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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
TRANSCRIPT OF PROCEEDINGS

Public Hearing
August 22, 2006
Grandview, Missouri

Volume 2

In the Matter of a Proposed)
Rule Regarding Electric) Case No. EX-2006-0472
Utility Fuel and Purchased)
Power Cost Recovery Mechanism)

COLLEEN M. DALE, Presiding,
CHIEF REGULATORY LAW JUDGE

REPORTED BY: Tammy S. Menke

1 APPEARANCES:

2 Representing AARP:

3 MR. JOHN B. COFFMAN
 4 871 Tuxedo Boulevard
 St. Louis, Missouri 63119

5 Representing OFFICE OF THE PUBLIC COUNSEL:

6 MR. LEWIS R. MILLS, JR.
 PUBLIC COUNSEL
 7 Missouri Office of the Public Counsel
 Post Office Box 2230
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 13 I N D E X

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| 14 WITNESS: | PAGE |
| 15 Ms. Becky Mansfield. | 4 |
| 16 Mr. Marvin Sands | 7 |
| 17 Ms. Jean Wulser. | 9 |

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1 P R O C E E D I N G S

2 JUDGE DALE: My name is Colleen M. Dale.

3 I'm the administrative law judge with the
4 Missouri Public Service Commission.

5 We're here this evening on August 22nd,
6 2006, for a hearing in the matter of a proposed
7 rule regarding electric, utility, fuel and
8 purchase power cost recovery mechanisms, Case
9 No. EX-2006-0472. Particularly we are
10 discussing Rules 4 CSR 240-3.161 and 4 CSR
11 240-20.090, at this time to establish an
12 electric, utility, fuel, and purchase power
13 mechanisms and to implement such mechanisms.

14 We have one person signed up to make either
15 comments or testimony this evening. If you want
16 to make comments you can just make comments. If
17 you want to testify you can be sworn and
18 testify. All of the comments that you make, if
19 you decide to send a letter to the Commission
20 after tonight's hearing or if you testify or
21 whatever, they're all given equal weight. So
22 it's entirely up to you how you want to do it.

23 With that I'll call forward Becky
24 Mansfield.

25 JUDGE DALE: Before you do that,

1 Ms. Mansfield, let's do quick entries of
2 appearance, starting with Mr. Mills.

3 MR. MILLS: My name is Louis Mills. My
4 address is Post Office Box 2230, Jefferson City,
5 Missouri 65102. I appear on behalf of the
6 Office of the Public Counsel and the public.

7 JUDGE DALE: Mr. Coffman.

8 MR. COFFMAN: My name is John B. Coffman,
9 871 Tuxedo Boulevard, St. Louis, Missouri 63119,
10 appearing on behalf of AARP.

11 JUDGE DALE: Okay. No others? Okay.
12 Thank you.

13 Sorry about that, Ms. Mansfield. So do you
14 want to testify or just make comments?

15 MS. MANSFIELD: I will testify.

16 JUDGE DALE: Then please raise your right
17 hand. Do you swear or affirm that the testimony
18 you're about to give to be the truth?

19 MS. MANSFIELD: I do.

20 JUDGE DALE: Thank you. Please proceed.

21 THE WITNESS: My name is Becky Mansfield.
22 Do you need my address?

23 JUDGE DALE: Yes, please.

24 THE WITNESS: 14002 Ballantrae Drive in
25 Grandview, Missouri 64030.

1 JUDGE DALE: Thank you.

2 THE WITNESS: I'm here on behalf of a
3 senior citizen. And after reading the
4 information that I have in front of me
5 concerning this FAC, I feel that this is going
6 to be a hardship on the senior citizens of
7 Missouri because most of us are on a fixed
8 income. And we need to know pretty closely on a
9 monthly basis what our bills are going to be,
10 our utility bills. Especially our utility
11 bills. I don't think we can tolerate much
12 fluctuation in any of these charges.

13 We have bills here now, like our
14 electricity bill, that has certain charges on it
15 that we don't even identify. It just says,
16 "customer charge."

17 That's another thing that senior's object
18 to, is we don't understand. Even though all the
19 information is spelled out in the back of the
20 utility bills, it's a little difficult to
21 exactly know what we're being charged for.

22 I think -- I do oppose this. It is just
23 too -- actually, it's a little difficult to
24 understand, except that yes, it's going to be --
25 it could be a surcharge. It could fluctuate

1 during the year. And that it would be difficult
2 for us to arrange our budgets to go along with
3 this kind of fluctuation.

4 That's all I have to say. Thank you.

5 JUDGE DALE: I have a couple questions.

6 The one that I always ask is whether or not
7 you have any specific proposed language changes
8 to the rule.

9 THE WITNESS: No, I do not.

10 JUDGE DALE: The other one has to do with
11 when you're talking about budgeting. Do you
12 know if your electric utility provider allows
13 you to do some sort of budget billing where you
14 pay a set amount every month?

15 THE WITNESS: No, I do not know that.

16 JUDGE DALE: Okay. I don't know if they do
17 or not. I'm just asking.

18 THE WITNESS: My utility provider is
19 Aquila, so I don't know if they provide that or
20 not.

21 JUDGE DALE: I don't have any other
22 questions.

23 THE WITNESS: Thank you.

24 JUDGE DALE: Thank you.

25 Is there anyone else here who is not signed

1 up who would like to testify? Sir? Your name?

2 MR. SANDS: Marvin Sands. I'm representing
3 AARP.

4 JUDGE DALE: Please step up, Mr. Sands.
5 Would you like to testify or just make comments?

6 MR. SANDS: Testify and make comments.

7 JUDGE DALE: Well. Raise your right hand.

8 MR. SANDS: One and the same I think.

9 JUDGE DALE: Do you swear or affirm that
10 the testimony you are about to give to be the
11 truth?

12 MR. SANDS: Yes.

13 JUDGE DALE: Thank you. Please proceed.

14 THE WITNESS: Once again, my name is Marvin
15 Sands. I'm representing AARP.

16 Our position is that the fuel adjustment
17 cause that is being currently proposed by the
18 Public Service Commission should not go forward
19 as it so stated. I think probably what the
20 indication is here that all 100 percent of that
21 charge is being forecast to go forward. It's
22 not our position that that should occur.

23 There are several reasons why. Number one
24 is that the utility company, regardless of who
25 it is, passing along 100 percent of their

1 efforts or charge such as this, there is no
2 responsibility on behalf of the utility to
3 undergo any management expense. Doing this mere
4 allows them to pass along that complete
5 responsibility on to the customer. And for that
6 any regards to responsibility as far as
7 management of those issues are a concern. So
8 it's our position that they should undergo some
9 management expertise in this regard and not
10 allow all 100 percent of the charge go forward
11 to the consumer.

12 JUDGE DALE: Thank you. Do you have any
13 specific language changes that you would like
14 made to the rules?

15 THE WITNESS: Yes, we do. Right now we're
16 proposing that at least at the very minimum 50
17 percent of that be passed on to the consumer and
18 not 100 percent of it.

19 And in addition to that, AARP's position is
20 that quite frankly that would be the minimum
21 amount that should be passed on to the consumer.
22 Again, based upon the utility undergoing some
23 management expertise in controlling expenses.

24 JUDGE DALE: Thank you.

25 Is there anyone else who wishes to testify

1 or make comments? Ma'am?

2 MS. WULSER: I just walked in to the
3 meeting. Do you say what percentage of increase
4 there will be? How often it will increase? I
5 missed some of this I believe.

6 JUDGE DALE: At the information session
7 there was a discussion about it. And at this
8 point there is no set percentage of the
9 increase. It's not like a rate case in that
10 respect. There will be some ability of the
11 company to pass through it's increased fuel
12 costs, which is a certain portion of all their
13 costs.

14 And what the Commission will do is set up a
15 rate recovery mechanism that allows them to pass
16 through those increases and decreases in fuel
17 costs to customers on a monthly basis. They can
18 change it up to four times a year. So it's 100
19 percent of the fuel costs changes.

20 MS. WULSER: Has this law put a cap on
21 anything? I mean, or is it just going to go up
22 a bunch without a limitation? I don't know how
23 the law reads.

24 JUDGE DALE: The way it is now, it's not
25 capped because the Commission doesn't have any

1 way to ascertain what the maximum fuel price
2 will be.

3 MS. WULSER: But it's only on the fuel
4 increase is what you're saying to me?

5 JUDGE DALE: Yes. It's a way to pass
6 through the changes in their fuel costs. Right
7 now gas companies have a similar mechanism, but
8 electric companies do not. The change in the
9 law that happened a couple years ago, that
10 allowed this to happen, set up a similar thing
11 for electric companies.

12 What we're talking about tonight is the
13 rule that the Commission has set up that will
14 handle all the fine details of exactly how this
15 happens, what kind of process they have to go
16 through, that sort of thing.

17 MS. WULSER: I am, I guess, pessimistic in
18 that regard. Once things go up I don't think
19 they come down very often.

20 And then the grave concern to me as a
21 taxpayer, there's a lot of people struggling to
22 exist. I hope the Commission realizes that.
23 And it's hard for us out there also. And I hope
24 it is not going to mean more and better CEO
25 salaries and that type of thing. I hope it's

1 going to be used properly if there is an
2 increase.

3 JUDGE DALE: I can tell you that our
4 auditors are always on the lookout for that sort
5 of thing. They feel the same way you do about
6 that. And this will be subject to our auditors
7 scrutiny.

8 And can I get your name, please, for the
9 record?

10 MS. WULSER: My name is Jean Wulser,
11 W-u-l-s-e-r. I'm a resident of Grandview.

12 JUDGE DALE: Thank you.

13 Anyone else? Hearing nothing further then
14 we will be adjourned and off the record.

15 (Public Hearing was adjourned at 6:55 p.m.)

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