

1  
ROBERTS & ASSOCIATES BY THOMAS ROBERTS, RPR, CCR

1 PUBLIC SERVICE COMMISSION

2 STATE OF MISSOURI

3

4

5 TRANSCRIPT OF PROCEEDINGS

6 Public Hearing

7

8 October 29, 2003

9 Warrensburg, Missouri

10 Volume 6

11

12 In the matter of Missouri-American Water

13 Company's Tariff to Revise Water and Sewer

14 Rate Schedules

15

16 CASE NUMBER WR-2--3-0500

17

18 KEVIN A. THOMPSON, Presiding

19 Deputy Chief Regulatory Law Judge

20

21 KEVIN L. SIMMONS, Chair

22 CONNIE MURRAY

23 BRYAN FORBIS

24

25

1 A P P E A R A N C E S

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

2 (Hearing commenced at 5:12 p.m.)

3

4

5 JUDGE THOMPSON: We'll go on the  
6 record. Good evening, ladies and gentlemen,  
7 we are hear in the matter of  
8 Missouri-American Water Company's tariffs to  
9 revise water and sewer rate schedules. Case  
10 number WR-2003-0500, in which  
11 Missouri-American Water Company seeks a  
12 generate increase.

13 Specifically, Missouri-American's  
14 proposed water service tariffs are designed  
15 to produce an annual increase of  
16 approximately 12.2 percent, about 20 million  
17 dollars in total additional water service  
18 revenues across the state, and approximately  
19 3.3 percent, 16 hundred dollars in additional  
20 sewer service revenues. I understand the  
21 sewer issue does not affect this service  
22 area.

23 Additionally, the commission staff has  
24 recently filed an over earnings complaint  
25 against the company charging that the company

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1 is earning about 20 million dollars more than  
2 it should at current rates.

3 The Missouri Public Service Commission  
4 regulates the rates charged by investor owned  
5 utilities in the State of Missouri. The  
6 purpose of the regulation is to insure that  
7 rates are just and reasonable. The commission  
8 also regulates the quality of service and the  
9 safety of the operations of the utility.

10 The commission consists of five  
11 commissioners. Two of the five commissioners  
12 are with me this evening, Commissioner Murray  
13 and Commissioner Forbis.

14 The remarks taken at this hearing  
15 however will be read by all five  
16 commissioners and considered in resolving  
17 this case. The commission also employs a  
18 staff of engineers, accountants, attorneys,  
19 financial analysts and other specialists in  
20 the field of utility regulation.

21 My name is Kevin Thompson, I'm a  
22 regulatory law judge for the Public Service  
23 Commission assigned to preside over this  
24 hearing this evening.

25 This is an official hearing of the

1       commission and this is part of the  
2       evidentiary hearing that the commission is  
3       conducting in this case.  Therefore, all  
4       persons giving testimony will be placed under  
5       oath.  Persons who desire to testify need to  
6       sign up.  I believe Mr. Ochau (phonetic) has  
7       a sign-up sheet.  I will call witnesses in  
8       the order in which you have signed up.  When  
9       I call your name please step to the podium  
10      and I will place you under oath.  I will ask  
11      you some initial questions, and you will then  
12      have an opportunity to give your statement,  
13      which will be recorded verbatim by court  
14      reporter.

15             After you are finished giving your  
16      testimony please do not leave the podium  
17      there may be questions for you from one of  
18      the commissioners or myself or from counsel.  
19      We will excuse you when any questions are  
20      completed and at that time you can leave the  
21      podium and sit down.

22             Okay.  Does everyone understand the  
23      ground rules?  Why don't you let me have the  
24      sign-up sheet, Greg, or do I have it.  Look at  
25      that.  We'll start with entries of appearance

1 by counsel. At this time we will begin with  
2 the company.

3 MR. COOPER: Dean Cooper from  
4 the law firm of Brydon, Swearingen & England  
5 and David Abernathy, Vice-President and  
6 General Counsel for Missouri-American Water  
7 Company appearing on behalf of  
8 Missouri-American Water company.

9 JUDGE THOMPSON: Thank you.  
10 Public counsel.

11 MS. O'NEILL: Thank you, Your  
12 Honor. My name's Ruth O'Neill, I'm from the  
13 Office of Public Counsel representing the  
14 Office of Public Counsel and the public, and  
15 we're in Jefferson City, Missouri. I have the  
16 address I will give to the court reporter.

17 JUDGE THOMPSON: Staff.

18 MR. BATES: Thank you, Your  
19 Honor. My name is Bruce Bates, and I  
20 represent the professional staff of the  
21 Missouri Public Service Commission.

22 JUDGE THOMPSON: Thank you, Mr.  
23 Bates. Do we have any intervenors here?

24 MR. CURTIS: Leland B. Curtis of  
25 the law firm of Curtis and Edding, 130 South

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1 Bemiston in St. Louis, Missouri 63105,  
2 intervening and representing the City of  
3 Warrensburg.

4 JUDGE THOMPSON: Any other  
5 intervenors? I hear none.

6 The first witness is Mike Fitzgerald.  
7 Raise your right hand, sir.

8

9 MICHAEL FITZGERALD  
10 called as a witness herein, being first duly  
11 sworn by the Judge, testified on his oath as  
12 follows:

13

14 JUDGE THOMPSON: Could you  
15 please spell your last name for the reporter.

16 MR. FITZGERALD:  
17 F-i-t-z-g-e-r-a-l-d.

18

19 JUDGE THOMPSON: Mr. Fitzgerald,  
20 are you presently a customer of  
21 Missouri-American Water Company.

22 MR. FITZGERALD: I'm an  
23 attorney, I represent Public Water Supply  
24 District Number 1 of Johnson County,  
25 Missouri.



1 JUDGE THOMPSON: And is your  
2 client a customer of Missouri-American?

3 MR. FITZGERALD: Yes, sir.

4 JUDGE THOMPSON: Okay. Please  
5 proceed.

6 MR. FITZGERALD: Members of the  
7 Commission, Judge, my name is Mike  
8 Fitzgerald, I'm an attorney and I appear here  
9 today on behalf my client, Public Water  
10 Supply District Number 1 of Johnson County,  
11 Missouri. Our water district is north of  
12 Warrensburg, it goes along 50 Highway to M  
13 Highway and goes north on M Highway to the  
14 Columbus area and then north from there  
15 almost to the Lafayette County line.

16 It goes on the east side of Highway 13  
17 almost to county road 361, and goes south of  
18 50 Highway to the town of Centerview, which  
19 is an area totally encompassing approximately  
20 one hundred square miles here in Johnson  
21 County.

22 Our water district last month billed  
23 1,148 meters. In other words, 1,148  
24 customers. Our customers include the  
25 Crestridge School District, the Sky Haven

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1 airport, which is owned by Central Missouri  
2 State University and the town of Centerview.

3 Our district buys every gallon of water  
4 we sell to our customers from  
5 Missouri-American Water. Year-to-date we have  
6 supplied 65 million nine hundred 88 thousand  
7 four hundred gallons to our customers, every  
8 gallon purchased from Missouri-American  
9 Water. Last month alone we purchased six  
10 million, two hundred fifty one thousand nine  
11 hundred gallons from Missouri-American Water.

12 For Missouri-American Water to be able  
13 to sell that kind of quantities of water to  
14 our water district all it does is pipe it out  
15 to our pump house. Where we then take it at  
16 our expense through or pipes and distribution  
17 system and deliver it to our 1,150 customers.  
18 At our expense we maintain all of those  
19 lines.

20 We consider ourselves to be a very good  
21 customer of American -- of Missouri-American  
22 Water Company. Imagine our shock when in  
23 September of 2000 we learned that our cost of  
24 water had increased by 131 percent. Imagine  
25 how our customers reacted to the increase in

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1       their water bill that we were forced to pass  
2       along to them. Outrage is not too strong a  
3       word.

4               We now learn that Missouri-American has  
5       filed this new rate case requesting an  
6       increase in residential rates of 8.6 percent  
7       and a lowering of rates of 2.8 percent for  
8       industrial customers and only nine percent  
9       for re-sell customers. We are a re-sell  
10      customers according to the company.

11             We do not believe that a nine percent  
12      decrease in our rate is enough, not after  
13      they were increased 131 percent in the year  
14      2000, and when we have now learned that the  
15      staff of the Public Service Commission has  
16      filed a complaint against Missouri-American  
17      requesting a rate reduction in several  
18      districts including Warrensburg because of 20  
19      million in excess revenues.

20             The way I have obtained a copy of the  
21      rate testimony that has been filed from  
22      Thomas Swartz who is a deputy general  
23      counsel. He provided that to me very  
24      graciously by Fed-Ex and I received it today.  
25      By my computations the company is suggesting

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1 a rate reduction for our type of rate of only  
2 7.5 percent. From the documents which I have  
3 seen it would appear that the PSC staff is  
4 suggesting a rate reduction of 22.6 percent  
5 for resell customers.

6 We of the public water supply district  
7 of Johnson County, Missouri are requesting a  
8 rate reduction at least in the amount  
9 suggested by the Public Service Commission  
10 and hopefully more. Thank you.

11 JUDGE THOMPSON: Thank you, Mr.  
12 Fitzgerald. Questions from bench?  
13 Commissioner Murray?

14 COMMISSIONER MURRAY: I don't  
15 have any questions but thank you.

16 JUDGE THOMPSON: Commissioner  
17 Forbis.

18 COMMISSIONER FORBIS: I want to  
19 make sure I'm clear. You're saying the nine  
20 percent decrease is not after the proposed  
21 increase it's a nine percent reduction from  
22 what you're currently being charged as  
23 re-sell customer.

24 MR. FITZGERALD: That's how I  
25 read their filing, yes.

1                   COMMISSIONER FORBIS: I was not  
2                   quite clear. Nine percent from current rate  
3                   would be reduction for a re-sell customer?

4                   MR. FITZGERALD: Yes.

5                   COMMISSIONER FORBIS: Of course  
6                   the other increases or reductions are based  
7                   on the type of customer you are.

8                   MR. FITZGERALD: Exactly. And  
9                   the suggestions of the Public Service  
10                  Commission is I think 22.6 percent.

11                  JUDGE THOMPSON: Questions from  
12                  counsel?

13                  MS. O'NEILL: No questions.

14                  JUDGE THOMPSON: Apparently there  
15                  are none, you may step down, sir. Thank you.

16                  I apologize, I am unable to decipher the  
17                  next name, an individual who resides at 508  
18                  Jefferson in Warrensburg, Missouri. Yes,  
19                  sir, please up to the podium.

20  
21                  MARIO GARZA GONZALEZ  
22                  called as a witness herein, being first duly  
23                  sworn by the Judge, testified on his oath as  
24                  follows:

25                  JUDGE THOMPSON: Would you state

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1 your name, sir?

2 THE WITNESS: Name is Mario,  
3 M-a-r-i-o and my last name is Garza,  
4 G-a-r-z-a and then Gonzalez, G-o-n-z-a-l-e-z.

5 JUDGE THOMPSON: Thank you, sir.  
6 Are you presently a customer of  
7 American-Missouri Water Company.

8 THE WITNESS: Yes, I am.

9 JUDGE THOMPSON: Please proceed.

10 MR. GONZALEZ: I'm a local  
11 physician, I've been in Warrensburg since  
12 1958, 45 years. I live for 42 of those 45  
13 years in the same house.

14 To me it seems like I'm not as well  
15 prepared as Mr. Fitzgerald, I'm sorry, but I  
16 don't know the rules for this, but it wasn't  
17 so long ago that we had an increase in our  
18 rates in which they stated that they need to  
19 have like a 60 million dollars, you can  
20 correct me if I'm wrong, because they were  
21 going to build a new pump or something in St.  
22 Joseph. Immediately everything else and was  
23 to increase the sewer rate over here is  
24 connected to the water rate so we obtained an  
25 increase in our rate here. Then they decided

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1       that this was wrong, that it was not -- then  
2       sort of reverse the thing.

3               We obtained two separate bills for this  
4       increase was 60 million dollars which was the  
5       rate reversed I imagine by yourself. And then  
6       -- now what I read and again correct me if  
7       I'm wrong, you have decided that this company  
8       now has charged an excessively 20 million  
9       dollars on this and you are apparently  
10      fighting this situation.

11             Now we here wanting to increase another  
12      20 million dollars more so that actually  
13      represents a 40 million dollar increase. The  
14      12 percent, I believe that's the number they  
15      use now for the increase four dollars and  
16      sixty one cents, whatever it is, is only  
17      increase \$60 more a year.

18             I'm one of the persons that probably can  
19      afford that without any difficulty, but we  
20      have a lot of people in this community that  
21      are older people that even social security  
22      maybe some of them are welfare people and  
23      don't have this money to just be losing any  
24      time the company decides to increase it. I  
25      find that if we don't stop this now when are

1 we going to stop it? It continues to be more  
2 and more and more and this is impossible for  
3 the people that don't have a good job, they  
4 don't have, you know, maybe retired,  
5 retirees, they have maybe social security as  
6 the only source of income. How are they going  
7 to pay for this sort of thing. I consider it  
8 to be almost an insult.

9           You are saying to them -- you're  
10 charging 20 million dollars too much on this  
11 and then they say to you oh, yeah, that's  
12 okay we want another 20 million more. Why  
13 just producing dollar bills here giving to  
14 them is that what it is? I think it's got to  
15 stop someplace.

16           Just a couple of months ago when this  
17 was merger was or association or whatever it  
18 was within the city with the sewer and the  
19 people from the water company, the bills that  
20 I have for years and years amounted to  
21 probably \$25, you know, twelve on one and \$13  
22 on the other one, they were separate bills  
23 water and sewer was separate, now they're  
24 combined you see.

25           Like \$25. The very first month we had



1       this I believe the month of July, I could be  
2       wrong could have been June, my bill was \$80 .  
3       It went from 25 to 80. Because the water  
4       company and the city got together in the  
5       sewer and supposedly they going to streamline  
6       this process, we get only one bill and both  
7       the water and the sewer be together. It went  
8       from \$25 to \$80 in one month. There's no  
9       explanation to me, there's no explanation for  
10      that. I didn't use any more water. The same  
11      people, there are two of us in my house.

12             Now, the second month the same thing.  
13      Now the third month something happened to the  
14      third month and the \$80 became something like  
15      a \$50. Now we talking about August, August  
16      was not exactly a cool month you know, it was  
17      pretty hot and we used a lot of water for the  
18      plants and everything. What made it change  
19      from eighty to fifty? I don't know.

20             Just yesterday I got another bill for  
21      the same area, the same water no change at  
22      all. And this one here is like \$40. I don't  
23      know exactly where to go and who am I suppose  
24      to talk to. Who is going to make this  
25      information. Why did we go from 80 to 80 to

1 50 to 40? What made it do that? There's no  
2 explanation at all.

3 The other question I have to the people  
4 is that time when they had a 60 million  
5 dollars they was going to use for the new  
6 pump or new system we were going to build in  
7 St. Joseph we were charged extra for those  
8 two months, and then they say no you can't do  
9 that because in St. Joseph is not connected  
10 to Warrensburg why should we pay for a new  
11 plant we're going to put in St. Joseph. Say,  
12 you can't do that. Did we receive a refund  
13 from that? No, we did not. At least I never  
14 see one. What happened to that money we paid  
15 illegally collected from us?

16 If we continue with this what is next?  
17 The next time they want to just go ahead and  
18 build another water plant in Joplin and bring  
19 it to us. Why not, we're right here ready to  
20 pay for that.

21 I protested this. I think it's  
22 ridiculous and so happen I can afford to pay  
23 for that thing, but that is not the point.  
24 The point is what about the other people  
25 thinking about the people that don't have the

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1 money to do this. I know that \$60 more to you  
2 and to most people around here probably  
3 doesn't amount to very much. There are some  
4 people \$60 more a year is going to make a  
5 difference, you know. We have to consider  
6 these people. We have to consider them you  
7 know.

8 At least young people just starting to  
9 work, young families you know, or maybe older  
10 people we have a lot of them living in this  
11 area here. I don't see how we can continue  
12 this, it is almost like a taxation every time  
13 we turn around another tax. We don't receive  
14 any more water. The water is not any better  
15 than was before, doesn't have any more  
16 pressure than was before, doesn't taste any  
17 different than was before but it's going to  
18 cost twice as much. Doesn't make sense to  
19 me. Thank you.

20 JUDGE THOMPSON: Thank you, sir.  
21 Questions from bench. Commissioner Murray.

22 COMMISSIONER MURRAY: Have you  
23 inquired of a company as to the bills that  
24 you didn't understand, the amounts that you  
25 did not understand?

1                   MR. GONZALEZ: I did not inquire  
2                   about the first two because I figured they'd  
3                   have some new system where they were going to  
4                   combine, you know, or something some other  
5                   things. I did not go, I should have gone to  
6                   them I didn't go. But this happened for two  
7                   months you see, like the months of June and  
8                   July, July and August I can't tell you which  
9                   months they were I have the bills for. I did  
10                  not go personally and inquire about this.

11                 When I saw was astronomical I go, where  
12                 this thing come from? The first thing I  
13                 thought about is somebody left one of the  
14                 faucets open see, has been running for a  
15                 month. That's only thing I could think of  
16                 and it wasn't.

17                 COMMISSIONER MURRAY: There are  
18                 company representatives here this evening if  
19                 you would want to talk to them I'm sure they  
20                 could tell you who you could get in contact  
21                 with who would help you understand those  
22                 billings. Perhaps there is some discrepancy,  
23                 if you never bring it up, you know, there's  
24                 no way to get it resolved. I would just  
25                 suggest that you perhaps talk to someone.

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1 I'm sure there's a few people here tonight  
2 Mr. Thornburg is there in the blue suit that  
3 you can speak with afterwards.

4 Then I've just another point of  
5 clarification about something you said  
6 earlier. You indicated that we had decided  
7 that the company had been over earning a  
8 certain amount, we have made no decisions  
9 about this case either way. That is simply  
10 an allegation by the commission staff which  
11 is not the commissioners. We have made no  
12 determination about an increase or about an  
13 over earnings complaint. So the commission  
14 itself has not made any of those  
15 determinations. I just wanted to make that  
16 clear for the record.

17 MR. GONZALEZ: At this point I  
18 just came from you about this meeting there's  
19 a statement and it was considering doing  
20 something about this excess.

21 COMMISSIONER MURRAY: I was just  
22 trying to clarify that our staff is a party  
23 before us that is not the commission itself.  
24 That is not the decision making body. That's  
25 just something that has been filed before us.

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1       It's like one party making that claim, and we  
2       have made no decision about whether that's  
3       accurate or whether the rate increase is  
4       accurate. So we're just here gathering  
5       information, there haven't been any pre  
6       decisions on this matter at all.

7                   MR. GONZALEZ: I apologize if I  
8       used the wrong terminology for that. You must  
9       understand this is first time I've been to  
10      one of these meetings, most of us probably  
11      it's the first time we have been here, too.

12                   COMMISSIONER MURRAY: We  
13      appreciate your being here, we really do.

14                   JUDGE THOMPSON: Commissioner  
15      Forbis.

16                   COMMISSIONER FORBIS: I have no  
17      questions.

18                   JUDGE THOMPSON: Questions from  
19      counsel? Thank you, sir, you're excused.

20                   Barbara Chasar.

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1 BARBARA CHASAR

2 called as a witness herein, being first duly  
3 sworn by the Reporter, testified on her oath  
4 as follows:

5  
6 JUDGE THOMPSON: Would you spell  
7 your last name for the reporter?

8 THE WITNESS: C-h-a-s-a-r.

9 JUDGE THOMPSON: Do you  
10 pronounce that Chasar?

11 THE WITNESS: Chasar.

12 JUDGE THOMPSON: Are you  
13 presently a customer of Missouri-American  
14 Water Company?

15 MS. CHASAR: Yes.

16 JUDGE THOMPSON: Please proceed.

17 MS. CHASER: I brought with me a  
18 copy of the Daily Star Journal in which the  
19 article is listed concerning water customers  
20 and which it does state that your commission  
21 recommended reduction after finding 20  
22 million dollars in excess revenue. How  
23 accurate that is I don't know, but that was  
24 in the local paper. And you're welcome to  
25 have this if you would like.

1           Then I get from the water company a  
2           notice that we are requesting an increase  
3           which amounts to approximately 12.2 percent.  
4           Well that's when I started getting concerned,  
5           because I know the cost of everything is  
6           going up, I know things have not been so  
7           great with the water company regarding bills.  
8           I as well as this gentleman have had trouble  
9           with my bill concerning the charges for sewer  
10          coverage. But I have called them by phone,  
11          written them a letter, called them by phone,  
12          been down here to the city council and talked  
13          with them. Managed to get one month that I  
14          was mis-charged corrected. I'm waiting for  
15          the rest of the mis-charge fees to come back  
16          to me. Even though my bill has finally kind  
17          of being charged correctly, this started in  
18          January of this year.

19          My concern now with this notice and this  
20          increase is if all of my utility bills go up  
21          anywhere near this amount how will I pay for  
22          my basic needs. I live on low fixed income,  
23          very low fixed income. If I'm lucky might  
24          get around a 3 percent cost of living  
25          increase in January. Right now my monthly



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1 income barely covers my needs. I am on SSI  
2 disability. I get food stamps, and I have a  
3 subsidized government loan.

4 I have tried every way I possibly can to  
5 pay my bills to keep my head above water as  
6 well as to work on my individual issues  
7 concerning my health so some day I might be  
8 able to return to the work force. It's been  
9 over 15 years since I've been in the work  
10 force. 12.2 percent versus 3 percent don't  
11 balance. It doesn't balance, and they're  
12 talking about heating costs this winter  
13 doubling. Something breaks down and I need  
14 to buy a new washing machine, where do I get  
15 the money? I need to go to the dentist I  
16 can't find a dentist that accepts Medicaid so  
17 I have to pay out of pocket, where do I find  
18 money? If I find a dentist that will work  
19 with me, as it is I got to go to the Kansas  
20 City area to do that.

21 I have done a lot of volunteer work in  
22 the area and at the state level. I have been  
23 very involved as an advocate in several  
24 areas. My concern is not only for myself it  
25 is for others like myself who are disabled,

1 elderly, working poor, just above the line  
2 for getting assistance but not enough to pay  
3 the bills. Anyone who is struggling to make  
4 ends meet just to keep a roof over their  
5 head, clothes on their back and food in their  
6 stomach. And I see this kind of an increase  
7 and I think \$4.31 a month for a residential  
8 customer. I don't have it. If I take that  
9 and add to whatever else my other utilities  
10 are going to be I definitely won't have it.

11 I apply for assistance and get what I  
12 can. I do the best I can. I'm fortunate, I'm  
13 a very good money budgeter, and I've always  
14 paid by bills, I've good credit, but what  
15 happens when the day comes that I just don't  
16 have enough to make ends meet. I just don't  
17 have physically enough because what I get for  
18 income is just not enough dollars to pay for  
19 what I need for my basic daily needs, my  
20 utility bills, my mortgage or in some cases  
21 people's rent, then you try to add into that  
22 medication costs, gasoline to get yourself to  
23 the doctor, food, nonfood things that aren't  
24 covered by food stamps. It don't work.

25 I can show you how to make things work

1 inside and out using systems legitimately  
2 because I've had to do it, but it's getting  
3 to the point I'm terrified, how can I  
4 continue to do that? How will I be able to  
5 continue to live and have a life as well as  
6 any kind of a future.

7 As I said, this is not just me we're  
8 talking about this is a vast number of  
9 people. We are a rural area, very low income  
10 area with a lot of disabled, elderly and very  
11 poor people here including the homeless.  
12 I've worked with them personally.

13 I just ask you and the water company to  
14 consider that this gentleman says I have the  
15 extra \$60 a month, I do not. There are many  
16 more like me who do not. It is not that I'm  
17 asking for handout, it is not that I'm asking  
18 for excess, I just want the basic necessities  
19 so I can live. No more, no less.

20 JUDGE THOMPSON: Thank you  
21 ma'am. Questions from bench. Commissioner  
22 Murray.

23 COMMISSIONER MURRAY: I'd just  
24 like to thank you for bringing the newspaper  
25 article which points out the confusion that

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1 people have about the issue.

2 MS. CHASAR: I thought you might  
3 like that.

4 COMMISSIONER MURRAY: It says  
5 the commission staff recommended this so it  
6 makes people think the commission has decided  
7 and we have not. That's why --

8 MS. CHASAR: I understand it was  
9 a recommendation, but this is what the  
10 residents of Warrensburg read.

11 COMMISSIONER MURRAY: I know. It  
12 certainly makes it sound as if the commission  
13 has already recommended that, and I  
14 appreciate your pointing out that's how it is  
15 portrayed in the media, thank you.

16 MS. CHASAR: You're welcome.

17 JUDGE THOMPSON: Thank you.

18 Commissioner Forbis.

19 COMMISSIONER FORBIS: I have one  
20 question. You mentioned at one point you came  
21 to City Hall to ask for help with your bill;  
22 is that right?

23 MS. CHASAR: At the first of the  
24 year they had combined the water and the  
25 sewer bill for the Warrensburg area into one

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1 bill. Separate bills but all in -- you write  
2 one check.

3 COMMISSIONER FORBIS: I guess  
4 the city, the water district company is  
5 handling it.

6 MS. CHASAR: The city when I came  
7 they contacted the water company for me at  
8 that time by phone, that was maybe April.  
9 And managed to correct that one current bill  
10 so that the next month I had a credit. And  
11 it wasn't until sometime in early summer that  
12 they corrected how they calculated my sewer  
13 charge, but I have yet to see any refund in  
14 the charge from January, February, and I  
15 believe one other month. And my other  
16 concern with that is in January I called the  
17 water company and spoke to someone there and  
18 they explained to me how the bill was  
19 charged, was figured. They offered to send  
20 me a copy of city ordinance. I said, please  
21 do and they did. Upon receiving that  
22 ordinance I realized that the water company  
23 was charging customers who made two hundred  
24 gallons or more, two hundred cubic feet usage  
25 or more per month a calculation of a flat fee

1 plus so much per each hundred gallons over.

2 According to ordinance it was suppose to be

3 anyone in excess of two hundred cubic feet.

4 There was an error made in translating the

5 ordinance from the wording to the math

6 formulas that are then used to do the

7 computer programming.

8 So I had contacted the company by phone,

9 a month later after getting my next bill

10 seeing no change I put it in writing and sent

11 it to them. Another month passed still no

12 change. I came down to City Hall. I spoke

13 with an individual felt like I was not

14 getting anywhere, butting my head against a

15 brick wall saying we are calculating this

16 correctly, and I'm like math doesn't lie,

17 numbers don't lie.

18 Finally I got frustrated and kind of

19 give up for a while. And I thought of who

20 else can I talk to. I've thought of asking

21 to speak to who interprets the city ordinance

22 that tells this woman that I go to for

23 billing problems that this is how to tell the

24 customers how it works because something was

25 wrong.

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1           It might be helpful for you to  
2       understand I've a college degree, a bachelor  
3       of science in mathematics and computer  
4       science. This is not too far out of my  
5       education let alone the fact it's simple  
6       algebra, but yet to this date I have received  
7       a correction for one month's bill, have yet  
8       to receive a correction for these other bills  
9       where my sewer cost was over twice what it  
10      should have been and I did -- I believe I did  
11      receive a letter finally like six months  
12      later from the company, but it never  
13      addressed the fact that I was over charged  
14      and that I was to be refunded any money. Or  
15      what I had said, they said something about  
16      they had switched systems and locations and  
17      so forth and I'm like fine I will give you  
18      little more time maybe with all this change  
19      over somebody will get things straightened  
20      out. Not yet.

21                   COMMISSIONER FORBIS: Thank you  
22       for that for that information I appreciate  
23       it.

24                   JUDGE THOMPSON: Thank you,  
25       commissioner.

1           Do you know who provides you with sewer  
2           service?

3                       THE WITNESS:   The City of  
4           Warrensburg.

5                       JUDGE THOMPSON:   City of  
6           Warrensburg.   And do I understand your  
7           testimony correctly to be that the  
8           miscalculation was in the sewer rate?

9                       MS. CHASAR:   Yes.

10                      JUDGE THOMPSON:   So the refund  
11           that you're expecting should come from the  
12           city; is that correct?

13                      MS. CHASAR:   Except for that I  
14           send my bill to the water company and when I  
15           got a credit it was indicated on my water  
16           bill under the sewer charge section. The  
17           water bill separates the water charge from  
18           the sewer charge.   It is a new arrangement  
19           which is fine by me, I just wish you guys  
20           could fix your math.

21                      JUDGE THOMPSON:   I'm trying to  
22           understand.   Do you understand that this  
23           commission has no regulatory authority over  
24           the City of Warrensburg as a sewer service  
25           provider.



1 MS. CHASAR: That's good to  
2 know, because I was wondering if you could  
3 help me with that.

4 JUDGE THOMPSON: Only indirectly.  
5 The commission, municipal cities to the  
6 extent they decide to provide you utilities  
7 to their residents are not regulated by the  
8 commission.

9 MS. CHASAR: From what I could  
10 tell the problem lied on the water company  
11 side.

12 JUDGE THOMPSON: Okay. Well,  
13 there is --

14 MS. CHASAR: So that's --

15 JUDGE THOMPSON: There is lots  
16 of people from the water company here this  
17 evening that you can talk to of after the  
18 hearing is over, and if you have a bill with  
19 you that may help.

20 MS. CHASAR: I had not planned  
21 on mentioning it I was just going to focus on  
22 the water bill increase and can't afford it.

23 JUDGE THOMPSON: The people you  
24 can get answers from are here tonight and  
25 will be happy to talk to you.

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1 MS. CHASAR: Thank you.

2 JUDGE THOMPSON: Are there any  
3 questions from counsel? I hear none. You may  
4 be excused, thank you very much for your  
5 testimony.

6 Is there anyone else that would like to  
7 testify this evening that didn't have a  
8 chance to sign up? Sir, step up to the  
9 podium.

10

11 JIM JACKSON  
12 called as a witness herein, being first duly  
13 sworn by the Judge, testified on his oath as  
14 follows:

15

16 JUDGE THOMPSON: Could you state  
17 your name.

18 WITNESS: Jim Jackson,  
19 J-a-c-k-s-o-n.

20 JUDGE THOMPSON: What's your  
21 address, sir?

22 MR. JACKSON: It's 824 Laurel  
23 here in Warrensburg.

24 JUDGE THOMPSON: Mr. Jackson,  
25 are you presently a customer of

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1 Missouri-American Water Company.

2 THE WITNESS: Yes, I am.

3 JUDGE THOMPSON: Please proceed.

4 MR. JACKSON: First of all I'd  
5 like to thank the PSC commissioners for doing  
6 the right thing. You were here a number of  
7 years ago at a rate increase hearing and at  
8 that time the discussion based on whether or  
9 not there would be I believe it was unitized  
10 billing or uniform billing throughout the  
11 state and you didn't do that. So thank you  
12 for that. We appreciate not having to pay for  
13 St. Joseph's new water plant there, and we do  
14 like that.

15 I'd also like to thank the water company  
16 publicly for improving the water. I'm in the  
17 appliance business and have been for a number  
18 of years with water heaters, dishwashers, ice  
19 makers, everything that uses water. Our water  
20 use to cause us considerable problems and  
21 shorten the life dramatically of the  
22 appliances that I sold. With the new  
23 aeration plant that was put in several years  
24 ago there is a marked difference in the water  
25 quality, the taste and odor is much better,

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1 no longer are we the community infamous for  
2 having such terrible terrible water here.  
3 That's great. I do appreciate that.

4 And the water company by the way has  
5 been a good corporate citizen. As the past  
6 president of Habitat for Humanities they were  
7 great when they donated a supply to two of our  
8 habitat homes. So thank you all for that, I  
9 appreciate the very good corporate community  
10 involvement that they have had.

11 I'm concerned about the rate increase.  
12 My bill this last month was \$21 and some odd  
13 cents. The four dollars and some odd  
14 cents -- the \$4.31 I believe is on eighteen  
15 to a 20 percent increase which seems to be  
16 pretty significant. As I understand it the  
17 increase is not just for the water, correct  
18 me if I'm wrong, I guess you can correct me,  
19 one of them can correct me. It's not just  
20 for the water but it's an amount of removing  
21 a portion of the billing changing \$3.50 I  
22 believe from the basic bill for fire  
23 protection here in Warrensburg, removing that  
24 and having it as a separate line item.

25 If we remove it from the bill that would

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1 be just dandy, but if we just move it from  
2 the basic text of the bill to a separate line  
3 item that's still an increase of \$3.50 plus  
4 the additional revenues asked for the rate  
5 increase. So I am quite concerned about that  
6 as a customer of the water company.

7 A significant increase 18 to 20 percent  
8 or whatever it does figure out to is much  
9 more than I believe any retailer in economic  
10 times we're currently experiencing could be  
11 able to handle. So I would request -- I like  
12 your idea, or the staff's idea rather not the  
13 commissioners idea -- I like the staff's idea  
14 of reducing the cost of the water billing  
15 that seems to make a great deal of economic  
16 sense from a customer standpoint. Thank you.

17 JUDGE THOMPSON: Thank you, sir.  
18 Questions from the bench. Commissioner  
19 Murray.

20 COMMISSIONER MURRAY: I don't  
21 believe so, thank you.

22 JUDGE THOMPSON: Commissioner  
23 Forbis.

24 COMMISSIONER FORBIS: I don't  
25 think so.

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1 JUDGE THOMPSON: Questions from  
2 counsel? Hearing none you're excused, thank  
3 you, sir.

4 Is there anyone else would like to  
5 testify and did not have an opportunity to  
6 sign up? Going once, going twice, we will be  
7 adjourned. Thank you very much I appreciate  
8 your attendance.

9

10 (Hearing concluded at 5:50 p.m.)

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