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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
TRANSCRIPT OF PROCEEDINGS
Local Public Hearing
March 22, 2010
Joplin, Missouri
Volume 3

In the Matter of) File No. ER-2010-0130
The Empire District)
Electric Company of Joplin,))
Missouri For Authority To)
File Tariff Increasing)
Rates For Electric Service)
Provided To Customers In)
The Missouri Service Area)
Of The Company,)

KENNARD L. JONES, Presiding
SENIOR REGULATORY LAW JUDGE
ROBERT M. CLAYTON, III, Chairman

REPORTED BY: PAULA C. VOYLES, CCR, RPR, CRR

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

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3 JUDGE JONES: This portion of the hearing
4 will be transcribed by our court reporter here. It
5 will also be videoconferenced to Jefferson City for our
6 commissioners who may participate from there.

7 This is case number ER-2010-0130, Public
8 Hearing in Joplin, Missouri, to take comments on the
9 Empire Electric Company's request for rate increases.

10 My name is Kennard L. Jones. I'm the
11 regulatory law judge assigned to this matter. And at
12 this time, although you all have met some of these
13 people already, I wanted to take entries of appearances
14 from those attorneys here representing the parties in
15 the case.

16 Is there anyone here from the Empire District
17 Electric Company? Do you want to stand?

18 MS. CARTER: Diana Carter with Brydon,
19 Swaengen & England of Jefferson City, counsel for
20 Empire District Electric Company.

21 JUDGE JONES: Is there anyone here from the
22 Office of Public Counsel?

23 MR. MILLS: Judge, I'm here. Lewis Mills,
24 appearing on behalf of the Office of Public Counsel.

25 JUDGE JONES: To those people working the

1 camera working in Jefferson City, can you pan right?

2 Tell Lewis to move to his right.

3 Can you hear me okay, Lewis?

4 MR. MILLS: I can hear you now.

5 JUDGE JONES: Can you move to the chair to
6 your right? We can't see you.

7 MR. MILLS: (Complying).

8 JUDGE JONES: Okay. Thanks.

9 We also have the City of Joplin who is a
10 party to the case. Is there anyone from the City of
11 Joplin here or in Jefferson City? (No audible
12 response).

13 And Kansas City Power and Light? Is there
14 anyone in the case of P&L? (No audible response).
15 No.

16 Midwest Energy Users Association? Any
17 representation from that party? (No audible response).

18 Missouri Department of Natural Resources?
19 (No audible response).

20 And the Staff of the Public Service
21 Commission?

22 MS. KLIETHERMES: Thank you, Judge. Sarah
23 Kliethermes on behalf of the Public Service Commission.

24 JUDGE JONES: I'd also like to introduce the
25 Chairman of the Commission, Robert Clayton.

1 CHAIRMAN CLAYTON: Thank you, Judge. I
2 wanted to introduce myself to everyone.

3 My name is Robert Clayton. I am Chairman of
4 the Missouri Public Service Commission. There are five
5 of us commissioners, and not all five can usually make
6 it to every single public hearing.

7 We're going to be in Joplin tonight and then
8 also tomorrow at the noon hour. And the Commission
9 will then go to, I think, Reeds Spring tomorrow night.
10 It is a very busy time for the Public Service
11 Commission.

12 I'm sure many of you are here to raise
13 concerns relating to utility service and rate increases
14 that have been proposed. We have rate increases now on
15 file for the Commission for nearly all of our major
16 utilities.

17 We have been traveling the state taking
18 testimony such as here tonight. During the day we have
19 also been receiving evidence in other cases. For
20 example, the AmerenUE electric rate case is going on
21 during the day in our Jefferson City offices, and at
22 night we're going on to the local public hearings in
23 the evening. So it's a very busy time for us. But we
24 appreciate you coming out and sharing some time that
25 you're able to spare.

1 We are interested in hearing what you have to
2 say about Empire, about the service it provides, about
3 billing or customer service, also about the impact that
4 any rate increase would have on your circumstances.

5 Even though we don't have all five
6 commissioners here, a transcript will be made of this
7 hearing here tonight. It will be made part of the
8 filing system in Jefferson City. And usually each of
9 these hearings are reviewed by Commissioners who want
10 to know what is going on out at different service
11 territories that are served by investor-owned
12 utilities, who are the people we regulate.

13 It is a privilege for me being here. It is
14 my first time being in Joplin, and I look forward to
15 the testimony being offered here tonight. I would urge
16 you, just in closing, we have several folks that are
17 here tonight. If you have specific problems, take
18 advantage of the personnel who are here.

19 For example, there are Public Service
20 Commission staff members who are here. If I could get
21 them to just raise their hand and identify themselves.
22 There are a few in the back. We've got several in the
23 front. You too, Sarah. Raise your hand. No escaping.

24 We also have representatives of Empire who
25 are here, and I'm sure they have identified themselves.

1 If they could raise their hand. (Hands raised). So if
2 you have specific issues, you want to approach them.

3 And then Mr. Mills is on video. He had to
4 work the AmerenUE hearing today. He can't be in all
5 these places at once, but I'm sure that we could find a
6 way to get you in touch with your attorney, the
7 ratepayer advocate, who may be able to answer questions
8 that you also have.

9 So thank you for being here, and I would
10 encourage you to take advantage of those resources.

11 Having said that, I'll turn it over to Judge
12 Jones.

13 JUDGE JONES: Okay. Are there any
14 commissioners there in Jefferson City? (No audible
15 response).

16 MR. MILLS: Not currently.

17 JUDGE JONES: Just you there, Lewis? Is it
18 just you, Mr. Mills?

19 MR. MILLS: It's just me, Judge.

20 JUDGE JONES: Okay. Thank you.

21 Prior to this hearing, you've had a comment
22 session where your questions and answers were
23 presumably taken care of. If you didn't get the
24 opportunity, as the Chairman says, to have your
25 questions answered, then there are other resources

1 through which you can do that.

2 Some of you also signed up to give comment.

3 I have a list of names here that I'll go through
4 starting from the first through the last. After we've
5 completed that list, those of you who have not signed
6 up but still wish to give comment will be able to do so
7 after that.

8 After you give your comment, I'm assuming at
9 this microphone here, I'll ask that you remain there to
10 take any questions, follow-up questions from Chairman
11 Clayton or any parties to this case, and then I'll
12 excuse you.

13 With that, let's go ahead and get started.

14 First name on the list is Maurice Filson.
15 Mr. Filson, I ask that you come up, restate your name,
16 and spell it for the court reporter.

17 MR. FILSON: Maurice Filson, M-A-U-R-I-C-E, F
18 as in Frank, I-L-S-O-N.

19 JUDGE JONES: Thank you, sir. Will you
20 please raise your right hand?
21 Whereupon--

22 MAURICE FILSON
23 having first affirmed that the testimony given will be
24 the truth, then testified as follows:

25 JUDGE JONES: Thank you. You may proceed.

1 MR. FILSON: I'm reading from one of the
2 papers that the Empire people were kind enough to give
3 to me, and the statement that I want to read is: "When
4 we," meaning Empire, "when we file new rate -- for new
5 rates, we ask for the amount that we believe is
6 justified to recover our investments and earn a fair
7 rate of return for our investors."

8 Folks, I'm the bottom line. I'm wondering
9 where I go to get my return. I'm it. My salary for a
10 year, retirement and Social Security -- and there are
11 several in here in the same boat that I am; we just got
12 different paddles -- just a little over \$28,000.

13 According to information that I received from
14 the Joplin Globe this afternoon, in '08 Empire made a
15 profit of 39 million plus. In '09, they made a profit
16 of 41 million plus.

17 Now, the question I'm asking is, in these
18 economic times -- and I think I can pretty well assure
19 you that it's not -- after yesterday, it's not going to
20 get any better. We're going to go on a downturn.

21 Now, I've worked in businesses. I was a
22 worker. And I know we have business people here
23 tonight, and I do not want to embarrass them. But in
24 the Empire company, is there any plans -- due to the
25 action that is being requested, is there any action or

1 thoughts of the top executives having a pay adjustment?

2 I don't know of anybody that does this. (Applause.)

3 And I told you what I make. Just a little
4 over 28,000. Every time we go to the grocery store,
5 it's higher. There's been comments made tonight before
6 me, PG&E, American Rock, everybody is wanting a rate
7 increase. But Maurice Filson doesn't have anybody to
8 go to.

9 Is there a possibility that the top
10 executives can make a wage and salary adjustment? So
11 that's about it, huh?

12 JUDGE JONES: We thank you for your comment.
13 If you could remain here for one moment.

14 CHAIRMAN CLAYTON: Good evening, Mr. Filson.
15 I appreciate you being here.

16 MR. FILSON: Thank you.

17 CHAIRMAN CLAYTON: I want to ask you about
18 the type of service that you receive from Empire.
19 About how long have you been a customer of Empire
20 Electric?

21 MR. FILSON: We moved to Missouri in probably
22 '01, is when we actually hooked up with them. We moved
23 over here totally from Kansas in '04. So I'd say '04
24 has been real full-time services.

25 CHAIRMAN CLAYTON: Five or six years?

1 MR. FILSON: Yes.

2 CHAIRMAN CLAYTON: I wanted to ask, on a
3 day-to-day basis, are you happy with the service you
4 receive? Do the lights flicker? Does it go off too
5 much?

6 MR. FILSON: Well, you're asking the wrong
7 question. When we call the hotline for problems, guess
8 what we get?: A busy signal.

9 Now, the electricity went off two minutes
10 ago. I immediately dialed that number. Guess what I
11 get: Nothing.

12 CHAIRMAN CLAYTON: So the service isn't very
13 good or it goes off all -- does it do that all the
14 time?

15 MR. FILSON: There's flickers.

16 CHAIRMAN CLAYTON: Do you call every time the
17 power goes out?

18 MR. FILSON: Of course.

19 CHAIRMAN CLAYTON: And you get the same type
20 of treatment?

21 MR. FILSON: Same thing.

22 CHAIRMAN CLAYTON: So you've never been able
23 to reach a live person at times?

24 MR. FILSON: Very little.

25 CHAIRMAN CLAYTON: Were you here during the

1 storm outages, I believe, going back to '06/'07,
2 '07/'08?

3 MR. FILSON: Yes.

4 CHAIRMAN CLAYTON: Did you lose power for a
5 significant amount of time?

6 MR. FILSON: Four days. It got cold. I've
7 cured that problem. I have gotten a little
8 thermostatic-controlled air heater that I've got
9 plugged directly into the gas line, which is legal, and
10 so that ain't going to happen anymore.

11 CHAIRMAN CLAYTON: So you've made other
12 arrangements in terms of getting other energy supplies?

13 MR. FILSON: In case something happens. And
14 I'm not the only one that has done that.

15 CHAIRMAN CLAYTON: Can you tell me, with the
16 problems that you suggested, have things gotten worse?
17 Have they gotten better since you've been in Missouri?

18 MR. FILSON: You know, the linemen do a
19 marvelous job. They simply follow directions. The
20 linemen I have no problem with. I have the problem
21 with the upper crust.

22 CHAIRMAN CLAYTON: I understand.

23 But has the service improved? Has it gotten
24 worse? Are there any trends?

25 MR. FILSON: I can't see any difference.

1 CHAIRMAN CLAYTON: All right. Thank you very
2 much for coming tonight.

3 MR. FILSON: Thank you, sir.

4 JUDGE JONES: Just a moment.

5 Are there any questions from any parties that
6 are present? (No audible response).

7 Mr. Mills?

8 MR. MILLS: Judge, I don't have any
9 questions. And given the audio problem, I will just --
10 I'll make myself heard if I do have a question, but you
11 don't have to ask me after every witness. Does that
12 make sense?

13 JUDGE JONES: Yes, it does.

14 MR. FILSON: So I assume I don't get any
15 response on the salary adjustments from the higher
16 people in Empire?

17 JUDGE JONES: Well, I thought that was a
18 rhetorical question. But if it is a direct question
19 for --

20 MR. FILSON: It is a direct question.

21 JUDGE JONES: -- for which you are expecting
22 an answer, Empire would be the one to answer that. Did
23 you bring that up in your question-and-answer session?

24 MR. FILSON: You cut it off. I had my hand
25 up two, three or four times up there, and I couldn't

1 get in the choo-choo train. And that was one of my
2 questions.

3 See, if they're wanting an increase, then
4 somebody needs to make an adjustment somewhere, because
5 I ain't adjustable.

6 MS. CARTER: Sir, there are multiple
7 representatives, including some higher-up executives,
8 that would be happy to talk to you. They're at the
9 back of the room now.

10 And if you're just wanting give and take from
11 Empire executives, you're welcome to do that. And if
12 you want you can make more comments to the other
13 Commissioners, but the Empire folks won't be able to
14 answer you while you're at the mic.

15 But if you'd like to talk with the Empire
16 folks, Empire folks, want to raise your hand one more
17 time? (Hands raised.)

18 Mr. Palmer in particular can answer questions
19 for you.

20 JUDGE JONES: Thank you very much.

21 Let's move to Jerry, I believe the last name
22 is Creech. Is that correct?

23 MR. CREECH: Yes.

24 JUDGE JONES: Could you repeat and spell your
25 name for the court reporter?

1 MR. CREECH: Yes. My first name is Jerry.
2 J-E-R-R-Y C-R-E-E-C-H.

3 JUDGE JONES: Mr. Creech, could you please
4 raise your right hand?
5 Whereupon--

6 JERRY CREECH
7 having first affirmed that the testimony given will be
8 the truth, then testified as follows:

9 MR. CREECH: Of course, most of my
10 information comes from the Joplin Globe, so if the
11 Joplin Globe is truthful, then I shall ultimately be
12 truthful.

13 JUDGE JONES: Okay. I understand. You may
14 proceed.

15 MR. CREECH: The points that's been covered
16 in the opening discussion earlier cover a lot of points
17 that's bothering a lot of people in the Joplin area.

18 I'm on Social Security and any rate increase
19 that we receive in benefits is frozen for three years.
20 Now, Congress took a big rate increase, but they later
21 rescinded that. So that's the score on that one.

22 But about a year and-a-half ago, Empire
23 District got a 6 percent rate increase, and part of it
24 was due to storm damage, which I understand everybody
25 says in five years that will go off.

1 You know, we had storm damage, but nobody
2 came out and said, "We're going to fix that for you."
3 But yet we, as Empire customers, was imposed a rate
4 increase to help Empire Electric pay for their damage.
5 There was trees down and that, and I understand it.
6 And we was out of power for about seven days, and we
7 lived in a residential area. So we kind of let that
8 ride.

9 This gentleman's question about the
10 compensation of Empire executives at the public meeting
11 we had about a year and-a-half ago, the president or
12 the CEO of Empire District's salary was \$724,000 a
13 year, plus bonus.

14 Now, I'm on fixed income. That gentleman is
15 on fixed income (indicating). And I don't mind kicking
16 in a little bit, but I think Empire District could take
17 a hard look at what they're paying people.

18 I also realize that good people is hard to
19 get. And obviously they're, doing a good job if
20 they've made over \$39 million, up to 49 this year -- or
21 37, I'm sorry.

22 So I think Empire District needs to take a
23 look at their top executives, and if they need money
24 for a coal plant in Kansas or in Arkansas, I think
25 everybody needs to trim their budgets a little bit and

1 they'll have plenty of money to build that plant with.

2 You know, reasonable salary, I don't have any
3 problem with that. 724, I got a lot of problem.

4 I just think Empire District really needs to
5 take a look at their hole cards and realize we're
6 getting hit by rate increases of the gas company, the
7 water company, any of the utilities are here with their
8 hands out. Except I get my hand out and nothing
9 happens. They run their hand out and they all get rate
10 increases.

11 There's only so much money that we've got to
12 go around and I think we really need to take a hard
13 look at it.

14 I'm tightening up my belt to make my budget
15 needs. They got to tighten up their belts to make
16 their budget.

17 I thank you for the opportunity.

18 CHAIRMAN CLAYTON: Mr. Creech, thank you very
19 much for coming out tonight. I want to talk about the
20 outage. I think you said you were out seven days?

21 MR. CREECH: Yes, sir.

22 CHAIRMAN CLAYTON: Was that in '07? Am I
23 getting the time period correct?

24 MR. CREECH: Yes, sir.

25 CHAIRMAN CLAYTON: Do you have problems with

1 your service outside of that outage? Does it stay on?
2 I mean, does it flicker? We've heard different
3 jurisdictions say different things. Is the service
4 solid? Is it there when you need it?

5 MR. CREECH: For the most part, yes. We
6 still get flickers on it occasionally. And I think
7 that's true with any land-based line operation, that
8 you're going to have some shortages here and there. I
9 don't particularly worry about 'em because they come on
10 and they -- you know, they immediately correct
11 themselves. They don't go off for like an hour or two.
12 They have a land line system.

13 CHAIRMAN CLAYTON: So you're satisfied with
14 it. It doesn't go out so much that you would say that
15 it's not good quality?

16 MR. CREECH: No. I think the service is
17 basically is good quality. There's always
18 improvements. I live in Duquesne, which is just east
19 of the Joplin city limits.

20 They talk about their storm damage and
21 needing to correct it, and yet I see a lot of limbs
22 over lines that's going to be a problem if we have a
23 major ice storm. I see poles leaning.

24 CHAIRMAN CLAYTON: Do you do anything about
25 tree trimming? Do you see them trim any more trees

1 than they used to or do you notice?

2 MR. CREECH: I think maybe 10 percent more.
3 But the ones they trim, they were down on lines, not
4 preventive. This line, this limb is hanging over. If
5 you got ice factor on it, then it's going to come down
6 on that line. They're not taking care of that.

7 CHAIRMAN CLAYTON: Have you ever had to call
8 Empire for consumer service either with outage or a
9 problem with billing?

10 MR. CREECH: Like this gentleman says, you're
11 going to get a busy signal.

12 CHAIRMAN CLAYTON: You have?

13 MR. CREECH: I have called.

14 CHAIRMAN CLAYTON: And are you telling me
15 every time you get a busy signal when you call?

16 MR. CREECH: I think I've got through maybe
17 one out of five calls. And I'm not a chronic caller,
18 but the times that I have called, I've got through once
19 on maybe five calls.

20 CHAIRMAN CLAYTON: Mr. Creech, thank you very
21 much for coming.

22 MR. CREECH: Yes, sir. Thank you gentlemen.

23 JUDGE JONES: Are there any questions from
24 other parties? (No audible response.) Okay.

25 MR. CREECH: Thank you.

1 JUDGE JONES: We'll move to Gary Kenny.

2 MR. KENNY: My name is Gary Kenny. G-A-R-Y
3 K-E-N-N-Y.

4 JUDGE JONES: Please raise your right hand,
5 sir.
6 Whereupon--

7 GARY KENNY
8 having first affirmed that the testimony given will be
9 the truth, then testified as follows:

10 JUDGE JONES: Thank you.

11 MR. KENNY: I have two items I'd like to talk
12 about. The first thing is, several years ago I built a
13 house that was all electric, and I was encouraged at
14 that time to go all electric. And so many times in the
15 past, that electric rate -- we used to have a special
16 electric rate if I am all electric. And then I just
17 happened to be checking my bills, and noticed that I
18 don't get a special rate being all electric anymore.

19 And I'd just like the Commission to, or
20 someone to get back to me as to when that happened, and
21 also why it happened. That's item 1.

22 Item 2 is, I'm a strong -- I was a strong
23 supporter of Proposition C. A petition was presented
24 which the voters voted on, and part of the original
25 petition had a statement in there that a \$2 rebate per

1 watt of solar power would be paid by the utilities.
2 Since then I've purchased several solar panels,
3 installed them for my private use. And now I find out
4 that that rebate is not available.

5 On May 4th of 2008, supporters submitted a
6 petition to the State for a measure requiring
7 publicly-traded utilities to generate a certain amount
8 of their electricity sales for renewable energy
9 sources, which the measure later became known as
10 Proposition C.

11 Anyway, part of the original petition that
12 was submitted had a statement in there, it will be \$2
13 per watt paid to customers who installed solar panels.

14 On May 16th, the State Legislature passed a
15 Senate Bill 1181 that exempt utilities from any solar
16 rebate requirements if they achieved renewable energy
17 capacity of at least 15 percent of their total fuel,
18 fossil, fire capacity.

19 The rebate exemption became law on
20 August 28th, 2008. Voters approved Proposition C by a
21 two-thirds majority on November 4th, 2008. Empire
22 Electric, in December of 2008, signed long-term
23 agreements with Elk River Wind Farm and also Meridian
24 Wind. So they're making -- somebody made a statement
25 earlier, 16 percent of their energy is now coming from

1 wind.

2 There was a conflict in terms of the fact
3 that the Proposition C and Senate Bill 1181 are both
4 Statutory amendments. If one of the two was a
5 Constitutional amendment, that would give it the clear
6 precedence over the other.

7 You know, I pushed this Proposition C with a
8 lot of people in southwest Missouri because we wanted
9 to be able to put some solar panels in and so forth,
10 and we found out -- we bought 'em, and now we found out
11 we can't apply for that.

12 So I'd just like the Commission to see what
13 they can do about that. Thank you.

14 CHAIRMAN CLAYTON: Thank you very much for
15 coming, Mr. Kenny. You're definitely up on your
16 current events.

17 There's nothing that gets your attention more
18 than being sued. Well, we got sued and the lawsuit
19 that was filed recently went into the differences in
20 legislation between Proposition C and Senate Bill 1181,
21 as you mentioned.

22 Empire leads the state in terms of
23 investor-owned utilities in terms of the amount of
24 energy they get from renewable sources. As you
25 mentioned, 15 to 16 percent of its energy comes from

1 wind resources, which no other utility can really come
2 close to that at this time.

3 On the other hand, by the way legislation
4 changed it back in '08, that exempted them from. By
5 basically passing the bill before Proposition C passed,
6 it presumably exempts them from the 2 percent, 2-dollar
7 solar obligation. So I would suggest to you that this
8 court action will most likely resolve it one way or the
9 other.

10 The Commission is without really the
11 authority, in my opinion, to address the differences in
12 legislation that have been passed. So I would urge you
13 to touch base with your legislatures as well, not just
14 the Public Service Commission.

15 I wanted to ask you, specifically relating to
16 solar panels, have you attempted to reach out and
17 settle the renewable energy questions that would go
18 with the installation of solar panels?

19 MR. KENNY: No. I'm just using it at my home
20 to run all my lights at my home for right now.

21 CHAIRMAN CLAYTON: Can I ask you how big your
22 system is, how many kilowatts?

23 MR. KENNY: It's six times 200. So 1200
24 watts.

25 CHAIRMAN CLAYTON: 1.2 kilowatts?

1 MR. KENNY: I purchased the panels. They're
2 not all installed yet.

3 CHAIRMAN CLAYTON: Okay. There would
4 probably be a market for those regs. I'm not sure.
5 How many megawatt hours would you actually do in the
6 course of a year?

7 MR. KENNY: Not very many.

8 CHAIRMAN CLAYTON: Well, money is money. It
9 may be worth looking into that.

10 On the first item on the special electric
11 rate, I was going to urge you to meet with our staff.
12 Maybe they could give you more information on the all
13 electric rate. I couldn't answer you anyway, but I
14 would urge you to meet with one of our staff members.
15 They would be able to give you some information.

16 MR. KENNY: May I make a comment?

17 CHAIRMAN CLAYTON: Yes.

18 MR. KENNY: It's my understanding that Empire
19 customers in Kansas still get a preferred rate if
20 they're all electric. That's what I've been told. I
21 haven't been able to verify that yet.

22 CHAIRMAN CLAYTON: Yeah. I don't know what
23 Kansas does. It's a far way, unknown land to me.
24 Although I did enjoy the basketball game on Saturday.
25 On Sunday, I'm an Iowa fan.

1 exorbitant. I think it's way, way, way too high.

2 Thank you.

3 JUDGE JONES: Okay. Chairman, any questions?

4 CHAIRMAN CLAYTON: Just very quickly.

5 Ms. Rhodes, forgive me, Kansas City and Arkansas
6 problems? What are you talking about?

7 MS. RHODES: Part of the money -- I
8 understand part of the money of the rate increases is
9 going to go to Kansas City and to Arkansas.

10 CHAIRMAN CLAYTON: Is it the Kansas City --
11 the power plant in Kansas City?

12 MS. RHODES: Yes.

13 CHAIRMAN CLAYTON: Okay. How about Arkansas?
14 Is it the same thing?

15 MS. RHODES: Yes.

16 CHAIRMAN CLAYTON: Okay.

17 MS. RHODES: I'm not really sure the name of
18 it. But yes, I think there are two places in Arkansas
19 that are going to go.

20 CHAIRMAN CLAYTON: Okay. I don't think I
21 have any other questions. Thank you.

22 JUDGE JONES: And next we'll hear from Howard
23 Blackborne.

24 MR. BLACKBORNE: My name is Howard Blackburn,
25 H-O-W-A-R-D B-L-A-C-K-B-O-R-N-E.

1 JUDGE JONES: And will you please raise your
2 right hand?
3 Whereupon--

4 HOWARD BLACKBORNE
5 having first affirmed that the testimony given will be
6 the truth, then testified as follows:

7 JUDGE JONES: Thank you, sir. You may
8 proceed.

9 MR. BLACKBORNE: I was here the last time
10 they had this little thing about this 6 percent thing
11 that they got. Well, they also at that time asked for
12 20 some percent raise. They got a 6 percent. People
13 on Social Security got a 2. This year, Social Security
14 has already been told they didn't get no raise. They
15 ain't going to get a raise for the next two years, or
16 maybe three. But their health insurance is going up,
17 their utilities is going up. Everything else is going
18 up but their raise.

19 Like several has said about their profits. I
20 very much know that a business has to pay profit. But
21 when it comes to 40 some million dollars in a year,
22 when they're putting people actually having to make a
23 decision whether they're going to buy their groceries
24 or pay their utilities, and then they say, "Well, we're
25 concerned about our customers," that doesn't show a

1 whole lot of concern when their CEOs is making 700 some
2 million -- or 700 and some thousand a year and, well,
3 the average people on Social Security is making
4 anywhere between 11 and 21, 22,000 a year.

5 And they're paying the same amount for a loaf
6 of bread as that guy does that's making 700. That
7 don't show a whole lot of compassion.

8 And we're supposed to learn to get along with
9 people. That's not getting along with people. That's
10 trying to cut throat. They've got two dams that I know
11 of here in Missouri that has got several big generators
12 in them, and every time you go by them, they ain't
13 operating. But the coal plants are and the gas plants
14 are.

15 And they say that they need this raise
16 because their cost for fuel is going up. That water
17 ain't costing nothing to run through that dam, and that
18 water will power those generators.

19 I went several years back up to Mononame dam,
20 and they've got that Bagnell dam up there. It had
21 about six generators in it, I think. And it had the
22 capacity then -- this was back in the '60s -- it had
23 the capacity then to produce enough electricity in
24 itself to power the whole southern part of Missouri,
25 just that one dam. But like I said, I went up there

1 last year. It don't run.

2 You know, they want to use -- I know they
3 want to use different energy sources because you can't
4 put all your eggs in one basket, but use what you got.

5 And they say they -- this is -- a lot of this
6 cost was to recoup some of the ice damage of the storm
7 we had last year. Well, a lot of the reason this ice
8 damage was is because a year and-a-half or so before
9 that, they cut out their trimming crews. They done
10 away with 'em.

11 And if you called 'em, asked them to come and
12 trim a tree because of electric lines over them, they'd
13 say, "Well, if that's on private property, we cannot
14 touch it."

15 So, you know -- and every time we would
16 get -- I had one that was that way. I had a tree that
17 the lines went right by the tree. Every time the wind
18 goes to blowing, especially if it was raining, my
19 lights would go to flickering. I'd call Empire.
20 "Well, we can't come out. It's on private property."

21 Their crews wouldn't touch it because it was
22 on private property. But I had to arrange to get that
23 tree cut down on my own, and all I was wanting them to
24 do was trim it to where it wouldn't mess up my power.

25 CHAIRMAN CLAYTON: Mr. Blackborne, can I stop

1 you? You're killing me. I've got to ask you about the
2 tree trunk. You said you called prior to the big storm
3 that occurred in 2007?

4 MR. BLACKBORNE: Mm-hmm.

5 CHAIRMAN CLAYTON: You called and asked for
6 trees to be trimmed that was close to your house; is
7 that correct?

8 MR. BLACKBORNE: It was close to my line that
9 went to my house, yes.

10 CHAIRMAN CLAYTON: Was the tree that needed
11 to be trimmed, was it just a service line that came on
12 the pole or was it -- were they the lines that ran from
13 pole to pole out on the street?

14 MR. BLACKBORNE: Well, it covered both.

15 CHAIRMAN CLAYTON: Covered both.

16 And was the tree on your property? Was it in
17 the easement of the property?

18 MR. BLACKBORNE: It was right on the alley.

19 CHAIRMAN CLAYTON: So that the tree leaned
20 over and touched the lines?

21 MR. BLACKBORNE: Mm-hmm.

22 CHAIRMAN CLAYTON: And so did anyone come out
23 and look at the line?

24 MR. BLACKBORNE: Yeah. They come out. I'd
25 see 'em, they'd come by and drive by and just go right

1 on by.

2 CHAIRMAN CLAYTON: That would have been in
3 what, 2005, 2006 --

4 MR. BLACKBORNE: Yeah.

5 CHAIRMAN CLAYTON: -- something like that?

6 MR. BLACKBORNE: Mm-hmm.

7 CHAIRMAN CLAYTON: How many times did you
8 call?

9 MR. BLACKBORNE: Three or four. I finally
10 went and got it cut down myself.

11 CHAIRMAN CLAYTON: You cut it down yourself?

12 MR. BLACKBORNE: I did.

13 CHAIRMAN CLAYTON: When did you do that?

14 MR. BLACKBORNE: I cut it down right before
15 that there big ice storm.

16 CHAIRMAN CLAYTON: So before the ice storm.
17 I hate to ask this.

18 Did you lose power during the ice storm?

19 MR. BLACKBORNE: Yes, sir, I did.

20 CHAIRMAN CLAYTON: How many days?

21 MR. BLACKBORNE: Seven days.

22 CHAIRMAN CLAYTON: Seven days. So even
23 though you took down the tree, you still lost it for
24 seven days?

25 MR. BLACKBORNE: Yeah. But right across the

1 street from me had power.

2 CHAIRMAN CLAYTON: They never lost power?

3 MR. BLACKBORNE: Yeah, they lost power, but
4 they wasn't lost but about three or four days.

5 CHAIRMAN CLAYTON: Three or four days in the
6 middle of the winter, no problem?

7 MR. BLACKBORNE: Yeah. No problem. But when
8 you got seven days, when you're on breathing machines,
9 that makes a difference.

10 CHAIRMAN CLAYTON: You bet it does. I don't
11 mean to -- going without power more than a day is
12 challenging.

13 MR. BLACKBORNE: Yeah.

14 CHAIRMAN CLAYTON: Especially when you have
15 inclement weather. There's no question.

16 Let me ask you, are you living in the City of
17 Joplin?

18 MR. BLACKBORNE: No. I live in Webb City.

19 CHAIRMAN CLAYTON: Webb City. My law school
20 roommate is from Webb City. But I'm not going to
21 mention his name on the record.

22 MR. BLACKBORNE: I ain't going to hold that
23 against you.

24 CHAIRMAN CLAYTON: Thank you, sir.

25 MR. BLACKBORNE: Yeah.

1 JUDGE JONES: Next we go to Gene, I believe
2 the last name is Seat, S-E-A-T.

3 MR. SEAT: My name is Gene Seat, S-E-A-T. I
4 live in 2619 Minnesota, Joplin.

5 JUDGE JONES: And can you raise your right
6 hand?
7 Whereupon--

8 GENE SEAT
9 having first affirmed that the testimony will be the
10 truth, then testified as follows:

11 JUDGE JONES: Thank you, sir. You may
12 proceed.

13 MR. SEAT: I'm on Social Security, and that's
14 all I'm living on. And I'm only getting \$1,200 a
15 month. And every time I turn around, Empire is wanting
16 money. Everybody else is wanting money. But we don't
17 get -- none of us in here gets any raises for three
18 years. And last time we were -- you had a meeting
19 here, the people were saying they couldn't afford it
20 because everything was going up and Social Security was
21 staying down.

22 Now, Empire made millions of dollars profit.
23 Why can't they turn around and put that millions of
24 dollars in profit back into building things for the
25 people out here, instead of wanting a rate increase and

1 keeping sucking money out of the people out here?

2 I can't even send my own daughters \$5 for
3 their birthday. So if they had to live on what we do
4 and they was in our shoes, we would need to mail 'em.
5 Because they're making money hand over heel, and then
6 they keep wanting more money and wanting more money.

7 There's times when they need to get down to
8 our level, where they have to live like we do on what
9 we have to live on, and they'll come down and see what
10 it is and what it means to be in our shoes.

11 Now, Obama up there in Washington, he's cut
12 everybody's Social Security, and they said they're not
13 going to get any raises for two to three years, cost of
14 living. But yet they want their money.

15 And they want \$2 million out of the people
16 around out here in the United States that's working and
17 scrimping and trying to make a living, and they want to
18 help a foreign country?

19 Well, I couldn't pay my bills, all of 'em, so
20 I sent Obama two of my bills and explained to him why I
21 couldn't pay them. And he wrote back to me and said
22 that it's you people's problem that you can't pay 'em.
23 And he didn't pay them when I asked him to pay them.

24 And then he gets on the TV and all high and
25 mighty. He's going to push everything down everybody's

1 throat that don't want it.

2 And that's just like Empire. They want their
3 money and they're going to get it one way or another.
4 I think they should take that millions of dollars and
5 millions of profit they're making and quit buying
6 Cadillacs and driving around in, so at the end of the
7 year they can write it off their business expense.

8 And if they want to build a shed, take it
9 down to everybody that works there, their stockholders,
10 and get them to pay for that shed that they want to
11 build instead of saying, "We want a rate increase
12 because the customers out here will pay for that shed."
13 I think it's time for them up there to stop gouging the
14 people out here every time they turn around.

15 And the Governor up there in Missouri, I
16 guarantee you he's already closing the doors in his
17 office with Empire, that he's going to give them the
18 okay to make -- give them the okay for the rate
19 increase. Because it's happened before, and it will
20 keep on happening.

21 I think it's time that everybody up there in
22 Empire just put some brakes on and says, "Hey, I think
23 the people out here is fed up with it."

24 That's all I have to say.

25 CHAIRMAN CLAYTON: Sir, I don't have any

1 questions for you. Thank you for coming.

2 JUDGE JONES: Thank you, Mr. Seat.

3 MR. SEAT: Okay.

4 JUDGE JONES: Next we'll hear from Roger
5 Ball.

6 MR. BALL: My name is Roger Ball, R-O-G-E-R
7 B-A-L-L.

8 JUDGE JONES: And could you please raise your
9 right hand?

10 Whereupon--

11 ROGER BALL

12 having first affirmed that the testimony given will be
13 the truth, then testified as follows:

14 JUDGE JONES: Thank you, sir.

15 MR. BALL: I'm probably the youngest one to
16 speak tonight, it looks like to me. And I mean no
17 disrespect to the senior citizens; I know they're on a
18 budget. I do have the opportunity to have an income
19 that can take care of this, but I'm going to go on
20 record saying I'm opposed to the rate increase for
21 this. I think Empire is asking too much too quickly,
22 and there are many concerns that I have.

23 One of the things that was talked about was
24 the money recovering from the ice storm, and if the
25 corrections are made about the \$75 million, they're

1 going to get it back rather quickly.

2 My concern with Empire has been that they
3 have not taken care of the customer service in regards
4 to things from the storm since then, and are actually
5 moving on and are not taking care of the customers that
6 they have here at the Joplin area.

7 One of the things that we've looked at in our
8 area -- I live here in Joplin -- that they have come
9 out to look at trees, but they do not remove them.
10 They mark them, but yet they come out and look at them
11 and just go on.

12 I know they cut their tree service here a few
13 years ago to another company, and there again, they've
14 let that company go and have started a new division on
15 Broadway Street that is supposed to be looking at the
16 vegetation, but yet they still don't seem to have
17 learned from the previous mistakes about what
18 vegetation needs to be removed, how it should be
19 removed. And if the idea is to be preventive
20 maintenance on their lines, they're not doing a very
21 good job of it.

22 Now, I'm just speaking for my area in my part
23 of the city. I cannot speak for other areas of what
24 Empire does.

25 For example, we have a tree in our area that

1 has been marked three times. Nothing has been done.
2 We have experienced outages for a period of time in the
3 last five years. They have got to be numerous.

4 One time we did call Empire on this, and the
5 lady said, "Well, it could be the squirrels out running
6 around."

7 It was during the evening, and I said, "Well,
8 I've done a lot of squirrel hunting in my time, but I
9 don't usually go squirrel hunting at night to see
10 squirrels running around on the limbs." And she didn't
11 say too much about it after that.

12 The trees that we are concerned with are
13 really pulling -- I have a warehouse behind my house,
14 and the limbs are really pulling. And Empire didn't
15 seem like that was a concern when they came out and
16 looked at it, and we have not heard from them since
17 then.

18 I do realize that I have an all electric
19 house, and Empire did say something to us when we built
20 it that, "You do get a special rate." But like the
21 other gentleman said earlier, I don't know where that
22 rate went after that.

23 And we built this house in 1993. And I
24 realize that many places are going through budget cuts.
25 Like the previous gentleman said, they're going to need

1 to tighten their belt for a while just like everybody
2 else. If they can't do that, then they need to -- I
3 know they're investor owned.

4 They need to take care of their investors,
5 but investors need to know that these are common folks
6 out here that need to -- that are paying the bills; and
7 if the common folks can't pay their bills, they're not
8 going to get a return on their investment.

9 That's about all I've got to say.

10 CHAIRMAN CLAYTON: Mr. Ball, I'm going to
11 talk to you about the trees, several times you've seen
12 trees get marked and nothing ever happens.

13 MR. BALL: Yes.

14 CHAIRMAN CLAYTON: Do you know why?

15 MR. BALL: Best I can tell is that they think
16 they weren't a priority need. They were service lines.

17 CHAIRMAN CLAYTON: Let's focus to the tree.
18 You said there is a tree on your property that was
19 marked?

20 MR. BALL: It was my next-door neighbor, my
21 in-law's place.

22 CHAIRMAN CLAYTON: Were you suggesting that
23 it was marked for being cut down or just trimmed?

24 MR. BALL: I'm not quite sure. They had a
25 color coding at the time. It changed colors out. The

1 original one was to be trimmed, and the second one I
2 think was to be removed, but neither time has been
3 taken care of.

4 The other one is in the neighbor's property
5 in the alley. The tree is pretty much rotted and is
6 laying on part of the power line going to the house.
7 It wasn't -- didn't seem to be a priority for Empire.

8 CHAIRMAN CLAYTON: How long ago was that?

9 MR. BALL: I took digital pictures of it last
10 fall, took it down to consumer service there on Wall
11 Street -- or Joplin Street. Customer service has a
12 record of it, I believe, in September of '09. And
13 vegetation people came out, didn't think it seemed to
14 be a priority.

15 The transformer feeds four homes that was put
16 in there.

17 CHAIRMAN CLAYTON: Does your power still go
18 out? Still having a lot of squirrel activity?

19 MR. BALL: Not too much. They were supposed
20 to put squirrel guards on the transformer, but they
21 never did. It has --

22 CHAIRMAN CLAYTON: Did you take matters into
23 your own hands?

24 MR. BALL: That would be illegal, sir.

25 CHAIRMAN CLAYTON: I guess you shouldn't --

1 MR. BALL: I am in public service. I am a
2 teacher, so I do need to abide by the law, since I do
3 teach students.

4 CHAIRMAN CLAYTON: You have a right to remain
5 silent.

6 MR. BALL: Yes, I do. Anything can and will
7 be used against you in the law.

8 CHAIRMAN CLAYTON: I'm going to conclude.
9 I'm going to urge you, especially with the tree,
10 leaning on the line, take it to the Empire staff.
11 There are high level Empire people here, and take it to
12 them before you leave.

13 MR. BALL: Okay.

14 CHAIRMAN CLAYTON: Thank you for taking the
15 time to come out tonight.

16 MR. BALL: Thank you.

17 JUDGE JONES: Next is Jesse Childers or
18 Childars (phonetic).

19 MR. CHILDERS: My name is Jesse Childers,
20 J-E-S-S-E, M, like in Maxwell, and C-H-I-L-D-E-R-S.

21 JUDGE JONES: Thank you, sir.

22 Can you raise your right hand?

23 / / /

24 / / /

25 / / /

1 Whereupon--

2 JESSE M. CHILDERS

3 having first affirmed that the testimony given will be
4 the truth, then testified as follows:

5 JUDGE JONES: Thank you, sir. You may
6 proceed.

7 MR. CHILDERS: Where is that CEO?

8 VOICE FROM AUDIENCE: Right here.

9 MR. CHILDERS: Okay. Look. I realize you're
10 all educated.

11 JUDGE JONES: Mr. Childers, make sure you use
12 the microphone.

13 MR. CHILDERS: I understand you're educated.
14 I understand your staff is educated. But you take my
15 wages and live on it for six months, and I'll take your
16 wages and see how it goes.

17 My wages are \$6 an hour based on a 40-hour
18 week, four times a month. That's not much. Out of
19 that comes insurance; gas, or fuel for my cars; bills
20 for electricity; phone; everything else.

21 Now, I've gone to an expense of putting a
22 brand new heating/air conditioning system on my house,
23 a new refrigerator, I've cut down an electricity use,
24 just to get the bill down.

25 I put brand new windows in. It cost me five

1 grand. That's only four of them, just to get the
2 electricity down. And it keeps going up every year.

3 I'm on Social Security. I can't pay it. Who
4 am I not going to pay now? Not buy food? Not pay the
5 doctors? My wife's got bad teeth. I can't even get
6 her to the dentist. I make too much to get assistance.
7 You get 1 dollar over that amount, and you can't get
8 it.

9 I'm sure you-all are tired of hearing about
10 Social Security, but we're on a limited income. Next
11 three years, we don't get a raise.

12 Instead of raising the electricity rate, why
13 don't you guys get Congress to give us enough money
14 above poverty so we can live?

15 My place out there is going out all the time.
16 On this last ice storms we had, I was out seven days
17 one time and nine days the second time.

18 And what made me mad was one day we're
19 cutting all these trees down, there was electric
20 workers right around the corner, and we were the only
21 block out in the whole area. I went up there and it
22 still took five hours to get electric on.

23 I had to go up there and chew ass -- excuse
24 my French -- just to get it done. That's not --
25 something is wrong.

1 And they're just wanting more and more and
2 more. I can't pay it. Gas is going to go up. I know
3 you guys. It probably won't do any good to bitch, but
4 I'm doing it.

5 I get angry. I'm not even supposed to get
6 angry. I take medications to keep from getting angry.
7 But enough is enough.

8 Take a look at seniors. We got more bills
9 than is getting. No one wants to look how much the old
10 people made and put into the system. How much money
11 they put into electricity and gas just to make a decent
12 living, and now they're getting kicked around.

13 You want more money? What's wrong?
14 Something wrong there.

15 CHAIRMAN CLAYTON: Mr. Childers, I don't
16 think I have any questions. Your message comes through
17 loud and clear. Thank you very much for coming.

18 JUDGE JONES: And next is Don Garriger
19 (phonetic). Don. Is Don here? Anybody named Don
20 here? (No audible response). No one named Don?

21 CHAIRMAN CLAYTON: G-E-R --

22 JUDGE JONES: Or Dan maybe?

23 CHAIRMAN CLAYTON: Last name with a "G." (No
24 audible response). All right.

25 JUDGE JONES: Does anyone have a name with a

1 "G" in it? (Hand raised.)

2 CHAIRMAN CLAYTON: Don M. Garrilon
3 (phonetic)?

4 JUDGE JONES: We'll move on. Don't worry
5 about it.

6 CHAIRMAN CLAYTON: Thank you.

7 JUDGE JONES: Kay Kargone (phonetic). Kay
8 Kargone (phonetic). (No audible response).

9 Those names that I'm calling that aren't
10 responding, I will go back to them after I go through
11 the list just in case they stepped out.

12 CHAIRMAN CLAYTON: Both of those are from
13 Webb City addresses.

14 JUDGE JONES: David Gilbreth?

15 CHAIRMAN CLAYTON: There we go. There's the
16 "G."

17 MR. GILBRETH: Dave Gilbreth. I live in
18 Joplin, sir. My wife and I were both born and raised
19 here, with the exception of six and-a-half years.

20 JUDGE JONES: Slow down. Slow down.

21 Could you spell your name for the court
22 reporter first?

23 MR. GILBRETH: First or last? D-A-V-I-D for
24 David. Gilbreth, G-I-L-B-R-E-T-H.

25 JUDGE JONES: And can you raise your right

1 hand?

2 Whereupon--

3 DAVID GILBRETH

4 having first affirmed that the testimony will be the
5 truth, then testified as follows:

6 JUDGE JONES: Thank you. You may proceed.

7 MR. GILBRETH: My concern is that seems like
8 to me that all we do is hear about increases from
9 utility companies, and of course Empire District is no
10 exception.

11 Like everybody's talked about before, I'm
12 concerned about people especially in Social Security,
13 which I am part of that. You have very, very fixed
14 incomes. And I'm surprised. They're telling me I
15 can't get a raise for three years. I didn't know that.

16 But the utility companies can go to the
17 Commission and seem to -- I've never, never, never
18 heard of them being turned down. And my concern is for
19 those people on Social Security, as well as myself,
20 that I can't do anything about it, and I keep paying
21 out to the utility companies.

22 And when they say that they made a profit of
23 \$40 million, I didn't know that. And my question is:
24 Why can't they be just like any other company, pay
25 their bills and not expect to be remunerated constantly

1 from the people of the state of Missouri? From
2 whatever utilities. They have to increase. Every
3 other company that invests in a company has to come up
4 with their own money or sell additional stock.

5 Now, I know it's different because they're
6 okayed by the State of Missouri. But maybe it's time
7 that the State of Missouri starts to looking at
8 something like they did the telephone companies, and
9 get some competition in there to where they can be
10 competitive and more fair to the individual.

11 That's all I have to say.

12 CHAIRMAN CLAYTON: I don't have any
13 questions. Thank you, Mr. Gilbreth.

14 JUDGE JONES: Thank you, sir.

15 Richard Bourne.

16 MR. BOURNE: Richard Bourne.

17 JUDGE JONES: Spell your last name.

18 MR. BOURNE: R-I-C-H-A-R-D B-O-U-R-N-E.

19 JUDGE JONES: And can you raise your right
20 hand?

21 Whereupon--

22 RICHARD BOURNE

23 having first affirmed that the testimony given will be
24 the truth, then testified as follows:

25 JUDGE JONES: Thank you. You may proceed.

1 MR. BOURNE: I've been with Empire since 1980
2 out in Carl Junction, and that last ice storm, it -- I
3 lost power for about four days. They didn't do no tree
4 trimming until after it. That's when the tree trimmers
5 come out. I mean, the next day, I mean, you could see
6 them cutting everything down. Before that, they were
7 not trimming.

8 A lot of people here has said a lot of
9 things. I don't think you realize, this is a bad
10 economy. 7 percent unemployment. That's a lot of
11 unemployment. People are hurting. People -- you know.
12 And I mean, somebody's got -- and every time Empire
13 puts in a rate, they get it. When is it enough?

14 I mean, got people hurting, like the other
15 gentlemen talking about paying electric bill or buying
16 medicine. You know, it's sad. I'm 57 years old, and
17 in that shape, that's going to be pretty bad that you
18 got to make those decisions.

19 This is America, not a Third World country.
20 America. And something's got to be done.

21 I know Empire needs to make a profit. Every
22 company makes a profit, but do they just about every
23 time they come -- you go to the Commission, you get it,
24 like you guys get it. That's sad. Enough's enough.

25 And I mean, I just -- I just -- I got two

1 grandkids, eight and four. What are their lives going
2 to be when they get to my age and Empire keeps jacking
3 the rates up?

4 I know they have to make a profit. But, you
5 know, you guys never cancel it. They always got it.
6 They always tell a sad story: "Well, we got to have
7 this." If I went to my boss and told them, they'd tell
8 me where to go in a New York minute. So that's all I
9 got to say.

10 You know, I -- just short and sweet, because
11 this is not -- you look at the average wage around this
12 area. It's \$8. Not \$10.

13 And the only thing I can say about Empire,
14 they're damn good. I got nothing against them. They
15 work their butt off and they deserve every dime they
16 get. Those linemen, they're dedicated. They're good.
17 It's very dangerous. How many CEOs has ever climbed a
18 pole in the middle of the night when it's raining, icy
19 conditions? I got high respect for those men. They
20 need it.

21 You know, because I seen them at night when
22 it's crappy and they're climbing those poles. They
23 dangerous. And they deserve as much money as they can
24 get. That's a very dangerous job. One little mistake
25 and it's crispy critter.

1 That's all I have to say.

2 CHAIRMAN CLAYTON: No questions, sir. Thank
3 you very much for coming.

4 MR. BOURNE: Thank you.

5 JUDGE JONES: Daniel Davis. (No audible
6 response).

7 Bryan Boyer.

8 JUDGE JONES: Spell your name.

9 MR. BOYER: B-R-Y-A-N. Boyer, B-O-Y-E-R.

10 JUDGE JONES: Can you raise your right hand?

11 Whereupon--

12 BRYAN BOYER

13 having first affirmed that the testimony given will be
14 the truth, then testified as follows:

15 JUDGE JONES: Thank you, sir. You may
16 proceed.

17 MR. BOYER: My concern mainly is for the
18 actual local economy, because many people my age are in
19 college and they're at work right now, and so I
20 probably speak on behalf of many that aren't able to be
21 here because they're at work.

22 But us in the food industry, when people
23 start needing to cut their budgets, the first thing
24 they do is cut how much they eat out. And many of our
25 jobs are dependent on that. And many other local

1 people are dependent on that because either there's no
2 factory work available or they have circumstances where
3 they can't get jobs in more professional markets, and
4 it's making the transition between working a job and
5 moving into a career increasingly difficult. Because
6 like I said, people aren't eating out as much.

7 And starting this Thursday, actually, I'm
8 going to be getting a third job because I work 12 hours
9 at one job and then I work 12 hours at another and then
10 I have a job at the hospital where I work 20. So I'm
11 going -- it's already affecting people a lot because
12 I'm lucky to get two and-a-half hours in a day between
13 two jobs, you know.

14 So -- and that's about all I have to say.
15 I'm just expressing my concern that it may cause
16 problems for people who are already having problems as
17 is.

18 CHAIRMAN CLAYTON: I don't have any
19 questions, Judge.

20 Thank you very much for coming, Mr. Boyer.

21 MR. BOYER: Thank you.

22 JUDGE JONES: And Gary Shaw? (No audible
23 response). You just signed up a moment ago. Mr. Shaw?

24 MR. SHAW: Good evening. Gary Shaw. G-A-R-Y
25 S-H-A-W.

1 JUDGE JONES: Can you raise your right hand,
2 sir?
3 Whereupon--

4 GARY SHAW
5 having first affirmed that the testimony will be the
6 truth, then testified as follows:

7 JUDGE JONES: Thank you. You may proceed.

8 MR. SHAW: I just wanted to speak this
9 evening. I don't really have anything to complain
10 about. I just wanted to say that, you know, I have
11 kind of mixed emotions.

12 As Mayor of the City of Joplin, we work on a
13 regular basis with Empire and I appreciate all they do
14 for economic development and what they do to help us in
15 building our streets and things of that nature, and
16 they have been a good help.

17 However, I'm also a customer. I also have a
18 business and, you know, the 19 percent is going to be
19 something that really affects me personally, as those
20 folks have been mentioning this evening, and the
21 business that I represent. Unfortunately, we don't
22 have a tangible product that we could increase the cost
23 of. I represent a church in our city, and so
24 consequently, that 19 percent will hit us pretty hard.

25 I guess the only thing that I wanted to say

1 was, for those citizens of Joplin that are here
2 tonight, is that we -- the City has engaged in action
3 against this increase, and we have an attorney here
4 that will be speaking tomorrow afternoon at the
5 hearing, as well as in Jefferson City.

6 Again, I have mixed feelings. I went through
7 the same storms that the other folks have gone through,
8 and I have to admit that after being without
9 electricity for about four days, I called Empire and
10 told them that I would never complain about paying a
11 bill again because I just didn't like going without
12 electricity. But I'm not sure that I was going to
13 agree to a 19 percent increase.

14 Anyway, thanks for year your time.

15 CHAIRMAN CLAYTON: Mr. Shaw, you're the Mayor
16 of Joplin?

17 MR. SHAW: Yes, sir.

18 CHAIRMAN CLAYTON: Mr. Mayor, thank you very
19 much for coming in and spending some time with us
20 tonight. With that status, I wanted to ask you some
21 questions.

22 MR. SHAW: Sure.

23 CHAIRMAN CLAYTON: About your -- the City's
24 relationship with Empire and how it operates within the
25 city.

1 First of all, from the City's perspective,
2 are you satisfied with the way that Empire conducts its
3 tree trimming programs, including on public
4 right-of-ways as well as trimming on easements on
5 private property? Have you had any problems? Do you
6 like the way it's going? Do you think there's room for
7 improvement?

8 MR. SHAW: Well, I suppose there's room for
9 improvement in anything that any of us does. As Mayor,
10 that's not one of my duties that I go around and check
11 the trees and that type of thing. I do know that
12 having sat on committees and so forth in the past, that
13 it is a challenge sometimes when you are the utility
14 company and you go to cutting down trees, because trees
15 are pretty special to some folks.

16 I mean, we all like trees. We all like the
17 shade. And when you go interfering with something
18 they've had for 30 or 40 years, they get a little upset
19 about that. But as far as I know, I've never had any
20 problem with that problem.

21 And you know, I have trees. And I've lived
22 in my home for 25 years, and I've had trees. And when
23 there's a problem in my area, fortunately we're all
24 underground, so I don't have any tree problem. But
25 unfortunately, the supply line that comes to my area is

1 above ground, and so we do have some challenges. But
2 seemingly they've taken care of that without any
3 problem.

4 CHAIRMAN CLAYTON: Does the City of Joplin
5 have an economic development department or is it
6 engaged with a regional development leadership
7 organization to try to attract jobs to the area?

8 MR. SHAW: Yes, we partner with the Joplin
9 Chamber of Commerce and we support them quite well.

10 CHAIRMAN CLAYTON: From that perspective,
11 from economic development, how do you feel Joplin's
12 position is with regard to energy costs and energy
13 prices? Does that ever come up when you try to attract
14 jobs or bring anything to the area?

15 MR. SHAW: Certainly, it does. That's why I
16 say that I have mixed emotions. Because as Mayor, I've
17 sat around the table, and every time we have an
18 economic development prospect come into the City, gas
19 service company and the Empire Electric are always
20 there to help do what they can to help us entice those
21 people to come to our City. And we appreciate that.

22 CHAIRMAN CLAYTON: So you think Joplin is
23 able to be competitive with both the price and the
24 support that the utilities will -- the support that
25 they will provide to the organization in trying to

1 attract jobs to the area?

2 MR. SHAW: I think we make the effort to try
3 to do that, yes.

4 CHAIRMAN CLAYTON: I think you mentioned this
5 earlier and I just wanted to be clear. We go into a
6 lot of communities, talk to a lot of ratepayers, a lot
7 of people who are paying the bills with a number of
8 utilities. As in terms of just being a citizen of the
9 area, would you characterize Empire District Electric
10 as a good corporate citizen that operates in the area?

11 MR. SHAW: Certainly. Certainly.

12 CHAIRMAN CLAYTON: So there are no problems
13 that come up or recurring issues that you think need to
14 be addressed?

15 MR. SHAW: No, I don't believe so. I think
16 like anything else, you know, we -- daily we have
17 problems and challenges. And I've not had any problems
18 any time I've dealt with them that they weren't eager
19 to try to take care of those problems.

20 And like I say, when we build new streets and
21 things, they're a good partner in doing that. But
22 again, you know, that's why I do have the mixed
23 emotions that I talked about earlier.

24 As the Mayor, I not only represent the City,
25 but I also represent the people that make up the city.

1 And I realize each of the folks that have given
2 testimony tonight, they're having a hard time.

3 You know, most of these people haven't had a
4 raise for four or five years themselves. And it is a
5 challenge. So it's something that -- that's the main
6 reason that we as a City got involved from a legal
7 standpoint.

8 We want to be able to look into the situation
9 to do the best we can for those people we represent.

10 CHAIRMAN CLAYTON: Mayor Shaw, thanks for
11 coming out tonight.

12 MR. SHAW: Thanks.

13 JUDGE JONES: There were several names that
14 were called that did not respond.

15 Don from Webb City, are you here? (No
16 audible response). Still not.

17 Okay. Carlisle, also from Webb City? (No
18 audible response).

19 And Dan Davis? (No audible response).

20 Okay. I've just gone through the list of
21 people who have signed up. Is there anyone who has not
22 signed up who wishes to give testimony? (Hand raised.)

23 Sir, step forward. Please give your name,
24 and spell it for the court reporter.

25 MR. SHANKS: My name is Kent Shanks, K-E-N-T

1 S-H-A-N-K-S.

2 JUDGE JONES: And can you raise your right
3 hand?

4 Whereupon--

5 KENT SHANKS

6 having first affirmed that the testimony given will be
7 the truth, then testified as follows:

8 JUDGE JONES: And what city are you from?

9 MR. SHANKS: Joplin.

10 JUDGE JONES: You may proceed.

11 MR. SHANKS: I've lived here all my life.

12 I've been in construction for 42 years and I work very
13 closely with Empire in the field many times. And like
14 the gentleman said earlier, I have nothing but
15 compliments for their line crews.

16 They work storms and they work 20-hour shifts
17 and four hours of sleep and things like this. And we
18 all appreciate that very much. Not many people would
19 go out and work in the weather that they do.

20 But Empire has been very negligent in their
21 keeping the trees trimmed, which you pointed out a
22 number of times. But they also don't follow up on the
23 age of their poles or anything else. They seem to set
24 no money back aside or replace things that are getting
25 old or wore out. They've got many poles in this area

1 that have been in 50 or 60 years.

2 During the storm, a lot of them went down.

3 And I saw some of them and they had dates on them of
4 1933 and 1944 and things like this. The life of the
5 treatment on these poles is not that long, and they've
6 not been following through in keeping these up.

7 I also know in some areas that the poles --
8 and I understand that you have told them to straighten
9 some poles up and replace some that have been both
10 eaten up by wood peckers and splitting open. They have
11 not done this yet.

12 And I don't know how long ago you told them.
13 But there's things that they just seem to want to put
14 the money in their pocket today, and then when they
15 finally have a storm come through and tear these things
16 up, then they want to raise our rates to help cover it.

17 The other thing they keep doing is investing
18 money into different areas, like plants in Kansas City,
19 plants in Arkansas. Even the state line plant over
20 here in Kansas. We don't get that electric here. That
21 electric is sold. They make money on that. So why
22 should they not just borrow the money, like any
23 business would, to increase what they're going to earn
24 money off of?

25 Why do they need to use us as their bank?

1 We're not here for their standings. And this is why I
2 think that they don't seem to understand.

3 I mean, a lot of people have come up here and
4 they've said that a lot of these retired people are not
5 making very much money. Well, they're not. In this
6 area and the 16 counties Empire is in, 40 percent of
7 the people that are retired make about 1100 a month.

8 In this same area, where the wage is \$8 an
9 hour, by the time they have take-home pay, they make
10 \$1,100 a month. And that total group of people totals
11 about 65 percent of our working force and our retired
12 people, is what's in the 16 counties.

13 They can't afford these rate increases. And
14 it wouldn't be so bad except that they seem to follow
15 up one utility after another. We've been notified that
16 we'll be back here in a couple weeks on another
17 utility.

18 And my complaint, too, is kind of with your
19 board. You don't seem to protect us well. I've been
20 through this before even 25 years ago on rate increase
21 and different things, and different times, and you just
22 don't protect us well. You never say no to them
23 completely, have never, ever done that.

24 The board seems to feel like when Empire asks
25 for 20 percent, you're going to give them ten or maybe

1 a little less, and that's been pretty common practice.
2 And so people feel like they're kind of in this area
3 that Empire is mistreating them, and you're kind of
4 helping them.

5 You're not really standing up to them and
6 shutting them down where they need to be and say,
7 "Look, you just can't do that. Get your money
8 somewhere else."

9 And in three years, they went -- in '07 they
10 made 30 million profit. They take two of the worst
11 years in our economy in 60 years, and their profits
12 have continued to come up. They've went from 30 on up
13 to 39 and up to 41.

14 When everybody else's businesses are going
15 down, they paid higher returns on their money, their
16 people draw bigger bonuses. I mean, they're comparable
17 with Wall Street anymore, just on a smaller scale. And
18 I think the people in this area are just a little tired
19 of it.

20 And we have nobody else to turn to. We can't
21 go buy electric from anybody else. And other than the
22 State of Missouri buying them out and we take over and
23 have a State-owned electric company, I don't know how
24 else you can handle them.

25 That's about all I can say.

1 CHAIRMAN CLAYTON: Mr. Shanks, thank you very
2 much for coming out. You said a lot here.

3 I want to first talk about the infrastructure
4 issue. You said that you found that Empire had some
5 infrastructure, including poles that dated back to
6 1934, 1935.

7 MR. SHANKS: Yes. They are in the fields.

8 CHAIRMAN CLAYTON: How do you know that?

9 MR. SHANKS: There are metal plates on many
10 of those poles. And they went down in the ice storms.
11 I drove by, and I would see a pole, sometimes I would
12 look at them. Of course, they are sheared off at the
13 ground, and they are rotted. They were in bad
14 condition.

15 Last year they had some steel poles go down
16 in Kansas, and my understanding is they were put up in
17 1929. I'm just getting that from an old man that lived
18 over there whenever they were put up. But that's a
19 long time. And they were put in concrete and they
20 rusted at the bottom.

21 CHAIRMAN CLAYTON: You also mentioned that
22 you were aware that the Commission had changed its
23 rules relating to a number of issues including tree
24 trimming infrastructure inspection in the last three
25 years?

1 MR. SHANKS: I don't know. One of the rule
2 changes that I know of, that it seemed like it occurred
3 back in the '70s, and I think -- and this is not
4 knocking Empire, because a lot of these people's trees
5 with the line from the transformer into the meter, they
6 used to trim them.

7 But unfortunately, a lot of people come out
8 and they plant an ornamental tree and it grows up into
9 the line, and Empire would come out and, naturally,
10 take it out and trim it.

11 Well, it was causing so much trouble they
12 decided, okay, if that's going to be the case, the
13 individual can take care of that. We'll take care of
14 that.

15 CHAIRMAN CLAYTON: Let me tell you what we
16 did do in 2006 in the AmerenUE territory, which is
17 primarily the St. Louis Metro area. They had a string
18 of five major storms knocking out power on the scale of
19 what Empire faced -- the customers in Empire faced in
20 '07/'08. In St. Louis they had four or five of these
21 storms hit in a matter of three years. Then there was
22 another in the following year, 2007.

23 So the Commission did rewrite -- actually, we
24 didn't have tree trimming rules on the books, but we
25 wrote new rules that addressed new standards on tree

1 trimming, on this inspection, going out and inspecting
2 the infrastructure that's in the field and requiring
3 replacements over a certain amount of time.

4 So the Commission has made changes. I was
5 advocating for stronger changes, but we have these
6 things in place.

7 My question now is: Have you noticed any
8 change in behavior of the company in terms of tree
9 trimming or inspections -- or infrastructure
10 replacement in the last couple of years?

11 MR. SHANKS: After the ice storm, in my area
12 of town, which is on the south side, they came out and
13 they tagged some trees that had been damaged, to go
14 ahead and take them out.

15 They did come out last summer, and I saw
16 them, it looked like in my area, checking the base on
17 some poles. I'm not sure that's what they were doing,
18 but that seemed like that's what the two guys were
19 doing.

20 That's about what I can say. The tree
21 trimming, I mean, Mother Nature does it for them.
22 That's about what I have to say. I mean, they come out
23 and they send the tree trimmers out to clean up the
24 mess, but when you stop and think, every major ice
25 storm that I have incurred since I've been in

1 construction -- and I started in 1967 -- every ice
2 storm that came through, we had these same problems.

3 And then in the gap, the interim in between
4 the ice storms, there would be like ten years, and they
5 would do nothing. The trees, the brush. I can take
6 you all over Joplin right now. There's a lot of trees
7 on power lines on main transmission lines.

8 CHAIRMAN CLAYTON: I really wish you'd share
9 that information with our staff that are here tonight.

10 MR. SHANKS: Because they're not -- there's a
11 lot of miles of lines. And one of the problems is they
12 were subcontracting all of this out for years and
13 years, and I think perhaps the newer crew that they
14 were doing the last six or seven years -- I won't name
15 their name -- wasn't doing a very good job. And Empire
16 doesn't check them well.

17 CHAIRMAN CLAYTON: Is Dan here? There, Dan
18 Beck (indicating). This guy raising his hand right
19 here, he helped us write the tree trimming rules. If
20 you could share some information with him on problem
21 areas while we're here. We're going to be here
22 tonight, tomorrow.

23 Maybe even get some staff to take a look at
24 that. So I really appreciate that. And I can't
25 respond to your concerns about the Public Service

1 Commission and what the board has done in the past.
2 All I can say is you need to look at the orders. Some
3 Commissioners vote for some of the orders; some do not.

4 There is a significant -- there are a variety
5 of opinions on a number of issues that are out there.
6 So don't think that the Commission is acting as a
7 uniform body, because we have five Commissioners, five
8 different policies, and five different egos on these
9 issues.

10 MR. SHANKS: I understand. It's hard for
11 everybody to agree.

12 CHAIRMAN CLAYTON: I appreciate you coming
13 out tonight. Thank you, Mr. Shanks.

14 JUDGE JONES: Is there anyone that wishes to
15 give comment? (Hands raised.)

16 Over here.

17 State your name, and spell it for the court
18 reporter, please.

19 MR. BROWN: My name is Steve Brown.

20 JUDGE JONES: And are you from Joplin?

21 MR. BROWN: Do you want me to spell it?

22 JUDGE JONES: She can spell it. Unless
23 there's an "E."

24 MR. BROWN: No.

25 JUDGE JONES: You're from Joplin?

1 MR. BROWN: I am from Joplin.

2 JUDGE JONES: Raise your right hand.

3 Whereupon--

4 STEVE BROWN

5 having first affirmed that the testimony given will be
6 the truth, then testified as follows:

7 JUDGE JONES: Thank you, sir. You may
8 proceed.

9 MR. BROWN: I live out in the legal area.
10 And one of the first things I noticed when I got this
11 notice of this meeting was that they put on here that
12 the average consumer was going to be about \$19 per
13 thousand kilowatts apiece.

14 Who uses only a thousand kilowatts a month?
15 Hardly anybody. My house -- I've got an average
16 1700-square-foot house, total electric. I don't think
17 I get a discount for that. But I was looking back on
18 my electric bills, you know, four, sometimes up to
19 5,000 kilowatts. So that's going to make a difference
20 in my bill of anywhere from 80 to a hundred dollars; 75
21 to 95 a month. So that's about an extra 900 or
22 thousand a year. That's -- you know, that's a little
23 bit different take on it.

24 You know, you see the 21 percent, okay, that
25 sounds high, yes. But 80, \$90 a month is bad or worse.

1 And I know not everybody has a 1700-square-foot house,
2 but I know there's houses out there that are a lot
3 bigger than mine. They're going to be paying a lot
4 more per month than I am.

5 Last year, I paid -- total for year, I paid
6 about \$2,500 in electric bills last year. That's going
7 to make a difference of about \$1,140. So I'm going to
8 be paying \$3,657 a year just for electricity.

9 So that point made, I had a -- I don't know
10 whether to phrase this as a question or what. But all
11 this federal money that's coming down to businesses,
12 Empire being a privately-owned company with investors
13 and all that, can any of that federal money be
14 channeled to these people to finance their capital
15 improvements so we won't have to be the bank, like that
16 other guy said?

17 We're paying for their improvements. Those
18 improvements are going to be company assets. We're not
19 going to get anything back out of it, but it's our
20 money paying for it. I mean, maybe that sounds stupid.

21 JUDGE JONES: If you want an answer to that
22 specific question, there are probably people here who
23 can answer that. I personally don't know.

24 MR. BROWN: I think that's basically all I
25 wanted to say. That's all I have.

1 board, but they need to get a dictionary and see the
2 letter "no." You know, I've got a -- I have no problem
3 with a businessman making money if they're making the
4 company money, but I've got a problem with a CEO of
5 Empire making the kind of money they do.

6 So when the storm come, Empire has done a
7 good -- done me a good service, but they're really lax
8 on trees. I've went down there three to four times. I
9 haven't called; I went down there. And quote from the
10 customer service, that they was cutting back on their
11 vegetation trimming. And I've went down there. And
12 you know, I've got trees on the line. So who knows
13 when they'll cut 'em?

14 CHAIRMAN CLAYTON: Do you have a specific
15 issue on the tree trimming? Do you have specific trees
16 that you try to identify to the company?

17 MR. POWERS: Yes. There's about four houses
18 in a row that the trees are on the line, branches. And
19 I went down in September.

20 I had a man come by from Empire. I talked to
21 him. He said, "We'll get somebody out there." Nobody
22 has ever come out there since.

23 When I go down there to pay the bill, I walk
24 over to consumer service, and the lady has told me
25 several times, "We're cutting back on vegetation."

1 They'll get to it when they can."

2 So, you know. But that and the thousand
3 kilowatt hours bother me. You know, \$19, you think,
4 well, I can suck up on that. You know, I can suck up
5 more than somebody on Social Security, 'cause I work a
6 lot of hours. But, you know, that's probably 60 or 70
7 bucks a month.

8 I don't drink. I don't smoke. I stay at
9 home most of the time. My wife says I'm boring. I
10 mean, there's a limit.

11 CHAIRMAN CLAYTON: Sir, we can't help you
12 with all these problems.

13 MR. POWERS: I know. But there's a limit. I
14 want you to get a dictionary for me. You hear what I'm
15 saying.

16 CHAIRMAN CLAYTON: I hear you, sir. I hear
17 you.

18 MR. POWERS: All right. That's all I got.

19 CHAIRMAN CLAYTON: Thank you, Mr. Powers.

20 JUDGE JONES: Is there anyone else who would
21 like to give a comment?

22 MR. CHILDERS: Your Honor, can I say
23 something else?

24 JUDGE JONES: You won't be able to be heard
25 if you don't come back up here. But you're more than

1 welcome to come back up, sure. What was your name
2 again?
3 Whereupon--

4 JESSE CHILDERS
5 have previously affirmed, gave further testified as
6 follows:

7 MR. CHILDERS: Jesse Childers.

8 JUDGE JONES: Go right ahead.

9 MR. CHILDERS: I'm not going to complain like
10 I was earlier. But on the trees, I live out in the
11 west side, and both lots behind me are full of trees.
12 And 90 percent of the time when the wind blows, a light
13 flickers because of them trees.

14 But the rules are saying, you can't go on
15 private property to cut them trees or clear that land
16 out. It's causing a lot of problems.

17 If the Commission could make a legal
18 regulation that they have to do it or you would do it,
19 charge the owners, would be ideal, 'cause that way I
20 wouldn't be out of electricity every time it rains or
21 something.

22 CHAIRMAN CLAYTON: Mr. Childers, let me give
23 you my take on that. I mean, I don't like the idea of
24 mandating at all.

25 What I would prefer to see is a cooperative

1 relationship between the customers, the land owners,
2 the City that maintains the right-of-way, and the
3 company in trying to find the best solutions in getting
4 the trees trimmed. Because anytime you start saying,
5 "Well, they got to go in and trim trees," then maybe
6 your neighbor gets mad because their favorite tree gets
7 cut down and they weren't consulted.

8 So I really try to emphasize a collaborative
9 effort in trying to get out and identify the problem
10 areas. And that's why the folks that have identified
11 particular trees -- and if you have particular trees in
12 mind, take advantage of our staff and the company that
13 are here. And if there are disputes, then I think the
14 Commission is prepared to assist in those areas.
15 Because I think ultimately the trees need to get
16 trimmed that are causing those lights to flicker and
17 that are going to fall if it freezes and you have an
18 ice storm.

19 And it seems like we are having so many
20 storms that are causing so many problems. I've been on
21 the Commission for six and-a-half years now, and with
22 the exception of one utility, we've had major outages
23 all over the state, southwest Missouri, mid Missouri,
24 north.

25 Kansas City got popped before I came on, and

1 in 2001 they had tremendous problems. So we want to
2 see trees trimmed in a responsible manner, and we want
3 the landowners included in the decision-making.
4 Sometimes there's going to be a dispute, and I
5 understand. Then at some point somebody has just got
6 to make a tough decision.

7 MR. CHILDERS: That's why I brought it. I
8 went to the owner of this property personally and had
9 him come out and asked him to do something about these
10 trees. I've got a hell of a trash dump right behind my
11 property, and he doesn't seem to want to do anything
12 about it. I got snakes and everything else.

13 But every time it rains, and it gets blowing,
14 it's got a good possibility of throwing the electricity
15 out. My lights flicker real bad.

16 CHAIRMAN CLAYTON: Well, thank you for
17 coming.

18 JUDGE JONES: Okay. A gentleman here on the
19 right side.

20 MR. WILKINSON: Hello. My name is Jared
21 Wilkinson. J-A-R-E-D W-I-L-K-I-N-S-O-N.

22 JUDGE JONES: And can you raise your right
23 hand?

24 / / /

25 / / /

1 Whereupon--

2 JARED WILKINSON

3 having first affirmed that the testimony given will be
4 the truth, then testified as follows:

5 JUDGE JONES: And do you live here in Joplin?

6 MR. WILKINSON: I live in Carthage, rural
7 Carthage.

8 Just wanted to express my concern that maybe
9 the company's plan to recoup or recover money that's
10 been invested already is a little too aggressive. I
11 think there are a lot of businesses who would like to
12 borrow -- or to spend \$360 million and be able to pay
13 it back in five years pretty much pain-free. And
14 that's what I take from this whole position, is that
15 they are planning to pay back money that has been spent
16 on these investments and these construction projects.

17 I think a large portion of that money they've
18 spent needs to be allocated from profits, and I don't
19 think the average American consumer or customer needs
20 to shoulder the burden of that debt. I think we pay
21 our bills and that -- like I said, I just think that
22 it's pain-free for the company to pay back this money
23 with rate increases, and I don't think that's right.

24 CHAIRMAN CLAYTON: I don't have any
25 questions, Judge. Thank you for coming.

1 JUDGE JONES: Thank you.

2 Is there anyone else who would like to give
3 comment?

4 MR. ROY: My name is Caleb Roy. C-A-L-E-B
5 R-O-Y.

6 JUDGE JONES: And do you live here in Joplin?

7 MR. ROY: Webb City.

8 JUDGE JONES: Webb City.

9 And will you raise your right hand, please?
10 Whereupon--

11 CALEB ROY
12 having first affirmed that the testimony given will be
13 the truth, then testified as follows:

14 JUDGE JONES: Thank you, sir. You may
15 proceed.

16 MR. ROY: I was brought here by a friend and
17 was hardly aware of the issue an hour before the
18 hearing actually started. And I guess I'm not -- I'm
19 an advocate, I guess, of rate increases. Not
20 specifically these rate increases. I just recognize
21 that they're necessary, and just purely from a
22 financial, from a business perspective.

23 We -- I guess we -- everyone in this room
24 here needs the electricity. It's a necessary resource.
25 We've got to have it. Just as expansion and growth is

1 necessary on the part of the business. And we have
2 to -- we're pounding against each other on this issue.

3 And I think what's really going on is that
4 there is a lack of recognition on the part of Empire.
5 I mean, I have great respect for you guys as a company,
6 never had an issue with you, certainly not outside the
7 scope of any regular business dealings, normal
8 circumstances.

9 We've had power outages for five days during
10 the ice storms, and I felt that completely reasonable.
11 And I have no other issues with you other than that.
12 And I recognize your expansion is necessary.

13 But we're dealing with the people that are in
14 this room specifically, and many others just in this
15 area. I think there's a lack of recognition of the
16 demographic of the conditions that people are in.

17 It's not -- your business is scalable, and it
18 needs to be. It has to expand. It has to grow. If it
19 didn't, none of us would have power right now, or it
20 would be provided by another company.

21 But many of your consumers, those paying the
22 bills are not so scalable. And I think a recognition
23 of that would be -- being factored into your rate
24 requests would be a lot, I guess, better, a lot more
25 well received. Because we don't -- I don't mind paying

1 for the power, and I understand that it's going to --
2 that it becomes gradually more expensive as you expand,
3 as you put in new factors and deal with new issues,
4 infrastructure or allocating resources, all of that,
5 blah-blah-blah.

6 But at the same time, being a necessary
7 resource as you are, we're reaching into an empty
8 bucket at this point. It's not that we don't want to
9 pay the amounts that you're asking; it's just that
10 money isn't there. You can't just scrape the bottom of
11 the bucket and find more and put it in your projects.

12 The time line for the expansion, the -- I
13 guess the amount of the rate increase, it demonstrates
14 a lack of recognition of your customer. And I don't
15 say that to imply that you guys are blood thirsty; but
16 at the same time, I don't think you're doing so poorly
17 as we are.

18 And so there's an imbalance there: Customers
19 versus the business. And we want to grow with you. We
20 want to keep you as our company. But at the same time,
21 please recognize when you're making requests for rate
22 increases, for rate hikes, recognize where we are in
23 our financial situations and just situations in
24 general, or you risk becoming one of the lower tiers,
25 if necessary, resources because we're approaching the

1 point where electricity, which we regard as necessary,
2 is becoming less necessary than food or medical
3 expenses or water, for example.

4 And we're reaching into this empty bucket
5 and, as the case at this point, you're going to lose --
6 I would say you're going to lose money in customers
7 just because the money is not there. And then, so the
8 expansion time line drawing it out a little further,
9 working with us, and considering all of this when you
10 put in the requests, I think, would be a lot better
11 received and we would be able to work with you a little
12 more effectively on it.

13 That's all I have to say, really.

14 CHAIRMAN CLAYTON: I have no questions,
15 Judge. Thank you.

16 JUDGE JONES: Thank you, Mr. Roy.

17 Any other comments? (No audible response).

18 Okay. I don't see any other comments. If a
19 person wants to comment, I will say that as a judge of
20 the Commission, a lot of you have complaints that you
21 bring to these local public hearings that we hold. We
22 also have during the course of the year a complaint
23 process.

24 For instance, a lot of people complain about
25 trees. Can you simply file a complaint with the Public

1 Service Commission and your case will be dealt with
2 individually outside the context of a rate increase?

3 But with that, I thank you all for coming
4 out.

5 Do you want to say anything?

6 CHAIRMAN CLAYTON: No. Just thank you for
7 coming and sharing this much time with us.

8 JUDGE JONES: All right. All right. Thank
9 you all. We'll go off the record.

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11 (Concluded at 7:46 p.m.)

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1 CERTIFICATE OF REPORTER

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3 In the Matter of) File No. ER-2010-0130
4 The Empire District)
5 Electric Company of Joplin,)
6 Missouri For Authority To)
7 File Tariff Increasing)
Rates For Electric Service)
8 Provided To Customers In)
9 The Missouri Service Area)
10 Of The Company,)

11

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13 I, Paula C. Voyles, a Registered Professional Reporter,
14 Certified Real-Time Reporter, Certified Court Reporter,
15 and Notary Public within and for the State of Missouri,
16 do hereby certify that the foregoing matter was
17 recorded by me to the best of my ability and was
18 thereafter reduced to written form under my direction.
19 I further certify that I am not a relative or employee
20 of counsel of any of the parties, nor a relative or
21 employee of the parties involved in said action, nor a
22 person financially interested in the action.

23

24

25 PAULA C. VOYLES, RPR, CRR,
CCR No. 750

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