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		Page 1
1	STATE OF MISSOURI	
2	PUBLIC SERVICE COMMISSION	
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5	TRANSCRIPT OF PROCEEDINGS	
6	LOCAL PUBLIC HEARING	
7	May 29, 2013	
8	Rolla, Missouri	
	Volume 1	
9		
10	In the Matter of a Request )	
	For Increases in Annual )	
11	Sewer and Water System ) File No. SR-2013-0258	
	Operating Revenues )	
12		
	In the Matter of a Request )	
13	For Increases in Annual )	
	Sewer and Water System ) File No. WR-2013-0259	
14	Operating Revenues )	
15		
16		
17	KENNARD L. JONES, Presiding,	
	SENIOR REGULATORY LAW JUDGE.	
18		
	STEPHEN M. STOLL,	
19	COMMISSIONER.	
20		
21	REPORTED BY:	
22	KELLENE K. FEDDERSEN, CSR, RPR, CCR NO. 838	
	MIDWEST LITIGATION SERVICES	
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25		

		Page 2
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	Service Commission.	
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		Page 3
1	PROCEEDINGS	
2	(WHEREUPON, the public hearing began	
3	at 6:22 p.m.)	
4	JUDGE JONES: This is the local	
5	public hearing for Case No. SR-2013-0258 and	
6	WR-2013-0259, in the matter of Gladlo Water & Sewer	
7	Company's request for a rate increase.	
8	My name is Kennard Jones. I'm the	
9	Regulatory Law Judge assigned to this matter. To	
10	my left is Commissioner Stoll. Commissioner, do	
11	you have anything you'd like to say?	
12	COMMISSIONER STOLL: I'd just thank	
13	everybody for coming out this evening, and I'm here	
14	to represent the Public Service Commission. There	
15	are three other commissioners, and those who are	
16	not here will read the transcript and have	
17	definitely read about the case and will be ready to	
18	hear evidence in this eventually. So thanks for	
19	coming out.	
20	JUDGE JONES: Okay. I hope you all	
21	have got any questions answered that you have. At	
22	this point we will take testimony from at least one	
23	person. If you during the course of this process	
24	have questions, keep those questions for the people	
25	to whom you've addressed your earlier questions	

Page 4 because we can't answer any questions while we're 2 here in our capacity as judge and commissioner. 3 I'll call the first person up, and step to, I believe, this microphone. I'll swear 4 5 you in. Give testimony and remain there for perhaps questions from myself or Commissioner Stoll 6 and then have a seat, after which I'll see if 7 there's anyone else who has anything they'd like to 8 say while we're on the record. 10 The only person that signed up is Tanner Baggett. Did I pronounce your name 11 12 correctly? 13 MR. BAGGETT: Yes, sir. 14 JUDGE JONES: Okay. Could you raise 15 your right hand and be sworn. 16 (Witness sworn.) 17 JUDGE JONES: Thank you. And could you spell your name for the court reporter? 18 19 MR. BAGGETT: Tanner Baggett, 20 T-a-n-n-e-r, B-a-g-g-e-t-t. 21 JUDGE JONES: Thank you, Mr. Baggett. You may proceed. You can go ahead and have a seat. 22 MR. BAGGETT: I'm a customer of 23 24 Gladlo Water & Sewer. I get my water service through them. My sewer is actually a septic 25

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- 1 system, so I don't get that from them.
- 2 We've been -- my wife and I have been
- 3 unhappy with the service we've got from the
- 4 company. Last year several times the water would
- 5 stop working. We would still get water through the
- 6 pipes, but there would be no pressure. So as far
- 7 as using the toilet, if you left it a couple hours,
- 8 the tank would refill and you could flush, but it
- 9 was insufficient to shower or do other things with
- 10 it.
- 11 One of these times the water was out
- 12 for more than two days. My wife was pregnant at
- 13 the time, morning sickness, and it was not very
- 14 sanitary. It was a very undesirable situation.
- The company blamed the power utility
- 16 for the three-phase power going out. I didn't like
- 17 that because I felt that, being a water utility,
- 18 they should have had safeguards in place, such as
- 19 protection on the system to protect the pump in
- 20 case the power did mess up.
- 21 Before I got out of the Marines I was
- 22 an aviation radar repairman trained in basic
- 23 electronics. So I've worked with electrical
- 24 systems, and I know that there are safety shutoffs
- 25 you can have in place so that you lose a phase of

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- 1 power on a system, it will turn off the pump and
- 2 you won't damage it. Whereas, the way the system
- 3 was set up this time, the power went out on one of
- 4 the phases, so I was told, and it burned up two
- 5 pumps, which I hear are very expensive and that's
- 6 what took so long to get it replaced.
- 7 This happened two separate times,
- 8 very expensive repairs, and I believe that it
- 9 wasn't -- it should have been preventable. Stuff
- 10 should have been done to prevent that.
- 11 So I don't know how it applies to the
- 12 rates, whether it justifies an increase or not, but
- 13 I don't believe that the system's been administered
- 14 in such a way as to be the most efficient and
- 15 provide the best service for the customers.
- 16 JUDGE JONES: Thank you, Mr. Baggett.
- 17 We have some questions.
- 18 COMMISSIONER STOLL: The situation
- 19 that you described with the water pressure problem
- 20 and all that, was that since Heartland Utilities
- 21 has been the receiver or was that when it was under
- 22 previous ownership and operation, if I'm
- 23 understanding this right, Gladlo?
- MR. BAGGETT: I'm not sure about when
- 25 the ownership transferred. It's always said Gladlo

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- 1 Water & Sewer on my bill, even to this day. It was
- 2 last year, I want to say June or July. I've had
- 3 correspondence with Senator Brown's office, who's
- 4 talked to the Public Service Commission, so there
- 5 should be a record about this specific incident.
- 6 COMMISSIONER STOLL: Yeah. It
- 7 appears that, from what I have, on November 2nd of
- 8 2012, Heartland Utilities, LLC -- I don't know if
- 9 that's when they took over, though, so I'll just
- 10 leave it.
- 11 Has the situation improved since in
- 12 the last year to six months?
- MR. BAGGETT: In the last year to six
- 14 months, I believe the water's only been out once,
- 15 and I think that was a scheduled maintenance time
- 16 that we were notified about.
- 17 COMMISSIONER STOLL: And the water
- 18 pressure has been adequate or --
- 19 MR. BAGGETT: Yes, except for the
- 20 times when -- when it's been out and there's still
- 21 some water flow but not adequate pressure to do
- 22 anything. But the time in the last six months that
- 23 I remember this happening, it was a scheduled
- 24 thing. We got something in the mail saying the
- 25 water will be off for an hour while we do

Page 8 maintenance. 1 2 COMMISSIONER STOLL: Do you have a 3 way that you could talk to the company? Did you express your concerns, your, I'll just call it a 4 5 complaint to the company about the difficulties 6 or --7 MR. BAGGETT: They had a -- there was an 800 number and we called it, and I don't -- I 8 don't recall anybody actually answering it. I know I left messages. I was very unhappy about it. I 10 ended up doing a complaint with the Better Business 11 12 Bureau. I'm not sure if I provided the Commission with a copy of that or not. 13 14 But basically what the company 15 said -- and I don't know if this was Heartland Utilities or Gladlo. I'm not sure. But they 16 17 basically pawned the problem off on the electric 18 company. 19 COMMISSIONER STOLL: Okay. I appreciate you coming out. I appreciate you 20 21 answering, responding to those questions. Thank you, Judge. 22 23 JUDGE JONES: You're welcome. I just 24 have a couple of questions. Were you aware of the Commission's complaint process at the time that you 25

		Page 9
1	complained to the Better Business Bureau?	
2	MR. BAGGETT: No, sir, I was not.	
3	JUDGE JONES: And during the question	
4	and answer session, I'm certain that you've	
5	expressed similar things that you did here on the	
6	record. I'm guessing you did. Did you?	
7	MR. BAGGETT: Just now, sir?	
8	JUDGE JONES: The pressure and the	
9	water being out back in 2012, did you talk to	
10	people here about those service issues?	
11	MR. BAGGETT: Not today, sir.	
12	JUDGE JONES: Not today?	
13	MR. BAGGETT: There was	
14	correspondence with like I said, I sent	
15	something to Senator Brown's office, and they	
16	corresponded with the Commission. I got a response	
17	about that, and that satisfied my I'm not going	
18	to say satisfy. It let me know what was going on	
19	so I understood, but I still didn't think the	
20	situation should have occurred in the first place.	
21	JUDGE JONES: Do you think that if	
22	there is a rate increase, that that rate increase	
23	could go towards preventing these types of things	
24	from happening in the future?	
25	MR. BAGGETT: It depends on how they	

Page 10 choose to use the money. If they use the money to 2 just pay off loans for these pumps and things that 3 are burning up needlessly, it's a money funnel. They're just wasting money. If they actually 4 5 invest it in preventive maintenance and putting 6 safeguards in place to prevent things like this 7 from happening, it could be a good use of the money. But I'm not sure how exactly they would use 8 9 it. 10 JUDGE JONES: I don't have any other questions. Do you have anything else you'd like to 11 12 add? 13 COMMISSIONER STOLL: I have nothing. 14 JUDGE JONES: Mr. Baggett? 15 MR. BAGGETT: No, sir. 16 JUDGE JONES: Thank you. You may be 17 seated. 18 Well, Mr. Baggett is the only one that signed up to testify. Is there anyone else 19 here who would like to step forward and put 20 21 something on the record? 22 (No response.) 23 JUDGE JONES: I'm not one to tarry, 24 so with that, we'll go ahead and go off the record. This portion of our hearing is closed. Thank you 25

		Page 11
1	all for coming out.	
2	(WHEREUPON, the public hearing	
3	concluded at 6:32 p.m.)	
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		Page 12
1	CERTIFICATE	
2		
3	STATE OF MISSOURI )	
4	) ss.	
5	COUNTY OF COLE )	
6		
7	I, Kellene K. Feddersen, Certified	
8	Shorthand Reporter with the firm of Midwest	
9	Litigation Services, do hereby certify that I was	
10	personally present at the proceedings had in the	
11	above-entitled cause at the time and place set	
12	forth in the caption sheet thereof; that I then and	
13	there took down in Stenotype the proceedings had;	
14	and that the foregoing is a full, true and correct	
15	transcript of such Stenotype notes so made at such	
16	time and place.	
17	Given at my office in the City of	
18	Jefferson, County of Cole, State of Missouri.	
19		
20		
21		
22		
23	Kellene K. Feddersen, RPR, CSR, CCR	
24		
25		

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