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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
TRANSCRIPT OF PROCEEDINGS

Local Public Hearing

October 6, 2009

Cuba, Missouri

Volume 2

In The Matter of I.H. Utilities, Inc.,) File No.
Small Company Rate Increase.) WR-2010-0048

DANIEL R.E. JORDAN, Presiding

REGULATORY LAW JUDGE

ROBERT KENNEY

COMMISSIONER

REPORTED BY: SARAH POKORSKI, CCR

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 JUDGE JORDAN: We'll now go on the record.
3 The Missouri Public Service Commission calls the case
4 titled in the Matter of I.H. Utilities, Inc., Small
5 Company Rate Increase, that is File Number WR-210-
6 0048, regarding an application for a rate increase.
7 This is the Missouri Public Service Commission's local
8 public hearing on the rate increase proposed for I.H.
9 Utilities, Inc. We are here to record witness'
10 testimony on the proposed rate increases. This is not
11 litigation. You will not be subject to cross
12 examination. This is part of the Commission's
13 investigatory powers. But we are recording this
14 proceeding.

15 A little introduction to the Commission.
16 Commission consists of five Commissioners who are
17 appointed by the Governor, confirmed by the Missouri
18 Senate for fixed terms. Commission regulates safety
19 and service quality of investor-owned utilities in the
20 state of Missouri and it sets the rates for such
21 utilities. Those decisions are ultimately made by the
22 Commissioners of the Missouri Public Service
23 Commission. I am a regulatory law judge.

24 My name is Daniel Jordan. And my job
25 tonight is to maintain an orderly process for the

1 taking of comment on the proposal. I will also be
2 recommending a decision to the Commissioners, and they
3 will make the final decision by voting.

4 With us this evening in person is
5 Commissioner Robert S. Kenney. Other Commissioners
6 are not able to be here because these -- these local
7 public hearings are set on a very tight time frame,
8 and it is almost impossible for most of them to make
9 it to these. And that is why we are having a court
10 reporter make a transcript of your comments, so that
11 all the Commissioners will be able to review your
12 comments. The Commission employs a staff which is
13 referred to simply as Staff. That includes
14 professionals in the areas of accountancy and
15 economics and utilities operation and administration.
16 The staff has its own lawyer from the Office of
17 General Counsel. Is someone from the Office of
18 General Counsel here this evening? Oh, will you
19 please enter an appearance and let me know if you have
20 any representatives with you today.

21 MS. KLIETHERMES: Good evening, Judge,
22 Commissioner. Sarah Kliethermes on behalf of the
23 staff of the Missouri Public Service Commission, 200
24 Madison Street, Jefferson City, Missouri 65102. Also
25 from the staff, we have Kevin Kelly, Ben Wisnewski,

1 Debbie Bernsen, Dana Eaves, Steve Loethen, Jim Busch.

2 And did I miss anyone? That's it. Thank you.

3 JUDGE JORDAN: Thank you. In addition,
4 Public Counsel is the office that represents the
5 consumers of utility services. And the Office of
6 Public Counsel employs its own specialist in the area
7 of utility regulation. From the Office of Public
8 Counsel, may we have an entry of appearance, please.

9 MS. BAKER: Christina Baker, P.O. Box 2230,
10 Jefferson City, Missouri 65102, appearing on behalf
11 of the Office of the Public Counsel and the rate
12 payers. And I have no one else with me here tonight.

13 JUDGE JORDAN: Okay. Thank you very much.
14 And from the utility, is anyone here on behalf of
15 I.H. Utilities, Inc.? And will you -- will you
16 announce your name, spell it for our court reporter,
17 please.

18 MR. JIM STANLEY: Jim Stanley.
19 S-T-A-N-L-E-Y.

20 JUDGE JORDAN: Okay. Anyone else?

21 MS. LOIS STANLEY: Lois Stanley. It's
22 L-O-I-S.

23 JUDGE JORDAN: Okay. What's your
24 capacity? Just to clarify for the record, what's your
25 capacity with the utility?

1 MR. JIM STANLEY: President, I am. And --

2 MS. LOIS STANLEY: Secretary.

3 JUDGE JORDAN: Okay. Thank you very much.
4 Anyone else here from the utility tonight?

5 MR. JIM STANLEY: No.

6 JUDGE JORDAN: I'm going to set a good
7 example for you right now. And I thank you for that
8 reminder. The purpose of this proceeding is to hear
9 testimony. And this will be part of the official
10 record in this case. The company's not going to be
11 presenting evidence. It's not here to make a
12 presentation. This is your time. Court reporter will
13 record your testimony. I will take that testimony
14 under oath or affirmation. If you have religious
15 convictions against taking an oath, just let me know,
16 I will administer an affirmation in lieu of the oath.
17 If you want to testify on the rate increases, well, we
18 have a sign-up list here. And if your name's not on
19 it yet, I think we'll have time at the end for you to
20 speak. I will call the witnesses from the sign-up
21 list. One person at a time may testify. When
22 you're -- when you're called, come up here. This is
23 going to be our witness stand. The microphone will be
24 there, so everyone can hear you, including the court
25 reporter and me. And I will probably ask you a few

1 questions to get you started off. Ask you to state
2 your name and spell it, and maybe a few introductory
3 questions like that. Do please speak clearly. Please
4 be concise, out of respect for everyone's time. And,
5 you know, if someone has already said what you wanted
6 to -- wanted to say from the stand here, you can still
7 take the stand and tell us that you agree with an
8 earlier speaker, a previous speaker. The Commission
9 is convening this proceeding to hear what you have to
10 say. So feel free to do that. If someone said what
11 you want to say, just, you know, endorse it. And
12 that's fine. Now, if something was said during the
13 question and answer session that you want to endorse,
14 well, you're going to have to say that yourself,
15 because the court reporter didn't take that down.
16 It's not part of the record. Questions, I might have
17 a few clarifying questions. The Commissioner may
18 also. But do stay at the stand until you're excused.

19 And as you've probably already been told,
20 you may have additional input in writing by sending
21 comments to Staff or to the Office of Public Counsel.
22 And that's -- that's true until the Commission
23 disposes of this case.

24 And I want to put this in perspective for
25 you, because the Commission deals with a lot of very

1 lofty economic issues, and they involve millions and
2 billions of dollars, and exotic technologies, and more
3 so every year. But since the Commission began its
4 operations in 1913, this has been one of its core
5 functions. That is to come to where the utility
6 customers are and take their testimony under oath, and
7 to personally investigate matters like this. And I
8 think I can say fairly that for the Commissioners,
9 this is pretty much where the rubber hits the road.
10 They want to know how the citizens of Missouri feel
11 about the deal that is on the table in a case like
12 this. So I encourage you to comment. The Commission
13 wants to hear what you have to say.

14 Any questions? Seeing none, Commission
15 will now hear testimony.

16 MR. KELLY: Thank you, sir.

17 JUDGE JORDAN: The first name I have on my
18 sign-in sheet is Gary Boos. And I hope I pronounced
19 that correctly. Feel free to correct me.

20 MR. BOOS: Close enough.

21 JUDGE JORDAN: All right.

22 MR. BOOS: Stand or sit?

23 JUDGE JORDAN: Whatever gets you to the
24 microphone will be fine. And I'm going to begin by
25 administering the oath to you. Please raise your

1 right hand. Do you solemnly swear that the testimony
2 that you are about to give shall be the truth, the
3 whole truth and nothing but the truth?

4 MR. BOOS: I do.

5 JUDGE JORDAN: Please state your name and
6 spell it for the court reporter.

7 MR. BOOS: Gary Boos. B-O-O-S.

8 JUDGE JORDAN: And are you a customer of
9 I.H. Utilities, Inc.?

10 MR. BOOS: Yes, I am. And I'm a resident
11 of Indian Hills.

12 JUDGE JORDAN: Of Indian Hills?

13 MR. BOOS: Yes.

14 JUDGE JORDAN: Just for clarification, that
15 is a subdivision?

16 MR. BOOS: That is the subdivision we're --

17 JUDGE JORDAN: Okay. What would you like
18 the Commission to know?

19 MR. BOOS: Well, I've been a -- or a
20 permanent resident for the last four years, and part-
21 time resident for 20 years before that. I think
22 Indian Hills Utilities does a pretty good job getting
23 us water. I mean, it's there almost always. In the
24 past 18 to 24 months, they've kind of gotten on board
25 with when the water's going to be shut off, they'll

1 call the hotline. Even if it's an emergency, they'll
2 try to get word to the hotline, hey, it's going to be
3 off. It's not without problems. Like any small
4 company -- like Steve Loethen said, there's a lot of
5 rock, there's a lot of broken pipes. And it's a
6 continuing thing. But I believe they're doing a lot
7 better. The pressure's been up. The availability
8 seems -- I give them a 99 percent, I guess, on the
9 availability of being there most of the time. I mean,
10 it's off less than the cable TV or the telephone's
11 off, so to me, that's pretty good.

12 Water's our most valuable natural
13 resource, and we pay the least for it of any of our
14 utilities. And I think that with that said, that the
15 raise is very much -- you know, should be given --
16 granted to them, because it's just -- I think they
17 could supply us better if they had a little bit more
18 capital to work with, and perhaps fix some things that
19 haven't been fixed, and just keep continuing to grow.
20 That's my opinion.

21 JUDGE JORDAN: Okay. Commissioner, any
22 questions for this witness?

23 COMMISSIONER KENNEY: No. I don't have any
24 questions, Mr. Boos. But I do appreciate you taking
25 the time to come and give us your remarks. It's

1 helpful to the process, and we do appreciate it.

2 MR. BOOS: Okay. Thank you.

3 COMMISSIONER KENNEY: Thank you.

4 JUDGE JORDAN: You're excused. The next

5 name on my list is Doug Mallory. Good evening.

6 Please raise your right hand. Do you solemnly swear

7 that the testimony that you're about to give will be

8 the truth, the whole truth and nothing but the truth?

9 MR. MALLORY: I do.

10 JUDGE JORDAN: Please state your name for

11 the court reporter, and also spell it for her.

12 MR. MALLORY: Doug Mallory. M-A-L-L-O-R-Y.

13 JUDGE JORDAN: And are you a customer of

14 I.H. Utilities, Inc.?

15 MR. MALLORY: Yes, we are.

16 JUDGE JORDAN: Please tell us what you'd

17 like the Commissioners to know about this case.

18 MR. MALLORY: In the matter of the rate

19 increase, I feel in this matter that Indian Hills does

20 not deserve a rate increase. September the 7th, which

21 was a holiday weekend, was Labor Day weekend, we lost

22 water at approximately 10:30 in the morning. I called

23 the number for Indian Hills Utility. No answer, which

24 is 90 percent of the time the case with them. They

25 never answer their phone. 12:15, the water came back

1 on. And I do have pictures that I'd like to submit as
2 evidence of the meter readings, what the water looked
3 like coming out of the master bedroom --

4 JUDGE JORDAN: Okay.

5 MR. MALLORY: -- tub, the master bedroom
6 toilet.

7 JUDGE JORDAN: Let's go through them one at
8 a time, and you can tell us a little bit about them.

9 MR. MALLORY: Well, when the water did come
10 back on, we turned the water on. And it has been said
11 before that when the water comes on, it's not cloudy
12 and murky. Look -- and I'll submit these pictures and
13 you can see this.

14 (OFF THE RECORD.)

15 MR. MALLORY: The first picture is a
16 picture of the meter reading upon the time the water
17 came back on. And I did not do it immediately as soon
18 as the water came back on. I had ran several gallons
19 through. And it states the meter reading of 608330.

20 JUDGE JORDAN: And which -- which exhibit
21 number is that?

22 MR. MALLORY: We'll make that number 1,
23 which is A.

24 (EXHIBIT A MARKED FOR THE RECORD BY THE
25 COURT REPORTER.)

1 JUDGE JORDAN: And is that a fair and
2 accurate depiction of what you saw when you took the
3 picture?

4 MR. MALLORY: Yes, sir.

5 JUDGE JORDAN: Okay.

6 MR. MALLORY: Sure is. Upon turning on --
7 flushing the toilet, I have two different pictures
8 here showing the toilet being flushed and what the
9 water looks like after it's been flushed.

10 JUDGE JORDAN: Okay. And what number are
11 those?

12 MR. MALLORY: We can do that B and C. I
13 guess that's the way she's going to number it.

14 (EXHIBITS B AND C MARKED FOR THE RECORD
15 BY THE COURT REPORTER.)

16 MR. MALLORY: Letter B and Letter C.

17 JUDGE JORDAN: And is there anything else
18 you want to tell me about those pictures?

19 MR. MALLORY: As you can see in the
20 picture, it's flushing brown water down through the
21 picture. You can actually see the brownness to the
22 water. I then went from the toilet to the bathroom
23 sink in the master bedroom, which we will letter D.
24 It shows it running through the faucet, coming out
25 brown.

1 (EXHIBIT D MARKED FOR THE RECORD BY THE
2 COURT REPORTER.)

3 MR. MALLORY: Then I proceeded from the
4 bathroom sink, leaving it running, to the master
5 bedroom hot tub, which the water is brown, as you can
6 see in Exhibit -- what are we on -- E.

7 (EXHIBIT E MARKED FOR THE RECORD BY THE
8 COURT REPORTER.)

9 MR. MALLORY: And this continued all the
10 way up until 5:00 when I decided I -- I'm not going to
11 mess with watching it no more, which I took another
12 picture of the meter reading, and we -- the meter
13 reading then was 608510. We'll classify that as F.

14 (EXHIBIT F MARKED FOR THE RECORD BY THE
15 COURT REPORTER.)

16 MR. MALLORY: And at that time, I just
17 basically said I'll wait and see what happens. Later
18 on that evening, went to brush the teeth before we
19 went to bed. The water was still -- not brown, but it
20 was murky looking. And if you filled the sink, you
21 could see a film on top of the water. Some kind of
22 residue. I can't say what it was, because I don't
23 know. And basically, that was it. The next morning,
24 we got up, I filled it -- the sink again, you still
25 had that same film on top of the water.

1 I've lived in Indian Hills eight years.
2 And I would say this year alone, I've got
3 documentation where I e-mailed the public -- PSC four
4 or five different times about problems with Indian
5 Hills utilities. I've told them in these e-mails how
6 I feel.

7 I've also got two pictures here that I'd
8 like to submit. One of them is actually on Oak
9 Street, where Indian Hills dug up the street and they
10 repaired it. Well, it's right where the mailbox is.
11 And by the picture, you can see that they repaired it,
12 as I call it, with a Band-Aid. They never come back
13 and do the final touches to finish the repair.

14 JUDGE JORDAN: Okay. Want to put that in
15 the record also?

16 MR. MALLORY: We'll enter this into the
17 record.

18 (EXHIBIT G MARKED FOR THE RECORD BY THE
19 COURT REPORTER.)

20 MR. MALLORY: The next picture I have is of
21 an area that they replaced at the corner of Lone Wolf
22 and Lake Shore. It was repaired before the Labor Day
23 weekend. I cannot tell you the exact date, but it was
24 repaired before Labor Day weekend. Last night, when I
25 went by there -- which I'm entering this picture into

1 the evidence, too -- the road is still tore up. And
2 this particular road was just resealed and rocked over
3 the summer. I don't know the exact date. But this is
4 still tore up. I'll enter this into evidence.

5 JUDGE JORDAN: And that is letter G. Is
6 that correct? Or H. H.

7 (EXHIBIT H MARKED FOR THE RECORD BY THE
8 COURT REPORTER.)

9 MR. MALLORY: At this time, I really have
10 no more to say. I think I've entered the evidence of
11 how I feel, and that the rate increase is not
12 legitimate, in my -- in my feelings. That's all I
13 have.

14 JUDGE JORDAN: Okay. Stay there, please,
15 while we see if the Commissioner has any questions.
16 Commissioner Kenney?

17 COMMISSIONER KENNEY: Mr. Malory, thank you
18 for taking the time to send e-mails to PSC, and for
19 coming out tonight. Did you take the pictures in G
20 and H, the ones we just admitted?

21 MR. MALLORY: I took them on my digital
22 camera.

23 COMMISSIONER KENNEY: Took them yourself?
24 Okay.

25 MR. MALLORY: And I still have more on my

1 digital camera. I just only printed a few, just to
2 have them here.

3 COMMISSIONER KENNEY: And you said H
4 represented Lone Wolf and --

5 MR. MALLORY: Lake Shore.

6 COMMISSIONER KENNEY: And G represented Oak
7 Street.

8 MR. MALLORY: Yes.

9 COMMISSIONER KENNEY: When were the
10 pictures -- when was the Oak Street picture taken?

11 MR. MALLORY: It was taken last night also.

12 COMMISSIONER KENNEY: Last night?

13 MR. MALLORY: Yes.

14 COMMISSIONER KENNEY: Okay.

15 MR. MALLORY: But that -- that was repaired
16 probably -- and it's only an estimate. That was
17 repaired probably a year ago. I don't know the exact
18 date it was repaired.

19 COMMISSIONER KENNEY: The types of problems
20 that you're describing with not getting phone calls
21 answered and returned, has that been the case the
22 entire eight years you've been a resident of Indian
23 Hills?

24 MR. MALLORY: At least 80 percent of the
25 time. Yes.

1 was on a holiday weekend.

2 COMMISSIONER KENNEY: When was it ever --
3 when did it get back to normal, if ever?

4 MR. MALLORY: Like I said, the next
5 morning, on the 8th, it still had that film. If you
6 filled the sink, it still had like a clear film or
7 something on it. I can't describe it, because I don't
8 know what it really was.

9 COMMISSIONER KENNEY: Did you ever get a
10 return phone call in response to that particular
11 incident?

12 MR. MALLORY: No, I did not.

13 COMMISSIONER KENNEY: Thank you.

14 JUDGE JORDAN: Thank you. You are
15 excused.

16 MR. MALLORY: Thank you.

17 JUDGE JORDAN: Third name, and the last on
18 my list, is John T. Lowery. Please raise your right
19 hand. Do you solemnly swear that the testimony that
20 you're about to give shall be the truth, the whole
21 truth and nothing but the truth?

22 MR. LOWERY: I do.

23 JUDGE JORDAN: Please state your name for
24 the reporter.

25 MR. LOWERY: John Lowery.

1 JUDGE JORDAN: And spell --

2 MR. LOWERY: L-O-W-E-R-Y.

3 JUDGE JORDAN: Sir, are you a customer of
4 I.H. Utilities --

5 MR. LOWERY: Yes.

6 JUDGE JORDAN: -- Inc.? Please tell us
7 what you'd like the Commission to know about this
8 case.

9 MR. LOWERY: Well, he brought up quite a --
10 quite a bit -- a few of my complaints. My big
11 complaint is the purity of the water. When they do
12 have a water break, if you're not out there and
13 physically see it, you never know about it. And you
14 don't know if -- you know, to flush your lines out,
15 you don't know anything about that. And like he said,
16 the water is discolored, especially -- like in our
17 second restroom, we use it once in a while, but not
18 much. It always is black. And it's -- no matter how
19 many times you clean it, a day or two, and it's the
20 same thing. It's this scum, this film on it. And it
21 seems like we have -- we're on a septic system out
22 there, and when they break these water lines, may be
23 getting back flush from these septic lines or
24 whatever. And if -- if they don't notify you, or if
25 the sign is not put up at the gate, which is very

1 seldom, you don't know. So you come out there on the
2 weekend, and you think you've got pretty clean water
3 lines, and, you know, it's contaminated. That's --
4 you would think -- I mean, it would -- looks like you
5 would have some type of a back flush on there, or an
6 anti-back-flush, or an anti-siphoning device on his
7 system somewhere that you wouldn't be sucking all this
8 water back into the water lines. Other than that, I
9 don't know.

10 JUDGE JORDAN: Okay. Thank you. That's
11 all you have, sir?

12 MR. LOWERY: Yes.

13 JUDGE JORDAN: Okay. Commissioner Kenney,
14 any questions for this witness?

15 COMMISSIONER KENNEY: Just a couple,
16 Mr. Lowery. Thank you for taking the time to come out
17 and share your thoughts with us. How long have you
18 been a resident of Indian Hills?

19 MR. LOWERY: Over 13 years.

20 COMMISSIONER KENNEY: And what has your
21 experience been? Have you had occasion to call and
22 leave a message?

23 MR. LOWERY: Usually get a message machine
24 and no return.

25 COMMISSIONER KENNEY: And has that been

1 your consistent experience over 13 years?

2 MR. LOWERY: I only called a few times,
3 because I figured it was useless to call them.

4 COMMISSIONER KENNEY: How about the quality
5 of the water issues? Has that been pretty consistent
6 over 13 years?

7 MR. LOWERY: Bad. We drink bottled water.

8 COMMISSIONER KENNEY: And that's been the
9 case the whole time you've lived there?

10 MR. LOWERY: Well, I'd say in the last
11 seven, eight years, anyway.

12 COMMISSIONER KENNEY: I don't have any
13 other questions. Thank you again for taking the
14 time.

15 MR. LOWERY: All right.

16 JUDGE JORDAN: Thank you. You're excused.
17 That's all the names I have on my list. But if these
18 comments have suggested further comments from anyone
19 who is not on the list, Commission would be happy to
20 hear. Please state your name.

21 MS. NANCY STANLEY: Nancy Stanley.

22 JUDGE JORDAN: Please raise your right
23 hand. Do you solemnly swear that the testimony you're
24 about to give shall be the truth, the whole truth and
25 nothing but the truth?

1 MS. NANCY STANLEY: Yes.

2 JUDGE JORDAN: All right. Are you a
3 customer of I.H. Utilities, Inc.?

4 MS. NANCY STANLEY: Yes, I am.

5 JUDGE JORDAN: All right. What would you
6 like the Commission to know about this case?

7 MS. NANCY STANLEY: I lived out there four
8 years in September. When I moved out there, we moved
9 in, and I had okay water pressure, not real good water
10 pressure. And when it came towards spring is when I
11 started having my problem. I wasn't getting any water
12 hardly at all. During the week, it would take 45
13 minutes to fill up my tub halfway. And then on the
14 weekend, I'd get drip, drip, drip. And I do live up
15 on a hill, but I don't think it's that big of a hill,
16 but it does make a difference.

17 So we went through the first holiday on
18 the weekend with hardly any water. And then by July
19 4th was when I had it. I had drip, drip, drip. I had
20 dried out zoysia grass, fireworks shooting all over
21 the place. So I made a phone call. And I talked to
22 Mr. Stanley. And he more or less told me -- well,
23 more or less, he had all the reasons why it wasn't his
24 problem, and, you know, nothing he could do about it,
25 to he cursed me, and then I hung the phone up and I

1 said I'm going to -- I have got to do something about
2 this. Because my house could burn down, my neighbor's
3 house. I couldn't even use my hose with the drip,
4 drip, drip.

5 So that's when I went to my first board
6 meeting at Indian Hills. And I volunteered to do the
7 water testing. So I started doing that. And I had a
8 problem when I first started testing it, until I went
9 down to Steelville and they showed me how to use the
10 machine. I had the DNR check me to make sure I knew
11 how to work the equipment. And I started trying to
12 check the water at different areas of the lake. And
13 people wouldn't talk to me because I had the same last
14 name. They thought I was with Mr. Stanley. Anyway,
15 for -- get a story straight, I started testing it, I
16 talked to Steve many a times. He's helped me out a
17 lot. I've talked with the DNR. And I've talked to
18 Mr. Stanley. He does -- this year, he has done a lot
19 better job on his water pressure. He has come a long
20 way. Because I try to call him as soon as it goes
21 off, or if I have a problem, or whatever, I call him.
22 And I can honestly say, even though -- the way the
23 economy is, all of our weekenders don't show up every
24 weekend now. Okay? We've had a lot of houses that
25 were never opened, a lot of boats that were never put

1 in the lake. But I can honestly say that I've had
2 good water pressure now. Okay. Now, it may go down a
3 little bit. But I can at least turn my faucet on, put
4 some dish soap in there, and I'll get bubbles. You
5 know, my biggest complaint now is that he does not
6 finish where he digs up the roads. And we have a road
7 agreement with him that he is to -- he was taken to
8 court, and he does have to fix the roads. But they
9 don't enforce it.

10 JUDGE JORDAN: Anything else you'd like to
11 tell the Commission, Ms. Stanley?

12 MS. NANCY STANLEY: So -- well, and I truly
13 think, personally -- even though of all the problems
14 that I've had with the water company, I do believe
15 that if he got a -- a rate raise, maybe it will help
16 him buy more, better equipment, and he'll be able to
17 service us a lot better. That's it.

18 JUDGE JORDAN: Okay. And just to clarify.

19 MS. NANCY STANLEY: Okay.

20 JUDGE JORDAN: Of course. We note the last
21 name. Sounds the same.

22 MS. NANCY STANLEY: It's the same last
23 name.

24 JUDGE JORDAN: Okay.

25 MS. NANCY STANLEY: But we're not related.

1 JUDGE JORDAN: Okay. And you have no -- do
2 you have an interest in -- any financial interest?
3 Any ownership?

4 MS. NANCY STANLEY: No. None whatsoever.

5 JUDGE JORDAN: Okay. Thank you. Just to
6 clarify. Commissioner, any questions for this
7 witness?

8 COMMISSIONER KENNEY: No. I don't think I
9 have any questions, Ms. Stanley. Thank you for taking
10 the time. Thank you for your participation in doing
11 the water testing and everything else that you've
12 done.

13 MS. NANCY STANLEY: Okay. Because I come
14 from St. Louis County, and I'm used to that kind of
15 water. And it's different down here. We do have
16 harder water. You know, you do have to clean your
17 coffee maker out a lot, otherwise you're buying a new
18 one every month. You know. But that's stuff that you
19 can't really control. But I feel if he keeps the
20 chlorine in it like he should, it should kill the
21 bacteria. And of all the people I test their water,
22 I'd say 80 percent of them don't drink the water.
23 Okay. But I drink the water.

24 JUDGE JORDAN: Okay. Commissioner, does
25 that raise any questions for you?

1 COMMISSIONER KENNEY: No, thank you.

2 JUDGE JORDAN: I just want to question what
3 year -- just to clarify -- what year the July 4th
4 outage was. Was that this past year, or was that --

5 MS. NANCY STANLEY: No. No. I moved down
6 September of 2005.

7 JUDGE JORDAN: Okay.

8 MS. NANCY STANLEY: And it was July, 2006.
9 It was my first July down there.

10 JUDGE JORDAN: Okay. That's all I have.

11 MS. NANCY STANLEY: Okay.

12 JUDGE JORDAN: Thank you.

13 MS. NANCY STANLEY: You're welcome.

14 JUDGE JORDAN: You're excused. Who else
15 would like to comment on this action? Anyone? You,
16 sir. Come forward.

17 MR. LANE: My name's Don Lane, L-A-N-E,
18 last name.

19 JUDGE JORDAN: Please raise your right
20 hand. Do you solemnly swear that the testimony that
21 you're about to give is the truth, the whole truth and
22 nothing but the truth?

23 MR. LANE: I do.

24 JUDGE JORDAN: And are you a customer of
25 I.H. Utilities, Inc.?

1 MR. LANE: I am a customer, and have been a
2 member of Indian Hills Association since 1964.

3 JUDGE JORDAN: Okay. What would you like
4 the Commission to know about this case?

5 MR. LANE: Having been on both sides of the
6 table out at Indian Hills Subdivision, also in
7 administrative, on the Board, as some others have,
8 working quite closely with Mr. Stanley and Lois, they
9 inherited a mess from the previous owner, which was
10 Mr. Wilmuth. Jim and Lois have been trying to upgrade
11 this water system since I've been a permanent resident
12 out there, since 1997. Having worked with Jim because
13 of complaints that were issued to the Board of
14 Directors when I was serving, we got very close in
15 some of the holes that were being dug, because of
16 complaints. So after watching what he does and his
17 process of repair, I then took it a little farther and
18 called up municipalities to find out how they handled
19 water breaks. In the effort of fixing the line at
20 Indian Hills in comparison to fixing a line as close
21 as Cuba, St. James, or Steelville, the process was
22 relatively the same. You can't pump all the water out
23 of the hole. Does some cloudiness affect and get into
24 the line? Sure it does. I checked with each one of
25 those cities, and I said do you notify your residents

1 every time you have a line break. And they said we'll
2 put it in the paper. I said, well, the paper comes
3 out once a week. So in our case, we really weren't
4 that far off of what they did, other than word of
5 mouth, as I think Mr. Boos and Ms. Stanley commented.

6 I believe that an increase in the rate,
7 as -- as minor as this one is, might assist him in
8 upgrading our water infrastructure. Jim attempted to
9 increase the water pipe size over on Sequoia, I want
10 to say maybe five or six years ago. Due to not having
11 enough capital, it was not done. He made small
12 repairs, put in different couplings. And in the last
13 10 years, Jim has even been adding upgraded water
14 meters to most of the earlier properties out there,
15 which did not have a street-side water meter. All the
16 early meters that were put in by Mr. Wilmuth were in
17 the basements of the home. He's trying to get that
18 out so it doesn't interfere with personal time. And
19 houses that are not occupied, he has no way of reading
20 the meter. He doesn't even know when things are
21 broken. So having worked with him and knowing how he
22 works, he doesn't have a full-time employee. So the
23 two officers of the company, basically, are the full-
24 time laborers as well as the administrators. And I've
25 drank the water ever since I was a teenager. And it's

1 good artesian deep-well water.

2 I didn't have any cloudiness in the water
3 until the air pressure got raised. And now it's full
4 of air. Turn the tap on, let it sit in your coffee
5 pot, and you watch the air bubbles disappear, and the
6 water's just as crystal clear as it is in a bottle.
7 So on my behalf, I think they're trying to do a good
8 job, reiterating what other folks have said, and I
9 believe the rate increase is justified, and maybe we
10 could get some more improvements done.

11 JUDGE JORDAN: Okay. Thank you.
12 Commissioner Kenney, any questions for this witness?

13 COMMISSIONER KENNEY: No, Mr. Lane. Thank
14 you for your contribution. And thanks for sharing
15 your thoughts with us.

16 MR. LANE: Thank you.

17 JUDGE JORDAN: You're excused. Who else
18 would like to comment on this action? Anyone else?
19 Does anyone else have anything to say to the
20 Commission about this proposed rate increase?

21 MS. PATRICIA CORDIA: Can I just ask how
22 long it's been since they had a raise.

23 JUDGE JORDAN: I'll refer -- I'll defer
24 that to Staff, when the last one --

25 MS. LOIS STANLEY: '93.

1 MR. BUSCH: Yeah. I'd say it's been
2 about almost 20 years.

3 MR. EAVES: Sorry. Didn't hear the
4 question.

5 MR. BUSCH: How long since their last rate
6 increase.

7 MS. LOIS STANLEY: '93.

8 MR. BUSCH: Early '90s?

9 MS. LOIS STANLEY: '93/'94.

10 JUDGE JORDAN: Would anyone else like to
11 comment? Anything else on this rate increase that's
12 proposed? Going once. Going twice. No one else?
13 All right, then. That will conclude the testimony in
14 this action. If you have any further questions or
15 comments, of course those can go to Staff or to the
16 Office of Public Counsel. Want to thank the VFW for
17 making this facility available. And I thank everyone
18 for attending this evening and taking time out of
19 their lives to help the PSC make its decision. And
20 with that, we are adjourned.

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