

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

FILED

JUN ²²~~21~~ 2000 *nh*

Missouri Public
Service Commission

Before the Public Service Commission
of the State of Missouri

Rebuttal Testimony

of

Vernon Corkle

June 2000

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

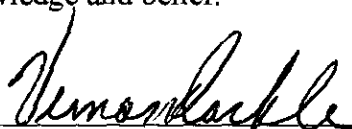
In the matter of the Joint Application)
of Utilicorp United Inc. and The Empire)
District Electric Company for authority)
to merge The Empire District Electric) EM-2000-369
Company with and into Utilicorp United)
Inc. and, in connection therewith, certain)
other related transactions.)

AFFIDAVIT OF VERNON CORKLE

STATE OF MISSOURI)
) ss.
COUNTY OF JASPER)

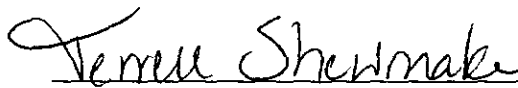
Vernon Corkle, of lawful age and being first duly sworn, deposes and states:

1. My name is Vernon Corkle. 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 5.
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.



Vernon Corkle

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



Notary Public

My Commission Expires: **TERRELL G. SHEWMAKE, Notary Public**
 State of Missouri, Newton County
 My Commission Expires July 29, 2003

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

CASE NO. EM-2000-369

1 Q. Please state your name.

2 A. Vernon Corkle.

3 Q. Please state your age.

4 A. 66 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. 33 years.

11 Q. When did you retire?

12 A. July 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.
17 Going to work at Empire was my first choice out of college. I wanted a stable company but
18 one which was progressive. I also knew that utility companies, besides being long-term,

Rebuttal Testimony:
Vernon Corkle

1 solid firms, generally paid their employees well and had good benefit programs. It was
2 hoped and expected that I would be able to provide my wife and myself with comfortable
3 and secure retirement years by staying with a secure employer and receiving the benefits of
4 stable salary, savings for retirement, health and life insurance at reasonable rates. I perceive
5 that the insurance and health care benefits for my wife and myself will be severely curtailed
6 and what remains will be considerably more costly than before the merger.

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

9 A. When it was publicly announced.

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

11 A. I do not recall if the announcement was by newspaper, television, or a letter from the
12 company.

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

15 A. Generally was aware from the beginning.

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

18 A. Do not recall receiving any notice of an intervention deadline. At the time, did not know
19 of any reason to intervene.

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

1 Empire District Electric?

2 A. As mentioned above, a stable company in a stable industry was what I felt would provide
3 the better career and allow working toward a comfortable retirement with expected benefits.

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

5 A. Yes.

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

7 A. Wanted to remain in a stable job and family situation and build retirement benefits.

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

9 A. Besides employee options for stock purchase, all other retirement benefits including pension,
10 life insurance, health care insurance for myself and my wife, continuing into retirement and
11 covering surviving spouse.

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

13 A. I am grateful for a secure retirement pension which is made even more valuable by life
14 insurance and health care premiums at reasonable costs for my wife and myself. I feel that
15 because of efficient and dedicated work of employees, the company was able to subsidize,
16 for employees, the premiums on life insurance and health care benefits. In addition, health
17 care premiums paid by long-term employees is further reduced in recognition of their longer
18 term of service to the company and the customers.

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

20 A. Some acquaintances have told me they pay more than I do for health care insurance, but I

1 am not aware of details.

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

3 A. Very important because of the health problems that seem to go along with aging. I am
4 concerned for those older retirees whose incomes are modest and whose health care costs
5 are ever increasing. I am also concerned about health care coverage for spouses which may
6 become surviving spouses after the merger.

7 Q. What is your current income?

8 A. My pension plus Social Security is \$5,4000.00 per month.

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

10 A. Currently \$37.88 per month.

11 Q. Do you know what amount Empire District Electric pays for your medical insurance?

12 A. I believe Empire District Electric pays about 90% of the premium.

13 Q. Could you afford to pay the full premium amount for the medical insurance?

14 A. If I am paying only 10% of the costs now, I do not believe I or anyone could pay the full
15 price for their health care.

16 Q. Are you aware of what will happen to the current medical insurance under the proposed
17 merger?

18 A. I hear that those over 65 may have minimal supplemental insurance and future surviving
19 spouses may not have coverage at all.

20 Q. How did you first become aware of the effect on your benefits of the proposed merger?

Rebuttal Testimony:
Vernon Corkle

1 A. A memo addressed to retirees and surviving spouses dated May 21, 1999 from Human
2 Resources said "...increase the percentage of premiums you pay by 15% per year...". And
3 a letter from retirees which gave estimates of very large increases in health care premiums
4 over several years.

5 Q. When was that?

6 A. I believe April or May of this year (2000).

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

8 A. In my case it may take a few years of premium increases and overall general inflation to
9 severely effect my financial well being. But older retirees and those with modest pensions
10 who will feel the financial pinch in the early years of premium increases will soon see the
11 increases escalate to crisis situations, I feel.