

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
JEFFERSON CITY  
October 1, 1999**

**CASE NO: SC-2000-256**

**Office of the Public Counsel**  
P.O. Box 7800  
Jefferson City, MO 65102

**General Counsel**  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

**Capital Utilities, Inc.**  
P. O. Box 7017  
Jefferson City, MO 65102

**Enclosed find certified copy of a NOTICE in the above-numbered case(s).**

**Sincerely,**



**Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge**

**Uncertified Copy:**

**Herbert Haneman**  
3003 Bluebird Hollow  
Sedalia, MO 65301

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

Herbert Hanneman,	)	
	)	
Complainant,	)	
	)	
v.	)	<u>Case No. SC-2000-256</u>
	)	
Capital Utilities, Inc.,	)	
	)	
Respondent.	)	

**NOTICE OF COMPLAINT**

Capital Utilities, Inc.  
P.O. Box 7017  
Jefferson City, Missouri 65102  
**CERTIFIED MAIL**

On September 29, 1999, Herbert Hanneman filed a complaint with the Missouri Public Service Commission against Capital Utilities, Inc. A copy of that Complaint is enclosed. As provided in 4 CSR 240-2.070, Respondent, Capital Utilities, Inc., shall have 30 days from the date of this notice to file an answer or to file notice that the complaint has been satisfied.

In the alternative, Capital Utilities, Inc. may file a written request that the complaint be referred to a neutral third-party mediator for **voluntary mediation** of the complaint. Upon receipt of a request for mediation, the 30-day time period shall be tolled while the Commission determines whether or not Mr. Hanneman is also willing to submit to voluntary mediation. If Mr. Hanneman agrees to mediation, the time period within which an answer is due will be suspended while the mediation process proceeds. Additional information regarding the mediation process is enclosed.

If Mr. Hanneman declines the opportunity to seek mediation, Capital Utilities, Inc. will be notified in writing that the tolling has ceased and will also be notified of the date by which an answer or notice of satisfaction must be filed. That period will usually be the remainder of the original 30-day period.

All pleadings (the answer, the notice of satisfaction of complaint, or request for mediation) shall be mailed to:

Secretary of the Public Service Commission  
P.O. Box 360  
Jefferson City, Missouri 65102-0360

A copy shall be served upon Mr. Hanneman at 30032 Bluebird Hollow,  
Sedalia, Missouri 65301. A copy of this notice has been mailed to Mr.  
Hanneman.

**BY THE COMMISSION**



**Dale Hardy Roberts**  
**Secretary/Chief Regulatory Law Judge**

(S E A L)

Dated at Jefferson City, Missouri,  
on this 1st day of October, 1999.

Copy to: Herbert Hanneman

Woodruff, Regulatory Law Judge

BEFORE THE PUBLIC SERVICE COMMISSION OF THE  
STATE OF MISSOURI

FILED<sup>3</sup>  
SEP 29 1999

Missouri Public  
Service Commission

Herbert HANNEMAN  
(your name)  
Complainant

vs.

Case No. SC-2000-256

Capital UTILITIES INC  
(company name)

Respondent.

COMPLAINT

Complainant resides at 30032 Bluebird Hollow  
SEDALIA, Mo. 65301.

1. Respondent, CAPITAL UTILITIES INC.  
(company name)  
of Jefferson City, Mo., is a public utility under the jurisdiction of  
the Public Service Commission of the State of Missouri.

2. As the basis of this complaint, complainant states the following facts:

I have been the owner of 2516 Rosebud, Sedalia, Mo. Since November 1992 and it has been a rental property that entire time. Capital Utilities has known I was the owner as they were told that each time the water went into my name between tenants. And also evidenced by the fact that the tenant, Monica Shepard, in possession in 1996/1997 was in arrears, left an unpaid bill, a copy of which was sent to me requesting I pay the entire bill water and sewer, copy of bill enclosed, (see copy attachment #1). That was when I first learned of the tariff rules allowing them to revert the payment responsibility of the sewer only over to the owner of the property. I took the Shepards to court and the judge decreed they pay my damages and also the unpaid Capital Utilities bill at that time.

Now comes Capital Utilities again trying to pass along the water and sewer bill of Don Bauer, the next tenant for the same property, saying it got so far behind because he kept writing bad checks and that they didn't know I was the owner. I informed them that they could only pass along the sewer portion. A lengthy discussion ensued over several days including a shutoff and denial of service to our next tenant. A call to the Public Service Comm. was required to get water service provided to the new tenant.

Then I get the unpaid bill sent to [redacted] copy enclosed (see copy attachment #2) [redacted] please note that the sewer portion is more than twice what the water portion is! I have never seen a water/sewer bill where the sewer charge is more than the water charge! It's generally slightly less than the water. Even another house I own in the same subdivision serviced by Capital Utilities, 2816 Meadow Wood, has a lower sewer portion than the water portion, copy enclosed (see copy attachment #2). I truly believe that because I wasn't willing to pay the entire water and sewer bill and am only responsible for the sewer portion Capital Utilities has weighted that portion higher in an effort to extort additional moneys from me.

The sewer tariffs rule 9 para. L states that "*the owner of the property to be ultimately responsible for payment of bills for service.*" It DOES NOT say bills for service and penalties. **DO TO THE FACT THAT I WAS NOT IN ARREARS**, the tenant was, I FEEL THE BILL FOR SERVICE IS THE ONLY AMOUNT THAT SHOULD BE ALLOWED TO BE PAST ON, NOT PENALTIES INCURRED BY ANOTHER if anything at all should be past on to the owner.

The sewer tariffs rule 9 para. L further states, "*provided the company has made reasonable and timely efforts to collect bills due from the customer.*" The sewer charge of \$89.49 on the bill is **MORE THAN FIVE MONTHS** of sewer bills. If a person is allowed service without paying for over five months than rule 9 has not been adhered to otherwise service would have been discontinued. When I stated this objection to Capital Utilities they explained he kept giving them a bad check for payment. When I receive a bad check I request further payments be made in cash, money order, or some other form than a personal check. They as a responsible business should also do the same.

The sewer tariff Rule 9 para. L further states, "*All notices of delinquent bills or disconnection shall also be sent to the owner of the property.*" I had not received any such notice of delinquency. Capital Utilities claims they didn't know I was the owner. I have addressed that matter at the beginning of this complaint in the fact that this same property was in default on the previous tenant when Don Bauer moved into it. At that time I was dealing with Capital Utilities on the Monica Shepard matter and a court decision resolved the bill to their satisfaction. How could they possibly have NOT been aware of the fact I was the owner! They will represent any circumstance in whatever light that will possibly allow them to shift responsibility upon someone other than themselves!

In summary I feel that Capital Utilities has been in **NON-COMPLIANCE WITH THE TARIFF** in several areas and therefore should not be allowed to pass on this exaggerated sewer bill. Your help on this matter is requested and appreciated.

Thank you for your time and consideration.

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3. The complainant has taken the following steps to present this complaint to the respondent:

My wife and I have stated the facts previously mentioned in the preceding paragraph 2 to Capital Utilities and in return have received threats of disconnection of water unless we meet the utilities man in the yard with cash to pay the bill. If they had done that when they were receiving bad checks from Don Bauer the bill would have been paid and we wouldn't be in this situation now!..... "*provided the company has made reasonable and timely efforts to collect bills due from the customer*".

WHEREFORE, Complainant now requests the following relief:

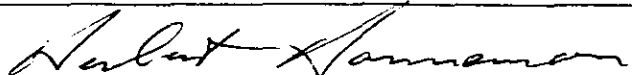
I request the PSC determine that Capital Utilities **HAS NOT** been in compliance with the tariff, **HAVE NOT** done their required job to make reasonable and timely efforts to collect bills due from the customer, **HAVE NOT** sent notices of delinquent bills to the owner, and therefore are not allowed to pass the delinquent tenant bill or tenant late charges to the owner.

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9-19-99

Date

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Signature of Complainant

# Account History

Co. #: 003 Serv. ID: 10233 Acct. #: MW0441 Route No.: 1  
 Name: Shepard Monica Telephone #: (816) 827-0293  
 Service Addr: 2516 Rosebud Circle Serv. #:  
 Sedalia, MO 65301 Cur Bal: 105.08

Date	Type	Rsp	SC	Bal. Frwd.	Amount
03/03/97	Charge		L	81.66	23.42
02/25/97	Charge			47.28	34.38
02/25/97	Penalty			42.28	5.00
01/23/97	Payment	LT	J21	72.31	-30.03
01/25/97	Charge			35.03	37.28
01/23/97	Penalty			30.03	5.00
01/27/97	Adjustment			35.03	-5.00
01/27/97	Adjustment			40.03	-5.00
01/27/97	Penalty			35.03	5.00
12/30/96	Payment	RS	D30	74.36	-39.33
12/25/96	Charge			44.33	30.03
12/20/96	Penalty			39.33	5.00

\*=Print PgDn=Next End=Last Screen Esc=Next Entry

COPY  
 ATTACHMENT  
 # 1

# COPY ATTACHMENT # 2

CAPITAL UTILITIES, INC.  
P.O. BOX 7017  
JEFFERSON CITY, MO 65102  
573-634-2699 or 1-800-624-5252  
OFFICE: 312 LAFAYETTE ST.

SERVICE AT	2516 Rosebud Circle			
SERVICE ID	10233	ACCOUNT #	MW0844	
SERVICE	PRV. READING	CURRENT	USAGE	AMOUNT
Water				43.10
Water Prim Fee				2.00
Sewer				89.49
Sewer Penalty				35.00

Total Sewer Due

\$124.49

PLEASE RETURN THIS STUB WITH PAYMENT

Joe & Loretta Hanneman  
30032 Blue Bird Hollow  
Sedalia Mo 65301

*Don Bauers Bill*  
*Sent to us*  
*TO PAY*

*Another property I own IN THE SAME SUB-DIVISION* →

CAPITAL UTILITIES, INC.  
P.O. BOX 7017  
JEFFERSON CITY, MO 65102  
573-634-2699 or 1-800-624-5252  
OFFICE: 312 LAFAYETTE ST.

SERVICE AT	2816 Meadow Wood Drive			
SERVICE ID	10387	ACCOUNT #	MW1000	
SERVICE	PRV. READING	CURRENT	USAGE	AMOUNT
Water	278000	288000	10000	17.45
Sewer				13.62
Prim				0.00

SERVICE 06/25/99 TO 07/22/99  
DUE DATE 08/15/99

PRIOR BAL	CURRENT AMT	TOTAL DUE
0.00	31.07	31.07



*Commissioners*

SHEILA LUMPE  
Chair

HAROLD CRUMPTON

CONNIE MURRAY

ROBERT G. SCHEMENAUER

M. DIANNE DRAINER  
Vice Chair

## Missouri Public Service Commission

POST OFFICE BOX 360  
JEFFERSON CITY, MISSOURI 65102  
573-751-3234  
573-751-1847 (Fax Number)  
<http://www.ecodev.state.mo.us/psc/>

GORDON L. PERSINGER  
Acting Executive Director  
Director, Research and Public Affairs

WESS A. HENDERSON  
Director, Utility Operations

ROBERT SCHALLENBERG  
Director, Utility Services

DONNA M. KOLILIS  
Director, Administration

DALE HARDY ROBERTS  
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE  
General Counsel

### Information Sheet Regarding Mediation of Commission Formal Complaint Cases

Mediation is process whereby the parties themselves work to resolve their dispute with the aid of a neutral third-party mediator. This process is sometimes referred to as "facilitated negotiation." The mediator's role is advisory and although the mediator may offer suggestions, the mediator has no authority to impose a solution nor will the mediator determine who "wins." Instead, the mediator simply works with both parties to facilitate communications and to attempt to enable the parties to reach an agreement which is mutually agreeable to both the complainant and the respondent.

The mediation process is explicitly a problem-solving one in which neither the parties nor the mediator are bound by the usual constraints such as the rules of evidence or the other formal procedures required in hearings before the Missouri Public Service Commission. Although many private mediators charge as much as \$250 per hour, the University of Missouri-Columbia School of Law has agreed to provide this service to parties who have formal complaints pending before the Public Service Commission at no charge. Not only is the service provided free of charge, but mediation is also less expensive than the formal complaint process because the assistance of an attorney is not necessary for mediation. In fact, the parties are encouraged not to bring an attorney to the mediation meeting.

The formal complaint process before the Commission invariably results in a determination by which there is a "winner" and a "loser" although the value of winning may well be offset by the cost of attorneys fees and the delays of protracted litigation. Mediation is not only a much quicker process but it also offers the unique opportunity for informal, direct communication between the two parties to the complaint and mediation is far more likely to result in a settlement which, because it was mutually agreed to, pleases both parties. This is traditionally referred to as "win-win" agreement.



The traditional mediator's role is to (1) help the participants understand the mediation process, (2) facilitate their ability to speak directly to each other, (3) maintain order, (4) clarify misunderstandings, (5) assist in identifying issues, (6) diffuse unrealistic expectations, (7) assist in translating one participant's perspective or proposal into a form that is more understandable and acceptable to the other participant, (8) assist the participants with the actual negotiation process, (9) occasionally a mediator may propose a possible solution, and (10) on rare occasions a mediator may encourage a participant to accept a particular solution. The mediator will not possess any specialized knowledge of the utility industry or of utility law.

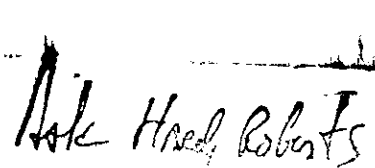
In order for the Commission to refer a complaint case to mediation, the parties must both agree to mediate their conflict in good faith. The party filing the complaint must agree to appear and to make a good faith effort to mediate and the utility company against which the complaint has been filed must send a representative who has full authority to settle the complaint case. The essence of mediation stems from the fact that the participants are both genuinely interested in resolving the complaint.

Because mediation thrives in an atmosphere of free and open discussion, all settlement offers and other information which is revealed during mediation is shielded against subsequent disclosure in front of the Missouri Public Service Commission and is considered to be privileged information. The only information which must be disclosed to the Public Service Commission is (a) whether the case has been settled and (b) whether, irrespective of the outcome, the mediation effort was considered to be a worthwhile endeavor. The Commission will not ask what took place during the mediation.

If the dispute is settled at the mediation, the Commission will require a signed release from the complainant in order for the Commission to dismiss the formal complaint case.

If the dispute is not resolved through the mediation process, neither party will be prejudiced for having taken part in the mediation and, at that point, the formal complaint case will simply resume its normal course.

Date: January 25, 1999



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Dale Hardy Roberts  
Secretary of the Commission

**US Postal Service**  
**Receipt for Certified Mail**

 No Insurance Coverage Provided.  
 Do not use for International Mail (See reverse)

Sent to <b>Capital Utilities</b>	
Street & Number <b>PO Box 7017</b>	
Post Office, State, & ZIP Code <b>Jefferson City Mo 65102</b>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Thank you for using Return Receipt Service.

<b>SENDER:</b> ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: <b>Capital Utilities</b> <b>PO Box 7017</b> <b>Jefferson City Mo</b> <b>65102</b>		4a. Article Number <b>P102316521</b>	
		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
5. Received By: (Print Name)		7. Date of Delivery <b>7 OCT 1999</b>	
6. Signature: (Addressee or Agent) <b>X [Signature]</b>		8. Addressee's Address (Only if requested and fee is paid)	

PS Form 3811, December 1994

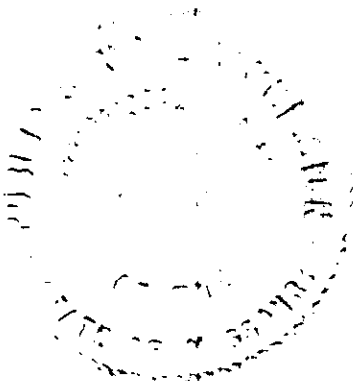
Domestic Return Receipt

**STATE OF MISSOURI**  
**OFFICE OF THE PUBLIC SERVICE COMMISSION**

I have compared the preceding copy with the original on file in this office and

I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,

 Missouri, this 1ST day of OCT, 1999.

**Dale Hardy Roberts**
**Dale Hardy Roberts**  
 Secretary/Chief Regulatory Law Judge