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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS
Local Public Hearing
March 2, 2009

Lee's Summit, Missouri

Volume 2

In The Matter Of The Application of)
Kansas City Power and Light Company)
For Approval To Make Certain Changes) Case No. ER-2009-0089
In Its Charges For Electric Service To)
Continue The Implementation Of Its)
Regulatory Plan)

-----)
In The Matter Of The Application of)
Aquila, Inc. d/b/a KCP&L Greater)
Missouri Operations Company,)
For Approval To Make Certain Changes) Case No. ER-2009-0090
In Its Charges For Electric Service)

-----)
In The Matter Of The Application of)
Aquila, Inc. d/b/a KCP&L Greater)
Missouri Operations Company,)
For Approval To Make Certain Changes) Case No. HR-2009-0092
In Its Charges For Steam Heating)
Service)

NANCY DIPPELL, PRESIDING

REGULATORY LAW JUDGE

ROBERT M. CLAYTON, III

CHAIRMAN

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

2 (Starting time of the Hearing: 6:05
3 p.m.)

4 JUDGE DIPPELL: Good evening. I want to
5 apologize right away, it's difficult for us up here
6 to see you out there. This is case number ER-2009-
7 0090 in the matter of the application of KCP&L, a
8 Greater Missouri Operations Company, for approval
9 to make certain changes in its charges for electric
10 service.

11 We're also going to hear comments
12 tonight, if anyone has them, on a related case, ER-
13 2009-0089, which relates to KCP&L's increase,
14 request for an increase.

15 The Missouri Public Service Commission
16 set this time tonight for a public comment period
17 in these cases to receive comments on KCP&L and
18 KCP&L Greater Missouri Operations Company
19 requesting to implement a general rate increase for
20 their electric service in Missouri.

21 My name is Nancy Dippell. I'm a
22 Regulatory Law Judge for the Commission and it's my
23 job tonight to preside over this hearing. I would
24 like to thank Lee's Summit North High School for
25 allowing us to use their facilities this evening

1 and just state that any of the comments or issues
2 here tonight are not related to the high school.
3 They just provided us the facilities.

4 The Missouri Public Service Commission
5 regulates the rates charged by investor owned
6 utility companies in Missouri to insure that those
7 rates adjusted are reasonable. The Commission also
8 regulates the quality of service and safety of
9 operations of investor owned utilities.

10 The Commission is made up of five
11 Commissioners. Our Chairman, Commissioner Robert
12 Clayton, is here with me tonight. The
13 Commissioners are appointed by the Governor to
14 fixed terms and confirmed by the Senate. The
15 Commissioners employ a staff of engineers,
16 accountants, attorneys, financial analysts and
17 other specialists in the field of utility
18 regulation.

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

1 We also have several staff members with
2 us this evening. I think some of them spoke
3 earlier and we have some consumer service
4 representatives.

5 If you have any questions that didn't
6 get answered during the informal information
7 session, they will be happy to answer questions in
8 the back or after the testimony.

9 We also have with us Lewis Mills, who is
10 the Public Counsel, represents the public before
11 the Commission and I'm sure that his office would
12 be available to you, as well, if you have some
13 additional information you need.

14 The purpose of this hearing is to
15 receive comments from you regarding the proposed
16 rate increase. The company will not present
17 witnesses and will not answer questions while we're
18 on the record.

19 The Commissioner and I are also not here
20 to answer questions this evening. We're here to
21 give you an opportunity to tell us about your
22 service and your interest in the proposed rate
23 increase.

24 If you wish to testify and have not
25 already done so, please see Mr. Ochoa or someone in

1 the back of the room to sign up on the sign-in
2 sheet. I'll call the name of each witness who has
3 signed up to speak and after everyone who has
4 signed up has spoken, if there are others who wish
5 to add their name, I'll ask, at that time, if
6 somebody else would like to speak.

7 When your name is called, I'll ask you
8 to please come forward to the podium over here, if
9 you're able, and speak - I'll ask you to spell your
10 name and tell me, if you can, which service
11 territory you're in.

12 After you've given me your comments,
13 there may be some questions from the Chairman or
14 myself. There may be some clarifying questions
15 from Mr. Mills or we also have a staff attorney
16 available this evening who may have a clarifying
17 question.

18 Was there an attorney present for the
19 company this evening? Alright. Let me take this
20 time to let the attorneys make their formal entries
21 of appearance. I'll start with Mr. Mills.

22 MR. MILLS: My name is Lewis Mills,
23 appearing on behalf of the Office of the Public
24 Counsel and the public. My address is Post Office
25 Box 2330, Jefferson City, Missouri, 65102.

1 JUDGE DIPPELL: Thank you. Ms. Ott?

2 MS. OTT: My name is Jaime Ott with staff
3 of the General Counsel's Office. Address is P.O.
4 Box 360, Jefferson City, Missouri, 65102.

5 JUDGE DIPPELL: For the company?

6 MR. BLANK: Curtis Blank, on behalf of
7 Kansas City Power & Light Company and KCP&L Greater
8 Missouri Operations Company. Address is 1201
9 Walnut, Kansas City, Missouri, 64106.

10 JUDGE DIPPELL: For those of you that
11 were here earlier, you heard there was also some
12 other company representatives here this evening.
13 If there are questions you have for them, could the
14 company people please raise their hands so that
15 they can see who you are and if you have questions,
16 I'm sure they would be happy to talk to you
17 afterwards, as well.

18 We have a lot of people here this
19 evening, so I would ask you to keep your comments
20 as brief and concise as you can. If someone else
21 has already said what you wanted to say, you can
22 just simply say, "I agree with the previous
23 person," and with that, I believe we will go ahead
24 and begin. Yes? Mr. Chairman?

25 MR. CLAYTON: Thank you, Judge. My name

1 is Robert Clayton. I'm Chairman of the Missouri
2 Public Service Commission. I first want to welcome
3 everyone here. I appreciate you coming out on a
4 chilly evening to voice your opinion on the cases
5 that are pending before us.

6 I'm wanting to suggest - I noticed that
7 there were some hands that were raised of people
8 that had questions. This is kind of an awkward
9 thing. We are not or I cannot answer questions
10 because I'll be deciding this case once the record
11 is closed, but I want to make sure that you leave
12 here today with whatever your question is, that it
13 gets answered.

14 I would ask that you take advantage of
15 the staff of the Missouri Public Service Commission
16 who are here. We've heard from a number of those
17 folks. They were standing out front.

18 Also take advantage of Mr. Mills. I'm
19 sure he would make himself available, although he
20 may be busy listening to the testimony here today,
21 but if you have questions, take advantage of one of
22 these staff people. Maybe I can get them to stand
23 up and just kind of raise their hand, staff back
24 here and I know there's some back there.

25 Don't hesitate tracking them down,

1 getting them to step outside, get your question
2 asked and then you can come in and provide
3 testimony. We want you to walk away with as much
4 information as you desire. So thank you again for
5 coming tonight.

6 JUDGE DIPPELL: The first witness I have
7 is Harold Sherwood and after Mr. Sherwood speaks, I
8 have Jane Keller as the next witness. I'll just
9 give you who's in the batting box.

10 HAROLD SHERWOOD, being sworn-in by Judge
11 Dippell, testified as follows,

12 JUDGE DIPPELL: If you could state your
13 name and if you could make sure you're speaking
14 into that microphone.

15 MR. SHERWOOD: Okay.

16 JUDGE DIPPELL: The sound travels from
17 here out, so sometimes it's hard for us to hear up
18 here too.

19 MR. SHERWOOD: My name is Harold
20 Sherwood. I live in Lee's Summit, Missouri and I'm
21 here to speak against the size of the increase. I
22 don't know or profess to know all the facts or
23 figures that are on the request sheets, but I do
24 know that it was 14 percent and I think is what I
25 figured is being quoted for the Aquila side, a big

1 line, and it is a huge request and they'll surely
2 say that they need all of it, but it seems
3 absorbent to me, especially in these economic
4 times.

5 The history of Aquila, from what I've
6 read or seen over the years, it's just been a -
7 it's just been a mess and now KCP&L is taking over
8 and it's affiliated with KCP&L and some people
9 think from the past with the energy trade that
10 Aquila went through and it was just a disaster and
11 they even had been talking about possibly
12 bankruptcy and at the disgrace of the Brothers
13 Green, who basically drove the company into the
14 gutter and then got multimillion dollar settlements
15 from golden parachutes.

16 You have the ridiculous episode of the
17 mess, I can't remember if it was Raymore or
18 Peculiar, the power plant being built when the law
19 said they couldn't and all the hoop jumping that
20 they went through to get that finally done and the
21 question I really have is, are we being asked to
22 pay for the mess that KCP&L bought when they bought
23 Aquila, and to me, from what I read, again what I
24 read in the newspaper, KCP&L seems to have the same
25 hubris as Aquila had and a lot of other public

1 utilities and I noticed the KC Star, about KCP&L
2 backing down from part of their request. I don't
3 know whether it's from this side of the state line
4 or the other side of the state line.

5 They were going to ask customers to pay
6 for expenses like Chiefs tickets, Worlds of Fun
7 tickets, candy, flowers and who knows what else was
8 going on in this request and supposedly a half a
9 million dollars in expense accounts of executives
10 and the one other thing that I noticed was the
11 program of people being able to contribute money to
12 help people who can't pay their bills, the customer
13 contributes a dollar and the company supposedly
14 pays 50 cents on top of that and part of the
15 request, from what I was able to read in the paper
16 was, they were going to ask for that money as part
17 of an increase.

18 So basically, people would contribute a
19 dollar and the company would give 50 cents, but the
20 50 cents would be paid for by the rate payers and
21 to me, that just seems ridiculous and I think
22 probably a lot of people ask themselves, they
23 wonder why utilities ask for such huge shoot the
24 moon kind of figures and if you will pardon me, but
25 it seems kind of like the old crude riddle and that

1 is why does a dog lick his privates? The answer
2 is, because he can, and why do utilities have to
3 set ridiculously high rates and the answer is
4 because they can and there seems to be more than
5 maybe a little coincidence in that comparison, but
6 I don't know about that.

7 I can pay my bills. I'm a fortunate
8 person, but there are a lot of people who have a
9 lot of difficulty, people who are currently
10 unemployed, people who are on fixed incomes, the
11 elderly, et cetera and they're going to have
12 trouble paying this much and it just seems to be
13 too much.

14 You need to know that there are people
15 who - and I can pay my bills, but I don't want to
16 get screwed over either, so I respectfully ask the
17 Commission to certainly cut down the amount that is
18 requested by the rate increase. Thank you.

19 JUDGE DIPPELL: Thank you for your
20 comments, Mr. Sherwood. If you would wait just a
21 moment.

22 MR. SHERWOOD: Sure.

23 JUDGE DIPPELL: If you could come back
24 up, I'm going to ask if the Commissioner has any
25 questions for you and I do appreciate your

1 testifying and I appreciate everyone's enthusiasm,
2 but I will ask you to keep your applause and your
3 comments and what to yourselves in case there's
4 someone who's nervous about coming up and saying
5 something that the audience doesn't agree with. Go
6 ahead.

7 MR. CLAYTON: Thank you, Judge. Thank
8 you for being here today, Mr. Sherwood. Can you
9 hear me okay?

10 MR. SHERWOOD: Sure.

11 MR. CLAYTON: First of all, I wanted to
12 clarify, you are located on the Aquila side?

13 MR. SHERWOOD: Yes.

14 MR. CLAYTON: You're in Lee's Summit. Is
15 that correct?

16 MR. SHERWOOD: Yes.

17 MR. CLAYTON: I want to ask you about the
18 service that you receive. Are you satisfied with
19 the service that you're receiving from the company?
20 Does the power stay on? Do you have any outage
21 issues?

22 MR. SHERWOOD: No severe issues that I
23 can think of, other than during the ice storm and
24 that was in the old Aquila days.

25 MR. CLAYTON: Was that in 2001 or 02?

1 MR. SHERWOOD: I don't remember the year,
2 but I know the power was off for awhile and a lot
3 of people, their power was off for a lot longer
4 than we were off.

5 MR. CLAYTON: Okay, but you're generally
6 satisfied with the type of service that you're
7 receiving?

8 MR. SHERWOOD: Usually when I flip the
9 switch, the lights come on and I guess that's a
10 good thing.

11 MR. CLAYTON: Okay. Okay, and any
12 problems with billing or customer service that we
13 need to be aware of?

14 MR. SHERWOOD: No. I haven't had any
15 contact. I pay my bill through gritted teeth, but
16 I pay it.

17 MR. CLAYTON: I understand. I
18 understand. I guess the last comment, with your
19 suggestion earlier, your analogy that you made
20 about the dog, you are aware that we're
21 transcribing this here today; right?

22 MR. SHERWOOD: Yeah. If you want me to
23 repeat it--

24 MR. CLAYTON: No. We won't need that,
25 sir. Thank you very much.

1 JUDGE DIPPELL: Are there any questions?
2 Thank you. Thank you, Mr. Sherwood. Ms. Jane
3 Keller? The next person will be Ronald Wilson.
4 Could you raise your right hand?

5 JANE KELLER, being sworn-in by Judge
6 Dippell, testified as follows,

7 JUDGE DIPPELL: Thank you. If you could
8 spell your name for the court reporter please.

9 MS. KELLER: K E L L E R, Keller, and I
10 live at - my address?

11 JUDGE DIPPELL: I don't need your
12 address, but if you could just tell us what part of
13 the service area you're in.

14 MS. KELLER: Lee's Summit, okay. We were
15 under Aquila and now we're under KCP&L and when we
16 were under Aquila two years ago this month, our
17 furnace went out and we upgraded and when we got -
18 and we were on the level plan payment, so we pay
19 the same thing all year long. Well, March is the
20 month that if you are yearly financed, whatever,
21 figure out what we pay for the year and that was
22 the month the furnace died.

23 Well, they had figured this before we
24 replaced it and the bill kept - was high and I
25 finally called them and said, "What's going on? I

1 was under the impression our bill should be lower,"
2 and she goes, "You're using half the kilowatts you
3 were using before, but we've already figured it, so
4 it's set for the year, so for a whole year, we paid
5 them half as much more than what we actually owed."

6 Now, a year ago this month, our bill
7 dropped half, but someone has got our money and we
8 didn't really benefit. We did our part to cut our
9 usage. The bill came today from the electric
10 company and it had a \$6 increase on it for the
11 year. Now, I'm not going to cry about \$6, but if I
12 understand how this white sheet applies to us and
13 this rate goes through as it is, it will raise that
14 to \$18.50 a month increase.

15 My husband just took a 10 percent pay
16 cut. We have an increase in our medical care. He
17 had a cut - the company no longer is giving into
18 his 401(k), or our 401(k), whatever, you know, so
19 the total actual cuts is 25 percent cut to our
20 income, our availability of money and then to have
21 - say, "Well, \$18.50 a month isn't bad," it is when
22 you have a 25 percent decrease in what you're used
23 to having coming in and we thought we were the
24 lucky ones, at the moment, he's got a job, but a
25 lot of friends and family have been laid-off or

1 have bigger cuts.

2 I understand, and I'm a land owner, so I
3 understand when you make improvements, you had some
4 of the costs to recoup what you spent and I also
5 understand your writing it off on the taxes. Now,
6 I understand they need a raise, but I think they
7 need a smaller raise than what they're asking
8 because it's going to take awhile for the economy
9 to bounce back, and if we're lucky, our paycheck
10 will go up, which is twice a month, in July, it
11 will go up 5 percent, but we've got to balance that
12 with these other two things that are going up, so
13 it really won't be 5 percent extra a paycheck, and
14 it's going to hurt. This is going to cut into our
15 groceries, our other medical care.

16 It's got to come from somewhere, but
17 right now, we already have scaled back as much as -
18 we're going to have to scale back again if it goes
19 through what they're asking and I'm just really
20 concerned about those who are - the dollar extra we
21 put in, that isn't an awful lot of money, I
22 realize, that's like \$12 a year to help someone pay
23 their bill, but there was a time I was that someone
24 that that \$12 a month helped pay the bill and if
25 you don't have the money to put food on the table

1 and you've lost your job and you're trying to keep
2 a house from being either mortgaged or you've got a
3 landlord who's breathing down your neck, this is
4 scary. This is really nightmare stuff, just to
5 keep their house at 60-something.

6 My daughter keeps her house at 65
7 degrees all the time. I won't go over there
8 because I can't wear enough clothes to stay warm so
9 she can pay her bill and she's a single woman
10 making decent money and so I'm really, you know,
11 worried about this amount of increase. I
12 understand you have to recoup, but I think there
13 needs to be some fairness to us involved.

14 JUDGE DIPPELL: Ms. Keller, have you
15 discussed with the company your billing question
16 about the even payments and then whether or not
17 that got adjusted at the end of that--

18 MS. KELLER: It adjusted last year. I
19 called and the gal I talked to, whoever you get
20 when you call the number, said that it had already
21 been adjusted and they only adjust once a year and
22 it had been done already for that year and so we
23 paid twice as much as we actually owed for twelve
24 months until last March, and it was adjusted to
25 half of what, I guess that's what we would have

1 owed.

2 JUDGE DIPPELL: I'm going to ask if one
3 of our consumer services would, Ms. Spread(ph), all
4 the way back in the back, could possibly talk to
5 you about that. I want to make sure that you felt
6 like that that was handled the way it was supposed
7 to be and maybe Ms. Spread will be familiar with
8 that particular program; okay?

9 MS. KELLER: Okay.

10 MR. CLAYTON: Thank you, Judge. Ms.
11 Keller, thank you very much for coming tonight. I
12 want to follow up on how your budget billing plan
13 or how your payment plan operated. Was it the
14 level plan or the budget billing plan?

15 MS. KELLER: It's the level plan.

16 MR. CLAYTON: So was that the one where
17 regardless of your usage, you paid a flat amount
18 all year long?

19 MS. KELLER: Right.

20 MR. CLAYTON: And was it the kind that
21 you take your total bill for the year and you
22 divide it by twelve and then you pay an average
23 bill?

24 MS. KELLER: Right.

25 MR. CLAYTON: Because I think the level

1 payment plan ended in the last twelve months or
2 eighteen months. It's ended recently.

3 MS. KELLER: Well, I don't know what they
4 call it now.

5 MR. CLAYTON: Okay, but so your bill went
6 up by 50 percent and then after a year, it came
7 down another 50 percent?

8 MS. KELLER: Well, the month that they
9 re-figured was the month that we replaced our
10 furnace and everything and the next two months, I
11 was still getting a high bill and I called and
12 asked about it and they said, "Well, you're only
13 using half of what you were, but we've already done
14 this and we only do it once a year, so this is
15 going to be your bill until next year."

16 MR. CLAYTON: Okay. Let me ask you about
17 quality of service again. Does your power stay on,
18 any problems?

19 MS. KELLER: Occasionally, we have come
20 home, you know, the kind of thing, you come home
21 and all your clocks and everything (inaudible) with
22 Aquila, we had a lot of power surges, but we've
23 had, since KCP&L took over, the power surges,
24 they're nothing at all and that's the only problem.

25 MR. CLAYTON: So nothing that would cause

1 you to necessarily complain here today?

2 MS. KELLER: No.

3 MR. CLAYTON: How about billing issues or
4 customer service issues? Have you ever had any
5 problems?

6 MS. KELLER: No problems.

7 MR. CLAYTON: Last question, how has the
8 transition been from Aquila to KCP&L?

9 MS. KELLER: They were really quite
10 helpful on my part. I was able to understand the
11 bill, but I was able to understand the bill and
12 explain it and they explained that they were making
13 upgrades and I said, "I understand that." It's
14 just right now, the economy like it is, what
15 they're asking is a little--

16 MR. CLAYTON: I understand, but no other
17 hiccups in the transition?

18 MS. KELLER: No.

19 MR. CLAYTON: Thank you very much for
20 coming out tonight.

21 JUDGE DIPPELL: Are there any other
22 questions for Ms. Keller? Thank you, Ms. Keller.
23 Ron Wilson and then next up will be Glen Lambton.
24 Mr. Wilson, if you could raise your right hand.

25 RONALD WILSON, being sworn-in by Judge

1 Dippell, testified as follows,

2 JUDGE DIPPELL: Thank you. If you could
3 tell us--

4 MR. WILSON: My name is Ronald Wilson,
5 W I L S O N, J is the middle initial. I'm a
6 resident of just outside Lee's Summit actually, but
7 mainly it's to Lee's Summit or in the southeastern
8 part of Jackson County, over by James A. Reed and
9 Elsinore Road. I live in an area that's all
10 electric, development that was developed back in
11 72. It's east of the east side schools,
12 fortunately lived out there for about 30 years and
13 have enjoyed the area tremendously.

14 Since being retired and with the help of
15 the (inaudible) and the Jackson County Department
16 of - Jackson County Assessment Department, because
17 that was when the home values went up 40 percent,
18 our taxes went up accordingly, as well, and they've
19 reappraised the houses and have brought that down.

20 So Kansas City Power & Light, the
21 transition has been better than the transition from
22 COA(ph) to Aquila, that was terrible. Our area out
23 there, for a number of years, was subject to a lot
24 of ice, a lot of outages and so forth and that was
25 one of the reasons we had to put in wood burning

1 inserts, so to speak, in our fireplace because we
2 didn't have electricity to turn on the blower to
3 blow the air out, so it didn't do any good anyway,
4 I guess.

5 I understand that these rate increases,
6 like I say, are based on prior expenses, prior
7 operations of the company, an accrued costs
8 incurred so far to this point in time and you say,
9 "Hey, that's enough. It's time for a rate
10 increase," and, "We spent more than we thought we
11 would and we need more money." It's kind of like a
12 bailout to me, at this point in time and so forth,
13 but I would like to ask the Commission to look
14 deeply into the structure of the Kansas City Power
15 & Light, and what they do in terms of the
16 management of the company and their expenses from
17 this point forward because to someone like myself
18 and others who are fully retired and live on a
19 fixed income, thank goodness I had the foresight to
20 pay for my house, paid for it by the time I
21 retired, then paid for it, but with the kind of
22 rate increases that you get, it's a question of
23 whether or not the number of rate increases and at
24 15 percent, they add up pretty quickly and my
25 number of years left in my life, which will occur

1 first. Maybe I'll die and get out of the problem
2 of not being able to pay for my bills, my taxes, so
3 to speak, my property taxes and my utility bills
4 and so forth or maybe they will catch up with me
5 sooner or later and I'll just have to sell and get
6 out of the house and go someplace else.

7 I'm sure that those houses are much more
8 expensive than the one I just sold, John Knox, who
9 knows, but in terms of the structure, it's one
10 thing to operate on a day to day basis and say,
11 "Well, we've got this project, this project and
12 this project and we just keep marching on," and the
13 cost incurred with those projects in terms of what
14 it does to future revenue or future costs which
15 will be asked of the public to pay for it, in the
16 end.

17 I noticed that the Water Department,
18 Lee's Summit Water Department came out to the house
19 and they found out they removed the meter in, the
20 meter on my water heater. I don't see anybody ever
21 needing a water meter anymore, they don't have for
22 water. Now, that's fewer water meter - I don't
23 know. Hopefully the water meter readers got
24 another job, they got their jobs hopefully at that
25 time, but that has apparently helped keep the water

1 rates down and (inaudible) over time. They've been
2 proactive in controlling the cost of the company,
3 which has been (inaudible).

4 So I ask the Commission, when they
5 review these rate increases, just like the
6 government did to holders and some of the other
7 (inaudible), we want to see a plan that addresses -
8 we can't continue to keep bailing you out with 15
9 to 20 percent rate increases each time you come
10 back. We would like to see a plan which monitors
11 what kind of expenses you do incur over time and
12 maybe even have benchmark of 5 to 6 percent or not
13 much more than the cost of living increases
14 (inaudible) point in time so many of the people who
15 are on pensions, 401(k)'s, the income generated
16 from that, social security, look to the stock
17 market to generate some legitimate income to pay
18 for some of these increases and what has the stock
19 market done to bring it in.

20 So in closing, I would say that I fully
21 agree with the previous speakers and have my
22 comments taken at the meeting here and that's all I
23 have to say.

24 JUDGE DIPPELL: Thank you, Mr. Wilson.

25 Any questions?

1 MR. CLAYTON: Thank you, Judge. Mr.
2 Wilson, you're in an all electric home; correct?

3 MR. WILSON: Yes. Yes.

4 MR. CLAYTON: So you don't have any gas
5 service. Your furnace, your water heater,
6 everything is electric?

7 MR. WILSON: Right.

8 MR. CLAYTON: Can you tell me whether
9 anything has changed from the transition from
10 Aquila to Kansas City Power & Light, aside from
11 just rates, and if your billing has changed, have
12 you had more access to different programs or
13 services that KCP&L may offer or have you basically
14 seen no change, just a change in the bill, the
15 price has been the same and move on?

16 MR. WILSON: I've seen opportunities for
17 more energy reducing ideas from Kansas City Power &
18 Light than I did from Aquila.

19 MR. CLAYTON: Well, that's kind of what I
20 was wondering, where you're in an all electric
21 house, then you would benefit from assistance in
22 learning how to save energy or use less energy as
23 it reflects on your bill. You're seeing more
24 programs like that?

25 MR. WILSON: They don't - like I've seen

1 it on their bills, right down on there, and I've
2 seen it on the bills when you read the bill. My
3 wife pays the bill actually and she just comes to
4 me for, "I need more money for me to write these
5 checks," but then what they do - I don't know
6 whether it was called level or budget pay, so to
7 speak, but irrespective of what they, this Aquila
8 (inaudible) Kansas City Power & Light, we keep a
9 long track record of what the bills are, either
10 what the usage of the house is per day, per month,
11 per year, degree and other things that go along
12 with it and we basically set our bill amount and
13 pay it every month. There have been months when I
14 have a credit balance with the utility company,
15 Kansas City Power & Light, I think probably, but
16 certainly Aquila and there are times when I owe
17 them three times the normal amount sending in is.
18 (Inaudible.)

19 MR. CLAYTON: Okay. Anything that you
20 feel you need to bring up in terms of quality of
21 service, billing or the transition from Aquila to
22 Kansas City, any problems that we need to be aware
23 of?

24 MR. WILSON: No.

25 MR. CLAYTON: Thank you very much for

1 coming.

2 JUDGE DIPPELL: Are there any other
3 questions? Thank you, sir. Glen Lambton and the
4 next person will be Lonnie Cunningham. Would you
5 please raise your right hand?

6 GLEN LAMBTON, being sworn-in by Judge
7 Dippell, testified as follows,

8 JUDGE DIPPELL: Thank you, sir. If you
9 could spell your name and then give us your
10 testimony.

11 MR. LAMBTON: Glen, G L E N, Lambton,
12 L A M B T O N. I am an electrical contractor. I
13 service a few commercial accounts in the
14 metropolitan Kansas City area, but I currently
15 service residential customers. I am also an
16 instructor for energy saving and basic wiring class
17 at Johnson County Community College.

18 The most often asked question in my
19 classes the last few semesters has been, "What can
20 I do with Kansas City Power & Light? I feel like
21 they are an endless sucking routine to get all the
22 money they can from me on a month to month basis."

23 So part of our class, we try to teach
24 the people how to read their meters, how to
25 conserve, what to convert to the best energy saving

1 methods and to embrace that knowledge, not to curse
2 it because it has happened.

3 So I'm at a double edged sword. I have
4 to be knowledgeable enough to explain to consumers
5 what's in their best interest, but also on the
6 other side, to be able to explain to them what
7 Power & Light has done for them in the last ten
8 years and what the future will be holding and
9 nothing is without cost. To quote President
10 Carter, "Change is inevitable. With change comes
11 new cost."

12 This lady up here with the silver hair
13 that was in the questioning session before you took
14 the statements, was the only one in that fifteen
15 minutes that mentioned the word conservation and I
16 think that the Power Commission should give us an
17 incentive if we are saving power, if we are
18 reducing our use, that last lady said her daughter
19 has dropped her temperature to 55(sic) degrees.
20 For what? What did they get out of it? Is there
21 any compensation? Is there any recognition? Is
22 there anything at the end of the tunnel? Is there
23 anything at the end of the month that says, "You
24 saved."

25 When you take coupons to the grocery

1 store and they say at the bottom of the list, "You
2 have saved \$3.80," well, there's nothing that says
3 on my power bill that I got a small reward for
4 doing the right thing, providing the energy saving
5 lightbulb, for reducing my power.

6 My wife and I are the only ones at home.
7 Our children are either in college or grown and
8 they contributed a lot to our power consumption.
9 Now that they're gone, because I'm an electrical
10 contractor, they don't like me setting locks on
11 some of the coldest days of the year. I turned my
12 power off just to make sure that nothing - a
13 refrigerator will retain its temperature for at
14 least six, seven hours when I'm gone. I don't mind
15 turning the power off, but you know something, my
16 power bill hasn't dropped 2 percent because of that
17 problem.

18 In January, there is a mini storage over
19 here near the police station that had an abnormal
20 power surge to their building. We lost 20 of the
21 56 lightbulbs. All the light manufacturers have
22 told me that if the bulb bursts, it's due to a
23 power surge.

24 Well, what can we do as consumers and as
25 withheld from the Power & Light people to prevent -

1 here's a small commercial business that's trying to
2 hang on and I gave the bulbs away to the man at my
3 cost and charged him a minimum labor, but the
4 supplier says, "I've never seen so many bulbs burst
5 at one time." It had to do with a voltage surge,
6 of some kind.

7 So there is a problem that we need to be
8 able to get instant gratification to or at least
9 tell the area consumer, "We had an unfortunate
10 incident, we had a power surge. We had a bird or
11 squirrel blow up a transformer," or something like
12 that, but this storage facility that's in an
13 industrial area right off of Douglas and we can't
14 go around knocking on doors saying, "Did you guys
15 lose a bunch of light bulbs? Did you have problems
16 with your computers in the last month?"

17 We don't find out that information that
18 something went wrong and things will go wrong,
19 there's no doubt, but when it went wrong and this
20 small businessman is trying to keep his doors open
21 and provide service, that makes it hard and it
22 reflects back on me because he said, "You must have
23 done something wrong." I said, "I don't kill the
24 light bulbs and I don't control the power that
25 feeds them," so I said, "The third party, you're

1 involved," I said, "Work with me and I'll dig in
2 and find out what I can."

3 I also serve on our energy management
4 group at our church. We're in a church in
5 southwest Lee's Summit. There is nothing that
6 churches can do other than do the drastic thing and
7 they have to turn their power off when they're not
8 occupying the space, but we have an average daily
9 staff of about three people, not counting the two
10 people that do the maintenance and we have a day
11 school.

12 The power to the day school, a
13 children's small charter school takes up - it's
14 significant because we have to heat the area and we
15 have to light the area, so we can't shut them off,
16 but there's nothing that is available, that I know
17 of, to help churches recoup or manage some of those
18 costs.

19 If there's some kind of program or
20 something that could be put on the meters that say,
21 "You are doing a good job of controlling demand,"
22 or, "You're not doing a good job of controlling
23 demand," then we, as consumers at this site, we
24 need to know what can we do and did we do a good
25 job or are we not going to embrace the energy?

1 I don't mind you guys raising the rates
2 like this gentleman back here said, maybe spreading
3 it over a long period of time. It's inevitable.
4 We're going to have to pay for some of the
5 technology, but quite frankly, this is a burden.
6 I'm facing retirement in the next four years and
7 I'm worried that I won't be able to keep my power
8 on at all, much less turn it on a little bit at a
9 time.

10 JUDGE DIPPELL: Thank you, sir. Are you
11 also a customer of--

12 MR. LAMBTON: I'm in the Aquila area.

13 JUDGE DIPPELL: The power surge that you
14 were talking about, about when did that take place?

15 MR. LAMBTON: Probably the first or
16 second week of January.

17 JUDGE DIPPELL: Of this year?

18 MR. LAMBTON: Uh-huh.

19 JUDGE DIPPELL: Did you have any contact
20 with the company, at that time, about the incident?

21 MR. LAMBTON: No.

22 JUDGE DIPPELL: Thank you. Mr. Chairman,
23 do you have questions?

24 MR. CLAYTON: Mr. Lambton, I want to go
25 back. You said you are an instructor at Johnson

1 County Community College?

2 MR. LAMBTON: Yes. I am.

3 MR. CLAYTON: What was the name of the
4 class or course that you teach?

5 MR. LAMBTON: It's called basic home
6 wiring and we teach energy conservation, land
7 management and (inaudible).

8 MR. CLAYTON: What type of student do you
9 have in that class?

10 MR. LAMBTON: The average age is about 35
11 to 45--

12 MR. CLAYTON: But I mean, is this a - and
13 forgive me, I don't want to come off sounding--

14 MR. LAMBTON: It's continuing education,
15 not accredited.

16 MR. CLAYTON: Is it a hobby type of class
17 or like a home improvement type thing?

18 MR. LAMBTON: No. We teach them how to
19 hire contractors so they don't get ripped off by
20 contractors, if they have a lighting repair or if
21 they have a lighting contractor--

22 MR. CLAYTON: But they're not craftsmen?
23 They're not folks that are going to go out and--

24 MR. LAMBTON: We don't out and teach them
25 how to be electricians. We teach them how it's

1 done, but when they get to the circuit panel, I
2 say, "That's the time you hire an electrician," and
3 we want them to do things safely and by the book
4 and they all have a book that they have to follow,
5 and I test throughout, both visually, they wire,
6 learn how to wire things, so it's a cover my
7 circumstances, as well. When I teach, I teach to
8 safety, and that is a college requirement that we
9 teach them - we say, "You have to turn the power
10 off before you do anything."

11 MR. CLAYTON: Okay. You mentioned that
12 an incentive needs to be in place to encourage
13 energy efficiency or good practices in terms of
14 conservation and generally, the incentive, right
15 now, is supposed to be a reduced bill because
16 you're using less kilowatt hours, but you say that
17 that's not being recognized in your bill or the
18 bills that you see. Is that correct?

19 MR. LAMBTON: I think if you have the
20 people in this audience raise your hand, how many
21 people have had a lower bill two months out of the
22 year, it will be outstanding. No one's having a
23 lower bill; that's the problem.

24 MR. CLAYTON: Is it in terms of--

25 MR. LAMBTON: In terms of with the

1 conservation methods, even my church.

2 MR. CLAYTON: So your bill is not seeing
3 a reduction in the kilowatt hours used or is it the
4 dollars just aren't--

5 MR. LAMBTON: The dollars are not
6 reflected in lower the payments.

7 MR. CLAYTON: Is the demand being
8 reflected for lower kilowatt hours usage?

9 MR. LAMBTON: Say that again.

10 MR. CLAYTON: Are you using less power, I
11 guess is what I'm asking? The practices that you
12 suggest, what you're teaching, what you're doing in
13 your home, are your number of kilowatt hours going
14 down?

15 MR. LAMBTON: I would say the number of
16 kilowatt hours are probably about maybe 16 percent.

17 MR. CLAYTON: Okay. So you have--

18 MR. LAMBTON: -when it's so cold and our
19 house holds the heat pretty well, so when we come
20 back, it's probably about 53 degrees.

21 MR. CLAYTON: I apologize. I wasn't
22 following what you were saying. What else do you
23 think needs to be done to help people conserve,
24 save energy, use less power? What else do you
25 think needs to be done?

1 MR. LAMBTON: Start a massive campaign to
2 reward those that conserve energy, whether it's an
3 individual, the Toyota dealership up here or a
4 church. If you have reduced power, you should get
5 not only a lower bill, but kind of continued
6 incentive.

7 MR. CLAYTON: You're in the Aquila
8 service terri, and now it's in KCP&L territory;
9 correct?

10 MR. LAMBTON: Right.

11 MR. CLAYTON: So in your area, that
12 you're aware of, there are no programs that involve
13 Smart Grid technology or perhaps air conditioning
14 cycling programs where you reduce your usage based
15 upon communications with the utility?

16 MR. LAMBTON: I know of programs that
17 exist. The trouble that I've seen, as a contractor
18 in the last three years, is people cannot afford to
19 upgrade their furnace or their air conditioner to
20 get a higher efficiency.

21 Like I said, it's a double edged sword.
22 We need to do it. We can't afford to do it and if
23 Power & Light had some kind of program that
24 rewarded you for doing that and saying, "We won't
25 give you the reward now. We're going to spread the

1 reward over the next five years because you
2 invested in energy technology," then we're both
3 together, we're consumer and supplier hand in hand
4 and I would like to upgrade my furnace, I
5 desperately need it, but if you look out in this
6 audience, most of us are Baby Boomers that are
7 within five years of retirement. We won't be able
8 to experience enough savings to make it worth our
9 while, unless something drastic and major is done
10 to get everyone on board.

11 MR. CLAYTON: Okay. So appliance rebate
12 programs or appliance trade-out programs through
13 utilities would be a benefit, in your opinion?

14 MR. LAMBTON: That would be one benefit.

15 MR. CLAYTON: Any other ideas, any other
16 incentives or specific ideas that you want to share
17 with me here today?

18 MR. LAMBTON: I think that we need to go
19 to the commercial side. One of our previous
20 commentators said that the manufacturing people and
21 the retail dealers, the shopping centers and
22 everything, we're wasting an awful lot of lights.
23 We haven't turned on a switch that tells people to
24 conserve and do it now because the economy and
25 energy.

1 If you guys had to make an increase and
2 we've done our part, it won't be as big a bite
3 because we've now got some money back in our pocket
4 where we can afford to do that, but people waste
5 and we've got to figure out a way to get everybody
6 on board to create a change that is equitable
7 across the board.

8 MR. CLAYTON: Thank you very much for
9 coming.

10 JUDGE DIPPELL: Thank you. Were there
11 any other questions for Mr. Lambton? Thank you,
12 sir. Lonnie Cunningham and next will be Roy
13 Mussett.

14 (Inaudible.)

15 JUDGE DIPPELL: When I get to the end of
16 the list, I'll ask if there's anybody else. Would
17 that be alright?

18 LONNIE CUNNINGHAM, being sworn-in by
19 Judge Dippell, testified as follows,

20 JUDGE DIPPELL: If you could spell your
21 name for the court reporter please and then give us
22 your testimony.

23 MR. CUNNINGHAM: Yes, Lonnie Cunningham,
24 it's L O N N I E C U N N I N G H A M.

25 JUDGE DIPPELL: Go ahead.

1 MR. CUNNINGHAM: First of all, I would
2 like to say that some of the earlier comments that
3 were made here this evening are very valid and I
4 agree with a number of the comments that were made.
5 I guess I am here tonight really to oppose the rate
6 increase.

7 I am a former Aquila customer in the
8 south part of Raytown and one of the things I would
9 like to read here that I brought this evening, is
10 copies of information that was provided to me at
11 the time that Aquila was acquired by Kansas City
12 Power & Light.

13 One of the questions that was put out in
14 the publication was, "Will the transaction increase
15 my energy rates? Will my bills be higher?" and the
16 answer was, "No. There will not be a rate increase
17 as a result of this transaction. In fact, the
18 transaction will create up to \$500 million in
19 savings from operational efficiencies now and in
20 2007, savings that will be passed along so
21 customers can help mitigate anticipated energy
22 price increases that are occurring all over the
23 country."

24 Somehow a 14.4 million increase doesn't
25 seem to jive with what was actually stated in the

1 information that was provided to me.

2 I agree with some of the comments that
3 were made earlier, that again, if rate increases
4 are inevitable and I think we can all look forward
5 to them, I just don't think that for the economy
6 we're in currently that the rate increase being
7 proposed is - should be considered as being too
8 high.

9 JUDGE DIPPELL: Thank you. Commissioner,
10 do you have any questions?

11 MR. CLAYTON: Just very quickly, Mr.
12 Cunningham, I wanted to ask you, what was the
13 publication that you mentioned there that talked
14 about the merger and no rate increases?

15 MR. CUNNINGHAM: There's no - it was in a
16 flier that was--

17 MR. CLAYTON: Was it a company flier or
18 was it--

19 MR. CUNNINGHAM: It was, I don't recall
20 whether it was sent to me by Aquila or whether or
21 not it was sent to me by Kansas City Power & Light.

22 MR. CLAYTON: Okay. Have you seen any
23 changes since you had the change-over from Aquila
24 to KCP&L, good, bad, customer service, quality of
25 service, reliability, any changes?

1 MR. CUNNINGHAM: No. I would have to say
2 that I may have experienced one outage, I reported
3 the service was out on (inaudible.)

4 MR. CLAYTON: Thank you very much for
5 coming.

6 JUDGE DIPPELL: Any other questions?
7 Thank you, sir, and I have Roy and I'm sorry, I
8 can't quite make out the last name, and the next
9 person on the list is Brian Petersen.

10 ROY MUSSETT, being sworn-in by Judge
11 Dippell, testified as follows,

12 JUDGE DIPPELL: If you could spell your
13 name for the court reporter please.

14 MR. MUSSETT: My name is Roy Mussett,
15 M U S S E T T. First of all, I want to apologize
16 but I'll keep my main statement, I believe it was
17 two years ago you guys were here and made a
18 statement that this economy, that we were going to
19 go into a major recession.

20 As effectively today, I see that, as far
21 as I'm concerned, it's a depression. The stock
22 market has totally dropped out and in answer to
23 your question earlier, also in 2003.

24 Also, in 2003, in my neighborhood, they
25 have highs there. We have a power surge or the

1 electricity went out. That was a problem that was
2 brought up and until the news media got their hands
3 on it, nothing was done about it.

4 The problem was the meters fell off the
5 houses and we were informed that since our meters
6 fell off the house, it was our responsibility to go
7 hire a licensed electrician to put them back on and
8 somewhere along the line, we got the news media
9 involved in it and I believe it was approximately
10 23 houses in our neighborhood that the meters had
11 fell off and by the time the news media got done
12 with it, we're talking an extensive, over two weeks
13 before there was anything done. I'm sorry, but
14 that meter belongs to the light company, whether it
15 was Aquila or whether it's Kansas City Power &
16 Light.

17 Also, going back to two years ago when
18 we were sitting here in this meeting with you guys,
19 unbeknownst to us, we were lied to. We were told
20 that Aquila was doing fantastic, that Mr. Green,
21 "We're going to do this. We're going to do this.
22 We're going to conserve."

23 We find out approximately, I think it
24 was less than a month, I don't know exactly when it
25 was, but all of a sudden, it comes out in the

1 newspaper, you're paying - you guys are authorizing
2 Green to give the Green people a bonus and he sells
3 out and now, we have to pay KCP&L who is now our
4 power and light company for our electricity.

5 We do still have power surges. I have
6 power surges all the time up there. I come home, I
7 travel a lot, so I come home and all of a sudden,
8 here's my - the first thing I can see to know that
9 I've had a power outage is my microwave is blinking
10 888, so that tells me I didn't have electricity.

11 Then, you talk about the bills, let's go
12 to the bills. Since KCP&L took over, I'm paying
13 better than \$15 a month. I can't figure out why.
14 Like the gentleman said, I turn the lights off,
15 I've unplugged stuff, I am very good - my furnace
16 is turned down, way down, and then you talk about
17 energy savings, by the way, I also own some rental
18 property and I have one of those big fancy
19 electronic started furnaces in it. I spent more
20 money on fixing that thing than anything else. As
21 a matter of fact, I think they called it a - the
22 guy called it a brain. It cost me over \$700 just
23 for the part.

24 Now, I had to recoup that cost, that
25 these other people said earlier and I agree with

1 them 100 percent, with other people's comments,
2 that I had to pass that cost on. That means I've
3 got to raise the rate of my rental to compensate.
4 That wasn't included in the (inaudible).

5 When is it going to end? What I asked
6 two years ago is, for Aquila, was why don't you
7 downsize? Why don't you start at the top and start
8 downsizing? Big companies are doing it. Why is it
9 that Kansas City Power & Light can't do the same
10 thing?

11 How about starting at the top, starting
12 they're big, the big bonuses, the raises, get rid
13 of all these little trips they take and all that.
14 I know it's all being done, it's all being done
15 under the table. You and I, us, the consumer will
16 never find out, but yes, it is being done and it
17 doesn't make any difference, we're paying for them
18 to take a little retreat.

19 The City of Lee's Summit does it all
20 the time. All the additional departments. They're
21 always going on retreats. The City Council just
22 came back from a retreat, so don't tell me when
23 it's not happening.

24 What needs to happen is these guys need
25 to sit down with the condition and say, "Alright."

1 We're going to cut this much off. We're going to
2 get rid of X amount of management until this
3 economy rebounds."

4 Another thing that needs to be done,
5 that would help a lot, from what I've seen from
6 talking to a lot of other people is, and I don't
7 understand why it's not being done, is why aren't
8 they burying a lot of these old power lines? In
9 the areas, I believe it costs the department a lot
10 if they had situated those power lines in the
11 winter are on the ground.

12 I've got friends that their kids live
13 over there and they have none of the problems that
14 I have and other people that said, and I'm 1,000
15 percent behind them, is where is the people like me
16 who doesn't unplug everything when I take off and
17 go out of town, but yet my utility bill is \$15
18 higher? Who do I complain to? Who do I go to?
19 Why am I paying more for using less? I don't
20 understand this. I thought - it's just like gas.
21 I conserve my gas, natural gas. I conserve lights,
22 gas, water, everything. I've got it down to the
23 minimum, but yet, I'm paying these outrageous
24 bills. Enough is enough.

25 We need to make changes and the changes

1 need to be, just like all the rest of these
2 companies did, start at the top, start cutting the
3 pay, start cutting the people out of there, start
4 getting rid of the excess baggage that's there,
5 period. Do what everybody else is.

6 My retirement pension, by the way,
7 whether you care or not, I make \$30,000 a year
8 income. I was supposed to get a 10 percent raise,
9 like someone else did. Unfortunately, the 10
10 percent pay raise is on hold or walk out the door.
11 I chose to keep my job. I've got to make a
12 mortgage payment. I've got to pay taxes. I've got
13 to pay utility bills. I'm like everybody else.
14 Where does it stop? When are we going to stop
15 this? Where is it going to help?

16 You guys have sat there and told us year
17 after year after year, "We're doing this to this.
18 We're going to do this so we can help you out.
19 Your utility bills are going to go down. We do
20 this improvement, you give us this money, we're
21 going to do this improvement so we can make it
22 where you won't have to pay (inaudible) we won't
23 come after increases." That's a bunch of baloney.
24 Every single time, all these and the way I
25 understand it here is you're going to go after the

1 one rate increase, you're going after, if I read
2 this right, you want, on one bill, the case number
3 ER-2000-0089, you want \$14 a month. You passed
4 that one. "Wait a minute, we're going to pass ER-
5 2000-0090 and we're going to take another one." So
6 that's a total of \$26.50 a month.

7 Where are we going to get the money? My
8 retirement pension done. I'm going to have to work
9 until the day I die. I'm through. I just called
10 up and found out I have no money in my retirement.
11 My 401 is gone. I'm going to have to start paying
12 the people to stay in the 401 retirement plan. You
13 tell me what we're supposed to do. Thank you.

14 JUDGE DIPPELL: Thank you. I didn't ever
15 catch exactly which--

16 MR. CUNNINGHAM: Aquila.

17 JUDGE DIPPELL: I know you're in Aquila,
18 but where exactly do you live?

19 MR. CUNNINGHAM: Hamill(ph) Heights,
20 right over here, right on the south side of Chipman
21 Road here.

22 JUDGE DIPPELL: Okay, and when was the
23 meter incident?

24 MR. CUNNINGHAM: I said 2003.

25 JUDGE DIPPELL: Okay. Thank you. Mr.

1 Chairman?

2 MR. CLAYTON: I don't have any questions,
3 sir. Thank you for coming.

4 JUDGE DIPPELL: Are there any other
5 questions? Brian Petersen and the next up will be
6 Terry Sheridan.

7 BRIAN PETERSEN, being sworn-in by Judge
8 Dippell, testified as follows,

9 MR. PETERSEN: Good evening. I'm
10 Director of Operations at John Knox Village, so Mr.
11 Wilson, we can talk afterwards maybe.

12 JUDGE DIPPELL: Could you spell your name
13 for the court reporter?

14 MR. PETERSEN: Petersen, P E T E R S E N.
15 I represent 1,500 residents and about 1,000
16 associates and 1,500 residents that worry about not
17 being able to stay in their units and 1,000
18 associates are worried about keeping their jobs.

19 I would like to start off with by
20 thanking a couple of people with KCP&L that I was
21 just talking with around here, a lady by the name
22 of Kim Grace and Deborah Phillips, who was very
23 helpful on the transition, and Kim works in the
24 accounting department and Deborah is our new
25 account representative. We've had three since you

1 all started, since KCP&L started in the last ten
2 months or so. They've all been very receptive.

3 12.50 a month doesn't sound like much,
4 but 15 percent to John Knox Village is \$255,000 a
5 year. That's the size of our electric bill there
6 at that community.

7 The same comments that were made earlier
8 about fixed incomes, for the majority of our
9 residents are real. We even have an endowment
10 there, a foundation that this year, will be funding
11 the residents' services to the tune of \$70,000 to
12 make sure that our residents can stay in their
13 units, so it's kind of a double indemnity.

14 I personally fund, and some of the
15 members of my family, one of our elderly people in
16 our family grants, we give them a monthly pay to
17 make sure they can stay in their home where they
18 live right now. They're on social security and are
19 very fixed.

20 I feel that in some cases, for us
21 personally at John Knox Village, our business is,
22 it's almost a double whammy, where saying someone
23 from the outside has lost their job or their 401(k)
24 is down, they lose money there. They're trying to
25 help and pay their own electric bill. If they're

1 trying to help one of their family members, which
2 may be the case of some people here, if they're
3 helping their family, their bill is going up as
4 well, so it's not 12.50 for them. It's \$25 for
5 them because they're trying to help out two
6 households. I mean, you're seeing that more and
7 more. We see that in our residents in our
8 facility.

9 I would say too that there are some
10 incentive programs that we take advantage of so
11 far. There's an energy optimizing program with the
12 thermostats that come free. We're utilizing that.
13 We start that installation on 500 of our units on
14 March 16th and we're thankful for that.

15 We also are utilizing an energy rebate
16 program. There have been four or five different
17 units or different pieces of equipment that we got
18 rebates on. I will tell you though that it's a
19 drop in the bucket compared to what this increase
20 will cost us. \$255,000, how many jobs is that?
21 \$255,000, how many residents is that putting out of
22 their homes because they can't afford to stay
23 there? \$255,000, how much can our fund, our
24 endowment, our foundation, how much can they
25 sustain in the future and so it's not just today,

1 but it's in the future to make room for this.

2 The first thing I brought up earlier
3 about putting this increase on to - somebody here
4 tonight was talking about 3 percent for five years,
5 we talked about these programs that possibly give
6 us savings and help us save KCP&L from having an
7 increase in the structure, its set up. Well, let's
8 take a look at this. Let's get everybody involved
9 and see if that savings can actually produce
10 (inaudible) and take a good look at some of that
11 cost economics. I don't have any answers for that.

12 That's really all I have. Again, those
13 people have been very helpful. I agree with
14 everyone here about the cost of the rate increase.
15 It's just too high for the economic situation that
16 we're in and I thank you.

17 JUDGE DIPPELL: Thank you, Mr. Petersen.
18 Can you describe for those of us that don't live
19 near here how big John Knox is and like how many
20 units and--

21 MR. PETERSEN: Okay. John Knox Village
22 sits on about 500 acres, has 250 single family
23 homes or duplexes and fourplexes. It has 14
24 apartment buildings that are three story. It has a
25 400 bed critical care facility. It has about 120

1 bed RCF, assisted living care facility. It is
2 arguably the largest single retirement community
3 contiguous to one geographic area in the country
4 and I'm kind of a property manager, if you will.

5 I will say again that I have had a
6 marked difference in the service that I receive
7 from KCP&L, from Aquila. We've had some billing
8 questions that we had when we initially changed
9 over. A wrong address was put on the new billing
10 code from KCP&L and we missed about four months of
11 bills to the tune of about \$275,000 that they
12 didn't send us. I would have appreciated a call.
13 My name was on the top of the bill and nobody
14 called me and said, "Do you know that you're
15 delinquent?" We're trying to pay our bills on
16 time, trying to do things right.

17 I will say that our third representative
18 in Texas and all of them, to KCP&L's credit, have
19 called back and returned my emails and worked with
20 me on these energy reducing programs, so in that
21 respect, they've done well, but again, I'll just
22 say that 15 percent, I mean, I'm serious, it's
23 \$250,000, a quarter of a million dollars for our
24 company to take the hit in times such as these. We
25 froze the raises. We've frozen any hiring and

1 we're not hiring people back to fill the positions
2 that we currently have.

3 JUDGE DIPPELL: Mr. Chairman?

4 MR. CLAYTON: Mr. Petersen, and it is Mr.
5 Petersen?

6 MR. PETERSEN: Correct.

7 MR. CLAYTON: I was slow in writing that
8 down. The \$255,000, that is an annual figure that
9 would be the increase at 15 percent?

10 MR. PETERSEN: We have a 1.7 million
11 dollar annual bill.

12 MR. CLAYTON: 1.7 million?

13 MR. PETERSEN: Give or take a couple
14 bucks.

15 MR. CLAYTON: Forgive me for not being
16 knowledgeable about John Knox Village, but those
17 are apartments and critical care? You've got
18 various levels of services that you provide to
19 residents?

20 MR. PETERSEN: From independent living
21 where someone can purchase entities, it's a pretty
22 complicated setup. You buy health insurance, if
23 you will. People come in and lease or people can
24 come in and provide for the care--

25 MR. CLAYTON: I understand. I don't want

1 to get into the specifics of that, but I guess what
2 I'm asking is, basically you're the one who pays
3 all the electricity. The residents don't pay any.
4 They don't get their own utilities. Is that
5 correct?

6 MR. PETERSEN: Correct. Correct. We
7 budget the next years and they pay a monthly
8 service fee. We try to keep it down as much as we
9 can.

10 MR. CLAYTON: What do you anticipate
11 happening with the energy optimizer program?

12 MR. PETERSEN: Well, the flier says that
13 it can be anywhere from 10 to 20 percent savings,
14 in that realm. We're going to be able to make use
15 of it. There's three settings on it so we can save
16 time in going to a unit and doing upkeep and
17 maintenance and we can operate that, we can access
18 those units on the Internet and group them by
19 groupings and we have auto units. It's going to
20 save us a lot of time. I will say though that I
21 don't know what it's going to save until come March
22 16th when they all get in there.

23 MR. CLAYTON: Is it costing you anything
24 up front?

25 MR. PETERSEN: No. They come in and they

1 provide the thermostat and they install it for free
2 and they are the ones who - you call an 800 number
3 and this is available to anybody, you call an 800
4 number if you have questions about the setting of
5 the thermostat.

6 MR. CLAYTON: So if it works, potentially
7 you can have savings of 10 to 15 percent?

8 MR. PETERSEN: We will have savings. I
9 guarantee that will save you, the company will save
10 a quarter of a million investment, been on the job
11 a year and a half.

12 MR. CLAYTON: You also have used the
13 energy rebate program. Is that correct?

14 MR. PETERSEN: Yes. Yes. We do.

15 MR. CLAYTON: You all have a - is it a
16 commercial or an industrial rate?

17 MR. PETERSEN: We have both. (Inaudible)
18 markets have changed the billing requirements and
19 we're trying to get all those meters squared away.
20 It's been a nightmare in trying to get the thing
21 organized between Aquila and now with KCP&L. KCP&L
22 has returned my phone calls, they've done those
23 types of things and so we're partnering on doing
24 that, but with too much advertisement, (inaudible)
25 15 percent. (Inaudible.)

1 MR. CLAYTON: Are you satisfied with your
2 reliability? You have critical care. You have
3 people that need their power. You have oxygen and
4 things like that?

5 MR. PETERSEN: Yeah. We have generators
6 and emergency power, so we can power back up, but
7 so far, (inaudible).

8 MR. CLAYTON: How often do you have to
9 use those backup generators on a yearly basis?

10 MR. PETERSEN: Probably once in the past
11 year and a half for not a very long period of time.

12 MR. CLAYTON: I don't have any other
13 questions. It's been very interesting testimony.
14 Thank you.

15 MR. PETERSEN: Thank you.

16 JUDGE DIPPELL: Thank you, are there any
17 other question? Thank you, sir. Terry Sheridan
18 and next up is Larry Pulos.

19 TERRY SHERIDAN, being sworn-in by Judge
20 Dippell, testified as follows,

21 JUDGE DIPPELL: Thank you. If you could
22 spell your name and then give us your testimony.

23 MR. SHERIDAN: My name is Terry Sheridan
24 and it's spelled T E R R Y, last name
25 S H E R I D A N. I'm also here tonight and I

1 welcome the opportunity to express my comments
2 concerning the rate increase and I want the
3 opportunity to go through some notes here.

4 I also agree with Mr. Cunningham, on the
5 information that was given during the Aquila/KCP&L
6 merger. I believe that a pamphlet or an
7 information sheet (inaudible).

8 My first comment concerns the energy
9 commodity that the power used when they purchased
10 energy and in the case of natural gas, I don't know
11 how many facilities use natural gas and those that
12 are coal fired.

13 In December of last year, natural gas, I
14 believe, was priced without any input was \$7. As
15 of last week, that price had dropped to about \$4.60
16 per TCI and for a couple of days, it actually
17 dropped below \$4, in the \$3.98 range per TCI.
18 That's a 34 percent decrease and I have to wonder
19 and ask the question, with the amount of energy
20 that they buy, especially with (inaudible) cost
21 savings by buying that level of gas pricing in very
22 sufficient volumes.

23 I know my home gas bill has dropped
24 considerably because of that, but more to the
25 point, with that kind of reduction in natural gas,

1 (inaudible) that work for the power companies I
2 would think would be in an ideal position to
3 purchase as much gas at that low rate as absolutely
4 possible. I know contracts work on a 90 day
5 expiration and so on, but I'm not an expert on
6 that, but there should be a way to initiate a cost
7 savings.

8 My next comment concerns the power
9 company negotiations with home developers and when
10 they develop out homes in the area or Lee's Summit,
11 I believe there's an agreement that they will
12 (inaudible) those utility lines at no cost or low
13 cost to the developer, provided (inaudible). I
14 think that's a good program, but I have to ask the
15 question, if (inaudible), why do they negotiate
16 that cost to the developers while running all that
17 utility line (inaudible) zero cost?

18 The fact that they're putting in heat
19 pumps explains obviously that they're drawing
20 electricity, but in most cases, those developers
21 are also installing the least efficient heat pumps
22 on the market, which generally are single stage
23 heat pumps. Most developers or some do know about
24 dual stage, which are far more efficient than
25 single. The average homeowner doesn't understand

1 that either and from what I understand, developers
2 aren't even offering that option.

3 So my comment or recommendation is that
4 for the homeowner, as well as the power generating
5 companies, it would seem to me that there's a
6 win/win situation there by at least leveraging the
7 developers to offer dual stage compressors and dual
8 stage heat pumps.

9 Also, the fact that you can, I think,
10 negotiate with the developer now to read those
11 lines, doesn't give you the proposition because
12 they're laying gas line, as well. In most cases,
13 these houses, because of our climate, heat pumps
14 don't work that well in very low temperatures, so
15 as a backup to those systems, they have to have a
16 gas furnace or electric furnace of some sort. If
17 it's gas, that means that line is going to be laid,
18 as well.

19 So the developer can't say or shouldn't
20 be able to say (inaudible) gas line. I think he's
21 going to have to lay both because the gas line as a
22 backup is a requirement.

23 If it's a city issue and you're beholden
24 to the city about how much you can negotiate with
25 the developer, I would say go to the city and let's

1 get some more meaningful bill in place to insist on
2 at least an 85 to 90 percent efficiency heat pump.
3 They're not expensive and it's a lot more efficient
4 and less expensive to sell that client.

5 I don't know that heat pumps are
6 practical for commercial customers. I know there's
7 an (inaudible) issue, which comes as not reliable,
8 but I would say for small square footage commercial
9 customers, that could also be a recommendation,
10 that we encourage them to put those in, as well.

11 In December, the rate of inflation
12 achieved in the U.S., despite the recession, was
13 reported at .09 percent. The Wall Street Journal
14 reported on Friday, February 20th, that the United
15 States had essentially wiped out inflation and
16 achieved a 0.0 inflation rate. That was the first
17 time that was achieved in over 50 years.

18 I don't know how much of the rate
19 increase is indexed to inflation, but even if
20 there's a small percentage, I have to wonder why
21 we're seeing rate increases (inaudible) the
22 magnitude thereof, indexed to inflation when that's
23 at such a low rate.

24 The CPI, the Consumer Price Index, is
25 even (inaudible) in February, but it's flat

1 compared to last year. So that tells me that the
2 prices for a lot of things are going to have to be
3 lower or (inaudible) and the amount of money that's
4 being asked for is out of line with the Consumer
5 Price Index.

6 Finally, I'm a former Aquila customer,
7 now with KCP&L. Their billing system, of course,
8 requires, you end up getting a statement and there
9 was an option in place to allow people to pay that
10 online. However, a fee, at one time, was charged
11 to do that, a service fee of some type, whether
12 it's credit card or online check. I would
13 encourage that not to have a fee if they're going
14 to pay online.

15 I seems to me that it's a lot cheaper to
16 have someone pay their bill online with an
17 electronic transfer than it is for someone at the
18 KCP&L office to receive a check in an envelope with
19 a billing statement, open up that envelope, take
20 out the statement, read the check, enter the
21 information by hand and then have all that
22 processed electronically so that the customer can
23 (inaudible). That concludes my comments.

24 JUDGE DIPPELL: Thank you. Mr. Chairman,
25 did you have any questions?

1 MR. CLAYTON: Thank you very much for
2 coming, Mr. Sheridan. I have no questions.

3 JUDGE DIPPELL: Thank you. Are there any
4 other questions? Thank you, sir. Larry Pulos and
5 the next person is Lola Bingham.

6 LARRY PULOS, being sworn-in by Judge
7 Dippell, testified as follows,

8 MR. PULOS: Larry, L A R R Y, Pulos,
9 P U L O S, and I live in Grandview, former Aquila
10 customer. The economy is in distress. Thousands
11 of Missourians are out of work and barely making
12 it. Additionally, the working poor have also been
13 hit even harder with raises in everything except
14 for paychecks.

15 Based on my reading of the KCP&L budget,
16 which is almost impossible to discern, I recommend
17 the rate increase be denied because the following
18 savings can be accomplished for that budget cycle.
19 Do away with all advertising and eliminate most of
20 the public information office and staff, but
21 include all education and safety programs. They
22 don't provide electricity to people who are
23 disabled for a million dollars a year. Freeze all
24 salaries at the current rates, which would save
25 over eleven million dollars a year. Reduce the

1 Board of Directors' salaries by 50 percent, which
2 would save over a half a million dollars a year.

3 Mr. Chester, I guess he's the Executive
4 Director of KCP&L, receives a salary of 3 and a
5 third million dollars a year. I would cut that in
6 half. Mr. Downing receives three million a year.
7 I would cut that in half. Mr. Mallory receives 1.2
8 million a year. I would cut that by a third. Mr.
9 Marshall receives 1.3 million. I would cut that by
10 a third.

11 Total proposed savings that I'm going to
12 give you in a second do not include lower costs
13 that can be recouped for natural gas and petroleum
14 that are now much lower that you use to operate
15 some of your plants.

16 Based on my meager figuring up the
17 amount of savings, Kansas City Power & Light next
18 year could save over 17 million dollars just by
19 doing what I recommend. Thank you.

20 JUDGE DIPPELL: Thank you. Mr. Chairman,
21 any questions?

22 MR. CLAYTON: I think your statement is
23 pretty clear, sir. Thank you very much for coming.

24 MR. PULOS: Thank you.

25 JUDGE DIPPELL: Are there any other

1 questions from the attorneys? Lola Bigham and
2 next, I have Duane Lee.

3 MS. BINGHAM: You didn't pronounced my
4 name right.

5 JUDGE DIPPELL: I will ask you to correct
6 me then. Thank you.

7 LOLA BIGHAM, being sworn-in by Judge
8 Dippell, testified as follows,

9 JUDGE DIPPELL: If you could state your
10 name and spell it for us please.

11 MS. BIGHAM: Lola Bigham, L O L A
12 B I G H A M. Anyway, you make a mistake, a lot of
13 people do. I've come here just to kind of express
14 my opinion on what everybody else had to say, but I
15 have one solution that I want each and every one of
16 you to hear tonight. If you would do this, if each
17 one of you would go home and pray for God to heal,
18 he says he will and if you pass that onto your
19 friends and your neighbors, then I would appreciate
20 it and I think a lot could come to people on fixed
21 incomes.

22 JUDGE DIPPELL: Thank you very much.

23 MS. BIGHAM: That's all I have.

24 JUDGE DIPPELL: Mr. Chairman?

25 MR. CLAYTON: Ms. Bigham, is that

1 correct?

2 MS. BIGHAM: Yes.

3 MR. CLAYTON: It's my bad. I thought I
4 saw an N in there, so I apologize for
5 mispronouncing your name, but thank you for the
6 suggestion.

7 JUDGE DIPPELL: Duane Lee and the next
8 one is Eric Ball.

9 DUANE LEE, being sworn-in by Judge
10 Dippell, testified as follows,

11 JUDGE DIPPELL: Thank you, if you could
12 spell your name.

13 MR. LEE: Duane is spelled D U A N E,
14 last name is Lee, L E E. I'm here tonight almost
15 coincidentally. This is my first ever attendance
16 at such a meeting. It's not my norm to participate
17 in something like this, but my situation is very
18 much relevant and yet you need some of the others
19 that at least I've heard of this evening.

20 I have property located at Lake
21 Lotawana, which I believe and it's my understand,
22 correct me if I'm wrong, is under the same rate
23 structure or similar as Lee's Summit.

24 In addition, this is a secondary - my
25 Lake Lotawana home is a secondary vacation home for

1 us, if you will, and my primary residence is in the
2 State of Kansas.

3 I was greatly surprised when I reviewed
4 my bills, my utility bills, and the one from Lake
5 Lotawana, the KCP&L, really stuck out to me, so
6 currently I'm in the poor habit of paying bills,
7 most of mine are on automatic pay and I don't
8 really view them as much as I should, but in this
9 case, I did, and to my surprise, in reviewing this
10 bill and getting down to the exact payment
11 structure, I was pretty much flabbergasted and what
12 it was to me specifically, is that I found that the
13 rate structure that I was paying on my Lake
14 Lotawana home is exactly 0.0919 cents per kilowatt
15 hour. My home in Kansas, the rate structure is
16 0.04556. In other words, it's approximately four
17 and a half cents per kilowatt hour in Kansas. My
18 lake home is absolutely twice that amount at nine
19 cents.

20 Now, I questioned that. I called KCP&L
21 to - I can understand maybe a 5 percent, 10
22 percent, 15, even 20 percent difference, but it
23 took me 30 minutes to drive from my Kansas City
24 home here tonight. Obviously, it's not that far.
25 I could have driven 30 minutes north and I think I

1 would have found the exact same rate structure.

2 So it's hard for me to understand how an
3 electric bill can be twice, once again, I emphasize
4 twice the amount that it is within a 30 minute
5 drive from here.

6 I'm in the unique opportunity that I can
7 (inaudible) most of the people here probably are
8 certainly not aware of that and neither was I until
9 I had an opportunity to compare it. I think that's
10 atrocious. I don't know the explanation for that.

11 It seems common that utility companies
12 request a rate increase every so many years and
13 unlike other enterprises, they are granted that and
14 once again, the economic times that we're facing
15 now where everybody else is cutting, it seems like
16 pretty much accepted that KCP&L is going to get
17 another rate increase.

18 Well, I'm stupid, I contacted KCP&L
19 about, I think it was about three weeks ago, this
20 was prior to my knowing about this meeting and
21 such, that's why I say that it was coincidental. I
22 was naive and stupid enough to think that they
23 actually might be lowering the rates in Lake
24 Lotawana and Lee's Summit. In my opinion, that's
25 certainly what they should do.

1 It was indicated, this gentleman brought
2 up a point prior, a number of persons prior to
3 myself, that a brochure was sent out that indicated
4 that there was a likelihood that rates would be
5 reduced. Well, we all know that the poor, poor
6 mismanagement that Aquila - I'm sorry--

7 JUDGE DIPPELL: Aquila.

8 MR. LEE: Aquila, the poor, poor
9 management that Aquila was under and so it seems
10 like we're just to accept that and build upon that,
11 rather than to take a look at that and revise it
12 and improve it and I thought and hoped that KCP&L
13 had the wherewithal to do that.

14 So I'm very, very much surprised, I
15 shouldn't be, that's once again naive and stupid
16 mistake, but I quite literally thought that there
17 would be a rate reduction at Lake Lotawana and
18 Lee's Summit.

19 The only comments that you have had
20 questions as to as far as the service and such of
21 the area. I'll make just a few brief comments
22 regarding that on my personal experience, Lake
23 Lotawana versus here.

24 Lake Lotawana is, for those persons that
25 live in the area, it's almost a standing joke as to

1 the reliability of power in that area. Once again,
2 I have a position to compare. The area at which I
3 live in Kansas City is an older area, above ground
4 lines, been in service for 60, 70 years, I'm sure.

5 Yes, there are times in the winter
6 months when ice accumulation, high winds and such,
7 we experience power failure and so it's to be
8 expected and certainly, the same would be the case,
9 as well, at Lake Lotawana under those
10 circumstances, but contrary to that, at Lake
11 Lotawana, case in point, it may have been the same
12 Sunday that the gentleman a few prior to mine was
13 speaking where he had a power surge.

14 I happened to be out at the lake on that
15 day, on a Sunday morning, and I woke up to no
16 power. This happened to be on one of the days that
17 we set a record high, if I recall. It was one of
18 those 60 degree days in January, or 50 degrees. In
19 other words, there certainly wasn't any ice. There
20 certainly weren't any high winds. The power just
21 went out.

22 I left to go and get breakfast and I
23 don't know exactly how long it was out. In talking
24 with my neighbor, I think it was out for at least
25 two hours and that's not that unusual a situation

1 at, once again, at Lake Lotawana. It's just one of
2 those communities that the power goes out under
3 very unusual - well, those circumstances, the
4 circumstances that you wouldn't expect.

5 The other situation that is the energy
6 optimizer program that has been referred to. I'm
7 aware of that program and I understood that KCP&L
8 was taking over this Lake Lotawana area. I
9 actually was proactive. I called them. I didn't
10 wait for them to send me notification. I wanted to
11 sign up for this program.

12 I called them and found out when it -
13 they had explained that it wasn't available in my
14 area and if so, when. I was told that it would be
15 available in September. I said, "Put me down. Put
16 me down number one on the list and I appreciate you
17 calling me when that occurs."

18 October came, I heard nothing and so it
19 continued to be put off until January. I called
20 about every 30 days. We made an appointment to
21 come out and have the energy optimizer thermostat
22 installed in my unit.

23 The gentleman came. He was there for
24 approximately an hour. Once again, keep in mind
25 that I had to come from Kansas City. I don't live

1 there, so it wasn't me just opening up the door.

2 He spent an hour in time and came
3 downstairs and notified me that right now after
4 this much time, "I'm sorry to tell you, Mr. Lee,
5 but we don't have service." So, it's a small
6 point. I must admit I was perturbed. It took a
7 day for me to come out and then for only to be told
8 and turned away and no, we don't have this program
9 available for you. Evidently, it was the receiver.

10 Well, quite truthfully, I would have
11 appreciated it very much if, prior to making the
12 appointment, that they would have checked out if my
13 home had a receiver that could receive a signal and
14 that I would be eligible and available for the
15 program. Those are my comments.

16 JUDGE DIPPELL: Thank you.

17 MR. LEE: Thanks.

18 JUDGE DIPPELL: Have you contacted the
19 company at all about the power outages and the
20 situation?

21 MR. LEE: In all fairness to KCP&L, this
22 is obviously a system that they inherited and the
23 latest power outage, the one that I referred to
24 just within the past 30 days, I had contacted them
25 to notify them that there was a power outage.

1 Prior to that time when it was under
2 other ownership, yes; I made numerous phone calls,
3 but once again, I can't blame KCP&L for that, but I
4 did make numerous phone calls for - I had the
5 opportunity and never before have I been in such a
6 system that has so many failures.

7 JUDGE DIPPELL: Thank you. Mr. Chairman?

8 MR. CLAYTON: Thank you, Judge. Mr. Lee,
9 after Kansas beat Missouri by 25 points this
10 weekend, I'm going to try to get over that fact and
11 try to get you an answer to a question here. The
12 thing in your testimony that really raises
13 questions to me is this rate differential between
14 Kansas and Missouri; it's the first I've ever heard
15 it. I'm not saying that you're incorrect or wrong.
16 Just, it sounds out of sorts.

17 I wanted to see if you could meet with
18 one of our staff people and maybe communicate a
19 comparison of bills because I would really like
20 some feedback on a comparison of the billing,
21 comparison of the rate because I would like to see
22 - obviously, going over the state line, I'm
23 surprised that there would be that much of a
24 differential. Would you mind doing that, sir?

25 MR. LEE: I'll be glad to and with this

1 testimony, I made a phone call before I came, I can
2 clarify a little bit more for the record, if you
3 would like or I can go back there, if you would
4 like.

5 MR. CLAYTON: I don't want to take
6 everybody's time for that here tonight, but you can
7 either - if the staff can raise their hand, Ms.
8 Spread is all the way in the back, that may be
9 easiest for you and you all can talk. She's back
10 in the red sweater. I think it's red.

11 MR. LEE: I'm glad to have this time.
12 I'm a matter of fact kind of common sense type of
13 guy. I didn't come prepared to bring many facts
14 and figures that many of these nice people have
15 taken the time to do.

16 My common sense approach, when I saw
17 that my rate was twice as much, that was enough to
18 raise bells and whistles within my mind and I'm
19 glad that has you guys--

20 MR. CLAYTON: Okay. Thank you.

21 JUDGE DIPPELL: Thank you, sir. Are
22 there any other questions? Eric Ball and on deck
23 is Jeff, and I'm sure I'm going to mispronounce
24 this, spelled M U M A W. Would you please raise
25 your right hand?

1 ERIC BALL, being sworn-in by Judge

2 Dippell, testified as follows,

3 MR. BALL: For clarification, the last
4 name is Ball, B A L L. It is a privilege to get to
5 speak on this issue tonight because clearly, as the
6 Commissioner has stated to pretty much everyone who
7 had come here before me, because we don't
8 experience problems in our customer service and our
9 billing, evidently it is very much our privilege
10 that we are customers of KCP&L, but I see a few
11 problems in that and one of those problems is that
12 we don't have a choice. Just as we didn't have a
13 choice to have Aquila as our electric provider, we
14 also didn't have a choice to have KCP&L and it's
15 this reason, that because we don't have a choice,
16 is why I'm confused at the need for a rate
17 increase.

18 At a time when the businesses are
19 struggling and when the consumers who support those
20 businesses are struggling themselves, you all have
21 a locked customer base. It's not like we have the
22 freedom to go shopping your competitor because that
23 person or that entity does not exist. So my
24 confusion as to where a lack of revenue would be
25 coming from is - I'm not understanding that point,

1 where you guys have a set customer base in this
2 area.

3 Now, I can understand where new
4 construction is on the decline and because of this,
5 maybe you're not experiencing the growth in
6 customer base in this area which you typically
7 would in a more stable and a more profitable time,
8 but again, we don't have a choice to go spend our
9 money elsewhere, so the need to continue to
10 increase the amount of customers that you have,
11 when we are locked and guaranteed to be here, I
12 fail to understand this.

13 I assume that - and the reason for this
14 is because you all probably operate in a very
15 similar manner that the cable company operates in,
16 which I would explain to you that it is not cost
17 effective for other companies to go in and set up
18 infrastructure, therefore you all choose to stay
19 out of certain markets and then that's how you get
20 around being classified as a monopoly.

21 Now, I am very much an educated
22 individual. I teach high school at Grain Valley
23 High School and particularly history and
24 particularly civics, so I am aware of how these
25 processes work.

1 I tell my students that when they fail
2 to educate themselves, that being taken advantage
3 of then should be an expected way of life. I guess
4 that's my biggest concern here tonight, is I feel
5 like KCP&L is failing to educate its customers in a
6 fair way.

7 I equate it to a book that I make my
8 civics students read, maybe you are familiar with
9 Animal Farm by George Orwell and not to get into
10 the details of that, long story short kind of
11 situation where in Animal Farm, the animals decide
12 that it would be better off to be without the
13 farmer and govern themselves and manage themselves,
14 only for the pigs to return, educate themselves,
15 take control because they have an education, they
16 have the power and when the animals below pigs, who
17 don't have a similar education and similar
18 knowledge, begin to ask questions, the pigs use
19 long and drawn out and use big words that the lower
20 animals don't understand, and so the lower animals'
21 reactions, "That has to be right. Why are you
22 taking so long to explain it to me? Why are you
23 using so many big words?"

24 I'm not equating anyone who works at
25 KCP&L as being a character. I'm merely equating an

1 example and that I feel like there's a lack of
2 education, a lack of information that's being
3 honestly passed on to the customers of KCP&L.

4 So I guess, to conclude, my point is
5 don't sit and tell us that because our services,
6 because our billing and our customer service is
7 fine, that we should just simply be okay with a
8 rate increase. I'm all very much a capitalist.
9 I'm all very much in favor of KCP&L or any other
10 business making a profit, but a fair profit, a fair
11 profit and not at the expense of us to cover your
12 investors or to cover mistakes and purchases made
13 by the entity that you acquired when you did
14 acquire Aquila.

15 In this time where there's economic
16 struggle, all of us have to cut back and tighten
17 our belts. I believe it would be a responsible
18 notion for this company, for KCP&L to take up the
19 similar cross that all of us in this room have to
20 bear in this economic time. I appreciate the
21 opportunity. Thank you.

22 JUDGE DIPPELL: Thank you, Mr. Ball. Mr.
23 Chairman?

24 MR. CLAYTON: I don't think I have any
25 questions. Thank you for coming.

1 JUDGE DIPPELL: Jeff, you tell me how to
2 pronounce your last name, the next person after him
3 is Tanner Marin.

4 MR. MARVIN: Marvin.

5 JUDGE DIPPELL: I think I'm
6 mispronouncing that too.

7 JEFF MUMAW, being sworn-in by Judge
8 Dippell, testified as follows,

9 JUDGE DIPPELL: Could you spell your name
10 for us please?

11 MR. MUMAW: It's Mumaw, M U M A W. Just
12 to begin, I totally disagree with the 14 percent
13 increase. I was a former Aquila resident and now
14 KCP&L. I do remember receiving that 500 million
15 dollar savings that they would save over a period
16 of time.

17 I have the paperwork, I didn't bring it
18 with me, and it's weird, inflation is barely going
19 up, however they want a 14 percent increase. They
20 told us that they have to fund these new projects.

21 However, part of these new projects are
22 being brought on by the new President, the 785
23 billion dollar stimulus plan for the energy
24 savings. They want to put in solar, they want to
25 put in wind. All of which, yes, the upkeep of

1 these processes are there, that's the price.

2 However, to actually draw the energy is free.

3 On your website, 33,000 homes are free
4 power due to their wind power in Kansas. These
5 customers are paying the same price as everybody
6 else, but their power is immensely cheaper than
7 what it costs to run everybody else's house.

8 In ten years, according to our new
9 President, 25 percent of the energy created by
10 KCP&L, has to be either solar or wind. That's
11 free. Have I mentioned that? But we're at a 14
12 percent charge.

13 I understand that these buildings, the
14 wind, the solar costs money to build. However, I
15 cannot see the fact that KCP&L would say, "Okay.
16 We're going to charge you 14 percent increase for a
17 couple months. Once we get the projects built and
18 paid for, we're going to decrease your bill by 14
19 percent." That will not happen. That will go back
20 into the investors' pocket and then we will wonder
21 why is our economy still sinking? Why are people
22 losing their jobs?

23 The government wants me to put solar
24 panels on my house. I have no problem with that.
25 That's \$10,000, \$1,000 of which Obama will pay for.

1 I have to come up with \$9,000. KCP&L has no idea
2 what I'm talking about when I say, "Can I sell back
3 to the grid the energy that I create?" KCP&L would
4 not like it if I charged them 14 percent on top of
5 my regular bill for charging them if I put solar
6 panels on my house; that doesn't make sense to me.
7 How can they charge extra when I can create the
8 same power for free and sell it back to them.

9 California has that regulation already
10 that they can sell it back to the grid; Missouri
11 does not. I'm confused about that. I understand
12 you need rate increases, but 14 percent is too
13 much, I think. A 2, 3, even 5 percent spread over
14 the time, great. It is impossible to come up with
15 a 14 percent increase and accurately explain it to
16 somebody who has education, as we all do here.
17 That is all.

18 JUDGE DIPPELL: Thank you. Mr. Chairman?

19 MR. CLAYTON: Mr. Mumaw, I want to make
20 sure I get it right, I want to talk to you about
21 the solar panel issue, the distributed generation,
22 that metering.

23 MR. MUMAW: Yes.

24 MR. CLAYTON: Did someone tell you that
25 you cannot put solar panels on your house?

1 MR. MUMAW: Nobody has told me I cannot.
2 When I called KCP&L about it, the couple of sales
3 reps that I talked to said they had no idea what I
4 was talking about when I was talking about selling
5 back to the grid. Either I can do it and their
6 people are misinformed, in which (inaudible) big
7 mistake when the customer is trying to save.

8 MR. CLAYTON: Because I don't think
9 that's accurate information. There was a bill
10 passed in the Missouri Legislature, I believe last
11 year, that supposedly was going to make connecting
12 on to generate your own electricity much easier.
13 It's called the Easy Connection Act and the
14 Commission has actually implemented rules that
15 allow for that act to move forward, so I don't
16 think that information is entirely accurate.

17 If the company gave it to you, you may
18 want to try again, if it's something you're
19 interested in, but the barriers that allow for you
20 to generate your own electricity are - they're
21 coming down, at least in a limited extent. We've
22 got several rule makings going on right now, so I
23 think you ought to dig a little deeper on that; you
24 may get some different responses.

25 MR. MUMAW: Okay.

1 MR. CLAYTON: Thank you for coming.

2 JUDGE DIPPELL: Thank you. Were there
3 any questions? Tanner Marin, and then the next
4 person I have is Randy Scarborough.

5 TANNER MARVIN, being sworn-in by Judge
6 Dippell, testified as follows,

7 MR. MARVIN: My name is Tanner Marvin,
8 first name Tanner, T A N N E R, last name Marvin,
9 M A R V I N, and I live in Lee's Summit currently.
10 I've actually had the experience of KCP&L and
11 Aquila and KCP&L again. I lived in downtown for
12 one year before I moved out to Lee's Summit. I
13 just have a couple things real quick. Pretty much
14 everybody else has had the gamut and said pretty
15 much everything I could say.

16 On the pamphlet that you guys handed
17 out, it says, "On September 5th, 2008, KCP&L," yada
18 yada and the 66 million that you guys are asking
19 for, and with this economic downturn and on
20 September 5th, 2008, I mean, yeah, we're worse than
21 we were then, but September of 2008 wasn't a great
22 time to be asking for this much money from the
23 people that you are servicing and so just like
24 everybody else is saying, that's a confusing
25 number, and the economic hard times that we're

1 having, asking for such a great increase seems a
2 little ridiculous.

3 The second thing I have is that it seems
4 to be plastered all over the pamphlets that you
5 guys were handing out. Because we have a solvent
6 plan in place to manage our costs and the increases
7 are less than what they might have been and less
8 than what customers in other parts of the country
9 are experiencing. Today, depending on where you
10 live in our service territory, KCP&L's rates are
11 25, 30 percent lower than the national average.

12 In my opinion, that information is a
13 moot point. I live in the Midwest for a reason and
14 I live in the Midwest because it's not as expensive
15 as the east coast or the west coast.

16 So, I and probably everybody else in
17 here probably don't care about the national
18 average. We care about here. We don't care about
19 the east coast and we don't care about the west
20 coast. If we did, we would have a house there.
21 That's all I have to say, just a few things that I
22 noticed that I don't think anybody else had said.

23 JUDGE DIPPELL: Thank you. Mr. Chairman?

24 MR. CLAYTON: Since you've experienced
25 Aquila and KCP&L on two different occasions now,

1 how is the transition going and the merger?

2 MR. MARVIN: From Aquila to KCP&L, I did
3 have a problem setting up my billings and online
4 stuff. They had an issue where I had to reset the
5 account, which that was confusing to me, why would
6 I have to go through these extra hoops to have the
7 same service and some online stuff I had to review,
8 as well, but other than that, (inaudible), so just
9 seeing this 14.4 percent increase just seems a
10 little ridiculous.

11 MR. CLAYTON: Okay. Thank you very much
12 for your testimony.

13 JUDGE DIPPELL: Thank you. Any other
14 questions? Randy Scarborough and after him, I'm
15 going to take this woman in the middle here, I'm
16 not sure where she fell on, but.

17 RANDY SCARBOROUGH, being sworn-in by
18 Judge Dippell, testified as follows,

19 JUDGE DIPPELL: Thank you, if you could
20 spell your name please.

21 MR. SCARBOROUGH: It's Randy, R A N D Y,
22 Scarborough, S C A R B O R O U G H.

23 JUDGE DIPPELL: Go ahead.

24 MR. SCARBOROUGH: My concern is cost.
25 They are asking for a (inaudible) and they are

1 agreeing to a 9 percent return on investment right
2 now (inaudible) business that can operate in that
3 environment. That would be great if we could all
4 make a 10 percent increase, but that's not reality
5 in those businesses.

6 For an example, if McDonald's costs go
7 up, they couldn't just pass that on in the cost of
8 their hamburger because they have competition. We
9 are not given that choice of competition here. If
10 not, I think they would be much slower in asking
11 for rate increases.

12 I also think that, not knowing what
13 their costs are for (inaudible), I don't think they
14 can ask for the cost right now, but that certainly
15 would be in their minds. The Aquila acquisition,
16 they made it pretty clear that they knew they were
17 going to be taking on debt and because of it, they
18 knew that, at some point, they would be coming and
19 asking for a rate increase. Again, I wasn't given
20 a choice of whether they acquired Aquila or what
21 they did, but I'm being asked to pay for that cost.

22 I understand that investment and the new
23 things like the smart grid and the meters that are
24 going to be needed for that metering are going to
25 be coming up in the future, but again, I'm hearing

1 that this rate increase is to cover those kind of
2 costs. What I'm hearing is that the rate increase
3 you're asking for is costs that they are absorbing
4 right now for plans in the immediate future.

5 As far as transition, being a utility, I
6 guess I would have expected there to have been a
7 noticeable transition. I will say I was around
8 Lee's Summit when that surge went through Lee's
9 Summit and I don't blame KCP&L, things happen, but
10 one thing that you all need to be aware of is that
11 cost a lot of homes and businesses hundreds of
12 thousands of dollars, there was a lot of equipment
13 that got damaged when that early blackout happened
14 and that's not something that you would usually
15 hear about, but yet, it's something that consumers
16 have already paid. Again, it's not KCP&L's fault,
17 but it cost consumers who have already paid and now
18 they're looking to come and ask for (inaudible)
19 cost increase.

20 JUDGE DIPPELL: Did you have any
21 questions, Mr. Chairman?

22 MR. CLAYTON: I don't have any questions
23 for you, Mr. Scarborough. Thanks for coming.

24 JUDGE DIPPELL: Thank you. Are there any
25 other questions? Thank you, sir. Ma'am, would you

1 like to come forward and the next person after her
2 is Scott Crawford and I'll just state that I have
3 six more people on the list and I know it's
4 starting to get kind of late.

5 We do take written comments and there's
6 an address, so if you have to leave before you get
7 a chance to speak, please do either send us a
8 letter or go onto our website and there's a place
9 there to give your comments. Would you please
10 raise your right hand?

11 MARTHA BEATTY, being sworn-in by Judge
12 Dippell, testified as follows,

13 JUDGE DIPPELL: Could you please state
14 your name and spell it for us?

15 MS. BEATTY: Martha Beatty, B E A T T Y.

16 JUDGE DIPPELL: I'm sorry, can you pull
17 that microphone down just a little bit maybe
18 towards you? There you go. Can you spell that
19 again?

20 MS. BEATTY: Martha Beatty, B E A T T Y.

21 JUDGE DIPPELL: Go ahead.

22 MS. BEATTY: This gentleman mentioned
23 something about how we can encourage conservation
24 of our electric energy and I would like to speak to
25 that because I think that those of us that are not

1 using as much energy as the big manufacturers or
2 the big stores or agencies, I think that our
3 kilowatt hours ought to be less, but that's not the
4 case.

5 We pay more per kilowatt hour because
6 we're not using a lot and the big companies and all
7 get a big discount, as much as half as much a
8 kilowatt hour, so I would suggest we do that. I
9 believe in conservation. I don't know just how
10 your energy is generated, if it's coal, but that's
11 my recommendation.

12 My electric bill this month was double
13 of what it was last month and I live alone in a
14 comfortable home, but I turn out the light when I
15 leave the room and that sort of thing, but I think
16 that you set a pattern of X number of kilowatt
17 hours, if you don't go over that amount, then your
18 kilowatt rate will only be this much and it's
19 turned around. The more you use and big places
20 that use so much, the manufacturers and stores,
21 they get to deduct their electricity from their
22 income tax statement; we don't. So I guess I'd
23 like to encourage conservation and for those of us
24 that live on a fixed income no matter how high
25 prices go.

1 JUDGE DIPPELL: Excuse me, ma'am. Can I
2 ask you just one question before you leave? Do you
3 have electric or gas heat in your home?

4 MS. BEATTY: Gas heat.

5 JUDGE DIPPELL: Thank you. Mr. Chairman,
6 do you have anything?

7 MR. CLAYTON: I have no questions.
8 Thanks for coming.

9 JUDGE DIPPELL: Thank you. Scott
10 Crawford and then next, I believe, Marilyn Jones.

11 SCOTT CRAWFORD, being sworn-in by Judge
12 Dippell, testified as follows,

13 MR. CRAWFORD: My name is Scott Crawford,
14 S C O T T, C R A W F O R D. I oppose this rate
15 increase. I am a part-time worker, lucky to have a
16 job and I just don't have any extra income to pay
17 KCP&L more money, I'm going to have to take money
18 from something else like food or gasoline, so I
19 vehemently oppose the increase.

20 As to the conversion of just right after
21 KCP&L took over, they had tree trimmers out in our
22 neighborhood for five weeks working on the tree
23 trimming and getting clear the power lines and
24 since they finished, our outages have gone
25 dramatically through the floor. I can't think of

1 the last time we had a flicker, so I applaud KCP&L
2 for improving their service.

3 As to the programable thermostats that
4 they are offering, my father was interested and he
5 investigated it and found out that yes, it was
6 free, but it, you know, it didn't (inaudible).
7 They wouldn't give him anything to get the
8 programable thermostat.

9 25 years ago, my grandfather had a
10 similar program. It wasn't a programable
11 thermostat, but it was effectively the same thing,
12 where they could turn off the heat for up to 30
13 minutes to save and my grandfather got a nice
14 discount on his electric for having the service.
15 Kansas City Power & Light has not offered that. So
16 my father said, "No thank you."

17 They wouldn't work for me because I have
18 gas heat, but that seems to me, if they're going to
19 offer that, they should give you a discount for
20 taking the service and considering it's a
21 convenience to you, so that's the majority of what
22 I have to say.

23 JUDGE DIPPELL: Thank you, sir. Mr.
24 Chairman?

25 MR. CLAYTON: I don't have any questions,

1 Mr. Crawford. I do want to say I'm happy to hear
2 that you've got some trimming going on in your area
3 and that you've seen some benefits that come with
4 that. We don't hear that all the time and frankly,
5 with some of the things that have gone on in other
6 parts of the state, it's good to hear that some
7 positive stuff is going on, so thank you.

8 MR. CRAWFORD: I forgot, there is one
9 thing. I talked to them, KCP&L, about getting the
10 electronic billing where you don't receive mail,
11 you just get an email when the bill is ready and
12 get it off their website, which is a service that I
13 have with other utilities and was informed that
14 that would not be available to me as a former
15 Aquila customer at this time and they didn't give
16 me a time frame of when it would be available.

17 JUDGE DIPPELL: Thank you.

18 MR. CLAYTON: Thank you.

19 JUDGE DIPPELL: Marilyn Jones? I'm not
20 seeing anyone. Pat Montjoy? Harry Bellamy? Louis
21 Bosso?

22 LOUIS BOSSO, being sworn-in by Judge
23 Dippell, testified as follows,

24 JUDGE DIPPELL: Please spell your name
25 for the court reporter.

1 MR. BOSSO: My first name is Louis,
2 L O U I S, last name Bosso, B O S S O.

3 JUDGE DIPPELL: Go ahead.

4 MR. BOSSO: Thank you for being here this
5 evening. I think you've been most patient and most
6 attentive. I have been a resident of Missouri my
7 entire life, except four years that I was in the
8 Service.

9 We lived in Raytown for 48 years and now
10 in Lee's Summit for six and I really have no
11 complaints about the power service, either with
12 Missouri Public Service or Aquila and KCP&L.

13 There are outages on occasion, a big ice
14 storm or whatever, but one of the things that I
15 kind of noted in your comments here were that they
16 had originally asked for \$66 million in one area
17 and 17 in another and the Commission had made a
18 recommendation of 46 million in the one area and 17
19 in the other and I kind of thought about the time
20 back there in the dark ages when I was in high
21 school and I was going out on a Saturday night and
22 asked my dad, "How about letting me have a \$20
23 bill?" and he would take awhile and then he would
24 hand me a 10 and that's really what I wanted to
25 begin with, and he was happy that he saved some

1 money, but my point is that I think this is a
2 little bit much an increase; maybe they need the
3 money.

4 A number of years ago, KCP&L and MoPub
5 at the time, proposed a merger and the shareholders
6 of KCP&L voted it down. Maybe that would have been
7 a good thing for KCP&L to have done, at the time,
8 and of course, recently in the last few years, the
9 James boys, or I mean the Green boys have been
10 pretty handy with bonuses and retirement benefits
11 and what have you and maybe some of that money
12 wasn't really appropriate, at the time.

13 I would kind of like to see you all
14 considering they don't need the 46 million and
15 reduce it to - maybe they do need the money. Thank
16 you for being here this evening.

17 JUDGE DIPPELL: Thank you, sir. Mr.
18 Chairman?

19 MR. CLAYTON: I don't think I have any
20 questions. I think I just wanted to clarify in
21 your statement, the recommendation comes from the
22 staff of the Commission and the Commission itself
23 has not made a decision on the case and I think
24 sometimes that isn't clear in the material, at
25 least that's what I thought you said.

1 MR. BOSSO: Very well. Thank you.

2 MR. CLAYTON: Thank you very much.

3 JUDGE DIPPELL: Beth Smith and let me
4 just ask, I had some names that were crossed out,
5 so let me just ask, Jim Allen or Mary Henry, I
6 think, or Katie, and the last name starts with a K,
7 I can't quite make it out? Alright.

8 BETH SMITH, being sworn-in by Judge
9 Dippell, testified as follows,

10 JUDGE DIPPELL: If you could state your
11 name please.

12 BETH SMITH: Beth Smith. Mainly what I
13 want to talk about is the Energy Star contractor
14 (inaudible). I have been trying, I have left
15 messages, no call backs. I don't know who to
16 contact now. I did have the thermostat installed
17 and that was just done last week, so I can't give
18 you a report on that, but we have had power surges
19 in the past on our side of the street and not the
20 other side. On our side, down on the corner, so it
21 seems to be a little sporadic somewhere down in
22 our.

23 We live three miles east of here and we
24 have one of those green boxes that sits in the
25 middle of the yard and it's tilting. It's like

1 sinking on one end and I'm wondering if that isn't
2 a health concern or a safety concern and the reason
3 I started calling about this and getting the
4 thermostat is because I noticed on my bill, now
5 it's higher, of course, that it was ten points
6 higher this year than it was last year.

7 Since last year, we have changed the
8 light bulbs. We have 22 windows in our house.
9 We've had eleven of them replaced with triple
10 panes, so they're really supposed to be quite
11 energy efficient. We have power strips that we
12 turn off at night. My thermostat is 66 degrees
13 during the day and 55 at nights. I am doing
14 everything humanly possible to get this down and
15 yet, I was ten points higher this year than last
16 year after I made all of those changes. What's the
17 deal? I can't be the only one.

18 We live on one income. I've been a
19 housewife all my life. I've taken - I've reared my
20 children and my husband and I are - he's going to
21 retire in a couple of years and being a housewife,
22 you just don't get that much of a retirement, so
23 we're very concerned about conservation. We've
24 always been this way and always shut off the rooms
25 that aren't being used. We close vents. We do

1 everything we know we can do.

2 And so I called this number and I was
3 switched from here to there to here again and then
4 I called a woman who was an answering machine and
5 I'm still waiting to get a return call. So could
6 you get me in touch with a real human being that
7 would actually be able to help? I don't know what
8 more I can do to get my bill down that I haven't
9 done yet. Any comments?

10 JUDGE DIPPELL: I am going to ask that
11 someone from our staff talks with you personally
12 about your various situations and if someone from
13 the company is available to discuss your particular
14 calls and questions and what programs and where you
15 can get a person, I'll ask them to step in also.

16 MS. SMITH: When I did get to talk to
17 Bill, he was very kind. He was very nice and very
18 helpful and got me some help and set up that
19 appointment and he came out last week and he put it
20 on, so I really don't know how that's changed, but
21 I wear a sweater a lot.

22 JUDGE DIPPELL: The other phone calls
23 though, you were trying to get an energy audit?

24 MS. SMITH: Yes, and that was a dead end
25 answering machine.

1 JUDGE DIPPELL: Okay. Ms. Spread is in
2 the very back, I hate to send everybody to her, but
3 she's sitting back there, so make sure, before you
4 leave, you talk to her.

5 MS. SMITH: Okay.

6 JUDGE DIPPELL: Mr. Chairman?

7 MR. CLAYTON: We're here to deliver human
8 beings here tonight, so you are instructed not to
9 leave this building until you corner one of these
10 guys over here. KCP&L, raise your hand. Right
11 there.

12 MS. SMITH: Alright.

13 MR. CLAYTON: Right there.

14 MS. SMITH: Okay.

15 MR. CLAYTON: Three guys right there,
16 so make sure--

17 MS. SMITH: I can run pretty fast--

18 MR. CLAYTON: We've got it on the record
19 and I want to know if your issues have been
20 addressed by the company.

21 MS. SMITH: Your name is?

22 MR. CLAYTON: My name is Robert Clayton.

23 MS. SMITH: How do you spell that? I've
24 got the Robert. That's my husband's name. What's
25 your last name?

1 MR. CLAYTON: Clayton, C L A Y T O N.

2 MS. SMITH: Your position?

3 MR. CLAYTON: Public Service Commission,
4 Chairman of the Commission.

5 MS. SMITH: Phone number?

6 MR. CLAYTON: 573-751-4221.

7 MS. SMITH: 4221, thank you for being
8 here.

9 MR. CLAYTON: But--

10 MS. SMITH: Yes.

11 MR. CLAYTON: You have the company right
12 here. They are going to be the ones that are going
13 to address the issues at hand because I could not
14 install a programable thermostat to save my life.
15 I'm not going to be able to help you with that.

16 MS. SMITH: The young man was very
17 helpful and instructed me on how to work it and
18 all, but we shall see.

19 MR. CLAYTON: I've been told electricity
20 is not a hobby, so they don't let me do that and
21 then the second thing I wanted to ask is please
22 touch base with our staff. Ms. Spread is in the
23 back. You can touch base with her. It concerns me
24 that you're taking all of these steps to reduce
25 usage and then you say it's still ten points higher

1 than last year.

2 MS. SMITH: Ten points higher than it was
3 last year, because I did a comparison.

4 MR. CLAYTON: Either there is something
5 wrong in the billing, there's something wrong with
6 the meter, maybe you're not doing as much as you
7 think or I just don't know, but our staff can help
8 you work through those issues. Maybe you need to
9 have your meter tested.

10 MS. SMITH: Great.

11 MR. CLAYTON: Maybe you need to have some
12 other things, so touch base with our staff and
13 hopefully you will get some better results.

14 MS. SMITH: Thank you very much.

15 MR. CLAYTON: Now, did you get my name
16 spelled correctly?

17 MS. SMITH: Robert Clayton, right.

18 JUDGE DIPPELL: That's all the names I
19 have on the list. Is there anyone else here that
20 would like to testify here? Would you come
21 forward?

22 JIM SILVER, being sworn-in by Judge
23 Dippell, testified as follows,

24 JUDGE DIPPELL: Thank you. If you could
25 state your name and spell it for us please.

1 MR. SILVER: My name is Jim Silver,
2 S I L V E R, and I really didn't come out this
3 evening with the idea of speaking, but I really
4 appreciate this forum and I was kind of inspired to
5 share some information with you and I invite any
6 questions because I think I can pretty well
7 guarantee I have a rather atypical situation.

8 First of all, I don't approve of this
9 kind of rate increase, but I would like to offer a
10 few explanations of circumstances under which I
11 could be favorably disposed to some increase, at
12 some time.

13 I don't know if you happened to see this
14 cartoon in The Star last year, big corpulent man in
15 a dark suit with a little cup and he was begging
16 money and I think the caption was something like
17 Wall Street or something and he says, "If you don't
18 give me money, I will be forced to ruin you all,"
19 and then in the corner, this is by all time, there
20 were two little people offering him hands full of
21 money and the lady says, "Oh, you poor man. Here.
22 Take this money in your time of need and keep a
23 million or so for yourself for your good management
24 skills," and since that time, things have really
25 changed with the economy.

1 In fact, it was our own Missouri Senator
2 who called attention to the fact that we're going
3 to be bailing out some companies. She didn't think
4 it was right that they should be making much more
5 money in bonuses and salaries than the President of
6 the United States. Well, her proposal and
7 amendment didn't quite fly, but at least it did
8 call attention to some threshold amounts for
9 bonuses, \$600,000 or whatever.

10 Now, as was mentioned by some of these
11 other people and I totally agree, these are very
12 trying times and I think it's incumbent on all of
13 us to look for ways to save money and I personally
14 am just a little bit opposed to anybody making
15 millions per year. That's like winning the lottery
16 every year and I don't like the thought that my
17 utility bill is going to subsidize that and I
18 don't, I don't have a - I don't have a thing
19 against people making lots of money, but I really
20 don't approve of the salaries for athletes.

21 If you're going to get millions of
22 dollars, you should never strike out or drop a
23 football, in my opinion, but there are some things
24 that could be done besides putting - establish a
25 little realism here, and I realize KCP&L did not

1 really cause the problems that they probably have
2 to pay for now with Aquila.

3 I was following closely in the news the
4 situation with the power plant down in Peculiar.
5 It seemed to me, at the time, that if the
6 Commission had taken a little more forceful stand
7 early on, KCP&L wouldn't be having to suffer the
8 consequence, the cost consequence of all of that
9 litigation and everything that went on all that
10 time.

11 So one circumstance for which I could be
12 more favorably inclined, as a customer, to pay
13 more, would be if I had confidence that there was
14 going to be a little tighter control that would
15 prevent that kind of abuse, the disregard for local
16 rule and regulation.

17 Now, this is another pet peeve of mine
18 and it goes back many, many years and MoPub was the
19 only one that's accommodating in this regard and,
20 by the way, you'll probably think I'm a pretty
21 eccentric person, but I don't like to pay bills
22 once a month. You know, the Babylonians were the
23 ones that came up with this seven days of the week.
24 The Greeks and the Romans came up with this twelve
25 months of the year and that has helped us recognize

1 that twelve or thirteen fits nicely into 360 and so
2 forth. So that's no longer a good or a viable
3 period of time on which to base our economic
4 transactions, 30 day billing periods.

5 Why not do it 60 days? You can cut your
6 costs by one sixth, one half, whatever. Now, I
7 happen to prefer quarterly payments and MoPub
8 accommodated that way back fifteen years ago. They
9 didn't have a program for it. It had to be a
10 manual transaction, but I would always pay a month
11 and a half ahead and then a month and a half later,
12 I would do it again, so I was making four payments
13 during the year.

14 You can do that and you would save one
15 third of all of those billing costs, all the
16 postage, all the staff. You don't need - but I
17 understand, and where I've really pushed and
18 complained about this, that again, there's
19 something either at the Commission level or at the
20 federal level, somebody thinks that the 30 day
21 billing cycle is what it's got to be for the rest
22 of civilization, which I don't buy into.

23 Now, by the way, I also saw that
24 information that said there's going go be
25 significant savings from this, from KCP&L taking

1 over and I thought this was good and frankly, I
2 don't follow that real closely.

3 In fact, I admit I really don't even
4 look at my bills all that closely until just
5 recently. My heat pump failed in January - well,
6 actually, it was the last week of December and I
7 got a new one and I really couldn't complain
8 because I had this other one for 23 years and by
9 the way, I know those are not supposed to be really
10 efficient in this part of the country and very cold
11 weather, but except for about 1989 when our
12 temperature got down - I think it was 88 or 89
13 when the temperature went down to like 25 below
14 zero, I have never had to use auxiliary heat in my
15 house; the heat pump has taken care of it.

16 So I was really kind of sad when this
17 thing bit the dust and after 23 years I thought - I
18 was told that that's a good longevity. Well, the
19 new heat pump got put in and my bill for the first
20 whole month thereafter was higher than it was with
21 the old equipment and I had been told that the new
22 equipment was going to be much more efficient.

23 Well, the installer came back out and
24 looked at some things, they turned it 90 degrees to
25 accommodate the plain and unorthodox conduit there

1 and customized the thermostat and that reduced the
2 bill to less than one twelfth of what it was last
3 year at this time and just this morning, I went
4 back to that company and I showed them the bill and
5 I said, "This doesn't seem right because if that's
6 the case, this thing is - \$6,000 is going to pay
7 for itself in four years," and he said, "No.
8 There's something wrong with that bill."

9 So I am without knowledge as to what's
10 going on there, but I just want to mention to you
11 that this just, my son-in-law was telling me his
12 bill - he has children, they're doing laundry, the
13 kids are running in and out, the doors are open,
14 they've got a house made out of two by fours. My
15 house, I made myself. The walls are thirteen
16 inches thick. I have mirrors around the skylights
17 to bounce the sunlight off the wall for passage of
18 solar. For two years in a row, I've had to stop
19 with the sun angles so that I can get all sun in in
20 the winter and none in the summer. So in adding to
21 that, my house is burrowed into the ground on three
22 out of the four levels. So I have a very efficient
23 situation.

24 I shouldn't be paying very much at all,
25 but compared to the other families that have just

1 got conventional houses. I'm not prepared to talk
2 about inequity here because I'm just without
3 knowledge, but I would like to know more about
4 surveys that assess where is your energy really
5 going.

6 These power surges that you asked some
7 of the people about, I have not really suffered
8 those recently, but when I had a teenager living in
9 the house, this is not a big issue, but now, I have
10 one, you know, I don't even know how to program a
11 microwave, I have to program all these things and
12 it's a little challenging for those of us that
13 didn't grow up with all this technology.

14 By the way, I really do appreciate all
15 of the extra activity that I witnessed going on
16 with the tree trimming and I know where - I know
17 it's happening because I'm getting more mulch from
18 these people that do it, but there again, we've got
19 an issue where I think we could save some money but
20 I don't know the economics of it.

21 The subdivision I live in requires
22 cables to be buried, but the lines coming into the
23 subdivision are still going through the woods. I
24 live in Cass County, by the way, and I was
25 certified (inaudible). I think underground is the

1 right way to go. The disadvantage is in that
2 neighborhood, there's an awful lot of rock and it
3 might not be cost effective, but it doesn't make
4 sense to have part of the system underground and
5 part of it above ground.

6 Getting back to the relative costs, I do
7 know that those underground cables deteriorate over
8 time and we've had two repairs in our neighborhood
9 in the last year and a half because the cable has
10 deteriorated. I don't know whether roots get into
11 it or moles get into it or whatever, but they just
12 dig it up and have to replace that section.

13 I really would like to see a little more
14 oversight responsibility by the Commission so that
15 we don't have a recurrence of these issues like we
16 have with Aquila and the power plant.

17 I really would like to see the
18 Commission take a more forceful stand on management
19 fees and bonuses and salaries. I think I could
20 live with somebody who's just getting \$200,000 a
21 year, but I don't like to subsidize the millions
22 and I really would encourage, you know, inquiry to
23 see whether a less frequent billing cycle could be
24 transferred into significant savings. Thank you.

25 JUDGE DIPPELL: Thank you. Mr. Chairman?

1 MR. CLAYTON: Mr. Silver, thank you very
2 much for your comments. They were very
3 comprehensive and I know you want questions, but I
4 don't have any for you.

5 MR. SILVER: Alright.

6 JUDGE DIPPELL: Thank you. I believe
7 this gentleman here is going to testify.

8 LARY MEYER, being sworn-in by Judge
9 Dippell, testified as follows,

10 JUDGE DIPPELL: Could you state your name
11 and spell it for it please?

12 MR. MEYER: Lary Meyer, L A R Y, last
13 name Meyer, M E Y E R, just one R. I want to
14 apologize to people if I'm repeating myself because
15 I stated this comment in the question and answer
16 session first and it was about the way that KCP&L
17 has turbines laying on the ground out in western
18 Kansas, \$50 million worth and to me, that's a
19 waste.

20 I feel that as consumers, that we are
21 paying for that waste and I just want to bring that
22 up because you all weren't here at the time, so I
23 brought that up again, but another comment I had
24 was on this last Thanksgiving, which is a day of
25 thanks, I live in the south part of Lee's Summit

1 close to Greenwood and then by Lake Winnebago. Our
2 power went out on Thanksgiving morning and was out
3 for three to five hours. It happens, you know, but
4 it just happened to be on that day, but I just
5 wanted to let the Commission know that we had a
6 power outage that day. People were out wandering
7 on the streets wondering what was going on. They
8 were out checking neighbors, "Is your power out?"
9 "Yeah. Mine's out."

10 So anyway, I was fortunate. I remember
11 it happened at 9 a.m. in the morning and I remember
12 I jumped right on the phone because, you know, we
13 were going to have Thanksgiving dinner that day and
14 for some reason, I did get right in and I
15 appreciate that. I got in and talked to a real
16 person and I told them the situation and she said,
17 "Well, okay, sir. Now, if this is an inside
18 problem, it's going to cost you \$35 and if it's
19 outside, then we will take care of it."

20 I said, "You're going to need \$35 to
21 come out here?" "Sir, if it's inside or it's
22 something we can't see from the outside, like I
23 say, it's going to cost you \$35," and I just really
24 didn't, I had never heard that before and I
25 questioned it. The lady made these statements, but

1 I just thought I would bring that up to you, and
2 then tonight, I'll repeat myself again, the
3 gentleman from KCP&L is the - I got that notice of
4 the meeting tonight and so, I mean the news is not
5 always accurate, what I heard last night.

6 Well, first of all, I understood the
7 meeting was here tonight at 6:00. Well, I'm almost
8 positive that the news said 6:30 and so I was kind
9 of confused and I wanted to make sure I was on time
10 and on down further, it said the question and
11 answer session was at 5:30. So anyway, I said,
12 "I'm going to call KCP&L and confirm this."

13 Well, I called them and the customer
14 service lady, she was polite and everything, but
15 she did not know of any meetings or times or
16 anything and she said, "No, sir. I don't have
17 anything," and I did talk to, to be fair to you
18 all, I did talk to the people here to kind of
19 straighten that up, but things happen like that.

20 It's customer service and they're the
21 front line and I think they should be well informed
22 to answer a question like that and she said, "Well,
23 I'll have to transfer you to somebody else." I
24 said, "Well, I just want to know the times," but
25 afterwards, that's when she said she didn't have

1 any answer. I just wanted to pass that along to
2 you and hopefully, you won't frustrate a lot of
3 other people, so I just wanted to pass that along.

4 JUDGE DIPPELL: Thank you very much. Mr.
5 Chairman?

6 MR. CLAYTON: Thank you, Mr. Meyer. That
7 concerns me about the customer service people not
8 being aware of--

9 MR. MEYER: Yes.

10 MR. CLAYTON: --of the local public
11 hearings. I mean, this is a very important part of
12 the process.

13 MR. MEYER: Yes.

14 MR. CLAYTON: What do you think if we
15 directed the staff to just start making calls in
16 and asking customer service, kind of doing some
17 spot checks, to make sure that that staff is aware
18 of all the local public hearings, whether they're
19 in Sedalia or Marshall or Carrollton? Do you think
20 that would be a good idea?

21 MR. MEYER: I think that would be very
22 good.

23 MR. CLAYTON: I think that's a pretty
24 good idea too. Maybe we ought to do that.

25 MR. MEYER: Because when I saw the notice

1 - the main thing, because I'm an angry consumer.
2 Things are being wasted and it's just getting out
3 of hand and it's going forward and it's not
4 stopping.

5 MR. CLAYTON: I have a suspicion that
6 those customer service people are going to be
7 pretty knowledgeable of the schedule in the next
8 couple weeks.

9 MR. MEYER: Well, KCP&L, they were - the
10 lady here, I don't remember her name, she was very
11 good, she said she was going to say something about
12 it.

13 MR. CLAYTON: You bet.

14 MR. MEYER: I just want to bring it to
15 your attention.

16 MR. CLAYTON: No. This is all very
17 helpful. Thanks for coming.

18 MR. MEYER: Alright. Thank you.

19 JUDGE DIPPELL: Thank you. Is there
20 anyone else who wishes to testify?

21 MR. VAN VLECK: Do I spell my name? It's
22 Alan, A L A N, last name is Van Vleck, V as in
23 Victor, A N, I spell it with a space, with a
24 capital V as in Victor, L E C K.

25 JUDGE DIPPELL: Would you raise your

1 right hand?

2 ALAN VAN VLECK, being sworn-in by Judge
3 Dippell, testified as follows,

4 JUDGE DIPPELL: Thank you.

5 MR. VAN VLECK: I wasn't going to make
6 much of a comment.

7 COURT REPORTER: Would you please get
8 towards the microphone? I'm kind of struggling.

9 JUDGE DIPPELL: Just raise it up and
10 sort of lean into the microphone, would you please,
11 sir? Thank you.

12 MR. VAN VLECK: It seems like meetings
13 like this, getting to know the consumer, are sort
14 of like (inaudible). All of the sudden, you get a
15 little thing in the mail that says that the rates
16 are going to double or they're going up 15 percent,
17 20 percent or 50 percent or whatever that would be,
18 and I never understand why it would be necessary
19 and there's not much you can do to respond to it or
20 if you have a response, you can but, and I think
21 part of the problem here is we're really not
22 communicating (inaudible).

23 There's a story behind this because
24 (inaudible), but the consumer is the last person
25 that's got in the picture. I suggest what we have

1 a business plan that includes the consumer. We ask
2 for that to make investments for the future.
3 They're going to cost money. It's going to be
4 passed to the consumer. How much are they going to
5 cost the consumer? Give them an idea ahead of time
6 of what's needed in terms of rate increases.

7 Let's say we have a ten year plan. A
8 lot of businesses have a ten year plan. They can't
9 manage their businesses without it. They
10 (inaudible). I think the consumer here is part of
11 this program. I think as soon as we take them into
12 consideration, we'll have less confusion in
13 meetings like this. We will have a general
14 consensus ahead of time if we have a program in
15 place that has evolved through (inaudible).

16 I feel like (inaudible), all of the
17 sudden we get something in the mail that says here
18 14 percent, give it to me or get your electricity
19 somewhere else. I think that's a poor way of
20 running a business. That's all I've got.

21 JUDGE DIPPELL: Thank you. Mr. Chairman?

22 MR. CLAYTON: Thanks for sticking around
23 tonight. I have no questions.

24 JUDGE DIPPELL: Is there anyone else who
25 wishes to testify? Alright. Mr. Chairman, did you

1 want to make any closing remarks?

2 MR. CLAYTON: I'm impressed with the
3 number of people that are sticking around here
4 tonight. Thank you all very much for coming and I
5 don't have anything else.

6 JUDGE DIPPELL: Thank you.

7 UNKNOWN MALE: Will the minutes be on the
8 website or somewhere that--

9 JUDGE DIPPELL: There will be a
10 transcript of this hearing and I'm not exactly
11 sure, our normal transcript time is ten business
12 days. After that, it will be on our website as
13 part of the case papers.

14 We have what's called EFIS, is the
15 Electronic Filing and Information System and the
16 case number, which is probably on the papers that
17 you got, you can go to any one of those case
18 numbers in EFIS and you can get on there.

19 You have to give your name or something,
20 but you don't have to do anything else to sign up
21 and you can enter the case number in there and find
22 that transcript and you will be able to see the
23 whole thing online.

24 Alright then. Thank you all very much.
25 We appreciate your comments. We appreciate your

1 information. This hearing is off the record.

2 (WHEREIN, the Hearing is concluded at

3 8:35 p.m.)

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1 CERTIFICATE OF REPORTER

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3 STATE OF MISSOURI) ss:

4 COUNTY OF CLAY)

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

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the State of Missouri

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25 My Commission Expires: 9/29/11

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