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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

Local Public Hearing

February 15, 2011

Hayti, Missouri

Volume 3

In The Matter of)
Union Electric Company)
d/b/a AmerenUE's Tariff) File No. ER-2011-0028
To Increase Its Annual)
Revenues For Electric Service)

MORRIS L. WOODRUFF, Presiding
CHIEF REGULATORY LAW JUDGE
JEFF DAVIS, Chairman

Court Reporter:
Wanda L. Greenlee, CCR
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♀

1 APPEARANCES:

2

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9 Meghan McClowry,
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Jefferson City, Missouri 65102.

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P R O C E E D I N G S

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JUDGE WOODRUFF: Good evening, everyone.

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Welcome to our local public hearing this evening. My name

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is Morris Woodruff. I'm one of the regulatory law judges

5 for the Public Service Commission, and I would like to
6 introduce to my left Mr. Jeff Davis.

7 CHAIRMAN DAVIS: Good evening. I just want
8 to take a minute to introduce myself. I'm Jeff Davis.
9 I'm from Braggadocio. I graduated from Delta C-7 High
10 School back 20 years ago last year. I am one of the five
11 Public Service commissioners who decides this case.

12 You know, I hope you can understand from
13 the PowerPoint that you saw earlier that we have to follow
14 the law and make our decisions based on the law and the
15 facts. And, you know, that's why we're here. And we're
16 not here to always tell everybody everything that they
17 want to hear, and I'm sorry that we can't do that. But,
18 anyway, I do look forward to hearing your comments, and I
19 appreciate it. Thank you.

20 JUDGE WOODRUFF: Okay. In a moment I'm
21 going to call a list of names here of people who have
22 asked to testify. But before that I'll ask the attorneys
23 to identify themselves who are here. First of all, for
24 the company.

25 MR. BYRNE: Your Honor, I'm Tom Byrne. I'm

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1 an attorney for Ameren Missouri. My address is 1901
2 Chouteau Avenue, St. Louis, Missouri 63103.

3 JUDGE WOODRUFF: Okay. And for staff?

4 MS. MCCLOWRY: My name is Meghan McClowry.
5 I'm an attorney for the staff of the Missouri Public
6 Service Commission. My business address is P.O. Box 360,
7 Jefferson City, Missouri 65102.

8 JUDGE WOODRUFF: Okay. And for public
9 counsel?

10 MR. MILLS: On behalf of the Missouri
11 Public Counsel and the public, my name is Lewis Mills. My
12 address is Post Office Box 2230, Jefferson City, Missouri
13 65102.

14 JUDGE WOODRUFF: And I believe that's the
15 attorneys for all the parties who are here tonight. What
16 I'm going to do is go down the list of names here. I'll
17 ask you to come up to the podium. And I'll swear you in
18 to tell the truth, the whole truth and nothing but the
19 truth, and then you can make your statement to the
20 commission. After you've made your statement, we'll give
21 the commissioners -- Commissioner Davis will have a chance
22 to ask some questions, and I'll give the attorneys a
23 chance to ask questions also.

24 Of course, only one person at a time can
25 talk. And so we'll call the first name, which is Roger

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1 Johnson. Is Mr. Johnson still here?

2 (WHEREIN, no response.)

3 JUDGE WOODRUFF: All right. Let's move on
4 then to Charles Cain, Jr. Good evening, sir. I apologize
5 for being so far away, but this is as far as our
6 microphone will reach, so...

7 MR. CAIN: Okay.

8 JUDGE WOODRUFF: Now, if you'll please
9 raise your right hand.

10 MR. CAIN: (Complies.)

11 JUDGE WOODRUFF: Do you solemnly swear or
12 affirm the testimony you're about to give in this matter
13 is the truth, the whole truth, and nothing but the truth?

14 MR. CAIN: I do.

15 JUDGE WOODRUFF: Okay. Could you tell us
16 your name, please?

17 MR. CAIN: Charles Cain, Jr. I live in
18 Caruthersville, Missouri.

19 JUDGE WOODRUFF: And for the benefit of the
20 court reporter, would you spell your last name, please.

21 MR. CAIN: C-A-I-N.

22 JUDGE WOODRUFF: Thank you very much. What
23 would you like to tell us?

24 MR. CAIN: I just want to, you know, go on
25 record as a citizen as opposing to this rate increase at

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1 this time. I think it's an undue -- the most undue burden
2 on many people. And it's been stated tonight about people
3 that are on fixed income. I think it would hit them
4 pretty -- especially hard. Social Security recipients
5 have not received a cost of living increase in two years
6 -- at least two that I know of.

7 I'm concerned that with these increases
8 that we just get into a big spiral thing here. Because
9 like I said, it all just snows down from the many other --
10 to many other things that we all take for granted and use
11 in life. Like I said, the rate increase -- if the
12 utilities go up, Mr. Grocer has got to charge more at the
13 grocery store. Farmers may have to charge more to operate

14 that pump in the field to do the irrigation. Many, many
15 things it does influence.

16 And like I said, if the rates go up, the
17 sales taxes would go up too, and the franchise tax goes up
18 too. So it's not only, you know, just the rate increase,
19 but, you know, the other things. I understand as a
20 company that Ameren has to make a profit to survive. They
21 have shareholders. They do have a responsibility to those
22 shareholders. I do own stock in public companies too, so
23 I am well aware of that.

24 But getting an increase last year -- and it
25 has not been a year -- and to get another one is a little

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1 over board. I know that they've had a lot of cause to
2 spend. I still think that there's some money in this
3 American Recovery and Reinvestment Act. If somehow some
4 of that money could be used for upgrades the other
5 utilities have to make to their infrastructure, I think
6 that that government can come through with some of that
7 money because that's what a lot of it is for.

8 It's just getting the right people to get
9 it there to the agencies and so that they don't have to
10 put some of the burdens on the people. We don't have a
11 great -- our employment in Pemiscot County is very -- our
12 unemployment rate is very high. We don't have a heavy
13 industrial based -- this is an agricultural community; it
14 always has been. But for the people who aren't involved
15 in agriculture, there has to be other industries here for
16 people to work.

17 And utilities do have some influence, I
18 think, on companies coming into areas. If utilities are
19 high, they may look a little bit different as far as
20 coming into an area. Memphis, Tennessee, which is a large
21 city -- a lot larger than this area -- just got announced
22 yesterday that Mitsubishi Electric was going to build a
23 plant in Memphis to employ 1,900 to 2,000 workers.

24 Now, I don't know -- we hear about TVA and
25 everything. And I don't know what the utility rates are

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1 in Memphis or whatever. But I know probably that had
2 something to do with them coming there; it may be because
3 electricity was cheaper. I know it is a major decision
4 for a lot of industries, especially if they're a heavy
5 electrical user in their manufacturing process.

6 But just think in our county if we could
7 have got an industry here to employ 1,900 to 2,000 people,
8 what it would have done for Pemiscot County.

9 I just think that -- and I know that --
10 well, we understand that there's a lot of natural gas in
11 America. I don't know how many plants Ameren has that are
12 coal-fired plants, but could we not convert some of those
13 plants to natural gas technology to burn to generate
14 electricity instead of coal?

15 Coal is a wonderful thing, but it's a dirty
16 fuel -- very dirty fuel. And I think, two, if the EPA
17 wants to clean up these plants that the government -- that
18 they should kick in some money to help upgrade these
19 scrubbers in these old coal-fired plants. I mean, help

20 these companies do this if they're wanting the environment
21 -- I mean, we all want clean water. We all want clean air
22 to breathe. And that's very important.

23 But, you know, we spend a lot of money in
24 our government, and some of it's misdirected and not spent
25 the right way. If we want to clean up our environment,

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1 well, let's clean up these power plants. If you need to
2 convert it to natural gas, let's see about converting it
3 to natural gas. We have an abundance of that fuel. I
4 think T. Boone Pickens has testified to that. There's a
5 lot of natural gas in America. That's an abundance fuel
6 that we could be using. If we've got to use it to
7 generate electricity, let's by all means get away from
8 some of the coal.

9 And I guess what we need to do too is
10 explore more of nuclear. You know, I mean, it's -- I know
11 it costs money and it takes money to do these things, and
12 a company does not operate and not have money. But at the
13 same time, you can't keep shifting a lot of the burdens on
14 people all the time to come up with that money.

15 There's got to be other ways -- and I think
16 maybe some of that ARRA money, while maybe you -- they
17 said they didn't qualify for it, maybe somebody needs to
18 lean on some people in congress or the senate and say,
19 Hey, we've got to do some stuff in some plants in
20 Missouri. That's our plants. Can't that money be used to
21 upgrade these plants, whatever we need to do to our
22 industry.

23 So like I said, I -- and I've got friends
24 and all that work for Ameren UE. I don't mean to begrudge
25 anybody that makes a good living. And they have good

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1 jobs, and I'm happy for them. And I'm not here to step on
2 any of their toes or anybody's. I have personal friends
3 that work for them. But at this time, the state of our
4 economy in this country, with the deficit of 14 trillion
5 dollars, I don't see another 11 percent being put on the
6 people right now.

7 With unemployment like it is, with the
8 other costs of living -- like I said, we're all going to
9 face higher fuel prices in the future, oil and gasoline,
10 no question about that.

11 The Third World people that used to be
12 riding bicycles or riding motorcycles in China are driving
13 automobiles now. So needless to say -- and also these
14 countries are going to compete with our country for the
15 oil resources. And if we need to do more drilling in our
16 country and everything to get the resources for our
17 country -- let's say that fuels our economy, we need to do
18 something.

19 So -- but, you know, I just think right now
20 that the increase, we just don't really need it. The
21 people really are kind of burdened right now and really
22 can't absorb -- especially people on fixed incomes, it's
23 just not -- it's really a sustainable thing right now.

24 So I thank you for your time. I thank you
25 for the hearing, and I appreciate being here.

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1 JUDGE WOODRUFF: Thank you, sir. Wait just
2 a moment. We may have some questions for you.

3 MR. CAIN: Okay.

4 CHAIRMAN DAVIS: Mr. Cain, first of all, I
5 want to say thank you for coming tonight. I used to see
6 your brother Denny in Cape Girardeau, so my --

7 MR. CAIN: Still -- still in Cape. Has a
8 business in Cape, a restaurant. And I -- I don't have to
9 tell you what his electric bill is in the summertime
10 running a restaurant and everything. It's pretty high.

11 CHAIRMAN DAVIS: Well, if you see him,
12 please give him my best wishes.

13 MR. CAIN: I sure will.

14 CHAIRMAN DAVIS: I did just want to ask you
15 a couple questions. Do you understand that if we -- that
16 most of the generation built in this country in the last
17 decade are more -- has been natural gas-fired generation?
18 Did you know that?

19 MR. CAIN: I'm not aware of any
20 statistics --

21 CHAIRMAN DAVIS: Okay.

22 MR. CAIN: -- but I know that there are a
23 lot of old coal-fired plants --

24 CHAIRMAN DAVIS: Right.

25 MR. CAIN: -- that -- you know, that maybe

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1 should be converted to natural gas, but...

2 CHAIRMAN DAVIS: Well, and I guess that --
3 yeah, so you wouldn't --

4 MR. CAIN: I'm just going on what somebody
5 like T. Boone Pickens says.

6 CHAIRMAN DAVIS: Right.

7 MR. CAIN: And he's been in the oil
8 industry and --

9 CHAIRMAN DAVIS: Right.

10 MR. CAIN: -- gas. He knows it. He knows
11 his stuff, you know.

12 CHAIRMAN DAVIS: Well, you know that T.
13 Boone Pickens owns a lot of natural gas?

14 MR. CAIN: He's a very wealthy man.

15 CHAIRMAN DAVIS: Right.

16 MR. CAIN: There's no question about that.

17 CHAIRMAN DAVIS: Well, you -- and do you
18 understand that natural gas plants generally cost more to
19 operate than coal plants, and usually the cost of the
20 electricity generated from a natural gas-fired facility,
21 unless it's just very efficient, you know, is generally
22 more expensive than that generated from a coal plant,
23 particularly one that's 20 to 40 years old.

24 MR. CAIN: Of course, I'm not an engineer
25 and I don't --

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1 CHAIRMAN DAVIS: Right.

2 MR. CAIN: -- have all those statistics.
3 But I'm just going by what --

4 CHAIRMAN DAVIS: Yeah.

5 MR. CAIN: -- these people in the energy
6 say that we have an abundance of the fuel.

7 CHAIRMAN DAVIS: Right.

8 MR. CAIN: So it looks like to me, if you
9 have an abundance of it, that maybe it could be utilized
10 better -- maybe, yes, sir, it does cost more on a basis
11 than maybe coal does. But if we have an abundance of it
12 and it's not being utilized properly, you know, and
13 everything, then maybe we should look at some of it again,
14 you know, and everything.

15 CHAIRMAN DAVIS: All right.

16 MR. CAIN: That's all I'm saying.

17 CHAIRMAN DAVIS: All right.

18 MR. CAIN: I'm not an expert on it. I
19 don't intend to be, but -- and you know, the nuclear
20 option, you know, I think over the years we've had
21 moratorium on building the nuclear plants in America, you
22 know, and everything. But I think -- it seems like the
23 government now has started to change positions on that.

24 Yes, there's a tremendous cost with
25 building any kind of power plants. I understand that, you

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1 know. It takes money.

2 CHAIRMAN DAVIS: Thank you, Mr. Cain.

3 MR. CAIN: Okay. Thank you.

4 JUDGE WOODRUFF: Any questions from the
5 parties?

6 (WHEREIN, no response.)
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7 JUDGE WOODRUFF: All right. The next name
8 on my list is Ron Ladwig. Is Mr. Ladwig still here?

9 (WHEREIN, no response.)

10 JUDGE WOODRUFF: I don't see anybody
11 responding. David Coulee? Is Mr. Coulee still here?

12 (WHEREIN, no response.)

13 JUDGE WOODRUFF: And I think I saw Gene
14 Templey leaving. That's all the names on my list. Was
15 anybody else wanting to testify?

16 CHAIRMAN DAVIS: He was here just a minute
17 ago.

18 JUDGE WOODRUFF: Yeah. Is he still here?

19 UNIDENTIFIED SPEAKER: Yeah, he's out in
20 the hallway.

21 JUDGE WOODRUFF: Okay. Do you want to tell
22 him to come on in.

23 UNIDENTIFIED SPEAKER: He doesn't want to.

24 JUDGE WOODRUFF: He doesn't want to
25 testify. All right. Well, that's all the names on my

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1 list. Is there anyone else here who didn't sign up who
2 would like to testify?

3 (WHEREIN, no response.)

4 JUDGE WOODRUFF: All right. I don't see
5 anybody responding. So once again, thank you-all for
6 coming. And with that we are adjourned.

7 (WHEREIN, proceedings adjourned at 7:02
8 p.m.)

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| 1 | I N D E X | |
| 2 | WITNESS NAME | PAGE |
| 3 | Charles Cain, Jr. | 5 |
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| 5 | (No exhibits were marked during the hearing.) | |
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