

ROBERTS & ASSOCIATES BY KIMBERLY G. ROBERTS, CM

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STATE OF MISSOURI

PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

Public Hearing

November 29, 2005

Raytown, Missouri

In the Matter of an Examination)
of Class Cost of Service and Rate)
Design in the Missouri Jurisdictional)Case No.
Electric Service Operations of)EO-2002-384
Aquila, Inc., formerly known as)
UtiliCorp United, Inc.)

In the Matter of the Tariff Filing of)
Aquila, Inc., to Implement a General)Case No.
Rate Increase for Retail Electric)ER-2005-0436
Service Provided to Customers in its)
MPS and L&P Missouri Service areas)

In the Matter of the Tariff Filing of)
Aquila, Inc., to Implement a General)Case No.
Rate Increase for Retail Steam Heat)HR-2005-0450
Service Provided to Customers in its)
L&P Missouri Service Area)

KEVIN A. THOMPSON, Presiding

DEPUTY CHIEF REGULATORY LAW JUDGE

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JEFF DAVIS, Chairman
CONNIE MURRAY,
STEVE GAW,
COMMISSIONERS

REPORTED BY: KIMBERLY G. ROBERTS, CSR No. 354

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APPEARANCES:

For Aquila: MR. PAUL A. BOUDREAU
Brydon, Swearngen & England
312 East Capitol Avenue
Jefferson City, Missouri 65102

For AARP: MR. JOHN B. COFFMAN
Attorney at Law
1623 University Avenue
Columbia, Missouri 65201

For the Office Of Public Counsel: MR. LEWIS R. MILLS, JR.
Office of the Public Counsel
200 Madison Street
Jefferson City, Missouri 65102

For the Staff of the PSC: MS. LERA SHEMWELL
Missouri Public Service Commission
PO Box 360
Jefferson City, Missouri 65101

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P R O C E E D I N G S

(Proceedings commenced at 6:15 p.m.)

JUDGE THOMPSON: Good evening,
ladies and gentlemen. My name is Kevin Thompson.
I'm a regulatory law judge for the Missouri Public
Service Commission, and I will preside over
tonight's hearing. With me tonight are Chairman
Davis of the Commission, Commissioner Murray and
Commissioner Gaw.

This is an official hearing of the
Missouri Public Service Commission. Its purpose
is to take the testimony of interested ratepayers
with respect to three pending cases. The Missouri
Public Service Commission has set this time for a
local hearing in case number ER-2005-0436 in which
Aquila, Inc., which does business as Aquila
Networks-MPS and as Aquila Networks-L&P seeks a
general electric service rate increase of 69.2
million dollars in gross annual electric revenues
excluding taxes in its MPS service area, a 20.3
percent increase over existing revenues and 9.4
million dollars in additional gross annual
electric service revenues in its L&P service area

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1 exclusive of taxes, a 9.6 percent increase.

2 This local hearing also concerns case
3 number HR-2005-0450 in which Aquila, Inc., seeks a
4 general rate increase for steam heat services
5 provided in its L&P service area of five million
6 dollars in gross annual steam heat revenues
7 excluding taxes, a 44.3 increase.

8 This local hearing also concerns case
9 number EO-2002-384 in which the Commission will
10 consider the proportional responsibility of each
11 of Aquila's customer classes for the costs
12 incurred in providing retail electric service in
13 its MPS and L&P service areas. A change in the
14 proportional responsibility of a customer class
15 for the operational costs of a utility can result
16 in either a rate increase or a rate decrease.

17 The studies presently before the
18 Commission propose changes for the residential
19 customer class ranging from a decrease of
20 two-tenths of a percent to an increase of 9.27
21 percent in the MPS service area and ranging from
22 an increase of seven-tenths of a percent to an
23 increase of 13.56 percent in the L&P service area.

24 The Missouri Public Service Commission
25 regulates the rates charged by investor owned

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1 utility companies in Missouri to ensure that those
2 rates are just and reasonable. A just and
3 reasonable rate is one that cover the company's
4 prudent operating expenses and allows a fair
5 return on the value of the assets committed to the
6 public service.

7 A rate case typically has two parts. In
8 the first part the total amount of annual revenue
9 required to cover the company's prudent operating
10 expenses and to pay a fair return on the value of
11 its assets is determined.

12 In the second part the Commission will
13 determine how best to collect the required amount
14 of revenue from the company's customers through
15 rates.

16 In setting rates the Commission is
17 required to consider all relevant factors one of
18 which is the proportional responsibility of each
19 customer class for the company's total operating
20 costs. The Commission also regulates the quality
21 of service and the safety of the operations of
22 investor owned utilities.

23 The Commission is made up of five
24 commissioners three of whom are here today. The
25 commissioners are appointed by the governor to

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1 fixed terms and confirmed by the Missouri Senate.

2 The commissioners employ a staff of
3 engineers, accountants, attorneys, financial
4 analysts and other specialists in the field of
5 utility regulation to assist them in their complex
6 and highly technical duties.

7 As I stated earlier, this is an official
8 hearing of the Commission. The purpose of the
9 hearing tonight is to hear from you on the subject
10 of the proposed rate increases.

11 The company will not be presenting
12 witnesses tonight and will not be answering
13 questions so far as I know. Tonight it is your
14 opportunity to testify, and your remarks will be
15 made a part of the official record of this case.
16 All of the commissioners will read your testimony
17 even those who are not present.

18 The statements and testimony of all
19 witnesses will be recorded by the court reporter
20 and must be given under oath or affirmation.
21 After giving your sworn statement you may be asked
22 questions by the commissioners, by me or by
23 counsel. Please do not leave the podium until I
24 excuse you.

25 In addition to this hearing tonight a

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1 hearing was previously held in Saint Joseph on
2 November 17th. Additionally a trial type
3 evidentiary hearing will be held in cases
4 ER-2005-0436 and HR-2005-0450 beginning on
5 January 9, 2006, starting at nine o'clock in the
6 morning in the commissioners' offices at the
7 Governor Office Building in Jefferson City,
8 Missouri. That hearing is open to the public.
9 The company will have the burden at that hearing
10 of showing that the proposed rate increase is
11 necessary. The various parties will present their
12 witnesses for and against the increases at that
13 time.

14 I will call the name of each witness who
15 has signed up to speak. I will call you in the
16 order in which you signed up. When your name is
17 called, please come to the podium. I will place
18 you under oath or affirmation. I will ask some
19 preliminary questions and you can then make your
20 statement.

21 As I stated before, you may then be
22 questioned by one of the commissioners, myself or
23 by counsel. Please do not leave the podium until
24 you are excused. We will end when everyone who
25 desires to speak has had an opportunity to speak.

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1 In order to get as many of you on record
2 as possible, we ask that you be brief. If a
3 previous speaker has already made the points that
4 you wish to make, you may simply state your name
5 and that you agree with that particular previous
6 speaker.

7 There may be someone who wishes to
8 testify but because of religious convictions does
9 not wish to take an oath. If so please indicate
10 that when you are asked to be sworn so you may be
11 affirmed instead.

12 Does anyone have any questions about the
13 procedure we will follow? Hearing none we will
14 begin the public hearing at this time. Counsel,
15 please make oral statements, oral entries of
16 appearance at this time. I will begin with the
17 company.

18 MR. BOUDREAU: Please let the
19 record reflect the appearance of Paul A. Boudreau,
20 and also with me is James Swearngen of 312 East
21 Capitol Avenue, Jefferson City, Missouri,
22 appearing on behalf of Aquila, Inc.

23 JUDGE THOMPSON: Thank you.
24 Staff.

25 MS. SHEMWELL: Thank you and

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1 good evening, Lera Shemwell representing the staff
2 of the Missouri Public Service Commission, Post
3 Office Box 360, Jefferson City, Missouri 65101.

4 JUDGE THOMPSON: Thank you.
5 Public counsel.

6 MR. MILLS: Lewis Mills
7 appearing on behalf of the public counsel and the
8 public. My address is Post Office Box 2230,
9 Jefferson City, Missouri 65102.

10 JUDGE THOMPSON: AARP.

11 MR. COFFMAN: John B. Coffman,
12 1623 University Avenue, Columbia, Missouri 65201
13 appearing on behalf of the AARP.

14 JUDGE THOMPSON: Thank you, Mr.
15 Coffman. Is anyone here from AG Processing, Inc.?

16 (No response.)

17 JUDGE THOMPSON: Is anyone here
18 for Calpine Central LP?

19 (No response.)

20 JUDGE THOMPSON: Is anyone here
21 for the City of Kansas City?

22 (No response.)

23 JUDGE THOMPSON: Is anyone here
24 for the City of Saint Joseph?

25 (No response.)

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1 JUDGE THOMPSON: Is anyone here
2 for Empire District Electric Company?

3 (No response.)

4 JUDGE THOMPSON: Is there anyone
5 here for the Federal Executive Agencies?

6 (No response.)

7 JUDGE THOMPSON: Is anyone here
8 for the Missouri Department of Natural Resources?

9 (No response.)

10 JUDGE THOMPSON: And finally is
11 anyone here for the Sedalia Industrial Energy
12 Users Association?

13 (No response.)

14 JUDGE THOMPSON: Very well,
15 hearing none let the record show that various
16 parties are not present and were called.

17 At this time I would call the first
18 witness, Sidney McCarther. I apologize if I'm not
19 reading your name correctly. Step to the podium,
20 sir. Go ahead and state your name.

21 MR. McCARTHER: Sidney
22 McCarther.

23 JUDGE THOMPSON: Could you spell
24 your last name for the court reporter, sir.

25 MR. McCARTHER: M-C capital

1 C-A-R-T-H-E-R.

2 JUDGE THOMPSON: Thank you.

3

4 SIDNEY McCARTHER

5 called as a witness herein, being first duly sworn

6 by the Judge, testified on his oath as follows:

7

8 JUDGE THOMPSON: Sir, are you

9 presently a customer of Aquila, Inc.?

10 MR. McCARTHER: Yes.

11 JUDGE THOMPSON: Please go ahead

12 and make your statement.

13 MR. McCARTHER: Well, good

14 evening to the Commission, the Public Service

15 Commission. As I said before I'm Sidney McCarther

16 and I'm a ratepayer in the Aquila area, and I'm

17 here to express my concern for the increase in

18 electric rates by approximately 20 percent.

19 As a retiree and the head of my

20 household, the proposed rate increase would amount

21 to about \$11.48 per month on average for a 1,000

22 kilowatt hour bill; however, another \$11.48 or

23 more if I use more electricity which I do is too

24 hard of a hit on Kansas City area households and

25 seniors.

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1 Aquila has a history of making poor
2 business decisions including investments in Enron
3 type energy trading businesses. The cost of
4 unregulated investments gone bad should not be the
5 responsibility of electricity customers. Aquila
6 has not justified such a large rate increase.
7 The company is asking consumers to pay for
8 expenses that should not be included in rates.

9 The South Harper plant debacle is another
10 example of Aquila's mismanagement. The plant was
11 built in a residential area without requesting a
12 zoning change. The financing for the power plant
13 was also approved prior to getting PSC approval.

14 Aquila has sold off most of these bad
15 mistakes; however, the repercussions of these
16 series of mistakes could be felt by consumers if
17 the Public Service Commission is not careful. The
18 challenge is to make sure that consumers pay no
19 more than they would if Aquila had acted as a
20 prudent electric utility, for example, their
21 expenses like the oversized building they now work
22 in and the computer system they use which was
23 built for unregulated businesses. Our electric
24 bills should not include any costs of these
25 expenses.

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1 As if all of that is not enough, the
2 proposed rate increase could be higher based on
3 proposals by large industrial customers to shift
4 electricity costs that they pay on to us ordinary
5 customers. Residential customers should not be
6 subsidizing industrial customers.

7 Consumers are hurting. They're hurting,
8 too. The Public Service Commission must take a
9 careful look at Aquila's request and then look
10 again to make absolutely sure that we consumers
11 are not paying for Aquila's mismanagement and
12 investment mistakes. Consumer should only pay for
13 expenses that are justified and relate to
14 providing us service. The large industrial
15 customers should not be allowed to push more costs
16 over on us. So we highly and my neighbors highly
17 encourage you please don't let this ridiculous
18 rate increase be implemented.

19 Thank you for giving me the opportunity
20 to express my opinion and I'll answer any
21 questions you might have, and I also have copies
22 here for the commissioners.

23 JUDGE THOMPSON: Is that a copy
24 of your statement?

25 McCARTHER: Yes.

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1 JUDGE THOMPSON: Okay. Hand it
2 to the court reporter if you would. We will go
3 ahead and mark that as Exhibit 1 if that's okay.
4 Do I have any objections, Mr. Mills?

5 MR. MILLS: I have no objection.
6 Thank you.

7 JUDGE THOMPSON: Thank you. Mr.
8 Coffman.

9 MR. COFFMAN: No.

10 JUDGE THOMPSON: Ms. Shemwell.

11 MS. SHEMWELL: No.

12 (Exhibit Number 1 was marked for
13 identification and received into
14 evidence.)

15 JUDGE THOMPSON: Questions from
16 the bench for Mr. McCarther, Chairman Davis.

17 CHAIRMAN DAVIS: Mr. McCarther,
18 it's good to see you again. Thank you for coming.
19 Since Mr. Mills won't ask this question I will go
20 ahead and ask it. Your prepared statement is that
21 your work?

22 MR. McCARTHER: It's my work
23 with some help of my friends.

24 CHAIRMAN DAVIS: Could you
25 elaborate for us who your friends are just so we

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1 know?

2 MR. McCARTHER: My friends are
3 every member of AARP and the organization of AARP.

4 CHAIRMAN DAVIS: Okay. Thank
5 you, Mr. McCarther.

6 MR. McCARTHER: Did I answer
7 your question?

8 CHAIRMAN DAVIS: Yes, you did
9 and thank you and thank you for your interest and
10 thank you for showing up and testifying and I will
11 read your testimony. Certainly some of your
12 comments did pique my interest. Thank you.

13 JUDGE THOMPSON: Thank you, Mr.
14 Chairman. Commissioner Murray.

15 COMMISSIONER MURRAY: No
16 questions. Thank you.

17 JUDGE THOMPSON: Commissioner
18 Gaw.

19 COMMISSIONER GAW: I don't
20 believe so but thank you very much for coming. I
21 appreciate it.

22 JUDGE THOMPSON: Is there
23 questions from counsel for the company?

24 MR. BOUDREAU: No.

25 JUDGE THOMPSON: Staff.

1 MS. SHEMWELL: No.

2 JUDGE THOMPSON: Public Counsel.

3 MR. MILLS: No questions.

4 JUDGE THOMPSON: Counsel for the

5 AARP.

6 MR. COFFMAN: No questions.

7 JUDGE THOMPSON: Very well. You

8 are excused. Thank you very much for your

9 testimony, sir. Alitha McDaniel. Good evening,

10 ma'am.

11 MS. McDANIEL: Good evening.

12 JUDGE THOMPSON: State your name

13 please.

14 MS. McDANIEL: Alitha McDaniel.

15 JUDGE THOMPSON: Would you spell

16 your last name for the court reporter, please.

17 MS. McDANIEL: M-C-D-A-N-I-E-L.

18

19 ALITHA MCDANIEL

20 called as a witness herein, being first duly sworn

21 by the Judge, testified on her oath as follows:

22

23 JUDGE THOMPSON: Ma'am, are you

24 presently a customer of Aquila, Inc.?

25 MS. McDANIEL: Yes, I am.

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1 JUDGE THOMPSON: Go ahead and
2 make your statement.

3 MS. McDANIEL: All right, thank
4 you. I would like to say first of all that pay
5 rates among the general public do not seem to be
6 escalating at the rate of 20 percent per year. I
7 know my husband recently took about a four percent
8 pay raise. He's self-employed and it is the
9 biggest pay raise he's ever given himself, and he
10 still makes only a little more than \$50,000 a
11 year.

12 Many companies are currently laying off
13 employees in large numbers. Every now and then we
14 hear of another company laying off a large group
15 of people. I do believe that if all costs
16 continue to rise at the rate that gasoline prices
17 are, that Aquila is wanting to raise their rates
18 and the way things seem to be going, I believe we
19 are going to have a depression in our country. I
20 think there is no way that cannot happen because
21 we will simply reach a point where the public
22 cannot keep up anymore.

23 I happen to be a relative of an Aquila
24 employee. I won't say who that is. I happen to
25 know that that relative is paid quite well and is

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1 just an average employee, and so I don't think any
2 of their employees are hurting.

3 In fact, I'm certain with what I have
4 been accustomed to living on that if I had been
5 making that kind of money I could save up enough
6 money to take care of myself after retirement, and
7 I'm pretty certain, this is only speculation on my
8 part, but if the CEO is making one million dollars
9 a year, I feel pretty certain that they have a lot
10 of other employees in the top echelon of their
11 company who are also making very, very nice
12 salaries that anyone in this room just about would
13 be happy to have.

14 I think it would be in the best interests
15 of the public that Aquila not be given any rate
16 increase at this time. Thank you very much.

17 JUDGE THOMPSON: Thank you,
18 ma'am. Questions from the bench, Chairman Davis.

19 CHAIRMAN DAVIS: So, ma'am, you
20 say no increase at this time period?

21 MS. McDANIEL: At this time,
22 yes, I would.

23 CHAIRMAN DAVIS: And would you
24 say -- are you aware did they get an increase last
25 year?

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1 MS. McDANIEL: I'm not aware.

2 CHAIRMAN DAVIS: Are you aware
3 of when they got their last increase?

4 MS. McDANIEL: No, sir, I'm not.

5 CHAIRMAN DAVIS: How long do you
6 think they should go before they should get an
7 increase?

8 MS. McDANIEL: You know, that
9 should be an answer that I figured out with some
10 calculations which I haven't. At this point if
11 you asked me right off the top of my head I should
12 say two years at this point, but that's only a
13 guess on my part. I know they're making a lot
14 more money than most of us are making.

15 CHAIRMAN DAVIS: Okay. Thank
16 you, ma'am.

17 MS. McDANIEL: You're welcome.

18 JUDGE THOMPSON: Thank you, Mr.
19 Chairman. Commissioner Murray.

20 COMMISSIONER MURRAY: No
21 questions. Thank you.

22 JUDGE THOMPSON: Thank you.
23 Commissioner Gaw.

24 COMMISSIONER GAW: Ms. McDaniel,
25 thank you very much for your time coming down here

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1 and talking to us. I appreciate it.

2 JUDGE THOMPSON: Questions from
3 counsel for the company?

4 MR. BOUDREAU: I have no
5 questions for this witness. Thank you.

6 JUDGE THOMPSON: Staff.

7 MS. SHEMWELL: No questions.

8 Thank you.

9 JUDGE THOMPSON: Public counsel.

10 MR. MILLS: No questions.

11 JUDGE THOMPSON: AARP.

12 MR. COFFMAN: No questions.

13 Thank you.

14 JUDGE THOMPSON: You are
15 excused, ma'am. Thank you for your testimony.

16 Larry McDaniel.

17 MR. MCDANIEL: I think in the
18 interest of time my wife probably expressed my
19 feelings as well as our relatives and friends who
20 live in the area that Aquila provides services
21 for, and I don't think that I could say much more
22 than what she has already said, and also the first
23 gentleman I agree with what he had to say.

24 JUDGE THOMPSON: Thank you, sir.

25 Della January. Good evening, ma'am. State your

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1 name, please.

2 MS. JANUARY: Della January.

3 JUDGE THOMPSON: Would you spell
4 your last name for the court reporter.

5 MS. JANUARY: J-A-N-U-A-R-Y.

6

7 DELLA JANUARY

8 called as a witness herein, being first duly sworn
9 by the Judge, testified on her oath as follows:

10

11 JUDGE THOMPSON: Are you
12 currently a customer of Aquila, ma'am?

13 MS. JANUARY: No.

14 JUDGE THOMPSON: You are not.
15 What is your interest in this proceeding?

16 MS. JANUARY: I live near the
17 South Harper plant.

18 JUDGE THOMPSON: Very well. You
19 may testify. Go ahead and give your statement.

20 MR. BOUDREAU: Just as a point
21 of order, Mr. Thompson, I'm not going to lodge an
22 objection to Ms. January's testimony, but I may
23 want to reserve the opportunity to file some
24 rebuttal testimony depending on the nature of the
25 testimony if I could do that just in the matter of

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1 fairness.

2 JUDGE THOMPSON: You are
3 absolutely able to file anything you want.

4 MR. BOUDREAU: Thank you, sir.

5 JUDGE THOMPSON: Go ahead,
6 ma'am.

7 MS. JANUARY: Thank you. I'd
8 like to mention at this time that we had a public
9 hearing as the commissioners, of course, are aware
10 in Harrisonville this spring regarding the South
11 Harper plant. It was well attended. A lot of
12 people spoke. We ran late.

13 And, Chairman Davis, your response to our
14 testimony in that case was that that wasn't the
15 proper venue and that this was the proper venue to
16 address it in the rate case. I don't know if you
17 recall. I have a copy of your opinion here in
18 which you said that the next rate case will be the
19 proper venue for parties to raise issues included
20 but not limited to whether construction of the
21 plant was prudent and whether the company should
22 be penalized for poor management.

23 So obviously we can't recreate what we
24 said in May, but I'd like for the commissioners to
25 review that testimony from that evening as a part

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1 of this case as well since it was even your
2 opinion that it's really pertinent to this case.
3 Is it possible to have that testimony moved in to
4 this case?

5 JUDGE THOMPSON: Does anyone
6 know what the number of that case was?

7 MR. BOUDREAU: It was
8 EA-2005-0248 I believe.

9 JUDGE THOMPSON: 0248?

10 MR. BOUDREAU: I believe that's
11 right.

12 MS. JANUARY: And you can have
13 this order if you want. It says it right here on
14 the front. Do you want this?

15 JUDGE THOMPSON: Could I see it?

16 MS. JANUARY: Sure. I have
17 underlined the parts that I just read.

18 JUDGE THOMPSON: And this is a
19 commission order?

20 CHAIRMAN DAVIS: It's actually a
21 copy of my concurrence, Judge.

22 JUDGE THOMPSON: We won't need
23 it then because we have already got that, but we
24 will put it in the record of this case. Does
25 anyone have any objections?

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1 MR. BOUDREAU: I think I do have
2 an objection to making the testimony that was
3 taken down in another case made a part of the
4 record in this case. I think that's irregular and
5 I think it's inappropriate and I would object to
6 that being done.

7 JUDGE THOMPSON: All right. Mr.
8 Mills.

9 MR. MILLS: If I may irregular
10 and inappropriate neither of them are legal
11 standards. It seems to me that the testimony is
12 relevant and that's the standard the Commission
13 ought to be looking at. So I think the Commission
14 should take notice of the testimony given in that
15 case.

16 MR. BOUDREAU: If I may respond,
17 the question in that case was whether or not the
18 certificate -- whether or not the company was
19 going to be given another certificate to operate
20 the South Harper plant or whether it could have a
21 clarifying order, and I might also point out that
22 the Commission did grant the clarification of the
23 certificates in that prior case. So it's a
24 different case all together, a different legal
25 standard all together and I would argue that it's

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1 not relevant to this case at least not to the
2 extent of making that testimony part of the record
3 in this case.

4 JUDGE THOMPSON: Okay. Does
5 someone else want to jump in this, Mr. Coffman?

6 MR. COFFMAN: I would like to
7 support the request to take administrative notice
8 or to include the testimony from EA-2005-0248
9 since this is the case where Aquila is asking that
10 that power plant be put into the rate base of this
11 in their rates. I can't imagine why a case
12 involving solely the South Harper power plant
13 would be irrelevant.

14 JUDGE THOMPSON: Well, Mr.
15 Boudreau, the impression that I have is that that
16 testimony had to do with prudence and with
17 allegations of poor management; is that correct?

18 MR. BOUDREAU: The testimony may
19 have touched on some of those topics, but the
20 issue in the case wasn't prudence or bad
21 management.

22 JUDGE THOMPSON: I understand
23 the issue was not that. In fact, that's probably
24 why the chairman pointed out to this witness that
25 it wasn't the right place to give that testimony,

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1 but this is a rate case and prudence and
2 management are, in fact, absolutely central issues
3 in this case; isn't that correct?

4 MR. BOUDREAU: Yes, but none of
5 those witnesses who spoke are here to be
6 questioned about the issues that they brought up.
7 I mean, in fact, in that case I might point out I
8 was not given the opportunity to ask any of the
9 witnesses any questions about their testimony. I
10 was specifically precluded from doing so. So as a
11 matter of due process I think it's inappropriate.

12 JUDGE THOMPSON: Mr. Mills.

13 MR. MILLS: Well, it really
14 isn't a due process question. It's a question of
15 Commission process that the Commission under the
16 Administrative Procedure Act can take official
17 notice of its own records. The record in that
18 case is an official record of the Commission, and
19 under Chapter 536 the Commission can take official
20 notice of it, and as the witness has suggested I
21 think it's entirely appropriate.

22 MR. COFFMAN: I would concur in
23 that and point out that Mr. Boudreau -- I thought
24 Mr. Boudreau had some opportunity to ask questions
25 and in some cases he was denied. I forget the

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1 precise reason, but he has also been I understand
2 given permission by the bench here to respond in
3 some form in a filing and I suppose would have the
4 opportunity to do so.

5 MR. BOUDREAU: I was not given
6 the opportunity to cross-examine -- or to ask
7 questions. I don't cross-examine public
8 witnesses, but I was specifically precluded from
9 doing so; however, if the Commission wants to take
10 administrative notice of the testimony that was at
11 that public hearing, I think it should take
12 administrative notice of all of the testimony from
13 all of the witnesses in all of those proceedings.

14 JUDGE THOMPSON: How many
15 hearings were there?

16 MR. BOUDREAU: Well, there was
17 the public hearing. There was the evidentiary
18 hearing. There was the prepared testimony that
19 was filed. There was quite a bit in that record.

20 JUDGE THOMPSON: Well, I have no
21 problem with taking notice of everything in that
22 record. So we will overrule your objection and we
23 will take administrative notice of the contents of
24 the record in case EA-2005-0248 including the
25 testimony offered at a local public hearing in

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1 Harrisonville, Missouri.

2 MS. JANUARY: Thank you. During
3 that hearing many of us that live near the plant
4 had a lot of complaints about the way we have been
5 treated by Aquila, that they patrolled our
6 neighborhoods, they harassed us. They were just
7 ugly to the people that live there.

8 And since that hearing a lot has changed,
9 and they have started a community outreach project
10 and program, and in doing so they have done all
11 kinds of -- made some improvements at the plant,
12 but what I'd like to focus more on goes to the
13 improvements that they're making in the
14 neighborhood and how much of the cost of that gets
15 put into this rate case or the cost for South
16 Harper.

17 We all know as was brought up earlier
18 that the decision to build South Harper was
19 questionable. The way that they have gone about
20 the construction and the financing of the plant
21 has led to all kinds of litigation and additional
22 costs.

23 I will tell you that Aquila paid stop
24 Aquila's legal fees in that. They're paying the
25 city's legal fees in that. They're paying their

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1 own legal fees.

2 Some of the things they've done is they
3 have paved roads. They've planted trees, 524
4 trees on eight properties. That doesn't just
5 include trees. That's shrubs, that's gardens with
6 irrigation systems, driveways, paved walkways, and
7 now they're purchasing houses, and they're not
8 purchasing these houses cheap.

9 These are houses that went for \$300,000
10 that were brand new before they built the power
11 plant. They were unsalable before Aquila bought
12 them, and we checked at the county to see what
13 they paid for them and it says they paid ten
14 dollars a property. Of course, that's not true.
15 That's what the deeds say. I've got copies of two
16 deeds that have already been recorded and they say
17 ten dollars. Of course, most of these people have
18 to sign confidentiality agreements. I don't know
19 what they paid for the properties.

20 They're buying properties. Everything
21 that borders the plant they're pretty much
22 approaching people and trying to buy their homes,
23 and a lot of these people, you know, their homes
24 are well above \$300,000, anywhere from three to
25 \$500,000. I don't know what they're going to do

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1 with it, but they're buying the neighborhood to
2 buy out the opposition and not only is it the cost
3 of the plant and all the turbines and all of the
4 things that Calpine has brought up, and I'm
5 confused by their testimony how much money they
6 could have saved by using the Aries plant. Also
7 they just continue to add costs and costs and
8 costs on top of this.

9 I don't know if they intend to continue
10 to pay our legal costs, but they paid \$50,000 of
11 ours and they're continuing to pay the City of
12 Peculiar's legal costs and buying everything that
13 they can get their hands on. So all of this that
14 goes to poor management needs to be -- no part of
15 the South Harper plant should be allowed in this
16 rate case.

17 I know that what was it, last week the
18 appeals court turned down the case again so that
19 it goes to the Supreme Court now. We expect that
20 they will probably confirm their opinion on the
21 zoning and that will, too, go to the Supreme
22 Court.

23 All of this is very costly and how can
24 they pass off the cost of that when it's found by
25 courts of law to be bad business decisions to pass

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1 that off to the ratepayers.

2 I don't pay their rates, thank God, but
3 I'm still affected still this way and they
4 shouldn't be allowed to pass all of that off.

5 The Calpine testimony, I've got it
6 written out, is great where they say for those of
7 you that don't know they didn't need the South
8 Harper plant. There's another plant that was just
9 built in 2001 that Aquila abandoned their interest
10 in and could have purchased the power there for at
11 least six million dollars cheaper, and by some of
12 these graphs that Calpine has put in a lot cheaper
13 than building that plant, and you're paying for
14 all of that.

15 They've also acknowledged to us recently
16 that they don't run their Greenwood facility that
17 they currently run so that they can run the South
18 Harper plant. Their plant manager told us that at
19 one of their neighborhood meetings. So they have
20 lots of alternatives other than to build this
21 plant and cost all this extra money.

22 With all the legislation going on how can
23 you approve to pay for this or anything that's
24 going on when you've got two verdicts from the
25 appellate courts striking down the construction

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1 and the financing of the plant.

2 And then lastly before you guys came in
3 we had the opportunity to ask Mr. Green some
4 questions and they included his salary, and he
5 told us that he only makes a million dollars a
6 year and he's held himself to that salary for the
7 past few years without an increase.

8 He was also asked if they've paid a
9 dividend over the past few years which they have
10 not, and I think I'm correct that during those
11 years where you didn't pay a dividend prior to
12 2005 in the three years you lost 2.6 billion
13 dollars and your stock price dropped from about
14 \$35 a share to \$3.50, and CEO's typically that
15 aren't protected by regulation don't maintain
16 million-dollar salaries, not just cap them and not
17 get increases, they don't maintain their jobs and
18 they certainly don't maintain their salaries when
19 they're losing that kind of money. So if you were
20 to give them any kind of a rate case at all --

21 Oh, he also brought up the cost of
22 employee health care and retirement, and, of
23 course, there's the issue that you haven't funded
24 your employee retirement plan.

25 There's so many things wrong with this

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1 company in just what I have seen in the past year
2 that really as far as the issue of whether or not
3 they were or were not forthcoming and whether or
4 not they executed the bonds, whether or not they
5 paid their retirement fund all of those issues all
6 of the testimony comes from them why they need it.

7 I really would encourage you if you are
8 going to give them anything at all to not include
9 South Harper and to really go through everything
10 that they're saying and providing to you with a
11 fine-tooth comb because obviously all of these
12 cases are confusing, and it's even hard for me
13 sometimes to listen to you and not send off an
14 E-mail or something like that saying wait, this is
15 something totally different than what they said
16 this date.

17 So I would encourage you to really review
18 it carefully and to not give it at all, but if you
19 do give it there's no way South Harper should be
20 included. That's all I have to say.

21 JUDGE THOMPSON: Thank you,
22 ma'am. Questions from the bench, Chairman Davis.

23 CHAIRMAN DAVIS: Ms. January,
24 thank you for coming tonight. It's a pleasure
25 to -- I think you were there at the first public

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1 hearing and I've received several communications
2 from you, but it's nice to be able to put a face
3 with a name, and I do appreciate your E-mails that
4 you send to me because I get the cases from you
5 more promptly than I do from some of my own
6 attorneys who work for me. So I do appreciate
7 your communications keeping me informed because I
8 don't know how long I'd have to wait otherwise.

9 When you asked Mr. Green about his
10 salary, did you ask him what his total
11 compensation was?

12 MS. JANUARY: Actually that
13 wasn't my question but I was glad someone else
14 asked, and, yeah, they did and he indicated that
15 it was a million dollars salary and that doesn't
16 include his recent bonus. That was \$225,000; is
17 that correct?

18 MR. BOUDREAU: Just as a matter
19 or order I don't think that she ought to be asking
20 questions.

21 MS. JANUARY: Well, I'm sorry.
22 I think it's \$225,000 but I could be mistaken and
23 that's the bonus that he just got, and he
24 acknowledged that it was a million-dollar salary
25 not inclusive of bonuses which he hasn't gotten

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1 any until just recently when he got bonuses from
2 the sale of assets.

3 Ordinarily companies don't do that, of
4 course, you know that, pay their CEO's bonuses
5 from selling assets to get out of hot water,
6 sorry.

7 CHAIRMAN DAVIS: Would you say
8 that ordinarily companies pay their employees
9 bonuses for good performance?

10 MS. JANUARY: I work for a
11 company, you know, that has a billion dollars a
12 year in revenue, and if we had a leader who lost
13 that much money that quick he wouldn't have a job,
14 and their performance over the course -- what was
15 it, \$175,000,000 they lost in the third quarter
16 and that's a good strong performance that merits
17 an incentive, I can't imagine anybody that
18 wouldn't want to sign up for that program.

19 CHAIRMAN DAVIS: So in essence
20 what you are saying is bad management ought to be
21 punished?

22 MS. JANUARY: And their
23 shareholders. It's the risk you take when you
24 invest in a company. Bad management should be --
25 that's the obligation of their shareholders. It's

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1 not the obligation of the ratepayers to subsidize
2 poor management.

3 In a competitive company, in a commercial
4 company they wouldn't have jobs. They wouldn't
5 exist. Another competitor would have come in and
6 taken over their business a long time ago, and
7 maybe that's not such a bad thing because this is
8 a pattern of mismanagement. It's not just with
9 the South Harper plant. This is an ongoing
10 pattern over the years.

11 CHAIRMAN DAVIS: Okay. Ms.
12 January, thank you for coming up all the way from
13 Peculiar. I have no further questions, Judge.

14 JUDGE THOMPSON: Thank you.
15 Commissioner Murray.

16 COMMISSIONER MURRAY: I have no
17 questions but thank you.

18 JUDGE THOMPSON: Thank you,
19 Commissioner. Commissioner Gaw.

20 COMMISSIONER GAW: I could ask
21 lots of questions of Ms. January, but I believe
22 she probably covered the gamut of things she
23 wanted to talk about so I will say no questions
24 but thank you for coming.

25 MS. JANUARY: Thank you,

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1 Commissioner.

2 JUDGE THOMPSON: Questions from
3 counsel for the company?

4 MR. BOUDREAU: No questions for
5 this witness. Thank you.

6 JUDGE THOMPSON: Staff.

7 MS. SHEMWELL: None, thank you.

8 JUDGE THOMPSON: Public counsel.

9 MR. MILLS: I have no questions.
10 Thank you.

11 JUDGE THOMPSON: AARP.

12 MR. COFFMAN: No questions.

13 Thank you.

14 JUDGE THOMPSON: Thank you, Ms.

15 January, for your testimony. You are excused.

16 Scott Crawford. Good evening, Mr. Crawford. Go
17 ahead and state your name.

18 MR. CRAWFORD: My name is Scott
19 Crawford, C-R-A-W-F-O-R-D.

20 JUDGE THOMPSON: Thank you.

21

22 SCOTT CRAWFORD

23 called as a witness herein, being first duly sworn

24 by the Judge, testified on his oath as follows:

25

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1 JUDGE THOMPSON: Mr. Crawford,
2 are you currently a customer of Aquila, Inc.?

3 MR. CRAWFORD: I am.

4 JUDGE THOMPSON: Go ahead and
5 give your testimony.

6 MR. CRAWFORD: Right now I have
7 a limited income as probably several in the room
8 and in the area do have. I have no foreseeable
9 increase in my income. In fact, January 1st my
10 hours are going to be cut back so my income is
11 actually going to decrease. At this time my
12 expenses are more than my income and I'm barely
13 keeping my head above water. I'd like to have a
14 snorkel so I could at least breathe occasionally.

15 There is nowhere else in my expenses that
16 I can cut. I mean I have cut back on food. I'm
17 buying cheaper food at other places. I only eat
18 two meals a day and, you know, if I get this 20
19 percent increase in my electric bill, I'm going to
20 have to cut I guess trash because there is no
21 place else for me to cut so that I can pay a 20
22 percent increase to Aquila, and I know that the
23 natural gas bills are going to be a lot higher
24 this year, and I'm going to have a lot of trouble
25 paying that and, of course, gasoline has been very

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1 high, and it's cut back a little bit but not like
2 it was two years ago.

3 So I just oppose this increase especially
4 this large of an increase. You know, I'm not
5 going to get any increase in pay and, you know, I
6 don't have any way to pay them the increase that
7 they're asking for. That is my testimony.

8 JUDGE THOMPSON: Thank you, Mr.
9 Crawford. Questions from the bench, Chairman
10 Davis.

11 CHAIRMAN DAVIS: No questions.
12 Thank you for coming, Mr. Crawford.

13 JUDGE THOMPSON: Commissioner
14 Murray.

15 COMMISSIONER MURRAY: No
16 questions. Thank you.

17 JUDGE THOMPSON: Commissioner
18 Gaw.

19 COMMISSIONER GAW: Mr. Crawford,
20 tell me again where you live at just generally.

21 MR. CRAWFORD: I live in the
22 Laurel Heights neighborhood.

23 COMMISSIONER GAW: And who is
24 your gas supplier?

25 MR. CRAWFORD: Missouri Gas

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1 Energy.

2 COMMISSIONER GAW: All right.

3 MR. CRAWFORD: I have heard on
4 the news that increase is going to be about 50
5 percent higher this year over the last year.

6 COMMISSIONER GAW: It's starting
7 to get cold, isn't it. Mr. Crawford, you're
8 dealing with an income you say that is fixed or
9 stationary?

10 MR. CRAWFORD: Yeah, I only work
11 part time.

12 COMMISSIONER GAW: In regards to
13 that income level is that something that you say
14 has not moved up in an upward direction in any
15 significant amount lately?

16 MR. CRAWFORD: No, it's not
17 raised at all in the last two years.

18 COMMISSIONER GAW: Have you read
19 any information or anything in regard to the
20 reason for this request for an increase?

21 MR. CRAWFORD: No, I have not.

22 COMMISSIONER GAW: Okay. But
23 you're here just basically to tell us that it's
24 very difficult for you out there under the current
25 payment that you're making for your electric

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1 service and any increase is going to make it
2 extremely difficult especially if it's 20 percent;
3 would that be fair?

4 MR. CRAWFORD: Yes, that would
5 be very fair.

6 COMMISSIONER GAW: Do you have
7 other neighbors or friends that are in similar
8 situations to you?

9 MR. CRAWFORD: I honestly don't
10 know. I'm going to school full time as well as
11 working part time. So I don't have a lot of time
12 to socialize with my neighbors.

13 COMMISSIONER GAW: All right.
14 That's all. Thank you, Mr. Crawford.

15 MR. CRAWFORD: Thank you.

16 JUDGE THOMPSON: Thank you,
17 Commissioner Gaw. Questions from counsel.

18 MR. BOUDREAU: No questions for
19 this witness. Thank you.

20 JUDGE THOMPSON: Staff.

21 MS. SHEMWELL: No questions.

22 Thank you.

23 JUDGE THOMPSON: Public counsel.

24 MR. MILLS: No questions.

25 JUDGE THOMPSON: AARP.

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1 MR. COFFMAN: No questions.

2 Thank you.

3 JUDGE THOMPSON: Thank you, Mr.

4 Crawford, you're excused. You may step down.

5 Natalie Stephenson. Good evening, ma'am. State

6 your name, please.

7 MS. STEPHENSON: Natalie

8 Stephenson.

9 JUDGE THOMPSON: Would you spell

10 your last name for the reporter.

11 MS. STEPHENSON:

12 S-T-E-P-H-E-N-S-O-N.

13

14 NATALIE STEPHENSON

15 called as a witness herein, being first duly sworn

16 by the Judge, testified on her oath as follows:

17

18 JUDGE THOMPSON: Ma'am, are you

19 presently a customer of Aquila?

20 MS. STEPHENSON: No.

21 JUDGE THOMPSON: What is your

22 interest in this matter?

23 MS. STEPHENSON: I, too, live by

24 the South Harper plant.

25 JUDGE THOMPSON: Okay. Do you

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1 have something to say in addition to what's been
2 said by Ms. January?

3 MS. STEPHENSON: A little bit of
4 it is redundant I'll admit that.

5 JUDGE THOMPSON: Well, could you
6 keep your statement brief?

7 MS. STEPHENSON: I'll certainly
8 try.

9 JUDGE THOMPSON: Go ahead.

10 MS. STEPHENSON: I wanted to
11 point out that of the 53 million dollars that
12 Aquila is requesting in the MPS service area that
13 only 11.7 million of that is claimed to be for the
14 increase in gas and fuel, and I thought I heard
15 something differently previously but I could be
16 mistaken, and it looks like that the vast majority
17 of what remains is directly related to the South
18 Harper plant, and I'm not good at public speaking
19 so I have very specifically written down what I
20 was going say, and I'd just like to run through it
21 real quick.

22 Because at least half of Aquila's
23 proposed 69 million-dollar rate increase is being
24 requested so that the ratepayers might absorb the
25 cost directly and indirectly linked to the

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1 construction and financing of the Peculiar South
2 Harper peaking plant I would like to focus on the
3 rationale surrounding that particular endeavor.

4 First Aquila's behavior might best be
5 characterized as that of a selfish child feeling
6 and perhaps rightly so that it should receive
7 permission to do what it wants when it wants.
8 Aquila leaps first and only asks permission after
9 the fact almost as an afterthought.

10 As you should well know, Aquila built
11 this plant without the proper zoning which it
12 still doesn't have. Aquila accepted Chapter 100
13 bond financing from the City of Peculiar who had
14 no authority to issue those bonds without the vote
15 of the people of Peculiar, and Aquila and Peculiar
16 sealed their deal without approval from the PSC.

17 Likewise, Aquila began operating the
18 facility thus polluting the water prior to asking
19 permission from the Department of Natural
20 resources and so on and so on, and just like a
21 greedy little child the time comes when that
22 child's hand simply must be slapped.

23 So as a result Aquila may have to tear
24 down the South Harper plant. Should the
25 ratepayers already struggling with runaway gas and

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1 energy costs be burdened further with the enormous
2 price to pay as a consequence of Aquila's
3 unscrupulous and irresponsible actions at South
4 Harper, I should certainly hope not.

5 Furthermore, upon close examination of
6 the facts I think you will find that the South
7 Harper plant has not served the public good in any
8 way whatsoever. The plant has generated nothing
9 more other than a lot of complaints and
10 aggravation in the neighborhood that could have
11 been more effectively achieved at a much lower
12 cost by utilizing Aquila's prior connections with
13 the existing Aries facility; however, I have to
14 defer to Calpine's testimony in this case for
15 greater elaboration of those facts.

16 And I'm glad to see that you will let the
17 testimony in from the March 15th hearing because I
18 was also going to request that, and I also wanted
19 to enter in an article that I got off the Internet
20 for reference and say that I would like to assume
21 it's from a senator from Lincoln, Nebraska whose
22 name I won't attempt to pronounce, and this is
23 from the Lincoln Journal Star last month, and as
24 he considered the 3.3 million in bonuses Aquila
25 opted to grant nine executives recently in

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1 conjunction with the four percent increase Aquila
2 is also requesting in Nebraska to cover rising
3 costs the senator was paraphrased as saying while
4 consumers may see a 70 percent increase in the
5 price of natural gas these executives will not be
6 put out in the cold this winter, and the bonuses
7 suggested the very real need for the Public
8 Service Commission to make an informed, accurate
9 and comprehensive determination of whether utility
10 costs warrant a rate change, and I, too, ask that
11 you do just that. Thank you.

12 JUDGE THOMPSON: Thank you,
13 ma'am. Questions from the bench, Chairman Davis.

14 CHAIRMAN DAVIS: No questions.
15 Thank you for coming all the way up from Peculiar,
16 Ms. Stephenson. We appreciate that and can you
17 give a copy of that news story to the court
18 reporter so we have it.

19 JUDGE THOMPSON: We will mark
20 that as Exhibit 2.

21 (Exhibit Number 2 was marked for
22 identification.)

23 JUDGE THOMPSON: Any objections?

24 MR. BOUDREAU: No.

25 JUDGE THOMPSON: Hearing none

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1 the same will be received and made a part of the
2 record of this proceeding.

3 (Exhibit Number 2 was received
4 into evidence.)

5 JUDGE THOMPSON: Commissioner
6 Murray.

7 COMMISSIONER MURRAY: Ms.
8 Stephenson, you are not a customer of Aquila; is
9 that right?

10 MS. STEPHENSON: That's correct,
11 currently I am not. I was once briefly.

12 COMMISSIONER MURRAY: And how
13 would you be affected by this rate case?

14 MS. STEPHENSON: I would
15 probably personally not be affected. I think what
16 they're basing the increase in their rates on is
17 very problematic and misguided.

18 COMMISSIONER MURRAY: But in
19 terms of the effect on you personally is there any
20 effect on you?

21 MS. STEPHENSON: Well, obviously
22 not being a customer I'm not going to have to pay
23 more for my utilities so in that aspect, no.

24 COMMISSIONER MURRAY: Thank you
25 very much.

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1 JUDGE THOMPSON: Thank you,
2 Commissioner. Commissioner Gaw.

3 COMMISSIONER GAW: Ms.
4 Stephenson, thanks for coming. Are you saying
5 something to the effect of what is that old adage
6 about why ask for permission when you can receive
7 forgiveness?

8 MS. STEPHENSON: Yes, largely
9 so, yes.

10 COMMISSIONER GAW: That's what I
11 thought you meant. Thank you.

12 JUDGE THOMPSON: Questions from
13 counsel for Aquila.

14 MR. BOUDREAU: No questions for
15 this witness. Thank you.

16 JUDGE THOMPSON: Staff.

17 MS. SHEMWELL: I have just one.
18 Ms. Stephenson, who is your electric provider?

19 MS. STEPHENSON: Osage Valley
20 Electric Co-op.

21 MS. SHEMWELL: Are you happy
22 with them?

23 MS. STEPHENSON: I am.

24 MS. SHEMWELL: What about gas,
25 do you have natural gas service?

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1 MS. STEPHENSON: Propane.

2 MS. SHEMWELL: That's all.

3 Thank you for being here tonight.

4 JUDGE THOMPSON: Public counsel.

5 MR. MILLS: Just a couple. Ms.
6 Stephenson, you mentioned a figure for an increase
7 in fuel of about 11.7 million. Where did you get
8 that figure from?

9 MS. STEPHENSON: That's from the
10 news release that was included in Aquila's filing
11 on this case.

12 MR. MILLS: Was that also part
13 of the chart that Aquila showed before the local
14 public hearing began?

15 MS. STEPHENSON: I did not get a
16 good look at that chart so I could not tell you.

17 JUDGE THOMPSON: AARP.

18 MR. COFFMAN: No questions.

19 Thank you.

20 JUDGE THOMPSON: Thank you, Mr.
21 Coffman. Thank you very much for your testimony,
22 ma'am. You are excused. Tonya Holmes. Good
23 evening, ma'am.

24 MS. HOLMES: Good evening.

25 JUDGE THOMPSON: State your

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1 name, please.

2 MS. HOLMES: Tonya D. Holmes.

3 JUDGE THOMPSON: How do you
4 spell your last name for the reporter?

5 MS. HOLMES: H-O-L-M-E-S.

6 JUDGE THOMPSON: Thank you.

7

8 TONYA HOLMES

9 called as a witness herein, being first duly sworn
10 by the Judge, testified on her oath as follows:

11

12 JUDGE THOMPSON: Ma'am, are you
13 presently a customer of Aquila, Inc.?

14 MS. HOLMES: Yes.

15 JUDGE THOMPSON: Go ahead and
16 give your testimony.

17 MS. HOLMES: Okay. First of all
18 protocol has been set. Good evening everyone. I
19 agree with the statements that were made by the
20 first speaker. I believe that was Mr. McCarther,
21 and in addition to those statements I have an
22 addendum of my own. I'm the head of my household
23 and I'm a parent, and as it's been stated by
24 another witness I'm struggling to make ends meet.

25 And I have read that the Missouri Public

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1 Service Commission says here ensures that Missouri
2 citizens will receive safe, reliable and
3 reasonably priced utility services, and I'm saying
4 it's time for a change. It's time for the
5 Missouri Public Service Commission to do that for
6 me as a citizen give me reasonably priced
7 services, and I'm against a rate increase at this
8 time. I cannot afford it and I'm just asking
9 Aquila to bear with us and give us a break for one
10 more year, at least two, and that's my statement.

11 JUDGE THOMPSON: Thank you,
12 ma'am. Questions from the bench, Chairman Davis.

13 CHAIRMAN DAVIS: No questions.
14 Thank you for coming, Ms. Holmes. We appreciate
15 you coming.

16 JUDGE THOMPSON: Commissioner
17 Murray.

18 COMMISSIONER MURRAY: No
19 questions. Thank you.

20 JUDGE THOMPSON: Commissioner
21 Gaw.

22 COMMISSIONER GAW: Ms. Holmes,
23 are you having difficulty paying your bill
24 currently as the rates are today?

25 MS. HOLMES: I'm on the level

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1 plan so because of the level plan I'm not having
2 trouble paying my bill, but when the bill goes up
3 so does the level payment and it's taking me all
4 year to pay. So I'm saying, you know, let's be
5 real. I don't know about you all but as a citizen
6 to take all year to pay an electric bill.

7 COMMISSIONER GAW: Are you
8 friends with other individuals who are in similar
9 situations?

10 MS. HOLMES: Yes.

11 COMMISSIONER GAW: Tell me just
12 generally what it's like out there right now in
13 regard to expenses that you're paying.

14 MS. HOLMES: That I'm paying?

15 COMMISSIONER GAW: And that your
16 friends may be experiencing.

17 MS. HOLMES: Okay. First of all
18 I have friends who are lawyers who are just, you
19 know, I would say state workers and they're single
20 head of household as I am and they're trying to
21 make it. Everything is going up. I heard before
22 this meeting started that coal has gone up, the
23 cost of coal and gas. Well, it's time for you all
24 to start saying, you know, look, we have customers
25 that we are concerned about and hold those costs,

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1 do what you can to hold those costs and I don't
2 see that happening. It's all about greed and
3 profit, and for me it's about trying to make it
4 and, yes, I have other people who are struggling.
5 They're on the level payment plan. They're trying
6 to take care of their kids like me and feed our
7 children and pay higher bills, and this is a
8 nightmare.

9 COMMISSIONER GAW: Ms. Holmes,
10 thank you very much for coming and talking to us.

11 JUDGE THOMPSON: Questions from
12 counsel for Aquila.

13 MR. BOUDREAU: I have no
14 questions for this witness. Thank you.

15 JUDGE THOMPSON: Staff.

16 MS. SHEMWELL: No questions.

17 Thank you.

18 JUDGE THOMPSON: Public counsel.

19 MR. MILLS: No questions.

20 JUDGE THOMPSON: AARP.

21 MR. COFFMAN: No questions.

22 Thank you.

23 JUDGE THOMPSON: Thank you,

24 ma'am.

25 MS. HOLMES: You're welcome.

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1 Thank you for this opportunity.

2 JUDGE THOMPSON: You may step
3 down. At this time is there anyone else who
4 desires an opportunity to testify but hasn't had a
5 chance to sign up? Step forward, ma'am. State
6 your name, ma'am.

7 MS. MAYER: Cindy, Mayer,
8 M-A-Y-E-R.

9 JUDGE THOMPSON: And what town
10 do you live in?

11 MS. MAYER: Peculiar, Missouri.

12 JUDGE THOMPSON: Okay.

13

14 CINDY MAYER

15 called as a witness herein, being first duly sworn
16 by the Judge, testified on her oath as follows:

17

18 JUDGE THOMPSON: Ma'am, are you
19 presently a customer of Aquila?

20 MS. MAYER: No.

21 JUDGE THOMPSON: And what is
22 your interest in this matter?

23 MS. MAYER: I live close to the
24 South Harper plant.

25 JUDGE THOMPSON: Okay. Do you

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1 have something to say that's different from what
2 we have already heard?

3 MS. MAYER: Well, actually I
4 don't -- or I guess I do. It's not a statement
5 but I really wanted to make a comment on the
6 commissioner asking Natalie if this rate case
7 affects us, and directly it doesn't look like it
8 will because we are not customers, but we are
9 customers of Osage valley, and one of the
10 vice-presidents of Aquila commented that Osage
11 Valley had bought electricity from Aquila. So if
12 Aquila's prices go up and Osage valley has to buy
13 electricity from them then it's going to be passed
14 on to us and, yes, these rates will affect us
15 eventually. So I just wanted to make that
16 comment. It's something that struck me that all
17 of this affects everybody in general. It's like
18 the pebble in the pond, it gets there, and that's
19 all I have to say.

20 JUDGE THOMPSON: Okay.
21 Questions from the bench, Chairman Davis.

22 CHAIRMAN DAVIS: No questions
23 but, ma'am, thank you for coming. Thank you for
24 your testimony.

25 JUDGE THOMPSON: Commissioner

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1 Murray.

2 COMMISSIONER MURRAY: No, but
3 thank you.

4 JUDGE THOMPSON: Commissioner
5 Gaw.

6 COMMISSIONER GAW: I think you
7 may have said it but just for purposes of
8 clarification do you agree with the testimony
9 that's been given by Della January?

10 MS. MAYER: Oh, yes.

11 COMMISSIONER GAW: And Natalie
12 Stephenson?

13 MS. MAYER: Yes.

14 COMMISSIONER GAW: Was there
15 anyone else?

16 MS. MAYER: Actually I pretty
17 much agree with everybody who has spoken here.

18 COMMISSIONER GAW: All right.
19 Thank you, ma'am, for coming.

20 JUDGE THOMPSON: Questions from
21 counsel for Aquila.

22 MR. BOUDREAU: None, thank you.

23 JUDGE THOMPSON: Staff.

24 MS. SHEMWELL: No, thank you,
25 Judge.

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1 JUDGE THOMPSON: Public counsel.

2 MR. MILLS: No questions.

3 JUDGE THOMPSON: AARP.

4 MR. COFFMAN: No questions.

5 Thank you.

6 JUDGE THOMPSON: Thank you for
7 your testimony, ma'am. You are excused. Is there
8 anyone else who would like to speak and has not
9 had an opportunity to sign up? Very well. There
10 being no further witnesses -- Mr. Miller, you
11 would like to speak?

12 MR. MILLS: Just as a final
13 matter, before the on the record portion began we
14 had a brief presentation from Aquila and at least
15 one of the witnesses referred to it. I wonder if
16 we could have Aquila make a copy of the chart that
17 they have showed to the public and referred to
18 that sort of summarizes from their viewpoint what
19 their rate case looks like.

20 It's been setting here on the easel
21 throughout the entire proceedings, and I think
22 just as a matter of keeping the record clear it
23 would be helpful to have that made an exhibit to
24 this transcript, just the one that shows the rate
25 case overview that everyone has been looking at

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1 from the audience all night.

2 MR. BOUDREAU: That would be no
3 problem if you would like to reserve an exhibit
4 for that purpose. Obviously what we have is
5 oversized and I don't think we have anything that
6 we can hand to the reporter at this point.

7 JUDGE THOMPSON: I understand.
8 Why don't I give you some homework. Do you think
9 you could bring a smaller reproduction when we
10 start the evidentiary hearing January 9th?

11 MR. BOUDREAU: I certainly think
12 we could.

13 JUDGE THOMPSON: We will just go
14 ahead and receive it at that time --

15 MR. BOUDREAU: Sure.

16 JUDGE THOMPSON: -- along with
17 the other exhibits and I think in fairness if you
18 want to provide with that some sort of statement
19 summarizing whatever it is that Aquila said about
20 that chart you can do that as well.

21 MR. BOUDREAU: That can be done
22 as well. Thank you.

23 JUDGE THOMPSON: That's if you
24 want to. You don't have to. Very well. Anything
25 else, Mr. Mills?

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1 MR. MILLS: No, that was it.

2 Thank you.

3 JUDGE THOMPSON: Anyone else?

4 Chairman Davis.

5 CHAIRMAN DAVIS: Judge, I do
6 think we ought to at least make a note that for
7 those people that are interested we I believe have
8 a hearing set is it Monday morning at 9:00 or
9 10:00 a.m.?

10 JUDGE THOMPSON: It's Monday
11 morning.

12 CHAIRMAN DAVIS: It's Monday
13 morning. I'm not sure what time it is. It's on
14 the financing for the South Harper peaking
15 facility. One of you lawyers help me out here.

16 MR. MILLS: EO-2005-0156.

17 CHAIRMAN DAVIS: Right, and it
18 will be broadcast through our website over the
19 Internet if anyone is interested in watching that
20 just for anyone's information if they are
21 interested.

22 JUDGE THOMPSON: Or come on down
23 and attend if you want.

24 CHAIRMAN DAVIS: Absolutely.

25 JUDGE THOMPSON: Anything else?

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1 Yes, Ms. Shemwell.

2 MS. SHEMWELL: Thank you, Judge.
3 We have written comment forms if anyone would like
4 to use them. I have been handed one.

5 JUDGE THOMPSON: You have been
6 handed a written comment?

7 MS. SHEMWELL: I have been
8 handed a written comment from Tonya Holmes, but if
9 other people would wish to there are written
10 comment sheets over on the table.

11 JUDGE THOMPSON: Thank you.
12 Anything further from anyone? Very well. Hearing
13 nothing and seeing no further witnesses this local
14 public hearing is now adjourned. Thank you all
15 very, very much for attending.

16 (Proceedings concluded at 7:15 p.m.)

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