

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

Public Hearing

August 24, 2000

In the Matter of Union Electric Company)
d/b/a AmerenUE for Authority to File)
Tariffs Increasing Rates for Gas) Case No. GR-2000-512
Service Provided to Customers in the)
Company's Missouri Service Area)

BILL HOPKINS, Presiding,
SENIOR REGULATORY LAW JUDGE
M. DIANNE DRAINER, Vice Chair
KELVIN L. SIMMONS,

COMMISSIONERS

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24 The following proceedings were had, to-wit:

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1 JUDGE HOPKINS: Ladies and Gentlemen, if I could have your
2 attention, please, we will begin this hearing. And I will ask our
3 court reporter to go on the record.

4 If you would like to testify, you need to sign up to testify
5 with Mr. Persinger here. We have the witness sign up list already
6 with some witnesses on it. Mr. Persinger is a staff member with the
7 Missouri Public Service Commission. We ask you, please don't testify
8 or say anything from the floor, you must come forward and be sworn in
9 to testify. And this is the local public hearing in Cape Girardeau,
10 Missouri and this is August the 24th, 2000. My name is Bill Hopkins,
11 I'm from Marble Hill. I'm an appointed Senior Regulatory Law Judge
12 from the Missouri Public Service Commission. And I will be the
13 presiding officer this evening In the Matter of Union Electric --
14 Union Electric Company, d/b/a AmerenUE for Authority to File Tariffs
15 Increasing Rates for Gas Service Provided to Customers in the
16 Company's Missouri Service Area. This is Case Number GR-2000-512.
17 This case began on February 18th, 2000, when Union Electric Company,
18 d/b/a AmerenUE submitted to the Missouri Public Service Commission
19 tariffs reflecting increased rates for natural gas service provided
20 to customers in the Missouri service area of the company. The
21 proposed tariffs bear a requested effective date of April 2, 2000.
22 I'm sorry, that's 2001. The proposed tariff was designed to produce
23 an annual increase of approximately 14 percent in the company's
24 natural gas revenues. That is, about Twelve Million Dollars
25 annually. First of all, let me thank the City of Cape Girardeau for

1 the use of the facility. And I think I need to note that the views
2 expressed here are not necessarily those of the City of Cape
3 Girardeau.

4 Let me introduce the Commissioners who are present this evening
5 to hear your testimony. This is Commissioner, Vice Chair of the
6 Commission, Dianne Drainer. She's from Columbia. This is our newest
7 Commissioner, Kelvin Simmons from Kansas City. And they're down here
8 to listen to the testimony tonight. They, as I said, are
9 Commissioners of the Missouri Public Service Commission and that's
10 the state agency which regulates investor owned utility companies in
11 the Missouri, to insure that the rates are just and reasonable and
12 that the quality of service is satisfactory and that safety
13 practices are employed in their operation, while at the same time
14 insuring the utility companies a reasonable rate of return to their
15 shareholders.

16 The Missouri Public Service Commission is made up of five
17 Commissioners. They are appointed by the Governor and confirmed by
18 the Senate to hear and decide cases regarding the public utility
19 issues regulated, as I said before.

20 The current Commissioners are the Chair, Sheila Lumpe; Vice
21 Chair, Dianne Drainer; Commissioner Connie Murray; Commissioner
22 Robert Schemenauer and Commissioner Kelvin Simmons. All of the
23 Commissioners, including those who are currently not present, will
24 have the opportunity to read all the witnesses testimony and remarks.

25 The Missouri Public Service Commission employs a staff of

1 engineers, accountants, attorneys, financial analysts and other
2 specialists in the field of utility regulations and relies upon their
3 expertise, along with other expert testimony and consumer testimony.
4 These people here that introduced themselves earlier represent the
5 PSC staff, the Office of General Counsel. And also is Mr. Micheel,
6 because he is from the Public Counsel. And we have two attorneys,
7 Ms. Knowles, and this is Mr. Byrne, from the utility. Now the Office
8 of Public Counsel is separate from the PSC and they represent the
9 public's interest specifically before the Public Service Commission.

10 The purpose of this hearing tonight is to get your input, to
11 take evidence by way of your statements or testimony or any written
12 statements or documents that you may wish to provide to the Missouri
13 PSC regarding AmerenUE's application for a rate increase. We will
14 take your comments this evening, along with the other public hearings
15 and follow up with a review and the reports which will be issued
16 concerning any issues which you may raise with us tonight relating to
17 this proposed rate increase.

18 And I just might add that we are having five of these local
19 public hearings around the state. We've already had one in
20 Wentzville, which would have been in St. Charles County. We have one
21 here, of course, in Cape Girardeau County. We're going to have one
22 in Cole County, or Jefferson City. We're going to have one in
23 Mexico, which is Calloway -- I'm not sure.

24 VICE CHAIR DRAINER: Audrain.

25 JUDGE HOPKINS: Audrain County, I'm sorry. And --

1 COMMISSIONER SIMMONS: Columbia.

2 JUDGE HOPKINS: And one in Columbia, which is in Boone County.

3 So all of these local public hearings are very important, because we
4 take all this testimony that we get here, and all of the
5 Commissioners read all of the testimony and all of the evidence
6 before they make their decision. We will also have an evidence
7 hearing here in October, beginning in the last part of October in
8 Jefferson City, where the utility, the staff and the public counsel
9 will get to present their evidence also.

10 Now we'd like to have any opening statement. Commissioners,
11 would either of you like to make any comments at this time?

12 VICE CHAIR DRAINER: About the only comment that I wish to
13 make at this time is to thank you all for coming this evening. And
14 to assure you that this is the opportunity for the members of the
15 public to give us your opinions and your perspective on this case.
16 It does make a difference. We will be having a formal hearing where
17 the company, our staff, the public counsel and any intervenors can
18 come and talk to us and give us their testimony in a very formal
19 process. But tonight is your night. And I want to take this
20 opportunity to thank you for coming, because when the weather's so
21 nice, and I know that people give up a lovely evening like this to be
22 in here, even though this is a wonderful center, to give us their
23 opinion is very important and we do thank you and we do appreciate
24 you giving us your opinions, because it helps us to do our job.

25 JUDGE HOPKINS: Thank you, Commissioner Drainer. Commissioner

1 Simmons?

2 COMMISSIONER SIMMONS: I too would simply like to thank you
3 for coming out and expressing your opinion, because it is so
4 important. This is a beautiful facility, my first time having the
5 opportunity to be here. I think that my fellow Commissioner has
6 spoken eloquently about our opportunity to hear from you and this is
7 your night. And I would just echo that and say that we are to
8 receive as much input from you as we can get. Thank you very much
9 for being here.

10 JUDGE HOPKINS: General Counsel, Mr. Franson, do you wish to
11 make an opening statement?

12 MR. FRANSON: I don't believe so, Your Honor.

13 JUDGE HOPKINS: Public Counsel, Mr. Micheel, do you wish to
14 make an opening statement?

15 MR. MICHEEL: I just have some opening remarks. Again, I
16 would urge all of the public members here tonight to come and
17 testify. It is very important, we do listen. And it's very
18 important that you testify on the record. If you have any customer
19 issues, it's important for the Commission to hear those. If you have
20 any service problems with the company, that's something that we like
21 to know about and we will urge the Commission to take into account in
22 this rate proceedings. And if you have any opinions on the proposed
23 increase, I urge you to testify, it's very important.

24 JUDGE HOPKINS: Does the utility have any opening statements?

25 MR. BYRNE: Yes, Your Honor. It's -- usually we're here to

1 listen, not really to talk, but I would point out that we have some
2 personnel from the company here. We have customer relations
3 representatives, we have district personnel. And if there are people
4 with problems with their account, we'll be happy to talk to you about
5 it. Probably after the formal part of the hearing is the best time,
6 but we're available for that and we're interested in listening to
7 what you have to say.

8 JUDGE HOPKINS: Thank you. We'll proceed with the taking of
9 the testimony. And since this is an official hearing, we have to
10 make these statements and the testimony be taken down by the court
11 reporter, this lady over here. It has to be on the record and under
12 oath. And when your name is called to testify, please come forward
13 to be sworn in. We're also going to do like you do in baseball,
14 we're going to have an on-deck circle, so the person to be after the
15 present speaker, will be asked to sit up front, so that he or she can
16 come in and testify. Only one person can testify or speak at a time,
17 at one time, so the court reporter can record an accurate record.
18 She can't listen to more than one person at a time, just like you or
19 I can't either. So she needs the courtesy of letting one person
20 speak at a time. If someone says, comes up here and says what you
21 wanted to say, and you're on the list, you can be sworn in and just
22 state that you agree with that person, or with their position, if you
23 want to do that. If you have specific questions about service
24 complaints, I can refer you to these people over here that -- the
25 public counsel, the general counsel and the counsel for AmerenUE and

1 they will either answers your questions or send you to one of their
2 staff members, which they've got staff members and service members
3 here. And they're all willing to answer your questions. We have a
4 very good attendance here tonight. And we're very pleased that you
5 have come out and are using your First Amendment Rights here. And
6 after you complete your comments, if you'll remain at the lectern
7 here, the counsel may have questions for you. You're not going to be
8 cross examined, but they may have questions for you. Or I may have a
9 question or either one of the Commissioners may have a question for
10 you. So please remain at the lectern after you have made your
11 comment. Also when you come up, we will ask you to state and spell
12 your name for the court reporter. So I'm going to call the first
13 witness, David Willis, and Carl Patterson. Is Mr. Patterson here?
14 If you would come up here and be seated, and as soon as Mr. Willis
15 gets through testifying, then you can testify, sir. Where's Mr.
16 Willis? Is David Willis not here?

17 MR. MICHEEL: Your Honor, I no longer see Mr. Willis.

18 JUDGE HOPKINS: All right. Well, Mr. Patterson, we'll let you
19 go first. And Dorothy Jones, is Ms. Jones? Ms. Jones, if you'd come
20 up here and sit on the front row. All right, sir, would you raise
21 your right hand? Do you solemnly swear or affirm that the testimony
22 you're about to give will be the truth, the whole truth, and nothing
23 but the truth?

24 MR. PATTERSON: I do.

25 JUDGE HOPKINS: Please state and spell your name for the court

1 reporter.

2 MR. PATTERSON: Carl Patterson, C-A-R-L, P-A-T-T-E-R-S-O-N.

3 I'm from Cape Girardeau.

4 JUDGE HOPKINS: Just go right ahead and tell us what you want
5 to tell us, sir.

6 MR. PATTERSON: Okay. Well, I'm here tonight as a concerned
7 citizen and as a senior citizen. And I do believe in the profit
8 motive, I think it's what made us great. But also we know sometimes
9 that human nature comes in and sometimes we need people like the
10 public commission to make sure that any increases or the prices are
11 fair and just, especially when they are about those items which are
12 necessary for life. And in this case, this is one of them. Now
13 we're going to be hearing a lot from now on, because we're at that
14 time of the year, election of a president and congress and so forth,
15 where most of us would raise our hands and volunteer to be a survivor
16 just not to have to listen to it. But we're going to have to listen
17 to it and we're going to hear people talking about choices between
18 food and medicine. And I think in many cases we're going to have to
19 add the third label, and that's going to be food, medicine and heat
20 and air conditioning. It's very, very important and we hope that our
21 Public Service Commission will look very closely at this and see that
22 for many people, many families, especially lower income or senior
23 citizens, this is a very, very important matter. I'd like to read
24 one thing that I just got off of the net, actually off of the New
25 York Stock Exchange, and this is dated July 25th. "Ameren

1 Corporation reports record second quarter consolidation earnings." I
2 notice that said record setting quarter. It's much higher than any
3 of the analysts thought. And I said I believe in the profit motive,
4 and I'm sure that many in here has some stocks and we like to see
5 them make some money. But the way I look at this, is that with the
6 dividend around Two Dollars and Fifty-Six Cents, and the year-to-
7 date, if it stays fat the rest of the year, there would be almost a
8 20 percent increase in profits if we never counted any months from
9 there on, which comes out somewhere around 20 or 25 percent. And
10 most of us would be happy with that, if we had that kind of stock.
11 So I guess the question simply raised, with this kind of year and
12 with near record high for 52 weeks, and the record is just not too,
13 too long ago, that I would question, you know, the timing and the
14 necessity of this. On physical strength, we'd like to see our
15 utility company strong, we want them to be able to serve us and to
16 give us what we need, and not to have to cut corners or not give
17 services because they don't the strength to do so. But the America,
18 the American Corporation has some pretty good strength. And the
19 return on equity, this is from this time going back a year, it's
20 going to be about 14 percent. Last year, in 1999, it was twelve and
21 a half percent. And again, this seems to be saying that they haven't
22 really done that badly in the past year, and in the past year and a
23 half or so. And Wall Street and the others ranked Ameren as 18th in
24 the industry rank. All I could see is that there's at least 44. And
25 what they're saying is, is that Ameren right now is 18th in the

1 nation in the utility programs and it's considered the 18th strongest
2 out of those. So again, that's not too bad a place to be. A concern
3 too is where the raise seems to be taking place. Residential, if it
4 went through as I saw it in the paper, would be 22, a little over 22
5 percent. Whereas there are actually deductions in interruptible
6 service and transportation service. And again, the raise would seem
7 to be upon the backs of families, young and old and all. And it
8 doesn't seem fair or just that that much would be put on that segment
9 of the income for Ameren.

10 And I would like to say too, that one thing we need to keep in
11 mind, and not much has been said lately, but when we look ahead to
12 deregulation and we don't have folks like you, we've got a lot of
13 problems. So I would hope that everyone who's here and has a chance
14 to serve, speaking on deregulation, do that. And hope that somehow
15 we can keep it as good as it's been for the past few years. Thank
16 you.

17 JUDGE HOPKINS: Thank you, Mr. Patterson. Commissioner
18 Drainer, do you have any questions?

19 COMMISSIONER DRAINER: I have no questions, but I want to
20 thank you for coming in. I want to tell you I appreciate very much
21 your very thorough information that you are sharing with us this
22 evening. I greatly appreciate the time you took to put it together.

23 JUDGE HOPKINS: Commissioner Simmons?

24 COMMISSIONER SIMMONS: No questions. Thank you, sir.

25 JUDGE HOPKINS: General counsel?

1 MR. FRANSON: No questions. Thank you, Your Honor.

2 JUDGE HOPKINS: Public counsel?

3 MR. MICHEEL: None, Your Honor.

4 JUDGE HOPKINS: Ameren?

5 MR. BYRNE: None, Your Honor.

6 JUDGE HOPKINS: Thank you very much. Dorothy Jones will be
7 next and then Todd Bonectki -- am I pronouncing it right?

8 MR. BYRNE: He's left, Your Honor.

9 JUDGE HOPKINS: Okay. How about Kevin Sexton? Mr. Sexton, if
10 you would come up here and be on deck, we'll let you speak after Ms.
11 Jones. Would you raise your right hand, please? Do you solemnly
12 swear or affirm that the testimony you're about to give will be the
13 truth, the whole truth, and nothing but the truth?

14 MS. JONES: Yes.

15 JUDGE HOPKINS: Please state and spell your name for the court
16 reporter.

17 MS. JONES: Dorothy Jones, D-O-R-O-T-H-Y, J-O-N-E-S.

18 JUDGE HOPKINS: Thank you. Go ahead.

19 MS. JONES: I got this letter in the mail from the utility
20 company and I was quite alarmed that they were going to raise rates.
21 I says, well then I -- and then I got here and I read this paper and
22 I'm still alarmed. I says, "Well, didn't my rates go up?" Yes. And
23 it did. And what for? And then I asked -- then I read this next
24 line that says, well, this will be the only change I'll see in my
25 natural gas in a while, you know. I mean, if you can't already pay

1 your bill, you know, you don't need to see no rate increase. And
2 like this summer, I got into a problem with not being able to afford
3 my utilities. I have just moved into my home and I had only been
4 there not even a year yet. And the summer rates, I don't know where
5 they come from, but they just -- my bill was like drastically, it
6 went up. And so when I called them about it, I says, "Well I don't
7 think that you all read the meter right." I says, "I set my
8 thermostat on 68." And they said, "Well that might be fine for the
9 wintertime, but in the summertime maybe you ought to just raise it up
10 to 75." I says, "Well, but it will probably be hot, so what's the
11 purpose of having --." I've never had central air conditioning
12 before either, I've always had just the regular air conditioning.
13 This is a central air unit and sure enough I didn't know how it
14 worked. So I thought to myself, I says, "Well, they're going to tell
15 me to set my thermostat on 75." I says, "Well, I never set it on 75
16 in the wintertime, I don't want to be hot." And I just can't, you
17 know, I just don't understand how, you know, you people can just
18 decide to raise people's bills up continuously. And people can't
19 hardly afford to keep their utilities paid and they got to eat.
20 You've got to eat, you've got to pay the rent, you know. And it's
21 like I'm a single parent and I do live off of my own income and I
22 don't -- I don't anticipate the system making me be a beggar. I feel
23 like if we know, you what your income is, you budget it out and you
24 think that you -- this is the set amount that you're going to pay for
25 this, this portion, this portion, this portion, and whatever. And

1 then when it don't figure out, because one bill is blown up sky high,
2 and what can you do? People on set incomes can't do anything. But
3 they do have a program that's called the Missouri -- East Missouri
4 Action Agency. Now I have gone there and asked for assistance on my
5 utilities, but I would not have to ask for assistance on my utilities
6 if my utilities would not be uprated, instead of the people being
7 considerate of the person of the households of the residents, you
8 know. We do have to live and if you put a bill, any bill, if you
9 make it too big, that's where a customer can't afford it, then it's
10 of no use to nobody. Thank you.

11 JUDGE HOPKINS: Thank you, Ms. Jones. Is there any questions,
12 Commissioner Drainer? I guess not. Okay. Mr. Sexton, Kevin Sexton.
13 And then after him would be Steven Peel. Is Steven Peel here? Thank
14 you. If you'll have a seat up here and, Mr. Sexton, if you would
15 raise your right hand. Do you solemnly swear or affirm that the
16 testimony you're about to give to be the truth, the whole truth, and
17 nothing but the truth?

18 MR. SEXTON: Yes.

19 JUDGE HOPKINS: Please state and spell your name for the court
20 reporter.

21 MR. SEXTON: My name is Kevin Sexton, K-E-V-I-N, S-E-X-T-O-N.

22 JUDGE HOPKINS: Go ahead, sir, thank you.

23 MR. SEXTON: I want to thank Ms. Jones for giving us a little
24 plug there. I do work for East Missouri Action Agency, which is the
25 agency in the community that gets the bulk of the energy assistance

1 dollars that help below and moderate income individuals when they
2 can't pay their own utility bill. And Mr. Patterson had a few really
3 good points also, that this population has several things that they
4 have to worry about. They have to worry about their food, they have
5 to worry about their housing. And, yes, gas and electric is
6 something that they need to live. We're talking about AmerenUE
7 increasing their profits. And, yes, we're all in favor of increasing
8 the profits, but looking at what I'm seeing, are they increasing the
9 profits, as Mr. Patterson said, on the backs of the wrong group.
10 Maybe AmerenUE needs to have an increase in the profits, and they
11 have seen an increase in their profits. These individuals, these low
12 income senior citizens, disabled people, they're not getting an
13 increase in the profits. They're not seeing an increase in their
14 income annually. And to put so much of an increase on their back,
15 while the people that are, you know, more able to pay the bills
16 through larger companies and people of that nature, aren't being
17 asked to take any of the extra burden away. From what I see, none of
18 the burden. They're actually going to get a deduction in their
19 burden. I think we really need to look very closely at that.
20 AmerenUE does a great job in the community of helping us deal with
21 those --those problems, but I think putting this kind of a burden on
22 this population isn't going to help them at all. We're not seeing
23 an increase in their income. And we're already seeing increases in
24 other areas here in Cape Girardeau, the elderly and handicapped, have
25 a huge issue with housing. And if you have to put their utility bill

1 on top of it, they have to start making those decisions, it's going
2 to hurt them. We already have seniors, seniors that truly need
3 utility assistance and help with the utility bills, are the people
4 we see the least often. They don't want to come in and ask us for
5 assistance. Many are already making the decision between buying food
6 or paying the utility bill. They're paying the utility bill on time,
7 they're being conscientious about it, but if you put another Ten
8 Dollars on top of them, they're going to have to start seeing us.
9 And there will be no money that we're going to get to pay for this
10 increase either. So we really need to look closely at who we're
11 asking to pay for this increase. Thank you.

12 JUDGE HOPKINS: Thank you. Any questions, Commissioner
13 Drainer?

14 COMMISSIONER DRAINER: No, but I wish to thank you for taking
15 the time to come this evening and representing the agency. Your
16 agency does an outstanding job of support in the community.

17 JUDGE HOPKINS: Commissioner Simmons?

18 COMMISSIONER SIMMONS: No questions, thank you.

19 JUDGE HOPKINS: General counsel?

20 MR. FRANSON: No questions, Your Honor.

21 JUDGE HOPKINS: Public counsel?

22 MR. MICHEEL: I can just assure you, sir, that we're looking
23 into it. And attempting to keep the rates as low as possible for the
24 residential customers.

25 JUDGE HOPKINS: Utility counsel?

1 MR. BYRNE: No questions, thank you, sir.

2 JUDGE HOPKINS: Thank you. Thank you, Mr. Sexton. Now Mr.
3 Peel is next and then Gary Lively. Is Gary Lively here?

4 MR. LIVELY: I'll waive my comments until later on.

5 JUDGE HOPKINS: You don't wish to testify? All right, sir.
6 All right, then Paul Moran, am I pronouncing that -- do you want to
7 come up here and be on deck, sir? And, Mr. Peel, if you'll raise
8 your right hand. Do you solemnly swear or affirm that the testimony
9 you're about to give will be the truth, the whole truth, and nothing
10 but the truth?

11 MR. PEEL: Yes, sir, I do.

12 JUDGE HOPKINS: Thank you. Would you please state and spell
13 your name for the court reporter?

14 MR. PEEL: It is Steven Peel, S-T-E-V-E-N, P-E-E-L. I want to
15 thank you all for having these meetings and I'm happy, a little bit
16 happy at the turnout. It could have been even greater. I'm not an
17 eloquent speaker, I fall in, somewhere in between some of the people
18 that have spoken or probably will speak. I make too money to be
19 considered poor, I make too less money, too little money to be hardly
20 making just too much more than a living, okay? We -- the numbers
21 that I was going to talk about, I got out of the Southeast
22 Missourian. It said that the average residential customer's bill
23 would go up about Ten Dollars a month. That's a Hundred and Twenty
24 Dollars a year. That's a few pairs of pants for my children and
25 maybe a night out on the town extra that my wife and I could enjoy.

1 So that Hundred and Twenty Dollars a year has to come out of our
2 budget somewhere, and that's coming right off the bottom. I was
3 wanting to put it in a little bit of perspective, and then -- and
4 that's all, I just wanted to give an idea. Ten Dollars a month is a
5 half of one percent of what I get to bring home every month. Ten
6 Dollars a month is not much, I understand UE wanting to -- they have
7 their bills to pay, they have things that they have to do, but I
8 looked at Mr. Charles Mueller or Miller, the Chairman and President
9 and CEO of AmerenUE. If they raised utility rates one-half of one
10 percent based on his salary, the rates would go up Three Hundred and
11 Forty-Six Dollars a month. There's a lot of us here in Cape
12 Girardeau, we are not making Eight Hundred and Thirty-Two Thousand
13 Dollars a year. And we live and we do okay with our families, but
14 Ten Dollars here, it costs me now about Ten to Fifteen Dollars more
15 per month to drive to work each month with the gas prices for the
16 vehicles going up. It -- everything has gone up, except for the
17 paycheck. And where's the next Ten Dollars going to come from? So
18 that's all I wanted to say.

19 JUDGE HOPKINS: Thank you very much, Mr. Peel. Any questions,
20 Commissioner Drainer?

21 COMMISSIONER DRAINER: I have no questions, but I thank you
22 for coming in. You spoke very well and you give us a very good
23 perspective of what the average person makes and what this means to
24 them on a monthly basis. Now do you heat your -- I do have a
25 question. Do you heat your home with gas?

1 MR. PEEL: Yes, our home is heated with gas and hot water is
2 gas.

3 COMMISSIONER DRAINER: Your hot water is gas?

4 MR. PEEL: Uh-huh.

5 COMMISSIONER DRAINER: So what about stove?

6 MR. PEEL: No, it's electric.

7 COMMISSIONER DRAINER: So you actually, with that hot water
8 heater, you have a monthly bill that is affected by gas even in the
9 summer?

10 MR. PEEL: Yes, especially with two daughters in the shower.

11 COMMISSIONER DRAINER: Oh, that'll do it. Thank you.

12 JUDGE HOPKINS: Commissioner Simmons?

13 COMMISSIONER SIMMONS: No questions. Thank you, sir.

14 JUDGE HOPKINS: General Counsel?

15 MR. FRANSON: No questions, Your Honor.

16 JUDGE HOPKINS: Public counsel?

17 MR. MICHEEL; No. Thank you.

18 JUDGE HOPKINS: Ameren?

19 MR. BYRNE: No, thank you. Thank you, Mr. Peel.

20 JUDGE HOPKINS: Thank you very much. C. E. Decker will be on
21 deck. Is Mr. Decker available?

22 MR. DECKER: I'll pass, I didn't know what I was signing.

23 JUDGE HOPKINS; Okay. It was a promissory note and we thank
24 you. (Laughter) And then on deck would be Paula Jean Simpson. Is
25 Paula Jean Simpson here?

1 MS. SIMPSON: We waive our right to comment, Your Honor.

2 JUDGE HOPKINS: Okay. You don't want to, all right.

3 MS. SIMPSON: Yes.

4 JUDGE HOPKINS: So then, sir, you're the last speaker. And
5 I'm sorry, I --

6 MR. PERSINGER: Your Honor, I have another one or two over
7 here, I think.

8 JUDGE HOPKINS: Oh, all right. What is your last name?

9 MR. MORARD Paul Morard, P-A-U-L, M-O-R-A-R-D.

10 JUDGE HOPKINS; Would you raise your right hand, sir?

11 MR. MORARD: Okay.

12 JUDGE HOPKINS; Do you solemnly swear or affirm that the
13 testimony you're about to give to be the truth, the whole truth, and
14 nothing but the truth?

15 MR. MORARD: Yes, sir.

16 JUDGE HOPKINS: All right. You spelled your name, thank you.
17 Go ahead, sir.

18 MR. MORARD: Okay. I really enjoyed this lady's opening
19 comments, that being here really does make a difference. And I don't
20 know, I am kind of a pessimist on that, I don't see it making much of
21 a difference when it comes to large corporations. And I think that
22 while me being here, I feel it's my duty to speak my mind, but I
23 don't know how much relevance it'll have in my utility bill. And I'm
24 one of those low income people like they talked about. For me it was
25 a big thing to come here, I had to miss a Cardinal game on TV tonight

1 to be here. I live on -- with a disability and have a relatively low
2 income. And I could really relate though when the gentleman said
3 food or prescription drugs or utilities, because I just barely make
4 it through as it is. And this month I couldn't pay the full amount
5 of my electric bill, you know. I had to send in -- send in a check
6 short. And sometimes that happens. It's the way the bill falls on
7 the 30th, I get paid on the 3rd. Well, I'm lucky if I get a new pair
8 of shoes, you know, every six months or so, and I don't get out of
9 the house too much. But I mean it has classified on this proposal,
10 you know, I think a 75 to 87 and a half percent, that's a little
11 customer charge. I mean, I believe Union Electric, I've been
12 familiar with them for about my whole life. My father worked for
13 them. And I know that they are a prosperous company. And I don't
14 have much choice to go down the street and buy my electric somewhere
15 else or my gas, you know. And I think if anything, possibly charging
16 commercial different than the residential rates would be the more
17 fair way. But like I said, I know UE does have a lot of things like
18 a Dollar-more programs. And I think the gentleman from the Southeast
19 Missouri Action Agency would tell you that the line is a lot bigger
20 than what they have to offer, because I've had to go there. They
21 just said, "You're out of luck." So I've been one of those people
22 who have come real close to getting shut off before, but managing to
23 survive another increase, you know, just makes it that much tougher.
24 I think it would be a lot easier to swallow if it was, you know, a
25 more reasonable range, you know. If it was Two or Three Dollars a

1 month, I could -- it wouldn't impact my life at all, even though I
2 barely make it as it is. But I think it's somewhat -- greed is a
3 motivation for the company. And not to be negative or offensive to
4 anyone, there's no way to put that politely, but that, you know, more
5 income means more investment, more prosperity for the company, but
6 also as a customer I'd have to, you know, I myself am drained dry at
7 the end of the month with things as they are. And that's it for me.

8 JUDGE HOPKINS: Thank you. Commissioner Drainer, any
9 questions?

10 COMMISSIONER DRAINER: I want to thank you for coming in
11 tonight. And I want to thank you for exercising your rights.

12 MR. MORARD: Okay. Thank you.

13 JUDGE HOPKINS: All right. We have two speakers left, Beverly
14 Breese. And then after that Gus -- J-A-B-R?

15 MR. JABR: Yes.

16 JUDGE HOPKINS; Okay. Ms. Breese, you may come up here.
17 Raise your right hand. Do you solemnly swear or affirm that the
18 testimony you're about to give shall be the truth, the whole truth,
19 and nothing but the truth?

20 MS. BREESE: I certainly do.

21 JUDGE HOPKINS; Thank you, ma'am. Would you state and spell
22 your name for the court reporter?

23 MS. BREESE; B-E-V-E-R-L-Y, B-R-E-E-S-E. Well, I certainly
24 didn't expect to get up here and talk in front of everybody on this
25 microphone. But I was concerned about this hike in the Ameren's, or

1 Ameren, however you pronounce it. My mother and I live together,
2 she's 93. We're both on Social Security, and mother has a small
3 pension. And we just about break even every month, what with our
4 medication, mom has congestive heart failure. And she also has
5 emphysema, and she's on oxygen 24 hours. And I have to take it with
6 me in the car wherever I take her. I have no complaints on the
7 service, it's been very, very good, but I do complain about this
8 price hike. It's all we can do to make it every month as it is. I
9 tried to go on this budget system, I can't get off of it. And it
10 just seems to me like it's higher than what -- if I just stayed where
11 I was, but we'll do the best we can. But we certainly would
12 appreciate it if you would take into consideration your senior
13 citizens who are on a very limited budget. Thank you.

14 JUDGE HOPKINS: Thank you, Ms. Breese. And we do have some
15 service representatives here tonight, If you would talk to one of
16 these gentlemen over here, and if you have some question or complaint
17 or need some answers, they will find that for you.

18 MS. BREESE: Okay.

19 JUDGE HOPKINS: All right. Any questions, Commissioner
20 Drainer?

21 COMMISSIONER DRAINER: Thank you. No questions.

22 JUDGE HOPKINS: Commissioner Simmons?

23 COMMISSIONER SIMMONS: No questions. Thank you.

24 JUDGE HOPKINS: Gus, and I'm sorry, you're going to have to --

25 MR. JABR: Jabr.

1 JUDGE HOPKINS; Okay. Would you raise your right hand please?
2 Do you solemnly swear or affirm that the testimony you're about to
3 give to be the truth, the whole truth, and nothing but the truth?

4 MR. JABR: Yes, I do.

5 JUDGE HOPKINS: And please state and spell your name for the
6 court reporter.

7 MR. JABR: Gus Jabr, G-U-S, J-A-B-R. And good evening.
8 Excuse me, I was a bit rushed to get here, but I feel like maybe Mr.
9 Carl Patterson, reviewed the news release that came out in July about
10 the record setting second quarter. And that was from the company
11 itself, the newsletter was. Really what I'm concerned is, we've got
12 several friends and my mother's friends who are elderly. And they
13 are on, some are on fixed income and some are not as bad off. But,
14 yes, they are on fixed income. Now I understand it's going to be
15 almost Ten Dollars a month for a customer rate increase, which causes
16 concern, because on July 10, a news release from the company said
17 that this is the only raise in Cape Girardeau, Scott County and
18 Stoddard County. The increase would be about Three Dollars and
19 Seventy-Two Cents a month on this rate increase. So within less than
20 60 days or so, when did the Three Dollars, or almost Four Dollars,
21 become now Nine? This is what concerned me. Also, yes, it was a
22 very good quarter for the company, and I may -- if one of the
23 representatives from the company can help me look at this, And this
24 is from what has been filed with the Security and Exchange
25 Commission for the period ending 6-30-2000. And the consolidated --

1 the reason I bring this up is because they said the increase was
2 solely due to the natural resources, the increase of their gas and
3 all the commodities. Fine. Are we taking in account the decreases?
4 Everything's quiet and everything went back down. Not all the way
5 back down, but it's headed in that direction. And their second
6 quarter, their second quarter for ending at June 6, 2000, from
7 natural gas alone, it's One point Million, Six Hundred and Forty-Two
8 Thousand, which is a 25 percent increase from 1999. This is from the
9 Security and Exchange Commission. So also I got to thinking, and
10 running more figures from the Security and Exchange Commission, for
11 the company. Now don't get me wrong, it's an excellently run company
12 financially, structurally, operationally. I was very, very
13 impressed. Since the first week of March this year, the stock has
14 raised 43 percent, closing at 39 and three-eighths today, 43 percent
15 increase. Also the company is very well run financially, excellently
16 run company, the bond structure and the revenues. And -- but they
17 also filed for the three years, yes, there was a dip in the prices
18 of, and revenue from natural gas, but also their expenses decreased
19 at the same time. I'm not going on to that, but I'm more confused
20 and maybe the gentlemen from the company can address this. Also on
21 June 15th, they filed with the Security and Exchange Commission for a
22 dividend and reinvestment plan, some six million shares will be
23 available for this investment plan. The other amount of shares will
24 go to different underwriters and such. But this will, not all at one
25 time, this will enable the company to raise Two Hundred Thirty-Seven

1 Million Dollars after expenses. This is filed with the Security and
2 Exchange Commission. So basically my concern is, from June, somebody
3 would say Three Dollars, Four Dollars a month, now it's Ten Dollars a
4 a month after taxes. And well I'll end it, I'll leave it there, and
5 I hope the gentlemen have some questions for you.

6 JUDGE HOPKINS: All right. Thank you, sir. Any questions,
7 Commissioner Drainer?

8 COMMISSIONER DRAINER: Mr. Jabr?

9 MR. JABR: Yes.

10 COMMISSIONER DRAINER: Did I say that right?

11 MR. JABR: Yes.

12 COMMISSIONER DRAINER: A couple things. One, when we end the
13 hearing, I would like Mr. Imhoff, who is with the Public Service
14 Commission's staff in our gas department, to talk with you about the
15 difference in the gas price itself and those increases versus this
16 case that's before us. The second thing is, I would like for Mr.
17 Byrne, I could see about jumped out of his chair wanting to answer
18 your question on the Three Dollars and Ten Dollars. And I just have
19 a feeling that not just yourself and me, but everyone here would like
20 that question or something similar. Mr. Byrne, can you address --

21 MR. BYRNE: Sure.

22 COMMISSIONER DRAINER: -- that statement for us?

23 MR. BYRNE: Sure. Mr. Jabr, the gas commodity portion of our
24 cost is -- takes a separate track, you know. It's tracked dollar for
25 dollar. And so I believe the Three Dollar and some odd Cent increase

1 that you talked about in July --

2 MR. JABR: Yes.

3 MR. BYRNE: -- was a gas commodity increase. And that did
4 take effect. Now as the price goes up or down, at least two times
5 and no more than three times a year under our tariff, that price is
6 adjusted either up or down. So that's different than this rate case,
7 which covers the non-commodity cost. So this is a different increase
8 and in addition to the commodity increase, if that makes sense.

9 MR. JABR: Yes, it does.

10 COMMISSIONER DRAINER: Thank you. And I appreciate you
11 answering the question. I appreciate you bringing so many additional
12 parts of information to us, just as Mr. Patterson did. And it is
13 greatly appreciated.

14 MR. JABR: I appreciate the time. Thank you very much.

15 JUDGE HOPKINS: Any questions, Commissioner Simmons?

16 COMMISSIONER SIMMONS: No thank you, not at this time.

17 JUDGE HOPKINS: General counsel?

18 MR. FRANSON: No questions. Thank you, sir.

19 JUDGE HOPKINS: Public counsel, any questions?

20 MR. MICHEEL: No, Your Honor.

21 JUDGE HOPKINS: Thank you very much. If there are no more
22 witnesses, then this hearing is adjourned.

23 MR. PERSINGER: Anybody else want to testify?

24 COMMISSIONER DRAINER: Before -- what I'd like to ask, is that
25 our staff members that are here this evening, please stand up,

1 because for those of you that came in late and weren't here for the -
2 any questions before the hearing, these gentlemen are reviewing the
3 company's rates. And also are familiar with the gas companies in
4 Missouri. And they can, after we leave, answer your questions. And
5 again, as Mr. Micheel stated, anyone that has service problems or
6 questions on your billing, please let them know so, that they can
7 address them for you. Thank you.

8 JUDGE HOPKINS: Now we're really adjourned.

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1 STATE OF MISSOURI)
2) ss.
3 COUNTY OF CAPE GIRARDEAU)

4 I, JACQUELINE K. SUTTERER, Professional Shorthand Reporter
5 and Notary Public within and for the County of Cape Girardeau, State
6 of Missouri, do hereby certify that I was personally present at the
7 hearing in the caption sheet thereof, that witnesses who were by the
8 Senior Law Judge for the Public Service Commission first duly sworn
9 to testify the truth, and nothing but the truth of their knowledge
10 touching and concerning the matters in controversy in this cause,
11 that I then and there took down in Stenotypy the comments and
12 statements made by the witnesses, the answers given, and that the
13 foregoing is a full, true and correct transcript of such Stenotypy
14 notes, so made at such time and place.

15 IN WITNESS WHEREOF, I have hereunto set my hand and seal
16 this 8th. day of September, 2000.

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Notary Public within and for Cape
Girardeau County, Missouri.

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My commission expires July 29, 2003.

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