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BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

TRANSCRIPT OF PROCEEDINGS
PUBLIC HEARING
August 29, 2000
Jefferson City, Missouri
Volume 5

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

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MORRIS L. WOODRUFF, Presiding,
REGULATORY LAW JUDGE.
CONNIE MURRAY,
ROBERT G. SCHEMENAUER,
COMMISSIONERS.

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REPORTED BY:
TRACY L. THORPE, CSR
ASSOCIATED COURT REPORTERS, INC.

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1 A P P E A R A N C E S

2 FOR UNION ELECTRIC COMPANY:

3 THOMAS M. BYRNE, Attorney at Law

RONALD EVANS, Attorney at Law

4 P.O. Box 66149

St. Louis, Missouri 63166

5

FOR OFFICE OF THE PUBLIC COUNSEL:

6

DOUGLAS E. MICHEEL, Attorney at Law

7 P.O. Box 7800

Jefferson City, Missouri 65102

8

FOR STAFF OF THE PUBLIC SERVICE COMMISSION:

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CLIFF SNODGRASS, Attorney at Law

10 P.O. Box 360

Jefferson City, Missouri 65102

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1 JUDGE WOODRUFF: Good evening, everyone.
2 Welcome to the public hearing in this case. My name is
3 Morris Woodruff. I'm going to be the judge tonight. And
4 that simply means I'm going to be presiding at this hearing.

5 We're in Case No. GR-2000-512, which is the
6 matter of Union Electric Company doing business as AmerenUE
7 and are seeking authority to file tariffs to increase the
8 rates for gas service provided to customers in the company's
9 Missouri service area.

10 This case began on February 18th of 2000 when
11 AmerenUE filed tariffs that would increase the rates for
12 natural gas service for the customers in the Missouri
13 service area of the company. The proposed tariffs are
14 designed to increase their annual natural gas revenues by
15 approximately 14 percent, which amounts to about \$12 million
16 per year.

17 The purpose of the hearing tonight is to get
18 comments and viewpoints from the public, and so we're going
19 to give the public a chance to testify tonight. And we're
20 going to have you do that by coming up to the podium up here
21 and I'll swear you in as witnesses just like on TV where
22 you'll raise your right hand and promise to tell the truth.
23 And then we'll just go ahead and get a chance to listen to
24 your testimony.

25 We're also going to give the Commissioners a

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1 chance to ask you questions. And there's some attorneys
2 here for the various parties here, they're going to have a
3 chance to ask you questions also. Now, this isn't going to
4 be like Perry Mason or something where you're going to be
5 grilled on the stand. This is just a chance for them to ask
6 any follow-up questions they might have to clarify what
7 you've testified to, but it's not going to be an
8 adversarial, hostile relationship to you.

9 I'd like to introduce the two Commissioners
10 that are here with us. There are five Commissioners on the
11 Commission. Two of them are here with us. Commissioner
12 Murray on my right -- Commissioner Connie Murray, and
13 Commissioner Robert Schemenauer on my left. And they'll
14 have a chance to ask you questions also.

15 So let's go ahead -- oh, one other thing, we
16 are having the hearing transcribed today with the court
17 reporter here. And that's so that the other three
18 Commissioners who are not here tonight can have an
19 opportunity to review your testimony through the written
20 transcript.

21 Okay. And we'll begin by taking entries of
22 appearance from the parties that are here from the various
23 attorneys, so we'll start with who's here for Union
24 Electric?

25 MR. BYRNE: Thank you, your Honor. Tom Byrne

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1 and Ron Evans appearing on behalf of Union Electric Company,
2 1901 Chouteau, St. Louis, Missouri 63103.

3 JUDGE WOODRUFF: And for Staff?

4 MR. SNODGRASS: Yes, Judge. Cliff Snodgrass
5 appearing on behalf of the Staff of the Missouri Public
6 Service Commission. I believe our new address is Governor's
7 Office Building, Suite 800, P.O. Box 360, Jefferson City,
8 Missouri 65102. Thank you.

9 JUDGE WOODRUFF: Thank you, Mr. Snodgrass.
10 And from Office of the Public Counsel?

11 MR. MICHEEL: Douglas E. Micheel appearing on
12 behalf of the Office of the Public Counsel and the public.
13 P.O. Box 7800, Jefferson City, Missouri 65102-7800.

14 JUDGE WOODRUFF: Thank you. Any other
15 attorneys here representing any other parties? All right.
16 I don't believe there are.

17 All right. Let's go ahead then and start with
18 giving the parties a chance to make an opening statement, if
19 they wish. Union Electric, anything you'd like to tell
20 these people?

21 MR. BYRNE: I don't have an opening statement.
22 The company's here to listen, not to talk, but we do have --
23 as I mentioned before, we do have repr-- we do have
24 employees of the company here that can answer questions or
25 if you have bill problems or problems with your specific

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1 account, talk to us after the hearing and we'll be happy to
2 address them. Thank you.

3 JUDGE WOODRUFF: And would Staff like to make
4 any opening remarks?

5 MR. SNODGRASS: Judge, Staff doesn't have an
6 opening statement, per se, for the hearing tonight.
7 However, I would tell everybody that we have our accountants
8 here, our CPAs and a very experienced auditor who are very
9 familiar with this case. And if you have any questions you
10 want to ask them, please free to do so. That's Greg Meyer
11 and John Cassidy. They know exactly what's going on in this
12 case from the Staff's perspective, and I encourage you to
13 talk to them. Thank you.

14 JUDGE WOODRUFF: Public Counsel?

15 MR. MICHEEL: Just for the third time tonight,
16 I would urge everyone to testify.

17 JUDGE WOODRUFF: All right. Let's go ahead
18 and call the first witness then. And the first name on my
19 list is Mr. John Leeper.

20 MR. LEEPER: Hello. I'm John Mitchell Leeper.
21 JOHN M. LEEPER, being first duly sworn, testified as
22 follows:

23 JUDGE WOODRUFF: Thank you. Now you may give
24 your statement.

25 MR. LEEPER: I'm John Leeper, Mayor of

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1 Versailles, Missouri. It was requested by members of my
2 community to come up and speak on behalf of the senior
3 citizens and the young people, the young married couples
4 that are financially not able to take this much of an
5 increase.

6 AmerenUE has been a great asset to our
7 community as far as their friendship financially. They've
8 helped us through lighting programs, through community and
9 civic things they've done. But to take this much of an
10 increase would put a hardship on most of our senior citizens
11 and on the young people just getting started.

12 It's my understanding that Staff and Public
13 Counsel have both come out with a proposal of 8.50, which
14 still gives the stockholders the 10 percent profit on their
15 investment. Why then would the company need to make an
16 increase of \$14 opposed to taking that of the Public Counsel
17 and the Staff, which still gives a 10 percent return on the
18 investment?

19 I would think that that would be the issue
20 here. And to save the older people from having to have the
21 financial hardship of spending their hard dollars that
22 they're having a hard enough time getting medication with to
23 spend on more utility costs. Thank you.

24 JUDGE WOODRUFF: If you'd wait for a moment,
25 see if anybody has any questions for you.

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1 I'm sorry. I've been handed a note to please
2 ask you to state and spell your name for the reporter so we
3 can get it correct here.

4 MR. LEEPER: John M. Leeper, L-e-e-p-e-r,
5 Mayor of the City of Versailles, V-e-r-s-a-i-l-l-e-s,
6 Missouri.

7 JUDGE WOODRUFF: Thank you, Mr. Leeper.
8 Does AmerenUE have any questions for this
9 witness?

10 MR. BYRNE: No, your Honor.

11 JUDGE WOODRUFF: Staff?

12 MR. SNODGRASS: No, Judge. Thank you.

13 JUDGE WOODRUFF: Public Counsel?

14 MR. MICHEEL: No, your Honor.

15 JUDGE WOODRUFF: Either of the Commissioners
16 have any questions?

17 You may step down, Mr. Leeper.

18 Next name on the list is Martha Hicks.

19 MARTHA HICKS, being first duly sworn, testified as follows:

20 JUDGE WOODRUFF: Thank you very much. Would
21 you please state your name and spell it?

22 MS. HICKS: My name is Martha Hicks,
23 H-i-c-k-s. I'm a retired teacher. I taught for 30 years at
24 Jefferson City High School. I never made as much as \$25,000
25 in any year. I do not own any stocks. As I tell the

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1 legislature when I go over and testify on bills, we just
2 clean-up pretty good.

3 My neighbor, with whom I walk every day, is
4 trying to maintain her home on less than \$15,000. She's not
5 from some rat-infested ghetto. Her husband was a graduate
6 of Rolla, an outstanding engineer with the State of
7 Missouri. Her insurance -- health insurance went up \$100
8 this year. Ours went up \$150 a month. The City is now
9 threatening us with \$40 for sewer costs if we don't vote for
10 their bill in November. It goes on and on and on.

11 I read recently in a column in the Post
12 Dispatch some figures I'd like to share with you. The New
13 York Times recently stated that a middle class family spent
14 2.6 percent of its net income on heating bills according to
15 the Federal Heating Assistance Program, while a typical low
16 income family spent 10.1 percent.

17 If you've never cried or cursed over the total
18 of an energy bill, this writer says, you may not be able to
19 identify with this, but the reality behind those numbers is
20 a lot of bent, gnarled hands trembling when they open the
21 electric bill. I won't bore you with all of hers, but she
22 says, Do I think the utility companies are ripping people
23 off? I refer you to that Bible of capitalism, the Wall
24 Street Journal under the headline, Do hogs get slaughtered?

25 It's a market ripe for manipulation surging

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1 demand for an indispensable commodity, weak oversight and a
2 chaotic new set of rules, of course when we're deregulated,
3 amid a transition from heavy regulation to open competition.
4 I think we need to get a perspective on where we are headed.
5 Thank you very much.

6 JUDGE WOODRUFF: Thank you, Ms. Hicks. Does
7 Ameren have any questions?

8 MR. BYRNE: No, your Honor.

9 JUDGE WOODRUFF: Staff?

10 MR. SNODGRASS: Nothing, Judge.

11 JUDGE WOODRUFF: Public Counsel?

12 MR. MICHEEL: None at this time, your Honor.

13 JUDGE WOODRUFF: Commissioner Murray?

14 COMMISSIONER MURRAY: No questions, thank you.

15 JUDGE WOODRUFF: Commissioner Schemenauer?

16 COMMISSIONER SCHEMENAUER: No questions.

17 JUDGE WOODRUFF: Ma'am, I just have one
18 question for you to make sure.

19 MS. HICKS: All right.

20 JUDGE WOODRUFF: You live here in Jefferson
21 City?

22 MS. HICKS: Yes, I do.

23 JUDGE WOODRUFF: Thank you. You may step
24 down.

25 The next name the list is Roy Berkstresser.

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1 MR. BERKSTRESSER: Yes, sir.

2 JUDGE WOODRUFF: Did I come close on the name?

3 MR. BERKSTRESSER: You came real close. It
4 used to be Berkstrauser and they got it Americanized. It's
5 Berkstresser now.

6 ROY BERKSTRESSER, being first duly sworn, testified as
7 follows:

8 JUDGE WOODRUFF: Thank you, sir. And would
9 you state your name and spell it for the clerk?

10 MR. BERKSTRESSER: Roy Berkstresser,
11 B-e-r-k-s-t-r-e-s-s-e-r. I live at 705 East Della Street,
12 Versailles, Missouri 65084, zip.

13 JUDGE WOODRUFF: Thank you. What would you
14 like to say? Go ahead and give your testimony.

15 MR. BERKSTRESSER: Okay. Well, I'll just say
16 in the beginning that I'm sure that we're fortunate to live
17 in the great land that we live in and we certainly need
18 shareholder utility companies like AmerenUE. But I did a
19 little work here and got some information that I'd like to
20 relay to you, if I may, in regard to this rate increase that
21 we've been notified about.

22 AmerenUE has about 1,500,000 electric
23 customers and 300,000 natural gas consumers. It is the
24 largest electric utility in Missouri and the 17th largest
25 power generator in the United States. In Illinois it has

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1 investment in the recent sale of the Old Rock Island
2 right-of-way that runs from Owensville, Missouri to Kansas
3 City, Missouri. This was purchased from Union Pacific.

4 I realize that a company needs to make
5 investments in order to further their cause and this
6 certainly probably at some time in the future might provide
7 profitable for this venture or I'm sure they would not have
8 indulged in it.

9 We're all getting rosy comments about the
10 savings of the mergers that are now sweeping our company.
11 Why not try and see just how well it works from these own
12 projections?

13 Thank you all for allowing me to speak to you
14 today. We all are most fortunate to be citizens of this
15 great land and may God continue to bless us. Thank you.

16 JUDGE WOODRUFF: Thank you, sir. Does Ameren
17 have any questions?

18 MR. BYRNE: No, your Honor.

19 JUDGE WOODRUFF: Staff?

20 MR. SNODGRASS: None, Judge, thank you.

21 JUDGE WOODRUFF: Public Counsel?

22 MR. MICHEEL: No, your Honor.

23 JUDGE WOODRUFF: Commissioner Murray?

24 COMMISSIONER MURRAY: No questions.

25 JUDGE WOODRUFF: Commissioner Schemenauer?

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1 COMMISSIONER SCHEMENAUER: No questions.

2 JUDGE WOODRUFF: You may step down then.

3 Thank you, sir.

4 The next name on the list is Marilyn Defoe.

5 MARILYN DEFOE, being first duly sworn, testified as follows:

6 MS. DEFOE: My name is Marilyn Defoe, D, as in

7 David, e-f, as in Fish, e-o. I live here in Jefferson City.

8 I am here representing the Samaritan Center of Social

9 Service Agency that works with the poor in Jefferson City.

10 And I want -- I am protesting any rate increases.

11 I don't know how the single mothers or the

12 elderly or the people who are just getting by would absorb

13 it. In the past -- just since January 1 to present date

14 there has been \$44,260.38 spent by this community alone in

15 charity for people who could not pay their bills.

16 Now, if we all have an increase, the charity

17 is going to go down. There is not going to be -- if we have

18 bigger bills to pay, who's going to be the charity person to

19 give it?

20 I have received \$15,000 from United Way this

21 past year. I have been their energy chairman for the past

22 five years. We have wrestled and wrestled with this problem

23 in the city. I have worked -- had meetings with Ameren on

24 various occasions when they changed and revamped their --

25 and merged and went to the push-button business rather than

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1 having a person to talk to.

2 That has all been sad to say, because now, you
3 know, you don't get a person. And for the little old lady
4 who's trying to call and her bill is high and she's
5 wondering what she can do and gets nowhere because she
6 doesn't understand the push-button phone, it's very
7 confusing.

8 But I just think you need to look at what has
9 already been spent charity-wise by the state, by the federal
10 government, by entities here in town and where is it going
11 to go? There is not -- you know, we don't have an endless
12 pot.

13 So I think perhaps Ameren -- you know, all of
14 us have to pull our belts if we need to save money. Perhaps
15 they need to cut down on their advertising or some of the
16 things that they do on television. I see red when I see
17 their little -- their public service thing that says, you
18 know, we're there for you when you go bump in the night. A
19 lot of people are going to go bump in the night because they
20 can't find their way to the bathroom without lights. Thank
21 you very much.

22 JUDGE WOODRUFF: Ameren have any questions?

23 MR. BYRNE: No, your Honor.

24 JUDGE WOODRUFF: Let's save some time. Does
25 anyone else have any questions?

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1 Thank you.

2 MR. SNODGRASS: Judge -- just for the record,
3 ma'am, I have some cards here on my desk. It's a consumer
4 complaint division that Staff has. And if someone has a
5 problem with a utility in getting that problem resolved, I
6 encourage them to pick one of these cards up as they leave.
7 Staff does do an investigation in complaints or lack of
8 satisfaction. I encourage you to pick one of those up.

9 MS. DEFOE: We have worked with your office
10 and we appreciate it very much. Thank you.

11 JUDGE WOODRUFF: Thank you.

12 Next name on the list is Norma Porter.

13 NORMA PORTER, being first duly sworn, testified as follows:

14 MS. PORTER: My name is Norma Porter, and I'm
15 from California, Missouri, and I live on a farm. And I --
16 I'm not the eloquent speaker that a lot of the other people
17 have been. But my husband passed away and it's rather hard
18 being on a farm, you know, and trying to run things. And my
19 utilities are -- just seem to be going up, up, up. And I
20 think this increase is unfair. I think it's too much.

21 And the prices that we get on the farm for our
22 commodities, we just have to take what we get. We can't
23 come before someone like this and have someone to plead our
24 case for us.

25 I'm on a set income and it's not a whole lot,

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1 maybe 1,100 a month. And it's very difficult to make ends
2 meet. So I just -- I think there are many other people in
3 the same position that I am and I just hope that I can speak
4 for them too and just say what I think. Thank you.

5 JUDGE WOODRUFF: Anyone have any questions for
6 Ms. Porter?

7 All right. You may step down, ma'am. Thank
8 you.

9 Next name is William Anthony.

10 WILLIAM ANTHONY, being first duly sworn, testified as
11 follows:

12 JUDGE WOODRUFF: Thank you. Your name and
13 could you spell it, please?

14 MR. ANTHONY: My name is William R. Anthony,
15 A-n-t-h-o-n-y, Jefferson City, Missouri.

16 JUDGE WOODRUFF: Thank you. Go ahead.

17 MR. ANTHONY: Ladies and gentlemen, I'm here
18 to speak in opposition to this -- this rate increase that is
19 being considered by the Public Service Commission. And I
20 base this on a number of factors, one of which is that
21 according to the information that I received that in
22 February of -- 18th, February, 1998 this same type of
23 proposal was submitted and was -- and it increased the --
24 for the -- for the same type of non-gas, I believe is the
25 term, non-gas kind of things.

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1 February 27th, 2000 Larry Merry was quoted
2 here in the Jefferson City News Tribune that there are
3 300,000 natural gas customers with AmerenUE and that this is
4 going to be a \$6 -- well, he did not say this, but he said
5 300,000 customers of AmerenUE for natural gas.

6 With the \$6 rate increase, a fixed rate
7 increase, that's the way I understand it, that's about a
8 \$1,800,000 per month that will be coming in to AmerenUE with
9 no cost as far as an investment cost. And from the
10 economics, as I understand them, it's just -- will be a
11 fixed cost that will go on -- could conceivably go on for
12 years. There isn't anything that will cause it to drop
13 because natural gas prices drop. It will just -- it will
14 always be that way.

15 And this occurred in the -- what, there was
16 one increase in 1998, in February of 2000 is when this last
17 one was proposed. And it's very possible that it could
18 occur again in another year or two.

19 And this is-- this is what I'm concerned
20 about. Because for the past 20 years I've worked with
21 people who are on Medicare and Medicaid in helping them with
22 those particular problems. And I've sat in their house.
23 And to me it's -- we're not talking about an account number
24 times \$6. We're talking about a lady or a gentleman in a
25 wheelchair or somebody that's -- that's sitting by their

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1 wife -- his wife in a hospital bed. There are faces that
2 you put with these account numbers.

3 And that's why I think it's so very important
4 that this not be a part of the increase. That this is --
5 this is unjustifiable in the fact that it is not -- it's
6 something that cannot be adjusted. It's just going to go
7 on -- could conceivably go on and on and on.

8 And when we look at 1,800,000 per month and we
9 do that for 12 months, we're talking about almost
10 \$22 million just from the people that are on fixed incomes
11 or not on fixed incomes, but the fact is, it is a fixed
12 item. Thank you very much.

13 JUDGE WOODRUFF: Thank you very much.

14 Does anyone have any questions for
15 Mr. Anthony?

16 MR. SNODGRASS: Just a comment, Judge, from
17 Staff. One of my Staff members informed me that I believe
18 he believes that AmerenUE's gas customers in this state,
19 sir, just for your information are a number of about 110,000
20 people as we understand it.

21 MR. ANTHONY: Okay. This was -- this was just
22 a quote that I took from the News Tribune, February 27th,
23 2000.

24 MR. SNODGRASS: I see.

25 JUDGE WOODRUFF: AmerenUE, did you have

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1 something you want to say?

2 MR. BYRNE: The other -- the other of the
3 300,000 customers are in Illinois, so they weren't -- that's
4 why it doesn't add up.

5 MR. ANTHONY: Okay. But this is going to be
6 just for Missouri customers?

7 MR. BYRNE: Yes, sir.

8 JUDGE WOODRUFF: Thank you. Any other
9 questions?

10 You may sit down, sir.

11 MR. ANTHONY: Thank you.

12 JUDGE WOODRUFF: Next name is John Bardgett.

13 MR. BARDGETT: Pretty close.

14 JOHN BARDGETT, being first duly sworn, testified as follows:

15 JUDGE WOODRUFF: And would you please state
16 your name and spell it, please?

17 MR. BARDGETT: My name's John E. Bardgett,
18 B-a-r-d-g-e-t-t, Sr. I live at 80-- 302 Western -- I just
19 moved -- Ridgeway, Jefferson City, and I've lived in
20 Jefferson City now for 30 years.

21 I'm certainly impressed with the information
22 the Commission has received from the previous witnesses.
23 Whenever we hear of mergers or buy-outs or whatever, it's
24 always proposed to the people that these are always
25 justified because they will then be able to reduce costs and

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1 various things like that.

2 And then companies do proceed with
3 cost-cutting things such as firing employees and going to
4 different telephone systems. And I expect that in this
5 instance they're talking about some automated reading of the
6 gas meter, which will relieve themselves of personnel.

7 I was quite frankly quite shocked at the
8 proposal to increase these residential consumer charges by
9 \$14 or an increase of 75 or 87 percent. I realize, as I
10 think all of us do, that proposals that are made or requests
11 for fees that are made by a utility, AmerenUE or any of
12 them, are always -- many, many times what they actually
13 expect to get. And I don't doubt that that's the situation
14 here too.

15 Nevertheless, it seems to me that that
16 increase is not only not justified, but perhaps no increase
17 is justified. They just had an increase for this same type
18 of service or whatever in 1998. And your numbers would --
19 the information they supply you, of which I would be
20 suspect, may undertake to justify coming back now. However,
21 I -- I believe that it's simply an inordinate increase.

22 The thing that I would hope the Commission
23 would bear in mind, and I imagine you do, is that when
24 utility charges go up, it's more certain than taxes. This
25 Commission has the power to reach into the pockets of people

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1 or authorize a company to reach into the pockets of people
2 much more certainly than even the government does when they
3 raise taxes.

4 Nothing here is any kind of a luxury. It's an
5 absolute necessity. In this city, the main industry here I
6 guess still is government. And I don't believe that anybody
7 really believes that a family with only one wage earner in
8 it working for the State is ever going to get wealthy. Far
9 from it. Most families in this area where -- have two wage
10 earners and they both work for the State and they
11 nevertheless don't make the kind of money that justifies the
12 payment of these proposed increases.

13 I just think that it's out of reason what
14 they're asking for and I genuinely hope that the Commission
15 will just turn them down flat. Thank you.

16 JUDGE WOODRUFF: Thank you.

17 Does anyone have any questions?

18 You may step down. Thank you.

19 Next name on the list is Stephanie Johnson.

20 STEPHANIE JOHNSON, being first duly sworn, testified as
21 follows:

22 JUDGE WOODRUFF: Thank you.

23 MS. JOHNSON: Stephanie Johnson, resident of
24 Jefferson City and I'm also an employee of Samaritan Center.
25 I don't know a lot about mergers. I don't know a lot about

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1 numbers. I know a lot about faces.

2 I started at Samaritan Center less than a year
3 ago, and I have seen the face of true poverty since then. I
4 have seen elderly people, I have seen young women with
5 children who can't make ends meet. They work sometimes two
6 jobs and they can't pay their bills. The biggest bill that
7 they seem to have is their electric bill. It's always
8 amazing to me when your electric exceeds your rent payment,
9 and that happens sometimes.

10 I took 11 calls today from people who are
11 going to be disconnected in the next week to week and a
12 half. I know from my previous employer at United Way that
13 AmerenUE and their employees are very supportive of the
14 community. They have their corporate dollars, they're
15 generous in giving to United Way. And I have always
16 believed that they have been in the spirit of humanity and
17 giving.

18 And I think it's important that everyone
19 realize that when you're talking about a 22 percent
20 increase, for many of us that's maybe a couple less pizzas a
21 month or maybe not so many pay-per-view movies with your
22 camera -- your digital TV, excuse me.

23 But for some other people that means no
24 service. That means children with no lights, no
25 refrigerators, no stoves, no electricity. And so we need to

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1 try to remember the poorest of us as we make this decision,
2 because this affects everyone.

3 JUDGE WOODRUFF: I had one question to clarify
4 something. You indicated -- you were talking about the
5 electric bill. In Jefferson City the electric bill is
6 combined with the gas bill.

7 MS. JOHNSON: Right. I'm talking about your
8 Ameren bill.

9 JUDGE WOODRUFF: I just wanted to be clear on
10 that on the record.

11 MS. JOHNSON: Sorry. The Ameren bill.

12 JUDGE WOODRUFF: Did anyone have any
13 questions?

14 MR. SNODGRASS: No, Judge.

15 JUDGE WOODRUFF: You may step down. Thank
16 you.

17 The next name on the list is Wayne Walquist.
18 WAYNE WALQUIST, being first duly sworn, testified as
19 follows:

20 JUDGE WOODRUFF: Thank you. You may proceed.

21 MR. WALQUIST: We own the office building at
22 McCarty and Adams Street. And several years ago it had just
23 one floor. And we wanted to make an addition to it. The
24 prior utility company had some junior men working on the
25 area and we asked them if we could run our power lines into

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1 our meter box that we had on the -- on the east side. They
2 agreed that we could.

3 We completed the addition upstairs. We were
4 ready to have the power lines come in, and they said, no,
5 they wouldn't do it. We talked with the manager of the then
6 utility and he said, no, we could not do that. He said the
7 power line was not sufficient to carry the voltage that we
8 needed.

9 When they buried the power lines all around
10 our building up Adams Street, I called the contractor and
11 asked him to check it when they cut down that pole line.
12 The line was adequate.

13 It cost us \$6,000 extra because what they
14 wanted to do was to draw -- to bring in the utility line so
15 that it would also connect with the house that we owned on
16 the west side. We called the PSC before we got in the final
17 phases of this and they told us that they were powerless to
18 do anything.

19 Now, my point is, I have little trust in the
20 utilities that have -- that have a monopoly on our
21 operation. I don't like to see them continue to increase
22 rates and to brutalize actually the people that are their
23 customers. That's all I have to say.

24 JUDGE WOODRUFF: Thank you. One more thing,
25 could you spell your name for the court reporter, please?

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1 MR. WALQUIST: I'm Wayne Walquist,
2 W-a-l-q-u-i-s-t.

3 JUDGE WOODRUFF: Thank you. Ameren, you have
4 a question?

5 MR. BYRNE: I just -- Mr. Walquist, just so I
6 understand, was your problem with Ameren?

7 MR. WALQUIST: No. It was prior.

8 JUDGE WOODRUFF: Okay. Any other questions
9 for Mr. Walquist?

10 All right. Thank you.

11 Next name is Marilyn Schmutzler.

12 MARILYN SCHMUTZLER, being first duly sworn, testified as
13 follows:

14 JUDGE WOODRUFF: Thank you. Ma'am, could you
15 spell your last name for the court reporter?

16 MS. SCHMUTZLER: It's Marilyn R. Schmutzler,
17 S-c-h-m-u-t-z-l-e-r. And I'm here tonight as the Cole
18 County Public Administrator.

19 I am appointed to be the guardian and
20 conservator of mentally and physically disabled persons that
21 have no one else to care for them. And granted, a lot of
22 them are in the stages of nursing homes, but I do have a lot
23 of clients out there that we encourage to live independently
24 on their own. And they're on a fixed income of SSI of \$512
25 a month and they're having to pay rent and utilities.

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1 And they want to be their own person and not
2 be a big burden to the state and the county. And their
3 Social Security increases are very small. And with a rate
4 increase like 22 percent, I would have to strongly object to
5 that for these less fortunate people.

6 My one question was going to be how much does
7 AmerenUE contribute to the community, to United Way. And
8 Stephanie Johnson answered that question for me, that they
9 are generous and I'm happy to hear that. Thank you.

10 JUDGE WOODRUFF: Thank you. Does anyone have
11 any questions for Ms. Schmutzler?

12 All right. You may step down. Thank you.

13 Next name on the list is Norman Porter. Oh,
14 I'm sorry. That would be Norma Porter. You're on the list
15 twice, I guess.

16 Let's go on to Phil Raithel.

17 PHIL RAITHEL, being first duly sworn, testified as follows:

18 JUDGE WOODRUFF: Thank you, sir. And can you
19 please spell your last name?

20 MR. RAITHEL: R-a-i-t-h-e-l.

21 JUDGE WOODRUFF: Thank you.

22 MR. RAITHEL: I really have a question with
23 regards to our rate increase of July. I remember reading in
24 the paper that natural gas supplies were low and we had to
25 supplement by purchasing from another provider and cost was

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1 outrageous. How did our supplies get so low?

2 JUDGE WOODRUFF: I'm sorry. The Commission
3 can't answer questions at this point, and really neither can
4 the parties. So it can be a hypothetical question that
5 we'll deal with.

6 MR. RAITHEL: Well, is there a way to make
7 sure that this doesn't happen in the future? That's what --
8 I would like to make that presentation.

9 And aside from the question then, as a former
10 property owner of apartments here in town, several years ago
11 I had tenants telling me that, you know, the cost of heating
12 is excessive. And I made arrangements with them during the
13 heating season where I would lower the rates of the rentals.

14 That -- that worked, although it was money out
15 of my pocket in order to keep the rentals at a reasonable
16 occupancy rate. And I remember talking with an individual
17 at that time who said, These people needed to present their
18 case to the government. And I was a little bewildered as to
19 why the government would have to be the one to alleviate the
20 situation. I thought that was a wrong approach.

21 But, at any rate, at this time I'm no longer a
22 property owner, I've gotten out of that. But if these rates
23 go up, what I saw years ago is minuscule compared to an
24 increase like this. And I simply think it is out of reason
25 and needs to be turned down.

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1 JUDGE WOODRUFF: Does anyone have any
2 questions?

3 MR. BYRNE: No, your Honor.

4 JUDGE WOODRUFF: Go ahead, Ameren.

5 MR. BYRNE: No, I don't.

6 JUDGE WOODRUFF: Oh, I'm sorry.

7 You may step down.

8 Next name on the list is Lillian Veit.

9 LILLIAN VEIT, being first duly sworn, testified as follows:

10 JUDGE WOODRUFF: You may spell your name.

11 MS. VEIT: My name is Lillian Veit, and I'm
12 from Jeff City here. All I got to say is I think this
13 increase is going to be awful hard on people with a -- just
14 the steady income.

15 My husband's been -- was in a nursing home.
16 You know that divides half of your money. And my income is
17 very, very low. And I just think that this is too much of
18 an increase for the elder to have to face that are trying
19 to -- because I'm too old to get out and get another job.
20 I'm 73 years old.

21 And, like I said, our money was divided. And
22 I do have a little home, but I just think this -- and that's
23 all I have to say about it.

24 JUDGE WOODRUFF: Thank you, ma'am.

25 MS. VEIT: I think it's going to be hard on

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1 people that cannot hardly pay their bills now and somebody
2 is having to help pay these bills. And it's going to be
3 more and more of this if this increase goes through.

4 JUDGE WOODRUFF: Thank you, ma'am. Your last
5 name is spelled V-e-i-t; is that right?

6 MS. VEIT: V-e-i-t, yes.

7 JUDGE WOODRUFF: Thank you. Does anyone have
8 any questions of Ms. Veit?

9 All right. You may step down then, ma'am.

10 MS. VEIT: Thank you.

11 JUDGE WOODRUFF: All right. The next name on
12 the list is a Jim Growney.

13 JIM GROWNEY, being first duly sworn, testified as follows:

14 MR. GROWNEY: Last name is Growney,
15 G-r-o-w-n-e-y, first name Jim. I live over on the east
16 side. I appreciate the opportunity to come and address the
17 Commission and AmerenUE.

18 I have to acknowledge that during the line
19 replacement last year, AmerenUE was very cooperative with me
20 in not digging up my backyard. They helped me re-route it.

21 A gentleman earlier mentioned State employees.
22 We got a pay raise and anything over even the 6 percent that
23 Public Counsel proposes is going to eat that up pretty
24 quick.

25 I would -- I would ask that you consider --

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1 reconsider the full increase. Maybe -- we know -- first of
2 all, I have no problem with some corporate profit. That's
3 the way -- that's the way economies work, but not all at
4 once. You don't need it all at once. I can't afford it all
5 at once like this. And maybe step it out over a number of
6 years, 10 to 15 years or something.

7 In '98 I blew a 30 -- an R-38 in my attic. I
8 bought an older home that had been there for some time.
9 Perhaps if this increase goes through, some way of helping
10 people like me without putting too many burdens in the way
11 of evaluating -- doing energy audits -- I heat my home with
12 gas, I heat my water with gas, but it takes electricity to
13 blow the blowers for the furnace, air conditioning.

14 That's also factored into my utility bills at
15 the end of the month and they get big. They're -- they hurt
16 even with the added insulation and new doors, storm windows.
17 And so we -- we can take steps to help reduce our use of
18 gas, but it all -- it helps us when we're not paying
19 extravagantly for it.

20 I have no other questions. I just would
21 suggest that we -- you decline the proposed increase by
22 AmerenUE and consider an alternative lower rate. Thank you.

23 JUDGE WOODRUFF: Thank you, sir. Does anyone
24 have any questions?

25 MR. MICHEEL: I just wanted to point out to

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1 Mr. Growney that we have indeed recommended an experimental
2 weatherization program for customers in this case, the
3 Office of the Public Counsel.

4 MR. GROWNEY: How that's work? What's that
5 do?

6 MR. MICHEEL: Well, we're recommending that
7 energy audits be done and certain homes within various
8 parameters be weatherized.

9 MR. GROWNEY: Would that help us with our gas
10 rate or --

11 MR. MICHEEL: Well --

12 MR. GROWNEY: -- the cost?

13 MR. MICHEEL: -- the theory is that it's going
14 to reduce, you know, usage --

15 MR. GROWNEY: Sure.

16 MR. MICHEEL: -- for customers and, therefore,
17 they'll better be able to pay their bills.

18 MR. GROWNEY: Okay.

19 MR. MICHEEL: So we have proposed something
20 like that.

21 MR. GROWNEY: All right. I would support
22 that.

23 JUDGE WOODRUFF: Thank you. You may step
24 down.

25 MR. GROWNEY: Thank you.

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1 JUDGE WOODRUFF: Next name on the list is
2 Barbara Rowe.

3 MS. ROSS: Pardon the poor penmanship. It's
4 Barbara Ross.

5 JUDGE WOODRUFF: Ross. It's kind of a guess
6 on some signatures here.

7 BARBARA ROSS, being first duly sworn, testified as follows:

8 JUDGE WOODRUFF: Thank you. You may proceed.

9 MS. ROSS: I'm Barbara Ross, and I am a
10 resident here in Jefferson City.

11 One of the questions that occurs to me about
12 these constant requests for rate increases has to do with
13 the public's trust. It occurs to me that if we take the
14 example that we had from just this past summer, with what
15 happened with gasoline price increases, when the State spent
16 its money to do an investigation, what they came up with was
17 nothing more than price gouging by gasoline companies.

18 I think this is a pattern that we see in the
19 corporate world that's reflected here with AmerenUE and
20 makes me very suspicious. Any time anyone asks for a
21 22 percent rate increase, it immediately strikes anybody --
22 any rational person, it occurs to me, that that's
23 unreasonable to ask for that amount of money.

24 I think, how does that compare with the kinds
25 of salary increases that the average working person in this

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1 area that they serve -- how does that compare with those
2 kinds of salary increases? And I think it's -- it's totally
3 unbalanced. It's totally skewed.

4 The other thing is, is that people don't
5 really have any options. They are the only game in town.
6 You can't go anywhere else to get utility service. There's
7 one place. You either take it or you don't. And if you
8 don't take it, you don't have any utilities. So there's no
9 competition in this industry whatsoever.

10 The other thing that I want to say has to do
11 with the way they handle customer service. If you have some
12 small request, as I've had over the past couple of years,
13 when I said, Would it be possible -- because they put in
14 this new computerized meter that can be read at any time of
15 the day or night, 24 hours of the day, 7 days a week, 365
16 days of the year, they always know exactly how much you owe
17 them and how much usage you've had.

18 So I said, Well, can't we have a different
19 kind of billing cycle that people could be put into that
20 would be more convenient for the customer? Well, when you
21 call customer service, you get that one person and that one
22 person only. And their answer is, No, we don't do that.
23 Well, when you say, Well, could I speak to your supervisor?
24 There aren't any supervisors. I'm the only person you can
25 speak to.

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1 Now, you can argue with this person, but you
2 won't get to anybody else in that company. You will have
3 that person and that person alone. And her answer or his
4 answer is simply we don't do that.

5 What I want to know is, where's the customer
6 service? What kind of service is that to just answer a
7 customer who pays regularly every month without being past
8 due? That there's just no recourse. We just don't do that.
9 It seems like such a simple request.

10 The other thing that I'm thinking about in
11 regard to Ameren is that when do they think about tightening
12 their belt? We have -- we have so very many poor people, so
13 many elderly people that are going to suffer tremendously
14 under this kind of a rate increase, under any rate increase,
15 if you give them 1 percent.

16 This is going to -- this is going to hit them
17 right where they eat, right where they get prescription
18 medications, whatever it is that that they're having to deal
19 with at that point.

20 So when is it that Ameren tightens their belt?
21 When is it that they say to their stockholders, you know,
22 maybe you won't have as high returns for your investment as
23 we thought? When do they ever say that for the common good,
24 for the public good? Thank you.

25 JUDGE WOODRUFF: Thank you. Does anybody have

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1 any questions?

2 You may step down then. Thank you.

3 Next name on the list is Steve Hutchison.

4 STEVE HUTCHISON, being first duly sworn, testified as
5 follows:

6 JUDGE WOODRUFF: Thank you. Spell your last
7 name, please.

8 MR. HUTCHISON: H-u-t-c-h-i-s-o-n.

9 JUDGE WOODRUFF: Thank you.

10 MR. HUTCHISON: It's more than testimony.

11 It's probably more like questions that I'd like to raise.

12 When I think of AmerenUE, I think of the old war factories
13 that were cost plus. Those old factories learned that the
14 higher their expenses were, the more profit they were going
15 to make because they got an automatic, what, 7 percent over
16 whatever their costs were. So the thing for AmerenUE or any
17 other corporation that has a monopoly in this situation is
18 raise their expenses, they make more money.

19 In my previous life I was an auditor for the
20 State, and I remember one time going to Southwestern Bell
21 and they had just hired a brand-new college graduate, sir,
22 and he was a supervisor in the unit. And he was making more
23 money -- and he had just a small area of St. Louis that he
24 was responsible for. He was making more money than the
25 highway engineer over here, the chief engineer who had many

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1 people, an incredible plant that he was responsible for,
2 all the roads. I mean, there was no comparison in
3 responsibility, but yet this new hire for Southwestern Bell
4 was making more money. There's a reason for that. They
5 have to keep the expenses up to make that profit.

6 Now, to go from there, on the way in here, I
7 heard advertisements from AmerenUE about their Smart Light
8 grants. I've heard previously that they have a free tree
9 program. And if you can't pay your debts because their bill
10 is too high, they used to advertise, and I assume they still
11 have, debt counseling for you.

12 Now, that would appear to the ordinary
13 individual like just a really nice company, that they're
14 just really taking care of us. But my question is, who's
15 paying for these tree programs and Smart Light grants and
16 debt counselors and God only knows what other programs they
17 have?

18 Again, that's raising the cost that we're
19 basing our rates on. And if my guess is correct, these
20 costs are going into overhead accounts and those costs are
21 considered in your -- in your rate analysis.

22 And if that's true, then I would suggest that
23 we take a look at the salaries they're making and all these
24 little freebie programs they have that I don't need. I
25 don't need all that. I don't need debt counseling. If I

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1 can't pay their bill, then I suggest they just turn off my
2 electricity.

3 So I would encourage the Commission to look
4 into those items, to reduce the cost that they're
5 accumulating against us. And when we talk about no service,
6 several people have mentioned that up here so far.
7 That's -- we're talking about a company that wants to
8 increase their rates and decrease their service.

9 I've gone through the same thing. And if you
10 want to make it more complicated, I have a rotary phone.
11 And when they tell you to punch one and two, you're just out
12 of luck. I mean, that's the end of the service. Sorry.
13 Some of us old rednecks just got rotary phones, boys.

14 The advertising that they're constantly
15 promoting to show what good fellas they are, I would suggest
16 that that's back in our rates also. They're a monopoly.
17 They don't have to advertise to get the business. They've
18 got it. So I suggest that they quit trying to convince us
19 that they're good guys.

20 And then the previous speaker, Ms. Ross,
21 addressed public trust. As far as I'm concerned, AmerenUE's
22 public trust is marginal at best. And to illustrate that,
23 about a year ago my mother had a fire in Eldon, Missouri.
24 The fire department -- fire chief went out and pulled the
25 meters, gas and electric. And for a couple of months

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1 running we still got actual readings off those meters,
2 believe it or not. We were still using power.

3 We did call the Public Service Commission
4 and -- because I couldn't get any satisfaction by calling
5 the AmerenUE number. I forget who said it, but, We don't do
6 that. That was a constant answer. We did get the problem
7 resolved thanks to the Public Service Commission, but it
8 was -- it was not a pretty thing. It was drug out, very
9 ineffective, very inefficient.

10 Next, AmerenUE has suggested that people
11 should be able to select the provider of their utilities.
12 That's the current thing that I've seen on the news. Now,
13 several years ago I had another problem with AmerenUE. They
14 wanted to charge me several thousand dollars to -- just to
15 move a pole on my property.

16 There was another electric company reasonably
17 close and they would have run a line for infinite miles for
18 \$25. I mean, that's an incredible difference, 25 and
19 several thousand. And it took -- I will say it was UE at
20 the time, not AmerenUE, but it's merged now so I assume they
21 took several of the same people.

22 But consistent with what AmerenUE has
23 advertised, that you should be able to select the provider
24 of your service, maybe the Public Service Commission could
25 better educate the clients or the constituents out here that

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1 use power.

2 It's my understanding, sir, that a city like
3 Jefferson City or California or Eldon or any city, can
4 establish their own city utility and AmerenUE or some
5 supplier will have to serve that community.

6 By doing that, I suggest that we'll -- we
7 would be able to hire people at a reasonable salary where
8 the utilities would not have to be incredibly high to pay
9 the incredible salaries that these gentlemen are making.
10 Would that be a possibility, that you could inform the
11 public of their right to establish city utilities?

12 JUDGE WOODRUFF: I can't answer the question.
13 It's on the record, so the Commission can consider it.

14 MR. HUTCHISON: I'm just suggesting that we do
15 that, because that would give many people relief if we could
16 get rid of AmerenUE. Thank you, sir.

17 JUDGE WOODRUFF: Does anyone have any
18 questions for Mr. Hutchison?

19 You may step down, sir.

20 Next name on the list is Cordell Roberts.

21 CORDELL ROBERTS, being first duly sworn, testified as
22 follows:

23 JUDGE WOODRUFF: Thank you. And you can spell
24 your last name.

25 MR. ROBERTS: Roberts, R-o-b-e-r-t-s.

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1 JUDGE WOODRUFF: Thank you.

2 MR. ROBERTS: I come from Jefferson City.

3 I've been here -- a resident for about five years. And I
4 would like to speak on behalf of the community that we
5 service, part of a church that's in the -- on Buena Vista.
6 And we service a lot of individuals that live in the
7 low-cost income area there.

8 And I begin to think about how many residents
9 are there that we've assisted and aided. And with the
10 increases, we just don't have the resources to continue to
11 help. And I think about the elderly. At times a lot of
12 elderly do not turn their air conditioners on because of the
13 increases that they're -- that are going on and on. We see
14 loss of life because fear of not being able to pay their
15 bills for various reasons because of fixed incomes.

16 As Ms. Ross indicated earlier, any increase
17 would be such a hardship. We have single parents in the
18 area that are struggling to try to make a better life for
19 their young. I think about the older ones that are living
20 there that have worked in this country, living on such a low
21 income, everything is constantly rising. And the -- the
22 things that are a necessity, there's no way of them getting
23 out of being able to pay them.

24 And then there's the area of trust. Most
25 consumers hardly ever look at their bill when they get it.

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1 They trust AmerenUE is charging them the correct amount.
2 And they believe in that and they try to pay that. So that
3 I would like to be taken into consideration, sir. Thank you
4 for that time.

5 JUDGE WOODRUFF: Anyone have any questions for
6 Mr. Roberts?

7 MR. CHARLES: Yes, I have a question for
8 Mr. Roberts.

9 JUDGE WOODRUFF: Sorry. Could you tell me who
10 you are?

11 MR. CHARLES: Yes. Doak Charles. I live here
12 in Jefferson City.

13 Why can we ask you questions, but not the
14 Public Service Commission? Oh, you don't have to answer. I
15 just thought I had to make a point there.

16 JUDGE WOODRUFF: Well, sir, would you like to
17 come forward and address the Commission?

18 MR. CHARLES: No. I'm not on the list, so
19 I'll --

20 JUDGE WOODRUFF: That was the end of the list,
21 so if you want to -- if anyone else wants to testify --

22 MR. CHARLES: May I without being on the list?

23 JUDGE WOODRUFF: Certainly.

24 MR. CHARLES: May I have two minutes?

25 JUDGE WOODRUFF: Certainly. Come on forward.

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1 MR. CHARLES: I do some work --

2 JUDGE WOODRUFF: Well, I need to swear you.

3 DOAK CHARLES, being first duly sworn, testified as follows:

4 JUDGE WOODRUFF: Thank you. Now, go ahead.

5 First of all, tell us your name.

6 MR. CHARLES: Doak Charles. I live here in
7 Jeff City.

8 JUDGE WOODRUFF: Thank you.

9 MR. CHARLES: And I mentioned earlier before
10 you convened that there is a perception out there that we're
11 all millionaires now. Everybody's made millions and
12 millions the last 10 years. And actually that isn't quite
13 accurate.

14 I work for seniors replacing water speeds,
15 re-hanging a storm door. I do this for eight bucks an hour.
16 And when my bill gets up around \$25, and that's a couple of
17 days work, they get nervous. We are not all millionaires.

18 And the Public Service has got a
19 responsibility to this state and the community. And we
20 suggest probably that they do their job. Like I said, we
21 can't make intelligent recommendations with four pieces of
22 paper that we just picked up an hour ago. And that's the
23 end of my comments. Sorry I didn't get on the list earlier.

24 JUDGE WOODRUFF: That's quite all right.
25 That's not a problem at all.

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1 Does anyone have any questions?

2 You may step down then.

3 MR. CHARLES: Thank you.

4 JUDGE WOODRUFF: Does anyone else have any --

5 want a chance to make a statement? Like I say, you don't

6 have to be signed up on the list.

7 All right. I don't see anyone else raising

8 their hand, so I believe that's all the testimony we'll hear

9 tonight then.

10 Would anyone like an opportunity to make a

11 final statement?

12 All right. Hearing none, at this point then

13 our hearing is adjourned. Thank you all very much.

14 (HEARING ADJOURNED.)

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