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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS
Local Public Hearing
March 4, 2009

St. Joseph, Missouri

Volume 4

In The Matter Of The Application of Kansas City Power and Light Company For Approval To Make Certain Changes In Its Charges For Electric Service To Continue The Implementation Of Its Regulatory Plan)))))))	Case No. ER-2009-0089
----- In The Matter Of The Application of Aquila, Inc. d/b/a KCP&L Greater Missouri Operations Company, For Approval To Make Certain Changes In Its Charges For Electric Service)))))))	Case No. ER-2009-0090
----- In The Matter Of The Application of Aquila, Inc. d/b/a KCP&L Greater Missouri Operations Company, For Approval To Make Certain Changes In Its Charges For Steam Heating Service)))))))	Case No. HR-2009-0092

NANCY DIPPELL, PRESIDING
REGULATORY LAW JUDGE
ROBERT M. CLAYTON, III
CHAIRMAN

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

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

4 JUDGE DIPPELL: This is case number ER-
5 2009-0090 in the matter of the application of KCP&L
6 Greater Missouri Operations Company for approval to
7 make certain changes in its charges for electric
8 service.

9 The Missouri Public Service Commission
10 has set time for a public comment hearing and in
11 addition, we're going to hear comments, if you have
12 them, in case number ER-2009-0089, which is a
13 related case for Kansas City Power & Light Company.
14 In those cases, the companies are seeking to
15 implement a general rate increase for their
16 electric service.

17 My name is Nancy Dippell. I'm the
18 Regulatory Law Judge who's been assigned to preside
19 over tonight's hearing. I would like to thank the
20 college there for allowing us to use their
21 facilities this evening, we appreciate that, and
22 just to state that none of the comments or issues
23 there this evening are directly related to the
24 college. They merely provided us their facilities.

25 The Missouri Public Service Commission

1 regulates the rates charged by investor owned
2 utility companies in Missouri to insure that those
3 rates are just and reasonable. The Commission also
4 regulates the quality of service and safety of the
5 operations of investor owned utilities.

6 The Commission is made up of five
7 Commissioners. Our Chairman, Robert Clayton, is
8 there with you this evening and then, in addition,
9 by video conference, I have Commissioner Connie
10 Murray here at Jefferson City with me.

11 The Commissioners are appointed by the
12 Governor to fixed terms and confirmed by the
13 Senate. The Commissioners employ a staff of
14 engineers, accountants, attorneys, financial
15 analysts and other specialists in the field of
16 utility regulation.

17 This is an official hearing of the
18 Missouri Public Service Commission and the
19 statements and testimony of witnesses will be
20 recorded by the court reporter and will be given
21 under oath or affirmation. All of the
22 Commissioners will then have an opportunity to read
23 the witness's remarks.

24 In addition, because we are video
25 conferencing this, we are also broadcasting it over

1 the Internet and it's being recorded in our
2 Jefferson City Office.

3 Those of you that have been there for
4 the information session have met several of our
5 staff members who are present there with you this
6 evening. They're available to answer questions. I
7 encourage you to do so afterwards.

8 I have with me here at Jefferson City,
9 Lewis Mills, who is the Public Counsel. The Office
10 of Public Counsel is charged with representing the
11 rate payers in front of the Missouri Public Service
12 Commission.

13 I also have here in Jefferson City, an
14 attorney for staff and I believe there's some
15 company representatives there in St. Jo with you
16 tonight, and can the company representatives raise
17 their hands so that everyone is aware of who you
18 are, if you haven't already met them.

19 I'm sure that the company staff will
20 also be available for you to answer questions, if
21 you have any more after the hearing.

22 If you wish to testify and you haven't
23 already done so, I would ask you to put your name
24 on a sign-up sheet. If you haven't had a chance to
25 get your name on a sign-up sheet, when we get to

1 the end of the list, we will ask if there's anyone
2 else who wishes to testify and if you would like to
3 speak, you can do so, at that time.

4 The purpose of this hearing is to
5 receive comments from you regarding the rate
6 increase proposal. The company will not present
7 witnesses and will not answer questions while we're
8 on the record.

9 In addition, the Commissioners and I are
10 also not here to answer questions. We're here to
11 listen to your comments and your remarks will
12 become a part of the official record in the case.

13 When your name is called, I would ask
14 you to please come forward to that chair there in
15 front, that's going to be our witness chair this
16 evening, and I would ask you to spell your name for
17 the court reporter and, if you could, tell me the
18 general service area that you're located in.

19 There may be, after you've given your
20 statements, there may be some questions from the
21 Chairman or Commissioner Murray or myself. There
22 may also be some clarifying questions from some of
23 the attorneys, so I would ask you to stay seated
24 until I've told you that you've been excused.

25 Hopefully, I don't think we're going to

1 have a problem this evening with time, but we're
2 going to let everybody make their remarks and we
3 will stay here until those are finished, but if you
4 can be brief and concise, that would be helpful and
5 if the speaker before you has already made the
6 points that you wanted to make, you're welcome to
7 just say that you agree with the previous speakers.

8 With that, Mr. Chairman, would you like
9 to make any opening remarks?

10 CHAIRMAN CLAYTON: I would just like to
11 officially introduce myself. My name is Robert
12 Clayton. I'm Chairman of the Missouri Public
13 Service Commission. It's my pleasure to be in St.
14 Jo here tonight.

15 This is our third of, I think, eight
16 local public hearings that we are conducting
17 associated with Great Plains Energy's rate request,
18 rate increase request. I appreciate everyone
19 coming out tonight and I look forward to the
20 testimony.

21 I would urge each of you, if you have a
22 problem with the utility or an issue that needs to
23 be addressed, please take advantage of the company
24 officials who are here tonight. They are here to
25 address any problems you might have.

1 I would also encourage you to take
2 advantage of the PSC staff who are here and I would
3 like to go ahead and ask them to raise their hand.
4 I know that you've seen most of them, but whether
5 it's a technical issue, a billing issue, any type
6 of issue that comes up, we have the personnel here
7 to address your concerns and please take advantage
8 of them.

9 Having said that, I think this is the
10 chair, the hot seat for when you want to testify
11 and that's all I have to say, so I'll turn it back
12 to you, Judge.

13 JUDGE DIPPELL: Okay. I forgot to ask
14 the attorneys to make their entries of appearance,
15 so I'm going to do that, at this time. I'll start
16 with the staff counsel.

17 MR. DEARMONT: My name is Eric Dearmont.
18 I'm entering an appearance on behalf of the staff
19 of the Commission. I'm at 200 Madison Street, P.O.
20 Box 360, Jefferson City, Missouri, 65102.

21 JUDGE DIPPELL: Public counsel?

22 MR. MILLS: On behalf of the Office of
23 the Public Counsel and the public, my name is Lewis
24 Mills. My address is Post Office Box 2230,
25 Jefferson City, Missouri, 65102.

1 JUDGE DIPPELL: Is there a company
2 attorney who would like to make an entry?

3 MR. BLANK: Yes, Your Honor, Curtis
4 Blank, here on behalf of Kansas City Power & Light
5 Company, as well as KCP&L Greater Missouri
6 Operations Company, address is 1201 Walnut, Kansas
7 City, Missouri, 64106.

8 JUDGE DIPPELL: Were there any other
9 attorneys to make an entry? Alright then, not
10 seeing any, Mr. Chairman, how many people do you
11 have on the sign-up list, at this point?

12 CHAIRMAN CLAYTON: We have six, at this
13 time, and I would note if there are any latecomers
14 that come in, just because you haven't signed up,
15 as of yet, you're certainly able to sign up
16 afterwards. We will stick around until everybody
17 has had a chance to speak, so there are six names.

18 JUDGE DIPPELL: Alright. Go ahead and
19 call the first witness.

20 CHAIRMAN CLAYTON: I can't read the last
21 name. The first name is Tim and the address jumps
22 out because it says Omaha, Nebraska, which we don't
23 get too often in Jefferson City. So why don't you
24 go ahead and state your name and spell it for us
25 and the Judge will swear you in.

1 MR. BUTHE: Do I use this microphone?

2 CHAIRMAN CLAYTON: I'm supposed to tell
3 you that you have to use the handheld mic and you
4 have to push - is that right, Greg?

5 UNKNOWN FEMALE: The microphone there,
6 the gray one, yeah, and you have to push the left.

7 CHAIRMAN CLAYTON: You need to press and
8 hold the button; that's the key. One of them, you
9 have to press and hold the button. Sorry, Judge.

10 JUDGE DIPPELL: That's alright. Go ahead
11 and could you raise your right hand and I'll swear
12 you in.

13 TIM BUTHE, being sworn-in by Judge
14 Dippell, testified as follows,

15 JUDGE DIPPELL: Could you state your name
16 and spell it for us please?

17 MR. BUTHE: It's Tim Buthe. That's T I
18 M, B U T H E and I'm here on behalf of Ag
19 Processing. Like I just said, my name is Tim
20 Buthe. I'm here to give comments on behalf of Ag
21 Processing, a cooperative, which owns and operates
22 a facility in St. Jo.

23 I want to thank the Missouri Public
24 Service Commission for allowing AGP to express our
25 concerns related to the Kansas City Power & Light

1 electric and steam rate increase.

2 AGP has multiple soybean processing and
3 soybean oil refineries located in Minnesota, Iowa,
4 Nebraska and Missouri. We also operate a biodiesel
5 facility in St. Jo.

6 AGP is a cooperative owned by local and
7 regional co-ops that are, in turn, owned by
8 farmers. We operate in a very competitive
9 industry, regional, national and international
10 markets. Our feed stock, soybeans and finished
11 products of soybean mill and oil are all
12 commodities traded on the Chicago Board of Trade.

13 Because we are in a commodity business,
14 we do not have the opportunity to pass off higher
15 electric and steam costs to our customers. We
16 either take the increase from patronage paid to the
17 farmers or we find alternate means to reduce our
18 operating costs.

19 AGP employs 182 people in St. Joseph,
20 with an annual payroll of 9 million. We pay
21 property taxes to the city, county and state of
22 over 1.1 million.

23 AGP, being located in St. Joseph, hires
24 local contractors and we utilize several local
25 merchants for various supply items and services,

1 totaling over 56 million each year. We also supply
2 other St. Joseph industries with finished products.

3 AGP is listed on the KCP&L perk form 566
4 for Greater Missouri Operations as one of their top
5 twenty customers for electric sales. We calculated
6 the impact of the electric case, as filed by KCP&L,
7 will increase our operating costs nearly \$700,000
8 per year.

9 When filing the steam rate case, KCP&L
10 notified customers of the total revenue increase of
11 1.3 million per year or 7.7 percent overall
12 increase. Yet, when AGP compares the proposed
13 tariffs to the current, we see an increase of
14 nearly 1.4 million per year and we are only one out
15 of five steam customers.

16 KCP&L representatives have mentioned
17 fuel as being re-based on the rates as the reason
18 for this discrepancy. No matter if fuel is re-
19 based or not, a \$2 million proposed net increase
20 from steam and electric rates is adverse to
21 allowing AGP to compete at a much higher increase
22 than notified.

23 We respectfully request the Commission
24 to take into consideration the factors of this
25 case, along with current economic times.

1 A question senior management has asked
2 is how the KCP&L merger with Aquila was beneficial
3 to AGP. Within less than a year, KCP&L is filing a
4 rate increase, stating that the increase would have
5 been more if they did not merge. That answer is
6 not acceptable in the competitive business world.

7 Thank you for allowing me to address
8 this very important issue affecting the St. Joseph
9 area and our company.

10 JUDGE DIPPELL: Mr. Buthe, are you aware
11 if Ag Processing is actually a party in this case?

12 MR. BUTHE: We are.

13 JUDGE DIPPELL: Alright. In that case,
14 since there is procedures for the parties to the
15 case to provide their written testimony and file
16 it, I'm going to allow the other parties to the
17 case to respond to Mr. Buthe's testimony, if you
18 feel that you need to supplement your earlier pre-
19 filed testimony, in any manner, to respond to that.
20 Mr. Chairman, did you have any questions?

21 CHAIRMAN CLAYTON: I do have just a
22 couple of questions, if I may proceed. Mr. Buthe,
23 I wanted to ask about the merger and how the
24 transition from one company to the other has gone.

25 In the St. Jo area, you've had several

1 transitions over the last six or seven years. I'm
2 interested in this last stage of transfer. How is
3 the transition going in terms of your service, your
4 reliability, your customer relations?

5 MR. BUTHE: Service, reliability,
6 everything has gone smooth. We've had a good
7 transition. No complaints in that area.

8 CHAIRMAN CLAYTON: Okay. So your gripe
9 here tonight, if I can characterize that, is just
10 the - it's the size and scope of the rate increase,
11 in both the steam and the electricity case. Is
12 that correct?

13 MR. BUTHE: That is correct.

14 CHAIRMAN CLAYTON: Are all of AGP's
15 properties located within the old St. Jo Light &
16 Power area?

17 MR. BUTHE: No. We have other
18 properties. Mainly, we're located in the Midwest.

19 CHAIRMAN CLAYTON: Well, I'm asking in
20 the Kansas City Power & Light area, is it all in
21 the St. Jo Light & Power area?

22 MR. BUTHE: Yes. That is correct.

23 CHAIRMAN CLAYTON: I don't think I have
24 any other questions. Thanks for coming.

25 JUDGE DIPPELL: Now I'll just clarify too

1 because I don't believe that I mentioned it
2 earlier, but the case number in the steam rate
3 case, which has been referred to is, HR-2009-0092,
4 just so that the transcript is clear. Commissioner
5 Murray, did you have any questions?

6 COMMISSIONER MURRAY: Yes. I have a
7 question or two, Mr. Buthe. Does the operations of
8 Ag Progressing require a continual uninterrupted
9 use of utilities?

10 MR. BUTHE: Yes. It does. We operate
11 24/7 around the clock.

12 COMMISSIONER MURRAY: So you would not be
13 the type of customer who could curtail usage during
14 peak periods. Is that accurate?

15 MR. BUTHE: That's accurate.

16 COMMISSIONER MURRAY: Thank you for your
17 testimony.

18 JUDGE DIPPELL: Are there any questions
19 for Mr. Buthe from any of the attorneys? KCP&L? I
20 will allow you to still file a response, in
21 addition to any questions you might have, at this
22 point.

23 MR. BLANK: No questions, but thank you,
24 Your Honor.

25 JUDGE DIPPELL: Office of Public Counsel?

1 MR. MILLS: No questions. Thank you.

2 JUDGE DIPPELL: Staff?

3 MR. WILLIAMS: No questions. Thanks.

4 JUDGE DIPPELL: Alright. In the interest
5 of saving time, from here on out, I'll just assume
6 that there are no questions from the attorneys and
7 if you have a question, I'll ask you to let me
8 know. Alright. Thank you, Mr. Buthe, we
9 appreciate your taking the time to come.

10 MR. BUTHE: Thank you.

11 CHAIRMAN CLAYTON: The next witness on
12 the list is D.B., is it Tritten or Tritler?

13 MR. TRITTEN: Tritten.

14 CHAIRMAN CLAYTON: Tritten? I couldn't
15 tell if it was two T's or a T and an L. Come on
16 down.

17 JUDGE DIPPELL: Would you please raise
18 your right hand, sir?

19 D.R. TRITTEN, being sworn-in by Judge
20 Dippell, testified as follows,

21 JUDGE DIPPELL: Thank you, if you could
22 state your name and spell it for us please.

23 MR. TRITTEN: Tritten, T R I T T E N.

24 JUDGE DIPPELL: I didn't catch your first
25 name.

1 MR. TRITTEN: Initials D.R.

2 CHAIRMAN CLAYTON: D.R.?

3 MR. TRITTEN: D.R.

4 CHAIRMAN CLAYTON: I didn't even get that
5 right.

6 JUDGE DIPPELL: Thank you, if you could
7 go ahead.

8 MR. TRITTEN: I have two concerns. I
9 live in a small area north and east of here,
10 probably 60 miles from Kansas City and we have
11 servicemen in our area and they have taken away the
12 privilege of them working on the street lights in
13 the small communities and also locating the
14 underground services and they have give that to a
15 contractor in Kansas City and I just think that
16 they - that's an over expense when they have a man
17 that is capable of doing it and, most of the time,
18 has that time to do that work.

19 JUDGE DIPPELL: Is that all your
20 comments?

21 MR. TRITTEN: Yes. That's my comments.

22 CHAIRMAN CLAYTON: May I proceed? I have
23 a couple of questions, Judge.

24 JUDGE DIPPELL: Go ahead.

25 CHAIRMAN CLAYTON: I want to ask, the

1 community on the sheet here says Union Star, is
2 that the community?

3 MR. TRITTEN: That's right. Yes.

4 CHAIRMAN CLAYTON: You said that it used
5 to be that the employees of the company used to
6 work on the facilities there in your community?

7 MR. TRITTEN: On the street lights and
8 locate the underground, yes.

9 CHAIRMAN CLAYTON: Okay. So they do both
10 the underground location and the street lights, and
11 the street lights are owned by the city or by the
12 community. Is that right?

13 MR. TRITTEN: No. They're owned by the
14 company, KCP&L.

15 CHAIRMAN CLAYTON: Albright. So KCP&L
16 owns it. Now, is Union Star served - is it a KCP&L
17 area or is it an Aquila area?

18 MR. TRITTEN: Well, it was Aquila area.

19 CHAIRMAN CLAYTON: Okay. So did that
20 change with the transition?

21 MR. TRITTEN: Yes. It did.

22 CHAIRMAN CLAYTON: Now, has the service
23 gone down? I mean, are you getting lesser service
24 with these contractors, rather than company
25 employees?

1 MR. TRITTEN: Yes.

2 CHAIRMAN CLAYTON: Can you give me an
3 example of why the service is not--

4 MR. TRITTEN: The street light in front
5 of my house would go off and on and I reported it.
6 It was probably five or six days before it was
7 fixed. Their serviceman would have fixed it that
8 day or the next.

9 CHAIRMAN CLAYTON: Now, the employees
10 that used to work on those street lights, did they
11 live in that community?

12 MR. TRITTEN: Well, they lived nine miles
13 from there.

14 CHAIRMAN CLAYTON: Nine miles, okay, and
15 so now the contractors have to come from Kansas
16 City. Is that right?

17 MR. TRITTEN: Right.

18 CHAIRMAN CLAYTON: Okay. Is the light
19 fixed now?

20 MR. TRITTEN: Yes.

21 CHAIRMAN CLAYTON: It is? I was going to
22 say maybe we could make sure it gets fixed pretty
23 soon. We've got some people paying attention. All
24 else in that community, is your reliability good?

25 MR. TRITTEN: Yes.

1 CHAIRMAN CLAYTON: Electricity stay on?

2 MR. TRITTEN: Yes.

3 CHAIRMAN CLAYTON: Any gripes with

4 billing or customer relations?

5 MR. TRITTEN: I don't have.

6 CHAIRMAN CLAYTON: Okay. Okay. I don't

7 have any other questions. Thank you for coming,

8 sir.

9 MR. TRITTEN: Thank you.

10 JUDGE DIPPELL: Thank you. Commissioner

11 Murray, did you have questions?

12 COMMISSIONER MURRAY: I have no

13 questions. Thank you.

14 JUDGE DIPPELL: Thank you, sir.

15 CHAIRMAN CLAYTON: The next person on the

16 list is Jerome Williams. Thank you for printing.

17 MR. WILLIAMS: It's no problem. Jerome

18 Williams, St. Joseph, Missouri, J E R O M E.

19 JUDGE DIPPELL: Can I get you to raise

20 your right hand?

21 JEROME WILLIAMS, being sworn-in by Judge

22 Dippell, testified as follows,

23 JUDGE DIPPELL: Thank you. Go ahead with

24 your comments.

25 MR. WILLIAMS: Well, I know you can't

1 answer any questions that I might have, but I have
2 been - I have asked some questions here and I have
3 gotten some answers. I thought maybe someone might
4 be able to tell me - excuse me, we have been told
5 that there will be asked for another rate increase
6 within a couple of more years to take care of the
7 back expenses.

8 I would just like for somebody to check
9 on that because we're in a bad economy, as it is,
10 and I know that they spent the money already, but I
11 don't think that the customers can actually afford
12 it, at this point in time.

13 I also asked, has there ever been a no
14 to a rate increase and I was told that several
15 years ago, there was a case where an increase was
16 not given, at that time, but again, in this economy
17 the way it is, we cannot afford to have any more
18 rate increases come at us the way they do it.

19 There's not very many, I don't know if
20 you can see it or not, but there's not very many
21 public or citizens of St. Jo here, but it does not
22 mean they're not worried about the rate increase.
23 It just means that they're not able to be here at
24 this time.

25 I also ask will there ever be a time

1 when the rate increase will ever be lowered? I
2 mean, once you get the money, it's hard to give it
3 back. I just want to be that - on the record and
4 also, they gave us some information on home
5 solutions designed to help save money and energy.

6 If we do what is said here to help save
7 money and energy, that means that they won't have
8 the money, that means they will ask for another
9 rate increase, that means we will go through this
10 again. I just want to put that on the record also.

11 There was one more thing. I know that
12 this is an investor owned business, but the last
13 time they asked for a rate increase, I can't
14 remember exactly when it was, but they answer from
15 the Commission was they're allowed to make a profit
16 for their investors. What about the people that
17 don't get an increase in anything? Do we deserve a
18 profit of some type or another or a decrease or
19 something to help us out?

20 I also asked about - our President said
21 something about 19 million dollars for green
22 energy. They said they were about to - they have
23 been doing some of this green energy, as far as
24 wind turbines.

25 If we are, we, meaning the President, is

1 about to give them - give out 19 billion dollars, I
2 would think that would be one of the first things
3 that it would go toward, solar energy, wind energy,
4 but thank you very much for listening to what I
5 have to say. I'm just one citizen of St. Jo.
6 There are several of them out there that feel the
7 same way.

8 I'm just, I guess you could say I'm
9 honored to be able to talk to the Public Commission
10 at this time. Are there any questions?

11 JUDGE DIPPELL: Thank you, Mr. Williams.
12 I appreciate that. Mr. Chairman, do you have
13 questions?

14 CHAIRMAN CLAYTON: I just have a few.
15 Mr. Williams, aside from the rate increase, are you
16 happy with the service that you receive from the
17 company?

18 MR. WILLIAMS: At this point in time, I
19 have no problems with their - with whatever service
20 they give us, except for if we happen to have an
21 ice storm, their service people will have to come
22 from Kansas City and that means that we will have
23 to wait.

24 We have to prepare ourselves for several
25 days maybe without power, but seeing how it's been

1 moved to the Kansas City area, St. Jo - I'm, in my
2 way of thinking, the St. Jo area will probably
3 suffer the consequences for it.

4 CHAIRMAN CLAYTON: Mr. Williams, you've
5 raised a number of questions that I cannot answer
6 or the Judge and the Commissioners cannot answer,
7 but we do have staff that's here. Maybe, Mr.
8 Featherstone, you could answer some of these
9 questions that he's raised, specifically talking
10 about the potential next rate case, whether the
11 Commission has ever said no, do rates ever go down,
12 how energy efficiency impacts cases and addressing
13 the shareholder balance with rate payer concerns
14 and the green issue.

15 I think he may be able to give you some
16 information on each of those issues. Would you
17 mind doing that? Mr. Featherstone is right here.
18 In fact, you can go even step outside and hopefully
19 get some information. I appreciate you coming
20 tonight.

21 MR. WILLIAMS: I appreciate that.

22 JUDGE DIPPELL: Commissioner Murray, did
23 you have any questions?

24 COMMISSIONER MURRAY: I don't have any
25 questions of Mr. Williams. Thank you for being

1 here this evening.

2 CHAIRMAN CLAYTON: Leo Storas or Storas?

3 MR. STORAS: I agree with everything he
4 said.

5 CHAIRMAN CLAYTON: Okay. Mr. - is it
6 Storas or Storas?

7 MR. STORAS: Storas.

8 CHAIRMAN CLAYTON: Said that he echos the
9 statements by Mr. Williams. Is that correct?

10 MR. STORAS: Correct.

11 CHAIRMAN CLAYTON: Okay. Thank you.
12 John P. Stehr?

13 MR. STEHR: Stehr.

14 CHAIRMAN CLAYTON: Stehr? Come on down.

15 JOHN P. STEHR, being sworn-in by Judge
16 Dippell, testified as follows,

17 JUDGE DIPPELL: Thank you, if you could
18 state your name and spell it for us please.

19 MR. STEHR: John P. Stehr, S T E H R.

20 JUDGE DIPPELL: Go ahead with your
21 comments.

22 MR. STEHR: Just before I get in this
23 other little piece, I just bought \$10,000 worth of
24 Kansas City Power & Light shares on last Thursday,
25 a possible conflict and I was a systems supervisor

1 for the current land manager on the Lake Road Plant
2 that he's currently supervising down there back
3 when he was employed down there.

4 CHAIRMAN CLAYTON: Go ahead with your
5 comments.

6 JUDGE DIPPELL: I'm sorry, did you say
7 you were employed with them or you still are?

8 MR. STEHR: With a previous employer, not
9 any more, no.

10 JUDGE DIPPELL: Okay. Thank you. Go
11 ahead with your comments.

12 CHAIRMAN CLAYTON: He's currently with
13 Kansas City Power & Light.

14 MR. STEHR: Service is really fantastic.
15 I put a heat pump in March of '06 in the house and
16 this last winter, I had a 25 percent decrease in my
17 natural gas bills.

18 We had an ice storm in December of '07.
19 I was currently without power for four days and we
20 had to leave the house and go to a Motel 6.

21 KCP&L brought the people in from the
22 other side - Indianapolis, Indiana, 600 miles away,
23 to restore my power and I was very, very grateful.

24 Also, I know Aquila, I'm not sure so
25 much on Kansas City Power & Light, before these

1 last three or four years, they went approximately
2 five years without a rate increase and they did
3 that by increases in efficiency and management.

4 The only thing I want to bring up is in
5 today's Kansas City paper, I don't think that Jeff
6 City has seen it yet, I highly recommend that you
7 read all this. It says that Kansas City P&L, if
8 they don't get the rate hike that they're asking
9 for now, there's going to be ramifications to the
10 company's credit rating, possibly financial
11 difficulties.

12 Also, in last week's Kansas City paper,
13 it might have been two weeks ago, they were talking
14 about the expenditures, the budget for Kansas City
15 Power & Light and the thing I focused in on was the
16 CEO bonuses and company bonuses. They've got 4
17 million dollars scheduled for their - I don't know
18 if it's the CEO or at least the top management and
19 another 4 million for other bonuses and with this
20 possible problem going on, I really don't see how
21 they can justify all that. That's all I have, at
22 this time. Thank you.

23 JUDGE DIPPELL: Thank you. Let me just
24 ask you, sir, which service territory do you live
25 in? You live in the what's now Kansas City Power &

1 Light Greater Missouri?

2 MR. STEHR: Yes. That is correct. It is
3 the former Aquila territory. It's with the lowest
4 rate increase schedule at 13.5 and they've had the
5 previous rate increases approved in March of -
6 December of 07, MPSC approved a rate increase for
7 35 million and, which was approximately 11 and a
8 quarter percent, and then they also had one for
9 just the Kansas territory, KCC, for 28 million.

10 JUDGE DIPPELL: When you're referring to
11 the Kansas City paper, I'm assuming that's The
12 Kansas City Star. Is that correct?

13 MR. STEHR: Yes, ma'am.

14 JUDGE DIPPELL: Thank you. Mr. Chairman,
15 do you have any questions?

16 CHAIRMAN CLAYTON: I do, just a few real
17 quick. You started off saying that you're a
18 shareholder of the company--

19 MR. STEHR: Yes.

20 CHAIRMAN CLAYTON: --and also a customer.
21 So are you speaking in favor of or opposed to the
22 rate increase? The only thing I could get
23 agreement is that you don't like the bonuses and it
24 don't matter how you slice it, you don't like the
25 bonuses?

1 MR. STEHR: That is correct. I think a
2 rate increase of 11 percent to 13 percent is
3 probably reasonable in the current conditions in
4 the market.

5 CHAIRMAN CLAYTON: I don't think I have
6 any other questions. Thank you for coming.

7 JUDGE DIPPELL: Thank you. Commissioner
8 Murray, do you have any questions?

9 COMMISSIONER MURRAY: I have no
10 questions. Thank you.

11 CHAIRMAN CLAYTON: The next witness is
12 Ken Sandusky.

13 MR. SANDUSKY: Sandusky.

14 CHAIRMAN CLAYTON: Would you like to
15 testify on the record or are you satisfied with--

16 MR. SANDUSKY: I've already said what I
17 had to say.

18 CHAIRMAN CLAYTON: Everything you said
19 before was not on the record. So that's fine, if
20 you're comfortable with the responses you received,
21 that's fine, but if you want it to be on the
22 record, now is the time to do it.

23 All the conversation before the
24 Commissioners came in the room doesn't get placed
25 in the record. That's kind of an informal thing,

1 so I just want to make sure you have your
2 opportunity. Basically, I think you're the fourth
3 name that I've mispronounced today.

4 MR. SANDUSKY: Sandusky.

5 CHAIRMAN CLAYTON: Sandusky, thank you.

6 KEN SANDUSKY, being sworn-in by Judge
7 Dippell, testified as follows,

8 JUDGE DIPPELL: I'm having trouble
9 hearing you. If you could just spell your name--

10 CHAIRMAN CLAYTON: You have to press down
11 on the button.

12 JUDGE DIPPELL: Could you spell your name
13 for us?

14 MR. SANDUSKY: Yes, Ken, K E N, Sandusky,
15 that's S A N D U S K Y.

16 JUDGE DIPPELL: Thank you, sir. Go
17 ahead.

18 MR. SANDUSKY: Well, as I stated, I'm
19 just a private individual, but, you know, Great
20 Plains Energy or KCP&L has revenues of 2.7 to \$5
21 billion every year. That's an awful not of money.
22 You're showing net profit of \$235 million and a
23 total capital put at \$5.950 billion. Return on
24 equity and capital is 5.5 percent.

25 Now, I realize this is a large company

1 and you need to make the money, a profit, but it
2 seems to me like - and I know that your rate
3 request will be pared down, they always are, but it
4 just seems like the request that you're asking is
5 just excessive.

6 In this economy, I think we all have to
7 bear the burden and I think that the Public Service
8 Commission should act judiciously and wisely in
9 granting this request.

10 As I stated, I know that there's always
11 been an increase and they are probably entitled to
12 an increase, but just be wise in the amount of
13 increase that you give. That's really all I have
14 to say.

15 JUDGE DIPPELL: Thank you. Mr. Chairman,
16 do you have questions?

17 CHAIRMAN CLAYTON: I don't think I have
18 any questions. Thanks for coming, Mr. Sandusky.

19 JUDGE DIPPELL: Commissioner Murray?

20 COMMISSIONER MURRAY: I don't have any
21 questions either. Thank you, Mr. Sandusky.

22 CHAIRMAN CLAYTON: Judge, I don't have
23 any other names on the list. I would like to
24 invite, at this time, if there's anyone else who
25 would like to testify. If you would like to, now

1 is the time. Yes, sir?

2 MR. KISSICK: Chuck Kissick.

3 CHAIRMAN CLAYTON: You've got to get on
4 the hot seat, sir. We've got a designated - I've
5 got a buzzer connected to it, so right here and
6 have a seat.

7 MR. KISSICK: Okay. My name is Chuck
8 Kissick.

9 JUDGE DIPPELL: Please raise your right
10 hand, sir.

11 CHUCK KISSICK, being sworn-in by Judge
12 Dippell, testified as follows,

13 JUDGE DIPPELL: I'm going to need you to,
14 I think, press that button that he was talking
15 about so that I can hear you. Thank you. If you
16 could state your name and spell it please.

17 MR. KISSICK: Spelled with a
18 K I S S I C K, Kissick.

19 JUDGE DIPPELL: What was your first name?

20 MR. KISSICK: Chuck, Chuck.

21 JUDGE DIPPELL: Great. Thank you. Go
22 ahead with your comments.

23 MR. KISSICK: I have two comments, one,
24 an observation, the other, a concern. I've owned a
25 rather large company and recently sold it and I

1 understand that our economy is a downward turn.
2 Certainly, most companies can't increase prices.
3 They have to look at the operations and see where
4 those reductions can come from, whether it be
5 unemployment, reduce hours, whatever the case may
6 be. I said unemployment; I meant reducing labor.

7 It's hard to believe that a company
8 would ask for that kind of an increase with our
9 economy the way it is right now.

10 Two, I live in Smithville, Missouri. We
11 were recently acquired, which we were Aquila, by
12 KCP&L. The power plant is adjacent to our farm.
13 The street that services our homes down through
14 there is not a thru street, but KCP&L continues to
15 come through that road and with their big heavy
16 equipment. Our road is not designed for heavy-duty
17 equipment.

18 By them cutting through there, I
19 understand that it reduces their mileage and their
20 time, but they should be forced to go out on 169
21 Highway and take the appropriate roads for that
22 heavy equipment; they are not doing so.

23 We've addressed the City of Smithville.
24 I'm sure maybe they have addressed, but this seemed
25 to be an excellent time for me to convey that to

1 the appropriate parties. That's all I have.

2 JUDGE DIPPELL: Sir, I would encourage
3 you, if you haven't done so already, to speak with
4 the gentlemen behind you that are from the company
5 there and see if they can help you with that issue.

6 MR. KISSICK: Thank you very much.

7 JUDGE DIPPELL: Mr. Chairman, do you have
8 any questions?

9 CHAIRMAN CLAYTON: Mr. Kissick, you came
10 in a little late.

11 MR. KISSICK: Sorry about that.

12 CHAIRMAN CLAYTON: No. That's quite
13 alright. The folks, the three gentlemen right
14 behind you, not Mr. Sandusky, I don't think he can
15 help with this issue, but the three gentlemen right
16 behind you may be able to address your concern on
17 the highway issue and I thank you for coming. I
18 don't have any other questions.

19 MR. KISSICK: Very good. Thank you.

20 JUDGE DIPPELL: Commissioner Murray, did
21 you have anything?

22 COMMISSIONER MURRAY: No questions.
23 Thank you.

24 JUDGE DIPPELL: Thank you very much for
25 your testimony, sir.

1 CHAIRMAN CLAYTON: Anyone else? Going
2 once, going twice, going three times, no sale.
3 That's all we've got, Judge.

4 JUDGE DIPPELL: Okay. Well, I want to
5 thank everyone for coming out this evening. It may
6 seem like a few people to you all, but we've had
7 public hearings where we have a lot less interest,
8 so we appreciate - we know that for every person
9 that comes out, there's that many more somewhere
10 else that just didn't have the opportunity to come,
11 so we want to thank you for being there. Mr.
12 Chairman?

13 CHAIRMAN CLAYTON: Judge, can I ask one
14 general question of the audience before you sign
15 off?

16 JUDGE DIPPELL: Sure.

17 CHAIRMAN CLAYTON: Is this a good
18 location, for the folks who have come here, is this
19 a good location?

20 MR. STEHR: Yes. This is excellent.
21 This is where they have water rate increases also.

22 CHAIRMAN CLAYTON: Okay. So we may have
23 done something partially right here. We used to be
24 at one of the courthouses. That was one of the
25 first ones that I did, but this is a good place?

1 MS. KISSICK: I have one thing to say.
2 Have something downstairs telling us where to come.
3 We didn't know where to--

4 CHAIRMAN CLAYTON: More signs.

5 MS. KISSICK: We had a little trouble
6 finding it.

7 CHAIRMAN CLAYTON: I agree. Thank you
8 all very much for coming.

9 JUDGE DIPPELL: Thank you all very much.
10 This is off the record.
11 (WHEREIN, the Hearing is concluded at 6:50 p.m.)

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CERTIFICATE OF REPORTER

STATE OF MISSOURI) ss
COUNTY OF CLAY)

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

Notary Public in and for
the State of Missouri

My Commission Expires: 9/29/11