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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
TRANSCRIPT OF PROCEEDINGS

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Public Hearing

May 24, 2005

Platte City, Missouri

Volume 3

In the Matter of a Proposed)
Experimental Regulatory Plan) Case No. EO-2005-0329
of Kansas City Power & Light)
Company)

RONALD D. PRIDGIN, Presiding,
DEPUTY CHIEF REGULATORY JUDGE

JEFF DAVIS, CHAIRMAN,
STEVE GAW,
LINWARD "LIN" APPLING,
COMMISSIONERS

APPEARANCES:

For Kansas City Power & Light:
Mr. Karl Zobrist
Sonnenschein, Nath & Rosenthal
4520 Main Street, Suite 1100
Kansas City, Missouri 64111.

For The Office of Public Counsel
Mr. Michael Dandino, Senior Public Counsel

For the Missouri Public Service Commission:
Mr. Steven Dottheim
Chief Deputy General Counsel

Reported By:
Mr. James A. Leacock, CCR, RPR

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P R O C E E D I N G S

JUDGE PRIDGIN: We are on the record.

Missouri Public Service Commission has set this time for local hearing in Case Number EO-2005-0329, in which Kansas City Power & Light Company seeks to implement an experimental regulatory plan. The Missouri Public Service Commission regulates for rates charged by investor-owned utility companies in Missouri to ensure that those rates are just and reasonable. The Commission also regulates the quality of service and safety of the operations of investor-owned utilities. The Commission is made up of five commissioners, three of whom are here today. They are appointed by the governor to fixed terms and confirmed by the Senate. The commissioners also employ a staff with engineers, accountants, attorneys, financial analysts and other specialists in the field of utility regulation.

I am Ron Pridgin. I am a Regulatory Law Judge for the Missouri Public Service Commission. I will preside over this evening's hearing. With me this evening to my immediate right, Chairman of the Commission Jeff Davis. Commissioner Steve Gaw to my further right. And to my left, Commissioner Lin Appling.

1 This is an official hearing of the
2 Missouri Public Service Commission and the
3 statements and testimony of witnesses will be
4 recorded by the court reporter and must be given
5 under oath. All of the commissioners will have the
6 chance to read all your remarks. In addition to
7 this hearing a trial type hearing will be held
8 beginning on June 6th at 8:30 a.m. at the
9 Commission's offices at the Governor Office Building
10 in Jefferson City, Missouri. That is a public
11 hearing. At that hearing the company will have the
12 burden of showing that its plan is in the public's
13 interest. The parties will present their witnesses
14 for and against the plan at that time. The purpose
15 of this hearing this evening is to hear from you on
16 the subject of the experimental regulatory plan.
17 The company will not present witnesses and will not
18 answer questions.

19 This is your chance to testify and your
20 remarks will be made an official part of the record
21 of this case. I will call the name of each witness
22 who has signed up to speak. I will call you in the
23 order in which you signed up. When your name is
24 called, please come forward and stand at the witness
25 lecturn. I will ask you to spell your name for the

1 court reporter so he can put it in the record
2 correctly. I will ask you some preliminary
3 questions such as your name, and whether you are a
4 KCP&L customer and then I will ask you to make your
5 statement. When you are finished, please do not
6 leave the witness area until you are excused because
7 the commissioners may have some questions or I may
8 have some questions as well.

9 This hearing is scheduled to end promptly
10 at 8:30 p.m. To get as many of you on the record as
11 possible I ask that you be brief. If there is
12 someone who wishes to testify but for religious
13 reasons cannot take an oath, please let me know. If
14 that is the case I will ask that your testimony be
15 affirmed instead of sworn. Does anyone have any
16 questions on the procedure for tonight's hearing?
17 All right, seeing none, we will begin the public
18 hearing on Case Number EO-2005-0329, in the matter
19 of a proposed experimental regulatory plan of Kansas
20 City Power & Light Company. Will counsel make their
21 entries of appearance, please, beginning with
22 staff.

23 MR. DOTTHEIM: Steven Dottheim appearing
24 on behalf of the staff of the Missouri Public
25 Service Commission, Post Office Box 360, Jefferson

1 City, Missouri, 65102.

2 JUDGE PRIDGIN: Mr. Dottheim, thank you.
3 On behalf of the Office of Public Counsel, please.

4 MR. DANDINO: Thank you, Your Honor.
5 Michael Dandino. Office of the Public Counsel, Post
6 Office Box 2230, Jefferson City, Missouri, 65102.
7 Representing the Office of Public Counsel and the
8 public.

9 JUDGE PRIDGIN: Mr. Dandino, thank you.
10 On behalf of KCP&L, please.

11 MR. ZOBRIST: Karl Zobrist, Sonnenschein
12 Nath and Rosenthal, 4520 Main Street, Suite 1100,
13 Kansas City, Missouri, 64111.

14 JUDGE PRIDGIN: Mr. Zobrist, thank you.
15 Are there any other counsel who wish to enter an
16 appearance? Hearing none, we will go on to the
17 first witness. I see the first person who signed up
18 is Chuck Gillam.

19 MR. GILLAM: Would you like copies of
20 this now or after?

21 JUDGE PRIDGIN: If you are going to submit
22 an exhibit, I will go ahead and take that now.

23 (The oath was administered.)

24 JUDGE PRIDGIN: Thank you very much,
25 sir. If you would, please, state your name for the

1 record and spell your last name.

2 MR. GILLAM: Charles E. Gillam.

3 G-i-l-l-a-m.

4 JUDGE PRIDGIN: Mr. Gillam, are you a
5 customer of KCP&L?

6 MR. GILLAM: I am a customer of KCP&L and
7 a citizen of the Kansas City metro area.

8 JUDGE PRIDGIN: Mr. Gillam, I note that
9 you have handed the Commission a document. And I
10 have labeled that as Exhibit Number 1. Could you
11 just briefly describe what that is, please?

12 MR. GILLAM: This is a document which is
13 a statement of remarks by myself representing a
14 Sustainable Sanctuary Coalition of the Greater
15 Kansas City area. Which is an organization of
16 churches rapidly growing within the last few months
17 of various faiths and denominations and concerned
18 with the disregard of what is happening to our earth
19 and our place where we live.

20 JUDGE PRIDGIN: Mr. Gillam, what I will do
21 is I will again label this as Exhibit Number 1 and I
22 will admit that into evidence. Mr. Gillam, do you
23 have a statement for the Commission?

24 MR. GILLAM: I do, and I will paraphrase
25 what is written here. I would like to first say it

1 is good to see Commissioner Appling, Mr. Davis
2 again. It has been several months. As I mentioned,
3 I am speaking here for this Sustainable Sanctuary
4 Coalition. We are talking here about the pollution
5 of our environment. Pollution that specifically is
6 going on in this area. I feel that you have been
7 given pollution data associated with these plants
8 over all this time, particularly by people like the
9 Sierra Club. I don't want to get into that too
10 much. But according to ABT Associates, in June of
11 2004, in Clear the Air, each year in the State of
12 Missouri, in our state, there is 750 early deaths
13 caused by such plants as are being proposed here.
14 There are 1237 heart attacks, 94 lung cancer deaths,
15 16,000 plus asthma attacks attributed to coal
16 burning power plants. You have letters from the
17 American Heart Association requesting that you don't
18 build this plant. You have -- I'm sure you have
19 reports from the American Lung Association giving an
20 F. rating to the air quality in Platte County and
21 Clay County.

22 You surely know the terrible results on
23 permanent brain damage by methylmercury toxicity.
24 This has been in the news a lot and it affects over
25 half a million babies each year in our country and

1 coal burning power plants are the major
2 contributor. This is a bad situation. You know
3 that the actual cost -- if you included the cost of
4 health care of this new proposed plant, it is many,
5 many times more than \$1.2 billion in construction
6 costs. It is much more. And there is an irony that
7 not only as citizens and consumers are we supposed
8 to pay for these additional health costs, but we are
9 supposed to pay to build the plant. It seems the
10 objective of KCP&L, what they want is to reap
11 significant profits from the sale in the grade of
12 cheaply made electrical power. It's the bottom line
13 of their concern. If it wasn't for the health and
14 other environmental costs it would certainly be a
15 proper corporate objective. But it is not.

16 Originally this plan was for two 800
17 megawatt plants producing power strictly for sale on
18 the grid. That didn't sell, so it was dropped to
19 one plant. There was still problems so then the
20 message was reframed and it was labeled to be built
21 for increases in demand rather than for sale on the
22 grid. Still problems, so now they have offered to
23 clean up two existing plants that should have been
24 cleaned up a long time ago. And this is an attempt
25 to create an illusion that there is going to be no

1 effect on the environment by the new plant proposed
2 when in point of fact it is going to be another
3 dirty power plant. If it wasn't built there would
4 be a tremendous cleanup of the environment here in
5 the Kansas City area.

6 And as a final inducement, they have
7 proposed a change in the corporate position on
8 opposition to clean Power Light and Wind Energy,
9 which they were originally. So we as citizens, we
10 want our health and we want a good life and
11 environment that is as clean as possible. Cleaner
12 than it is today. Much cleaner. And Kansas City
13 Power & Light wants profits to go to the bottom
14 line. The question is, are these reconcilable and I
15 would say yes, they are. It can be done and here is
16 our recommendation. Number 1, you proceed as given
17 except no new plant. Instead, clean up the old
18 plants, that will significantly improve the
19 environmental conditions.

20 Number 2, pursue the wind energy option.
21 Construct relatively inexpensive 50 megawatt wind
22 farms and wind incremental production as needed.
23 Number 3, encourage energy efficient initiatives in
24 the Kansas City Power & Light area of operation.
25 Number 4, offer a smaller rate increase to Kansas

1 City Power & Light to pay for the costs associated
2 with cleaning up these plants and going with this
3 wind energy. This will give Kansas City Power &
4 Light an improved bottom line and it will
5 tremendously clean up our local environment. And it
6 will be an easy sell to the community. It will show
7 a concern by Kansas City Power & Light for the
8 community.

9 In looking at the total concept what are
10 the results of such a compromise. Here is seven.
11 Number 1, we will have a cleaner environment.
12 Number 2, KCP&L will have more profit. Number 3, a
13 new resource technology and wind energy development
14 will come into the area. Number 4, consumer
15 education on how to save energy will be initiated.
16 Number 5, this will be a better place to live. Not
17 only does that make it a much nicer way to spend
18 your time here on earth, but it certainly will help
19 our State's economic future. Number 6, it will give
20 time for new power plant technology such as coal
21 gasification to mature, to where if a plant is ever
22 needed to be built, we will have a much cleaner way
23 of doing it. Finally, we will avoid a 50-year
24 problem of another dirty power plant.

25 We have met with you before, I have met

1 with you before, Jeff Davis and I, and I certainly
2 trust your sincerity and your honesty. But I would
3 say this, that it is my feeling in a very, very
4 short time, just a few months, the wisdom of
5 postponing this new plant will be apparent to just
6 about everybody. And I think at that moment looking
7 back you will be admired for your foresight. So may
8 God grant you the wisdom and the courage to act as a
9 betterment of all of us. Thank you.

10 JUDGE PRIDGIN: Thank you. If you would
11 please stay in the witness area and see if we have
12 any questions. Chairman Davis.

13 CHAIRMAN DAVIS: Mr. Gillam, it is good to
14 see you again. In your remarks when you say, quote,
15 clean up the old plants.

16 MR. GILLAM: Yes.

17 CHAIRMAN DAVIS: What does that mean?

18 MR. GILLAM: The Iatan plant and the
19 other plant which are presently proposed to be
20 cleaned up as in the present plan.

21 CHAIRMAN DAVIS: So you are saying add
22 scrubbers to those plants?

23 MR. GILLAM: Yes, sir. Do everything --
24 I'm saying do everything possible to clean them up
25 as much as possible. Because it is a horrendous

1 deluge on the environment.

2 CHAIRMAN DAVIS: Mr. Gillam, let me ask
3 you this. Hypothetically speaking, would you mind
4 if we put a surcharge on the bill to pay for
5 cleaning up those plants?

6 MR. GILLAM: Not at all. In fact I think
7 Kansas City Power & Light should have an increase in
8 the cost per kilowatt. I think it is that
9 important.

10 CHAIRMAN DAVIS: Do you think raising the
11 price of electricity would decrease the demand to
12 the point where a new power plant wouldn't be
13 necessary? Do you support a concept like that?

14 MR. GILLAM: From what -- my personal
15 feeling is this one and a half percent or so
16 annualized rate increase, which I understand is
17 based on a national average, that if you go into
18 some type of energy efficiency program with Kansas
19 City Power & Light, that you are probably going to
20 reduce it more than that one and a half percent.
21 That has happened in other areas from my
22 understanding. So whether or not the rate increase
23 might decrease the buying, I don't know, probably.
24 I would say that if it is a small rate increase,
25 pick some number, five percent, six percent, I would

1 say it probably wouldn't affect it at all. But I
2 think that if you went into the aspect of working to
3 decrease a grant or something from PSA to help
4 Kansas City Power & Light to get into a program, it
5 would decrease the frequency, decrease the usage.
6 Fluorescent light bulbs, better furnaces and cooling
7 equipment, et cetera. I think you could cut it way
8 down.

9 CHAIRMAN DAVIS: Are you aware of any
10 other efficiency programs going on around the
11 country, how successful they have been?

12 MR. GILLAM: I am aware of them. I am
13 not able to speak. But I could certainly get that
14 information for you. I don't have that knowledge in
15 my head to where I can be sure what I am saying.

16 CHAIRMAN DAVIS: With regard to your
17 remarks regarding wind energy, talking about
18 constructing these 50 megawatt wind farms?

19 MR. GILLAM: Yes.

20 CHAIRMAN DAVIS: This is assuming that
21 KCP&L's base load demand is growing, do you think
22 wind is reliable? What portion of the time do you
23 think wind would be a reliable substitute?

24 MR. GILLAM: Okay. I will give you an
25 answer, but I would say there are a lot better

1 people than I am to answer that question.

2 CHAIRMAN DAVIS: I am just asking for
3 your lay opinion.

4 MR. GILLAM: As a lay opinion, yes, sir.
5 A lay opinion. I understand that the way it is now,
6 with this consortium of Kansas City Power & Light,
7 that wind energy can only be -- that you can only
8 consider that in terms of what is above the
9 baseline. So that has an effect on it. But I think
10 in general, and I am skirting the issue a little
11 bit, but I want to state this. I think in general
12 the Kansas City Power & Light becoming proficient
13 and gaining the knowledge and the technical
14 knowledge and the engineering of how you put in wind
15 farms is extremely important. Incredibly
16 important. And I do think that for the foreseeable
17 future, if it is one and a half percent, that a
18 combination of adding wind energy and reducing the
19 sale by efficiencies with the consumers, that you
20 are going to cover any increase for a foreseeable
21 future. I think within a very short period of time
22 there will be all kinds of neat ways to build power
23 plants. Maybe even with coal. Coal
24 gasification, etc. I understand half the upper
25 midwest power plants companies are planning on coal

1 gasification. So you don't want to rush into chaos
2 here.

3 CHAIRMAN DAVIS: Do you think here in
4 this state, Missouri itself, that we have enough
5 wind to support one of these 50 megawatt wind farms
6 consistently?

7 MR. GILLAM: In the State of Missouri?

8 CHAIRMAN DAVIS: Inside the State of
9 Missouri.

10 MR. GILLAM: I don't know. I know there
11 are, Iowa has over 900 megawatts now, right across
12 the state. That is not very far from the State of
13 Missouri and I think they are not very far from our
14 border. We don't have any in Kansas I understand
15 unless you go far out. But Governor Sebelius is
16 building a transmission system. So I don't know. I
17 don't know the answer to that. That's not an area
18 of my expertise.

19 CHAIRMAN DAVIS: Mr. Gillam, this will be
20 my last question. Here we have a stipulation and
21 agreement in front of us between the Office of
22 Public Counsel, who is the state consumer advocate
23 who is, quote, looking out for the guy. We have our
24 staff, we have the utility, we have a number of
25 people who are altogether in this unanimous

1 stipulation and agreement thing. Why do you think
2 our staff and the Office of Public Counsel has
3 looked at this proposal and said this is a good
4 deal, we ought to sign on to it?

5 MR. GILLAM: Why do I think that?

6 CHAIRMAN DAVIS: Why do you think they
7 did that?

8 MR. GILLAM: Well, one reason I think so
9 is because I think Kansas City Power & Light Company
10 has done a phenomenal job of selling. For example,
11 all these workshops. To my knowledge all the
12 workshops were run by Kansas City Power & Light
13 Company. They were not run by a neutral person that
14 was trying to look at both sides of the situation.
15 I think that the limitations, certain political
16 limitations have caused people within, at Jefferson
17 City, to not have the authority to look at this in
18 the viewpoint of what does it do to the environment
19 versus what does it do from the standpoint of
20 energy. And I think when they look at it from an
21 environmental standpoint, the bar was at a level
22 that politically they didn't have authority to stop
23 it.

24 Let me just say this. Our government in
25 Jefferson City, it is my understanding that they are

1 there to protect the citizens of this state. That's
2 why they are there. They are not there to help
3 large corporations make a lot of money. They are
4 there for the citizens of the state. To protect
5 against power interests. And you all are a part of
6 that and we're counting on you.

7 CHAIRMAN DAVIS: Mr. Chairman, thank you.

8 JUDGE PRIDGIN: Mr. Gillam, I think Mr.
9 Gaw might have some questions.

10 MR. GILLAM: Go ahead.

11 COMMISSIONER GAW: I don't care if you
12 come up here. Is it Mr. Gillam?

13 MR. GILLAM: Yes, sir.

14 COMMISSIONER GAW: Tell me just a little
15 bit about this group.

16 MR. GILLAM: The group, the Sustainable
17 Sanctuary Coalition. Yes, sir, it started about --
18 in October. Okay. We had a seminar. There were
19 about three churches I think at that time. I think
20 it was the Village Presbyterian Church in Prairie
21 Village, Kansas. The Grace Covenant Church and one
22 other, I guess, All Souls Unitarian. Since that
23 time the largest church in the area, The Church of
24 the Resurrection has become involved. We have
25 Colonial Methodist. We have now about 10 very

1 active churches. We have about 25 that have a great
2 interest in it. This whole arena of what do you do
3 about this environment. What do you do about where
4 we live, because it is the only one we've got.
5 Nobody wants to get on a rocket and go to the moon.
6 This is the only place we've got. The State of
7 Missouri, this is my home.

8 COMMISSIONER GAW: How did you get
9 involved with the group?

10 MR. GILLAM: How did I? I was with the
11 Justice of Peace and Environment Committee of the
12 Village Prebyterian Church. And I was one of the
13 people that kind of got it going.

14 COMMISSIONER GAW: Are you -- do you hold
15 a position within the group or is it more informal
16 than that?

17 MR. GILLAM: I don't know, what do you
18 say? It is pretty informal right now. Because we
19 are about six months old, we are getting a 103(c)
20 whatever. We are in the process of incorporating.
21 We are going to have directors and so on and so
22 forth. It is moving so rapidly, we are having a
23 hard time keeping things together.

24 COMMISSIONER GAW: This statement that
25 you have given us is the position of the group?

1 MR. GILLAM: It certainly is.

2 COMMISSIONER GAW: In looking at, there
3 are other issues that you all have been examining
4 besides this particular one?

5 MR. GILLAM: Yes. This is the major
6 one. Another -- yes. For example, fair trade
7 coffee. We are really pushing fair trade coffee.

8 COMMISSIONER GAW: Fair trade?

9 MR. GILLAM: Fair trade coffee. Buying
10 coffee that is produced from growers directly.

11 COMMISSIONER GAW: You have a broad range
12 of issues?

13 MR. GILLAM: We have a broad range of
14 issues. This is the one that captures the attention
15 of everybody. Because it is where we live. I might
16 also say that I sound like I am hard on Kansas City
17 Power & Light Company. My father worked was an
18 engineer for Kansas City Power & Light Company for
19 44 years and I am an electrical engineer myself. On
20 this we disagree.

21 COMMISSIONER GAW: As an electrical
22 engineer, Mr. Gillam, have you looked at the
23 specifics on the generation needs going forward over
24 the next 10 to 20 years for KCP&L? Have you had an
25 opportunity to examine any specifics in that regard?

1 I am just asking.

2 MR. GILLAM: I have heard this for six
3 months. Between one and two percent per year. And
4 it is my understanding that was generated by Kansas
5 City Power & Light.

6 COMMISSIONER GAW: You've got some
7 general ideas here about wind farms and energy
8 efficiency?

9 MR. GILLAM: Yes, sir.

10 COMMISSIONER GAW: Does your group have
11 more specifics in regard to how the numbers would
12 add up in filling those?

13 MR. GILLAM: I have access to that
14 information from another group, from Sierra Club,
15 and I can get that information for you.

16 COMMISSIONER GAW: Perhaps it is going to
17 be supplied or it already has been. If you had it
18 and it has not been a part of anything, it probably
19 should be.

20 MR. GILLAM: I can certainly get it for
21 you if you would like me to.

22 COMMISSIONER GAW: Maybe you can check to
23 see whether or not the Sierra Club is providing it
24 already.

25 MR. GILLAM: Okay.

1 COMMISSIONER GAW: The other thing is
2 that, the other question is whether or not you are
3 going to come to the hearing proceeding in Jefferson
4 City?

5 MR. GILLAM: On the 6th?

6 COMMISSIONER GAW: I think it begins on
7 the 6th.

8 MR. GILLAM: If you think it is
9 worthwhile that I come I would certainly make an
10 effort to be there.

11 COMMISSIONER GAW: I am just asking.

12 MR. GILLAM: That discussion hasn't taken
13 place. If you think I should be there I will be
14 there.

15 COMMISSIONER GAW: I think that that's a
16 decision that you need to make. You are making an
17 appearance here.

18 MR. GILLAM: Okay.

19 COMMISSIONER GAW: I think basically
20 that's it except I just want to thank you and your
21 group for being involved.

22 MR. GILLAM: Thank you for letting me be
23 here. Appreciate it. Good seeing everyone.

24 JUDGE PRIDGIN: Thank you. Mr. Appling,
25 any questions?

1 COMMISSIONER APPLING: Good to see you
2 again. No questions from me.

3 THE CHAIRMAN: Mr. Gillam, thank you very
4 much for your time and your testimony this evening.

5 MR. GILLAM: Thank you.

6 JUDGE PRIDGIN: What I see as the next
7 witness, and I apologize if I mispronounce the name.
8 Florene Schlueter; is that correct?

9 MS. SCHLUETER: That is correct.

10 (The oath was administered.)

11 JUDGE PRIDGIN: Ma'am, if you would
12 please state your name for the record and spell your
13 last name.

14 MS. SCHLUETER: My name is Florene,
15 Schlueter. F-l-o-r-e-n-e, and the last name is
16 S-c-h-l-u-e-t-e-r.

17 JUDGE PRIDGIN: Are you a customer of
18 KCP&L?

19 MS. SCHLUETER: We are a customer of
20 Aquila.

21 JUDGE PRIDGIN: Do you have any statement
22 for the Commission?

23 MS. SCHLUETER: Yes, I do. I am not a
24 public speaker. My husband and I are just a retired
25 couple living in Platte County. And my husband

1 retired from TWA in 1994. We are living on a fixed
2 income. Our budget will not take a higher cost in
3 electricity. And we also have the question why
4 would the customers of Kansas City Power & Light pay
5 for 19th century dirty coal burning power plants.
6 We are in the 21st century world of technology.
7 Wind power and efficiency would be best for
8 everyone's health in Platte County and the
9 surrounding area of Kansas City. This would cost
10 less for us taxpayers. Please remember the retired
11 persons when you make the decision.

12 JUDGE PRIDGIN: Okay, Ms. Schlueter,
13 thank you very much. Let's see if we have any
14 questions from the commissioners. Chairman Davis.

15 CHAIRMAN DAVIS: Ms. Schlueter, how far
16 away do you live from the proposed plant?

17 MS. SCHLUETER: I don't know exact
18 mileage, but it is about 20 or 30 minutes away. So
19 we will be, the entire Platte County area, Kansas
20 City area, all of us will be affected by this power
21 plant that is coming. We're all that close. Any
22 other questions?

23 CHAIRMAN DAVIS: No questions.

24 JUDGE PRIDGIN: Thank you. Commissioner
25 Gaw? Ms. Schlueter, thank you very much for your

1 time and your testimony. I have as the next
2 witness, and again I apologize if I mispronounce the
3 name. Debbie Woehrman. Is that close?

4 MS. WOHRMAN: Pretty close.

5 (The oath was administered.)

6 JUDGE PRIDGIN: Please state your name
7 for the record and spell your last name.

8 MS. WOHRMAN: My name is Debbie
9 Woehrman. The last name is W-o-e-h-r-m-a-n.

10 JUDGE PRIDGIN: Are you a customer of
11 KCP&L?

12 MS. WOHRMAN: I am a customer of
13 Aquila.

14 JUDGE PRIDGIN: Do you have a statement
15 for the Commission?

16 MS. WOHRMAN: Yes, I do. My statement
17 is actually comments by Susan Brown who is the
18 chairperson of Concerned Citizens of Platte County.
19 Unfortunately she was unable to be here tonight. I
20 think probably I see nods of recognition from the
21 name. I think everyone is familiar with Susan. I
22 will read her statement and then if you would like
23 me to, I can submit it later.

24 Missouri businesses will lose to other
25 states if this plan is implemented. Thank you for

1 the opportunity to be heard by Susan Brown. A
2 newspaper headline earlier this month read "Energy
3 conservation renewable fuels popular with people at
4 task force forum." It sounds like something you
5 would hear and read from California. But this was
6 actually from Springfield, Missouri. Voters there
7 rejected a 16 percent rate increase for a new coal
8 plant, so the city leaders created a task force and
9 at a recent forum almost no one backed using more
10 coal to meet Springfield's growing demand for
11 power. We don't get a vote here in Kansas City,
12 but we are telling you the same thing. If we need
13 more electricity and you say we have to pay 15 to 20
14 percent more for it, we want the least expensive,
15 the healthiest, the most business friendly option
16 possible. That doesn't mean a huge, outdated,
17 pulverized coal plant.

18 Yes, after hearing objections from the
19 public, KCP&L's new plan includes some token wind
20 and efficiency programs. They also plan on cleaning
21 up their older polluting plants, which by the way
22 they will be forced to do anyway under the new
23 regulations. These are all nice ideas, but this
24 plan is backwards. It all revolves around coal. In
25 order for our businesses to flourish, this

1 centerpiece of a least cost energy plan for Kansas
2 City should be reducing demand with energy
3 efficiency, using clean wind power next, and as a
4 very last resort burning coal.

5 Here is why Susan says this. Both energy
6 efficiency and wind are less expensive than coal,
7 now and in the future. First, many other states are
8 already generating energy by saving energy.
9 Vermont's efficiency programs cost just 2.8 cents
10 per kilowatt hour, versus 4.65 cents per kilowatt
11 hour for new coal. This is according to Westar, a
12 Topeka energy company. In another example, Nevada
13 has announced that new policies for increasing
14 energy efficiency could save consumers and
15 businesses in Nevada nearly \$5 million over the next
16 15 years.

17 Wind is already cost competitive with
18 coal. Westar says it costs 2.5 to 3 cents per
19 kilowatt hour for wind. Again, much below the cost
20 of new coal which is 4.65 cents per kilowatt.
21 Empire Electric of Joplin, Missouri entered into a
22 contract for wind power. And it says, I quote, "It
23 won't affect the rates of Empire customers because
24 it is a cheap source of energy. It would be one of
25 the first options for powering customer's homes and

1 businesses." In another example. Iowa's governor
2 has signed an executive order requiring state
3 agencies to purchase 10 percent of their energy
4 needs from renewable energy by 2010.

5 What about the future cost of coal. It
6 will only go up. Just as businesses are being asked
7 to pay for pollution cleanup of KCP&L's older plants
8 today, they will be asked to pay for mercury and
9 carbon dioxide cleanup tomorrow. New mercury
10 control rules have recently been enacted and only
11 get tougher and more costly in the future. Global
12 warming due to excess carbon dioxide is rapidly
13 being accepted and will be regulated, increasing
14 cost of coal in the future. Last year it was
15 reported that KCP&L had the ninth worst emission
16 rate for CO2 out of the 100 largest U.S. electricity
17 producers.

18 There is a few headlines that we will
19 include here. "13 pension leaders ask SEC to
20 require corporations to disclose global warming
21 risks." "California joins eight state lawsuits to
22 fight utilities global warming gases." "Utility
23 fees on carbon dioxide likely." Missouri businesses
24 will foot the bill for these future cost increases.
25 When asked at their recent shareholder meeting about

1 the investor risks of being a huge CO2 emitter,
2 Great Plains CEO said, We think regulation is a long
3 time off and we will get higher rates when it
4 happens. So shareholders will be protected."

5 This new plant will spew an estimated 5
6 million tons per year of carbon dioxide into our air
7 and Missouri's businesses will pay for it in the
8 future.

9 Other utilities and businesses across the
10 country are taking carbon regulations seriously. In
11 some midwestern states almost half of the new coal
12 generation proposed is coal gasification. Sometimes
13 called clean coal technology. AEP, the largest coal
14 consumer in the nation, is currently petitioning
15 their public utilities commission in Ohio to build a
16 coal gasification plant, saying not only is it
17 environmentally superior but costs less than
18 pulverized coal when future carbon regulation is
19 included. The chief executive of General Electric
20 last week said that he expected Washington to
21 eventually impose controls on carbon emissions.

22 As a division of the Missouri Department
23 of Economic Development, a major part of your
24 mission is to support economic development.
25 Efficiency and wind create more jobs than coal. The

1 Apollo Alliance, coalition of environmental groups
2 and labor union, says increasing incentives for
3 energy efficiency also creates substantial new
4 construction investments and good jobs retrofiting
5 buildings. Other studies estimate that wind creates
6 three times as many jobs as fossil fuels. Energy
7 efficiency also supports economic development by
8 reducing energy bills for businesses, freeing up
9 capital for more investment and job creation.

10 Finally, your mission statement is safe,
11 reliable and reasonable price utility services that
12 allow investors the opportunity for a fair return.
13 If you sign onto this plan, you will ensure that
14 Missouri businesses will receive ever increasing
15 rates that are only reasonable for KCP&L
16 shareholders. Morning Star, an investment analysis
17 company, says if passed this rate plan will be a
18 substantial earnings driver over the next several
19 years for KCP&L. 850 new megawatts of pulverized
20 coal capacity will only encourage token efficiency
21 and renewable measures. Missouri businesses will be
22 at a competitive disadvantage to states like
23 Vermont, Nevada and Iowa that are making decisions
24 now that will reduce their future energy costs. We
25 urge you to reject KCP&L's plan. As someone at the

1 task force meeting in Springfield said, let's stop
2 sending money to Wyoming for coal and spend it here
3 at home on the energy efficiency.

4 Any of the quotes that I said, I also have
5 notations and can tell you where those came from.

6 JUDGE PRIDGIN: All right, Ms. Woehrman,
7 thank you. Let me take care of that document that
8 you referenced. Is that something that you would
9 like to submit?

10 MS. WOHRMAN: Yes, absolutely.

11 JUDGE PRIDGIN: If you have that?

12 MS. WOHRMAN: I just have one copy. You
13 are welcome to have it.

14 JUDGE PRIDGIN: Yes, please. Could you
15 describe what you are handing to me, please?

16 MS. WOHRMAN: Absolutely. I am handing
17 you a two-page document that was written by Susan
18 Brown. That is the copy of the statement that I
19 just read for the record.

20 JUDGE PRIDGIN: Ms. Woehrman, thank you
21 very much. Let me see if we have any questions from
22 the commissioners. Chairman Davis.

23 CHAIRMAN DAVIS: Ms. Woehrman, if Susan
24 were here, I think one question that I would ask her
25 would be Empire Electric, they went to Kansas and

1 they purchased into this significant wind
2 component.

3 MS. WOEHRMAN: Absolutely.

4 CHAIRMAN DAVIS: But they are also a
5 party to this case. And they are -- I'm sorry.
6 Empire Electric announced that they had purchased
7 into this wind project over in Kansas?

8 MS. WOEHRMAN: Correct.

9 CHAIRMAN DAVIS: And now Empire Electric
10 is also a party to this case seeking to intervene
11 and purchase a portion of this power plant. Why do
12 you think Empire Electric has chosen to diversify
13 and not go strictly with this additional wind
14 generation component?

15 MS. WOEHRMAN: I do not have enough
16 research and would not be able to speak for Empire.
17 I'm sorry.

18 CHAIRMAN DAVIS: I understand.

19 MS. WOEHRMAN: I don't really want to
20 offer a theory, that wouldn't be valid.

21 CHAIRMAN DAVIS: Would you support a
22 surcharge on customer bills to pay for new
23 environmental regulations?

24 MS. WOEHRMAN: Yes, I would. If we have
25 to have a rate increase, let's do some efficiency

1 program, let's do some wind programs. That would be
2 better for us in the long run.

3 CHAIRMAN DAVIS: Do you think KCP&L's
4 rates are cheap or expensive compared with other
5 rates all across the nation? Do you have any idea?

6 MS. WOHRMAN: I don't, no, sorry.

7 CHAIRMAN DAVIS: Thank you. No further
8 questions.

9 JUDGE PRIDGIN: Chairman Davis, thank
10 you. Commissioner Gaw.

11 COMMISSIONER GAW: Just a couple things.
12 Can you all hear me okay? Ms. Woehrman, you saw the
13 statements in Ms. Brown's documents before you came
14 here?

15 MS. WOHRMAN: Correct.

16 COMMISSIONER GAW: Do you agree with
17 them?

18 MS. WOHRMAN: Yes.

19 COMMISSIONER GAW: Okay. Let me ask you
20 this with regard to the surcharge question. If this
21 coal plant gets built and a few years after it is
22 built there are new environmental regulations placed
23 upon coal, perhaps carbon sequestration or something
24 dealing with mercury that wasn't there before, would
25 you support paying a surcharge to do those

1 additional things to the coal plant that today you
2 are against?

3 MS. WOEHRMAN: We are going to have a
4 double hit; is that what you are asking me? Am I
5 going to support a double hit? No one is going to
6 like it but we also have to support our
7 environment. We have to take care of that.

8 COMMISSIONER GAW: So after the -- if the
9 coal plant is built?

10 MS. WOEHRMAN: Right. We are going to
11 get a rate increase.

12 COMMISSIONER GAW: And you get a rate
13 increase. Then there is an additional requirement
14 to do more on top of that after that coal plant
15 being built to help with the emissions from that new
16 coal plant, you would support paying that additional
17 surcharge?

18 MS. WOEHRMAN: Frankly, the best case
19 scenario is we just don't build the plant.

20 COMMISSIONER GAW: I understand your
21 position. I am asking you a more difficult
22 question.

23 MS. WOEHRMAN: I hear you. That is my
24 answer to your more difficult question. Don't build
25 the plant. Let's do some other things.

1 COMMISSIONER GAW: You would rather talk
2 about paying an additional amount to not build the
3 plant?

4 MS. WOHRMAN: Absolutely. Yes.

5 COMMISSIONER GAW: Do you think that
6 there are costs of building this coal plant that do
7 not show up in numbers that have been generated?

8 MS. WOHRMAN: Oh, absolutely there are.
9 Absolutely. I believe there is health costs that we
10 can't. There are soft dollars. How do you truly
11 identify all of those. There are loss of property
12 values that are a possibility. Granted there is
13 already a plant there. But where they plan to build
14 another one, that could further drive that down even
15 more than it is. Those are soft dollars you can't
16 necessarily equate a dollar figure to. But it costs
17 us more than what they are projecting.

18 COMMISSIONER GAW: Thank you.

19 JUDGE PRIDGIN: Mr. Gaw, thank you.

20 COMMISSIONER APPLING: No questions.

21 JUDGE PRIDGIN: Thank you, Ms. Woehrman,
22 for your time and your testimony. The final witness
23 that I have on this sign-up list is Theodore
24 Johnson. If anybody else wishes to testify, Mr.
25 Ochow I think has another list. Mr. Johnson here.

1 Am I reading that correctly? Did I read your name
2 correctly?

3 MR. JOHNSON: Theodore Johnson,
4 J-o-h-n-s-o-n.

5 (The oath was administered.)

6 JUDGE PRIDGIN: If you would please state
7 your name for the record and spell your last name.

8 MR. JOHNSON: Theodore Johnson,
9 J-o-h-n-s-o-n.

10 JUDGE PRIDGIN: Mr. Johnson, are you a
11 KCP&L customer?

12 MR. JOHNSON: No, sir.

13 JUDGE PRIDGIN: Do you have a statement
14 for the Commission, sir?

15 MR. JOHNSON: Yes, sir.

16 JUDGE PRIDGIN: Whenever you are ready.

17 MR. JOHNSON: Okay. My statement has to
18 do with the Bean Lake levy that is on the north side
19 of the power plant, the existing power plant now.
20 Recently we have had a survey by the Army Corps of
21 Engineers and it shows that the levy on the power
22 plant is lower than the acceptability for the Public
23 Law 99. And we have to maintain the levy to stay in
24 the government program. If it is lower than what
25 their criteria is, we could get kicked out of the

1 program. Right now they have kept us in the
2 program. This levy is low on their part. We've had
3 about a three-quarter mile levy and it is low and
4 needs to be raised. The levy itself is a good levy,
5 but it is lower than criteria. I am the president
6 of the levy board so I can pass this on. So I have
7 a copy of the levy profile here and a copy of their
8 regulations, what I have to go by to maintain the
9 levy.

10 JUDGE PRIDGIN: Is that something that you
11 would like the Commission to take a look at?

12 MR. JOHNSON: Yes, please.

13 JUDGE PRIDGIN: If you come forward and I
14 will mark that as an exhibit. If you could go back
15 to the witness lecturn. And could you tell me, Mr.
16 Johnson, what this two-page document is, please?

17 MR. JOHNSON: That is the criteria the
18 levy board has to follow in order to stay in the
19 Corps of Engineer program. I think it is written
20 right on it. It is Public Law 99.

21 JUDGE PRIDGIN: I will label that as
22 Exhibit Number 3 and admit that into evidence. Mr.
23 Johnson, if you can identify what that is, please?

24 MR. JOHNSON: That's it. That's an
25 elevation profile that the Army Corps of Engineers

1 did in 2002.

2 JUDGE PRIDGIN: I will label that as
3 Exhibit Number 4 and admit that into evidence.
4 Exhibit Number 5, could you tell me what this is,
5 please?

6 MR. JOHNSON: This is a picture of the
7 whole area of the levy. With -- starting out with
8 the Platte County drainage District Number 1. And
9 then the Bean Lake Association levy, which connects
10 to KCP&L. And the KCP&L is higher ground at this
11 time.

12 JUDGE PRIDGIN: I will label that as
13 Exhibit Number 5 and admit that into the record.
14 Mr. Johnson, any further statement for the
15 Commission?

16 MR. JOHNSON: That's all.

17 JUDGE PRIDGIN: Let's see if the
18 Commissioners have any questions. Chairman Davis.

19 CHAIRMAN DAVIS: Is it KCP&L's
20 responsibility to raise the levy?

21 MR. JOHNSON: Yes. Our association is a
22 non-profit organization. We are charged by the
23 State of Missouri. We maintain our part. When they
24 get to their part they have a gate up, no
25 trespassing. So they maintain their part.

1 CHAIRMAN DAVIS: Have you asked them to
2 raise their portion of the levy?

3 MR. JOHNSON: Yes, sir.

4 CHAIRMAN DAVIS: And what have they said
5 to you?

6 MR. JOHNSON: We have never had an
7 answer.

8 CHAIRMAN DAVIS: They haven't said yes,
9 they haven't said no, they have just said we will
10 get back to you or something and nobody has ever
11 gotten back to you?

12 MR. JOHNSON: Several years.

13 CHAIRMAN DAVIS: Thank you.

14 JUDGE PRIDGIN: Chairman Gaw. Mr. Johnson
15 come back.

16 COMMISSIONER GAW: I have a follow-up to
17 the Chairman's questions. So I know that we can
18 understand what these maps are, this is Exhibit 5.
19 Do you see that?

20 MR. JOHNSON: Yes, sir.

21 COMMISSIONER GAW: Now there are
22 different colors on here.

23 MR. JOHNSON: The green color is Platte
24 County Drainage District Number 1. Which is Platte
25 County is the sponsor of that. That's Platte County

1 court.

2 COMMISSIONER GAW: Do you have -- what is
3 your relationship with that portion?

4 MR. JOHNSON: That's the tied-in part to
5 high ground. We have an overseer of that levy.

6 COMMISSIONER GAW: You are?

7 MR. JOHNSON: No, we have.

8 COMMISSIONER GAW: Who is we?

9 MR. JOHNSON: The Platte County
10 commissioners appointed Steve Weigel, which is a
11 farmer in my area, to oversee that part of it.

12 COMMISSIONER GAW: And then the yellow
13 portion?

14 MR. JOHNSON: The yellow portion is the
15 Bean Lake levy.

16 COMMISSIONER GAW: You are saying Bean
17 Lake with a B.

18 MR. JOHNSON: Yes.

19 COMMISSIONER GAW: As in boy?

20 MR. JOHNSON: Yes, sir.

21 COMMISSIONER GAW: When I hear something
22 that sounds like that I am thinking Dean Lake which
23 is in Sheridan County. I don't know.

24 MR. JOHNSON: It's named after Bean.

25 COMMISSIONER GAW: Then the orange

1 portion is KCP&L?

2 MR. JOHNSON: Yes, sir.

3 COMMISSIONER GAW: And that is a part of
4 your levy district but not your responsibility to
5 maintain?

6 MR. JOHNSON: Yes. They maintain it.
7 They mow it and keep it up, but they haven't raised
8 it.

9 COMMISSIONER GAW: Okay. Now, what is
10 this levy protecting and what is it protecting that
11 portion from?

12 MR. JOHNSON: It protects almost 7,000
13 acres. It protects Little Bean marsh area. It
14 protects Bean Lake and the residents and all the
15 agricultural land around it. It takes Highway 45
16 and the railroad which KCP&L uses to bring the coal
17 in on, which runs down along the highway. Also
18 protects KCP&L's wetlands area, which they are
19 required to have.

20 COMMISSIONER GAW: It is protecting it
21 from the Missouri --

22 MR. JOHNSON: The Missouri River.

23 COMMISSIONER GAW: Okay. How high is the
24 levy that you maintain? It varies it looks like.

25 MR. JOHNSON: It is above a 10-year levy.

1 Some of it may be 100-year levy.

2 COMMISSIONER GAW: The minimum
3 requirement is what?

4 MR. JOHNSON: A ten-year levy with -- it
5 depends on how the Corps determines what criteria we
6 are under. I think the one it is under is a 10-year
7 levy with two-foot preboard.

8 COMMISSIONER GAW: What is the effect if
9 the levy is kicked out of the program, what
10 happens?

11 MR. JOHNSON: If we should have a flood
12 and it should break on either our levy or drainage
13 district's levy or KCP&L, they won't come to fix
14 it.

15 COMMISSIONER GAW: If you are not in
16 compliance?

17 MR. JOHNSON: Yeah. We had to come up
18 with I think 20 percent. A lot of times you can
19 cost share in kind work.

20 COMMISSIONER GAW: The orange portion
21 down there, that you say is KCP&L's responsibility,
22 you are telling us that it is not in compliance? Or
23 are you telling us --

24 MR. JOHNSON: The Corps has levied it
25 right now.

1 COMMISSIONER GAW: According to?

2 MR. JOHNSON: Last inspection we had,
3 they okayed it.

4 COMMISSIONER GAW: Tell me what your
5 concern, not that it is not in compliance, but --

6 MR. JOHNSON: It is too low. We are
7 going to get flooded.

8 COMMISSIONER GAW: I'm trying to make
9 sure I am following you. Does it meet the
10 requirements under the rules and regs that governs
11 the levy?

12 MR. JOHNSON: The way I looked at that
13 elevation profile, it doesn't meet the criteria.

14 COMMISSIONER GAW: Okay. When you tell
15 me that the Corps is saying they are not going to
16 make KCP&L do anything right now, what does that
17 mean?

18 MR. JOHNSON: Well, they won't tell them
19 to do anything. I think they should want their own
20 level of protection. They got like over 1500 acres
21 right behind that plus their power plant and their
22 wetlands. And we have around 6000 acres of farmland
23 that when it goes over that short levy, it floods
24 everybody.

25 COMMISSIONER GAW: The levy is only as

1 good as its weakest link in the chain?

2 MR. JOHNSON: That's right.

3 COMMISSIONER GAW: So are you telling me
4 that KCP&L is not complying with the rules and regs
5 on the height requirements for that levy? Or that
6 you are concerned that it is just too low?

7 MR. JOHNSON: My concern is it is too
8 low.

9 COMMISSIONER GAW: Is it in compliance
10 with the requirements of the maintenance of that
11 levy in order to get funding if there is a breach of
12 the levy?

13 MR. JOHNSON: Right now the way it
14 stands, if we have a break right now, it is
15 questionable. We got it fixed the last time in
16 '93.

17 COMMISSIONER GAW: A lot of things got
18 fixed in '93 that might not have been fixed at other
19 times.

20 MR. JOHNSON: They got fixed in '93. I
21 don't know if it would be again. They have a new
22 study out, what you call flood frequency flow plan.
23 I don't know if you have heard about it on the
24 Missouri River. It is going to say -- a lot of
25 these levies are going to have to be raised.

1 MR. JOHNSON: Could I approach?

2 COMMISSIONER GAW: Yes. If you would
3 just describe them verbally for me so the record can
4 reflect.

5 MR. JOHNSON: This is --

6 COMMISSIONER GAW: There are pink lines
7 and zig-zag lines.

8 MR. JOHNSON: That's what I put on
9 there. That shows the elevation.

10 COMMISSIONER GAW: And that's -- read the
11 number. So the pink line --

12 MR. JOHNSON: This is high ground. This
13 is where it first starts out. And these little --
14 see, this is the line that I wrote.

15 COMMISSIONER GAW: The 790 line is what?

16 MR. JOHNSON: That's where we start out
17 with our levy.

18 COMMISSIONER GAW: Okay.

19 MR. JOHNSON: That's high ground. Okay.
20 Then we come on down here and your elevation drops
21 9/10ths of a foot per mile as you go south. And we
22 get down here to KCP&L, right here is their levy.
23 Their levy dramatically drops off.

24 COMMISSIONER GAW: Now you are describing
25 this at the 280, between the 260 and the 280 mark?

1 MR. JOHNSON: Yes. If you look on --
2 well, I don't have a mile marker. I think that mile
3 marker is probably 413.

4 COMMISSIONER GAW: Okay. And then it
5 drops down going across there down to --

6 MR. JOHNSON: This is -- this goes up.
7 This is the power plant here. This is where we
8 connect.

9 COMMISSIONER GAW: All right.

10 MR. JOHNSON: To their high ground. They
11 are supposed to be 500-year elevation.

12 COMMISSIONER GAW: So is the power plant
13 protected with an additional levy around it?

14 MR. JOHNSON: Yes, sir. They got a big
15 railroad track. It sits on a levy and goes around
16 it. Plus they have a landfill, sits on a landfill.
17 And they are elevated to like a 500-year elevation
18 I think.

19 COMMISSIONER GAW: All right.

20 MR. JOHNSON: With the new flood
21 frequency flow study it might change that. They
22 might be a little bit low now.

23 COMMISSIONER GAW: Where did this come
24 from? This exhibit?

25 MR. JOHNSON: Cliff Sanders, U.S. Army

1 Corps of Engineers.

2 COMMISSIONER GAW: Mr. Johnson, thank
3 you. I apologize for taking the time. And
4 hopefully I haven't ruined the chair. Mr. Appling I
5 believe has some questions for you.

6 COMMISSIONER APPLING: Two things. Thank
7 you for coming tonight. And secondly, do we have
8 any feel for the cost that KCP&L will have to pay to
9 get that levy up to the ten-year?

10 MR. JOHNSON: I'm sorry, sir, I can't
11 hear you.

12 COMMISSIONER APPLING: I don't know
13 whether this thing is on or not. Do you have an
14 estimate of what the cost would be in order to bring
15 that levy up to the ten-year height?

16 MR. JOHNSON: I'm not sure. We're
17 farmers in our area and we hire non-union. Local
18 boys that has got dozers that fix ours. So you
19 know, if they work down here, they would probably
20 have to pay union wages. Twice. So I don't know
21 what it would cost.

22 COMMISSIONER APPLING: Thank you very
23 much.

24 JUDGE PRIDGIN: Mr. Johnson, thank you
25 very much for your time and testimony this evening.

1 I have as the next witness, I apologize,
2 I'm not able to read the last name. I believe the
3 first name is Antonio; did I read that correctly?

4 MR. CUTULO-RING: Do you want me to spell
5 that for you? C-u-t-u-l-o.

6 JUDGE PRIDGIN: Could you continue
7 spelling.

8 MR. CUTULO-RING: C-u-t-u-l-o hyphen
9 R-i-n-g.

10 JUDGE PRIDGIN: Pronunciation?

11 MR. CUTULO-RING: Cutulo-Ring.

12 JUDGE PRIDGIN: Thank you. If you would,
13 please, raise your right hand to be sworn.

14 (The oath was administered.)

15 COMMISSIONER GAW: If you would, please,
16 again, state your name for the record and spell your
17 last name for the court reporter.

18 CUTULO-RING: Antonio Cutulo-Ring.
19 C-u-t-u-l-o hyphen R-i-n-g.

20 JUDGE PRIDGIN: Are you a customer of
21 KCP&L?

22 CUTULO-RING: No. I live maybe 10 miles
23 from the Iatan plant as the crow flies, but I am not
24 a customer of KCP&L.

25 JUDGE PRIDGIN: Do you have a statement

1 for the Commission, sir?

2 CUTULO-RING: Yes. Two areas. One is
3 about the public hearing. Somebody I think from
4 KCP&L was talking about before you all came in. I
5 have several issues with those. One is they
6 continually promise the latest technology at all
7 those public hearings that I was at, yet to my
8 knowledge they have never seriously considered coal
9 gasification. At the same time, many power
10 companies in the United States now are currently
11 planning coal gasification plants. So I feel like
12 they were dishonest in that way.

13 Also it is my understanding, although I'm
14 not sure of this, that in the last six months maybe
15 they filed something with the Department of Natural
16 Resources indicating that they plan to make room for
17 us under the latest mercury cleaning technology but
18 not installing it. See if they are required to by
19 EPA rulings. Which I think came down and my guess
20 is they are not going to be required to. So again I
21 think they aren't being honest about using the
22 latest technology unless they are forced to do that.
23 Finally. Not finally. They also never mentioned at
24 any of the hearings I went to anything about rate
25 increases. So simply by omission, I think they have

1 left something out that many people at the hearings
2 might have had a reaction to. They never mentioned
3 them that I am aware of. That's what I had to say
4 about the hearings.

5 Also I read in the paper I think the last
6 week that Missouri legislature passed something that
7 would allow coal-fired power plants to pass on to
8 customers to increase their rates if there are
9 future CO-2 taxes. Is that correct or do you know?
10 I think that happened toward the end of the
11 legislation. If that is the case I am going to ask
12 you, does that mean that they could raise their
13 rates without coming through the Public Service
14 Commission because of the new legislation? No?

15 CHAIRMAN DAVIS: No.

16 CUTULO-RING: Then I think I will be
17 fairly brief. The other thing I wanted to do was
18 answer the three questions you asked of people
19 earlier this evening. Earlier you asked why might
20 someone think that you all have pretty much -- a lot
21 of people have pretty much come down to agree to
22 this plan for the power plant. Among other
23 reasons. And I have talked to your staff before in
24 addition to review. I am impressed with your
25 integrity and the expertise of your staff. But, you

1 know, coal-fired power plants are part of the
2 conventional thought. I think it is just natural
3 for us to think in terms of the way things are
4 already done. I think it requires quite a bit of
5 effort, quite a bit of creativity and even just
6 awareness and prolonged awareness to pursue
7 something else. Something that has worked against
8 that is that all the money involved in looking at
9 plans has been from KCP&L. Those of us who are
10 opposed to it are doing this on our free time. Your
11 staff is reacting to what KCP&L presents. There
12 hasn't been any serious money put into any kind of a
13 real alternative plan. This has all been reaction
14 to what KCP&L is proposing.

15 So with I believe real respect for your
16 staff and you, I feel like those kinds of things
17 contribute to going along with the plan that is
18 pretty well formed. And it is much more difficult,
19 I think, to get beyond that or to think outside of
20 that kind of a frame of reference. Commissioner, I
21 don't know your name.

22 COMMISSIONER GAW: Gaw.

23 CUTULO-RING: You were asking why would
24 Empire -- maybe it was you. Why would Empire get in
25 on this project. I think you mentioned something

1 about diversification. That could well be part of
2 it, but I would also guess that they stand to make
3 some real money from going in on this project. I
4 think that is a pretty natural response. Finally, I
5 support additional surcharge for cleanup of --
6 cleanup if that is required later. I would support
7 the cleanup. I would oppose us paying for that.
8 KCP&L is going into this, hearing from lots of us
9 about let's do it a different way. If they choose
10 to do this and then later on there are extra
11 additional environmental costs that we have been
12 telling them about all along, I will say we need the
13 cleanup. If it comes down to it, then I would pay
14 for it. But I would absolutely oppose that. I
15 believe KCP&L should pay whatever additional costs
16 there is, because they have had plenty of warning
17 about what we think the cost of this plant is going
18 to be. That is my response to that question.

19 JUDGE PRIDGIN: Thank you very much, sir.
20 Let me see if we have any questions from the
21 Commission. Chairman Davis.

22 CHAIRMAN DAVIS: It is good to see you
23 again. Let me ask you this. Would you support an
24 environmental surcharge to clean up the existing
25 plants that are out there right now?

1 CUTULO-RING: Yes, if that would help
2 avoid this new plant, yes.

3 CHAIRMAN DAVIS: Okay.

4 CUTULO-RING: Because they are going to
5 make plenty of money off the new plant. If are they
6 are going to get the plant, let them clean it up.

7 CHAIRMAN DAVIS: I guess assuming that we
8 need all of our existing generations in place right
9 now to meet our existing needs. Would you -- for
10 instance, Iatan 1 is there.

11 CUTULO-RING: Yes.

12 CHAIRMAN DAVIS: It is generating
13 electricity?

14 CUTULO-RING: Right.

15 CHAIRMAN DAVIS: And assuming we need
16 Iatan 1 to meet future energy demands, would you
17 support an environmental surcharge to pay to put
18 scrubbers and, quote, "cleaning technology" on as a
19 part of that plan?

20 CUTULO-RING: Okay. I think we are kind
21 of dancing around how the question is going to be
22 asked and answered. Let me answer it this way
23 again. You let me know.

24 CHAIRMAN DAVIS: However you want to
25 answer it.

1 CUTULO-RING: Okay. If the new power
2 plant wasn't an issue and they needed money to put
3 in new scrubbers, yes, I would absolutely support
4 that. And in addition with my support would be,
5 hey, I am supporting this, so could we see some
6 extra money and planning and real commitment to
7 conservation. I would pair it like that. But if it
8 is -- if you are asking that question along with
9 this new plant, seems to me they are getting plenty
10 of money and they can use that money to clean up
11 Iatan which should have been, in my opinion, cleaned
12 up long ago. There are some plants in the east that
13 are doing cleanup. I think they are mandated to. I
14 don't believe they are passing rates on to their
15 customers. At least some of the power plants out
16 east. So I have a qualified answer to that. I
17 can't give you just a straight yes or no.

18 CHAIRMAN DAVIS: Are you aware of any
19 research that has been done that actually says that
20 capital spending by utilities is actually a drag on
21 their earnings?

22 CUTULO-RING: Are you talking about the
23 cleanup?

24 CHAIRMAN DAVIS: No. I am just saying
25 would you be surprised to learn that there is

1 research out there, and it is financial research,
2 that would say that large capital expenditures by
3 utility companies such as Kansas City Power & Light
4 actually negatively affect their earnings and their
5 profits?

6 CUTULO-RING: No. No. Of course I would
7 not be surprised by that. That's why my previous
8 answer was I would support in general a surcharge
9 for cleanup. And let's push the conservation too.
10 Let's get some added benefit out of it. So yes, in
11 general I would support a surcharge for cleanup. I
12 don't believe that's -- if they are going to get the
13 new power plant, I guess I would want to see some
14 numbers before I would lock myself into that.

15 CHAIRMAN DAVIS: Thank you. No further
16 questions.

17 COMMISSIONER GAW: Thank you for coming.
18 Thank you for your participation in the process.
19 Just one commissioner's opinion here. There are
20 varying opinions. Senate Bill 179 that I think that
21 you are referring to does provide for a surcharge in
22 part. Part of it provides for a surcharge that the
23 Public Service Commission could approve and has four
24 environmental add-ons. That bill has not been
25 signed or dealt with in the governor's office.

1 What it doesn't do is provide for a full
2 review of all of the other costs and revenues that
3 may have occurred since the last rate case to
4 determine whether or not there may be some offsets
5 that would otherwise have gone into a discussion of
6 whether or not a rate increase would have occurred
7 or perhaps a rate decrease. So there is less review
8 than what would have occurred in the scheme of
9 things in a rate case. And that's just my opinion.
10 I don't want to say that it is everyone's opinion.

11 CUTULO-RING: I appreciate that
12 information.

13 COMMISSIONER GAW: In regard to the
14 gasification issue, how much have you studied that
15 up to this point?

16 CUTULO-RING: Not in-depth. Just
17 generally articles that I might read.

18 COMMISSIONER GAW: Sure. Are you
19 familiar at all with the relative difference in
20 costs of going to a gasification plant as opposed to
21 traditional pulverized coal plant? Have you seen
22 any numbers on it?

23 CUTULO-RING: No.

24 COMMISSIONER GAW: It is your belief that
25 those plants are cleaner in the environmental

1 impact?

2 CUTULO-RING: It is my belief that carbon
3 dioxide wise they are definitely cleaner. I believe
4 I read some information that they were cleaner in
5 other ways also.

6 COMMISSIONER GAW: You are not a customer
7 of KCP&L. What utility serves you?

8 CUTULO-RING: Platte-Clay Cooperative.
9 Which is also trying to build another coal powered
10 power plant in another part of Missouri.

11 COMMISSIONER GAW: They are a part of the
12 Associated Electric?

13 CUTULO-RING: Yes.

14 COMMISSIONER GAW: That at least was
15 announced to be built I think in Carroll County?

16 CUTULO-RING: I think so.

17 COMMISSIONER GAW: Are you aware of any
18 other coal plants that have been discussed in the
19 general midwest region?

20 CUTULO-RING: I know I have -- I can't
21 remember the specifics, but there are quite a few
22 that are being planned up and down the Missouri
23 River.

24 COMMISSIONER GAW: I think that's all I
25 have. Thank you, Antonio.

1 JUDGE PRIDGIN: Commissioner Appling.

2 COMMISSIONER APPLING: Antonio, good to
3 see you again. I have no questions. So thank you
4 for coming.

5 CHAIRMAN DAVIS: I have one more
6 question, sir. Are there any coal gasification
7 plants operating in the United States right now?

8 CUTULO-RING: I don't believe so. I
9 believe there is one planned in Illinois.

10 CHAIRMAN DAVIS: One plant in Illinois?

11 CUTULO-RING: I think there are quite a
12 few more that are currently being planned. But yes,
13 I get your point on that.

14 CHAIRMAN DAVIS: Okay.

15 JUDGE PRIDGIN: Mr. Dandino.

16 MR. DANDINO: Yes, sir. My name is Mike
17 Dandino, Office of Public Counsel. My question is
18 kind of following up on Chairman Davis's question.
19 About the surcharge for cleanup, environmental
20 cleanup, you said you wouldn't mind paying that
21 surcharge if it was used for cleanup of the existing
22 plant; is that correct?

23 CUTULO-RING: Yes.

24 MR. DANDINO: Would it make any
25 difference to you if the company was otherwise

1 earning a fair and proper rate of return and profit
2 on their rates?

3 CUTULO-RING: I'm not opposed to KCP&L
4 making a fair return on their rate.

5 MR. DANDINO: But in addition, that in
6 addition they are already -- if their rate shows
7 they are already making a fair rate of return, you
8 would also agree to let them have a surcharge in
9 addition to those rates?

10 CUTULO-RING: Well, I guess I need to
11 study the issue more. Maybe we would split it, I
12 don't know.

13 MR. DANDINO: Would you like to -- would
14 you prefer to see the surcharge built into the cost
15 to recover those environmental concerns? Just built
16 into the entire rate structure?

17 CUTULO-RING: Off the top of my head that
18 sounds like a good idea. That ought to be part of
19 the process. The cleaning things up ought to be
20 part of the process. KCP&L shouldn't go bankrupt
21 because they are finally cleaning things up. That
22 shouldn't serve anyone's interest.

23 MR. DANDINO: So the environmental
24 cleanup should be one of the many factors this
25 Commission should consider when they are looking at

1 rates?

2 CUTULO-RING: Yes. I think so.

3 MR. DANDINO: Thank you.

4 JUDGE PRIDGIN: Thank you, sir. Further
5 questions? Okay, thank you very much for your
6 testimony, sir. The next witness, if I am reading
7 this name correctly, is Ron McLinden. Did I say
8 your name correctly, sir?

9 MR. MCLINDEN: Yes.

10 JUDGE PRIDGIN: If you would raise your
11 right hand to be sworn.

12 (The oath was administered.)

13 JUDGE PRIDGIN: Please state your name
14 for the record and spell your last name.

15 MR. MCLINDEN: My name is Ron McLinden.
16 Last name is spelled M-c capital L-i-n-d-e-n.

17 JUDGE PRIDGIN: Are you a KCP&L customer?

18 MR. MCLINDEN: I am a KCP&L customer.

19 JUDGE PRIDGIN: Do you have a statement
20 for the Commission?

21 MR. MCLINDEN: I do, and I would like to
22 give you copies of it.

23 JUDGE PRIDGIN: Mr. McLinden, I am going
24 to ask you to identify what you have just handed to
25 us, please.

1 MR. MCLINDEN: I have just given you a
2 two-page document which is the testimony which I am
3 about to read.

4 JUDGE PRIDGIN: So you will be reading
5 from this document?

6 MR. MCLINDEN: Substantially, yes.

7 JUDGE PRIDGIN: I will mark that as
8 Exhibit Number 6 and we will admit that into the
9 record. Mr. McLinden, you may continue.

10 JUDGE PRIDGIN: Thank you. First it
11 embarrasses me to have to tell you that on the first
12 line of this testimony I have said the testimony to
13 the Missouri Public Commission. I did not
14 intentionally omit the word "service". I hope there
15 wasn't anything Freudian about that. As I
16 identified, I am a KCP&L customer. I have also been
17 a KCP&L shareholder for nearly 30 years. My
18 statement is based on my values and not on my pocket
19 book or financial interests. My purpose in
20 addressing you is to appeal to your sense of our
21 shared obligation to the future.

22 In brief, I oppose the coal burning power
23 plant component of the company's plan. Energy
24 efficiency is a far wiser investment. In reaching a
25 decision we need to look at what is best for society

1 and our economy as a whole, now and for the future,
2 and not just what looks good for today's company and
3 today's customers. We live in a global economy. A
4 conventional response to that reality is to believe
5 that to compete successfully we need only work
6 harder and faster and smarter. I'm not sure about
7 harder and faster, but I'm sure we need to work
8 smarter and wiser.

9 Consider this thumbnail perspective.
10 Today the world has 6.4 billion people. More than
11 double what it was when I was in high school.
12 Expectations for an adequate standard of living are
13 on the rise throughout the developing world. And
14 those expectations are especially strong among the
15 1.3 billion people of China and the 1 billion people
16 of India. Our own U.S. population of 295 million,
17 4.6 percent of the world's total currently consumes
18 nearly a quarter of the world's energy and other
19 resources. All resources are being depleted, not
20 the least of them energy.

21 Worldwide oil production is predicted to
22 peak this year or next, and thereafter production
23 will decline even as world demand continues to
24 grow. We would like to think that we can just turn
25 to our 200-year domestic supply of coal. But it

1 won't last 200 years as its rate of use increases.
2 It won't stay cheap and it won't even stay within
3 our borders.

4 Within our households our material
5 standard of living is high, but our jobs are
6 increasingly going overseas as less resource
7 intensive economies offer a well-qualified work
8 force to the global market. The gap between the
9 world's haves and have nots is significant and it
10 can't be sustained, and yet we in America cling to
11 the notion that we can still have it all, safe
12 inside a homeland security protected fortress
13 America.

14 The company's plan fits into that still
15 have it all paradigm. The company's plan is based
16 on the 19th century premise that an adequate
17 standard of living requires us to consume more and
18 more resources, including electricity. When pressed
19 on the issue of growing demand, company people reply
20 that their customers keep building bigger homes and
21 buying more electronic gadgets and that the company
22 is just trying to keep up with the demand. That is
23 shortsighted thinking in my opinion. In a
24 competitive world economy the future belongs to the
25 efficient. I believe that passionately. And I

1 believe energy efficiency is one of the great
2 economic imperatives of the 21st century. And I
3 will go a step farther and say it is also a moral
4 and ethical imperative.

5 KCP&L is a fine company and an exemplary
6 corporate citizen except in the matter of its plan
7 to build another coal burning power plant. In my
8 opinion KCP&L will make a strategic error and do a
9 strategic disservice to its customers and the region
10 if it commits us to 50 more years of a 19th century
11 technology, burning coal to generate electricity,
12 instead of a full court press for energy efficiency.

13 If you approve the company's plan as
14 presented, I believe you will be saying to KCP&L and
15 its customers that 19th century thinking is still
16 good enough and that they should go right ahead
17 overproducing and overconsuming electricity. If you
18 approve the company's plan you will discourage
19 precisely the kind of behavior, energy and resource
20 efficiency, that our economy desperately needs to be
21 successful in the global economy.

22 I ask that you disapprove the company's
23 plan and direct them to prepare a revised plan that
24 will, one, accelerate the cleanup of its existing
25 generating plants; two, assist its commercial and

1 residential customers to use energy more effectively
2 by installing more efficient equipment and
3 practices; and three, add generating capacity as
4 needed in the form of wind or other advanced
5 technologies. I ask that you also direct the
6 company to, number four, increase the company's
7 level of assistance to help the least advantaged of
8 its customers to cope with rate increases through
9 home weatherization and high efficiency appliances.
10 You should direct the company to do all these things
11 and you should allow them to earn a reasonable rate
12 of return on their investment in doing so.

13 Your decision in this matter should be an
14 easy one. A decision to approve the company's plan
15 would I believe reflect outmoded thinking. A
16 decision to ask the company for a new plan, prepared
17 in consideration of the much broader perspective
18 that I and other witnesses have offered today, will
19 represent a bold move into this 21st century. Such
20 a decision will benefit present and future customers
21 of the company and help assure the financial future
22 economic vitality of the Kansas City region.

23 JUDGE PRIDGIN: Thank you. Do you have
24 any further statement before questions?

25 MR. MCLINDEN: Not at this time.

1 JUDGE PRIDGIN: Thank you very much, sir.
2 Chairman Davis, any questions?

3 CHAIRMAN DAVIS: Mr. McLinden, I think you
4 have made some very good points here. Aside from
5 disapproving the, quote, KCP&L plan and aside from
6 your four specific recommendations that you have on
7 the back page of your testimony, what do you think
8 are the two or three most important things that we
9 as a Commission can do to encourage conservation?

10 MR. MCLINDEN: I think I would have to go
11 to the couple of points that I made. You can direct
12 the company to go back to the drawing board and to
13 consider a mode of generating electricity which is
14 more energy and resource efficient and less damaging
15 to the global environment. I think you can make it
16 clear to the company and to all utilities that you
17 will provide them a fair rate of return on any
18 investments that they make in helping their
19 customers to become more energy efficient. More
20 energy effective. I think it is important to draw a
21 distinction between energy efficient and energy
22 effective. We all talk about energy efficiency.
23 Energy effectiveness to me takes energy efficiency
24 one more big step. I think we have all heard -- we
25 may have all heard the line that being efficient is

1 approval, ultimate approval of a plan to simply go
2 ahead and build some more generating capacity
3 because that's what the customers seem to demand,
4 that's just shortsighted. It is coming to the point
5 where it is not going to be morally and ethically
6 defensible in my opinion.

7 JUDGE PRIDGIN: Mr. Chairman, thank you.
8 Commissioner Gaw?

9 COMMISSIONER GAW: Mr. McLinden, what is
10 your background?

11 MR. MCLINDEN: Not a whole lot.

12 COMMISSIONER GAW: I don't want to get
13 personal. I'm just curious.

14 MR. MCLINDEN: I have a bachelor's degree
15 in sociology. Some graduate hours in city
16 planning. I have worked as a municipal employee for
17 my entire life, approaching 38 years now. I have
18 worked in the fields of urban affairs and city
19 planning and more recently in environmental
20 management. And I have tried to serve in the role
21 of a policy analyst in my most recent association
22 with the municipal employer.

23 COMMISSIONER GAW: Okay. I appreciate
24 your words and comments, sir. Thank you.

25 JUDGE PRIDGIN: Commissioner Gaw, thank

1 you. Commissioner Appling.

2 COMMISSIONER APPLING: Good to see you
3 again. You and I talked earlier today, I think
4 about noon, in downtown Kansas City.

5 MR. MCLINDEN: I trust you found the
6 barbecue.

7 COMMISSIONER APPLING: Anyway, I don't
8 want to leave here tonight laying all of the blame
9 at KCP&L's doorstep. All of us in this room are
10 going to have to share in the issue of saving energy
11 in the future. It is just not KCP&L. We have to
12 help them help themselves as well as for them to
13 help all of us. I go to my friends' houses who are
14 living in quarter million dollars homes. I knock on
15 the door and nobody is there and every light in the
16 house is on. That's not KCP&L's problem. Even
17 though somebody is going to have to become a little
18 bit more wiser about what we are doing here, I think
19 wholeheartedly, I heard exactly what you said on
20 this piece of paper here. But the whole room, the
21 whole State of Missouri is going to have to share
22 and say we are going to move forward in this issue.
23 And I don't want to lay it all at KCP&L. We want to
24 make sure that we help them understand what is
25 needed in the future to make this work.

1 MR. MCLINDEN: I don't want to lay it all
2 on KCP&L either. As you notice I did sort of put in
3 a plug for my own financial interest. I do want
4 KCP&L to make a profit. And I want them to make it
5 doing things which are not only good in the
6 short-term but which are good in the long-term. It
7 is true, it is on all of us. And each of us -- it
8 is like if it is everybody's problem it is nobody's
9 problem. Well, each of us has to take ownership of
10 this issue. Part of my purpose here, maybe my only
11 purpose here, is to make that point before you
12 Commissioners, before Office of Public Counsel,
13 before PFC staff, before the company people that are
14 here, before the citizens that are here this
15 evening. That we are all in this together and it is
16 essential that we take energy efficiency much more
17 seriously than we have in the past.

18 COMMISSIONER APPLING: Thank you, sir.

19 JUDGE PRIDGIN: Mr. McLinden, thank you
20 very much for your time and for your evidence. I
21 see as the next witness, I apologize if I
22 mispronounce this name, Keith Stutterheim.

23 (The oath was administered.)

24 JUDGE PRIDGIN: Sir, if you would,
25 please, state your name for the record and spell

1 your last name.

2 MR. STUTTERHEIM: Keith Stutterheim,
3 K-e-i-t-h, S-t-u-t-t-e-r-h-e-i-m.

4 JUDGE PRIDGIN: Are you a KCP&L customer,
5 sir?

6 MR. STUTTERHEIM: At the present time I
7 am two and a half miles from the Iatan plant and I
8 have KCP&L in front of my property and Platte-Clay
9 Electric in the back. I am presently Platte-Clay
10 Electric.

11 JUDGE PRIDGIN: Do you have a statement
12 for the Commission, sir?

13 MR. STUTTERHEIM: I do.

14 JUDGE PRIDGIN: Whenever you are ready.

15 MR. STUTTERHEIM: I am an operator and
16 owner of residential care facility, assisted living
17 for the elderly. The notice of the public hearing
18 caught my eye because they were talking about a 15
19 to 20 percent raise in rates over a certain period
20 of time. We are a relatively small facility. And I
21 guess I just wanted to give you an example of how it
22 would hit a small facility and likely, even though
23 we are with Platte-Clay, and I think they are
24 drawing from Touchstone Energy, who is probably not
25 going to be a great difference in rate over time,

1 so I am kind of looking at it how it would hit us.

2 We are a small facility of about nine
3 apartments and the people that we have are on fixed
4 income. So it definitely would be a hardship for
5 them. There are two things that we have to look at
6 raising our rates when we get hit with these two
7 items. The first is power, if we get hit with a
8 power raise, and the second is real estate taxes or
9 personal property. The other items, because we are
10 a small facility, we can do something to adjust our
11 operation so that we don't have to pass those on.
12 But those are the things that hit a small business.
13 And I have basically the concerns about the plant,
14 the second plant in Weston. And I also have three
15 questions. I will raise my concerns and then if I
16 could approach the bench I will give you copies of
17 those three questions as I read those off.

18 The first concern is when we were in the
19 early '90s, 1990's in the area of Weston, they had
20 talked about possibly there would be another plant
21 built at the Iatan location and this plant would
22 probably duplicate the existing plant. So people in
23 the area kind of understood that to some degree.
24 And this went on until a couple of years ago. Then
25 the word came that by even in the meetings that we

1 were having, the preliminary meetings which were
2 more related to the Department of Natural Resources
3 and the use of -- or the disposal of the waste, I
4 guess you would say, then it came out that there
5 were two major 850 megawatt plants that were being
6 considered. And the 850 is a doubling of the 400
7 and some megawatt that is already there. And so
8 this was kind of a shock to some of us in the
9 community that they were looking at this size of an
10 operation. Then we were told that these were going
11 to be used to generate power and to sell this power
12 to surrounding states. Then after a period of time,
13 after about a year, we were told that, well, it may
14 not be used to sell to states in the surrounding
15 area, but it may be used for this general Kansas
16 City area. And I do see that you noted that in the
17 notice of the hearing, that we were discussing what
18 was to be used here in the Kansas City area.

19 So my three questions, and I have a couple
20 of copies here if you will allow me to -- my three
21 questions are more or less related to my thoughts on
22 the way that this has been approached. And I know
23 that KCP&L has given you this documentation and I
24 haven't seen it. But I know you are in a much
25 better position to see it and ask questions about it

1 than some of us in the public are.

2 The first question is how much power is
3 presently bought or sold outside the K.C. area. I
4 would think that would be important, an important
5 piece of information. Especially if you are
6 considering whether this is all going to be used in
7 the K.C. area or not.

8 The second question that I have is, are
9 the future projections of power used based on an
10 increase in the major heavy manufacturing industries
11 in the area? If so, please indicate the
12 percentage. And I guess I have faith in the public
13 hearing that if you submit a written question, that
14 somewhere along the line you will get a written
15 response.

16 And I have a note on this question and it
17 relates somewhat to the comments of the previous
18 speaker. You know, there are some ways of doing
19 rate increases. I am an engineer and I have done
20 some of this on the water side. You can look at the
21 previous curves, that has kind of been the
22 traditional method. You can say, well, we have
23 these usage curves that have been in effect for
24 several years and we can look at what we have done
25 in the past and we can project those curves and see

1 what we are going to have in the future. But we are
2 entering kind of an interesting phase here in the
3 world you might say.

4 We are in this global economy and, believe
5 it or not, we are not going to get out of it any way
6 that we might try. So some of the leading world
7 economists are saying that as far as heavy
8 manufacturing goes, there is going to be
9 substantially less in this country. Now I know that
10 is a shock when people say that because they think
11 that that means our economy will fail. But I have
12 traveled a good deal in the world and I have seen
13 countries where heavy manufacturing is not very much
14 of a part of their economy but they seem to have
15 still a pretty good standard of living. So it is
16 kind of difficult for us to get out of that mode of
17 thinking.

18 But if KCP&L is basing the major amount of
19 their electrical consumption in the future based on
20 heavy manufacturing, then I would encourage you to
21 ask them to consider possibly looking at one of
22 these world economist's views and to get a little
23 better hold on it. Because if heavy manufacturing
24 is not going to be a part in this country in 25 or
25 30 years, then we are going to build a plant here

1 that possibly could have been overbuilt. So that's
2 the second question.

3 And the third kind of relates to that.
4 What percent of the projected budget on the
5 long-term energy plan is related to power generation
6 and what percent is related to power transmission
7 and distribution. And I guess I have kind of zeroed
8 in on that, because in the recent power outages --
9 not so very recent. In the power outages in the
10 State of California, at first everyone said it is
11 power generation. It is a power generation problem,
12 that they don't have power in California. Then
13 later on they found out that it really wasn't a
14 power generation problem, it was a manipulation of
15 the feeding into the state of the power by certain
16 major conglomerate companies. And the same issue
17 occurred in the State of New York. It really wasn't
18 a power generation problem, it was a power
19 transmission problem. So I think that would be an
20 important piece of information to have.

21 So I have asked these three questions. I
22 guess I would encourage you to ask KCP&L, because
23 they are the most qualified to bring in the experts.
24 And not just look at people that are looking at the
25 past as far as economic and projections go, but to

1 look at what might possibly be coming in the
2 future. Those are my concerns as a neighbor to the
3 plant.

4 JUDGE PRIDGIN: Thank you very much, sir.
5 Let me ask you to identify that document that you
6 handed up to the bench.

7 MR. STUTTERHEIM: Yes. It is a
8 three-page document.

9 JUDGE PRIDGIN: I have two pages.

10 MR. STUTTERHEIM: I'm sorry. Two-page
11 document. I guess it was three before we cut some
12 out. Two page document addressed to the Missouri
13 Public Service Commission.

14 JUDGE PRIDGIN: It is dated today, sir?

15 MR. STUTTERHEIM: It is dated today.

16 JUDGE PRIDGIN: With your signature?

17 MR. STUTTERHEIM: Yes, it is.

18 JUDGE PRIDGIN: I am going to label that
19 as Exhibit Number 7 and admit that into the record.
20 Let me see if we have any questions from the
21 commissioners. Chairman Davis.

22 CHAIRMAN DAVIS: No questions.

23 JUDGE PRIDGIN: Mr. Chairman, thank you.
24 Commissioner Gaw.

25 COMMISSIONER GAW: I don't think that I

1 have any questions. I would imagine that public
2 counsel or perhaps staff, perhaps the judge would
3 make sure that your questions get asked --

4 MR. STUTTERHEIM: Thank you, sir.

5 COMMISSIONER GAW: -- at the hearing. So
6 hopefully that will help. I won't venture down the
7 road too far here. But generally generation costs
8 are much more significant than transmission and
9 distribution costs generally. Hopefully there will
10 be some guidance back to you for your questions.

11 MR. STUTTERHEIM: Thank you.

12 COMMISSIONER APPLING: Thank you very much
13 for coming.

14 JUDGE PRIDGIN: Mr. Appling, thank you.
15 Thank you very much for your testimony and your
16 time. I see that we are fast approaching 8:30. We
17 still have a few witnesses left and I want to give
18 them the opportunity to speak. I will ask the
19 following witnesses to consider making their
20 comments brief. I do want to give you a chance to
21 testify. I see as the next witness Elisa Johnson.

22 (The oath was administered.)

23 JUDGE PRIDGIN: Thank you very much. If
24 you would state your name for the record and spell
25 your last name.

1 MS. JOHNSON: My name is Elisa Johnson,
2 J-o-h-n-s-o-n.

3 JUDGE PRIDGIN: Are you a KCP&L customer?

4 MS. JOHNSON: I am not.

5 JUDGE PRIDGIN: Do you have a statement
6 for the Commission?

7 MS. JOHNSON: I do. The reason I am here
8 this evening is basically to bring this to a more
9 personal level. We have heard many things regarding
10 statistics, many things regarding the environment,
11 many things regarding costs. The main reason I am
12 here is to talk about people, specifically my son.
13 My son Quinn is six years old and since he was six
14 months old he has had respiratory problems. We live
15 about five miles away from where the power plant is
16 to be built. The second phase I guess it is. And I
17 want to come here tonight to speak on behalf of
18 Quinn and on behalf of the other vulnerable members
19 in our community who will be very affected health
20 wise by the building of this plant. You all have it
21 in your control and in your power to say no to this
22 plant and I would ask that you do so.

23 I don't know if any of you have children
24 or if any of you have children that have health
25 problems. But I can tell you as a mother, laying

1 beside my son at night when he has a breathing
2 attack, a breathing asthmatic or respiratory
3 problem, he goes very pale and his respiratory rate
4 begins to increase rapidly and there are times when
5 I have laid awake with him at night that I'm not
6 sure he will be awake in the morning. I think it is
7 very important for this Commission to be aware that
8 these are real people that will be affected by the
9 building of this plant. And this is real air that
10 is being breathed. And this is -- these will be
11 particles that will be going down my son's lungs if
12 it is built. This is a wonderful community that we
13 live in and there are many people that cannot leave
14 this community because of financial reasons or so
15 forth. But their health deserves to be considered.
16 So that is the main reason that I am here. I think
17 that the only reason that this Commission would
18 think that building this power plant is a good idea
19 is because they do not live five miles away from
20 it. Thank you.

21 JUDGE PRIDGIN: Ms. Johnson, thank you for
22 your testimony. Let me see if we have any questions
23 from the Commission. Chairman Davis.

24 CHAIRMAN DAVIS: No questions. Thank
25 you.

1 JUDGE PRIDGIN: Thank you very much.
2 Commissioner Gaw.

3 COMMISSIONER GAW: Ms. Johnson, how long
4 have you lived in the area?

5 MS. JOHNSON: We have lived in the area
6 probably a total of, let me see, three years. We
7 moved away and now we are back again for the last
8 year.

9 COMMISSIONER GAW: How many years has your
10 son total been in the area?

11 MS. JOHNSON: My son has probably only
12 been in the area about a year and a half. Obviously
13 I am not saying that the power plant has caused his
14 respiratory problems. All I am saying is that it
15 will certainly exacerbate it.

16 COMMISSIONER GAW: I understand. Okay.
17 Thank you very much.

18 JUDGE PRIDGIN: Thank you very much. Ms.
19 Johnson, thank you very much for your time and your
20 testimony. I see as the next witness Richard
21 Gibson.

22 (The oath was administered.)

23 JUDGE PRIDGIN: If you would, please,
24 state your name for the record and spell your last
25 name.

1 MR. GIBSON: My name is Richard Gibson.
2 It is G-i-b-s-o-n. I am giving my card to the court
3 reporter.

4 JUDGE PRIDGIN: Are you a KCP&L customer,
5 sir?

6 MR. GIBSON: For over 30 years.

7 JUDGE PRIDGIN: Do you have a statement
8 for the Commission, sir?

9 MR. GIBSON: Yes, I do. I represent a
10 couple of organizations. I am the executive
11 director of Physicians for Social Responsibility of
12 Greater Kansas City. We are an organization of
13 local doctors interested in the environment. We are
14 connected to a national organization that consists
15 of thousands of doctors nationwide. And to our
16 international affiliate, the International
17 Physicians for the Prevention of Nuclear Warfare.
18 We were the 1988 recipients of the Nobel Peace
19 Prize.

20 First of all, my thanks to KCP&L for not
21 trying to build a nuclear power plant. I am also
22 associated with the medical alliance, Metropolitan
23 Medical Society of Greater Kansas City and the
24 Clay-Platte medical alliance. You have heard some
25 testimony tonight about the health effects of

1 pollution. And my docs tell me through their
2 medical practices that everything that you have
3 heard tonight in the medical line confirms, conforms
4 to what their observations are. These people have
5 been correct. We are seeing much too many cases of
6 patients, including small children like the previous
7 speakers.

8 When you consider the costs of power
9 plants and more specifically pollution control, I
10 ask you to do something that is probably not in the
11 law, and that is to factor in the medical costs of
12 your decision. If you allow a power plant that is
13 going to be a health hazard, you are going to pay
14 for it down the line with higher medical costs. It
15 is a pay me now or pay me later situation. We have
16 the technology to greatly reduce air pollution from
17 power plants down to practically irreducible
18 minimum. I would urge you to insist that all power
19 plants use this technology. It is very practical.
20 It may cost something, but in the larger picture it
21 is not going to cost any more than the increased
22 medical costs from failure to use good pollution
23 control.

24 One of the possibilities that you may be
25 familiar with is integrated gasification combined

1 cycle technology. For those of you who are not
2 familiar with this, there is a concise description
3 in the New York Times that appeared on Sunday, May
4 22, on Page BU-3, under the byline Kenneth Styer,
5 explaining how this technology has been used
6 successfully on a plant that is operating in Tampa,
7 Florida. The article also mentions some of the
8 difficulties that have to be addressed, the
9 financing. Yes, it is a little more expensive.
10 Regulatory issues, which you are in a position to
11 take a leadership role in and fixing, if that's
12 necessary. I would urge you to be familiar with
13 these technologies and insist that they be employed
14 to reduce the cost of health care down the road.
15 Thank you.

16 JUDGE PRIDGIN: Thank you very much, sir.
17 Is it Dr. Gibson, sir?

18 MR. GIBSON: No, I am not a doctor. I am
19 representing an organization of physicians.

20 JUDGE PRIDGIN: Thank you, Mr. Gibson.
21 Let me see if we have any questions from the
22 Commission. Chairman Davis.

23 CHAIRMAN DAVIS: No questions. Thank you
24 for coming.

25 JUDGE PRIDGIN: Thank you very much.

1 Commissioner Gaw.

2 COMMISSIONER GAW: The article that you
3 are referring to is again in the --

4 MR. GIBSON: New York Times. Sunday, May
5 22nd, Page BU-3, written by Kenneth Styer.

6 COMMISSIONER GAW: Do you know, do you
7 have personal knowledge, I assume this is a coal
8 gasification unit?

9 MR. GIBSON: That is an imprecise term.
10 But it is that type of technology.

11 COMMISSIONER GAW: It is utilizing coal?

12 MR. GIBSON: Yes, coal is the fuel.

13 COMMISSIONER GAW: That's what I was
14 looking for. Do you know or are you familiar with
15 whether or not there are other plants around the
16 United States that are up and running and using
17 similar technology?

18 MR. GIBSON: At the date of this article
19 there are no others up and running.

20 COMMISSIONER GAW: Are there other plants
21 being proposed?

22 MR. GIBSON: Proposed, yes. Proposed
23 yes. They are not very far down the pipeline I'm
24 sorry to say.

25 COMMISSIONER GAW: Are you familiar with

1 how, what the relative impact is on the environment
2 of this technology as compared to the plant that is
3 being proposed by KCP&L?

4 MR. GIBSON: Yes, it reduces pollution
5 emissions to substantially zero. Approaching zero.
6 As close as you can get to zero. You can never ask
7 for zero. That is impossible.

8 COMMISSIONER GAW: When you are talking
9 about emissions, are you talking about in addition
10 to the sulfur emission sometimes?

11 MR. GIBSON: Sulfur, mercury, CO-2. And
12 there are others. You probably have a longer list
13 than I do.

14 COMMISSIONER GAW: That's all I have.
15 Thank you, sir.

16 JUDGE PRIDGIN: Commissioner Gaw, thank
17 you.

18 COMMISSIONER APPLING: Thank you for
19 coming.

20 MR. GIBSON: Thank you for your time.

21 JUDGE PRIDGIN: Thank you for coming. I
22 have as a last witness signed on. If anyone else
23 wishes to testify we will ask you to sign on. I
24 hope I pronounce this name correctly. Mark Mouron.

25 MR. MOURON: Sometimes Mouron.

1 (The oath was administered.)

2 JUDGE PRIDGIN: Please state your name
3 for the record and spell your last name.

4 MR. MOURON: Mark Mouron, M-o-u-r-o-n.

5 JUDGE PRIDGIN: Are you a KCP&L customer?

6 MR. MOURON: Yes.

7 JUDGE PRIDGIN: Do you have a statement
8 for the Commission, sir?

9 MR. MOURON: Just very brief. I do
10 this. This is why I am here. This is my boy
11 Spencer. And I believe in a lot of these concerns,
12 a lot of these people have expressed to you is about
13 health. And even though KCP&L has spoken to doing a
14 pretty good job of telling people about what is
15 going on and in different hearings just like this,
16 I really think the credit goes to the concerned
17 citizens of Platte County and Susan Brown in
18 particular. I as a Kansas resident would have no
19 idea that any of this is going on had it not been
20 for her. That is part of the motivation behind the
21 Sustainable Sanctuary Colition in taking this to a
22 little bit higher, almost a moral imperative level.
23 I am just here to support all these folks and just
24 want you to know that there is a large group of
25 folks on the Kansas side that will be addressing the

1 Kansas Corporation Commission in the same fashion
2 that these folks have so done such a great job here
3 today. That's all I have.

4 JUDGE PRIDGIN: Thank you very much.
5 Let's see if we have any questions from the
6 Commissioners.

7 CHAIRMAN DAVIS: No questions. Thank you
8 for coming.

9 COMMISSIONER GAW: Thank you for coming,
10 sir. Where do you live in relation to the plant?

11 MR. MOURON: Well, I live in Lenexa. But
12 it is my understanding from extensive study of EPA
13 and air quality studies done by Mark and other
14 consultants brought into the area that it kind of
15 doesn't matter. It is a love thy neighbor as
16 yourself situation because though our air may go to
17 Pennsylvania or other places, we get our air from
18 Lacene, Oklahoma and other areas. So I think KCP&L
19 needs to take a leadership position. Clean their
20 act up so we can ask other states to do the same.

21 COMMISSIONER GAW: Thank you.

22 COMMISSIONER APPLING: Thank you.

23 JUDGE PRIDGIN: Thank you very much for
24 your time and your testimony. I have no more
25 witnesses signed on. Does anyone else wish to

1 testify? Mr. Dottheim, do you have anything?

2 MR. DOTTHEIM: Yes. Mr. Gibson had left a
3 copy of the New York Times article that he referred
4 to. I didn't know whether you might want to mark
5 that as an exhibit?

6 JUDGE PRIDGIN: I certainly can. And I
7 will ask Mr. Gibson. It was Mr. Gibson. If that's
8 something you wanted to leave as an exhibit for the
9 Commission or if you just simply wanted the
10 Commission on their own?

11 MR. GIBSON: I would like to leave that
12 with you.

13 JUDGE PRIDGIN: In that case I can take
14 that as an exhibit. Mr. Dottheim, thank you for
15 clarifying that. I am going to label this as
16 Exhibit Number 8. And I am just going to show this
17 as Section B., as in boy, U. of the New York Times,
18 Sunday, May 22nd, 2005 edition. I am trusting we
19 have no further folks who wish to testify. Ma'am,
20 did you wish to testify?

21 MS. STIEGER: Could I?

22 JUDGE PRIDGIN: You may. Are there going
23 to be any more folks? I want to give my court
24 reporter a chance to breathe if we have any more
25 people. I would ask you all to come sign up at the

1 same time.

2 Is it Shirley Stieger? Please come
3 forward to be sworn.

4 (The oath was administered.)

5 JUDGE PRIDGIN: Thank you very much,
6 ma'am. Please state your name for the record and
7 spell your last name.

8 MS. STIEGER: Shirley Stieger,
9 S-t-i-e-g-e-r.

10 JUDGE PRIDGIN: Are you a KCP&L customer?

11 MS. STIEGER: No, I am not.

12 JUDGE PRIDGIN: Do you have a statement
13 for the Commission?

14 MS. STIEGER: Yes. I live in
15 Leavenworth, Kansas. For 15 years I taught school,
16 3rd grade class, in a little community just west of
17 Leavenworth. And every day at recess I would
18 supervise the children and about where we stood in
19 the playground, about 1:00 o'clock we saw the gas
20 burning from the Iatan power plant. And during that
21 time I am thinking of one year particularly I had
22 one little girl that suffered with asthma. It was
23 just a constant drain. At the end of the year when
24 I looked back she had missed 22 days of school.
25 That is only eight months out of a nine-month school

1 year. As I talked to teachers who work in that
2 school building right now, they tell me that the
3 cases of asthma in young children all the way
4 through the grade school has increased
5 dramatically. In fact I think it is interesting
6 that even I have the last few years been told that I
7 have asthma too. And I am really concerned if
8 another power plant is built there. I am also
9 concerned about the poor families who oftentimes
10 supplement their meals by fishing in the river. I
11 don't think it is -- I don't think it would be safe
12 to do that. Put another power plant in there, put
13 more mercury, more fly ash, everything else in. I
14 am concerned because some of our children are really
15 struggling in school. And it is not that they are
16 not smart, it is not that they are not trying. But
17 when you miss a month of school, and that,
18 gentlemen, was about ten years ago. It has
19 increased. And I'm sorry, I cannot give you figures
20 because I haven't talked to them specifically, my
21 friends, lately about it. That was ten years ago.
22 And it is increasing nationwide. And I think some
23 of the things that the people have said here tonight
24 show you the tremendous concern that we all have for
25 the environment. So it is health issues, it is

1 education issues, it is environment. It is
2 everything that this is affecting. Thank you.

3 JUDGE PRIDGIN: Thank you very much,
4 ma'am. If I could ask you to stay and see if we
5 have any questions. Chairman Davis.

6 CHAIRMAN DAVIS: I have no questions but I
7 do appreciate your comments very much.

8 JUDGE PRIDGIN: Commissioner Gaw.

9 COMMISSIONER GAW: No. Thank you.

10 JUDGE PRIDGIN: Thank you very much for
11 your testimony and your patience. Marita Abner.

12 (The oath was administered.)

13 JUDGE PRIDGIN: Please state your name
14 for the record and spell your last name.

15 MS. ABNER: My name is Marita,
16 M-a-r-i-t-a, Abner, A-b-n-e-r.

17 JUDGE PRIDGIN: Are you a KCP&L customer?

18 MS. ABNER: Yes, since 1979.

19 JUDGE PRIDGIN: Thank you. Do you have a
20 statement for the Commission?

21 MS. ABNER: It is just a personal
22 statement which I haven't written down. I would
23 just like to say that throughout the history of
24 human kind there have been many amazing art forms
25 and achievements and humanistic efforts that have

1 exemplified the highest form that personhood can
2 take. And there have been a lot of developments in
3 all sorts of areas of the arts and technology and
4 science and amazing things have happened. And I
5 just want to say that if indeed these technologies
6 exist that could provide power to us with very small
7 amounts of these harmful results being produced, the
8 CO-2, the mercury and so on, it is just unimaginable
9 to me and inconceivable to me. It is just, there is
10 no question. If they exist, it is absolutely our
11 responsibility for all of us in the room, for future
12 generations, for the earth, for the health of people
13 and animals. Just the sustaining of all of that
14 that is so wonderful. I cannot see a reason not to
15 make the choice to do it. It is obviously worth it
16 in the long-term. And I urge you all to consider
17 those choices as the highest choice that we can make
18 as people. Thank you.

19 JUDGE PRIDGIN: Ms. Abner, thank you. See
20 if we have any questions.

21 CHAIRMAN DAVIS: No questions.

22 JUDGE PRIDGIN: Commissioner Gaw.

23 COMMISSIONER GAW: Thank you very much,
24 ma'am.

25 JUDGE PRIDGIN: All right, Ms. Abner,

1 thank you.

2 Last call for witnesses. All right,
3 seeing none, let me see if we have any closing
4 remarks from the commissioners. Chairman Davis.

5 CHAIRMAN DAVIS: I would just like to say
6 thank you to everyone for coming. Thank you for
7 your compassion on this issue. Your attention to
8 detail. We really do appreciate your comments and
9 we do try to be mindful of them. Thank you.

10 JUDGE PRIDGIN: Mr. Chairman, thank you.
11 Commissioner Gaw.

12 COMMISSIONER GAW: Well said. I think
13 all of us very much appreciate the time that you all
14 have spent on this. Of course we will have this
15 hearing upcoming in Jefferson City. I hope that
16 having this forum up here was helpful to you all as
17 well. Of course the other portion of the proceeding
18 is available. If you have need, if you are not a
19 part of the group that is represented and you need
20 to check on your ability to discuss things at that
21 part of the proceeding, you might want to discuss
22 with public counsel after we have adjourned. Thank
23 you.

24 JUDGE PRIDGIN: Thank you. Commissioner
25 Appling.

1 COMMISSIONER APPLING: I think my
2 colleagues have echoed our sentiments and our
3 thoughts from the Commission very well. Thank you
4 very much for coming tonight and taking the time out
5 of your schedule to be here. Again I thank each and
6 every one of you tonight. Thank you for coming.

7 JUDGE PRIDGIN: Let me conclude with
8 echoing what the commissioners have said. Thank you
9 for caring. Thank you for taking time out of your
10 busy lives to learn about this and to testify and to
11 be willing to be a part of the process. We
12 appreciate it very much. That concludes this local
13 public hearing in Case Number EO-2005-0329. Thank
14 you very much. We are off the record.

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