

Exhibit:  
Issue: Retiree Health Insurance  
Witness: Verl Alumbaugh  
Type of Exhibit: Rebuttal  
Sponsoring Party: Intervenor Retirees  
Case No.: EM-2000-369  
Date Prepared: June 19, 2000

FILED

JUN 27 2000 *nh*

Missouri Public  
Service Commission

Before the Public Service Commission  
of the State of Missouri

Rebuttal Testimony

of

Verl Alumbaugh

June 2000

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**


In the matter of the Joint Application                     )  
of Utilicorp United Inc. and The Empire                 )  
District Electric Company for authority                 )  
to merge The Empire District Electric                 )     EM-2000-369  
Company with and into Utilicorp United                 )  
Inc. and, in connection therewith, certain             )  
other related transactions.                                 )

**AFFIDAVIT OF VERL ALUMBAUGH**


STATE OF MISSOURI         )  
                                      )     ss.  
COUNTY OF NEWTON        )

Verl Alumbaugh, of lawful age and being first duly sworn, deposes and states:

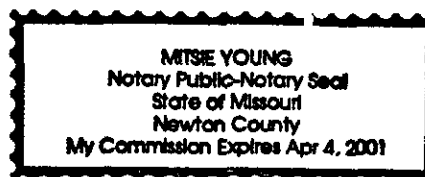
1. My name is Verl Alumbaugh. I am a retiree of Empire District Electric.
2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony consisting of pages 1 through 4.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

  
Verl Alumbaugh

Subscribed and sworn to me this 20 day of June, 2000.

  
Notary Public

My Commission Expires: \_\_\_\_\_



**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI  
REBUTTAL TESTIMONY OF VERL ALUMBAUGH  
ON BEHALF OF INTERVENOR EMPIRE RETIREES**

**CASE NO. EM-2000-369**

1 Q. Please state your name.

2 A. Verl Alumbaugh.

3 Q. Please state your age.

4 A. 62 ½ years.

5 Q. Please state your current occupation or if retired.

6 A. Retired.

7 Q. Who was your former employer?

8 A. Empire District Electric Company.

9 Q. For how long were you an employee of Empire District Electric?

10 A. 35 years.

11 Q. When did you retire?

12 A. October 31, 1995.

13 Q. Could you summarize the purpose of your testimony.

14 A. To give my history with Empire District Electric and why I chose to work there and continue  
15 there until retirement. Then to discuss the benefits Empire District Electric gives its retirees.  
16 Finally, to oppose the proposed stripping of retiree benefits under the proposed merger. I  
17 worked for Empire District Electric for 35 years. I always thought I would have good  
18 retirement benefits. Now our health insurance is about to be taken away.

Rebuttal Testimony:  
Verl Alumbaugh

1 Q. When did you become aware of the proposed merger between Empire District Electric and  
2 Utilicorp?

3 A. Television announcement - 1999.

4 Q. How did you become aware of the proposed merger?

5 A. Television announcement - 1999.

6 Q. When were you aware that the merger had to be approved by the Missouri Public Service  
7 Commission?

8 A. Television announcement - 1999.

9 Q. Did you ever receive notice that you needed to intervene before the Public Service  
10 Commission by January 14, 2000?

11 A. No.

12 Q. Going back to your employment with Empire District Electric, why did you go to work for  
13 Empire District Electric?

14 A. Good job, good benefits, good retirement, good insurance, etc.

15 Q. Were there opportunities to leave Empire District Electric for a better salary?

16 A. Yes.

17 Q. Why did you not take those other jobs?

18 A. Wanted to keep my retirement and insurance.

19 Q. What part of the retirement benefits were of importance to you?

20 A. Retirement pay and health and life insurance.

Rebuttal Testimony:  
Verl Alumbaugh

- 1 Q. Could you discuss the current retirement benefits to which you are entitled?
- 2 A. Yes. Retirement pay and health and life insurance.
- 3 Q. How does the retiree medical insurance compare to other retirement plans you are aware of?
- 4 A. Good.
- 5 Q. How important is the medical insurance to you?
- 6 A. Very, very important.
- 7 Q. What is your current income?
- 8 A. \$24,000.00.
- 9 Q. What is your payment on the medical insurance?
- 10 A. \$80.80.
- 11 Q. Do you know what amount Empire District Electric pays for your medical insurance?
- 12 A. \$325.00.
- 13 Q. Could you afford to pay the full premium amount for the medical insurance?
- 14 A. Yes, but this certainly would alter our retirement plans.
- 15 Q. Are you aware of what will happen to the current medical insurance under the proposed
- 16 merger?
- 17 A. Yes. Eighteen months after the merger the medical insurance cost goes up 15% per year
- 18 until retirees pay the full cost.
- 19 Q. How did you first become aware of the effect on your benefits of the proposed merger?
- 20 A. By a letter from an Empire District Electric retiree.

Rebuttal Testimony:  
Verl Alumbaugh

1 Q. When was that?

2 A. April 2000.

3 Q. What would the effect of this change be on you and other retirees?

4 A. We would have less resources to live in retirement.