

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

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Missouri Public
Service Commission

Before the Public Service Commission
of the State of Missouri

Rebuttal Testimony

of

Bill Athey

June 2000

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

CASE NO. EM-2000-369

1 Q. Please state your name.

2 A. Bill Athey.

3 Q. Please state your age.

4 A. 65 years old.

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. 37 years.

11 Q. When did you retire?

12 A. October 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. In
17 1958 I took the lowest position in the company just to get in the door because of my
18 confidence in Empire District Electric as an employer. I worked my way up starting as a

Rebuttal Testimony:
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1 mail boy then offset printing press operator to meter read, line department, electrical
2 foreman, then power dispatcher until retirement after 37 years of service. I stayed with
3 Empire District Electric looking forward to retirement security, not expecting the benefits
4 to be taken away. I feel that Empire District Electric officials should have protected these
5 promised benefits when they negotiated with Utilicorp, which would be a minor detail to
6 them, but very major to us.

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

9 A. When it was in the Joplin Globe Newspaper.

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

11 A. Read it in the Joplin Globe.

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

14 A. I did not become aware.

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

17 A. No.

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

20 A. I needed a job with a company that provided income and benefits I could depend on for the

1 future.

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

3 A. Yes.

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

5 A. I had confidence in Empire District Electric and the retirement benefits and having seniority
6 with Empire District Electric.

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

8 A. Long term income and guaranteed health care benefits at a low cost.

9 Q. Could you discuss the current retirement benefits to which you are entitled?

10 A. Sufficient monthly income, low cost medical insurance premium and excellent prescription
11 plan which makes it possible to seek medical attention when needed.

12 Q. How does the retiree medical insurance compare to other retirement plans you are aware of?

13 A. Better than average.

14 Q. How important is the medical insurance to you?

15 A. Very important and will become more important as years go by. I am concerned for my
16 wife as a widow - - reduced medical benefits could be devastating.

17 Q. What is your current income?

18 A. Empire District Electric and social security.

19 Q. What is your payment on the medical insurance?

20 A. \$25.25 per month.

Rebuttal Testimony:
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- 1 Q. Do you know what amount Empire District Electric pays for your medical insurance?
- 2 A. The remaining 90%.
- 3 Q. Could you afford to pay the full premium amount for the medical insurance?
- 4 A. This would put us in a financial bind.
- 5 Q. Are you aware of what will happen to the current medical insurance under the proposed
- 6 merger?
- 7 A. No, just rumors.
- 8 Q. How did you first become aware of the effect on your benefits of the proposed merger?
- 9 A. An anonymous letter.
- 10 Q. When was that?
- 11 A. Early April 2000.
- 12 Q. What would the effect of this change be on you and other retirees?
- 13 A. Large increase in the cost of health care. Problems in affording the cost of health care.