

1 STATE OF MISSOURI
2 PUBLIC SERVICE COMMISSION
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5 TRANSCRIPT OF PROCEEDINGS
6
7 Public Hearings
8 September 23, 2008
9 St. Charles Administration Building
10 St. Charles, Missouri
11 and
12 Jefferson City, Missouri
13 Volume 6
14
15 In The Matter of Missouri-American)
16 Water Company's Request for) Case No. WR-2008-0311
17 Authority To Implement A General)
18 Rate Increase For Water And Sewer)
19 Service Provided In Missouri)
20 Service Areas)
21
22 COMMISSIONERS PRESENT:
23 Colleen M. Dale, Chief Regulatory Law Judge Presiding
24 Commissioner Connie Murray
25

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

2 JUDGE DALE: Good evening, everyone.

3 We are here September 23, 2008 in the matter
4 of Missouri-American Water Company's Request for Authority
5 to Implement a General Rate Increase for Water and Sewer
6 Service Provided in Missouri Service Areas, Case No.
7 WR-2008-0311.

8 My name is Colleen Dale. I'll be the
9 presiding officer in the matter, and I believe we have one
10 Commissioner, who is in St. Charles, Commissioner Murray.

11 COMMISSIONER MURRAY: That's correct.

12 And, Judge, in addition to that, could I just
13 for a moment ask the people here in the back to either close
14 the door or hold the noise down so that we can all hear.

15 Could you hear me then?

16 JUDGE DALE: (No response.)

17 COMMISSIONER MURRAY: Is my mike
18 working?

19 JUDGE DALE: Yes.

20 COMMISSIONER MURRAY: All right.

21 JUDGE DALE: Did the noise improve?

22 COMMISSIONER MURRAY: Yes, thank you.

23 JUDGE DALE: Okay. We will take
24 entries of appearance beginning here in Jefferson City with
25 staff.

1 MS. HERNADEZ: Good evening. Jennifer
2 Hernandez on behalf of the staff of the Missouri Public
3 Service Commission, P. O. Box 360, Jefferson City, Missouri
4 65102.

5 MR. COOPER: Dean Cooper from the law
6 firm of Brydon, Swearngen and England, P. C., P. O. Box
7 456, Jefferson City, Missouri 65102, entered on behalf of
8 Missouri-American Water Company.

9 MS. BAKER: Christina Baker, P. O. Box
10 2230, Jefferson City, Missouri 65102, appearing on behalf of
11 the Office of the Public Counsel and the rate payers.

12 JUDGE DALE: Are there any counsel in
13 St. Charles who wish to enter their appearance?

14 COMMISSIONER MURRAY: I believe there
15 is no one here, Judge.

16 JUDGE DALE: Okay. Thank you. How
17 many witnesses have signed up to testify in St. Charles?

18 MS. MODERATOR: Judge, we have eight.

19 JUDGE DALE: Then what I propose is we
20 will do two from St. Charles, one from Jefferson City, two
21 more from St. Charles, one more from Jefferson City, and
22 then we'll finish up with the rest of the people in St.
23 Charles.

24 So if whoever is handling the St. Charles will
25 call the first witness, please.

1 MS. MODERATOR: I'm sorry. Leo Latta.

2 MR. LATTA: (Inaudible.)

3 MS. MODERATOR: So you're not going to
4 testify, Mr. Latta?

5 MR. LATTA: No.

6 MS. MODERATOR: Mike Owings.

7 MR. OWINGS: My name is Mike Owings. I
8 live in St. Charles' unincorporated area.

9 JUDGE DALE: Okay. Hold on just a
10 second. I'm going to have you swear, please.

11 MR. OWINGS: Oh, sure.

12 (Thereupon, Witness Owings was sworn on
13 his oath by Judge Dale, and testified as follows:)

14 JUDGE DALE: Thank you. Then please
15 proceed with your remarks.

16 MR. OWINGS: Okay. Again, my name is
17 Mike Owings. I'm a resident of St. Charles County and
18 customer of Missouri-American. I took the information that
19 they have provided, and did my own comparison of local water
20 rates, and there's some charts. I can simply read these.
21 That would be probably the best for this setting.

22 I compared my bill from Missouri-American and
23 what I thought was their rate increase, but from the
24 questions that have been answered here today, I'm not really
25 sure what that rate increase is right now. Compared that

1 bill with the Public Water Supply District No. 2 in
2 O'Fallon, Missouri, the City of St. Charles and the City of
3 St. Peters water.

4 For me, I've got a residential one-inch meter,
5 and last month I used a lot of water. I watered my lawn. I
6 used 23,900 gallons, and with Missouri-American with what I
7 thought was a 26.4 percent rate hike, which may be different
8 now, by my calculations, my bill would have been \$79.80.
9 O'Fallon's would have been 77.56, the City of St. Charles
10 would have been 49.52, and the City of St. Peters would have
11 been 42.31.

12 Using the three non-Missouri-American Water,
13 that comes out to an average competitor rate of \$56.46
14 compared to my bill, which I thought was going to go up to
15 79.88, but which might be substantially higher depending on
16 what these gentlemen tell me later on today.

17 In summary, I'm assuming that the
18 not-for-profit city water systems do not operate at a loss.
19 In other words, they do not subsidize the system with tax
20 money. They are simply getting residents to pay for the
21 water system they use at cost, and the cost to provide my
22 23,900 gallons per month would be about \$45 average the
23 rates between the City of St. Charles and the City of St.
24 Peters.

25 Missouri-American's rates they charge provide

1 that my current bill was 63.23, with the rate hike, I
2 thought it was going to -- again, I thought it was going to
3 close to \$80, but who knows. And when I take the cost which
4 I think is \$45 because the other city water systems seem to
5 be able to do it, Missouri-American's rate apparently gives
6 them a 77 percent profit. I think, oh, my gosh. You know,
7 that's ridiculous.

8 And my conclusion is, not only are the rates
9 shouldn't go up, but they should be lowered to provide a
10 reasonable profit for Missouri-American and a reasonable
11 rates for the customers. And I've got this presentation
12 together, plus the map of how I came up with these numbers
13 if anybody cares to have them.

14 And that's all I have.

15 JUDGE DALE: Thank you. Before you
16 leave, if you could give a copy of your documents to the
17 staff person who is in attendance in St. Charles, we'd
18 appreciate that. And let me ask Commissioner Murray if she
19 has any questions of you.

20 COMMISSIONER MURRAY: I don't, but I
21 thank you, Mr. Owings.

22 MR. OWINGS: Thank you.

23 JUDGE DALE: Let's go ahead then and
24 have Mr. Gaffney here at Jefferson City.

25 And for the court reporter in St. Charles,

1 this is Richard M. Gaffney. G-A-F-F-N-E-Y.

2 (Thereupon, Witness Gaffney was sworn on
3 his oath by Judge Dale, and testified as follows:)

4 Please go ahead and give us your remarks.

5 MR. GAFFNEY: I've been retired about
6 five years from the State of Missouri. Because we have a
7 Missouri consolidated health care plan, automatically taken
8 from my pension is the cost of the health care insurance
9 that we carry. After five years, my take-home pay, my net
10 pension check is just about the same as it was five years
11 ago.

12 Now, I have not received a substantial
13 increase in my take-home pay. The effect of a rate increase
14 such as requested by Missouri-American Water on a senior
15 citizen on a meager pension will be not disastrous. I
16 probably could continue to live, but aging people do not
17 need that kind of a -- of a burden imposed. How it will
18 affect me and my family is that it will make us poorer
19 rather than better off.

20 As far as my Missouri-American Water service
21 is concerned, it hasn't improved over the last five years,
22 but it hasn't declined in quality either. We expect high
23 quality. They point with pride to their high quality, but
24 that's expected. Anything less than that is -- is not
25 expected, and probably would not be tolerated.

1 When we talk about return on investment, the
2 -- the information provided this evening talks about
3 Missouri Public Service Commission staff recommending
4 something on the order of 10.10 percent as a midpoint return
5 on equity for the company. If I want to invest any of my
6 capital in -- in any -- let's see what I want -- investment
7 process that would return money to me, I have several
8 options. I have bonds, which I do have; I have CDs, which I
9 do have; I have savings accounts, which I do have; and
10 because of the current recession which cannot be ignored, I
11 can get between 1 and 3 percent on most of my investments
12 unless I want to leave it for a long time.

13 Elderly people don't like to make long-term
14 investments. I'm sorry, but I have to think like a senior
15 citizen because that's what I am. If I could get a 10.10
16 percent return on any of my investments, I would jump at the
17 chance, but the biggest investment opportunity I've seen
18 lately has been a little over 4.5 percent if I want to leave
19 my money tied up for two and half to three years.

20 I don't think this is a -- a good time for a
21 big increase. I don't think the increase even suggested by
22 the staff is reasonable. I think the effect on people who
23 are senior citizens on fixed incomes or people who are
24 suffering from the decline in commercial activity that we
25 may call a recession or some other name, it will not be

1 good, whether it's a business or a -- or a home or a farm,
2 whatever it is.

3 Unless you have a well in the flood plane,
4 you're not going to get -- you're not going to have it
5 easier under this kind of a rate request. Personally, I
6 think the rate request increase in the neighborhood of 5
7 percent would be far better than whatever has been suggested
8 so far, and the rate requested by the company I feel is
9 exorbitant. It certainly would affect my family income and
10 my -- my economic status in the community. It would be a
11 burden on me.

12 Thank you.

13 JUDGE DALE: Thank you. Wait and let
14 me see -- Commissioner Murray, do you have any questions?

15 COMMISSIONER MURRAY: I don't, but Mr.
16 Gaffney, thank you very much for being present this evening.

17 JUDGE DALE: Thank you, Mr. Gaffney.

18 MR. GAFFNEY: You're welcome.

19 JUDGE DALE: We really appreciate
20 having the video capability. Let me express my gratitude to
21 all of the consumers who have to put up with the
22 inconveniences of having multiple locations, but it does
23 allow us to have many more public hearings in many more
24 places than we would otherwise.

25 So we'll go back to St. Charles and call the

1 next witness there.

2 MS. MODERATOR: Bob Hornback.

3 MR. HORNBACK: Good evening. My name
4 is Bob Hornback. I live in --

5 JUDGE DALE: Mr. Hornback?

6 (Thereupon, Witness Hornback was sworn
7 on his oath by Judge Dale, and testified as
8 follows:)

9 Thank you. Please proceed.

10 MR. HORNBACK: Okay. I live in
11 unincorporated St. Charles County in the older subdivision
12 with a lot of senior citizens living there, and I just want
13 to say that, like the previous gentlemen there, our
14 investments -- we cannot raise our investments that high,
15 and we just can't hardly afford some of these bills that
16 you're talking about they -- they want to raise.

17 And during the question and answer previously,
18 I mentioned in the newspaper, the local "St. Louis Post",
19 that the water company said they wanted to raise the rates
20 in St. Louis by \$6 a month; where in St. Charles, it's 11.22
21 a month per a household. And that's a big increase, and I
22 notice -- I was wondering -- I know on the -- Missouri Water
23 has got a fax here saying they are replacing some of the
24 water mains along the highways where the roads are being
25 constructed or widened and made into four lanes.

1 Does the contractor have to allocate for some
2 of that, or is that the water company? You know, because
3 this one area is St. Peters High Road, that was a little
4 two-lane road that's been out here. I live just a mile from
5 it, and that's been there for -- ever since I lived in the
6 county back in the '50s.

7 And now they're making it into a three-lane
8 road, so they're having to relocate the utilities, all the
9 utilities to make it a three-lane, but is that the -- do
10 they charge us for that or to the contractors making the
11 road, you know, be part of it. That's one of the questions.

12 So I'll -- I know, and as I said previously in
13 the questioning system, I know the gentleman told me it's
14 not governed, but like in our older subdivisions, eventually
15 all the water mains from -- from the water to our house, our
16 line is going to be breaking, and we're responsible for that
17 now. I know that. But couldn't that be part of the
18 increase, that they would replace that in case of rupture?
19 That's just an extra benefit for the -- for the increase.

20 Thank you.

21 JUDGE DALE: Thank you. Commissioner
22 Murray, do you have a question?

23 COMMISSIONER MURRAY: No. Thank you,
24 Mr. Hornback.

25 JUDGE DALE: Let's go with one more

1 person from St. Charles.

2 MS. MODERATOR: Steve Johnson.

3 MR. JOHNSON: Good evening.

4 JUDGE DALE: Good evening, Mr. Johnson.

5 Would you please raise your right hand.

6 (Thereupon, Witness Johnson was sworn on
7 his oath by Judge Dale, and testified as follows:)

8 Thank you. Please proceed.

9 MR. JOHNSON: My only comments I would
10 like to make because I want to compliment the gentleman from
11 Jefferson City of his comments about the conflicting data.
12 But in looking over the data from the web site and looking
13 over the data that the PSC has provided, I have not seen
14 anything that spells out to me or justifies any type of
15 increase of this size.

16 Nobody has put out any numbers on the data
17 that we've been provided outlining specifically what capital
18 improvements are being paid for by such an exorbitant
19 increase. And there are some conflicting data on two pieces
20 of documentation as to the amount of the increase, so I
21 think that probably needs some clarification.

22 And while I am aware that the recommendation
23 of the staff would be approximately a \$28.3 million increase
24 or 10.10 percent, I think it's owed to the rate payers to
25 have some kind of a breakdown as to specifically where the

1 money goes. And it would also help Missouri Water too
2 because there's an impression that all this is going into
3 their profits and not being reimbursements for their
4 infrastructure, you'd probably have some confused rate
5 payers.

6 But this -- it's a very large increase, and I
7 think what data needs to be provided to the public on the
8 justification of such a large increase. Thank you.

9 JUDGE DALE: Thank you. Commissioner
10 Murray?

11 COMMISSIONER MURRAY: No questions, but
12 thank you.

13 And I'd like everybody to understand that all
14 the other Commissioners will be able to read the transcript
15 and hear what everybody says this evening.

16 MR. JOHNSON: Great.

17 COMMISSIONER MURRAY: Thank you.

18 MR. JOHNSON: You're welcome.

19 JUDGE DALE: Back here in Jefferson
20 City then with Mr. Mueller. Will you please raise your
21 right hand.

22 (Thereupon, Witness Mueller was sworn on
23 his oath by Judge Dale, and testified as follows:)

24 Thank you. You may proceed.

25 MR. MUELLER: Al Mueller.

1 M-U-E-L-L-E-R, 1205 El Mering, E-L M-E-R-I-N-G, Jefferson
2 City, Missouri 65101.

3 JUDGE DALE: She's there, but -- they
4 are there.

5 MR. MUELLER: Camera is up there. All
6 right.

7 I've been a customer for over 25 years, and
8 I'm concerned about the -- there's nothing in the handout
9 that says what the company asks for is the rate of return.
10 The staff has recommended 10.10 percent, but I'm not sure
11 what the company requested. They say midpoint. Does
12 anybody have that information?

13 JUDGE DALE: Mr. Kelly may after the
14 formal proceeding.

15 MR. MUELLER: Okay. I -- my concern,
16 you know, I'm happy with the water. I think it's misleading
17 though on the sheet here saying that based on 20- -- or
18 5,000 gallons and that may be an average. I don't know what
19 the average use is in the city of Jefferson here, but 5,000
20 might be the average. But overall the -- anybody that has a
21 family and children, are going to be using a lot more than
22 five -- 5,000 gallons of water, and it will be closer to 8
23 to 12 thousand gallons of water, and for the -- the rate
24 would be significantly more than \$5 or whatever it is.

25 The other thing is the return on equity. I

1 have to agree with the gentleman before me that 10.10 is --
2 is a pretty good rate considering what's happened in the
3 market today. And I happen to be the county treasurer here
4 in Cole County, and we manage \$20 million, but there's times
5 when we put money out for bid on short-term basis, and we're
6 only getting -- last week our quotes were 0.97 basis points
7 for a 90-day securities. And these are T bills, of course,
8 and for one month, you could get 1.3 percent return on your
9 investment.

10 I think what the Commission has to look at is
11 the rapidly changing equity market. I think a lot of people
12 have to recognize that they're not going to be able to get
13 some of the -- the higher rates that we used to because of
14 the -- the financial condition of this country right now and
15 what will occur in the next two or three years that I don't
16 see that there're going to be any great amount of -- any
17 higher rates of interest coming in for investment unless
18 they're very, very high risk investments.

19 Utilities traditionally are in lower risk
20 because they are -- utilities used to be the mother -- what
21 was it, children's and orphan's stocks is what they'd say.
22 So I just say to the Commission that they've got to look at
23 the return on equity with a little different perspective.

24 As far as the service is concerned, I'm very
25 -- very satisfied with the service and here in Jefferson

1 City, we get -- any time there's a problem, it seems that
2 the -- the company is right on the ball. And -- oh, one
3 other thing. I also -- as county treasurer, I operate the
4 City of Eugene's water system, and if anybody would like to
5 move out of Jefferson City down to Eugene, we give you all
6 the water you can have for \$18.36 a month.

7 So if you want to move to Eugene, we'll let
8 you have all the water. We don't meter the water -- too
9 expensive.

10 Thank you very much for the opportunity.

11 JUDGE DALE: Thank you, Mr. Mueller.
12 Commissioner Murray, did you have any questions?

13 COMMISSIONER MURRAY: No, I have no
14 questions. But, Mr. Mueller, thank you. We always
15 appreciate your perspective.

16 MR. MUELLER: Thank you. I'd like to
17 say one other thing is it's really hard, not only for me,
18 but for all the people in this room and I think the people
19 in St. Charles to hear, and we're really in a new technology
20 age, and I think something's got to be done. I don't know
21 what, but it's everybody's cupping their ears to hear what's
22 going on, and I -- I would think that there's got to be
23 something done that these hearings could be a little more so
24 that people could really hear and understand them.

25 That would be helpful, but that's a

1 technological thing I'm sure Mr. Kelly will address.

2 JUDGE DALE: We're working diligently
3 to produce a feedback problem which you may have heard was a
4 big issue in Joplin at our recent public hearing. So the
5 volume has been turned down to reduce that because it was
6 really annoying.

7 MR. MUELLER: Thank you.

8 JUDGE DALE: Thank you. Back to St.
9 Charles.

10 MS. MODERATOR: Don McQuiston.

11 JUDGE DALE: I'm sorry. We weren't
12 able to see you till just now.

13 (Thereupon, Witness McQuiston was sworn
14 on his oath by Judge Dale, and testified as
15 follows:)

16 MR. McQUISTON: Yes, but I don't really
17 have a testimony. My name is Don McQuiston. I live in St.
18 Charles County. Like a lot of people in my neighborhood and
19 in St. Charles, I'm a senior citizen living on a fixed
20 income, and with the way things are these days, who in the
21 heck can afford an \$11.22 a month raise on anything.

22 That's all I have to say.

23 JUDGE DALE: Well, thank you for your
24 comments.

25 MR. McQUISTON: I'm out of here. It's

1 all hogwash. They're going to do what they want to do
2 anyway. The rich get richer, and the poor get poorer.

3 JUDGE DALE: And the next witness in
4 St. Charles.

5 MS. MODERATOR: Sue Hall.

6 MS. HALL: I don't have anything else
7 to add to the testimony.

8 MS. MODERATOR: Thank you, Ms. Hall.
9 Jerald Dunn.

10 MR. DUNN: Hello, I'm Jerald Dunn.

11 (Thereupon, Witness Dunn was sworn on
12 his oath by Judge Dale, and testified as follows:)

13 JUDGE DALE: Thank you.

14 MR. DUNN: How can a 26.4 percent
15 increase be justified -- that's what was on my notice here
16 that came from Missouri-American -- or 46 percent, depending
17 on where you read, when my salary for the last five years
18 has increased less than 4 percent per year?

19 Although I have an irrigation system at my
20 home, I've not used it much this year. In fact, we probably
21 haven't needed it much, but that was after the experience of
22 last year when I -- the first full summer I lived there when
23 I realized how much an irrigation system really costs. So I
24 decided to let the grass get a little dry.

25 This year we've had gasoline costs dumped upon

1 rising roughly somewhere over a dollar this past 15 months,
2 and now a nearly trillion dollar loss on Wall Street along
3 the lines of the historic 1929 crash. It makes me wonder
4 where the economy is going, and all the more reason to not
5 be able to pay for or justify that -- that much of a rate
6 increase.

7 I realize that costs do go up, but when they
8 go up faster than my salary, then that's pretty
9 self-evident.

10 As for the expanding infrastructure that they
11 talk about here as a justification, I would assume they're
12 using this as a justification, whenever there's more real
13 estate permits and new construction, then that should build
14 in a cash flow, a future cash flow, supplying all those new
15 buildings and homes. And therefore, that cost just takes
16 care of itself.

17 And that's all I have. I thank you very much.

18 JUDGE DALE: Thank you. Commissioner
19 Murray?

20 COMMISSIONER MURRAY: Thank you, Mr.
21 Dunn. That's all right.

22 JUDGE DALE: Lawrence Kirchner.

23 (Thereupon, Witness Kirchner was sworn
24 on his oath by Judge Dale, and testified as
25 follows:)

1 Thank you.

2 MR. KIRCHNER: There seems to be a
3 whole lot of confusion about what the rate increase says, so
4 I gave my bill to one of the gentlemen from
5 Missouri-American Water to find out what my new numbers
6 would be. So I got the real numbers for my house.

7 We don't use much water. We try to preserve
8 everything we can. Never water grass, take short showers,
9 except for my daughter, who refuses to listen. Only run the
10 dishwasher once a week. So we do everything we can not to
11 use excessive amounts of water.

12 But my bill will go up by 33.31 percent if
13 they get the rate increase they're asking for. And I mean,
14 as a number it's not a huge number because I have a very low
15 bill, but as a percent that's ridiculous. They're asking
16 for a rate increase of 49.6 million to cover improvements of
17 149.7 million. That's according to this -- the data on this
18 blue sheet of paper. That's like a 3.018 year's payback,
19 which that's nominally well in operating increases --
20 operating costs increases. They ain't going to go up
21 anywhere near that.

22 So I ask the question: When was the last rate
23 increase you had? And I never got an answer, or at least
24 not one I heard. So unless it's been 15 years since they
25 had a rate increase, I think this is just excessive. Now, I

1 understand operating costs go up. My tax bill went up a
2 little bit, a couple of dollars, my electric bill -- I
3 missed the hearing on it late yesterday because I couldn't
4 get there -- or last week because I couldn't get there.

5 So I don't know what they're going to do on
6 the electric, but everything goes up, and I understand that.
7 But yet like some of the other gentlemen said, salaries
8 don't go up, and we need to all be in this together. As I
9 was telling in the question and answer period, they came to
10 fix my water line.

11 They dug out a hole, filled it back in with
12 some of the dirt, put the rest of the dirt in the truck, put
13 sod over it and went away. And I called them the next day,
14 I said, "This is going to sink."

15 And they said, "Well, if it does, call us, and
16 we'll come back and fix it."

17 Sure enough it did, I did, they came back and
18 they fixed it. That was two things that they did on my yard
19 that they could have done it -- if common sense had been
20 used, they could have only done it once. And I don't know
21 what that ended up costing all those rate payers, but I
22 guarantee you there were a few bucks in there.

23 And just it's an excessive percent-wise to
24 have, and like some of the other gentlemen were saying, it'd
25 sure be nice if they could explain to us why it has to go up

1 33 percent. I'd feel a whole lot better if there was some
2 logical reason of why that's going to happen.

3 That's all I have to say. Thank you very
4 much.

5 JUDGE DALE: Thank you. Commissioner
6 Murray?

7 COMMISSIONER MURRAY: Thank you.

8 MS. MODERATOR: John Grimm.

9 MR. GRIMM: Hello, I'm John Grimm.

10 JUDGE DALE: Hello, John Grimm.

11 (Thereupon, Witness Grimm was sworn on
12 his oath by Judge Dale, and testified as follows:)
13 Please proceed then.

14 MR. GRIMM: I've heard a lot of numbers
15 and figures, and they all get lost because most of them are
16 not informed yet. And if you're going to need whatever
17 increase you do need to keep the operation going, it's going
18 to happen anyway. So the question is: Do you need that
19 much?

20 There's been a number of senior citizens
21 coming up here and explaining it's a hardship on them, and
22 it probably is on people that are not on a fixed income just
23 as well. I moved here in '77, and I do -- believe me the
24 talk at the dinner table is that people -- when we're at
25 dinner and we talk about bills, I think water has gone up.

1 We do pay water and sewer. We paid just the one bill when I
2 moved here. It's -- it's increased more than clothing and
3 food, electric in particular especially.

4 It's the first thing anyone brings up. So the
5 idea is if -- if there are not going to be a decrease I'm
6 sure in bills for people that are on a fixed income, so it
7 really doesn't matter. Actually senior citizens are your
8 best customers. We're all drying up and probably drinking
9 more water than anyone here.

10 Are sewer comments available now -- yet also,
11 or how --

12 JUDGE DALE: Is --

13 MR. GRIMM: Sewer, the bills -- the
14 sewer bills?

15 JUDGE DALE: Is Missouri-American your
16 sewer provider?

17 MR. GRIMM: We pay a separate bill for
18 sewer, and I don't think -- is it? No. (Conferring.)

19 Well, we pay it separate, so I guess I'm not
20 sure about that. So the answer is no, I suppose?

21 JUDGE DALE: Well, this hearing is only
22 about Missouri-American.

23 MR. GRIMM: Okay. So number one, I
24 think the increase is excessive. And why should I go into
25 why, because half of what I said probably will be, just as

1 I'm sure with some of the statements that you read and what
2 you said. And I'm aware that everything is different.
3 Forget it.

4 Statements that we received here, I was
5 talking to some people here and asking if -- they're in
6 unincorporated -- do you have a customer usage charge? They
7 don't have one. So why do I have one? And where do you get
8 your water from?

9 You've got 25 percent of the paper left here
10 on the back. I'd like more of an explanation of how -- why
11 do I have a 7.70 customer charge, and I'm going to have
12 another, close to \$11 if this is decided. Why is that where
13 some people on they don't have it?

14 And the last thing is the -- as far as looking
15 for this increase, that's the easiest way to get it, is dun
16 all of the customers. And I didn't get an answer to the
17 question what was Missouri-American Water, nothing directly,
18 looking, seeking, watching, helping and that -- that's what
19 I've heard to keep costs down for all the customers.

20 Instead of just raising the rates, which is as
21 I said the easiest way, to satisfy what, profit, salary,
22 what else? I don't know. And I brought down this 10.10
23 that you got the profit you're looking for. Well, I suppose
24 that's annual, huh.

25 JUDGE DALE: Yes.

1 MR. GRIMM: It wouldn't be quarterly,
2 right? And I suppose that covers all of my concerns at this
3 time.

4 JUDGE DALE: Could you please give your
5 name and telephone number or other contact information to
6 the staff person who's there.

7 MR. GRIMM: And what's their name? Who
8 is the staff person?

9 JUDGE DALE: I don't know. Raise your
10 hand.

11 MR. GRIMM: Right here.

12 JUDGE DALE: We may be able to get some
13 of your questions, especially about the billing items that
14 you're seeing. Some of our customer service people may be
15 able to help you with that. So if you can give her your
16 information, we can have someone call you.

17 MR. GRIMM: All right.

18 JUDGE DALE: Thank you.

19 COMMISSIONER MURRAY: Mr. Grimm, the
20 lady that you should see is raising her hand.

21 MR. GRIMM: I'm just waiting for her to
22 ask if you had any questions for me.

23 COMMISSIONER MURRAY: I don't, but I'd
24 like you to visit with her as the judge suggested.

25 MR. GRIMM: Thank you.

1 JUDGE DALE: Thank you.

2 MS. MODERATOR: Judge, that's all I
3 have on my list. Is there anyone else wishing to testify?
4 Okay. I've got another lady coming up. Thank you.

5 JUDGE DALE: Okay. If you can raise
6 your right hand.

7 (Thereupon, Witness Capriano was sworn
8 on her oath by Judge Dale, and testified as
9 follows:)

10 Then please go ahead.

11 MS. CAPRIANO: My name is Karen
12 Capriano from St. Charles County. I am raising three
13 teenagers, and everything is just such a burden. My -- my
14 expenses have gone up over \$900 since last year per month
15 for everything.

16 And the only thing that's not going up is my
17 paycheck, and I am struggling as hard as I can. I have a
18 property I own in the city, and unfortunately everybody that
19 moves in there is -- a lot of them are single moms. They
20 can't make it. They move out; I get further behind on
21 trying to pay two mortgages.

22 The gentleman back here had mentioned that you
23 guys are -- the water company is trying everything they can
24 to keep costs down, and I believe that. Except I don't
25 understand if your costs have been kept down, why they would

1 just spring up overnight 50 percent.

2 That being said, even if I was able to pay
3 everything and I didn't have a problem financially, which
4 there are a lot of people that don't. It's just the whole
5 principle of the thing. When you've got -- they want to
6 earn 10 percent profit on a necessity. This utility is a
7 necessity for people. We don't have a choice. We have to
8 have water, and we don't have a choice where we can get our
9 water from. There's one company, and that's it.

10 And I don't think that's right that, you know,
11 that we're having to go ahead and do this. I mean, beyond
12 the 10 percent, what if they go beyond that and they make
13 more than 10 percent? Will the customers be reimbursed?

14 Quiver River Electric does that, and they send
15 us a check back if they have excessive profits. They also
16 throw a picnic and give away prizes every year.

17 So I'm just wondering if that's any part of
18 the plan. That's just very difficult. Those are some of
19 the things I'm having trouble understanding. That's it.

20 JUDGE DALE: Commissioner Murray?

21 COMMISSIONER MURRAY: Just a moment.
22 Thank you for being here.

23 JUDGE DALE: Is there anyone else in
24 St. Charles who wishes to testify? (No response.)

25 Is there anyone else here at Jefferson City

1 who wishes to testify? (No response.)

2 Is there any other matter I need to address
3 before we go off the record? (No response.)

4 Then we are adjourned and off the record.

5 Thank you all very much.

6 (WHEREIN, the hearing was concluded at
7 7:23 p.m.)

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1	I N D E X	
2	WITNESS NAME	PAGE
3	ST. CHARLES:	
4	Mike Owings	5
5	Bob Hornback	11
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17	Al Mueller	15
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1	EXHIBITS
2	None
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