

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
TRANSCRIPT OF PROCEEDINGS

PUBLIC HEARINGS  
JANUARY 4, 2007  
CAPE GIRARDEAU AND DEXTER, MISSOURI  
VOLUME 5

In the Matter of Union Electric Company d/b/a  
AmerenUE for Authority to File Tariffs Increasing  
Rates for Electric Service provided to Customers  
In the Company's Missouri Service Area

In the Matter of Union Electric Company d/b/a  
AmerenUE for Authority to File Tariffs Increasing  
Rates for Natural Gas Service Provided to Customers

In the Company's Missouri Service Area

Case Nos. ER-2007-0002

GR-2007-0003

NANCY DIPPELL, Presiding

DEPUTY CHIEF REGULATORY

LAW JUDGE

JEFF DAVIS, Chairman,

CONNIE MURRAY,

STEVE GAW,

ROBERT M. CLAYTON, III,

LINWARD "LIN" APPLING,

COMMISSIONERS

1                   REGULATORY LAW JUDGE DIPPELL: We'll go  
2 ahead and go on the record. This is case numbers  
3 ER-2007-0002 and GR-2007-0003. Good evening. It's  
4 Thursday, January 4th, 2007, and the Missouri Public  
5 Service Commission has set this time for a local hearing  
6 at which -- in which Ameren seeks to implement a rate  
7 increase for its electric and gas services. This  
8 hearing is being held as a joint hearing in two  
9 locations, joining via videoconference with myself and  
10 Commissioners in Jefferson City.

11                   I'd like to thank Southeast Missouri State  
12 University and the Dexter Armory for the use of their  
13 facilities. And in addition, this hearing is being  
14 broadcast over the internet.

15                   The Missouri Public Service Commission  
16 regulates the rates charged by investor owned utility  
17 companies in Missouri to ensure that those rates are  
18 just and reasonable. The Commission also regulates the  
19 quality of service and safety of operations and the  
20 safety of the operations of investor owned utilities.  
21 The commission is made up of five commissioners and two  
22 of those commissioners are here with me today.  
23 Commissioner Murray and Commissioner Appling are here in  
24 Jefferson City.

25                   My name is Nancy Dippell, and I'm the

1 regulatory law judge that is assigned to preside over  
2 tonight's hearing. Also, with me here in Jefferson City  
3 are staff counsel Steve Dottheim, counsel for the  
4 company, Jim Fischer, and some of our information  
5 technology staff. In Dexter, we have -- I think many of  
6 you have already met. We have staff members Tom Onhoff  
7 and Gaye Fred. And in Cape Girardeau, we have Kevin  
8 Kelly and Lena Mantel and the advisor to Chairman Davis,  
9 Doug Heely, is also there. Mr. Mills, at which location  
10 are you?

11 MR. MILLS: I'm in Cape Girardeau.

12 REGULATORY LAW JUDGE DIPPELL: Thank you,  
13 Mr. Mills is the public counsel and he represents the  
14 public before the Commission.

15 This is an official hearing with the  
16 Missouri Public Service Commission and the statements  
17 and testimony of the witnesses will be recorded by a  
18 court reporter and will be given under oath or  
19 affirmation. Not all of the commissioners were able to  
20 be here this evening, but all of them will have an  
21 opportunity and will read the comments that the  
22 witnesses make in those transcripts.

23 Although the purpose of this hearing tonight  
24 is to hear from you on the subject of proposed  
25 increases, if you have recent storm-related service

1 issues, that testimony will also be taken this evening.  
2 And we certainly want to hear about your service-related  
3 issues as part of the rate case.

4           Tonight is your opportunity to testify, and  
5 your remarks become part of the official record. If  
6 you're unable to testify tonight for any reason, there  
7 are some flyers to pick up that the staff members  
8 brought with them. The flyers have a space for you to  
9 enter your comments and to include both -- and then it  
10 includes both the Commission's mailing address, the  
11 website address and our fax number. You can fill out  
12 the form tonight and give it to one of our staff members  
13 or fill them out later and mail or fax them to us. You  
14 can also enter your comments directly by going to the  
15 Commission's website at [www.tsc.mo.gov](http://www.tsc.mo.gov), and if you have  
16 any questions, you may reach the Commission staff at  
17 (573) 751-3234 or the office of the public counsel at  
18 (573) 751-4857. What we receive tonight in writing or  
19 through the Commission's website, all the testimony will  
20 be made part of the official record in the appropriate  
21 case. If you have any comments concerning the rate  
22 increase, request for electric service, I believe the  
23 forms have been color coordinated, you can take a green  
24 form. And if you have questions or comments about the  
25 natural gas service take a blue form. You may also

1 provide comments in both cases.

2                   For the witnesses who wish to testify live,  
3 there's been sign-up sheets provided there and those of  
4 you that have signed up, I will call the name of each  
5 witness signed up. I'll try to take them in order, and  
6 I'll alternate between sites as going from taking one  
7 witness in Cape Girardeau and one in Dexter and then  
8 back to one in Cape Girardeau. After we've gone through  
9 all the people that have signed up and there are others  
10 who wish to speak, I'll give you an opportunity to sign  
11 up at that time. So that we have time to get every --  
12 we'll be here until everyone who wants to testify has  
13 had an opportunity, but so that everyone may have the  
14 opportunity, I will ask you to try keep your comments  
15 brief. And if you want to just stand up and testify  
16 that you agree with somebody else's comments, that is  
17 perfectly acceptable.

18                   When your name is called, please come  
19 forward and stand or sit -- there's a witness table I  
20 believe in the Dexter area and kind of a podium there in  
21 Cape. If you'd come forward and speak into that  
22 microphone. I'll ask you a few -- I'll first swear you  
23 in, and I'll ask you a few preliminary questions such as  
24 your name and address and then you'll be able to make  
25 your comments. There may be some questions after your

1     comments from the attorneys or one of the commissioners  
2     or from myself, and so I'll ask you to please remain at  
3     the witness stand until you're excused.

4                     Like I say, we'll end when everyone that  
5     wants to speak has had an opportunity to do so. And  
6     with that, I think we'll begin first by letting the  
7     attorneys make their official entries of appearance.  
8     Let's begin here in Jefferson City with the staff.

9                     MR. DOTTHEIM: Steven Dottheim, Post Office  
10    Box 360, Jefferson City, Missouri 65102, appearing on  
11    behalf of the staff of the Missouri Public Service  
12    Commission.

13                    REGULATORY LAW JUDGE DIPPELL: Mr. Fischer.

14                    MR. FISCHER: On behalf of Union Electric in  
15    the case, I'm Jim Fischer with the law firm of Fischer  
16    and Dority, P.C., 101 Madison Street, Suite 400,  
17    Jefferson City, Missouri 65101.

18                    REGULATORY LAW JUDGE DIPPELL: Mr. Mills.

19                    MR. MILLS: Appearing on behalf of the  
20    office of public counsel of the public, my name is Louis  
21    Mills. And my address is Post Office Box 2230,  
22    Jefferson City, Missouri 65102. Thank you.

23                    REGULATORY LAW JUDGE DIPPELL: And are there  
24    any other attorneys present that wish to make an entry  
25    of appearance for one of the parties in this case?

1     Okay.  Seeing none, then are there any opening remarks  
2     from the Commissioners?  Okay.

3                   COMMISSIONER APPLING:  This is Lin Appling  
4     in Jefferson City, and my colleague, Connie Murray.  We  
5     just thank everyone for coming out and we appreciate and  
6     look forward to your comments.

7                   REGULATORY LAW JUDGE DIPPELL:  Thank you.  
8     We begin with the first witness in Cape Girardeau.

9                   MR. KELLY:  Judge, the first witness on our  
10    list here is Scott Meyer.

11                  REGULATORY LAW JUDGE DIPPELL:  Good evening,  
12    Mr. Meyer.  Could you please raise your right hand?

13                   (Witness sworn.)

14                  REGULATORY LAW JUDGE DIPPELL:  Thank you.  
15    If you'd state your name and spell it for the court  
16    reporter and give us your address.

17                  MR. MEYER:  It's Scott Meyer, S-c-o-t-t,  
18    M-e-y-e-r.  I'm at One University Plaza, Cape Girardeau,  
19    Missouri 63701, representing Southeast Missouri State  
20    University.

21                  REGULATORY LAW JUDGE DIPPELL:  And are you  
22    yourself a customer of AmerenUE?

23                  MR. MEYER:  I'm representing the University,  
24    who is a customer.

25                  REGULATORY LAW JUDGE DIPPELL:  Okay.  And is

1     that gas or electric or both?

2                   MR. MEYER:   Both.   Both.

3                   REGULATORY LAW JUDGE DIPPELL:   Okay.   Thank  
4     you.   Go ahead with your comments.

5                   MR. MEYER:   Thank you, and welcome everyone  
6     to Southeast Missouri State University.   Our president,  
7     Dr. Dobbins, sends his regards.   He is not able to be  
8     here tonight due to a previous commitment.   We  
9     appreciate the opportunity to testify concerning the  
10    proposed rate increase before the Missouri Public  
11    Service Commission.   The Commission's charge to review  
12    rate increases requested by publicly held companies  
13    serving as utilities is a very difficult task.   The  
14    balance between free enterprise and public good is one  
15    that takes wisdom to maintain.   We understand that you  
16    must consider the requirement the utility companies make  
17    a profit and requirement that they have the resources to  
18    make needed investments, while at the same time taking  
19    into account the concerns of the company's customers.

20                   We are here today to testify about the  
21    direct and indirect impacts of the proposed increase to  
22    the University, which is one of those customers affected  
23    by the proposed increase.

24                   Southeast Missouri State University  
25    currently operates a coal-fired, coal-generating plant



1     that uses the steam produced for our heating and for  
2     some of our cooling to also turn a turbine and produce  
3     electricity for the campus. Due to peak demands and  
4     maintenance of our power plant, we cannot produce all of  
5     the electricity needed for the entire campus, so we  
6     still buy a large amount of energy from Ameren. In the  
7     fiscal year 2006, we spent \$761,000 for electricity and  
8     \$246,000 for natural gas produced by Ameren. We  
9     still -- we have also tried to reduce our demand -- our  
10    demand load of the campus by investing in coal  
11    generation operation and through the use of  
12    energy-saving fixtures, occupancy detectors and HVAC  
13    control systems that allow us to diversify the load and  
14    only heat and cool the areas that are scheduled to be  
15    used. We really do try to be good stewards of the  
16    energy resources and of the student taxpayer dollars.

17               We have one graph that just shows in the red  
18    color is what we purchased, the energy that we  
19    purchased, and the blue is the electricity that we  
20    produced. So while we produce a large amount of energy,  
21    electricity, we also purchase a lot.

22               Our first challenge in the rate increase is  
23    one that is kind of unique. It's unique to the  
24    institution of higher education. It is also unique --  
25    as far as we know, only one other customer has what is

1 known as Rider E on our bill. Rider E establishes a  
2 minimum bill that we pay each month as a, quote,  
3 stand-by rate. Because we produce a substantial amount  
4 of electricity, which keeps us from adding to Ameren's  
5 peak load, Rider E establishes a minimum billing that we  
6 are required to pay each month regardless of whether we  
7 use any energy or not. This causes the University to  
8 buy that energy from Ameren each month as we don't want  
9 to just purchase energy that we don't use, and it makes  
10 us able to save the most amount of money. But the  
11 University does this to minimize what we pay for energy.

12                   However, if we were not subject to Rider  
13 E, we could produce energy in the most efficient way,  
14 creating the lowest possible level of emissions, at the  
15 same time reduce the load on Ameren. Under the current  
16 proposal by Ameren, the rate increase for the Rider E  
17 portion of our billings will be 49 percent. That's a  
18 large amount.

19 And so on average if this rate increase becomes  
20 effective, we will reduce the use of our generating  
21 capacity and simultaneously pay a significantly higher  
22 amount of energy we purchase from Ameren. We produced a  
23 graph that we will leave behind that shows each month  
24 that we end up buying in most months the minimum amount.  
25 If we were able to not have the Rider E, then we could

1 produce the most energy efficient way and again help  
2 with Ameren's load. So we believe that it's just good  
3 public policy to do so.

4           To remove Rider E from the University's  
5 Ameren billing will allow flexibility to help with the  
6 peak load, work efficiently and be more environmentally  
7 friendly and conserve energy for anyone. We are not  
8 asking to avoid paying for energy that we use, but  
9 merely to be able to choose when it is best for the  
10 University to produce its own without having a Rider E  
11 make many of those decisions for us.

12           It seems that at a time when the development  
13 of energy independence is so important, especially at a  
14 University, our goal is to get the goal shared by all  
15 and the Rider E policy is really designed to promote  
16 dependence upon the utility as a standby source of  
17 power. This policy is also punitive in its approach  
18 because any one time spike can reset the minimum charge  
19 for the following year, even though the usage may never  
20 again reach that level. Furthermore, our recent  
21 experience with Ameren is that we have sometimes been  
22 disconnected from the service during storms because of  
23 lightning and falling tree limbs. So in effect, the  
24 standby source of power can be unreliable.

25           Aside from the Rider E, the rest of the

1 proposed rate increase is still a great concern. The  
2 overall electric increase to the University is estimated  
3 by Ameren numbers at 26 percent, an additional \$197,000  
4 annually. We also plan on opening a new river campus  
5 next fall, which will have an energy load that we  
6 projected to be in the \$400,000 range. A 26 percent  
7 increase on that would be another \$100,000. Thus, the  
8 proposed increase would cost the University  
9 approximately \$300,000, if approved.

10                   Then how does this affect the University?  
11 More important, who does it affect? Southeast has  
12 endured recent cuts of state appropriations with a  
13 series of internal budget cuts. These cuts required us  
14 to reduce four degree programs and many faculty and  
15 staff. While we continue to look for ways to reduce  
16 costs, further cuts in the University expenditures are  
17 not likely to be of the magnitude necessary to  
18 compensate for a proposed increase in the electric  
19 costs. The only available alternative is to increase  
20 student fees, which would conflict with the efforts of  
21 the Southeast Board of Regents and the administration to  
22 keep Southeast one of the most affordable universities  
23 in the Midwest. This goal is particularly important in  
24 Southeast Missouri because of the historic levels of  
25 poverty and economic disadvantage in the region. An

1 increase of 1.70 per credit hour would be necessary to  
2 cover the \$300,000 increase. This would equate to over  
3 \$50 per year and add approximately \$200 to the cost of a  
4 four-year degree. This might be the difference in some  
5 students going to college or not. You see, this is more  
6 about profit, operating costs and investments and  
7 shareholders, it is also about students trying to find  
8 access to an affordable higher education opportunity.

9 We suggest that Ameren should choose to  
10 reach out to universities and their students by setting  
11 their rate of increase at the same level as the increase  
12 for residential customers. This is appropriate because  
13 we have over 2500 students residing on campus consuming  
14 Ameren's product. We further recommend that the Rider E  
15 rate be removed from the rate structure of all college  
16 campuses and that a program be put in place to encourage  
17 research and implementation of alternative energy  
18 sources on college campuses. Thank you for your time,  
19 and once again, we wish you a pleasant stay on our  
20 campus.

21 REGULATORY LAW JUDGE DIPPELL: Thank you,  
22 Mr. Meyer. You had two graphs there.

23 MR. MEYER: Yes.

24 REGULATORY LAW JUDGE DIPPELL: Would you  
25 like to put both of those into the record?

1 MR. MEYER: Yes.

2 REGULATORY LAW JUDGE DIPPELL: I will make  
3 that first pie graph that you held up as Exhibit 1 and  
4 mark the second graph of the minimum amounts per month  
5 as Exhibit 2, and if you would just give those to the  
6 court reporter so they can be attached to the  
7 transcripts. Are there any questions for Mr. Meyer from  
8 Commissioner Murray?

9 COMMISSIONER MURRAY: Thank you. Thank you,  
10 Mr. Meyer. I just have a question regarding the Rider  
11 E. Did you say there is only one other customer to your  
12 knowledge that is on the Rider E?

13 MR. MEYER: To our knowledge, there was only  
14 one. We had asked at one time.

15 COMMISSIONER MURRAY: And it appears that  
16 what you're saying is that Rider E acts as a  
17 disincentive for the efficient use of energy?

18 MR. MEYER: For us, yes.

19 COMMISSIONER MURRAY: Okay. So in addition  
20 to not wanting the increase that's proposed in Rider E,  
21 you are asking that that particular rider just be  
22 removed; is that correct?

23 MR. MEYER: That's correct.

24 COMMISSIONER MURRAY: Okay. Thank you very  
25 much for your testimony.



1 Mr. Meyer, for your testimony. Let's go to our first  
2 witness at the Dexter hearing.

3 MS. FRED: Judge, our first witness in  
4 Dexter is Bruce McClintock.

5 REGULATORY LAW JUDGE DIPPELL: Thank you.  
6 Could you raise your right hand, please?

7 (Witness sworn.)

8 REGULATORY LAW JUDGE DIPPELL: Can you spell  
9 your name for the court reporter and give us your  
10 address.

11 MR. MCCLINTOCK: Yes, ma'am. My name is  
12 Bruce, B-r-u-c-e, McClintock, M-c-C-l-i-n-t-o-c-k. I  
13 live at 15597 County Road 624, Dexter, Missouri. Zip  
14 code 63841.

15 REGULATORY LAW JUDGE DIPPELL: And are you  
16 an AmerenUE gas or electric customer?

17 MR. MCCLINTOCK: Yes, ma'am. I'm a customer  
18 for gas and electric.

19 REGULATORY LAW JUDGE DIPPELL: Thank you.  
20 Go ahead with your comments, please.

21 MR. MCCLINTOCK: I want to thank the Public  
22 Service Commission for the opportunity to give my  
23 opinion tonight and hope they do a commendable job in  
24 the review of this request of AmerenUE. My concern is  
25 this. I'm 74 years old. My wife and I are both



1 retired. We live in a rural area of Dexter. I have  
2 tried to follow the information published both in the  
3 news media and other media about the request and the  
4 purpose of it, the details of it, and certainly, a  
5 business, a stockholders business, must make a  
6 reasonable return on an investment. However, it  
7 concerns me that being retired and my wife and I both  
8 being cancer survivors that I think the company should  
9 look for alternatives like we have to look for  
10 alternatives to buy our medications to maintain our  
11 standard of living. The staff of your Commission has  
12 studied this situation carefully. There's a wide  
13 discrepancy between the AmerenUE information and the  
14 staff's information about the resolution of how much  
15 they should be granted. The company is wanting 12 and  
16 more percent, which is an exorbitant amount, considering  
17 the economics and so forth of the area in which we live  
18 in, the manner in which we have to maintain our way of  
19 life or our standard of living.

20           The staff has recommended a more reasonable  
21 amount of nine to nine plus, which is probably within  
22 the region of what the company needs to operate. I  
23 think certainly they can look for alternatives. They  
24 can sell the excess electricity they can generate to  
25 other sources to generate more revenue, to offset the

1 money they need to operate. They can look at  
2 alternative methods of the generation of electricity.  
3 We all have to do that to maintain a way of life. It  
4 concerns me, concerns me and my friends and associates  
5 in this rural area of how we survive with the constant  
6 increase of -- six dollars isn't a great deal maybe, but  
7 for some it adds up over a period of time. I appreciate  
8 the opportunity to express my views and opinions. I'll  
9 be glad to respond to any questions.

10 REGULATORY LAW JUDGE DIPPELL: Thank you,  
11 sir. Commissioner Murray?

12 COMMISSIONER MURRAY: I don't, but thank  
13 you, Mr. McClintock, for being here.

14 REGULATORY LAW JUDGE DIPPELL: Commissioner  
15 Appling, did you have questions?

16 COMMISSIONER APPLING: Bruce, I don't have  
17 any questions tonight, but I was remembering John Wayne  
18 playing in a movie called the McClintocks. You're no  
19 kin to him, are you?

20 MR. MCCLINTOCK: No. It was an interesting  
21 movie, but he fought a lot of combat films and so forth  
22 and I'm a Korean veteran, and I never served on a  
23 battleship or on the front line with John Wayne. Thank  
24 you very much and have a good evening.

25 REGULATORY LAW JUDGE DIPPELL: Thank you.

1 Are there any other questions for Mr. McClintock?

2 MR. MILLS: I have no questions. Thank you.

3 REGULATORY LAW JUDGE DIPPELL: Are there any  
4 questions by counsel here in Jefferson City?

5 MR. DOTTHEIM: No questions.

6 MR. FISCHER: No questions.

7 REGULATORY LAW JUDGE DIPPELL: And thank  
8 you. Who is your next witness in Cape Girardeau? Thank  
9 you, Mr. McClintock, you may be excused.

10 MR. KELLY: Bill. Bill Hinckley.

11 REGULATORY LAW JUDGE DIPPELL: Would you  
12 please raise your right hand, sir?

13 (Witness sworn.)

14 REGULATORY LAW JUDGE DIPPELL: Thank you.  
15 If you could spell your name and give us your address.

16 MR. HINCKLEY: Bill Hinckley,  
17 H-i-n-c-k-l-e-y. My address is 1560 Lexington Avenue in  
18 Cape Girardeau, 63701. I'm speaking on behalf of  
19 Biokyowa, Incorporated.

20 REGULATORY LAW JUDGE DIPPELL: I'm sorry.  
21 What was the corporation?

22 MR. HINCKLEY: Biokyowa, B-i-o-k-y-o-w-a.

23 REGULATORY LAW JUDGE DIPPELL: And is that  
24 corporation a customer of Ameren?

25 MR. HINCKLEY: It is. It is an electric

1 customer of Ameren.

2 REGULATORY LAW JUDGE DIPPELL: Okay. And  
3 thank you. Please go ahead with your comments.

4 MR. HINCKLEY: Members of the Public Service  
5 Commission, thank you very much for an opportunity to  
6 speak to you. My name is Bill Hinckley. I'm plant  
7 manager at the Biokyowa facility. We are located here  
8 in Cape Girardeau, and we manufacture various kinds of  
9 amino acids that are sold in the United States and in  
10 the global market. We were the first major Japanese  
11 company to build a manufacturing plant in the state of  
12 Missouri.

13 I am here today to speak out not only  
14 against the proposed Ameren electrical rate increase,  
15 but also against their request for a fuel surcharge.  
16 Biokyowa has sold electricity under the large primary  
17 service rate. Our annual electric bill is over 1.8  
18 million dollars. Under the proposed rate increase, we  
19 would have to pay another \$800,000, which amounts to  
20 over 43 percent in an increase just in our electric  
21 bill. I do not know how anyone, other than the guy who  
22 was asking for it, could claim that a 43 percent  
23 increase is reasonable. There are some people who even  
24 say that we shouldn't worry, that we just pass the  
25 increased cost onto our customers. Let me publicly

1 state that that is not the case for a company that  
2 competes in a global market or even the US market. I  
3 don't believe that most Missouri companies can do that  
4 in whatever market they are in. Like almost all of the  
5 businesses affected, Biokyowa will simply be forced to  
6 eat that increased cost.

7           As I understand it, the actual request for  
8 this increase is based on some numbers and assumptions  
9 made by Ameren that are -- that are seriously disputed  
10 by some people. Expert testimony given recently to the  
11 PSC that is already on record clearly asserts that  
12 Ameren's rate increase is inflated in many important  
13 respects, including the following. Some of these claims  
14 are as follows: AmerenUE has artificially increased the  
15 level of its depreciation expense to unreasonable  
16 assumptions. AmerenUE requests for a 12 percent return  
17 on equity is far too high for a regulated utility and it  
18 is excessive and inappropriate. One expert's testimony  
19 presents data in a strong argument that a fair ROE for  
20 Ameren is 9.8. Another sets it at 9.25 percent.  
21 AmerenUE has unreasonably asserted reduced profits for  
22 electricity it sells in the wholesale market, thereby  
23 reducing benefits consumers should obtain from all such  
24 off service sales.

25           Ameren has requested a fuel surcharge

1 adjustment without showing any financial need for such  
2 an adjustment. When you approve the fuel adjustment  
3 clause rule, I understood that your intention was to  
4 carefully consider each individual request by a utility  
5 that applies for a surcharge adjustment. Can you  
6 honestly state that AmerenUE has provided adequate  
7 justification for this request? And now we must further  
8 consider the complaint made by your own staff against  
9 AmerenUE for over earnings to the tune of somewhere  
10 between 136,000,000 and \$168,000,000, a staggering sum  
11 when viewed in light of Ameren's request for a  
12 \$360,000,000 increase. The sheer effrontery of this  
13 requested rate increase would be comical were it not for  
14 the severe economic damage it would cost industry and  
15 small businesses in Missouri.

16                   And if we were to mention to effrontery, I  
17 must include the blazon example of effrontery displayed  
18 in the Ameren 17-page reply to Chairman Davis regarding  
19 improving system reliability. And I quote from a part  
20 of their cover letter in referring to how they're  
21 financing such system improvements. Quote, we will need  
22 to engage in a constructive dialogue with the Commission  
23 and other entities on innovative ways to make sure these  
24 resources are available and are appropriately funded.  
25 In the same spirit as your request to reconsider all

1 alternatives to improve reliability, we should consider  
2 all options for financing them. This might include  
3 special riders, recovery of construction work in  
4 progress, forward looking rate base adjustments with  
5 annual tune-ups, cost sharing with state and local  
6 government bodies, location specific/customer specific  
7 rate allocation, base rate socialization and other  
8 innovative financing means, end quote.

9               So it would appear that what Ameren wants is  
10 someone else other than themselves to pay for improving  
11 their system reliability. The rated increase of 24  
12 percent for small general, 20 percent for large general,  
13 24 percent for small primary and 43 percent for large  
14 primary should not be agreed to by the PSC without  
15 careful and serious consideration. One single company  
16 is asking for you to approve massive increases in the  
17 price of their product to all of their businesses and  
18 industrial customers. Approval of this increase at the  
19 level requested will have serious negative economic  
20 impacts on those customers of AmerenUE. Enough  
21 testimony has been given by credible and expert  
22 witnesses, including your own staff, that refutes  
23 Ameren's justification for the extreme level of  
24 requested increases. Certainly, it should give you  
25 reason for pausing and giving serious consideration to

1    this matter. The State of Missouri struggled to balance  
2    its budget these past few years because of an economic  
3    downturn in reduced revenues. In some instances, your  
4    decision may affect the financial future of many  
5    Missouri companies and how you decide this matter is  
6    critical not only to them, but to the State of Missouri.  
7    Your responsibility is to both the utility and its  
8    customers. I ask you to seriously consider all of the  
9    testimony in determining what is a truly fair and just  
10   level for AmerenUE and its customers. Thank you for  
11   your time and attention.

12                   REGULATORY LAW JUDGE DIPPELL: Thank you,  
13   Mr. Hinckley. I just wanted to clarify something for  
14   the record. You quoted from a response of the Ameren to  
15   Commissioner Davis.

16                   MR. HINCKLEY: Yes, ma'am.

17                   REGULATORY LAW JUDGE DIPPELL: I believe  
18   that document is in this record also, but could you give  
19   us the date of that response if you have it.

20                   MR. HINCKLEY: I cannot tell you that. It  
21   was off of a website, which is available, which is part  
22   of the response.

23                   REGULATORY LAW JUDGE DIPPELL: I believe  
24   it's in the record in this docket, so I appreciate that.  
25   Commissioner Appling or Commissioner Murray, did you



1 have questions?

2 COMMISSIONER MURRAY: I don't.

3 REGULATORY LAW JUDGE DIPPELL: Okay.

4 Commissioner Appling, do you have questions?

5 COMMISSIONER APPLING: No questions. Just  
6 to say thank you for coming out, sir. I appreciate your  
7 comments.

8 REGULATORY LAW JUDGE DIPPELL: Mr. Mills,  
9 did you have any questions for this witness?

10 MR. MILLS: No questions.

11 REGULATORY LAW JUDGE DIPPELL: Mr. Dottheim?

12 MR. DOTTHEIM: No questions.

13 REGULATORY LAW JUDGE DIPPELL: Mr. Fischer?

14 MR. FISCHER: I don't have any questions.

15 REGULATORY LAW JUDGE DIPPELL: Thank you,  
16 Mr. Hinckley. Who is our next witness in Dexter?

17 MS. FRED: Judge, we have Donn Beighley here  
18 in Dexter.

19 REGULATORY LAW JUDGE DIPPELL: Thank you.

20 (Witness sworn.)

21 REGULATORY LAW JUDGE DIPPELL: If you could  
22 spell your name and give us your address.

23 MR. BEIGHLEY: My name is Donn Beighley,  
24 D-o-n-n, B-e-i-g-h-l-e-y. I reside at 14632 County Road  
25 616, Dexter, Missouri 63841.

1                   REGULATORY LAW JUDGE DIPPELL: And can you  
2 tell us are you an AmerenUE customer?

3                   MR. BEIGHLEY: Yes, I am a customer of  
4 AmerenUE.

5                   REGULATORY LAW JUDGE DIPPELL: You have  
6 electric or gas or both?

7                   MR. BEIGHLEY: Only electric.

8                   REGULATORY LAW JUDGE DIPPELL: Thank you.  
9 Go ahead with your comments, please.

10                  MR. BEIGHLEY: I'll keep them very brief.  
11 What I want to address are there are some of the outages  
12 that we experience in our area. During some of the  
13 storms that we've had over the last couple of years and  
14 even within the last year after AmerenUE has made  
15 repairs even in my yard, we continue to have outages of  
16 three or four hours. Whereas, we have neighbors who are  
17 on one of the cooperative systems who very seldom, if  
18 ever, have their electricity go down. And this is a  
19 concern of ours, because I can look just across the  
20 street and see people that do have electricity.

21                  The other thing I wanted to comment on is  
22 yes, there is an increase and I'm not as up on it as a  
23 lot of these other people, but the question to be raised  
24 is, is there a better way to increase this, make it  
25 gradually, because there are people on fixed incomes and

1 they can work it into their budgets better than just a  
2 lump sum being added onto the new billing. And that's  
3 all I have.

4 REGULATORY LAW JUDGE DIPPELL: Thank you,  
5 Mr. Beighley, let me just ask you a couple of things.  
6 How long have you been an Ameren customer?

7 MR. BEIGHLEY: For seven years.

8 REGULATORY LAW JUDGE DIPPELL: And have the  
9 outages that you've experienced over that period of time  
10 or has it been consistent?

11 MR. BEIGHLEY: Well, can you elaborate on  
12 your question, please?

13 REGULATORY LAW JUDGE DIPPELL: I guess I am  
14 wondering about the frequency of the outages and has it  
15 always been several outages or has that increased?

16 MR. BEIGHLEY: It we can usually count on  
17 two -- we used to be four or five outages a year. We  
18 are down to probably two or three now. But you can  
19 pretty much count on two to three every year. And as I  
20 say, they're usually for multiple hours.

21 REGULATORY LAW JUDGE DIPPELL: Okay. Thank  
22 you. Commissioner Murray, did you have any questions?

23 COMMISSIONER MURRAY: I don't, but thank you  
24 for your testimony.

25 REGULATORY LAW JUDGE DIPPELL: Commissioner

1     Appling?

2                   COMMISSIONER APPLING:  No questions.  Thank  
3     you.

4                   REGULATORY LAW JUDGE DIPPELL:  Mr. Mills,  
5     did you have any questions?

6                   MR. MILLS:  I have no questions.  Thank you.

7                   REGULATORY LAW JUDGE DIPPELL:  Mr. Dottheim?

8                   MR. DOTTHEIM:  No questions.

9                   REGULATORY LAW JUDGE DIPPELL:  Mr. Fischer?

10                  MR. FISCHER:  No questions.

11                  REGULATORY LAW JUDGE DIPPELL:  Thank you,  
12     Mr. Beighley, you may be excused.  We appreciate your  
13     comments.

14                  MR. BEIGHLEY:  Thank you for your time.

15                  REGULATORY LAW JUDGE DIPPELL:  Who is your  
16     next witness in Cape Girardeau?

17                  MR. KELLY:  It would be Patrick Bira.

18                  (Witness sworn.)

19                  REGULATORY LAW JUDGE DIPPELL:  If you could  
20     spell your name and give us your address.

21                  MR. BIRA:  Patrick Bira, B-i-r-a,  
22     representing Southeast Missouri Hospital, 1701 Lacy  
23     Street, Cape Girardeau, Missouri 63701.

24                  REGULATORY LAW JUDGE DIPPELL:  And I assume  
25     the hospital is a customer of Ameren.

1 MR. BIRA: For both electric and gas, yes.

2 REGULATORY LAW JUDGE DIPPELL: Okay. Please  
3 go ahead with your comments.

4 MR. BIRA: We thank you very much for the  
5 opportunity to speak this evening and present our  
6 concerns. My comments are very brief to allow others to  
7 speak this evening and some of our concerns have already  
8 been articulated by some of the other speakers.

9 First, we just want to acknowledge the  
10 dependence of a community hospital on reliable, quality  
11 supply of electricity in order to operate and serve the  
12 patients and the families that we serve. We have  
13 experienced very reliable service from AmerenUE in the  
14 past, and we appreciate that service. It is imperative  
15 for us in order to continue our healthcare services to  
16 the community and to the region.

17 We appear this evening simply to share what  
18 we understand the impact of the electric bill to be in  
19 particular. While the total Ameren bill for 2007 for  
20 our institution with gas and electric combined is  
21 approximately \$2,575,000, we are more concerned  
22 specifically with the electricity issue. As a small  
23 primary classification user, our electric bill for 2007  
24 is estimated to run approximately \$1,141,000. At the  
25 proposed rate of 24 percent increase for our

1 classification, the additional expense is estimated to  
2 be approximately \$273,000 per year on our electric  
3 expenses alone.

4 We repeat our intent to support viable  
5 adjustments by AmerenUE as we wish them to be a viable  
6 service to the community, but we certainly also wish to  
7 express and share the financial impact to our  
8 institution and ask for reconsideration of the current  
9 proposal that you have before you. That concludes my  
10 comments. And we, again, appreciate the opportunity to  
11 speak this evening.

12 REGULATORY LAW JUDGE DIPPELL: Thank you,  
13 Mr. Bira, are there any questions from Commissioner  
14 Murray?

15 COMMISSIONER MURRAY: Thank you for your  
16 comments. And you are not experiencing any reliability  
17 problems with your service; is that correct?

18 MR. BIRA: In general, no ma'am, that's  
19 correct.

20 COMMISSIONER MURRAY: Thank you very much.

21 REGULATORY LAW JUDGE DIPPELL: Commissioner  
22 Appling?

23 COMMISSIONER APPLING: This is Lin Appling.  
24 What is your backup system for your hospital?

25 MR. BIRA: We have several emergency

1 generators that are tested on a very regular basis.  
2 Those are always very reliable for our services should  
3 there be an outage, but we do have the ability to have  
4 those electric generators service the hospital.

5 COMMISSIONER APPLING: Again, thank you very  
6 much for coming and I appreciate your comments. Thank  
7 you.

8 REGULATORY LAW JUDGE DIPPELL: Mr. Mills, do  
9 you have questions?

10 MR. MILLS: I do not. Thank you.

11 REGULATORY LAW JUDGE DIPPELL: Mr. Dottheim?

12 MR. DOTTHEIM: No questions.

13 REGULATORY LAW JUDGE DIPPELL: Mr. Fischer.

14 MR. FISCHER: No. Thank you.

15 REGULATORY LAW JUDGE DIPPELL: Thank you,  
16 Mr. Bira, for your comments. You may be excused. Who  
17 is your next witness in Dexter?

18 MS. FRED: It is Carolyn Johnson.

19 MS. JOHNSON: I'd like to turn the chair  
20 because you can't testify to a company rip off. Where  
21 should I sit where they can see and people hear me?

22 REGULATORY LAW JUDGE DIPPELL: We can see  
23 you there. Could you please raise your right hand,  
24 ma'am?

25 (Witness sworn.)

1                   REGULATORY LAW JUDGE DIPPELL: Could you  
2 please spell your name and give us your address?

3                   MS. JOHNSON: My name is Carolyn Nichols  
4 Johnson. It's C-a-r-o-l-y-n, N-i-c-h-o-l-s, Johnson,  
5 generic Johnson, J-o-h-n-s-o-n. I live at 320 Rannell  
6 Street. That's R-a-n-n-e-l-l. Dexter, Missouri 63841.  
7 I am a --

8                   REGULATORY LAW JUDGE DIPPELL: Are you a  
9 customer of Ameren?

10                  MS. JOHNSON: I am for both gas and  
11 electric.

12                  REGULATORY LAW JUDGE DIPPELL: Thank you.  
13 Please give us your comments.

14                  MS. JOHNSON: Okay. Thank you for having us  
15 here today. I would like to start out and say that  
16 while we appreciate the opportunity to testify, we would  
17 urge you in the future to be -- have hearings in person.  
18 The setup down here is so that people are looking at a  
19 concrete brick wall with a projected picture. I have  
20 testified at hundreds, maybe even several thousands of  
21 hearings and I've never seen a setup quite like this.  
22 It would be prudent, I think, for the Commission in the  
23 future to think about serving people in the out state  
24 areas down here with real live taking testimony,  
25 connecting with the people, being accountable. And I



1 would ask that you consider that in the future very  
2 strongly. It's rather intimidating to try to look at a  
3 wall and testify, besides not having people here to look  
4 at you in the eye.

5 I have grew up in Dexter and then I left and  
6 lived in Colorado for almost 40 years, and now I've  
7 retired and come back. During my career, I worked a lot  
8 on coal and energy issues for nonprofit environmental  
9 groups. Through that, I got into rates, energy sources  
10 of all kinds, and I was rather stunned in moving back  
11 here a year ago after being in very snowy Colorado as  
12 you all know from the recent news. We have outages  
13 here, small outages sometimes very short duration, but  
14 we have them very constantly. It's easy to see your  
15 computer flicks off while you are working on it or your  
16 microwave you have to go set the blinking number or your  
17 VCR or whatever you have. When I have called Ameren to  
18 find out what is going on or when we might get power  
19 back, we get a recording. I get a recording that says  
20 -- and it's obviously out of your headquarters office --  
21 that says, "We are working to restore power in your area  
22 as quickly as possible." And that tells you absolutely  
23 nothing if you've got plans. I mean, all the  
24 relationships that I've had people who work for Ameren  
25 here locally have been very positive and they've been

1 very good, but they're not controlling things.

2                   One of the issues that has come up here with  
3 questions for the hearing and I think they are locked in  
4 people's minds is why are -- why are we having to even  
5 address a rate increase? We have a company that has  
6 done these numerous outages. They're not evidently  
7 investing in any way that we see into the infrastructure  
8 in delivering better. We have a transformer down the  
9 alley that seems to pop out with every storm and that's  
10 just locally. And then the poor people in St. Louis and  
11 in Illinois have done a great deal. Well, the argument  
12 by Ameren, as far as I can figure out, is that they want  
13 more greater return. They want more profit. And  
14 they're basing that on that their average crisis of  
15 electricity -- and I'm going to talk mostly about  
16 electricity -- is below -- their cost that they're  
17 charging customers is below national average. Well,  
18 folks, it should be below the national average because  
19 they're paying far less for the coal that they're  
20 burning, which is over 85 percent of the power that  
21 Ameren sells. They're paying far less than other parts  
22 of the country. That is a false comparison to say that  
23 the average cost here is not as high as other places  
24 therefore they deserve more. It's not true. They are  
25 paying far less.

1                   I dug up information, which is easily  
2     available to anybody, from the Energy Information  
3     Administration today. It's called The Average Price of  
4     Coal. That's US Energy Information Administration,  
5     which is part of the US Department of Energy. The  
6     Average Price of Coal Delivered by Census, Division and  
7     State. So they've got the country divided into ten  
8     regions. The lowest cost region is in the -- it's  
9     called the west north central, which is Missouri. But  
10    let's look at what some of the other places pay. It's  
11    dollars per ton of coal. New England, \$65.39 per ton of  
12    coal. That's their average cost over that whole region.  
13    The middle Atlantic, which would include New York and  
14    Pennsylvania -- Pennsylvania is a big coal producing  
15    state and probably supplies a lot of the coal into New  
16    Jersey and New York, but they pay \$51.97. And you know,  
17    if you mess around and look at some of the others, even  
18    the mountain states, which is Colorado, Utah, Wyoming,  
19    and big coal producers out there, Mexico, they're paying  
20    \$23.30 per ton. What do we pay here in Missouri? Far  
21    less. We pay \$17.86 per ton. That's why they're not  
22    getting -- that's why the average cost should be lower.  
23    And they should -- it should stay lower because the  
24    costs to Ameren are much less.

25                   Now, there's a certain thing that, you know,

1 we all think we endorse and that's called capitalism.  
2 And under capitalism, you make a profit if you take a  
3 risk and invest in something. But what Ameren has is  
4 really a form of socialism. They'd like to say they're  
5 capitalists and they want some profits, but they're not  
6 taking very many risks. They're a monopoly. You don't  
7 have a choice if you're in their area to be their  
8 customer. If you live on Ozark Border property you can  
9 be Ozark Border. The only other way you can do is if  
10 you generate your own and some people do that. But  
11 Ameren has got it built in. They don't even have to  
12 come out and compete for us as customers. They don't  
13 have to advertise to us, so that cost is gone from what  
14 they make. So here we are, you know. We have to use  
15 them. They're guaranteed a return under the state  
16 regulatory laws under the Public Service Commission. So  
17 they don't even have to compete on that. And obviously,  
18 they're not competing on service because it has not been  
19 good overall.

20           Moreover, a lot of the statements here are  
21 that the co-ops have half the cost of Ameren and that's  
22 probably true. I don't know that for a fact, but others  
23 have testified to that. But what Ameren is now  
24 wanting -- and they do do a lot of advertising under  
25 Ameren, which is also a cost and other things and, you

1 know, the question was asked by Mr. Taylor, Kirby  
2 Taylor, what the top six officials of the company make  
3 and you did not hear an answer. I find it a little  
4 strange that Mr. Fischer is representing the company  
5 would not have that information off the top of his head.  
6 He should know that, and he should get it to people, and  
7 we're not talking just about bonuses. We're talking  
8 about salary plus bonuses, and they all get big  
9 performance bonuses.

10 So what Ameren is asking is for a 20 to 30  
11 percent increase -- 33 percent increase because they've  
12 got a range 9.75 to 12 percent that they want in  
13 guaranteed return. What a great system. So there's  
14 social -- it's socialism in a sense because they're  
15 turning the cost of their profits that they'd like to  
16 make, but perhaps have not earned, back on the rate  
17 payers for their stockholders. Well, people that hold  
18 stock -- and I happen to own some stock, although not in  
19 Ameren, can choose which companies perform and pick that  
20 according as to what you want to invest in. And when  
21 companies perform poorly they go into, we hope, other  
22 investments. That's the -- that's what the marketplace  
23 or what capitalism does. It rewards those who do well  
24 and take the risks and succeed and there's some  
25 punishment for those that don't. Ameren is asking for

1 no punishment.

2 I'd like to close with two thoughts. One,  
3 we need to have a lot more energy alternatives than what  
4 Ameren puts out. And I think some people have testified  
5 to that, and I hope a lot more do. We need bio fuels.  
6 We need solar. We need wind, and we need a lot more of  
7 it, and some energy conservation. It would be nice to  
8 see a utility take a much more aggressive stance on  
9 that, but I suppose they think they're cutting their  
10 income by doing so, or perhaps they just don't get  
11 around to it. I don't know.

12 The last thought I'd like to leave is the  
13 Taum Sauk. That was a black blotch that will cost and  
14 has cost us in future generations a beautiful and  
15 precious public park in our state. And I notice that  
16 Mr. Fischer, Ameren's lawyer, has consistently referred  
17 to Taum Sauk as an incident, which sort of sounds like  
18 he's stretching, you know. It's not an incident. It is  
19 a disaster and it should rest on them. And I don't  
20 think people are going to be very forgiving because they  
21 did not maintain their facilities and it was  
22 deliberately so. If you've read the papers, you've seen  
23 the e-mails, within the company that leaked out.  
24 Punishment is in the works but certainly no rate raise  
25 now. Thank you very much.

1                   REGULATORY LAW JUDGE DIPPELL: Thank you,  
2 Ms. Nichols-Johnson. Let me just ask you a couple of  
3 questions. How long have you been back in Dexter since  
4 you retired?

5                   MS. JOHNSON: I've been back here a little  
6 over a year. I came back a lot on visits before that.

7                   REGULATORY LAW JUDGE DIPPELL: Can you tell  
8 me how often the power outages that you mentioned occur?

9                   MS. JOHNSON: Last summer they were  
10 averaging two to three a week. Some were very brief.  
11 Several were for several hours. One was overnight. I  
12 don't know what the frequency would be if you averaged  
13 it over a year. It seems to be much cleaner power in  
14 the winter here. Maybe because we haven't had much  
15 winter, but in the summer it was terrible. Summer and  
16 fall.

17                  REGULATORY LAW JUDGE DIPPELL: You had some  
18 papers there that you were referring to. Did you have  
19 anything that you wanted to offer as an exhibit to put  
20 in the record?

21                  MS. JOHNSON: Sure, why don't I give you  
22 this table out of the Energy Information Administration,  
23 which I pulled off of the web, and you can -- this is  
24 the average price of coal delivered in use by census  
25 division.

1                   REGULATORY LAW JUDGE DIPPELL: All right.  
2 I'm going to mark that as Exhibit 3 and I'll ask you if  
3 you can leave that with Mrs. Fred. She will bring that  
4 to me and it will be attached to the transcript.  
5 Commissioner Murray, do you have any questions?

6                   COMMISSIONER MURRAY: No. But thank you,  
7 ma'am.

8                   REGULATORY LAW JUDGE DIPPELL: Commissioner  
9 Appling?

10                  COMMISSIONER APPLING: No questions, Judge.

11                  REGULATORY LAW JUDGE DIPPELL: Mr. Mills?

12                  MR. MILLS: I don't have any questions, but  
13 the witness did mention that one of the people there in  
14 Dexter didn't get an answer to a question about  
15 executive compensation during the question and answer  
16 session. I have that information back at my office. I  
17 don't have it here with me. If that witness would like  
18 to get ahold of me, my address is in both the -- at the  
19 back of the yellow handout and the green handout, direct  
20 telephone number. And you all can contact me for that  
21 information if you want to, thank you.

22                  MS. JOHNSON: If I could suggest something,  
23 is since the question has been asked and not answered,  
24 and I think everyone here kind of wanted to know the  
25 answers. I see a lot of heads shaking. That it be --



1 maybe you take it upon yourself to get it to all of us  
2 here. Yeah. Put it in the newspaper, in the Dexter  
3 newspaper. That would be great.

4 REGULATORY LAW JUDGE DIPPELL: Mr. Mills?

5 MR. MILLS: I will find a contact for the  
6 Dexter newspaper, and I will send it to that contact.  
7 And if the paper chooses to publish it then it will.

8 MS. JOHNSON: If you want us to work on  
9 them, we will. We'll work on them because a lot of  
10 people want to know that.

11 REGULATORY LAW JUDGE DIPPELL: Okay. Are  
12 there any questions, Mr. Dottheim?

13 MR. DOTTHEIM: No questions.

14 REGULATORY LAW JUDGE DIPPELL: Mr. Fischer?

15 MR. FISCHER: No, thank you.

16 REGULATORY LAW JUDGE DIPPELL: Mr. Mills,  
17 you had something further.

18 MR. MILLS: Yeah. I just wanted to -- the  
19 source of the information I have was I believe the  
20 Lieutenant Governor from the State of Illinois has it on  
21 their website so it is readily available. I certainly  
22 will get it to someone at the newspaper in Dexter, but  
23 if you all are impatient for it, it's out there if you  
24 search for it. It's publicly available.

25 REGULATORY LAW JUDGE DIPPELL: Thank you

1 very much. Thank you, Ms. Nichols-Johnson. You may be  
2 excused. Who is our next witness in Cape Girardeau?

3 MR. KELLY: John Mehner.

4 REGULATORY LAW JUDGE DIPPELL: Could you  
5 raise your right hand, sir?

6 (Witness sworn.)

7 REGULATORY LAW JUDGE DIPPELL: Thank you.  
8 If you could spell your name and give us your address.

9 MR. MEHNER: I'm John Mehner. J-o-h-n,  
10 M-e-h-n-e-r, representing the Cape Girardeau Area  
11 Chamber of Commerce located at 1267 North Mount Auburn  
12 Road in Cape Girardeau 63701. We are both a gas and  
13 electric customer of Ameren as are many of our members.

14 REGULATORY LAW JUDGE DIPPELL: Thank you,  
15 sir. Go ahead with your comments.

16 MR. MEHNER: Thank you. Let me begin by  
17 saying that AmerenUE has long been a support of our  
18 chamber and long been a support of economic development  
19 in our area. We believe that they are a strong and  
20 valuable Missouri corporation and have every right to a  
21 reasonable rate of return in profits so they can remain  
22 viable and build upon their infrastructure, customer  
23 delivery and customer service.

24 Having said that, we feel compelled to  
25 express concern over the levels of the requested

1     increase and the impact those increases will have on  
2     business and the economy in the Cape Girardeau area.

3                 We understand the rates of the increases --  
4     others have mentioned those so I don't need to repeat  
5     those again. A sudden jump to those levels will make  
6     doing business extremely difficult for many companies in  
7     our area. In my position I talk to business people  
8     large and small every day. The fear of these increases  
9     has been the topic at many meetings, many lunches, many  
10    dinners, many discussions since they were first  
11    introduced in the July time frame, I believe. We've  
12    also done a recent survey of our membership, and it has  
13    appeared multiple times as a concern in that survey. It  
14    is also our understanding that Ameren has not requested  
15    an increase in many years. If an increase is fair and  
16    necessary, we do understand that. However, recent  
17    reports in various media outlets seem to suggest that  
18    experts making recommendations to you, the Public  
19    Service Commission, believe that rates should be cut and  
20    not increased. That, of course, has us even more  
21    confused with what is the right process.

22                Public Service has a difficult course of  
23    action to take in determining what is the best thing to  
24    do. We are not experts in the field and I don't have  
25    near the information that some of the other testimony

1 before you -- some of those folks have brought to the  
2 table. However, what I do know is this and what I  
3 firmly believe is this, if the rates are received as  
4 requested in the time frame that's requested it will  
5 have a devastating impact on the businesses and the  
6 economy in the Cape Girardeau area. Thank you for what  
7 you do. Thank you for giving us this opportunity, and  
8 thank you for your consideration in this matter. And  
9 I'd be more than happy to answer any questions that you  
10 may have.

11 REGULATORY LAW JUDGE DIPPELL: Thank you,  
12 Mr. Mehner. Commissioner Murray, do you have any  
13 questions?

14 COMMISSIONER MURRAY: I don't, but thank you  
15 for being here.

16 REGULATORY LAW JUDGE DIPPELL: Commissioner  
17 Applling?

18 COMMISSIONER APPLING: John, again, thank  
19 you very much for being here tonight and thank you for  
20 your comments.

21 REGULATORY LAW JUDGE DIPPELL: Mr. Mills, do  
22 you have any questions?

23 MR. MILLS: No questions. Thank you.

24 REGULATORY LAW JUDGE DIPPELL: Mr. Dottheim?

25 MR. DOTTHEIM: No questions.

1                   REGULATORY LAW JUDGE DIPPELL: Mr. Fischer?

2                   MR. FISCHER: No questions. Thank you.

3                   REGULATORY LAW JUDGE DIPPELL: Mr. Mehner,  
4 you may be excused. Who is the next witness in Dexter?

5                   MRS. FRED: Phyllis Edwards? Is she here?  
6 Okay. I'll go to the next one. Yes, City of Dexter.

7                   REGULATORY LAW JUDGE DIPPELL: I will just  
8 say if anyone cannot stay and feels they need to leave,  
9 there are other ways to submit your comments if you're  
10 not able to testify live, but we will stay until  
11 everyone has had an opportunity. Mr. Stidham, would you  
12 please raise your right hand?

13                   (Witness sworn.)

14                   REGULATORY LAW JUDGE DIPPELL: Could you  
15 spell your name and give us your address, please?

16                   MR. STIDHAM: Mark Stidham, M-a-r-k,  
17 S-t-i-d-h-a-m, with the City of Dexter, 301 East  
18 Stoddard, S-t-o-d-d-a-r-d, Dexter, Missouri 63841.

19                   REGULATORY LAW JUDGE DIPPELL: Thank you.  
20 And is the City an electric customer of Ameren?

21                   MR. STIDHAM: Yes, ma'am. Electric and gas.

22                   REGULATORY LAW JUDGE DIPPELL: Okay. Thank  
23 you. Please give us your comments.

24                   MR. STIDHAM: Yes, ma'am. First of all,  
25 again, I would like to thank Ameren for everything that

1 they do. I'm going to keep my comments brief. We have  
2 some industries in our area that need to have more  
3 concerns than I do, so my comments will be brief and to  
4 the point. I would like to open by saying that I work  
5 for the City of Dexter and we appreciate AmerenUE for  
6 providing us with power and the jobs at the local level.  
7 I have truly enjoyed working with the local gentlemen,  
8 Larry Stone, Rick Marrow, your economic developer Skip  
9 Smallwood. When we call, they do whatever they can to  
10 address our problems at the local level. But our  
11 problems is currently the reducing of the local staff  
12 prolongs power outages and we have to wait and get help  
13 from surrounding municipalities, such as Cape Girardeau,  
14 can arrive. With this type of response, if a similar  
15 incident happens in those cities, we have to wait until  
16 their problems are addressed and repair their outages,  
17 and at this time we have loss of production in our  
18 industries and plants. They're stressful situations in  
19 our nursing facilities and our residential areas in  
20 general have stress to cope with.

21           What can be done about the power outages?  
22 I'm not going to ask any questions, but currently we are  
23 trying to address one issue with one of our largest  
24 employers. They are continuing to have surges and  
25 outages back all during the summer months at one of

1    their plant locations, and we're working with the local  
2    economic development trying to get that problem  
3    corrected. It's cost them a lot of down time. It's  
4    cost them a lot of production and the cost of machinery  
5    repairs due to the power surges burning the equipment  
6    out.

7                   Has AmerenUE explored how much business they  
8    can possibly lose with this increase? With this type of  
9    increase, AmerenUE can see to reduced revenue due to  
10   some jobs moving out of the area because our industries  
11   cannot afford to pay these rates with the  
12   competitiveness in their building. Their business is so  
13   competitive just like in Cape Girardeau and I'm sure all  
14   over the state. Will the city see improved services and  
15   needed attention? The bottom line is the service has  
16   drastically declined over the last five years or more.  
17   We're continuing to see no response from the local level  
18   due to the reduced workforce and the crew being  
19   stretched far too thin. Most of the time when we have  
20   problems, larger areas have problems, our group -- our  
21   crew from Dexter is not even in town. They're forced to  
22   go elsewhere.

23                   The tree trimming has not been done in many  
24   cases. We're having power outages, and service in  
25   general is not being performed, and we are the ones that

1 are suffering. Being a part of the City of Dexter, if  
2 we want to increase our rates we have to improve our  
3 services to the public.

4                   What will this do to the City services?  
5 The voters just passed a 4.5 million dollar bond issue  
6 to improve our waste water treatment lagoons. This will  
7 add to our west lagoon and double our power usage that  
8 we're currently paying for our treatment facilities.  
9 Last year water and waste water paid \$160,000 in  
10 electric use. That will double in the next year with  
11 our expansion. This increase will hit our citizens  
12 twice. Once at their home on their Ameren bill and then  
13 again when their city water and sewer bill has to be  
14 adjusted to pay for the increases for the City's  
15 utilities. I have a handout that I will pass on that  
16 gives the City of Dexter's rates, just the  
17 municipalities. I'm sure Ameren has the combined city  
18 as a whole, but I'm here to speak on behalf of industry,  
19 downtown business and the City.

20                   We're not against an increase. The City  
21 of Dexter has to give increases on a continual basis.  
22 If we have an increase in service we have to pass it on,  
23 but we realistically do it. We take and put our board  
24 of alderman, our mayor and our people put our heads  
25 together and do it in a way that it's the least cost



1 effective where everybody can survive. And those that  
2 are on limited incomes, they're just paying their part,  
3 their small portion. The larger, of course, will have  
4 to pay the larger bill. But we are just asking as the  
5 City as a whole that you deeply review the increase that  
6 has been put before us. Some of our industries are  
7 faced with a 27 percent increase. Ballpark, they're  
8 looking at \$100,000 a month is what they currently pay.  
9 That's \$27,000 a month on electric alone. In the winter  
10 months, they have the same usage of \$100,000 for their  
11 gas so they're looking at additional \$27,000. That's a  
12 \$54,000 a month. That's two salaries. No matter how  
13 you look at it, they've either got to do two or three  
14 things. They've either got to cut back or look at  
15 alternative power sources or other locations. We as the  
16 United States, we as a state of Missouri, do everything  
17 we can to keep jobs in the United States, but some of  
18 those companies are forced to go to other countries and  
19 elsewhere because of cost prohibited things that are  
20 beyond their control. Thank you.

21 REGULATORY LAW JUDGE DIPPELL: Thank you.  
22 Let me ask you just a couple of questions. How often  
23 are the outage incidents that you're referring to?

24 MR. STIDHAM: In the summer months there was  
25 three different particular timed outages that was -- and

1 we have that exact dates -- or the company does. They  
2 range from May, June and July.

3 REGULATORY LAW JUDGE DIPPELL: And does that  
4 include the surges that you mentioned or is that  
5 separate?

6 MR. STIDHAM: The surges was a separate  
7 incident that, you know, the machinery was trying to  
8 operate with reduced power and, of course, burnt the  
9 machinery and everything and cost them some downtime in  
10 production, also. We have addressed that with Skip  
11 Smallwood, the local Ameren economic developer and I'm  
12 not here to knock anybody. He's working with us on  
13 that, and he's trying to get us some help in trying to  
14 reduce that, whether it be separate lines or whatever,  
15 transformers, whatever the problems may be.

16 REGULATORY LAW JUDGE DIPPELL: And do the  
17 surges and outages also affect the residential customers  
18 in Dexter?

19 MR. STIDHAM: Most of the time, yes.

20 REGULATORY LAW JUDGE DIPPELL: And then you  
21 mentioned that you had a document there. Was that  
22 something that you wanted to offer as an exhibit?

23 MR. STIDHAM: That's correct. The front  
24 page has got everything I just told you. The second  
25 page is on utility expense from June of '05 to July '06,

1     our fiscal, where our actual cost is now. Where the 27  
2     and the 22 percent increase, there's two scenarios here  
3     with whatever increase hits us, how it is going to  
4     directly effect the municipality.

5                 REGULATORY LAW JUDGE DIPPELL: Okay. I'm  
6     going to mark that as Exhibit 4, and you just leave that  
7     with Ms. Fred so she can bring that to me to attach to  
8     the transcript.

9                 MR. STIDHAM: Yes, ma'am, thank you.

10                REGULATORY LAW JUDGE DIPPELL: Commissioner  
11     Murray, did you have any questions?

12                COMMISSIONER MURRAY: I'd just like to say  
13     thank you for your very informative comments.

14                REGULATORY LAW JUDGE DIPPELL: Commissioner  
15     Appling?

16                COMMISSIONER APPLING: No questions tonight.  
17     Thank you very much.

18                REGULATORY LAW JUDGE DIPPELL: Mr. Mills,  
19     did you have questions?

20                MR. MILLS: I do not. Thank you.

21                REGULATORY LAW JUDGE DIPPELL: Mr. Dottheim?

22                MR. DOTTHEIM: No questions.

23                REGULATORY LAW JUDGE DIPPELL: Mr. Fischer?

24                MR. FISCHER: No questions. Thank you.

25                REGULATORY LAW JUDGE DIPPELL: Thank you,

1 Mr. Stidham. We appreciate your testimony. Who is your  
2 next witness in Cape Girardeau?

3 MR. KELLY: That would be Mike Grebing,  
4 please.

5 (Witness sworn.)

6 REGULATORY LAW JUDGE DIPPELL: Thank you.  
7 If you could spell your name and give us your address.

8 MR. GREBING: Mike, M-i-k-e, Grebing,  
9 G-r-e-b-i-n-g. I'm representing Dana Corporation at the  
10 address of 2075 Corporate Circle, Cape Girardeau,  
11 Missouri 63701.

12 REGULATORY LAW JUDGE DIPPELL: And is that a  
13 customer of Ameren for gas and/or electric?

14 MR. GREBING: Basically for electric.

15 REGULATORY LAW JUDGE DIPPELL: Please go  
16 ahead with your comments.

17 MR. GREBING: First off, let me thank you  
18 for allowing me to address the members of the Public  
19 Service committee tonight. My name is Mike Grebing, and  
20 I am the plant manager of Dana Corporation here in Cape.  
21 Dana Corporation is a company that supplies automotive  
22 components to a long list of major OEMs throughout the  
23 world and is considered a major player in the global  
24 market. The Cape Girardeau plant supplies axle parts to  
25 customers in the US, Mexico and Europe. I'm here today

1 to discuss the impact of the proposed Ameren electrical  
2 rate increase and what decision this may bring about if  
3 this proposal is accepted by this commission.

4           The Dana plant in Cape typically was staying  
5 close to \$1,000,000 a year on electricity and is  
6 classified as a small primary customer. With the  
7 incorporation of the new rate structure, our  
8 expenditures for electric power would increase by 24  
9 percent or \$240,000 a year. The proposed rate increases  
10 will start at 10 percent for residential and move to a  
11 high of 43 percent for large primary customers. There  
12 is no doubt that continuing increases in raw materials  
13 such as steel, aluminum, copper and oil have made it  
14 increasingly difficult for corporations to maintain  
15 their margin of profit; thereby, satisfying the  
16 investment community. Compounding this problem is the  
17 continued escalation in healthcare costs and retirement  
18 benefits.

19           Most of us here tonight do not have the  
20 ability to pass along these increased costs by raising  
21 our product price when dealing in a domestic or a global  
22 market. Speaking only for Dana Corporation plant in  
23 Cape, these continued increases have made it necessary  
24 for Dana to move the work out of Cape and relocate to  
25 Mexico to allow for a lower cost base. This will be

1 between now and June of 2008. If Ameren's request is  
2 approved to pass along these increased prices, it will  
3 undoubtedly further improve their bottom line  
4 performance.

5                               With that said, I must comment on  
6 Ameren's outstanding performance over the last five  
7 years.

8 Ameren is without a doubt a well run corporation as seen  
9 in their annual income statements. Being able to  
10 achieve increases in sales, gross profit and net income  
11 over the past five years is quite an accomplishment in  
12 today's environment. Ameren's reported net profit  
13 margin for 2005 was over 9 percent and estimates for  
14 2006 will again be around this number. After reviewing  
15 Ameren's performance facts, I have a hard time  
16 understanding why a regulated utility would be asking  
17 for a rate increase of such great proportion. If this  
18 request is merely to increase net profit margins to 12  
19 percent while their customer base suffers the additional  
20 expense, it is clear regarding decision that must be  
21 made by the Commission. Unfortunately, it is too late  
22 to change the corporate decision on closing Dana plant  
23 in Cape and the elimination of 200 jobs that would be  
24 leaving the area. However, the future of subsequent  
25 business in this area and within the State of Missouri

1 must be taken into consideration when you decide on this  
2 critical matter.

3 I know this Commission will review all of  
4 the testimony previously given and will make the proper  
5 decision based on what is best for all parties and  
6 stakeholders. Thank you for your consideration in this  
7 matter.

8 REGULATORY LAW JUDGE DIPPELL: Thank you,  
9 Mr. Grebing. Commissioner Murray, did you have  
10 questions?

11 COMMISSIONER MURRAY: I have no questions,  
12 but thank you very much.

13 REGULATORY LAW JUDGE DIPPELL: Commissioner  
14 Appling?

15 COMMISSIONER APPLING: Mr. Grebing, no  
16 questions, but thank you for your comments.

17 REGULATORY LAW JUDGE DIPPELL: Mr. Mills?

18 MR. MILLS: No questions.

19 REGULATORY LAW JUDGE DIPPELL: Mr. Dottheim?

20 MR. DOTTHEIM: No questions.

21 REGULATORY LAW JUDGE DIPPELL: Mr. Fischer?

22 MR. FISCHER: No questions. Thank you.

23 REGULATORY LAW JUDGE DIPPELL: Thank you.

24 We appreciate your comments. Who is your next witness  
25 in Dexter?

1 MRS. FRED: Is there anyone else who would  
2 like to speak? Mark Avery, Judge.

3 (Witness sworn.)

4 REGULATORY LAW JUDGE DIPPELL: Go ahead.

5 MR. AVERY: My name is Mark, M-a-r-k, Avery,  
6 A-v-e-r-y. My title is complex manager and I work for  
7 Tyson Foods in Dexter, Missouri, here.

8 REGULATORY LAW JUDGE DIPPELL: Go ahead with  
9 your comments.

10 MR. AVERY: I'd like to thank the Commission  
11 for the opportunity to speak on this issue. Tyson is  
12 the largest protein producer in the world. We have the  
13 largest beef and the largest pork and the second largest  
14 poultry producer in the United States. We have a  
15 processing facility here in Dexter that employs  
16 approximately 800 people. We have 234 chicken houses in  
17 the area that use electricity from multiple suppliers.  
18 Our annual cost for electricity between our plant, feed  
19 mill and hatchery last year was over \$930,000. Because  
20 we have a cook facility adjacent to the slaughter  
21 facility, which we cook over 500,000 pounds of boneless  
22 breast meat a week, the additional cost for gas is over  
23 half a million. So the combined outlay for us is well  
24 over a million four hundred thousand in a year. The  
25 increase, if it goes through, will put us in a distinct



13                   So, you know, our total outlay including  
14    corn purchases in this area is over \$50,000,000, so, you  
15    know, by no means are we looking to close or anything  
16    like that and Ameren has been a good supplier to us.  
17    Over the years we've had issues, but for the most part  
18    all of those have been worked through. I'll only ask  
19    that you take very close considerations on an increase  
20    like this, because for a big company it would make it a  
21    lot easier for us to move to other locations and us kill  
22    and slaughter chickens at a much cheaper rate than what  
23    we would have to pay at an increase like this. That's  
24    all I have.

1 Mr. Avery. Commissioner Murray, did you have any  
2 questions?

3 COMMISSIONER MURRAY: Just a couple. Thank  
4 you. Your Tyson sister plants, where are they located?

5 MR. AVERY: Ma'am, we have 35 poultry  
6 operations, over 35 operations. They are throughout the  
7 south, normally, Mississippi, Alabama, Georgia. We have  
8 some in New Holland, Pennsylvania. They are mainly  
9 throughout the south, though. Texas and Arkansas.

10 COMMISSIONER MURRAY: And are their utility  
11 rates lower than what yours will be if Ameren gets the  
12 increase that is requested? Is that what you're saying?

13 MR. AVERY: Well, I apologize for one thing.  
14 I only heard about this meeting yesterday so I don't  
15 have a lot of facts, but I do know this, in the past we  
16 have been higher than the majority of our sister plants.  
17 I can provide that information if you need it.

18 COMMISSIONER MURRAY: Well, from your  
19 comments, it sounded as if your sister plants would be  
20 in more attractive locations in terms of their utility  
21 rates if this increase went through, and you're just --  
22 you don't have numbers to back that up right now. Is  
23 that what you're saying?

24 MR. AVERY: That's true, but for example, we  
25 have a plant in Arkansas, which is right across the

1 river from Nuclear One in Arkansas so the rates  
2 are -- because of the distances are going to be much  
3 cheaper. I do know that on average we are higher. I  
4 don't know the exact numbers, but I can provide that.

5 COMMISSIONER MURRAY: Is that currently  
6 higher with the current rates or would that be after the  
7 increase?

8 MR. AVERY: I think it's currently with the  
9 current rates.

10 COMMISSIONER MURRAY: Okay. Thank you very  
11 much.

12 REGULATORY LAW JUDGE DIPPELL: Commissioner  
13 Appling, did you have questions?

14 COMMISSIONER APPLING: No questions, thank  
15 you very much.

16 REGULATORY LAW JUDGE DIPPELL: Mr. Mills?

17 MR. MILLS: I don't have any questions.  
18 Thank you.

19 REGULATORY LAW JUDGE DIPPELL: Mr. Dottheim,

20 MR. DOTTHEIM: No questions.

21 REGULATORY LAW JUDGE DIPPELL: Mr. Fischer?

22 MR. FISCHER: No questions.

23 REGULATORY LAW JUDGE DIPPELL: Mr. Avery, we  
24 appreciate you coming to testify. Who is the next in  
25 Cape Girardeau?

1 MR. KELLY: Jay Knudtson.

2 REGULATORY LAW JUDGE DIPPELL: Would you  
3 raise your right hand, please?

4 (Witness sworn.)

5 REGULATORY LAW JUDGE DIPPELL: Could you  
6 please spell your name for the court reporter and give  
7 us your address?

8 MR. KNUDTSON: First name is Jay, J-a-y.  
9 Last name is Knudtson, K-n-u-d-t-s-o-n. I'm  
10 representing the City in my capacity as mayor of Cape  
11 Girardeau. My address is 401 Independence, Cape  
12 Girardeau, Missouri 63702.

13 REGULATORY LAW JUDGE DIPPELL: And is the  
14 City both an electric and a gas customer?

15 MR. KNUDTSON: Yes, ma'am.

16 REGULATORY LAW JUDGE DIPPELL: Please give  
17 us your comments.

18 MR. KNUDTSON: Mr. Kelly, Mr. Heely on  
19 behalf of Chairman Jeff Davis, who I believe was a SEMO  
20 grad. It's nice to have you here. I also see a  
21 friendly face out there. Commissioner Appling, it has  
22 been sometime since we spoke, but I think the citizens  
23 that are here need to know that your commissioner played  
24 a critical part in the restoration of Marquette Hotel in  
25 Cape Girardeau. It's delightful to see you again, sir,

1 and it looks like you're doing well.

2 COMMISSIONER APPLING: Thank you very much,  
3 and that was a treat for me to do that hotel. I will  
4 come see you pretty soon.

5 MR. KNUDTSON: I would welcome that, sir.  
6 Again, members of the Public Service Commission, welcome  
7 to Cape Girardeau. I know I speak on behalf of all the  
8 citizens and the businesses when I say thank you for  
9 conducting a hearing in Cape Girardeau.

10 Ladies and gentlemen, it is that great  
11 citizenry that compels me to come before you and share  
12 some thoughts about Ameren and these proposed rate  
13 increases. The City of Cape Girardeau has had a long  
14 relationship with Ameren that dates back over 25 years.  
15 We presently are involved in a 20-year franchise  
16 agreement with AmerenUE that was approved by the voters  
17 in 1991 and will expire in 2011. For the record, we  
18 think it is very important to point out and recognize  
19 Ameren's need to be profitable and healthy so as to  
20 provide the best service possible to our region.  
21 Additionally, we respect and appreciate the role of the  
22 Public Service Commission. This is a process that is  
23 very difficult and very unique, and you are certainly  
24 better versed and presented with more facts than are we,  
25 and we respect the decisions that you will make.

1                   You have heard a number of industry appear  
2 before you tonight. I have found much of it very  
3 compelling. You've heard testimony from representatives  
4 from Southeast Missouri State University, a major user;  
5 Biokyowa, a plant in Cape Girardeau, that as  
6 Mr. Hinckley reported is a significant user; Southeast  
7 Missouri Hospital and the Dana Corporation that we  
8 regret is leaving due to a number of issues and a number  
9 of expense issues that have driven them out of this  
10 country.

11                   But as mayor, I received many more calls  
12 from business and industry regarding the magnitude of  
13 the proposed rate increase. Increases that range from  
14 24 to 43 percent will clearly have a very negative  
15 impact on some of our city's largest employers. And  
16 ladies and gentlemen, it's tough enough with the  
17 challenges that we have pertaining to economic  
18 development and in sustaining industry and recruiting  
19 new industry without having these unbelievable increases  
20 factored into the equation. These companies, many of  
21 which you will hear from and have heard from tonight,  
22 represent the economic foundation of our city. And I  
23 have deep concerns about the continued viability of  
24 these employers if this increase is granted.

25                   The impact on our citizenry, while the

1 residential increase is supposed to be smaller at 10  
2 percent, it's just as damaging and hurtful. We have  
3 approximately 14,000 residential and 2,000  
4 nonresidential city utility customers with a population  
5 in excess of 36,000 here in Cape Girardeau. And sure,  
6 there are folks that will be able to absorb it. They  
7 will be able to make some lifestyle changes that will  
8 make that increase less painful, but what about the  
9 folks that can't? What about the folks on fixed  
10 incomes? It's not like we're talking about a service  
11 that people can simply go without. This increase is  
12 simply too drastic.

13                   And let's talk about the City of Cape  
14 Girardeau as a user, as a customer. We have calculated  
15 that as a small primary customer we would experience an  
16 overall increase in cost of over \$185,000 a year. This  
17 would equate to an increase in our general fund tax levy  
18 of approximately five and a half percent. Those are the  
19 statistical facts. Those are the things that I suspect  
20 in each of your stops you are hearing in some form or  
21 fashion. These are the facts that I, as mayor, feel  
22 compelled to share with you. But you've heard them  
23 tonight, and you'll hear them in each of your stops.

24                   I would now like to begin to wrap up my  
25 comments by really focusing on something that is a

1 little bit harder to quantify, certainly no less  
2 important. Allow me to read something to you. On  
3 August 19th, 2006, the City of Cape Girardeau  
4 experienced a severe wind storm in the northeast section  
5 of the city. The winds toppled trees and power lines in  
6 the area causing extensive power outages in that area of  
7 the city. This effected approximately a thousand  
8 households and some city facilities, including the  
9 city's water treatment plant.

10 I regret to inform you that the initial  
11 response by Ameren was both deliberate and unacceptable  
12 to the citizens of Cape Girardeau. Throughout this  
13 entire event, the City was in a bad position of having  
14 to communicate with the public on where is Ameren, or  
15 what action was being taken to restore power? This was  
16 a lack of communication and coordination that clearly  
17 represented a breakdown in the process. And the  
18 fascinating thing is, is that it was probable if we  
19 could have communicated with them that they were doing  
20 everything within their power to restore power to these  
21 areas, but we had no one to communicate with. I'm not  
22 sure if you know what it's like to stand out in a street  
23 while hot power lines are dangling as darkness  
24 approaches. We set up command centers in the affected  
25 areas to communicate with these folks and offer water



1 and coolers, but Ameren representatives were nowhere to  
2 be found. You don't know what it's like when citizens  
3 come up to you and ask you, "When is this going to be  
4 fixed?" And you have to say, "I don't know."

5           The one thing that I have learned about the  
6 citizens in this community is they are both resilient  
7 and resourceful. If you manage expectations, if you  
8 tell them it will be 24 hours, 36 hours, they will plan  
9 for it. They won't like it, but they will plan for it,  
10 because you have managed expectations. When you have to  
11 say, "I don't know," they get very angry. They get very  
12 upset.

13           We, the City of Cape Girardeau, have seen a  
14 steady decline in Ameren's presence, communication and  
15 response to service needs in our city over the last five  
16 to four years, a very -- a very identifiable decline.  
17 Our citizens no longer have a local number to call.  
18 They have an 800 number. Our citizens no longer have a  
19 local corporate contact to pay their bill, to get  
20 questions answered. We no longer have the partnership  
21 with Ameren that we were so very proud of.

22           And let me be very clear when I tell you, as  
23 I believe the city manager in Dexter did, some of these  
24 harsh words are not an indictment about the local folks.  
25 They have been stripped of their resources. They have

1    been stripped of their ability to provide any kind of  
2    service that's even remotely close to being acceptable.

3                   Now, the obvious question might be, well,  
4    you see, Mayor, you just stood there and you've made a  
5    point. You've made the point why they ought to have  
6    increases so that there can be better services. That's  
7    bull. What Ameren needs to do is it needs to look  
8    inward wherever their corporate facility is and they  
9    need to establish -- reestablish relationships within  
10   the communities that they serve, and that cost is very  
11   little.

12                   In summary as Mayor, yes, I'm very concerned  
13   about the magnitude of these fee increases and what it  
14   means to our citizens, but that is an issue that you,  
15   Commissioners, you will decide and we will live with,  
16   but I'm more concerned about the fact that when it comes  
17   to this utility currently its services are not  
18   performing at an acceptable level. And I have seen no  
19   evidence or plan that shows that these services will  
20   improve even with an increase. So in conclusion, we  
21   urge you to strongly consider the negative impacts of  
22   these proposed increases and modify the request  
23   accordingly. I very much appreciate the opportunity to  
24   be with you tonight, and I appreciate the Public Service  
25   Commission. Thank you.

1                   REGULATORY LAW JUDGE DIPPELL: Thank you. I  
2 just wanted to state, sir, that your comments will not  
3 only be in the rate increase case, but will also be in  
4 the Commission's storm investigation case, which is the  
5 commission case OE2007-0037, your comments that is about  
6 the storm. Commissioner Murray, did you have any  
7 questions?

8                   COMMISSIONER MURRAY: Basically, I just have  
9 a comment, Mayor. These two hearings tonight make  
10 numbers four and five out of about 15 that we have  
11 scheduled in this matter, and you stated that we've been  
12 hearing similar comments at our other stops that you  
13 from your communities have told us tonight. And I just  
14 want to compliment both the Dexter and the Cape  
15 Girardeau communities for your intelligent and rational  
16 testimony, which we might, as you have said, heard in  
17 other locations, but your communities have expressed  
18 these concerns in such a rational and a clear and well  
19 thought out, well researched manner that the testimony  
20 of all the witnesses so far tonight, in my personal  
21 opinion, has been very helpful, and I really appreciate  
22 the quality of testimony that we're hearing from all of  
23 you tonight.

24                   MR. KNUDTSON: Thank you, Madam.

25                   REGULATORY LAW JUDGE DIPPELL: Commissioner

1     Appling, did you have any questions?

2                   COMMISSIONER APPLING:   Mr. Mayor, I echo  
3     Commissioner Murray's comments.  Of all the areas that I  
4     have participated in in the State of Missouri I have  
5     cleared up much more today in Cape and Dexter than in  
6     any other place.  I also ask you if you happen to bump  
7     into Becky Cook, tell her I said hello.

8                   MR. KNUDTSON:  Mr. Commissioner, I will do  
9     that.  Thank you, sir.

10                  REGULATORY LAW JUDGE DIPPELL:  Mr. Mills,  
11     did you have any questions?

12                  MR. MILLS:  I don't have any questions.  
13     Thank you.

14                  REGULATORY LAW JUDGE DIPPELL:  Mr. Dottheim?

15                  MR. DOTTHEIM:  No questions for the mayor.

16                  REGULATORY LAW JUDGE DIPPELL:  Mr. Fischer?

17                  MR. FISCHER:  No, thank you.

18                  REGULATORY LAW JUDGE DIPPELL:  Thank you.

19                  MR. KNUDTSON:  Judge, I'd like to enter a  
20     statement.  Would it be appropriate to send it over here  
21     or who should I submit a statement to?

22                  REGULATORY LAW JUDGE DIPPELL:  Yes.  The  
23     statement I will mark as Exhibit No. 5, I believe, yes.  
24     Exhibit No. 5, and you would just give that to the court  
25     reporter.

1 MR. KNUDTSON: Thank you, Judge.

2 REGULATORY LAW JUDGE DIPPELL: Is there  
3 another witness in Dexter?

4 MRS. FRED: Judge, we have no one else in  
5 Dexter who would like to testify at this time.

6 REGULATORY LAW JUDGE DIPPELL: Okay. Is  
7 there another witness in Cape Girardeau?

8 MR. KELLY: Yes, there is, Judge. It would  
9 be Rick Essner.

10 REGULATORY LAW JUDGE DIPPELL: Could you  
11 please raise your right hand?

12 (Witness sworn.)

13 REGULATORY LAW JUDGE DIPPELL: If you could  
14 spell your name and give us your address?

15 MR. ESSNER: My name is Rick Essner,  
16 E-s-s-n-e-r. I'm director of the facilities at the St.  
17 Francis Medical Center as a customer for both electric  
18 and natural gas at 211 St. Francis Drive in Cape  
19 Girardeau, Missouri 63703. We use, as I said, electric  
20 and gas both to heat and cool our facility, to light our  
21 facility, to provide power for our equipment to give the  
22 best care to our patients as possible. And as you all,  
23 we are very concerned about the cost of health care and  
24 work in every way we can to keep the cost of healthcare  
25 low. In the past year, we spent 1.3 million dollars for

1 electricity, a million dollars for natural gas. The  
2 proposed increases will cost us basically \$400,000 --  
3 over \$400,000 a year. Again, this kind of an increase  
4 is rather large. We have grown rapidly. We are now the  
5 largest employer in the area. And again, it's difficult  
6 as we are expanding and growing our facility and have to  
7 heat and cool that facility and take care of our  
8 patients to keep that cost as low as possible.  
9 Thank you all very much for the opportunity.

10 REGULATORY LAW JUDGE DIPPELL: Thank you,  
11 Mr. Essner. Commissioner Murray, did you have any  
12 questions?

13 COMMISSIONER MURRAY: No, but thank you very  
14 much.

15 REGULATORY LAW JUDGE DIPPELL: Commissioner  
16 Applling?

17 COMMISSIONER APPLING: Again, thank you and  
18 no questions from me.

19 REGULATORY LAW JUDGE DIPPELL: Thank you,  
20 sir. Mr. Mills, did you have questions?

21 MR. MILLS: No questions.

22 REGULATORY LAW JUDGE DIPPELL: Mr. Dottheim?

23 MR. DOTTHEIM: No questions.

24 REGULATORY LAW JUDGE DIPPELL: Mr. Fischer?

25 MR. FISCHER: No, thank you.

1                   REGULATORY LAW JUDGE DIPPELL: Thank you,  
2 Mr. Essner.

3                   MR. ESSNER: Thank you.

4                   REGULATORY LAW JUDGE DIPPELL: Is there  
5 anyone else in Cape Girardeau that wanted to testify?

6                   MR. KELLY: Judge, that is the last name on  
7 the list. I would just ask in the room if there's  
8 anyone that wants to make a comment I would say at this  
9 point to go ahead up front and the Judge will swear you  
10 in. We have another witness.

11                   (Witness sworn.)

12                   REGULATORY LAW JUDGE DIPPELL: Could you  
13 state your name and spell it and give us your address?

14                   MS. WINICK: Katherine Winick,  
15 K-a-t-h-e-r-i-n-e, W-i-n-i-c-k. I reside at 223 Albert  
16 Lane in Gordonville, Missouri, 63701. I represent  
17 Botkin Lumber Company on Nash Road, B-o-t-k-i-n.  
18 Basically, in 2006 -- we are electric only. In 2006,  
19 our electric costs at our Cape Girardeau facility were  
20 around 50,000. The rate increase would be about \$12,000  
21 additional, which doesn't seem like as much as any of  
22 the other companies, but for a small family business it  
23 would be quite a bit.

24                   I would like to basically keep it short by  
25 voicing my agreement with Bill Hinckley of Biokyowa,

1 John Mehner of the Chamber of Commerce, Mike Grebing  
2 with Dana Corporation and Mayor Knudtson. That's all I  
3 have. Thank you.

4 REGULATORY LAW JUDGE DIPPELL: Thank you  
5 very much. Commissioner Murray, did you have any  
6 questions?

7 COMMISSIONER MURRAY: No questions. Thank  
8 you.

9 REGULATORY LAW JUDGE DIPPELL: Commissioner  
10 Appling?

11 COMMISSIONER APPLING: No questions, but  
12 thank you.

13 REGULATORY LAW JUDGE DIPPELL: Mr. Mills?

14 MR. MILLS: No questions.

15 REGULATORY LAW JUDGE DIPPELL: Mr. Dottheim?

16 MR. DOTTHEIM: No questions.

17 REGULATORY LAW JUDGE DIPPELL: Mr. Fischer?

18 MR. FISCHER: No questions.

19 REGULATORY LAW JUDGE DIPPELL: Thank you,  
20 Ms. Winick. I appreciate you coming forward. Are there  
21 any other witnesses in Cape Girardeau?

22 MR. KELLY: Anyone else in Cape Girardeau  
23 who wish to testify this evening? I believe that's it,  
24 Judge.

25 REGULATORY LAW JUDGE DIPPELL: All right



1    then.  If there's no one further to testify we will  
2    conclude the hearing.  I want to thank everyone who came  
3    out this evening to testify and thank you for your  
4    patience.  We appreciate it.  We can go off of the  
5    record.  Thank you.

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4 I, ERIKIA DAVIS, Notary Public for State of Missouri  
5 at Large, do hereby certify that the above and foregoing  
6 is a true, correct and complete transcript of the Public  
7 Service Commission public hearing, taken at the time and  
8 place and for the purpose set out in the caption hereof;  
9 that said witness were duly sworn; that said Public  
10 Service Commission public hearing was taken down in  
11 stenotype by me and thereafter transcribed; that the  
12 appearances were as set out in the caption hereof; and  
13 that no request was made by counsel for either party  
14 that the Public Service Commission public hearing be  
15 submitted to the witnesses for signature.

16 I further certify that I am neither attorney for, nor  
17 counsel for, nor related to, nor employed by any of the  
18 parties to the action in which this Public Service  
19 Commission public hearing is taken; and further, that I  
20 am not a relative or employee of any attorney or counsel  
21 employed by the parties hereto nor financially  
22 interested in the action.

23 My commission expires June 7, 2009.

24 Given under my hand and seal of office on this the  
25 18th day of January, 2007.

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ERIKIA DAVIS

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