

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

Local Public Hearing
January 5, 2009
Sedalia, Missouri
VOLUME 1

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7 In the Matter of WPC Sewer Company's)Case No. SR-2008-0388
8 Small Company Rate Increase)Tariff No. YS-2008-0334
9 In the Matter of West 16th Sewer)Case No. SR-2008-0389
10 Company's)
11 Small Company Rate Increase)Tariff No. YS-2009-0335
12
13
14 DANIEL JORDAN, Presiding
15 REGULATORY LAW JUDGE
16 ROBERT M. CLAYTON, III
17 TERRY JARRETT
18 COMMISSIONERS
19 CHRISTINA BAKER, P.E., J.D.
20 OPC ATTORNEY
21 GREGG OCHOA
22 PSC STAFF
23 JENNIFER HERNANDEZ
24 STAFF ATTORNEY
25

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

2 (Starting time of the Hearing: 6:10
3 p.m.)

4 JUDGE JORDAN: We are on the record now.
5 Missouri Public Service Commission calls the
6 following cases, number SR-2008-0388 in the matter
7 of the Sewer Company's small company rate increase.
8 Number SR-2008-0389, the matter of West 16th Sewer
9 Company's small company rate increase. We are
10 making a record of these proceedings.

11 My name is Daniel Jordan. I am the
12 Regulatory Law Judge presiding over this proceeding
13 before the Missouri Public Service Commission.
14 (Inaudible) regulates safety and quality of the
15 service for investor-owned utility companies in
16 Missouri and (inaudible) to a decision by a vote by
17 the Commissioners.

18 With us in person this evening is
19 Commissioner Terry Jarrett at my end. And
20 Commissioner Clayton--

21 COMMISSIONER CLAYTON: I'm here, Judge.

22 JUDGE JORDAN: You're ahead of me. Other
23 Commissioners who may be here or who may be asked
24 to be a part of it include Commissioner Chairman
25 Jeff Davis, Mr. Kevin Gunn and we'll be web cast

1 for anyone to see what we're doing and wants to
2 view it. In addition, all Commissioners will be
3 able to view a written transcript of this hearing
4 before making their decision.

5 Other people participating in this
6 proceeding include state employees (inaudible).
7 Staff has its own lawyer, and the Commission's
8 Office of the General Counsel. Will Counsel for
9 Staff please enter appearance and produce any
10 representatives of your client for the record?

11 MS. HERNANDEZ: Yes. Jennifer Hernandez,
12 Staff of the Missouri Public Service Commission,
13 P.O. Box 360, Jefferson City, Missouri, 65102.

14 JUDGE JORDAN: And are you a
15 representative of the Missouri Public Service
16 Commission, (inaudible), for the record?

17 MS. HERNANDEZ: Sure. There's Kim Bush,
18 Kim Brastille(ph), I believe that's all we've got.

19 JUDGE JORDAN: Okay. Thank you. In
20 addition, the Commission appoints a Public Counsel
21 to represent the sewer district. The Office of
22 Public Counsel then appoints specialists on
23 Missouri regulation. Is there counsel for the
24 Office of Public Counsel present and if so, maybe
25 you can enter your appearance.

1 MS. BAKER: Thank you, Your Honor.
2 Christina Baker, P.O. Box 2230, Jefferson City,
3 Missouri, 65102, appearing on behalf of the Office
4 of the Public Counsel and the rate payers. I have
5 no one else with me tonight.

6 JUDGE JORDAN: Thank you, Counsel, and
7 for the company, will counsel enter an appearance?

8 MR. OCHOA: There is no attorney on this
9 side. There is no attorney on this side, Your
10 Honor.

11 JUDGE JORDAN: Okay. Do you own the
12 company?

13 MS. BAKER: No, Your Honor. This is
14 Christina Baker. The company has no attorney
15 present.

16 JUDGE JORDAN: Okay. Does the company
17 have anyone present?

18 MS. BAKER: We have Tony Monsees. He is
19 present here.

20 JUDGE JORDAN: Okay. Thank you.
21 Commissioner Davis has joined us at Jefferson City.
22 The purpose in this proceeding is to hear testimony
23 as a part of the official record in this case. The
24 court reporter will record testimony. The company
25 will not be presenting evidence and is not here to

1 answer questions. There may be a few questions for
2 witnesses from the Commissioners, from myself,
3 possibly from (inaudible).

4 If you wish to testify on the rate
5 increases proposed, the WPC and West 16th, please
6 sign-in on the sign-up list and we will call one
7 person at a time to testify. When called, go up to
8 the microphone. I will administer to you an oath
9 or, if you prefer, an affirmation, if a religious
10 conviction prevents you from taking an oath; let me
11 know.

12 I will probably ask a few questions to
13 get you started. I would like you, in any event,
14 to state your name and please spell it for the
15 court reporter.

16 I would like you to speak clearly so the
17 court reporter can take down what you say and make
18 sure you speak slowly enough for the court reporter
19 to transcribe your words.

20 Out of respect for everyone's time, I'll
21 ask you to please tell us what is on your mind, but
22 try not to be unduly repetitive. If someone has
23 already said what you want to say, you can take the
24 oath and you can just say that you want to go with
25 what was said previous to that.

1 If something has been - if you want to
2 make a point that was made during the prior
3 question and answer session, you will need to state
4 that at length, since that was not on the record.

5 There may be some questions for you, so
6 please stay at the witness stand until you are
7 excused and finally, in addition to testimony
8 before the Commission, you can have it in writing
9 by sending written comments to staff or to WPC,
10 contact them about how to do that. Are there any
11 questions about the procedure before we start
12 taking testimony?

13 MR. OCHOA: No questions, Your Honor.

14 JUDGE JORDAN: Okay. Very good. The
15 Commission will now start hearing testimony. Mr.
16 Ochoa, will you call the first witness?

17 MR. OCHOA: Sure. Mr. Robert Perusich.

18 ROBERT PERUSICH, being sworn-in by the
19 Regulatory Law Judge, testified as follows,

20 JUDGE JORDAN: Please state your name and
21 spell it for the court reporter please.

22 MR. PERUSICH: My name is Robert and the
23 last name is spelled P E R U S I C H and pronounced
24 Perusich.

25 JUDGE JORDAN: Mr. Perusich, are you a

1 customer of West 16th?

2 MR. PERUSICH: West 16th is our sewer
3 system that we are attached to.

4 JUDGE JORDAN: Okay. Please tell us what
5 you have to say.

6 MR. PERUSICH: Well, just we, in the
7 neighborhood, do not feel that all these requests -
8 we had - our first request came in in 06 and
9 again, that was the developer, Mr. Monsees, went in
10 for the big increase, which he explained in the
11 prior questioning period, that he wasn't aware that
12 he could go in for a reasonable rate, so he went in
13 for an unreasonable rate twice.

14 The Commission reviewed his plans and
15 his expenses and granted him a 47 percent increase,
16 beginning in 07. That increase, it was an \$8.42
17 per month increase; then we get this request again
18 for a big increase and now we're looking at the
19 Commission and saying--

20 MS. BAKER: Hold on one second. I think
21 we may have lost Jefferson City.

22 MR. PERUSICH: He got tired of listening
23 to me.

24 MS. BAKER: I doubt that.

25 (WHEREIN, a discussion was held off the

1 record.)

2 COMMISSIONER CLAYTON: Judge, this is
3 Robert Clayton. We've had a wonderful conversation
4 here while we've been offline. I wanted to suggest
5 that if we lose you again, if we have a technical
6 problem again, because we have the court reporter
7 here, we may move forward and go ahead and
8 establish the record because we sat here for a bit.
9 Is that okay with you, if we lose contact again?

10 JUDGE JORDAN: Commissioner, I have no
11 problem with that at all, that's certainly fine by
12 me. You have the court reporter on the hearing.
13 You can administer oaths.

14 COMMISSIONER CLAYTON: That's all I've
15 got. I say we listen to Mr. Perusich.

16 JUDGE JORDAN: His name is Perusich, and
17 I ask you to take the stand.

18 MR. PERUSICH: Well, I'll try to - I'll
19 reiterate the fact that we had a 47 percent
20 increase, starting with 07 and now we're going to
21 have another 13 percent increase, probably starting
22 09 and that - when we get - if and when we get
23 that, we're talking about a 66 percent increase in
24 two years.

25 If what Mr. Monsees talked about earlier

1 in our informal discussion about the fact that he
2 will probably come back every year for an increase,
3 two more years like 13 percent, we're at double
4 what we were in 06.

5 We're concerned, as a neighborhood, of
6 our property values of getting folks that would be
7 interested in coming into our neighborhood and
8 buying homes in our neighborhood since we're almost
9 all - we're about 90 percent built out in the
10 neighborhood.

11 I realize that in Sedalia itself, it's a
12 bigger community, they have a lot more customers,
13 but their sewer rate is roughly \$24 a month, it has
14 been for many, many years, as I understand from
15 speaking with employees at City Hall.

16 Mr. Monsees was talking about, earlier
17 about, "Well, we might have to replace the pumps.
18 We might have to add chlorination. We might have
19 to do all this." I'm a former business owner and I
20 understand that when you run a business, you have
21 to make an investment and that's not necessarily,
22 when you make that investment, that's not an
23 expense. You have an amortization schedule for
24 those items and you have to amortize them.

25 I don't know what the Commission's

1 standing in on what they consider an amortization
2 rate as to where they start, but we just feel that
3 these are undue.

4 Of course, we haven't seen his expenses.
5 We know that we had, in our own neighborhood,
6 Missouri Public Service did increase our utility
7 rates a small percentage about a year ago. So we
8 know he had an increase in his utility - in his
9 electric rates, but it can't be all that much, but
10 we have these fine folks from down in Jeff City
11 that look over the books and determine that he's
12 not making any money or he's not making a percent
13 as to whatever he says or whatever the Commission
14 says he ought to make. So that's where we are and
15 we're kind of at the mercy of that.

16 He was the developer of this addition
17 and received considerable profit from selling the
18 lots in this addition and to have this pumping
19 station or this sewer system there was in his
20 benefit because he had - he took the same piece of
21 property and had smaller lots because he didn't
22 have to put the septic tanks in.

23 So he paid his property fairly and still
24 is, and I think that's really about all I have to
25 say from that because I don't know anything about

1 what his expenses are.

2 JUDGE JORDAN: Okay. Questions from
3 Commissioner Clayton? Do you have any questions?

4 COMMISSIONER CLAYTON: I do have a few
5 questions, Judge. Thank you. Mr. Perusich, that
6 is the correct pronunciation?

7 MR. PERUSICH: Yes. Correct.

8 COMMISSIONER CLAYTON: First of all, I
9 want to ask you about the quality of service that
10 you receive. Do you have any problems with the
11 service that you receive from the company?

12 MR. PERUSICH: To the best of my
13 knowledge, we haven't had problems since I've been
14 in the neighborhood of four years.

15 COMMISSIONER CLAYTON: How about the
16 billing that you receive from the company? Do the
17 bills seem accurate? Are they regular bills?

18 MR. PERUSICH: Well, we get a - we get
19 the same billing monthly and we've had new folks
20 move in and the sewer company doesn't even know
21 they're there, so they may not bill them for six or
22 eight months even, but that's their problem, not
23 mine, but no; we don't have a problem. It's the
24 same billing every month.

25 COMMISSIONER CLAYTON: Okay. So you

1 don't have any gripes about the billing, other than
2 maybe letting some other folks off?

3 MR. PERUSICH: Yes.

4 COMMISSIONER CLAYTON: What about - have
5 you ever had the need to call the company for
6 customer service? Are you satisfied with the
7 customer service that you receive from the company?

8 MR. PERUSICH: Well, when I dump water
9 and sewage down into the pipes and it doesn't come
10 back, I don't have any problems.

11 COMMISSIONER CLAYTON: Tell it like it
12 is, brother. Okay. I don't have any other
13 questions. Thank you.

14 JUDGE JORDAN: Commissioner Jarrett, any
15 questions?

16 COMMISSIONER JARRETT: Good evening, Mr.
17 Parusich.

18 MR. PERUSICH: Good evening.

19 COMMISSIONER JARRETT: I don't have any
20 questions, but thank you for your testimony this
21 evening and I appreciate you coming out.

22 JUDGE JORDAN: Does Ms. Hernandez have
23 any questions?

24 MS. HERNANDEZ: I don't have any
25 questions, Your Honor. If I could just correct

1 something for the record. I did get earlier
2 (inaudible) so I just wanted to clarify and I
3 apologize for my error.

4 JUDGE JORDAN: Thank you for that. Thank
5 you for that correction. Does the Office of Public
6 Counsel have any questions?

7 MS. BAKER: No. I have no questions, but
8 thank you for coming tonight.

9 JUDGE JORDAN: Thank you very much. You
10 may be excused.

11 MR. PERUSICH: Thank you.

12 MR. OCHOA: The next witness is Toby
13 McCord.

14 JUDGE JORDAN: Please raise your right
15 hand.

16 TOBY McCORD, being sworn-in by the
17 Regulatory Law Judge, testified as follows,

18 JUDGE JORDAN: State your name and spell
19 it for the court reporter please.

20 MR. McCORD: Toby McCord, T O B Y,
21 M C C O R D.

22 JUDGE JORDAN: Thank you and are you a
23 customer?

24 MR. McCORD: I didn't catch that, sir?

25 MR. OCHOA: Are you a customer--

1 MR. McCORD: Yes. Yes, WPC.

2 JUDGE JORDAN: Alright. Please proceed.

3 MR. McCORD: We went over prior a lot of
4 the questions about chlorinators and all that and
5 that is an issue that happened to come up with the
6 Commission, I understand that, and one concern was
7 the cost of it. I know it's going to happen in the
8 next two years.

9 Whose investment is it, Mr. Monsees' or
10 is it ours, because it's going to be a lot of money
11 and are we - what kind of - we're going to be
12 jeopardized, I feel, because that facility is going
13 to need a lot of money and who's going to fork it
14 out.

15 What kind of power does the Commission
16 have to make him abide to it, to - it's hard to
17 explain what I'm trying to say because it's going
18 to be - it's kind of scary because of what it could
19 go up to and then another question I had earlier,
20 was possibly the City of Sedalia, working with the
21 Commission to maybe to take over both of these
22 small satellite sewer treatment plants, to see what
23 can take place there and maybe let them take over
24 the heartaches out at - the hardship and everything
25 out of Mr. Monsees' life and it makes all our

1 lives, as homeowners, a lot easier and we're
2 assured that the facility will be maintained.

3 Then, another, something else, I've been
4 here two years and the facility, it looks terrible.
5 I submitted pictures to the Commission that I took.
6 It looks unsafe. The gates are kind of catty-
7 wompas in there. We do have children in the
8 neighborhood; that could be an issue, especially
9 when you've got that cesspool sitting there. The
10 upkeep of it is terrible and for an increase of
11 that much and nothing has changed, I don't - I
12 don't see where it can happen.

13 The issues with the office, I think
14 there's only been one. We had a meeting when this
15 first petition came out for the increase of this
16 WPC sewer. A call was made to the office and the
17 comment made at the office was, "Well, we have to
18 pay the bills," when we invited Mr. Monsees to come
19 to our meeting to kind of discuss and break down
20 what this increase pertains to, and that's pretty
21 much the main thing.

22 You, ma'am, I submitted the pictures
23 online. Will you get those or would you like me to
24 give them to you in person again?

25 MS. BAKER: I have access to that.

1 MR. McCORD: Okay. That's pretty much my
2 complaints.

3 JUDGE JORDAN: Okay. You have exhibits.
4 Is that correct?

5 MS. BAKER: No, Your Honor. What he's
6 saying is that he has already filed those with the
7 Commission, so we will make sure that they are on
8 the EBA(ph) system. Otherwise--

9 MR. McCORD: --petition and everything?

10 MS. BAKER: Yes. I believe so.

11 MR. McCORD: Okay.

12 JUDGE JORDAN: Okay. Alright. Okay.
13 Thank you. Questions from Commissioner Clayton?

14 COMMISSIONER CLAYTON: I just want to ask
15 some questions about the service that you actually
16 receive. You've talked about some of the
17 facilities look bad. I want to talk about your
18 particular service. Are you satisfied with the
19 service you actually receive in your home? Does it
20 work?

21 MR. McCORD: Yeah.

22 COMMISSIONER CLAYTON: Things going the
23 right direction?

24 MR. McCORD: We only had one backup when
25 we moved in and the house was empty for awhile, so

1 it just took a little--

2 COMMISSIONER CLAYTON: Alright. So no
3 issues have been--

4 MR. McCORD: No issues from that side of
5 it, no.

6 COMMISSIONER CLAYTON: How about billing?
7 Are you satisfied with the consistency of the
8 billing?

9 MR. McCORD: It was confusing, at first,
10 because it says 22 days. It seemed like we were
11 getting billed every 22 days, but I guess it's just
12 the way their cycle works in the office, on how
13 they submit the bills, but it is once a month.

14 COMMISSIONER CLAYTON: It is once a
15 month. So that's not a problem, once you figured
16 it out?

17 MR. McCORD: No, once we got it kind of
18 clarified.

19 COMMISSIONER CLAYTON: How about customer
20 service? Have you ever had to call the office?
21 Are you satisfied with the information--

22 MR. McCORD: I haven't personally, no.

23 COMMISSIONER CLAYTON: No?

24 MR. McCORD: No.

25 COMMISSIONER CLAYTON: I don't think I

1 have any other questions. The other information, I
2 think you've submitted and I'm sure our staff is
3 looking at that. I saw them nodding that they have
4 the information, so--

5 MR. McCORD: To go on about the safety
6 issues, it's - and it's nasty in there. They pay
7 somebody to upkeep that area and it's terrible.
8 It's a nice neighborhood. It just kind of brings
9 it down.

10 COMMISSIONER CLAYTON: I don't have any
11 other questions. Thank you very much for your time
12 this morning.

13 MR. McCORD: Thank you.

14 JUDGE JORDAN: Commissioner Jarrett?

15 COMMISSIONER JARRETT: I don't have any
16 questions, but I'd like to thank you for coming.

17 JUDGE JORDAN: Thank you. Any questions
18 from Staff?

19 MS. HERNANDEZ: I have no questions.

20 JUDGE JORDAN: From the Office of Public
21 Counsel?

22 MS. BAKER: I have no questions. Thank
23 you. Thank you for coming.

24 MR. McCORD: Thank you.

25 MR. OCHOA: Ken Cordray? I guess

1 Charlotte - okay. Jonell McCord. It's probably
2 Jonell, I apologize.

3 JUDGE JORDAN: Good evening.

4 MS. McCORD: Good evening.

5 JUDGE JORDAN: Please raise your right
6 hand.

7 JONELL McCORD, being sworn-in by the
8 Regulatory Law Judge, testified as follows,

9 JUDGE JORDAN: Please state your name and
10 spell it.

11 MS. McCORD: Jonell, J O N E L L, McCord,
12 M C C O R D.

13 JUDGE JORDAN: Are you a customer of one
14 of the companies at issue tonight?

15 MS. McCORD: Yes.

16 JUDGE JORDAN: Which one is that?

17 MS. McCORD: WPC.

18 JUDGE JORDAN: What would you like to
19 tell us then?

20 MS. McCORD: I would have to talk about
21 my concern. We live pretty close to the plant
22 itself. We're about two doors away from the plant
23 and again, we moved into our house there in 2006,
24 so I've heard, during comments earlier, that people
25 have lived as residents in that area and not

1 received an increase, but since we've only been
2 there, this is our third Christmas, but we moved in
3 in December of 2006, this would be a second
4 increase for us, as a new resident. That concerns
5 me, as a property owner, about the future and also
6 because of our physical location to the plant, the
7 maintenance of the plant.

8 We live kind of on a hill in a cul-de-
9 sac and the plant is at the bottom and so with the
10 price increase going up to \$30, my concern is if
11 you live in the proper and the city did it, you
12 probably would be water, trash and sewer for that
13 price and I think it's elaborate and I don't think
14 - if you're looking at living in a place 30 years,
15 what would we have to look forward to in 30 years
16 at a rate increase of this rate every two years?

17 Also, I would like to say that I know
18 there were some comments that have been asked about
19 the building. I was the one who made a comment on
20 the Internet about the building because initially,
21 and I think that has changed, but I didn't look at
22 my bill this month, but I'm the one that has called
23 Cathy about the bill because it used to say, "Net
24 due in 21 days," and nobody who had been living in
25 the development seemed to have noticed that because

1 they just pay it every month.

2 Well, I was paying mine every 21 days
3 and as soon as I would send a payment in, I would
4 get another bill and so finally I called Cathy and
5 I think there's been times personally that I've
6 been ahead and she will say, "You don't owe me a
7 bill," and it's just because I think she had her
8 computer generated to, as soon as she received a
9 payment, we send another bill and - but I also
10 think that I have the same concern as Robert
11 expressed earlier, and Toby and I just want to
12 thank you for your time and considering our issues.

13 JUDGE JORDAN: Okay. You're welcome.

14 Commissioner Clayton, any questions for this
15 witness?

16 COMMISSIONER CLAYTON: Judge, I guess -
17 well, first of all, let me say, Ms. McCord, thank
18 you very much for coming. I wanted to ask you the
19 same questions, I guess. Are you satisfied with
20 the level of service you receive? The billing,
21 obviously you're not happy with. Do you have any
22 other gripes about the billing?

23 MS. McCORD: I think the billing has been
24 corrected, at this point, but I don't think people
25 noticed that it was set up--

1 COMMISSIONER CLAYTON: Okay.

2 MS. McCORD: I think the people who had
3 been consistently just paying it hadn't noticed
4 that the statement itself said 21 days and I think
5 Cathy has corrected that. She's here, I think.
6 She probably could answer that.

7 COMMISSIONER CLAYTON: I guess, were you
8 satisfied with the response that you got when you
9 called the company to address the issue?

10 MS. McCORD: Yes.

11 COMMISSIONER CLAYTON: The quality of
12 service, you're at the top of the hill, stuff goes
13 in the right direction?

14 MS. McCORD: Actually, I'm at the bottom
15 of the hill.

16 COMMISSIONER CLAYTON: You're at the
17 bottom? I thought the plant was at the bottom?

18 MS. McCORD: Well, it is.

19 COMMISSIONER CLAYTON: You're both down
20 at the bottom?

21 MS. McCORD: But everybody--

22 COMMISSIONER CLAYTON: But it doesn't
23 come to your part of the bottom of the hill, I
24 guess--

25 MS. McCORD: No, but it's right there. I

1 mean, there's one house between me and the plant.

2 COMMISSIONER CLAYTON: So it's working
3 though?

4 MS. McCORD: It's working.

5 COMMISSIONER CLAYTON: I don't think I
6 have any other questions. Thank you very much.

7 MS. McCORD: Thank you.

8 JUDGE JORDAN: Commissioner Jarrett, any
9 questions?

10 COMMISSIONER JARRETT: Are you related to
11 the previous witness?

12 MS. McCORD: I'm sorry?

13 MR. OCHOA: Are you related--

14 MS. McCORD: That's my husband, yes.

15 COMMISSIONER JARRETT: Thank you. I have
16 no further questions. Thank you for your testimony
17 and for coming out.

18 MS. McCORD: Okay. Thank you.

19 JUDGE JORDAN: Any questions from Staff?

20 MS. HERNANDEZ: I have no questions.

21 JUDGE JORDAN: Any questions from the
22 Office of the Public Counsel?

23 MS. BAKER: No questions, but thank you
24 for coming tonight.

25 MS. PAULSON: Thank you.

1 JUDGE JORDAN: You may be excused. Thank
2 you.

3 MR. OCHOA: The last witness on my sheet
4 is Bonnie Paulson.

5 MS. PAULSON: Hi. My name is Bonita,
6 B O N I T A, Paulson, P A U L S O N.

7 JUDGE JORDAN: Please raise your right
8 hand.

9 BONITA PAULSON, being sworn-in by the
10 Regulatory Law Judge, testified as follows,

11 JUDGE JORDAN: Thank you.

12 MS. PAULSON: My concerns are a couple,
13 that we received the request for a rate increase,
14 which was double of our current amount and there is
15 no information to back it up and my concern, as a
16 resident, if we hadn't written letters, would the
17 Commission probably have approved it to such a
18 large increase.

19 So I would hope that I don't know the
20 answer, that an audit is done every year and that
21 perhaps the residents could get some kind of
22 financial statements of prior years' expenses and a
23 budget so we could understand why a rate would be
24 increased that substantially.

25 My second piece of information is that

1 our site at West 16th is not very attractive.
2 There is a chainlink fence around it. It is not
3 very well maintained, it's noisy and it seems to me
4 that it would be better to have a different barrier
5 around it, other than just a chainlink fence. I
6 guess I didn't really notice it at the time that we
7 bought our house. I do have some pictures that I
8 would like to submit.

9 JUDGE JORDAN: Will you hand those to the
10 court reporter? Have those been marked?

11 MR. OCHOA: She's marking them now, Your
12 Honor.

13 COMMISSIONER CLAYTON: Can we mark those
14 collectively as one Exhibit or do you want to mark
15 those individually?

16 JUDGE JORDAN: How many--

17 MR. OCHOA: There are three, Your Honor.

18 JUDGE JORDAN: Alright. Let's mark them
19 separately. The record would be better that way.
20 Let me know when they're marked.

21 (WHEREIN, Exhibits 1-3 were marked for
22 identification by the Court Reporter.)

23 MR. OCHOA: They're marked, Your Honor.

24 JUDGE JORDAN: Thank you, and would you
25 like to identify what they represent or show for

1 the record?

2 MS. PAULSON: Well, there's weeds
3 growing. I'm just saying it's not attractive.
4 There's no - it's a chainlink fence. There's
5 nothing - we live in a nice neighborhood. We want
6 it to look well.

7 JUDGE JORDAN: Okay. These are pictures
8 of the facility. Is that correct?

9 MS. PAULSON: Yes.

10 COMMISSIONER CLAYTON: Judge, this is
11 Commissioner Clayton. There are three pictures
12 marked Exhibits Number 1, 2 and 3 and they depict a
13 chainlink fence with weeds growing through them.
14 They reflect - this looks like a treatment facility
15 and another fence here. So I think these describe
16 the plant that is in existence and certified by
17 this witness. Is that correct, ma'am?

18 MS. PAULSON: Yeah.

19 JUDGE JORDAN: Thank you, Commissioner
20 Clayton?

21 COMMISSIONER CLAYTON: Ms. Paulson, let
22 me just go back to the three principal things I've
23 been discussing here, quality of service--

24 MS. PAULSON: Fine.

25 COMMISSIONER CLAYTON: The goods going

1 the right direction?

2 MS. PAULSON: Fine.

3 COMMISSIONER CLAYTON: Alright. Billing,
4 are you satisfied with the billing?

5 MS. PAULSON: Yes. I am.

6 COMMISSIONER CLAYTON: You're good with
7 that, and are you satisfied with the - are you
8 satisfied with the customer service that you
9 receive from the company when you call up?

10 MS. PAULSON: Yes. I am.

11 COMMISSIONER CLAYTON: So basically we're
12 talking about the plant just doesn't look good.
13 That really upsets you - not upsets you. I don't
14 want to be too melodramatic here, but you're not
15 happy with--

16 MS. PAULSON: The economy upsets me.

17 COMMISSIONER CLAYTON: Welcome to the
18 club. You bring that up, we're going to get more
19 witnesses here. I hope you were in the room when
20 the staff explained how the rate making process
21 works. You had a concern about no information
22 being submitted with the level of the rate
23 increase.

24 If you didn't get a better explanation,
25 I would urge you to speak with our Director of

1 Water and Sewer. Mr. Bush is right here. He can
2 give you a little more background on how the rate
3 making process works. It is not so simple that you
4 just write a letter and we decide which way the
5 wind is blowing and grant the increase. There's a
6 lot of auditing and sort of review that goes with
7 it.

8 MS. PAULSON: Alright.

9 COMMISSIONER CLAYTON: Aside from that, I
10 don't have any other questions. Thank you.

11 MS. PAULSON: Okay.

12 JUDGE JORDAN: I have one more question,
13 if I may. Can you tell from the front when you
14 took the pictures?

15 MS. PAULSON: Yesterday.

16 JUDGE JORDAN: Thank you. Commissioner
17 Jarrett, any questions?

18 COMMISSIONER JARRETT: Yes. Ms. Paulson,
19 (inaudible) you are a customer of West 16th?

20 MS. PAULSON: Yes.

21 COMMISSIONER JARRETT: Thank you very
22 much. We appreciate your testimony.

23 JUDGE JORDAN: Any questions from the
24 Staff?

25 MS. HERNANDEZ: No questions.

1 JUDGE JORDAN: Any questions from the
2 Office of Public Counsel?

3 MS. BAKER: No questions, but thank you
4 for coming and thank you for the pictures.

5 JUDGE JORDAN: You are excused.

6 MR. OCHOA: There's nobody else on the
7 sign-up sheet, but if there's anybody else that
8 wants to testify, you're welcome to do so, at this
9 time.

10 MS. BAKER: Please, if you do have
11 comments, certainly you've heard questions about
12 the service, the billing. If you have issues like
13 that, this is your time to come up and make the
14 statements because, as I said, these comments do
15 help my office tremendously.

16 MR. OCHOA: Go ahead.

17 MR. NICELY: Do I have to sign?

18 MR. OCHOA: No. Go ahead.

19 MR. NICELY: Good evening.

20 JUDGE JORDAN: Raise your right hand.

21 WILLIAM NICELY, being sworn-in by the
22 Regulatory Law Judge, testified as follows,

23 JUDGE JORDAN: Please state your name and
24 spell it for the court reporter.

25 MR. NICELY: My name is William Nicely,

1 N I C E L Y. I am a customer of the West 16th
2 Street.

3 JUDGE JORDAN: What would you like to
4 tell the Commission this evening?

5 MR. NICELY: I have a couple comments, in
6 general. With regard to service, I've been - we've
7 been utilizing the West 16th Sewer System for
8 twelve years now in two different homes, ten years
9 in the first home and two years in the second home.
10 With regard to service, it's been fine, the
11 occasional odor in the hot summertime, but other
12 than that, it's been--

13 COMMISSIONER CLAYTON: Inside or outside?

14 MR. NICELY: Outside near the sewer
15 system. Billing is generally pretty good, but
16 again, on occasion, it's haphazard. We have had to
17 notify or call for a bill, as they went two to
18 three months without tracking my movement to a new
19 home.

20 Also had other neighbors, and I do not
21 have documentation of this, that would move into
22 the subdivision, would not receive a bill for two,
23 three, four months and then were five months here
24 and then were notified that they had to make that
25 five months payment up in a relatively short amount

1 of time.

2 My main concern is that I recognize that
3 over time, that we would expect rate increases.
4 During the duration of my utilization of the
5 system, during the first number of years, we did
6 not see a rate increase and then all of the sudden,
7 there's one rate increase, then there's a request
8 for a second rate increase and then there were
9 issues with safety and adequacy of the system with
10 regard to the DNR involvement.

11 So my main concern is that, in the
12 future, again I recognize that there's a need for
13 upgrades and that there - that rate increases can
14 be expected. I want those to occur as infrequently
15 as possible, of course, but recognize that they
16 need to happen, but the system continues with - I
17 am mainly concerned that the system continues to be
18 safe and adequate and up to date, as time goes on.

19 It appears from the surface, from our
20 perspective, from my perspective, that things kind
21 of danced along merrily without any real concern
22 and maybe the system degraded over time and all of
23 the sudden, we're at a situation where we need to
24 do some significant upgrades at a cost that were
25 maybe unexpected, maybe a management issue. That's

1 all I have to say.

2 JUDGE JORDAN: Alright. Commissioner
3 Clayton, any questions of this witness?

4 COMMISSIONER CLAYTON: I have no
5 questions. Thank you very much. You covered all
6 the bases.

7 MR. NICELY: Okay.

8 JUDGE JORDAN: Commissioner Jarrett?

9 COMMISSIONER JARRETT: Mr. Nicely, I
10 don't have any questions either, but I thank you
11 for your testimony.

12 JUDGE JORDAN: Any questions from Staff?

13 MS. HERNANDEZ: May I ask some questions?

14 JUDGE JORDAN: Please.

15 MS. HERNANDEZ: You said that you didn't
16 receive a bill for two to three months when you had
17 moved. Is that correct?

18 MR. NICELY: That is correct.

19 MS. HERNANDEZ: Do you remember the
20 amount of time that you were given to make up the
21 amount that was due?

22 MR. NICELY: No. I do not because we
23 went ahead and paid as soon as - in fact, my wife
24 had called and said, "We haven't received a bill at
25 our new address," and she made two calls before the

1 bill finally came and then we paid that amount.

2 MS. HERNANDEZ: Do you recall the month
3 and year?

4 MR. OCHOA: When?

5 MR. NICELY: About two years ago,
6 approximately two years ago.

7 MS. HERNANDEZ: Thank you.

8 MR. NICELY: Thank you.

9 JUDGE JORDAN: Anything else?

10 MS. HERNANDEZ: I don't have anything
11 further.

12 JUDGE JORDAN: Any questions from the
13 Office of Public Counsel?

14 MS. BAKER: No questions, but thank you
15 for your testimony.

16 JUDGE JORDAN: Any questions from
17 anybody?

18 COMMISSIONER CLAYTON: None here.

19 MR. OCHOA: Is there anyone else that
20 wants to testify?

21 JUDGE JORDAN: You may be excused.

22 MR. NICELY: Thank you.

23 JUDGE JORDAN: Please raise your right
24 hand.

25 JEFF HANES, being sworn-in by the

1 Regulatory Law Judge, testified as follows,

2 JUDGE JORDAN: Please state your name and
3 spell it for our court reporter.

4 MR. HANES: Jeff Hanes, H A N E S.

5 JUDGE JORDAN: Are you a customer of one
6 of the utilities before the Commission?

7 MR. HANES: West 16th.

8 COMMISSIONER CLAYTON: Go ahead. We're
9 not stopping.

10 MR. OCHOA: Go ahead. She's got it.

11 MR. HANES: I just want to kind of
12 reiterate what Mrs. Paulson had said about the
13 unsightliness of the facility. I live as close to
14 the facility as anybody; it's in my backyard.

15 My main concern was I didn't see any
16 maintenance of the facility up until the time that
17 it seemed like DNR got involved and said that there
18 were problems with the facility, then they came in
19 and there were weeds growing, not only outside the
20 fence, but within the perimeter of the facility.

21 Once DNR got involved, they came out,
22 cleaned up the weeds, inside and out, but since
23 then, it doesn't seem like there's been much
24 maintenance around it.

25 They came in, I don't know if it was

1 maybe two years ago, it may have even been a year
2 ago, and they trimmed up - I don't know if I would
3 call it trimmed up, but they cut a bunch of trees
4 down around the outside of the perimeter of the
5 fence, pretty large trees.

6 They didn't cut them down, it didn't
7 seem like, at the base of the tree, but maybe ten
8 feet up and they just let them fall and left the
9 debris where it fell, which added to the
10 unsightliness of the facility.

11 Also, no maintenance around the outside
12 of the fence. One of the concerns with me is not
13 only how this looks, but it also attracts snakes
14 and critters and which I've got two young boys that
15 like to explore the area and, you know, it's a
16 concern. I don't expect it to be maintained like a
17 lawn, but I would like it to be at least - at least
18 weeded.

19 I know that our neighborhood association
20 pays to have the area mowed right by the entrance
21 to it, which I know it's not an empty lot, which
22 Mr. Monsees owns all the empty lots, but still, the
23 neighborhood association pays to have those lots
24 maintained, as well as the area right around the
25 entrance to the facility.

1 The drive into the facility is between
2 my house and my neighbor's house and it's not good.
3 It's just a gravel road and we have some
4 landscaping areas that when the trucks drive in
5 there, they're constantly moving over farther and
6 farther when they drive in and driving on our
7 landscaped areas.

8 Whether or not those landscaped areas
9 are on my property or his property, I don't know,
10 but if that road could be maintained a little nicer
11 and the entrance and the area around it, it sure
12 would be nice.

13 I see - we've had these rate increases,
14 but yet, I haven't seen any change in the product
15 that we're getting. Yeah. The goods are going the
16 right way, but is that all we should get for the
17 dollar that we're putting in?

18 I think that the - how the place - how
19 the facility looks, I think it should mirror our
20 subdivision and our homes. You know, it's a nice
21 neighborhood. It should be a nice plant and it
22 should be maintained according to - according to
23 the expectations of the homeowners. That's all I
24 have.

25 COMMISSIONER CLAYTON: Every child's

1 dream, to have a sewer treatment facility to go
2 play in.

3 MR. HANES: They love it. They said--

4 COMMISSIONER CLAYTON: Every parent's
5 hope that their children can have that opportunity.

6 MR. HANES: When we moved in, they said,
7 "I didn't know we had a pool."

8 COMMISSIONER CLAYTON: I want to be just
9 clear in kind of the time line that you said. You
10 suggested that the facility was in really bad
11 disrepair, at least looked terrible, it's
12 overgrown, critters and everything else, but DNR
13 got involved, required some upgrades and then you
14 saw a slight improvement. Is that correct?

15 MR. HANES: That is speculation on my
16 part. I had heard talk that DNR was getting
17 involved in--

18 COMMISSIONER CLAYTON: Okay, but you did
19 notice an improvement?

20 MR. HANES: Absolutely.

21 COMMISSIONER CLAYTON: When was that
22 improvement?

23 MR. HANES: Three years ago, four years
24 ago maybe.

25 COMMISSIONER CLAYTON: Then, your

1 testimony is that the improvement stopped or that
2 you then saw a decline in maintenance and then
3 we're kind of working back--

4 MR. HANES: Ever since then, I have seen
5 someone there on a regular basis, more so than
6 before DNR got involved. I would say there's
7 somebody at the facility two to three times a week,
8 would be my guess. They're there for a short
9 period of time. They're not Weedeating. They're
10 not doing anything like that.

11 I think they're just checking on the
12 system, making sure that any chemicals - I'm not
13 sure exactly what he does, but he's there for maybe
14 ten or fifteen minutes and gone.

15 COMMISSIONER CLAYTON: Okay.

16 MR. HANES: But he's not doing any
17 Weedeating or anything like that.

18 COMMISSIONER CLAYTON: I think I'm done
19 with my questions. Judge, we went ahead and
20 proceeded. He finished up his statements and I'm
21 finished with my questions.

22 JUDGE JORDAN: (Inaudible).

23 MS. HERNANDEZ: I only heard the very
24 last few words, so.

25 COMMISSIONER CLAYTON: Do you want us to

1 repeat it all?

2 JUDGE JORDAN: No. That's alright.

3 COMMISSIONER CLAYTON: I'm sure the court
4 reporter will be happy to read it back to you.

5 JUDGE JORDAN: Anything from Office of
6 the Public Counsel?

7 MS. BAKER: No questions. Thank you for
8 your testimony.

9 JUDGE JORDAN: You are excused.

10 MR. OCHOA: Anyone else who would like to
11 testify?

12 JUDGE JORDAN: Good evening.

13 MS. MORRIS: Good evening.

14 JUDGE JORDAN: Please raise your right
15 hand.

16 LINDA MORRIS, being sworn-in by the
17 Regulatory Law Judge, testified as follows,

18 JUDGE JORDAN: Thank you. Please state
19 your name and spell it for our court reporter.

20 MS. MORRIS: My name is Linda Morris and
21 we are with MPC Sewer.

22 JUDGE JORDAN: Please spell your name for
23 our court reporter please.

24 MS. MORRIS: M O R R I S.

25 JUDGE JORDAN: Thank you, ma'am, and what

1 would you like to tell the Commission?

2 MS. MORRIS: Well, we have lived out in
3 South Walnut Hills for about seventeen years now
4 and the first few years, we paid \$8 a month for our
5 sewer, then we got notified of a rate increase and
6 it went to \$17.83, I believe. They wanted more
7 than that, but they ended up with \$17.83. Then,
8 for a few years, we were okay with that and then
9 the next rate increase we got was to \$23.89 and
10 that's what we pay presently, but they were wanting
11 about \$38 or \$39 at the time, about double that
12 we're paying.

13 About two or three years ago, I had
14 noticed the grass growing up really bad around the
15 system and it's an eyesore there as you drive down
16 Hedge Apple because most of us don't live on Hedge
17 Apple, we live - have to go west and then north or
18 south to our designated homes.

19 So I kept telling my husband, every day,
20 I noticed the grass didn't look any better and it
21 was all grown up, maybe eighteen or twenty inches
22 around the facility there and so I finally took it
23 upon myself and I called WPC Sewer and asked to
24 speak to Mr. Monsees and I told him my problem and
25 he suggested that I get the homeowners together and

1 we all mow it or we all hire someone to mow it.

2 I said, "But we pay you," and he didn't
3 have any comment on that, but he implied that we,
4 as homeowners, should take care of that and not
5 expect him to, but it wasn't too awful long after
6 that, maybe a week or ten days, that I noticed that
7 it had been mowed and we really haven't had too
8 much of a problem with it ever since, but I just
9 didn't think that was too appropriate for him to
10 tell me that I should get the homeowners together
11 to mow it.

12 COMMISSIONER CLAYTON: Ms. Morris, when
13 did that occur? When was that conversation or the
14 problem with the mowing?

15 MS. MORRIS: Probably two years ago,
16 maybe two and a half.

17 COMMISSIONER CLAYTON: 2006-ish?

18 MS. MORRIS: Probably.

19 COMMISSIONER CLAYTON: You say you've
20 seen an improvement on the mowing since then?

21 MS. MORRIS: Some, yes. I mean, the
22 actual treatment plant doesn't look any different
23 than it did when we moved in.

24 COMMISSIONER CLAYTON: I'm assuming
25 that's a bad thing, a good thing?

1 MS. MORRIS: It's not real good.

2 COMMISSIONER CLAYTON: Not good?

3 MS. MORRIS: I mean, it's hidden a lot by
4 trees and there's some bushes around it, but, and
5 we've never really had an odor from it, maybe a
6 time or two in the time we've lived there, but you
7 can hear it some, not where we live now, but when
8 we lived - before, we lived right in the cul-de-sac
9 and you could definitely hear it at certain times,
10 but we just didn't think it was our duty to see
11 that it was maintained around it because like the
12 other man said, it draws snakes and it just is
13 unsightly when you drive by it.

14 COMMISSIONER CLAYTON: Okay. Thank you
15 very much.

16 MS. MORRIS: Uh-huh.

17 JUDGE JORDAN: Thank you, Commissioner
18 Clayton. Are there any questions from staff?

19 MS. HERNANDEZ: No questions.

20 JUDGE JORDAN: Office of the Public
21 Counsel?

22 MS. BAKER: No questions, but thank you
23 for your comments.

24 MS. MORRIS: Thank you.

25 MR. OCHOA: Anybody else want to testify?

1 COMMISSIONER CLAYTON: Judge, can I make
2 just a closing, of course, if anyone has any
3 comments, I just wanted to make a quick closing, if
4 that's alright with you.

5 JUDGE JORDAN: You may.

6 COMMISSIONER CLAYTON: I just wanted to
7 thank everyone for coming out and I want to
8 apologize again for the problems or the technical
9 difficulties that we faced. We're still working on
10 this and perhaps the next time we come through,
11 these will be corrected.

12 If anyone has any additional comments,
13 you can certainly submit those either to Ms. Baker,
14 who is your representative from the Public
15 Counsel's Office, or certainly contact our Staff,
16 Ms. Bush is head of our department, or go to the
17 website, which is supposed to make it easy through
18 technology, but I'm not making any promises. Thank
19 you all for coming.

20 MR. OCHOA: The information sheet also
21 includes a toll-free number that you can call the
22 Commission too if you're wanting to talk to
23 somebody, as well. Again, thank you all for coming
24 out. We appreciate it.

25 (WHEREIN, the Hearing is concluded at 7:15 p.m.)

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11 (Original Exhibits 1-3 were retained by the court
12 reporter and will be copied and attached to copies of
13 the transcript.)

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1 CERTIFICATE OF REPORTER

2

3 STATE OF MISSOURI)

4 COUNTY OF CLAY)

5

6 I, JANET H. WIMER, Certified Court
7 Reporter, the officer before whom the foregoing
8 hearing was taken, do hereby certify that the
9 testimony in said hearing was taken by me to the
10 best of my ability and thereafter reduced to
11 typewriting under my direction; that I am neither
12 counsel for, related to, nor employed by any of the
13 parties to the action in which this hearing was
14 taken, and further, that I am not a relative or
15 employee of any attorney or counsel employed by the
16 parties thereto, nor financially or otherwise
17 interested in the outcome of the action.

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Notary Public in and for
the State of Missouri

24

25 My Commission Expires: 9/29/11