

Exhibit:  
Issue: Retiree Health Insurance  
Witness: Jack De Graffenreid  
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

FILED

JUN 22 2000

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Rebuttal Testimony

Missouri Public  
Service Commission

of

Jack De Graffenreid

June 2000

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

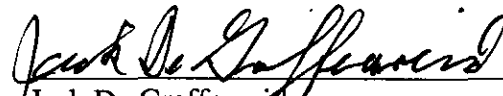
In the matter of the Joint Application                     )  
of Utilicorp United Inc. and The Empire                 )  
District Electric Company for authority                 )  
to merge The Empire District Electric                 )       EM-2000-369  
Company with and into Utilicorp United   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

**AFFIDAVIT OF JACK DE GRAFFENREID**

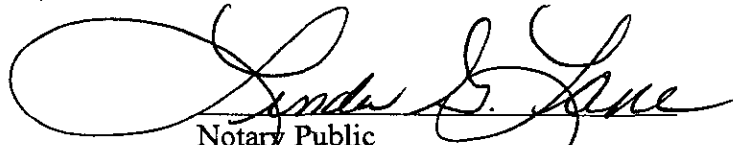
STATE OF MISSOURI             )  
   )       ss.  
COUNTY OF JASPER            )

Jack De Graffenreid, of lawful age and being first duly sworn, deposes and states:

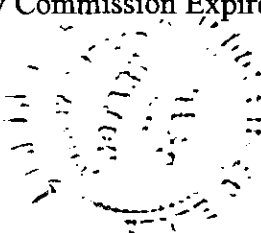
1.     My name is Jack De Graffenreid. I am a retiree of Empire District Electric.
2.     Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony consisting of pages 1 through 4.
3.     I hereby swear and affirm that my statements contained in the attached testimony are true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

  
\_\_\_\_\_  
Jack De Graffenreid

Subscribed and sworn to me this 21<sup>st</sup> day of June, 2000.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: Linda G. Lane, Notary Public  
State of Missouri, Jasper County  
My Commission Expires Feb. 28, 2001



**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI  
REBUTTAL TESTIMONY OF JACK DE GRAFFENREID  
ON BEHALF OF INTERVENOR EMPIRE RETIREES**

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

1     Q.     Please state your name.

2     A.     Jack De Graffenreid.

3     Q.     Please state your age.

4     A.     62 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.     40 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.

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

1 A. May 11, 1999.

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

3 A. Newspaper announcement.

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

6 A. May 11, 1999.

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. Of course I needed a job, but even then working for Empire District Electric was prized for  
13 the security and benefits.

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

15 A. Yes.

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

17 A. I did not feel like the benefits and long term security were good enough.

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

19 A. The pension that could be shared with my wife after my death, medical insurance that could  
20 continue for my surviving spouse and life insurance to assure her welfare after my death.

- 1 Q. Could you discuss the current retirement benefits to which you are entitled?
- 2 A. My monthly pension, health and life insurance. After my death my wife would receive a  
3 pension and could keep her health insurance.
- 4 Q. How does the retiree medical insurance compare to other retirement plans you are aware of?
- 5 A. Better than most that I am aware of. The prescription drug plan is very good.
- 6 Q. How important is the medical insurance to you?
- 7 A. Extremely important. Most illnesses requiring surgery or other expensive procedures can  
8 be a financial disaster without insurance.
- 9 Q. What is your current income?
- 10 A. \$4,409.52 per month.
- 11 Q. What is your payment on the medical insurance?
- 12 A. \$40.40 per month.
- 13 Q. Do you know what amount Empire District Electric pays for your medical insurance?
- 14 A. \$363.60 per month.
- 15 Q. Could you afford to pay the full premium amount for the medical insurance?
- 16 A. I could afford to pay it now, but the cost will keep going up but my income will not. It  
17 would be an unpleasant burden now.
- 18 Q. Are you aware of what will happen to the current medical insurance under the proposed  
19 merger?
- 20 A. Yes, I think so, but information is very hard to get from Empire.

Rebuttal Testimony:  
Jack De Graffenreid

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

2 A. By putting together pieces of information from the retirees and one letter from active  
3 employees - both union and nonunion.

4 Q. When was that?

5 A. Gradually from May 1999 to January 2000.

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

7 A. The premiums for health insurance and life insurance if still available would be hard for me  
8 but nearly impossible for some retirees. I would need to re-plan or scale down my plans for  
9 my and my wife's future.