

1 STATE OF MISSOURI  
2 PUBLIC SERVICE COMMISSION  
3 TRANSCRIPT OF PROCEEDINGS  
4 Public Comment Hearing  
5 May 15, 2008  
6 Jefferson City, Missouri  
7 Volume 3  
8 In the Matter of Aqua Missouri Inc's )  
Request for an Increase in Rates for )  
9 Water Service Pursuant to the ) Case No.  
Commission's Small Company Rate ) WR-2008-0266  
10 Increase Procedure )  
11 In the Matter of Aqua Missouri Inc's )  
Request for an Increase in Rates for )  
12 Sewer Service Pursuant to the ) Case No.  
Commission's Small Company Rate ) SR-2008-0267  
13 Increase Procedure. )  
14 In the Matter of Aqua Missouri Inc's )  
Request for an Increase in Rates for )  
15 Sewer Service Pursuant to the ) Case No.  
Commission's Small Company Rate ) SR-2008-0268  
16 Increase Procedure. )  
17 In the Matter of Aqua Missouri Inc's )  
Request for an Increase in Rates for )  
18 Water Service Pursuant to the ) Case No.  
Commission's Small Company Rate ) WR-2008-0269  
19 Increase Procedure. )  
20  
21 NANCY DIPPELL, Presiding,  
DEPUTY CHIEF REGULATORY LAW JUDGE  
22 JEFF DAVIS, Chairman  
23  
24 REPORTED BY: KAREN S. ROGERS, Registered Professional  
Reporter, Certified Realtime Reporter, Certified Court  
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A P P E A R A N C E S  
(Continued)

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

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3 (Proceedings began at 5:57

4 p.m. on Thursday, May 15,

5 2008, with appearances as

6 noted.)

7 JUDGE DIPPELL: On the record, please. The

8 Missouri Public Service Commission has set this time

9 for a local comment hearing in case numbers

10 WR-2008-2000 -- or I'm sorry, -0266 and SR-2008-0267,

11 SR-2008-0268 and WR-2008-0269, in which Aqua Missouri

12 intends to seek a general rate increase.

13 The Missouri Public Service Commission

14 regulates the rates charged by investor-owned utility

15 companies in Missouri to ensure that those rates are

16 just and reasonable.

17 The commission also regulates the quality of

18 service and safety of operations of investor-owned

19 utilities.

20 The commission is made up of five

21 commissioners who are appointed by the governor to

22 complete the term and confirmed by the senate.

23 The commission employs a staff of engineers,

24 accountants, attorneys, financial analysts, and other

25 specialists in the field of utility regulation.

1           My name is Nancy Dippell, and I'm a  
2   regulatory law judge for the commission. And I -- my  
3   job is to preside over today's hearing.

4           We're videoconferencing this hearing, as  
5   you're aware, from the high school in Republic and the  
6   commission's offices in Jefferson City.

7           In addition -- in addition, we're  
8   broadcasting these hearings over the internet, and  
9   they are being recorded here in our offices in  
10   Jefferson City.

11          I have here in Jefferson City with me today  
12   some of the commission staff and attorneys for the  
13   commission.

14          And the court reporter is in Republic or --  
15   yes, is in Republic with you all and is transcribing  
16   this hearing, so that the commissioners may review and  
17   read the comments.

18          In addition, we have -- you've probably  
19   already met Marilyn Doerhoff, who's with our consumer  
20   services division in Republic.

21          And if you have any questions or anything,  
22   you can get answers from Marilyn or she can give you  
23   contact information or how to get a hold of the  
24   commission.

25          In addition, I believe Aqua Missouri has

1 representatives present there, and I'm sure that they  
2 will be present after the meeting if you still have  
3 questions and need to get things worked out. And I  
4 also have an attorney for the -- for the company here  
5 with me today in Jefferson City.

6 I would like to thank Republic High School  
7 for providing us with this facility. I would mention  
8 that the comments and statements that are made here  
9 tonight are in no way associated with the school.  
10 They've just been generous enough to provide us with  
11 this facility.

12 This is an official hearing of the Missouri  
13 Public Service Commission, and as such the statements  
14 and testimony of witnesses will be recorded by the  
15 court reporter and will be taken under oath or  
16 affirmation.

17 The purpose of this hearing, however, is just  
18 to receive comments from you. The company is not here  
19 to present witnesses and will not answer questions  
20 while we're on the record.

21 And I'm not -- also not here to answer  
22 questions. I'm merely here to help you get your  
23 comments in the record so that the commission can  
24 consider them.

25 If you wish to testify, please see

1 Ms. Doerhoff, if you haven't already, to put your name  
2 on a sign-up sheet.

3 And she will call the name of witnesses in  
4 the order that they were signed up and ask you to  
5 come forward to where that microphone is if you're  
6 able.

7 I will ask you to raise your right hand and  
8 either be sworn or affirmed to tell the truth. And  
9 then the court reporter will -- or I'll ask you to  
10 spell your name for the court reporter, so she can get  
11 it in the record correctly.

12 I don't think we'll have a time problem  
13 tonight, so I will just say that if people in the  
14 audience will try not to make comments or cheers or  
15 applause while someone else is testifying, that  
16 will -- sometimes that intimidates other audience  
17 members.

18 So at this time I'll go ahead and ask the  
19 attorneys to make their entries of appearance, and I  
20 will begin with staff.

21 MS. HERNANDEZ: Jennifer Hernandez for staff  
22 of the Missouri Public Service Commission, PO Box 360,  
23 Jefferson City, Missouri, 65102.

24 JUDGE DIPPELL: And Ms. Baker?

25 MS. BAKER: Thank you, Your Honor. Christina

1 Baker, PO Box 2230, Jefferson City, Missouri, 65102.  
2 Appearing on behalf of the Office of the Public  
3 Counsel and the rate payers.

4 JUDGE DIPPELL: And Aqua Missouri?

5 MR. ELLINGER: Marc Ellinger, firm of Blitz  
6 Bardgett & Deutsch, 308 East High, Suite 301,  
7 Jefferson City, Missouri, 65101, on behalf of Aqua  
8 Missouri.

9 JUDGE DIPPELL: Thank you. And I believe  
10 with that, we're ready to go ahead with the first  
11 witness.

12 MS. DOERHOFF: Allen and Louann Schodde.

13 MRS. SCHODDE: Do you want me to go first?

14 MR. SCHODDE: Yeah.

15 MRS. SCHODDE: My name is Louann,  
16 L-O-U-A-N-N, Schodde, S-C-H-O-D-D-E. 4868 South  
17 Douglas Drive, Republic, Missouri 65738.

18 (The witness was placed  
19 under oath by Judge  
20 Dippell.)

21 \* \* \* \* \*

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1 MRS. LOUANN SCHODDE,  
2 of lawful age, having been called as a witness and  
3 being first duly sworn, testified as follows:

4 MRS. SCHODDE: Do I go ahead and ask a  
5 question?

6 JUDGE DIPPELL: Go ahead and give your  
7 comments.

8 MRS. SCHODDE: Okay. My first question  
9 was, and I asked it a while ago, what would happen --  
10 what is the first step to get on to Republic water  
11 system?

12 Would Republic have to buy -- well, they do  
13 have to buy the system, but they got to go to the  
14 headquarters of the system.

15 Also, our taxes have been raised. Our  
16 property taxes are raised, gasoline taxes are raised.  
17 Our -- all of our taxes in one way or another have  
18 been raised some way, except for our social security  
19 checks.

20 My social security check, I get \$1 a year on  
21 my social security check. Now that don't pay a whole  
22 lot, and we're not wealthy people out there. We are  
23 not. We are not. We have never been wealthy people  
24 out there. And there's a lot of the -- most of them  
25 are either retired or semi-retired.

1           My husband has a part-time job, and we  
2   barely make it on that. And our -- we've been helping  
3   out a daughter that has had no job for three years,  
4   and if you don't think that's pinching pennies, you  
5   try it.

6           She lives in Springfield, but three years  
7   without a job is a long time around here. And they  
8   don't pay very much. Minimum wage, they think that's  
9   really great. And that's all I have to say.

10          JUDGE DIPPELL: Okay. Can I ask you just a  
11   couple questions? Which water system are you on?

12          MRS. SCHODDE: Rankin Acres.

13          JUDGE DIPPELL: Okay. And how long have you  
14   lived there?

15          MRS. SCHODDE: Oh, gosh.

16          MR. SCHODDE: 40 years.

17          MRS. SCHODDE: 40-some years. We are  
18   original owners of our home.

19          JUDGE DIPPELL: Okay. Thank you. Ms. Baker,  
20   did you have any questions?

21          MS. BAKER: The questions that I have are, do  
22   you have any water quality problems at your home?

23          MRS. SCHODDE: Not now, but we have had in  
24   the past.

25          MS. BAKER: Okay. But those are fixed now?

1 MRS. SCHODDE: Yeah.

2 MS. BAKER: Okay. Do you have any pressure  
3 problems at your home?

4 MRS. SCHODDE: I can tell when other people  
5 are doing their washing or other -- you know, I can  
6 tell -- I can tell on that.

7 MS. BAKER: Okay.

8 MRS. SCHODDE: Yeah, mm-hmm.

9 MS. BAKER: Do you have any billing issues  
10 with your account?

11 MRS. SCHODDE: Yeah, our last bill -- of  
12 course that was already explained to us, because it  
13 wasn't the 30 day, it was several days longer.

14 But now my husband can answer that question,  
15 since he pays the bills now. I used to, but he does  
16 now.

17 MS. BAKER: Okay. All right. I have no  
18 further questions. Thank you. Stay right there.

19 MRS. SCHODDE: Okay.

20 JUDGE DIPPELL: Thank you. Are there any  
21 questions from the company?

22 MR. ELLINGER: No questions, Your Honor.

23 JUDGE DIPPELL: Staff?

24 MS. HERNANDEZ: I have no questions. Thank  
25 you.

1 JUDGE DIPPELL: Thank you. Thank you very  
2 much, ma'am.

3 MRS. SCHODDE: Thank you and have a good day.  
4 Bye.

5 JUDGE DIPPELL: Our next witness.

6 MS. DOERHOFF: Allen, are you going to go  
7 up?

8 MR. SCHODDE: No, I just agree with  
9 everything she says.

10 MS. DOERHOFF: Okay.

11 MR. SCHODDE: We're happily married for 52  
12 years now.

13 MRS. SCHODDE: Last Tuesday.

14 MR. TANNER: Terry Tanner is my name,  
15 T-E-R-R-Y, T-A-N-N-E-R. And I live at 7398 West  
16 Summit in Republic, is our address, 65738. And I do  
17 live in Rankin Acres. And I'm in that -- in the Aqua  
18 water system.

19 JUDGE DIPPELL: And swear you in, sir.

20 (The witness was placed  
21 under oath by Judge  
22 Dippell.)

23 \* \* \* \* \*

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1                   MR. TERRY TANNER,  
2   of lawful age, having been called as a witness and  
3   being first duly sworn, testified as follows:

4                   JUDGE DIPPELL: Thank you. Go ahead with  
5   your comments.

6                   MR. TANNER: Well, we're all living in  
7   tougher economic times right now. And as Mrs. Schodde  
8   mentioned, this is not a -- one of the wealthier  
9   subdivisions in the area. They're retired people and  
10   people of low and moderate income that live in this  
11   area.

12                  The comments made that one of the reasons  
13   for the increase is that the repair and/or replacement  
14   of the well this past -- I believe in 2007. And that  
15   was one of the main reasons for such a high percentage  
16   of increase.

17                  I find that -- you know, I can accept some  
18   increase over a period of time. But to absorb this  
19   much percentage just at the drop of a hat or, you  
20   know, on the next bill or the next year, I think it's  
21   entirely too much.

22                  When a grocery store loses a cooler, they  
23   don't ask the people to pay all of that on a grocery  
24   bill to start with. And I think the scenario is kind  
25   of self-explanatory.

1           I think it's just too much of an increase. I  
2   could accept some increase, but I think the percentage  
3   is way too much. And that's -- that's my main  
4   comment.

5           JUDGE DIPPELL: Okay. Thank you, sir.  
6   Ms. Baker, did you have any questions?

7           MS. BAKER: I'll go through the same  
8   questions. Do you have any water quality issues?

9           MR. TANNER: Not of late. A few years ago we  
10   had a chlorine problem, which could have been pretty  
11   disastrous. I don't know who was regulating the  
12   chlorine up there.

13           But I -- I had a shirt, a T-shirt in the  
14   sink. And I had gone back into the kitchen for a  
15   period of time. And when I came back in, my T-shirt  
16   had bleached. And so I figure that was a little bit  
17   too much chlorine in our water.

18           But you know, that problem I think is -- I  
19   haven't noticed that since then.

20           MS. BAKER: All right. Do you have any  
21   pressure issues?

22           MR. TANNER: Just that when people are home,  
23   the pressure does go down some. I notice when I'm  
24   taking a shower, why, it will -- if I'm taking a  
25   shower during that period of time, it will -- it will

1 drop. Pressure will drop during high usage time.

2 MS. BAKER: And how about any billing  
3 issues?

4 MR. TANNER: No. I don't have any billing  
5 issues.

6 MS. BAKER: Okay. Those are the questions  
7 that I have. Thank you for coming tonight.

8 MR. TANNER: Thank you.

9 MS. BAKER: Stay there for a second, though.

10 JUDGE DIPPELL: Wait just one moment, sir.

11 Were there any questions from Aqua?

12 MR. ELLINGER: No questions, Judge.

13 JUDGE DIPPELL: Staff?

14 MS. HERNANDEZ: No questions. Thank you,  
15 Mr. Tanner.

16 JUDGE DIPPELL: Thank you, Mr. Tanner. We  
17 appreciate your comments.

18 MR. TANNER: Thank you.

19 MS. DOERHOFF: Ralph Van Deusen?

20 MR. VAN DEUSEN: I'll pass.

21 MS. DOERHOFF: You sure? Okay. James Fry.

22 MR. FRY: James Fry. 7341 West Republic --  
23 West Wade, Republic. I'm on the Rankin Acres water  
24 supply. I've lived there for 30 years.

25 JUDGE DIPPELL: Let me go ahead and swear you

1 in, sir.

2 (The witness was placed  
3 under oath by Judge  
4 Dippell.)

5 \* \* \* \* \*

6 MR. JAMES FRY,  
7 of lawful age, having been called as a witness and  
8 being first duly sworn, testified as follows:  
9 JUDGE DIPPELL: Go ahead with your comments,  
10 sir.

11 MR. FRY: It seems like every two to three  
12 years, we meet this way.

13 It started in -- with this company back in  
14 '99 with a rate increase. 2002, they asked for a 54.4  
15 percent increase. 2005, they came back with a 91.41  
16 percent increase.

17 Now this year, 2008, they're coming up with  
18 an 89.9 percent increase.

19 Granted, not the entire increase was given to  
20 the company. But every two to three years for an  
21 increase like this -- I understand cost of business  
22 goes up. But looking for a reasonable amount as  
23 opposed to the whole pie at one time appears to be a  
24 better solution.

25 Along with this, no backup plans have been

1 made for issues that we know of, of the well going  
2 out. We are a single-source supply, which is a one  
3 well.

4 Up until this year with the heavy rains which  
5 has started to replenish some of the water table, the  
6 water table in southwest Missouri has been falling.  
7 It was just a matter of time until it's very possible  
8 we could have been without water.

9 The -- if Aqua Missouri has made provisions  
10 to hook up with the City of Republic, they have not  
11 let us know or what their plans are.

12 We've gone through two ice storms with power  
13 outages. The first one, it took them four days before  
14 they could get a generator in to get the well going  
15 to get water back to us. It was bad enough for us to  
16 go for a week without power, but trying to live  
17 without water and other necessities become a little  
18 tiring.

19 In their statements they made some  
20 assumptions of monthly water usage. They have to  
21 assume, because we are an unmetered system.

22 Back in 1999 as part of their rate increase,  
23 it was given with the assurances by the company at  
24 that time that they would be installing meters so that  
25 they could read the -- would know where the high users

1     were.

2                 They stayed -- their initial statements were  
3     that the monthly minimum charges would include 6,000  
4     gallons for 46.96, then usage over 6,000 gallons would  
5     be \$4.96 per thousand gallons.

6                 Without meters, there's no way they can tell  
7     who the big users are, who the small users are.

8                 And another ironic item dealing with this  
9     was they gave a total monthly bill that they were  
10    assuming would be 5,000, which is \$46.96, the same as  
11    what they had previously -- excuse me, previously  
12    stated for 6,000 gallons. So which is it? 5,000 or  
13    6,000?

14                We all agree that the times have gotten  
15    rougher on everyone and that some increase we could  
16    live with. But looking at a 89 percent increase or  
17    even more as the staff or the PSC has recommended,  
18    it's just way out of line for a subdivision that is  
19    of moderate income and struggling to live on our --  
20    on social security and other fixed incomes.

21                JUDGE DIPPELL: Thank you for your comments.

22                Chairman Davis has joined us for a few  
23    minutes. Chairman, did you have any questions you  
24    wanted to ask?

25                CHAIRMAN DAVIS: No. I do appreciate your

1 testimony, sir. I think it's very helpful. And the  
2 metering situation, the backup generator, we'll  
3 definitely look into all of those issues.

4 MR. TANNER: Thank you.

5 JUDGE DIPPELL: Ms. Baker, did you have  
6 questions?

7 MS. BAKER: Again, do you have any water  
8 quality issues?

9 MR. TANNER: I do get -- I'm on a dead-end  
10 line, so I do get sediment. I get taste and odors.  
11 I can tell when the DNR samples are going to be  
12 taken, because I can get chlorine coming through the  
13 system.

14 MS. BAKER: Do you -- or have you observed  
15 anyone coming to flush the lines near your home?

16 MR. TANNER: There's no way to flush them.

17 MS. BAKER: Okay.

18 MR. TANNER: The only way to flush them, I  
19 turn my faucet on the outside of my home, hook a  
20 hose -- or hook a hose up, turn the faucet on and  
21 flush it out myself.

22 Because there is no flush valves within the  
23 system, and there are several dead-end lines.

24 MS. BAKER: Okay. Do you have any pressure  
25 problems?

1           MR. TANNER: I'm an early riser. I'm still  
2 working, so I'm usually taking a shower at 5:00  
3 o'clock in the morning. I've got plenty of pressure  
4 at that time.

5           If I shower in the evening, it's about half  
6 of what I have in the morning.

7           MS. BAKER: And what about billing issues?

8           MR. TANNER: If they could stay on a current  
9 schedule, it would help things.

10          But running from a low of \$19 for one month  
11 to \$30 another month with the billing cycle, it  
12 gets -- you know, it works on the budget a little  
13 bit.

14          MS. BAKER: Okay. Those are all the  
15 questions that I have. Thank you.

16          MR. TANNER: Thank you.

17          JUDGE DIPPELL: Thank you. Are there any  
18 questions from Aqua Missouri?

19          MR. ELLINGER: No questions. Thank you for  
20 coming, Mr. Fry.

21          MR. TANNER: Thank you.

22          JUDGE DIPPELL: Staff?

23          MS. HERNANDEZ: No questions. Thank you,  
24 Mr. Fry.

25          JUDGE DIPPELL: Thank you, Mr. Fry, for your

1       comments.  Appreciate it.

2               MS. DOERHOFF:  Judge, that's all I had sign  
3       up on the sign-up sheet.

4               JUDGE DIPPELL:  Is there anyone else who  
5       wishes to testify?

6                       (No response from the  
7               audience members.)

8               MS. DOERHOFF:  I'm not hearing any.

9               JUDGE DIPPELL:  Okay.  Well, if there are no  
10       further people to testify, then we'll conclude this  
11       portion.

12               I appreciate you all coming out and giving  
13       your input.  We do take your comments seriously, and  
14       the other commissioners will read the -- read your  
15       comments.

16               And we've had good participation from all of  
17       these hearings so far.  So we appreciate you all  
18       making the effort to come out.

19               We can go ahead and go off the record.

20                       (The hearing was concluded  
21               at 6:25 p.m.)

22

23                       [SIGNATURE RESERVED]

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## I N D E X

1		
2		
3		PAGE
4	TITLE PAGE	1
5		
6	INDEX	22
7		
8	APPEARANCES	2
9		
10	WITNESS NAME	
11	Mrs. Louann Schodde	9
12	Mr. Terry Tanner	13
13	Mr. James Fry	16
14		
15	CERTIFICATE OF REPORTER	23
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

## 1 CERTIFICATE OF REPORTER

2 STATE OF MISSOURI )  
3 COUNTY OF GREENE ) SS:

4

5 I, Karen S. Rogers, Registered Professional  
6 Reporter, Certified Realtime Reporter, and Notary  
7 Public in and for the State of Missouri, do hereby  
8 certify that I was personally present at the taking of  
9 the proceedings as set forth in the caption sheet  
10 hereof; that I then and there took down in stenotype  
11 the proceedings had at said time; and that the  
12 foregoing is a full, true, and accurate transcription  
13 of such stenotype notes so made at such time and  
14 place, all to the best of my skill and ability.

15

16

Karen S. Rogers, RPR, CCR No. 846,  
Notary Public

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