

1 BEFORE THE PUBLIC SERVICE COMMISSION
2 STATE OF MISSOURI
3 _____
4 TRANSCRIPT OF PROCEEDINGS
5 HEARING
6 July 11, 2000
7 Jefferson City, Missouri
8 Volume 5
9 _____

10 In the Matter of the Joint Application of)
11 UtiliCorp United Inc., and St. Joseph)
12 Light & Power Company for Authority to)
13 Merge St. Joseph Light & Power Company) Case No.
14 with and into UtiliCorp United Inc., and,) EM-2000-292
15 in Connection Therewith, Certain Other)
16 Related Transactions.)

17 _____
18 MORRIS WOODRUFF, Presiding,
19 REGULATORY LAW JUDGE.
20 SHEILA LUMPE, Chair
21 CONNIE MURRAY,
22 ROBERT G. SCHEMENAUER,
23 M. DIANNE DRAINER, Vice-Chair
24 KELVIN SIMMONS
25 COMMISSIONERS.

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IN-CAMERA PROCEEDINGS

JUDGE WOODRUFF: We're now in an in-camera session then. Mr. Dottheim, go ahead and ask your question. You've already asked it, and now we can get an answer.
JANET K. PULLEN testified as follows:

THE WITNESS: Could you repeat the question?

CROSS-EXAMINATION BY MR. DOTTHEIM:

Q. Yes. I was asking if you could identify the return on common equity that was utilized for purposes of the most recent forecast, the five-year forecast for 2000 to 2004 which show \$2 million rate increases planned for 2002 and 2004.

A. You asked for target return on equity?

Q. Yes. I'm sorry.

A. That was 11.01 percent. And that's addressed -- although I use return on rate base, but on page 3, line 21 in my testimony.

MR. MICHEEL: I'm confused at this point. If it's in your public testimony, why is this highly confidential?

MR. COMLEY: I think the first question was for highly confidential. He asked for a target amount, not for the return on equity. And as I look at her testimony, she's got a return on rate base.

Wasn't your earlier question concerning the

1 amount they used to target?

2 MR. DOTTHEIM: Well, I think I made reference
3 to return on common equity. I don't know whether the
4 company considers the return on common equity highly
5 confidential, but the -- or the overall rate of return not
6 to be. But out of caution, I just raised that matter,
7 because in particular the return on common equity which I
8 thought was utilized I did not see in the testimony.

9 MR. COMLEY: Are there any other questions you
10 think may involve highly confidential information?

11 MR. DOTTHEIM: I will have a series of
12 questions that will deal specifically with the initial
13 response to the Staff's Data Request No. 133, which provided
14 the forecast prior to the forecast for 2000 and 2004. And
15 the questions will also go to the forecast for 2000 to 2004
16 which were provided as an update to Staff's Data Request
17 No. 133.

18 JUDGE WOODRUFF: Do we need to remain in a
19 closed in-camera session?

20 MR. DOTTHEIM: I think there's a -- pardon me,
21 a line of questions which will not require in-camera
22 proceedings, but --

23 JUDGE WOODRUFF: Mr. Dottheim, why don't you
24 go ahead and ask the questions that might be borderline and
25 then we can go out of camera to deal with the others.

1 BY MR. DOTTHEIM:

2 Q. Ms. Pullen, I'm going to hand you a packet of
3 materials that I want to ask you some questions regarding.
4 The top document is a schedule put together by the Staff,
5 and I thought that it would be easier, since I'm going to
6 ask you questions and some calculations, that you have a
7 document -- the schedule to take a look at.

8 What I've otherwise provided you a copy of is
9 the company's updated response to Staff Data Request 133,
10 which requested, Please provide the capital and operating
11 budgets for SJLP total company, including a request for
12 budgeted steam results for the years 1999 to 2005 as
13 available.

14 The budget information should reflect
15 segregated electric and gas results to the extent that such
16 information is prepared. For budgetary purposes, budget
17 information should also reflect segregation of regulated and
18 non-regulated operating results, if available.

19 And I've also handed you copies of documents
20 that were provided in response to Staff Data Request
21 No. 165, which requested, Please provide a copy of 1998,
22 1999 and 2000 actuarial reports for both pensions and OPEBs
23 for both SJLP and UCU, parenthesis, Mo Pub, closed
24 parenthesis.

25 And there's the response, Enclosed are copies

1 from -- enclosed are copies of the 1998 and 1999 actuarial
2 reports for both pension plans and the OPEBs for Light &
3 Power. The 2000 reports will not be available until May
4 2000.

5 Do you have those documents?

6 A. Yes, I do.

7 Q. I'd like to refer you to page 4 of your
8 surrebuttal testimony. And on page 4 of your surrebuttal
9 testimony I'd like to direct you to lines 22 and 23 where
10 you state that, The pension credit is assumed to be the same
11 as the 2000 budgeted -- as the 2000 budget throughout the
12 forecast period; is that correct?

13 A. Yes.

14 Q. And the reference to pension credit, is the
15 pension credit a negative expense?

16 A. Yes.

17 Q. And, as a consequence, it's a deduction to
18 revenue requirement?

19 A. Yes.

20 Q. You state in your surrebuttal testimony, do
21 you not, that the pension credit for years 2001 to 2004 was
22 assumed to be the same as for the 2000 credit?

23 A. As the budget for 2000, yes.

24 Q. Okay. You assumed a no increase in the
25 pension and credit for years 2001 to 2004; is that correct?

1 A. That's correct.

2 Q. Ms. Pullen, as a certified public accountant,
3 you are familiar with the calculation of pension costs under
4 Financial Accounting Standard 87, are you not?

5 A. I'm somewhat familiar. The actuary actually
6 makes all those calculations, so I don't know that I can
7 answer particularly detailed questions about that.

8 Q. Okay. If you can't, please advise me. FAS 87
9 is the method currently used for both rate-making and
10 financial reporting purposes to determine St. Joseph Light &
11 Power's annual pension cost, is it not?

12 A. That's correct.

13 Q. Your assumption for St. Joseph Light & Power's
14 pension credit in the updated financial forecast which is
15 the response that's to Data Request 133, your assumption for
16 the pension credit for 2000 was that for years 2001 to 2004
17 there would be no change?

18 A. That's correct.

19 Q. And the amount for the year 2000 was
20 identified as \$4,345,000?

21 A. That's a portion of it that would be expensed.
22 A portion of it is capitalized also to construction.

23 Q. And it's a negative number, is it not, 4,400--
24 excuse me -- \$4,345,000?

25 A. It's a credit.

1 Q. Okay. That is, I believe, a highly
2 confidential number, or am I mistaken about that?

3 MR. COMLEY: I don't know.

4 BY MR. DOTTHEIM:

5 Q. That is contained in the update to Data
6 Request No. 133, the \$4,345,000 figure?

7 A. Well, the projections that are that update
8 include that number.

9 Q. And do you have -- well, do you have a copy of
10 the update to Data Request No. 133?

11 A. Yes, I do.

12 Q. And if I could ask you to turn to that, and in
13 particular, if you would turn to page 3. And that number is
14 shown on page 3, is it not, for years 2000 and 2001 through
15 2004?

16 A. Yes, it is.

17 Q. The schedule which I handed to you earlier,
18 which is a schedule that the Staff put together, reflects
19 St. Joseph Light & Power's actual historical experience
20 regarding the FAS 87 pension credit since 1987. Do you see
21 that on the schedule for line No. 1?

22 MR. COMLEY: Your Honor, I'm going to object
23 to these questions about a schedule that Ms. Pullen has not
24 prepared or had a chance to review and confirm. I
25 understand it's a Staff schedule.

1 MR. DOTTHEIM: And I've identified it as a
2 Staff schedule and I'm going to ask her some questions and
3 ask her to make some calculations. And I think that it will
4 be much easier again if she has a document to look at. And
5 if she disagrees with anything that I ask her in regards to
6 that schedule, she can so state that. I'm not --

7 JUDGE WOODRUFF: I'm going to overrule the
8 objection. You can go ahead and ask the questions with the
9 understanding, of course, that she's not representing this
10 is her document. Go ahead and ask the questions.

11 BY MR. DOTTHEIM:

12 Q. Lines 1, 2, 3 and 4 on that schedule show
13 St. Joseph Light & Power's historical experience, does it
14 not?

15 A. That's what it says it does. Like we said, I
16 haven't checked any of these numbers.

17 Q. And I'll mention to you the schedule also
18 purports to show the impact on the 2000 forecast referenced
19 in your surrebuttal testimony, assuming that the 2000
20 pension credit increased in years 2001 to 2004, consistent
21 with St. Joseph Light & Power's historical experience since
22 1997.

23 Do you also have -- I've provided you with
24 copies of the Frain, Ameer (phonetic spellings) pension plan
25 actuarial reports for the 1998 bargaining and non-bargaining

1 pension plans which support the amounts on the schedule that
2 I've provided you with 1997 and 1998. Are you familiar with
3 the Frain, Ameer actuarial reports?

4 A. I'm somewhat familiar with them.

5 Q. And those are the reports which were provided
6 in response to Staff Data Request 165, was that not -- is
7 that not correct?

8 A. There was attached to it here.

9 Q. I'm going to ask you to use those reports to
10 verify the amounts for 1997 and 1998 that are in the
11 actuarial parts that appear on the schedule that I've handed
12 to you that was prepared by the Staff.

13 I'd like to refer you first to the Frain,
14 Ameer report for the pension plan for bargaining employees.
15 And it has on it a date of May 1998. And I'd like to refer
16 you to page 26. And on page 26 I'd like to refer you to the
17 line H, Net Periodic Pension Cost for columns 1997 and 1998.
18 The amounts that are shown, \$1,516,718 for 1997 and
19 \$1,698,343 for 1998, those are pension credit amounts, are
20 they not?

21 A. Yes, they are.

22 Q. And I'd like to refer you to the schedule that
23 I provided to you which the Staff put together and refer you
24 to column C, which identifies pension cost bargaining and
25 identifies for 1997 the pension credit amount of \$1,516,718;

1 is that correct?

2 A. Yes.

3 Q. And for 1998 the pension amount -- pension

4 credit amount of \$1,698,343?

5 A. That agrees with the report.

6 Q. I've also provided you with a copy of the

7 Frain, Ameer report for non-bargaining employees with the

8 date on the cover of May 1998. Do you have that?

9 A. Yes, I do.

10 Q. I'd like to refer you to page 26 in that

11 report, again to line H, Net Periodic Pension Cost Numbers

12 for 1997 and 1998. And for 1997 the No. \$904,214 -- excuse

13 me 215 -- \$904,215 appears as the pension credit amount?

14 A. Yes, it does.

15 Q. And for 1998 the amount \$1,119,019 appears as

16 the pension credit amount?

17 A. That's correct.

18 Q. And I'd like to direct you back to the

19 schedule that the Staff has prepared to column D, Pension

20 Costs Non-bargaining which shows in the line for 1997 the

21 pension credit amount \$904,215; is that correct?

22 A. Yes.

23 Q. And I have the line No. 2 the Pension Credit

24 of \$1,119,019 for 1998; is that correct?

25 A. Yes.

1 Q. Would you happen to have a calculator with
2 you?

3 A. No.

4 Q. I have one, which I can provide to you. I'm
5 not going to ask you to do anything terribly complicated,
6 but it might be beneficial.

7 MR. COMLEY: Who made that calculator?

8 MR. DOTTHEIM: Casio.

9 BY MR. DOTTHEIM:

10 Q. What I'd like to ask you about is column E,
11 which shows the totals for 1997 and 1998. At line 1 it
12 shows the total for 1997 of the pension credit for the
13 bargaining and non-bargaining employees added together. And
14 line 2 shows the total for 1998 for the pension credit for
15 bargaining and non-bargaining employees added together. And
16 if you could verify that in column E the pension credit for
17 1997, the total amount is \$2,420,933?

18 A. That does fit.

19 Q. And for line No. 2, which shows the total for
20 1998, the total for the pension credit for bargaining and
21 non-bargaining employees is shown as \$2,817,362; is that
22 correct?

23 A. That number also fits.

24 Q. You have a copy of the company's update to
25 Staff Data Request No. 133?

1 A. Yes.

2 Q. And, again, that updated response contains the
3 company's forecast for 1999 to 2004?

4 A. It's really forecast from 2000 to 2004.

5 Q. Excuse me. It also shows a column and amounts
6 for 1999?

7 A. Yes. But those are actuals.

8 Q. And, again, I'd like to refer you to page 3.
9 And the amounts that are shown on that page for Pension
10 Credit for 2000 to 2004 is \$4,345,000?

11 A. That's correct. For each of those years.

12 Q. And for 1999 the actual amount that is shown
13 is \$3,312,000?

14 A. \$3,612,000.

15 Q. Yeah. And those numbers are also reflected on
16 the schedule which I handed to you that the Staff put
17 together. I'd like to refer you to lines No. 3 and lines
18 No. 4.

19 A. Yes, they are.

20 Q. Okay. And I'd like to refer you to column E,
21 which shows the pension cost total for 1999 and 2000 that
22 are forecasted. Correct?

23 A. Yes. I agree with the forecast.

24 Q. And excuse me. That's line 4 which shows the
25 forecast for the year 2000, \$4,345,000 and line 3 which

1 shows the actual amount the \$3,612,000?

2 A. Yes. Those agree with page 3 in the report.

3 Q. I'd like to direct you to column F now which

4 is labeled Percent Increase. And in that column the percent

5 increase from year to year is calculated. The percent

6 increase from year 1997 to 1998 is shown as 16.4 percent.

7 Can you verify that?

8 A. Do you want me to calculate it?

9 Q. Yes. Would you please?

10 A. Yes, I will. Yes. That calculation is

11 accurate.

12 Q. Okay. And there is shown in column F the

13 percent increase from 1998 to 1999 of 28.2 percent?

14 A. That's what the schedule shows.

15 Q. And there is shown in column F the percent

16 increase from 1999 to 2000 of 20.3 percent?

17 A. That's correct.

18 Q. And there's also shown in that column the

19 average annual percent increase of 26.5 percent. Can you

20 verify that?

21 A. Verify --

22 Q. The --

23 A. Recalculate it or verify that the schedule

24 shows that?

25 Q. Well, if the schedule shows that, then that is

1 the correct calculation of -- that 26.5 percent is a correct
2 calculation of the average annual percent increase?

3 A. It's not a simple average, but it does -- the
4 way the formula that's written out to the side -- which
5 really doesn't take into account the interim years, just the
6 first year and the last year and dividing that by three, it
7 does calculate that way.

8 Q. Thank you. I next would like to refer you
9 again to the schedule that the Staff has put together, lines
10 7 through 11, which reflects, amongst other things,
11 St. Joseph Light & Power's pension credit assumption and the
12 financial forecast for each year. In column D is what I'm
13 in particular referring to, the assumption in the financial
14 forecast for each year of the pension credit remaining the
15 same at \$4,345,000; is that correct?

16 A. Yes.

17 Q. On line 12, if I could direct you to that on
18 that schedule that the Staff has put together, shows the
19 total pension cost forecast in the update to Data Request
20 No. 133 as \$21,725,000. Could you verify that?

21 JUDGE WOODRUFF: Mr. Dottheim, I'm going to
22 interrupt here. Is the purpose of the cross-examination by
23 Staff to determine whether or not she can use a calculator?

24 MR. DOTTHEIM: No.

25 JUDGE WOODRUFF: All right. Can we move along

1 a little bit faster on this? I don't know that it's
2 necessary to have her verify numbers. If it is, explain why
3 it is.

4 MR. DOTTHEIM: Well, I was going to ask her to
5 calculate -- which it's been calculated. I was going to
6 verify the calculation of an increase in the pension
7 forecast of 13 percent, which would be half of the annual
8 average that has been experienced since 1997, and then to
9 calculate or verify the number of the increase in the
10 forecast amount at an amount of 8.8 percent, which is a
11 third of the 26.5 percent average annual increase.

12 She has forecasted a 0 percent increase, and I
13 am asking her to go through the numbers to verify that. I
14 apologize.

15 JUDGE WOODRUFF: Just that we're running short
16 on time here and it's taking a very long time. Is there any
17 way you can ask these questions a little bit faster? I
18 mean, I don't want to prevent you from presenting your case,
19 but if there's a way to speed this up, please do so.

20 BY MR. DOTTHEIM:

21 Q. Ms. Pullen, having looked at the schedule and
22 I think it's clear what -- well, what I've just described.

23 MR. DOTTHEIM: Maybe if she could verify what
24 I just indicated without me going line by line, if she
25 understands -- or if I was clear enough in what I just said.

1 JUDGE WOODRUFF: Is that possible?

2 THE WITNESS: Yeah. I mean, I guess my
3 understanding is you want me to recalculate all the numbers
4 on -- on the ones that we haven't recalculated yet?

5 BY MR. DOTTHEIM:

6 Q. Yes. To verify that.

7 A. Well, the five years of 4,345,000 does add up
8 to 20,725,000 [sic]. And the numbers on -- let's see --
9 column E, lines 7 through 12 do compute. The number on --
10 let's see -- line 8, column F is off by \$50, which is going
11 to make every one on down off by not very much, so I guess
12 I'll recompute them using the wrong number because that \$50
13 effect won't be very much.

14 Q. If you would like to compute it eliminating
15 the \$50 error, if you would do so also.

16 A. Well, the next one doesn't work either. I'm
17 guessing it's not really 8.8 percent, but it's some number
18 that truncated the way it's printed, because I just
19 calculated one and it's 1.0822. I mean, do you want me to
20 go through that exercise on every line?

21 Q. Would you calculate it in the manner that you
22 think would be correct?

23 MR. COMLEY: Your Honor, I'm going to object
24 at this point. I think that it was up to the Staff to
25 present a schedule that was accurate for the witness to

1 either verify or to discredit. And I think it's unusual for
2 this body to allow the Staff to have this witness verify one
3 of its own schedules.

4 JUDGE WOODRUFF: I'm going to sustain the
5 objection.

6 BY MR. DOTTHEIM:

7 Q. Then let's stay with the column E, which you
8 verified. Correct?

9 A. Yes.

10 Q. Okay. And that column reflects that the total
11 pension and credit for years 2000 to 2004 would be
12 \$28,156,776?

13 A. Yes, it does.

14 Q. And the total pension credit for years 2000 to
15 2004 as it appears in company's, St. Joseph Light & Power's
16 update to Staff Data Request No. 133, the number is
17 \$21,725,000?

18 A. That's correct.

19 Q. Would you please verify the difference?

20 A. It computes.

21 Q. And the difference is \$6,431,776?

22 A. Yes, it is.

23 Q. And that number of \$6,431,776 represents the
24 difference in the pension credit if one assumes a 13 percent
25 average annual increase rather than 0 percent?

1 A. That's correct.

2 Q. Ms. Pullen, what impact would that \$6,431,776

3 have on revenue requirement?

4 A. In any particular year?

5 Q. Yes.

6 A. If you assumed a larger pension credit in any

7 particular year, then the revenue requirements for that year

8 would be lower.

9 Q. One moment please.

10 Ms. Pullen, returning to the forecast again

11 for 2000 to 2004, if the forecast is showing a \$4 million

12 revenue requirement -- a need for an increase in rates of

13 \$4 million, what would be the impact of utilizing a

14 13 percent increase in the pension credit on an average

15 annual basis? Would that eliminate the \$4 million revenue

16 requirement?

17 A. No. I don't believe it would. I think I'd

18 take -- if the 6 million is over five years, it's only going

19 to have roughly a million and a half impact per year. So if

20 there's a need for 4 million in rate relief, it would be

21 reduced but not eliminated.

22 Q. Thank you, Ms. Pullen. As far as those

23 documents are concerned, that's all I'm going to ask you

24 regarding those documents.

25 JUDGE WOODRUFF: We're still in-camera at this

1 point. Is there going to be anything that's not in-camera?

2 MR. DOTTHEIM: I don't believe that -- no, we
3 are. We are going to need to stay in-camera because I'm
4 going to ask Ms. Pullen to look at some other documents that
5 are marked highly confidential.

6 BY MR. DOTTHEIM:

7 Q. Ms. Pullen, I'm going to hand you a document
8 which contains Staff's Data Request No. 12 to which the
9 company's financial forecasts were provided in response --
10 financial forecasts for 1996 to 2000, which is stamped
11 highly confidential, and the financial forecast for 1997 to
12 2001.

13 MR. DOTTHEIM: And I'd like to have these
14 marked as exhibits at this time.

15 JUDGE WOODRUFF: Okay.

16 MR. DOTTHEIM: These are not complete copies
17 of those financial forecasts. They're just the pages that
18 I'd like to ask you questions in regards to.

19 JUDGE WOODRUFF: How many do you have there?

20 MR. DOTTHEIM: Yes. I have enough copies
21 here.

22 JUDGE WOODRUFF: How many different exhibits
23 are you going to have?

24 MR. DOTTHEIM: I think just one exhibit.

25 JUDGE WOODRUFF: Okay. It will be 722.

1 MR. DOTTHEIM: And the documents are marked
2 HC.
3 JUDGE WOODRUFF: 722-HC.
4 MR. DOTTHEIM: Unfortunately, I do not have
5 these paper clipped together. One of the forecasts is
6 stapled to the cover data request and the other forecast is
7 not.
8 JUDGE WOODRUFF: How would you like to
9 identify these exhibits? Data Requests?
10 MR. DOTTHEIM: Yes. Staff Data Request
11 No. 12 -- response to Staff Data Request No. 12.
12 MR. COMLEY: And you're saying this is a
13 collective exhibit?
14 MR. DOTTHEIM: That's my understanding.
15 MR. COMLEY: Do you have two sections to it?
16 (EXHIBIT NO. 722-HC WAS MARKED FOR
17 IDENTIFICATION.)
18 BY MR. DOTTHEIM:
19 Q. Ms. Pullen, you have a copy of what's been
20 marked Exhibit No. 722-HC?
21 A. Yes.
22 Q. And have you had a chance to take a look at
23 that document, documents?
24 A. I haven't really looked through it. I
25 recognize the covers. These -- I referred earlier that we

1 prepare a forecast for the purpose of providing information
2 to the rating agency.

3 Q. Yes.

4 A. And these are pages from those booklets that
5 we provide to them.

6 Q. What in particular I'd like to refer you to is
7 the pages that identify rate activity, page 16 in both
8 financial forecasts. And, in particular, I'd like to refer
9 you to the chart on both of those pages that's identified
10 Electric Rate Increases in Thousands of Dollars.

11 A. I've found it. Is there a question?

12 Q. Yes. The question is, that chart which shows
13 for individual years forecasts for electric rate increases
14 and thousands of dollars, are those forecasts of rate cases,
15 rate increases, revenue requirements?

16 A. Would you state the question -- or not the
17 whole prelude, but just the question again?

18 Q. That column which shows for a set number of
19 years forecasts -- or it actually shows the word
20 "forecast" -- let me direct you in particular to the
21 financial forecast for 1996 to 2000, page 16. The line for
22 1993, the \$880,000 which is in parenthesis --

23 A. Yes.

24 Q. Okay. Do you know what that reflects?

25 A. Just a second. Yeah. Those are -- for '93,

1 '94 and '95 are actual rate increases and decreases, and
2 agree with those numbers that I had on page 2 of my
3 testimony.

4 Q. Okay. And when you look at 1998, 1999 and
5 2000, are those forecasts of rate increases for those years?

6 A. Yes, they are.

7 Q. Okay. And what would have been the date of
8 this document that is the financial forecast for 1996 to
9 2000?

10 A. That would have been prepared in '95 and early
11 '96, and probably issued roughly in February or March of
12 '96.

13 Q. I'd like to next direct you to the financial
14 forecast for 1997 to 2001. Again, I'd like to direct you to
15 page 16 and the chart on that page. Again, for the years
16 1993, 1994, 1995, does that reflect actual rate case
17 activity for those years?

18 A. Yes, it does.

19 Q. And for the years 1999, 2000, 2001 are there
20 shown forecasted rate increases for those years?

21 A. Yes, there are.

22 Q. And the numbers that are shown, is that the
23 forecast for the amount of the rate increase?

24 A. Yes, it is.

25 Q. Again, I'd like to direct you back to 1996,

1 the 2000 forecast, the lines that show the 1998 forecast of
2 \$3.8 million and the 1999 forecast of \$1.3 million.

3 A. Yes.

4 Q. Did rate increases actually occur in 1998 and
5 1999?

6 A. No.

7 Q. Was there a rate decrease in 1999 of
8 \$2.5 million?

9 A. Yes, there was.

10 Q. I'd like again to direct you to the financial
11 forecast for 1997 to 2001, the line for 1999 forecast of
12 \$704,000. Did a rate increase occur in 1999 of \$704,000?

13 A. No.

14 Q. Did a rate decrease of \$2.5 million occur in
15 1999?

16 A. Yes.

17 Q. Ms. Pullen, I'm going to hand to you another
18 set of documents, give your counsel a copy.

19 JUDGE WOODRUFF: Are these also highly
20 confidential?

21 MR. DOTTHEIM: No. These are not, and I think
22 we can probably go back in session.

23 MR. COMLEY: Your Honor, before we do that,
24 I'm thinking that with the extent of which we've got
25 cross-examination on highly confidential material, would it

1 be wise to stay in-camera for the recross and redirect based
2 upon those highly confidential things before we go back and
3 finish cross-examination from the Staff?

4 JUDGE WOODRUFF: Well, unfortunately, we're
5 also fast approaching five o'clock and I'm not sure we'll be
6 able to get to anything other than cross-examination before
7 five o'clock. We may have to go back in-camera tomorrow
8 morning.

9 MR. SWEARENGEN: Could I inquire too -- that
10 just brings to mind. I was looking at the list. We had 22
11 witnesses up and down listed for the first day and we will
12 not have finished 11 of those --

13 JUDGE WOODRUFF: In two days.

14 MR. SWEARENGEN: -- at five o'clock today at
15 the end of the second day. I'm wondering if you have any
16 inclination of going past five o'clock today?

17 JUDGE WOODRUFF: We will not be going past
18 five o'clock at least today.

19 MR. COMLEY: Judge, could we go off the record
20 just a moment?

21 JUDGE WOODRUFF: Let's go off the record.

22 (A RECESS WAS TAKEN.)

23 JUDGE WOODRUFF: We're back on the record.
24 We've had some off-camera discussions. We're going to stay
25 in in-camera discussion throughout this witness so that we

1 don't have to go in and out.

2 Mr. Dottheim, if you can continue.

3 MR. DOTTHEIM: Thank you.

4 BY MR. DOTTHEIM:

5 Q. Ms. Pullen, I've handed to you a packet of
6 documents. That's really two documents. There's a cover
7 sheet, it's another schedule that the Staff prepared. And
8 that's a one page-document. And behind that document is a
9 copy of the Staff's EMS run, the Staff's revenue requirement
10 run. Are you familiar with the second document, the Staff's
11 EMS run?

12 A. I'm familiar -- I'm familiar with the format.
13 I haven't seen this particular run before.

14 Q. I'd like to refer you back again to the update
15 to Schedule 133. And I'd like to direct you to the very
16 last page which lists the assumptions that are in the
17 forecast for years 2000 to 2004, if I've identified that
18 correctly?

19 A. Yes. That's correct.

20 Q. And in the assumptions there's the statement:
21 The following assumptions have been made in preparing the
22 long-range forecast for 2000 to 2004. One, the forecast has
23 been based on the long-range forecast prepared for 1999 to
24 2008, paren, dated 6/16/99, closed paren, which assumes
25 continued regulation of the generation segment through 2004.

1 The effect of expected rate increases and
2 decreases in years 2000 to 2004 have been replaced with \$2
3 million increases in each of 2002 and 2004 which were based
4 on the electric only forecast prepared earlier using 11 --
5 an 11.01 percent ROE.

6 The steam business is assumed to be retired as
7 of 12/31/2002. No generation retired. Since the 900 system
8 is not retired, only the loss of the steam lines of
9 1.6 million is recognized, paren, net book value of
10 \$1.7 million plus COR of 9 million -- excuse me -- of
11 \$.9 million less tax benefit of \$1 million, closed paren.

12 Have I read that accurately as corrected?

13 A. Yes.

14 Q. And the assumptions reflect the 11.01 percent
15 return on common equity that you previously identified?

16 A. That's correct.

17 Q. Are you aware of the cost of common equity
18 recommendation of the Staff in the rebuttal testimony of
19 David Broadwater?

20 A. I've read it, but I don't recall it right now.

21 Q. Mr. Broadwater has corrected that testimony.
22 Copies were distributed earlier this afternoon. I'd like
23 to -- I'd like to hand you a copy and direct you to
24 Schedule 21. On Schedule 21 I'd like to direct you to the
25 return on common equity range that is the Staff's

1 recommendation. It's 9.27 percent at the low end, 9.89
2 percent at the mid-range and 10.51 percent at the high end.
3 Does that appear on that schedule?

4 A. Yes, it does.

5 Q. And the high end of the Staff's range at
6 10.51 percent, that is lower, is it not, than the return on
7 common equity that you have utilized in the forecast for
8 2000 to 2004, is it not?

9 A. Yes. 10.5 is less than 11.0.

10 Q. If you had utilized 10.51 percent instead of
11 11.01 percent, is that a calculation that you can make at
12 the stand as to what impact that would have on revenue
13 requirement?

14 A. Not very easily.

15 Q. Okay. Would it impact it in a manner that it
16 would be less than the \$2 million that you show for two
17 years in the forecast for 2000 to 2004?

18 A. That -- I can't really make that
19 generalization, because I'm not sure off the top of my head
20 what the rough impact of 1/2 a percent on return equity is.
21 And each of those \$2 million numbers were rounded and in
22 some cases the actual calculation was that more rate relief
23 than that would have been required and rounded down. And
24 whether or not that would be lost in the rounding or not, I
25 don't know.

1 MR. DOTTHEIM: In that event, if I could --
2 it's going to take me longer to address this, Judge.

3 JUDGE WOODRUFF: What do you propose to do,
4 Mr. Dottheim?

5 MR. DOTTHEIM: What I would like to have her
6 do is to -- well, attempt to calculate what would be --

7 JUDGE WOODRUFF: No. I'm not going to permit
8 that. If Mr. Broadwater wants to testify about this
9 document when he testifies, he can do so. I'm not going to
10 wait here while the witness manipulates the calculator.

11 MR. DOTTHEIM: Okay. If I might have a
12 minute, and I should be able to determine whether I have any
13 further questions.

14 JUDGE WOODRUFF: Yes, you may. We'll go off
15 the record for a moment.

16 (A RECESS WAS TAKEN.)

17 BY MR. DOTTHEIM:

18 Q. Ms. Pullen, I'd like to direct you again to
19 Data Request No. 133, the update, the last page, page of
20 assumptions where there's the statement, The effect of
21 expected rate increases and decreases in years 2004 --
22 excuse me -- in years 2000 to 2004 have been replaced with
23 \$2 million increases in each of 2002 and 2004 which were
24 based on the electric only forecast prepared earlier using
25 an 11.01 percent ROE.

1 What are the effects of expected rate
2 increases and decreases in year 2000 through 2004 that were
3 replaced?

4 A. I have to look at the original response to
5 DR 133 to find out, I think.

6 Q. Do you have a copy of that?

7 A. Yes, I do. The '99 to 2008 forecast shows an
8 electric rate increase in 2000 of 769,000; a decrease in
9 2001 of 58,000; an increase in 2002 of 973,000; an increase
10 in 2003 of 1,916,000; a decrease in 2004 of 1,997,000; an
11 increase in 2005 of 2,195,000; an increase in 2006 of
12 18,907,000; an increase in 2007 of 2,207,000; an increase in
13 2008 of 3,148,000.

14 Q. Okay. Thank you. If I could ask you to stay
15 with that document, and if I could direct you to page 29.

16 A. Okay.

17 Q. And I'd like to direct you to the line near
18 the bottom of the page, Income Available for Common in
19 Millions. And I'd also like to direct you -- because I'd
20 like for you to make a comparison, I'd like to direct you to
21 the update to Staff Data Request No. 133. I'd like to
22 direct you to page 1, the line item Net Income. The net
23 income that is shown in the original response to Staff Data
24 Request No. 133 for 1999 is \$10.395 million, is it not?

25 A. That's correct.

1 Q. And that number that appears in the update for
2 net income is \$6,127,000, is it not?

3 A. The number in the update is the actual results
4 or \$4 million less than what was budgeted in these numbers.

5 Q. Okay. Excuse me. But the number is \$6--

6 A. Yes, it is.

7 Q. -- 127,000?

8 A. Yes.

9 Q. Again, returning to the company's original
10 response to Staff Data Request No. 133 for year 2000 is
11 \$13,658,000?

12 A. Yes.

13 Q. And the number that is shown in the update is
14 \$8.7 million?

15 A. That's correct.

16 Q. I'd like to direct you to year 2001, the net
17 income number shown is \$14,035,000?

18 A. That's correct.

19 Q. And the number that is shown in the update for
20 2001 is \$8,945,000?

21 A. That's correct.

22 Q. For year 2002 the number that is shown in the
23 original response is \$13,574,000?

24 A. Yes.

25 Q. And the number that is shown in the update is

1 \$8,393,000?

2 A. That's correct.

3 Q. Okay. Again, in the original response to the

4 Staff Data Request the number that's shown for the year 2003

5 is \$7,246,000?

6 A. Yes.

7 Q. And the number that is in the update is

8 \$5,593,000?

9 A. That's right.

10 Q. And, finally, if you would turn to page 30,

11 which shows the number for net income for the year 2004 of

12 \$12,105,000?

13 A. That's right.

14 Q. And in the company's -- that is, St. Joseph

15 Light & Power's update for the forecast for the year 2004,

16 the number for net income is shown as \$9,342,000?

17 A. That is correct.

18 Q. Could you identify the reasons in the

19 forecasts to see a decrease in the numbers shown for net

20 income?

21 A. I can identify some of the reasons. I think

22 the biggest is that the assumptions for earnings from

23 unregulated businesses and the original assumptions were

24 rather high. In fact, on the assumption page, which is

25 page 1 of that same DR, it indicates that -- that those

1 earnings increased 10 percent per year. And I'm not sure
2 what those base -- what the numbers actually are, but
3 they're relatively high compared to the numbers in the
4 revised forecast.

5 I believe the other significant changes in
6 assumptions that account for those differences are all
7 listed on page 4. Those have to do with things like --
8 well, some minor changes in the system requirements and peak
9 loads, changes in fuel prices that Mr. Ferry testified with
10 respect to, I and T freight contract. Those are probably
11 the biggest items that account for those differences.

12 Q. Will it be a goal of St. Joseph Light & Power
13 to attempt to avoid the rate increases that are shown in the
14 forecast for 2002 and 2004?

15 MR. COMLEY: I'll object to that. That would
16 be a question for Mr. Steinbecker.

17 JUDGE WOODRUFF: Sustained.

18 BY MR. DOTTHEIM:

19 Q. Ms. Pullen, you've, in your surrebuttal
20 testimony, contained information regarding the automated
21 meter reading and new human resources software, do you not?

22 A. Yes.

23 Q. Will St. Joseph Light & Power continue to
24 review the economics of conversion to automated meter
25 reading in the next few -- in the next five years, assuming

1 there is no merger?

2 A. I won't personally be making that decision. I
3 would not be surprised if we might continue to review that.

4 Q. Are you aware -- or are there Missouri
5 electric companies that have converted or are in the process
6 of converting to automated meter reading?

7 A. I believe there may be, but I'm not really
8 certain about that.

9 Q. Do you know whether in the next five years,
10 assuming there is no merger, St. Joseph Light & Power will
11 consider the use of new human resources software?

12 A. No, I don't.

13 MR. DOTTHEIM: Thank you, Ms. Pullen. You've
14 been very patient.

15 JUDGE WOODRUFF: All right. Questions from
16 the Bench starting with Commissioner Murray?

17 COMMISSIONER MURRAY: Thank you.

18 QUESTIONS BY COMMISSIONER MURRAY:

19 Q. First of all, I'm very sorry that you've had
20 to be on the stand so long. And I really am trying very
21 hard to understand what the questioning was designed to do.
22 And I'm wondering if perhaps you can help, because I didn't
23 understand a lot of the point of your cross-examination that
24 just took place, particularly the questions that you were
25 asked about a document that took well over a half an hour

1 where you had to recalculate what -- am I correct that that
2 was a document that was prepared by our Staff?

3 A. Yes. Well, I believe so. It was not prepared
4 by me.

5 Q. Okay. And you were asked to recalculate the
6 numbers that Staff had on the document?

7 A. Yes.

8 Q. The bottom line -- did you understand the
9 bottom line was that if you assumed a higher pension credit
10 for any year, that in that year those revenue requirements
11 would be lowered?

12 A. Yes. I think that was their point.

13 Q. And the pension credits have actually been
14 increasing over the years?

15 A. Yes. Pension -- I mean, we may have had a
16 misunderstanding. Pension credits have been increasing in
17 recent years. Part of the reason for that is the returns on
18 the stock market with all of the stocks that the fund is
19 invested in. And also some changes in accounting that
20 increased the amount of that pension credit effective with
21 the last rate case.

22 So he had me take a number that has those
23 increases in it in the last year, but the accounting
24 differences are not in the base number, and said okay, here
25 is a higher percentage increase than what you assumed and

1 so, therefore, if you assume this much more pension credit,
2 then the revenue requirement would be lower.

3 Q. Okay. And that's what you understood that
4 that --

5 A. I assumed that's where he was going with that.

6 Q. -- questioning was for? That's pretty much
7 what I got out of it.

8 And that was based upon the sentence in your
9 testimony, I think, that was at the bottom of page 4 in your
10 testimony line 22, 23 where you say, The pension credit is
11 assumed to be the same as the 2000 budget throughout the
12 forecasted period?

13 A. Yes. I believe so.

14 Q. To your knowledge, are any of the data request
15 responses that you were questioned about in evidence? Do
16 you know if they've been offered as exhibits? I was not
17 able to follow along, because I didn't have those in front
18 of me. I don't know if they're exhibits or not. Do you
19 know?

20 A. No. I don't know.

21 COMMISSIONER MURRAY: Okay. I believe that's
22 all the questions I have. Thank you.

23 JUDGE WOODRUFF: Commissioner Schemenauer?

24 COMMISSIONER SCHEMENAUER: No questions, your
25 Honor.

1 JUDGE WOODRUFF: Commissioner Simmons?
2 COMMISSIONER SIMMONS: No questions, your
3 Honor.
4 JUDGE WOODRUFF: I have no questions. Let's
5 go on to recross based on questions from the Bench, and we
6 will start with UtiliCorp.
7 MR. SWEARENGEN: No questions. Thank you.
8 JUDGE WOODRUFF: UE is gone. Natural
9 Resources is not here. AGP?
10 MR. CONRAD: No questions.
11 JUDGE WOODRUFF: City of Springfield? They're
12 gone. Public Counsel?
13 MR. MICHEEL: No.
14 JUDGE WOODRUFF: Staff?
15 MR. DOTTHEIM: No.
16 JUDGE WOODRUFF: Redirect?
17 MR. COMLEY: We're in-camera; is that correct?
18 JUDGE WOODRUFF: Yes. We are still in-camera.
19 REDIRECT EXAMINATION BY MR. COMLEY:
20 Q. We have a few things to cover, Ms. Pullen.
21 Could you tell the Commission and Commissioner Murray
22 particularly why was the pension credit not increased or
23 decreased from the amount budgeted for 2000?
24 A. Because we felt that the increases over the
25 last several years were probably not something -- or the

1 increases in the credit reduced expense were not something
2 that could be counted that we could count on to continue
3 over the next few years. The stock market returns in our
4 pension plans year to date through May this year are
5 negative 4 1/2 percent.

6 The assumptions that the actuaries made in
7 those numbers are 9 percent, so that by itself would cause a
8 shortfall. So we felt like we didn't -- none of us have a
9 really good crystal ball to know what assumptions to make
10 about those returns and everything else that goes into that
11 pension calculation. So we thought it made sense to leave
12 it constant at that high credit amount.

13 Q. You mentioned some accounting changes, and
14 maybe you've gone through them already, but for
15 clarification, what accounting changes were made and what
16 impact did they have?

17 A. Well, with respect to pensions or --

18 Q. With respect to pensions.

19 A. With respect to pensions, in the last rate
20 increase or rate case -- not increase, the method for
21 amortizing actuarial gains and losses was changed to an
22 accelerate -- we have gains in the pension plan. And that
23 change was to amortize those gains over a shorter period of
24 time and to no longer use the corridor method, which is one
25 option under FAS 87. And I believe the annual impact of

1 that is roughly \$3 million.

2 Q. With respect to the stock market, the stock
3 market does influence the pension credit and the forecast --
4 well, your previous forecast perhaps?

5 A. Right. The stock market influences the actual
6 returns in the pension plan and, therefore, the actual
7 credit that's recorded. And so, therefore, we take that
8 into account in trying to forecast what that credit will be.

9 Q. Has the previous forecast taken into account
10 some of the remarkable -- I'll use those words, maybe that's
11 somewhat hyperbolic, but some of the stock market -- high
12 fluctuations in the stock market in the last several years?

13 A. I'm sorry. What was the question?

14 Q. Your pension credit forecast in the past, did
15 that take into account some of the major fluctuations in the
16 market that have taken place? Maybe I already asked the
17 question. My understanding is that the stock market does
18 influence the pension credit?

19 A. Yes, it does.

20 Q. And what about the stock market that has made
21 the pension credit move up and down?

22 A. Well, over the last several years the returns
23 in the stock market have been quite high and they've
24 actually been higher than the assumed rate of return that
25 the actuary uses. And every time those returns are higher,

1 it increases the credit in the following year to kind of
2 catch up for that, so that over time the actual returns that
3 the plan assets used are reflected in that credit.

4 Q. Let me ask you this. Is there any guarantee
5 that high investment returns will be as they have in the
6 past?

7 A. No, there's not.

8 Q. Respecting quality of earnings, are they cash
9 or non-cash?

10 A. The pension credit is non-cash.

11 Q. Do the level of non-cash earnings affect the
12 company's credit quality?

13 A. Yes, they do. I believe analysts and reading
14 agencies take that into account when they look at a company
15 rating.

16 Q. If you assumed higher costs or other costs of
17 service such as fuel, would that cause for additional rate
18 increases?

19 A. If we assumed higher costs than what are in
20 the current forecast, yes, it would.

21 Q. All right. Let me visit with you a little bit
22 about -- I'm going to bring you back to the notorious
23 schedule that you talked about. And do you have a copy in
24 front of you?

25 A. Yes, I do.

1 Q. Let's talk about the percentage that is in
2 column F on the top.
3 A. Okay.
4 Q. Mr. Dottheim talked to you about a 26.5
5 average?
6 A. Yes.
7 Q. In your testimony with him you said that was
8 not a simple average?
9 A. That's correct.
10 Q. Can you explain to the Commission what you
11 mean by that?
12 A. Well, a simple average would be adding those
13 three numbers together and dividing by three, which would be
14 21.6 percent.
15 Q. 21.6 percent. Let me ask you this. We went
16 through columns -- went through numbers in column E, and one
17 of the numbers was \$2,420,933?
18 A. Yes.
19 Q. If you were to take 26.5 percent times the
20 number I just quoted to you, would you obtain the figure in
21 line No. 2 under column 8?
22 A. No, you would not.
23 Q. Why not?
24 A. Because the increase between 1998 and 1997 is
25 actually 16.4 percent, not 26.5.

1 Q. Let me ask you to do this. Using the method
2 that they've computed there, do you know what the number
3 on line 4 on column E would be if you applied 26.5 percent
4 to each number in that column?

5 A. It would be higher than that.

6 Q. It would be higher than the 4.35-- 4.345
7 that's in that column?

8 A. Yes, it would be.

9 Q. Let's talk about your forecast in general for
10 a moment. There were questions about other increases and
11 decreases. Are you aware of any other current cost increase
12 which would affect your forecast?

13 A. I believe the cost of fuel and purchase power
14 has increased very significantly since that forecast was
15 prepared. In addition, as has been talked about before, the
16 incident at Lake Road will significantly increase our
17 purchase power costs from this year.

18 Q. Now, Mr. Dottheim asked you about financial
19 forecasts that were contained in highly confidential data
20 information requests. And I think you have them there with
21 you. There was a financial forecast for 1996 to 2000 and a
22 financial forecast from 1997 to 2001. And he went through
23 with you items that were on page 16 of each of those
24 forecasts. Do you remember that?

25 A. Yes.

1 Q. Now, could you give the Commission an idea of
2 how old the forecasting data was that you used in connection
3 with those forecasts?

4 A. Well, the '96 to 2000 forecast was prepared in
5 late 1995 primarily. And the next one, '97 to 2001, would
6 have been prepared in late '96.

7 Q. Now, since those have been done, Mrs. Pullen,
8 have there been any changes that you know of which would
9 effect the way forecasts are done now?

10 A. There have been significant changes in costs.

11 Q. Aside from costs, have there been any changes
12 in regulation?

13 A. Well, the wholesale power market has been
14 deregulated, which is -- hits us pretty hard because we
15 can't sell in that market, but we have to buy in that market
16 and the price is not stable.

17 Q. Do you know of any accounting procedures
18 implemented by the directives of this Commission that may
19 have changed that?

20 A. The accounting method changes that I refer to
21 with respect to the rate decrease that we had last year, as
22 well as there were also accounting method changes with
23 respect to income taxes in that same case.

24 Q. Has there been any change at the national
25 level, perhaps at legislation at the national level, that

1 may have influenced your forecast?

2 A. I think the transmission open access rules
3 probably influence --

4 Q. Do you know --

5 A. -- some factors.

6 Q. -- Do you know of any other act?

7 A. I can't think of any right now.

8 Q. Okay. I'll lead you down the road a little
9 bit. Do you know anything about the Clean Air Act?

10 A. Yes. A little bit.

11 Q. And do you know whether that had any
12 influence?

13 A. That's had rather significant impact on our
14 costs.

15 Q. Was the most recent forecast -- the one that
16 was with the updated data request, was that forecast
17 prepared taking into account these changes?

18 A. Yes, it was.

19 Q. Let's refer again to one -- Data Request 133.
20 And I guess that would be the original data request. Excuse
21 me. It would be the updated one -- the updated one. And
22 I'm going to look at the bottom of page 1 where it shows
23 return on average common equity for the consolidated
24 companies.

25 A. Yes.

1 Q. Even though you used 11.01 percent return on
2 equity in developing your forecast, do the resulting return
3 on equities generate that high of a return?

4 A. No, they do not.

5 Q. Is the net income in the updated forecast
6 affected by the rate reduction ordered by the Commission?

7 A. Yes, it has been reflected in that forecast.

8 Q. Are there other items which affected the
9 numbers that were on the net income between what
10 Mr. Dottheim showed you on the updated answer to 133 and the
11 original answer?

12 A. The rate increase changes and assumptions with
13 respect to unregulated operations, changes in fuel costs. A
14 number of things that I went through that are contained on
15 page 4.

16 Q. Of the assumptions page?

17 A. The assumptions page of the updated response
18 to DR --

19 Q. Are there --

20 A. -- 133.

21 Q. Are there others that you would think highly
22 significant in connection with why those numbers have
23 changed? Is payroll on here, for instance?

24 A. Yes. Payroll is included in those forecasts
25 and probably has gone up since the earlier forecast.

1 Q. What other escalations are on these
2 assumptions that you used?

3 A. Those are detailed in my surrebuttal
4 testimony.

5 Q. All right. And where are they in your
6 surrebuttal testimony?

7 A. On -- starting on page 4, line 14 and really
8 going through page 6 line 10.

9 Q. Thank you. What is the company's net income
10 for the year to date, do you know?

11 A. Are we still --

12 Q. We're in-camera.

13 A. I believe through May 19-- or through May 2000
14 it's roughly an \$85,000 loss.

15 Q. Let me ask you this. Will implementation of
16 the human resource package and the AMR system result in any
17 significant savings for the company?

18 A. I don't believe they would.

19 MR. COMLEY: Just a second.

20 JUDGE WOODRUFF: Okay.

21 BY MR. COMLEY:

22 Q. Respecting the ROE range, has Mr. Stoll also
23 discussed that in his testimony?

24 A. Yes, he has.

25 MR. COMLEY: Your Honor, that concludes our

1 redirect on the in-camera portion.

2 JUDGE WOODRUFF: Do you have more redirect

3 that's not in-camera?

4 MR. COMLEY: Depends on what recross he may

5 have on the out of camera, unless he's decided he's

6 finished.

7 JUDGE WOODRUFF: I believe we are finished

8 with that.

9 MR. DOTTHEIM: Yes.

10 MR. COMLEY: You're done with the public

11 portion?

12 MR. DOTTHEIM: Yes.

13 MR. COMLEY: I have no other redirect.

14 JUDGE WOODRUFF: All right. You may step down

15 then. And at this point we are adjourned for the day. We'll

16 reconvene --

17 MR. DOTTHEIM: May I offer Exhibit 722?

18 JUDGE WOODRUFF: Yes.

19 MR. COMLEY: Your Honor, let me -- 722 is the

20 highly confidential exhibit for Data Request No. 12?

21 JUDGE WOODRUFF: Yes.

22 MR. COMLEY: Your Honor, with respect to this

23 the company would reserve the right to bring the remainder

24 of what this data request is. This is an excerpt, and

25 because of that, we would reserve the right to supplement

1 the record of this with the full answer so it's available
2 for the brief.

3 JUDGE WOODRUFF: Okay.

4 MR. COMLEY: Also, before we go off the --

5 JUDGE WOODRUFF: Let's just deal with this
6 first before you go on. Any other objections to 722-HC?

7 MR. CONRAD: We have no objection.

8 JUDGE WOODRUFF: No objection.

9 MR. MICHEEL: No objection.

10 JUDGE WOODRUFF: Hearing no objection, it will
11 be received.

12 (EXHIBIT NO. 722-HC WAS RECEIVED INTO
13 EVIDENCE.)

14 JUDGE WOODRUFF: Okay, Mr. Comley.

15 MR. COMLEY: Several times during the course
16 of the hearing there's been reference to the incident at the
17 Lake Road plant as well as the application for an Accounting
18 Authority Order. Because of that and because of the
19 significance, I would like for the Commission to take
20 official notice of the application in that case. It's
21 Case No. EO-2000-845. The application was filed June 23rd,
22 2000. And if necessary, we can mark it as an exhibit.

23 JUDGE WOODRUFF: Anyone have any objection to
24 just taking official notice of that?

25 MR. CONRAD: We have no objection to that.

1 There have been additional pleadings filed in that case.

2 JUDGE WOODRUFF: Okay.

3 MR. DOTTHEIM: And the Staff would have no

4 objection other than what Mr. Conrad has raised, that there

5 have been additional pleadings filed in this case.

6 JUDGE WOODRUFF: Well, at this point we'll

7 accept official -- or whatever you say -- for the

8 application only. If you want to have us take recognition

9 of any other documents, bring them in. I'm not going to

10 recognize the entire file because the file's going to be

11 changing all the time.

12 Anything else anyone wants to bring up while

13 we're on the record?

14 MR. CONRAD: Are we still in-camera?

15 JUDGE WOODRUFF: I've not gone off camera yet.

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