

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

Before the Public Service Commission  
of the State of Missouri

Rebuttal Testimony

of

Donald Crayne

June 2000

**FILED**  
JUN 21<sup>22</sup> 2000 *nh*  
Missouri Public  
Service Commission

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

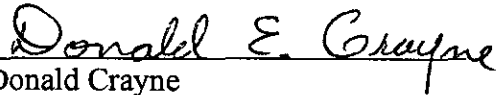
In the matter of the Joint Application       )  
of Utilicorp United Inc. and The Empire       )  
District Electric Company for authority       )  
to merge The Empire District Electric       )       EM-2000-369  
Company with and into Utilicorp United       )  
Inc. and, in connection therewith, certain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

**AFFIDAVIT OF DONALD CRAYNE**

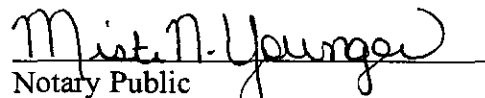
STATE OF MISSOURI       )  
                                      )       ss.  
COUNTY OF JASPER       )

Donald Crayne, of lawful age and being first duly sworn, deposes and states:

1.     My name is Donald Crayne. 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.

  
Donald Crayne

Subscribed and sworn to me this 20<sup>th</sup> day of June, 2000.

  
Notary Public

My Commission Expires: MISTI N. YOUNGER Notary Public  
Jasper County State of Missouri  
My Commission Expires Apr. 29, 2003

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

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

1     Q.     Please state your name.

2     A.     Donald Crayne.

3     Q.     Please state your age.

4     A.     71 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.     From 1963 to 1992.

11    Q.     When did you retire?

12    A.     February 1992.

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

Rebuttal Testimony:  
Donald Crayne

- 1 A. Sometime in 1999.
- 2 Q. How did you become aware of the proposed merger?
- 3 A. Local newspaper and proxy for stockholders meeting.
- 4 Q. When were you aware that the merger had to be approved by the Missouri Public Service
- 5 Commission?
- 6 A. At the annual stockholders meeting.
- 7 Q. Did you ever receive notice that you needed to intervene before the Public Service
- 8 Commission by January 14, 2000?
- 9 A. No.
- 10 Q. Going back to your employment with Empire District Electric, why did you go to work for
- 11 Empire District Electric?
- 12 A. Stable employment with health benefits and insurance that we could live with.
- 13 Q. Were there opportunities to leave Empire District Electric for a better salary?
- 14 A. No.
- 15 Q. Why did you not take those other jobs?
- 16 A. N/A.
- 17 Q. What part of the retirement benefits were of importance to you?
- 18 A. Pension and health benefits and life insurance, including prescription plan.
- 19 Q. Could you discuss the current retirement benefits to which you are entitled?
- 20 A. Pension, health benefits, prescription plan and life insurance.

Rebuttal Testimony:  
Donald Crayne

- 1 Q. How does the retiree medical insurance compare to other retirement plans you are aware of?
- 2 A. Very similar to General Motors, Lockheed Aircraft and Atlas Powder Company.
- 3 Q. How important is the medical insurance to you?
- 4 A. Very important because of my and my wife's health problems.
- 5 Q. What is your current income?
- 6 A. \$48,901.00 as shown on 1999 tax return.
- 7 Q. What is your payment on the medical insurance?
- 8 A. \$25.25 per month for family coverage.
- 9 Q. Do you know what amount Empire District Electric pays for your medical insurance?
- 10 A. \$252.50 per month for family coverage.
- 11 Q. Could you afford to pay the full premium amount for the medical insurance?
- 12 A. Yes, if it becomes necessary.
- 13 Q. Are you aware of what will happen to the current medical insurance under the proposed
- 14 merger?
- 15 A. It will be phased out (subsidized insurance) after the merger over a 6 ½ year period.
- 16 Q. How did you first become aware of the effect on your benefits of the proposed merger?
- 17 A. A memo from Human Resources dated May 21, 1999 refers to life and health benefits, but
- 18 is very vague and gives no real information.
- 19 Q. When was that?
- 20 A. May 21, 1999.

Rebuttal Testimony:  
Donald Crayne

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

2 A. It alters our "promised" income by drastically increasing premiums. We have no written  
3 agreements from Utilicorp.