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7 On-The-Record Presentation
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12 In the Matter of Union Electric)
Company d/b/a AmerenUE's Tariffs)
13 To Increase Its Annual Revenues) File No. ER-2010-0036
For Electric Service)

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16 MORRIS L. WOODRUFF, Presiding,
CHIEF REGULATORY LAW JUDGE.

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18 KEVIN GUNN,
ROBERT S. KENNEY
19 COMMISSIONERS.

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

2 JUDGE WOODRUFF: Good morning, everyone.
3 We're here in Case No. ER-2010-0036 for an on-the-record
4 presentation regarding three different Stipulations &
5 Agreements that have been filed.

6 We'll begin today by taking entries of
7 appearance, beginning with AmerenUE.

8 MR. BYRNE: Thank you, your Honor. I'm Tom
9 Byrne representing AmerenUE. My address is 1901 Chouteau
10 Avenue, St. Louis, Missouri 63103.

11 JUDGE WOODRUFF: Thank you.

12 MR. LOWERY: James B. Lowery of the law
13 firm of Smith Lewis, LLC, P.O. Box 918, Columbia, Missouri
14 65205, on behalf of AmerenUE. Thank you.

15 JUDGE WOODRUFF: For the Staff.

16 MR. WILLIAMS: Nathan Williams and Steve
17 Dottheim, P.O. Box 360, Jefferson City, Missouri 65102.

18 JUDGE WOODRUFF: For Public Counsel.

19 MR. MILLS: Lewis Mills. My address is
20 Post Office Box 2230, Jefferson City, Missouri 65102.

21 JUDGE WOODRUFF: For MIEC.

22 MR. DOWNEY: Edward Downey for MIEC. My
23 address is 221 Bolivar Street, Suite 101, Jefferson City,
24 Missouri.

25 JUDGE WOODRUFF: For AARP and Consumers

1 Council.

2 MR. COFFMAN: John B. Coffman, 871 Tuxedo
3 Boulevard, St. Louis, Missouri 63119.

4 JUDGE WOODRUFF: Looking around the room, I
5 believe that's all the parties that are represented today.
6 Did I miss anyone?

7 (No response.)

8 JUDGE WOODRUFF: All right. Well, the
9 purpose of this proceeding today is to allow the
10 Commissioners to ask questions about the Stipulations &
11 Agreements, and so we'll just move straight into that. Of
12 course, the attorneys don't have to be sworn if you can
13 answer the questions that are asked. If some of you have
14 witnesses here, if you have to have witnesses answer
15 questions, we'll swear them in.

16 Commissioner Gunn.

17 COMMISSIONER GUNN: Thank you. I just have
18 a few on the low income stuff, so you can put the other
19 things aside. I'm not going to ask you about the market
20 price.

21 The program -- first of all, let me thank
22 the parties. I had kind of a crazy idea that we should
23 create potentially a new class and all these complex
24 issues in order to try to do this, and I think that the
25 parties got together in good faith and helped solve or at

1 least take a look at one of these problems. I want to
2 thank everybody for responding in the manner in which they
3 did to that order as well as designing a program that I
4 think generally I'm okay with.

5 But let me ask a couple questions. The
6 stipulation appears to require that the program last for
7 two years, but it is evaluated on an annual basis. Do the
8 parties contemplate that after that first year that if we
9 find that the program is an abject failure and
10 accomplishes none of the goals which we thought or we had
11 hoped to and really isn't giving us good or measurable
12 information, do the parties believe that the stipulation
13 requires them to continue that program on for the next
14 year without substantial modification?

15 MR. DOTTHEIM: I think there's the
16 possibility of modification, and although I don't know
17 that the parties truly contemplate that the evaluations
18 would be less than on an annual basis, there is provision
19 that the evaluations could be on less than an annual basis
20 if something was observed that was truly unexpected or out
21 of the ordinary.

22 So I think from the Staff's perspective,
23 there is potential for being flexible with the
24 collaborative making recommendations if something truly
25 unforeseen occurs or if the collaborative believes that

1 changes or modifications are advisable.

2 COMMISSIONER GUNN: Okay. Anybody else
3 want to address that?

4 MR. COFFMAN: Your Honor, my experience
5 with these programs is that it's a good idea to have two
6 or three years of experience because of weather
7 aberrations, whatever you might have, an unusually cold
8 summer, an usually warm winter, and not get the -- not
9 have the same demand or need and to have more than one
10 year's time.

11 I'm not sure that you would be able to
12 determine that the entire approach is not working, but if
13 it is, my hope is that the collaborative would be able to
14 identify and perhaps come together and ask for a
15 modification jointly after a year. I think that might be
16 one purpose of the annual evaluations. Maybe we need to
17 tweak it a little bit to get at what we're trying to
18 study.

19 COMMISSIONER GUNN: And part of my question
20 contemplated that you may not be getting measurable data
21 out of the program, that the evaluation essentially
22 doesn't work because you're not -- for some reason you're
23 not getting actual measurable data, which I agree with you
24 that we want to have a test year in which we can evaluate
25 whether it's working, but if we're not getting the right

1 data out of that, I just want to make sure everybody
2 agrees there can be modification.

3 MR. BYRNE: From the company's standpoint,
4 it's a two-year commitment, but I agree with everyone else
5 that we have to look at it, and if modifications need to
6 be made, that's why we have a collaborative. Hopefully
7 we'd be able to make those.

8 MR. DOTTHEIM: Also, I'm not the best one
9 in the room to address this, but this program would not be
10 occurring in a vacuum. Other utilities regulated by this
11 Commission have programs. So I think there is some body
12 of knowledge or experience with other companies with
13 programs of some rough similarity that the collaborative
14 has for comparative purpose.

15 COMMISSIONER GUNN: Part of the reason why
16 I ask the question, this is kind of the second question,
17 is there's a lockout provision in this essentially where
18 none of the parties are allowed to propose a low income
19 for the 2000 -- for the anticipated 2010 rate case for
20 Ameren. And I just wanted to make sure that it was
21 believed that this -- this was essentially, if
22 modifications were proposed to the low income program, it
23 would be as a continuation of this case, being pulled out
24 of the -- in 2010, it would not be precluded because of
25 that kind of lockout, lockout provision in the

1 stipulation. I'm assuming that's everybody's
2 understanding as well.

3 MR. BYRNE: That's our understanding.

4 MR. COFFMAN: It's my assumption that if
5 there was a consensus amongst the collaborative,
6 collaboration members, that something needed to be changed
7 that that could be proposed to you and that this wouldn't
8 prohibit that, but that this provision is in here in
9 anticipation of the two-year pilot program would go
10 through the period of the next anticipated rate case.

11 MR. BYRNE: I think the thought of the
12 parties was it didn't make sense to stop a -- you know,
13 change the parameters of the program. We wanted two
14 years' worth of experience with this program, see where it
15 leads.

16 COMMISSIONER GUNN: Great. And then just
17 to be clear, the lockout procedure, no one would be in
18 violation of the Stipulation & Agreement if they responded
19 to an order from the Commission asking them to provide
20 information or propose a low income program in 2010, or do
21 people feel differently about that?

22 If the Commission issued an order that was
23 not generated organically from the signatories to the
24 stipulation and we required parties to respond and they
25 did respond, would the other parties view that as a

1 violation of the Stipulation & Agreement or would they
2 potentially use that as a defense to not respond to the
3 Commission?

4 I'm not anticipating that that's going to
5 happen. I just want to make absolutely clear that
6 we're -- what the parties' intention was here.

7 MR. BYRNE: From our perspective, I think
8 the thought is the parties are all agreeing not to propose
9 another low income program in the 2010 case. I guess the
10 Commission has the power to supersede or negate that
11 agreement, but that would -- I guess I would view that as
12 being contrary to this stipulation if new -- if a bunch of
13 new low income programs were proposed in the 2010 rate
14 case.

15 COMMISSIONER GUNN: Well, I'm not asking
16 about whether they were proposed. I'm asking whether
17 they -- we were requesting information about potential
18 programs, and I think we do have the power to ask you to
19 do that.

20 MR. BYRNE: Yeah, you do have that power.

21 COMMISSIONER GUNN: But what I'm not
22 looking for is, if we so choose to do that, that someone
23 says that violates the Stipulation & Agreement, so we're
24 not -- we're not making --

25 MR. BYRNE: I don't think the Commission's

1 bound by the -- you know, the Commission can't contract
2 away its authority. It has that authority.

3 MR. MILLS: From Public Counsel's
4 perspective, we wouldn't view this provision in the
5 Stipulation & Agreement as a reason to refuse to answer
6 your questions if you're seeking information. We would
7 provide information to the best of our ability to any
8 questions.

9 COMMISSIONER GUNN: What I'm more concerned
10 about is that someone would decide to end the program
11 because somehow the Stipulation & Agreement became void
12 because a party responded to a Commission order, which I
13 don't think that's the case, and I don't think the company
14 would do that. I'm not implying that at all. I just
15 want -- again, we're making a record on the Stipulation &
16 Agreement. I want to make sure that we're good and
17 everybody understands what we're talking about.

18 MR. BYRNE: We wouldn't do that.

19 COMMISSIONER GUNN: Didn't think you would.

20 MR. DOTTHEIM: Commissioner, on that
21 question, I would direct you, and you may be referencing
22 this in particular, but I would direct you to page 6,
23 paragraph E on the bottom half of the page, and I think
24 your question -- paragraph E goes to your question.

25 I would also say, and I really wouldn't

1 want to get into it too far because it would be premature,
2 but I think the question you've posed addresses an issue
3 that is coming up later this month in an on-the-record
4 two-day hearing that the Commission has set involving a
5 Stipulation & Agreement, Stipulations & Agreements and
6 actions that the Commission has taken and that the company
7 or companies have taken and I do believe will be raised in
8 the context of that two-day hearing.

9 COMMISSIONER GUNN: And I agree with you
10 that I think that not only does the stipulation
11 contemplate our powers in doing that under paragraph E, my
12 question really was more directed that if the parties are
13 responding to us and they essentially propose in response
14 to a Commission order another low income program, that
15 they would somehow be violating paragraph 8.

16 So it wouldn't be the Commission violating
17 or any contract that we do, but I wouldn't want someone to
18 come back and say, well, the response to us was a proposal
19 under paragraph 8 and, therefore, the Stipulation &
20 Agreement is null. Again, I don't think that's the case.
21 I just want to make sure that everybody was on the same
22 page with that.

23 My final question is, do we know yet what
24 the -- what the line item on the bill is going to say?
25 Because as I understand it, the ratepayer contribution is

1 collected through a surcharge to the different classes,
2 and is that -- A, is it broken out as a line item on the
3 bill, and if it is, do we know yet what that is going to
4 say, or have we contemplated that yet?

5 MR. BYRNE: I don't think the stipulation
6 says what it will say.

7 COMMISSIONER GUNN: It doesn't.

8 MR. BYRNE: It does not.

9 COMMISSIONER GUNN: That's what I'm saying.
10 Is that something the collaborative is going to determine?
11 Is that something the company is going to determine? Is
12 there any input from Staff or other signatories to the
13 stipulation what that's going to say? Do people care?

14 MR. BYRNE: I think it would fall within
15 the purview of the collaborative if they, you know --

16 MR. COFFMAN: I don't think it's
17 contemplated whether it would be a line item or not. It
18 would just be a few cents added on to the customer charge.

19 COMMISSIONER GUNN: It's like for
20 residential customers, it's like, what, three cents?

21 MR. COFFMAN: Three cents.

22 COMMISSIONER GUNN: Three cents a month. I
23 don't think people are going to be freaked out by the
24 amount, but you contemplate that what it says and how it's
25 described is an issue for the collaborative?

1 MR. BYRNE: Yes.

2 MR. MILLS: I don't think we even got to
3 the point of deciding whether there would be a separate
4 line item. For one thing, we don't know what that costs.
5 We frequently hear from utilities that it's very expensive
6 to monkey around with billing printing. If it's very
7 expensive to set out a separate line item, we would object
8 to having that cost be rolled in.

9 MR. BYRNE: There's a limitation on the
10 space also.

11 COMMISSIONER GUNN: Which is fine.
12 Honestly, I don't care whether it's on there. If I were
13 deciding myself, I would probably say it doesn't
14 necessarily need to be a separate line item. Since it was
15 a surcharge, I just wanted to make sure that there was at
16 least some process that people were going to have input to
17 determine how that was described to ratepayers, Public
18 Counsel and some of the other -- Consumers Council, some
19 of the other folks that have input. Staff would have
20 input.

21 MR. DOTTHEIM: Yes. The Staff would be
22 interested in having input. I think the collaborative
23 would be an appropriate place for that to be discussed and
24 determined.

25 MR. COFFMAN: It was not contemplated one

1 way or the other whether it would be a line item. I'm not
2 aware of any party that has claimed that that's their
3 desire. Although it was -- it is contemplated that the
4 charge would terminate at the end of two years, and so
5 approved rates could potentially at the end of two years
6 go down, say, for residential rates by three cents. At
7 the end of two years, automatically the customer charge
8 would be three cents less, potentially. That's very
9 clear, but it was not --

10 MR. BYRNE: More than potentially.
11 Certainly.

12 MR. COFFMAN: It's anticipated that that's
13 what would happen by this agreement, explicitly in
14 paragraph 2.

15 COMMISSIONER GUNN: And then finally, maybe
16 I didn't -- is the company the primary collector and
17 evaluator of the data?

18 MR. COFFMAN: The agreement calls for an
19 independent third-party evaluator, which I would -- my
20 understanding, the collaborative would choose.

21 COMMISSIONER GUNN: So the collaborative
22 gets together, decides who's evaluating the data and who
23 will come up with recommendations at the end of the
24 two-year period as to whether -- as to whether it was
25 working, whether it should continue?

1 MR. COFFMAN: Your Honor, I'm sorry. I
2 think it's the anticipation that the evaluator would be
3 chosen very early so as to inform the process going
4 forward.

5 COMMISSIONER GUNN: But they would also be
6 the evaluator at the end of the -- at the annual -- at the
7 end of the first year, I would assume that they would have
8 some sort of report that would be filed, shown to the
9 parties and filed with the Commission, whether it's from
10 the independent third party themselves or whether it was
11 from the collaborative, and then at the end of the second
12 year, there may be an overall recommendation or evaluation
13 of how the program worked. I'm assuming that's the way it
14 would work.

15 MR. COFFMAN: Yes.

16 MR. BYRNE: I think we contemplated that
17 the selection of the independent evaluator and those
18 details would be in the purview of the collaborative.

19 COMMISSIONER GUNN: Again, I don't have any
20 questions, but I do want to thank -- thank the parties for
21 coming together and designing what I think is a very
22 rational approach to a lot of what we heard at these local
23 public hearings. And I think that -- I'm very pleased
24 that everyone came to an agreement to address these issues
25 in a way that I think will hopefully give us some very

1 good data going forward to see where there's a break-even
2 point, to see how we can reduce some bad debt, to see how
3 we can keep some folks from kind of getting in that death
4 spiral of debt and increasing prices.

5 I appreciate everybody's indulgence in
6 answering the questions, and I thank everybody for their
7 efforts. I don't have any other questions, Judge. Thank
8 you.

9 JUDGE WOODRUFF: Commissioner Kenney.

10 COMMISSIONER KENNEY: Good morning,
11 everybody. Let me make sure I'm correct. We're here to
12 discuss the second and third nonunanimous stipulations and
13 the market energy prices?

14 MR. MILLS: Correct.

15 COMMISSIONER KENNEY: I'm going to ask the
16 quick questions that I have about the second stipulation
17 first, and then I'll move on to the other two, and I'm not
18 going to ask questions about the complex calculations with
19 respect to the fuel adjustment clause.

20 My questions are limited to the issues set
21 forth under other issues in paragraph 7 on page 3, and
22 specifically Ameren's revenue requirement is going to be
23 reduced by \$13.3 million, right? Flotation costs, rate
24 case expense and executive compensation are the three
25 components of that 13.3 million?

1 MR. BYRNE: (Nodded.)

2 COMMISSIONER KENNEY: And 2.74 million is
3 attributable to flotation costs, correct? Is that right?

4 MR. LOWERY: Yes. There were flotation
5 costs of, I don't know exactly what the number, around
6 10 million, and so one -- 80 percent of that will reduce
7 the revenue requirement, then it will be amortized over a
8 period of five years. That's what the 2.74 represents.

9 COMMISSIONER KENNEY: That's just the
10 first -- that's the first year, the 2.74, of the
11 amortization?

12 MR. LOWERY: Yes. There's an annual amount
13 of 2.74 in the first year that continues for a total of
14 five.

15 COMMISSIONER KENNEY: So the remaining 2.56
16 is attributable to rate case expense and executive
17 compensation, roughly, if my math is correct?

18 MR. WILLIAMS: That's one way it could be
19 viewed. I don't know that it was necessarily viewed that
20 way by Staff.

21 COMMISSIONER KENNEY: Let me just ask this.
22 How much was the rate case expense and how much is it
23 being reduced by as a result of this? And same question
24 with respect to executive compensation. Anybody knows the
25 raw numbers.

1 MR. WILLIAMS: I don't know that offhand.

2 MR. BYRNE: I believe our rate case expense
3 was just over \$2 million in our filing, and executive
4 compensation, I'm not sure how much that was.

5 COMMISSIONER KENNEY: And how much is the
6 rate case expense being reduced by as a result of the
7 stipulation?

8 MR. BYRNE: It's a black box settlement, so
9 it's not each individual -- it's not attribute -- the
10 dollar change isn't attributable to each individual issue.

11 MR. WILLIAMS: And that was the point I was
12 getting at, too. The amount of the reduction in the
13 revenue requirement is for all three items.

14 COMMISSIONER KENNEY: Okay.

15 MR. WILLIAMS: And there is an explicit
16 amortization amount related to flotation costs.

17 COMMISSIONER KENNEY: So there would be no
18 way to answer my question, I guess?

19 MR. WILLIAMS: You could probably come up
20 with a myriad of ways to answer depending on your
21 viewpoint.

22 MR. LOWERY: I think, Commissioner, the
23 issue is different people could have different numbers in
24 their mind about what various things were worth, what they
25 were settled for, what was allowed. That's why the

1 question can't really be answered because different people
2 could view it differently.

3 COMMISSIONER KENNEY: Forgive the ignorance
4 of my question, then. Okay. Well, never mind.

5 Then I will move to the Third Unanimous --
6 Nonunanimous Stipulation, the low income discussion. And
7 I understand that there's still some work to be done with
8 respect to the particulars and the details, but let me
9 just ask, the eligibility is going to be -- will include
10 those customers that are 100 percent of the federal
11 poverty level and then LIHEAP customers that are
12 135 percent of the federal poverty level, correct?

13 MR. WILLIAMS: Not exactly. The LIHEAP
14 customers have some additional requirements.

15 COMMISSIONER KENNEY: Who are also elderly.
16 Okay. So it's conjunctive. They have to also be elderly,
17 disabled with a chronic medical condition or in a
18 household with children under five years of age.

19 Let me ask the first question. With
20 respect to those customers that are at 100 percent of the
21 federal poverty level, is there any way to estimate the
22 number of customers that that would represent or will
23 represent?

24 MR. BYRNE: I don't know as I sit here
25 right now. We can find that out for you maybe,

1 Commissioner.

2 MR. COFFMAN: There was a bit of work done
3 in previous rate cases with those numbers. I'm not sure
4 if it's in the record in this case.

5 My witness, Jackie Hutchinson, is the head
6 of the energy program, St. Louis Human Development
7 Corporation. She may have some information.

8 JUDGE WOODRUFF: Let me swear you in.

9 COMMISSIONER KENNEY: Forgive me if I'm
10 asking questions that are not within the purview of this,
11 and I don't expect this to be an accurate, 100 percent
12 accurate number. I'd just like an approximation of how
13 many people are going to be affected by this, to the best
14 of your ability.

15 JUDGE WOODRUFF: I'll swear you in, then
16 you can give your answer.

17 (Witness sworn.)

18 JUDGE WOODRUFF: Tell us your name.

19 MS. HUTCHINSON: I'm Jacqueline Hutchinson.

20 JUDGE WOODRUFF: Go ahead and answer.

21 MS. HUTCHINSON: I can't give you an exact
22 number of Ameren customers that are below 100 percent of
23 poverty. However, I can tell you that there are
24 approximately 350,000 individuals in the St. Louis area,
25 which represent about 100,000 families, that are below the

1 100 percent of poverty. I don't know how that equates in
2 other areas.

3 We have approximately 150,000 households
4 that apply for LIHEAP at 135 percent of poverty, and of
5 those 150,000 households that apply for LIHEAP, probably
6 90 percent of them are below 100 percent of the poverty
7 level. So that's a statewide figure, and there again, I
8 can't break it down to Ameren's territory because I'm not
9 that familiar with what all their territory is.

10 COMMISSIONER KENNEY: That's helpful.

11 MR. MILLS: Judge, I think Ms. Meisenheimer
12 has some additional information she can shed on that.

13 JUDGE WOODRUFF: I'll swear you in also,
14 then.

15 (Witness sworn.)

16 JUDGE WOODRUFF: For the record, identify
17 yourself.

18 MS. MEISENHEIMER: Barbara Meisenheimer.

19 JUDGE WOODRUFF: Go ahead.

20 MS. MEISENHEIMER: In my testimony, in
21 direct testimony on the low income issue, I included a
22 schedule BAM supplemental direct dash 2 which by county
23 identifies an estimate of the number of low income
24 households.

25 And then I believe that the Staff in their

1 testimony, Anne Ross' testimony actually did a -- took the
2 percentage of low income households and multiplied it by
3 the number of Ameren customers to come up with an estimate
4 of Ameren -- d on Ameren's customer base.

5 COMMISSIONER KENNEY: Thank you. So I can
6 go back and figure that out myself, in other words.

7 MS. MEISENHEIMER: I think the Staff's
8 testimony actually has a calculation.

9 COMMISSIONER KENNEY: I appreciate that.
10 Thank you. Good. I mean, that's important to know, I
11 mean, because there's a dollar figure that's included in
12 this, and so as I was reading it, I was assuming that
13 there's a particular dollar amount that has been assigned
14 to administer this program, that there was at least some
15 estimation of how many people were going to be affected by
16 it.

17 How do you -- how did you come up with this
18 particular dollar figure? How was that dollar figure
19 arrived at?

20 MR. COFFMAN: Negotiation.

21 COMMISSIONER KENNEY: Really, that's it?
22 All right.

23 MR. COFFMAN: My clients would have perhaps
24 preferred a larger program, but this was what was possible
25 amongst the parties, what we thought would be enough to be

1 a good pilot program and get good data.

2 MR. BYRNE: And I think -- Commissioner, I
3 think part of the thought was that every -- the idea was
4 that the customers would contribute some, the company
5 would contribute some. I mean, that was an important
6 feature that it came from all sources, you know. So
7 that -- that was part of it.

8 MR. DOTTHEIM: As just indicated, it is
9 part from customers and part from the company,
10 shareholders. I think the only class of customers that
11 aren't covered is lighting.

12 COMMISSIONER KENNEY: And that's in terms
13 of who's going to make the contribution to arrive at the
14 \$500,000. I understand those are the sources of the
15 funds, but I guess my question's slightly different. I
16 mean, I understand that, that's how it's being funded, but
17 did you work backwards and say we want to accomplish X
18 goal and it will take X amount of dollars to do it and
19 that's how we will divide this among the various customer
20 classes, or was it just this is a good number to
21 administer the program? How was the \$500,000 arrived at?
22 And I understand negotiation.

23 MR. COFFMAN: Without getting into
24 settlement discussions, which I don't think are
25 appropriate, I think there's a general belief that this is

1 enough money to get us good results for a pilot program.
2 I think it's likely that the need will be greater than
3 this amount, and the collaborative will have to work out
4 exactly how it's distributed to get good data from
5 different regions and different places. I think it's fair
6 to say the number is not arrived at based on the amount of
7 need out there, but rather a sufficient amount to do a
8 good experiment.

9 MR. MILLS: And just -- I don't know that
10 I'm saying anything really different, but it's important
11 to remember that this is a pilot program. It's not
12 intended to cover all of the recipients that are eligible,
13 and we tried to come up with a number that would give
14 sufficient level of participation that we would have a
15 meaningful result that we could evaluate.

16 MR. BYRNE: Commissioner, I do think -- you
17 know, there have been some other pilot programs around the
18 state. So that informed us a little bit about how much
19 money it would take to have a good pilot program.

20 MR. COFFMAN: I don't know if -- this is
21 not directly in response, but I wanted to point out, there
22 have been several other pilot programs of this nature that
23 the Commission has approved, and this does have qualities
24 of previous things.

25 Two, I think, very unique things about this

1 agreement. One is that we have every -- almost every
2 customer class and the utility contributing. And the
3 other thing is that we are going to be studying through
4 this low income pilot the effect of cooling, the need of
5 cooling assistance on some vulnerable categories, and this
6 is something that AARP in particular is very interested in
7 seeing some data on, that is the elderly or senior citizen
8 ratepayers and the -- in order to address the public
9 safety concerns about using air conditioning, making sure
10 you're using it when the temperatures are very high.

11 And Ms. Hutchinson may be able to address
12 why we have a different federal poverty level for those
13 three vulnerable categories of cooling assistance.

14 MS. HUTCHINSON: Yes. We wanted to make
15 sure that elderly were not excluded from this. At
16 100 percent of the poverty guideline, a lot of elderly or
17 the majority of elderly have income that hovers closer to
18 125 percent of poverty. So if we set that at 100 percent
19 of poverty, it would exclude that population. So we
20 wanted to make sure that, particularly for the summer
21 program, that we were able to include elderly who are more
22 vulnerable during the heat.

23 MR. BYRNE: Your Honor, Mr. Kidwell would
24 like to address it for the -- from the company's
25 standpoint, too, if that would be okay.

1 COMMISSIONER KENNEY: Certainly.

2 JUDGE WOODRUFF: Go to the podium if you
3 like, Mr. Kidwell. Please raise your right hand.

4 (Witness sworn.)

5 MR. KIDWELL: Commissioners, I just wanted
6 to let you know, we've been talking a little bit about the
7 evaluation of the program and its design. From the
8 company's perspective, we're taking this seriously. We're
9 wanting to have the evaluator in up front so that we can
10 begin working on it right when the program's designed. We
11 want to look at not just the impact at the end, but the
12 process of how we get there so that we can make changes
13 along the way.

14 I just want to make sure that you know that
15 we're wanting to look and see if there are interventions
16 that can happen that can really change the situation and
17 the behavior of these customers and learn from that to
18 implement policy later. Wanted to make sure you guys
19 knew, we're serious about this.

20 COMMISSIONER KENNEY: I appreciate that.
21 My questions aren't motivated to put anybody on the spot.
22 I do not have the benefit -- I'm aware that there are
23 other pilot programs that other utilities are engaging in,
24 but I don't have the benefit of having been around for
25 those cases, so I'm not intimately familiar with the

1 details of them.

2 So that's helpful. I really just want to
3 make sure that I'm fully informed about the particulars of
4 the details of how this is going to function and operate.

5 Which other pilot programs were instructive
6 and informative did you look at?

7 MR. BYRNE: This one I think was closest to
8 a program that Laclede has because it has -- and I think
9 some other utilities have some programs where it's more
10 just a monthly credit for customers, but Laclede's sort of
11 embodied arrearage forgiveness as part of it and energy
12 efficiency and weatherization type of things. So
13 that's -- that was sort of our model.

14 COMMISSIONER KENNEY: I appreciate that. I
15 also reiterate what Commissioner Gunn said. Going to the
16 public hearings, you hear some pretty compelling personal
17 circumstances, and you can't help but wonder what can we
18 do to help those folks out. So I appreciate the fact that
19 you-all have taken some important steps in that direction.

20 Mr. Dottheim?

21 MR. DOTTHEIM: Commissioner, it's been
22 mentioned that Anne Ross was the Staff's witness on the
23 low income issue, and I think the Commissioners are aware
24 that Ms. Ross has retired from the Commission. We have
25 Gay Fred and Lena Mantle here to answer questions.

1 But the 135 percent of the federal poverty
2 guidelines for the Ameren service territory, I think the
3 range, and what we have is a range, number of customers is
4 57,000 to 353,000 customers, and for 75 percent of the
5 federal poverty guidelines, the range for the Ameren
6 service territory is 32,000 to 198,000 customers.

7 Also to maybe place this in perspective,
8 too, just on what the Staff had proposed in its testimony,
9 which was not what the settlement was, but the Staff had
10 proposed a 50 percent discount on the non-fuel portion of
11 a customer's bill. The Staff had projected program costs
12 based on the percentage of Missouri residential customers
13 served by AmerenUE and the number of Missouri households
14 which receive LIHEAP assistance and the number of Missouri
15 households eligible for LIHEAP assistance.

16 Staff estimates for a program providing a
17 discount to those customers with incomes of zero to
18 135 percent of the federal poverty guideline could cost as
19 little as 17.6 million or as much as 109.4 million. So
20 that's quite a difference from the pilot program that's
21 slightly over a million dollars.

22 And I think that the Staff's program was
23 more in the nature of when you're looking at creating a
24 customer class. So what was able to be achieved after
25 some very serious and very difficult negotiations for just

1 over a million dollars, I think it would take the issue to
2 be litigated if we were talking about something on the
3 order of \$17.6 million as opposed to something between
4 1 million and \$1.5 million.

5 COMMISSIONER KENNEY: And just so I can --
6 forgive me for being obtuse. 17.6 to 100.9 --
7 109.4 million would have achieved a 50 percent discount on
8 the non-fuel portion for those families that are at
9 100 percent of the federal --

10 MR. DOTTHEIM: Zero to 135 percent federal
11 poverty guidelines.

12 COMMISSIONER KENNEY: And that's 57,000 to
13 353,000 customers, approximately?

14 MR. DOTTHEIM: Yes. 50 to 353,000
15 customers, I believe.

16 COMMISSIONER KENNEY: That's helpful. All
17 right. Thank you. I don't have any other questions,
18 unless anybody has anything else they want to add to that.

19 MR. WILLIAMS: Commissioner Kenney, I think
20 I'd just add the obvious. I mean, people have said that
21 this is a result of settlement negotiations. Part of
22 those negotiations were what amounts different customer
23 classes were willing to contribute, and that was done by
24 representatives of those classes during the negotiations.

25 JUDGE WOODRUFF: Commissioner Gunn.

1 COMMISSIONER GUNN: Go ahead if you had
2 something.

3 MS. MEISENHEIMER: I wanted to respond to
4 your questions regarding the funding. This funding for
5 this program as we've set it out would exceed the funding
6 already in place for Laclede, all of which hasn't been
7 spent. So this is significant money relative to the other
8 programs that are currently in existence.

9 And with respect to the ranges you just
10 heard about on the customers that might be eligible for
11 this program, the low end of the Staff's ranges, I
12 believe, represented LIHEAP recipients, and the upper end
13 of the ranges that the Staff estimated represented the
14 number of customers who might qualify as being at that
15 level or below relative to the federal poverty level.

16 So those ranges were pretty large, and if
17 you did a program like that, it would just depend on how
18 many customers actually take the availability of the
19 program.

20 COMMISSIONER KENNEY: Just so I'm clear,
21 100 percent of the federal poverty level for a single
22 person is 902.50 a month, about 10,000 a year?

23 MS. MEISENHEIMER: I had that in my
24 testimony.

25 COMMISSIONER KENNEY: For a family of four

1 it's about \$22,000 a year?

2 MS. HUTCHINSON: That's about correct.

3 COMMISSIONER KENNEY: All right. Thank
4 you.

5 JUDGE WOODRUFF: Commissioner Gunn.

6 COMMISSIONER GUNN: What's the average
7 LIHEAP yearly payout to a family? Do you know?

8 MS. HUTCHINSON: The average LIHEAP payment
9 is somewhere around \$300.

10 COMMISSIONER GUNN: A year?

11 MS. HUTCHINSON: Yes, one-time payment. In
12 addition to that, a family that was in crisis could get
13 ECIP, and the average ECIP payment is about \$400, but
14 those funds do not go to all of the households, just those
15 that are experiencing crisis.

16 COMMISSIONER GUNN: So it's 300 plus 400,
17 or is it --

18 MS. HUTCHINSON: On average, it's not 400
19 for all households. It's an additional 400 for those
20 households experiencing crisis, but for the -- for all
21 other households, it is -- it's just the \$300 average,
22 \$300 average. So it's based on income and household size
23 as to the amount of the grant.

24 COMMISSIONER GUNN: So if you -- well, I
25 don't want to make -- because it might be comparing apples

1 to oranges. If this was all just extra LIHEAP money,
2 you'd be able to hit another 2,500 families or so with an
3 average -- an average payment, if my math is correct?

4 MS. HUTCHINSON: Yes.

5 COMMISSIONER GUNN: I don't mean to imply
6 that that's what we're going to do. Just to put some
7 perspective on what we're talking about here.

8 I don't have anything else, Judge. Thank
9 you.

10 JUDGE WOODRUFF: Mr. Dottheim.

11 MR. DOTTHEIM: Commissioner Kenney, some of
12 those numbers in particular as far as number of customers
13 that I gave you, that's on page 9 of Ms. Ross' direct
14 testimony that was filed on February 19.

15 COMMISSIONER KENNEY: Thank you. Let me
16 ask another question. How do we go about publicizing the
17 availability of these programs to the folks that can
18 benefit from them? Is that something that will be
19 discussed more in depth with the collaborative?

20 MR. BYRNE: Yes. I think the collaborative
21 will. I mean, the agencies obviously will know the
22 existence of these programs. They talk to their clients
23 when they come in, you know, who will be coming in anyway.
24 There may be opportunities through a press release or
25 media publication to further -- to further publicize.

1 MR. KIDWELL: If I could address that for
2 just a moment, Commissioner. We are going to be working
3 through agencies that we work with normally for Dollar
4 More. So there's a natural -- I mean, there's case
5 knowledge that I think -- and Jackie knows about this,
6 too. There will be established relationships in a lot of
7 ways that this will be flowing through, and we'll have to
8 figure out a -- one of the things the collaborative will
9 have to do is figure out an equitable way of apportioning
10 the funds.

11 But it's important to the company that we
12 try to get at least a portion of the funds to a variety of
13 the key areas that we serve, not just urban, but rural as
14 well, so that we get a good representative sample to draw
15 policy conclusions from.

16 COMMISSIONER KENNEY: Sure.

17 JUDGE WOODRUFF: Anything else?

18 COMMISSIONER KENNEY: I don't. Thank you.
19 Thanks again.

20 JUDGE WOODRUFF: Well, thank you all for
21 coming this morning, and with that, we are adjourned.

22 WHEREUPON, the on-the-record presentation
23 in this case was concluded.

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C E R T I F I C A T E

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STATE OF MISSOURI)
) ss.

4

COUNTY OF COLE)

5

I, Kellene K. Feddersen, Certified

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Shorthand Reporter with the firm of Midwest Litigation

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Services, do hereby certify that I was personally present

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time and place set forth in the caption sheet thereof;

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Jefferson, County of Cole, State of Missouri.

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Kellene K. Feddersen, RPR, CSR, CCR

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