

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

Early Prehearing

December 14, 2009
Jefferson City, Missouri
Volume 1

In the Matter of Missouri-American)
Water Company's Request for)
Authority to Implement a General)Case No. SR-2010-0135
Rate Increase for Water and Sewer)
Services Provided in Missouri)
Services Areas.)

In the Matter of Missouri-American)
Water Company's request for)
Authority to Implement a General)Case No. WR-2010-0131
Rate Increase for Water Service)
Provided in Missouri Service Areas.)

JUDGE DANIEL R.E. JORDAN, Presiding
REGULATORY LAW JUDGE
JUDGE NANCY DIPPELL,
DEPUTY REGULATORY LAW JUDGE

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

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

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

A P P E A R A N C E S

For Staff of the Missouri Public Service Commission:

Ms. Jennifer Hernandez
Ms. Colleen Dale
Mr. Kevin Thompson
Public Service Commission
P.O. Box 360
200 Madison Street, Suite 800
Jefferson City, MO 65102
(573) 751-8706

For Office of Public Counsel and the Public:

Ms. Christina Baker, PE, JD
Department of Economic Development
Office of the Public Counsel
200 Madison Street
P.O. Box 2230
Jefferson City, MO 65102
(573) 751-5565

For City of Joplin:

Mr. Thomas Schwarz, Jr.
Blitz, Bardgett & Deutsch
308 East High Street, Suite 301
Jefferson City, MO 65101
(573) 634-2500

For Public Water Supply District No. 1 of Andrew County,
Public Water Supply District No. 2 of Andrew County and
Public Water Supply No. 1 of DeKalb County:

Mr. Larry W. Dority
and Mr. James M. Fischer
Fischer & Dority, PC
101 Madison, Suite 400
Jefferson City, MO 65101
(573) 636-6758

1 A P P E A R A N C E S (CONTINUED)

2

3

4 For AG Processing, Inc.:

5

6 Mr. David Woodsmall
7 Mr. Stuart W. Conrad
8 Finnegan, Conrad & Peterson
9 1209 Penntower
10 3100 Broadway
11 Kansas City, MO 64111
12 (816) 753-1122

13

14

15 For City of Jefferson:

16

17 Mr. Mark W. Comley
18 Newman, Comley & Ruth
19 601 Monroe Street, Suite 301
20 P.O. Box 537
21 Jefferson City, MO 65101
22 (573) 634-2266

23

24

25 For Metropolitan Sewer District:

26

27 Mr. J. Kent Lowry
28 Armstrong Teasdale
29 3405 West Truman Boulevard, Suite 210
30 Jefferson City, MO 65109
31 (573) 636-8394

32

33 For St. Louis Area Fire Sprinkler Association:

34

35 Mr. Terry C. Allen
36 Allen Law Offices
37 612 E. Capitol Avenue
38 Suite A
39 Jefferson City, MO 65102
40 (573) 636-9667

41

42

43

1 A P P E A R A N C E S (CONTINUED)

2

3 For City of St. Joseph:

4 Mr. William D. Steinmeier
5 William D. Steinmeier, PC
6 2031 Tower Drive
7 Jefferson City, MO 65109
8 (573) 659-8672

7

8 For Missouri-American Water Company:

9 Mr. Dean L. Cooper
10 Brydon, Swearingen & England
11 312 E. Capitol
12 P.O. Box 456
13 Jefferson City, MO 65102
14 (573) 635-7166

12

13 For Triumph Foods, LLC, via telephone:

14 Mr. Roger W. Steiner
15 Sonnenschein, Nath & Rosenthal
16 4520 Main Street, Suite 1100
17 Kansas City, MO 64111
18 (816) 410-2545

16

17 For City of Warrensburg:

18 Mr. Leland B. Curtis
19 Curtis, Heinz, Garrett & O'Keefe
20 130 S. Bemiston, Suite 200
21 Clayton, MO 63105
22 (314) 725-8788

21

22 For Missouri Energy Group:

23 Ms. Lisa Langeneckert
24 Sandberg, Phoenix & von Gontard, PC
25 One City Centre, 15th Floor
 St. Louis, MO 63101-1880
 (314) 231-3332

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

A P P E A R A N C E S (CONTINUED)

For Utility Workers Union of America Local 335:

Mr. Michael A. Evans
Attorney at Law
7730 Carondelet, Suite 200
St. Louis, MO 63105
(314) 727-1015

1 PROCEEDINGS

2 JUDGE JORDAN: All right, then. We will go on
3 the record. The Commission calls two cases, Files No.
4 WR-2010-0131 and SR-20-0135 (sic). Each is styled in the
5 matter of Missouri American Water Company's request for
6 authority to implement a general rate increase for water
7 service provided in Missouri service areas.

8 The other one is in the matter of Missouri
9 American Water Company's request for authority to
10 implement a general rate increase for sewer services
11 provided in Missouri service areas.

12 I'm Daniel Jordan, the Regulatory Law Judge
13 assigned to this case. I'm first hearing this case.
14 Second chairing with me is Judge Dippell.

15 Here's what we're going to do. We're going to
16 conduct this conference. The first part will be on the
17 record with the court reporter. After we go off the
18 record, the parties will have the opportunity to discuss
19 issues.

20 Judge Dippell and I will be out of the room, so
21 you can all discuss whatever sensitive matters you may
22 have out of our presence. And in that connection, let me
23 also remind the parties that the -- the Public Service
24 Commission does offer mediation services.

25 All the Regulatory Law Judges have received the

1 civil mediation training from the University of Missouri
2 Law School, and they all have a very good feel for that
3 process. So if that can assist you, I remind you that it
4 is available for you.

5 We have several pending motions to take up. And
6 before we do that, I'm going to take entries of
7 appearance. And I'm going to ask the parties if they
8 haven't already given a written, give their address and
9 identifying information to the court reporter in writing.
10 Please do so when you make your entry of appearance.

11 I'm going to start with the persons on the
12 telephone right now. Let's begin with Missouri Energy
13 Group, please.

14 MS. LANGENECKERT: Appearing of the Missouri
15 energy group, my name is Lisa Langeneckert, and I'll spell
16 my last name. It's L-a-n-g-e-n-e-c-k-e-r-t. I'm with the
17 law firm of Sandberg, Phoenix, like the city in Arizona,
18 and Von Gontard. Von Gontard is spelled V-o-n
19 G-o-n-t-a-r-d. I'm done spelling. My address is 515
20 North 6th Street, St. Louis, Missouri, 63101.

21 JUDGE JORDAN: Thank you. For the Utility
22 Workers Union of America, Local 353?

23 MR. EVANS: Yes. This is Mike Evans. I'm with
24 Hammond & Shinnars, and that's H-a-m-m-o-n-d, and
25 Shinnars, S-h-i-n-n-e-r-s. We're at 7730 Carondelet

1 Avenue, and that's C-a-r-o-n-d-e-l-e-t, Suite 200, St.
2 Louis, Missouri, 63105.

3 JUDGE JORDAN: Thank you. For the City of
4 Warrensburg?

5 MR. CURTIS: Thank you, Judge. Leland B.
6 Curtis of the law firm and Curtis, Heins, Garrett and
7 O'Keefe. Our address is 130 South Bemiston, Suite 200,
8 Clayton, Missouri, 63105. And, Judge, I appreciate very
9 much your affording us the teleconference bridge this
10 morning.

11 JUDGE JORDAN: Well, happy to arrange that.
12 Happy to arrange that and make this avenue for your
13 participation possibly. And we also have someone
14 referring the Triumph Foods, LLC.

15 MR. STEINER: Yes. This is Roger Steiner. I am
16 with the law firm of Sonnenschein, Nath & Rosenthal,
17 That's S-o-n-n-e-n-s-c-h-e-i-n. The address is 4520 Main
18 Street, Kansas City, Missouri, 64111.

19 JUDGE JORDAN: Thank you. And you'd like to
20 participate in this conference by telephone, also; is that
21 correct?

22 MR. STEINER: That's right.

23 JUDGE JORDAN: I will grant that motion.

24 JUDGE JORDAN: Next, an entry of appearance from
25 the Applicant, please.

1 MR. ENGLAND: Thank you, your Honor. Let the
2 record reflect the appearance of W.R. England and Dean
3 Cooper of the law firm of Brydon, Swearngen & England.
4 We have filed a written entry of appearance. Our mailing
5 address is Post Office Box 456, Jefferson City, Missouri,
6 65102. And we're appearing on behalf of Missouri American
7 Water Company.

8 JUDGE JORDAN: Thank you. For the Staff of the
9 Public Service Commission?

10 MS. HERNANDEZ: Good morning. May the record
11 reflect Jennifer Hernandez, Colleen Dale and Kevin
12 Thompson appearing on behalf of the Staff of the Missouri
13 Public Service Commission, P.O. Box 360, Jefferson City,
14 Missouri, 65102.

15 JUDGE JORDAN: Thank you. And for the Office of
16 Public Counsel?

17 MS. BAKER: Thank you, your Honor. Christina
18 Baker, P.O. Box 2230, Jefferson City, Missouri, 65102,
19 appearing on behalf of the Office of the Public Counsel
20 and the ratepayers.

21 JUDGE JORDAN: Thank you. We also have a
22 lengthy list of intervenors. For AG Processing Inc.,
23 please.

24 MR. WOODSMALL: Good morning, your Honor. Let
25 the record reflect the appearance of David Woodsmall and

1 Stuart W. Conrad of the firm of Finnegan, Conrad &
2 Peterson, appearing on behalf of AG Processing, Inc. I've
3 already provided our address and other pertinent
4 information to the court reporter.

5 JUDGE JORDAN: Thank you. For St. Louis Area
6 Fire Sprinkler Association?

7 MR. ALLEN: Good morning, Judge Jordan. Terry
8 Allen, Allen Law Offices here in Jeff City. I provided
9 the information to the court reporter.

10 JUDGE JORDAN: Thank you. For the City of
11 Joplin?

12 MR. SCHWARZ: May it please the Commission. Tim
13 Schwarz and Mark Ellinger, Blitz, Bardgett & Deutsch, 308
14 East High Street, Jefferson City, Missouri.

15 JUDGE JORDAN: Thank you. We have three water
16 districts intervening, also. An entry of appearance for
17 the water districts, please?

18 MR. DORITY: Thank you, Judge Jordan. Appearing
19 on behalf of the Public Water Supply Districts Nos. 1 and
20 2 Andrew County and Public Water Supply District No. 1 of
21 DeKalb County, Larry W. Dority and James M. Fischer with
22 Fischer & Dority, PC. Our address is 101 Madison, Suite
23 400, Jefferson City, Missouri, 65102.

24 JUDGE JORDAN: Thank you. For Metropolitan St.
25 Louis Sewer District?

1 MR. LOWRY: Good morning, your Honor. Kent
2 Lowry of the firm Armstrong Teasdale. Also, Byron Francis
3 will be entering in this case and has already. I've
4 provided the address information to the court reporter
5 earlier.

6 JUDGE JORDAN: Thank you. For the City of
7 Riverside?

8 MR. BEDNAR: Joe Bednar, Spencer, Fane, Britton,
9 Brown. Our address is 308 East High Street, Suite 222,
10 Jefferson City, Missouri, 65101, entering his appearance.

11 JUDGE JORDAN: For the City of St. Joseph?

12 MR. STEINMEIER: Thank you, your Honor. Please
13 let the record reflect the appearance of William D.
14 Steinmeier, William D. Steinmeier, PC, of Jefferson City,
15 Missouri, appearing on behalf of the City of St. Joseph,
16 Missouri.

17 JUDGE JORDAN: Thank you. For the City of
18 Jefferson?

19 MR. COMLEY: Good morning, Judge Jordan.
20 Appearing on behalf of the City of Jefferson City, Mark W.
21 Comley, Newman, Comley & Ruth, 601 Monroe Street,
22 Jefferson City, Missouri, 65102.

23 JUDGE JORDAN: Thank you. We also have an
24 applicant for late intervention, and that is Missouri
25 Industrial Energy Consumers. Is someone here entering an

1 appearance for that Applicant? That motion was filed on
2 December 8th. I have heard no objections to it. Does
3 anyone want to speak to or against that motion? Then I
4 will grant that motion and admit the applicant for late
5 intervention.

6 All right. There is an issue with regard to the
7 setting of local public hearings. I'm sorry. Is someone
8 -- someone saying something on the telephone? It was very
9 faint. I -- I thought I heard something.

10 Okay. All right. Mr. England, would you want
11 to speak to the issue on the local public hearings?

12 MR. ENGLAND: Thank you, Judge. The question I
13 had was in the order scheduling prehearing conference and
14 other things, and there was a statement that local public
15 hearings should be scheduled for at least one week after
16 the filing of all direct testimony.

17 And my question had to do with whether or not
18 all direct testimony meant both direct testimony
19 addressing cost of service and rate design or simply the
20 first filing of direct testimony, which I understand
21 typically involves cost of service.

22 JUDGE JORDAN: Okay. Well, does anyone have a
23 preference as to that? Would Office of Public Counsel
24 like to speak to that and express a preference?

25 MS. BAKER: I believe in the past we've had

1 local public hearings after -- or -- or very near to the
2 rate design. So the second filing.

3 JUDGE JORDAN: Okay. So that means the filing
4 of all -- all of design territory -- testimony.

5 MS. BAKER: All.

6 JUDGE JORDAN: Okay. And that issue I will
7 leave to the parties to discuss and reach an agreement on
8 as part of the proposed procedural schedule.

9 MR. ENGLAND: Fair enough. Thank you.

10 MR. SCHWARZ: Judge?

11 JUDGE JORDAN: Yes.

12 MR. SCHWARZ: The City of Joplin would also
13 endorse local public hearings after the rate design
14 testimony filing.

15 JUDGE JORDAN: Okay. Thank you, Counselor. Did
16 anyone else want to speak to that issue before we move on?

17 MR. BEDNAR: Riverside would also support the
18 hearings being held after the filing of direct testimony
19 of rate design.

20 JUDGE JORDAN: Okay. All right. Anyone else?
21 Okay. Well, then I will move on to the pending motion to
22 consolidate. The response date for that has passed, so I
23 will take up that motion. I've had no responses to the
24 motion to consolidate, except from Staff, which endorses
25 the aforesaid motion, so I will grant the motion to

1 consolidate. I will be consolidating the sewer case with
2 the water case. They will travel together under the water
3 rate case's number.

4 The next issue I wanted to take up was with
5 regard to the test year and the true-up date. There are
6 three issues that I see discussed in the motion and
7 responses. Those are the test year's 12-month period
8 itself, the time for known and measurable changes, and
9 then we have a true-up date.

10 So I'll start with the test year. And that
11 proposed is 12-month period ending June 30th, 2009.
12 And I have seen no objection to that. So I will grant
13 that -- that -- that recomm -- that request.

14 The next part is the issue of known and
15 measurable changes. And while we have many intervenors,
16 we've had no objections except for some discussion by
17 Staff and Office of Public Counsel. And there is a little
18 bit of ambiguity in how I read Missouri American's
19 recommendation on that. Let me get that language in front
20 of me.

21 I'd like Missouri American to just -- just do
22 some clarification, if they would. I'm looking at the
23 recommendation concerning test year and request for
24 true-up audit and hearing. And the company proposes the
25 period that I've just ruled on followed by this language:

1 Adjusted or changes that are known and measurable at this
2 time and which will be effective by the time new rates are
3 anticipated.

4 And the second part I think I understand.
5 It's the first part that I don't, Adjusted for changes
6 that are known and measurable at this time. Does that
7 mean at the June 30th, 2009, date or as of the filing of
8 this recommendation?

9 MR. ENGLAND: Your Honor, I believe it meant at
10 the time of the filing of the application.

11 JUDGE JORDAN: Okay. And that's -- I think
12 that's November 2nd, 2009.

13 MR. ENGLAND: Actually, I think it was October
14 30th.

15 JUDGE JORDAN: Oh, really? Okay. Okay. Well,
16 October 30th, 2009, is the date endorsed by the Office of
17 Public Counsel. Staff has a different idea on that. I'll
18 have the Applicant speak to that first, will you, please?

19 MR. ENGLAND: Well, at --at the time we filed
20 the case, we know of certain items of revenue and/or
21 expense that will change up to and including the operation
22 of law date.

23 I don't think we've proposed anything beyond or
24 true-up date of April 30th, 2010. But there are changes,
25 I believe, in contracts with unions, arrangements or pay

1 scales with non-union employees that may take effect in
2 the, say, January time frame, as an example. January
3 2010, that is. So we've tried to build those into the
4 case.

5 The important feature for us -- it's not so much
6 the known and measurable as it is the true-up date, which
7 is the April 30th, 2010, suggested date. So that's more
8 critical to us than the known and measurable period.

9 JUDGE JORDAN: Okay. Okay. Would Staff like to
10 say something about the known and measurable changes date?

11 MS. HERNANDEZ: I'll just reiterate what was in
12 Staff's pleading, that Staff would like to have December
13 31st set as the known and measurable date just so we have
14 the most current information available from the company
15 for the Staff to review. And I'll save our true-up
16 date --

17 JUDGE JORDAN: Right. I'll be getting to that
18 next.

19 MS. HERNANDEZ: Okay.

20 JUDGE JORDAN: Does OPC want to add anything to
21 this?

22 MS. BAKER: I would -- I would agree more with
23 the company in that regard. If we were going to have a
24 true-up date than the need for the -- the known and
25 measurable update is -- is kind of moot. It -- we -- we

1 would go more with what the company knew at the time that
2 it filed the case.

3 JUDGE JORDAN: Okay. Let me take an opportunity
4 to ask the parties to help me out with this because this
5 is kind of a rate-making. It's a little different from
6 what I'm used to.

7 I understand the idea of a test year, 12-month
8 period, to figure out what the numbers are for this
9 utility. And I'm a little fuzzy as to known and
10 measurable changes and how they differ from the idea of
11 the true-up.

12 I think the idea is to get us the most accurate
13 information as close to when we make a decision as
14 possible. If someone can articulate that a little clearer
15 or better, I'd be happy to hear it. I'll start with the
16 Applicant, if I may.

17 MR. ENGLAND: Judge, you're as confused as I am
18 about the notion of known and measurable versus a true-up.
19 And I've been doing this a long time.

20 JUDGE JORDAN: Okay.

21 MR. ENGLAND: I think what -- what Staff really
22 is proposing to do is to -- when they filed their case,
23 bring it forward essentially six months. So they will
24 have reviewed every element of cost of service expense,
25 revenue, rate base and -- and brought it forward to

1 12/31/09.

2 JUDGE JORDAN: Uh-huh.

3 MR. ENGLAND: And essentially the testimony year
4 at that time moves, and the company will try to update and
5 match the Staff at that time and the test year has
6 essentially moved.

7 The true-up date is not a complete review of
8 every element of cost of service. It's a review of those
9 significant items that will impact cost of service such as
10 rate base, new plants that's brought on line, wage rates
11 that may have changed, depreciation, things -- significant
12 elements of the cost of service that can be verified on a
13 relatively quick basis after the true-up date and, if
14 necessary, discussed and -- and argued in the context of
15 the true-up hearing.

16 So, again, it gets back to my notion. I'm not
17 sure I understand what known and measurable means. I
18 think it means different things to different people. But
19 the critical date for us is the true-up date and the --
20 and what items will be trued up at that point in time.

21 JUDGE JORDAN: Okay. So, really, they kind of
22 serve the same function, which is to update the numbers
23 from the test year is what you're telling me. Is that
24 about right?

25 MR. ENGLAND: Yes, sir.

1 JUDGE JORDAN: And they both kind of do the same
2 thing?

3 MR. ENGLAND: Correct, Judge.

4 JUDGE JORDAN: Does OPC or Staff want to add to
5 that discussion?

6 MS. BAKER: The addition of the update time into
7 December, really, all it does is add additional work for
8 -- for the parties to review extra information. It gives
9 another time for -- for needing my experts to look at data
10 when, really, the -- the true-up is there already.

11 JUDGE JORDAN: Okay.

12 MS. BAKER: So that's why we would -- we would
13 not find that to be appropriate.

14 JUDGE JORDAN: Okay. And that's why you prefer
15 the date that you do?

16 MS. BAKER: Correct.

17 JUDGE JORDAN: I understand. Because we're --
18 we're talking about some redundancy is what you're talking
19 about.

20 MS. BAKER: Correct.

21 JUDGE JORDAN: Does Staff have anything to add
22 to -- to that?

23 MS. HERNANDEZ: Well, I think the most important
24 argument for the December 31st date would be we need that
25 -- Staff needs that more accurate information to be used

1 for any settlement discussions that may occur. So the
2 updating of the information from June to December is
3 relevant long period of time and then from June to the
4 following proposed test year date is definitely an
5 extended period of time. So the -- the bringing forward
6 of the numbers is most useful for any settlement
7 discussions that might be occurring.

8 JUDGE JORDAN: Okay. Okay. I think that
9 explains why Office of Public Counsel was unsure whether a
10 true-up would be needed at all in its filing of its
11 position. Does anyone else want to say anything about the
12 true-up date itself? Let's start with the Applicant.

13 MR. ENGLAND: As I said, the true-up date is the
14 most critical feature of the -- the case for us because
15 -- and I can't recall the numbers, but there is a
16 significant amount of plant we expect to invest and bring
17 on -- invest in and bring on line from the end of the test
18 period, which is June 30th of '09 through that April 20th
19 period.

20 JUDGE JORDAN: April, I think.

21 MR. ENGLAND: April 30th. Excuse me. In fact,
22 a large portion of that plant investment will be brought
23 on line after the first of the year. So simply upping the
24 test period to 12/31/09 is not do going to capture a
25 significant amount of plant investment that we plan to

1 bring on line in the first four months of the year.

2 JUDGE JORDAN: Okay. Now, the April 30th date
3 also has the endorsement of Office of Public Counsel; is
4 that correct?

5 MS. BAKER: Our filing was that we didn't feel
6 that it was appropriate to do it now, but if -- if you
7 did, then the April 30th date was -- was fine with Public
8 Counsel.

9 JUDGE JORDAN: I understand. I understand.
10 Thank you. And Staff -- does Staff have anything to add
11 to my enlightenment on this issue?

12 MS. HERNANDEZ: Again, we're not arguing that
13 there shouldn't be a true-up period. We're just concerned
14 with the timing of the evidentiary hearing and, also,
15 Staff being able to conduct the true-up audit
16 concurrently.

17 So we were hoping that we could reserve our
18 recommendation on the true-up audit and hearing dates
19 until our class cost of service testimony is filed in this
20 case.

21 JUDGE JORDAN: Okay. Anything else that anyone
22 else wants to add to this discussion of the known and
23 measurable change date and the true-up date?

24 All right. I -- I thank you for your -- your
25 helpful discussion on that matter. I'm going to reserve

1 ruling on both of those issues on the date for known and
2 measurable changes and the true-up date. And I will
3 commend that to the parties' discussion. I hope that you
4 can reach some agreement during your -- the construction
5 of your proposed procedural schedule.

6 Now, what this will mean is that you will -- you
7 will eventually need my rulings on these matters. So my
8 suggestion is that the proposed procedure schedule include
9 a date for either having an agreement to me on that -- it
10 would be best if you could agree on what those -- what
11 those -- resolution of those matters.

12 If not, have either a date for making an
13 agreement or for submitting argument to me on that so that
14 I may have -- you may have my ruling on that. Any
15 questions on that matter before we move on?

16 All right. Well, I think that exhausts the
17 issues that I wanted to bring to this -- to this early
18 procedural conference. Judge, did you have anything you
19 wanted to raise?

20 JUDGE DIPPELL: (Judge Dippell shakes head.)

21 JUDGE JORDAN: All right. Is there anything
22 else I can do for anyone while you have me here and while
23 we're on the record?

24 MR. ENGLAND: Judge, I have a couple of
25 questions, if I may.

1 JUDGE JORDAN: Yes, sir.

2 MR. ENGLAND: Well, one question, perhaps, and
3 one point I just want to make -- I want to make for the
4 record. The first question is, in light of the
5 consolidation of the sewer and water filings, you had set
6 separate hearings for sewer and for the water.

7 JUDGE JORDAN: Uh-huh.

8 MR. ENGLAND: And I guess this goes to even a
9 broader question. How set in stone, if you will, are
10 these hearing dates? And is there some ability to move
11 them if the parties can mutually agree on that?

12 JUDGE JORDAN: Well, that's a good question.
13 I'm glad you raised that. I had separately scheduled the
14 sewer and the water hearings, and those dates are reserved
15 on our calendar.

16 And while I'm talking about the reservation of
17 dates, we also have dates reserved for a true-up hearing,
18 if necessary. As far as the separation of the sewer and
19 the water issue, you can -- you can stay with that if that
20 is more convenient, or you can -- you can move those dates
21 as the parties agree.

22 MR. ENGLAND: Maybe let me be more specific.
23 The last rate case involving this company, there were
24 several other filings, large filings, going on at the same
25 time, and the Commission felt very constrained in when

1 they could hear the water case, for example, in relation
2 to the other cases that they were -- had scheduled or were
3 scheduling.

4 And the parties didn't realize that at the time
5 we proposed the procedural schedule, and we proposed
6 moving the hearing dates back, I believe, by some amount,
7 only to be told rather emphatically by the Commission
8 that, no, these are the dates when we're going to have the
9 hearing, go back to the drawing board and come up with a
10 new procedural schedule that culminates in these dates.

11 I guess my question, a bit more pointedly, is
12 are the hearing dates in this case so firmly established
13 that the Commission will not consider changes, or is that
14 an opportunity or a possibility?

15 JUDGE JORDAN: Well, I'll tell you, the schedule
16 is very tight. We've had several such filings, and the
17 calendar is very crowded, and the use of our hearing rooms
18 is also very crowded. It was a challenge to schedule
19 these as I did. So I wouldn't count on a whole lot of
20 flexibility in these hearing dates.

21 MR. ENGLAND: Fair enough.

22 JUDGE JORDAN: And I don't mind accommodating
23 the parties, but I just -- you know, as I look at the
24 calendar, it's very crowded.

25 MR. ENGLAND: Thanks. The other issue I wanted

1 to make note of, just for purposes of the record, we
2 anticipate filing some supplemental or, I guess, revised
3 testimony and schedules from our rate design witness, Mr.
4 Paul Herbert.

5 After filing the case and on further review, we
6 determined that there was a -- an error in the way in
7 which costs were allocated in the St. Joseph District.
8 And while it will not impact the overall proposed increase
9 to the St. Joseph District, it will impact the way in
10 which we propose to recover those costs through rates to
11 customers.

12 I'm prepared to discuss that off the record with
13 the parties. We have some tentative figures. We hope to
14 have that firmed up and probably filed later in the week.
15 Certainly, no later than next week.

16 JUDGE JORDAN: Okay. Thank you. I appreciate
17 you mentioning that. Anything else? Anything from anyone
18 before we go off the record? Then we'll adjourn this
19 conference, and we'll go off the record. Thank you.

20 (The proceedings were concluded at 10:40 a.m. on
21 December 14, 2009.)

22

23

24

25

1 REPORTER'S CERTIFICATE

2

3 STATE OF MISSOURI)
)ss.
4 COUNTY OF OSAGE)

5

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

15

16

17

18

19

20

21 Monnie S. Mealy, CSR, CCR #0539

22

Registered Professional Reporter

23

24

25