

APPEARANCES

FOR THE APPLICANT:

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FOR THE STAFF:

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I N D E X

Page/Line

WITNESSES -

O.M. WALSTAD

JUANITA WALSTAD.

MARY LITTLE

DEBBIE MARKMAN

WINONA SELIG

CARL E. WALLACE.

HAZEL O'BANION

SCOTT CARR

E X H I B I T S

(NONE)

(sic) - typed as spoken

(ph.) - phonetic

1 PROCEEDINGS

2 JUDGE DALE: The Missouri Public

3 Service Commission has set this time for a
4 local hearing in Case Number ER-2006-315, in
5 which the Empire District Electric Company is
6 seeking increase of rates that will increase
7 total revenues by twenty-nine million, five
8 hundred thirteen thousand, seven hundred and
9 thirteen dollars. The Missouri Public
10 Service Commission regulates the rates
11 charged by investor owned utility companies
12 in Missouri to ensure that those rates are
13 just and reasonable. The Commission also
14 regulates the quality of service and the
15 safety of operations of investor owned
16 utilities. The Commission is made up of five
17 Commissioners, four of whom are here today.
18 The Commissioners are appointed by the
19 Governor to fixed terms, and confirmed by the
20 Senate. The Commissioners employ a staff of
21 engineers, accountants, attorneys, financial
22 analysts, and other specialists in the field
23 of utility regulation. I am Colleen M. Dale.
24 I'm a Regulatory Judge for the Missouri
25 Public Service Commission, and I will preside

1 over this hearing. This is an official
2 hearing of the Missouri Public Service
3 Commission, and statements and testimony of
4 witnesses will be recorded by the court
5 reporter and must be given under oath. All
6 of the Commissioners will have the
7 opportunity to read all of the witnesses'
8 remarks. In addition to this local hearing
9 there will be another public hearing this
10 evening in Reed Springs. Furthermore, a
11 trial type evidentiary hearing is scheduled
12 for September 6th through 15th, 2006,
13 starting at 10:00 at the Commissions Offices
14 at the Governor Office Building in Jefferson
15 City, Missouri. That hearing is a public
16 hearing, and the Company will have the burden
17 at that hearing of proving its case. The
18 parties will present their witnesses for and
19 against the petition at that time. The
20 purpose of this hearing is to hear from you.
21 The Company will not present witnesses and
22 will not answer questions. This is your
23 opportunity to testify, and your remarks will
24 be part of the official record of this case.
25 I will call the name of each witness who has

1 signed up to speak. When your name is called
2 please come forward and speak into the
3 microphone. Please spell your name for the
4 court reporter so she can put it in the
5 record correctly. I will ask a few
6 preliminary questions such as your name and
7 address, and then you can make your
8 statement, then there may be questions from
9 the Commissioners or from me, and then there
10 may be questions from the attorneys that are
11 present. Please do not leave the witness area
12 until you are excused. We are scheduled to
13 end promptly at 3:00. We ask that you be
14 brief. If a previous speaker has already
15 made the points you wanted to make you may
16 simply state that you agree with what that
17 person said. There may be someone who wishes
18 to testify, but because of religious
19 convictions cannot take an oath, for this
20 reason you will be asked to swear or affirm
21 that your testimony will be the truth. Are
22 there any questions about the procedures
23 we're about to follow?

24 BY MR. OCHOA: No questions, Your
25 Honor.

1 BY JUDGE DALE: Thank you. And we
2 will --

3 BY MR. OCHOA: The first witness --

4 BY CHAIRMAN DAVIS: Entries of
5 appearance.

6 BY JUDGE DALE: Oh, wait. We're not
7 quite finished. Then we will begin the
8 public hearing on Case Number ER-2006-0315,
9 in the Matter of the Empire District Electric
10 Company of Joplin, Missouri for Authority to
11 File Tariffs Increasing Rates for Electric
12 Service Provided to Customers in the Missouri
13 Service Area of the Company. Will counsel
14 please make their entries of appearance,
15 beginning with Staff?

16 BY MR. FRAY: Thank you, Your Honor.
17 Representing the Staff of the Missouri
18 Public Service Commission, Dennis L. Fray,
19 P.O. Box 360, Jefferson City, Missouri. And
20 I would note for the record that we have
21 three Staff members here prepared to answer
22 questions should any arise. We have Mr. Mark
23 Ollenshlager (ph.), Mr. Jim Bush, and Ms. Gay
24 Fred. Thank you.

25 BY JUDGE DALE: Public Counsel.

1 BY MR. MILLS: On behalf of the
2 Office of the Public Counsel and the Public
3 my name is Lewis Mills. My address is Post
4 Office Box 2230, Jefferson City, Missouri
5 65102.

6 BY JUDGE DALE: Company.

7 BY MS. WHEELER: If you would please
8 let the record reflect the entry of the
9 appearance of Janet E. Wheeler, W-H-E-E-L-E-
10 R, of the law firm Brydon, Swearengen &
11 England, Post Office Box, 456, Jefferson
12 City, Missouri, on behalf of the applicant,
13 the Empire District Electric Company.

14 BY JUDGE DALE: Thank you. Mr.
15 Ochoa, we are now ready to call witnesses.

16 BY MR. OCHOA: The first witness on
17 the list is O.M. Walstad.

18 BY JUDGE DALE: Mr. Walstad, would
19 you please state your name?

20 BY O.M. WALSTAD: Ma'am?

21 BY CHAIRMAN DAVIS: Sir, would you
22 please state your name?

23 BY O.M. WALSTAD: My name is O.M.
24 Walstad. I live in Joplin, Missouri.

25 BY JUDGE DALE: Can you spell your --

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BY O.M. WALSTAD: 429 North Pearl?

BY JUDGE DALE: -- last name,
please?

BY CHAIRMAN DAVIS: Sir, could you
spell your last name for us, please?

BY O.M. WALSTAD: W-A-L-S-T-A-D.

BY CHAIRMAN DAVIS: And could you
give us your address one more time, please?

BY O.M. WALSTAD: 429 North Pearl,
like the jewel, Avenue, Joplin, Missouri
64801.

BY JUDGE DALE: Thank you, Mr.
Walstad. Will you please raise your right
hand?

(WITNESS SWORN IN BY JUDGE DALE)

BY JUDGE DALE: Thank you. Then
please proceed to give the Commission
whatever comments you wish to make.

BY O.M. WALSTAD: I have been in
business in Joplin and the area for several
years. I have also been retired now for
twenty-four. I was involved with the
Thurston Chemical Company here in Joplin
where we used a great deal of electric

1 energy. Later I was involved with a plant in
2 Baxter Springs, Kansas that also used a
3 tremendous amount of electric power driving
4 machines in the machine shop. We were very
5 fortunate to have Empire District serving our
6 place, and they were very helpful in many
7 cases. I do recall when we installed both
8 air-conditioning and heating with electric
9 power in our plant in Baxter Springs, the
10 electric energy from Empire, and the electric
11 energy was processed through a plant at
12 Asbury. We had excellent service from
13 Empire. I have absolutely no way of knowing
14 what the cost is for the Empire operation. I
15 have no idea of what is going to be approved.
16 I do know that the service of Empire has
17 been absolutely beautiful all the time that I
18 have contact with them. In yesteryear I knew
19 personally many of the members of the Empire
20 management team, and they were always very,
21 very helpful, and I think you will find them
22 that way today. My point in being here today
23 is to state my opinion that there is a -
24 there is a greater cost in doing business
25 today than there was ten years ago, and I

1 think that Empire is entitled to an increase
2 in their rates. I don't know what that's
3 going to be, but I trust that it will be
4 judged properly by the Commission. I thank
5 you for your hearing me at this time. Thank
6 you.

7 BY JUDGE DALE: Thank you, Mr.
8 Walstad. Are there any questions from the
9 bench? Chairman Davis?

10 BY CHAIRMAN DAVIS: No. Thank you,
11 Mr. Walstad.

12 BY JUDGE DALE: Are there any other
13 questions from the bench from here in Jeff
14 City?

15 BY COMMISSIONER MURRAY: No
16 questions. Thank you.

17 BY COMMISSIONER CLAYTON: I have one
18 question, Judge. I was intrigued by Mr.
19 Walstad's statement, and I first want to
20 thank him for appearing to testify here
21 today, but I have never heard of customer
22 service or electricity serviced being
23 described as beautiful, and I was wondering
24 if Mr. Walstad could give me an example of
25 Empire's service being beautiful.

1 BY O.M. WALSTAD: That's true.

2 BY CHAIRMAN DAVIS: Sir, could you
3 give him an example? I think that's what he
4 was asking for, an example of their good
5 service.

6 BY O.M. WALSTAD: Yes. When we
7 installed electric heating and plant service
8 energy at our plant in Baxter Springs they
9 were extremely helpful in designing and
10 working out the necessary wiring and so on
11 that went into the plant. They were very
12 helpful and helped us design that. In a
13 small plant you don't have a lot of energy -
14 a lot of engineers, and we were very happy to
15 have the help of Empire in designing this
16 system.

17 BY COMMISSION CLAYTON: Thank you,
18 Mr. Walstad. That does indeed sound
19 beautiful. And thank you for translating,
20 Mr. Chairman.

21 BY JUDGE DALE: Thank you, Mr.
22 Walstad. You're excused.

23 BY O.M. WALSTAD: Thank you.

24 BY MR. OCHOA: The next witness is
25 Juanita Walstad.

1 BY JUDGE DALE: Ms. Walstad, would
2 you please raise your right hand?

3 (WITNESS SWORN IN BY JUDGE DALE)

4 BY JUDGE DALE: Could you please
5 state your name for the record and spell your
6 name?

7 BY JUANITA WALSTAD: Juanita
8 Walstad. J-U-A-N-I-T-A, W-A-L-S-T-A-D.

9 BY JUDGE DALE: And your address?

10 BY JUANITA WALSTAD: 429 North
11 Pearl, Joplin, Missouri 64801.

12 BY JUDGE DALE: Thank you. Are you
13 a customer --

14 BY JUANITA WALSTAD: Yes.

15 BY JUDGE DALE: -- of Empire
16 District? Thank you. Please proceed with
17 whatever remarks you would like to make.

18 BY JUANITA WALSTAD: In the notice I
19 received with our bills you state that a
20 residential customer using a thousand
21 kilowatt hours a month will receive this
22 \$11.11 raise, and I wonder if, for instance,
23 in our home if we use one thousand, five
24 hundred, and my neighbor uses three thousand,
25 five hundred, would we both be charged

1 \$11.11?

2 BY JUDGE DALE: We have - if we
3 could get a staff person to come up and
4 answer that question. This is Mr. Bush from
5 the operations staff.

6 BY MR. BUSH: Hi, this is Jim Bush.
7 I don't know exactly what the increase would
8 be on a per kilowatt hour basis, but if you
9 use more electricity, your neighbor who uses
10 three thousand, they will get a greater
11 increase than you will using a thousand, five
12 hundred.

13 BY JUANITA WALSTAD: In other words -
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15 BY MR. BUSH: That's if Empire would
16 get their total increase that they were
17 asking for. It would not be the same - go
18 ahead.

19 BY JUANITA WALSTAD: In other words,
20 it's not a blanket \$11.11, it's just over the
21 amount of one thousand kilowatt hours, then
22 it's \$11.11, but the more you use the greater
23 the increase will be? Is that right?

24 BY MR. BUSH: That's correct. The
25 \$11.11 was just if you used on average a

1 thousand kilowatt hours.

2 BY JUANITA WALSTAD: Another thing I
3 was --

4 BY MR. BUSH: It was just an
5 example.

6 BY JUDGE DALE: Go ahead, Ms.
7 Walstad.

8 BY JUANITA WALSTAD: Another thing I
9 was wondering -

10 BY JUDGE DALE: Go ahead. I'm
11 sorry.

12 BY JUANITA WALSTAD: Another thing I
13 wondered is, are all meters the same? In
14 other words, if I live in a large home does
15 my meter register differently from a person
16 who lives in a smaller home?

17 BY MR. BUSH: I would assume that
18 residential meters, regardless of the size of
19 your home, should be the same, but I will -
20 if we can get your contact information to Mr.
21 Ochoa we will get back with you to give you
22 that information. I don't believe that they
23 are different amongst residential.

24 BY JUANITA WALSTAD: Thank you.

25 BY MR. BUSH: They should be the

1 same.

2 BY JUANITA WALSTAD: I just want to
3 say I, too, can confirm what my husband has
4 said, that we have had excellent service from
5 Empire. And my husband I think doesn't know
6 how to turn off lights, so we have quite an
7 electric bill in our home. Thank you.

8 BY JUDGE DALE: Do we have any
9 questions from the bench for Ms. Walstad?

10 BY CHAIRMAN DAVIS: Ms. Walstad, I
11 just want to - I want to make sure that you
12 do understand that the rates are what they
13 call biometric, which means even if you don't
14 use, you know, the fifteen hundred kilowatts,
15 if you use the same amount of electricity
16 with the new rate of whatever it is it will
17 go up a little bit. So if you only use five
18 hundred kilowatts, the way I understand the
19 rate has been proposed, if you use five
20 hundred kilowatts then your bill may not go
21 up \$11.00, but it would still go up by some
22 fraction of that \$11.00.

23 BY JUANITA WALSTAD: So every bill
24 will increase some if more electricity is
25 used?

1 BY CHAIRMAN DAVIS: No. Every bill
2 will increase some even if you use the same
3 amount of electricity that you're currently
4 using. That's my lay impression at this
5 point. Thank you. Thank you, Ms. Walstad.
6 BY JUANITA WALSTAD: Thank you.
7 BY CHAIRMAN DAVIS: Thank you for
8 coming.
9 BY JUDGE DALE: Are there any other
10 questions from the bench?
11 BY COMMISSIONER CLAYTON: Ms.
12 Walstad? Has she already --
13 BY JUANITA WALSTAD: I have no
14 further questions.
15 BY COMMISSIONER CLAYTON: Ms.
16 Walstad, I wanted to let you know that my
17 wife has the same problem as your husband in
18 not turning off lights. Thank you.
19 BY JUDGE DALE: Do any of the
20 counsel have any questions?
21 BY MR. MILLS: No questions.
22 BY JUDGE DALE: Okay. Thank you,
23 Ms. Walstad. You are excused.
24 BY JUANITA WALSTAD: Thank you.
25 BY MR. OCHOA: Mary Little.

1 BY JUDGE DALE: Thank you. Ms.
2 Little, would you please raise your right
3 hand?

4 (WITNESS SWORN IN BY JUDGE DALE)

5 BY JUDGE DALE: Thank you. Could
6 you please state and spell your name?

7 BY MARY LITTLE: My name is Mary
8 Little, M-A-R-Y, L-I-T-T-L-E.

9 BY JUDGE DALE: And your address?

10 BY MARY LITTLE: 3510 East Third
11 Street, Joplin, Missouri 64801.

12 BY JUDGE DALE: Are you a customer
13 of Empire District Electric Company?

14 BY MARY LITTLE: Yes, ma'am.

15 BY JUDGE DALE: Thank you. Then
16 please proceed to make whatever comments you
17 wanted to make.

18 BY MARY LITTLE: Thank you. Empire
19 District Electric Company is a good corporate
20 citizen and a key supporter of the United Way
21 of Southwest Missouri. Besides the corporate
22 and employee monetary contributions which
23 make up our largest donation, Empire
24 employees are an integral part of our
25 leadership. This year our Board of Directors

1 is led by Lori Delano, Empire's controller,
2 and our campaign chairperson is Marsha
3 Wallace, Empire's economic development
4 manager. They follow a longtime tradition of
5 volunteers with Empire. Without the support
6 of Empire and its employees we would not be
7 as successful. Thank you.

8 BY JUDGE DALE: Thank you. Are
9 there any questions from the bench?

10 BY CHAIRMAN DAVIS: Just a couple,
11 Judge. Ms. Little, I noticed that you were
12 reading from, it looked like prewritten
13 testimony, is that right?

14 BY MARY LITTLE: Oh, I'm sorry.
15 These were some notes that I had prepared.

16 BY CHAIRMAN DAVIS: And you prepared
17 those notes yourself?

18 BY MARY LITTLE: Yes. Yes, sir, I
19 did.

20 BY CHAIRMAN DAVIS: Did anyone
21 solicit your testimony here today?

22 BY MARY LITTLE: No one. I am on
23 behalf of myself and United Way of Southwest
24 Missouri.

25 BY CHAIRMAN DAVIS: All right.

1 Thank you.

2 BY MARY LITTLE: Thank you.

3 BY JUDGE DALE: Are there any other
4 questions from the bench? Questions from
5 counsel? Thank you, Ms. Little. You're
6 excused.

7 BY MR. OCHOA: Debbie Markman.

8 BY JUDGE DALE: Ms. Markman, would
9 you please raise your right hand?

10 (WITNESS SWORN IN BY JUDGE DALE)

11 BY JUDGE DALE: Could you please
12 state and spell your name?

13 BY DEBBIE MARKMAN: Yes. It's
14 Debbie Markman. D-E-B-B-I-E, M-A-R-K-M-A-N.

15 BY JUDGE DALE: And your address?

16 BY DEBBIE MARKMAN: P.O. Box 207,
17 Joplin, Missouri 64802.

18 BY JUDGE DALE: Thank you. Are you
19 a customer of Empire District Electric
20 Company?

21 BY DEBBIE MARKMAN: Yes, I am.

22 BY JUDGE DALE: Thank you. Please
23 proceed with your remarks.

24 BY DEBBIE MARKMAN: Yes. I'm here
25 on behalf of Economic Security Corporation

1 who serves about twenty-three thousand low
2 income clients in Southwest Missouri, and we
3 are a little concerned about the increases.
4 We also are the light/heat provider,
5 weatherization provider as well, in Barton,
6 Jasper, Newton and McDonald Counties. And I
7 think everyone is concerned. The dollars for
8 light/heat have experienced a little bit of
9 increase from the State of Missouri, we'll
10 see some increase in dollars, but we served
11 about sixty-five hundred low income people
12 last year, and we are at the maximum rate
13 that we can actually give to low income
14 people that obviously are eligible. And I
15 guess what I'm concerned about is those
16 increases on the low income side - you know,
17 \$11.00 times, you know, twelve months,
18 \$130.00 or so a month doesn't seem like a
19 lot, but when you're only bringing \$577.00 of
20 social security home and you're a family of
21 one that energy burning in the Midwest is,
22 what about 2.7 percent in the Midwest, and
23 when you look at a low income person it's
24 between eleven and thirteen percent. So it's
25 just a huge amount of increase for them, and

1 that means they're going to have to look at
2 other things that they're not going to be
3 able to utilize. You know, and, again, we
4 talk a lot about food, not being able to make
5 food purchases, or even medications, that
6 they may not be able to pay for, for their
7 Medicare, even though they may be just making
8 a co-payment of a few dollars, they still are
9 going to have to figure out how to come up
10 with that additional money to pay their
11 utilities. I have heard, you know, some of
12 our clients come in and talk about, well,
13 I'll, you know, not turn my electricity on
14 after dark, and things like that. So I just -
15 I'm just concerned. We don't really have
16 any other options. I think weatherization -
17 Empire is - you know, I support their service
18 in the community. They do wonderful things.
19 We do receive some additional dollars for
20 weatherization services from Empire District.
21 Again, it's just not enough. We have a lot
22 of home occupied units that are older. They
23 are pre-1920, so they have no weatherization,
24 they do need lots of repairs and energy
25 conscious type things need to be done to

1 them. So I think we just need to be aware of
2 the increase and how that's going to affect
3 our low income. And, again, in southwest
4 Missouri we have - fifty-two percent of our
5 population is a working force, so - and we
6 are a service industry, so people are trying
7 to help themselves. Then that other forty-
8 eight percent is going to be your elderly,
9 your disabled, and then maybe single parents
10 that are receiving some type of welfare
11 assistance. So it is a huge population that
12 we need to be trying to figure out how we're
13 going to be able to help. And that's all I
14 have to say today. Thank you.

15 BY CHAIRMAN DAVIS: Judge, are you
16 waiting on me? Do we have sound?

17 BY JUDGE DALE: Okay. Am I coming
18 through now?

19 BY CHAIRMAN DAVIS: Yes, you're
20 coming through now.

21 BY JUDGE DALE: We have been
22 experiencing difficulties on our end during
23 the middle of Ms. Markman's testimony. There
24 was a cutoff in communications, but I'm
25 assuming the court reporter got all of it.

1 However, moving along, do you, Chairman
2 Davis, have any questions?

3 BY CHAIRMAN DAVIS: Just a few. Is
4 it Ms. Markman? Is that correct?

5 BY DEBBIE MARKMAN: Uh-huh. That's
6 correct.

7 BY CHAIRMAN DAVIS: And Economic
8 Security Corporation, that's a community
9 action agency, --

10 BY DEBBIE MARKMAN: Yes, sir.

11 BY CHAIRMAN DAVIS: -- is that
12 correct? And you said that you've provided
13 assistance to approximately sixty-five
14 hundred --

15 BY DEBBIE MARKMAN: Uh-huh.

16 BY CHAIRMAN DAVIS: -- low income?

17 BY DEBBIE MARKMAN: On an annual
18 basis.

19 BY CHAIRMAN DAVIS: On an annual
20 basis. And is that light/heat/utility --

21 BY DEBBIE MARKMAN: That is strictly
22 light/heat funds, no utilicare. That would
23 just be your energy assistance and then the -
24 and the Energy Crisis Intervention Program.

25 BY CHAIRMAN DAVIS: ECIP?

1 BY DEBBIE MARKMAN: ECIP. Uh-huh.

2 BY CHAIRMAN DAVIS: And did you run

3 out of --

4 BY DEBBIE MARKMAN: Yes, sir.

5 BY CHAIRMAN DAVIS: -- crisis and

6 ECIP money this year?

7 BY DEBBIE MARKMAN: Yes, we did.

8 BY CHAIRMAN DAVIS: The

9 weatherization money that you get, you know,

10 from Department of Natural Resources or --

11 BY DEBBIE MARKMAN: Right.

12 BY CHAIRMAN DAVIS: Whatever. Do

13 you think that's a good investment?

14 BY DEBBIE MARKMAN: It's the best

15 investment I think we have in the agency, to

16 be honest, as far as the return on the - the

17 energy burden that goes down. We have - Oak

18 Ridge Laboratories have been doing research

19 on this program for about twenty years, and

20 show the - I guess the benefit back to the

21 client that receives energy assistance -

22 rather the weatherization services. Right

23 now the problem is we only serve about a

24 hundred and twenty-five clients a year, and

25 it's all owner occupied. We don't really do

1 anything with the rental homes, which is
2 obviously a large portion. Part of that is,
3 you know, there just isn't enough money for
4 that. It would be nice to have a landlord
5 partnership that maybe they would put some
6 money into it as well, but when you're
7 looking at the number of people that apply,
8 you need to stay with the owner occupied
9 units.

10 BY CHAIRMAN DAVIS: Do you know if -
11 in the communities that you have worked with,
12 whether or not there are building codes?

13 BY DEBBIE MARKMAN: We have - I'm
14 also the housing director, so the building
15 codes in the City of Joplin, they follow the
16 International Building Codes, and then when
17 we do building or rehabilitation we follow
18 the County Codes, which most of them don't
19 have County Codes, so we're with federal
20 dollars required to follow the International
21 Building Code as well, but there is not a set
22 building code.

23 BY CHAIRMAN DAVIS: I know, but
24 aside from Joplin, do any of the other cities
25 or counties around have a building code? Do

1 you know?

2 BY DEBBIE MARKMAN: Not that I'm
3 aware of. We work in, oh, all four of the
4 counties and the cities generically, and I've
5 never found a building code that we've had to
6 follow.

7 BY CHAIRMAN DAVIS: Do you get
8 customers seeking assistance who are living
9 in either Section 8 Housing or - I guess what
10 I'm trying to get at is, is some of the newer
11 housing out there, is it a problem from an
12 energy efficiency standpoint?

13 BY DEBBIE MARKMAN: Well, most of
14 the clients that are going to be in Section 8
15 Housing are not going to be eligible for new
16 housing because the payment standard is too
17 low, and so they're not usually able to get
18 into new housing. I think it's about
19 fifty/fifty on new housing. We have built
20 some new housing and about fifty percent of
21 them have energy efficient savings built
22 into, about fifty percent don't, and
23 sometimes it just has to do with the cost of
24 materials at the time.

25 BY CHAIRMAN DAVIS: Ms. Markman,

1 thank you for taking time out of your
2 schedule to come here and testify today. We
3 really appreciate your testimony.

4 BY DEBBIE MARKMAN: Well, I
5 appreciate you listening to me. Thank you.

6 BY CHAIRMAN DAVIS: Whoa, whoa, Ms.
7 Markman.

8 BY JUDGE DALE: Are there any other
9 questions from the bench.

10 BY CHAIRMAN DAVIS: Hold on.

11 BY DEBBIE MARKMAN: Sorry.

12 BY JUDGE DALE: Are there any
13 questions from the bench?

14 BY COMMISSION CLAYTON: Ms. Markman,
15 we got cut off in part of your testimony, so
16 if I ask a question that is repetitive of
17 your testimony I apologize for that. Does
18 your agency work with your client in getting
19 the utilities hooked up after they've been
20 disconnected?

21 BY DEBBIE MARKMAN: Yes, sir.

22 BY COMMISSIONER CLAYTON: And do you
23 work with your clients or your customers in
24 negotiating through the process of whether it
25 be a disconnect during the winter or trying

1 to negotiate payment plans on overdue bills
2 during warmer months?

3 BY DEBBIE MARKMAN: Yes.

4 BY COMMISSIONER CLAYTON: And I was
5 wondering if you could give me an assessment
6 of the Cold Weather Rule that we've had in
7 place over the past years, its effectiveness
8 in dealing with the problems you face,
9 whether it's adequate to deal with
10 circumstances that you have. Southwest
11 Missouri is going to be a little warmer than
12 the rest of the state, although I'm not for
13 certain of that. Can you give me an
14 assessment of the work that you do relating
15 to the Cold Weather Rule and what happens
16 with your clients getting their heat shut off
17 in the winter?

18 BY DEBBIE MARKMAN: Boy, that's a
19 big tall order. The Cold Weather Rule is
20 really - it's great in philosophy. I think,
21 you know, any of the utility companies would
22 just - the problem is the clients that break
23 the Cold Weather Rule. They do not make
24 their pay agreements. And I - you know, a
25 lot of - and Empire, I have to say, is very

1 good about working with the clients in
2 regards to pay agreements. It's just some of
3 the clients when, you know, you have a tough
4 winter, and we haven't had one in a couple
5 years, but when you do have a tough winter
6 and the rates are going up and you have a
7 \$300.00 bill for one month, and then that
8 continues for two or three months, you have a
9 bill that's \$1,200.00, and when you divide
10 that by twelve months that's \$100.00 extra
11 dollars, plus continuing to pay on your
12 utility bill. And even with our assistance
13 it's \$600.00 for the Energy Crisis Program,
14 and then on an average with the light/heat
15 program it's \$149.00. So you add that all up
16 and you're still in the hole as a - as a
17 customer. And I think that's the - and I'm
18 not sure exactly how you fix the Cold Weather
19 Rule, but we do have clients that because
20 they have broken the Cold Weather Rule are
21 not eligible for that particular process, and
22 then they have to pay for it all or come up
23 with it all. You know, I do have to say
24 Empire does do a good job in helping clients
25 work through these problems.

1 BY COMMISSIONER CLAYTON: That's
2 very helpful to hear that. Let me ask this
3 first question. How cold does it get? Does
4 it stay below thirty-two degrees throughout
5 the winter generally in your service
6 territory, --

7 BY DEBBIE MARKMAN: Yes.

8 BY COMMISSIONER CLAYTON: -- or is
9 it normally warmer than thirty-two degrees?

10 BY DEBBIE MARKMAN: No, we do have
11 below freezing temperatures here. You know,
12 in the year --

13 BY COMMISSIONER CLAYTON: What's the
14 rule, and which is the exception, I guess is
15 what I'm asking. In terms of temperature.

16 BY DEBBIE MARKMAN: Well, I will
17 give you some examples. In December it can
18 be very cold, but in January, mid way it can
19 get up to the seventies for a few days, which
20 then causes those service - or those clients
21 to have their service shut off, just to have
22 the end of January be back at freezing, so
23 then we're trying to restore again service
24 because it's been shut off due to the --

25 BY COMMISSIONER CLAYTON: So the

1 temperature per conditions of the Cold
2 Weather Rule make it difficult to negotiate
3 through a process of having power turned on
4 and turned off at various times throughout
5 the winter?

6 BY DEBBIE MARKMAN: It can.

7 BY COMMISSIONER CLAYTON: Is that a
8 fair statement?

9 BY DEBBIE MARKMAN: That is. And I -
10 at the same time, I don't want to - you
11 know, Empire District, out of all of the
12 companies we work with, is probably the best
13 in trying to look at that forecast. If it's
14 only going to be a couple days they're not
15 rushing out. But we could have a week or two
16 of that, and then we could plummet back down
17 to freezing. It's very - it's very
18 interesting in southwest Missouri with
19 weather.

20 BY COMMISSIONER CLAYTON: Okay.
21 What other companies do you work with in your
22 service territory?

23 BY DEBBIE MARKMAN: As far as the
24 Cold Weather Rule we have Missouri Gas
25 Energy, and then we do rural co-ops with New-

1 Mac Electric, but they don't follow under the
2 Cold Weather Rule, and then our propane
3 companies don't either.

4 BY COMMISSIONER CLAYTON: What do
5 the cooperatives do --

6 BY DEBBIE MARKMAN: Oh, I forget
7 about Nevada --

8 BY COMMISSIONER CLAYTON: -- during
9 the winter months? Is there a set --

10 BY DEBBIE MARKMAN: I think it's
11 thirty-four degrees. Thirty-four? I think
12 it's thirty-four degrees is our Cold Weather
13 Rule for Empire. Thirty-two. I'm sorry.

14 BY COMMISSIONER CLAYTON: It's quite
15 all right. There's a delay in the system, so
16 I start talking when you're waiting for some
17 information. Aside from finding a big pot of
18 money that would increase the amount of money
19 that you can distribute to your clients
20 during the winter months, is there anything
21 else that this Commission should be looking
22 at in terms of dealing with affordability
23 issues, especially during the winter, but
24 also other times of the year? Is there
25 anything else we could be doing?

1 BY DEBBIE MARKMAN: Obviously, you
2 know, I'm definitely in favor of
3 weatherization services, if we could figure
4 out a way with our light/heat funding at the
5 state level to take some of the light/heat
6 money, you know, fifteen percent perhaps,
7 move that money into the weatherization area,
8 which is an allowable expenditure there, I
9 think that's one thing federally that we
10 could look at, and then, again, just what
11 we're doing, this tariffs, if there are ways
12 to take some of those funds and make them
13 available to energy - you know, whether it's
14 grants to homebuilders that are doing energy
15 efficient homes, that would be to low to
16 moderate income folks, and not only are they
17 getting a newer home, but they're also
18 getting an energy efficient home as well, I
19 think those would be some excellent
20 opportunities to help our clients.

21 BY COMMISSIONER CLAYTON: Thank you,
22 Ms. Markman.

23 BY JUDGE DALE: Are there any other
24 questions from the bench? Do any of the
25 counsel have questions? Yes, Mr. Mills.

1 BY MR. MILLS: Thank you. Just to
2 follow up on some of the comments you made
3 about weatherization, you said you do about a
4 hundred and twenty-five homes a year?

5 BY DEBBIE MARKMAN: Yes. In our
6 area.

7 BY MR. MILLS: In your area. And
8 about on average how much do you spend per
9 home?

10 BY DEBBIE MARKMAN: It's gone up to
11 about I think \$2,100.00 on an average.

12 BY MR. MILLS: If you were to get
13 more money for weatherization could you - do
14 you have the technicians, the installers, the
15 infrastructure in place to double or triple
16 that in one year?

17 BY DEBBIE MARKMAN: I think the only
18 thing that we would currently have - that we
19 don't have is there is no way to get
20 vehicles, and that would be the only problem.
21 DNR is very strict about no vehicle
22 purchasing, and that has - when you grow you
23 obviously have to have vehicles, and in the
24 growth of - probably one of the - one of the
25 doors that we use, we may have to get another

1 one, if we were to grow. Yeah, I'm - they
2 would probably need a separate one if they
3 were to do that. So those would be -
4 equipment purchases would be the car and the
5 door would probably be a little bit
6 challenging in that area because there
7 doesn't seem to be a funding source that says
8 you can go do that.

9 BY MR. MILLS: Just in terms of
10 doing the weatherization projects, do you
11 think you would have - you would have enough
12 staff to be able to double or triple?

13 BY DEBBIE MARKMAN: We've been able
14 to with our Missouri Gas Energy and our
15 Empire District additional funds, we have
16 probably doubled our weatherization program
17 in the last three years, and we have been
18 able to do that, it's just there is a lot of
19 training that's available through our state
20 association. I think - I mean, obviously
21 don't want huge amounts of growth within two -
22 I mean, if you have a timeline with some
23 training going on I think, yes, we could
24 definitely handle it. In the mid seventies
25 we had six man crews running in southwest

1 Missouri, for example, and that director is
2 still here, so I know we have the capacity do
3 that, we just need the right funds to be able
4 to do it.

5 BY MR. MILLS: Thank you very much.
6 That's all I have.

7 BY MS. WHEELER: I have one
8 question.

9 BY JUDGE DALE: Ms. Wheeler.

10 BY MS. WHEELER: I'm Janet Wheeler,
11 I'm an attorney for Empire District Electric
12 Company. You indicated there were a hundred
13 and twenty-five homes.

14 BY DEBBIE MARKMAN: Uh-huh.

15 BY MS. WHEELER: And is that with
16 weatherization funds from the Empire District
17 Electric Company alone, or does that include
18 funds from other companies?

19 BY DEBBIE MARKMAN: That would be
20 all our funds together that we receive for
21 weatherization services. So Missouri Gas
22 Energy, Empire and DNR.

23 BY MS. WHEELER: Thank you.

24 BY JUDGE DALE: Are there any other
25 questions for this witness? Thank you, Ms.

1 Markman. You're excused.

2 BY DEBBIE MARKMAN: Thank you.

3 BY MR. OCHOA: Ms. Selig.

4 BY JUDGE DALE: Ms. Selig, would you
5 please raise your right hand?

6 (WITNESS SWORN IN BY JUDGE DALE)

7 BY JUDGE DALE: Thank you. Could
8 you please state and spell your name?

9 BY WINONA SELIG: My name is Winona
10 Selig. W-I-N-O-N-A, S-E-L-I-G. I live at
11 1501 Rex Avenue, Apartment 75, Joplin, 64801.
12 It's called Redwood Gardens.

13 BY JUDGE DALE: Thank you. Are you
14 a customer of Empire District Electric
15 Company?

16 BY WINONA SELIG: Yes, I am.

17 BY JUDGE DALE: Thank you. Would
18 you please proceed with what remarks you
19 have?

20 BY WINONA SELIG: Well, first I want
21 to make a remark. We live in a fifty-five
22 and older housing complex, and last night we
23 asked a number of the residents to come to
24 the hearing, and their attitude is what good
25 would it do, they're going to raise the rates

1 anyway. And, of course, I'm here because I
2 believe one voice can make a difference,
3 hopefully. What I'm wondering, I am a
4 customer, and living in this housing complex,
5 now is the authority under which we live
6 going to be able to pass some of their rates
7 on to we renters? Should we pay our own bill
8 but in the past so far - see their expenses
9 go up so our rent goes up. Now, how is that
10 going to affect us?

11 BY JUDGE DALE: I think the answer
12 to that would be it depends on what kind of
13 contract you have between the housing
14 authority and you. It would be controlled by
15 your lease. So I don't know that we here can
16 answer that.

17 BY WINONA SELIG: I didn't know
18 whether they would - if there was some way or
19 another they would be able to pass on some of
20 those expenses to us. I have lived there
21 less than two years and I've already had a
22 \$10.00 a month increase because of their
23 additional expenses, which could be anything.

24 BY JUDGE DALE: I don't think
25 there's anyone here who can tell you for

1 certain whether or not it would be passed to
2 you or not.

3 BY WINONA SELIG: Would there be any
4 way of controlling that they cannot pass on
5 their electrical expenses to their customers?
6 Now, I'm talking about the people - the home
7 we're at.

8 BY JUDGE DALE: I think that that's
9 all controlled by your lease between you
10 renters and the authority from which you
11 rent, so what we do here wouldn't have -
12 there isn't anything that we can do to have
13 any affect on that relationship.

14 BY WINONA SELIG: All right. That's
15 not very comforting. Now, I'm not - some
16 people in this residence do receive
17 government subsidy. My income is a little
18 above that so I am not eligible, nor would I
19 be eligible for getting assistance with
20 heating problems, or expenses. As I am
21 eighty years of age, and with our increased
22 medical costs, and everything else keeps
23 going up, it makes me quite angry really that
24 my husband and I worked for years scrimping
25 and saving, trying to get a little bit saved

1 for our retirement, and yet in our retirement
2 my husband is deceased, our expenses keep
3 going up and up and up, and so I am very
4 definitely against any rate increase. I
5 don't know how you could work that out, but I
6 think a burden has become even heavier and
7 heavier on we senior adults, and I do not
8 think it's fair.

9 BY JUDGE DALE: Is that the - is
10 that the end of your remarks?

11 BY WINONA SELIG: That's all I have
12 to say. And I thank you for hearing me out.

13 BY JUDGE DALE: Thank you. Are
14 there any questions for Ms. Selig? Chairman
15 Davis?

16 BY CHAIRMAN DAVIS: No questions.
17 Thank you, Ms. Selig.

18 BY JUDGE DALE: Are there any other
19 questions from the bench?

20 BY COMMISSIONER CLAYTON: Ms. Selig,
21 my name is Robert Clayton, I'm a member of
22 the Public Service Commission. I first want
23 to thank you for taking the time to come out
24 today despite what your neighbors say back
25 home. I can assure you that the words that

1 you're saying are coming in loud and clear
2 through this system, and I'm sure all of us
3 are paying close attention to that.
4 Regarding your question about your
5 relationship with your apartment complex,
6 none of us have the ability to give you an
7 answer on that because we just don't know all
8 of the facts, and really we're not equipped
9 to deal with issues associated with entities
10 outside of utilities, so I apologize for
11 that. I wanted to check with you and ask you
12 a few questions. I wanted to ask, first of
13 all, at your housing complex whether you have
14 both electricity and gas service.

15 BY WINONA SELIG: We have - it's all
16 electric, and we pay - we are responsible for
17 our own electric bill.

18 BY COMMISSIONER CLAYTON: So you
19 don't have any natural gas service --

20 BY WINONA SELIG: No.

21 BY COMMISSIONER CLAYTON: -- for
22 your apartment?

23 BY WINONA SELIG: No.

24 BY COMMISSIONER CLAYTON: Okay. And
25 the service that you have for electricity is

1 with Empire, is that correct?

2 BY WINONA SELIG: Correct.

3 BY COMMISSIONER CLAYTON: And you
4 pay Empire directly? When you receive the
5 bill you send that bill back to Empire?

6 BY WINONA SELIG: Yes. It comes
7 directly to --

8 BY COMMISSIONER CLAYTON: Have you
9 been satisfied with the - excuse me. I'm
10 sorry for interrupting. Would you please
11 restate that?

12 BY WINONA SELIG: Yes, I'm satisfied
13 with the service I have received, and I do
14 pay my own bill directly to Empire. Each of
15 us do.

16 BY COMMISSIONER CLAYTON: Okay. I
17 wanted to be - I wanted to be clear on that
18 aspect of the service.

19 BY WINONA SELIG: Yes. Now, that is
20 in our contract, that we do pay our own
21 electric bill plus our rent.

22 BY COMMISSIONER CLAYTON: Do you
23 have any neighbors who have had their
24 electricity turned off --

25 BY WINONA SELIG: Not to my

1 knowledge.

2 BY COMMISSIONER CLAYTON: -- because
3 of nonpayment of their bill?

4 BY WINONA SELIG: Not to my
5 knowledge.

6 BY COMMISSIONER CLAYTON: Okay.

7 BY WINONA SELIG: If medical
8 expenses keep going up that could happen.

9 BY COMMISSIONER CLAYTON: Ma'am, I
10 wish I could help you with the medical
11 expenses, but that just isn't our - in what
12 we do, but I wish we could do something about
13 it. Thank you for coming out today.

14 BY WINONA SELIG: Thank you.

15 BY JUDGE DALE: Do any of the
16 counsel have questions?

17 BY MR. MILLS: No questions. Thank
18 you.

19 BY JUDGE DALE: Thank you, Ms.
20 Selig. We appreciate your coming out today.
21 And you are dismissed.

22 BY MR. OCHOA: Carl Moore. (sic)

23 BY CARL WALLACE: My name is Carl
24 Wallace.

25 BY JUDGE DALE: Thank you, Mr.

1 Wallace. Would you please raise your right
2 hand?

3 (WITNESS SWORN IN BY JUDGE DALE)

4 BY JUDGE DALE: Thank you. Could
5 you please restate and spell your name?

6 BY CARL WALLACE: C-A-R-L, middle
7 initial E, Wallace, W-A-L-L-A-C-E.

8 BY JUDGE DALE: Thank you. And your
9 address?

10 BY CARL WALLACE: 1501 Rex,
11 Apartment 38, Joplin. I also live at the
12 same place the preceding witness, Redwood
13 Acres - Redwood Gardens. Excuse me.

14 BY JUDGE DALE: Thank you. And are
15 you also a customer of Empire District
16 Electric Company?

17 BY CARL WALLACE: Yes. I have been
18 for about fourteen years.

19 BY JUDGE DALE: Thank you. Please
20 proceed with the remarks that you would like
21 to make.

22 BY CARL WALLACE: Well, as I said,
23 I've been a customer of Empire about fourteen
24 years. After what I am going to say here I
25 might be eating supper by candlelight. I

1 think it's patently unfair for Empire to
2 saddle the retired and low income people of
3 Joplin with their debt from acquiring Kansas
4 City Gas and the new plant in Iantha. We
5 weren't asked about that, neither was there a
6 vote or anything on it. And I think it's
7 unfair for the retired and low income people
8 to have to pay for that, for their
9 acquisitions. And Joplin has a median income
10 of only seventy-four percent of the national
11 average, and that's according to our Chamber
12 of Commerce in their annual survey of the
13 cities of the United States that came out in
14 The Joplin Globe. We're currently third or
15 fourth in the United States among - as
16 economical places to live. I sometimes
17 seriously question that. And according to my
18 calculations Empire has had twenty-eight to
19 thirty-five percent raises over the past two
20 and a half to three years, and I think we
21 have had enough fees raised without these
22 others. I realize costs go up. Well, our
23 costs goes up, too, as does everybody here in
24 the room. Gasoline, Medicare Part D, and all
25 that has come up, and the rent. My rent has

1 raised about every two years since I have
2 lived there. And I'm paraphrasing a lady
3 that I read about in The Joplin Globe
4 yesterday, and I think it's very unfair for
5 my neighbor down the street to buy a new
6 Camry or Lexus then expect me and my friends
7 to make the payments on it. Thank you.

8 BY JUDGE DALE: Thank you, Mr.
9 Wallace. Are there questions from the bench?
10 Commissioner Davis?

11 BY CHAIRMAN DAVIS: Mr. Wallace,
12 would you feel better if you knew that the
13 electric rate payers weren't paying for the
14 acquisition of the gas system that Empire
15 bought? Would that make you feel better?

16 BY CARL WALLACE: Yeah. A little
17 bit.

18 BY CHAIRMAN DAVIS: Okay.

19 BY CARL WALLACE: Probably
20 everybody.

21 BY CHAIRMAN DAVIS: Okay.

22 BY CARL WALLACE: But who is going
23 to pay for it then? May I ask?

24 BY CHAIRMAN DAVIS: We'll have to
25 decide - well, I don't know that I can answer

1 that question for you at this time, sir.
2 Now, Mr. Wallace, you don't want to be held
3 responsible for I guess Empire Electric's
4 other investments in I guess the Iatan Coal
5 Plant (ph.), is that correct?

6 BY CARL WALLACE: Well, I know
7 somebody will be paying for it, and I imagine
8 we will be indirectly through these raises.

9 BY CHAIRMAN DAVIS: Well, I guess,
10 Mr. Wallace, I want to ask you what should we
11 do when the population down here is growing,
12 so you're going to have to add more
13 generation to serve them, so should all the
14 customers pay for that generation, or should
15 just the new customers pay for that
16 generation, and then if it's the new
17 customers what would happen to the old
18 customers when you shut the plant down?

19 BY CARL WALLACE: I imagine it would
20 be spread to most all the - all the
21 customers.

22 BY CHAIRMAN DAVIS: No further
23 questions.

24 BY JUDGE DALE: Thank you. Are
25 there other questions from the bench?

1 BY COMMISSIONER CLAYTON: I don't
2 have any questions, Mr. Wallace, but I want
3 to thank you very much for taking the time to
4 come out today. I appreciate your comments.

5 BY CARL WALLACE: Thank you.

6 BY JUDGE DALE: Do any of the
7 counsel have questions of Mr. Wallace?

8 BY MR. MILLS: I have no questions.
9 Thank you.

10 BY MS. WHEELER: No questions.

11 BY JUDGE DALE: Thank you then, Mr.
12 Wallace, for your remarks. You're excused.

13

14 BY MR. OCHOA: Hazel O'Banion.

15 BY JUDGE DALE: Ms. O'Banion, would
16 you please raise your right hand?

17 (WITNESS SWORN IN BY JUDGE DALE)

18 BY JUDGE DALE: Thank you. Could
19 you please restate and spell your name for
20 the record?

21 BY HAZEL O'BANION: Hazel O'Banion.
22 H-A-Z-E-L, O-'-B-A-N-I-O-N.

23 BY JUDGE DALE: And your address?

24 BY HAZEL O'BANION: 7938 County Lane
25 217, Webb City, Missouri.

1 BY JUDGE DALE: Thank you. Are you
2 a customer of Empire District Electric
3 Company?

4 BY HAZEL O'BANION: Yes, ma'am, I
5 am.

6 BY JUDGE DALE: Thank you. Please
7 proceed with your comments.

8 BY HAZEL O'BANION: Well, like the
9 gentleman before me, I don't have a lot of
10 information written down, but I do know that
11 the increase that's being asked for is too
12 much. I speak for myself, and I would like
13 to think that I speak for a lot of other
14 clients. I work with the elderly. They
15 already pay out as much as they possibly can.
16 They don't have an extra income, I do. I
17 draw social security. I have a widow's
18 pension. I also work. And I still have
19 difficulty with some of my bills, just plain
20 ordinary bills. And I have medication to
21 buy, that's true, insurance covers a lot of
22 it. Most of the people that I work for do
23 not have an extra income, they will never
24 have an extra income, and I just - an
25 increase, yes, I would agree for that, but

1 not this one. And that's - that's basically
2 all I have to say.

3 BY JUDGE DALE: Thank you, Ms.
4 O'Banion. Are there any questions from the
5 bench? Chairman Davis?

6 BY CHAIRMAN DAVIS: No questions.
7 Thank you, Ms. O'Banion.

8 BY JUDGE DALE: Any other questions
9 from the bench? Mr. Clayton?

10 BY COMMISSIONER CLAYTON: I just
11 wanted to thank you, Ms. O'Banion, for coming
12 out today. Thank you.

13 BY HAZEL O'BANION: Thank you all
14 for listening.

15 BY JUDGE DALE: Are there any
16 questions from counsel?

17 BY MS. WHEELER: No questions.

18 BY MR. MILLS: No. Thank you.

19 BY HAZEL O'BANION: Thank you.

20 BY JUDGE DALE: Thank you very much,
21 Ms. O'Banion.

22 BY MR. OCHOA: Judge, that is the
23 last name on the signup sheet. We have one
24 other gentleman.

25 BY JUDGE DALE: Thank you, sir.

1 Could you please raise your right hand?

2 (WITNESS SWORN IN BY JUDGE DALE)

3 BY JUDGE DALE: Thank you. If you
4 will please state and spell your name.

5 BY SCOTT CARR: Scott Carr. S-C-O-T-
6 T, C-A-R-R.

7 BY JUDGE DALE: And your address?

8 BY SCOTT CARR: 618 Empire in
9 Joplin.

10 BY JUDGE DALE: Thank you. Are you
11 a customer of Empire District Electric
12 Company?

13 BY SCOTT CARR: Yeah. Who isn't?

14 BY JUDGE DALE: Thank you. Please
15 proceed with what remarks you have.

16 BY SCOTT CARR: Okay. I would like
17 to just make an observation about - I have
18 been buying gas and electricity, basically
19 paying my own utilities for about fifteen
20 years now, since around the first of the
21 nineties, and when I first moved off from
22 home and I started buying - paying my own
23 bills and stuff it was fairly inexpensive to
24 live. Rent has always been low in this area,
25 and so were all the utilities, and this

1 remained about the same until about ten years
2 ago, and then starting around - somewhere
3 around '95, '96, somewhere in there, all the
4 rates for mostly the gas, but also the
5 electricity, have started to shoot up. And
6 like this gentleman that was up here awhile
7 ago said something about he calculated twenty-
8 some percent over the past couple years.
9 Over the past ten year period these rates
10 have really shot up a lot. And what I would
11 like to know is, is where is the ceiling at?
12 You know, this is obviously something that's
13 been a trend these past ten years, but it
14 wasn't - it wasn't the case before that. And
15 what I see this as, we have the middle class
16 being pilfered by corporate America, and
17 every time we turn around we get asked to do
18 a little bit more when we're already strapped
19 for cash. So what I would like to know is,
20 is where's the ceiling. One of the things I
21 like to do is I like to say roll the movie
22 projector forward. That's - roll the movie
23 projector and let's say we have the same
24 trend for the next ten years, where are we
25 going to be? You know, I had - I had the

1 highest gas bill I've ever had in all these
2 years now. Over the winter I had a gas bill
3 that was three hundred and thirty bucks for
4 one month. And I tell you what that is,
5 that's the ceiling. I live in a smaller,
6 older home, I don't have a lot of space in my
7 house, and like this lady who was asking
8 about weatherization, my house is old, and
9 when it gets cold I really bite the bullet,
10 but my mortgage payment is \$400.00, and this
11 gas bill was approaching my mortgage payment.
12 And what I see here is we've got this trend
13 going, so where is the ceiling at? Why is it
14 okay - it's going to be okay to do it this
15 year, going to get away with it this time,
16 then you're going to do it again next year.
17 What you've got is, is you've got Economic
18 Security that's carrying the load for the
19 bottom, and what people do is, is they go in
20 there and get help from Economic Security,
21 which is carrying the load for the bottom,
22 and I tell you where those people would be if
23 it wasn't for Economic Security, where all
24 these people would be would be on the front
25 doorstep of Empire District begging to have

1 their service turned back on because they
2 can't afford the rate hikes. So now what
3 you're asking these - Economic Security to do
4 is to carry a bigger load at the bottom. I
5 would like to know why that's their
6 responsibility. If you keep this up another
7 ten years you're not going to have an empty
8 room here, you're going to have a room that's
9 going to be full of a bunch of angry people,
10 because what's going to start happening,
11 Economic Security - and I saw a little bit of
12 it this winter. I had to go into Economic
13 Security because I run a small business and I
14 have been trying to get - I am kind of in the
15 startup phase, and so I haven't had a lot of
16 money, so I ended up down there at Economic
17 Security with everybody else who is down
18 there on the bottom, and what - excuse me.
19 Anyway, I ended up down there this winter,
20 and what I was seeing was that there's people
21 that was being turned away at the door.
22 People go in there to get help, and it's kind
23 of like a lottery now, you've got to be there
24 at a certain time, you've got to be there
25 before 8:00, and if you don't show up there

1 at a certain time then you get turned away.
2 And that's just this year. What's it going
3 to be like five years from now? What's it
4 going to be like now when you've got electric
5 going up with the gas? And what's going to
6 start happening when Economic Security can't
7 serve all the people who are getting turned
8 away is that they're going to end up down
9 here. They're going to end up down here
10 screaming and yelling at you people. And I
11 don't understand what anybody on this
12 committee or at Empire District would think
13 that it's okay to do this this year, because
14 it's going to be the same thing next time,
15 and the same thing the time after that, and
16 the same thing the time after that. You may
17 be able to turn away these elderly people
18 that walk in here and say, well, they - maybe
19 they've got ten, fifteen years left to live,
20 we can put them off, a few more years they'll
21 be off - they'll be kicked off and you won't
22 have to worry about them, but what about
23 somebody like me? What about all of the
24 young people? There's a lot of people who
25 are having a hard time getting up in this

1 world, they're young, they need to be able to
2 do something with their money besides pay for
3 stinking utilities. And everything else in
4 this country is still fairly inexpensive,
5 because why, because there's competition.
6 You can go, you know, buy a pizza here across
7 time, or buy a pizza over there, you can buy
8 things at Wal-Mart, all these other products
9 have been kept low cost because of
10 competition, and you guys don't have any
11 competition, you've got a monopoly.
12 Everything that has been monopolized - what's
13 turned out to be what's going on - what the
14 truth is, is everything that's been
15 monopolized is going up. Gas is going up.
16 All - all these people are starting to work
17 together. The gas companies started to work
18 together, the medical stuff is starting to
19 work together, and everybody - you know, the
20 media is all starting to work together,
21 they're all getting bought out by the same
22 companies, and prices are all starting to go
23 up. And what I would like to know is, is,
24 hey, you can pilfer the middle class if you
25 want to, and that's what everybody is doing,

1 you can go ahead and pilfer it until it's
2 just flat left to nothing, but then where are
3 you going to be? And how much longer do you
4 have? How much longer do you really have to
5 keep playing this game? Because I can tell
6 you right now it wasn't going on twenty years
7 ago. It wasn't going on thirty years ago.
8 What was going on back then is the opposite.
9 We were building the middle class. Now it's
10 become the biggest gold rush in this country,
11 to pilfer it. You bring people - you send
12 your stuff in the mail to people about asking
13 them how they're going to pay for it. This
14 guy, you asked him a question about who
15 should pay for these acquisitions that Empire
16 District made, and he answered your question
17 awhile ago. You said something about who
18 should pay for it, should it be everybody,
19 all the customers pay for it, or should it be
20 these customers that pay for it. Well, let
21 me tell you something, I run a business, I
22 can tell you should pay for it, Empire
23 District pays for it, it's their business.
24 You borrow the money. That's what I do.
25 When I want to make an acquisition I scrounge

1 up my money, I take out a loan. It's not up
2 to the customers to pay for your business.
3 It's not up to my customers to pay for my
4 business. That's my responsibility. If I
5 want to grow - oh, yeah, we have lots of
6 council work in this town to grow this town.
7 Well, that means you're going to have higher
8 profits. Or seeing higher profits, it means
9 you're going to have more revenue if you're
10 going to have more customers, right? So if
11 you want to serve those customers borrow the
12 money and go buy what you need. It's not up
13 to these people, or me, or some other
14 customer of yours to pay for your
15 acquisitions. I don't even know where that
16 comes from. If I had that attitude I would
17 be out of business because I don't run a
18 monopoly. I have to compete with everybody
19 else who is in my industry. So I don't get
20 it. I don't get the question. How could -
21 how could it be up to the customer to pay for
22 your acquisitions? And, again, you want to
23 keep playing this game forward, you can keep
24 it up, but where - where is the ceiling at?
25 Where are we going to end up? Now, I would

1 like to say something directly to Empire
2 District about maybe something that, you
3 know, maybe has to do with the change in
4 attitude or something. I noticed they put
5 that nice shiny new building in down there on
6 Joplin Street, and they wear that building
7 like a ring on their finger, nice and shiny
8 gold, you know. Instead of thinking about
9 what kind of precedent that sets, the people
10 who go in there and work every day, the CEO's
11 that go in there, the managers sitting in
12 there, that all that glitters is gold, is for
13 us subjects to pay for it. Do you see a
14 problem with that? I consider that a big
15 mistake. I go in that building and I walk in
16 there and I can't hardly see the ceiling it's
17 so high up. It looks like marble floors, and
18 marble doorways, and all this gold stuff
19 everywhere. I didn't ask for that. I don't
20 need that if I go in there for five minutes
21 to pay my bill. Hell, your own - your own
22 electric bill must be through the roof. So
23 my opinion, what should have been done was
24 that they should have built a building that
25 was energy conservative, that was energy

1 efficient, that used some of these new modern
2 technologies about how to save energy,
3 capture the sunlight, you know, new
4 materials, efficient heat and air system.
5 That's the kind of building you should have
6 built so that you set the different
7 precedent, that when people go in there to
8 work, when they go in there to service your
9 customers, when they go in there making
10 manager decisions, and they go in there to
11 run your business, instead of all that
12 glitters is gold, instead it's a precedent
13 of, hey, let's - let's be good stewards of
14 the energy that we're using. Let's set a
15 precedent, hey, you wouldn't want - we've got
16 a monopoly here, we don't need to advertise
17 and try to sell to everybody, we can ask - we
18 don't have to ask people, you know, to try to
19 talk people into buying electricity, we're
20 already selling to everybody, so why don't we
21 set a good example, why don't we tell
22 everybody that what we want them to do is to
23 pay for as little electricity as possible, so
24 that we can save what we've got, so we can
25 try and keep our costs down. And you guys

1 could have set the precedent. You could have
2 been the people to say we're going to be
3 conservative first, we're going to - we're
4 going to show you how to do it, and then you
5 can follow our lead, then you can go home and
6 you can weatherize your house, and you can
7 buy this new material, you can buy an energy
8 efficient heat system, and they would be more
9 they would be more liable to do it, but
10 instead it's - it's something else. Let's
11 put up some big shiny things so we can - we
12 can show everybody how cool we are, and then
13 when things get tough, when we can't afford
14 to run our trucks around Joplin anymore
15 because the gas company is screwing us, then
16 let's ask - we'll ask everybody else to pay
17 for it, and then if you would have done that
18 with your building - if you would put in a
19 building that would have sent the right
20 message, it would have set the right
21 precedent, then it would have been a natural
22 next step to go out and buy hybrid vehicles,
23 and vehicles that you could use in your - you
24 know, to run around town and do your work
25 that weren't gas wasters. You guys must be

1 paying a fortune on gas to run around in them
2 big trucks. You know, it's funny, there was
3 a water leak out in the street by my house,
4 and it was - you know, they sent people - it
5 was fixed by a committee, and sent people by -
6 you know, somebody come by from the City, he
7 would get out of his truck, you know, it said
8 City of Joplin, get out of his truck and look
9 and say, yeah, yeah, there's a leak right
10 there. Then somebody else would come by from
11 the water company, and they had a truck, and
12 he got out of his truck and he said, oh,
13 yeah, looks like it's leaking, well, see ya,
14 we'll figure it out some day. It took them
15 about two to three months to fix it. All
16 they had to do is come out and dig a little
17 hole in the ground and repair the pipe, but
18 yet between fixing it and three months
19 earlier they had sent twenty trucks by.
20 Spending that expensive gas. So this is what
21 I say about one of my biggest lessons, about
22 running a business, because I always thought -
23 when I got started on this I always thought
24 it was going to be about, you know,
25 marketing, and how I could get my product out

1 there and all that, but it really wasn't. It
2 was about the wise allocation of resources.
3 And that was Benjamin Franklin's plan, to be
4 frugal and industrious. And I always thought
5 it was going to be something, you know, where
6 I was going to have to be a great salesman
7 and this and that, but as it turns out, you
8 know, people want a good value on their
9 money. Good products sell themselves. What
10 it turned out to be was that I was wise in
11 how I used my resources, especially with
12 money. And what I see missing out of
13 corporate America, and what I see missing out
14 of politic America, because right now the two
15 of them are married, is that they claim to be
16 conservative, but I don't think they really
17 get it. I see the opposite. I see a bunch
18 of waste, and a bunch of bad decisions, and
19 then they come looking to us to pick it up,
20 to make it up, and we're all strapped. So
21 what I would like to know is, you know, what
22 have you guys done to go through your
23 operation, to say now where are we wasting,
24 why can't we get some hybrid vehicles, why
25 can't we, you know, change this, fix that,

1 are we paying ourselves too much, how much
2 does it cost to air-condition our own damn
3 building. Let me show you something on my
4 summer attire. It's called a flip-flop. You
5 can get them for a couple bucks. Some of you
6 people ought to be wearing them. But I think
7 it's - really it's up to you guys to figure
8 out how you're going to pay for price hikes
9 that you're getting on your end. If you want
10 to make an investment that's - that's the
11 last thing from our responsibility. That's
12 your responsibility as business owners. And
13 you ought to be good stewards of your
14 community, not show-offs, and what you ought
15 to do is, is you ought to figure out how to
16 be truly conservative, because I'll tell you
17 who is truly conservative. You want to know
18 who the real conservatives are, it's the
19 American families for having to figure out
20 how to do the same with less. Isn't that
21 what conservative really is supposed to be
22 all about, that you're not a money waster,
23 that you accomplish the same task, and
24 produce the same product, you provide the
25 same service with less cost? That's

1 conservatives. And that's what the American
2 people are doing right now. They're doing it
3 for you. They're doing it for the gas
4 company. They're doing it for the hospitals.
5 They're doing it for everybody that's
6 turning around and raping them. So that's
7 what I would like to see from leadership from
8 the top, is put your money where your mouth
9 is, show us you can do the same thing. Stop
10 asking us to do more of what we've been
11 doing, which is already conservative. You
12 know, I've learned how to run my business on
13 almost nothing. I got started, and a few bad
14 decisions, I find myself crawling across the
15 bottom. I'll tell you, it's hard to get off
16 the bottom. So I have learned how to run my
17 business on almost nothing. But it's pretty
18 scary when - you know, right now I don't
19 think I'll be running my air-conditioner this
20 summer. I can't afford it. I had the worst
21 winter of my life this past winter. I
22 couldn't afford the gas, live in an old
23 house. You know, the big mistake, what
24 happened - I don't know how much of this
25 affects Empire, but I imagine it affects them

1 a little bit because here's the big mistake,
2 they used to build these old houses with
3 floor furnaces, maybe they had boilers and
4 stuff. These things were really warm, gas
5 was real cheap, and those old houses, they're
6 not a flip for being - you know, air leaks
7 and all that stuff. The walls aren't
8 insulated, the ceiling is not insulated,
9 they're leaky, but those floor furnaces, they
10 heated them just fine with cheap gas. So
11 what you've done is, is you and the oil
12 companies, you've created - you've created a
13 nightmare out of old housing, because what's
14 happening now is that these shysters come
15 along that work in the heat and air business
16 and they put these damn forced air systems in
17 these old houses, and they stink. They're
18 gas wasters. They don't even keep you warm.
19 If anybody has ever put one in an old house
20 they would know. At least a floor furnace
21 has got some radiating heat. You know, a
22 forced air system doesn't have any radiating
23 heat. So you sit in there - and I sat in
24 there and it was the worst winter of my life.
25 I sat in this house and I turned my heat

1 register down to as low as I could stand it.
2 It was like sixty-two degrees. I was more
3 miserable than I had ever been. And I had a
4 heat bill that was three hundred and thirty
5 bucks on top of that. Baby, I'm telling you
6 that's the ceiling. And maybe I'm the only
7 one down here bitching today, another ten
8 years, another five years, it's going to
9 start to grow, and then we're all going to
10 reach the ceiling, then where are we going to
11 be? Because you all think it's your turn to
12 tap into the middle class, get your piece of
13 the pie before it's all gone, is that it?
14 Let me tell you what I think. I think the
15 harder the oil companies hit us the more
16 generous you ought to be. Something that
17 helps make up for it. I don't know what more
18 I can say.

19 BY JUDGE DALE: Thank you, sir.
20 Thank you. Are there any questions for this
21 witness from the bench? Chairman Davis?

22 BY CHAIRMAN DAVIS: No questions.

23 BY JUDGE DALE: Thank you. Other
24 Commissioners?

25 BY COMMISSIONER CLAYTON: Thank you,

1 Judge. Sir, I didn't write down your name.
2 Could you state your name again for me? I
3 apologize for that.

4 BY SCOTT CARR: Scott Carr.

5 BY COMMISSIONER CLAYTON: I just
6 wanted to thank you for coming. You said a
7 mouthful here today, and I appreciate the
8 comments, and can assure you we'll be looking
9 at this very closely. Thank you.

10 BY JUDGE DALE: Thank you, Mr. Carr.
11 Are there any questions from any of the
12 counsel?

13 BY MR. MILLS: No questions.

14 BY MS. WHEELER: No questions.

15 BY JUDGE DALE: Then, Mr. Carr,
16 thank you very much. You're excused.

17 BY MR. OCHOA: Judge, that was the
18 last witness. Is there anybody else that
19 wants to testify who has not had an
20 opportunity to do so? I see no hands.

21 BY JUDGE DALE: All right. Thank
22 you, everyone, for coming. Is there anything
23 else that anyone here at Jefferson City or in
24 Joplin has to add to this proceeding?
25 Hearing nothing then we will be adjourned and

1 off the record. Thank you very much.

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3 (HEARING CONCLUDED)

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