

1 STATE OF MISSOURI
2 PUBLIC SERVICE COMMISSION

3
4
5
6 TRANSCRIPT OF PROCEEDINGS

7 Public Hearings
8 September 8, 2008

9 Mexico and Warrenton, Missouri
10 Volume 2

11
12 In the Matter of Missouri American)
13 Water Company's Request For)
14 Authority To Implement A General)Case No.
15 Rate Increase For Water And Sewer)WR-2008-0311
16 Service Provided In Missouri)
17 Service Areas)

15

16

17 KENNARD JONES, Presiding,
18 SENIOR REGULATORY LAW JUDGE
19 CONNIE MURRAY,
20 ROBERT M. CLAYTON, III,
21 COMMISSIONERS

19

20

21

22

23

24 REPORTED BY:

25 MINDY VISLAY, CCR

MIDWEST LITIGATION SERVICES

1 A P P E A R A N C E S

2

3 DEAN L. COOPER, Attorney at Law
4 Brydon, Swearngen & England, P.C.
5 312 East Capitol Avenue
6 Jefferson City, MO 65102
7 (573)635-7166

8 FOR: Missouri American Water

9

10 CHRISTINA BAKER, Assistant Public Counsel
11 200 Madison Street
12 P.O. Box 2230
13 Jefferson City, MO 65102
14 (573)751-5565

15

16 FOR: Office of Public Counsel

17

18 SHELLY BRUEGGMANN, General Counsel
19 P.O. Box 360
20 200 Madison Street
21 Jefferson City, MO 65102
22 (573)751-3234

23 FOR: Staff of the Missouri Public
24 Service Commission

25

26

27

28

29

30

31

32

33

34

35

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

2 JUDGE JONES: This is the matter of Case No.
3 WR-2008-0311, Missouri American Water. My name is
4 Kennard Jones, I'm the District Law Judge assigned to
5 this case.

6 I understand that Commissioner Connie Murray is in
7 Warrenton.

8 Commissioner Murray, would you like to make a
9 statement?

10 COMMISSIONER MURRAY: No, that's all right,
11 Judge, thank you.

12 JUDGE JONES: I also understand that
13 Commissioner Clayton is in Mexico.

14 Commissioner Clayton, would you like to make a
15 statement?

16 COMMISSIONER CLAYTON: Thank you, Judge
17 Jones. I just wanted to introduce myself to the crowd
18 that's here. I kind of left the room when the
19 conversation began.

20 My name is Robert Clayton, I'm one of the five
21 members of the Public Service Commission. I'm
22 originally from Hannibal, Missouri. I've been to
23 Mexico many times, so this is not my first rodeo, so
24 to speak. I'm glad to be in Mexico and enjoying this
25 facility. I look forward to hearing your comments

1 here today, and I hope that we can answers some
2 questions if they have not already been answered
3 already.

4 Thank you, Judge.

5 JUDGE JONES: Thank you.

6 At this time we'll take entries of appearance from
7 Missouri American Water.

8 MR. COOPER: Dean Cooper from the law firm
9 of Brydon, Swearngen & England, P.C., P.O. Box 456,
10 Jefferson City, Missouri 65102, appearing on behalf of
11 Missouri American Water.

12 JUDGE JONES: Is there anyone from the
13 Office of Public Counsel?

14 MS. BAKER: Yes, Your Honor. I'm Christina
15 Baker, P.O. Box 2230, Jefferson City, Missouri 65102,
16 appearing on behalf of the Office of the Public
17 Counsel and the rate payers.

18 JUDGE JONES: Thank you, Ms. Baker.

19 And from the Staff of the Commission, General
20 Counsel.

21 MS. BRUEGGEMANN: Yes, Your Honor. Shelly
22 Brueggemann for Staff, located at 200 Madison Street,
23 P.O. Box 360, Jefferson City, Missouri 65102.

24 JUDGE JONES: Are there any other parties
25 represented? It doesn't appear there is in Jefferson

1 City. Is there anyone in Mexico? No one in Mexico.

2 Is there anyone in Warrenton?

3 Just to get us started, witnesses who have signed
4 up for this hearing, we will take testimony from you.
5 We will have you approach the microphone that should
6 be available there in your location. You'll be sworn
7 in by myself and then you'll make your statement.

8 After that, you may have questions from the
9 Commissioners or from some of the attorneys. You,
10 however, cannot ask questions of the Commissioners --
11 or rather, they are not allowed to answer questions,
12 nor am I, from you all.

13 If you do not want to speak but would rather call,
14 e-mail, or write any comments, you probably have
15 already received that information from the Staff of
16 the Commission there in your locations, but if you
17 have not, and you have something to write with, I'll
18 tell you what that information is.

19 Written comments to the Office of Public Counsel
20 can be sent to the Governor's Office Building, 200
21 Madison Street, Suite 650, P.O. Box 2230, Jefferson
22 City, Missouri 65102. The telephone number is
23 866-922-2959. The e-mail is opcservice@ded.mo.gov.

24 You can also contact us through the Public Service
25 Commission at P.O. Box 360, Jefferson City, Missouri

1 65102. That telephone number is 1-800-392-4211 and
2 the e-mail address is pscinfo@psc.mo.gov.

3 Prior to going on the record, I take it to
4 understand there's no one to testify in Warrenton.
5 Does that still hold true?

6 AUDIENCE MEMBER: Judge, that is correct,
7 there is no one in Warrenton to testify.

8 JUDGE JONES: How many people do we have on
9 the list in Mexico?

10 MS. DOERHOFF: Judge, we have four people.

11 JUDGE JONES: I don't have -- why don't you
12 give me the list so I will have it.

13 MS. DOERHOFF: Eldon Mellott.

14 JUDGE JONES: Can you spell that for me,
15 the last name?

16 MR. MELLOTT: M-E-L-L-O-T-T.

17 JUDGE JONES: And the next name?

18 MS. DOERHOFF: Robert Marty. Harold
19 E-N-S-L-E-N. Kenneth Dowell, D-O-W-E-L-L.

20 JUDGE JONES: We'll start with you,
21 Mr. Mellott. If you could please approach the
22 microphone and raise your right hand.

23 ELDON MELLOTT,

24 Of lawful age, being first duly sworn by the
25 Notary Public, testified as follows:

1 JUDGE JONES: Thank you, sir, you may put
2 your hand down, and please state your name and tell us
3 what you want us to know.

4 MR. MELLOTT: Eldon Mellott. The water
5 company is wanting a raise to make all their
6 improvements or pay for the improvements they've made.
7 Every time they make an improvement they want another
8 raise.

9 My water don't come out of my faucet any better
10 than it did two years ago. And with this raise they
11 are close to 50 to 60 percent higher than what they
12 were a year ago.

13 I got a 2.6 percent raise the 1st of January. I'm
14 on a fixed income. Anybody in Mexico or Audrain
15 County that got a 4 percent raise this year was lucky.
16 And they're wanting, roughly, a 25 percent raise.

17 Now, I know the shareholders buy shares to make
18 some money. But you get the feeling they're trying to
19 make the shareholders rich off the backs of the
20 consumers. And they don't seem like they have to be
21 responsible for anything. If they want a new truck,
22 we'll ask for a raise. If we want to put new pipeline
23 in, we'll ask for a raise; everything's paid for.

24 It says they invested 1.89 -- I don't know how
25 many millions they invested here in Mexico, but when

1 they bought the system off Mexico, and Mexico was
2 foolish enough to sell it to them, they knew some of
3 these pipes were a hundred years old. This
4 improvement should have been started from day one
5 instead of jumping in and just all of a sudden, you
6 know, we want everything paid for.

7 I'd love to have a business where everything is
8 paid for. We run short of money, we ask for another
9 raise. No other company can do that.

10 And there is nothing you can substitute for water.
11 When we were after AmerenUE, you know, you can heat
12 with corn cobs, wood, anything accept coal inside city
13 limits. It might be dirtier, it might be more
14 expensive, but you have the option. Water; you can't
15 hardly exist without it. There's nothing you can
16 substitute with it.

17 And I kind of hold the Public Service Commission a
18 little bit responsible for allowing them to go as far
19 as they can. I know they are a business, they are
20 trying to make some money, but how much money? They
21 say they invested all this money. Where did that
22 money come from but from the customers -- or the
23 investors?

24 That's about the long and the short of it, you
25 know. Somewhere you've got to slow down. It's got to

1 stop. That's about all I've got to say about it. I
2 don't know what else to say.

3 JUDGE JONES: Thank you, Mr. Mellott.

4 Commissioner Murray -- Mr. Mellott, remain there
5 for a moment.

6 Commissioner Murray, did you have any questions of
7 Mr. Mellott?

8 COMMISSIONER MURRAY: I have no questions,
9 thank you, Judge.

10 JUDGE JONES: Commissioner Clayton?

11 COMMISSIONER CLAYTON: Yes, sir, I do have
12 some questions, Judge.

13 QUESTIONS BY COMMISSIONER CLAYTON:

14 Q. Mr. Mellott, I wanted to ask you a couple
15 questions. First of all, you reside in the city
16 limits of Mexico?

17 A. Right.

18 Q. And have you been at that address for a
19 while, so you had --

20 A. Oh, yeah.

21 Q. -- American Water as your provider for some
22 time?

23 A. Yes. It's the only one we've got. It's a
24 monopoly, we're stuck with it, you can't go down the
25 block and buy from X, Y or Z. And that's what I'm

1 saying. It all seems like the RICO Act ought to come
2 into effect someplace on it, but it won't.

3 Q. I can guarantee you the RICO Act is beyond
4 my authority. I promise you that.

5 But what I want to know is that you have resided
6 at this house long enough to have City of Mexico water
7 and Missouri American Water?

8 A. No, they sold it out before I moved in. My
9 folks had lived there for -- since I don't know when.

10 Q. Okay. So the service --

11 MR. MARTY: The city never owned the water.

12 COMMISSIONER CLAYTON: Who owned it before?

13 MR. MARTY: Other water companies.

14 COMMISSIONER CLAYTON: My mistake.

15 QUESTIONS BY COMMISSIONER CLAYTON:

16 Q. What I want to know is the quality of the
17 service you receive. Aside from the price, for right
18 now, are you satisfied with the water quality that you
19 receive?

20 A. Well, outside of last spring. I turned my
21 water faucet on and you can smell chlorine real
22 strong. And I called them, and they just kind of
23 acted dumber than a box of rocks, but within a few
24 days after I called them you don't smell the chlorine
25 anymore.

1 Q. When was that?

2 A. It was last spring, real early.

3 Q. 2007? Last year?

4 A. No, this year. And I couldn't get anything
5 out of them at all.

6 But other than that, you know, you turn the water
7 on, it comes on. You shut it off, it goes off. There
8 hadn't been --

9 Q. But it doesn't have another foul smell that
10 goes with it or the pressure's good?

11 A. So far, you know. I can't complain about
12 that. It just -- this is less than a year for another
13 raise. This is --

14 Q. I understand. Now, on customer service,
15 you said you called the company and they didn't
16 understand your concern or they --

17 A. They didn't know of anybody putting any
18 chlorine in it. But in a few days it quit. It was
19 getting so it killed my house plants.

20 Q. How about other times that you've contacted
21 the company; have there been other occasions, have you
22 had any problems with your bill, has it been not
23 accurate, or have you ever called them up and not be
24 treated in a way that you thought you were deserving?

25 A. No, not that I can remember ever. Other

1 than the wintertime when they don't read the meters
2 and it's estimated and our sewer is taken off
3 December, January and February's bill and divided by
4 three to get what we pay for the sewer.

5 Q. Who is your sewer service provider?

6 A. It's the City of Mexico. They tried to
7 sell it to the water company but the voters stopped
8 them on it.

9 COMMISSIONER CLAYTON: I don't think I have
10 any other questions for you. Thank you very much for
11 coming out tonight.

12 JUDGE JONES: Staff, did you have any
13 questions?

14 MS. BRUEGGEMANN: No, Your Honor. Thank
15 you, Mr. Mellott.

16 JUDGE JONES: Mr. Mellott, you may be
17 seated, thank you for your comments.

18 Mr. Robert Marty.

19 ROBERT MARTY,
20 Of lawful age, being first duly sworn by the
21 Notary Public, testified as follows:

22 JUDGE JONES: Please state your name and
23 give us your statement.

24 MR. MARTY: My name is Robert H. Marty,
25 1411 Bennington, Post Office Box 535, Mexico,

1 Missouri.

2 I just want to tell you all that are assembled
3 here, you need to know that the water in Mexico,
4 Missouri, is extra specially good.

5 I have been to these testimonies before. You
6 ought to hear Jeff City complain about the water
7 brought out of the Missouri River. And, you know,
8 Columbia has their own water system, and they draw it
9 from the Missouri River not far from where they dump
10 their sewage, and they have a problem there.

11 We have deep well water. We have probably the
12 best water in the State of Missouri, and the service
13 has been good.

14 I have a long history at these rate hearings. I
15 have met Mr. Clayton a time before, Commissioner Gaw
16 two times before that. In fact, when I was on the
17 city council, we tried to buy the water company, and
18 we won two court cases and lost a third.

19 And I have appeared -- when the water company
20 tried to weave in the St. Joe water company, that they
21 built on the water plain, and wanted us to get the
22 rest of the water users in the State of Missouri to
23 pay for it, and the Public Service Commission, with
24 testimony from others and myself, didn't allow that.
25 So that was one victory.

1 And another time the water company wanted to weave
2 the whole state together and raise rates as a state.
3 And that would be a great disadvantage to Mexico,
4 because we are in good shape.

5 And some of these infrastructures, like in St.
6 Louis County and so forth, are terrible. And if we
7 had to bear their burden, it would be very difficult.

8 What I'm worried about, Commissioner Clayton, is
9 we were here less than a year ago talking about this
10 same thing. We cranked it way up. I was worried at
11 that time that they were trying to get themselves
12 positioned so they'd be more attractive to sell --
13 from the German company that owned them -- at that
14 time so they could sell them.

15 We need to make sure that our rates are
16 investigated for our town alone, not in a larger
17 structure. We have good water, we've got good
18 service, we need to make sure the accounting matches
19 what's done in this town. There's no way we civilians
20 can get a good hold of that or have the strength to do
21 it. We have to rely on the Public Service Commission
22 and the counsel of Public Service to represent us
23 there.

24 I am very suspicious that if we've already raised
25 it once, within less than a year, and you've come back

1 again to do this again -- we haven't expanded the
2 town --

3 Well, that's not exactly correct, is it,
4 Mr. Kelly? We have had a new -- which is good for
5 everybody.

6 What I'm talking about tonight then is to make
7 sure the rate is really justified. It's a very
8 significant rate, we've had two of them in one year,
9 and is it justified for the City of Mexico?

10 I appreciate the ability and the chance to be able
11 to come here and appear, and I thank you, Judge Jones,
12 for allowing me.

13 I guess, any questions?

14 JUDGE JONES: Commissioner Murray, any
15 questions of Mr. Marty?

16 MR. MARTY: At the higher class hearings,
17 Judge, we used to have coffee and cookies.

18 COMMISSIONER MURRAY: I just have a couple
19 of questions.

20 QUESTIONS BY COMMISSIONER MURRAY:

21 Q. I understand you to say that you would be
22 opposed to tariffing that would price rates across the
23 state rather than district-specific pricing; is that
24 what I heard you say?

25 A. Yes.

1 Q. And how long have you been a customer of
2 Missouri American?

3 A. 1956. How many years is that? That's
4 52 years. God Almighty.

5 COMMISSIONER MURRAY: Thank you, I
6 appreciate your being here and following the hearings
7 we hold on these questions.

8 COMMISSIONER CLAYTON: Judge, I have
9 questions. Can I proceed?

10 JUDGE JONES: Of course.

11 COMMISSIONER CLAYTON: First of all, the
12 reason why we're getting all this feedback is we have
13 to have all the other places muted when we talk
14 otherwise the feedback comes in. And we had problems
15 with this earlier, so I apologize as we work through
16 that.

17 QUESTIONS BY COMMISSIONER CLAYTON:

18 Q. I also wanted to ask you about this single
19 tariff pricing because this is an issue that comes up.
20 And with Missouri American having districts all around
21 the state, you mentioned St. Joe, Joplin is another
22 big one --

23 JUDGE JONES: I think Mexico is muted.

24 MR. MARTY: No, we're here. Maybe you're
25 not hearing us, I don't know.

1 Maybe they're not hearing you, Mr. Clayton.

2 QUESTIONS BY COMMISSIONER CLAYTON:

3 Q. Can you hear me?

4 A. I can hear you.

5 COMMISSIONER CLAYTON: Well, I'm going to
6 go ahead, Judge, can you hear me now?

7 MR. MARTY: Apparently not.

8 QUESTIONS BY COMMISSIONER CLAYTON:

9 Q. Well, anyway, we've talked about St. Joe,
10 we've talked about Joplin --

11 A. St. Louis County.

12 Q. St. Louis County is the biggest.

13 JUDGE JONES: Mr. Clayton, I can't hear
14 you.

15 COMMISSIONER CLAYTON: Well, we've got it
16 on the record here and I'm asking the question of the
17 witness here.

18 JUDGE JONES: At your mention of the word
19 "mute" -- if there is someone there running the
20 technology, can you un-mute Mexico, please?

21 COMMISSIONER CLAYTON: Can you hear me now,
22 Judge? Can you hear me now?

23 I feel like that wireless commercial, and we don't
24 regulate wireless.

25 Can you hear me now?

1 This is thoroughly embarrassing. I'm just going
2 to ask these questions and then you can chime in.

3 QUESTIONS BY COMMISSIONER CLAYTON:

4 Q. We've talked about single tariff pricing.
5 We've talked about St. Joe, Joplin, other communities
6 that are served by Missouri American Water. The issue
7 of single tariff pricing is where you take the
8 totality and everybody pays a rate and add everything
9 in together. You said you would be opposed to that
10 concept?

11 A. Yes.

12 Q. Would you be opposed to that concept even
13 if Mexico's water rates went down?

14 A. No.

15 Q. Oh. So then you would be in favor of
16 single tariff pricing?

17 A. Yes. But they won't because these places
18 that you've mentioned have serious infrastructure
19 problems, which we don't have.

20 For instance, like St. Louis County -- which they
21 took over in the last several years -- is leaking all
22 over. And if we pick that up, we'd have a tremendous
23 load.

24 If it would lower our rates, I would be for it.
25 But any model I've seen, any template I've seen, our

1 rates would go up, and we, with a good infrastructure,
2 would be bearing the burden of those with poor
3 infrastructures.

4 Q. The modeling that you are referring to, is
5 that something you had access to when you were on the
6 city council?

7 A. And at various hearings we've been able to
8 see it. I'm talking in maybe 20 years of doing this
9 I've seen this many times. I don't have it with me
10 right now.

11 And I would be glad to see it, if it would lower
12 the rate -- if it was all taken together. I would be
13 glad to see that.

14 Q. Okay. Well, there are some communities in
15 the Missouri American Water system that are subsidized
16 where some money comes from certain districts.
17 Brunswick, I think, is one that comes to mind, maybe a
18 few others.

19 A. We used to be in a territory with
20 Brunswick. I don't know if we still are.

21 Patrick, are we still in with Brunswick?

22 We used to be with them.

23 Q. There are some circumstances where some of
24 the smaller communities are subsidized because their
25 rates are higher. They don't have the number of

1 customers that you would have to spread investment
2 across.

3 St. Louis County is -- I think it's the largest
4 stand alone system in the American Water family
5 nationwide. I mean, it's a big system. So you spread
6 investment over a larger number of people and the rate
7 increase is either smaller or it's not as much of a
8 problem.

9 From your perspective from being on city council,
10 you've been involved with facilities, what details,
11 what facts, would you need to see to be comfortable
12 about Mexico being treated fairly if we looked
13 at alternative rate designs?

14 A. There's nothing wrong with looking. I
15 think you've always got to be checking your options.
16 And things change from time to time. But the
17 difficulty has been -- that I have, over time, come to
18 understand, Mr. Clayton -- is that some of these other
19 districts, the larger ones, were in really bad shape.
20 And we would have had to pick up a great burden if we
21 picked them up.

22 But that -- Star Wars, I think. But that doesn't
23 preclude us taking a look at it. Only a fool would
24 say no.

25 Q. I would love to sit here and have this

1 conversation, but, frankly, I feel like I'm at the
2 movie theater, so we'll have to wait for another day.

3 A. I don't want to turn down the chance to
4 look at something else, something new, something
5 different. If they can some way have the same money
6 by putting it all together and having small
7 districts -- but we're talking about laying pipe and
8 having leaks and things that are big.

9 St. Louis County is one of the worst. And if we
10 had to pick that up, we would be in a lot of trouble.

11 Q. Are you comfortable with the infrastructure
12 in Mexico?

13 A. Yes.

14 Q. Are they keeping up with projects --

15 A. Yes.

16 Q. -- to make sure that they are providing
17 safe and reliable service?

18 A. Did you hear me say we have the best water
19 in the state? We do have the best deep well water in
20 the state.

21 Q. I'm telling you, I've been to water
22 hearings all around the state, by different companies,
23 and we don't hear that all the time. So that's a very
24 positive thing to hear. Because there are some water
25 districts that are just -- have difficulties.

1 A. Jeff City, at the last hearing, the guy
2 told us about what slime he had.

3 Q. I haven't seen a mason jar of dirty water
4 yet, and that's what I'm watching for from the others.

5 Anyway, I don't have any other questions for you.
6 I appreciate you coming.

7 MR. MARTY: Judge Jones, did you hear me?

8 JUDGE JONES: We're having some technical
9 difficulties, but I heard you.

10 Commissioner Clayton, did you have any more
11 questions?

12 COMMISSIONER CLAYTON: No, I'm done.

13 JUDGE JONES: Don't say the word "mute"
14 again, please, that's when all this started.

15 Harold Enslin.

16 HAROLD ENSLIN,

17 Of lawful age, being first duly sworn by the
18 Notary Public, testified as follows:

19 JUDGE JONES: Please state your name and
20 give us your statement.

21 MR. ENSLIN: I'm Harold S. Enslin, 901 Ruth
22 Court in Mexico, Missouri.

23 I'm a retired person. I'm here for the retired
24 people. Nobody really is supporting me -- I mean,
25 paying me to be here. I come on my own.

1 I know of retired people, men and women, that live
2 in Mexico, because we have about 20 to 25 percent of
3 senior citizens, and they don't come to these
4 hearings. In fact, lots of them quit taking the
5 newspaper. Some of them listen to the radio and some
6 of them don't. So there's many things that the
7 seniors are beginning to not do with.

8 And the Governor and the Lieutenant Governor and
9 the Division of Family Services are encouraging
10 seniors to stay at home -- live at home. And I heard
11 the Lieutenant Governor say the other day you could
12 buy a cover to cover your water heater to save you
13 electricity -- or gas, whatever you had. And then
14 they said they would help you buy that. Well, where
15 are those -- where is that plan?

16 But the seniors have got to have water. And my
17 wife would raise Cain with me if I was trying to save
18 water and getting a bucket out of the rain gauge to
19 flush the stool with. Because a gallon of water will
20 flush it, and there are some people that do that.
21 There's people that's going without three meals a day.
22 There's people that cut back on their electricity and
23 water.

24 And there's other -- the Central Missouri Area on
25 Aging have care coordinators in every county that go

1 and meet with seniors. But these seniors; their
2 families contact them. And if they know about it, the
3 care coordinators will go and help the seniors with
4 their problems; their health problems, their
5 medications, and they get into the finances at some
6 times, but most of the seniors are reluctant to let
7 anybody know their finances.

8 So you can't hardly pick up a paper anymore or
9 read on the news about the food crisis. The food at
10 the grocery store -- if you don't buy groceries; it's
11 doubled. Some food items -- hundreds of food items --
12 have more than doubled. And that affects the seniors
13 along with their utilities. And Ameren has a hearing
14 coming up shortly for the same thing, a rate increase.

15 They have these food centers. And in some
16 places -- it hasn't happened in Mexico yet -- but in
17 some places you have to get on a list to get food from
18 the help centers, and that's something unusual. And
19 some of them don't have them. In fact, in Jeff City,
20 there was a center that was low on food, and more
21 people are seeking help. And you can just go
22 on-and-on on these things.

23 We're interested in the seniors staying at home,
24 but paying their utilities, especially the water and
25 the electricity, is a tough thing.

1 I've got a lot of figures and these things, but
2 this is what I'm here to talk about, is to help the
3 seniors on these rate increases. That's it, Judge.

4 JUDGE JONES: Thank you.

5 Commissioner Murray, do you have questions?

6 COMMISSIONER MURRAY: I don't have any
7 questions, but thank you very much, sir.

8 JUDGE JONES: Commissioner Clayton?

9 COMMISSIONER CLAYTON: Thank you, Judge.

10 QUESTIONS BY COMMISSIONER CLAYTON:

11 Q. Mr. Enslin, thank you very much for coming
12 out tonight and taking on this role. This is a role
13 that we hear about all over the state.

14 And as you mentioned, Ameren is also going through
15 this right now. And I think this is an Ameren town,
16 isn't it?

17 And part of the reason why we have the technology
18 set up, and we're trying to get this to work, is that
19 at the same time, right now, we have Ameren local
20 public hearings occurring in St. Louis County, right
21 now.

22 In fact, I was in the City of St. Louis today, and
23 Mexico tonight, and then we go down to the bootheel
24 tomorrow. So I appreciate you coming here and sharing
25 this perspective.

1 I wanted to ask you several questions about
2 quality of service. Do you have any problems with
3 quality of service? Is the product good that comes
4 out of the tap?

5 A. Well, I have a filter on the kitchen sink,
6 and we use that for drinking water.

7 Q. Do you feel that you need the filter, or is
8 that just a preference in taste?

9 A. I put it on there because the doctor
10 recommended it.

11 Q. And have you ever had problems with
12 pressure or smell or any other issues associated with
13 water quality?

14 A. Only when you find out that they're working
15 someplace in the neighborhood and have dug up a line
16 or busted a line, or something like that. But that
17 was taken care of pretty quick.

18 Q. Have you ever called the company? Have you
19 ever had any problems in dealing with the company?

20 A. No problems. I've called them and told
21 them about water leaks and things like that.

22 Q. Courteous, helpful, truthful, everything
23 like that?

24 A. Especially water leaks that went on and on
25 and on.

1 Q. Okay. I understand the concern about rates
2 in general going up. What can the Commission do to
3 assist those on fixed incomes, those senior citizens,
4 those unable to deal with some of these increases,
5 what can we do to help either reduce usage or make it
6 affordable? What do you think needs to be done?

7 A. Just make it a nominal increase.

8 Q. Do you believe that seniors have the tools
9 to reduce their usage? Do you think they're being
10 responsible with the water they are using? I mean,
11 I'm sure --

12 A. Oh, yeah.

13 Q. -- you're not seeing circumstances where
14 you just leave the tap on, but water is kind of a
15 different utility than electricity.

16 A. Like I said, some seniors go for days
17 without flushing the stool. Now, you would think
18 that's not true. Well, it is. And it saves the
19 water. It's not hurting anything, they are by
20 themselves, the odor doesn't bother them or anything
21 like that.

22 Baths, showers, these kind of things, they just
23 cut back on them just like they're cutting back on
24 food. Some people are eating one meal a day. And
25 that's here in Mexico and all over.

1 COMMISSIONER CLAYTON: I don't have any
2 more questions.

3 Mr. Enslen, thank you very much for coming.

4 JUDGE JONES: Thank you, Mr. Enslen, you
5 may step down.

6 Mr. Dowell, please step forward.

7 KENNETH DOWELL,

8 Of lawful age, being first duly sworn by the
9 Notary Public, testified as follows:

10 JUDGE JONES: Thank you. You may lower
11 your hand. Please state your name and give us your
12 statement.

13 MR. DOWELL: I am Kenneth Dowell, and I am
14 here representing Water District No. 2, which
15 Christine Smiley is our secretary and she couldn't
16 come tonight so she asked me to come and ask a
17 question or two.

18 She was wanting to know how often can American
19 Water request a rate because it was done so recent as
20 last year. And I was here then.

21 American has told us that they didn't request
22 raises for our water district. And our water
23 district; we are customers, too, like the City of
24 Mexico. We were told last time, "Well, maybe because
25 your big increase -- which is a much more percentage

1 than what Mexico's was -- is because of your
2 commercial accounts."

3 Well, for the Commission's concern; we have very
4 few businesses, and the one that uses the most water
5 is 11,000 gallons a month. I can't reveal the name,
6 but that is probably our largest commercial account,
7 and 11,000 gallons is not very much water.

8 Back in January of 2000 my water bill was \$32. As
9 of January of 2008 it's \$66. And that's for 8,000
10 gallons of water. That's about what I use. I
11 probably use a little bit more, but we water a lot of
12 plants and so forth.

13 And I really wonder -- and we have wondered -- why
14 that, even on these hearings, it's like Water District
15 1 and 2 is not even included? It's the City of
16 Mexico, and everything that's been said for them
17 applies to us.

18 Now, I will tell you, our water is excellent. You
19 couldn't have better water. I've lived on a farm
20 before, that I had my own well, before I moved here.
21 The water was good there, but the water here is
22 excellent.

23 Our Water District No. 2 gives us good service,
24 too. But that has nothing to do with American Water
25 Company.

1 You know, before; they've raised Mexico's rates.
2 But they raised ours a bigger percentage than what
3 they did Mexico. And Mr. Kelly has told us the last
4 two times that, really, American didn't even ask for
5 that, that was done by the Public Service Commission.
6 Why would they do that? Well, the last time they
7 said, "Well, probably because you've got a lot of
8 commercial accounts."

9 We do have three trailer parks. But that's
10 probably not commercial because there's each
11 individual living there that's paying the owner of the
12 trailer park so much for water, so I wouldn't even
13 consider that commercial. So, that is my interest.

14 A gentleman gave me this a while ago; that the
15 last time our rates increased 18.19 percent and this
16 time they are asking for only 1.9 percent, which is a
17 lot less than they are asking for Mexico. Maybe they
18 are trying to even this up.

19 But just because they are asking for 1.9 percent,
20 I don't want the Public Service Commission raising
21 ours 18, too.

22 And I think that's all I have. And thank you,
23 Judge Jones and Mr. Clayton both.

24 JUDGE JONES: Thank you, Mr. Dowell, remain
25 there for a moment.

1 Commissioner Murray, do you have any questions of
2 Mr. Dowell here?

3 COMMISSIONER MURRAY: I have no questions,
4 thank you.

5 JUDGE JONES: Commissioner Clayton?

6 COMMISSIONER CLAYTON: Thank you, Judge, I
7 do have a few questions.

8 QUESTIONS BY COMMISSIONER CLAYTON:

9 Q. Mr. Dowell, are you just -- you are just a
10 customer of Water District 2, or are you also on the
11 board?

12 A. No, I'm just a customer. I'm very
13 interested --

14 Q. I don't want to minimize the importance of
15 being just a customer, but, I mean, you're not in
16 leadership associated with --

17 A. No, I'm not, but I kind of keep on what's
18 going on. And Christine called me, our secretary, and
19 said she couldn't be here and would I come and
20 represent them. So I am here representing No. 2.

21 Q. How long have you been a customer of Water
22 District No. 2?

23 A. Ever since American has been -- whenever
24 they took Mexico over. I moved there in '93.

25 Q. And Water District 2 has been in place at

1 least since '93?

2 A. I have no idea, but yes, it was there in
3 '93.

4 Q. But since you've been there they have
5 always received their water from Missouri American?

6 A. Well, whenever Missouri American bought the
7 water company. I'm not sure what year.

8 Q. The prior company, that's where they bought
9 it from?

10 A. Right.

11 Q. Do you know if Water District No. 2 has any
12 other options from where it can buy its water?

13 A. Yes, they probably do. Canon Water out of
14 Mark Twain Lake --

15 Q. Do they have infrastructure in place that
16 would allow for services?

17 A. No, they would have to do it. I think
18 that's been checked on, and for what it would cost to
19 run the water line, it would make it more. But if it
20 wasn't for having to connect, maybe not.

21 Q. How big is Water District No. 2, can you
22 give me a general picture of the footprint?

23 A. No, I sure can't. I can't tell you how far
24 it goes south, but it goes southwest and north of
25 Mexico. It probably goes 15 miles north -- no,

1 12 miles north and maybe 15 to the west and maybe 11
2 or 12 -- and then you get on the east side of Mexico,
3 that's Water District No. 1.

4 And I should have asked Christine how many
5 customers we have. I don't know, but we're not
6 commercial, you know. They told us last time, "Well,
7 the reason we are raising you is because you are
8 commercial."

9 We don't have any, and I don't think trailer
10 parks, three trailer parks -- you wouldn't consider
11 them commercial because they are individual customers.

12 Q. Do you know where Water District 1 gets
13 their water?

14 A. Yes, from American Water.

15 Q. Is their rate the same?

16 A. You know, that's --

17 Q. I would assume that it is.

18 A. No, that's set by their district board and
19 our district board.

20 We had had a lot of trouble with lines leaking,
21 and our percentage of water that we was paying for was
22 a lot more than what we were getting paid for. But
23 they had found some leaks and got that corrected.

24 Q. Now, you mentioned that your current water
25 bill -- and this is for maybe 8,000 gallons a month --

1 is around \$66 a month?

2 A. It is \$66.

3 Q. Okay. What percentage of that \$66 goes to
4 the water district and what part goes for the actual
5 water?

6 A. I don't know, but I know that they have not
7 raised their price in the percentage of the water that
8 was raised. Now, maybe back in January of 2000, maybe
9 they have.

10 And they just spent a large amount of money. The
11 western part of our county, the water pressure is real
12 low and they just put in a new supply tank. And I
13 better not quote, but I think it was 385,000 they paid
14 for that, but I'm not sure.

15 Q. Well, Mr. Dowell, I don't think I have any
16 other questions.

17 This is not the first time that I've heard of
18 issues associated with wholesale. I think the last
19 time were some wholesalers maybe got their water from
20 the St. Joe region or something like that. They came
21 up in some cases. So this is not the first time I've
22 heard of this, and we'll see what comes out of this
23 rate case.

24 A. I do want to tell you one thing; our water
25 is excellent. I'm not sure what wells we get it out

1 of, but we do have good water. That's worth
2 something.

3 Q. Well, I'll tell you this, I'm all for
4 reliable electricity service and natural gas service,
5 but I'll tell you what, you know if that water is no
6 good, and it affects your life probably more than any
7 other utility. So it's important to hear you say
8 that, and I'm glad you're saying it.

9 A. Well, I've got a big advantage over the
10 other people here. I'm on Consolidated Electric and I
11 don't have to worry about Ameren.

12 Q. Let's not go down that path. I don't want
13 to deal with that. Thank you for coming.

14 MR. DOWELL: Thank you. Thank you, Judge
15 Jones.

16 JUDGE JONES: Thank you. Is there anyone
17 else from Mexico?

18 MS. DOERHOFF: Is there anyone else that
19 wants to testify?

20 We hear none, Judge.

21 JUDGE JONES: Thank you. Has anyone
22 arrived in Warrenton that wishes to testify?

23 AUDIENCE MEMBER: Still nobody at Warrenton
24 to testify.

25 JUDGE JONES: With that, we are off the

1 record.

2 (WHEREIN, the recorded portion of the hearing was
3 concluded.)

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

I N D E X

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

PAGE

| | |
|----------------|----|
| ELDON MELLOTT | 6 |
| ROBERT MARTY | 12 |
| HAROLD ENSLEN | 22 |
| KENNETH DOWELL | 28 |

1 CERTIFICATE OF REPORTER

2

3

4 I, Mindy Vislay, Certified Court Reporter with the
5 firm of Midwest Litigation Services, and Notary Public
6 within and for the State of Missouri, do hereby
7 certify that I was personally present at the
8 proceedings had in the above-entitled cause at the
9 time and place previously described; that I then and
10 there took down in Stenotype the proceedings had; and
11 that the foregoing is a full, true and correct
12 transcript of such Stenotype notes so made at such
13 time and place.

14

15

16

17

Mindy Vislay, CCR

18

19

Notary Public (County of Cole)

20

My commission expires March 19, 2011

21

22

23

24

25