 counselor.

23 MR. THOMPSON: I apologize, Judge.
24 I'll try to do better. In fact, I think I'm done.
25 Thank you, Ms. Dietrich.

1 JUDGE JORDAN: Fair enough. I have
2 just one question. Staff has offered Exhibit
3 No. 100. I didn't see, because I wasn't watching,
4 whether Staff had handed that to the court
5 reporter.

6 MR. THOMPSON: We'll provide copies
7 for everyone else, Judge.

8 JUDGE JORDAN: Thank you, counselor.
9 The witness is excused. Let's move on to the topic
10 of payroll, and we'll begin with Indian Hills'
11 witnesses.

12 MR. COOPER: Your Honor, we would
13 call Mr. Phil Macias.

14 (Witness sworn.)

15 PHIL MACIAS testified as follows:

16 DIRECT EXAMINATION BY MR. COOPER:

17 **Q. Please state your name.**

18 A. Phil Macias.

19 **Q. Have you caused to be prepared for**
20 **the purposes of this proceeding certain direct,**
21 **rebuttal and surrebuttal testimony in question and**
22 **answer form?**

23 A. Yes, I have.

24 **Q. Is it your understanding that that**
25 **testimony has been marked as Exhibits 4, 5NP, 5C**

1 and 6 for identification?

2 A. Yes.

3 Q. If I were to ask you the questions
4 which are contained in Exhibits 4, 5NP, 5C and 6
5 today, would your answers be the same?

6 A. Yes, they would.

7 Q. Are those answers true and correct to
8 the best of your information, knowledge and belief?

9 A. Yes.

10 Q. I skipped a question, and I assume
11 that I know the answer, but I assume you didn't
12 have any changes to that testimony?

13 A. No.

14 MR. COOPER: Your Honor, I would
15 offer Exhibits 4, 5NP, 5C and 6 into evidence and
16 tender Mr. Macias for cross-examination.

17 JUDGE JORDAN: Thank you.
18 Cross-examination from Staff?

19 MS. MERS: No questions. Thank you.

20 JUDGE JORDAN: Cross-Examination from
21 the Office of the Public Counsel?

22 MR. SMITH: Yes. Just a few quick
23 questions.

24 MR. COOPER: Can I -- I'm sorry,
25 Mr. Smith. Are we going to take up the admission

1 of the evidence or the testimony later or at this
2 time or --

3 JUDGE JORDAN: You've offered these
4 exhibits into the record. I did not ask for an
5 objection. I'll do that now. Objections?

6 MR. SMITH: No objection.

7 JUDGE JORDAN: Hearing no objections,
8 those exhibits are admitted into the record.

9 (INDIAN HILLS EXHIBITS 4, 5NP, 5C AND
10 6 WERE RECEIVED INTO EVIDENCE.)

11 CROSS-EXAMINATION BY MR. SMITH:

12 Q. Good morning.

13 A. Good morning.

14 Q. Do you have your testimony in front
15 of you?

16 A. I do.

17 Q. Would you open that up, please, and I
18 need to open it up, too. I think it's in your
19 direct at page 11, lines 5 through 7, but it could
20 be rebuttal. It's your direct.

21 A. You said lines 5 through 7?

22 Q. Yes.

23 A. Yes, I have it.

24 Q. Okay. That sentence number 5 there
25 or on line 5 it says, per-customer allocation is a

1 **more accurate allocation.**

2 A. Oh, I'm sorry. You said direct?

3 **Q. Yes, your direct testimony.**

4 A. I have lines 5 and 7 talking about
5 something completely different.

6 **Q. Are you on page 11?**

7 A. I'm sorry. No.

8 **Q. Did I say page 5 through 7? It**
9 **should be page 11, lines 5 through 7, direct**
10 **testimony.**

11 A. I've got it right here.

12 **Q. Okay. So at line 5, a per-customer**
13 **allocation is a more accurate allocation. What is**
14 **your source for that statement?**

15 A. Source would be the analysis of kind
16 of what we did looking at Staff's presentation in
17 terms of the overhead allocation, understanding
18 that there's multiple ways to be able to come up
19 with an overhead allocation. We had looked at the
20 use of labor as a driver for that calculation, and
21 in the original calculation we found a number of
22 inconsistencies or sort of process -- just we'll
23 call it that sort of inconsistencies in process
24 that we think sort of rendered the use of hours as
25 the labor driver as perhaps not quite the best

1 answer. So that speaks maybe specifically to that
2 model.

3 In terms of the accuracy as hours as
4 a labor driver versus accuracy of a head count,
5 customer count, I think both are within the realm
6 of accurate. They're both, if you think about
7 it -- now, our calculation was a little bit higher
8 than Staff's at 17.6 versus the 18 percent for the
9 just a customer count, but I think that's certainly
10 close enough within the error of margin and the --
11 it's -- it kind of speaks to the notion of
12 simplicity. Part of this when you look at the
13 overhead hour, if you do the driver by hours, it's
14 a series of lengthy calculations which are an --

15 **Q. And Mr. Macias --**

16 A. -- opportunity for error.

17 **Q. I appreciate --**

18 A. Oh, sure. Sure.

19 **Q. -- trying to answer the question. I**
20 **was just trying to figure out what your source for**
21 **the statement that --**

22 A. Oh, okay.

23 **Q. -- customer allocation is a more**
24 **accurate allocation. Do you have like a --**

25 A. Is there an authoritative guidance

1 or --

2 **Q. Yeah. Right.**

3 A. No, certainly not that I'm aware of.
4 That source was my own personal background and
5 experience.

6 **Q. That just seems a little odd to me.**
7 **Wouldn't actual hours be more accurate than using**
8 **customer count as a proxy for time spent on the**
9 **systems?**

10 A. It depends on sort of the -- two
11 things. One is, you know, ultimately if you can
12 agree upon the calculation process to determine the
13 overhead allocations based on labor hours, then
14 that's certainly a possibility, but it's kind of --
15 it's a question of sort of too much answer for too
16 simple of a question. 18 percent is accurate, it's
17 easy to understand, it's easy for everyone to
18 understand, the parties involved. Certainly if
19 that question ever came up with the customer base,
20 they have an understanding of how overhead
21 allocation is expensed over to whatever that entity
22 would be, whether that's Indian Hills or someplace
23 else. It's accurate and --

24 **Q. I'm not sure I'm getting my answer,**
25 **but let me rephrase. Would it be fair to say the**

1 **statement a per-customer allocation is a more**
2 **accurate allocation is just your opinion?**

3 A. The difference between the two?

4 **Q. Yes.**

5 A. What I expressed in my testimony --

6 **Q. Right.**

7 A. -- is my opinion. As I said,
8 there's -- I'm aware of no authoritative guidance
9 that would prescribe one method over the other.

10 **Q. And I know said it's a simple number,**
11 **things like that, but isn't it also true that the**
12 **customer allocation actually ends up giving the**
13 **company more money out of Indian Hills than would**
14 **an hourly?**

15 A. It does. The customer count is a
16 marginally higher percentage.

17 MR. SMITH: No further questions.

18 JUDGE JORDAN: Questions from the
19 Bench?

20 COMMISSIONER KENNEY: No questions.

21 JUDGE JORDAN: Redirect?

22 MR. COOPER: Yes, your Honor.

23 REDIRECT EXAMINATION BY MR. COOPER:

24 **Q. Mr. Macias, will customer -- or hours**
25 **worked by the company's personnel vary from year to**

1 **year?**

2 A. Yes, it will.

3 **Q. And in terms of which subsidiaries**
4 **they may be working on?**

5 A. Yes.

6 **Q. The customer counts, are they likely**
7 **to be more steady over a longer period of time?**

8 A. Yes.

9 MR. COOPER: That's all the questions
10 I have.

11 JUDGE JORDAN: Thank you. You may be
12 excused. Next witness.

13 MR. COOPER: We will call Mr. Todd
14 Thomas.

15 (Witness sworn.)

16 JUDGE JORDAN: Go ahead.

17 TODD THOMAS testified as follows:

18 DIRECT EXAMINATION BY MR. COOPER:

19 **Q. Please state your name.**

20 A. Todd Thomas.

21 **Q. Have you caused to be prepared for**
22 **the purposes of this proceeding certain direct,**
23 **rebuttal and surrebuttal testimony in question and**
24 **answer form?**

25 A. Yes.

1 Q. Is it your understanding that that
2 testimony has been marked as Exhibits 7, 8 and 9
3 for identification?

4 A. Yes.

5 Q. Do you have any changes that you
6 would like to make to that testimony at this time?

7 A. I do not.

8 Q. If I were to ask you the questions
9 which are contained in Exhibits 7, 8 and 9 today,
10 would your answers be the same?

11 A. Yes.

12 Q. Are those answers true and correct to
13 the best of your information, knowledge and belief?

14 A. They are.

15 MR. COOPER: Your Honor, I would
16 offer Exhibits 7, 8 and 9 into evidence and tender
17 the witness for cross-examination.

18 JUDGE JORDAN: Objections to those
19 exhibits? Not hearing any --

20 MR. SMITH: No objection.

21 JUDGE JORDAN: Not hearing any,
22 Exhibits 7, 8 and 9 are admitted into the record.

23 (INDIAN HILLS EXHIBITS 7, 8 AND 9
24 WERE RECEIVED INTO EVIDENCE.)

25 JUDGE JORDAN: Cross-examination from

1 Staff.

2 MS. MERS: I have no questions.

3 Thank you.

4 JUDGE JORDAN: Examination from the
5 Office of the Public Counsel?

6 MR. SMITH: No questions.

7 COMMISSIONER KENNEY: No questions.

8 COMMISSIONER RUPP: None.

9 JUDGE JORDAN: You may be excused.

10 Next witness.

11 MS. MERS: Staff calls witness Ashley
12 Sarver to the stand.

13 (Witness sworn.)

14 ASHLEY SARVER testified as follows:

15 DIRECT EXAMINATION BY MS. MERS:

16 **Q. Can you please state and spell your**
17 **name for the record.**

18 A. Ashley Sarver, S-a-r-v-e-r.

19 **Q. And whom are you employed by and in**
20 **what capacity?**

21 A. Missouri Public Service Commission,
22 Utility Regulatory Auditor 4.

23 **Q. And did you cause to be prepared**
24 **certain exhibits marked the direct testimony**
25 **Exhibit 104, rebuttal testimony that has been**

1 **marked Exhibit 110 and surrebuttal testimony that's**
2 **been marked Exhibit 112?**

3 A. Yes.

4 **Q. Do you have any changes to that**
5 **testimony?**

6 A. Yes, I do. My direct testimony,
7 Schedule AS-D3, the EMS run is no longer current.
8 And then on my rebuttal testimony, page 11,
9 line 18, the number 4,714 should be 4,932. So
10 should read, Staff included eight months of bank
11 fees in its cost of service totally 4,932.

12 **Q. And is that it for your corrections?**

13 A. Yes.

14 **Q. And with those corrections in mind,**
15 **if I asked you the same questions today, would your**
16 **answers be the same?**

17 A. Yes.

18 **Q. And are those answers true and**
19 **correct to the best of your knowledge and belief?**

20 A. Yes.

21 MS. MERS: All right. At this time
22 Staff would like to enter Exhibit 104, which has a
23 public and confidential version, Exhibit 110, which
24 has a public and confidential version, and
25 Exhibit 112, which has a confidential and public

1 version.

2 JUDGE JORDAN: Objections to those
3 exhibits?

4 MR. SMITH: No objection.

5 JUDGE JORDAN: Then Exhibits 104,
6 110, 112, each one with public and confidential,
7 are admitted into the record.

8 (STAFF EXHIBITS 104NP, 104C, 110NP,
9 110C, 112NP AND 112C WERE RECEIVED INTO EVIDENCE.)

10 MS. MERS: I tender the witness for
11 cross.

12 JUDGE JORDAN: Cross-examination from
13 Indian Hills?

14 MR. COOPER: No questions, your
15 Honor.

16 JUDGE JORDAN: Cross-examination from
17 the Office of Public Counsel?

18 MR. SMITH: Just a few.

19 CROSS-EXAMINATION BY MR. SMITH:

20 **Q. Ms. Sarver, what is MERIC? You don't**
21 **have to know the acronym. Just a description will**
22 **be fine.**

23 A. It's just the salaries that -- it's
24 the base salaries that people use as a survey.

25 **Q. And why is that used?**

1 A. So everybody can be -- on the job
2 titles, so you know how much the job titles pay,
3 like, in the state of Missouri, what's most common.

4 **Q. And that's done by an independent**
5 **state research agency?**

6 A. Yeah.

7 **Q. You used 2013 job titles in MERIC for**
8 **Mr. Cox and Ms. Eaves; is that correct?**

9 A. Yes.

10 **Q. And is it true that MERIC data only**
11 **goes three years back?**

12 A. Yes.

13 **Q. So in terms of MERIC's display of**
14 **which data, your 2013 information is outdated,**
15 **true?**

16 A. No.

17 **Q. I guess it would be less current than**
18 **the 2014 information, true?**

19 A. Yes.

20 **Q. And less current than the 2015**
21 **information, true?**

22 A. Yes.

23 **Q. And less current than the 2016**
24 **information, true?**

25 A. Yes.

1 **Q. And you chose to use the 2013**
2 **information, correct?**

3 A. Yes.

4 MR. SMITH: No further questions.

5 JUDGE JORDAN: Questions from the
6 Bench?

7 COMMISSIONER KENNEY: No, thank you.

8 COMMISSIONER RUPP: Thank you.

9 JUDGE JORDAN: Redirect?

10 REDIRECT EXAMINATION BY MS. MERS:

11 **Q. Ms. Sarver, has the company agreed to**
12 **the payroll number that you provided as part of**
13 **your direct testimony in the Nonunanimous**
14 **Stipulation & Agreement?**

15 A. Yes.

16 MS. MERS: No further questions.

17 JUDGE JORDAN: You may step down.

18 Next witness.

19 (Witness sworn.)

20 KERI ROTH testified as follows:

21 DIRECT EXAMINATION BY MR. SMITH:

22 **Q. Would you please state your name and**
23 **spell it for the court reporter.**

24 A. Keri Roth, R-o-t-h.

25 **Q. And your first name?**

1 A. Keri, K-e-r-i.

2 Q. What is your job title?

3 A. I am a Public Utility Accountant 3
4 with Missouri Office of the Public Counsel.

5 Q. And how long have you been with the
6 Office of the Public Counsel?

7 A. Since September 2012.

8 Q. And have you filed testimony in the
9 case WR-2017-0259?

10 A. Yes.

11 MR. SMITH: May I approach?

12 JUDGE JORDAN: You may.

13 MR. SMITH: I'm handing to the court
14 reporter what's been premarked as 200, 201, 202,
15 203 and 204. For the record, these are both
16 confidential and public versions.

17 BY MR. SMITH:

18 Q. Do you have copies of these exhibits,
19 Ms. Roth?

20 A. Yes.

21 Q. And did you prepare or cause to be
22 prepared the testimony marked as Exhibits 200, 201,
23 202, 203 and 204?

24 A. I believe so. I'll take your word on
25 those numbers.

1 **Q. Do you have any corrections to be**
2 **made?**

3 A. I believe I have one correction to my
4 surrebuttal testimony. On page 4, line 22, it
5 currently states Staff is not including. Not
6 should be the word now. And that's the only
7 corrective I have, I believe.

8 **Q. Subject to that one correction, if I**
9 **were to ask you these same questions again under**
10 **oath, would your answers be the same or**
11 **substantially the same?**

12 A. Yes, they would.

13 MR. SMITH: All right. At this time
14 I would offer Exhibits 200, 201, 202, 203 and 204,
15 and tender the witness for cross-examination.

16 JUDGE JORDAN: Any objections to
17 Exhibits 200, 201, 202, 203 or 204?

18 (No response.)

19 JUDGE JORDAN: Not hearing any, those
20 exhibits are admitted into the record.

21 (OPC EXHIBITS 200 THROUGH 204 WERE
22 RECEIVED INTO EVIDENCE.)

23 JUDGE JORDAN: Cross-examination from
24 Staff?

25 MS. MERS: No questions.

1 JUDGE JORDAN: Cross-examination from
2 Indian Hills?

3 MR. COOPER: Thank you, your Honor.

4 CROSS-EXAMINATION BY MR. COOPER:

5 Q. Ms. Roth, in talking about the
6 experience or the assignment of experience levels
7 under MERIC, I think in a couple of places you talk
8 about the fact or you reference the fact that
9 Indian Hills employees should be at the mean level
10 because they have less than three and a half years
11 of experience in the regulated utility industry.
12 Do you remember that?

13 A. Yes.

14 Q. Does that mean that there's no other
15 type of experience other than that with a regulated
16 utility that would be helpful in regard to building
17 or repairing or operating or accounting for or just
18 running a water or sewer utility?

19 A. State that one more time for me.

20 Q. Well, for example, if a person had
21 20 years of experience running a sewer operation
22 for a sewer district, would you still say that
23 because their experience was not in the regulated
24 utility industry, it would have no value in terms
25 of assigning an experience level to them?

1 A. I wouldn't deny that it wouldn't add
2 value, no.

3 **Q. So that might be an experienced**
4 **person even though their experience would not be**
5 **within the regulated utility industry?**

6 A. Possibly.

7 MR. COOPER: Okay. That's all the
8 questions I have.

9 JUDGE JORDAN: Questions from the
10 Bench?

11 COMMISSIONER KENNEY: No, sir.

12 COMMISSIONER RUPP: No.

13 JUDGE JORDAN: Redirect?

14 MR. SMITH: Just a few questions.

15 REDIRECT EXAMINATION BY MR. SMITH:

16 **Q. Ms. Roth, when Mr. Cooper was asking**
17 **you about experience, isn't it true that -- sorry.**
18 **Did Staff select an experience level that was mean,**
19 **entry or experienced? Which did they select?**

20 A. Staff also selected the mean.

21 **Q. So the same as you?**

22 A. Yes.

23 **Q. And Mr. Cooper said, referred to less**
24 **than three years. Are there employees within the**
25 **company that have less than one year in the**

1 **regulated industry?**

2 A. Yes.

3 **Q. And doesn't -- does the term**
4 **experience, according to MERIC, also capture**
5 **quartile -- what is your opinion of that term, I**
6 **guess, of the term experience?**

7 A. I don't know. I guess the easiest
8 way for me to say that would be several more years
9 of experience. I don't know how to answer that.

10 **Q. Can't you quantify it in terms of one**
11 **has a higher pay grade, the mean, and what is a**
12 **mean level, for example?**

13 A. I'm not sure.

14 **Q. There are multiple levels, right?**

15 A. Yes.

16 **Q. And experiences is the top level?**

17 A. Right.

18 **Q. And there are only three levels,**
19 **correct?**

20 A. Correct.

21 MR. SMITH: No further questions.

22 JUDGE JORDAN: You may stand down.

23 That concludes the testimony as to the topic of
24 payroll. And I'm pretty sure the parties have a
25 better idea of how these witnesses will go than I

1 do, so when the parties feel it's an appropriate
2 time to break for lunch, I hope they will let me
3 know. In the meantime, let's take the next
4 witness.

5 MR. COOPER: Your Honor, we would
6 recall Mr. Macias for the issue of auditing and tax
7 preparation fees.

8 JUDGE JORDAN: Mr. Macias, you're
9 still under oath. So direct examination, you may
10 proceed.

11 MR. COOPER: Your Honor, I would
12 tender Mr. Macias for cross-examination.

13 JUDGE JORDAN: Cross-examination from
14 Staff?

15 MS. MERS: No questions. Thank you.

16 JUDGE JORDAN: Cross-Examination from
17 Office of the Public Counsel?

18 MR. SMITH: Yes. Thank you.

19 PHIL MACIAS testified as follows:

20 CROSS-EXAMINATION BY MR. SMITH:

21 Q. Mr. Macias, can you cite to any
22 Commission rule that requires Indian Hills or its
23 parent to file audited financials?

24 A. No.

25 Q. When the company files its annual

1 report, is it required to have audited financials
2 with the Commission?

3 A. No.

4 Q. There's a large cost associated with
5 an audited financial statement; isn't that true?

6 A. That is true.

7 Q. What was the cost for Indian Hills
8 and the parent to get audited financials?

9 A. Audited costs for Indian Hills, paid
10 so far is 9,000. The ending bill will be \$10,000.
11 The parent company, if I recall, is also 10,000. I
12 think we have invoices in support of costs for
13 9,000 of that.

14 Q. Does Indian Hills have or its parent
15 have any SEC filing requirement to file audited
16 financials?

17 A. We do not.

18 Q. Are there any known legal
19 requirements that this take place, for example, for
20 safety reasons or something like that?

21 A. Not that I'm aware of.

22 Q. Mr. Macias, in your testimony you
23 state that CSWR has been denied an equipment
24 financing loan based on a lack of audited
25 financials for the respective utility. Are you

1 **referring to Indian Hills?**

2 A. That's --

3 **Q. Or are you at liberty to say?**

4 A. Yeah. I actually don't recall.

5 **Q. So is it for the utility regulated in**
6 **the state of Missouri, do you know that?**

7 A. It would have been in the state of
8 Missouri.

9 **Q. To your knowledge, was their lack of**
10 **audited financials the only reason they were denied**
11 **financing or could there have been other reasons?**

12 A. That I wouldn't know.

13 **Q. You also indicate in your testimony,**
14 **direct at page 7, the company needs audited**
15 **financial statements because it's important for the**
16 **utility to be actively engaged in attempting to**
17 **raise capital. Are you aware of the prepayment**
18 **penalty that exists in this case?**

19 A. I am.

20 **Q. Do you expect that this utility will**
21 **be actively engaged in attempting to raise capital?**

22 A. At some point, I would -- I don't
23 know if I can actually accurately answer that. I
24 just don't know that I have the information.

25 **Q. So would it be fair to be said this**

1 wouldn't be -- the rationale included in your
2 testimony would not apply to this utility but maybe
3 others?

4 A. Well, I think it would apply to this
5 utility. The specific nature of your question,
6 there's certain conversations that I haven't had,
7 and so speaking generally in terms of pursuing
8 alternative financing or pursuing any kind of
9 financing, one of the common prerequisites are
10 acceptable audited financial statements.

11 Q. But not the only prerequisite?

12 A. Certainly not the only prerequisite.

13 Q. For example, more equity in a company
14 would be something a lender might consider,
15 correct?

16 A. That would be speculative. That
17 would depend on the institution and the deal.

18 Q. Do you disagree that the invoices for
19 Indian Hills, those audit fees in those tax
20 preparation fees, do you disagree that those were
21 paid outside of the rate -- the test year?

22 A. No.

23 Q. You don't. Okay.

24 MR. SMITH: Thank you. No further
25 questions.

1 JUDGE JORDAN: Questions from the
2 Bench?

3 COMMISSIONER RUPP: No.

4 JUDGE JORDAN: Redirect?

5 MR. COOPER: Very briefly.

6 REDIRECT EXAMINATION BY MR. COOPER:

7 Q. Mr. Smith just asked you about the
8 payment on those invoices. Were those invoices or
9 a measure of those invoices issued within the test
10 period?

11 A. They were issued within the test -- I
12 would have to go back and look specifically. I
13 believe they were issued within the test period.
14 They were paid outside of the test period, but
15 certainly apply to the activity and sort of the
16 conduct of business that was within the test
17 period.

18 MR. COOPER: That's all the questions
19 I have, your Honor.

20 JUDGE JORDAN: You may step down.
21 Next witness.

22 MR. COOPER: We'd call Mr. Cox.

23 (Witness sworn.)

24 JUDGE JORDAN: Go ahead.

25 JOSIAH COX testified as follows:

1 DIRECT EXAMINATION by MR. COOPER:

2 Q. Please state your name.

3 A. Josiah Cox.

4 Q. And have you caused to be prepared
5 for the purposes of this proceeding certain direct,
6 rebuttal, surrebuttal testimony in question and
7 answer form?

8 A. I have.

9 Q. Is it your understanding that that
10 testimony has been marked as Exhibits 1NP, 1C, 2NP,
11 2C and 3 for purposes of identification?

12 A. That is correct.

13 Q. Do you have any changes that you
14 would like to make to that testimony at this time?

15 A. Yes, I have two changes I'd like to
16 make.

17 Q. Would you -- in which piece of
18 testimony is the first change?

19 A. Both changes are in my rebuttal
20 testimony. So if you go to page 3 of my rebuttal
21 testimony, on line 12 there's a typo. It should
22 read, the OPC could not, insert the word determine,
23 what.

24 Q. So it would read, yeah, the OPC could
25 not determine what was offered to attract debt?

1 A. Correct. I have one more correction.

2 Q. **And what page would that be on?**

3 A. That is on page 19 of my rebuttal
4 testimony.

5 Q. **What line?**

6 A. Starting -- it's lines 10 and 11. So
7 I wanted to insert after the word the, Indian Hills
8 would be inserted there. So it would read, the
9 exact date the Indian Hills financing
10 documentation.

11 And then at the end of that line, I
12 would strike Staff, the word Staff, and at the
13 beginning of line 11 I would strike and.

14 Q. **And then making that sentence now**
15 **read, we do not have the exact date the Indian**
16 **Hills financing documentation was provided to OPC?**

17 A. Correct.

18 Q. **And then any more changes in that**
19 **section?**

20 A. On line 11, I would insert the
21 word -- I would strike the comma and insert the
22 word and between Hillcrest and Raccoon Creek. And
23 then I would strike the words "and Indian Hills"
24 before matters.

25 Q. **And so then the sentence would read**

1 **how?**

2 A. However, as to the Hillcrest and
3 Raccoon matters.

4 **Q. It has been in Staff -- yeah. Okay.**
5 **And those are all the changes you have?**

6 A. Yes.

7 **Q. If I were to ask you the questions**
8 **which are contained in Exhibits 1NP, 1C, 2NP, 2C**
9 **and 3 today, would your answers as now amended be**
10 **the same?**

11 A. Yes, they would.

12 **Q. Are those answers as amended true and**
13 **correct to the best of your information, knowledge**
14 **and belief?**

15 A. Yes, they are.

16 MR. COOPER: Your Honor, I would
17 offer Exhibits 1NP, 1C, 2NP, 2C, and 3 into
18 evidence and tender the witness for
19 cross-examination.

20 JUDGE JORDAN: Objections?

21 MR. SMITH: No objections?

22 JUDGE JORDAN: Not hearing any,
23 Exhibits 1NP, 1C, 2NP, 2C and 3 are entered into
24 the record.

25 (INDIAN HILLS EXHIBITS 1NP, 1C, 2NP,

1 2C AND 3 WERE RECEIVED INTO EVIDENCE.)

2 JUDGE JORDAN: Cross-examination from
3 Staff?

4 MS. MERS: Briefly.

5 CROSS-EXAMINATION BY MS. MERS:

6 **Q. Does an item have to be required by**
7 **the PSC rules to be included in cost of service, to**
8 **your knowledge?**

9 A. No, not to my knowledge.

10 MS. MERS: Okay. Thank you. Nothing
11 further.

12 JUDGE JORDAN: Cross-examination from
13 the Office of Public Counsel?

14 CROSS-EXAMINATION BY MR. SMITH:

15 **Q. To your knowledge, when was the tax**
16 **invoice submitted to Indian Hills? Was it outside**
17 **the test year or inside the test year?**

18 A. I believe it was outside the test
19 year.

20 **Q. Do you know the month?**

21 A. I do not.

22 **Q. Do you remember when the audit was**
23 **completed for Indian Hills?**

24 A. I don't remember the exact date of
25 the audit completion.

1 Q. Does around October sound correct?

2 A. In the fall, I believe. I can't
3 specify the exact date.

4 Q. And for the Indian Hills audit, did
5 that get paid outside the test year or inside the
6 test year?

7 A. I believe it was paid outside the
8 test year.

9 MR. SMITH: No further questions.

10 JUDGE JORDAN: Questions from the
11 Bench? Redirect?

12 REDIRECT EXAMINATION BY MR. COOPER:

13 Q. Just to confirm, you've attached
14 those invoices concerning the various tax and audit
15 invoices to your testimony, correct?

16 A. That is correct.

17 Q. And then there's -- to the extent
18 there's any difference, there's also some of those
19 attached to the testimony of Mr. Macias?

20 A. That is correct.

21 MR. COOPER: That's all the questions
22 I have.

23 JUDGE JORDAN: You may step down.

24 Next witness.

25 MS. MERS: Staff would recall Ashley

1 Sarver to the bench or to the witness stand, and I
2 tender the witness for cross-examination.

3 JUDGE JORDAN: And you're still under
4 oath. So cross-examination from Indian Hills?

5 MR. COOPER: No, your Honor.

6 JUDGE JORDAN: Cross-examination from
7 the Office of Public Counsel?

8 MR. SMITH: A few questions.

9 ASHLEY SARVER testified as follows:

10 CROSS-EXAMINATION BY MR. SMITH:

11 Q. Ms. Sarver, was there an update in
12 this case to cover costs like certain volumes of
13 leak repairs that may have occurred outside the
14 test year?

15 A. For leak repairs?

16 Q. Yes.

17 A. No.

18 Q. To your knowledge, was an update ever
19 decided on to do an update?

20 A. Not for leak repairs.

21 Q. Do you believe that an update was
22 agreed upon to -- by the parties to include cost
23 items outside of the test year?

24 A. Yes. We went -- for rate base, we
25 went to June 19th, 2017.

1 Q. And when you say we, do you mean
2 Staff?

3 A. OPC and -- yeah. It was agreed.

4 Q. So for the invoices in question,
5 these would have occurred -- for the audit and tax
6 preparation, was there any sort of agreement, to
7 your knowledge, on how to treat those between the
8 parties? Did we do an update for those?

9 A. No.

10 Q. So Staff just went ahead and went
11 outside the test period for Indian Hills' audit and
12 tax preparation fees?

13 A. Well, for Indian Hills there wasn't
14 any costs within the test year period.

15 Q. Wasn't there a cost associated with
16 an allocation from the parent for tax preparation
17 and audit?

18 A. During the test year?

19 Q. Yes.

20 A. Yes.

21 Q. Are you aware of any PSC or SEC
22 reporting requirement that would require a company
23 of this size to obtain an audited financial
24 statement?

25 A. I don't know.

1 Q. Are you aware of any other small
2 Utility as defined by the Public Service Commission
3 small water rule that would hire an outside auditor
4 to prepare audited financial statements? Are you
5 aware?

6 A. Repeat your question, please.

7 Q. Are you aware of any other small
8 utility, as defined by the Public Service
9 Commission's small water rule, so any other small
10 utility that would hire an outside auditor to
11 prepare audited financial statements? Have you
12 ever seen that happen?

13 A. In cases I've worked on, no. They've
14 all been outside auditing that's performed all the
15 cases I've worked on.

16 Q. And of those cases that you've worked
17 on, were those companies with customer counts
18 greater than 8,000?

19 A. No.

20 Q. Okay. Which case did you work on
21 that had a customer count lower than 8,000 that had
22 an outside auditor that prepared financial reports?

23 A. It would be the Hillcrest case.

24 Q. Object. And that's an affiliate
25 of --

1 A. Yes.

2 Q. -- Indian Hills, right?

3 A. Yes.

4 Q. Is the other one Raccoon Creek?

5 A. Yeah. I wasn't assigned to that
6 case.

7 Q. That's also an affiliate of Indian
8 Hills, correct?

9 A. Correct.

10 Q. No others?

11 A. No.

12 MR. SMITH: No questions.

13 JUDGE JORDAN: Questions from the
14 Bench? Redirect?

15 REDIRECT EXAMINATION BY MS. MERS:

16 Q. Ms. Sarver, you were asked some
17 questions about the update period. To your
18 knowledge, even with an agreed-upon true-up period,
19 is it Commission practice to include something such
20 as postage expense that increased outside of the
21 test year and the update period in rates?

22 A. Yes.

23 Q. The same for union wages, correct?

24 A. Yes.

25 Q. Would you consider the CSWR system to

1 **be the typical small water utility?**

2 A. No.

3 MS. MERS: Thank you. No further
4 questions.

5 JUDGE JORDAN: You may stand down.
6 Next witness.

7 MR. SMITH: OPC would like to recall
8 Keri Roth.

9 JUDGE JORDAN: You're still under
10 oath, so direct may proceed.

11 MR. SMITH: And I would tender her
12 for cross.

13 JUDGE JORDAN: Cross-examination from
14 Staff?

15 KERI ROTH testified as follows:

16 DIRECT EXAMINATION BY MS. MERS:

17 **Q. Hello, Ms. Roth.**

18 A. Hello.

19 **Q. Did you include an amount in your**
20 **cost of service for the PSC assessment fee?**

21 A. I believe so.

22 **Q. And what year is that fee for?**

23 A. Most current data that I had
24 available at the time. I don't remember off the
25 top of my head.

1 **Q. Do you know when that fee is**
2 **typically paid?**

3 A. According to the letters that I've
4 seen, you can make four payments a year. Some
5 companies will pay it all at once. Some will make
6 two payments. Some will make all four payments.

7 **Q. Do you recall from your EMS run or**
8 **the information that you provided that you included**
9 **the fee that would be paid outside the test year?**

10 A. I don't recall off the top of my head
11 which year it was. Without looking at my work
12 paper, I can't say off the top of my head.

13 **Q. Okay. You don't have your work**
14 **papers with you?**

15 A. No, not with me.

16 **Q. Okay. Would it be typical to include**
17 **the PSC assessment fee that's been assessed and not**
18 **paid for OPC?**

19 A. State that one more time.

20 **Q. Is it typical for OPC to include an**
21 **assessment fee that's been assessed and not paid?**

22 A. What I would include is the most
23 current PSC assessment available.

24 **Q. Okay. And that could be one that's**
25 **been assessed and not paid then, correct??**

1 A. I guess that is possible.

2 Q. **Because it's known and measurable?**

3 A. Yes.

4 Q. **Okay. Are tax and auditing**
5 **preparation fees a normal and reoccurring part of**
6 **doing business?**

7 A. State that one more time.

8 Q. **Are tax and auditing preparation fees**
9 **a normal and reoccurring cost of doing business?**

10 A. I don't see that with all small
11 companies, no.

12 Q. **Do you see it with some?**

13 A. With Indian Hills and its affiliates.
14 MS. MERS: Okay. No further
15 questions.

16 JUDGE JORDAN: Cross-examination from
17 Indian Hills?

18 MR. COOPER:

19 CROSS-EXAMINATION BY MR. COOPER:

20 Q. **So you don't believe any other small**
21 **companies prepare tax returns?**

22 A. Tax returns, yes, they do. Sorry.

23 Q. **In your rebuttal testimony you refer**
24 **to a Commission decision in the Hillcrest rate case**
25 **in regard to auditing and tax preparation fees, and**

1 I think you say the Commission disallowed estimated
2 costs of audit and tax preparation fees in that
3 case. Would that be accurate?

4 A. I did state that, yes.

5 Q. Now, here we're not talking about
6 estimated costs, are we?

7 A. No. The costs are known here.

8 Q. So this is a little different than
9 Hillcrest in that we actually have invoices,
10 correct?

11 A. It is slightly different, yes.

12 Q. And those invoices, the amounts shown
13 on those invoices have been paid, correct?

14 A. Outside of the test year, yes.

15 Q. And when you say outside of the test
16 year, you mean after -- well, I guess let's back
17 up. The test year is the 12 -- as you described it
18 is the 12 months ending March 31st of 2017?

19 A. Yes.

20 Q. And so outside the test year they
21 were paid in 2017, just after March 31st?

22 A. Correct.

23 MR. COOPER: That's all the questions
24 I have.

25 JUDGE JORDAN: Questions from the

1 Bench? Redirect?

2 MR. SMITH: Yes, a few questions.

3 REDIRECT EXAMINATION BY MR. SMITH:

4 Q. **Approximately, to your knowledge,**
5 **when was the tax invoice paid for Indian Hills?**

6 A. The tax return invoice? I'm not for
7 sure of the date of when it was paid. I believe
8 the invoice itself was not dated until October of
9 2017, though, so I would say after that sometime.

10 Q. **And do you remember approximately**
11 **when you filed your testimony in this case, your**
12 **direct testimony?**

13 A. October.

14 Q. **And so it's possible that information**
15 **was coming in not even at the time you had filed**
16 **your testimony?**

17 A. Yes.

18 Q. **And do you remember when the work was**
19 **completed on the audit?**

20 A. We received that information, I
21 think, the same day that direct testimony was due.
22 It was in October also.

23 Q. **All right. So that information**
24 **didn't come around until later into the case?**

25 A. Correct.

1 MR. SMITH: No questions.

2 JUDGE JORDAN: You may stand down.
3 That's the last scheduled witness for auditing and
4 tax preparation fees. The next topic is management
5 consulting fees. First witness is for Indian
6 Hills.

7 MR. COOPER: Yes. We would recall
8 Mr. Cox to testify on management consulting fees.

9 JUDGE JORDAN: Mr. Cox, you're still
10 under, so direct may proceed.

11 MR. COOPER: We would tender Mr. Cox
12 for cross-examination.

13 JUDGE JORDAN: Cross-examination from
14 Staff?

15 MS. MERS: No questions.

16 JUDGE JORDAN: Cross-examination from
17 the Office of the Public Counsel?

18 MR. SMITH: Yes. Thank you.

19 JOSIAH COX testified as follows:

20 CROSS-EXAMINATION BY MR. SMITH:

21 Q. Mr. Cox, who's the individual
22 referred to as the management consultant?

23 A. It is Ms. Lois Stanley.

24 Q. And who is Ms. Lois Stanley?

25 A. Ms. Lois Stanley was the former owner

1 IH Utilities.

2 Q. Isn't it true that her payment that
3 you give to her each year is a fixed fee?

4 A. Say the question again. I'm sorry.
5 I misheard you.

6 Q. Isn't the payment that you make to
7 her a fixed amount on an annual basis?

8 A. On a monthly basis, correct. It is a
9 \$500 per month fee.

10 Q. And how many years does the contract
11 run?

12 A. Three years with a possible extension
13 up to seven or six. I can't remember if I'm
14 incorrect on that three or six, three or seven.

15 Q. With a multiyear agreement like that,
16 do you keep time logs or time sheets for
17 Ms. Stanley?

18 A. The original contract did not have
19 any stipulations for time logs.

20 Q. But do you keep -- does your company,
21 Indian Hills, keep time logs for Ms. Stanley?

22 A. So we are not the primary group that
23 interacts with Mrs. Stanley, so that we don't keep
24 a time log.

25 Q. Who is? Is that Missouri One?

1 A. No. The primary groups who interact
2 with Ms. Stanley would be our engineering firm and
3 our operations and maintenance company.

4 **Q. To your knowledge, do they keep time**
5 **logs?**

6 A. I've never asked them.

7 **Q. Is it fair to say that Ms. Stanley**
8 **provides help with line locates and service**
9 **connections in the 15 miles of infrastructure at**
10 **Indian Hills?**

11 A. I think it's probably more fair to
12 say that she helps identify where lines would be,
13 where specific improvements would be, like
14 connections, cross corrections, those type of
15 issues.

16 **Q. And she never mapped the system when**
17 **she owned it, did she?**

18 A. I don't think it would have been
19 possible for her to map the system. I don't know a
20 way to map the system besides dig it up, you know,
21 piece by piece as we go through.

22 **Q. As she conducted her repairs, did she**
23 **keep any written records that would help in terms**
24 **of mapping the system?**

25 A. I don't believe she kept any written

1 records on that.

2 **Q. Did you receive any written records**
3 **on that?**

4 A. I don't recall getting anything
5 written record-wise.

6 **Q. Is it fair to say that most of her**
7 **records are mental records that exist in her head**
8 **but not on paper?**

9 A. Yeah. For example -- that's exactly
10 correct. For example, we found out the engineer --
11 give an example. The engineer was planning on
12 putting isolation valves in the system to try and
13 create zones so that when there are leaks or main
14 issues, that the entire system doesn't have to be
15 shut down. In his conversations with Ms. Stanley,
16 she was able to identify a couple locations where
17 valves already existed that we would not have known
18 of. We were then able to go to those two valves
19 and uncover them -- they'd been covered up -- and
20 then bring them into operation. So it saved us
21 money as company capital investment and allowed us
22 to change our valve replacement or valve insertion
23 plan.

24 **Q. How long was Ms. Stanley the owner of**
25 **the prior system?**

1 A. I don't know the answer to that
2 question.

3 **Q. I think in testimony, or perhaps it**
4 **was in discovery, I thought it was six-plus years.**
5 **Does that sound about right?**

6 A. That sounds correct.

7 **Q. To your knowledge, did she do many**
8 **repairs during that time?**

9 A. We do not have any written records of
10 her repairs. What we do have is evidence of, you
11 know, we have uncovered service lines where there's
12 multiple repairs that we assume that she performed
13 or people working for her performed.

14 **Q. So in some cases she might have to**
15 **access from her memory bank a memory that may have**
16 **been eight years old to try to help locate a**
17 **service line; isn't that true?**

18 A. I have no idea how many years she'd
19 have to think back.

20 **Q. Have you ever asked Ms. Stanley to**
21 **write down these records rather than calling her?**

22 A. I have never asked her that.

23 **Q. Why have you not asked her that?**

24 A. I don't know if it would be helpful
25 or not.

1 **Q. Why wouldn't it be helpful?**

2 A. I don't know if she's capable of
3 systematically thinking about something like that.
4 Haven't done it.

5 **Q. But you systematically pay her each**
6 **month a fixed fee?**

7 A. Correct, because it's been helpful
8 for us to be able to locate lines, to be able to
9 schedule improvements in such a way that are more
10 cost effective.

11 **Q. Isn't Mrs. Stanley the owner that**
12 **neglected many of these repairs?**

13 A. She did not perform many repairs or
14 at least she didn't do any reinvestment that we're
15 aware of.

16 **Q. And now she's working as an employee**
17 **for you?**

18 A. No. She's not an employee. She's a
19 consultant.

20 **Q. Did Ms. Stanley actually do the**
21 **repairs?**

22 A. I'm not -- I don't know who did the
23 repairs.

24 **Q. So she may not have even been on site**
25 **when the repairs were being done?**

1 A. I'm not privy to that information.

2 Q. **Don't you also pay Missouri One to**
3 **help with line locates?**

4 A. No. That's incorrect. So Missouri
5 One Call is set up to locate the other utilities
6 inside the system. So, in fact, we have to provide
7 a contractor to do locates for Missouri One Call.
8 That's our legal responsibility as a utility.

9 Q. **Do they keep written records?**

10 A. Who?

11 Q. **Missouri One.**

12 A. Missouri One Call, the util--
13 Missouri One Call is -- maybe this is just
14 clarification. Missouri One Call requires every
15 individual utility with underground utilities in
16 the state to identify their own utilities as part
17 of a One Call.

18 Q. **And didn't this contract get**
19 **negotiated right around the time that the system**
20 **was purchased?**

21 A. If I remember correctly, that's close
22 to the time.

23 Q. **Would it be fair to characterize this**
24 **as part of the purchase price of the system?**

25 A. No, that would not be fair.

1 Q. Did they happen around the same time?

2 A. They did happen around the same time.

3 Q. Was Ms. Stanley getting any -- well,
4 I won't go into that.

5 MR. SMITH: No further questions.

6 JUDGE JORDAN: Questions from the
7 Bench?

8 COMMISSIONER KENNEY: No.

9 JUDGE JORDAN: Redirect?

10 MR. COOPER: Yes, your Honor.

11 REDIRECT EXAMINATION BY MR. COOPER:

12 Q. I think you said this, but in terms
13 of the Indian Hills system prior to your ownership
14 or prior to Indian Hills' ownership of that system,
15 to your knowledge, no maps exist of either the
16 mains or the services and their locations?

17 A. That is correct, no accurate maps
18 exist.

19 Q. And again, with whom does Ms. Stanley
20 interact most often?

21 A. With our design engineer and our
22 operations and maintenance contractor.

23 Q. And I think you provided one example
24 of the use of Ms. Stanley. Do you have any other
25 examples of where she's been helpful?

1 A. Yes. So when the design engineer was
2 originally designing the improvements for water
3 distribution and pressure, the size of the lines
4 inside the distribution system varies. It varies
5 so randomly that there's no kind of logic to it.
6 So it will go from a six-inch main to a three-inch
7 main, back to a four-inch main, and the engineer
8 was able to interact with Ms. Stanley and she was
9 able to point out, hey, this is the size of line in
10 this area. We know because we've had to fix it
11 previously. She was also able to provide, hey, the
12 line actually doesn't run on this side of the road,
13 it runs on a different side of the road that it
14 would seem logical, which helped us to be able to
15 design the system.

16 **Q. And in terms of locating lines, I**
17 **assume these lines have some age on them. They**
18 **don't any of them have any tracer wires or anything**
19 **that are part of that?**

20 A. That is correct. That's one of the
21 difficulties in this system. There's no way to
22 locate the lines by using metal detection, anything
23 like that. We literally have to dig it up or
24 visibly see where a leak is and try to find it by
25 potholing sometimes, where we just dig down the

1 surface, see if we can find the main.

2 Q. And if you know, do you have an idea
3 how many, I don't know, would it be measured in
4 miles of main and services there are in this
5 system?

6 A. Almost 16 miles.

7 MR. COOPER: That's all the questions
8 I have. Thank you.

9 JUDGE JORDAN: You may step down.
10 Next witness.

11 MS. MERS: Staff calls Jennifer
12 Grisham to the stand.

13 (Witness sworn.)

14 JUDGE JORDAN:

15 JENNIFER GRISHAM testified as follows:

16 DIRECT EXAMINATION BY MS. MERS:

17 Q. Can you please state and spell your
18 name for the record.

19 A. My name is Jennifer Grisham,
20 G-r-i-s-h-a-m.

21 Q. And who are you employed by and in
22 what capacity?

23 A. I am employed by the Commission Staff
24 as a Utility Regulatory Auditor 2.

25 Q. And did you prepare or cause to be

1 prepared testimony that's been marked as the direct
2 testimony Exhibit 102, rebuttal testimony that's
3 been marked as Exhibit 108, and surrebuttal
4 testimony marked as Exhibit 111?

5 A. Yes.

6 Q. Do you have any corrections to that
7 testimony?

8 A. Yes, I do.

9 Q. Okay.

10 A. The confidential schedule attached to
11 my rebuttal testimony is mislabeled. It is
12 currently labeled as KBP-D1, and should be labeled
13 as JKG-R1.

14 Q. Okay. Did you have any other
15 corrections?

16 A. No. That's all.

17 Q. With that correction in mind, if I
18 asked you the same questions today, would your
19 answers be the same?

20 A. Yes.

21 Q. And are those answers true and
22 correct to of the best of your knowledge and
23 belief?

24 A. Yes.

25 MS. MERS: At this time I'd like to

1 move to enter Staff Exhibit 102, which is public
2 and confidential versions, Staff Exhibit 108, which
3 also has public and confidential versions, and
4 Staff Exhibit 111 which has confidential and public
5 versions.

6 JUDGE JORDAN: Objections?

7 MR. SMITH: No objection.

8 MS. MERS: I tender the witness for
9 cross.

10 JUDGE JORDAN: I will go ahead and
11 enter those exhibits into the record.

12 (STAFF EXHIBITS 102NP, 102C, 108NP,
13 108, 111NP AND 111C WERE RECEIVED INTO EVIDENCE.)

14 JUDGE JORDAN: Cross-examination from
15 Indian Hills?

16 MR. COOPER: No, thank you.

17 JUDGE JORDAN: Cross-examination from
18 the Office of the Public Counsel?

19 MR. SMITH: Just a very brief cross.

20 CROSS-EXAMINATION BY MR. SMITH:

21 Q. In your direct testimony, would you
22 flip to page 3, lines 14 through 20. Are you
23 there?

24 A. Yes.

25 Q. Do you have a cite for that, like a

1 citation? What's your source for that?

2 A. I spoke with senior staff regarding
3 the information that they knew prior to Indian
4 Hills purchasing from the previous owner.

5 Q. You say senior staff. Do you mean
6 staff of the Missouri Public Service Commission or
7 who do you mean?

8 A. Yes.

9 Q. Okay. So did you actually look at
10 the facts underlying those statements?

11 A. I'm not sure I understand what you're
12 asking.

13 Q. I guess as I understand it, the
14 entirety of this answer is based on a statements
15 by -- is the witness in this case or who's the
16 witness that you spoke with?

17 A. I spoke with Kim Bolin, who is an
18 Auditor 5. We were discussing the -- whether or
19 not to include the management consultant fees, and
20 in that discussion it was -- I was made aware of
21 the facts stated in line 16 through 20.

22 Q. So you didn't actually do the reading
23 of the discovery that led to that statement?

24 A. I guess not, no.

25 MR. SMITH: Your Honor, I think I'm

1 going to move to strike that portion of her
2 testimony based on hearsay.

3 JUDGE JORDAN: I asked for objections
4 earlier, and you affirmatively stated no objection,
5 so --

6 MR. SMITH: I was unaware of this
7 information, but I understand.

8 JUDGE JORDAN: Well, it's in the
9 record, so that will go to weight of the evidence.

10 MR. SMITH: Fair enough. Thank you.

11 BY MR. SMITH:

12 Q. **Related to your overall analysis, did**
13 **you read the contract between Indian Hills and**
14 **Ms. Stanley?**

15 A. Yes, I did.

16 Q. **When did you read that?**

17 A. Prior to writing direct testimony. I
18 don't remember a date.

19 Q. **Can you point to any specific data**
20 **requests that you relied on for that?**

21 A. Not off the top of my head, no.

22 MR. SMITH: No further questions.

23 JUDGE JORDAN: All right. That
24 motion strike is denied. Questions from the Bench?

25 COMMISSIONER KENNEY: No.

1 JUDGE JORDAN: Redirect?

2 REDIRECT EXAMINATION BY MS. MERS:

3 Q. Ms. Grisham, are there often in the
4 beginning of any Staff small water proceeding a
5 general list of, I'm not going to call them format,
6 but template DRs that go out that request a variety
7 of things such as contracts that --

8 A. Yes, there are.

9 Q. And you review all of those DR
10 responses, correct?

11 A. Yes.

12 Q. And that's usually like the first
13 one, two or three DRs that are sent out in a case?

14 A. Generally, yes.

15 MS. MERS: All right. I have nothing
16 further.

17 JUDGE JORDAN: You may stand down.
18 Next witness.

19 MR. SMITH: OPC recalls Keri Roth.

20 JUDGE JORDAN: And you're still under
21 oath, so we shall have direct.

22 MR. SMITH: OPC tenders Ms. Roth.

23 JUDGE JORDAN: Cross-examination from
24 Staff?

25 KERI ROTH testified as follows:

1 DIRECT EXAMINATION BY MS. MERS:

2 Q. Would you agree that knowledge of the
3 Indian Hills distribution system is useful?

4 A. Yes.

5 Q. And knowledge would be where pipes,
6 mains, connections are located, correct?

7 A. Yes.

8 Q. And that would help cut down on less
9 guesswork for making repairs, correct?

10 A. It depends.

11 Q. So knowledge of where mains
12 connections and pipes, you don't think that that
13 would help repairs and placements be done with less
14 guesswork?

15 A. I question whether having another
16 outside contractor come in to verify the accuracy
17 of where she has stated lines are and they still
18 have to look, you may just be doubling the cost is
19 my understanding.

20 Q. And by outside contractor, are you
21 referring to Missouri One?

22 A. Yes. So unless my understanding is
23 incorrect about them, I --

24 Q. Okay. So you were here for the
25 testimony of Mr. Josiah Cox?

1 A. Yes.

2 Q. Where he explained that Missouri One
3 is actually a -- where the utilities report to and
4 not somebody who provides location services?

5 A. I did hear that. I still have a
6 misunderstanding. I don't think that --

7 Q. You have a misunderstanding of what
8 Missouri One does. Okay. Do you believe that
9 efficiently performed repairs and replacements
10 would save ratepayers money and also probably
11 hassle because there's less disruption of service
12 and road?

13 A. I'm sorry. Could you repeat that?

14 Q. Yes, I can. I can break it down into
15 two questions, too, because it's probably a little
16 easier.

17 A. Sure.

18 Q. Would you agree that efficiently
19 performed repairs and replacements save ratepayers
20 money?

21 A. Yes.

22 Q. And it also would save ratepayers or
23 community members hassle because there would be
24 less disruption of service and roads, correct?

25 A. Possibly, yes.

1 Q. Do you know if there are maps of the
2 Indian Hills distribution system?

3 A. Not that I'm aware of.

4 Q. So without maps, would you agree that
5 a primary source would be useful information in the
6 location of mains and pipes?

7 A. Depends on how accurate the source
8 is.

9 Q. So if -- okay. But a primary source
10 would definitely be a former owner of the system,
11 correct?

12 A. If she was out there looking at the
13 locations as well right along with her maintenance
14 contract person, yes.

15 MS. MERS: I have nothing further.

16 JUDGE JORDAN: Cross-examination from
17 Indian Hills?

18 MR. COOPER: No questions, your
19 Honor.

20 JUDGE JORDAN: Questions from the
21 Bench?

22 COMMISSIONER KENNEY: No, thank you.

23 JUDGE JORDAN: Redirect?

24 MR. SMITH: No redirect.

25 JUDGE JORDAN: You may step down.

1 That's our last witness as to management and
2 consultant fees. The next topic is bank fees, and
3 the first witness is for Indian Hills.

4 MR. COOPER: Can we go off the record
5 just for a moment?

6 JUDGE JORDAN: Let's go off the
7 record.

8 (AN OFF-THE-RECORD DISCUSSION WAS
9 HELD.)

10 JUDGE JORDAN: All right. We're back
11 on the record.

12 MR. COOPER: The company would call
13 Mr. Macias or recall Mr. Macias to the stand for
14 the issue of bank fees.

15 JUDGE JORDAN: Mr. Macias, you're
16 still under oath.

17 MR. COOPER: We would tender
18 Mr. Macias for cross-examination.

19 JUDGE JORDAN: Cross-examination from
20 Staff?

21 MS. MERS: No questions.

22 JUDGE JORDAN: Cross-examination from
23 the Office of Public Counsel?

24 MR. SMITH: Yes. Thank you.

25 PHIL MACIAS testified as follows:

1 CROSS-EXAMINATION BY MR. SMITH:

2 Q. Mr. Macias, I understand from your
3 surrebuttal testimony that Indian Hills' parent is
4 going to do a cost/benefit analysis of the
5 usefulness of Lockbox in a future rate case with a
6 different affiliate; isn't that true?

7 A. That is correct.

8 Q. But that analysis has not been
9 provided in this case; is that true?

10 A. That is true.

11 Q. As a part of this future cost/benefit
12 study, would you also plan to look at other banks
13 and compare cost of other Lockbox services or would
14 it just be the cost of doing it in house versus the
15 cost for this one vendor?

16 A. No. The appropriate way to treat
17 that would be look at other banks as well.

18 Q. Do you know, is that in the
19 stipulation, the second stipulation?

20 A. I'm not sure. I do not know.

21 Q. Are you aware that the Glarner family
22 has a financial interest in your company and its
23 parent?

24 A. I'm aware.

25 Q. And are you aware there was a

1 **Mr. Glarner who works at Enterprise Bank by the**
2 **name of Brian Glarner who's the vice president and**
3 **relationship manager?**

4 A. I'm aware of Mr. Glarner.

5 **Q. Do you know how Mr. Cox met David and**
6 **Robert Glarner?**

7 A. No, I do not.

8 MR. SMITH: No further questions.

9 JUDGE JORDAN: Questions from the
10 Bench?

11 COMMISSIONER KENNEY: No.

12 JUDGE JORDAN: Redirect?

13 REDIRECT EXAMINATION BY MR. COOPER:

14 **Q. Mr. Macias, what we're talking about**
15 **when we describe bank fees or at least in terms of**
16 **what's being proposed to be in the revenue**
17 **requirement, the \$4,932, what do those really**
18 **provide for the company?**

19 A. Part of that is the bank fees are
20 actually the Lockbox service or the majority of
21 that is Lockbox service. What that is, it's the
22 cash receipts for customers who actually mail in
23 checks, the old fashioned paper checks. And so
24 kind of what's one of the traditional ways to be
25 able to account for that, particularly in an

1 operation that has a large number of small dollar
2 checks is, for lack of a better phrase, you sort of
3 farm that out.

4 For accounting standards for GAAP,
5 it's -- and for the auditors, one of the internal
6 control standards that they look very favorably on
7 is, as an internal control measure, to keep cash
8 out of the company. That's always a good thing.
9 And you turn that back over to a reputable
10 institution. In other words, you turn that back
11 over to the bank where they actually receive it,
12 turn it, put it back into the accounts. We don't
13 have to touch it, but we have reporting and control
14 over it.

15 It's a little bit faster. It
16 enhances the cash flow of the operations, which in
17 a small company is something that is incredibly
18 important to us. And in this case there's another
19 advantage because there are multiple companies
20 within the CSWR family, and that -- it allows us an
21 opportunity, not only cost effectively, but to take
22 that very known cost because the bank divides those
23 up by company and we can apply that cost and only
24 that cost for that service to Indian Hills. So, in
25 effect, it allows us to ensure that there's no

1 extraneous cost that gets passed on to those
2 customers. So it becomes very much a one-to-one
3 kind of a situation.

4 So we know what that cost is. We
5 don't have to do that in overhead calculations. We
6 don't have to guess. We don't have to think we
7 know. We actually know. And it's affordable, it's
8 traditional. It's something that's very common in
9 the industry, let me clarify that, in accounting,
10 and it's something that we take advantage of.

11 **Q. And the number that I asked you about**
12 **earlier, the 4,932, that's an annual number,**
13 **correct?**

14 A. Correct.

15 **Q. And in terms of payments, when we're**
16 **talking about payments, potentially there could be**
17 **up to 715 every month, correct?**

18 A. Potentially.

19 MR. COOPER: That's all the questions
20 I have. Thank you.

21 JUDGE JORDAN: You may step down.

22 Next witness.

23 MS. MERS: Staff recalls Ms. Ashley
24 Sarver.

25 JUDGE JORDAN: You're still under

1 oath. Any direct?

2 MS. MERS: No. I just tender the
3 witness for cross.

4 JUDGE JORDAN: Cross-examination from
5 Indian Hills?

6 MR. COOPER: No, thank you.

7 JUDGE JORDAN: Cross-examination from
8 Office of the Public Counsel?

9 MR. SMITH: Yes.

10 ASHLEY SARVER testified as follows:

11 CROSS-EXAMINATION BY MR. SMITH:

12 Q. Ms. Sarver, in your testimony you
13 support OPC's concern; however, you recommend that
14 a cost/benefit analysis should be conducted in a
15 future case with a future affiliate. Why not now?
16 Why not in this case?

17 A. Because these costs, the company --
18 the bank fees is a reasonable cost for this
19 company.

20 Q. I guess if it's a reasonable cost,
21 then do you think a cost/benefit study needs to be
22 done or do you retract that?

23 A. No. It needs to be done. The
24 company needs to look at all their costs, all their
25 expenses.

1 **Q. And is that because you have concerns**
2 **that they might have a lower cost alternative?**

3 A. They could.

4 **Q. They could. But to your knowledge,**
5 **the company has not produced evidence on that sort**
6 **of cost/benefit analysis, correct?**

7 A. Correct.

8 MR. SMITH: No other questions.

9 JUDGE JORDAN: Questions from the
10 Bench?

11 COMMISSIONER KENNEY: No, thank you.

12 JUDGE JORDAN: Redirect?

13 REDIRECT EXAMINATION BY MS. MERS:

14 **Q. Ms. Sarver, you recommend doing a**
15 **cost/benefit analysis in a future case and not in**
16 **this case, correct?**

17 A. Correct.

18 **Q. And that's because the bank fees in**
19 **this case were already expended, correct?**

20 A. Yes. Correct.

21 **Q. And the bank fees were needed to**
22 **perform their customer service duties, take**
23 **payments, things like that?**

24 A. Yes.

25 MS. MERS: No further questions.

1 JUDGE JORDAN: You may stand down.
2 Next witness.

3 MR. SMITH: OPC recalls Ms. Keri
4 Roth.

5 JUDGE JORDAN: You're still under
6 oath. Any direct?

7 MR. SMITH: Just that we tender this
8 witness for cross.

9 JUDGE JORDAN: Very good.
10 Cross-examination from Staff?

11 MS. MERS: No questions. Thank you.

12 JUDGE JORDAN: Cross-examination from
13 Indian Hills?

14 MR. COOPER: Just one moment, your
15 Honor.

16 KERI ROTH testified as follows:

17 CROSS-EXAMINATION BY MR. COOPER:

18 Q. Ms. Roth, is it your argument that
19 the Lockbox fees are excessive or that they just
20 should not be incurred?

21 A. It's a concern that they're
22 excessive.

23 Q. So I take it from that you don't know
24 what other banks charge for these services, do you?

25 A. No, I don't.

1 **Q. And in terms of whether they should**
2 **be incurred or not, would you agree with me that**
3 **it's common for Missouri public utilities to use**
4 **lockbox services?**

5 A. For a small utility, not that I'm
6 aware of.

7 **Q. Are you aware of utilities that do**
8 **use lockbox services, though?**

9 A. I would suspect that large utilities
10 might, but I'm not --

11 **Q. You just don't know one way or the**
12 **other?**

13 A. I don't know for sure.

14 **Q. Is that the case as to small**
15 **utilities as well, you're just not sure which**
16 **utilities may be or may not be using lockbox**
17 **services?**

18 A. I have not -- on the cases that I
19 have worked, I have not seen it on other small
20 utilities, but I can't state for all of them, no.

21 MR. COOPER: That's all the questions
22 I have.

23 JUDGE JORDAN: Questions from the
24 Bench?

25 COMMISSIONER KENNEY: No questions.

1 Thank you.

2 JUDGE JORDAN: Redirect?

3 MR. SMITH: Yes.

4 REDIRECT EXAMINATION BY MR. SMITH:

5 Q. Ms. Roth, how many years have you
6 worked at the Office of the Public Counsel?

7 A. A little over five years.

8 Q. And you've seen about how many small
9 utility cases?

10 A. Quite a few.

11 Q. And you've never seen this sort of
12 lockbox fee imaging bank analysis service done by
13 any other small utility that is not an affiliate?

14 A. Not that I can recall, no.

15 MR. SMITH: No other questions.

16 JUDGE JORDAN: You may stand down.

17 That's our last witness on bank fees. Let's take a
18 break for lunch. I have 12:02. Let's resume at
19 1:02 p.m.

20 (A BREAK WAS TAKEN.)

21 JUDGE JORDAN: We're back on the
22 record. Before we resume the taking of testimony,
23 the parties have a couple of clarifications they
24 wish to make as to exhibits. Let's start with
25 Indian Hills and its matter of confidentiality.

1 MR. COOPER: We had stated off the
2 record, your Honor, that the hourly rates for our
3 two consultants, Mr. Thaman and Mr. D'Ascendis, are
4 not considered confidential.

5 JUDGE JORDAN: Okay. And the Office
6 of the Public Counsel also has something with
7 regard to its exhibits list.

8 MR. SMITH: Yes. The Office of the
9 Public Counsel originally submitted to the parties
10 an exhibit list recognizing Exhibit Nos. 200
11 through 216. Today, in going through the
12 testimony, OPC has noticed that the direct
13 testimony for Mr. John Robinett has both a
14 confidential and a public version, and we had
15 excluded that confidential version. We'd like to
16 include it once he is offered as Exhibit 217.

17 JUDGE JORDAN: Thank you. Anything
18 else before we begin taking testimony again? Not
19 seeing anything.

20 The next topic on our list is rate
21 case expense, and we will begin with the witness of
22 Indian Hills.

23 MR. COOPER: Yes. We'd call Mr. Cox.

24 JUDGE JORDAN: Mr. Cox, you're
25 already under oath, so we'll start with direct.

1 MR. COOPER: And we will tender
2 Mr. Cox for cross-examination.

3 JUDGE JORDAN: Cross-examination from
4 Staff?

5 MS. MERS: No questions.

6 JUDGE JORDAN: Cross-examination from
7 the Office of the Public Counsel?

8 MR. SMITH: Yes, thank you.

9 JOSIAH COX testified as follows:

10 CROSS-EXAMINATION BY MR. SMITH:

11 Q. What was this before and after video
12 that the company paid for? Can you describe that?

13 A. That was a mistake actually. That
14 invoice should not have been submitted as part of
15 rate case expense. In the last two submissions of
16 expenses that we put out, we removed that invoice.

17 Q. Okay. So is that reflected in your
18 testimony anywhere?

19 MR. COOPER: I don't think it -- I'm
20 sorry. I don't think it came up until surrebuttal,
21 but, yes, the company is -- it's kind of a nonissue
22 for the company. The company's never claimed that
23 as a part of rate case expense and is not claiming
24 that as a part of rate case expense.

25 BY MR. SMITH:

1 **Q. Are you at liberty to disclose how**
2 **much that was?**

3 A. How much what was?

4 **Q. The fee for that video.**

5 A. I don't remember what the fee for the
6 video was.

7 **Q. Do you have a ballpark?**

8 A. I'm sorry. I don't remember the fee
9 for the video.

10 **Q. So you are not requesting recovery of**
11 **that cost item?**

12 A. We are not requesting recovery of
13 that cost item.

14 **Q. Okay. Thank you.**

15 **For expert witnesses, does the**
16 **company intend on -- through their testimony, it**
17 **was a little unclear to me at least. Were they**
18 **recommending a three-year recovery period or a**
19 **five-year recovery period?**

20 A. We originally were going for a
21 three-year recovery period, but I think the
22 stipulation now we've agreed to is a five-year.

23 **Q. So that has also changed?**

24 A. Yes, sir.

25 **Q. And where would I find -- is that in**

1 **the EMS run is how I should figure that out?**

2 A. Correct, that would be in the EMS
3 run.

4 **Q. In the stipulation or in testimony,**
5 **does the company recognize any sharing of expert**
6 **fees as between the company shareholders and its**
7 **ratepayers, any reduction to the expert witness**
8 **fees?**

9 A. I believe now the EMS run associated
10 with the stipulation does have a share as a part of
11 it.

12 **Q. And to the best of your knowledge,**
13 **what is that share?**

14 A. I believe for the two consultants it
15 is a 50/50 share over a five-year amortization, I
16 think.

17 **Q. Okay.**

18 A. I have to go through those numbers
19 specifically, but I believe that is the case.

20 **Q. That sounds substantially similar to**
21 **what Staff had in their, I think it was surrebuttal**
22 **testimony. So that -- that sounds right to me.**

23 **What about the attorneys fees and**
24 **notice, what do you -- what is the company**
25 **proposing, either through the stipulation or**

1 **through its testimony or both, as to how to**
2 **allocate those fees?**

3 A. Again, I would have to dive into the
4 numbers there, but I believe the attorneys fees are
5 advised -- are captured in whole and amortized over
6 five years.

7 MR. SMITH: I'm going to have a new
8 exhibit, actually two exhibits, which I'll label
9 219 and 220. May I approach?

10 JUDGE JORDAN: You may.

11 MR. SMITH: I note for the record
12 that, per the earlier agreement, Exhibit 219 is a
13 confidential document with the exception of the
14 hourly rate. 220 is similar.

15 (OPC EXHIBITS 219C AND 220C WERE
16 MARKED FOR IDENTIFICATION BY THE REPORTER.)

17 BY MR. SMITH:

18 Q. **Mr. Cox, do you recognize these**
19 **items?**

20 A. I do.

21 Q. **And is that your name as the person**
22 **whom this is addressed for both documents?**

23 JUDGE JORDAN: For clarification, are
24 we talking about the Exhibit No. 219 or the Exhibit
25 No. 220?

1 MR. SMITH: Let's start with 219.

2 THE WITNESS: Can you tell me which
3 one is 219?

4 BY MR. SMITH:

5 Q. 219 would be the one dated
6 September 20th, 2017. And is that your name there?

7 A. That is correct, that is my name.

8 Q. And what is this document, without
9 disclosing any of the confidential subject matter
10 of the document?

11 A. This is the consulting agreement with
12 ScottMadden for services related to this rate case.

13 Q. Does this appear to be a true and
14 correct copy of that document?

15 A. It does appear to be.

16 MR. SMITH: At this time I would
17 offer Exhibit 219 into the record.

18 JUDGE JORDAN: Objections?

19 (No response.)

20 JUDGE JORDAN: Not hearing any,
21 Office of the Public Counsel Exhibit 219 is entered
22 into evidence.

23 (OPC EXHIBIT 219 WAS RECEIVED INTO
24 EVIDENCE.)

25 BY MR. SMITH:

1 Q. Turning to the second item, the
2 letter dated September 14, 2017, do you see that?

3 A. I do.

4 Q. And to whom is that addressed?

5 A. That is addressed to me.

6 Q. And do you recognize this document?

7 A. I do.

8 Q. And without disclosing the
9 confidential nature of the document, can you
10 describe what this represents?

11 A. This is the consulting agreement for
12 rate case services with Warson Capital Partners.

13 Q. Does this appear to be a true and
14 correct copy of that?

15 A. It does appear to be a true and
16 correct copy.

17 MR. SMITH: I would offer Exhibit 220
18 into evidence.

19 JUDGE JORDAN: Objections?

20 (No response.)

21 JUDGE JORDAN: Not hearing any, OPC
22 Exhibit 220 is entered into the record.

23 (OPC EXHIBIT 220 WAS RECEIVED INTO
24 EVIDENCE.)

25 BY MR. SMITH:

1 **Q. Now, I entered those. I understand**
2 **that there has been a change based on the**
3 **stipulation. What is the rate for which**
4 **Mr. D'Ascendis charges as reflected in that**
5 **document?**

6 A. He is reflected at the director level
7 at \$295 per hour.

8 **Q. Okay. And Mr. Thaman, what are -- or**
9 **Mr. Thaman, Senior, what is the rate according to**
10 **that document?**

11 A. The rate is \$650 per hour.

12 MR. SMITH: Judge, what I'd like to
13 do, I have another exhibit related to rate case
14 expense, but it's a data request that was responded
15 to as a part of multiple data requests. I think
16 I'd like to hold off on offering it but lay the
17 foundation for that exhibit for later admission in
18 the case, if that's acceptable.

19 JUDGE JORDAN: Go ahead.

20 MR. SMITH: This will be a new
21 exhibit, OPC Exhibit 221. May I approach?

22 JUDGE JORDAN: You may.

23 (OPC EXHIBIT 221 WAS MARKED FOR
24 IDENTIFICATION BY THE REPORTER.)

25 BY MR. SMITH:

1 Q. Okay. Do you recognize this exhibit?

2 A. I do.

3 Q. And what is this exhibit?

4 A. I believe these are answers to OPC
5 DRs.

6 Q. And for DR 44, 45, 46, 47, 48, 49,
7 for those items, are you the author of that data
8 request?

9 A. Can you repeat the numbers one more
10 time so I can look at them?

11 Q. Yeah. 44 through 49.

12 A. Yes, I'm the author of those data
13 requests.

14 Q. You can take some time. The data
15 requests I think are not more than a page that
16 relate to you. Do these appear to be a true and
17 correct representation of the answers you gave to
18 the Office of the Public Counsel?

19 A. Yes, they do.

20 MR. SMITH: I'll hold off on offering
21 this because, again, there are multiple authors to
22 these data requests. I think that's all I have.

23 JUDGE JORDAN: Questions from the
24 Bench? No questions from the Bench.

25 COMMISSIONER KENNEY: No questions.

1 JUDGE JORDAN: Recross? Sorry.

2 Redirect?

3 MR. COOPER: Just real briefly.

4 REDIRECT EXAMINATION BY MR. COOPER:

5 Q. Mr. Cox, you were asked some
6 questions about the rate case expense number that's
7 built into the nonunanimous stipulation with Staff.
8 Do you remember that?

9 A. Yes, sir.

10 Q. In terms of just the nonunanimous
11 stipulation with Staff, is it your understanding
12 that that rate case expense that's included in that
13 agreement is fixed?

14 A. I believe besides possibly the
15 attorney fees, it is fixed. It may be fixed all
16 the way.

17 MR. COOPER: That's all the questions
18 I have.

19 JUDGE JORDAN: You may step down.
20 Next witness.

21 MS. MERS: Staff recalls Jennifer
22 Grisham to the stand.

23 JUDGE JORDAN: This witness is
24 already under oath, so we'll go into direct.

25 MS. MERS: I have no direct, and I

1 tender the witness for cross.

2 JUDGE JORDAN: Cross from Indian
3 Hills?

4 MR. COOPER: No questions, your
5 Honor.

6 JUDGE JORDAN: From Office of the
7 Public Counsel?

8 MR. SMITH: No questions, your Honor.

9 JUDGE JORDAN: Questions from the
10 Bench for this witness?

11 COMMISSIONER KENNEY: Just one.
12 Thank you, your Honor.

13 JENNIFER GRISHAM testified as follows:

14 QUESTIONS BY COMMISSIONER KENNEY:

15 **Q. Ms. Grisham, would you agree with**
16 **Mr. Cox regarding rate case expense sharing that he**
17 **just spoke of, the percentages?**

18 **A. Yes.**

19 COMMISSIONER KENNEY: Okay. Thank
20 you.

21 JUDGE JORDAN: Any recross
22 examination from Indian Hills?

23 MR. COOPER: No, your Honor.

24 JUDGE JORDAN: From the Office of the
25 Public Counsel?

1 MR. SMITH: No, your Honor.

2 JUDGE JORDAN: Any redirect from
3 Staff?

4 MS. MERS: No. No, thank you.

5 JUDGE JORDAN: Then you may step
6 down. Next witness.

7 MR. SMITH: OPC calls Ms. Keri Roth.

8 JUDGE JORDAN: And this witness is
9 also under oath already, so we'll go into direct.

10 MR. SMITH: OPC would tender Ms. Keri
11 Roth for cross.

12 JUDGE JORDAN: Cross-examination from
13 Staff?

14 MS. MERS: No, thank you.

15 JUDGE JORDAN: Cross-examination from
16 Indian Hills?

17 KERI ROTH testified as follows:

18 CROSS-EXAMINATION BY MR. COOPER:

19 Q. In your surrebuttal testimony, you
20 talk about a three-year normalization for attorneys
21 fees and a five-year amortization for consulting
22 fees. Is that -- first off, is there a difference
23 between the two?

24 A. Between the amortization and the
25 normalization?

1 **Q. Yes.**

2 A. The amortization, in my opinion,
3 would basically guarantee the recovery at the level
4 that we recommended of the hourly rate; whereas,
5 the normalization just kind of continues through
6 year to year to be reset in the next case. If they
7 come back in two years, it may not be fully
8 collected.

9 **Q. So the distinction there is**
10 **intentional anyway, right?**

11 A. Yes.

12 MR. COOPER: That's all the questions
13 I have.

14 JUDGE JORDAN: Any questions from the
15 Bench for this witness?

16 COMMISSIONER KENNEY: No, thank you.

17 JUDGE JORDAN: No questions from the
18 Bench. Any redirect?

19 MR. SMITH: No redirect.

20 JUDGE JORDAN: Very well. You may
21 step down.

22 That's the last witness on rate case
23 expense. Our next topic is the treatment of leak
24 repair expense. First witness is from Indian
25 Hills.

1 MR. COOPER: We will recall Mr. Phil
2 Macias.

3 JUDGE JORDAN: And this witness is
4 also under oath already, so we will go straight
5 into any direct.

6 MR. COOPER: We would offer
7 Mr. Macias for cross-examination.

8 JUDGE JORDAN: Cross-examination from
9 Staff?

10 MS. MERS: No questions. Thank you.

11 JUDGE JORDAN: Cross-Examination from
12 the Office of the Public Counsel?

13 MR. SMITH: Yes. We'd like to, I
14 guess, do a similar approach with respect to laying
15 the foundation for an exhibit, data request, and
16 offering it later. So I have a new exhibit. I
17 think that's 222.

18 JUDGE JORDAN: Yes.

19 (OPC EXHIBIT 222 WAS MARKED FOR
20 IDENTIFICATION BY THE REPORTER.)

21 PHIL MACIAS testified as follows:

22 CROSS-EXAMINATION BY MR. SMITH:

23 Q. If you would turn to Data Request 9
24 and 25.

25 A. And you said 25?

1 Q. Yes. It should be page 8.

2 A. Thank you. All right.

3 Q. Are you the author of those data
4 requests?

5 A. Yes.

6 Q. Yes for DR?

7 A. Oh, so for No. 9, yes, and -- it's
8 been a while.

9 Q. Perhaps it would help, I got an
10 e-mail from your counsel.

11 A. Yeah. My answer to No. 25 would be
12 yes as well.

13 Q. And you said it had been a while ago.
14 Have you -- have you reviewed these prior to
15 preparing for your testimony today?

16 A. Yes. We reviewed a number of them.
17 I've been through quite a few.

18 Q. Do the answers provided in this
19 document, to the best of your knowledge, appear to
20 be a true and correct representation of the answers
21 that you provided to the OPC?

22 A. Yes, they do.

23 MR. SMITH: At this time I'd offer
24 Exhibit 222. Or sorry. I will not offer. I'll
25 retract my offer and hold off offering it now that

1 I've laid the foundation.

2 BY MR. SMITH:

3 Q. Turning to your testimony,
4 Mr. Macias, I was looking at your rebuttal, and
5 there's a statement about if an update were
6 performed, that the company would actually have
7 \$189,300 in repair expense. Is that correct?

8 A. I do recall that in my testimony,
9 yes.

10 Q. But the company was only actually
11 seeking 99,303 because, in the company's opinion,
12 that was the amount that was within the test year;
13 isn't that correct?

14 A. That was the amount that was part of
15 the first Stipulation & Agreement.

16 Q. Okay. Was there a factual basis
17 behind that number or is it a settlement
18 negotiation?

19 A. I'm not aware of a factual basis for
20 that number.

21 Q. Okay. So the \$99,303 in your
22 testimony doesn't have a factual basis, from the
23 company's perspective at least?

24 A. It's not that it doesn't have a
25 factual basis. I'm simply not the originator of

1 that number.

2 Q. Who is the originator? Is that
3 Mr. Thomas?

4 A. I do not know.

5 Q. All right. Now, I understand there's
6 been an agreement, a second agreement; is that
7 correct?

8 A. Yes.

9 Q. There's a two-way tracker with a
10 \$90,000 base. If we subtract these two numbers,
11 \$189,300 from 99,000, in your opinion, has the
12 company already surpassed that \$90,000 base?

13 A. In what period?

14 Q. The end of the test year to present,
15 to the time at which your testimony was written.

16 A. Can you run that by -- or restate the
17 question one more time, if you would, please.

18 Q. Well, I guess I'm trying to establish
19 what this \$90,000 base is in the two-year -- or the
20 two-way tracker. How is that base calculated?

21 A. The 99?

22 Q. No. The \$90,000 base.

23 A. Again --

24 Q. Are you the right witness to ask this
25 question?

1 A. I'm not the right --

2 Q. Okay.

3 A. I'm not the author of that number, so
4 I can't begin to --

5 Q. I guess you'd agree, though, that the
6 \$99,303 requested compared to \$189,300 requested
7 or, sorry, that you put in your testimony would --
8 the difference of those two numbers would equal to
9 over \$90,000?

10 A. It would.

11 Q. Do you know who the right person
12 would be to ask about the two-way tracker? Is it
13 Mr. Thomas or Mr. Cox or -- I'd like to discuss
14 this since we're talking about treatment of leak
15 repair costs.

16 A. I would have to have that discussion
17 with either of them.

18 Q. Okay. So you don't know?

19 A. I do not know.

20 Q. And it's okay if you don't know. To
21 your knowledge, is there any customer notice
22 associated with rate increases or decreases
23 relating to this two-way tracker?

24 A. I do not know.

25 Q. So you wouldn't know when that would

1 **be sent out or anything like that?**

2 A. That's correct. I have no knowledge
3 of that.

4 **Q. Or if they would be sent out?**

5 A. Correct.

6 MR. SMITH: I have no other
7 questions.

8 JUDGE JORDAN: Questions from the
9 Bench?

10 COMMISSIONER KENNEY: No questions.

11 JUDGE JORDAN: Redirect?

12 MR. COOPER: No, thank you.

13 JUDGE JORDAN: You may step down.

14 Before we get to our witness, Office of the Public
15 Counsel, I don't have a copy of OPC 221 yet.

16 MR. SMITH: I apologize, Judge.
17 Judge, I've given you a giant binder clip because
18 it's not stapled together. I apologize. I'm
19 sorry. Did you ask for 221 or 222?

20 JUDGE JORDAN: 221. I have 222
21 already.

22 MR. SMITH: I think I gave you 222.

23 JUDGE JORDAN: I think you gave me
24 another 222.

25 MR. SMITH: All right. Let's correct

1 that.

2 JUDGE JORDAN: I'll give you that
3 back. All right. So I now have copies of 221 and
4 222, and neither has been offered into evidence
5 yet. Let's go to the next witness.

6 MR. COOPER: Indian Hills would call
7 Mr. Thomas.

8 JUDGE JORDAN: This witness is
9 already under oath, so we will go to any direct.

10 MR. COOPER: And we would tender him
11 for cross-examination.

12 JUDGE JORDAN: Cross-examination from
13 Staff?

14 TODD THOMAS testified as follows:

15 CROSS-EXAMINATION BY MS. MERS:

16 Q. Mr. Thomas, how familiar are you with
17 PSC practice?

18 A. Not extremely familiar. I have been
19 with Central States for about a year now, so it's
20 my introduction into PSC. This is my first rate
21 case.

22 Q. Hopefully we're not scaring you off.
23 Are you familiar with the USOA at all?

24 A. I am not.

25 MS. MERS: I have no further

1 questions then.

2 JUDGE JORDAN: Cross-examination from
3 the Office of the Public Counsel?

4 MR. SMITH: Yes.

5 CROSS-EXAMINATION BY MR. SMITH:

6 Q. Mr. Thomas, are you the correct
7 person to talk to about this two-way tracker?

8 A. I am not.

9 Q. So there's no one under Indian Hills,
10 no company witness that is here today to be crossed
11 on this two-way tracker?

12 A. I'm not saying that. I'm just saying
13 I'm not the right person.

14 Q. Okay. Let's talk, I guess, about
15 what was in your testimony and things you can
16 answer. One thing that I brought up in my
17 opening -- were you here during that time? I think
18 you were.

19 A. Yes, I was.

20 Q. You're aware about these customer
21 complaints and the road damage that the leak
22 repair/replacement has caused, are you not?

23 A. I am.

24 Q. What have you done to try to remedy
25 that problem?

1 A. A couple different things, but first
2 I must say that the roads, because of the number of
3 leaks over the years, are in very poor condition to
4 begin with. So it's a very subjective discussion
5 when you talk about damage to the roads.

6 Having said that, what we have done,
7 we have an agreed-to repair practice for the roads
8 where the materials and the processes is
9 consistent. That agreement is with the property
10 owners association. And in addition to that, we
11 have focused down to one contractor who's going to
12 do the repairs for speed, but -- and when I talk
13 about the repairs, I'm talking about the repairs to
14 the mains and the service connections or the
15 replacements themselves and the bedding. The
16 actual asphalt repairs themselves we have
17 contracted out with the property owners
18 associations themselves to complete the repairs.

19 **Q. I'm sorry. I thought I heard two**
20 **different things. So do you have a contract or**
21 **does the property owners association have the**
22 **contract, or is it just for the certain part of the**
23 **road repair?**

24 A. So I'll clarify. Whenever we talk
25 about a repair, immediately -- or as soon as

1 possible we need to make the repair to the main or
2 the service connection, and as part of that repair
3 you put the bedding material back in, and that's to
4 protect the piping, to make sure that the piping's
5 protected long-term, and to provide the proper
6 subsurface material for a good asphalt repair.
7 That is with -- that is exclusively with one
8 contractor right now.

9 The asphalt cannot be repaired until
10 some number of weeks later, approximately two weeks
11 is what we have in the agreement with the property
12 owners association, and that is to give time for
13 proper settlement of that bedding material. The
14 asphalt repairs themselves, we have contracted with
15 a separate entity, being the property owners
16 association of Indian Hills.

17 **Q. So it's more than a repair practice,**
18 **then? You do have an agreement with the HOA?**

19 A. There's an agreement with, you know,
20 agreed-to language and diagrams.

21 **Q. Was that disclosed to Office of the**
22 **Public Counsel, to your knowledge?**

23 A. I don't know.

24 **Q. When was that agreement entered into?**

25 A. I don't know for sure, but I want to

1 say end of summer period.

2 Q. There's been discussions about
3 drilling of wells. Was that part of this
4 agreement?

5 A. No.

6 Q. It's true that certain of your
7 customers are drilling their own wells; is that
8 correct?

9 A. Yes.

10 Q. Has the company had any -- has it
11 made any attempts to stop the drilling of wells by
12 customers?

13 A. We have not made any attempts.

14 Q. The repair practice that you've
15 entered into with the homeowners association, I
16 guess my concern is, is the quality that was agreed
17 to with the homeowners association, why did you
18 need to have that, I guess, if you already had it
19 as your -- part of your business practice to repair
20 the roads? Why was this entered into?

21 A. We did not need to have that.
22 There's no requirement on our part to have that.
23 The property owners association approached us, and
24 among many things at Indian Hills where they need
25 to make improvements, roads are one of those, and

1 the property owners association has been in a
2 separate exercise trying to get a program, I guess,
3 in place with their residents to do a road
4 improvement program.

5 And they asked us to agree to a
6 specified or certain means of -- and then when I
7 talk about the repair, just the bedding material
8 after we make a repair, they asked us to agree to
9 something so they could build internal support
10 among their residents to say, hey, we've agreed to
11 a consistent method that's been looked at and
12 approved by engineers, we like this, and they can
13 show that to their residents.

14 **Q. Okay. Another thing that came up in**
15 **my opening, there was a customer comment P201705478**
16 **by Mr. Matt Joplin in April of this year. I don't**
17 **know if I missed it or read over it somehow, but he**
18 **seemed really upset that his meter and maybe some**
19 **of his neighbors' meter pits did not appear to be**
20 **replaced. To your knowledge, has Mr. Joplin**
21 **been -- have you had contact with him or been able**
22 **to investigate that claim?**

23 A. I have not spoken with Mr. Joplin,
24 no.

25 **Q. Have you investigated that, anything**

1 **similar to this?**

2 A. I have not investigated similar to
3 that. No, I have not.

4 Q. **I guess would you be willing to**
5 **investigate something similar to this in the**
6 **future?**

7 A. Certainly I would.

8 Q. **You hadn't -- sorry. I say you, but**
9 **Indian Hills Company had meters installed across**
10 **the community; isn't that correct?**

11 A. That is correct.

12 Q. **My understanding is the meters were**
13 **not working before; is that correct?**

14 A. That is my understanding as well.

15 Q. **What was the cost for that?**

16 A. I do not have those numbers. I do
17 not know that.

18 Q. **Were the meters a safety decision or**
19 **why did those go first? Why couldn't you have**
20 **phased in that as maybe a later project?**

21 A. That decision preceded my involvement
22 with Indian Hills, so I don't know the answer to
23 that. But I know there was a discussion between
24 company and Staff, and that was a joint decision to
25 do that, but I don't know the details behind it.

1 **Q.** I was reading through Mr. Spratt's
2 **testimony.** I found another interesting thing. The
3 **company replaced a 20,000 gallon storage tank with**
4 **storage allowing for up to 263,000 gallons of**
5 **storage. Does that sound right?**

6 A. Yes.

7 **Q.** **What is the DNR requirement for**
8 **storage, to your knowledge? Is it one day worth of**
9 **storage or what is the requirement?**

10 A. There's peak storage, and I -- and I
11 can't recall the exact amount, the exact time
12 period for the number of people served for the
13 storage, and I don't have it with me right now.

14 **Q.** **Do you know if DNR would require you**
15 **to have this level of storage if you had a backup**
16 **well or if that matters?**

17 A. So I believe that that 263,000 gallon
18 storage was absolutely necessary based on, you
19 know, what I've heard in the past, and given the
20 backup well, if there's a backup -- I think --

21 **Q.** **It's okay if you don't know.**

22 A. I don't know the answer to that.

23 **Q.** **That's fine.**

24 A. And I think it actually would also
25 come to a cost/benefit analysis of what's cheaper,

1 the additional storage or another well. Just based
2 on my knowledge, I think drilling an additional
3 well and put another full setting in there is more
4 costly than the additional storage.

5 **Q. Do you know if work papers exist**
6 **related to how the storage capacity was built?**

7 A. You mean how the quantity was?

8 **Q. Right. Exactly.**

9 A. I do believe that on our engineering
10 study that was determined, where the engineer was
11 asked to look at the violations, the DNR violations
12 and determine what it takes to bring us back into
13 compliance, I believe that's how the number of
14 the -- the quantity of storage was arrived.

15 **Q. So that wasn't done based on the rate**
16 **design usage numbers that we're using in this case,**
17 **to your knowledge?**

18 A. Could you ask that question again?

19 **Q. Well, I guess I'm wondering if we're**
20 **using 3,000 gallons of storage for rate design, by**
21 **my calculation that would allow for about three and**
22 **a half days worth of storage. That seems like an**
23 **awful lot.**

24 A. So I was not involved with the rate
25 design, so I can't speak to that. But my

1 understanding is the storage level is just
2 determined by using Missouri DNR standards.

3 **Q. Okay. About the leak repair costs**
4 **themselves, as I understand it, the utility**
5 **increased the pressure on the system to meet the**
6 **DNR standards, true?**

7 A. That's correct.

8 **Q. And didn't that increase in pressure,**
9 **that was one of the factors, among others, such as**
10 **old assets, that caused this increase in leak**
11 **repairs; is that a fair statement?**

12 A. That's fair. That's one of the
13 factors, the pressure.

14 **Q. Did the utility, to your knowledge,**
15 **do any planning in advance of executing its**
16 **decision to increase the water pressure to mitigate**
17 **the leak repair that has now taken place?**

18 A. Not to my knowledge, and I don't know
19 that anyone would know that that level of pressure
20 increase would create as many leaks as it did. I
21 don't know how you would know that in advance.

22 **Q. Do you know who I might ask to find**
23 **out if the utility had done any planning in**
24 **advance?**

25 A. No.

1 Q. Did you read Mr. Spratt's testimony?

2 A. Yes.

3 Q. Now, he's testified that he
4 personally knew of 40 documented leak complaints on
5 the system since 2011 relating to the system. Did
6 the company try to, I guess, interact with Staff
7 about finding -- were they aware that this was a
8 leaky system?

9 A. I believe the company was aware of
10 the many deficiencies of this system. Specifically
11 am I aware of the level of awareness around the
12 leaks? I don't know that.

13 Q. Did the company ever approach DNR
14 about creating a schedule of compliance to avoid
15 putting -- raising the pressure on this system all
16 at one time, or do you know if that's possible?

17 A. I'll answer. To my knowledge, I
18 don't know -- I don't know if anybody approached
19 the DNR about that or not. Do I know if it's
20 possible? No. Have I ever heard of it? No.

21 Q. Is there another Staff witness who
22 would know? Or sorry. Not Staff. I'm sorry.
23 Another company witness who would know?

24 A. Mr. Cox.

25 Q. Mr. Cox might know. Do you have

1 **Ms. Grisham's rebuttal testimony with you by**
2 **chance?**

3 A. I should.

4 Q. **If you would turn to page 5, lines 21**
5 **through 24.**

6 A. Which page was that?

7 Q. **Page 5, lines 21 through 24, I**
8 **believe.**

9 MR. COOPER: Of which?

10 THE WITNESS: Begins a review of?

11 MR. SMITH: Of her rebuttal
12 testimony.

13 MR. SMITH: Yeah, it should be review
14 of documentation.

15 THE WITNESS: I have that.

16 MR. SMITH: Okay. Are you there,
17 Mr. Cooper?

18 MR. COOPER: Yes.

19 BY MR. SMITH:

20 Q. **Do you generally agree with this**
21 **statement: That a review of documentation provided**
22 **to dates regarding repair invoices show that not**
23 **all entries in the expense accounts and general**
24 **ledger are truly repair expense. On some invoices**
25 **line replacement is classified as and charged to**

1 expense when it should be recorded as plant in
2 service. Other items included expenses invoice are
3 not recoverable through rates, including an
4 instance where the contractor agreed to repair a
5 water leak on the customer portion of the line but
6 then billed the company for it.

7 Do you agree with that -- her
8 statement there?

9 A. I can't speak to that because I
10 haven't been part of any of the accounting.

11 Q. Have you been a part of any of the
12 recordkeeping?

13 A. I've been part of the recordkeeping
14 strictly in terms of documentation of the leaks
15 themselves, quantity.

16 Q. So you're more focused on big picture
17 quantity and not the micro level of whether
18 something's a repair or a replacement on the
19 invoice; is that fair?

20 A. That's correct.

21 Q. Are you actually on site? I'm sorry.

22 A. Let me just clarify something. I am
23 focused more on the operational side of things and
24 also managing the contractors and reviewing their
25 invoice. In terms of how they're classified or

1 booked, I'm not part of that process.

2 Q. In terms of keeping written records,
3 are you in charge of that?

4 A. Could you be more specific?

5 Q. Yes, I can. I'm sorry. Written
6 records, for example, when there's a dispatch to --
7 you get a phone call or they say they have a leak,
8 they need you to come out. I understand there's a
9 separate service for that, but I guess do you
10 review those records? Are records being created,
11 to your knowledge?

12 A. So that's been an evolution. The
13 evolution really started with contractors either
14 through customer call-ins reporting a leak or
15 contractors themselves identifying a leak. They
16 kept a record of those, and then I would review
17 those upon receiving that documentation from the
18 contractor.

19 That was an imperfect system with a
20 few deficiencies because the contractors made
21 mistakes in terms of certainly the addresses where
22 the leak occurred. So I've become much more
23 involved in that, and recently we brought online a
24 computerized maintenance management system, which
25 is a work order based system, and now any time

1 there is a leak -- and this is actually online and
2 started about a month ago. Now any time there is a
3 leak, the first thing that happens is an
4 investigative work order is issued where the
5 contractor has to investigate it and determine
6 whether or not there is a leak and what the actual
7 address is, and then based on that, another work
8 order is generated to repair it.

9 As part of that work order process
10 there's before, during and after pictures to
11 further document that. And then when the work
12 order finally gets closed out, now we have a report
13 date of when the leak was reported, a closed date
14 of when the leak was repaired, along with a
15 confirmation of an address. So we've come -- we're
16 much better now than we were when we started.

17 **Q. Approximately, if you can give me a**
18 **range of dates, when did that recordkeeping system**
19 **evolve to the level that you're speaking of?**

20 A. To the level I just spoke of now, I
21 think our startup was the first week of October of
22 that system. That was the startup and that was not
23 the date it arrived to perfection. That was the
24 startup.

25 **Q. Of this year, correct?**

1 A. Yes.

2 Q. Do you use two different contractors,
3 one to repair and another one to replace?

4 A. We endeavor to use one contractor,
5 but it just depends. If the frequency of leaks is
6 greater than that one contractor can address, we'll
7 bring in a second contractor, or if there were to
8 be a very large main break that the one contractor
9 can't handle, then we'd bring in a secondary
10 contractor for that as well. So it just depends.

11 Q. And at the beginning when pressure
12 increased on the system, would it be fair to
13 assume, and actually I would like your testimony on
14 this, that the company did have more than one
15 contractor?

16 A. That is correct. There were more
17 than one contractor.

18 Q. And would that overflow work only be
19 for repairs or would that also be for replacement
20 of the secondary contractor?

21 A. I guess as a scenario it could be for
22 replacement, but it would just be overflow. The
23 one contractor we have, we primarily want to use
24 them for everything, both repairs and replacements.

25 Q. When they're out in the field, so to

1 **speak, do they have the discretion to make the**
2 **repair right when they come there or do they have**
3 **to -- is there a process by which they have to get**
4 **your approval? How does that work?**

5 A. So particularly, and even more well
6 defined when we kicked off the computerized
7 maintenance management system, that question came
8 up among the contractors, and we said by all means
9 if there's a leak that's interrupting service,
10 proceed with the repair. Do not wait on us to get
11 that done. Just ensure you do the proper
12 documentation to show where it is and when it
13 occurred or when you found it and when it was
14 repaired. We did not want to hold up service for
15 an approval process.

16 Q. **And are you saying that's a new**
17 **practice in October where you gave the contractors**
18 **full discretion?**

19 A. No, I'm not saying it's a new
20 practice at all. I think that's always been the
21 understanding. My point to you is that we just
22 reclarified that as part of bringing on the
23 computerized maintenance management system.

24 Q. **So before it wasn't clearly stated as**
25 **between you and the multiple contractors in which**

1 **your company was engaged?**

2 A. I can say honestly it was well
3 understood that if you see a leak that's
4 interrupting service, repair it.

5 Q. I think I'd like to approach with
6 respect to -- well, this document isn't offered
7 yet, but it's on Mr. Spratt's schedule of his
8 direct dash D3. I suppose this will be offered
9 later, but I have copies if you'd like. Would you
10 prefer that?

11 A. Sure. I'll take the color ones. I
12 have the black and whites here.

13 MR. SMITH: Commissioner, Judge,
14 would you like a copy?

15 JUDGE JORDAN: Yes. This item will
16 be marked as Exhibit 223.

17 (OPC EXHIBIT 223 WAS MARKED FOR
18 IDENTIFICATION BY THE REPORTER.)

19 BY MR. SMITH:

20 Q. **Mr. Thomas, do you recognize this**
21 **exhibit?**

22 A. I do.

23 Q. **And, in fact, on several of these**
24 **photos isn't that your handwriting?**

25 A. Yes, it is.

1 Q. Is it on all the photos?

2 A. Yes, it is.

3 Q. Now, you did not personally take
4 these photographs; is that correct?

5 A. That is correct.

6 Q. However, you have seen a number of --
7 did you see these items firsthand, these lines?

8 A. I did not see them firsthand in the
9 ground during the repair, but I've seen these
10 physically as examples of specimens, yes.

11 Q. And do these appear to be a true and
12 correct copy of, I guess, an example of service
13 line for each of these items?

14 A. These are true representations of
15 some of the types of leaks that are -- that existed
16 at Indian Hills, yes.

17 Q. I think you answered my question
18 better than I asked it. I appreciate that.

19 MR. SMITH: I would offer this into
20 evidence as OPC Exhibit 223.

21 JUDGE JORDAN: Objections?

22 (No response.)

23 JUDGE JORDAN: OPC Exhibit 223 is
24 entered into the record.

25 (OPC EXHIBIT 223 WAS RECEIVED INTO

1 EVIDENCE.)

2 BY MR. SMITH:

3 Q. Now, earlier you had said that these
4 contractors have full discretion to go ahead and
5 repair. Your handwriting says that that's typical,
6 right, these are typical lines?

7 A. My document's cut off. I can't see
8 exactly what I wrote on there. Is it prior,
9 typical? I can't read what that --

10 Q. Let me see if we have a better
11 version.

12 MS. MERS: Is the same one in
13 Staff's?

14 MR. SMITH: It's the same as
15 Mr. Spratt's direct testimony, I believe. May I
16 approach?

17 JUDGE JORDAN: You may.

18 THE WITNESS: Okay. So to -- to
19 clarify, what I'm saying in that is that is a
20 typical repair made by the prior owner. That is
21 what that is intended to say, because what they did
22 primarily, and maybe entirely but I'll say
23 primarily, was to dig it up, put another clamp on
24 it and bury it again.

25 BY MR. SMITH:

1 **Q. I guess my question is, when one of**
2 **these contractors comes across one of these lines**
3 **and they have full discretion to proceed with the**
4 **repair and they don't need to ask for approval, are**
5 **they just going to put an octuplet clamp on it and**
6 **bury it?**

7 A. No. No. As a matter of fact, when I
8 originally brought these pictures and showed them
9 as examples, those are examples of the types of
10 prior repairs that are we replacing. So ideally in
11 any situation, any leak situation like this, we
12 will want to replace it, not repair it. And if
13 time allows where we're not -- there's not a
14 backlog of other leaks that are causing service
15 interruption or in some cases where you don't have
16 to bore underneath a road, we will have it replaced
17 at that time. That is the understanding that we
18 have with the contractors.

19 **Q. And how is that understanding**
20 **conveyed? Is there an agreement? Is there**
21 **training modules that they undergo? How do they**
22 **know? Because earlier I thought you said it was**
23 **based on discretion.**

24 A. Well we -- you know, is there -- what
25 we did, we had -- or I had the meeting with the

1 contractors and I conveyed the -- I conveyed that
2 we primarily want to, when it's appropriate,
3 replace service connections versus repair. And
4 when I say if it's appropriate, certainly in
5 examples like this where there's multiple clamps,
6 it's appropriate if time allows and without
7 interrupting other service. So it was a verbal
8 communication that I had with the contractor,
9 specifically set up, by the way, to communicate
10 our, you know, the repair policy of Indian Hills.

11 **Q. I'm crossing off some questions here.**
12 **Would you agree that -- not to say there aren't**
13 **untrustworthy contractors out there and there are**
14 **trustworthy contractors. I'm sure there's some of**
15 **both. But would you agree there's a financial**
16 **incentive to push repairs if you're in the business**
17 **of making repairs?**

18 **A.** I'm pausing because I don't -- I just
19 don't think in those terms. I believe that our
20 company and the contractors that we deal with
21 endeavor to do its best for the consumer. If
22 you're saying that there -- that someone could try
23 to manipulate the system to their benefit by doing
24 more repairs and replacements, I guess you would be
25 correct, but that is -- that's not something I'm

1 familiar with.

2 **Q. I'm just wondering if there's nothing**
3 **in writing, and I guess I'm just wondering the**
4 **incentives there.**

5 A. Well, if I might, you know, I'm very
6 pleased about the computerized maintenance
7 management system that I discuss, and it's good to
8 note that it's not just for Indian Hills. It's
9 cloud based, system-wide. And me and my position
10 with Central States Water Resources with wanting to
11 have the visibility to the things that you just
12 spoke about, I'm extremely pleased about this,
13 particularly with the before, during and after
14 components of pictures and the level of
15 documentation. It makes me feel personally much
16 more in control and comfortable about what was
17 going on in our operations.

18 **Q. Can I ask how much that software or**
19 **program cost?**

20 A. Sure. I will do it to the best of my
21 ability. I think it's a fantastic bargain. The
22 full implementation and training was around, I want
23 to say \$13,000, and there's a \$6,000 per year fee.

24 **Q. And who is the vendor for that**
25 **contract?**

1 A. It's called E-Mate, and it owned
2 by -- the parent company is Fluke, which Fluke is
3 kind of a leading tool, like amp meter and
4 electrical component company. They're very well
5 known.

6 **Q. Does that fee cover a single license**
7 **or multiple licenses?**

8 A. That's another great thing I really
9 like about this. So there are four licenses
10 currently, but you can have up to 16 users. And
11 you don't -- and it's not -- it's not exclusive
12 like they only allow four on at one time. All 16
13 can be on at one time, and at the end of the year,
14 if they look and see that through the course of the
15 year those 16 people, those 16 multiple users used
16 more than four full-time equivalents, then at the
17 end of that year you negotiate adding additional
18 license to that. So I really like that component,
19 too.

20 So all the contractors that we have,
21 they could all be on the system at the same time.
22 And just a little more about it, it actually has a
23 hand -- it's driven off a handheld smart phone.
24 The operator can use it while they're actually in
25 the field on the site.

1 **Q. It sounds like we're in agreement**
2 **that the lines that are in those pictures would --**
3 **it would be more economical to replace those rather**
4 **than to repair those multiple times?**

5 A. So I believe absolutely it's the
6 right thing to do to replace these lines versus
7 repair them if it's possible at that time, without
8 creating additional service interruptions or
9 depending upon the -- if the main is actually
10 located on the other side of the road from where
11 this is and depending upon the cost of boring
12 underneath it and getting there, you know, it may
13 not be feasible at that time. But in general,
14 yeah, absolutely we want to replace these and not
15 repair them.

16 **Q. So all those caveats to what you just**
17 **said, I assume that is part of what was verbally**
18 **conveyed to these contractors?**

19 A. I think that the essence of what was
20 conveyed to the contractors is don't wait on us to
21 get somebody back in service. Having said that, if
22 you're going to make a judgment call on a repair
23 versus a replacement and it's one of the outliers
24 like I talked about, we need to have a discussion
25 about that.

1 **Q. And this system will include photos**
2 **you said which will help you audit that?**

3 A. Yes.

4 **Q. On a going forward basis, though, not**
5 **for the leak repairs in this case?**

6 A. Yeah, not for anything prior to
7 October.

8 **Q. What's the expected time frame for**
9 **which -- I guess how long would you say these**
10 **repairs last that are being, you know, patched on**
11 **to the Indians Hills infrastructure?**

12 A. I can't answer that. I don't know.

13 **Q. Would you say less than a year?**

14 A. I don't know. I would just think
15 there's many factors.

16 **Q. Okay.**

17 A. Too many factors to really speculate.

18 **Q. So while I'm searching for exhibits,**
19 **can you give us an example of how long it would**
20 **take to replace a service line rather than to**
21 **repair one?**

22 A. I'll state it like this: To do a
23 replacement, and I'll try to choose the word
24 typical or normal would be three to four times the
25 amount of time to do a service repair. So it could

1 definitely take more than a day or as much as two
2 to do a replacement versus a repair.

3 MR. SMITH: I have another exhibit,
4 which I'll mark as 224.

5 (OPC EXHIBIT 224 WAS MARKED FOR
6 IDENTIFICATION BY THE REPORTER.)

7 BY MR. SMITH:

8 Q. I'm not sure you're the author of
9 these, but it relates specifically to a discussion
10 we just had. In particular I'm looking at -- well,
11 I guess before I do that, let me ask you, do you
12 recognize these data requests?

13 A. I do recognize them.

14 Q. Did you author any of these data
15 requests?

16 A. So 30 I did not.

17 Q. 30 you did not? I'm sorry. Yeah.
18 Did you author the responses to the data requests,
19 not the actual data requests themselves, if that
20 clarifies it?

21 A. Yes.

22 Q. So 30, you did author the response?

23 A. Yes.

24 Q. Okay. 31, you did author --

25 A. Yes.

1 Q. -- response?

2 MR. SMITH: I think 32 and 34 are
3 Mr. Macias and Mr. Cox. I've stapled these two
4 together, but I think since they're separate
5 documents I'd like to just offer the first page of
6 this document, 30 and 31, OPC data requests, at
7 this time.

8 JUDGE JORDAN: Do you want us to hold
9 on to that second page? Are you planning to use
10 that later?

11 MR. SMITH: I don't think I am, no.
12 You can shred it or -- I don't think there's any
13 confidential information for which you have to be
14 sensitive with how you dispose of it, but I guess I
15 defer to the company.

16 MR. COOPER: I think the only thing
17 about the second page is that the picture is a part
18 of the answer on 31. I think that's how they
19 connect.

20 MR. SMITH: That is a good point.

21 JUDGE JORDAN: So you'll be offering
22 what's marked as Exhibit 224, other than the Data
23 Request No. 34; is that correct? And 32, which are
24 on the second page but the picture goes with the
25 response to 31; is that correct?

1 MR. SMITH: If it's not opposed by
2 the parties, I'd like to do that.

3 MR. COOPER: That works for me.

4 JUDGE JORDAN: Okay. Not hearing any
5 objection to Exhibit No. 224 of the Office of the
6 Public Counsel, that will be entered into the
7 record.

8 (OPC EXHIBIT NO. 224 WAS RECEIVED
9 INTO EVIDENCE.)

10 BY MR. SMITH:

11 Q. Okay. On DR 31, would you please go
12 to that.

13 A. Yes.

14 Q. So earlier you said you couldn't say
15 with certainty whether leak repairs would provide a
16 benefit in excess of a year, couldn't say for sure?

17 A. I did say that, because of the number
18 of variables. There's just so many. What was the
19 condition the material, the pressure that's being
20 seen at that one particular location. There's just
21 a number of many variables.

22 Q. Do you have Mr. Spratt's testimony,
23 his exhibit on repair logs?

24 A. I do.

25 Q. Would you please flip to that.

1 A. I'm here.

2 Q. Would you go to item 167 and take a
3 look at that.

4 A. I see it.

5 Q. Okay. Would you agree that this is a
6 dispatch log recording repairs and replacements or
7 both?

8 A. Yeah.

9 Q. Better question, what is this?

10 A. So the source of this is from our
11 operations maintenance contractor, and this is the
12 list of the addresses. And so yes, what he -- what
13 is recorded on the right-hand side are the comments
14 that were received from the customer when they
15 called in the leak.

16 Q. And that says leak repair fifth time;
17 isn't that true?

18 A. That's what it says, yes.

19 Q. So there's a concern about these leak
20 repairs, I think you're understanding, and you
21 don't have any testimony on the two-way tracker; is
22 that correct?

23 A. That's correct.

24 Q. I'd also like to --

25 A. Mr. Cox probably is the best person

1 from our company to talk about the two-way tracker.

2 Q. Thank you. I had previously marked
3 Exhibit 221 and was holding that. I believe you're
4 the witness who is appropriate to ask additional
5 data requests of to authenticate those data
6 requests. It's been a little bit of a challenge to
7 try to separate these out, so I apologize.

8 Let me present you with what it is
9 that I'm looking at. I believe it's already been
10 passed out. So this is Exhibit 221. Do you
11 recognize this?

12 A. I do.

13 Q. And what is it?

14 A. These are OPC DRs, along with
15 responses.

16 Q. Okay. And who's the author of those
17 responses for DR 50 through 55?

18 A. I am the author of the response for
19 50. I am the author for the response of 51. I am
20 the author of response for 52. I'm also the author
21 of response for 53. I do not believe I am the
22 author of response for 54. That is not me.

23 MR. SMITH: Okay. May I have a
24 moment with counsel off the record?

25 JUDGE JORDAN: Yes. Let's take a

1 moment to go off the record. We'll take a break
2 and resume in five minutes.

3 (A BREAK WAS TAKEN.)

4 JUDGE JORDAN: And we're back on the
5 record with the Office of Public Counsel
6 cross-examining Mr. Todd Thomas.

7 BY MR. SMITH:

8 Q. When we were off the record, we had
9 discussed Exhibit 221. Subject to an agreement
10 between OPC, Staff and the company, OPC would like
11 to offer Exhibit 221 up to DR -- I guess everything
12 except Data Request 56 and 57 of Exhibit 221.

13 JUDGE JORDAN: Any objections?

14 (No response.)

15 JUDGE JORDAN: Hearing no objections,
16 then OPC's Exhibit 221, other than responses to
17 Data Requests No. 56 and 57, will be entered into
18 the record.

19 (OPC EXHIBIT 221 WAS RECEIVED INTO
20 EVIDENCE.)

21 BY MR. SMITH:

22 Q. Mr. Thomas, earlier we were
23 discussing that one customer who reported to your
24 contractor that this was their fifth leak repair.
25 DR 50 provides a little more detail in terms of the

1 company's responses as to why multiple addresses
2 appear multiple times.

3 As I interpret this data request, is
4 it fair to say that the company's response is that
5 initially when they acquired this system, the
6 recordkeeping policies weren't perhaps quite as
7 good as they should have been and there were -- is
8 that a fair rationale for this, or how would you
9 put it?

10 A. I think -- I think that's fair. I
11 think it's also fair to say since July I've become
12 a lot more involved with the accuracy of those
13 records, you know, by reviewing the contractor's
14 information and then, as we stated, now in October
15 with the computerized maintenance management system
16 will be even better.

17 I should also say that really
18 preparing for this, I sat down with the contractor
19 and look at the contractor records, and I'm
20 confident that the quantity of leaks is accurate.
21 It's just the addresses, the locations of the leaks
22 that are not accurate.

23 Q. I thought earlier in your testimony
24 you said that you had a macro perspective and
25 didn't actually look at the micro level invoices.

1 A. I did preparing for this, yes.

2 Q. I guess if -- so now your testimony
3 is that you have reviewed those invoices?

4 A. I must have misunderstood what you
5 said, but what I'm telling you is I went back and
6 looked with the contractor at the records and I'm
7 confident of the quantity of the leaks.

8 Q. I thought earlier you had said that
9 that was a question for someone else, the
10 accounting questions.

11 A. I do not code and enter invoices into
12 our system.

13 Q. I guess now that I know that that's
14 your answer, I guess turning back to that question,
15 do you agree with Staff witness Ms. Grisham's
16 rebuttal testimony at page 5, lines 21 through 24,
17 talking about the repair expenses and replacement
18 expenses and how those were misclassified? Do you
19 want to turn to the testimony again?

20 A. Yeah. This is her direct testimony?

21 Q. This is her rebuttal testimony. I
22 thought when I asked that you said that you hadn't
23 reviewed those invoices.

24 All right. So this is page 5,
25 lines 21 through 24, Ms. Grisham's rebuttal

1 **testimony.**

2 A. So while I'm looking for this,
3 restate your question.

4 **Q. Do you agree with lines 21 through**
5 **24?**

6 A. I have to start from the beginning
7 here on my rebuttal. I had it previously. It's in
8 here. I'm taking some time. Do you want to just
9 provide me with a copy of it?

10 **Q. Yeah, I can do that.**

11 A. I found it. I'm sorry.

12 **Q. You beat me to it.**

13 A. Okay. Page 5.

14 **Q. Okay. If you would be so kind as to**
15 **go to lines 21 through 24, and my question is, do**
16 **you agree with Staff witness Ms. Grisham given that**
17 **you have reviewed the invoices?**

18 A. My response I guess is very similar.
19 When I reviewed the invoices, I'm not the one that
20 entered them into the accounting system, so I don't
21 know whether or not things need to be reclassified
22 or not. That is all that I'm saying.

23 **Q. Well, if you don't know how they**
24 **should or should not be classified, then how do you**
25 **know the total number is correct?**

1 A. I know the total number's -- I know
2 the total number's correct by going through the
3 different invoices with the contractor saying, yes,
4 this was a leak, yes, this was a leak, yes, this
5 was a leak, no, this address is not correct but
6 there was work done here to repair a leak. That's
7 what I know.

8 **Q. Okay. I think we'll move on from**
9 **that. Have you read the second stipulation?**

10 A. I have not, no.

11 **Q. Have you read the first stipulation?**

12 A. No.

13 **Q. Really? Okay. Didn't expect that.**
14 **Based on water talk or water cooler talk around**
15 **your office, are you aware that there's supposed to**
16 **be this five-year plan to replace much of the**
17 **infrastructure as prudent and necessary?**

18 A. I'm aware that we're going to, which
19 is totally prudent, do a study, a replacement study
20 to go and determine how we're going to go through
21 and replace certain sections of main and service
22 lines. That has not been completed yet.

23 **Q. To your knowledge?**

24 A. We'll utilize our engineer to help us
25 with that.

1 **Q. In addition to this study, to your**
2 **knowledge -- to your knowledge, is there any sort**
3 **of five-year plan to replace much of the**
4 **infrastructure?**

5 A. Currently there's not a plan in
6 place.

7 **Q. To your knowledge or --**

8 A. Currently there is not a set plan in
9 place in terms of how to go about and strategically
10 replace specific sections in order to do that, and
11 there's certainly -- there's just not enough
12 information to do that right now.

13 **Q. Let me be more careful with how I ask**
14 **my question. Are you aware of an agreement to**
15 **create a five-year plan to replace much of the**
16 **infrastructure such as those pictures that we**
17 **discussed earlier?**

18 A. And you're referring to the agreement
19 in the most recent stipulation?

20 **Q. Are you aware of any agreement?**

21 A. I know that in the most recent
22 Stipulation & Agreement there is a -- we are going
23 to create a replacement plan for mains and service
24 connections, yes.

25 **Q. Okay. So would it be fair to say the**

1 **company didn't consult with you before agreeing to**
2 **a five-year plan in the first stipulation?**

3 A. No, that's not fair to say. We
4 all -- we all talk about these things, and I can
5 say regardless of a Stipulation & Agreement, that's
6 absolutely the most prudent thing to do is create a
7 replacement plan, and that was going to happen
8 anyway.

9 **Q. But you don't know if that**
10 **replacement plan has a length?**

11 A. I don't know the length.

12 MR. SMITH: All right. No further
13 questions.

14 JUDGE JORDAN: Questions from the
15 Bench for this witness?

16 COMMISSIONER KENNEY: No questions.
17 Thank you.

18 JUDGE JORDAN: Redirect?

19 MR. COOPER: Yes, your Honor.

20 REDIRECT EXAMINATION BY MR. COOPER:

21 **Q. You were asked questions previously**
22 **about meters and meter pits. How many meters**
23 **were -- not a number, but were all the meters**
24 **replaced?**

25 A. Yes, all the metes were replaced.

1 Q. Is that true of the pits as well?

2 A. No, it is not.

3 Q. Fairly substantial difference in the
4 two numbers?

5 A. Yes, quite a bit.

6 Q. You were asked some questions about
7 the design of the system. Did you design the
8 system yourself?

9 A. No, I did not design the system
10 myself. We used a professional engineer to do the
11 design.

12 Q. And does that professorial engineer
13 design the system to DNR standards?

14 A. The professional engineer designs to
15 meet the minimum DNR standards to comply with all
16 the DNR regulations.

17 Q. Is there a permitting process that
18 goes along with that?

19 A. Absolutely.

20 Q. You were shown some pictures, in
21 particular one that has a number of metal clamps on
22 the line. Do you remember that?

23 A. I do.

24 Q. And those were referred to as
25 repairs, I think, correct?

1 A. Yes.

2 Q. Are those repairs that would have
3 been made under Indian Hills?

4 A. No. We do not conduct or our
5 contractors do not conduct repairs like that. In
6 a -- in the case of a repair that we would make, we
7 would cut out the section and use more of a saddle
8 clamp. We would never use those twist-on clamps
9 that you see in the pictures.

10 Q. So even when you're talking about
11 repair, you're actually cutting out a section of
12 the line and replacing that section of the line?

13 A. That's correct. Even if it's small,
14 a number of inches, you're cutting out that
15 section.

16 Q. And when you talk about a
17 replacement, then, is it a larger section than what
18 we just discussed?

19 A. When I talk about a replacement, I'm
20 talking about all the way from the main to the
21 meter, that full replacement.

22 Q. And that's part of the reason that
23 you said it would take substantially more time to
24 do a replacement than a repair?

25 A. That is correct.

1 **Q. You talked about software, some work**
2 **order software and a cost for that. Is that**
3 **software that will only be used by Indian Hills or**
4 **will it be used by all the First Round**
5 **subsidiaries?**

6 A. It's used by all First Round
7 subsidiaries. And I might add, the costs that I
8 spoke about, those -- that's not just for Indian
9 Hills. That's for all the subsidiaries as well.

10 **Q. So that's a total that would**
11 **presumably be allocated in some portion to the**
12 **subs?**

13 A. That's correct.

14 MR. COOPER: That's all the questions
15 I have.

16 JUDGE JORDAN: You may step down.
17 Next witness.

18 MS. MERS: Staff calls David Spratt
19 to the stand.

20 (Witness sworn.)

21 JUDGE JORDAN: Thank you. Direct.

22 DAVID SPRATT testified as follows:

23 DIRECT EXAMINATION BY MS. MERS:

24 **Q. Can you please state and spell your**
25 **name for the record.**

1 A. David Spratt, S-p-r-a-t-t.

2 **Q. And whom are you employed by and in**
3 **what capacity?**

4 A. I'm a Utility Operations Technical
5 Specialist 2 in the water and sewer department for
6 the Missouri Public Service Commission.

7 **Q. And did you cause -- prepare or cause**
8 **to be prepared certain direct testimony marked as**
9 **Exhibit 105 and certain surrebuttal testimony**
10 **marked as Exhibit 113?**

11 A. Yes, I did.

12 **Q. And do you have any corrections to**
13 **that testimony?**

14 A. No, I do not.

15 **Q. If I asked you those questions today,**
16 **would your answers be the same?**

17 A. Yes, they would.

18 **Q. Are those answers true and accurate**
19 **to the best of your knowledge and belief?**

20 A. Yes, they are.

21 MS. MERS: I'd like to enter Staff
22 Exhibit 105 and 113 into the record.

23 JUDGE JORDAN: Any objections?

24 MR. SMITH: No objection.

25 MS. MERS: And then I tender the

1 witness for cross.

2 JUDGE JORDAN: I will admit those
3 exhibits into the record.

4 (STAFF EXHIBITS 105 AND 113 WERE
5 RECEIVED INTO EVIDENCE.)

6 JUDGE JORDAN: And cross-examination
7 from Indian Hills.

8 MR. COOPER: No questions, your
9 Honor.

10 JUDGE JORDAN: Cross-examination from
11 Office of the Public Counsel?

12 MR. SMITH: Yes. Thank you.

13 CROSS-EXAMINATION BY MR. SMITH:

14 **Q. Mr. Spratt, you were in the courtroom**
15 **earlier, correct?**

16 A. Yes.

17 **Q. So you heard a lot of discussions**
18 **about schedules that were put in your testimony?**

19 A. Correct.

20 **Q. Did you also hear the discussion**
21 **about the storage capacity?**

22 A. Yes.

23 **Q. Did you have an opinion on that**
24 **subject?**

25 A. I know we've always talked about DNR

1 requires or requests a full day storage. What that
2 number is based on their data, we don't know
3 exactly. We'd have to look at a full day, average
4 day, peak day, those kind of numbers. I think
5 having the additional storage if it's over capacity
6 is good because it keeps the pump from running and
7 saves wear and tear on the pump.

8 **Q. If it were -- at what point would it**
9 **not be good? Is there a point where they could**
10 **build so much capacity where there could be doubts**
11 **about the prudence?**

12 A. Oh, I'm sure there would be. You'd
13 need an engineer to study that.

14 **Q. In your opinion, now, you're a water**
15 **operator; is that right?**

16 A. Yes.

17 **Q. And so you have studied DNR standards**
18 **as part of that?**

19 A. Yes.

20 **Q. Have you -- you're also familiar with**
21 **storage tank capacity for small systems?**

22 A. Yes.

23 **Q. I mean, do you have an idea of what**
24 **other small utilities build out or what, you know,**
25 **what you've seen in terms of -- I guess I'm trying**

1 to figure out, where's the line between a large
2 capacity that could be good and a really large
3 capacity that could be an overbuild. Do you have
4 an opinion on that?

5 A. I think many of our systems are under
6 capacity. They don't have enough storage for what
7 they have. I think a lot of times when you realize
8 that your system's not working, your stand pipe
9 isn't full when it happens, so you don't have a
10 full day's storage. I think you would be at a
11 certain point when you would have less than a full
12 day of storage when you realize it.

13 Q. For DNR, do they calculate usage for
14 purposes of that emergency capacity differently or
15 is that something the company self reports? How is
16 that --

17 A. DNR has a formula for it, but I don't
18 know what it is.

19 Q. Okay. I'd like to turn to your
20 testimony. Let me get it in front of me so I can
21 direct you to the right page.

22 A. Okay.

23 Q. I believe it's your direct at page 3.

24 A. Okay.

25 Q. Yes, this is the right one. Lines 10

1 through 22, spilling over onto the next page 4,
2 lines 1 through 5.

3 A. Okay.

4 Q. In particular, really I think my
5 focus of my questions are this lines 10 through 13.
6 And I read this to say that it would be better for
7 system integrity to replace service connections as
8 leaks are discovered rather than repair the service
9 connections. Is that -- do you stand behind that
10 testimony?

11 A. Yes, I do.

12 Q. Also, would you go to your
13 surrebuttal testimony.

14 A. Okay.

15 Q. Page 1. Are you there?

16 A. Yes.

17 Q. And if you would look to, I guess --
18 it's a short surrebuttal. It's two pages. So I
19 think it's around the middle of page 1, spilling
20 into page 2. As I read that, it seems to sort of
21 qualify your direct. Is that fair?

22 A. I would say so.

23 Q. So I guess I'm just trying to clarify
24 what it is that is your recommendation. Are you on
25 the one hand recommending, as you say in your

1 **direct, that replacements ought to happen as these**
2 **repairs are discovered? On the other hand, are you**
3 **saying that that shouldn't actually happen?**

4 A. Well, I believe Mr. Thomas covered it
5 pretty well. Repairs are going to be a necessary
6 thing. There are some repairs that are going to be
7 fairly substantial, leaks that are going to be
8 fairly substantial and repairs are going to have to
9 be made. Replacing the service would take too long
10 to do, where a repair could fix it quickly and stop
11 a large leak from happening which is causing
12 property damage or possible loss of pressure to the
13 system.

14 **Q. What, in your opinion, is the time**
15 **frame on a replacement versus repair?**

16 A. It would depend on the severity of
17 the leak.

18 **Q. Do you have a range of time based on**
19 **your experience? Would it be under a day for**
20 **either one? For a service line keep in mind, not a**
21 **main.**

22 A. Length of time to repair or replace
23 one?

24 **Q. Yes.**

25 A. A lot of it would depend on the

1 length of it.

2 Q. Okay. Would it -- I guess my
3 question is, would it be under a day to repair it
4 versus to replace it?

5 A. Oh, I would think it would be much
6 quicker to repair it, yes.

7 Q. What about to replace it?

8 A. Again, it depends on the length and
9 the severity.

10 Q. So more than two days?

11 A. I wouldn't think more than two days,
12 no.

13 Q. So I guess you're saving possibly
14 24 hours, maybe 36 hours, which could mean a lot if
15 it's a home?

16 A. Sure.

17 Q. That could create flooding. I guess
18 in the event that one of these stopgap repairs is
19 done, what's the next step? Do you repair it and
20 then you replace it right away, or how does that
21 work based on your recommendation?

22 A. Well, talking with the company, I
23 think they try and line up as many repairs or
24 replacements as they can. A repair obviously is
25 going to be something that has to be done right

1 away if it's causing a major leak. But as far as
2 replacements go, you wouldn't just replace one on
3 the spot. You would try and set up a systematic
4 approach to it.

5 **Q. Okay. So would that systematic**
6 **approach involve replacing one of the recently**
7 **repaired lines?**

8 A. It could.

9 **Q. And is it your recommendation that it**
10 **should?**

11 A. Not necessarily. It depends on how
12 it ranks in order of severity of the leaks and
13 damage to the system in other area.

14 **Q. Would you go to page 4 of your direct**
15 **testimony.**

16 A. Sure.

17 **Q. So I had mentioned this but I didn't**
18 **get into it. The lines 1 through 3 that starts**
19 **with, it is staff's opinion, can you read that into**
20 **the record?**

21 A. It is Staff's opinion that it would
22 be less expensive to replace a service connection
23 while the ditch is open and a backhoe is on site
24 than to dig in the spot numerous times and make
25 minor repairs.

1 **Q. So do you stand behind that**
2 **testimony?**

3 A. I do.

4 **Q. Okay. So I guess it is your**
5 **recommendation that you're leaning more toward**
6 **replacement than repairs, or I'm still kind of**
7 **confused.**

8 A. Given the age of the system and the
9 quality of the material that was used, yes, we'd
10 like to see them replaced to prevent leaks. In
11 this case when you've got a pipe like we saw in the
12 pictures that had been repaired numerous times,
13 that's something you want to replace because the
14 cost of mobilization of a backhoe to get out there
15 and do the small repair, if you do that multiple
16 times it's going to be a lot more costly than it
17 would be just to replace it.

18 **Q. I can't ask you questions about the**
19 **two-way tracker, I assume?**

20 A. I don't know anything about it.

21 **Q. I can't ask anyone questions about**
22 **that, then. You don't have any testimony on the**
23 **two-way tracker, do you?**

24 A. No, I don't.

25 **Q. If you're able -- do you understand**

1 **the concept of a two-way tracker?**

2 A. Probably not enough to speak on it.

3 MR. SMITH: Okay. No further
4 questions.

5 JUDGE JORDAN: Questions from the
6 Bench?

7 COMMISSIONER KENNEY: No questions.
8 Thank you.

9 JUDGE JORDAN: Redirect?

10 REDIRECT EXAMINATION BY MS. MERS:

11 **Q. Can you calculate the storage needs**
12 **of Indian Hills without meters?**

13 A. No, because you need to know what the
14 demand is.

15 **Q. All right. DNR has mandated water**
16 **pressure requirements, right?**

17 A. Yes.

18 **Q. Do you recall prior to Josiah's --**
19 **Mr. Cox' company taking over complaints about water**
20 **pressure?**

21 A. Yes.

22 **Q. I'm going to clarify a statement you**
23 **made. On page 3 of your direct, that information**
24 **was provided to you because it's the company**
25 **belief. So you're saying you stand behind the**

1 information that the company -- that that is the
2 information the company gave you or is it your
3 understanding from their testimony; is that
4 correct?

5 A. Yes.

6 Q. Do you see any contradiction between
7 recommending replacements and also recommending
8 that you do not believe that all repairs going
9 forward are improving?

10 A. Well, I think repairs are still going
11 to be necessary.

12 Q. So you don't see -- there's no
13 contradiction in those positions?

14 A. No.

15 Q. Were you in the room when Mr. Todd
16 Thomas was on the stand earlier?

17 A. Yes.

18 Q. And did you hear him testify that
19 some replacements can't be done because of road --
20 the condition of the road, the location of the
21 pipe, whether it's across the street or not?

22 A. Yes.

23 Q. Do you agree with that testimony?

24 A. I do.

25 Q. You had some questions regarding your

1 **statement about it being more efficient to replace**
2 **when there's a backhoe there, correct?**

3 A. Correct.

4 **Q. Will all replacements necessarily**
5 **involve a backhoe and a ditch or will there be some**
6 **that there's not going to be an open ditch and you**
7 **can't take advantage of those efficiencies?**

8 A. Given the depth of the lines, they
9 could be opened with a shovel, but it would take
10 time.

11 MS. MERS: I have no further
12 questions. Thank you.

13 JUDGE JORDAN: You may stand down.
14 Next witness.

15 MS. MERS: Staff calls Stephen
16 Moilanen to the stand.

17 (Witness sworn.)

18 JUDGE JORDAN: Thank you.

19 STEPHEN MOILANEN testified as follows:

20 DIRECT EXAMINATION BY MS. MERS:

21 **Q. Can you please state and spell your**
22 **name for the record.**

23 A. My name is Stephen Moilanen. First
24 name spelled S-t-e-p-h-e-n, last name
25 M-o-i-l-a-n-e-n.

1 **Q. And who are you employed by and in**
2 **what capacity?**

3 A. I'm employed as a Utility Regulatory
4 Engineer for the Public Service Commission of
5 Missouri.

6 **Q. And you are also qualified as a PE,**
7 **correct?**

8 A. Yes.

9 **Q. And did you in this case prepare or**
10 **cause to be prepared certain testimony marked as**
11 **direct testimony Exhibit 103 and rebuttal testimony**
12 **marked as Exhibit 109?**

13 A. I wrote testimony. I can't recall
14 what exhibit it's marked as, but I did write
15 testimony.

16 **Q. Do you have any corrections to that**
17 **testimony?**

18 A. No.

19 **Q. And if I asked you the same questions**
20 **today, would your answers be the same?**

21 A. Yes.

22 **Q. And are those answers true and**
23 **accurate to the best of your knowledge and belief?**

24 A. Yes.

25 MS. MERS: At this time I'd like to

1 offer Staff Exhibit 103 and Staff Exhibit 109 into
2 the record.

3 JUDGE JORDAN: Any objections?

4 MR. SMITH: No objection.

5 MS. MERS: And then I'd tender the
6 witness for cross.

7 JUDGE JORDAN: Staff Exhibit 103 and
8 109 are entered into the record.

9 (STAFF EXHIBITS 103 AND 109 WERE
10 RECEIVED INTO EVIDENCE.)

11 JUDGE JORDAN: Cross-examination from
12 Indian Hills?

13 MR. COOPER: No, your Honor.

14 JUDGE JORDAN: Cross-Examination from
15 Office of the Public Counsel.

16 MR. SMITH: Very briefly.

17 CROSS-EXAMINATION BY MR. SMITH:

18 **Q. Good afternoon.**

19 **A. Good afternoon.**

20 **Q. Looking through your testimony, it**
21 **was a little unclear to me. Would you recommend**
22 **rate base treatment for any of the expenses**
23 **discussed in your testimony?**

24 **A. That's a better question for Jennifer**
25 **Grisham, Staff witness Jennifer Grisham.**

1 Q. So you don't have the answer to that?

2 A. No.

3 MR. SMITH: No other questions.

4 JUDGE JORDAN: Questions from the
5 Bench?

6 COMMISSIONER KENNEY: No questions.

7 JUDGE JORDAN: Redirect?

8 REDIRECT EXAMINATION BY MS. MERS:

9 Q. Your testimony is regarding the
10 treatment of future repair expense, correct?

11 A. No. It's regarding the expenses that
12 have already occurred. Actually, I'm sorry, I take
13 that back. It's regarding both actually.
14 Basically, I testified that repairs shouldn't be a
15 part of plant regardless.

16 Q. Thank you for the clarification.

17 A. You're welcome.

18 JUDGE JORDAN: You may step down.
19 Next witness.

20 MS. MERS: I'm sorry. Staff calls
21 recalls Jennifer Grisham to the stand, please.

22 JUDGE JORDAN: Let me make sure for
23 the record that Staff Exhibits 103 and 109 are
24 entered into the record. This witness is already
25 under oath, so we'll go ahead with direct.

1 MS. MERS: I have no direct, and I
2 tender the witness for cross.

3 JUDGE JORDAN: Cross-examination from
4 Indian Hills?

5 MR. COOPER: No, thank you.

6 JUDGE JORDAN: Cross-Examination from
7 the Office of the Public Counsel?

8 MR. SMITH: Yes, I will have some
9 cross.

10 JENNIFER GRISHAM testified as follows:

11 CROSS-EXAMINATION BY MR. SMITH:

12 Q. Ms. Grisham, good afternoon.

13 A. Good afternoon.

14 Q. Are you familiar with this two-way
15 tracker?

16 A. I am not. You would need to speak
17 with Ms. Kim Bolin.

18 Q. I was looking through your testimony,
19 and I don't think I saw the word regulatory asset,
20 but is that essentially what your recommendation
21 is?

22 A. Regarding?

23 Q. I guess I understand there's an
24 extraordinary amount of leak repair expense for
25 which you recommended an amortization with a return

1 of and on. Is that for that amount, are you -- is
2 regulatory asset a correct description?

3 A. I don't know that we -- in our
4 discussions it was every called a regulatory asset.
5 Just that due to the extreme costs, that that was
6 something that should be amortized over instead of
7 placed into.

8 Q. When you say amortized, does that
9 include -- does that mean rate base treatment, the
10 return off and on, or do you know the answer to
11 that?

12 A. Yes.

13 Q. Can you clarify what the -- yes, it
14 does include a return of and on?

15 A. Yes, I believe so.

16 Q. Okay. And you can take some time if
17 you want to reference your testimony. Why was
18 three years selected rather than say five years or
19 ten years if this is a large extraordinary expense?

20 A. I believe as the case went on, it
21 was -- I'm trying to remember. I believe we
22 started at five years and then we moved down to
23 three years for the amortization period for this
24 leak repair expense. Yeah.

25 Q. As far as you're aware, would the

1 **stipulation include this amount or would that all**
2 **be captured in this two-way tracker or do you know?**

3 A. That I don't know.

4 MR. SMITH: No further questions.

5 JUDGE JORDAN: Questions from the
6 Bench?

7 COMMISSIONER KENNEY: No questions.

8 **QUESTIONS BY JUDGE JORDAN:**

9 **Q. I've got one question. Where does**
10 **the number three -- I don't think I got that --**
11 **three years for amortization of this item come**
12 **from?**

13 A. In my direct testimony on page 3,
14 line 7 specifically is where it says three years.

15 **Q. Okay. I don't have that document in**
16 **front of me. I'm wondering what the standard is**
17 **that supports that. Is there an accounting or**
18 **finance standard that shows that that number for**
19 **use in amortization is reasonable?**

20 A. No. I believe that that is an
21 internal Staff decision as far as instead of five
22 years over three years when deciding that.

23 **Q. Okay. How does Staff decide that?**

24 A. Through a discussion with senior
25 staff as far as my discussion with Ms. Bolin and

1 Mr. Oligschlaeger as far as what would be deemed
2 appropriate in this case.

3 Q. That sounds like a discussion amongst
4 experts --

5 A. Yes.

6 Q. -- in accounting and finance?

7 A. Yes.

8 Q. And that's the consensus and opinion?

9 A. Yes.

10 JUDGE JORDAN: Thank you. That's all
11 I have.

12 QUESTIONS BY COMMISSIONER COLEMAN:

13 Q. For clarification, please, I was at
14 the local public hearing, and I believe that I
15 thought that suggestion of three years -- of
16 course, I'm not in the question and answer, you
17 know, time frame, but I was of the opinion from
18 testimony that night that the request came from the
19 company. Is that incorrect based on what you're
20 saying, the three-year time frame amortization?

21 MR. SMITH: Commissioner, if I may.
22 I was also at that local public hearing. My
23 recollection, because three years was discussed,
24 and this is based on my recollection, so take that
25 for what it's worth, but I think there may have

1 been a perhaps misunderstanding with some of the
2 customers. I think they were of the opinion that
3 the overall revenue requirement when you multiply
4 it by three years would equal the amount of the
5 investment in the overall system, when, in fact, it
6 actually includes other accounting items, such as
7 to have a certified water operator. I don't know
8 if that's specifically what's you're talking about,
9 but I noticed that was a common --

10 COMMISSIONER COLEMAN: Yeah. It came
11 up several times during the evening, but it's in my
12 notes and my notes are upstairs. So I just wanted
13 to verify what I recollect.

14 THE WITNESS: I would agree with
15 Mr. Smith there, that the three-year period that
16 we're discussing is applicable to two separate
17 things. Whereas, in this case we're talking about
18 amortizing a certain amount of the repair expense
19 over three years, whereas customers were more
20 concerned with you take revenue requirement times
21 three years and the company makes back what they've
22 invested into the system.

23 COMMISSIONER COLEMAN: But your
24 explanation to the judge that this is the opinion
25 of Staff and his comment that this was discussed by

1 experts I think clarifies it for me. So thank you.

2 JUDGE JORDAN: Did my question
3 generate any recross from -- I'm sorry. Are you
4 done?

5 COMMISSIONER COLEMAN: I am.

6 JUDGE JORDAN: Recross from Indian
7 Hills?

8 RECROSS-EXAMINATION BY MR. COOPER:

9 Q. Only in just a bit of clarification.
10 Ms. Grisham, it's correct, isn't it, that the
11 company's actually opposed the amortization that
12 you're referring to, correct?

13 A. That is correct.

14 MR. COOPER: That's all I have.

15 JUDGE JORDAN: Any recross from the
16 Office of the Public Counsel?

17 MR. SMITH: No, thank you.

18 JUDGE JORDAN: Redirect?

19 REDIRECT EXAMINATION BY MS. MERS:

20 Q. Ms. Grisham, when you set
21 amortization periods with the advice and counsel of
22 senior accounting experts, do you consider things
23 such as the appropriate time, how long it would
24 take them to recover the expense or the possibility
25 of how long they'll be out for a rate case, in

1 **between rate cases?**

2 A. Yes.

3 MS. MERS: No further questions.

4 JUDGE JORDAN: You may be excused.

5 Next witness.

6 MR. SMITH: OPC calls John Robinett.

7 (Witness sworn.)

8 JOHN ROBINETT testified as follows:

9 DIRECT EXAMINATION BY MR. SMITH:

10 **Q. Mr. Robinett, would you please state**
11 **and spell your first and last name for the court**
12 **reporter.**

13 A. John A. Robinett, R-o-b-i-n-e-t-t.

14 **Q. What is your job title, Mr. Robinett?**

15 A. I'm employed by the Missouri Office
16 of Public Counsel as a Utility Engineering
17 Specialist.

18 **Q. And for how long have you been**
19 **employed by the Office of the Public Counsel?**

20 A. Since August of 2016.

21 **Q. And what was -- where did you work**
22 **before that?**

23 A. Prior to that, I worked for the
24 Commission Staff.

25 **Q. Have you filed testimony in this**

1 **case, WR-2017-0259?**

2 A. I have.

3 **Q. And do you have copies of each of**
4 **your testimony or filings with you?**

5 A. I have only the confidential version
6 of my direct and then the two public versions of
7 rebuttal and surrebuttal, but I don't believe there
8 were confidentials to that.

9 **Q. I'll remind the Commission, I have**
10 **created an, and the parties, an Exhibit No. 217 to**
11 **account for the confidential version of**
12 **Mr. Robinett's direct testimony. May I approach?**

13 JUDGE JORDAN: You may. It's your
14 witness. You won't need to ask.

15 BY MR. SMITH:

16 **Q. All right. I have just handed to the**
17 **court reporter documents which I premarked as OPC**
18 **Exhibits 205, 206, 207, plus the 217 number. Did**
19 **you prepare or cause to be prepared the testimony**
20 **marked as Exhibits 205, 206, 207, 217 representing**
21 **your direct, rebuttal and surrebuttal testimonies?**

22 A. I did.

23 **Q. Do you have any corrections to those**
24 **testimonies?**

25 A. I do to my direct testimony. At

1 page 1, line 15, instead of three, it should be
2 five years. That is my only correction.

3 Q. Subject to that one correction, if I
4 were to ask you those same questions again, would
5 your answers be the same or substantially the same?

6 A. They would.

7 MR. SMITH: At this time I'd like to
8 offer Exhibits 205, 206, 207 and 217.

9 JUDGE JORDAN: Any objection? Not
10 hearing any, so Exhibits 205, 206, 207 and 217 are
11 entered into the record.

12 (OPC EXHIBITS 205, 206, 207 AND 217
13 WERE RECEIVED INTO EVIDENCE.)

14 MR. SMITH: Thank you. OPC tenders
15 this witness for cross-examination.

16 JUDGE JORDAN: Cross-examination from
17 Staff?

18 CROSS-EXAMINATION BY MS. MERS:

19 Q. Good afternoon, Mr. Robinett.

20 A. Good afternoon.

21 Q. On page 2 of your direct, you talk
22 about a reduction in leaks that Indian Hills has
23 experienced.

24 A. Yes.

25 Q. Is it possible that the company

1 repaired the highest volume leaks but is still
2 repairing small leaks?

3 A. I don't know what the company did,
4 no.

5 Q. So you couldn't answer
6 hypothetically?

7 A. I don't know the severity of the
8 leaks that the company saw, no.

9 Q. Okay. Isn't it true that the number
10 of leaks is the direct repair costs and not the
11 volume of water lost?

12 A. I don't know that I've seen that
13 statement anywhere.

14 Q. You're recommending replacing -- or
15 placing repair expense into plant accounts,
16 correct?

17 A. Yes. But there is also a --

18 Q. I think yes is sufficient, but thank
19 you. Are you familiar with the USOA?

20 A. Could I ask specifically which
21 accounts you're asking about?

22 Q. Which USOA?

23 A. No. Which USOA accounts in general
24 and which USOA?

25 Q. I was going to ask about the USOA for

1 **water utilities and just the plant accounts in**
2 **general, whichever ones you're recommending placing**
3 **the plant into.**

4 A. Sure.

5 **Q. Do you have a copy of the USOA?**

6 A. I do not.

7 MS. MERS: Okay. May I approach?

8 JUDGE JORDAN: You may.

9 (STAFF EXHIBIT NO. 114 WAS MARKED FOR
10 IDENTIFICATION BY THE REPORTER.)

11 BY MS. MERS:

12 **Q. Do you recognize what I handed you as**
13 **copy of the USOA for water utilities, specifically**
14 **pages 37 and 38? And take your time to review it.**

15 A. Is this the amended version or no?

16 **Q. It's the 1973 version.**

17 A. I have no reason to doubt that that's
18 not what this is.

19 **Q. Can you turn to page 38 of that**
20 **document? Can you read item three in the list?**
21 **It's under C. So under operating list, there's a**
22 **list of items. Read item 3 if you don't mind.**

23 A. Work performed specifically for the
24 purpose of preventing failure, restoring
25 serviceability and maintaining life of plant.

1 **Q. Would you agree that the company's**
2 **repair on mains and pipes were work performed**
3 **specifically for the purpose of preventing failure,**
4 **restoring serviceability or maintaining the life of**
5 **plant?**

6 A. Based on a DR response that I have, I
7 don't know that I can agree with that whole
8 statement.

9 **Q. Okay. Would you agree that a**
10 **definition of repair is work performed to restore**
11 **service, maintain life or prevent failures?**

12 A. I would say in general, yes, repairs
13 do that.

14 **Q. So then going forward, isn't it**
15 **required by the USOA that repairs be booked in**
16 **operating and maintenance accounts and not plant?**

17 A. Say that again for me.

18 **Q. Going forward, the USOA, based on**
19 **those statements you just read, require that**
20 **repairs be booked in operating and maintenance**
21 **accounts and not plant?**

22 A. I guess I don't understand your
23 distinction of between this and booking the plant.
24 You're saying because it's under this --

25 **Q. You do understand that these are**

1 instructions for what to book?

2 A. For an expense.

3 Q. Yes. And it's listing types of
4 expenses, correct?

5 A. I believe so, yes.

6 Q. And No. 3 is a type of expense, which
7 is repair -- or work performed specifically for the
8 purpose of preventing failure, restoring
9 serviceability or maintaining life of plant,
10 correct?

11 A. That's what it says, yes.

12 Q. So you would agree that items that
13 fall under work performed specifically for the
14 purpose of preventing failure, restoring
15 serviceability or maintaining the life of plant,
16 according to operating expense instructions, must
17 be booked into operating and maintenance accounts?

18 A. In a rate case, the Commission can
19 order to put this wherever they want. They have
20 that distinction. My recommendation was for rate
21 base.

22 Q. So you're recommending that the
23 Commission does not follow the USOA instructions,
24 then, correct?

25 A. I think they have the distinction to

1 determine where something should be booked.

2 **Q. So yes?**

3 A. The Commission has the -- they have
4 their ability to determine --

5 **Q. It's a yes or no question.**

6 A. I don't know.

7 MS. MERS: Okay. I'd like to enter
8 that exhibit. I believe it would be 114.

9 JUDGE JORDAN: Yes, that would be
10 Exhibit No. 114.

11 MR. SMITH: I guess my only comment
12 here is I see there's this for internal PSC use
13 only label on this thing, which I suppose gives me
14 some pause as to that, and it is only a part of a
15 document.

16 MS. MERS: If you like, I can enter
17 the entire USOA into the record after the
18 proceeding. I believe it's quite lengthy, but if
19 that is what you would like, then we can do that
20 and specifically note, because the USOA is
21 Commission mandated by rules to be followed. But
22 we can take official notice of those pages and
23 enter the entire USOA into the record.

24 JUDGE JORDAN: If that was an
25 objection, I'm going to overrule the objection. I

1 will consider Staff Exhibit 114 to be
2 demonstrative. When there is a reference to the
3 Uniform System of Accounts, the Commission will
4 refer to Uniform System of Accounts as it finds it
5 published in official publication. And in
6 briefing, that's what I'll ask the parties to refer
7 to.

8 MS. MERS: May I approach again?

9 JUDGE JORDAN: You may. And for the
10 record, Staff Exhibit No. 114 is entered into the
11 record.

12 (STAFF EXHIBIT 114 WAS RECEIVED INTO
13 EVIDENCE.)

14 BY MS. MERS:

15 **Q. Take your time to review this, but do**
16 **you recognize this as pages 32 through 34 of the**
17 **Uniform System of Accounts Class A and B for Water**
18 **published in 1973?**

19 A. You said 32 through 35, correct?

20 **Q. I'm only referring to pages 32**
21 **through 34. I guess 35 is extraneous. If it helps**
22 **narrow you down, I'll be asking you about page 33.**

23 JUDGE JORDAN: While the witness is
24 examining that, will you want this marked as Staff
25 Exhibit 115?

1 MS. MERS: Yes, I would, please.

2 (STAFF EXHIBIT 115 WAS MARKED FOR
3 IDENTIFICATION BY THE REPORTER.)

4 THE WITNESS: Yes, I have no reason
5 to doubt that this is a true copy of the NARUC USOA
6 for those pages.

7 BY MS. MERS:

8 Q. Can you read on page 33, it will be
9 item C -- or subsection C, item 1, please.

10 A. Starting at when a minor?

11 Q. Yes, please.

12 A. When a minor item of property which
13 did not previously exist is added to plant, the
14 cost thereof shall be accounted for in the same
15 manner as for the addition of the retirement unit
16 as set forth in paragraph B -- is that sub 1?

17 Q. Yes.

18 A. -- above in a substantial addition
19 results. Otherwise the charge shall be to the
20 appropriate maintenance expense account.

21 Q. So in other words, if a substantial
22 addition results, it would be booked to the -- or
23 it would be accounted for in the same manner as an
24 addition, but otherwise it would be booked to
25 maintenance and expense, correct?

1 MR. SMITH: Objection. I think this
2 is calling for the witness to interpret, make legal
3 conclusions.

4 MS. MERS: It's the USOA. I believe
5 it's accounting standards, not legal standards. I
6 think the witness has to interpret them to do his
7 depreciation schedules. I would hope he'd be able
8 to interpret them for the purposes of this hearing.

9 JUDGE JORDAN: I'll overrule the
10 objection.

11 THE WITNESS: Could you restate your
12 question?

13 BY MS. MERS:

14 Q. Yes. Would you agree that basically
15 saying that unless it is substantial addition, that
16 it should -- if it is not a substantial addition,
17 it should be charged to maintenance expense
18 accounts, correct?

19 A. Can I ask what your definition of
20 substantial is?

21 Q. I am glad you asked. Would you agree
22 that substantial has a common meaning in English?
23 My definition would be something of considerable
24 size, importance or worth. Would you agree with
25 that definition?

1 A. Sure.

2 Q. Okay. I was going to say, I have a
3 dictionary if it becomes in dispute, but I was
4 hoping we didn't have to go there. Okay. So then
5 with that clarification over the meaning of
6 substantial addition, do you agree that unless an
7 item is a substantial addition, it must be booked
8 to an appropriate maintenance expense account?

9 A. That's what it reads there, yes.

10 Q. Would a clamp or a seal be something
11 of considerable size, importance or worth?

12 A. You're talking as the unit as itself?

13 Q. Yes.

14 A. Not including labor?

15 Q. Yes.

16 A. You said clamp or seal?

17 Q. Yes.

18 A. Likely no.

19 Q. Okay. Would you agree with a one-way
20 tracker for repair expense? I should clarify just
21 to be sure. One way that would return to consumers
22 but not book if the utility spent more that base
23 amount is my definition of a one-way tracker.

24 A. And I really have no experience with
25 trackers, so I would feel uncomfortable answering

1 that.

2 Q. If Indian Hills spent more -- say the
3 next rate case, if they spent \$150,000, which is
4 over what they've spent in this case, on repairs in
5 the test year, would OPC disallow any amounts over
6 90,000?

7 MR. SMITH: I think I'm going to
8 object to this hypothetical. I don't think -- it's
9 call for us or this witness to make a future
10 determination on what OPC would do without really
11 any context. Maybe she could rephrase it. I think
12 that --

13 JUDGE JORDAN: That sounds like an
14 objection to speculation. Can you rephrase your
15 question?

16 MS. MERS: Sure.

17 BY MS. MERS:

18 Q. I think that the nature of this
19 question, and I can withdraw if necessary, but
20 since he's an expert, I thought hypotheticals would
21 be appropriate. But if it is a -- if you went
22 through all the invoices in a hypothetical future
23 case and they were all prudent repairs that
24 occurred in a test year and say the total was
25 \$150,000, considering the base amount of 90,000 set

1 **in this case, would you disallow the difference**
2 **between the base amount set in this case and the**
3 **hypothetical future amount?**

4 A. I don't know.

5 MS. MERS: Okay. I think that's all
6 I have. Thank you for your time.

7 JUDGE JORDAN: Cross-examination from
8 Indian Hills?

9 MR. COOPER: Thank you, your Honor.

10 CROSS-EXAMINATION BY MR. COOPER:

11 **Q. Mr. Robinett, were you in the hearing**
12 **room when Mr. Smith gave his opening statement this**
13 **morning?**

14 A. Yes, I was.

15 **Q. I think I heard him say with some**
16 **definition, I guess, that -- or not with**
17 **definition, but definitively that leak repair will**
18 **go up. Did you hear him say that, that leak repair**
19 **expense will go up?**

20 A. I don't specifically recall that. I
21 think that might have been related to Mr. Thomas'
22 testimony about since the rate -- so the extended
23 period after the true-up.

24 **Q. Of course the transcript I guess will**
25 **solve that eventually. But the reason that I**

1 thought I heard that, and it kind of made me
2 curious, was that I see in your rebuttal testimony
3 you indicate that OPC does not believe that annual
4 maintenance expenses for leak repairs realized for
5 this case will be of the same magnitude going
6 forward. Do you remember that?

7 A. Can you specifically point me to it?

8 Q. I can. This would be in your
9 rebuttal testimony, page 1, lines 18 to 20.

10 A. Okay. I'm there.

11 Q. So accurate statement, I take it,
12 that you -- that OPC does not believe that annual
13 maintenance expenses for leak repairs that have
14 been realized for this case will be of the same
15 magnitude going forward?

16 A. With the understanding that the
17 company is doing replacements, I would envision
18 that leak repairs would be down, yeah.

19 Q. And similarly, I think, in your
20 direct testimony you say it's inappropriate to use
21 the current number experienced as the expected
22 value of yearly leak repair maintenance work on a
23 going-forward basis. Is that accurate?

24 A. Yes.

25 Q. And so do I take this correctly that

1 essentially you want to -- you kind of want to
2 ignore the historical test year and look forward,
3 kind of project forward what you think will happen
4 in the future year; is that accurate?

5 A. No.

6 Q. So what are you saying there?

7 A. Basically, that I saw a high level of
8 leak repairs and that I did not feel comfortable
9 putting in that value as an ongoing number for this
10 company, with the addition of that they are doing
11 replacements of certain lines when possible.

12 Q. So you don't feel comfortable with it
13 because you're projecting your opinion of what that
14 number will be in the future; is that accurate?

15 A. Would you repeat that?

16 Q. Yeah. You said you weren't
17 comfortable with the current number from the
18 historic test year, correct?

19 A. Right.

20 Q. And so you want to use a lesser
21 number on a going-forward basis; is that correct?

22 A. Yes.

23 Q. And that's based upon what you think
24 will happen in regard to the company's approach to
25 repair and replacement; is that accurate?

1 A. Right. If there's replacement, I
2 would assume that there would be less leaks.

3 Q. But you don't know what leak repair
4 will be in the future years, correct?

5 A. I do not, no.

6 Q. And there is a difference of opinion
7 amongst the parties in this case as to what it may
8 be in the future years, correct?

9 A. I believe that to be true, yes.

10 Q. So there is -- there's a fair
11 variance. We don't know what it will be, correct,
12 and there's a fair variance amongst the opinions of
13 the parties to this case as to what it will be in
14 the future, correct?

15 A. I would say that's true. We don't
16 even know historically what it's been other than
17 the test year.

18 Q. Now, on a different subject, you talk
19 about that you recommend that Indian Hills create a
20 systemic replacement program for system mains and
21 service connections to address the leak issue
22 caused by increases in pressure from the plant
23 upgrades. Have you seen -- I guess it's been
24 mentioned today, there's two different places in
25 the partial disposition agreement and then in the

1 more recent nonunanimous stipulation, there's
2 discussion of engineering plans and that sort of
3 thing related to replacement. Have you seen those?

4 A. Specifically, are you talking about
5 the initial one, sub 7? I've seen that. I don't
6 know that I've really had time to review the
7 secondary --

8 Q. The nonunanimous stipulation?

9 A. Right.

10 Q. But at least at a high level, and I'm
11 sure you'd want more detail, but at a high level is
12 that the sort of study you're referring to in your
13 testimony?

14 A. I believe so, yes.

15 MR. COOPER: That's all the questions
16 I have. Thank you.

17 JUDGE JORDAN: Questions from the
18 Bench for this witness?

19 COMMISSIONER KENNEY: No questions.
20 Thank you.

21 JUDGE JORDAN: Is there any redirect?

22 MR. SMITH: Yes.

23 REDIRECT EXAMINATION BY MR. SMITH:

24 Q. I'll start in reverse. Mr. Cooper
25 commented and asked you questions about what will

1 happen with leak repair expense. Is there a
2 difference between if leak repair expense will go
3 up versus whether it should go up?

4 A. Could you state that again?

5 Q. Is there a difference between if leak
6 repair expense will go up versus whether it should
7 go up, or could there be a difference?

8 A. Yes.

9 Q. Can the company come in for a rate
10 case if its leak repair expenses go out of control?

11 A. It's always at the company's
12 discretion of when they file a rate increase.

13 Q. As a part of your testimony, did you
14 review any recordkeeping practices associated with
15 this utility?

16 A. The closest that I really got was
17 reviewing what was filed to Mr. Spratt's testimony
18 about the repair log that the company began.

19 Q. And what about Ms. Grisham's
20 testimony about the categorization of replacements
21 versus repairs?

22 A. I really didn't specifically look at
23 that.

24 Q. Earlier in the case, and I think
25 Mr. Cooper's right, it will be borne out by the

1 transcript, but did you read Mr. Phil Macias'
2 testimony?

3 A. I have.

4 Q. What did he say about the direction
5 of actual leak repair expenses?

6 A. At page 6 of his direct, he discusses
7 that basically that there was an increase in the
8 actual costs over the period after the 12 months
9 ending September of '17.

10 Q. Just because the company has those
11 actual costs, does that mean that they're prudent?

12 A. I don't know without further review.

13 Q. And we won't know until another rate
14 case?

15 A. For those outside the test year, yes.

16 Q. There was some discussion of
17 accounting principles. Do you remember that?

18 A. Yes.

19 Q. Staff pointed you in the direction of
20 different items in the NARUC USOA. How do these
21 standards compare with Staff's decision to amortize
22 certain of the leak repair expenses?

23 A. I don't know specifically.

24 Q. Could it possibly contradict Staff
25 Witness Grisham's recommendation to amortize and

1 **give rate base treatment to leak repair expenses?**

2 A. If they are recommending recovery on
3 and of, yes.

4 MR. SMITH: No further questions.

5 JUDGE JORDAN: You may stand down.

6 That is our last witness as to the topic of
7 treatment of leak repair expense. Our next topic
8 is extension of electrical service. First witness
9 from Indian Hills.

10 MR. SMITH: I think Ms. Roth is --
11 we're supposed to -- she's on the schedule as well.
12 That was my fault. I should have caught that right
13 away.

14 JUDGE JORDAN: Let's just have our
15 next witness.

16 MR. SMITH: OPC calls Ms. Keri Roth.

17 JUDGE JORDAN: This witness is under
18 oath already. Do we have some direct?

19 MR. SMITH: OPC would like to tender
20 Ms. Roth for cross-examination.

21 JUDGE JORDAN: Any cross-examination
22 from Staff?

23 MS. MERS: Yes.

24 KERI ROTH testified as follows:

25 CROSS-EXAMINATION BY MS. MERS:

1 Q. Ms. Roth, you've worked a few
2 electric cases in the past, correct?

3 A. Electric?

4 Q. Yes.

5 A. A couple.

6 Q. Okay. Are you familiar with the
7 vegetation management trackers that were put into
8 place?

9 A. Yes.

10 Q. Are you familiar with the plant O&M
11 trackers that were put into place?

12 A. Yes.

13 Q. Did notice of those trackers go out
14 to the public?

15 A. Customer notices?

16 Q. I believe that's what --

17 A. Not that I'm aware of.

18 Q. Okay. And just to clarify, trackers
19 aren't interim rate adjustments, are they?

20 A. No.

21 Q. Would you agree with one-way tracker?

22 A. I don't know. That would take
23 internal discussion.

24 Q. Okay. That's fair enough, and that's
25 all I have. Thank you.

1 JUDGE JORDAN: Cross-examination from
2 Indian Hills?

3 MR. COOPER: No questions.

4 JUDGE JORDAN: Questions from the
5 Bench? Any redirect?

6 MR. SMITH: No redirect.

7 JUDGE JORDAN: Then you may stand
8 down. And was this the last witness for treatment
9 of leak repair expense?

10 MR. COOPER: I believe it is, your
11 Honor.

12 MR. SMITH: Yes, Judge.

13 MR. COOPER: We would recall
14 Mr. Macias for the issue of extension of electrical
15 service.

16 JUDGE JORDAN: Witness is already
17 under oath. Do we have any direct examination?

18 MR. COOPER: Only to tender him for
19 cross-examination.

20 JUDGE JORDAN: Cross-examination from
21 Staff?

22 MS. MERS: No questions.

23 JUDGE JORDAN: Cross-Examination from
24 Office of the Public Counsel?

25 MR. SMITH: Yes. Thank you.

1 PHIL MACIAS testified as follows:

2 CROSS-EXAMINATION BY MR. SMITH:

3 Q. Mr. Macias, does Indian Hills own the
4 electric service line extension?

5 A. No, we do not.

6 Q. Who owns the electric service line
7 extension?

8 A. It's my understanding it's Crawford
9 County.

10 MR. SMITH: No further questions.

11 JUDGE JORDAN: Questions from the
12 Bench?

13 COMMISSIONER KENNEY: No questions.

14 JUDGE JORDAN: Any redirect?

15 MR. COOPER: Yes, your Honor.

16 REDIRECT EXAMINATION BY MR. COOPER:

17 Q. Does the fact that Indian Hills does
18 not own that extension -- well, tell me how that
19 impacts your recommendation as to how it should be
20 booked.

21 A. Actually, it makes no impact at all.
22 It's completely irrelevant.

23 Q. And why is that?

24 A. The notion of the proper treatment,
25 the proper accounting treatment of that electrical

1 cost is based not on ownership of the line. That
2 doesn't matter. What matters is that we own the
3 equipment which is -- that expense was part of a
4 customary, normal, required expense in order for
5 that capital plant to be in use and usable. So it
6 is traditional in capitalization of a product of
7 equipment that you capitalize not only the
8 equipment itself, you have to own the equipment
9 itself, or in some cases there's an ability to
10 lease the equipment. Get off topic a little bit.
11 But you'll capitalize other things like sales tax.
12 You will capitalize delivery expenses. You will
13 capitalize other special construction. Say a piece
14 of equipment has to be on a special footing or
15 something along those lines. But to capitalize
16 costs, those other ancillary costs that are
17 included in the capital -- the total
18 capitalization, those are ordinary, customary.
19 They are required by GAAP. They're allowable by
20 the USOA, and I believe, in my opinion, it's
21 certainly a normal and reasonable cost to be
22 captured. It's directly identifiable.

23 And again, sort of the key to all of
24 this is that expense was absolutely necessary to
25 place this equipment, make it in use and usable.

1 Without that cost, there would be no point in
2 installing the rest of the gear.

3 MR. COOPER: That's all the questions
4 I have.

5 JUDGE JORDAN: You may stand down.
6 Next witness.

7 MR. COOPER: Indian Hills would call
8 Mr. Thomas.

9 JUDGE JORDAN: This witness is under
10 oath. Is there any direct?

11 MR. COOPER: He would tender
12 Mr. Thomas for cross-examination.

13 JUDGE JORDAN: Cross from Staff?

14 MS. MERS: No questions. Thank you.

15 JUDGE JORDAN: Cross from OPC?

16 MR. SMITH: No questions.

17 JUDGE JORDAN: Questions from the
18 Bench?

19 COMMISSIONER KENNEY: No questions.

20 JUDGE JORDAN: I think you are
21 excused. Next witness.

22 MS. MERS: Staff calls Jennifer
23 Grisham to the stand.

24 JUDGE JORDAN: This witness is also
25 under oath, so we'll go straight to direct.

1 MS. MERS: I tender the witness for
2 cross.

3 JUDGE JORDAN: Is there any
4 cross-examination from Indian Hills?

5 MR. COOPER: No, your Honor.

6 JUDGE JORDAN: Is there any
7 cross-examination from the OPC?

8 MR. SMITH: Yes. Thank you.

9 JENNIFER GRISHAM testified as follows:

10 CROSS-EXAMINATION BY MR. SMITH:

11 Q. Ms. Grisham, have you read through
12 Mr. Robinett's testimony?

13 A. I have, yes.

14 Q. And do you have it there with you?

15 A. I do.

16 Q. Can you go to his rebuttal testimony
17 at page 2, specifically lines 14 through 25. Would
18 you agree that this NARUC USOA account that's
19 discussed in the testimony of Mr. Robinett refers
20 to ownership of utility assets?

21 A. Yes.

22 Q. Were you here -- well, I know you
23 were -- earlier when Mr. Macias said that ownership
24 doesn't matter?

25 A. Well, I was having a side discussion,

1 so I didn't hear everything he stated.

2 Q. Did you hear the part where he said
3 that this is allowable by USOA? It's okay if you
4 didn't.

5 A. I really didn't.

6 Q. Okay. Who owns the electric service
7 line extension?

8 A. The electric coop, Crawford.

9 Q. Would you go to page 4 of your
10 rebuttal testimony.

11 A. Okay. I'm on page 4.

12 Q. Lines 9 through 18, in reading those,
13 it seems as though -- I guess I don't know how to
14 interpret that. Does that mean that you're open to
15 both OPC's approach and the approach you took or
16 are you shifting your position closer to aligning
17 with OPC's position there?

18 A. No. What I was stating there is
19 Staff prefers to put it into plant account 325.
20 However, if the Commission were to decide that this
21 specific issue should be treated as an expense,
22 we're not opposed to that. We would like to see it
23 amortized over five years, as OPC has stated.

24 Q. So if the Commission were to find in
25 OPC's favor, you would also seek a five-year

1 **amortization?**

2 A. Correct.

3 MR. SMITH: No further questions.

4 JUDGE JORDAN: Questions from the
5 Bench?

6 COMMISSIONER KENNEY: No questions.

7 JUDGE JORDAN: Redirect?

8 MS. MERS: None, your Honor.

9 JUDGE JORDAN: You may stand down.

10 Next witness. This witness is also already under
11 oath, so I will go straight to direct from Office
12 of the Public Counsel.

13 MR. SMITH: OPC tenders Mr. John
14 Robinett for cross.

15 JUDGE JORDAN: Cross from Staff?

16 MS. MERS: No questions, your Honor.

17 JUDGE JORDAN: Cross from Indian
18 Hills?

19 MR. COOPER: No questions, your
20 Honor.

21 JUDGE JORDAN: Questions from the
22 Bench?

23 COMMISSIONER KENNEY: No questions.

24 JUDGE JORDAN: Then you may stand
25 down. That's the last witness I have on my list

1 for today, but that's already proved not entirely
2 accurate, so I'll make sure. Any more witnesses
3 for today? Not hearing about any.

4 I want to raise one matter with the
5 parties, which is that other than the exhibits not
6 listed on exhibit lists, I haven't received a
7 single hard copy. So how do the parties want to
8 deal with that? Staff counsel has already said,
9 the words were we'll get them to you later. So
10 when will later be?

11 MS. MERS: If you only need one copy,
12 I have them right now.

13 JUDGE JORDAN: Our regulations
14 require a copy for each of the Commissioners.

15 MS. MERS: We can make sure you have
16 five.

17 MR. COOPER: Judge, I guess I want to
18 make sure that I'm understanding. So with the
19 prefiled testimony that's been filed
20 electronically, I've provided a copy of that to the
21 court reporter. But are you saying that even as to
22 that prefiled testimony, you want us to provide
23 hard copies for each of the Commissioners and the
24 Law Judge, which would be a little different than
25 my experience in recent years?

1 JUDGE JORDAN: You're saying the
2 court reporter does have a copy of each one? I
3 haven't been able to see.

4 MR. COOPER: Well, you wouldn't have
5 seen because I handed that to her when I walked in
6 this morning. So if that's what we're referring
7 to, then great. But if there's something else that
8 I need to provide, I guess I just need some
9 understanding.

10 JUDGE JORDAN: As long as everyone
11 has provided a hard copy to the court reporter.
12 Like I say, I did not physically see that. All
13 right. That's all I have. Anything else before we
14 go off the record? I'm not hearing anything. I
15 understand that tomorrow we will resume at 8:30
16 with the witness Kim Bolin, is that correct?

17 MS. MERS: Yes.

18 JUDGE JORDAN: And what will the
19 subject of that testimony be?

20 MS. MERS: She will be open to answer
21 any questions about the stipulated EMS run, and she
22 is also the elusive tracker witness.

23 JUDGE JORDAN: Anything else before
24 we go off the record? All right. With that, we'll
25 adjourn for today and we will go off the record.

1	I N D E X	
2	Opening Statement by Mr. Cooper	113
	Opening Statement by Ms. Mers	123
3	Opening Statement by Mr. Smith	133
4	P O L I C Y	
5	S T A F F ' S E V I D E N C E :	
6	NATELLE DIETRICH	
	Direct Examination by Mr. Thompson	165
7	Cross-Examination by Mr. Smith	167
	Redirect Examination by Mr. Thompson	187
8		
	P A Y R O L L	
9		
	I N D I A N H I L L S ' E V I D E N C E :	
10		
	PHIL MACIAS	
11	Direct Examination by Mr. Cooper	192
	Cross-Examination by Mr. Smith	194
12	Redirect Examination by Mr. Cooper	198
13	TODD THOMAS	
	Direct Examination by Mr. Cooper	199
14		
	S T A F F ' S E V I D E N C E :	
15		
	ASHLEY SARVER	
16	Direct Examination by Ms. Mers	201
	Cross-Examination by Mr. Smith	203
17	Redirect Examination by Ms. Mers	205
18	O P C ' S E V I D E N C E :	
19	KERI ROTH	
	Direct Examination by Mr. Smith	205
20	Cross-Examination by Mr. Cooper	208
	Redirect Examination by Mr. Smith	209
21		
	A U D I T I N G A N D T A X P R E P A R A T I O N F E E S	
22		
	I N D I A N H I L L S ' E V I D E N C E :	
23		
	PHIL MACIAS	
24	Cross-Examination by Mr. Smith	211
	Redirect Examination by Mr. Cooper	215
25		

1	JOSIAH COX	
	Direct Examination by Mr. Cooper	216
2	Cross-Examination by Ms. Mers	219
	Cross-Examination by Mr. Smith	219
3	Redirect Examination by Mr. Cooper	220
4	STAFF'S EVIDENCE:	
5	ASHLEY SARVER	
	Cross-Examination by Mr. Smith	221
6	Redirect Examination by Ms. Mers	224
7	OPC'S EVIDENCE:	
8	KERI ROTH	
	Cross-Examination by Ms. Mers	225
9	Cross-Examination by Mr. Cooper	227
	Redirect Examination by Mr. Smith	229
10		
	MANAGEMENT CONSULTING FEES	
11		
	INDIAN HILLS' EVIDENCE:	
12		
	JOSIAH COX	
13	Cross-Examination by Mr. Smith	230
	Redirect Examination by Mr. Cooper	237
14		
	STAFF'S EVIDENCE:	
15		
	JENNIFER GRISHAM	
16	Direct Examination by Ms. Mers	239
	Cross-Examination by Mr. Smith	241
17	Redirect Examination by Mr. Cooper	244
18	OPC'S EVIDENCE:	
19	KERI ROTH	
	Cross-Examination by Ms. Mers	245
20		
	BANK FEES	
21		
	INDIAN HILLS' EVIDENCE:	
22	PHIL MACIAS	
	Cross-Examination by Mr. Smith	249
23	Redirect Examination by Mr. Cooper	250
24		
25		

1	STAFF'S EVIDENCE:	
2	ASHLEY SARVER	
	Cross-Examination by Mr. Smith	253
3	Redirect Examination by Ms. Mers	254
4	OPC'S EVIDENCE:	
5	KERI ROTH	
	Cross-Examination by Mr. Cooper	255
6	Redirect Examination by Mr. Smith	257
7	RATE CASE EXPENSE	
8	INDIAN HILLS' EVIDENCE:	
9	JOSIAH COX	
	Cross-Examination by Mr. Smith	259
10	Redirect Examination by Mr. Cooper	267
11	STAFF'S EVIDENCE:	
12	JENNIFER GRISHAM	
	Questions by Commissioner Kenney	268
13	OPC'S EVIDENCE:	
14	KERI ROTH	
15	Cross-Examination by Mr. Cooper	269
16	TREATMENT OF LEAK REPAIR EXPENSE	
17	INDIAN HILLS' EVIDENCE:	
18	PHIL MACIAS	
	Cross-Examination by Mr. Smith	271
19	TODD THOMAS	
20	Cross-Examination by Ms. Mers	277
	Cross-Examination by Mr. Smith	278
21	Redirect Examination by Mr. Cooper	314
22	STAFF'S EVIDENCE:	
23	DAVID SPRATT	
	Direct Examination by Ms. Mers	317
24	Cross-Examination by Mr. Smith	319
	Redirect Examination by Ms. Mers	327
25		

1	STEPHEN B. MOILANEN, P.E.	
	Direct Examination by Ms. Mers	329
2	Cross-Examination by Mr. Smith	331
	Redirect Examination by Ms. Mers	332
3		
	JENNIFER GRISHAM	
4	Cross-Examination by Mr. Smith	333
	Questions by Judge Jordan	335
5	Questions by Commissioner Coleman	336
	Recross-Examination by Mr. Cooper	338
6	Redirect Examination by Ms. Mers	338
7		
	OPC'S EVIDENCE:	
8	JOHN ROBINETT	
	Direct Examination by Mr. Smith	339
9	Cross-Examination by Ms. Mers	341
	Cross-Examination by Mr. Cooper	352
10	Redirect Examination by Mr. Smith	356
11	KERI ROTH	
	Cross-Examination by Ms. Mers	359
12		
	EXTENSION OF ELECTRICAL SERVICE	
13		
	INDIAN HILLS' EVIDENCE:	
14		
	PHIL MACIAS	
15	Cross-Examination by Mr. Smith	362
	Redirect Examination by Mr. Cooper	362
16		
	STAFF'S EVIDENCE:	
17		
	JENNIFER GRISHAM	
18	Cross-Examination by Mr. Smith	365
19		
20		
21		
22		
23		
24		
25		

1	EXHIBITS INDEX	
2	INDIAN HILLS' EXHIBITS	
3		RECEIVED
4	EXHIBIT NO. 1NP/1C	
5	Direct Testimony of Josiah Cox	219
6	EXHIBIT NO. 2NP/2C	
7	Rebuttal Testimony of Josiah Cox	219
8	EXHIBIT NO. 3	
9	Surrebuttal Testimony of Josiah Cox	219
10	EXHIBIT NO. 4	
11	Direct Testimony of Phil Macias	194
12	EXHIBIT NO. 5NP/5C	
13	Rebuttal Testimony of Phil Macias	194
14	EXHIBIT NO. 6	
15	Surrebuttal Testimony of Phil Macias	194
16	EXHIBIT NO. 7	
17	Direct Testimony of Todd Thomas	200
18	EXHIBIT NO. 8	
19	Rebuttal Testimony of Todd Thomas	200
20	EXHIBIT NO. 9	
21	Surrebuttal Testimony of Todd Thomas	200
22	STAFF'S EXHIBITS	
23	EXHIBIT 100	
24	Direct Testimony of Natelle Dietrich	167
25	EXHIBIT NO. 102NP/102C	
26	Direct Testimony of Jennifer K. Grisham	241
27	EXHIBIT NO. 103	
28	Direct Examination of Stephen B. Moilanen, P.E.	331
29	EXHIBIT NO. 104NP/104C	
30	Direct Testimony of Ashley Sarver	203

1	EXHIBIT NO. 105	
	Direct Testimony of David A. Spratt	319
2		
	EXHIBIT NO. 108NP/108C	
3	Rebuttal Testimony of Jennifer K. Grisham	241
4		
	EXHIBIT NO. 109	
5	Rebuttal Testimony of Stephen B. Moilanen, P.E.	331
6		
	EXHIBIT NO. 110NP/110C	
7	Rebuttal Testimony of Ashley Sarver	203
8	EXHIBIT NO. 111NP/111C	
	Surrebuttal Testimony of Jennifer K. Grisham	241
9		
10	EXHIBIT NO. 112NP/112C	
	Surrebuttal Testimony of Ashley Sarver	203
11		
	EXHIBIT NO. 113	
12	Surrebuttal Testimony of David A. Spratt	319
13		
	EXHIBIT NO. 114	
14	USOA - Operating Expense Instructions	347
15		
	OPC'S EXHIBITS	
16		
	EXHIBIT NO. 200C	
17	Direct Testimony of Keri Roth, Confidential	207
18		
	EXHIBIT NO. 201	
19	Direct Testimony of Keri Roth	207
20	EXHIBIT NO. 202	
	Rebuttal Testimony of Keri Roth	207
21		
	EXHIBIT NO. 203C	
22	Surrebuttal Testimony of Keri Roth, Confidential	207
23		
	EXHIBIT NO. 204	
24	Surrebuttal Testimony of Keri Roth	207
25		

1	EXHIBIT NO. 205	
	Direct Testimony of John A. Robinett	341
2		
	EXHIBIT NO. 206	
3	Rebuttal Testimony of John A. Robinett	341
4	EXHIBIT NO. 207	
	Surrebuttal Testimony of John A. Robinett	341
5		
6	EXHIBIT NO. 217C	
	Direct Testimony of John A. Robinett,	
7	Confidential	341
8	EXHIBIT NO. 218	
	Capital Structure Schedule	172
9		
	EXHIBIT NO. 219C	
10	September 20, 2017 Letter to Josiah Cox	
	from Dylan W. D'Ascendis, ScottMadden	
11	Management Consultants	263
12	EXHIBIT NO. 220C	
	September 14, 2017 Letter to Josiah M.	
13	Cox from Michael E. Thaman, Warson	
	Capital Partners	264
14		
	EXHIBIT NO. 221	
15	Data Requests 44 - 57	308
16	EXHIBIT NO. 223	
	Photographs	295
17		
	EXHIBIT NO. 224	
18	OPC's Data Requests 30-34	305
19		
20		
21		
22		
23		
24		
25		

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T E

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

I, Kellene K. Feddersen, Certified Shorthand Reporter with the firm of Midwest Litigation Services, do hereby certify that I was personally present at the proceedings had in the above-entitled cause at the time and place set forth in the caption sheet thereof; that I then and there took down in Stenotype the proceedings had; and that the foregoing is a full, true and correct transcript of such Stenotype notes so made at such time and place.

Given at my office in the City of Jefferson, County of Cole, State of Missouri.



Kellene K. Feddersen, RPR, CSR, CCR

EVIDENTIARY HEARING Volume 3 11/27/2017

A	155:14,16 348:14,23	active 117:4	360:19	ago 117:23
abandoned 140:25	accounting 133:9 145:12 170:3 171:14 208:17 251:4 252:9 289:10 310:10 311:20 335:17 336:6 337:6 338:22 349:5 358:17 362:25	actively 213:16 213:21	admission 193:25 265:17	272:13 291:2
ability 152:4 299:21 346:4 363:9	accounts 251:12 288:23 342:15,21,23 343:1 344:16 344:21 345:17 347:3,4,17 349:18	activities 125:10	admit 155:17 319:2	agree 134:20 147:18 150:6 164:11 168:9,13 169:8,12 186:18 190:13 197:12 245:2 246:18 247:4 256:2 268:15 275:5 282:5 282:8 288:20 289:7 298:12 298:15 306:5 310:15 311:4,16 328:23 337:14 344:1,7,9 345:12 349:14 349:21,24 350:6,19 360:21 365:18
able 123:6 124:19 125:25 127:10 137:7 140:11 141:14 141:16 142:17 148:7 153:18 163:17 183:1 195:18 233:16 233:18 235:8 235:8 238:8 238:9,11,14 250:25 282:21 326:25 349:7 369:3	accuracy 196:3 196:4 245:16 309:12	actual 129:14 147:1,7,8,8 154:24 188:7 197:7 279:16 291:6 303:19 358:5,8,11	admitted 172:8 194:8 200:22 203:7 207:20	affirmatively 243:4
above-entitled 377:10	accurate 147:5 195:1,13 196:6 196:24 197:7 197:16,23 198:2 228:3 237:17 247:7 309:20,22 318:18 330:23 353:11,23 354:4,14,25 368:2	add 130:9 166:14 209:1 317:7	advance 286:15 286:21,24	affiliated 138:3 144:25 150:14 186:10 223:24 224:7 249:6 253:15 257:13
absolute 127:4	acquire 116:25	added 348:13	affidavit 156:20 175:18 176:1,11	affiliates 137:22 159:24 227:13
absolutely 151:8 156:4 162:25 167:17 284:18 301:5,14 314:6 315:19 363:24	acquired 117:9 119:11 309:5	adding 300:17	affiliate 138:3 144:25 150:14 186:10 223:24 224:7 249:6 253:15 257:13	affiliate's 144:18
acceptable 214:10 265:18	acquisition 118:21 119:7 148:22 163:7	addition 279:10 313:1 348:15 348:18,22,24 349:15,16 350:6,7 354:10	affluent 163:11	affirmatively 243:4
accepted 130:24	acronym 203:21	address 112:17 162:13 291:7 291:15 292:6 312:5 355:21	afford 137:9 140:22 141:3 141:17	affordability 137:14
access 137:6 234:15	action 112:3,7 117:4	addressed 119:12 262:22 264:4,5	afford 137:9 140:22 141:3 141:17	affordable 136:5 137:7 161:9 252:7
accomplish 162:21	actions 116:20 117:6 143:15	addresses 157:21 290:21 306:12 309:1 309:21	afforded 139:9	afforded 139:9
account 155:8 250:25 340:11 348:20 350:8 365:18 366:19		adequacy 159:15	afternoon 331:18,19 333:12,13 341:19,20	afternoon 331:18,19 333:12,13 341:19,20
Accountant 206:3		adequate 127:5 127:9,25	AG 117:4,6	AG 117:4,6
accountants 150:3		adjourn 369:25	age 238:17 326:8	age 238:17 326:8
accounted		adjusted 185:3	agency 153:2 204:5	agency 153:2 204:5

EVIDENTIARY HEARING Volume 3 11/27/2017

263:11 264:11 267:13 273:15 274:6,6 279:9 280:11,18,19 280:24 281:4 297:20 301:1 308:9 313:14 313:18,20,22 314:5 355:25	amendments 114:16 Ameren 150:19 American 129:7 129:10 139:25 145:2 162:16 162:22 amortization 132:12 261:15 269:21,24 270:2 333:25 334:23 335:11 335:19 336:20 338:11 338:21 367:1 amortize 155:2 156:18 358:21 358:25 amortized 155:3 156:25 262:5 334:6,8 366:23 amortizing 337:18 amount 121:7 121:20 128:2 132:6 144:13 151:11,14 161:3 185:10 225:19 231:7 273:12 273:14 284:11 302:25 333:24 334:1 335:1 337:4,18 350:23 351:25 352:2 352:3 amounts 152:2 228:12 351:5 amp 300:3 analysis 172:14 172:17 178:1 195:15 243:12 249:4,8 253:14 254:6 254:15 257:12 284:25	ancillary 363:16 annual 121:6 122:3 148:15 211:25 231:7 252:12 353:3 353:12 answer 123:19 128:18 130:9 130:14 131:4 169:22 192:22 193:11 196:1,19 197:15,24 199:24 210:9 213:23 216:7 234:1 242:14 272:11 278:16 283:22 284:22 287:17 302:12 304:18 310:14 332:1 334:10 336:16 342:5 369:20 answered 295:17 answering 350:25 answers 166:10 166:12 193:5,7 200:10,12 202:16,18 207:10 218:9 218:12 240:19 240:21 266:4 266:17 272:18 272:20 318:16 318:18 330:20 330:22 341:5 anticipate 132:2 164:15 antiquated 143:11 anybody 287:18 anyway 270:10 314:8 apologize 191:23 276:16	276:18 307:7 appear 113:13 143:12 171:2 175:18 263:13 263:15 264:13 264:15 266:16 272:19 282:19 295:11 309:2 appearance 112:12 APPEARANC... 111:1 appeared 187:16 appearing 112:15,20 113:11 115:14 appellate 177:24 applicable 337:16 applicant 112:12 115:11,22 application 116:25 127:1 applications 159:23 apply 153:3,4 214:2,4 215:15 251:23 applying 159:17 appreciate 154:2 161:25 196:17 295:18 approach 137:10 153:9 153:14,15 206:11 262:9 265:21 271:14 287:13 294:5 296:16 325:4 325:6 340:12 343:7 347:8 354:24 366:15,15 approached 281:23 287:18	appropriate 120:18 130:3 133:5 146:10 211:1 249:16 298:2,4,6 307:4 336:2 338:23 348:20 350:8 351:21 approval 116:5 116:11 117:13 126:2 135:12 135:14 293:4 293:15 297:4 approve 154:13 approved 117:15 179:8 282:12 approximately 116:6,11 117:1 117:22 118:9 119:10,16 168:14 229:4 229:10 280:10 291:17 April 122:3 282:16 area 117:7 118:24 238:10 325:13 areas 121:24 162:23 163:17 argue 122:19 127:6,10 132:9 146:2 argued 146:11 argument 255:18 arrived 285:14 291:23 articles 138:1 artificially 127:18 138:7 Ashley 201:11,14 201:18 220:25 221:9 252:23 253:10 370:15 371:5 372:2
---	--	---	---	---

EVIDENTIARY HEARING Volume 3 11/27/2017

374:24 375:7 375:10 aside 154:23 asked 166:13 187:14 189:5 202:15 215:7 224:16 232:6 234:20,22,23 240:18 243:3 252:11 267:5 282:5,8 285:11 295:18 310:22 314:21 315:6 318:15 330:19 349:21 356:25 asking 131:4 178:5 183:20 209:16 242:12 342:21 347:22 asphalt 279:16 280:6,9,14 assessed 226:17,21,25 assessment 225:20 226:17,21,23 asset 127:1 155:1 156:24 333:19 334:2 334:4 assets 118:4 286:10 365:20 assigned 112:7 224:5 assigning 208:25 assignment 208:6 Assistant 111:13 associated 116:2 118:3 127:1 212:4 222:15 261:9 275:22	357:14 association 279:10,21 280:12,16 281:15,17,23 282:1 associations 279:18 assume 193:10 193:11 234:12 238:17 292:13 301:17 326:19 355:2 assumed 140:20 assuming 189:12 AS-D3 202:7 attached 220:13,19 240:10 attachment 131:10,16 attainment 139:10 attempting 213:16,21 attempts 124:1 281:11,13 attention 114:24 160:3 attorney 111:2 116:20 153:20 267:15 attorneys 161:21 261:23 262:4 269:20 attract 129:15 216:25 audit 138:16 167:25 168:14 168:19,23,23 169:11 173:15 174:9,19 187:16 214:19 219:22,25 220:4,14	222:5,11,17 228:2 229:19 302:2 audited 148:11 211:23 212:1,5 212:8,9,15,24 213:10,14 214:10 222:23 223:4,11 auditing 130:19 147:11,22 148:5 170:5 182:22 211:6 223:14 227:4 227:8,25 230:3 370:21 auditor 201:22 223:3,10,22 239:24 242:18 auditors 251:5 August 339:20 authenticate 307:5 author 266:7,12 272:3 275:3 303:8,14,18 303:22,24 307:16,18,19 307:20,20,22 authoritative 196:25 198:8 authors 266:21 available 130:7 158:24 159:7 160:5 183:1 188:5,8 225:24 226:23 average 119:4 135:5 159:5 320:3 avoid 287:14 aware 139:13 187:24 191:16 197:3 198:8 212:21 213:17	222:21 223:1 223:5,7 235:15 242:20 247:3 249:21,24,25 250:4 256:6 256:7 273:19 278:20 287:7 287:9,11 312:15,18 313:14,20 334:25 360:17 awareness 287:11 awful 285:23 <hr/> B <hr/> B 131:10 347:17 348:16 373:1 374:22 375:5 back 118:22 119:8 126:24 149:20 157:16 161:6 185:13 204:11 215:12 228:16 234:19 238:7 248:10 251:9,10,12 257:21 270:7 277:3 280:3 285:12 301:21 308:4 310:5 310:14 332:13 337:21 background 197:4 backhoe 325:23 326:14 329:2 329:5 backlog 297:14 backup 118:9,10 284:15,20,20 bad 153:15 155:4,20 balance 183:16	ballpark 260:7 bank 145:1,2,2 149:21 159:25 187:23 202:10 234:15 248:2 248:14 250:1 250:15,19 251:11,22 253:18 254:18 254:21 257:12 257:17 371:20 banks 188:2 249:12,17 255:24 bargain 149:7 299:21 Barnes 160:19 176:3 182:24 base 119:18,22 121:20 128:2 132:6,17,20 136:14 188:18 197:19 203:24 221:24 274:10 274:12,19,20 274:22 331:22 334:9 345:21 350:22 351:25 352:2 359:1 based 121:8,25 122:22 124:23 125:13 156:22 177:20 178:23 178:25 197:13 212:24 242:14 243:2 265:2 284:18 285:1 285:15 290:25 291:7 297:23 299:9 312:14 320:2 323:18 324:21 336:19,24 344:6,18 354:23 363:1
---	---	--	--	---

EVIDENTIARY HEARING Volume 3 11/27/2017

<p>basically 130:24 145:22 270:3 332:14 349:14 354:7 358:7</p> <p>basis 122:5 134:4 135:7 158:19 171:13 231:7,8 273:16 273:19,22,25 302:4 353:23 354:21</p> <p>beat 311:12</p> <p>becoming 142:10</p> <p>bedding 279:15 280:3,13 282:7</p> <p>began 119:8 357:18</p> <p>beginning 155:11,17 157:16 217:13 244:4 292:11 311:6</p> <p>Begins 288:10</p> <p>behalf 112:15,21 112:25 113:11 115:14</p> <p>belief 166:22 193:8 200:13 202:19 218:14 240:23 318:19 327:25 330:23</p> <p>believe 114:7,11 117:23 133:11 138:4 146:9 153:22 163:2 175:24 180:7 184:19 185:1 189:1 206:24 207:3,7 215:13 219:18 220:2,7 221:21 225:21 227:20 229:7</p>	<p>232:25 246:8 261:9,14,19 262:4 266:4 267:14 284:17 285:9,13 287:9 288:8 296:15 298:19 301:5 307:3,9 307:21 321:23 323:4 328:8 334:15,20,21 335:20 336:14 340:7 345:5 346:8 346:18 349:4 353:3,12 355:9 356:14 360:16 361:10 363:20</p> <p>believed 123:21</p> <p>believes 122:6 122:8</p> <p>belonged 116:17</p> <p>bench 122:12 187:7 198:19 205:6 209:10 215:2 220:11 221:1 224:14 229:1 237:7 243:24 247:21 250:10 254:10 256:24 266:24,24 268:10 270:15 270:18 276:9 314:15 327:6 332:5 335:6 356:18 361:5 362:12 364:18 367:5,22</p> <p>benchmark 146:1</p> <p>benefit 154:13 298:23 305:16</p> <p>benefiting</p>	<p>145:6</p> <p>benefits 148:12</p> <p>best 123:21 128:8 137:4 142:6 145:18 156:24 166:21 184:8 193:8 195:25 202:19 218:13 240:22 261:12 272:19 298:21 299:20 306:25 318:19 330:23</p> <p>better 137:3 141:19 191:24 210:25 251:2 291:16 295:18 296:10 306:9 309:16 322:6 331:24</p> <p>big 150:17 153:11 158:16 159:20 289:16</p> <p>bigger 149:23</p> <p>bill 141:17 152:20 184:3 212:10</p> <p>billed 289:6</p> <p>billing 150:3 164:14,18 165:6</p> <p>binder 276:17</p> <p>bit 148:5 153:8 170:14 196:7 251:15 307:6 315:5 338:9 363:10</p> <p>black 185:10 294:12</p> <p>blank 169:21,25</p> <p>Bolin 113:10 130:8 182:23 242:17 333:17 335:25 369:16</p> <p>bond 160:6,8,13</p>	<p>book 345:1 350:22</p> <p>booked 290:1 344:15,20 345:17 346:1 348:22,24 350:7 362:20</p> <p>booking 344:23</p> <p>books 132:8,10 132:13 152:14</p> <p>bore 297:16</p> <p>boring 301:11</p> <p>borne 357:25</p> <p>bottom 170:18</p> <p>bought 118:4</p> <p>Box 111:3,8,14</p> <p>boxes 143:20 146:1,2,3,4</p> <p>break 211:2 246:14 257:18 257:20 292:8 308:1,3</p> <p>Brian 250:2</p> <p>brief 241:19</p> <p>briefing 347:6</p> <p>briefly 123:12 215:5 219:4 267:3 331:16</p> <p>bring 126:24 149:20 233:20 285:12 292:7 292:9</p> <p>bringing 293:22</p> <p>brother 152:17</p> <p>brought 120:19 278:16 290:23 297:8</p> <p>Brown 142:9</p> <p>Brydon 111:2 112:14</p> <p>build 173:11 282:9 320:10 320:24</p> <p>building 117:7 208:16</p>	<p>built 124:2 267:7 285:6</p> <p>bulk 126:14 127:7</p> <p>burden 141:10 149:10 150:15</p> <p>bury 296:24 297:6</p> <p>business 115:25 116:9 215:16 227:6,9 281:19 298:16</p> <hr/> <p style="text-align: center;">C</p> <hr/> <p>C 343:21 348:9 348:9 377:1,1</p> <p>calculate 321:13 327:11</p> <p>calculated 274:20</p> <p>calculation 168:2 195:20 195:21 196:7 197:12 285:21</p> <p>calculations 196:14 252:5</p> <p>call 132:23 145:22 183:10 192:13 195:23 199:13 215:22 236:5,7,12,13 236:14,17 244:5 248:12 258:23 277:6 290:7 301:22 351:9 364:7</p> <p>called 135:19 139:3 143:25 144:5 300:1 306:15 334:4</p> <p>calling 112:2 140:24 234:21 349:2</p> <p>calls 165:12 188:22 201:11 239:11 269:7 317:18 329:15</p>
--	--	--	--	--

EVIDENTIARY HEARING Volume 3 11/27/2017

332:20 339:6 359:16 364:22 call-ins 290:14 capable 235:2 capacity 201:20 239:22 285:6 318:3 319:21 320:5,10,21 321:2,3,6,14 330:2 capital 117:24 121:10 129:6 129:16 130:8 158:16 160:18 160:20,22 170:25 171:7 172:18 175:23 213:17,21 233:21 264:12 363:5,17 376:8,13 capitalization 155:22 159:16 363:6,18 capitalize 156:18 363:7 363:11,12,13,15 Capitol 111:3 caption 377:11 capture 129:1 133:1 210:4 captured 132:10 262:5 335:2 363:22 captures 133:3 capturing 140:4 careful 313:13 case 114:12 119:15 120:5 120:13,21,23 120:25 122:9 123:7,12,22 123:24,25 124:6 125:15 126:14 127:2 127:10,17,20	128:22,23 129:10,22 130:21,25 132:7,9,19 134:5,23 135:19 136:5 138:2,5,11 139:2,11,14,24 139:25 140:5 140:6,6,10 142:6 144:10 145:20 147:12 147:13,19 148:22,22 150:10,14,17 151:11 153:11 155:12 158:16 159:12 162:17 163:4 168:10 171:15,18 172:3 175:25 176:10 176:13,23 177:10,21,23 179:14 181:11 183:5 185:21 188:11 190:4 206:9 213:18 221:12 223:20 223:23 224:6 227:24 228:3 229:11,24 242:15 244:13 249:5,9 251:18 253:15 253:16 254:15 254:16,19 256:14 258:21 259:15,23,24 261:19 263:12 264:12 265:13 265:18 267:6 267:12 268:16 270:6,22 277:21 285:16 302:5 316:6 326:11 330:9 334:20 336:2	337:17 338:25 340:1 345:18 351:3,4,23 352:1,2 353:5 353:14 355:7 355:13 357:10 357:24 358:14 372:7 cases 124:12 134:22 138:3 142:5 147:13 147:14 155:13 162:3,9 163:7 177:7 179:16 180:24 223:13 223:15,16 234:14 256:18 257:9 297:15 339:1 360:2 363:9 cash 159:16,25 250:22 251:7 251:16 categorization 146:16 172:1 357:20 category 146:6 146:6,7,12 caught 359:12 cause 166:2 201:23 206:21 239:25 318:7 318:7 330:10 340:19 377:10 caused 174:25 175:12 192:19 199:21 216:4 278:22 286:10 355:22 causing 120:18 297:14 323:11 325:1 caveat 164:23 caveats 301:16 CCR 110:23 377:22	cell 112:8 census 140:12 center 143:10 centered 118:1 Central 277:19 299:10 CEO 146:20 certain 146:2 180:8 192:20 199:22 201:24 214:6 216:5 221:12 279:22 281:6 282:6 312:21 318:8,9 321:11 330:10 337:18 354:11 358:22 certainly 152:2 152:24 196:9 197:3,14,18 214:12 215:15 283:7 290:21 298:4 313:11 363:21 certainty 305:15 Certificate 117:17 certified 337:7 377:6 certify 377:8 Chairman 130:20 152:7 180:9 challenge 151:14 307:6 challenges 136:13 chance 288:2 change 121:13 124:12 166:19 166:20 174:9 174:25 175:13 216:18 233:22 265:2 changed 157:9 157:10,11,13	174:14 260:23 changes 123:15 193:12 200:5 202:4 216:13 216:15,19 217:18 218:5 characterizati ... 138:23 characterize 185:25 236:23 characterized 190:3 charge 121:21 127:14,15,16 157:8,9,23,24 157:24,24 255:24 290:3 348:19 charged 152:2 184:13 288:25 349:17 charges 265:4 charging 157:19 chart 143:20 cheaper 284:25 checked 139:22 checks 250:23 250:23 251:2 chemicals 142:20 chief 111:12 146:16 choose 141:7 146:10 149:2 302:23 chose 155:24 205:1 chosen 146:22 circulated 124:9 citation 242:1 cite 135:20 139:5 211:21 241:25 cited 139:14 City 110:9 111:4,9
---	--	---	---	---

EVIDENTIARY HEARING Volume 3 11/27/2017

111:15 377:16 claim 137:14 282:22 claimed 259:22 claiming 259:23 clamp 296:23 297:5 316:8 350:10,16 clamps 298:5 315:21 316:8 clarification 131:24 147:15 236:14 262:23 332:16 336:13 338:9 350:5 clarifications 257:23 clarifies 303:20 338:1 clarify 113:6 114:1,6 158:4 164:2,12,13 167:22 179:24 191:1 252:9 279:24 289:22 296:19 322:23 327:22 334:13 350:20 360:18 Clarifying 175:14 clarity 156:13 Class 347:17 classification 146:15 classified 288:25 289:25 311:24 clear 186:20 clearly 293:24 clerkal 115:3 clinical 145:11 clip 276:17	close 137:8 148:6,7,8 153:16 158:10 168:11 196:10 236:21 closed 116:14 291:12,13 closely 138:15 closer 157:14 366:16 closest 357:16 closing 117:19 cloud 299:9 club 148:25 code 310:11 Cole 377:4,17 Coleman 110:19 180:10 336:12 337:10,23 338:5 373:5 collaborative 124:1 collected 270:8 collection 150:4 color 294:11 come 114:24 123:6 150:12 153:16 157:14 161:8,24 162:10 195:18 229:24 245:16 270:7 284:25 290:8 291:15 293:2 335:11 357:9 comes 145:23 175:3 297:2 comfortable 177:1,8,12 299:16 354:8 354:12,17 coming 143:4,5 229:15 comma 217:21 comment 282:15 337:25 346:11	commented 142:23 356:25 comments 139:23 140:1,7 141:6,22 142:8 306:13 Commission 110:2 111:13,17 112:2,11 114:2 115:10,22 116:25 117:12 117:15 120:1 123:4 125:19 126:25 128:25 133:21 135:20 135:23 139:1,5 139:15 147:10 152:17 165:25 166:1 171:22 172:15 177:7,21 178:3 179:2,6 179:7,10,11,15 181:10 182:18 185:21 186:9 201:21 211:22 212:2 223:2 224:19 227:24 228:1 239:23 242:6 318:6 330:4 339:24 340:9 345:18,23 346:3,21 347:3 366:20 366:24 Commissioner 122:13,18,24 123:3 130:15 131:3,7,11,15 131:20 133:18 136:22,23 151:16,19,20 151:24 152:6,11 152:16,25 153:5 161:13,15 161:19 162:15	163:1,13,16,24 180:9,9 187:8 187:10 198:20 201:7,8 205:7 205:8 209:11 209:12 215:3 237:8 243:25 247:22 250:11 254:11 256:25 266:25 268:11 268:14,19 270:16 276:10 294:13 314:16 327:7 332:6 335:7 336:12 336:21 337:10 337:23 338:5 356:19 362:13 364:19 367:6 367:23 372:12 373:5 Commissioners 110:19 161:22 180:23 368:14 368:23 Commission's 112:19 177:22 223:9 commodity 121:21 127:15 127:16 common 204:3 214:9 252:8 256:3 337:9 349:22 communicate 298:9 communicated 126:5 communication 124:24 298:8 communities 136:13 137:9 137:13,15 163:10,12 community 118:22 128:13	136:6 140:18 141:12,19 246:23 283:10 companies 116:3,9 186:11 223:17 226:5 227:11,21 251:19 company 110:13 111:6 112:5,16 113:23 114:13 115:15,18,19 115:20,21 116:14,18,24 117:10,12 120:2 121:13 123:6,8 123:10,17 124:6,16 125:3 125:7,16,24 125:25 127:11 127:24 128:4 128:24 129:8 129:14,19,22 132:5 134:16 136:7,7 137:5 137:22 138:17 143:7,25,25 144:4,6 145:1 145:4,22 146:10 147:2 148:18,25 149:1,10,18,24 150:2,7,15,18 151:4,13 154:9 154:14 155:12 155:16 156:14 156:20,22,24 157:2,6,7,14 158:7,10 159:7 159:12,13,17,21 160:2,7,9 161:10,11 162:21 166:15 182:6 186:9 187:21 188:1,5 188:12,21
---	--	--	---	---

EVIDENTIARY HEARING Volume 3 11/27/2017

189:6,12,24	357:11	306:19	confirm 220:13	construct 137:7
190:11,24 191:7	comparable	concerned	confirmation	constructed
191:13,17	163:6 181:21	141:22 142:8	291:15	117:22 120:14
198:13 205:11	191:12,13	337:20	conflicts 156:10	construction
209:25 211:25	compare	concerning	Confluence	116:4,10 117:25
212:11 213:14	249:13 358:21	135:18 220:14	115:21 116:23	119:9 363:13
214:13 222:22	compared	concerns	confused 326:7	consult 179:20
231:20 232:3	134:23 275:6	180:15,23	confusing 156:5	182:20,24
233:21 248:12	comparing	254:1	connect 304:19	183:2,3,6
249:22	134:22	concludes	connection	314:1
250:18 251:8	complaints	210:23	280:2 325:22	consultant
251:17,23	278:21 287:4	conclusion	connections	230:22
253:17,19,24	327:19	182:15	232:9,14	235:19 242:19
254:5 259:12	complete	conclusions	245:6,12	248:2
259:21,22	279:18	349:3	279:14 298:3	consultants
260:16 261:5	completed	condition	313:24 322:7	258:3 261:14
261:6,24	116:4,10 117:24	188:12,15	322:9 355:21	376:11
273:6,10	119:13 219:23	279:3 305:19	consensus	consultation
274:12 278:10	229:19 312:22	328:20	336:8	182:16 186:12
281:10 283:9	completely	conduct 124:3	consequences	consulting
283:24 284:3	169:24 171:21	124:17 215:16	143:15	148:19,20
287:6,9,13,23	195:5 362:22	316:4,5	Consequently	149:12 230:5
289:6 292:14	completion	conducted	147:21	230:8 263:11
294:1 298:20	219:25	232:22	conservative	264:11 269:21
300:2,4	compliance	253:14	155:19	371:10
304:15 307:1	118:3 119:7	conference	consider 139:17	consumer
308:10 314:1	126:21,24	125:21,22	139:18 150:8	298:21
321:15 324:22	127:4 137:8	confident	172:24 189:16	consumers
327:19,24	285:13 287:14	309:20 310:7	214:14 224:25	350:21
328:1,2	comply 120:9	confidential	338:22 347:1	contact 282:21
336:19 337:21	315:15	123:16 125:4	considerable	contain 117:2
341:25 342:3	component	125:10 151:14	349:23 350:11	contained 193:4
342:8 353:17	183:18 300:4	151:17 202:23	consideration	200:9 218:8
354:10 357:9	300:18	202:24,25	179:4 185:23	containing
357:18 358:10	components	203:6 206:16	considered	121:20
company's	299:14	240:10 241:2	144:14 159:15	contemplate
127:1 132:8	composition	241:3,4 258:4	258:4	160:14
136:9 138:14	150:25	258:14,15	considering	content 182:20
138:22 142:2	compromise	262:13 263:9	139:15 351:25	contested
142:25 143:23	121:3 134:3	264:9 304:13	consistent	124:19 125:17
145:16 158:4	computerized	340:5,11	157:5 279:9	128:21
161:7 170:8	290:24 293:6	375:17,22	282:11	context 351:11
198:25	293:23 299:6	376:7	consists 125:9	continually
259:22 273:11	309:15	confidentiality	164:3	124:9
273:23 309:1	concept 327:1	134:2 257:25	consolidated	continuation
309:4 338:11	concern 253:13	confidentials	140:5	175:25
344:1 354:24	255:21 281:16	340:8	constitute 133:8	continue

EVIDENTIARY HEARING Volume 3 11/27/2017

127:25 continues 120:12 124:22 173:15 174:17 174:20 176:24 270:5 contract 148:23 149:18 231:10 231:18 236:18 243:13 247:14 279:20,22 299:25 contracted 150:3,4 279:17 280:14 contractor 236:7 237:22 245:16,20 279:11 280:8 289:4 290:18 291:5 292:4,6 292:7,8,10,15 292:17,20,23 298:8 306:11 308:24 309:18,19 310:6 312:3 contractors 136:11 289:24 290:13,15,20 292:2 293:8 293:17,25 296:4 297:2 297:18 298:1 298:13,14,20 300:20 301:18 301:20 316:5 contractor's 309:13 contracts 244:7 contradict 358:24 contradiction 328:6,13 contrast 137:19 137:19 control 251:6,7	251:13 299:16 357:10 Convenience 117:17 conversations 214:6 233:15 conveyance 116:3 118:14 conveyed 297:20 298:1 298:1 301:18 301:20 cooler 312:14 coop 156:21 366:8 Cooper 111:2 112:13,14 113:24 115:13 122:17,21 123:5 134:6 135:16 151:16 151:18,22 152:1,10,24 153:6 167:3,12 171:12,25 192:12,16 193:14,24 198:22,23 199:9,13,18 200:15 203:14 208:3,4 209:7 209:16,23 211:5,11 215:5 215:6,18,22 216:1 218:16 220:12,21 221:5 227:18 227:19 228:23 230:7 230:11 237:10 237:11 239:7 241:16 247:18 248:4,12,17 250:13 252:19 253:6 255:14 255:17 256:21 258:1,23	259:1,19 267:3,4,17 268:4,23 269:18 270:12 271:1,6 276:12 277:6,10 288:9,17,18 304:16 305:3 314:19,20 317:14 319:8 331:13 333:5 338:8,14 352:9,10 356:15,24 361:3,10,13,18 362:15,16 364:3,7,11 365:5 367:19 368:17 369:4 370:2,11,12,13 370:20,24 371:1,3,9,13,17 371:23 372:5 372:10,15,21 373:5,9,15 Cooper's 357:25 copies 192:6 206:18 277:3 294:9 340:3 368:23 copy 171:3 263:14 264:14 264:16 276:15 294:14 295:12 311:9 343:5,13 348:5 368:7 368:11,14,20 369:2,11 corporate 145:4 correct 122:20 132:24 164:5 164:6 166:21 167:25 168:1,8 168:17 169:10 171:3 174:11 178:17 180:1	181:24,25 182:1,9,12 188:9,25 191:18 193:7 200:12 202:19 204:8 205:2 210:19 210:20 214:15 216:12 217:1,17 218:13 220:1 220:15,16,20 224:8,9,23 226:25 228:10,13,22 229:25 231:8 233:10 234:6 235:7 237:17 238:20 240:22 244:10 245:6 245:9 246:24 247:11 249:7 252:13,14,17 254:6,7,16,17 254:19,20 261:2 263:7 263:14 264:14 264:16 266:17 272:20 273:7 273:13 274:7 276:2,5,25 278:6 281:8 283:10,11,13 286:7 289:20 291:25 292:16 295:4,5,12 298:25 304:23,25 306:22,23 311:25 312:2,5 315:25 316:13 316:25 317:13 319:15,19 328:4 329:2,3 330:7 332:10 334:2 338:10 338:12,13	342:16 345:4 345:10,24 347:19 348:25 349:18 354:18 354:21 355:4 355:8,11,14 360:2 367:2 369:16 377:13 corrected 115:6 correction 114:17 134:9 207:3,8 217:1 240:17 341:2 341:3 corrections 114:21 166:6 202:12,14 207:1 232:14 240:6,15 318:12 330:16 340:23 corrective 207:7 correctly 114:19 136:1 171:14 236:21 353:25 cost 121:8 129:13,14 130:8 132:13 133:2,2,3 135:3,8 146:10 158:16,22 159:2 160:8 160:24,24 168:20,24 169:14 170:24 172:18 173:22 173:24 174:12 174:23 175:2 175:15 178:20 179:8 180:10,11 180:14,16 181:1 181:3,3,6,9,15 182:1,2 184:4 185:15 187:15
--	---	---	---	--

EVIDENTIARY HEARING Volume 3 11/27/2017

212:4,7 219:7	248:23 253:8	Cox 126:15,22	364:13,15	372:24 373:2
221:22 222:15	257:6 258:6	127:10 136:6	365:2 367:14	373:4,9,9,11,15
225:20 227:9	258:9 259:7	146:13 163:19	367:15,17	373:18
235:10 245:18	263:21 266:18	204:8 215:22	crossed 278:10	cross-examini ...
249:13,14,15	268:7,25	215:25 216:3	crossing 298:11	308:6
251:21,22,23	271:12 272:10	230:8,9,11,19	cross-examin ...	CSR 110:23
251:24 252:1	276:15 278:3	230:21	167:9,10,13,19	123:23 377:22
252:4 253:18	280:22 305:6	245:25 250:5	193:16,18,20	CSWR 115:16
253:20 254:2	307:24 308:5	258:23,24	194:11 200:17	128:24 212:23
260:11,13	319:11 331:15	259:2,9	200:25	224:25
283:15 299:19	333:7 338:16	262:18 267:5	203:12,16,19	251:20
301:11 317:2	338:21 339:16	268:16 275:13	207:15,23	Cuba 136:9
326:14 348:14	339:19 361:24	287:24,25	208:1,4 211:12	curious 162:17
363:1,21 364:1	367:12 368:8	304:3 306:25	211:13,16,20	353:2
costly 285:4	counselor	327:19 371:1	218:19 219:2,5	current 117:7
326:16	165:8 190:17	371:12 372:9	219:12,14	118:17 119:21
costs 132:6	191:22 192:8	374:4,5,7	221:2,4,6,10	122:1 179:5
136:14 148:14	counsel's	376:10,13	225:13 227:16	181:21 202:7
170:11 212:9,12	169:17	Crawford 140:11	227:19 230:12	204:17,20,23
221:12 222:14	count 147:3,4,7	156:20,21	230:13,16,20	225:23
228:2,6,7	164:22 196:4	362:8 366:8	241:14,17,20	226:23
253:17,24	196:5,9 197:8	create 233:13	244:23	353:21 354:17
275:15 286:3	198:15 223:21	286:20 313:15	247:16 248:18	currently 115:22
317:7 334:5	counts 132:12	313:23 314:6	248:19,22	117:2 207:5
342:10 358:8	199:6 223:17	324:17 355:19	249:1 253:4,7	240:12 300:10
358:11 363:16	county 140:11,13	created 150:20	253:11 255:10	313:5,8
363:16	362:9 377:4	158:1 290:10	255:12,17	Curt 128:16
cost-effective	377:17	340:10	259:2,3,6,10	130:5
137:12	couple 164:1	creates 142:5	269:12,15,18	Curtis 113:2
cost/benefit	208:7 233:16	creating 287:14	271:7,8,11,22	136:19
150:12 249:4	257:23 279:1	301:8	277:11,12,15	customary
249:11 253:14	360:5	credibility	278:2,5 319:6	363:4,18
253:21 254:6	course 300:14	171:23	319:10,13	customer 119:17
254:15	336:16	credibly 129:18	331:11,14,17	127:14 136:14
284:25	352:24	creditor 189:21	333:3,6,11	140:7 147:3,4
counsel 111:7,8	court 112:17,22	189:22	341:15,16,18	147:6 164:22
111:11,12,13	113:4 177:24	Creek 115:19	352:7,10	188:18 196:5,9
112:24 113:1,3	192:4 205:23	143:19 180:6	359:20,21,25	196:23 197:8
133:16 167:14	206:13 339:11	217:22 224:4	361:1,19,20,23	197:19 198:12
172:7 174:2	340:17 368:21	cross 142:15	362:2 364:12	198:15,24
179:1,21 182:21	369:2,11	167:16 203:11	365:4,7,10	199:6 223:17
186:12 191:12	courtroom	225:12 232:14	370:7,11,16,20	223:21
193:21 201:5	319:14	241:9,19	370:24 371:2	254:22
203:17 206:4	cover 221:12	253:3 255:8	371:2,5,8,9,13	275:21
206:6 211:17	300:6	268:1,2 269:11	371:16,19,22	278:20
219:13 221:7	covered 233:19	319:1 331:6	372:2,5,9,15	282:15 289:5
230:17 241:18	323:4	333:2,9	372:18,20,20	290:14 306:14

EVIDENTIARY HEARING Volume 3 11/27/2017

308:23	307:5,5	dealing 163:19	decrease	245:10 247:7
360:15	308:12,17	Dean 111:2	184:20	292:5,10
customers	309:3 320:2	112:14	decreases	324:8 325:11
119:18 120:9	376:15,18	debate 190:17	133:3 275:22	depreciation
129:11 132:21	date 121:12	debt 121:8,11	deemed 336:1	349:7
133:4 139:19	150:13 217:9	129:13,14	defer 132:8	depth 329:8
139:24 140:2	217:15 219:24	135:3,9 150:4	304:15	describe 140:21
140:10,20	220:3 229:7	158:22 159:2	deferral 132:4	170:2 250:15
141:2 142:4,12	243:18 291:13	159:21 160:8	deficiencies	259:12 264:10
149:8,8	291:13,23	160:24,24	287:10	described
153:20 154:19	dated 119:8	168:20,24	290:20	126:25 143:1
161:8 164:18	229:8 263:5	169:14 170:24	define 169:20	228:17
185:17,19	264:2	172:18 173:22	defined 223:2	describes
250:22 252:2	dates 288:22	173:24 174:13	223:8 293:6	164:17 172:5
281:7,12 337:2	291:18	174:23 175:2	definitely	description
337:19	Dave 183:3	175:16 178:20	162:13 189:18	140:16 203:21
cut 245:8 296:7	David 170:18	179:8 180:10,11	247:10 303:1	334:2
316:7	172:12,13	180:14,16 181:1	definition	design 118:7,17
cutting 316:11,14	250:5 317:18	181:3,4,6,9,15	190:18 344:10	121:20 130:6
	317:22 318:1	182:1,2 184:5	349:19,23,25	140:20 157:4
	372:23 375:1	187:15,17	350:23	158:6,9 161:1
D	375:12	216:25	352:16,17	237:21 238:1
D 370:1	day 119:4 124:21	decades 126:18	definitively	238:15 285:16
damage 142:23	125:3,5,8,8,9	decide 135:24	352:17	285:20,25
142:24 278:21	137:20 138:16	335:23	delivery 363:12	315:7,7,9,11,13
279:5 323:12	167:24 168:4	366:20	demand 161:23	designated
325:13	168:14,23	decided 126:6	327:14	151:13
Dan 142:9	173:16,16,16	130:18 134:4	demonstrative	designed 116:4
Daniel 110:16	174:12 175:1,12	221:19	347:2	116:9 128:17
112:6	176:18 187:16	deciding	denied 151:3	designing
dash 294:8	229:21 284:8	335:22	212:23 213:10	238:2
data 121:25	303:1 320:1,3	decision 144:18	243:24	designs 315:14
122:4 128:15	320:4,4	177:19,21	deny 209:1	destruction
140:12 156:23	321:12 323:19	178:4,15,18	denying 147:25	128:12
158:9,13	324:3	179:11,12	depart 179:13,15	detail 308:25
164:25 165:2	days 119:10	185:22	179:18,24	356:11
165:5 173:17	124:6,7 125:8	227:24	180:20	details 125:22
174:16,21	285:22	283:18,21,24	department	283:25
187:25 204:10	324:10,11	286:16 335:21	116:5 118:17	detection
204:14	day's 321:10	358:21	172:14 318:5	238:22
225:23	Dcooper@bry...	decisions	departure 133:9	determinants
243:19 265:14	111:5	123:15 145:13	135:8 136:2	164:15,18
265:15 266:7	dead 144:16	177:7 178:14	depend 214:17	165:6
266:12,14,22	deal 149:1,17	179:10 181:10	323:16,25	determination
271:15,23	159:14,20	182:18	depending	175:7 180:19
272:3 303:12	214:17 298:20	decision-mak...	301:9,11	181:19 182:13
303:14,18,19	368:8	124:20	depends 197:10	351:10
304:6,22				

EVIDENTIARY HEARING Volume 3 11/27/2017

determine 179:18 185:21 197:12 216:22 216:25 285:12 291:5 312:20 346:1,4	difficulties 238:21 dig 232:20 238:23,25 296:23 325:24	373:8 374:4,8 374:13,19,20 374:22,24 375:1,17,19 376:1,6 direction 358:4 358:19 directly 190:10 363:22 director 166:1 265:6 disagree 171:21 171:25 214:18 214:20 disallow 351:5 352:1 disallowed 228:1 disclose 152:9 260:1 disclosed 151:25 152:22 280:21 disclosing 263:9 264:8 disclosure 155:9 discovered 322:8 323:2 discovery 234:4 242:23 discretion 149:2 178:24 179:3 293:1,18 296:4 297:3 297:23 357:12 discriminatory 146:21 discuss 124:22 125:22 159:7 186:1 275:13 299:7 discussed 154:4 173:18 174:22 175:4 308:9 313:17	316:18 331:23 336:23 337:25 365:19 discusses 358:6 discussing 181:19 183:7 191:11 242:18 308:23 337:16 discussion 178:25 179:4 180:22 242:20 248:8 275:16 279:4 283:23 301:24 303:9 319:20 335:24,25 336:3 356:2 358:16 360:23 365:25 discussions 123:17 125:23 125:24 175:4 175:9 177:3 281:2 319:17 334:4 dislikes 141:20 dispatch 290:6 306:6 display 204:13 dispose 304:14 disposition 123:7 125:7,15 126:9 176:2 355:25 dispute 350:3 disrepair 118:1 disruption 246:11,24 distinction 270:9 344:23 345:20,25 distribution	120:14,16 122:1 238:3,4 245:3 247:2 district 208:22 ditch 325:23 329:5,6 dive 262:3 divides 251:22 divulging 182:19 DNR 119:11 126:21,24 127:4 143:1,2,8 284:7,14 285:11 286:2 286:6 287:13 287:19 315:13 315:15,16 319:25 320:17 321:13,17 327:15 document 115:1 125:4 171:3 172:6 176:7,8 262:13 263:8 263:10,14 264:6,9 265:5,10 272:19 291:11 294:6 304:6 335:15 343:20 346:15 documentary 150:22 documentation 188:2 217:10 217:16 288:14 288:21 289:14 290:17 293:12 299:15 documented 287:4 documents 153:4 172:2 174:24 175:6 175:11,15
--	---	---	---	--

EVIDENTIARY HEARING Volume 3 11/27/2017

179:25 262:22 304:5 340:17 document's 296:7 doing 145:18 149:13 150:8 159:9 227:6,9 249:14 254:14 298:23 353:17 354:10 dollar 251:1 dollars 126:14 127:6 dos 315:12 doubling 245:18 doubt 163:3,22 343:17 348:5 doubts 149:9 186:2 320:10 downward 128:3 downwards 134:12 DR 244:9 266:6 272:6 305:11 307:17 308:11 308:25 344:6 drawing 169:21 169:24 drilling 281:3,7 281:11 285:2 drinking 116:8,11 117:21 118:6,8 118:20 driven 124:2 300:23 driver 195:20 195:25 196:4 196:13 DRs 244:6,13 266:5 307:14 due 229:21 334:5 duties 254:22 Dylan 376:10	D'Ascendis 258:3 265:4 376:10 D-i-e-t-r-i-c-h 165:22 D3 294:8 <hr/> E <hr/> E 370:1 376:13 377:1,1 earlier 139:14 154:4 243:4 252:12 262:12 296:3 297:22 305:14 308:22 309:23 310:8 313:17 319:15 328:16 357:24 365:23 early 172:3 easier 161:16 246:16 easiest 210:7 easily 158:11,11 East 111:3 easy 197:17,17 Eaves 204:8 economical 301:3 effect 251:25 effective 117:18 119:21 121:12 235:10 effectively 128:9 251:21 efficiencies 329:7 efficient 329:1 efficiently 128:8 246:9,18 effort 126:25 155:19 efforts 124:25 eight 202:10 234:16	either 135:7 141:13 237:15 261:25 275:17 290:13 323:20 electric 156:17 156:20,21 360:2,3 362:4 362:6 366:6 366:8 electrical 300:4 359:8 361:14 362:25 373:12 electronically 368:20 Elm 115:19 116:13 elusive 369:22 embedded 170:24 emergency 321:14 emotion 140:8 employed 165:24,25 201:19 239:21 239:23 318:2 330:1,3 339:15,19 employee 146:20,23 235:16,18 employees 136:10 208:9 209:24 EMS 113:9 130:2 130:10,23 131:5,13 169:3 169:9,19 170:1 178:12 202:7 226:7 261:1,2 261:9 369:21 endeavor 292:4 298:21 ends 198:12 enforcement 116:20 117:4,6	118:2 engaged 213:16 213:21 294:1 engineer 233:10,11 237:21 238:1,7 285:10 312:24 315:10,12,14 320:13 330:4 engineering 121:22 128:5 232:2 285:9 339:16 356:2 engineers 282:12 England 111:2 112:15 English 349:22 enhances 251:16 enjoy 138:9 ensure 119:1 127:8 251:25 293:11 enter 202:22 241:1,11 310:11 318:21 346:7 346:16,23 entered 115:1 142:8 156:15 167:5 218:23 263:21 264:22 265:1 280:24 281:15 281:20 295:24 305:6 308:17 311:20 331:8 332:24 341:11 347:10 Enterprise 145:2 250:1 entice 129:6 entire 137:15 144:13 233:14 346:17,23 entirely 296:22 368:1	entirety 242:14 entity 144:5 197:21 280:15 entries 112:11 288:23 entry 146:7 209:19 envision 353:17 equal 275:8 337:4 equipment 212:23 363:3 363:7,8,8,10 363:14,25 equity 121:9,10 143:24 158:17 182:10 189:21 189:22 190:11 190:22 214:13 equivalent 181:13 equivalents 300:16 error 115:4 139:22 196:10 196:16 especially 183:17 essence 301:19 essentially 154:25 333:20 354:1 establish 274:18 establishing 125:20 estimate 127:2 estimated 174:13 228:1,6 evaluate 124:20,22 evaluates 124:14 evening 337:11 event 324:18 eventually 120:16 125:25
--	---	--	---	---

EVIDENTIARY HEARING Volume 3 11/27/2017

352:25 everybody 204:1 evidence 120:23 132:2 137:2 143:13 150:9,12 155:12 164:8 164:15,20,22 167:7 172:10 179:13,15,18 179:23 193:15 194:1,10 200:16,24 203:9 207:22 218:18 219:1 234:10 241:13 243:9 254:5 263:22,24 264:18,24 277:4 295:20 296:1 305:9 308:20 319:5 331:10 341:13 347:13 370:5 370:9,14,18 370:22 371:4 371:7,11,14,18 371:21 372:1,4 372:8,11,13,17 372:22 373:7 373:13,16 evidentiary 135:22 evolution 290:12,13 evolve 173:16 174:17,20 291:19 ex 135:19 139:3 139:14 exact 153:17 217:9,15 219:24 220:3 284:11,11 exactly 148:3,7 174:2 181:17	233:9 285:8 296:8 320:3 examination 158:10 165:17 187:13 192:16 198:23 199:18 201:4,15 205:10,21 209:15 211:9 215:6 216:1 220:12 224:15 225:16 229:3 237:11 239:16 244:2 245:1 250:13 254:13 257:4 267:4 268:22 314:20 317:23 327:10 329:20 332:8 338:19 339:9 356:23 361:17 362:16 370:6 370:7,11,12,13 370:16,17,19 370:20,24 371:1,3,6,9,13 371:16,17,23 372:3,6,10,21 372:23,24 373:1,2,6,8,10 373:15 374:22 examining 347:24 example 129:6 173:21 174:8 208:20 210:12 212:19 214:13 233:9 233:10,11 237:23 290:6 295:12 302:19 examples 237:25 295:10 297:9 297:9 298:5 exception	262:13 exceptions 163:14 excess 305:16 excessive 255:19,22 exchanged 172:2 excluded 258:15 exclusive 300:11 exclusively 280:7 excuse 134:11 excused 192:9 199:12 201:9 339:4 364:21 execute 126:1 executing 286:15 executive 146:16 exemplars 137:23 exercise 282:2 exhibit 136:25 166:4,25 167:5,6 169:18 171:10 172:9 175:24 176:9 192:2 201:25 202:1,2,22,23 202:25 240:2 240:3,4 241:1 241:2,4 258:10,10,16 262:8,12,24 262:24 263:17,21,23 264:17,22,23 265:13,17,21 265:21,23 266:1,3 271:15 271:16,19 272:24 294:16,17,21	295:20,23,25 303:3,5 304:22 305:5 305:8,23 307:3,10 308:9,11,12,16 308:19 318:9 318:10,22 330:11,12,14 331:1,1,7 340:10 343:9 346:8,10 347:1,10,12,25 348:2 368:6 374:3,5,6,8,9 374:11,12,14,15 374:18,20,21 374:23 375:1 375:2,4,6,8,10 375:11,13,16,18 375:20,21,23 376:1,2,4,6,8 376:9,12,14,16 376:17 exhibits 192:25 193:4,15 194:4 194:8,9 200:2 200:9,16,19 200:22,23 201:24 203:3 203:5,8 206:18,22 207:14,17,20 207:21 216:10 218:8,17,23 218:25 241:11 241:12 257:24 258:7 262:8 262:15 302:18 319:3,4 331:9 332:23 340:18,20 341:8,10,12 368:5 374:1,2 374:17 375:15 exist 233:7 237:15,18	285:5 348:13 existed 233:17 295:15 existing 118:14 exists 213:18 exorbitant 141:17 expect 213:20 312:13 expected 164:18 302:8 353:21 expend 126:15 expended 254:19 expense 121:19 127:23 128:10 130:11,21 131:2 132:16,17 142:6 147:22 150:17 224:20 258:21 259:15 259:23,24 265:14 267:6 267:12 268:16 270:23,24 273:7 288:23 288:24 289:1 332:10 333:24 334:19 334:24 337:18 338:24 342:15 345:2 345:6,16 348:20,25 349:17 350:8 350:20 352:19 357:1 357:2,6 359:7 361:9 363:3,4 363:24 366:21 372:7 372:16 375:14 expensed 197:21 expenses 121:18 132:13 153:11
--	---	---	---	---

EVIDENTIARY HEARING Volume 3 11/27/2017

155:3 170:11 253:25 259:16 289:2 310:17,18 331:22 332:11 345:4 353:4 353:13 357:10 358:5,22 359:1 363:12 expensive 146:5 325:22 experience 118:23 146:3,5 146:5,12 197:5 208:6,6,11,15 208:21,23,25 209:4,17,18 210:4,6,9 323:19 350:24 368:25 experienced 209:3,19 341:23 353:21 experiences 210:16 expert 151:9 153:7,13 260:15 261:5 261:7 351:20 expertise 137:11 experts 151:11 152:12 153:18 336:4 338:1 338:22 explain 174:14 explained 154:17 158:13 246:2 explanation 337:24 explanations 176:19 explored 159:2 express 180:15 186:25 expressed	180:23 186:17 198:5 extend 152:13 extended 352:22 extension 156:17 231:12 359:8 361:14 362:4,7,18 366:7 373:12 extent 120:7,12 166:17 178:10 220:17 extra 113:8 extraneous 252:1 347:21 extraordinary 333:24 334:19 extreme 334:5 extremely 277:18 299:12 eyes 137:3 e-mail 272:10 e-mails 188:1 E-Mate 300:1 <hr/> <p style="text-align:center">F</p> <hr/> f 179:23 377:1 face 145:14 facilitate 137:12 facilities 119:17 137:7,16 188:15 fact 141:11 173:14 190:2 191:24 208:8,8 236:6 294:23 297:7 337:5 362:17 factor 147:1 factors 177:20 183:17 286:9 286:13 302:15 302:17 facts 124:23 190:7,9 242:10,21	factual 134:4 158:19 177:25 273:16,19,22 273:25 failure 343:24 344:3 345:8 345:14 failures 344:11 fair 138:22 145:6 170:9 171:23 179:8 192:1 197:25 213:25 232:7 232:11 233:6 236:23,25 243:10 286:11 286:12 289:19 292:12 309:4 309:8,10,11 313:25 314:3 322:21 355:10 355:12 360:24 fairly 146:18 315:3 323:7,8 fall 141:25 220:2 345:13 familiar 184:23 188:10,11,14,17 277:16,18,23 299:1 320:20 333:14 342:19 360:6,10 families 141:3,3 family 145:3 249:21 251:20 fantastic 299:21 far 114:14 148:15 160:13 162:2 166:12 186:14 187:2 212:10 325:1 334:25 335:21,25 336:1 farm 251:3 fashioned 250:23	faster 161:21 251:15 fault 359:12 favor 152:13 366:25 favorably 251:6 feasible 301:13 February 117:18 119:13 Feddersen 110:23 377:6 377:22 federal 120:9 127:7 fee 148:19,20 149:4,4,12 153:13 157:16 157:19 225:20 225:22 226:1 226:9,17,21 231:3,9 235:6 257:12 260:4 260:5,8 299:23 300:6 feel 211:1 299:15 350:25 354:8 354:12 fees 147:11,22 147:22 149:21 153:20 202:11 211:7 214:19 214:20 222:12 227:5,8,25 228:2 230:4 230:5,8 242:19 248:2 248:2,14 250:15,19 253:18 254:18 254:21 255:19 257:17 261:6 261:8,23 262:2,4 267:15 269:21 269:22 370:21 371:10 371:20	felt 133:4 field 292:25 300:25 fifth 118:25 306:16 308:24 figure 159:25 196:20 261:1 321:1 file 110:12 112:3 117:13 125:7 211:23 212:15 357:12 filed 114:2,11 116:24 120:25 124:21 125:16 126:9 145:19 148:9 150:11 175:19 176:6 206:8 229:11 229:15 339:25 357:17 368:19 files 211:25 filing 125:9,18 138:10 175:1 212:15 filings 340:4 final 138:18 finally 291:12 finance 335:18 336:6 financial 137:6 137:12 141:10 148:11 172:14 172:17 212:5 213:15 214:10 222:23 223:4 223:11,22 249:22 298:15 financials 211:23 212:1,8 212:16,25 213:10 financing 159:8 159:13 185:15
--	--	--	--	---

EVIDENTIARY HEARING Volume 3 11/27/2017

188:3,7 190:10 212:24 213:11 214:8,9 217:9 217:16 find 131:12 140:11 157:1 184:4 185:14 238:24 239:1 260:25 286:22 366:24 finding 169:14 171:21,22,24 172:1 175:12 176:18 287:7 findings 124:5 135:25 finds 347:4 fine 113:18 131:17 149:19 203:22 284:23 firm 112:14 232:2 377:7 first 113:7,15,17 115:16,17,25 118:5 119:23 144:1,1 156:5 156:12 157:7 164:2 165:9 175:21 184:9 205:25 216:18 230:5 244:12 248:3 269:22 270:24 273:15 277:20 279:1 283:19 291:3,21 304:5 312:11 314:2 317:4,6 329:23 339:11 359:8 firsthand 295:7 295:8 Fischer 135:20 139:14 fit 146:2,12 five 126:18	153:23 156:8 162:1,10 181:17 257:7 262:6 308:2 334:18 334:22 335:21 341:2 366:23 368:16 five-year 156:6 260:19,22 261:15 269:21 312:16 313:3 313:15 314:2 366:25 fix 238:10 323:10 fixed 140:22 141:4 157:8,12 157:23,24 161:4 231:3,7 235:6 267:13 267:15,15 flat 149:4 flip 241:22 305:25 flooding 324:17 flow 251:16 flows 160:1 Fluke 300:2,2 focus 139:1 322:5 focused 279:11 289:16,23 follow 161:16 179:12 345:23 followed 346:21 following 125:23 follows 120:2 121:5 164:4 165:16 192:15 199:17 201:14 205:20 211:19 215:25 221:9 225:15 230:19 239:15 244:25	248:25 253:10 255:16 259:9 268:13 269:17 271:21 277:14 317:22 329:19 333:10 339:8 359:24 362:1 365:9 food 141:8 footing 363:14 force 116:2 foregoing 377:13 forgotten 136:19 form 132:11 192:22 199:24 216:7 format 244:5 former 230:25 247:10 formula 321:17 forth 173:13 176:25 177:3 177:15 181:11 181:20 183:16 348:16 377:11 forward 128:8 128:10 144:21 147:19 156:4 162:8 165:3 180:17 302:4 328:9 344:14 344:18 353:6 353:15 354:2 354:3 found 149:14 159:4 195:21 233:10 284:2 293:13 311:11 foundation 265:17 271:15 273:1 four 117:2 226:4 226:6 300:9 300:12,16 302:24	Fourth 118:15 four-inch 238:7 frame 302:8 323:15 336:17 336:20 frequency 292:5 Fresh 144:5 front 194:14 321:20 335:16 full 124:18 126:1 155:9 285:3 293:18 296:4 297:3 299:22 316:21 320:1,3 321:9,10,11 377:13 fully 270:7 full-time 128:19 300:16 full-timers 140:19 fundamental 164:14 further 145:8 198:17 205:4 205:16 210:21 214:24 219:11 220:9 225:3 227:14 237:5 243:22 244:16 247:15 250:8 254:25 277:25 291:11 314:12 327:3 329:11 335:4 339:3 358:12 359:4 362:10 367:3 future 132:19 137:14 150:13 150:14 184:5 185:21 249:5 249:11 253:15 253:15 254:15 283:6 332:10 351:9,22	352:3 354:4 354:14 355:4 355:8,14 <hr/> G GAAP 251:4 363:19 gallon 284:3,17 gallons 119:3,4 119:23,25 157:8,9 164:19 284:4 285:20 gaps 137:8 Gateley 128:16 130:5 gear 364:2 general 116:20 125:11 140:12 146:23 244:5 288:23 301:13 342:23 343:2 344:12 generally 129:4 179:10 188:13 188:16 214:7 244:14 288:20 generate 338:3 generated 291:8 generators 126:23 generous 154:1 genuine 137:18 140:9 getting 149:17 151:12 152:19 152:19 197:24 233:4 237:3 301:12 giant 276:17 give 126:13 131:6 161:8 171:23 186:2 190:17 231:3 233:11 277:2 280:12 291:17
---	---	--	--	--

EVIDENTIARY HEARING Volume 3 11/27/2017

<p>302:19 359:1 given 276:17 284:19 311:16 326:8 329:8 377:16 gives 346:13 giving 198:12 glad 349:21 Glarner 145:3 249:21 250:1 250:2,4,6 Glarners 143:24 145:5 go 115:9 133:22 144:3 145:12 151:8 155:4 157:16 160:10 161:24 162:23 163:9 165:3 169:3 173:6 174:13 184:14 199:16 210:25 215:12,24 216:20 232:21 233:18 237:4 238:6 241:10 243:9 244:6 248:4,6 261:18 265:19 267:24 269:9 271:4 277:5,9 283:19 296:4 305:11 306:2 308:1 311:15 312:20,20 313:9 322:12 325:2,14 332:25 350:4 352:18,19 357:2,3,6,7,10 360:13 364:25 365:16 366:9 367:11 369:14 369:24,25 goes 140:21 160:11 204:11</p>	<p>304:24 315:18 going 112:8,9 122:19 128:10 134:15 139:3 140:24 141:9 141:13,24 147:16,16 149:21 154:13 154:15,18,18 155:7 156:4,6 156:16 157:8 157:18 160:7 162:8 164:7 164:20 171:10 171:20 172:6 180:16 185:13 189:23 193:25 243:1 244:5 249:4 258:11 260:20 262:7 279:11 297:5 299:17 301:22 302:4 312:2 312:18,20 313:22 314:7 323:5,6,7,8 324:25 326:16 327:22 328:8 328:10 329:6 342:25 344:14,18 346:25 350:2 351:7 353:5 353:15 going-forward 353:23 354:21 good 112:1 115:13 123:2,2 133:17,18,19 139:8 141:1 149:17 153:12 155:13,18 160:18,19 167:20,21 194:12,13</p>	<p>251:8 255:9 280:6 299:7 304:20 309:7 320:6,9 321:2 331:18,19 333:12,13 341:19,20 Gorman 158:23 grab 131:5 grade 210:11 granted 141:8 gravity 116:2,3 great 151:1 300:8 369:7 greater 223:18 292:6 Greg 135:2 159:1 180:2 Grisham 239:12 239:15,19 244:3 267:22 268:13,15 311:16 331:25 331:25 332:21 333:10,12 338:10,20 364:23 365:9 365:11 371:15 372:12 373:3 373:17 374:20 375:3,9 Grisham's 288:1 310:15,25 357:19 358:25 ground 295:9 group 231:22 grouping 155:3 groups 232:1 growing 163:10 guarantee 148:24 159:9 159:10 270:3 guaranteed 149:6 guess 114:21 135:7 144:18</p>	<p>145:8 149:16 158:19 169:1,7 172:22 177:25 179:17 204:17 210:6,7 227:1 228:16 242:13 242:24 252:6 253:20 271:14 274:18 275:5 278:14 281:16 281:18 282:2 283:4 285:19 287:6 290:9 292:21 295:12 297:1 298:24 299:3 302:9 303:11 304:14 308:11 310:2 310:13,14 311:18 320:25 322:17,23 324:2,13,17 326:4 333:23 344:22 346:11 347:21 352:16 352:24 355:23 366:13 368:17 369:8 guesswork 245:9,14 guidance 196:25 198:8 guideline 118:19 guides 118:7,18 GWSD 143:25 G-r-i-s-h-a-m 239:20</p> <hr/> <p style="text-align: center;">H</p> <hr/> <p>half 119:19 129:11 208:10 285:22 halfway 138:24 Hall 180:9 hand 136:19 300:23</p>	<p>322:25 323:2 handed 136:20 192:4 340:16 343:12 369:5 handheld 300:23 handing 206:13 handle 143:11 292:9 handout 161:16 164:3 hands 161:12 handwriting 294:24 296:5 haphazard 120:15 happen 142:4 150:7 154:22 156:4 159:11 160:9 223:12 237:1,2 314:7 323:1,3 354:3 354:24 357:1 happened 138:19 150:23 150:23 happening 144:20 154:20 323:11 happens 124:11 145:1 291:3 321:9 happy 123:19 130:14 157:13 hard 131:14 136:14 368:7 368:23 369:11 hassle 246:11 246:23 hates 152:7 head 168:5 196:4 225:25 226:10,12 233:7 243:21 headline 137:24 headlines 139:17</p>
---	---	---	--	---

EVIDENTIARY HEARING Volume 3 11/27/2017

hear 115:10 120:12,20 125:4 139:18 158:20 176:19 246:5 319:20 328:18 352:18 366:1,2	347:21 hey 238:9,11 282:10 He'll 158:24 high 157:19,23 161:23 189:14 354:7 356:10 356:11	219:23 220:4 221:4 222:11 222:13 224:2 224:8 227:13 227:17 229:5 230:6 231:21 232:10 237:13 237:14 241:15 242:4 243:13 245:3 247:2 247:17 248:3 249:3 251:24 253:5 255:13 257:25 258:22 268:3 268:22 269:16 270:25 277:6 278:9 280:16 281:24 283:9 283:22 295:16 298:10 299:8 302:11 316:3 317:3,9 319:7 327:12 331:12 333:4 338:7 341:22 351:2 352:8 355:19 359:9 361:2 362:3 362:17 364:7 365:4 367:18 370:9,22 371:11,21 372:8,17 373:13 374:2	272:25 293:14 304:8 holding 307:3 holds 137:5 171:24 home 119:20 131:25 140:25 141:13,14 324:15 homeowners 281:15,17 homes 118:7,9 134:7,8 140:18 honestly 129:17 294:2 Honor 112:13 113:24 192:12 193:14 198:22 200:15 203:15 208:3 211:5,11 215:19 218:16 221:5 237:10 242:25 247:19 255:15 258:2 268:5 268:8,12,23 269:1 314:19 319:9 331:13 352:9 361:11 362:15 365:5 367:8,16,20	197:13 198:24 324:14,14 house 249:14 household 140:14,14 hypothetical 121:9 129:2 188:23,25 351:8,22 352:3 hypothetically 342:6 hypotheticals 351:20
heard 133:25 133:25 134:2 134:3,10 135:11 135:13,15 136:1 279:19 284:19 287:20 319:17 352:15 353:1	higher 129:5 132:20 146:10 196:7 198:16 210:11 highest 342:1 highly 159:21 172:24 hike 137:21 hikes 138:1 Hillcrest 115:18 128:23 134:23 138:3 143:18 177:21,23 217:22 218:2 223:23 227:24 228:9	268:22 269:16 270:25 277:6 278:9 280:16 281:24 283:9 283:22 295:16 298:10 299:8 302:11 316:3 317:3,9 319:7 327:12 331:12 333:4 338:7 341:22 351:2 352:8 355:19 359:9 361:2 362:3 362:17 364:7 365:4 367:18 370:9,22 371:11,21 372:8,17 373:13 374:2 hire 223:3,10 hired 152:12 historic 354:18 historical 121:25 354:2 historically 355:16 history 137:19 HOA 280:18 hold 265:16 266:20	131:25 140:25 141:13,14 324:15 homeowners 281:15,17 homes 118:7,9 134:7,8 140:18 honestly 129:17 294:2 Honor 112:13 113:24 192:12 193:14 198:22 200:15 203:15 208:3 211:5,11 215:19 218:16 221:5 237:10 242:25 247:19 255:15 258:2 268:5 268:8,12,23 269:1 314:19 319:9 331:13 352:9 361:11 362:15 365:5 367:8,16,20	hearing 110:7 122:19 135:22 135:23 167:4 180:6 194:7 200:19,21 207:19 218:22 263:20 264:21 305:4 308:15 336:14 336:22 341:10 349:8 352:11 368:3 369:14
hearings 150:20	Hills 110:13 111:6 112:5,16 115:2 115:6,12,15,20 116:13 117:9,12 117:21,23 118:4 118:8,21 119:6 119:8,14,18,20 120:22 121:1,6 121:23 122:2,6 122:8 126:16 127:9 129:12 136:7,8,15,16 144:2 148:17 167:11 184:4 185:14 192:10 194:9 197:22 198:13 200:23 203:13 208:2 208:9 211:22 212:7,9,14 213:1 214:19 217:7,9,16,23 218:25 219:16	hope 136:1 211:2 349:7 Hopefully 135:14 277:22 hoping 350:4 horse's 139:19 hotly 128:21 hour 196:13 265:7,11 hourly 151:18 152:4 198:14 258:2 262:14 270:4 hours 147:2,7,8 147:8 195:24 196:3,13 197:7	idea 154:4 210:25 234:18 239:2 320:23 ideally 297:10 identifiable 363:22 identification 193:1 200:3 216:11 262:16 265:24 271:20 294:18 303:6 343:10 348:3 identify 232:12 233:16 236:16 identifying 290:15 ignore 354:2 IH 117:10 118:12 231:1 illegal 187:4 illuminating 156:15 imagine 141:21 146:4 154:9 imaging 149:25 257:12 immediately 279:25 impact 123:20 160:23 161:2	
heard 133:25 133:25 134:2 134:3,10 135:11 135:13,15 136:1 279:19 284:19 287:20 319:17 352:15 353:1	highest 342:1 highly 159:21 172:24 hike 137:21 hikes 138:1 Hillcrest 115:18 128:23 134:23 138:3 143:18 177:21,23 217:22 218:2 223:23 227:24 228:9	268:22 269:16 270:25 277:6 278:9 280:16 281:24 283:9 283:22 295:16 298:10 299:8 302:11 316:3 317:3,9 319:7 327:12 331:12 333:4 338:7 341:22 351:2 352:8 355:19 359:9 361:2 362:3 362:17 364:7 365:4 367:18 370:9,22 371:11,21 372:8,17 373:13 374:2 hire 223:3,10 hired 152:12 historic 354:18 historical 121:25 354:2 historically 355:16 history 137:19 HOA 280:18 hold 265:16 266:20	131:25 140:25 141:13,14 324:15 homeowners 281:15,17 homes 118:7,9 134:7,8 140:18 honestly 129:17 294:2 Honor 112:13 113:24 192:12 193:14 198:22 200:15 203:15 208:3 211:5,11 215:19 218:16 221:5 237:10 242:25 247:19 255:15 258:2 268:5 268:8,12,23 269:1 314:19 319:9 331:13 352:9 361:11 362:15 365:5 367:8,16,20	hearing 110:7 122:19 135:22 135:23 167:4 180:6 194:7 200:19,21 207:19 218:22 263:20 264:21 305:4 308:15 336:14 336:22 341:10 349:8 352:11 368:3 369:14
hearings 150:20	Hills 110:13 111:6 112:5,16 115:2 115:6,12,15,20 116:13 117:9,12 117:21,23 118:4 118:8,21 119:6 119:8,14,18,20 120:22 121:1,6 121:23 122:2,6 122:8 126:16 127:9 129:12 136:7,8,15,16 144:2 148:17 167:11 184:4 185:14 192:10 194:9 197:22 198:13 200:23 203:13 208:2 208:9 211:22 212:7,9,14 213:1 214:19 217:7,9,16,23 218:25 219:16	hope 136:1 211:2 349:7 Hopefully 135:14 277:22 hoping 350:4 horse's 139:19 hotly 128:21 hour 196:13 265:7,11 hourly 151:18 152:4 198:14 258:2 262:14 270:4 hours 147:2,7,8 147:8 195:24 196:3,13 197:7	idea 154:4 210:25 234:18 239:2 320:23 ideally 297:10 identifiable 363:22 identification 193:1 200:3 216:11 262:16 265:24 271:20 294:18 303:6 343:10 348:3 identify 232:12 233:16 236:16 identifying 290:15 ignore 354:2 IH 117:10 118:12 231:1 illegal 187:4 illuminating 156:15 imagine 141:21 146:4 154:9 imaging 149:25 257:12 immediately 279:25 impact 123:20 160:23 161:2	
heard 133:25 133:25 134:2 134:3,10 135:11 135:13,15 136:1 279:19 284:19 287:20 319:17 352:15 353:1	highest 342:1 highly 159:21 172:24 hike 137:21 hikes 138:1 Hillcrest 115:18 128:23 134:23 138:3 143:18 177:21,23 217:22 218:2 223:23 227:24 228:9	268:22 269:16 270:25 277:6 278:9 280:16 281:24 283:9 283:22 295:16 298:10 299:8 302:11 316:3 317:3,9 319:7 327:12 331:12 333:4 338:7 341:22 351:2 352:8 355:19 359:9 361:2 362:3 362:17 364:7 365:4 367:18 370:9,22 371:11,21 372:8,17 373:13 374:2 hire 223:3,10 hired 152:12 historic 354:18 historical 121:25 354:2 historically 355:16 history 137:19 HOA 280:18 hold 265:16 266:20	131:25 140:25 141:13,14 324:15 homeowners 281:15,17 homes 118:7,9 134:7,8 140:18 honestly 129:17 294:2 Honor 112:13 113:24 192:12 193:14 198:22 200:15 203:15 208:3 211:5,11 215:19 218:16 221:5 237:10 242:25 247:19 255:15 258:2 268:5 268:8,12,23 269:1 314:19 319:9 331:13 352:9 361:11 362:15 365:5 367:8,16,20	hearing 110:7 122:19 135:22 135:23 167:4 180:6 194:7 200:19,21 207:19 218:22 263:20 264:21 305:4 308:15 336:14 336:22 341:10 349:8 352:11 368:3 369:14
hearings 150:20	Hills 110:13 111:6 112:5,16 115:2 115:6,12,15,20 116:13 117:9,12 117:21,23 118:4 118:8,21 119:6 119:8,14,18,20 120:22 121:1,6 121:23 122:2,6 122:8 126:16 127:9 129:12 136:7,8,15,16 144:2 148:17 167:11 184:4 185:14 192:10 194:9 197:22 198:13 200:23 203:13 208:2 208:9 211:22 212:7,9,14 213:1 214:19 217:7,9,16,23 218:25 219:16	hope 136:1 211:2 349:7 Hopefully 135:14 277:22 hoping 350:4 horse's 139:19 hotly 128:21 hour 196:13 265:7,11 hourly 151:18 152:4 198:14 258:2 262:14 270:4 hours 147:2,7,8 147:8 195:24 196:3,13 197:7	idea 154:4 210:25 234:18 239:2 320:23 ideally 297:10 identifiable 363:22 identification 193:1 200:3 216:11 262:16 265:24 271:20 294:18 303:6 343:10 348:3 identify 232:12 233:16 236:16 identifying 290:15 ignore 354:2 IH 117:10 118:12 231:1 illegal 187:4 illuminating 156:15 imagine 141:21 146:4 154:9 imaging 149:25 257:12 immediately 279:25 impact 123:20 160:23 161:2	
heard 133:25 133:25 134:2 134:3,10 135:11 135:13,15 136:1 279:19 284:19 287:20 319:17 352:15 353:1	highest 342:1 highly 159:21 172:24 hike 137:21 hikes 138:1 Hillcrest 115:18 128:23 134:23 138:3 143:18 177:21,23 217:22 218:2 223:23 227:24 228:9	268:22 269:16 270:25 277:6 278:9 280:16 281:24 283:9 283:22 295:16 298:10 299:8 302:11 316:3 317:3,9 319:7 327:12 331:12 333:4 338:7 341:22 351:2 352:8 355:19 359:9 361:2 362:3 362:17 364:7 365:4 367:18 370:9,22 371:11,21 372:8,17 373:13 374:2 hire 223:3,10 hired 152:12 historic 354:18 historical 121:25 354:2 historically 355:16 history 137:19 HOA 280:18 hold 265:16 266:20	131:25 140:25 141:13,14 324:15 homeowners 281:15,17 homes 118:7,9 134:7,8 140:18 honestly 129:17 294:2 Honor 112:13 113:24 192:12 193:14 198:22 200:15 203:15 208:3 211:5,11 215:19 218:16 221:5 237:10 242:25 247:19 255:15 258:2 268:5 268:8,12,23 269:1 314:19 319:9 331:13 352:9 361:11 362:15 365:5 367:8,16,20	hearing 110:7 122:19 135:22 135:23 167:4 180:6 194:7 200:19,21 207:19 218:22 263:20 264:21 305:4 308:15 336:14 336:22 341:10 349:8 352:11 368:3 369:14
hearings 150:20	Hills 110:13 111:6 112:5,16 115:2 115:6,12,15,20 116:13 117:9,12 117:21,23 118:4 118:8,21 119:6 119:8,14,18,20 120:22 121:1,6 121:23 122:2,6 122:8 126:16 127:9 129:12 136:7,8,15,16 144:2 148:17 167:11 184:4 185:14 192:10 194:9 197:22 198:13 200:23 203:13 208:2 208:9 211:22 212:7,9,14 213:1 214:19 217:7,9,16,23 218:25 219:16	hope 136:1 211:2 349:7 Hopefully 135:14 277:22 hoping 350:4 horse's 139:19 hotly 128:21 hour 196:13 265:7,11 hourly 151:18 152:4 198:14 258:2 262:14 270:4 hours 147:2,7,8 147:8 195:24 196:3,13 197:7	idea 154:4 210:25 234:18 239:2 320:23 ideally 297:10 identifiable 363:22 identification 193:1 200:3 216:11 262:16 265:24 271:20 294:18 303:6 343:10 348:3 identify 232:12 233:16 236:16 identifying 290:15 ignore 354:2 IH 117:10 118:12 231:1 illegal 187:4 illuminating 156:15 imagine 141:21 146:4 154:9 imaging 149:25 257:12 immediately 279:25 impact 123:20 160:23 161:2	

EVIDENTIARY HEARING Volume 3 11/27/2017

362:21 impacts 128:19 362:19 imperfect 290:19 implementati ... 299:22 import 171:15 importance 349:24 350:11 important 137:14 138:25 145:14 159:18 176:16 213:15 251:18 improper 127:7 improve 180:12 improved 180:15 improvement 182:5 183:11 282:4 improvements 116:21 117:24 119:10,13 127:11 232:13 235:9 238:2 281:25 improving 328:9 inadequacies 120:17 inappropriate 353:20 incentive 298:16 incentives 299:4 inches 316:14 incidental 139:9 include 117:6 119:22 151:5 221:22 224:19 225:19 226:16 226:20,22 242:19 258:16 302:1 334:9	334:14 335:1 included 121:21 122:1 132:20 180:19 202:10 214:1 219:7 226:8 267:12 289:2 363:17 includes 119:23 121:17 337:6 including 207:5 289:3 350:14 inclusive 122:4 income 140:14 140:14,22 141:4 161:4 inconsistencies 195:22,23 incorporate 114:11,21,22 166:18 incorporates 124:14 126:9 incorporating 114:15 156:12 incorrect 231:14 236:4 245:23 336:19 increase 110:12 112:4 120:5 121:6 126:10 127:14,15,16,21 128:9 138:21 140:23,23 141:20,21 168:3,15 286:8,10,16 286:20 357:12 358:7 increased 143:7 143:11 224:20 286:5 292:12 increases 162:6 275:22 355:22 incredibly 251:17 incremental	121:6 126:10 168:3,15 incurred 255:20 256:2 independent 136:11 204:4 INDEX 374:1 Indian 110:12 111:6 112:4,16 115:2,6,12,15 117:9,12,21,23 118:4,8,21 119:6,8,14,18 119:20 120:22 121:1,6,23 122:2,6,8 126:16 127:8 129:12 136:7,8 136:15,16 144:2 148:17 167:11 184:4 185:14 192:10 194:9 197:22 198:13 200:23 203:13 208:2 208:9 211:22 212:7,9,14 213:1 214:19 217:7,9,15,23 218:25 219:16 219:23 220:4 221:4 222:11 222:13 224:2 224:7 227:13 227:17 229:5 230:5 231:21 232:10 237:13 237:14 241:15 242:3 243:13 245:3 247:2 247:17 248:3 249:3 251:24 253:5 255:13 257:25 258:22 268:2 268:22 269:16	270:24 277:6 278:9 280:16 281:24 283:9 283:22 295:16 298:10 299:8 316:3 317:3,8 319:7 327:12 331:12 333:4 338:6 341:22 351:2 352:8 355:19 359:9 361:2 362:3,17 364:7 365:4 367:17 370:9 370:22 371:11 371:21 372:8 372:17 373:13 374:2 Indians 302:11 indicate 213:13 353:3 indicated 180:15 indirect 115:16 individual 152:4 230:21 236:15 induce 190:23 191:2 industry 208:11 208:24 209:5 210:1 252:9 information 112:21 113:3 114:16 122:15 124:10,15,23 125:13 142:15 175:5 176:25 180:19 181:19 191:9 193:8 200:13 204:14 204:18,21,24 205:2 213:24 218:13 226:8 229:14,20,23 236:1 242:3 243:7 247:5	304:13 309:14 313:12 327:23 328:1,2 infrastructure 163:11 232:9 302:11 312:17 313:4,16 initial 117:25 125:11 138:22 168:14,18,22 174:9 181:14 356:5 initially 120:15 147:17 309:5 ink 185:10 inputs 170:4 insane 140:24 insert 216:22 217:7,20,21 inserted 217:8 insertion 233:22 inside 118:12 219:17 220:5 236:6 238:4 install 126:23 142:16 installed 142:19 283:9 installing 364:2 instance 177:20 183:19 289:4 institution 214:17 251:10 instructions 345:1,16,23 375:14 insufficient 120:15 integrity 322:7 intend 260:16 intended 296:21 intentional 270:10 interact 232:1 237:20 238:8
---	--	---	---	--

EVIDENTIARY HEARING Volume 3 11/27/2017

287:6	127:3 129:3,5	135:25 145:9	283:24	243:3,8,23
interacts 231:23	189:17,19	149:19 172:19	Joplin 282:16	244:1,17,20
interest 144:1,6	233:21 337:5	232:15 233:14	282:20,23	244:23
144:11 152:14	investor 129:2	item 146:11	Jordan 110:16	247:16,20,23
163:20 184:2	invoice 219:16	219:6 260:11	112:1,6,18,23	247:25 248:6
189:14 249:22	229:5,6,8	260:13 264:1	113:5,12,19,22	248:10,15,19
interesting	259:14,16	294:15 306:2	113:25 114:14	248:22 250:9
139:21 284:2	289:2,19,25	335:11 343:20	114:23 115:8	250:12 252:21
interim 360:19	invoices 212:12	343:22 348:9	122:11,25	252:25 253:4
interlocking	214:18 215:8,8	348:9,12	131:23 132:22	253:7 254:9
144:7	215:9 220:14	350:7	133:8,12,15,19	254:12 255:1
internal 176:15	220:15 222:4	items 122:8	133:22 136:24	255:5,9,12
251:5,7 282:9	228:9,12,13	128:22 147:25	164:1,7,11	256:23 257:2
335:21 346:12	288:22,24	148:4 221:23	165:7,15 167:1	257:16,21
360:23	309:25 310:3	262:19 266:7	167:4,10,13,17	258:5,17,24
internally 177:3	310:11,23	289:2 295:7	169:17,22	259:3,6
interpret 145:18	311:17,19 312:3	295:13 337:6	170:2,7,12	262:10,23
145:19 309:3	351:22	343:22	172:4 176:21	263:18,20
349:2,6,8	involve 325:6	345:12	187:6,11 189:8	264:19,21
366:14	329:5	358:20	190:16 191:21	265:19,22
interrupting	involved 197:18		192:1,8 193:17	266:23 267:1
153:6 293:9	285:24	J	193:20 194:3	267:19,23
294:4 298:7	290:23	J 110:19	194:7 198:18	268:2,6,9,21
interruption	309:12	Jacob 182:21	198:21 199:11	268:24 269:2
297:15	involvement	Jefferson 110:9	199:16 200:18	269:5,8,12,15
interruptions	188:11 283:21	111:4,9,15	200:21,25	270:14,17,20
301:8	involves 139:11	377:17	201:4,9 203:2	271:3,8,11,18
introduce 137:2	in-house 150:8	Jennifer 239:11	203:5,12,16	276:8,11,13,20
introduction	iPad 131:12	239:15,19	205:5,9,17	276:23 277:2
277:20	irrelevant	267:21 268:13	206:12 207:16	277:8,12
invest 129:2,16	362:22	331:24,25	207:19,23	278:2 294:15
188:20,21	isolation 233:12	332:21 333:10	208:1 209:9	295:21,23
189:6	issue 120:13,20	364:22 365:9	209:13 210:22	296:17 304:8
invested 119:16	124:19 132:16	371:15 372:12	211:8,13,16	304:21 305:4
337:22	143:16 147:12	373:3,17	215:1,4,20,24	307:25 308:4
investigate	149:11 158:16	374:20 375:3	218:20,22	308:13,15
282:22 283:5	170:22 183:24	375:8	219:2,12	314:14,18
291:5	211:6 248:14	JKG-R1 240:13	220:10,23	317:16,21
investigated	355:21 361:14	job 188:10 204:1	221:3,6	318:23 319:2
282:25 283:2	366:21	204:2,7	224:13 225:5	319:6,10
investigation	issued 117:18	206:2 339:14	225:9,13	327:5,9
124:4,17	215:9,11,13	John 155:22	227:16	329:13,18
173:15 174:17	291:4	258:13 339:6	228:25 230:2	331:3,7,11,14
174:20	issues 114:4,4	339:8,13	230:9,13,16	332:4,7,18,22
investigative	118:2 119:7	367:13 373:8	237:6,9 239:9	333:3,6 335:5
124:25 291:4	126:19,21	376:1,3,4,6	239:14 241:6	335:8 336:10
investment	130:3,17,19,22	joint 123:9	241:10,14,17	338:2,6,15,18

EVIDENTIARY HEARING Volume 3 11/27/2017

339:4 340:13 341:9,16 343:8 346:9 346:24 347:9 347:23 349:9 351:13 352:7 356:17,21 359:5,14,17,21 361:1,4,7,16 361:20,23 362:11,14 364:5,9,13,15 364:17,20,24 365:3,6 367:4 367:7,9,15,17 367:21,24 368:13 369:1 369:10,18,23 373:4 Josiah 215:25 216:3 230:19 245:25 259:9 371:1,12 372:9 374:4,5,7 376:10,12 Josiah's 327:18 judge 110:17 112:1,7,18,23 113:5,12,19,22 113:25 114:14 114:23 115:8 122:11,25 123:2 131:23 132:22 133:8 133:12,15,17,19 133:22 136:24 164:1,7,11 165:7,15 167:1 167:4,8,10,13 167:17 169:17 169:22 170:2 170:7,12 171:12 172:4 176:21 187:6,11,12 189:8,10 190:16,20 191:21,23 192:1	192:7,8 193:17 193:20 194:3 194:7 198:18 198:21 199:11 199:16 200:18 200:21,25 201:4,9 203:2 203:5,12,16 205:5,9,17 206:12 207:16 207:19,23 208:1 209:9 209:13 210:22 211:8,13,16 215:1,4,20,24 218:20,22 219:2,12 220:10,23 221:3,6 224:13 225:5 225:9,13 227:16 228:25 230:2 230:9,13,16 237:6,9 239:9 239:14 241:6 241:10,14,17 243:3,8,23 244:1,17,20 244:23 247:16,20,23 247:25 248:6 248:10,15,19 248:22 250:9 250:12 252:21 252:25 253:4 253:7 254:9 254:12 255:1 255:5,9,12 256:23 257:2 257:16,21 258:5,17,24 259:3,6 262:10,23 263:18,20 264:19,21 265:12,19,22	266:23 267:1 267:19,23 268:2,6,9,21 268:24 269:2 269:5,8,12,15 270:14,17,20 271:3,8,11,18 276:8,11,13,16 276:17,20,23 277:2,8,12 278:2 294:13 294:15 295:21 295:23 296:17 304:8 304:21 305:4 307:25 308:4 308:13,15 314:14,18 317:16,21 318:23 319:2 319:6,10 327:5,9 329:13,18 331:3,7,11,14 332:4,7,18,22 333:3,6 335:5 335:8 336:10 337:24 338:2 338:6,15,18 339:4 340:13 341:9,16 343:8 346:9 346:24 347:9 347:23 349:9 351:13 352:7 356:17,21 359:5,14,17,21 361:1,4,7,12,16 361:20,23 362:11,14 364:5,9,13,15 364:17,20,24 365:3,6 367:4 367:7,9,15,17 367:21,24 368:13,17,24 369:1,10,18,23	373:4 judgment 301:22 July 309:11 jumped 138:18 158:18 June 221:25 justify 148:18 <hr/> K <hr/> K 110:23 374:20 375:3,8 377:6 377:22 KBP-D1 240:12 keep 129:1 145:13 149:3,3 152:4 155:13 157:25 231:16 231:20,21,23 232:4,23 236:9 251:7 323:20 keeping 290:2 keeps 320:6 Kellene 110:23 377:6,22 Kenney 110:18 122:13,18,24 123:3 130:15 131:3,7,11,15 131:20 136:23 151:16,20,24 152:6,16,17 153:5 161:13,15 161:19 162:15 163:1,13,16,24 187:8 198:20 201:7 205:7 209:11 237:8 243:25 247:22 250:11 254:11 256:25 266:25 268:11 268:14,19 270:16 276:10 314:16 327:7 332:6 335:7	356:19 362:13 364:19 367:6 367:23 372:12 Kents 140:17 kept 232:25 290:16 Keri 148:7,8 205:20,24 206:1 225:8 225:15 244:19 244:25 255:3 255:16 269:7 269:10,17 359:16,24 370:19 371:8 371:19 372:5 372:14 373:11 375:17,19,20 375:22,24 KEVIN 111:12 key 121:4 363:23 kicked 293:6 Kim 113:10 130:8 182:23 242:17 333:17 369:16 kind 131:14 132:15 140:16 157:21 163:10 189:12 195:15 196:11 197:14 214:8 238:5 250:24 252:3 259:21 270:5 300:3 311:14 320:4 326:6 353:1 354:1,3 knew 242:3 287:4 know 125:19 126:13 129:15 130:20,20 131:22 146:15 148:15,15 152:7 153:17 154:17 155:6 156:10,16,22
---	---	--	---	---

EVIDENTIARY HEARING Volume 3 11/27/2017

159:9,15	327:13 334:3	label 146:23	286:3,10,17	legal 136:2
161:23,25	334:10 335:2	262:8 346:13	287:4 289:5	139:13 177:4
162:8,15,20	335:3 336:17	labeled 175:23	290:7,14,15	179:1,21 191:12
163:3,5 168:2	337:7 342:3,7	240:12,12	290:22 291:1	212:18 236:8
170:15 172:22	342:12 344:7	labor 195:20,25	291:3,6,13,14	349:2,5
173:4,7 176:17	346:6 352:4	196:4 197:13	293:9 294:3	legislation
180:13 188:4	355:3,11,16	350:14	297:11 302:5	137:25
189:11 193:11	356:6 358:12	lack 118:15,25	305:15 306:15	legislatively
197:11 198:10	358:13,23	119:2 212:24	306:16,19	162:13
203:21 204:2	360:22	213:9 251:2	308:24 312:4	lender 160:11
210:7,9 211:3	365:22	ladder 144:3	312:4,5,6	186:6 189:2,5
213:6,12,23	366:13	laid 273:1	323:11,17	190:12,22,23
213:24 219:20	knowing 189:7	lake 118:22	325:1 333:24	191:7 214:14
222:25 226:1	189:11	141:16	334:24 352:17	lenders 159:23
232:19,20	knowledge	landlord 145:5	352:18 353:4	lending 189:13
234:1,11,24	147:19 166:22	language 156:9	353:13,18,22	length 314:10,11
235:2,22	172:21 184:8	177:22	354:8 355:3	323:22 324:1
238:10 239:2	187:20,22	280:20	355:21 357:1	324:8
239:3 247:1	193:8 200:13	large 123:24	357:2,5,10	lengthy 196:14
249:18,20	202:19 213:9	124:12 129:7,8	358:5,22	346:18
250:5 252:4	218:13 219:8,9	136:10 212:4	359:1,7 361:9	lesser 354:20
252:7,7	219:15 221:18	251:1 256:9	372:16	letter 264:2
255:23 256:11	222:7 224:18	292:8 321:1,2	leakage 118:13	376:10,12
256:13 274:4	229:4 232:4	323:11 334:19	leaks 120:18	letters 226:3
275:11,18,19	234:7 237:15	largely 120:14	126:20 128:10	let's 112:12
275:20,24,25	240:22 245:2	172:18	154:5,6,7	135:6 184:5
280:19,23,25	245:5,11	larger 127:21	233:13 279:3	190:19 192:9
282:17 283:17	254:4 261:12	316:17	286:20	211:3 228:16
283:22,23,25	272:19 275:21	largest 129:9	287:12 289:14	248:6 257:17
284:14,19,21	276:2 280:22	late 130:8	292:5 295:15	257:18,24
284:22 285:5	282:20 284:8	law 110:17 111:2	297:14	263:1 276:25
286:18,19,21	285:2,17	112:7,14	309:20,21	277:5 278:14
286:21,22	286:14,18	186:24	310:7 322:8	307:25
287:12,16,18	287:17 290:11	368:24	323:7 325:12	359:14
287:18,19,22	312:23 313:2	laws 153:3	326:10 341:22	level 132:18,20
287:23,25	313:2,7 318:19	186:13,16	342:1,2,8,10	146:5,7,9,19
297:22,24	330:23	lay 265:16	355:2	146:23 177:4,5
298:10 299:5	known 142:14	laying 271:14	leaky 287:8	208:9,25
301:12 302:10	148:13 212:18	lead 191:21	leaning 326:5	209:18 210:12
302:12,14	227:2 228:7	leading 138:10	lease 363:10	210:16 265:6
309:13 310:13	233:17 251:22	191:20 300:3	leave 141:15	270:3 284:15
311:21,23,25	300:5	leak 143:10	191:3	286:1,19
312:1,1,7	knows 189:7	149:13 154:3	led 125:17	287:11 289:17
313:21 314:9,11	K-e-r-i 206:1	221:13,15,20	242:23	291:19,20
319:25 320:2		238:24	ledger 288:24	299:14
320:24 321:18	L	270:23	leery 189:13	309:25 354:7
326:20	L 111:2	275:14 278:21	left 135:1	356:10,11

EVIDENTIARY HEARING Volume 3 11/27/2017

<p>levels 128:3 132:16 134:11 146:3 208:6 210:14,18 leverage 159:20 leveraged 159:21 liberty 213:3 260:1 license 300:6 300:18 licenses 300:7 300:9 life 155:9,10 184:2 343:25 344:4,11 345:9,15 light 127:22 likes 129:17 134:19,21 141:21 line 121:19 122:1 138:17 156:18 174:5 191:4 194:25 195:12 202:9 207:4 216:21 217:5,11 217:13,20 232:8 234:17 236:3 238:9 238:12 242:21 288:25 289:5 295:13 302:20 315:22 316:12 316:12 321:1 323:20 324:23 335:14 341:1 362:4,6 363:1 366:7 lines 116:3 118:14 155:8 173:6,10 194:19,21 195:4,9 217:6</p>	<p>232:12 234:11 235:8 238:3 238:16,17,22 241:22 245:17 288:4,7 295:7 296:6 297:2 301:2,6 310:16 310:25 311:4 311:15 312:22 321:25 322:2 322:5 325:7 325:18 329:8 353:9 354:11 363:15 365:17 366:12 lining 138:8 list 119:6 130:9 244:5 258:7 258:10,20 306:12 343:20,21,22 367:25 listed 368:6 listening 161:5 listing 345:3 lists 368:6 literally 144:16 184:1 238:23 litigated 128:23 Litigation 110:23 377:8 little 126:17 137:2 141:19 142:15 145:15 147:6 148:5 152:17 153:1,8 161:18 170:14 175:8 196:7 197:6 228:8 246:15 251:15 257:7 260:17 300:22 307:6 308:25 331:21 363:10 368:24 live 154:20 living 140:22</p>	<p>141:16 144:15 LLC 115:16 loan 121:14,15 129:20 159:19 160:14 185:18 187:24 190:24 212:24 local 150:19 336:14,22 locate 149:13 234:16 235:8 236:5 238:22 located 245:6 301:10 locates 232:8 236:3,7 locating 169:18 238:16 location 246:4 247:6 305:20 328:20 locations 233:16 237:16 247:13 309:21 lockbox 149:24 249:5,13 250:20,21 255:19 256:4 256:8,16 257:12 log 231:24 306:6 357:18 logic 238:5 logical 238:14 logs 149:5 231:16,19,21 232:5 305:23 loin 159:17 Lois 230:23,24 230:25 long 144:24 155:9 156:16 161:5,17 165:1 206:5 233:24 302:9,19 323:9 338:23 338:25</p>	<p>339:18 369:10 longer 175:17 199:7 202:7 long-term 170:24 280:5 look 114:25 131:9,18 132:18 134:13 138:21 152:25 153:10 154:24 161:6 173:25 174:1 196:12 215:12 242:9 245:18 249:12,17 251:6 253:24 266:10 285:11 300:14 306:3 309:19,25 320:3 322:17 354:2 357:22 looked 147:1,3 153:10,12 159:3,5,8,22 159:23,24 160:20,21 195:19 282:11 310:6 looking 183:18 195:16 226:11 247:12 273:4 303:10 307:9 311:2 331:20 333:18 losing 118:12 loss 118:12 122:5 323:12 lost 342:11 lot 134:1 141:11 142:4,23,24 158:8 161:4 164:25 167:23 187:14 285:23 309:12 319:17 321:7 323:25 324:14 326:16 lots 141:5 154:7 love 130:20</p>	<p>low 127:18 138:7 138:10 lower 132:13 157:23,24 160:7 184:4,11 184:17 185:15 223:21 254:2 lunch 211:2 257:18</p> <hr/> <p style="text-align: center;">M</p> <hr/> <p>M 376:12 Macias 134:13 147:4 154:14 192:13,15,18 193:16 196:15 198:24 211:6,8 211:12,19,21 212:22 220:19 248:13,13,15 248:18,25 249:2 250:14 271:2,7,21 273:4 304:3 358:1 361:14 362:1,3 365:23 370:10,23 371:22 372:18 373:14 374:8 374:10,11 macro 309:24 Madison 111:9 111:14 magnitude 353:5,15 MAIDA 110:19 mail 250:22 main 121:18,25 233:13 238:6 238:7,7 239:1 239:4 280:1 292:8 301:9 312:21 316:20 323:21 mains 116:3 155:8 237:16</p>
---	--	---	--	--

EVIDENTIARY HEARING Volume 3 11/27/2017

245:6,11 247:6 279:14 313:23 344:2 355:20 maintain 344:11 maintained 157:5,6 maintaining 343:25 344:4 345:9,15 maintenance 126:18 232:3 237:22 247:13 290:24 293:7 293:23 299:6 306:11 309:15 344:16,20 345:17 348:20,25 349:17 350:8 353:4,13,22 major 117:23 118:2 325:1 majority 140:21 250:20 making 185:22 217:14 245:9 298:17 management 148:19,20 149:12 177:4 178:15,17,23 178:25 230:4 230:8,22 242:19 248:1 290:24 293:7 293:23 299:7 309:15 360:7 371:10 376:11 manager 146:24 172:13 172:16 250:3 managing 289:24 mandated 327:15 346:21 mandatory	162:9 manipulate 298:23 manner 120:15 128:11 348:15 348:23 map 232:19,20 mapped 232:16 mapping 232:24 maps 237:15,17 247:1,4 March 116:7,12 117:19,20 228:18,21 margin 196:10 marginally 198:16 mark 182:22 303:4 marked 136:24 166:3 172:9 192:25 200:2 201:24 202:1 202:2 206:22 216:10 240:1,3 240:4 262:16 265:23 271:19 294:16,17 303:5 304:22 307:2 318:8 318:10 330:10 330:12,14 340:20 343:9 347:24 348:2 market 153:10 matching 147:24 material 122:15 280:3,6,13 282:7 305:19 326:9 materials 120:16 279:8 math 153:17 Matt 182:24 282:16	matter 110:12 112:4 127:17 134:8 135:10 153:7 164:14 176:15 257:25 263:9 297:7 363:2 365:24 368:4 matters 115:9 217:24 218:3 284:16 363:2 maximum 118:21 MDNR 116:10 119:6 MDNR's 118:7 mean 146:6,9 161:1,2 170:20 176:3 178:14 178:15 184:9 186:21 191:1,6 208:9,14 209:18,20 210:11,12 222:1 228:16 242:5,7 285:7 320:23 324:14 334:9 358:11 366:14 meaning 349:22 350:5 means 282:6 293:8 meant 191:9 measurable 227:2 measure 127:24 215:9 251:7 measured 149:5 239:3 mechanics 123:20 128:18 130:11 mechanism 132:5,12,15 media 137:20 139:17 median 140:14	medicine 141:7 meet 127:6 149:10 150:15 286:5 315:15 meeting 143:8 297:25 meetings 125:12 member 182:14 members 182:17,20 246:23 membership 144:1 memory 149:16 169:4 170:16 234:15,15 mental 149:15 233:7 mention 120:11 mentioned 115:14 116:23 119:17 121:1 122:15 123:5 132:1 325:17 355:24 merely 139:9 MERIC 145:25 145:25 146:15 146:20 203:20 204:7 204:10 208:7 210:4 MERIC's 204:13 Mers 111:13 112:20,20 113:9,14 114:7 114:20 115:5 123:2 130:22 131:5,9,13,18 132:4,25 133:11,14 134:11 134:18 144:17 165:12 182:21 193:19 201:2 201:11,15 202:21 203:10	205:10,16 207:25 211:15 219:4,5,10 220:25 224:15 225:3 225:16 227:14 230:15 239:11 239:16 240:25 241:8 244:2,15 245:1 247:15 248:21 252:23 253:2 254:13,25 255:11 259:5 267:21,25 269:4,14 271:10 277:15 277:25 296:12 317:18 317:23 318:21 318:25 327:10 329:11,15,20 330:25 331:5 332:8,20 333:1 338:19 339:3 341:18 343:7,11 346:7 346:16 347:8 347:14 348:1,7 349:4,13 351:16,17 352:5 359:23 359:25 361:22 364:14 364:22 365:1 367:8,16 368:11,15 369:17,20 370:2,16,17 371:2,6,8,16 371:19 372:3 372:20,23,24 373:1,2,6,9,11 met 138:23 250:5 metal 238:22
--	---	---	---	--

EVIDENTIARY HEARING Volume 3 11/27/2017

315:21 meter 142:17,18 282:18,19 300:3 314:22 316:21 meters 126:20 142:14 158:8 164:25 283:9 283:12,18 314:22,22,23 327:12 metes 314:25 method 198:9 282:11 methodology 152:22 Meyer 135:2 159:1,1,6,22 Meyer's 180:2 Michael 158:23 376:13 micro 289:17 309:25 middle 322:19 Midwest 377:7 miles 232:9 239:4,6 million 116:6,11 119:16 126:16 126:23 129:11 129:16 mind 129:1 136:20 145:13 157:25 166:20 202:14 240:17 323:20 343:22 mine 153:4 minimize 128:10 minimizes 128:12 minimum 118:18 315:15 minor 325:25 348:10,12 minute 154:24 minutes 308:2	mischaracteri ... 190:15 misclassified 310:18 misheard 231:5 misabeled 240:11 mispronounce 139:3 missed 282:17 Missouri 110:1,9 111:13,16 116:5 116:16,18,18 126:20 129:6 129:10,11 134:25 135:4 136:9 139:24 142:7,11 159:5 162:16,21 201:21 204:3 206:4 213:6,8 231:25 236:2 236:4,7,11,12 236:13,14 242:6 245:21 246:2,8 256:3 286:2 318:6 330:5 339:15 377:2 377:17 Missouri-Ame ... 163:8 misstates 190:7 mistake 259:13 mistakes 290:21 misunderstan ... 246:6,7 337:1 misunderstood 310:4 mitigate 286:16 MO 111:4,9,15 mobilization 326:14 model 170:5 196:2 moderate	121:21 128:14 modification 121:14 129:19 129:24 148:2 160:12,15 modifications 131:1 modify 144:19 182:6 modules 297:21 Moilanen 329:16,19,23 373:1 374:22 375:5 moment 125:14 248:5 255:14 307:24 308:1 money 127:8 161:4 187:21 188:5,20,21 189:13,13,24 191:7,16 198:13 233:21 246:10 246:20 monitored 158:12 monitoring 158:7 monitors 132:16 month 219:20 231:9 235:6 252:17 291:2 monthly 122:4 128:15 231:8 months 119:5 145:21 202:10 228:18 358:8 moratorium 117:7 morning 112:1 113:16,20 115:13 123:2,3 133:17,18,19 167:20,21 194:12,13 352:13 369:6 motion 243:24	mouth 139:19 move 145:8 192:9 241:1 243:1 312:8 moved 147:19 334:22 multiple 124:1 126:20 157:6 195:18 210:14 234:12 251:19 265:15 266:21 293:25 298:5 300:7,15 301:4 309:1,2 326:15 multiply 337:3 multiyear 231:15 Murray 170:19 172:12,13,20 175:22 176:4 176:6,8 177:2 177:8,12,14 183:3 Murray's 175:17 music 150:24 musical 150:24 M-o-i-l-a-n-e-n 329:25	348:5 358:20 365:18 Natelle 130:6 165:10,12,16 165:19,22 370:6 374:19 nation 129:9 nationwide 129:8 Natural 116:5 118:17 nature 172:5 214:5 264:9 351:18 near 116:15 nearly 126:15 129:11,15 necessarily 153:4 173:13 175:9 325:11 329:4 necessary 127:3 138:6 143:1 284:18 312:17 323:5 328:11 351:19 363:24 Necessity 117:18 need 120:17 127:11 129:2 131:21 133:6 139:13 140:9 148:12 162:11 190:16 194:18 280:1 281:18 281:21,24 290:8 297:4 301:24 311:21 320:13 327:13 333:16 340:14 368:11 369:8 369:8 needed 129:16 254:21 needing 126:15 needs 129:5 132:19 139:1
N				
N 370:1 name 112:6 165:18,20 175:17 192:17 199:19 201:17 205:22,25 216:2 239:18 239:19 250:2 262:21 263:6 263:7 317:25 329:22,23,24 329:24 339:11 named 117:10 narrator 150:24 narrow 347:22 NARUC 155:8				

EVIDENTIARY HEARING Volume 3 11/27/2017

150:9,15 151:3 151:8,25,25 156:4,24 158:9,12 213:14 253:21 253:23,24 327:11 neglected 235:12 negotiate 300:17 negotiated 125:12 152:5 236:19 negotiating 183:15,17 negotiation 156:14 273:18 neighbors 282:19 neither 277:4 never 143:3 232:6,16 234:22 257:11 259:22 316:8 new 124:10,15 126:23 150:18 156:7 159:13 175:11,15 179:25 262:7 265:20 271:16 293:16,19 nice 155:25 Nicole 111:13 112:20 134:10 182:21 night 336:18 nonissue 259:21 nonunanimous 114:10,20 120:3 121:2,4 122:7 126:1 138:20 164:16 166:16,18 205:13 267:7 267:10 356:1	356:8 non-discrimin ... 146:19 non-regulated 117:5 non-seasonal 157:15 normal 127:21 146:22 227:5 227:9 302:24 363:4,21 normalization 269:20,25 270:5 normalize 151:6 Nos 258:10 note 144:23 152:12 262:11 299:8 346:20 noted 124:8 notes 127:19 337:12,12 377:14 notice 130:16 134:21 153:20 154:18 261:24 275:21 346:22 360:13 noticed 134:18 141:21 142:13 177:16 258:12 337:9 notices 360:15 noticing 115:5 notion 196:11 362:24 November 110:8 119:12 125:21 number 129:18 134:8 141:12 142:22 159:22 164:13,24 168:12 169:8 176:19 194:24 195:21 198:10	202:9 205:12 251:1 252:11 252:12 267:6 272:16 273:17 273:20 274:1 275:3 279:2 280:10 284:12 285:13 295:6 305:17,21 311:25 314:23 315:21 316:14 320:2 335:10 335:18 340:18 342:9 353:21 354:9,14,17,21 numbers 124:12 126:13 131:6,7 138:13,14,14 140:8 157:25 170:4 181:11 206:25 261:18 262:4 266:9 274:10 275:8 283:16 285:16 315:4 320:4 number's 312:1 312:2 numerous 325:24 326:12 N-a-t-e-l-l-e 165:23 <hr/> O <hr/> oath 207:10 211:9 221:4 225:10 244:21 248:16 253:1 255:6 258:25 267:24 269:9 271:4 277:9 332:25 359:18 361:17 364:10,25 367:11 object 126:6 156:2 171:12	176:14 186:19 223:24 351:8 objected 114:8 114:9 123:8 objection 113:22 114:3 167:2,3 171:19 172:6 176:22 188:22 189:9 190:6 191:19 194:5,6 200:20 203:4 241:7 243:4 305:5 318:24 331:4 341:9 346:25,25 349:1,10 351:14 objections 167:1 167:4 194:5,7 200:18 203:2 207:16 218:20 218:21 241:6 243:3 263:18 264:19 295:21 308:13,15 318:23 331:3 objective 139:10 obligations 148:16 obtain 142:14 222:23 obtained 173:17 174:16,21 obviously 324:24 occur 147:18 occurred 147:23 221:13 222:5 290:22 293:13 332:12 351:24 occurring 137:21 occurs 125:3 October 119:22	220:1 229:8 229:13,22 291:21 293:17 302:7 309:14 octuplet 297:5 odd 197:6 offer 125:9,11 153:1 171:9 182:6 191:7 193:15 200:16 207:14 218:17 263:17 264:17 271:6 272:23 272:24,25 295:19 304:5 308:11 331:1 341:8 offered 143:6 192:2 194:3 216:25 258:16 277:4 294:6,8 offering 159:9 159:10 160:6,8 160:14 187:21 187:24 191:16 265:16 266:20 271:16 272:25 304:21 office 111:8,11 112:24 113:1,2 133:16 145:4 167:14 172:7 193:21 201:5 203:17 206:4 206:6 211:17 219:13 221:7 230:17 241:18 248:23 253:8 257:6 258:5 258:8 259:7 263:21 266:18 268:6,24 271:12 276:14 278:3 280:21 305:5 308:5 312:15 319:11
--	--	--	---	--

EVIDENTIARY HEARING Volume 3 11/27/2017

331:15 333:7	322:3,14	155:10,21,23	open 147:17	321:4 323:14
338:16 339:15	324:2 325:5	156:19,25	152:13,14	325:19,21
339:19 361:24	326:4 327:3	157:4,13,15,23	173:3 194:17	336:8,17
367:11 377:16	334:16 335:15	158:16,22	194:18 325:23	337:2,24
officer 146:16	335:23 342:9	161:17,21	329:6 366:14	354:13 355:6
official 346:22	343:7 344:9	162:19 163:2	369:20	363:20
347:5	346:7 350:2,4	164:19,21	opened 124:6	opinions 355:12
OFF-THE-RE...	350:19 352:5	172:9 181:12,14	329:9	opportunity
248:8	353:10 360:6	207:21 216:22	opening 113:6	196:16 251:21
Oh 131:20	360:18,24	216:24 217:16	115:9,10 123:1	opposed
167:17 170:17	366:3,6,11	222:3 225:7	133:15 134:1,18	123:24 132:25
195:2 196:18	old 133:7 143:11	226:18,20	142:25 158:21	305:1 338:11
196:22 272:7	162:4 234:16	244:19,22	161:6 164:5	366:22
320:12 324:5	250:23	255:3 258:12	278:17 282:15	opposes 146:17
okay 131:21	286:10	262:15	352:12 370:2	opposing
132:22 133:12	Oligschlaeger	263:23	370:2,3	125:17
136:20 163:24	182:23 336:1	264:21,23	operate 134:25	option 148:25
166:20 170:7	once 226:5	265:21,23	operating 110:13	148:25 161:9
170:12,17,20	258:16	266:4 269:7	111:6 112:5,16	161:10 188:3,3
170:23 173:5	ones 294:11	269:10 271:19	115:15,18,19	order 113:12
184:17 190:16	343:2	272:21 276:15	115:20,21	117:16 120:8
191:14 194:24	one-to-one	294:17	116:14,24	125:20 177:22
195:12 196:22	252:2	295:20,23,25	136:7 208:17	177:23 179:7
209:7 214:23	one-way 133:1	303:5 304:6	343:21 344:16	290:25 291:4
218:4 219:10	350:19,23	305:8 307:14	344:20	291:8,9,12
223:20	360:21	308:10,10,19	345:16,17	313:10 317:2
226:13,16,24	ongoing 133:6	339:6 340:17	375:14	325:12 345:19
227:4,14	354:9	341:12,14	operation 118:3	363:4
240:9,14	online 131:25	351:5,10	208:21	ordered 128:24
242:9 245:24	290:23 291:1	353:3,12	233:20 251:1	179:16
246:8 247:9	on-the-record	359:16,19	operational	orders 179:3,6
258:5 259:17	180:6	364:15 365:7	120:8 289:23	ordinary 363:18
260:14 261:17	OPC 113:18 114:7	366:23	operations	organized
265:8 266:1	114:9 120:2	367:13	146:24 170:8	128:11
268:19 273:16	123:8 124:6,16	OPC's 127:13	232:3 237:22	original 117:21
273:21 275:2	125:3,16,24	138:13,14	251:16 299:17	117:25 119:25
275:18,20	126:5,6 127:18	148:3 151:7	306:11 318:4	122:23 150:25
278:14 282:14	128:7,16	162:18 164:20	operator	176:17 195:21
284:21 286:3	139:18 145:14	168:9,15	300:24	231:18
288:16 296:18	146:8,17,22	253:13 308:16	320:15 337:7	originally
302:16	146:25 147:9	366:15,17,25	opinion 142:20	153:25 238:2
303:24 305:4	147:14,24	370:18 371:7	174:25 175:13	258:9 260:20
305:11 306:5	149:9,19 150:1	371:18 372:4	181:12 189:2	297:8
307:16,23	150:6,9,15	372:13 373:7	191:11 198:2,7	originator
311:13,14 312:8	151:1,10 152:12	375:15 376:18	210:5 270:2	273:25 274:2
312:13 313:25	153:8,9,24	OPC/PSC	273:11 274:11	ought 323:1
321:19,22,24	154:12 155:6	145:24	319:23 320:14	outdated

EVIDENTIARY HEARING Volume 3 11/27/2017

204:14 outlier 146:20 outliers 301:23 outline 121:23 outlines 123:23 outrage 140:8 outside 136:9 147:23,25 149:24 214:21 215:14 219:16 219:18 220:5 220:7 221:13 221:23 222:11 223:3,10,14 223:22 224:20 226:9 228:14,15,20 245:16,20 358:15 overall 126:11 243:12 337:3 337:5 overbuild 321:3 overearn 158:11 overflow 292:18,22 overhead 195:17,19 196:13 197:13 197:20 252:5 overrule 172:6 176:22 346:25 349:9 overruling 189:8 oversees 172:17 overview 126:8 over-leveraged 159:20 owned 156:22 232:17 300:1 owner 138:5 148:21 189:21 189:22 190:11 190:22 230:25 233:24 235:11	242:4 247:10 296:20 owners 127:20 138:6 143:24 279:10,17,21 280:12,15 281:23 282:1 ownership 144:3,6,7 237:13,14 363:1 365:20 365:23 owns 136:6 362:6 366:6 O&M 360:10 <hr/> P <hr/> package 122:7 125:2 135:17 183:22,22 page 164:17 173:6 194:19 195:6,8,9 202:8 207:4 213:14 216:20 217:2,3 241:22 266:15 272:1 288:4,6 288:7 304:5,9 304:17,24 310:16,24 311:13 321:21 321:23 322:1 322:15,19,20 325:14 327:23 335:13 341:1,21 343:19 347:22 348:8 353:9 358:6 365:17 366:9,11 pages 322:18 343:14 346:22 347:16,20 348:6 paid 151:12	152:19,19 212:9 214:21 215:14 220:5 220:7 226:2 226:9,18,21 226:25 228:13,21 229:5,7 259:12 paper 226:12 233:8 250:23 papers 226:14 285:5 paragraph 115:2 115:3 164:17 348:16 paraphrasing 135:21 parent 115:17 136:16 137:22 144:2 148:4,5 211:23 212:8,11 212:14 222:16 249:3,23 300:2 part 114:3 124:20 129:7 134:20 143:5 155:10 168:18 168:22 169:10 176:17,23 180:22 183:5 184:3 196:12 205:12 227:5 236:16,24 238:19 249:11 250:19 259:14 259:23,24 261:10 265:15 273:14 279:22 280:2 281:3,19,22 289:10,11,13 290:1 291:9 293:22 301:17 304:17 316:22 320:18 332:15	346:14 357:13 363:3 366:2 partial 114:8,12 114:15,18 125:9 125:13,15 126:9 130:17 176:1 355:25 participate 175:24 176:10 176:12 particular 132:3 303:10 305:20 315:21 322:4 particularly 250:25 293:5 299:13 parties 114:5 124:9,24 125:12,14 136:1 147:15 164:23 171:17 172:2 197:18 210:24 211:1 221:22 222:8 257:23 258:9 305:2 340:10 347:6 355:7,13 368:5,7 partly 131:24 Partners 264:12 376:13 parts 118:16 party 124:16 127:6 party's 124:18 158:1 part-time 119:19 128:20 pass 184:11 passed 164:3 252:1 307:10 passing 184:10 patched 302:10 path 128:8 pattern 163:8 pause 126:14	346:14 pausing 298:18 pay 204:2 210:11 226:5 235:5 236:2 paying 149:24 152:20 payment 215:8 231:2,6 payments 226:4,6,6 252:15,16 254:23 payroll 130:19 145:15 192:10 205:12 210:24 370:8 PE 330:6 peak 118:23 284:10 320:4 penalty 121:15 129:20,23 144:13,15 160:10 182:8 183:9,20 184:7,11,14,18 184:22 185:1,2 185:7,16,20 213:18 pending 116:21 129:10 people 119:19 126:13 127:8 141:4,5,12 142:18,22 144:7,14 146:2 162:5 183:25 184:10 203:24 234:13 284:12 300:15 perceived 178:2 percent 118:13 121:8,9,10,10 128:22,25 129:13,17 134:20,21 135:5 138:4,18
--	--	---	--	---

EVIDENTIARY HEARING Volume 3 11/27/2017

138:21 144:11 144:23 158:23 159:4 160:24 163:20 168:19 168:24 169:14 171:1 173:23 173:24 174:8 174:13 175:6 177:3,5,6,9,13 177:15,18 178:6,9,21 179:8 180:20 180:25 181:15 181:17,18 182:3 182:11 184:2 187:15,17,21 187:24 188:5 191:5,8,10,17 196:8 197:16	permission 167:16 permitted 116:4 116:9 permitting 315:17 person 141:7,9 141:24 142:16 142:19 143:21 178:8 208:20 209:4 247:14 262:21 275:11 278:7,13 306:25 personal 159:10 197:4 personally 287:4 295:3 299:15 377:9 personnel 176:15 182:22 198:25 perspective 159:6 273:23 309:24 per-customer 194:25 195:12 198:1 pest 200:13 phased 184:20 283:20 Phil 134:13 192:13,15,18 211:19 248:25 271:1,21 358:1 362:1 370:10 370:23 371:22 372:18 373:14 374:8,10,11 phone 112:8 290:7 300:23 photographs 295:4 376:16 photos 294:24 295:1 302:1 phrase 251:2 physically	295:10 369:12 picture 170:8,10 289:16 304:17 304:24 pictures 291:10 297:8 299:14 301:2 313:16 315:20 316:9 326:12 piece 216:17 232:21,21 363:13 pipe 321:8 326:11 328:21 pipes 143:11 245:5,12 247:6 344:2 pipng 280:4 pipng's 280:4 Pitcairn 139:4 pits 142:17,18 282:19 314:22 315:1 place 117:20 127:19 143:14 163:11 165:1 175:10 212:19 282:3 286:17 313:6,9 360:8 360:11 363:25 377:10,15 placed 334:7 placements 245:13 places 208:7 355:24 placing 342:15 343:2 plain 185:11 plan 128:6,7 137:1 143:4,14 156:3,7 160:6 160:8,14,16 233:23 249:12 312:16 313:3,5,8,15 313:23 314:2,7	314:10 planning 233:11 286:15,23 304:9 plans 122:1 356:2 plant 289:1 332:15 342:15 343:1,3,25 344:5,16,21 344:23 345:9 345:15 348:13 355:22 360:10 363:5 366:19 plants 116:1 play 154:11 please 133:20 165:18,21 192:17 194:17 199:19 201:16 205:22 216:2 223:6 239:17 274:17 305:11 305:25 317:24 329:21 332:21 336:13 339:10 348:1 348:9,11 pleased 299:6 299:12 pleases 123:3 plug 158:2 plus 340:18 point 115:2 135:7 171:16 172:3 174:4 181:16 213:22 238:9 243:19 293:21 304:20 320:8 320:9 321:11 353:7 364:1 pointed 358:19 points 121:4 122:19 policies 309:6	policy 130:7 165:10 177:17 177:19 178:3,4 178:7,13,15,17 178:19,22 179:9,24 183:13 298:10 370:4 politicians 142:7 poor 279:3 portion 128:2 130:24 141:19 243:1 289:5 317:11 position 120:24 123:9 124:18 130:24 145:16 145:17 148:3 150:12 151:7 154:9,10 157:2 157:5 162:18 163:23 177:1,2 177:17,17 179:6 180:25 183:16 189:20 299:9 366:16,17 positions 120:24 121:3 122:23 123:16 124:12,15,23 130:1 145:24 154:8 157:7 173:13 176:24 328:13 possibility 197:14 338:24 possible 190:3 190:23 227:1 229:14 231:12 232:19 280:1 287:16,20 301:7 323:12 341:25 354:11 possibly 146:21 209:6 246:25 267:14 324:13
--	---	---	--	--

EVIDENTIARY HEARING Volume 3 11/27/2017

358:24 postage 224:20 potentially 252:16,18 potholing 238:25 power 118:9 161:11 PowerPoint 164:4 practical 191:15 practice 146:21 146:22 224:19 277:17 279:7 280:17 281:14 281:19 293:17 293:20 practices 357:14 preceded 283:21 prefer 139:18 294:10 preference 113:14 prefers 366:19 prefiled 368:19 368:22 preliminary 115:8 124:5,8 138:15 167:25 168:13,23 169:11 171:22 171:24 173:15 173:18 174:9 174:12,19,21 175:3 187:16 premarked 206:14 340:17 prep 130:20 148:4,5 preparation 147:11,22 211:7 214:20 222:6 222:12,16 227:5,8,25	228:2 230:4 370:21 prepare 166:2 206:21 223:4 223:11 227:21 239:25 318:7 330:9 340:19 prepared 133:23 136:4 166:3,14 169:14 170:21 175:22 176:8 192:19 199:21 201:23 206:22 216:4 223:22 240:1 318:8 330:10 340:19 preparing 145:20 272:15 309:18 310:1 prepay 144:13 prepayment 121:15 129:23 144:15,19,21 160:9,10 182:8 183:9,19 184:7 184:11,14,18,22 185:1,2,7,16 185:20 213:17 prerequisite 214:11,12 prerequisites 214:9 prescribe 198:9 present 120:22 125:1 137:20 143:18,18,19 156:1 180:5 274:14 307:8 377:9 presentation 162:1 164:4 195:16 presentations 136:18 presented	126:2 135:2,12 135:14,15 150:10 161:11 169:10 presenting 122:22 125:11 president 146:14,14 250:2 Presiding 110:16 pressure 118:16 118:19,24 120:18,18 126:19 143:12 238:3 286:5 286:8,13,16,19 287:15 292:11 305:19 323:12 327:16,20 355:22 presumably 184:12 317:11 pretty 144:24 148:6,8 153:16 160:18,25 161:24 183:24 189:14 210:24 323:5 prevalent 142:10 prevent 128:9 137:25 144:24 326:10 344:11 preventing 343:24 344:3 345:8,14 previous 127:19 138:3 177:7 179:2,16 180:24 181:10 182:17 242:4 previously 113:3 119:3 181:8 238:11 307:2 311:7 314:21 348:13 price 236:24	primarily 292:23 296:22,23 298:2 primary 139:7 231:22 232:1 247:5,9 principle 126:5 147:24 principles 358:17 prior 121:12 138:5,6 148:21 178:3 179:6,7 179:10 183:4 185:18 233:25 237:13,14 242:3 243:17 272:14 296:8 296:20 297:10 302:6 327:18 339:23 privilege 134:2 privileged 123:16 125:10 125:23 182:19 privy 236:1 probably 137:3 151:25 153:3 162:23 232:11 246:10,15 306:25 327:2 problem 131:16 154:16 278:25 procedural 125:20 proceed 177:9 211:10 225:10 230:10 293:10 297:3 proceeding 123:12 125:18 192:20 199:22 216:5 244:4 346:18 proceedings	110:6 123:24 377:9,12 proceedings,t... 123:25 process 123:25 124:8,20 171:18 195:22 195:23 197:12 290:1 291:9 293:3,15 315:17 processes 279:8 produced 254:5 product 123:17 363:6 professional 315:10,14 professorial 315:12 program 282:2 282:4 299:19 355:20 progress 128:6 progressed 138:16 prohibit 186:13 project 283:20 354:3 projecting 354:13 promises 139:16 proper 164:10 178:21 280:5 280:13 293:11 362:24,25 property 279:9 279:17,21 280:11,15 281:23 282:1 323:12 348:12 proportional 158:3 proposal 128:17 158:4
---	--	--	--	--

EVIDENTIARY HEARING Volume 3 11/27/2017

propose 137:24	225:20	347:5,18	Q	187:6,8,14,18
proposed 117:13	226:17,23	pump 320:6,7	qualified 172:25	193:3,19,23
133:2 138:4	277:17,20	pumped 118:13	189:2 330:6	198:17,18,20
250:16	346:12	pumping 116:2	qualify 322:21	199:9 200:8
proposes	PSI 118:18,19,22	118:10	quality 128:9	201:2,6,7
127:14	143:7	pumps 119:1	281:16 326:9	202:15 203:14
proposing	public 110:2	purchase 116:14	quantify 210:10	205:4,5,16
160:21,22	111:7,8,11,11,13	127:2 236:24	quantity 285:7	207:9,25
261:25	111:16 112:24	purchased	285:14 289:15	209:8,9,14
protect 134:12	113:1,2 115:17	115:25 236:20	289:17	210:21 211:15
134:16 155:20	115:23 117:11	purchasing	309:20 310:7	214:25 215:1
280:4	133:16 135:20	242:4	quarterly 122:5	215:18 218:7
protected	139:4,6,8,15	pure 142:19	158:12 165:4	220:9,10,21
189:20 280:5	139:23 140:1	purported 143:8	quartile 210:5	221:8 224:12
protection	141:6 142:8	purpose 139:7	question 122:14	224:13,17
139:8	150:20 152:3	343:24 344:3	130:16 131:24	225:4 227:15
protects 128:1	166:1 167:14	345:8,14	148:10 149:23	228:23,25
proved 368:1	172:7,15	purposes	168:21 169:19	229:2 230:1
provide 192:6	193:21 201:5	192:20 199:22	175:14 185:13	230:15 237:5
236:6 238:11	201:21 202:23	216:5,11 321:14	190:18 192:2	237:6 239:7
250:18 280:5	202:24,25	349:8	192:21 193:10	240:18
305:15 311:9	203:6,17	pursuing 214:7	196:19 197:15	243:22,24
368:22 369:8	206:3,4,6,16	214:8	197:16,19	246:15 247:18
provided 112:22	211:17 219:13	push 298:16	199:23 214:5	247:20
113:4 188:1	221:7 223:2,8	put 130:25 146:1	216:6 222:4	248:21 250:8
205:12 217:16	230:17 241:1,3	155:7 158:8	223:6 231:4	250:9 252:19
226:8 237:23	241:4,18	173:13 176:25	234:2 245:15	254:8,9,25
249:9 272:18	242:6 248:23	177:2,15 181:11	274:17,25	255:11 256:21
272:21 288:21	253:8 256:3	181:20 189:23	285:18 293:7	256:23,25
327:24	257:6 258:6	251:12 259:16	295:17 297:1	257:15 259:5
368:20 369:11	258:9,14	275:7 280:3	306:9 310:9	266:23,24,25
provider 136:5	259:7 263:21	285:3 296:23	310:14 311:3,15	267:6,17
provides 136:8	266:18 268:7	297:5 309:9	313:14 324:3	268:4,8,9,14
152:3 232:8	268:25 271:12	319:18 345:19	331:24 335:9	270:12,14,17
246:4 308:25	276:14 278:3	360:7,11	336:16 338:2	271:10 276:7,8
provision 120:8	280:22 305:6	366:19	346:5 349:12	276:10 278:1
proxy 147:7	308:5 318:6	putting 154:23	351:15,19	298:11 310:10
153:9 197:8	319:11 330:4	183:16 233:12	questioning	314:13,14,16,21
prudence 186:3	331:15 333:7	287:15 354:9	191:4	315:6 317:14
prudency	336:14,22	P.C 111:2 112:15	questions	318:15 319:8
320:11	338:16 339:16	P.E 373:1	122:11 123:19	322:5 326:18
prudent 160:15	339:19 340:6	374:22 375:5	128:18 130:4,7	326:21 327:4
312:17,19	360:14 361:24	p.m 257:19	130:9,14	327:5,7
314:6 351:23	367:12	P.O 111:3,8,14	155:23 158:25	328:25
358:11	publication	P201705478	166:10,13	329:12 330:19
PSC 148:14	347:5	282:15	167:12 173:9	332:3,4,6
219:7 222:21	published			335:4,5,7,8

EVIDENTIARY HEARING Volume 3 11/27/2017

336:12 339:3 341:4 356:15 356:17,19,25 359:4 361:3,4 361:22 362:10 362:11,13 364:3,14,16,17 364:19 367:3 367:4,6,16,19 367:21,23 369:21 372:12 373:4,5 question's 175:8 quick 161:24 193:22 quicker 324:6 quickly 323:10 quite 153:1 188:25 195:25 257:10 272:17 309:6 315:5 346:18	129:22 130:6 130:21,25 131:2 132:9,19 134:23 137:20 137:21,25 138:1,10 139:25 140:4 140:6,6,20 142:5,5 144:11 150:17 151:18 153:11 157:4 158:6,9 161:1 162:9,22,24 163:4,20 182:3 184:3,12 185:21 188:8 189:14 190:24 214:21 221:24 227:24 249:5 258:20 259:15,23,24 262:14 263:12 264:12 265:3 265:9,11,13 267:6,12 268:16 270:4 270:22 275:22 277:20 285:15,20,24 331:22 334:9 338:25 339:1 345:18,20 351:3 352:22 357:9,12 358:13 359:1 360:19 372:7	120:4 127:18 132:6 137:8 138:7,10 139:2 144:23 152:4 152:5 157:18 160:23 162:18 162:19 224:21 258:2 289:3 rationale 214:1 309:8 reach 182:14 reached 117:15 121:1 123:14,15 126:4 156:19 166:16 read 131:14 136:17,21,22 137:4 160:3 173:10 180:2 202:10 216:22 216:24 217:8 217:15,25 243:13,16 282:17 287:1 296:9 312:9,11 322:6,20 325:19 343:20,22 344:19 348:8 358:1 365:11 reading 122:14 185:11 242:22 284:1 366:12 reads 350:9 real 267:3 reality 191:14,15 realizations 160:2 realize 183:25 321:7,12 realized 353:4 353:14 really 128:21 131:1 139:18 145:14 149:6 151:3 154:16 157:10,20	158:8 164:24 171:15 176:21 250:17 282:18 290:13 300:8 300:18 302:17 309:17 312:13 321:2 322:4 350:24 351:10 356:6 357:16 357:22 366:5 realm 196:5 reason 143:8 146:17 152:9 155:10 179:13 213:10 316:22 343:17 348:4 352:25 reasonable 122:9 139:2 153:13 168:7 181:1,3,6 183:8 183:11,13,14,21 183:23 186:5 253:18,20 335:19 363:21 reasons 179:24 183:13 212:20 213:11 rebuild 120:7 rebuilding 120:11 rebuilt 120:17 rebuttal 192:21 194:20 199:23 201:25 202:8 216:6,19,20 217:3 227:23 240:2,11 273:4 288:1,11 310:16,21,25 311:7 330:11 340:7,21 353:2,9 365:16 366:10 374:5,10,14 375:3,5,7,20 376:3	recall 187:18 211:6 212:11 213:4 220:25 225:7 226:7 226:10 230:7 233:4 248:13 257:14 271:1 273:8 284:11 327:18 330:13 352:20 361:13 recalls 244:19 252:23 255:3 267:21 332:21 receipts 250:22 receive 124:18 233:2 251:11 received 124:11 125:14 167:6 172:10 194:10 200:24 203:9 207:22 219:1 229:20 241:13 263:23 264:23 295:25 305:8 306:14 308:19 319:5 331:10 341:13 347:12 368:6 374:2 receivership 116:19 117:3,4 receives 124:24 receiving 290:17 reclarified 293:22 reclassified 311:21 recognition 123:14 recognize 141:23 164:23 171:5 261:5 262:18 264:6 266:1 294:20 303:12,13
R				
R 377:1 Raccoon 115:19 143:18 180:6 217:22 218:3 224:4 raise 213:17,21 368:4 raises 149:9,19 raising 287:15 ramifications 184:7 185:14 185:16 randomly 238:5 range 181:18 291:18 323:18 ranks 325:12 rate 110:12 112:4 119:22,24 120:4 121:13 121:20 123:24 123:24 125:17 128:14 129:10	ratepayer 140:17 ratepayers 127:20 128:1,2 132:14 134:13 138:9 149:17 154:1 155:20 246:10,19,22 261:7 rates 119:21			

EVIDENTIARY HEARING Volume 3 11/27/2017

307:11 343:12 347:16 recognizing 258:10 recollect 337:13 recollection 336:23,24 recommend 147:10 154:12 157:1 253:13 254:14 331:21 355:19 recommenda... 120:4 180:21 322:24 324:21 325:9 326:5 333:20 345:20 358:25 362:19 recommenda... 173:18 174:22 175:3 recommended 155:22 270:4 333:25 recommending 260:18 322:25 328:7 328:7 342:14 343:2 345:22 359:2 recommends 157:23 record 112:2 113:7 114:1 132:5 135:24 142:21 150:10 164:2,12 167:5 169:20 172:4 172:5,8 180:10 190:7,9 194:4 194:8 200:22 201:17 203:7 206:15 207:20 218:24 239:18	241:11 243:9 248:4,7,11 257:22 258:2 262:11 263:17 264:22 290:16 295:24 305:7 307:24 308:1 308:5,8,18 317:25 318:22 319:3 325:20 329:22 331:2 331:8 332:23 332:24 341:11 346:17,23 347:10,11 369:14,24,25 recorded 289:1 306:13 recording 306:6 recordkeeping 155:20 289:12 289:13 291:18 309:6 357:14 records 149:15 149:15 155:13 155:17 159:25 232:23 233:1 233:2,7,7 234:9,21 236:9 290:2 290:6,10,10 309:13,19 310:6 record-wise 233:5 recover 338:24 recoverable 289:3 recovered 153:21 recovery 132:9 260:10,12,18 260:19,21 270:3 359:2 recross 267:1	268:21 338:3 338:6,15 Recross-Exa ... 338:8 373:5 recurring 143:16 red 143:19 redirect 187:11 187:13 198:21 198:23 205:9 205:10 209:13 209:15 215:4 215:6 220:11 220:12 224:14 224:15 229:1 229:3 237:9 237:11 244:1,2 247:23,24 250:12,13 254:12,13 257:2,4 267:2 267:4 269:2 270:18,19 276:11 314:18 314:20 327:9 327:10 332:7 332:8 338:18 338:19 356:21 356:23 361:5 361:6 362:14 362:16 367:7 370:7,12,17,20 370:24 371:3 371:6,9,13,17 371:23 372:3 372:6,10,21 372:24 373:2 373:6,10,15 reduce 121:15 129:20 144:19 184:12,12 185:7 reduces 185:9 reduction 261:7 341:22 redundant 118:25 refer 173:21,23	227:23 347:4 347:6 reference 208:8 334:17 347:2 referred 125:5 209:23 230:22 315:24 referring 135:13 169:13 213:1 245:21 313:18 338:12 347:20 356:12 369:6 refers 365:19 refinance 144:12 184:23 184:25 refinanced 185:18 refinancing 144:24 refine 124:23 refined 173:19 174:22 175:4 reflected 259:17 265:4 265:6 reflection 175:10 refresh 169:4 refreshes 170:16 regard 164:14 208:16 227:25 258:7 354:24 regarding 117:16 130:7,10 242:2 268:16 288:22 328:25 332:9 332:11,13 333:22 regardless 314:5 332:15	regards 148:10 registered 118:21 regulated 117:11 208:11,15,23 209:5 210:1 213:5 regulation 139:6,7 regulations 120:10 127:7 315:16 368:13 regulatory 110:17 112:7 145:25 154:25 201:22 239:24 330:3 333:19 334:2 334:4 reinvestment 235:14 rel 135:19 139:3 139:14 relate 266:16 related 121:18 154:19,19 173:9 243:12 263:12 265:13 285:6 352:21 356:3 relates 130:4 148:20 303:9 relating 120:10 180:10 275:23 287:5 relations 145:1,3 relationship 250:3 relatively 151:10 relevance 171:13 171:19 reliability 119:1 reliable 151:2 relied 178:2 191:10 243:20 rely 182:14 relying 149:16
--	---	---	---	--

EVIDENTIARY HEARING Volume 3 11/27/2017

<p>remaining 119:12 149:1 remains 152:3 remarks 133:24 136:4 180:8 remedy 278:24 remember 114:19 157:17 162:17 180:8 181:16 208:12 219:22,24 225:24 229:10,18 231:13 236:21 243:18 260:5 260:8 267:8 315:22 334:21 353:6 358:17 remind 340:9 removed 259:16 rendered 195:24 reoccurring 227:5,9 repair 121:18,19 121:19,25 127:23 128:2 128:10 130:11 131:2 132:17 133:6 143:3 154:3,15 155:16 156:3 270:24 273:7 275:15 279:7 279:23,25 280:1,2,6,17 281:14,19 282:7,8 286:3 286:17 288:22,24 289:4,18 291:8 292:3 293:2,10 294:4 295:9 296:5,20 297:4,12</p>	<p>298:3,10 301:4,7,15,22 302:21,25 303:2 305:23 306:16 308:24 310:17 312:6 316:6,11 316:24 322:8 323:10,15,22 324:3,6,19,24 326:15 332:10 333:24 334:24 337:18 342:10,15 344:2,10 345:7 350:20 352:17,18 353:22 354:25 355:3 357:1,2,6,10 357:18 358:5 358:22 359:1 359:7 361:9 372:16 repaired 280:9 291:14 293:14 325:7 326:12 342:1 repairing 208:17 342:2 repairs 126:18 127:25 138:6 138:9 142:24 143:10 149:14 155:14 162:5 221:13,15,20 232:22 234:8 234:10,12 235:12,13,21 235:23,25 245:9,13 246:9,19 279:12,13,13 279:16,18 280:14 286:11 292:19,24 297:10 298:16</p>	<p>298:17,24 302:5,10 305:15 306:6 306:20 315:25 316:2 316:5 323:2,5 323:6,8 324:18,23 325:25 326:6 328:8,10 332:14 344:12 344:15,20 351:4,23 353:4,13,18 354:8 357:21 repair/replac ... 278:22 repeat 168:21 223:6 246:13 266:9 354:15 rephrase 174:7 186:22 197:25 351:11,14 replace 114:22 292:3 297:12 298:3 301:3,6 301:14 302:20 312:16,21 313:3,10,15 322:7 323:22 324:4,7,20 325:2,22 326:13,17 329:1 replaced 282:20 284:3 297:16 314:24 314:25 326:10 replacement 121:25 128:6,7 143:4 155:15 155:15 156:3,7 233:22 288:25 289:18 292:19 292:22 301:23</p>	<p>302:23 303:2 310:17 312:19 313:23 314:7 314:10 316:17 316:19,21,24 323:15 326:6 354:25 355:1 355:20 356:3 replacements 246:9,19 279:15 292:24 298:24 306:6 323:1 324:24 325:2 328:7 328:19 329:4 353:17 354:11 357:20 replacing 297:10 316:12 323:9 325:6 342:14 report 122:3 124:5,7,8,10 125:5 148:15 174:12 212:1 246:3 291:12 reported 110:22 137:20 291:13 308:23 reporter 112:17 112:22 113:4 165:21 192:5 205:23 206:14 262:16 265:24 271:20 294:18 303:6 339:12 340:17 343:10 348:3 368:21 369:2,11 377:7 reporting 148:16 222:22 251:13 290:14 reports 128:6,16 158:13 165:4 223:22 321:15</p>	<p>represent 139:20 representation 266:17 272:20 representatio ... 137:5,17 161:7 295:14 represented 120:24 158:23 representing 340:20 represents 121:3 122:7 135:6,16 138:2 140:13 146:20 264:10 reputable 251:9 request 110:12 112:4 138:22 244:6 265:14 266:8 271:15 271:23 304:23 308:12 309:3 336:18 requested 275:6,6 requesting 129:9 260:10 260:12 requests 156:23 188:1 243:20 265:15 266:13 266:15,22 272:4 303:12 303:15,18,19 304:6 307:5,6 308:17 320:1 376:15,18 require 118:7,18 222:22 284:14 344:19 368:14 required 120:6 124:17 212:1</p>
--	---	--	---	--

EVIDENTIARY HEARING Volume 3 11/27/2017

219:6 344:15 363:4,19 requirement 121:7,22 122:5 126:11 127:5,13 148:14 158:2,3 168:3,10,16 170:6 212:15 222:22 250:17 281:22 284:7,9 337:3 337:20 requirements 212:19 327:16 requires 124:3 124:4 125:1,6 134:7 211:22 236:14 320:1 research 156:19 204:5 reset 270:6 residence 119:20 residential 118:20 residents 119:19 128:19 136:8 282:3,10,13 resolution 114:12,15 122:9 123:21 124:2 resolves 114:3,4 resources 116:5 118:17 137:6,12 299:10 respect 148:9 154:1 169:6 271:14 294:6 respective 212:25 respond 133:25 responded 265:14 response 187:25 207:18 263:19 264:20	295:22 303:22 304:1 304:25 307:18,19,20 307:21,22 308:14 309:4 311:18 344:6 responses 244:10 303:18 307:15,17 308:16 309:1 responsibility 236:8 rest 176:10,13 184:2 364:2 restate 274:16 311:3 349:11 restore 163:17 344:10 restoring 343:24 344:4 345:8,14 result 120:5 resulted 144:10 results 128:5 348:19,22 resume 257:18 257:22 308:2 369:15 retired 141:5 retirees 140:21 141:6,10,11,23 144:15,22 retirement 140:17 348:15 retract 253:22 272:25 retreat 140:18 return 121:9 129:2 133:3 155:4 182:10 229:6 333:25 334:10,14 350:21 returned 132:11 132:21 returning 128:1	returns 227:21 227:22 revenue 121:7 126:11 127:13 158:1,2 168:3 168:9,15 170:6 250:16 337:3 337:20 reverse 356:24 review 126:6 135:15 170:15 174:24 175:5 176:24,24 179:2,22,25 186:13 244:9 288:10,13,21 290:10,16 343:14 347:15 356:6 357:14 358:12 reviewed 175:11 175:15 179:17 272:14,16 310:3,23 311:17,19 reviewing 180:16 182:17 289:24 309:13 357:17 revised 125:2 right 114:23 131:16 148:21 168:6 169:23 172:4 179:7 195:11 197:2 198:6 202:21 207:13 210:14 210:17 224:2 229:23 234:5 236:19 243:23 244:15 247:13 248:10 261:22 270:10 272:2 274:5,24 275:1,11 276:25 277:3	278:13 280:8 284:5,13 285:8 293:2 296:6 301:6 310:24 313:12 314:12 320:15 321:21,25 324:20,25 327:15,16 340:16 354:19 355:1 356:9 357:25 359:12 368:12 369:13,24 right-hand 306:13 risk 143:17 144:8 149:22 158:14 185:23 186:1,6 186:25 187:2 riskier 129:4 risky 189:17 Rivers 115:21 116:24 road 142:23,23 238:12,13 246:12 278:21 279:23 282:3 297:16 301:10 328:19,20 roads 246:24 279:2,5,7 281:20,25 Robert 152:17 250:6 Robinett 155:22 258:13 339:6 339:8,10,13,14 341:19 352:11 365:19 367:14 373:8 376:1,3 376:5,6 Robinett's 340:12 365:12 ROE 128:22,24 129:1,5,9 131:1 134:19,22	135:9 183:19 room 328:15 352:12 Roth 148:8 153:11 205:20 205:24 206:19 208:5 209:16 225:8 225:15,17 244:19,22,25 255:4,16,18 257:5 269:7 269:11,17 359:10,16,20 359:24 360:1 370:19 371:8 371:19 372:5 372:14 373:11 375:17,19,20 375:22,24 roughly 159:4 Round 115:16,17 115:25 144:1,1 317:4,6 RPR 110:23 377:22 rule 152:1 211:22 223:3 223:9 rules 186:10 219:7 346:21 run 113:10 130:2 130:10,23 131:6 169:3,9 169:19 171:15 178:12 202:7 226:7 231:11 238:12 261:1,3 261:9 274:16 369:21 running 208:18 208:21 320:6 runs 131:13 170:4 184:1 238:13 RUPP 110:18 187:10 201:8
--	---	---	---	---

EVIDENTIARY HEARING Volume 3 11/27/2017

205:8 209:12 215:3 rural 136:13 Ryan 111:7 112:25 R-o-b-i-n-e-t-t 339:13 R-o-t-h 205:24 R.E 110:16	312:3 323:3 327:25 336:20 344:24 349:15 354:6 368:21 369:1 says 135:21 140:24 141:7,9 142:16 147:4 152:2 156:6 160:7 170:18 185:6 194:25 296:5 306:16 306:18 335:14 345:11 scaring 277:22 scenario 292:21 schedule 125:20 171:7 202:7 235:9 240:10 287:14 294:7 359:11 376:8 scheduled 121:24 230:3 schedules 118:2 319:18 349:7 Schube 113:2 SCOTT 110:18 ScottMadden 263:12 376:10 seal 350:10,16 searching 302:18 seasonal 121:21 128:14 130:6 157:15 seat 167:16 SEC 148:16 212:15 222:21 second 119:20 134:7 169:16 181:23 249:19 264:1 274:6 292:7 304:9 304:17,24	312:9 secondary 292:9,20 356:7 section 124:3,4 125:1,6 217:19 316:7,11,12,15 316:17 sections 312:21 313:10 security 189:25 Sedalia 116:16 Seden 141:4 see 131:8,11,21 132:19 134:14 135:6 137:23 138:12 141:6 157:14,20 158:19,21 160:13 163:18 170:17 174:6 180:11,14 192:3 227:10,12 238:24 239:1 264:2 294:3 295:7,8 296:7 296:10 300:14 306:4 316:9 326:10 328:6 328:12 346:12 353:2 366:22 369:3,12 seeing 115:10 127:20 258:19 seek 160:7 366:25 seeking 115:23 273:11 seen 150:1,18,19 163:6,7,8 223:12 226:4 256:19 257:8 257:11 295:6 295:9 305:20 320:25 342:12 355:23 356:3	356:5 369:5 select 209:18 209:19 selected 209:20 334:18 selective 134:22 self 321:15 self-dealing 143:17 144:9 149:22 158:14 185:24 186:1,7 186:15,17,17 186:20,21 187:1 190:3,4 190:18 191:4 sell 140:25 141:13,14 senator 137:23 142:8,9 senior 110:17 111:7 161:3 242:2,5 265:9 335:24 338:22 sense 165:5 sensitive 304:14 sent 154:18 244:13 276:1,4 sentence 194:24 217:14 217:25 separate 144:4 280:15 282:2 290:9 304:4 307:7 337:16 September 126:10 206:7 263:6 264:2 358:9 376:10 376:12 series 196:14 serious 149:9 183:24 served 162:5	284:12 serves 117:8 service 110:2 111:13,17 118:6 120:9 121:19 127:5,9,25 128:9 132:14 135:20 136:8 139:4,15 149:24 150:4 150:5 151:2 156:17 166:1 172:15 201:21 202:11 219:7 223:2,8 225:20 232:8 234:11,17 242:6 246:11 246:24 250:20,21 251:24 254:22 257:12 279:14 280:2 289:2 290:9 293:9 293:14 294:4 295:12 297:14 298:3,7 301:8 301:21 302:20 302:25 312:21 313:23 318:6 322:7,8 323:9 323:20 325:22 330:4 344:11 355:21 359:8 361:15 362:4,6 366:6 373:12 serviceability 343:25 344:4 345:9,15 services 110:23 120:10 149:25 237:16 239:4 246:4 249:13 255:24 256:4 256:8,17
--	--	--	--	---

S

saddle 316:7
saddled 185:19
safe 127:5,9,25
151:2
safety 212:20
283:18
salaries 203:23
203:24
sales 164:19
363:11
sanitary 116:6
Sarver 201:12,14
201:18 203:20
205:11 221:1,9
221:11 224:16
252:24
253:10,12
254:14 370:15
371:5 372:2
374:24 375:7
375:10
sat 309:18
save 246:10,19
246:22
saved 233:20
saves 320:7
saving 324:13
saw 143:13
326:11 333:19
342:8 354:7
saying 169:7,25
170:17 176:6
188:2 278:12
278:12 293:16
293:19 296:19
298:22 311:22

EVIDENTIARY HEARING Volume 3 11/27/2017

263:12 264:12 377:8 servicing 118:6 set 132:6,18,20 157:16 236:5 298:9 313:8 325:3 338:20 348:16 351:25 352:2 377:10 setting 285:3 settled 138:16 settlement 124:1 125:2,4 125:10,12,21 134:2 135:23 138:19 177:17 180:6 183:15 183:18 273:17 280:13 settlements 114:2 seven 116:1 149:1 162:18 231:13,14 severity 323:16 324:9 325:12 342:7 sewer 116:2,6,17 140:4 162:9 186:9,11 208:18,21,22 318:5 sewer/water 140:5,7 shakes 127:17 shape 127:22 share 261:10,13 261:15 shareholders 261:6 sharing 261:5 268:16 sheet 377:11 sheets 121:13 231:16 shell 190:11 she'd 234:18	shifting 366:16 shock 138:1 162:24 short 130:16 134:17 150:21 322:18 Shorthand 377:7 shovel 329:9 show 132:2 136:18 155:12 164:16 169:4 170:24 282:13 288:22 293:12 showed 297:8 shown 228:12 315:20 shows 136:12 140:13 154:14 335:18 shred 304:12 shut 157:18 233:15 side 115:24 116:8 238:12 238:13 289:23 301:10 306:13 365:25 sign 123:8 signed 181:6 significant 118:1 118:11 119:15 silencing 112:8 silent 112:11 186:16,24 silver 138:8 similar 261:20 262:14 271:14 283:1,2,5 311:18 similarly 353:19 simple 156:19 197:16 198:10 simplicity 196:12	simply 273:25 simultaneously 145:19 single 162:22 187:23 300:6 368:7 sir 209:11 260:24 267:9 site 235:24 289:21 300:25 325:23 situation 133:4 141:1 142:6 154:7 155:21 181:21,22 186:8,14,14 191:13 252:3 297:11,11 six 118:2 136:10 231:13,14 sixth 119:1 six-inch 238:6 six-plus 234:4 size 136:14 188:17 222:23 238:3,9 349:24 350:11 skipped 193:10 slide 136:18 138:12 149:20 160:17 slides 164:4 slightly 228:11 small 123:12,23 128:23 134:24 135:4 136:17 136:21 146:18 150:1 159:3 161:3 162:9,23 171:18 186:8 223:1,3,7,9,9 225:1 227:10 227:20 244:4 251:1,17 256:5 256:14,19 257:8,13	316:13 320:21 320:24 326:15 342:2 smart 142:13 300:23 Smith 111:7 112:25,25 113:16,17,21 133:17,20,23 137:1 152:11 153:7 161:13,14 161:18 162:12 162:25 163:5 163:15,21 164:6,9,21 167:2,15,18,19 170:13 171:9 171:20 172:11 174:3 176:16 177:11 186:22 186:23 187:5 188:22 189:1 190:6,13 191:19 193:22 193:25 194:6 194:11 198:17 200:20 201:6 203:4,18,19 205:4,21 206:11,13,17 207:13 209:14 209:15 210:21 211:18,20 214:24 215:7 218:21 219:14 220:9 221:8 221:10 224:12 225:7,11 229:2,3 230:1 230:18,20 237:5 241:7,19 241:20 242:25 243:6 243:10,11,22 244:19,22 247:24 248:24 249:1	250:8 253:9 253:11 254:8 255:3,7 257:3 257:4,15 258:8 259:8 259:10,25 262:7,11,17 263:1,4,16,25 264:17,25 265:12,20,25 266:20 268:8 269:1,7,10 270:19 271:13 271:22 272:23 273:2 276:6,16,22 276:25 278:4 278:5 288:11 288:13,16,19 294:13,19 295:19 296:2 296:14,25 303:3,7 304:2 304:11,20 305:1,10 307:23 308:7 308:21 314:12 318:24 319:12 319:13 327:3 331:4,16,17 332:3 333:8,11 335:4 336:21 337:15 338:17 339:6,9 340:15 341:7 341:14 346:11 349:1 351:7 352:12 356:22,23 359:4,10,16,19 361:6,12,25 362:2,10 364:16 365:8 365:10 367:3 367:13 370:3 370:7,11,16,19 370:20,24
--	--	---	--	---

EVIDENTIARY HEARING Volume 3 11/27/2017

371:2,5,9,13	322:20 356:2	346:20	318:1 319:14	177:2 178:2,2
371:16,22	356:12	352:20 353:7	372:23 375:1	179:1,11 181:2
372:2,6,9,18	363:23	356:4 357:22	375:12	181:12 182:14
372:20,24	sorts 135:18	358:23	Spratt's 284:1	182:17,20,21
373:2,4,8,10	sought 117:12	365:17	287:1 294:7	182:22,25
373:15,18	sound 134:3	specificity	296:15	183:4,16
Smith's 153:1	168:6 220:1	157:10	305:22	186:12 187:11
software	234:5 284:5	specified 282:6	357:17	191:10 192:2,4
299:18 317:1,2	sounds 168:7,7	specify 220:3	spread 136:14	193:18 201:1,11
317:3	234:6 261:20	specimens	153:22,23	202:10,22
sole 178:8	261:22 301:1	295:10	155:7	203:8 207:5
solutions 137:13	336:3 351:13	speculate 189:5	ss 377:3	207:24
solve 352:25	source 190:9	302:17	staff 111:12,13,16	209:18,20
somebody	195:14,15	speculation	112:19,21 113:7	211:14 217:12
161:20 246:4	196:20 197:4	351:14	113:11 114:5,13	217:12 218:4
301:21	242:1 247:5,7	speculative	115:1 120:2	219:3 220:25
someplace	247:9 306:10	214:16	121:2 123:5,7	222:2,10
197:22	sources 129:6	speed 279:12	123:9,18,18,21	225:14 230:14
something's	span 184:15,16	spell 165:20	124:3,4,9,14	239:11,23
289:18	speak 130:2	201:16 205:23	124:16,17,22	241:1,2,4,12
soon 116:21	140:8 141:11	239:17 317:24	125:1,6,8,13,16	242:2,5,6
126:4 279:25	177:14 285:25	329:21 339:11	125:24,25	244:4,24
sorry 119:9	289:9 293:1	spelled 329:24	128:7,16,17,25	248:20
122:14 135:8	327:2 333:16	spent 126:22	129:24 130:3	252:23
153:6 174:6	speaking 214:7	127:6,8	130:23,25	255:10 259:4
193:24 195:2	291:19	167:23 197:8	135:11 138:16	261:21 267:7
195:7 209:17	speaks 196:1,11	350:22 351:2	138:23 146:8	267:11,21
227:22 231:4	special 363:13	351:3,4	146:25 147:9	269:3,13
246:13	363:14	spike 137:21	148:3 149:18	271:9 277:13
259:20 260:8	Specialist 318:5	138:2	150:6,10 151:9	283:24 287:6
267:1 272:24	339:17	spilling 322:1,19	153:8,14,22	287:21,22
275:7 276:19	specific 175:2	Spire 150:19	153:25 154:10	308:10 310:15
279:19 283:8	175:15 178:5	split 153:15	154:24 156:14	311:16 317:18
287:22,22	178:20 214:5	spoke 242:2,16	157:1,6,12,14	318:21 319:4
289:21 290:5	232:13 243:19	242:17 268:17	158:4,17	329:15 331:1,1
303:17 311:11	290:4 313:10	291:20 299:12	160:22 161:9	331:7,9,25
332:12,20	366:21	317:8	161:10,22	332:20,23
338:3	specifically	spoken 282:23	165:12,25	335:21,23,25
sort 145:10	156:8 174:23	sponsor 113:9	166:4,15,25	337:25
150:9,21	180:13 196:1	169:5,13	167:6 168:19	339:24 341:17
154:20 160:14	215:12 261:19	170:18	168:23 169:12	343:9 347:1,10
178:1 189:24	287:10 298:9	sponsored	170:4,5,21	347:12,24
195:22,23,24	303:9 335:14	168:19,24	171:14 172:14	348:2 358:19
197:10,15	337:8 342:20	169:2,9	172:21 173:13	358:24
215:15 222:6	343:13,23	175:22	174:24,25	359:22 361:21
251:2 254:5	344:3 345:7	spot 325:3,24	175:12 176:15	364:13,22
257:11 313:2	345:13	Spratt 317:18,22	176:24,25	366:19 367:15

EVIDENTIARY HEARING Volume 3 11/27/2017

368:8 staffed 136:9 staff's 123:1,13 124:25 130:1 134:1 138:13,15 142:2,25 145:17 151:7 160:19 161:1 165:10 168:18 169:12 173:14 173:17 174:17 174:19,21 177:16 180:25 181:14 195:16 196:8 296:13 325:19,21 358:21 370:5 370:14 371:4 371:14 372:1,11 372:22 373:16 374:17 Staff/company 120:3 stake 144:3 stand 137:18,19 165:13 201:12 210:22 221:1 225:5 230:2 239:12 244:17 248:13 255:1 257:16 267:22 317:19 321:8 322:9 326:1 327:25 328:16 329:13 329:16 332:21 359:5 361:7 364:5,23 367:9,24 standard 136:3 139:13 143:1,8 335:16,18 standards 133:9 143:2 251:4,6 286:2,6 315:13,15 320:17 349:5	349:5 358:21 stands 178:10 Stanley 148:20 230:23,24,25 231:17,21,23 232:2,7 233:15,24 234:20 235:11 235:20 237:3 237:19,24 238:8 243:14 stapled 276:18 304:3 start 112:12 144:5 159:12 162:3 165:9 257:24 258:25 263:1 311:6 356:24 started 138:15 157:12 290:13 291:2,16 334:22 Starting 217:6 348:10 starts 325:18 startup 291:21 291:22,24 state 110:1 118:1 120:10 127:6 134:25 135:4 135:19 139:3 139:14 153:2 165:18 174:11 192:17 199:19 201:16 204:3 204:5 205:22 208:19 212:23 213:6,7 216:2 226:19 227:7 228:4 236:16 239:17 256:20 302:22 317:24 329:21 339:10 357:4 377:2,17	stated 181:8 242:21 243:4 245:17 258:1 293:24 309:14 366:1 366:23 statement 120:24 123:1 133:15 134:1 142:25 148:11 157:17 158:21 164:5 195:14 196:21 198:1 212:5 222:24 242:23 273:5 286:11 288:21 289:8 327:22 329:1 342:13 344:8 352:12 353:11 370:2 370:2,3 statements 113:6 115:9,11 173:11 213:15 214:10 223:4 223:11 242:10 242:14 344:19 states 207:5 277:19 299:10 state-appoint... 116:19 117:3 stating 366:18 stations 116:2 statistics 140:13 status 114:6 stay 141:16 steady 199:7 steep 137:25 stem 126:15 Stenotype 377:12,14 step 129:25 144:21 205:17 215:20 220:23 239:9 247:25 252:21 267:19	269:5 270:21 276:13 317:16 324:19 332:18 Stephen 329:15 329:19,23 373:1 374:22 375:5 stiff 140:22 stip 125:13 130:17 131:8 stipulated 113:10 127:24 130:2,10 187:17 369:21 stipulation 114:8 114:10,18,25 117:14,16 120:3 121:2,5,17 122:7,16 123:13,14,20 126:1,8 130:5 130:18 135:13 138:20 139:12 142:2 143:6,13 145:17 153:24 154:23 156:1,2 156:5,7,12,13 157:11,20 158:13,18 164:16 166:16 166:18 175:18 175:20 181:23 182:11 185:4,6 205:14 249:19 249:19 260:22 261:4 261:10,25 265:3 267:7 267:11 273:15 312:9,11 313:19 313:22 314:2 314:5 335:1 356:1,8 stipulations 231:19 Stoll 180:9 stop 281:11	323:10 stopgap 324:18 storage 119:2,3 284:3,4,5,8,9 284:10,13,15 284:18 285:1 285:4,6,14,20 285:22 286:1 319:21 320:1,5 320:21 321:6 321:10,12 327:11 story 138:8 straight 271:4 364:25 367:11 strange 147:6 strategically 313:9 stream 131:25 street 111:9,14 328:21 strictly 289:14 strike 217:12,13 217:21,23 243:1,24 struck 121:10 structure 143:23 159:24 160:18,20,22 171:7 175:23 184:19 376:8 stuck 184:1 studied 320:17 study 121:23 122:2 128:5 161:20 249:12 253:21 285:10 312:19,19 313:1 320:13 356:12 stuff 152:7 styles 146:13 sub 348:16 356:5 subject 129:23 158:9 179:4 207:8 263:9 308:9 319:24
--	---	--	--	--

EVIDENTIARY HEARING Volume 3 11/27/2017

341:3 355:18 369:19 subjective 183:15 279:4 submission 122:4 submissions 259:15 submit 121:14 124:5 129:19 166:25 176:1,11 submitted 122:2 128:7,16 176:9 219:16 258:9 259:14 subs 317:12 subsection 348:9 subsidiaries 115:25 199:3 317:5,7,9 subsidiary 115:16 148:11 148:17 159:16 160:11 substantial 120:4,6 126:19 148:13 179:14 315:3 323:7,8 348:18,21 349:15,16,20 349:22 350:6 350:7 substantially 207:11 261:20 316:23 341:5 substantiate 149:7 subsurface 280:6 subtopic 149:21 subtract 274:10 sufficient 118:16 119:2 179:14,18 179:23,23 342:18 suggest 147:24	suggested 124:15 suggesting 136:2 suggestion 336:15 Suite 111:9 summer 119:5 127:15 281:1 Summit 115:7 sunshine 153:3 supersede 114:22 superseded 171:18 support 120:23 158:7,12,20 173:14 179:6 179:10 181:14 181:20 183:12 212:12 253:13 282:9 supportable 177:6 191:6,12 supported 162:19 163:2 164:25 177:6 181:3,10,13 supporting 177:1 178:6,9 178:11 supports 335:17 suppose 294:8 346:13 supposed 129:1 312:15 359:11 sure 130:22 131:5,13,18 146:14 149:17 149:22 150:25 152:10 153:23 159:19 160:15 161:19 169:1,9 172:23 173:12 196:18,18 197:24 210:13 210:24 229:7	242:11 246:17 249:20 256:13,15 280:4,25 294:11 298:14 299:20 303:8 305:16 320:12 324:16 325:16 332:22 343:4 350:1,21 351:16 356:11 368:2,15,18 surface 239:1 surgical 145:11 surpassed 274:12 surprising 143:2 surrebuttal 180:3 192:21 199:23 202:1 207:4 216:6 240:3 249:3 259:20 261:21 269:19 318:9 322:13,18 340:7,21 374:7,11,16 375:8,10,12 375:22,24 376:4 survey 203:24 suspect 256:9 SW 135:21 139:5 Swearngen 111:2 112:15 sworn 165:14 192:14 199:15 201:13 205:19 215:23 239:13 317:20 329:17 339:7 system 116:15 116:16 117:3,10 117:19,22,25 118:10,12,16 119:1,2,4 120:6 120:14,17,19	121:24 126:16 126:17,24 127:12,22 129:7,17 133:6 154:6 224:25 232:16,19,20 232:24 233:12,14,25 236:6,19,24 237:13,14 238:4,15,21 239:5 245:3 247:2,10 286:5 287:5 287:5,8,10,15 290:19,24,25 291:18,22 292:12 293:7 293:23 298:23 299:7 300:21 302:1 309:5,15 310:12 311:20 315:7,8,9,13 322:7 323:13 325:13 326:8 337:5,22 347:3,4,17 355:20 systematic 325:3,5 systematically 235:3,5 systemic 355:20 systems 116:7 116:12,15,17,21 117:1,2,5 118:6 118:20 119:11 162:4 197:9 320:21 321:5 system's 118:3 321:8 system-wide 299:9 S-a-r-v-e-r 201:18	S-p-r-a-t-t 318:1 S-t-e-p-h-e-n 329:24 <hr/> T T 110:18 377:1,1 take 112:11 113:6 114:25 152:24 153:8 170:14 190:19,24 193:25 206:24 211:3 212:19 251:21 252:10 254:22 255:23 257:17 266:14 294:11 295:3 302:20 303:1 306:2 307:25 308:1 316:23 323:9 329:7,9 332:12 334:16 336:24 337:20 338:24 343:14 346:22 347:15 353:11 353:25 360:22 taken 150:11 257:20 286:17 308:3 takes 153:9 285:12 talk 113:19 158:15 160:5 208:7 269:20 278:7,14 279:5,12,24 282:7 307:1 312:14,14 314:4 316:16 316:19 341:21 355:18 talked 134:19 151:21 301:24
---	--	--	---	---

EVIDENTIARY HEARING Volume 3 11/27/2017

317:1 319:25 talking 162:14 167:24 178:13 195:4 208:5 228:5 250:14 252:16 262:24 275:14 279:13 310:17 316:10 316:20 324:22 337:8 337:17 350:12 356:4 tank 284:3 320:21 targeted 128:12 tariff 121:13 tariffs 125:2 tastes 142:19 tax 130:19 147:11 147:21 148:4 211:6 214:19 219:15 220:14 222:5,12,16 227:4,8,21,22 227:25 228:2 229:5,6 230:4 363:11 370:21 tear 320:7 Technical 318:4 tell 148:6 151:4 151:12 152:6 153:18 189:6 263:2 362:18 telling 160:25 310:5 template 244:6 ten 116:19 140:7 144:19 183:7,8 183:25 184:5 185:19 334:19 tend 163:9 tendency 145:10 tender 167:9 193:16 200:16	203:10 207:15 211:12 218:18 221:2 225:11 230:11 241:8 248:17 253:2 255:7 259:1 268:1 269:10 277:10 318:25 331:5 333:2 359:19 361:18 364:11 365:1 tenders 244:22 341:14 367:13 ten-year 144:21 term 121:15 129:20 134:17 169:5,13,19 185:7,9 210:3 210:5,6 terminology 145:12 terms 129:23 191:14,15 195:17 196:3 199:3 204:13 208:24 210:10 214:7 232:23 237:12 238:16 250:15 252:15 256:1 267:10 289:14,25 290:2,21 298:19 308:25 313:9 320:25 terrible 154:21 test 147:23,25 214:21 215:9,11 215:13,14,16 219:17,17,18 220:5,6,8 221:14,23 222:11,14,18 224:21 226:9 228:14,15,17 228:20 273:12 274:14	351:5,24 354:2,18 355:17 358:15 testified 165:16 191:5 192:15 199:17 201:14 205:20 211:19 215:25 221:9 225:15 230:19 239:15 244:25 248:25 253:10 255:16 259:9 268:13 269:17 271:21 277:14 287:3 317:22 329:19 332:14 333:10 339:8 359:24 362:1 365:9 testify 142:17 230:8 328:18 testimonies 340:21,24 testimony 114:17 120:23 122:22 124:22 125:18 134:14 135:3 145:20 146:8 147:4 148:9 150:11 154:14 154:21,24 157:3 158:18 160:4 166:3,7 166:13,14,17,21 167:24 173:2,3 173:12,20 174:4,11 176:11 180:3 181:7,9 192:21,25 193:12 194:1,14 195:3,10 198:5 199:23 200:2 200:6 201:24 201:25 202:1 202:5,6,8 205:13 206:8	206:22 207:4 210:23 212:22 213:13 214:2 216:6,10,14,18 216:20,21 217:4 220:15 220:19 227:23 229:11 229:12,16,21 234:3 240:1,2 240:2,4,7,11 241:21 243:2 243:17 245:25 249:3 253:12 257:22 258:12,13,18 259:18 260:16 261:4,22 262:1 269:19 272:15 273:3 273:8,22 274:15 275:7 278:15 284:2 287:1 288:1,12 292:13 296:15 305:22 306:21 309:23 310:2 310:16,19,20 310:21 311:1 318:8,9,13 319:18 321:20 322:10,13 325:15 326:2 326:22 328:3 328:23 330:10,11,11,13 330:15,17 331:20,23 332:9 333:18 334:17 335:13 336:18 339:25 340:4 340:12,19,25 352:22 353:2 353:9,20	356:13 357:13 357:17,20 358:2 365:12 365:16,19 366:10 368:19 368:22 369:19 374:4 374:5,7,8,10,11 374:13,14,16 374:19,20,24 375:1,3,5,7,8 375:10,12,17 375:19,20,22 375:24 376:1 376:3,4,6 text 185:10,11 Thaman 258:3 265:8,9 376:13 thank 112:13,18 112:22,23 113:5,25 115:5 115:7 122:24 123:1 130:13 131:22 133:14 153:5 161:5,12 161:15 163:24 165:7,8,15,24 167:8,15,18 170:12 187:5,9 187:12 188:4 189:10 190:20 191:25 192:8 193:17,19 199:11 201:3 205:7,8 208:3 211:15 211:18 214:24 219:10 225:3 230:18 239:8 241:16 243:10 247:22 248:24 252:20 253:6 254:11 255:11 257:1 258:17 259:8 260:14
---	---	--	--	---

EVIDENTIARY HEARING Volume 3 11/27/2017

268:12,19	135:15 136:1,17	312:8 315:25	142:1 153:13	199:7 200:6
269:4,14	136:21 139:4	320:4 321:5,7	160:18,25	202:21 207:13
270:16 271:10	142:10 143:14	321:10 322:4	234:4 279:19	208:19 211:2
272:2 276:12	143:21 144:20	322:19 324:5	297:22	216:14 225:24
307:2 314:17	145:5,9,16	324:11,23	309:23 310:8	226:19 227:7
317:21 319:12	147:6 149:18	328:10 333:19	310:22 336:15	229:15 231:16
327:8 329:12	151:10,20,22	335:10	351:20 353:1	231:16,19,21
329:18 332:16	151:23,24	336:25 337:2	thousand	231:24 232:4
333:5 336:10	152:1,3,21	338:1 342:18	119:25	234:8 236:19
338:1,17	153:3,16,17	345:25 349:1	three 149:6	236:22 237:1
341:14 342:18	154:21,21 155:1	349:6 351:7,8	150:2 151:6	237:2 240:25
352:6,9	155:16 156:11	351:11,18	153:25 155:3	263:16 266:10
356:16,20	157:19 160:2	352:5,15,21	162:19 163:9	266:14
360:25	162:12,18,19	353:19 354:3	204:11 208:10	272:23
361:25 364:14	163:2 164:9	354:23	209:24 210:18	274:15,17
365:8	164:23 171:10	357:24	231:12,14,14	278:17 280:12
thereof 348:14	171:22 176:16	359:10	244:13 285:21	284:11 287:16
377:11	176:18 183:8	364:20	302:24	290:25 291:2
they'd 233:19	186:5,6,20	thinking 148:17	334:18,23	297:13,17
thing 155:25	190:6,8 191:15	235:3	335:10,11,14	298:6 300:12
159:3,18 170:11	191:24 194:18	thinks 149:9	335:22	300:13,21
251:8 278:16	195:24 196:5	150:9,15 151:1	336:15,23	301:7,13
282:14 284:2	196:6,9 208:7	Third 118:11	337:4,19,21	302:8,25
291:3 300:8	212:12 214:4	Thomas 199:14	341:1 343:20	304:7 306:16
301:6 304:16	228:1 229:21	199:17,20	three-inch	311:8 316:23
314:6 323:6	232:11,18	274:3 275:13	238:6	323:14,18,22
346:13 356:3	234:3,19	277:7,14,16	three-year	329:10
things 113:7	237:12,23	278:6 294:20	148:24 260:18	330:25
133:25 135:11	242:25	308:6,22	260:21	334:16 336:17
135:18 142:13	245:12 246:6	323:4 328:16	269:20	336:20
153:21 159:7	252:6 253:21	352:21 364:8	336:20	338:23 341:7
162:13,16	259:19,20	364:12 370:13	337:15	343:14 347:15
164:2 167:22	260:21 261:16	372:19 374:13	Thursday	352:6 356:6
174:8,15 197:11	261:21 265:15	374:14,16	158:24,25	377:10,15
198:11 244:7	266:15,22	Thompson	tie 184:10	timeline 124:2
254:23	271:17 276:22	111:12 165:17	tied 137:15	167:23
278:15 279:1	276:23 278:17	166:24 167:8	time 118:4,20	times 139:23
279:20	284:20,24	174:1 176:14	119:7,15 138:16	301:4 302:24
281:24	285:2 291:21	186:19 187:12	144:24 148:21	309:2 321:7
289:23 299:11	293:20 294:5	187:13 188:24	149:4,5 159:17	325:24
311:21 314:4	295:17 298:19	189:4,10,15	163:19 165:1,3	326:12,16
337:17 338:22	299:21 301:19	190:8,14,20,21	166:10,14,24	337:11,20
363:11	302:14 304:2	191:23 192:6	167:23 169:25	title 206:2
think 120:12	304:4,11,12,16	370:6,7	170:15,23	339:14
130:25 131:15	304:18	thought 123:11	171:16 184:15	titles 204:2,2,7
131:20 134:6,6	306:20	134:10 135:13	184:16,20	today 115:14
134:7,20	309:10,10,11	139:22 140:3	194:2 197:8	123:18 126:3

EVIDENTIARY HEARING Volume 3 11/27/2017

181:7 193:5	274:9,20	143:20 147:14	282:2 320:25	335:2
200:9 202:15	275:12,23	159:18	322:23	two-year 274:19
218:9 240:18	278:7,11	troubled 163:17	334:21	type 133:1 170:11
258:11 272:15	306:21 307:1	true 138:5 161:8	Tuesday 113:15	186:13 208:15
278:10 318:15	326:19,23	162:25 163:6	113:20 158:24	232:14 345:6
330:20	327:1 333:15	166:21 168:20	turn 112:10	types 137:25
355:24 368:1	335:2 350:20	168:25 171:2	135:22 141:24	172:19 295:15
368:3 369:25	350:23	173:22 174:10	143:17 251:9	297:9 345:3
Todd 199:13,17	360:21	174:16,18	251:10,12	typical 225:1
199:20 277:14	369:22	178:16 182:7,11	271:23 288:4	226:16,20
308:6 328:15	trackers	184:24 187:1	310:19 321:19	296:5,6,9,20
370:13 372:19	350:25 360:7	193:7 198:11	343:19	302:24
374:13,14,16	360:11,13,18	200:12	turned 168:16	typically 226:2
told 191:15	traditional	202:18 204:10	turning 264:1	typo 115:3
tomorrow	250:24 252:8	204:15,18,21	273:3 310:14	216:21
113:20 184:11	363:6	204:24	turns 161:21	
369:15	training 297:21	209:17 212:5	twist-on 316:8	<u>U</u>
tool 300:3	299:22	212:6 218:12	two 114:2 116:14	ultimate 115:17
top 146:19,23	transaction	231:2 234:17	116:17 117:5	139:8
148:4 168:5	117:13 186:3,10	240:21 249:6	118:7 130:16	ultimately 117:14
210:16 225:25	transactions	249:9,10	139:11 148:4	126:6 197:11
226:10,12	117:16	263:13 264:13	163:9 164:13	Unanimous
243:21	transcript 110:6	264:15 266:16	197:10 198:3	139:11
topic 192:9	180:18 352:24	272:20 281:6	216:15 226:6	unaware 243:6
210:23 230:4	358:1 377:14	286:6 295:11	233:18 244:13	unclear 145:16
248:2 258:20	transparency	295:14 306:17	246:15 258:3	260:17 331:21
270:23 359:6	152:15	315:1 318:18	259:15 261:14	uncomfortable
359:7 363:10	trauma 143:9	330:22 342:9	262:8 269:23	350:25
total 114:10,12	treat 146:18	348:5 355:9	270:7 274:10	uncover 233:19
123:6 147:3	156:23 222:7	355:15 377:13	275:8 279:19	uncovered
152:2,20	249:16	true-up 124:13	280:10 292:2	234:11
311:25 312:1,2	treated 366:21	224:18	303:1 304:3	undergo 297:21
317:10 351:24	Treating 146:19	352:23	315:4 322:18	underground
363:17	treatment 116:1	truly 144:20	324:10,11	236:15
totally 144:4	154:3 270:23	288:24	337:16 340:6	underlying
202:11 312:19	275:14 331:22	trustworthy	355:24	242:10
touch 251:13	332:10 334:9	298:14	two-way 121:17	underneath
toughest 162:3	359:1,7 361:8	try 191:21,24	127:23 132:1,3	297:16 301:12
tracer 238:18	362:24,25	233:12 234:16	132:23 133:5	understand
track 165:5	372:16	238:24	134:12,15	114:15 148:12
tracked 165:2	treats 145:24	278:24 287:6	154:11,13	148:23 149:2
tracker 121:18	trend 128:3	298:22	274:9,20	165:4 167:24
127:23 130:11	134:11,14	302:23 307:7	275:12,23	168:19,22
132:1,3,3,4,23	154:15	324:23 325:3	278:7,11	171:13 176:22
133:1,5 134:12	triaging 143:10	trying 145:18	306:21 307:1	179:5 197:17
134:15 154:11	154:5 155:21	155:1 196:19	326:19,23	197:18 242:11
154:13,19	tried 137:24	196:20 274:18	327:1 333:14	242:13 243:7

EVIDENTIARY HEARING Volume 3 11/27/2017

249:2 265:1 274:5 286:4 290:8 326:25 333:23 344:22,25 369:15 understanding 186:11 187:3 192:24 195:17 197:20 200:1 216:9 245:19 245:22 267:11 283:12,14 286:1 293:21 297:17,19 306:20 328:3 353:16 362:8 368:18 369:9 understood 294:3 underway 116:22 120:7 under-earn 158:11 Unfortunately 120:1 127:17 uniform 133:9 347:3,4,17 union 224:23 unit 172:18 348:15 350:12 unspent 128:1 untrustworthy 298:13 unusual 155:21 update 147:12 147:16,17,19 221:11,18,19,21 222:8 224:17 224:21 273:5 updated 147:16 166:17 updates 124:10 147:13,14 upgrade 126:25 upgrades 355:23	upheld 177:23 upset 282:18 upstairs 337:12 upward 154:15 upwards 134:15 usable 363:5 363:25 usage 118:23 122:4 128:15 157:15 158:7,9 158:13 164:22 164:24,25 165:2,5 285:16 321:13 use 128:5 145:25 147:8 154:25 174:7 183:14 195:20 195:24 203:24 205:1 237:24 256:3 256:8 292:2 292:4,23 300:24 304:9 316:7,8 335:19 346:12 353:20 354:20 363:5 363:25 useful 155:10 245:3 247:5 usefulness 249:5 users 300:10,15 uses 170:5 USOA 277:23 342:19,22,23 342:24,25 343:5,13 344:15,18 345:23 346:17 346:20,23 348:5 349:4 358:20 363:20 365:18 366:3 375:14	usually 132:11 133:2 244:12 util 236:12 utilities 115:18 116:18 117:10 118:12 133:10 134:24 135:4 139:7,9 146:18 150:2 159:4 231:1 236:5,15 236:16 246:3 256:3,7,9,15 256:16,20 320:24 343:1 343:13 utility 110:13 111:6 112:5,16 115:15,18,19 115:20,21,23 116:13,24 117:11 123:23 136:7 139:6,16 144:11 161:8 201:22 206:3 208:11 208:16,18,24 209:5 212:25 213:5,16,20 214:2,5 223:2 223:8,10 225:1 236:8 236:15 239:24 256:5 257:9,13 286:4,14,23 318:4 330:3 339:16 350:22 357:15 365:20 utilize 312:24	valves 233:12 233:17,18 variable 157:13 157:24 variables 305:18,21 variance 355:11 355:12 varies 238:4,4 variety 136:10 244:6 various 220:14 vary 198:25 vegetation 360:7 vendor 249:15 299:24 Venture 144:5 verbal 298:7 verbally 301:17 verify 245:16 337:13 version 202:23 202:24 203:1 258:14,15 296:11 340:5 340:11 343:15 343:16 versions 206:16 241:2,3,5 340:6 versus 135:20 139:4,15 160:24 196:4 196:8 249:14 298:3 301:6 301:23 303:2 323:15 324:4 357:3,6,21 veterans 141:4 vice 250:2 video 150:21 259:11 260:4 260:6,9 viewers 131:25 violating 147:23 violations 119:11	285:11,11 visibility 299:11 visibly 238:24 visual 143:21 visually 143:21 voice 140:9 volume 110:9 342:1,11 volumes 221:12 volumetric 119:24
<hr/> W <hr/>				
W 376:10 wages 224:23 wait 131:20 158:19,21 293:10 301:20 walk 123:12,13 130:5 walked 369:5 Wallingford 137:24 142:9 want 113:6 115:2 145:9 146:18 153:22 155:6 159:19 162:20 164:2,11,13 173:25 189:19 189:24 280:25 292:23 293:14 297:12 298:2 299:22 301:14 304:8 310:19 311:8 326:13 334:17 345:19 347:24 354:1,1,20 356:11 368:4 368:7,17,22 wanted 133:24 151:4,5 157:7 167:22 217:7 337:12 wanting 299:10 wants 145:23				

EVIDENTIARY HEARING Volume 3 11/27/2017

153:22 Warson 264:12 376:13 wasn't 154:11 157:10 192:3 222:13,15 224:5 285:15 293:24 wastewater 115:24 116:1,15 117:1,2,5 119:9 137:16 watching 192:3 water 116:8,12 116:15,16 117:1 117:3,9,22 118:4,6,8,11,13 118:14,18,20 118:23 119:23 120:6 121:18 121:24 122:4 128:23 129:7 129:8 133:10 136:5,6,8 137:15 139:24 140:1,6 141:17 141:24 162:16 162:22 164:19 186:8,10 208:18 223:3 223:9 225:1 238:2 244:4 286:16 289:5 299:10 312:14 312:14 318:5 320:14 327:15 327:19 337:7 342:11 343:1 343:13 347:17 waters 162:10 Water's 139:25 way 143:23 149:6 151:12 154:22 155:4 160:6 161:16 162:4,7 174:8 175:14 210:8	232:20 235:9 238:21 249:16 256:11 267:16 298:9 316:20 350:21 Wayne 142:9 ways 195:18 250:24 wear 320:7 website 136:12 136:15 139:16 161:7 Wednesday 114:11 138:19 week 291:21 weekend 140:18 weekender 142:4 157:17 weekenders 140:19 141:18 weeks 280:10 280:10 weigh 185:23 weighing 186:1 weight 171:23 243:9 welcome 332:17 wells 118:8 126:23 281:3 281:7,11 went 140:4 157:1 162:18 221:24,25 222:10,10 310:5 334:20 351:21 weren't 155:18 163:4 309:6 354:16 Weston 182:22 we'll 152:14 158:19,21 192:6,10 195:22 258:25	267:24 269:9 292:6 308:1 312:8,24 332:25 364:25 368:9 369:24 we're 113:19 149:16,21 155:7 158:15 160:21 161:23 163:19 171:10 228:5 235:14 248:10 250:14 252:15 257:21 275:14 277:22 285:16,19 291:15 297:13 301:1 308:4 312:18,20 337:16,17 359:11 366:22 369:6 we've 120:25 140:19 151:20 238:10 260:22 282:10 291:15 319:25 whichever 343:2 whites 294:12 WILLIAM 110:18 willing 191:7 283:4 winter 127:16 141:25 wires 238:18 wish 161:20 257:24 withdraw 351:19 witness 113:8,13 113:15,17 128:17 130:3,9 152:18 153:12 155:23 165:9 165:10,14 169:6,13,18,21	169:24 170:3 170:10,21 172:25 176:17 176:20,23,25 177:9 178:1,6,7 182:25 183:4 189:11 192:9,14 199:12,15 200:17 201:10 201:11,13 203:10 205:18 205:19 207:15 211:4 215:21 215:23 218:18 220:24 221:1 221:2 225:6 230:3,5 239:10,13 241:8 242:15 242:16 244:18 248:1,3 252:22 253:3 255:2,8 257:17 258:21 261:7 263:2 267:20,23 268:1,10 269:6,8 270:15,22,24 271:3 274:24 276:14 277:5 277:8 278:10 287:21,23 288:10,15 296:18 307:4 310:15 311:16 314:15 317:17 317:20 319:1 329:14,17 331:6,25 332:19,24 333:2 337:14 339:5,7 340:14 341:15 347:23 348:4 349:2,6,11 351:9 356:18	358:25 359:6 359:8,15,17 361:8,16 364:6,9,21,24 365:1 367:10 367:10,25 369:16,22 witnesses 114:17 123:18 151:9 153:8 178:11 179:1 192:11 210:25 260:15 368:2 wondering 285:19 299:2 299:3 335:16 word 154:25 169:1,10 183:14 206:24 207:6 216:22 217:7 217:12,21,22 302:23 333:19 words 135:23 140:23 217:23 251:10 348:21 368:9 work 123:17 130:12 149:23 153:24 160:19 172:18 223:20 226:11,13 229:18 285:5 290:25 291:4 291:7,9,11 292:18 293:4 312:6 317:1 324:21 339:21 343:23 344:2 344:10 345:7 345:13 353:22 worked 170:22 172:21 198:25 223:13,15,16 256:19 257:6 339:23 360:1
---	--	--	--	---

EVIDENTIARY HEARING Volume 3 11/27/2017

375:11	366:12	2010 140:11	311:15	229 371:9
114 343:9 346:8	180,000 119:4	2011 287:5	211 370:24	230 371:13
346:10 347:1	187 370:7	2012 206:7	215 370:24	237 371:13
347:10,12	19 217:3	2013 204:7,14	216 258:11 371:1	239 371:16
375:13	19th 221:25	205:1	217 258:16	24 288:5,7
115 347:25	192 370:11	2014 119:8	340:10,18,20	310:16,25
348:2	1937 139:2,5	204:18	341:8,10,12	311:5,15
12 121:9 128:22	194 370:11	2015 116:7,12	217C 376:6	324:14
182:11 216:21	374:8,10,11	204:20	218 171:11 172:7	241 371:16
228:17,18	1973 343:16	2016 117:18,19	172:9 175:24	374:20 375:3
358:8	347:18	117:20 119:12	376:8	375:9
12:02 257:18	198 370:12	204:23	219 140:1 262:9	244 371:17
120 125:5,8	1982 135:19	339:20	262:12,24	245 371:19
173:16	199 370:13	2017 110:8	263:1,3,5,17	249 371:22
123 370:2		119:13 126:10	263:21,23	25 271:24,25
13 128:25 322:5	<u>2</u>	221:25 228:18	371:2,2 374:4	272:11 365:17
133 370:3	2 239:24 318:5	228:21 229:9	374:5,7	25,740,000
14 121:8 129:13	322:20 341:21	263:6 264:2	219C 262:15	164:19
129:17 134:20	365:17	376:10,12	376:9	250 371:23
134:21 144:11	2C 216:11 218:8	202 206:14,23	22 207:4 322:1	253 372:2
144:23 160:24	218:17,23	207:14,17	220 262:9,14	254 372:3
163:20 173:7	219:1	375:20	262:25	255 372:5
173:10,24	2d 135:21 139:5	203 206:15,23	264:17,22,23	257 372:6
177:6,9,13,18	2NP 216:10	207:14,17	371:3	259 372:9
178:6,9,21	218:8,17,23	370:16 374:24	220C 262:15	263 376:11
179:8 180:20	218:25	375:7,10	376:12	263,000 284:4
180:25 182:3	2NP/2C 374:5	203C 375:21	221 265:21,23	284:17
184:2 187:17	20 118:22 121:16	204 206:15,23	276:15,19,20	264 376:13
188:5 241:22	125:3 129:21	207:14,17,21	277:3 307:3	267 372:10
264:2 365:17	182:6 185:7	375:23	307:10 308:9	268 372:12
376:12	208:21 241:22	205 340:18,20	308:11,12,16,19	269 372:15
15 117:1 172:22	242:21 353:9	341:8,10,12	371:5 376:14	27 110:8 119:6
232:9 341:1	376:10	370:17,19	222 271:17,19	271 372:18
150 125:8,9	20th 263:6	376:1	272:24	277 372:20
173:16	20,000 119:3	206 340:18,20	276:19,20,22	278 372:20
16 239:6 242:21	284:3	341:8,10,12	276:24 277:4	295 376:16
300:10,12,15	20-year 144:23	376:2	223 294:16,17	
300:15	200 111:9,14	207 340:18,20	295:20,23,25	<u>3</u>
16th 125:21	206:14,22	341:8,10,12	376:16	3 110:9 164:17
165 370:6	207:14,17,21	375:17,19,20	2230 111:8	206:3 216:11
167 306:2	258:10 374:13	375:22,24	224 303:4,5	216:20 218:9
370:7 374:19	374:14,16	376:4	304:22 305:5	218:17,23
17 115:2,3 358:9	200C 375:16	208 370:20	305:8 371:6	219:1 241:22
17.6 196:8	2009 119:22	209 370:20	376:17	321:23 325:18
172 376:8	201 206:14,22	21 118:18 288:4	225 139:23	327:23 335:13
18 196:8 197:16	207:14,17	288:7 310:16	371:8	343:22 345:6
202:9 353:9	370:16 375:18	310:25 311:4	227 371:9	374:6

EVIDENTIARY HEARING Volume 3 11/27/2017

3rd 117:18	36,700 140:15	194:25 195:4	650 111:9	187:16
3,000 285:20	360 111:14	195:8,9,12	65102 111:15	90,000 351:6
30 119:10 125:8	362 373:15,15	242:18 288:4	65102-0456	351:25
303:16,17,22	365 373:18	288:7 310:16	111:4	90-day 171:14
304:6	37 343:14	310:24 311:13	65102-2230	900 135:7
30-34 376:18	38 343:14,19	322:2	111:9	982 139:5
305 376:18	380 140:19	5C 192:25		99 274:21
308 376:15	39 135:21	193:4,15 194:9	<u>7</u>	99,000 274:11
31 303:24		5NP 192:25	7 194:19,21	99,303 273:11
304:6,18	<u>4</u>	193:4,15 194:9	195:4,8,9	
305:11	4 123:23 173:6	5NP/5C 374:9	200:2,9,16,22	
31st 117:20	192:25 193:4	50 117:22 118:7	200:23 213:14	
228:18,21	193:15 194:9	133:6 134:7	335:14 356:5	
31;js 304:25	201:22 207:4	155:10 307:17	374:12	
312 111:3	322:1 325:14	307:19	715 118:9 119:18	
314 372:21	366:9,11	308:25	129:12 139:24	
317 372:23	374:8	50-year-old	140:20 164:18	
319 372:24	4th 117:19	126:17	252:17	
375:1,12	4,000 119:23,25	50/50 153:15	723,466 126:12	
32 304:2,23	157:8	261:15	730 140:18	
347:16,19,20	4,714 202:9	500 134:8	75 118:13	
325 366:19	4,932 202:9,11	51 307:19		
327 372:24	252:12	52 307:20	<u>8</u>	
329 373:1	40 287:4	53 307:21	8 135:7 200:2,9	
33 347:22	400 138:4	54 307:22	200:16,22,23	
348:8	44 266:6,11	55 307:17	272:1 374:14	
331 373:2	376:15	56 308:12,17	8,000 223:18	
374:22 375:5	45 266:6	564.16 138:18	223:21	
332 373:2	456 111:3	57 308:12,17	8:30 113:20	
333 373:4	46 266:6	376:15	369:15	
335 373:4	460,000 140:1	573)635-7166	800 135:6	
336 373:5	47 266:6	111:4	838 110:23	
338 373:5,6	48 266:6	573)751-3234		
339 373:8	48,500 140:14	111:15	<u>9</u>	
34 304:2,23	49 266:6,11	573)751-4857	9 124:4 135:6	
347:16,21		111:10	200:2,9,16,22	
341 373:9 376:1	<u>5</u>		200:23	
376:3,5,7	5 135:5 159:4	<u>6</u>	271:23 272:7	
347 375:14	164:17 168:19	6 124:3 135:5	366:12 374:15	
35 118:19 121:10	168:24 169:14	159:4 193:1,4	9,000 212:10,13	
347:19,21	171:1 173:23	193:15 194:10	9.34 158:17	
350 123:23	174:8,13 175:6	358:6 374:11	90 124:6,7,21	
140:19	177:3,5,15	6.75 158:23	132:18 138:16	
352 373:9	181:15,16,18	160:24	167:25 168:4	
356 373:10	187:15,21,24	645 135:21	168:14,23	
359 373:11	191:5,8,10,17	648.48 138:21	173:16 174:12	
36 324:14	194:19,21,24	65 121:10	175:1,12 176:18	