

1 STATE OF MISSOURI
2 PUBLIC SERVICE COMMISSION
3 TRANSCRIPT OF PROCEEDINGS
4 Local Public Hearing
5 September 8, 2009
6 St. Joseph, Missouri
7 Volume 4
8
9 In the Matter of Missouri Gas Energy)
and its Tariff Filing to Implement a)Case No.GR-2009-0355
10 General Rate Increase for Natural Gas)
Service)
11
12
13 RONALD D. PRIDGIN, PRESIDING
14 SENIOR REGULATORY LAW JUDGE
15 ROBERT M. CLAYTON, III
16 CHAIRMAN
17
18 KEVIN GUNN
19 ROBERT KENNEY
20
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22
23
24 REPORTED BY:
25 FRAN HOLLAND, CCR

1 APPEARANCES:

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

2 (Starting time of the Hearing: 6:15
3 p.m.)

4 JUDGE PRIDGIN: Good evening. This
5 evening is the local public hearing in the Missouri
6 Gas Energy general rate increase case number GR-
7 2009-0355. We are in St. Joseph, Missouri and also
8 web-casting and people will be picking us up in
9 Jefferson City, Missouri.

10 The purpose of the hearing is to hear
11 from you, the public, on the proposed rate
12 increase. If you have specific questions or
13 service issues, you can see staff members, Office
14 of the Public Counsel or obviously, people from the
15 company.

16 If you want to testify, I would ask that
17 you please sign up, and I have a sign up sheet
18 here. If you later decide you'd like to testify,
19 please let me know and we'll be glad to give you
20 the opportunity.

21 What will happen here in a moment, is I
22 will give a brief opening statement, and then I
23 will begin calling witnesses. When I do so, I will
24 ask you a couple of preliminary questions, such as
25 your name and whether you are a customer of

1 Missouri Gas Energy. Ask that you spell your name
2 for the court reporter, so that she can be sure
3 that your name is spelled correctly. At that time,
4 I will allow you to give your statement to the
5 commissioners and then when you are finished if you
6 will please - well, I was just going to say, I
7 think we can have you testify, we have microphones
8 up where you are sitting, so you don't have to come
9 to a witness area unless you just want to. You are
10 free to testify from your seat, if you'll just use
11 your microphone so the people in Jefferson City can
12 hear us, I would appreciate it.

13 Are there any questions about the
14 purpose of tonight's hearing or anything else
15 before I give an opening statement?

16 MR. WILLIAMS: Yeah, I have one. You
17 have three commissioners here, or, is that correct?

18 JUDGE PRIDGIN: Yes, sir.

19 MR. WILLIAMS: I was just wondering how
20 come they weren't here for the question and
21 answering beforehand. That was pretty important
22 that you heard this and what it does, it sort of
23 calms us down to the point when we give our
24 statements or ask questions, we're really
25 enthusiastic about our questions. You guys should

1 have been here to hear this. This is not the way
2 to do this.

3 JUDGE PRIDGIN: Well, actually, it's done
4 that way on purpose, sir, because the commissioners
5 kind of sit as judges and it's not really fair for
6 them to hear what's going on unless all the parties
7 are present, and it's during the hearing. We
8 actually have a reason for doing that, so you can
9 talk to the company or staff or public counsel.
10 This is our time to hear from you, and so there's a
11 reason we do that and it's to be fair to all
12 parties.

13 Yes, ma'am?

14 MS. HARRIS: How are our comments going
15 to be evaluated? As a percentage of the ones that
16 are against this or how are they going to be
17 evaluated?

18 JUDGE PRIDGIN: Well, that's something
19 all the parties would take into consideration, once
20 this case goes to hearing. It's set to go to
21 hearing next month, I believe in late October and
22 early November and that's certainly something all
23 the parties and certainly the commissioners are
24 having the chance to listen to your comments, or if
25 people send them in in writing, or are calling in

1 or email; however, if you need a mathematical
2 formula, I don't have one for you.

3 MS. HARRIS: Because if we're all against
4 it, does that mean it won't pass, or how is that
5 going to work?

6 JUDGE PRIDGIN: Not necessarily. Again,
7 it's going to depend on what the evidence is at the
8 hearing. Sometimes the parties agree to certain
9 issues, sometimes they agree to settle the entire
10 case, so I really - I don't have an answer for you,
11 I'm sorry.

12 Are there any further questions before I
13 give an opening statement and begin calling on
14 witnesses?

15 All right. Good evening. The Missouri
16 Public Service Commission has set this time for a
17 local hearing in Case Number GR-2009-0355. The
18 commission regulates the rates charged by investor
19 owned utility companies in Missouri, to make sure
20 those rates are just and reasonable. The
21 commission also regulates the quality of service
22 and the safety of the operation of those utilities.

23 The commission is made up of five
24 commissioners, three of whom are here this evening.
25 They are appointed by the governor to fixed terms

1 and confirmed by the senate. The commissioners
2 employ a staff of engineers, accountants,
3 attorneys, financial analysts, and other
4 specialists in the field of utility regulation.

5 I'm Ron Pridgin, I'm am a Regulatory Law
6 Judge for the commission and I will preside over
7 the hearing.

8 Let me introduce the commissioners,
9 starting to my right, this is Commissioner Gunn,
10 and the Chairman of the Commission, Commission
11 Clayton, and Commissioner Kenney.

12 At this time, could I also get entries
13 of appearance from counsel, and let me start with
14 folks who are here in St. Joseph. Do I have any
15 counsel for MGE? I see, I think Mr. Cooper in Jeff
16 City. Is there anyone here in St. Joe?

17 MR. JACOBS: For the company, Todd
18 Jacobs.

19 JUDGE PRIDGIN: All right, thank you.
20 Any other MGE lawyers here in St. Joe? I don't
21 think I see staff counsel in Jeff, I see Ms.
22 Shemwell in Jeff City. Office of Public Council?

23 MR. POSTON: Thank you, Marc Poston,
24 attorney for the Office of Public Council.

25 JUDGE PRIDGIN: All right, and thank you,

1 Mr. Poston. Let me ask for counsel in Jefferson
2 City. Anyone there for the company?

3 MR. COOPER: Yes, your honor, Dean Cooper
4 from the law firm of Brydon Swearengen & England.

5 JUDGE PRIDGIN: Mr. Cooper, thank you.
6 Anyone on behalf of staff?

7 MS. SHEMWELL: Lera Shemwell representing
8 the staff.

9 JUDGE PRIDGIN: Ms. Shemwell, thank you.
10 Any further counsel wishing to enter an appearance?

11 Then hearing none, this is an official
12 hearing of the commission, and the statements and
13 testimony of witnesses will be recorded by the
14 court reporter and must be given under oath. All
15 of the commissioners will have the chance to read
16 all of your remarks.

17 The purpose of this hearing is to hear
18 from you. The company will not present witnesses
19 and will not answer questions. This is your chance
20 to testify and your remarks will be made a part of
21 the official record of this case.

22 If there is someone here who wishes to
23 testify, but for religious reasons cannot take an
24 oath, please notify me and I will ask that your
25 testimony be affirmed instead.

1 Are there any question about tonight's
2 procedure? All right. Hearing none, I believe
3 I've already indicated how we will proceed this
4 evening, so let me call the first witness - yes,
5 sir, I'm sorry, Mr. Chairman.

6 CHAIRMAN CLAYTON: Thank you, Judge. I
7 just wanted to introduce myself. My name is Robert
8 Clayton, I'm Chairman of the five members of the
9 Missouri Public Service Commission. I want to
10 thank the folks who have come out tonight. I'm not
11 sure who is part of the public and who is part of
12 the company's team. I know we have staff here and
13 public counsel is here as well.

14 As the Judge said, there are five
15 members of the commission. We have three here
16 tonight, and actually it's more than what we
17 usually have. There will be a transcript made of
18 this proceeding and all the commissioners will have
19 access to the information that is obtained through
20 this local public hearing tonight.

21 There are two parts to the local public
22 hearing process. The first part is the question and
23 answer session, and that's the session in which the
24 commissioners are not involved because there are
25 communications that are between customers and the

1 staff or customers and the public counsel, or
2 customers and the company and some of those
3 communications should not be heard by the
4 commissioners, so that's why there is a question
5 and answer session, if you have concerns that you
6 want to raise.

7 The second part is the local public
8 hearing section, and that is where you have the
9 opportunity to provide testimony directly to the
10 commissioners and we have the ability to ask you
11 questions.

12 So, we are here to hear about how MGE is
13 serving it's customers, what you think of their
14 rates, what you think of their proposed rates, what
15 do you think of their billing. Those are things
16 that we definitely want to hear about tonight. So,
17 I want to thank you for taking time out of your
18 schedules and look forward to the testimony.

19 JUDGE PRIDGIN: Mr. Chairman, thank you,
20 and let me ask if any of the other commissioners
21 have an opening statement. I neglected to do that,
22 and I apologize.

23 COMMISSIONER GUNN: I don't. I just want
24 to thank everybody for their time and be assured
25 that the comments will become a part of the record.

1 They will be considered along with everything else
2 in this case and we appreciate you coming out and
3 speaking with us.

4 JUDGE PRIDGIN: Commissioner Gunn, thank
5 you. Commissioner Kenney?

6 COMMISSIONER KENNEY: No, I just look
7 forward to hearing what testimony comes forward.

8 JUDGE PRIDGIN: Thank you. And if you
9 testify from your seat, that's perfectly fine. I'm
10 told that you have some sort of button that you
11 need to press, and when you're speaking if you'll
12 please be sure to keep that button depressed so
13 that people in Jefferson City can hear us, all
14 right?

15 And if I mispronounce a name, please
16 correct me, and I apologize in advance. The first
17 person I have signed up to speak is Gregory Filardo
18 do. Did I pronounce that correctly?

19 MR. FILARDO: Yes.

20 GREGORY FILARDO, being sworn-in by Judge
21 Pridgin, testified as follows:

22 JUDGE PRIDGIN: Would you state your name
23 for the record, and spell your name for the court
24 reporter, please?

25 MR. FILARDO: Yes. Gregory Filardo.

1 G-r-e-g-o-r-y. Filardo, F-i-l-a-r-d-o.

2 JUDGE PRIDGIN: And are you a Missouri
3 Gas Energy customer?

4 MR. FILARDO: Currently, not right now.

5 JUDGE PRIDGIN: I'd like you to hold on
6 just a second, let me verify, Jefferson City, are
7 you hearing us okay?

8 MS. SCHEMWELL: Yes, we are, thank you.

9 JUDGE PRIDGIN: Very good. All right.
10 Mr. Filardo, do you have a statement for the
11 commission, sir?

12 MR. FILARDO: Okay. My big concern is,
13 how can you even think of asking for a rate
14 increase when you are looking at the economy the
15 worst it's been since the great depression, which
16 we may be already in the second one. With a loss
17 of jobs, loss of pensions and income, and here in
18 St. Joseph, nearly 40 percent of the people in this
19 community are only at minimum wage incomes. That
20 can't go far enough to pay rent, utilities, the
21 cost of transportation, the outrageous gasoline
22 prices, not to mention the utility increases.

23 Now, certain people keep getting
24 increases while the rest of us are losing money.
25 My own personal pension lost 44 percent as of July;

1 very hard to justify that. So, what did I have to
2 do? Look at a different way of doing business.

3 Now, you can only cut back so much. As
4 was earlier stated, some people have to cut back on
5 medical or doctor bills or whatever else because
6 they can't seek treatment. And that's why there's
7 a big discussion about the health care situation.

8 Well, anyway, as we talked earlier about
9 the cost of remediation for the cleanup sites.
10 Well, the EPA has said you need to get these areas
11 that were contaminated back a century ago. Well,
12 that's not my fault, it was your company's fault,
13 and somebody made a lot of profit in 1900, and that
14 bad mistake wasn't ours, but it's called the cost
15 of doing business.

16 If I purchase something and it costs me
17 more money to get it, can I turn around to my
18 customers and ask them that they are going to have
19 to pay, they'll just say, "We're not buying it,"
20 and I have to readjust. I might have to take a
21 tremendous loss. And I do that long enough, I'm
22 out of business, and that's what a lot of
23 businesses are doing. It's why we've got a lot of
24 foreclosures, people paid for these houses, can't
25 afford to pay them any more.

1 And I don't know why we're being asked
2 to pay as much as a 9 or 11 percent increase on
3 this, when the rest of us are doing it. So, maybe
4 it's time to reevaluate the way you do and transact
5 business.

6 Now, we wouldn't have the gasoline
7 shortage if we got rid of the Hummers and the SUVs,
8 but it's my American right to drive what I want to
9 drive, but at my expense, of increased gas prices
10 which I can't afford to pay, well, maybe you ought
11 to do instead of this service charge per month,
12 evaluate each customer's house.

13 How much gas they should use at a
14 mandated setting of 68 degrees. Now, if you want
15 to heat at 76, go for it, but you're going to pay a
16 surcharge because it's a luxury. Now, mine was set
17 at 61, and I've got arthritis, but I can't afford
18 to pay that increased rate. Now, there's a lot
19 people out here, especially on subsidies, they are
20 heating at 75, 80 and 85 and yet we are paying for
21 that. Well, maybe we ought to start looking at the
22 way we get our income. If you use it, you want to
23 drive an SUV, pay \$5 a gallon, that'll hit you. If
24 you're driving a fuel efficient car, then you'd pay
25 a lot less.

1 We've got to look at the way we do
2 business, if we're going to fix the mess we're in.
3 And by increasing rates, you're barking up the
4 wrong tree, because the only thing's going to
5 happen, people aren't going to pay anything and
6 they're going to say, "Heck with it, shut it off,"
7 and maybe brick in a window and put in a wood
8 burning stove. Well, we'll be polluting again.
9 You can't squeeze blood out of a turnip, and folks,
10 the turnip doesn't have blood, for your
11 information.

12 JUDGE PRIDGIN: Mr. Filardo, thank you
13 very much. Let me see if the commissioners have
14 some questions for you. Mr. Chairman?

15 CHAIRMAN CLAYTON: Mr. Filardo, I just
16 wanted to ask you, you said that you are not a
17 customer of the utility at this time?

18 MR. FILARDO: That is correct.

19 CHAIRMAN CLAYTON: And is that by choice,
20 was there a problem in the service that you were
21 receiving from them, or?

22 MR. FILARDO: No, at \$34 a month, I
23 couldn't justify when I called them to find out
24 that it was used for meter reading, and said, "How
25 can you charge \$340 to just read one street of

1 houses on my block?" It seems kind of cost
2 prohibitive and so I just had it disconnected
3 during the summer.

4 CHAIRMAN CLAYTON: So, did you go all
5 electric?

6 MR. FILARDO: I go nothing much of
7 anything, just electric for light bulbs. I don't
8 have all the rest of that stuff.

9 CHAIRMAN CLAYTON: So what do you plan on
10 doing - and forgive me, if you don't want to
11 answer, you can tell me you don't want to answer,
12 but I just - if since you've made a conscious
13 decision, what are your plans for when it gets
14 cold?

15 MR. FILARDO: In winter, I just have the
16 service during the months.

17 CHAIRMAN CLAYTON: So, you do it, you
18 have no other choice, I guess, at that point. I
19 was going to ask you if you went all electric, how
20 your bills compared to if you were paying gas, but
21 you've not done that?

22 MR. FILARDO: No.

23 CHAIRMAN CLAYTON: Okay. When you do
24 receive service, does the service work?

25 MR. FILARDO: Yes.

1 CHAIRMAN CLAYTON: Are you comfortable
2 with the billing and is it understandable? Are you
3 able to follow that when you do get it?

4 MR. FILARDO: Yes, that's not a problem.

5 CHAIRMAN CLAYTON: Any gripes with the
6 company about their customer service people or the
7 attitude they give you on the phone if you call
8 them up or anything like that?

9 MR. FILARDO: They were fine, I had no
10 problem with that.

11 CHAIRMAN CLAYTON: Last question, or last
12 line of questions. In some of the gas cases, the
13 commission has had in the last couple of years
14 there have been changes in the seasonal rates and
15 increases in the amount of hook up charges that you
16 have to pay. Have you faced higher hook up fees
17 with your seasonal service?

18 MR. FILARDO: I know it was \$45 before.

19 CHAIRMAN CLAYTON: But you don't remember
20 if it's gone up or down?

21 MR. FILARDO: No.

22 CHAIRMAN CLAYTON: Okay, thank you very
23 much for coming tonight. I don't have any other
24 questions.

25 JUDGE PRIDGIN: Mr. Chairman, thank you.

1 Commissioner Gunn?

2 COMMISSIONER GUNN: Just one or two, and
3 please feel free if you don't want to answer it,
4 you don't have to. Do you know what your average
5 monthly bill is during the winter when you actually
6 have service?

7 MR. FILARDO: Depending on how cold it
8 is, but boy, sometimes it's only in the 50's,
9 you're having to wear sweaters.

10 COMMISSIONER GUNN: Only \$50?

11 MR. FILARDO: No, no, 50 degrees.

12 COMMISSIONER GUNN: So, do you know - so
13 your average bill fluctuates per month depending on
14 how--

15 MR. FILARDO: --how cold it is outside,
16 because if we get a string of eight degree and zero
17 degree days, obviously there would be more
18 consumption, so it might be \$125 in a horrible
19 month, but boy that's a lot of shivering.

20 COMMISSIONER GUNN: Are you aware of, or
21 have you taken advantage of any company programs to
22 help either with budget billing or payment
23 assistance program?

24 MR. FILARDO: Well, it's sort of like
25 trying to feed peanuts to a dinosaur. Dinosaurs

1 eat a lot of food, so some of the subsistence is
2 just not practical with an old solid brick
3 building, there's no insulation in it.

4 COMMISSIONER GUNN: Are you aware of, or
5 have you taken advantage of any efficiency
6 programs, energy assessments, any of that that may
7 or may not be offered by the company that you know
8 of?

9 MR. FILARDO: I've seen some of them, but
10 it's basically there's no insulation in the walls
11 because it's all solid masonry, so it's kind of
12 hard. I've got storm windows and that's about all
13 I can do, outside of putting mattresses up against
14 the windows.

15 COMMISSIONER GUNN: Let me be a little
16 bit more specific as it comes to the company. Do
17 you know of anything that the company offers in
18 terms of doing those sorts of assessments, or in
19 any sort of efficiency programs that they have?

20 MR. FILARDO: I've noticed some flyers in
21 the billing statements, sometimes let you know that
22 they have some energy assisted type programs.

23 COMMISSIONER GUNN: All right, thank you.
24 I don't have any further questions.

25 JUDGE PRIDGIN: Thank you. Commissioner

1 Kenney?

2 COMMISSIONER KENNEY: Mr. Filardo, I
3 don't have any questions, but I did want to say
4 that you've clearly given this issue a lot of
5 thought and you've come forward with some creative
6 ideas and we appreciate you taking the time to
7 participate in the process and thank you for coming
8 out tonight.

9 JUDGE PRIDGIN: And I don't have any
10 questions for you, sir, but thank you for your time
11 and for your remarks, sir.

12 MS. HARRIS: One of you people at the
13 table asked about customer service. I think it's
14 horrible. I don't like talking to a machine and I
15 called in to just ask a question about a bill--

16 JUDGE PRIDGIN: Did you sign up to
17 testify, by chance?

18 MS. HARRIS: No.

19 JUDGE PRIDGIN: Okay, I'll tell you what,
20 I've got some people who have signed up and I'll be
21 glad to listen to you.

22 CHAIRMAN CLAYTON: We'll get to you, we
23 promise.

24 JUDGE PRIDGIN: If you're interested in
25 testifying, we'll be glad to listen.

1 MS. HARRIS: Okay, that's fine.

2 JUDGE PRIDGIN: All right, thank you.

3 The next person I have signed up, if I'm reading it
4 correctly, is it B.J. Lawton?

5 MR. LAWTON: That'd be me.

6 BOBBY JOE LAWTON, being sworn-in by
7 Judge Pridgin, testified as follows,

8 JUDGE PRIDGIN: Be sure you've got the
9 button pressed so they can hear you back in the
10 capitol. Would you state your name and spell your
11 name for the court reporter, please?

12 MR. LAWTON: Name is Bobby Joe Lawton.
13 First name is spelled B-o-b-b-y. Middle J-o-e.
14 Last name L-a-w-t-o-n.

15 JUDGE PRIDGIN: Are you an MGE customer,
16 sir?

17 MR. LAWTON: Yes, I am.

18 JUDGE PRIDGIN: Do you have a statement
19 for the commissioners?

20 MR. LAWTON: Well, first of all, I've got
21 a question for these two guys back here, these two
22 gentlemen back here from Missouri Gas Energy and I
23 already know what they have service here in St. Joe
24 and in Kansas City, so what other cities do they
25 serve besides Kansas City and St. Joe, provide

1 service to?

2 JUDGE PRIDGIN: If you have a statement
3 for the commission - I mean, you're certainly free
4 to talk to them after the hearing, but, I mean.

5 CHAIRMAN CLAYTON: Hold on, Judge, we can
6 get that information for you. This isn't the right
7 forum for it, but we have staff here and the
8 company witnesses that will get you that
9 information. We can't answer right now, but please
10 stick around and we'll make sure your question gets
11 answered.

12 I'm sorry to interfere, Judge. I didn't
13 want to leave that hanging out there.

14 MR. LAWTON: Okay, I'll start again. A
15 lot of these other folks have already heard my
16 statement. I'll start again, since you gentlemen
17 wasn't here.

18 I don't have a computer, I went to the
19 library and got this and they ran it through the
20 computer. As of July 1, 2008, there was roughly
21 76,197 people in St. Joe. And of those people,
22 there's 28,489 households. And if three quarter of
23 them is serviced by Missouri Gas Energy, then the
24 other quarter would be - have total electric.

25 If you sit down and take paper and

1 pencil and do the figures, the 24.62 translates, if
2 you multiply that by the households of 28,489 to
3 24.62, and by the way, I did not include the 61
4 cents tax on here that's applied to the 24.62, so
5 that makes my figures irrelevant or completely
6 wrong, so I'll start back again.

7 So, if you start with the 24.62 and you
8 multiply it by the households of 28,489 that
9 translates into \$526,049.38 per month, alone here
10 in St. Joe, not including the Kansas City area.

11 And another thing that I would like to
12 know, is the 24.62 the fixed rate in Kansas City,
13 Missouri and the other cities that MGE provides the
14 gas service to.

15 With an increase of \$5.21 a month or
16 \$29.83 per month and by the way, that translates
17 three quarters of the 28,489 households, that
18 translates into 21,366.75, or three quarters, if
19 you will. The dollar amount, if the rate increase
20 gets approved by the Public Service Commission,
21 then that translates in \$637,370.15. Maybe I said
22 that \$637,370.15 or a difference of \$111,320.77, so
23 if you continue on with the math, you take that
24 figure times 12 months, that translates into
25 \$7,648,441.80. Multiply that figure by times 4

1 years, then you have \$30,593,776. Then, take that
2 figure, \$30,593,776 of what they are asking are,
3 applied for, 32,400,000. And by the way, 32.4
4 million is 400,000, .4 means 40 percent.

5 I'm just bringing that up, I got into a
6 mathematical discussion with what I call now an
7 acquaintance of mine and he thinks .4 million is
8 \$4,000. Well, he's putting a zero in front of the
9 4. Point 4 of \$1,000 is \$400 not \$40, so, I wish
10 he was here so I could clarify him on that. I'm
11 sure everybody would agree with me that .4 million
12 is \$400,000. I think you'll agree with too, won't
13 you too, Mike?

14 Okay, so anyway, if you continue on and
15 you take the \$30,593,767 from 32,400,000 then
16 that's \$1,806,233 and then you take three more
17 months times the figure that I multiplied the
18 increase of 29.83 which is 637,370.15, if you take
19 three more months of that, then that translates
20 into \$1,912,110.40, so that means that Missouri Gas
21 Energy would now have a surplus left over of
22 \$105,877.40.

23 A lot of these utility companies, what
24 they will do, and you correct me if I'm wrong.
25 They will go in, it'll be like selling your car.

1 Say you want 5,000 for your car. You know
2 someone's going to come over and say - look at it
3 and say, "Well, I'll give you \$4,500 for it." And
4 you know, it's a bargain deal.

5 I think this could possibly be a
6 bargaining chip, but we don't know what the true
7 story is yet. This could be approved or not
8 approved, so in other words, what I think they ask
9 for 32.4 million, in retrospect, they only might
10 get a portion of that, but makes no difference. I
11 always use things as an example. That's a good way
12 to use this as an example of selling a car.

13 I'd like to know what the operating and
14 maintenance expenses are. And show us, as already
15 stated to everybody here, you have a Freedom of
16 Information Act, let them provide everybody here,
17 all the customers that are testifying, give us the
18 reading for the last five years, what MGE's
19 operating and maintenance expenses are.

20 Of A lot of times, I see guys utility
21 companies working out on the street. You have six
22 guys there, maybe two of them only are working. I
23 brought this up earlier, but I didn't finish.

24 KCP&L just asked for an increase, has
25 nothing to do with Missouri Gas Energy, but here's

1 the thing. It did have something to do with me
2 because I asked them of how many of these 28,489
3 households were totally electric.

4 Just like this lady said here, terrible
5 service. I got terrible service with MGE and also
6 KCP&L. I spent over half an hour on the phone with
7 KCP&L. One individual was polite, said, "Mr.
8 Lawton, I'll contact St. Joe by email, you can call
9 back later on today or tomorrow." Well, I called
10 back the next day. I went through the same
11 treatment again. They didn't have any figures to
12 give me. They've got the figures to give me, they
13 know exactly how many people in St. Joe are totally
14 electric, they've got to have it someplace.
15 Everything is on computer any more, okay, couldn't
16 give it to me.

17 So, you wind up upsetting Mr. Lawton,
18 and Mr. Lawton might say something out of line.
19 I've got a right to say what I want to, anybody
20 has. And you know, I'd like to see what their
21 operating and maintenance expenses is.

22 And it's just like KCP&L, they sent a
23 flyer with all these customers in here that - we
24 only have one light and power, it used to be
25 Aquila. KCP&L, I'm making this statement, maybe

1 you find it irrelevant to the case. KCP&L owns
2 Iatan power plant, okay. They built something down
3 there. They sent a little flyer, just like MGE and
4 when you write something, you don't write it into
5 detail. And as already stated to everybody, I'm a
6 detail person, that's how I won my child support
7 case, by the way, which is irrelevant to the case.
8 But the thing of it is, KCP&L owns Iatan power
9 plant.

10 They build something down there and they
11 don't really tell you the truth, they're asking for
12 emissions control. What it's going to do for
13 emissions. Hey, that's a federal law. Anything
14 that they build that does with the federal, they
15 got to build it right. What they're asking for,
16 they're asking us to reimburse them for the
17 building of the building down there, nothing more.
18 I'm talking black and white, not living color by
19 the way. And that's the gospel truth. Not that is
20 makes any difference, but I worked down at Iatan
21 power plant years go, but KCP&L owns Iatan power
22 plant, they do.

23 And a lot of these companies are big
24 corporations. As I stated before, you got - you
25 guys didn't hear the conversation in here. You got

1 twenty banks, major banks in the United States,
2 CEO's that acquired 13 million dollars and hey, CEO
3 stands for Chief Executive Officer, they don't own
4 the company. It's just a title above their name
5 anyway, to begin with, you know, if that's what
6 they want to do for a living, I have no problem
7 with that, then otherwise they can't come back and
8 well, Mr. Lawton, you're a blue collar worker and
9 such and such.

10 And I might be rattling on here, but
11 I've got to state my case because this is
12 ridiculous for the customers in St. Joe and
13 everybody else to keep paying for rate increases.
14 Hey, we're broke just as everybody else is. We're
15 still in a depression. A lot of people think we're
16 in a recession, I think we're in - getting close to
17 a depression or in one.

18 Just the other day, I heard that - a
19 couple of weeks ago, I heard that the unemployment
20 rate was 9.5 and it dropped down to 9.4 and they
21 said the economy is getting better. That's where
22 you have all the analysts sitting around the table,
23 you know, dressed up ever how they are. No offense
24 meant, they are dressed up in suits, just like you
25 guys here. There's nothing wrong with that, but

1 what I'm saying is, they're analysts.

2 You've got an unemployment rating. They
3 don't go around knocking door to door to find out
4 how many real people are not drawing their
5 unemployment any more because they don't have any.
6 There's no extended benefits. They take the survey
7 from the unemployment office and I'll bet you -
8 I'll bet anybody here wants to bet, that I'll bet
9 I'm right. I'll bet all my money that I've got in
10 a CD. I'll bet you the money. If anybody wants to
11 bet, hold up your hands. Nobody's holding up their
12 hands. Okay, so anyway, you know, you take and
13 then just the other day driving to the grocery
14 store, it's up to 9.7 as stated, the worst it's
15 been in 26 years.

16 You've got people in here, you can look
17 around, some of them are retired. You don't judge
18 a book by it's cover, you know, I'm retired. I
19 retired when I was 55. Just because I retired at
20 55, that don't mean I had plenty of money, I get a
21 pension check. And it keeps dwindling too, as I
22 stated earlier in here that you know, back in
23 April, 2005, I paid my medical out of it. I don't
24 have dental and eye anymore, it was \$75 in May, it
25 went up \$25, that's \$100, and now, February of this

1 year, it went up \$15, so you see, everything keeps
2 rising except my pension, don't keep rising.

3 These other people that are employed in
4 here, their wages don't keep going up. If it is,
5 it's none of my business and if it does, it's very
6 little, but yet we the people of the United States,
7 we're the government, that's how the constitution
8 is written, you know, but yet you've got the people
9 in Washington, D.C. that pass these bills and
10 everything and it don't make any difference whether
11 you're a democrat, republican or independent. They
12 take money from lobbyists too, it makes no
13 difference who you are, you know. You could be a
14 cop, you could be a rogue cop, it don't make any
15 difference. But, we the people here in the United
16 States just can't keep giving these major companies
17 and corporations money that we don't have.

18 If they want money, just like KCP&L did,
19 why don't they go to their bank or their financial
20 institution and borrow the money from the bank and
21 pay it back theirselves. If I want money to do work
22 on my truck, do I go over here to my next door
23 neighbor, and by the way this gentleman sitting
24 right here is my next door - do I go over there and
25 borrow the money from him, I don't think so.

1 Because he comes and asks me for nothing, I don't
2 go knocking on people's doors asking for money to
3 put a rebuilt engine in my truck, or other stuff.
4 I try to survive on whatever I get, you know, until
5 maybe I've got to go down to the food kitchen and
6 hopefully I won't be there, but hey, anything is
7 possible these days.

8 I mean, things keep looking, it's like a
9 yo-yo, up and down, up and down, things keep
10 getting - one day, a couple of months out of the
11 year it might be good and then it's bad. It keeps
12 reverting back and forth just like a yo-yo. So,
13 that's my comment.

14 I sat down and took the paper and pushed
15 it against the pencil and so all the money they
16 would have, if the rate gets approved, just from
17 St. Joe alone, they would have the money back in
18 four years and they're not going to turn around and
19 revert it back to 24.62 and then talking about the
20 61 cent tax as I left off in my figures before.
21 They're not going to turn around and give it back.

22 As I explained before, sitting in here,
23 I went to a union meeting one night back in the
24 90's. Iron Worker pays monthly dues, right now
25 probably about 30 something, I can't remember.

1 We've had 2 percent of gross taken out of our
2 paycheck, of gross if you will. It don't make any
3 difference whether it got 8 hours, 16 hours, 24, 32
4 or 40 hours or you need more or some overtime, you
5 still had 2 percent. One iron worker brother got
6 up and he said, "You know, I might not be the
7 smartest individual, but you know, if I've got this
8 right, two plus one equals three, plus one equals
9 four, plus one equals five. And the guy sitting
10 right up in front where the executive board
11 wouldn't admit it until he finally got that across
12 to him, they swore up and down if you will, that
13 once the money got - the fund got built back up so
14 the international wouldn't come in and take control
15 of Local 10, that they'd give the money back.

16 Now do you think that ever happened?
17 How many here think that ever happened? Or it's
18 just me sitting here talking. They didn't put it
19 back to 2 percent, it's still at 5 percent today, 5
20 percent of gross.

21 So, even though I had a dangerous job, I
22 enjoyed my job, that's just a comment, maybe
23 irrelevant to the case, but what I'm trying to do
24 is use examples to try to help the other customers
25 out here and to present our case from this getting

1 approved. And it's a shame that more people don't
2 come and complain, because actually it's the people
3 that come and complain that get crap done. And
4 maybe that wasn't the right word but it was pretty
5 blunt. That's all I've got to say for right now.

6 JUDGE PRIDGIN: Mr. Lawton, thank you. I
7 think we'll have some questions for you. Mr.
8 Chairman?

9 CHAIRMAN CLAYTON: Well, at least it's on
10 the record; right?

11 MR. LAWTON: Right.

12 CHAIRMAN CLAYTON: If you're going to say
13 it, say it on the record. It struck me that I
14 don't think right now is the best time to ask Mr.
15 Filardo for a loan after hearing what he had to
16 say. I don't think now is the best time for that.
17 (Laughter) Just thought I'd bring that up, do what
18 you want to with that.

19 MR. LAWTON: I'd agree with that.

20 CHAIRMAN CLAYTON: I wanted to ask you a
21 couple of questions. You said bad service on the
22 part of MGE. I want you to elaborate on the type
23 of bad service. I think I heard you say that. And
24 could you give me a little more detail of what
25 you're talking about?

1 MR. LAWTON: Yes, sir. Well, I don't
2 want to make a mountain out of a molehill, what I
3 consider to be bad service. As this lady said, you
4 know, it's bad enough to get on the phone, you got
5 to press one for English, two for Spanish, I don't
6 see any people from the border here, but hey--

7 CHAIRMAN CLAYTON: You're upset with the
8 automated system?

9 MR. LAWTON: Right. Everybody is upset
10 with the automated system. It's bad enough, you go
11 - you call the toll free number at the IRS, it's
12 the same thing. Same thing you go through with all
13 of them basically any more. I mean, if they want
14 to come across the border, then they need to speak
15 our language. That's just a comment that I'm
16 making, but getting to the service.

17 What I asked for them, as this had
18 written up, it had written up 32.4 million as I
19 stated earlier about the .4 million everybody
20 agrees is \$400,000, so I just wanted that - that
21 was the problem. They didn't want to send that
22 out, 32.4 - they want to send out 32.4 million
23 exactly the same thing I had. I said, what's wrong
24 with sending out 32,400,000, they wouldn't do it.

25 So they did send something in an

1 envelope. I took it back to the post office today,
2 I didn't even open it up. I just marked on it
3 refused, return to sender, so you know, people have
4 got a right to say anything they want to and you
5 say something to me and I suppose I can be vulgar.
6 Two wrongs don't make a right, but I can get vulgar
7 and I hate to be that way. I mean, just because I
8 say something vulgar, I should basically learn to
9 control myself which I haven't really done yet, but
10 I get on the phone and I ask something, I expect to
11 get it. I don't expect to snap my fingers at
12 nobody. I don't do that in a restaurant, I don't
13 do it in a cocktail lounge, I just don't snap. I
14 expect to ask for something and get it properly.

15 And like I said earlier, I spent over a
16 half an hour on the phone with KCP&L, you know, and
17 I talked to not one customer of Missouri Gas
18 Energy, I talked to probably three or four at least
19 and got the same treatment, they didn't want to do
20 it. So, I cut them short, I just basically hang
21 up, but I can hang up the phone, call back again.
22 What I'm looking at - hey, you work in any public
23 service, whether it's a restaurant, a courthouse,
24 or what, you're a public servant to us people out
25 here in the general world. In other words, it'd be

1 the same thing if I was working at it. You got to
2 do everything nice and polite. You've got to learn
3 to control yourself, and if you don't - can't
4 handle working there and be nice and polite and
5 have some good common sense, then maybe you need to
6 be washing dishes, you know. That's the way I look
7 at it, so that's my complaint on the service.

8 CHAIRMAN CLAYTON: Okay.

9 MR. LAWTON: And I'm not here to try to
10 riddle/rattle on, but that's how I explain stuff.

11 CHAIRMAN CLAYTON: I don't mean to pry.
12 I do want to urge you to meet with - do we have an
13 auditor here from the staff? Well, if we could
14 make arrangements to get this information on how
15 operating expenses are established and also what
16 cities are served by MGE, I think that was your
17 other question, I want to make sure you get that
18 answer before you leave here today. I don't have
19 any other questions, thank you.

20 JUDGE PRIDGIN: Mr. Chairman, thank you.
21 Commissioner Gunn?

22 COMMISSIONER GUNN: I just have a couple
23 of questions. First of all, thank you for you're
24 time, we really appreciate it. You went through a
25 log of numbers, you went through them pretty

1 quickly, but the 24.62, is your monthly flat charge
2 that you pay. Is that correct?

3 MR. LAWTON: That's correct. Fixed
4 charge which is - there's also topped onto that is
5 61 cents, making a total of 25.23. Now, these two
6 gentlemen I talked to at the door coming in, you'll
7 have to have them explain it to you. That is what
8 they tell me. I'll let them explain it to you
9 because if I explain it to you I can be explaining
10 something wrong.

11 COMMISSIONER GUNN: That's fine. And
12 that 61 cents is a tax; right?

13 MR. LAWTON: Yeah, underneath. What's
14 your first name?

15 COMMISSIONER GUNN: Kevin.

16 MR. LAWTON: Kevin. Underneath that,
17 Kevin, they've got .61 underneath a 24.62 making a
18 total of 25.23.

19 COMMISSIONER GUNN: Now, there's a part
20 of your bill that's based on usage. Is that
21 correct?

22 MR. LAWTON: Yes, you're talking about
23 gas use?

24 COMMISSIONER GUNN: That's correct.

25 MR. LAWTON: Yeah, that's a ccf.

1 COMMISSIONER GUNN: Have you noticed a
2 change at all in that number?

3 MR. LAWTON: No, I haven't went to my
4 bills, and I've got them right in my bedroom and
5 believe me they ain't jumping across the fence like
6 a sheep does. I've got them in my bedroom and they
7 go back so many years because I keep all those, so
8 are you specifying I maybe--

9 COMMISSIONER GUNN: I'm just wondering
10 whether you'd noticed a change in that cost or in
11 that number, either in the amount that you pay for
12 or in your usage?

13 MR. LAWTON: No, I haven't, no.

14 COMMISSIONER GUNN: Do you think your
15 usage is pretty consistent month to month?

16 MR. LAWTON: Yes. I mean, I could
17 probably go look that up and yeah, it's be probably
18 consistent, but I think I remember from was it last
19 year that they lowered the cost of natural gas. Is
20 that right? So they lowered the cost of natural
21 gas, so I haven't went back, Kevin, and looked and
22 compared this most recent statement I've got to pay
23 this month to the ones last year.

24 COMMISSIONER GUNN: I asked the question
25 earlier, have you ever had an energy assessment or

1 have you done anything to improve efficiencies in
2 your home with regard to gas, either thermostats
3 like we've talked about today or water heater
4 issues, anything like that?

5 MR. LAWTON: No, I really haven't. I've
6 thought about maybe inviting ten women over, but
7 that's my own business, but I don't think that
8 would work.

9 COMMISSIONER GUNN: But you haven't taken
10 a look at any potential programs that the company
11 has, so you don't have any experience about how
12 they administer them or how those things work?

13 MR. LAWTON: No, I really haven't. And
14 as far as I'm concerned, I lease a house, I don't
15 own the house. And I've lived there - another
16 comment - I've probably lived there long enough to
17 own the house, but I'm not buying the house, I'm
18 too old, and I ain't going to leave it to nobody,
19 you know, and that's my own business, by the way.
20 And no, I mean, I think it's a pretty efficient
21 house. It's a brick house and I'm pretty sure it's
22 got some insulation in it. My light bills, you
23 know, there's hotter days than there are - some
24 days are just hotter than others, so you know, I'm
25 pretty happy the way everything works out, and I

1 know next month coming up that this is going to be
2 like a cash for clunkers. If you buy an appliance
3 that is energy efficient and you can deduct it off
4 your tax, you can also do that with windows.

5 But I'm not going to go ask my landlord
6 because he's busy enough doing other stuff. I
7 mean, it's not that I won't. I could probably put
8 some windows on it, but I'm not going to keep doing
9 stuff to his house to take my money away from me.
10 I've already put an awning on it, which you know, I
11 don't have to shovel snow now. It's still going to
12 blow in, but I don't have to maybe do it as bad as
13 I did. Yeah, I spent roughly \$800 doing that and
14 that goes with the house when I pass away.

15 COMMISSIONER GUNN: Thank you for your
16 time, sir. I have no more questions.

17 JUDGE PRIDGIN: Thank you. Commissioner
18 Kenney?

19 COMMISSIONER KENNEY: Mr. Lawton, I don't
20 have any questions, but you obviously have put a
21 lot of time and effort into coming up with the
22 mathematical computations and the other points that
23 you made about the state of the economy and the
24 hardships that you are personally facing, that's
25 not lost on us and we appreciate you taking the

1 time to come out and participate in the process.

2 It is important and thank you.

3 MR. LAWTON: Thank you very much.

4 JUDGE PRIDGIN: Mr. Lawton, thank you for
5 your time and your comments this evening.

6 MR. LAWTON: You're welcome, Mr. Judge.

7 JUDGE PRIDGIN: And I have as the last
8 witness signed up, Jerome Williams. If other
9 people want to testify, we will be glad to take
10 your comments after Mr. Williams. Jerome Williams?

11 MR. WILLIAMS: That's me, Jerome
12 Williams.

13 JEROME WILLIAMS, being sworn-in by Judge
14 Pridgin, testified as follows,

15 JUDGE PRIDGIN: If you would give your
16 name and spell your name for the court reporter,
17 please?

18 MR. WILLIAMS: Jerome Williams. J-e-r-o-
19 m-e W-i-l-l-i-a-m-s.

20 JUDGE PRIDGIN: And are you an MGE
21 customer, sir?

22 MR. WILLIAMS: Yes, I am.

23 JUDGE PRIDGIN: Do you have a statement
24 for the commissioners, sir?

25 MR. WILLIAMS: Yes. I have no problem

1 with their service. That's first and foremost, I
2 have no problem with the service that's been given
3 me. The problem is it's getting to the point where
4 I can't afford a gas bill, a light bill, water
5 bill, sewer bill, taxes. It's just all of this is
6 building up. My gas bill was like almost \$45 and
7 this is the summertime. I do not use it - I use it
8 for cooking maybe, hot water heater. I cook
9 outside mostly, but it was \$45 and so that's pretty
10 high for not winter use. But, I would hope that
11 the company and the commissioners will take into
12 consideration the impact to the customers, how much
13 hardship it's going to cost them as far as they
14 have to choose between medicine, utilities, food.

15 My recommendations as far as how much
16 percentage they should get, maybe 1.1 percent,
17 because we have to tighten our belts. They should
18 tighten their belts also. It's to the point where
19 there is very elderly people that live in my
20 neighborhood and they are talking about - which I'm
21 surprised they're not here. They're talking about,
22 they can't live like this anymore. They can't
23 afford their medicine, they can't afford utilities.
24 It's just getting to the point where people just
25 can't do it anymore. And I know the gentleman said

1 awhile ago that it's going to get to the point
2 where there's just going to be revolt where nobody
3 is going to be able to pay anything.

4 And I'm sure that's not what the
5 commission wants to hear, but there's people out
6 there that are just at the end of their rope, very
7 close to the point where they just can't do it
8 anymore and they just don't know exactly what
9 they're going to do.

10 But, I'm just here - I'm just
11 frustrated. That's what I am, frustrated, because
12 I - we had a light increase not too long ago, I was
13 here. They didn't get exactly what they wanted,
14 but they did get another increase. It just keeps
15 building up. Very short and to the point, I would
16 like the commission to take into consideration the
17 customers and if they can afford it. Right now I
18 don't think that they can. That's about all I have
19 to say. If you have any questions...

20 JUDGE PRIDGIN: Mr. Williams, thank you.
21 Let me see if we do have some questions. Mr.
22 Chairman?

23 CHAIRMAN CLAYTON: Mr. Williams, I do
24 have questions and I guess a little comment. The
25 concerns that you are raising and they are not the

1 first time we've heard them. I was here for the
2 meeting for Kansas City Power and Light, I think
3 you were here then. I thought I remembered you.
4 We are hearing them all around the state. It
5 doesn't matter if we're in an electric hearing or a
6 gas hearing, even water in certain areas has gotten
7 to be very expensive, so they are very challenging
8 times as we try to balance all the interests.

9 And I appreciate you saying that the
10 service is good because usually that's the first
11 thing that I want to know about, are you happy with
12 billing, service, they treating you proper, that
13 sort of thing, and I guess if you have anything
14 else you want to add on that, please tell me now.

15 MR. WILLIAMS: Yeah, see I'm up to the
16 point where I redone my house as much as I can to
17 save on energy. I save on energy, they get a rate
18 increase, I'm back to where I started, and it's
19 just a never ending battle.

20 CHAIRMAN CLAYTON: I've heard that a lot
21 lately. What I want to ask about now is your
22 neighbors, the senior citizens, the folks on fixed
23 income that you mentioned earlier. Are they
24 getting access to programs that are out there to
25 help people in that circumstance?

1 There are funds that are available to
2 help folks like that. Our staff that is here can
3 help guide them in that direction. It doesn't
4 solve all the problems, but we've got to do - work
5 with the resources that we have.

6 MR. WILLIAMS: Well, the elderly people
7 that I've been talking to, they have a mistrust of
8 any utility company, any government agency. It's
9 just to the point that they don't trust anymore
10 because it doesn't seem to be helping them at all.
11 I'm surprised they are not here, I really am.

12 CHAIRMAN CLAYTON: Is this an
13 inconvenient location where we are, for them?

14 MR. WILLIAMS: I don't think so, I don't
15 think so.

16 CHAIRMAN CLAYTON: It's a great facility,
17 but I think the last time we were here, you may
18 remember that somebody said that we were too far
19 outside of town or we were on the wrong side of
20 town or I don't know St. Joe, so I don't...

21 MR. WILLIAMS: If they wanted to be here
22 they would have been here.

23 CHAIRMAN CLAYTON: Could have been.
24 Well, I appreciate you coming here and speaking
25 passionately on behalf of others, as well as

1 yourself.

2 I do want to make sure that maybe you
3 can meet with some of our staff people that are
4 here. Maybe we have some information on some of
5 these programs and if your neighbors want to reach
6 out and try to access some things that are out
7 there available right now, we want to make sure
8 they have that opportunity. So, thank you for
9 being here.

10 JUDGE PRIDGIN: Mr. Chairman, thank you.
11 Commissioner Gunn?

12 COMMISSIONER GUNN: Yes, thank you.
13 Thanks again for your time, appreciate it very
14 much. You said you've pretty much redone your
15 house in order to try to save energy, so you've
16 taken the steps that you think you need to take to
17 improve the efficiency in your house the best that
18 you can?

19 MR. WILLIAMS: The only thing I haven't
20 done yet is insulate the windows. New insulation,
21 wrap your water heater, just every little thing -
22 suggestion that somebody might make to me, I've
23 been trying to do. But, it's getting to the point
24 where I'm actually looking into solar because maybe
25 it might be the way to go, but right now, they

1 don't have it, I guess you'd call it, haven't done
2 it to the point where it's affordable.

3 COMMISSIONER GUNN: Right, it's still
4 pretty expensive. Some of the suggestions that you
5 talked about, did you get anything from the
6 company, or did you contact the company and ask
7 them for any suggestions?

8 MR. WILLIAMS: As far as?

9 COMMISSIONER GUNN: Energy efficiency.
10 About things you can do or programs they may have
11 to help you do the types of things that you're
12 talking about doing.

13 MR. WILLIAMS: No, I haven't, but I'm
14 thinking that even if we do anything more to our
15 house, this increase will still go through. It
16 won't stop. It never will stop.

17 COMMISSIONER GUNN: I'm just trying to
18 figure out - sometimes what we look at is - are
19 programs that the companies run or have and
20 administer when it comes to efficiency. And I'm
21 trying to find out that if they have these
22 programs, what your experience has been with them,
23 to see if they are helpful or they are not helpful,
24 or whether if the programs exist, whether the
25 customer has - is being informed about them and

1 there's good outreach to keeping people informed.

2 So, that's where I'm trying to get at.

3 And you seem to be somebody that has
4 paid attention to it quite a bit in your own home
5 and so that's my question. Whether or not you've
6 had interaction with the company when you're trying
7 to do these things?

8 MR. WILLIAMS: Well, I'll be willing to
9 hear any more suggestions that they may have.

10 COMMISSIONER GUNN: I would encourage you
11 to talk to them and ask and find out if they have
12 those types of programs and if they are doing
13 anything to - they might be able to give you better
14 suggestions or help with that. I think that's all
15 I have. Chairman Clayton asked a lot of the
16 questions that I had, so thank you again for your
17 time.

18 JUDGE PRIDGIN: Commission Gunn, thank
19 you. Commissioner Kenney?

20 COMMISSIONER KENNEY: Mr. Williams, I
21 don't have any questions, but thank you for coming
22 and participating in the process, making your voice
23 heard. It is important to us and it's not lost on
24 us, so thank you.

25 MR. WILLIAMS: I'm just thinking that

1 just us few people that are here right now, there
2 is probably thousands that have complaints for you,
3 but they just don't show up.

4 CHAIRMAN CLAYTON: Don't think that just
5 because there are only four voices here tonight
6 that you are the only folks that we hear from. I
7 mean, we do hear from consumers on a regular basis,
8 some on a regular basis, some not on a regular
9 basis, so the concerns you raised are not uncommon.
10 I'm glad you're here. Thank you.

11 JUDGE PRIDGIN: Commissioner Kenney,
12 anything else?

13 COMMISSIONER KENNEY: No.

14 JUDGE PRIDGIN: Mr. Williams, thank you
15 for your time and for your comments this evening.
16 I don't have anyone else signed up but I think you
17 had spoken.

18 Was there anyone else who wishes to
19 testify this evening? Yes, sir. Two other people,
20 is that correct, three? Is there anyone else? I
21 think, ma'am, you had raised your hand a moment
22 ago.

23 GLADYS HARRIS, being sworn-in by Judge
24 Pridgin, testified as follows,

25 JUDGE PRIDGIN: If you would, make sure

1 you've got that button down for the folks in
2 Jefferson City, and would you state your name and
3 spell your name for the court reporter, please?

4 MR. WILLIAMS: You have to hold it, dear.

5 MS. HARRIS: Gladys Harris, H-a-r-r-i-s,
6 first name Gladys, G-l-a-d-y-s.

7 JUDGE PRIDGIN: Are you a MGE customer,
8 ma'am?

9 MS. HARRIS: Yes, I am.

10 JUDGE PRIDGIN: okay, do you have a
11 statement for the commission?

12 MS. HARRIS: I think your automated
13 system is horrible. I think your customer
14 relations are terrible and I have a good example.
15 I had a question about a bill I received. So, of
16 course I was given the automated system. I kept
17 hearing this recording over and over again without
18 getting the information I wanted. So, finally I
19 screamed into the phone, "I have a gas leak". That
20 did nothing, it simply referred me back to the
21 menu, that's it. So even if I had a gas leak, they
22 weren't going to do anything. That's it.

23 JUDGE PRIDGIN: Okay, Ms. Harris, thank
24 you. I expect that will prompt some questions.
25 Mr. Chairman.

1 CHAIRMAN CLAYTON: Ms. Harris, did you
2 ever get your problem resolved?

3 MS. HARRIS: No.

4 CHAIRMAN CLAYTON: Do you mind, I don't
5 want to know the specifics on the record, but could
6 you just a general idea of the type of concern?

7 MS. HARRIS: I had a question about a
8 bill that I wanted to know if it would take it
9 automatically from my checking account or if I was
10 going to be charged for it and it kept referring me
11 back to the main menu. I never did find it out.
12 And I tried billing, I think that was one of the
13 categories and never did get the information I
14 wanted.

15 CHAIRMAN CLAYTON: So, your question
16 still has not been answered yet?

17 MS. HARRIS: I think what I did, I wrote,
18 I got it answered, but not through that automated
19 system.

20 CHAIRMAN CLAYTON: I was just going to
21 suggest that there are probably some folks here
22 that may be interested in helping you get an
23 answer, if you didn't get your answer already.

24 MS. HARRIS: I did, I got it. I think I
25 wrote.

1 CHAIRMAN CLAYTON: Your experience
2 reminds me of an experience I had with my cell
3 phone company, which I'm not even going to mention.
4 They couldn't understand me, it's voice recognition
5 didn't understand me at all. I'd say something, it
6 said, "I'm sorry," so I understand your
7 frustration. Have you ever gotten a live person?

8 MS. HARRIS: No.

9 CHAIRMAN CLAYTON: Never have?

10 MS. HARRIS: No.

11 CHAIRMAN CLAYTON: How many times have
12 you tried to call?

13 MS. HARRIS: Oh, dear, at that one
14 instance probably about ten times and I never got a
15 human, only a machine.

16 CHAIRMAN CLAYTON: You called ten times
17 to get an answer to that one question?

18 MS. HARRIS: Yes. And I couldn't get a
19 human to talk to. And the last one is when I
20 screamed, "I have a gas leak," because I got
21 exasperated trying to talk to somebody.

22 CHAIRMAN CLAYTON: Well, I would suggest
23 and I don't have any other questions, but I would
24 suggest if you have a difficult time like that
25 again, that you call us and use our 1-800 number,

1 it's on the literature that's out front, and maybe
2 we can help make that automated person understand a
3 little better. Okay?

4 MS. HARRIS: Okay.

5 CHAIRMAN CLAYTON: Thank you for coming
6 tonight.

7 JUDGE PRIDGIN: Mr. Chairman, thank you.
8 Commissioner Gunn?

9 COMMISSIONER GUNN: Just a quick
10 clarifying question. Was there an option to press
11 a button and talk to a live person?

12 MS. HARRIS: No.

13 COMMISSIONER GUNN: So, there was not
14 even a option?

15 MS. HARRIS: It was just, what do you
16 want, billing or whatever it was. A long list, but
17 I never had an option.

18 COMMISSIONER GUNN: All right. So, it
19 wasn't where you pushed the button and you were
20 supposed to get a live person and it kept referring
21 you back, you just didn't have that option.

22 MS. HARRIS: No.

23 COMMISSIONER GUNN: That's all the
24 questions I have. Thank you.

25 JUDGE PRIDGIN: Commissioner Gunn, thank

1 you. Commissioner Kenney?

2 COMMISSIONER KENNEY: No questions. Ms.
3 Harris, thank you for coming in and sharing your
4 experiences. I'm sorry that you had to experience
5 that.

6 JUDGE PRIDGIN: And Ms. Harris, thank you
7 for your patience. I'm sorry I interrupted you
8 earlier, but I wanted to be sure we got you under
9 oath and got you on the microphone. Thank you for
10 your time and your comments.

11 I believe I saw a couple more hands go
12 up. The gentleman here, all right.

13 JAMES BAKER, being sworn-in by Judge
14 Pridgin, testified as follows,

15 JUDGE PRIDGIN: If you would, please
16 state your name and spell your name for the court
17 reporter?

18 MR. BAKER: James Baker, J-a-m-e-s B-a-
19 k-e-r.

20 JUDGE PRIDGIN: And Mr. Baker, are you a
21 customer of MGE?

22 MR. BAKER: Yes, I am.

23 JUDGE PRIDGIN: Okay. Any statement you
24 have for the commission, sir?

25 MR. BAKER: I was just - partially it

1 might be questions, but I hope you have adequate
2 budget for your staff and I hope that your staff is
3 searching, creating ideas as we've mentioned
4 throughout this discussion.

5 We are in new economic times and old
6 formulas of rates of return and corporate costs and
7 allegations from the parent company, etcetera, I
8 think have to be looked at very critically. And in
9 the new life of the poverty that is now covering a
10 lot of the country, we've got to have new
11 approaches, not just fixed from the past, certain
12 percentages that we use.

13 I appreciate your efforts and I
14 appreciate your staff. Thank you.

15 JUDGE PRIDGIN: Mr. Baker, thank you very
16 much. I'll see if we have any questions from the
17 commissioner. Mr. Chairman?

18 CHAIRMAN CLAYTON: Mr. Baker, thank you
19 very much for coming. I don't have any questions,
20 but the message that you just suggested comes
21 through loud and clear and the staff is listening
22 here today, so I appreciate your time.

23 JUDGE PRIDGIN: Mr. Chairman, thank you.
24 Commissioner Gunn?

25 COMMISSIONER GUNN: No questions.

1 JUDGE PRIDGIN: Thank you. Commissioner
2 Kenney?

3 COMMISSIONER KENNEY: Mr. Baker, thanks
4 for coming out.

5 JUDGE PRIDGIN: Thank you, sir for your
6 time and your comments. I think I saw another hand
7 go up, if I'm not mistaken? Or is there anyone
8 else who wishes to testify? Yes, sir?

9 LEN BROTT, being sworn-in by Judge
10 Pridgin, testified as follows,

11 JUDGE PRIDGIN: I'll remind you to hold
12 that button down so they can hear you back in
13 Jefferson City. Would you state your name for the
14 record, and spell your name for the court reporter,
15 please?

16 MR. BROTT: Len Brott. L-e-n B-r-o-t-t.

17 JUDGE PRIDGIN: And Mr. Brott, are you a
18 customer of MGE?

19 MR. BROTT: Yes, I am.

20 JUDGE PRIDGIN: All right. Do you have a
21 statement for the commission, sir?

22 MR. BROTT: Yes, I do. I don't think
23 that this rate increase is fair to most people, the
24 elderly, especially because they're on fixed
25 incomes and they have no way to make up that

1 difference of the 5.1. It may not seem like much
2 to you, but elderly retired people, you know, being
3 on fixed incomes, they have to pay all their
4 utilities, buy their food, their medical and they
5 have to have besides co-pays, they also have to
6 have two insurances so that one covers what the
7 other doesn't.

8 And also, I have done everything
9 feasible to my house to make it energy efficient.
10 I have awnings, insulated windows, vinyl siding,
11 new roof and in the wintertime, I use wood and you
12 know, I still have to pay. I use very little gas
13 in the winter and what I do use is for my hot water
14 heater. I use, besides the wood stove, I use two
15 infrared heaters and three fourths of my gas bill
16 is the customer charge.

17 And years ago the customer charge was
18 only 5 to \$8 and now it went up to 24, almost \$25
19 and now they want to increase it \$5.21 more. And
20 when I only use 3 to 5 ccf's during wintertime,
21 three fourths of my bill is the customer charge.

22 And so, if the customer charge keeps
23 going up, then I will only have one way out and
24 that is to cut out the gas service altogether and
25 put in an electric water heater or the new water

1 heaters, they are square and they heat up the water
2 instantly, because I choose not to pay the rate
3 increases.

4 It's not that I can't afford to, it's
5 just that I have drawn a line in the sand, so to
6 speak. So, if one utility has to go, then it will
7 probably be the gas. That's all I have.

8 JUDGE PRIDGIN: Okay, Mr. Brott, thank
9 you very much. Let me see if we have any questions
10 from the commissioners. Mr. Chairman?

11 CHAIRMAN CLAYTON: Mr. Brott, I don't
12 have any questions for you but I understand the
13 message you're bringing here tonight and I
14 appreciate you taking time. I understand exactly
15 what you're saying. The fixed charges on your bill
16 have changed in recent years and the methodology of
17 how rates are set has changed and I understand what
18 you're saying, so thanks for coming out.

19 JUDGE PRIDGIN: Mr. Chairman, thank you.
20 Commissioner Gunn?

21 COMMISSIONER GUNN: I'm just going to ask
22 the same question I've been asking about the
23 efficiency measures about whether you did that on
24 your own or whether you took advantage of any
25 suggestions from the company or contacted them in

1 making those changes?

2 MR. BROTT: No, I have done them on my
3 own. The only thing I have done is through KCP&L,
4 they have that new thermostat out and it cuts your
5 energy costs by the - they regulate it from their
6 office. During peak hours it comes on less, but
7 there again, they're talking about having a rate
8 increase to pay for your efficiency, so no matter
9 how you go, you do everything you can to make
10 things efficient and then the utilities still raise
11 the prices.

12 I think what they should do is people
13 that use the most, pay the most. And not collect
14 it through customer charges or other fees. Thank
15 you.

16 COMMISSIONER GUNN: Thank you, sir, I
17 don't have any further questions, but thank you
18 very much for your time, we appreciate you coming
19 out.

20 JUDGE PRIDGIN: Commissioner Gunn, thank
21 you. Commissioner Kenney?

22 COMMISSIONER KENNEY: Mr. Brott, I don't
23 have any questions but thank you for coming out and
24 lending your voice to the process, it's very
25 important.

1 JUDGE PRIDGIN: Mr. Chairman.

2 CHAIRMAN CLAYTON: Can I ask you an
3 electric question? The MGE guys can take a sigh of
4 relief, but I'm going to ask you, do you have the
5 KCP&L air conditioner deal where they turn off your
6 power during peaks times? Did you say you took
7 advantage of that program?

8 MR. BROTT: Yes, I did. I had the
9 thermostat installed in May, and it has cut my--

10 CHAIRMAN CLAYTON: Has it really?

11 MR. BROTT: Yes.

12 CHAIRMAN CLAYTON: Do you like it,
13 dislike it? I mean, is it - has it made your house
14 hotter, more uncomfortable, anything like that?

15 MR. BROTT: No, it's pretty comfortable,
16 plus we have the ceiling fans that circulates the
17 air. So, we have it set at 77 and it's
18 comfortable.

19 CHAIRMAN CLAYTON: So, you are positive
20 about the program so far?

21 MR. BROTT: I've been positive.

22 CHAIRMAN CLAYTON: That's interesting.

23 MR. BROTT: I'm positive about the
24 program except what I've been hearing is they're
25 going to charge customers for being efficient.

1 CHAIRMAN CLAYTON: Well, it was
2 legislation that passed this year, but maybe we can
3 get you more information on that, but thank you
4 very much for indulging me on an electric question.

5 JUDGE PRIDGIN: Mr. Chairman, thank you.
6 And Mr. Brott, I don't have any questions, but
7 thank you, sir for coming out tonight and thank you
8 for your comments. Is there anyone else who wishes
9 to testify?

10 MR. WILLIAMS: Yes.

11 JUDGE PRIDGIN: Mr. Williams, you are
12 still under oath, you may go ahead.

13 MR. WILLIAMS: I was just - I was asking
14 earlier before you guys came in and I was reassured
15 that you were going to take this into
16 consideration, but I was asking what the salary of
17 the CEO was and what kind of bonuses they got and
18 at that time, they couldn't give me any answer
19 because they said they couldn't.

20 Will you take this into consideration
21 for this rate increase, I mean, CEO's get pretty
22 substantial salaries plus bonuses. I would think
23 they would take these bonuses into consideration
24 because we do not get any bonuses. That's about
25 all.

1 CHAIRMAN CLAYTON: When you speak with
2 the staff about the low income services and the
3 other programs that are out there, why don't you
4 ask that question and maybe we can get you the
5 staff's policy and public counsel's policy on how
6 they treat bonuses and salaries because that may
7 give you some prospective of how the parties argue
8 over the rate increase request.

9 MR. WILLIAMS: When you said low income,
10 it's getting to the point that everybody's going to
11 be in the low income.

12 CHAIRMAN CLAYTON: Goes up every year.

13 MR. WILLIAMS: I know.

14 JUDGE PRIDGIN: Mr. Williams, thank you.
15 Is there anyone else? Yes, sir. Mr. Filardo.

16 MR. FILARDO: Yes, when I was up in
17 Wisconsin where I moved from, I had a historic
18 national register property and that was definitely
19 feeding a dinosaur on peanuts.

20 I posted my gas bill on the faculty
21 board and it was half my month's salary and that
22 house was heated at 51 degrees. Of course, I
23 wasn't eligible for anything, but when I added my
24 mortgage and my gas bill, it was \$100 beyond what I
25 made. Now, I don't know what you eat, and I don't

1 know how you put gas in your car. I had to work
2 two other jobs to try to keep things going, but
3 when you have a big old historic house, which you
4 can't insulate that thing because it's just big and
5 old and falling apart, trying to keep fixing it.

6 I love how these standards where people
7 start evaluates well, you're not eligible because
8 you make this much money. Well, now wait a second,
9 after you deduct expenses. It wasn't like I was
10 heating that baby at 75 degrees.

11 You know, maybe we need to reevaluate
12 how our allocating of things and you know, making
13 people eligible, when you're got to pay property
14 taxes, and the rest. I stay at my brother's house
15 quite a bit because he took a job because he can't
16 find anything in Kansas City, so now he's working
17 in New York City, so I have to stay there.

18 JUDGE PRIDGIN: Mr. Filardo, thank you.
19 Anything else from - Mr. Lawton, go ahead, sir.

20 MR. LAWTON: well, this happens to
21 pertain, to last year, I was here last year and I
22 can't remember any gentlemen whatsoever but they
23 had a rate increase that was the water company
24 applied for. Were any of you gentlemen here?
25 Because I can't remember the faces from last year.

1 None of you were here?

2 CHAIRMAN CLAYTON: I can't remember. I
3 was here for the KCP&L, I can't remember. I've
4 been to American Water increases before, but I
5 don't remember if I was here for the last one.

6 MR. LAWTON: From what I understand, I
7 don't know if you know or not, but I don't think
8 that was approved by the Public Service Commission.

9 CHAIRMAN CLAYTON: Was it American Water?

10 MR. LAWTON: Yes.

11 CHAIRMAN CLAYTON: Well, we would approve
12 any rate increase they would have filed. It was in
13 the last couple of years.

14 MR. LAWTON: It was last year when they
15 had the same thing out here we're having tonight.
16 And I don't think they got approved, but maybe they
17 raised them some.

18 CHAIRMAN CLAYTON: I think there was a
19 settlement among the parties and the commission
20 eventually did approve it. I think the public
21 counsel, the consumer advocate, and the staff, I
22 think came to an agreement, I don't recall.

23 MR. LAWTON: Yeah, because I talked to
24 one of my acquaintances just yesterday and he said
25 what he thought basically making the same kind of

1 statement that you're making, if you will, that he
2 thought it still got approved some way, you know,
3 the water companies did, so you know I didn't think
4 it did, but once again, I'm not perfect.

5 CHAIRMAN CLAYTON: I don't know the
6 answer, I don't want to lead you--

7 MR. LAWTON: You can call me tonight when
8 you get home, I don't even care if it's after
9 midnight.

10 CHAIRMAN CLAYTON: Well, somebody will
11 call you but it won't be me. (Laughter)

12 JUDGE PRIDGIN: Mr. Lawton, thank you, is
13 there anything - anybody else wishing to testify?
14 Okay, let me see if we have any closing comments.
15 Mr. Chairman?

16 CHAIRMAN CLAYTON: No, I don't have
17 anything, just thank you for coming.

18 JUDGE PRIDGIN: thank you. Commissioner
19 Gunn?

20 COMMISSIONER GUNN: Just a couple of
21 things. This is just the very beginning of this
22 proceeding. The processes take eleven months and
23 we will be holding evidentiary hearings which will
24 be webcast. Our website is www.psc.mo.gov and I
25 would welcome anybody to post a comment, read the

1 comments through the website and if you have folks
2 that couldn't make it here tonight, they can do
3 that, and to follow the rest of the case.

4 Also through the website there's a
5 program called EFIS where you can find and read
6 some of the things that are filed by both our staff
7 and our public counsel and the company.

8 The public is represented in these cases
9 and some of this may have been talked about in the
10 question and answer period by the Office of Public
11 Counsel, very ably I might add, and I would
12 recommend that if folks do have questions or if
13 some of the statements made here brought up more
14 questions than were answered in the beginning, that
15 you talk to public counsel, who is the lawyer for
16 the public, as well as take advantage of the people
17 that are in this room. Very rarely do you get the
18 opportunity to speak in person to someone from the
19 company. If you've had some other issues that
20 weren't issued in the question and answer session,
21 take advantage of them being here tonight.

22 But other than that, just thank you
23 again, questions for staff and how to get in touch
24 with the commission or how to make further comments
25 of our staff that were here earlier, will be very

1 happy to take that information, but it's Tuesday
2 night after Labor Day and we know your time is
3 valuable and we appreciate every second that you
4 spent out here because it does have an impact and
5 your voices are heard and so we appreciate you
6 coming out. That's all I have.

7 JUDGE PRIDGIN: Thank you. Commissioner
8 Kenney?

9 COMMISSIONER KENNEY: Mr. Lawton, did you
10 want to say something?

11 MR. LAWTON: Yes, thank you. I've got
12 one final comment, it don't have anything to do
13 with this thing, but just to show how the
14 government wastes money.

15 I was watching tv the other day or a
16 couple of weeks ago, maybe, and anyway they have
17 this hotline or toll free number if you will, where
18 since the recession or depression ever what you
19 want to call it, there's been a lot of people
20 commit suicide, even millionaires and billionaires,
21 and they have this hotline you call in and they've
22 got people sitting at a table where you talk to
23 them. I reckon, give them some solitude from
24 committing suicide, so just to make this comment.

25 The government is donating, it was

1 either 1 million or 1 billion dollars to this
2 company that has this toll free number set up to
3 help the company get along just so people don't
4 commit suicide. I mean, that's wasting money.

5 You know, I'd be willing to donate money
6 to them just to they could kill themselves.
7 (laughter) It would make more room for me and all
8 these other people here in this room.

9 I mean, what I'm getting at and I'm
10 trying to be probably humorous at the same time,
11 that's a waste of the taxpayer's money. That's our
12 money. And we all come in here tonight, it's a
13 waste of money to do this. I mean, people got to
14 the point where they just can't afford it any
15 longer.

16 But that that with a grain of salt or
17 take it the way you want to, but it's really true.
18 I mean, a million dollars to donate to a toll free
19 number so people don't commit suicide, never heard
20 the like.

21 JUDGE PRIDGIN: Mr. Lawton, thank you.

22 MR. LAWTON: You're welcome.

23 JUDGE PRIDGIN: And Commissioner Kenney,
24 I'm sorry, did you have any closing remarks?

25 COMMISSIONER KENNEY: Just to be clear,

1 that wasn't a Missouri state government program,
2 was it?

3 MR. LAWTON: That's true.

4 COMMISSIONER KENNEY: Thank you all for
5 coming out tonight, you're voices are an integral
6 part of this process and it's important that you
7 know that we do appreciate the efforts that you
8 take in coming out here and sharing your thoughts
9 with us, so thank you very much.

10 JUDGE PRIDGIN: Commissioner, Kenney,
11 thank you. Is there anything from counsel, either
12 from St. Joseph or Jefferson City before we close?

13 Not hearing anything, in that case, we
14 will go off the record and concludes this local
15 public hearing in Case Number GR-2009-0355. Thank
16 you, we are off the record.

17 (WHEREIN, the Hearing is concluded at
18 7:25 p.m.)

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3 COUNTY OF CLAY)

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